

Trademark and Unfair Competition Law

Cases and Materials

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Chapter 1

Concepts of Trademarks and Unfair Competition

A. Competition

1. Common Law Unfair Competition and Preemption

Page 21. Insert new Question 4:

4. The misappropriation concept can be expansive, but it also has limits, including its focus on harm to a business rather than harm to consumers or to competition. In *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603 (2d Cir. 1925), the plaintiff made safes with an explosion chamber for protection against burglars. The chamber made it harder to break into the part of the safe containing the valuables, ostensibly requiring more time and two explosions rather than just one to break in, which would scare off thieves. Its existence was signaled by a metal band around the door. Defendant Mosler made safes without an explosion chamber, but with the same metal band, and falsely claimed to have an explosion chamber. It labeled its safes with its name and address, so there was no passing off. The Second Circuit, in an opinion by Learned Hand, rejected earlier precedent denying relief in similar circumstances:

[T]here is no part of the law which is more plastic than unfair competition, and what was not reckoned an actionable wrong 25 years ago may have become such today. . . . While a competitor may, generally speaking, take away all the customers of another that he can, there are means which he must not use. One of these is deceit. The false use of another's name as maker or source of his own goods is deceit, of which the false use of geographical or descriptive terms is only one example. But we conceive that in the end the questions which arise are always two: Has the plaintiff in fact lost customers? And has he lost them by means which the law forbids? The false use of the plaintiff's name is only an instance in which each element is clearly shown.

Was Mosler “reaping where it had not sown”? The Supreme Court reversed, reasoning that Mosler might not be reaping where Ely-Norris had sown. Unless Ely-Norris could prove that it was the *only* maker of safes with explosion chambers, it had no claim. *Mosler Safe Co. v. Ely-Norris Safe Co.*, 273 U. S. 132 (1927). On remand, it could not. This result reflects that the common law of unfair competition was focused on unfairness to competitors, not on unfairness to consumers. Today, the Lanham Act's false advertising provision would cover the false claims to have an explosion chamber. To recover, Ely-Norris would still need to prove that it had been injured through lost reputation or lost sales, though not that it was the only competitor-victim. See Chapter 10.

Page 33. Insert new footnote to the Borchard excerpt:

This discussion of patents focuses on utility patents. Design patents protect new ornamental designs for articles of manufacture.

Page 36. Replace the Summary Table with the following Summary Table:

Summary Table

Trademarks		Copyrights		Utility Patents		Design Patents	
Nature	Commercial identifications of source such as words, designs, slogans, symbols, trade dress, sounds or scents.	Original literary and artistic expressions such as books, paintings, music, records, plays, movies, software, buildings (built on or after Dec. 11, 1990)	New and useful inventions and configurations of useful articles	New and ornamental designs of useful articles			
Scope	Protects against creating a likelihood of confusion; or diluting a famous mark.	Protects against unauthorized use or copying.	Excludes others from making, using, offering for sale or selling the invention in the U.S. or by importation into the U.S.	Same as utility patents.			
Purpose	Protects owners and public from unfair competition.	Encourages and rewards creative expression.	Encourages and rewards utilitarian innovation.	Encourages and rewards design innovation.			
How to Obtain Rights	Use mark in commerce or apply for federal registration.	Create work and fix it in tangible form. Registration confirms rights.	Be first inventor to file.	Be first designer to file.			
Principal Advantages of Registration	Nationwide priority rights; possibly conclusive evidence of validity and ownership; U.S. Customs and Border Protection recordation; increased anti-counterfeiting remedies.	Statutory damages and attorney's fees; prima facie evidence of validity; U.S. Customs and Border Protection recordation.	Only registered inventions are protected. May complement know-how that is a trade secret.	Only registered designs are protected. Can prevent copying even for designs that would not be copyrightable.			
Basis for Registration	See Chapter 4.	Originality.	Novelty, non-obviousness, and utility.	Novelty, non-obviousness, and ornamentality.			
Term of Rights	As long as used; registrations must be maintained by filing use declaration before the 6th and each 10th anniversary and by renewing before each 10th anniversary (plus 6 month grace period for each filing).	Creations after January 1, 1978: author's lifetime plus 70 years, or if anonymous or work made for hire, earlier of 95 years from publication or 120 years from creation. Earlier works have varying terms.	20 years from filing date (or sometimes 17 years from grant), subject to periodic maintenance fees.	15 years from registration for design patents (14 years if filed before May 13, 2015).			
Infringement Prerequisites	Registration optional.	Registration required for U.S. nationals; optional for foreign nationals.	Issued utility patent required.	Issued design patent required.			
Infringement Standard (Absent Defense)	Likelihood of confusion, mistake or deception as to source or sponsorship; or dilution by blurring or tarnishment.	Unauthorized use or copying (access plus substantial similarity).	Unauthorized manufacture, use, sale, or offer for sale in the U.S. of devices or processes embodying the invention.	Whether, in the eye of an ordinary observer, the two designs are substantially the same.			
International Protection	(1) Individual countries or regions; (2) European Union Trade Mark registration; or (3) Madrid Protocol centralized filing.	Usually protected without registration through international treaties.	Usually granted on a country-by-country basis with centralized filing available through international treaties.	Registered and unregistered design rights may exist on a country-by-country basis.			

Slightly adapted from William M. Borchard, *A Trademark is Not a Copyright or a Patent* (2024 ed.). This summary is highly simplified and should only be used for a general comparison. • © 2024 Cowan, Liebowitz & Latman, P.C. Used with permission.

P. 48, after existing text, add excerpt:

Jessica Litman, Edward S. Rogers, the Lanham Act, and the Common Law

Research Handbook on the History of Trademark law (ed. Lionel Bently & Robert G. Bone, 2024),
available at <https://ssrn.com/abstract=3932701> (excerpts)

.... The early 20th century common law of trademarks was not the sort of common law we're used to today, where the judges of 50 different states are free to devise 50 different solutions to the same problem. Because the trademark registration acts gave federal courts jurisdiction over disputes involving registered trademarks regardless of diversity of citizenship or the amount in controversy, most trademark and unfair competition disputes were filed in federal courts. Section 34 of the Judiciary Act of 1789 instructed federal courts to apply state law as the rules of decision in common law trials. In 1842, the Supreme Court had held, in *Swift v. Tyson*, that federal courts exercising diversity jurisdiction could apply general common law principles rather than relying on the local decisions of any court. For the next 96 years, until the Supreme Court decided that it had been wrong about that, federal courts deciding trademark and unfair competition cases had developed a national general common law of trademark and unfair competition. Lawyers described that body of law as both uniform across different courts and remarkably stable....

In the 21st century, we imagine that once Congress adopted what was pitched as a comprehensive statute, the codified law superseded the common law and any common law doctrine that wasn't expressly incorporated in the statutory text simply ceased to operate. The members of the mid-20th century trademark bar would not have recognized that picture. Throughout the congressional hearings [on what became the Lanham Act], witnesses insisted that the common law would continue to control the results in cases except where the new statute expressly or implicitly abrogated settled common law doctrine. ...

Congress has revisited and amended the Lanham Act 11 times in the years since 1946, but the common law of trademarks and unfair competition remains deeply embedded in the law emanating from the statute. Common law rules like the affixation-based definition of use on goods remain in the statutory text and still matter to courts. Key doctrines, like the scope of actionable likelihood of confusion, the nature of distinctiveness, and the scope of defenses, remain largely judge-made. Judges apparently feel that the Lanham Act authorizes them to exercise wide discretion to punish dirty tricks or other unfairness wherever they believe that they see them, and they behave accordingly.

... [T]he drafters, supporters, and opponents of the Lanham Act assumed that they were making a statute to accompany the common law of trademarks and unfair competition rather than to codify or replace it. Even after the Supreme Court's decision in *Erie*, they believed they were crafting procedural and substantive measures that would supplement enduring common law rules. And they turned out to be right about that. Through the twists and turns of *Erie* and *Sears/Compco*, the common law has—one way or the other—remained at the center of trademark law.

Page 49. Delete the excerpt from Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*.

Page 56. Replace the excerpt from Jeremy Sheff, *Biasing Brands* with the following material:

Ramsi A. Woodcock, The Obsolescence of Advertising in the Information Age,
127 Yale L.J. 2270 (2018) (excerpts)*

In an age in which two of the five largest tech firms in the United States both earn about ninety percent of their revenues by selling advertising space, it is hard to believe that as late as the 1970s the Federal Trade Commission (FTC) viewed non-false, non-misleading advertising as anticompetitive conduct capable of violating the antitrust laws. But the FTC did, believing that advertising has the power, through repetition and brand image creation, to induce consumers to buy things that they do not really want, to the disadvantage of competitors selling the things that consumers would otherwise buy.² From the 1950s to the 1970s, the FTC brought a series of antitrust cases against some of the nation's largest advertisers, including Procter & Gamble and Kellogg, in which the power of advertising to create an illegitimate competitive advantage through the manipulation of consumer preferences played an important role. Buoyed perhaps by the consumer movement, which peaked during this period, the FTC won the agreement of the federal courts that heavy advertising of S.O.S. scrub pads, the ReaLemon brand of concentrated lemon juice, and Clorox bleach were anticompetitive because, as Justice William O. Douglas put it in the Clorox case, advertising “imprint[s]” a brand “in the mind of the consumer.”

The view of advertising as fundamentally manipulative succumbed in the 1970s to the view that prevails today: that advertising does no more than convey useful product information to consumers.⁵ According to this view, the power of advertising to attract demand to a product arises only because advertising shows consumers that advertised products are better, not because advertising seduces with images, or overpowers through repetition. The Supreme Court embraced this informative view of advertising in 1976, extending First Amendment protection to advertising on the explicit ground that the “free enterprise economy” requires “informed” consumers. The FTC followed suit, terminating its remaining antitrust cases against advertising in the early 1980s and continuing only to regulate false or misleading advertising, the only forms of advertising that can harm markets when advertising functions only to convey information.

The irony of the rise of the informative view is that its timing corresponded almost exactly with the dawn of the information age, that era of huge reductions in the cost of communication and data analysis, that has rendered almost completely unnecessary the provision of product information to consumers through advertising. Today, consumers can get more product information by reading “add to cart” pages on Amazon, or online product reviews on any number of platforms, than they can get from viewing advertisements on billboards or television, or through the advertising links placed by Facebook in its feeds and Google at points all across the web. Beyond the basic provision of product descriptions and specifications to online retailers, and display of this information on a seller's own website, advertising is now obsolete as a useful source of product information. Consumers can get all the information that advertising provides, and much more, when and where they actually want it, on their own online.

The persistence of advertising as a business despite its information obsolescence shows how far from the mark the informative view really is. The information age has ravaged newspaper advertising, the form of advertising that functioned most as a genuine provider of useful product information, replacing newspaper classifieds, for example, with free services like Craigslist. But the information age has otherwise failed to diminish the amount firms spend on advertising, even as it has shifted much

* Most footnotes omitted. Excerpted with permission.

² See *The Procter & Gamble Co.*, 63 F.T.C. 1465, 1582 (1963) (arguing that “brand competition” has “the end only of maintaining high prices, discouraging new entry, and, in general, impairing, not promoting, socially useful competition”); see also *Borden, Inc.*, 92 F.T.C. 669, 669 (1978) (charging ReaLemon owner Borden with “[e]recting barriers to entry into the reconstituted lemon juice market through extensive trademark promotion and advertising which has artificially differentiated Borden's reconstituted lemon juice from comparable products of its competitors”). ...

advertising online, because advertising never was primarily about disseminating product information, but about manipulation, changing preferences rather than just informing them. ...

....

... Advertising in its manipulative guise, so far from smoothing the flow of commerce, threatens technological advance, by giving consumers a reason—image—to purchase a product that is distinct from the only reason for which a consumer should buy a product in a well-functioning market: that the product is actually better at doing what it purports to do. Tinkering with the decision-making processes of consumers prevents consumers from rewarding, through their purchase decisions, the innovators who best meet their needs, and thereby threatens the foundation of technological progress in a free market system. A firm that can win with advertising wins in the mind, and not in the market, delivering the firm from the discipline of competition on the merits. Shorn of its information function, advertising threatens not only culture, but commerce.

The notion that advertising blinds the consumer to genuine differences in product quality smacks of paternalism, because it suggests that consumers do not always know what is best for them. The power of manipulative advertising to make consumers buy products they do not really prefer cannot, however, be denied, either as a matter of common sense, or, increasingly, of neuroscience...

The notion that advertising manipulates also appears puritanical, because it suggests that seduction is not a good in itself for which consumers might be willing to pay. There can be no question, however, that whatever pleasure consumers might take in being seduced is not sufficient compensation for the harmful effects of buying products they do not really prefer. ...

I. THE VALUE OF ADVERTISING

... Modern advertising, which famously focuses on selling the experience rather than the product, on image creation rather than information dissemination, is self-evidently designed to induce consumers to make purchase decisions based on factors that are at best tenuously related to the product itself, a fact to which any marketing textbook quite explicitly attests. Pervasive advertising of Santa drinking Coke, for example, seems obviously designed to induce consumers to buy Coke not because they prefer the taste of Coke to Pepsi, but because repetition has made Coke the first thing to come to mind when consumers think about refreshments, or because the association with Santa, and thence with happy childhoods, has woven the product into the consumer's emotional fabric. The manipulative character of advertising has seemed so clear to adherents of this view that economist Edward Chamberlin, in his pioneering work on product differentiation,* could summarily conclude that

Advertising affects demands ... by altering the wants themselves An advertisement which merely displays the name of a particular trademark or manufacturer may convey no information; yet if this name is made more familiar to buyers they are led to ask for it in preference to unadvertised, unfamiliar brands. Similarly, selling methods which play upon the buyer's susceptibilities, which use against him laws of psychology with which he is unfamiliar and therefore against which he cannot defend himself, which frighten or flatter or disarm him—all of these have nothing to do with his knowledge. They are not informative; they are manipulative. They create a new scheme of wants by rearranging his motives. As a result, demand for the advertised product is increased, that for other products is correspondingly diminished.

* [EDWARD HASTINGS CHAMBERLIN, *THE THEORY OF MONOPOLISTIC COMPETITION: A RE-ORIENTATION OF THE THEORY OF VALUE* (7TH ED. 1956) at 119-20. – Eds.]

In recent years, advances in neuroscience have started to provide a scientific basis for the manipulative view.... To borrow a striking example from the neuroeconomics literature, tourists maimed in London as a result of looking in the wrong direction before crossing the street freely choose to look in a direction that they themselves would agree they do not prefer, because their impulsive faculty, trained by the habit of looking in the wrong direction in their home countries, overpowers their deliberative faculty. Thus neuroscience can now give an account of how advertising might induce consumers to purchase products that they do not in fact prefer: by training consumers' impulsive faculty to overcome their deliberative faculty in making product choices.

This account has allowed the manipulative view to respond to the attack that there can be no better evidence of consumer preferences than the products consumers in fact choose to buy. For advocates of this consumer sovereignty view, if consumers favor advertised products, that can only be because consumers actually prefer those products. The evidence that consumers can make impulsive decisions counters this view by showing that a consumer's actual buying decisions are no window into a consumer's soul.

The consumer sovereignty view is a cousin of a more searching critique of the view of advertising as manipulative that first appeared in the 1960s The critique, which is associated with the Chicago School of antitrust analysis, is that advertising's power over consumer purchase decisions arises not from manipulation but because advertising makes the product better, much as a technological innovation does, either directly, by enhancing the pleasure the consumer takes in consuming the product, or indirectly, by providing the consumer with useful product information that helps the consumer to realize that the product is in fact better. Here is Robert Bork, perhaps the most influential member of the Chicago School:

When advertising and promotion provide information, pleasure, or what have you, the composition of the original product is changed. The original product, after all, is usefully thought of not merely as a physical object, but rather as a bundle of services or gratifications to be derived from the object. The provision of information or aura adds another group of services or gratifications. This change in the composition of the product offered the consumer will require that resources be bid away from other employments. But if the new product proves more profitable, this means that consumers prefer the new allocation of resources—and that efficiency has been increased.**

... Advertising complements the advertised product by giving consumption of the advertised product social meaning, an "aura" in Bork's terms, often in the form of prestige. Advertisements for Louis Vuitton teach society, and the buyer, that Louis Vuitton is a sign of luxury, and that in turn increases the pleasure the buyer takes in owning a Louis Vuitton bag.

By contrast, the view that advertising helps consumers identify the products they prefer draws its power from the notion that all advertising is usefully informative, regardless of content. Much advertising, of course, seems to provide little in the way of useful product information, making it hard, at least at first glance, to justify in information terms. An advertisement showing Santa drinking Coke conveys neither information about the characteristics of the product nor even information about the product's existence to all but the tiny minority of Americans who have never heard of Coke. Proponents of the informative view argue, however, that the bare existence of advertising itself conveys the information that the advertiser is willing to spend money promoting the product, and that in turn informs consumers that the advertiser believes that the product will be pleasing enough to consumers to cover the cost of the advertising.

The informative view of advertising in particular has flourished since the 1970s, perhaps because the informative view provides both friends and enemies of advertising with support, without requiring either to dive down the rabbit hole of human psychology to establish that advertising sows either pleasure or

** [ROBERT H. BORK, *THE ANTITRUST PARADOX: A POLICY AT WAR WITH ITSELF* (1993) at 318. – Eds.]

confusion in the mind. The informative view allows defenders of advertising to redeem virtually all advertising, but only so long as the advertising contains no falsehoods. When advertising is false, detractors of advertising can get to work, because under the informative view, false advertising can be as harmful to consumers as truthful advertising can be helpful to consumers. False advertising can lead consumers to buy the wrong products to the same extent as truthful advertising can be relied upon to help consumers find the right products.

Reducing good and bad advertising to true and false advertising is highly unsatisfactory from the perspective of protecting consumers, because this reduction ignores the challenge posed by the vast expanse of manipulative, but truthful and non-misleading, advertising....

By ignoring the possibility of manipulation, the informative view does no more than establish another way in which advertising might be valuable to consumers, in addition to advertising's role as a product complement. But the question of the value of advertising can be answered only by going beyond adherence to any particular view to carry out a comparison of the relative effects of each of advertising's three functions, a balancing of the harm of the manipulative function, in terms of the losses consumers suffer when advertising manipulates them into purchasing products that they do not actually prefer, against the gains consumers enjoy when advertising enhances the pleasure consumers take in consuming advertised products, and the further gains consumers enjoy when advertising reveals to them, through the provision of information, which products they will like best....

In order for a free enterprise economy to deliver technological progress at the rate, and in the direction, preferred by consumers, consumers must be able to signal their preferences to firms through their purchase choices. Those choices reward firms that innovate in ways consumers prefer with revenues, and punish firms that sell disfavored products with bankruptcy. Manipulative advertising breaks the link between consumer preferences and the signals consumers send through their purchase choices, by preventing the seat of consumer preferences in the mind, the deliberative faculty, from controlling those decisions. The result is a threat to the ability of the free market to innovate technologically at the rate, and in the direction, that consumers prefer. When, under the influence of manipulative advertising, the preference signals received by markets fail to reflect true consumer preferences, markets respond by delivering technologies to consumers that are inferior in the sense of failing to satisfy consumers' true preferences.

Whatever complements-pleasure advertising gives consumers in exchange for purchasing inferior products must fail fully to compensate consumers for this loss, because technological innovation contributes more to consumer welfare than does image. The pleasures of the best Super Bowl commercial pale in comparison to the value provided to consumers by the invention of the television itself, the glory of the billboards in Times Square to the invention of the lightbulbs that illuminate them....

II. THE MID-CENTURY ASSAULT ON ADVERTISING

... The [Federal Trade Commission] initiated its campaign against advertising in 1957, when it challenged Procter & Gamble's acquisition of Clorox. The challenge was not, as in most merger cases, based on the theory that Procter was trying to swallow a competitor, because Procter did not compete in the bleach market. Instead, the challenge was based on the theory that Procter would give Clorox an advertising advantage. As the second-largest advertiser in the United States at that time, Procter could obtain advertising discounts for Clorox, based on Procter's large advertising volume for its other products, that competing bleach-makers could not obtain, allowing Clorox to out-promote those competitors.... [A]s Justice Douglas later observed [in upholding the FTC's challenge], "all liquid bleach is chemically identical," eliminating any information function for Clorox advertising.⁹⁷ ...

⁹⁷ [FTC v.] *Procter & Gamble Co.*, 386 U.S. [568,] 572 (1967).

Justice Douglas ... observed that

Clorox spent large sums on advertising, imprinting the value of its bleach in the mind of the consumer The Commission found that these heavy expenditures went far to explain why Clorox maintained so high a market share despite the fact that its brand, though chemically indistinguishable from rival brands, retailed for a price equal to or, in many instances, higher than its competitors.⁹⁹

... [In a subsequent case against major breakfast cereal makers,] the Bureau's main theory was that the cereals makers had used brand proliferation—selling Rice Krispies, Product 19, and Raisin Bran, instead of just Corn Flakes, for example—to cut the market up into pieces so small that each piece could not support entrance by a new competitor.... The complaint alleged that the cereals makers “produce basically similar ... cereals, and then emphasize ... trivial variations such as color and shape,” suggesting that differences between the defendants' cereal brands were of no intrinsic value, serving only to render the firms' persuasive advertising more effective.¹¹⁹

The brand proliferation argument failed The administrative law judge observed that “[c]onsumers' desire for variety for breakfast is responsible, in large measure, for the differentiation of [ready-to-eat] cereals” and concluded that “the introduction of new brands ... is a legitimate means of competition.”¹²¹ ...

III. THE OBSOLESCENCE OF ADVERTISING

A peculiar feature of the information justification for advertising is that it has persisted so long into the information age without challenge. For the rise of online search renders the information function of all but the most basic forms of advertising obsolete and wasteful. Because consumers can get all the information they want from online search, they do not need firms to invest hundreds of billions of dollars a year in sponsorships, online and television advertising, product placement in movies, and so on in order to find and evaluate products that they may want to buy. In the information age, the only remaining nonredundant use of most forms of advertising is persuasion. To the extent that enforcers wish to return to the mid-twentieth-century view that persuasive advertising is fundamentally manipulative, they may now do so without concern that prohibiting advertising might deprive consumers of the information they need to make purchase decisions....

Page 60. Replace Questions with the following Questions.

Questions

1. Ramsi Woodcock argues that we no longer need advertising to supply information to consumers and proposes that the FTC restrict product advertising to retailer “add to cart” pages and the producers' firm websites, which would allow consumers to use online search to discover the advertising they want to see without having it appear when they don't seek it. Much of Woodcock's article tackles some of the difficult First Amendment questions that heavy advertising regulation might raise. Assuming that he is correct that the advertising ban he proposes would pass muster under the First Amendment, do you agree that it would be an improvement?

2. Economist Jonathan Aldred suggests that the argument that trademarks actually reduce consumer

⁹⁹ Id. at 572.

¹¹⁹ *Kellogg Co.*, 99 F.T.C. [8 (1982)] at 12....

¹²¹ *Kellogg Co.*, 99 F.T.C. at 256.

search costs is circular:

What precisely is guaranteed to the consumer by a guarantee of origin? There is no guarantee regarding the product's function or fitness for purpose, nor that it has been made in a particular way or at a particular location. . . . To a cynical economist, it seems that the only thing *guaranteed* to the consumer is that the trade mark owner will take a share of the profits on the sale of the product.

While Landes and Posner suggest that a trademark will give the owner of the mark an incentive to maintain a reputation for high quality products, Aldred responds that a mark owner has an interest in building its reputation but also has an interest in reducing its costs.

Often the best way of achieving this combination is through sophisticated marketing, rather than making high quality products. Consumers come to *believe* the trade mark signals high quality, and may continue to do so even after purchase if the quality defects are hidden or debatable. As the central device in a marketing strategy, the trade-marked sign may be used by firms to mislead consumers rather than convey useful information, reputation arguments notwithstanding.

Aldred goes on to argue that Landes and Posner are too ready to accept that if consumers are willing to pay higher prices for products with well-known trademarks, that fact, without more, demonstrates that the trademarked products are better than their lower priced competitors. *See* Jonathan Aldred, *The Economic Rationale of Trademarks: An Economist's Critique*, in LIONEL BENTLY, JENNIFER DAVIS AND JANE C. GINSBURG, EDS., *TRADE MARKS AND BRANDS: AN INTERDISCIPLINARY CRITIQUE* (Cambridge U. Press 2008). Do Landes and Posner have a persuasive response?

3. In *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 948 (2018), Professors Barton Beebe and Jeanne Fromer argue that the supply of works and new combinations of letters that would serve as effective trademarks is nearly exhausted. If they're right about that, does that have implications for the policy arguments made in the excerpts you've just read? We will revisit this concern in the material on word marks in Chapter 2.

Page 61. Replace the excerpt from Litman with the following:

Jessica Litman, Breakfast with Batman: The Public Interest in the Advertising Age

108 Yale L.J. 1717 (1999) (excerpts)*

The expansion of the law of trade symbol protection has tracked two distinct but related trends. First has been an evolution in widely held views of the public interest. Ralph [Sharp Brown, Jr.] argued in [Advertising and the Public Interest: Legal Protection of Trade Symbols, 57 Yale L.J. 1165 (1948)] that just because people paid more for products did not mean there had been any actual increase in productivity and welfare—rather, we had let ourselves be talked into paying more money for the same stuff. . . . Today, that once self-evident point is controversial. Productivity seems to be measured less by what people make than by what people are inclined to buy. What consumers are willing to pay has become synonymous with value. . . . There has been inexorable pressure to recognize as an axiom the principle that if something appears to have substantial value to someone, the law must and should protect it as property. Recent years have seen an explosion of cases in which courts have relied on trademark-like rubrics to uphold claims to exclusive rights in names, faces, voices, gestures, phrases, artistic style, marketing concepts, locations, and references.

Second, the descriptive proposition that trade symbols have no intrinsic value has come to seem

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demonstrably inaccurate. The use of trademarks on promotional products has evolved from an advertising device for the underlying product line to an independent justification for bringing a so-called underlying product to market. . . . It is hard to maintain a straight face when asserting that the “Batman” mark has value only as an indicator that Batman-branded products are licensed by Warner Brothers. The worth of such valuable trade symbols lies less in their designation of product source than in their power to imbue a product line with desirable atmospherics.

Indeed, in the new orthodoxy, marketing is value. American industry seems to proceed on the assumption that we can make the consumer richer simply by revising a product’s packaging, without having to make any changes in the product itself. . . .

But why not? If the illusion of a vehicle custom-built for a particular sort of buyer is worth a couple of thousand dollars to a couple of million consumers, the customers will be happier, the auto companies will be wealthier, and the American economy will keep chugging along, picking up speed without burning additional coal. Anecdotal evidence suggests that many consumers don’t feel duped, or, in any event, don’t mind being duped. It isn’t as if anyone has tried to conceal that the [Mercury] Sable and the [Ford] Taurus are twins, that Advil and Motrin and generic ibuprofen are the exact same stuff, or that the reason that Tylenol and not some other brand of acetaminophen is “the pain reliever hospitals use most” is that McNeil sets the hospital price of Tylenol low enough to enable it to make that claim. At some level, most consumers know that; most of them have nonetheless settled on their own favorite advertised brands.

. . . Ask a child, and he’ll persuade you that the difference between a box of Kellogg’s Corn Flakes with a picture of Batman on it and some other box without one is real. There is nothing imaginary about it. It has nothing to do with the way the cereal tastes. What kids want isn’t a nutritious part of a complete breakfast; they want Batman to have breakfast with them. One box supplies that; the other doesn’t.

. . . To say that many consumers seem to attach real value to atmospherics, however, doesn’t itself demonstrate that those atmospherics should be afforded legal protection. Many things have value. As Ralph Brown reminded us often, the essence of any intellectual property regime is to divide the valuable stuff subject to private appropriation from the valuable stuff that, precisely because of its importance, is reserved for public use. In the law of trade symbols, for instance, it has long been the rule that functional product features may not be protected, because they have too much value, not too little. Value, without more, does not tell us whether a particular item for which protection is sought belongs in the proprietary pile or the public one.

To agree to treat a class of stuff as intellectual property, we normally require a showing that, if protection is not extended, bad things will happen that will outweigh the resulting good things. But it would be difficult to argue that the persuasive values embodied in trade symbols are likely to suffer from underprotection. Indeed, the Mattels, Disneys, and Warner Brothers of the world seem to protect their atmospherics just fine without legal assistance. Not only can their target audiences tell the difference between, say, a Barbie doll and some other thirteen-inch fashion doll, but, regardless of features, they seem well-trained in the art of insisting on the Mattel product. Nor is the phenomenon limited to the junior set. The popularity of Ralph Lauren’s Polo brand shirts or Gucci handbags is an obvious example.

. . . If competition is still the American way of doing business, then before we give out exclusive control of some coin of competition, we need, or should need, a justification. Protecting consumers from deception is the justification most familiar to trademark law, but it does not support assigning broad rights to prevent competitive or diluting use when no confusion seems likely. Supplying incentives to invest in the item that’s getting the protection is another classic justification for intellectual property, and it is equally unavailing here. An argument that we would have an undersupply of good commercials if advertisers were not given plenary control over the elements in their ads cannot be made with a straight face. Finally, there is the perennially popular justification of desert. Producers have invested in their trade symbols, the argument goes; they have earned them, so they’re entitled to them.

But so have we. The argument that trade symbols acquire intrinsic value— apart from their usefulness in designating the source—derives from consumers’ investing those symbols with value for which they are willing to pay real money. We may want our children to breakfast with Batman. It may well increase the total utils in our society if every time a guy drinks a Budweiser or smokes a Camel, he believes he’s a stud. We may all be better off if, each time a woman colors her hair with a L’Oreal product, she murmurs to herself “and I’m worth it.” If that’s so, however, Warner Brothers, Anheuser-Busch, R.J. Reynolds, and L’Oreal can hardly take all the credit. They built up all that mystique with their customers’ money and active collaboration. If the customers want to move on, to get in bed with other products that have similar atmospherics, why shouldn’t they?

... If the thing itself is valuable, if it is in some sense itself a product, then we want other purveyors to compete in offering it to consumers in their own forms and on their own terms. Competition is, after all, the premise of the system. Without competition, none of the rest of the rules make any practical sense.

Christine Haight Farley, Trademarks in an Algorithmic World

98 Wash. L. Rev. 1123 (2023) (excerpts)[†]

Consumers are increasingly relying on algorithms to make purchases. These algorithms can accurately predict what a consumer will buy because the consumer’s every move that can be surveilled has been collected and processed. Rather than consumers deciding to make a purchase or choosing what to purchase, they may receive curated purchase suggestions based on data analytics, or even presumptive purchases that can be cancelled should the consumer disagree with the machine. Even when a consumer exercises agency by digitally capturing an image of something they like on a screen or in the physical world, one click unleashes the machines to do the searching and sifting of information that results in an instantaneous purchase suggestion. In any event, the suggestion of what to buy and from whom is thoroughly researched, factoring in all of the consumer’s preferences. Even the consumer’s satisfaction with that purchase becomes an input for future suggestions.

Significantly, missing from this description of the new retail experience are trademarks. In these scenarios, consumers are not relying on trademarks to decide what to purchase. Instead, products are suggested to them based on a multitude of factors in which the trademark may not figure. When a consumer approves a purchase, trademarks may not be visible in the transaction. The machines may process the trademark, but the consumer may not. The fact that trademarks are increasingly less prevalent and less relevant to consumers in deciding what to purchase in this algorithm-mediated marketplace has so far escaped notice in the law or literature.

... How consumers will make purchases in the future—and have started to already—stands in sharp contrast to trademark law’s account of how consumers behave in the marketplace. Trademark’s rationale thus depends on a descriptive account of the marketplace and how consumers behave in it. The marketplace, however, is not static, and that account is now anachronistic. The proliferation of algorithmic decision-making in the marketplace today exposes the historical contingency of the theoretical basis of trademark law and thus undercuts its rationale.

... If we protect trademarks because they are efficient at conveying accurate information, it means that the cost of this protection outweighs the alternative, which would be less efficient or less accurate. The image of a consumer overwhelmed by a store shelf full of choices makes such a tradeoff seem necessary. Consumers today, however, possess alternative means to efficiently find, identify, and choose products. No longer must consumers rely solely on the informational shortcut provided by trademarks. Consequently, trademarks are vanishing from consumers’ product searches. Consumers’ increased technological capacity enables them to search for products, not trademarks. Trademarks no longer need to stand in for actual

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product research, which was formerly impractical.

. . . Consumers used to watch ads; now, ads watch them. Now that the marketer has near-perfect information about the consumer, the consumer has little need for the informational value of the trademark.

. . . Perversely, as the informational value of trademarks has diminished, the commercial value and level of legal protection of many trademarks has increased. These trademarks, or rather “brands,” have a different function in the marketplace. They are less packets of source information that travel with the product, and more the products themselves. The brand itself is the commodity exchanged. When consumers desire the brand as the product, they are not relying on the information function of trademarks. Brand value has supplanted trademark value, but trademark law has not yet acknowledged this changed marketplace function.

These new insights on the role of trademarks in the digital world provide the necessary foundation for considering the next big challenges for trademark law. Stuck in the twentieth century, trademark law is ill-prepared for the marketplace in the virtual world. In the metaverse, digital goods will be branded, but those brands will function to communicate status, image, aspirations, and associations from one consumer to another. Digital goods have no meaningful source of origin or hidden qualities or characteristics. They thus have no need for trademarks’ informational function. Trademark law may well want to protect the actual functioning of brands in the metaverse, but it will need a new rationale to do so. . . .

Chapter 2

What Is A Trademark?

A. Subject Matter of Trademark Protection

Page 65. Insert the following case before RESTATEMENT(3D) § 9.

Jack Daniel's Properties, Inc. v. VIP Products LLC

599 U.S. 140 (2023)

JUSTICE KAGAN delivered the opinion of the Court.

....

Start at square 1, with what a trademark is and does. The Lanham Act, the core federal trademark statute, defines a trademark as follows: “[A]ny word, name, symbol, or device, or any combination thereof” that a person uses “to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods.” §1127. The first part of that definition, identifying the kind of things covered, is broad: It encompasses words (think “Google”), graphic designs (Nike’s swoosh), and so-called trade dress, the overall appearance of a product and its packaging (a Hershey’s Kiss, in its silver wrapper). See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 209–210 (2000). The second part of the definition describes every trademark’s “primary” function: “to identify the origin or ownership of the article to which it is affixed.” *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916). Trademarks can of course do other things: catch a consumer’s eye, appeal to his fancies, and convey every manner of message. But whatever else it may do, 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). [Citation.] In other words, a mark tells the public who is responsible for a product.

In serving that function, trademarks benefit consumers and producers alike. A source-identifying mark enables customers to select “the goods and services that they wish to purchase, as well as those they want to avoid.” *Matal v. Tam*, 582 U.S. 218, 224 (2017). The mark “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.” *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164 (1995). And because that is so, the producer of a quality product may derive significant value from its marks. They ensure that the producer itself—and not some “imitating competitor”—will reap the financial rewards associated with the product’s good reputation. *Ibid.*

To help protect marks, the Lanham Act sets up a voluntary registration system. Any mark owner may apply to the Patent and Trademark Office to get its mark placed on a federal register. Consistent with trademark law’s basic purpose, the lead criterion for registration is that the mark “in fact serve as a ‘trademark’ to identify and distinguish goods.” 3 [J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION (5th ed. 2023)] at §19:10 (listing the principal register’s eligibility standards). If it does, and the statute’s other criteria also are met, the registering trademark owner receives certain benefits, useful in infringement litigation. See, e.g., *Iancu v. Brunetti*, 588 U.S. ___, ___ (2019). . . . But the owner of even an unregistered trademark can “use [the mark] in commerce and enforce it against infringers.” *Ibid.*

1. Word Marks

a. Slogans

Page 74. Replace *In re Moriarty* and the Note that follows it with the following material.



In re Lizzo LLC

Serial Nos. 88466264 and 88466281, 2023 TTAB LEXIS 22 (T.T.A.B. 2023)

CATALDO, ADMINISTRATIVE TRADEMARK JUDGE:

Applicant, Lizzo LLC, seeks registration on the Principal Register of 100% THAT BITCH (in standard characters), as a mark identifying the following goods in International Class 25: “Clothing, namely, shirts, jackets, jerseys, beanies, baseball hats, headwear, shorts, tank tops, sweatshirts, long sleeve shirts, hooded sweatshirts, hooded shirts, bandannas, wristbands as clothing, headbands, shoes and sleepwear;” and “Clothing, namely, t-shirts.”

The Trademark Examining Attorney refused registration in each application of 100% THAT BITCH under Trademark Act Sections 1, 2, and 45, 15 U.S.C. §§ 1051-1052, and 1127, for failure to function as a mark on the basis that 100% THAT BITCH “is a commonplace expression widely used by a variety of sources to convey an ordinary, familiar, well-recognized sentiment.”

In response to the initial refusal, Applicant explained that it is the trademark holding company of the popular singer and performer known as Lizzo, and that the proposed mark was inspired by a lyric in one of Lizzo’s songs entitled “Truth Hurts.” Applicant claimed that Lizzo adopted and has used the proposed mark in connection with her musical-artist related goods and services, including clothing, and the proposed mark is definitively associated with her.

Unpersuaded by Applicant's arguments, the Examining Attorney made the refusals final, after which Applicant appealed. . . . We reverse the refusals to register.

I. Applicable Law

.....

B. Failure to Function

"Not every designation adopted with the intention that it perform a trademark function necessarily accomplishes that purpose." *In re Brunetti*, 2022 USPQ2d 764 [(TTAB 2002)], at *10....

"An applicant's proposed mark must, by definition, 'identify and distinguish his or her goods ... from those manufactured or sold by others and ... indicate the source of the goods, even if that source is unknown.'" *Univ. of Ky. v. 40-0, LLC*, 2021 USPQ2d 253, at *24 (TTAB 2021) (quoting Trademark Act Section 45, 15 U.S.C. § 1127). "Hence, a proposed trademark is registrable only if it functions as an identifier of the source of the applicant's goods or services." *Id.*; see also *In re Bose Corp.*, 546 F.2d 893, 192 USPQ 213, 215 (CCPA 1976) ("[T]he classic function of a trademark is to point out distinctively the origin of the goods to which it is attached.").

.....

The Board and its reviewing courts long have held that slogans, phrases or terms that consumers perceive as "merely informational in nature . . . are not registrable." *In re Brunetti*, 2022 USPQ2d 764, at *11 (quoting *In re Eagle Crest, Inc.*, 96 USPQ2d 1227, 1229 (TTAB 2010) and citing additional cases). "Matter 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. 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." *Id.* at *12, see also *In re Greenwood*, 2020 USPQ2d 11439, at *6 ("The more commonly a phrase is used, the less likely that the public will use it to identify only one source and the less likely that it will be recognized by purchasers as a trademark.").

.....

III. Analysis of the Refusal

A. Overview and legal background

[P]roposed marks that are perceived as commonplace expressions fail to function as a mark to indicate source under Trademark Act Sections 1, 2 and 45 and thus are not registrable. See, e.g., *D.C. One Wholesaler*, 120 USPQ2d at 1716 (I ♥ DC for bags, clothing, plush toys); *In re AOP LLC*, 107 USPQ2d 1644, 1655 (TTAB 2013) (AOP for wine); *In re Eagle Crest*, 96 USPQ2d at 1229 (ONCE A MARINE, ALWAYS A MARINE for clothing); *In re Aerospace Optics, Inc.*, 78 USPQ2d 1861, 1864 (TTAB 2006) (SPECTRUM for illuminated pushbutton switches), *appeal dismissed*, 208 Fed. Appx. 824 (Fed. Cir. 2006); *In re Volvo Cars of N. Am. Inc.*, 46 USPQ2d 1455, 1460-61 (TTAB 1998) (DRIVE SAFELY for automobiles); *In re Manco Inc.*, 24 USPQ2d 1938, 1942 (TTAB 1992) (THINK GREEN and design for weather stripping and paper products); *In re Remington Prods., Inc.*, 3 USPQ2d 1714, 1715 (TTAB 1987) (PROUDLY MADE IN USA for electric shavers); *In re Tilcon Warren, Inc.*, 221 USPQ 86 (TTAB 1984) (WATCH THAT CHILD for construction material); *In re Schwauss*, 217 USPQ 361, 362 (TTAB 1983) (FRAGILE for labels and bumper stickers); cf. *In re Boston Beer Co.*, 198 F.3d 1370, 53 USPQ2d 1056, 1058 (Fed. Cir. 1999) ("The proposed mark [THE BEST BEER IN AMERICA] is a common, laudatory advertising phrase which is ... so highly laudatory and descriptive of the qualities of its product that the slogan *does not* and Serial Nos. 88466264 & 88466281 *could not function* as a trademark to distinguish Boston Beer's goods and serve as an indication of origin.") (emphasis added).

In each of these cases, the Board or Federal Circuit affirmed the examining attorney’s refusal of registration under Sections 1, 2 and 45 (and Section 3 where the proposed mark identified services) for failure of the designation to function as a mark, on the basis that the proposed mark consisted of merely informational matter or a commonplace expression that would not be perceived by consumers as identifying and distinguishing the source of the enumerated goods or services. [Citation.]

That is in essence the basis of the Examining Attorney’s refusal here: that 100% THAT BITCH is a common expression that will not be perceived by consumers as a trademark under Sections 1, 2 and 45 of the Trademark Act. The refusal finds its basis under Sections 1, 2 and 45, in the requirement that the matter submitted for registration be a mark — which by definition must identify and distinguish an applicant’s goods. What constitutes such matter may be any word, name, symbol, or device, or any combination thereof; however, it must also be capable of distinguishing source. *See* 15 U.S.C. §§ 1051-52, and 1127.

B. Analysis of the evidence and arguments

.....
Prominent ornamental use of a proposed 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.” *In re Mayweather Promotions, LLC*, 2020 USPQ2d 11298, at *4; *In re Hulting*, 107 USPQ2d 1175, 1179 (TTAB 2013) (prominent ornamental use tends to be “more consistent with the conveying of an informational message than signifying a brand or an indicator of source.”). *See also D.C. One Wholesaler*, 120 USPQ2d at 1716 (prominent ornamental display of I♥DC “itself is an important component of the product and customers purchase the product precisely because it is ornamented with a display of the term in an informational manner, not associated with a particular source”).

Here, the evidence of record shows 100% THAT BITCH appearing predominantly in an ornamental manner on various goods including clothing, key chains, mugs, stickers, wall art, patches, drinking glasses and balloons as well as entertainment and retail services. Significantly, much of this evidence references Lizzo, her music and song lyrics from the single “Truth Hurts.” The remainder of the evidence displays 100% THAT BITCH used in context in internet articles discussing Lizzo, her song “Truth Hurts,” and the origin of the song lyric comprising the mark at issue. This lessens the weight we otherwise may have accorded the ornamental nature of those uses in showing that the phrase fails to function as a trademark.

We note further that ornamental use by others is only one type of evidence that may be relevant to consumer perception. *In re Hulting*, 107 USPQ2d at 1178 (citing *In re Lululemon Athletica Can. Inc.*, 105 USPQ2d 1684, 1689 (TTAB 2013)). Also pertinent is the nature of the message conveyed by the proposed mark. While an expression need not convey a specific type of message to be inherently incapable of functioning as a mark, *see In re Tex. With Love*, 2020 USPQ2d 11290, at *7 (“[W]idespread use of a term or phrase may be enough to render it incapable of functioning as a trademark, regardless of the type of message.”), familiar every day expressions and slogans used to convey social, political, patriotic, religious, and laudatory concepts are more likely to be perceived as imparting information than signifying source. *In re Hulting*, 107 USPQ2d at 1179 (“[A]s the record reflects, consumers would not view the proposed mark as an indicator of the source of applicant’s goods due to the nature of the political message conveyed.”); *In re Eagle Crest*, 96 USPQ2d at 1229 (“no dispute that the phrase ONCE A MARINE, ALWAYS A MARINE is an old and familiar Marine expression that should remain free for all to use”); *In re Volvo Cars*, 46 USPQ2d at 1460 (finding that the commonly used safety admonition DRIVE SAFELY “should remain in the public domain.”); *In re Manco*, 24 USPQ2d at 1942 (finding THINK GREEN “broadly conveys the ecological concerns of the expanding environmental movement” and this message “would be impressed upon purchasers and prospective customers for applicant’s goods”); *In re Remington Prods.*, 3 USPQ2d at 1715 (PROUDLY MADE IN USA not registrable for electric shavers because it would be perceived as expressing a preference for American-made products rather than as a source identifier); *Tilcon Warren*, 221

USPQ at 88 (finding WATCH THAT CHILD for construction materials merely informational because it merely expresses a general concern for child safety).

In contrast to the preceding cited cases, the evidence here does not demonstrate that Applicant’s proposed mark is used in general parlance or that it conveys a common social, political, patriotic, religious or other informational message such as DRIVE SAFELY, THINK GREEN or WATCH THAT CHILD. Applicant and the Examining Attorney agree that the proposed mark conveys a feeling of female strength, empowerment and independence. But more importantly, considering the entirety of the record, we find that most consumers would perceive 100% THAT BITCH used on the goods in the application as associated with Lizzo rather than as a commonplace expression.

We have recognized that “widespread use of a term or phrase may be enough to render it incapable of functioning as a trademark, regardless of the type of message.” *In re Tex. With Love*, 2020 USPQ2d 11290, at *7. Expressions in ubiquitous use are unlikely to be perceived as source identifiers. For example, in *D.C. One Wholesaler* the Board found that I ♥ DC failed to function as a mark because the market was “awash” in merchandise prominently bearing I ♥ DC as an ornamental feature of the goods sold over a long period of time and by a large number of merchandisers. 120 USPQ2d at 1716. Similarly, in *Eagle Crest*, a Google search retrieved nearly three million hits for the slogan ONCE A MARINE ALWAYS A MARINE. 96 USPQ2d at 1229. And in *Volvo Cars*, the applied-for-phrase DRIVE SAFELY was “uttered on a daily basis, almost automatically with no thought, to others as they drive off in an automobile.” 46 USPQ2d at 1460-61.

By contrast, the evidence in these appeals establishes that in 2017, the musical artist Lizzo encountered “I just took a DNA test, turns out I’m 100% that bitch” as a Twitter meme from the same year. The message in the meme resonated with her, and she used the meme as a lyric in her 2017 song “Truth Hurts,” which went on to become a Billboard Number 1 hit single. Lizzo did not originate the expression she encountered as a Twitter meme, and subsequently granted a writing credit for her song “Truth Hurts” to its originator. . . . Nonetheless, lyrics from songs are more likely to be attributed to the artists who sing, rap or otherwise utter them, rather than the songwriters, who may be different individuals receiving varying degrees of writing credit. The evidence of record here indicates that Lizzo and her hit song “Truth Hurts” popularized the lyric and elevated 100% THAT BITCH from what may have been a lesser known phrase (the evidence of record only points to use of that phrase from the 2017 meme onward) to more memorable status.

. . . .

C. Ultimate determination

As noted earlier, the Examining Attorney asserted that the evidence here shows that “consumers may associate the phrase with the famous singer/song because it was a lyric in the singer’s song,” but that “does not entitle the applicant as a singer-songwriter to appropriate for itself exclusive use of the phrase.” We find the totality of the evidence of record does more than that. It undercuts a finding that 100% THAT BITCH is a commonplace expression, so widely used by third parties that consumers would not perceive it as indicating the source of the goods identified thereby. Specifically, the evidence here does not show that consumers recognize 100% THAT BITCH merely as a lyric in one of Lizzo’s popular songs. Rather, we find that the evidence of record shows that consumers encountering 100% THAT BITCH on the specific types of clothing identified in the application — even when offered by third parties — associate the term with Lizzo and her music. We acknowledge that to some degree consumers and potential consumers have been exposed to use of the proposed mark 100% THAT BITCH in a non-source-identifying (i.e., ornamental) manner on the same and similar goods to those of Applicant. We find, however, that that circumstance is outweighed by references in most of those uses to Lizzo and/or her music.

. . . .

II. Conclusion

The record as a whole does not establish that the proposed mark is a common expression in such widespread use that it fails to function as a mark for the goods identified in this application.

In re Go & Associates, 90 F.4th 1354 (Fed Cir. 2024). Applicant sought to register the mark EVERYBODY VS RACISM for tote bags, T-shirts, and advocacy services. The PTO refused registration on the ground that the phrase was an informational anti-racist message that failed to function as a trademark. The Court of Appeals for the Federal Circuit affirmed the refusal to register.

. . .As we recently observed, “whether a proposed mark is a source identifier typically arises before us in the context of whether the proposed mark is descriptive under 15 U.S.C. § 1052(e).” [Citation.] But “the source identifier requirement is broader than just whether a proposed mark is generic or descriptive,” and typically focuses on how the mark is used in the marketplace and how it is perceived by consumers. . . . 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. *See Jack Daniel’s [v. V.I.P Productions]*, 599 U.S. at 145. . . .

. . . Based on the totality of evidence, the Board agreed with the examining attorney that the third-party uses of the mark “show[] that ‘everybody vs racism’ is commonly used in an informational and ornamental manner on clothing items, tote bags, and other retail items sold by third-parties to convey an anti-racist sentiment.”. . . Considering the diversity and breadth of third-party uses, the Board found that GO’s own specimens and uses were insufficient to render the mark source-identifying....

. . .The fundamental purpose of a trademark or service mark is to identify and distinguish *the source* of a particular good or service. If the PTO were to allow the registration of marks that are used by the public in such a way that they cannot be attributed to a single source, the purpose of trademark law would be undermined to the detriment of the public who would be no longer free to express common sentiments without the threat of “paying a licensing fee to someone who sees an opportunity to co-opt a political message.” [Citation]; *cf. Jack Daniel’s*, 599 U.S. at 157 (deeming it the “cardinal sin” of the Lanham Act to undermine the source-identifying function of a trademark). Contrary to GO’s position, nothing in the Lanham Act or the PTO’s so-called “Informational Matter Doctrine” prohibits registration of a mark containing informational matter, so long as the mark also functions to identify a single commercial source. On this record, “EVERYBODY VS RACISM” fails to meet that requirement.

Note: Slogans as marks

It is no longer disputed that slogans can function as trademarks. In 1955, the Commissioner of Patents held the slogan MOVING AIR IS OUR BUSINESS registrable on the Principal Register. In 1971, Clairol registered the slogan HAIR COLOR SO NATURAL ONLY HER HAIR DRESSER KNOWS FOR SURE as a trademark for hair dye. In 1995, Nike registered the slogan, JUST DO IT for sportswear. More recently, General Motors registered FIND NEW ROADS for automobiles, Whole Foods Markets registered the slogan AMERICA’S HEALTHIEST GROCERY STORE for retail grocery store services, the Smucker Company registered CHOOSY MOMS CHOOSE JIF for peanut butter, and Proctor & Gamble registered the slogan ENJOY THE GO for toilet paper.

The purported trademark owner bears the burden of showing that the slogan or phrase actually functions as a trademark and is or will be perceived by consumers as a designation of the product's source. As the decisions in *In re Lizzo* and *In re Go & Associates* demonstrate, the PTO will reject the registration application on the ground that it fails to function as a trademark if it concludes that consumers will perceive the phrase to be conveying information rather than designating a product's source. If a phrase is a common expression in widespread use, consumers are unlikely to view it as a mark. Thus, in *In re YWCA USA*, Serial Nos. 90520011 & 90520196, 2023 TTAB Lexis 348 (T.T.A.B. 2023), the TTAB denied registration of the phrase STAND AGAINST RACISM for advocacy services on the ground that consumers perceive the phrase "as a commonly used informational phrase expressing the laudable sentiment promoting opposition to racism" rather than "as identifying and distinguishing a unique source of services." In *In re Black Card*, Serial No. 90641690, 2023 TTAB Lexis 478 (T.T.A.B. 2023), however, the Board held that the examiner erred in refusing to register the phrase FOLLOW THE LEADER for credit card services because the extensive evidence of common use of the phrase did not persuade the Board that the phrase could not function as a source identifier.

Similarly, the PTO will conclude that a slogan fails to function as a trademark if consumers will understand the phrase as an ornamental feature of the goods rather than a designation of source. The PTO's Trademark Manual of Examining Procedure explains:

Slogans or phrases used on items such as t-shirts and sweatshirts, jewelry, and ceramic plates have been refused registration as ornamentation that purchasers will perceive as conveying a message rather than indicating the source of the goods. *See In re Peace Love World Live, LLC*, 127 USPQ2d 1400, 1403 (TTAB 2018) ("The phrase 'I LOVE YOU' conveys a term of endearment comprising the bracelet and, thus, it is ornamental. It does not identify and distinguish the source of the bracelet, especially where there is so much jewelry decorated with the term I LOVE YOU in the marketplace."); *D.C. One Wholesaler, Inc. v. Chien*, 120 USPQ2d 1710, 1716 (TTAB 2016) (finding that customers purchase products with the phrase I ♥ DC specifically because they are ornamented with the phrase in an informational manner and that, given the phrase's "significance as an expression of enthusiasm, it does not create the commercial impression of a source indicator, even when displayed on a hangtag or label"); *In re Hulting*, 107 USPQ2d 1175, 1181 (TTAB 2013) (finding that proposed mark NO MORE RINOS! conveys a political slogan devoid of source-identifying significance); *In re Pro-Line Corp.*, 28 USPQ2d 1141 (TTAB 1993) (BLACKER THE COLLEGE SWEETER THE KNOWLEDGE primarily ornamental slogan that is not likely to be perceived as source indicator); *In re Dimitri's Inc.*, 9 USPQ2d 1666 (TTAB 1988) (SUMO, as used in connection with stylized representations of sumo wrestlers on applicant's T-shirts and baseball-style caps, serves merely as an ornamental feature of applicant's goods); *In re Original Red Plate Co.*, 223 USPQ 836 (TTAB 1984) (YOU ARE SPECIAL TODAY for ceramic plates found to be without any source-indicating significance); *In re Astro-Gods Inc.*, 223 USPQ 621, 624 (TTAB 1984) ("[T]he designation 'ASTRO GODS' and design is not likely to be perceived as anything other than part of the thematic whole of the ornamentation of applicant's shirts."); *Damn I'm Good Inc. v. Sakowitz, Inc.*, 514 F. Supp. 1357, 212 USPQ 684 (S.D.N.Y. 1981) (DAMN I'M GOOD, inscribed in large letters on bracelets and used on hang tags affixed to the goods, found to be without any source-indicating significance).

TMEP § 1202.03(f)(i) (May 2025).

Page 80. Insert the following Note before the Questions.

In addition to barring the registration of a mark that is "primarily merely a surname" before it has

acquired secondary meaning, 15 U.S.C. § 1052(e)(4), the Lanham Act bars registration of a mark that identifies “a particular living individual except by his written consent.” 15 U.S.C. § 1052(c). In *Vidal v. Elster*, 602 U.S. 286 (2024), *infra* this Supplement Chapter 4.C.2, the Supreme Court rejected a first amendment challenge to that provision.

Page 81. Revise the citation at the end of Question 4.

See *JLM Couture v. Gutman*, 91 F.4th 91 (2d Cir. 2024). In 2024, Hayley Paige Gutman reached a settlement with the company under which she paid \$263,000 in return for all trademark and intellectual property rights in work she had done for the company. See Alix Strauss, *Q&A: Hayley Paige Reclaims Her Name and Bridal Brand*, NY Times, Feb. 20, 2025 at ST13, online at <https://www.nytimes.com/2025/02/20/style/hayley-paige-bridal-brand.html>.

3. Trade Dress

Page 90. Add new Question 4:

4. In *Owning Colors*, 40 Cardozo L. Rev. 2483 (2019), Professors Deborah Gerhardt and John Lee examine trademark registration data from the UPTO to assess whether the *Qualitex* decision resulted in a massive expansion of color mark registrations. The authors conclude that the gatekeeping devices of functionality bar and secondary meaning have significantly limited the registration of color marks. Six years later, however, in Xiaoren Wang, *Should We Worry About Color Depletion? An Empirical Study of USPTO Single-Color Trademark Registrations*, 115 Trademark Rep. 522 (2025), Dr Wang reported the results of an empirical study finding that colors, particularly in certain hues and intensities, are facing a depletion problem in several key classes of goods and services. Does the Court’s opinion in *Qualitex* adequately respond to concerns about color depletion?

Page 90. Delete *In re Forney* and the Questions following it on pp. 91-92.

Page 104. Add the following citation after *In re Vertex Group*.

In Deborah R. Gerhardt & Jon J. Lee, *Sound Marks*, 108 Minn. L. Rev. 2339 (2024), Professors Gerhardt and Lee examine the neurophysiological, theoretical, and legal implications of sound marks, and present the results of a comprehensive empirical study of sound mark registration practice at the USPTO.

B. Distinctiveness

1. Arbitrary, Fanciful, Suggestive and Descriptive Terms

Page 115. Add the following after the Questions.

Bimbo Bakeries USA, Inc. v. Sycamore, 39 F.4th 1250 (10th Cir. 2022). Bimbo Bakeries, producer of Grandma Sycamore’s Home-Maid Bread, sued U.S. Bakery, producer of Grandma Emilie’s bread, for trade dress infringement. Bimbo claimed that its trade dress included the following elements: “(1) a horizontally-oriented label; (2) a design placed at the top center of the end; (3) the word ‘White’ in red

letters; (4) the use of a red, yellow, and white color scheme; and (5) stylized font below the design outlined in white.” The district court held that Bimbo’s claimed trade dress was generic for that type of bread products. The Court of Appeals for the 10th Circuit affirmed:



Taking the framework from the word-mark context, courts use the following categories “to assist in determining whether a [trade dress] is inherently distinctive: (1) fanciful, (2) arbitrary, (3) suggestive, (4) descriptive, or (5) generic.” [*Forney Indus. v. Daco of Mo*, 835 F.3d 1238 (10th Cir. 2016)]. Fanciful, arbitrary, and suggestive marks and trade dress are entitled to protection. *See id.* Descriptive marks and trade dress must have acquired secondary meaning to be entitled to protection. *See id.* “Generic marks” and trade dress “are not protectable under the Lanham Act.” *Id.*

In determining whether a trade dress is entitled to protection, we also consider “(1) whether it was a common basic shape or design, (2) whether it was unique or unusual in a particular field, and (3) whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods. “[Citation.]” Where it is the custom of an industry to package products in a particular manner, a trade dress in that style would be generic and therefore not inherently distinct.” *Paddington Corp. v. Attiki Imps. & Distributions, Inc.*, 996 F.2d 577, 583 (2d Cir. 1993). The Second Circuit has provided a useful example of this: “packaging lime-flavored soda in green twelve-ounce cans is so common in the soft drink industry that such packaging probably is not inherently distinctive, although without the industry practice green cans would be either suggestive or arbitrary and therefore inherently distinctive.” *Id.* at 583-84.

We conclude that the purported trade dress for Grandma Sycamore’s is generic and unprotectable for the same reason the district court did—it is customary for homemade bread products. As a photograph submitted by U.S. Bakery shows, the homemade bread products that compete with Grandma Sycamore’s all tend to combine the purported trade dress elements: “(1) a horizontally-oriented label; (2) a design placed at the top center of the end; (3) the word ‘White’ in red letters; (4) the use of a red, yellow,

and white color scheme; and (5) stylized font below the design outlined in white.” The purported trade dress claimed by Bimbo Bakeries is thus defined at a broad enough level of generality to sweep in its competitors. Bimbo Bakeries may well have a protectable Grandma Sycamore’s trade dress, but its claim in this litigation extends far beyond its product’s more specific attributes.

While Bimbo Bakeries contends that people recognize its purported trade dress as Grandma Sycamore’s, that it spent millions of dollars on advertising, and that U.S. Bakery copied its trade dress, Bimbo Bakeries offers no countervailing evidence regarding what is customary for the trade dress of homemade bread products. ... We are left with a case much like the Second Circuit’s “lime-flavored soda” example. *Paddington*, 996 F.2d at 583. Based on the record before us, we can only conclude that “it is the custom of [the] industry to package products in [the] particular manner” Bimbo Bakeries purports to be its trade dress. *Id.* Bimbo Bakeries’ purported trade dress is generic and not entitled to protection under the Lanham Act.

Page 117. Add new Question.

Question

“.sucks” is a generic top-level internet domain name for critical websites. Vox Populi operates the .sucks registry, and markets its domains as ideal for “Bad Business Awards” and other critical commentary. Vox Populi also invites registrants to “protect your identity online so that no one can defame your name.” Vox sought to register both the standard character mark “.SUCKS” and a stylized form of the word in a pixelated font as service marks for domain registry operator services.

.SUCKS

The PTO denied registration of both marks on the ground that they failed to function as service marks. On appeal, Vox Populi argues that even if the standard character mark fails to function as a service mark, the stylized version should be entitled to registration. How should the court rule? *See In re Vox Populi Registry*, 25 F.4th 1348 (Fed. Cir. 2022).

2. Secondary Meaning

Page 132. Add two new cases and a new question after the Questions:

In re Post Foods, LLC,

Serial No. 88857834, 2024 U.S.P.Q.2D (BNA) 25 (T.T.A.B. 2024).

Post Foods, LLC (“Applicant”) seeks registration of the proposed mark, shown below, on the Principal Register under Section 2(f) of the Trademark Act, 15 U.S.C. § 1052(f), for “breakfast cereals,” in International Class 30:



The operative description of the proposed mark, as amended during prosecution, states:

The mark consists of the colors of yellow, green, light blue, purple, orange, red and pink applied to the entire surface of crisp cereal pieces. The broken lines depicting the shape of the crisp cereal pieces indicate placement of the mark on the crisp cereal pieces and are not part of the mark.

The colors yellow, green, light blue, purple, orange, red and pink are claimed as a feature of the proposed mark.

The Trademark Examining Attorney finally refused registration of Applicant’s proposed mark . . . on the ground that the proposed color mark fails to function as a trademark because it is not inherently distinctive and has not been shown to have acquired distinctiveness under Trademark Act Section 2(f).

....
[T]he proposed mark—as defined by the drawing and the description of the mark—and taking into account the identification of the goods, comprises a combination of colors that may be applied to any crisp breakfast cereal, regardless of the shape of the cereal pieces. Accordingly, we consider the evidence of record as it relates to the identified colors only, without regard to the shape of the cereal.

III. Failure to function as a mark

Section 45 of the Trademark Act defines a “trademark” as “any word, name, symbol, or device, or any combination thereof — (1) used by a person . . . to identify and distinguish his or her goods . . . 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. Trade dress constitutes a “symbol” or “device” by which the goods of the applicant may be distinguished from the goods of others. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, (2000). Trade dress “involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.” [Citation.]

Thus, color is a type of trade dress that is registrable as a trademark only if it serves the same source-identifying function as a trademark. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) (“[C]olor alone, at least sometimes, can meet the basic legal requirements for use as a trademark. It can act

as a symbol that distinguishes a firm's goods and identifies their source[.]”).

Color marks are never inherently distinctive when used on products or product designs. *Wal-Mart Stores*, 54 USPQ2d at 1068 (“[W]ith respect to at least one category of mark—colors—we have held that no mark can ever be inherently distinctive.”) (citing *Qualitex*, 34 USPQ2d at 1162-63). Because there is no allegation or evidence that the proposed color mark is functional, it may be registrable on the Principal Register if it is shown to have acquired distinctiveness under Section 2(f). *Cf. Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) (product features that are functional cannot serve as trademarks if they are essential to the use or purpose, or affect the cost or quality, of the goods). As noted above, Applicant seeks registration under Section 2(f).

The burden of proving that a color mark has acquired distinctiveness is substantial. *See In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (“By their nature color marks carry a difficult burden in demonstrating distinctiveness and trademark character.”). As explained by the Federal Circuit:

[T]he considerations to be assessed in determining whether a mark has acquired secondary meaning can be described by the following six factors: (1) association of the trade dress 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. Int’l Trade Comm’n, 909 F.3d 1110 (Fed. Cir. 2018). No single factor is determinative and “[a]ll six factors are to be weighed together in determining the existence of secondary meaning.” [Citation.]

....

B. Analysis

As discussed above, Applicant’s proposed mark comprises the colors yellow, green, light blue, purple, orange, red and pink applied to the entire surface of breakfast cereal pieces, regardless of shape. The Examining Attorney argues that “Applicant’s use of all the colors on ‘breakfast cereals’ is not ‘substantially exclusive’ or consistent which is fatal to applicant’s claim [of acquired distinctiveness]. Consumers would not view multicolored cereals as pointing to applicant alone when so many other cereal manufacturers sell cereals in multiple colors.” For support, the Examining Attorney introduced pictures of [fifteen] cereal boxes that show similar multicolor cereal combinations, including some for crisp rice cereals, as well as on diverse shapes. . . .

The Examining Attorney also introduced Lexis-Nexis printouts of articles and recipes discussing “rainbow” colored cereals in a manner which further supports the finding that consumers are used to seeing multicolored breakfast cereal offered by different sources and do not attribute multicolored cereal to one source. . . .

We find the foregoing evidence establishes that consumers encounter numerous examples of multicolored breakfast cereals in a variety of shapes, including crisp rice cereal pieces such as Applicant’s. The evidence contradicts Applicant’s claim that its use of the claimed colors is substantially exclusive, and increases Applicant’s burden to establish that the claimed colors have acquired distinctiveness and identify a single source of breakfast cereals. [Citations.]

Turning to Applicant's evidence, we note Applicant's submission of extensive evidence relating to its long use of the claimed colors on its Fruity Pebbles crisp rice cereals. But the breadth of Applicant's identification of "breakfast cereals," without limitation, creates a mismatch between Applicant's evidence—relating to both the color and shape of Applicant's goods—and the burden of proving that the proposed mark has acquired distinctiveness. We must consider the registrability of Applicant's proposed mark as used on all breakfast cereals, not just "crisp rice breakfast cereals." [Citation.]

[W]e recognize Applicant "began using the applied-for mark in connection with breakfast cereals at least as early as November 1973, and has made considerable sales of its products sold under this mark since then." But long use, extensive sales and advertising, and even unsolicited media attention regarding Applicant's use of the mark on crisp rice cereal pieces cannot establish Applicant's use of the claimed colors is sufficient to show that relevant consumers associate the colors with applicant alone for any and all "breakfast cereals," as required by Section 2(f). [Citation.]

Similarly, Applicant's two surveys measure a much narrower mark—the colors in Applicant's mark as applied to only one type of breakfast cereal—than the actual mark, which is a color mark applied to all types of breakfast cereals. As the Examining Attorney notes, "the survey evidence is flawed as it does not focus on the color alone." The first survey . . . assessed whether participants could identify plain crisp rice cereal pieces and Applicant's Fruity Pebbles-colored crisp rice cereal pieces. Because it was limited to consumer perception of the color mark applied to the configuration of crisp rice cereal pieces, this survey does not provide any evidence that the claimed colors have acquired distinctiveness for the identified goods, that is, all breakfast cereals, including other non-crisp rice cereals in other shapes.

Applicant's second consumer survey likewise fails to show acquired distinctiveness for the identified goods. The survey included Applicant's cereal as well as multicolored toroidal or "ring-like cereal pieces" as a control, but the "ring-like cereal pieces" are not properly a control. As explained above, the mark claims rights to the color applied to any breakfast cereal shape, including ring-like breakfast cereals. Moreover, the results of this survey undercut Applicant's claim of acquired distinctiveness. Rather than indicating that consumers associate any shape of multicolored cereal pieces with Applicant, the vast majority of respondents (89.3%) correctly identified the multicolored, ring-like cereal pieces as being one of the third-party cereals identified above. Given that Applicant's proposed mark encompasses all breakfast cereal shapes, including ring-like shapes, this survey does not show that consumers associate the claimed colors on breakfast cereals with a single source. Accordingly, we cannot find that these surveys establish that the seven claimed colors have acquired distinctiveness as a trademark for breakfast cereals.

For the foregoing reasons, we affirm the refusal to register the proposed color mark on the ground that it is not inherently distinctive, has not acquired distinctiveness under Section 2(f), and, therefore, does not function as a trademark under §§ 1, 2, and 45 of the Trademark Act, 15 U.S.C. §§ 1051, 1052, and 1127.

Heritage Alliance v. American Policy Roundtable, 133 F.4th 1063 (Fed. Cir. 2025). Since 2008, the Heritage Alliance [Heritage] has offered voter guides to the public under the name "iVoterGuide." In 2019, American Policy Roundtable [APR] began publishing political and campaign information under the name "iVoters." APR applied to register iVOTERS as a service mark for a website providing political information. Heritage opposed the registration. The Court of Appeals for the Federal Circuit upheld the TTAB's determination that Heritage's iVOTERGUIDE mark was "highly descriptive" and had not acquired secondary meaning.

A term is "merely descriptive if it immediately conveys knowledge of a quality, feature, function, or characteristic of the goods or services with which it is used." [Citations.] The category of descriptive terms "is not a monolithic" one: "Some terms are only *slightly* descriptive and . . . [o]ther terms are *highly* descriptive." *Real Foods Pty*

Ltd. v. Frito-Lay North America, Inc., 906 F.3d 965, 972 (Fed. Cir. 2018) Whether a mark is descriptive is a question of fact, [citation], as is whether a mark is highly descriptive, *Real Foods*, 906 F.3d at 972. . . The degree of descriptiveness of a term, including whether the term is “highly descriptive,” is relevant to whether the term has “acquired distinctiveness,” because acquired distinctiveness is more difficult to establish for a highly descriptive term. [Citation.]

....

Heritage argues that the Board should have accepted its five-plus years of prior continuous use as “prima facie evidence” that the marks had acquired distinctiveness.” The relied-on provision, however, states only that if there is “proof of substantially exclusive and continuous use [of a mark] . . . for the five years before the date on which the claim of distinctiveness is made,” the Board “*may* accept” such proof “as prima facie evidence that the mark has become distinctive.” 15 U.S.C. § 1052(f) (emphasis added). That language indicates that the Board has discretion not to accept such evidence as prima facie evidence, much less as ultimately persuasive evidence, on a case-by-case basis. . . . In the circumstances of this case, we see no unreasonableness in the Board’s declining to rely on Heritage’s five-year-prior-use evidence given the highly descriptive nature of Heritage’s marks and the limited additional evidence of acquired distinctiveness.

The limited additional evidence consisted of declarations of three individuals described by Heritage as “end customers” of their services. . . . Declarations may be given little weight if they are “conclusorily worded,” fail to explain what makes a product “distinctive from those of its competitors,” or come from individuals who “at most purport to represent the views of a small segment of the relevant market.” [Citation.] Here, the Board had ample reason to give the declarations little weight on the relevant question. . . . The declarations provide no explanation for the asserted belief that the marks were distinctive, and all they assert is that the three declarants themselves—who were volunteers for Heritage—“associated IVOTERGUIDE with Heritage Alliance and its providing of a website that provided information about candidates running for office.”. . . We conclude that the Board’s determination that the marks had not acquired distinctiveness by January 2019 is supported by substantial evidence.

Question

How does the PTO determine whether a mark is highly descriptive rather than merely descriptive? If the PTO finds that the mark is highly descriptive, what sort of evidence should be required to demonstrate secondary meaning? If five years of substantially exclusive, continuous use is insufficient to show acquired distinctiveness, should ten years of use suffice? Would evidence going to one of the other factors considered by courts to be relevant to secondary meaning be particularly probative in showing secondary meaning for marks that are highly descriptive?

Page 137. Delete *Converse, Inc. v. ITC*. Add the following case.

TBL Licensing, LLC v. Vidal, 98 F.4th 500 (4th Cir. 2024). TBL Licensing applied to register five design elements of its popular Timberland boot as a trademark for footwear. The Court of Appeals for the 4th Circuit affirmed the PTO’s refusal of registration, noting that TBL’s evidence of acquired distinctiveness failed to show that the particular design features TBL sought to register had acquired secondary meaning. The court emphasized that evidence of robust sales or large advertising expenditures

for a product did not, without more, show secondary meaning for the claimed features.

For decades, TBL has sold the following boot in several colors:



In May 2015, TBL applied to register aspects of the boot’s design as protected trade dress with the USPTO. . . .The mark consists of a three-dimensional configuration of a lace-up boot having an overall shape and silhouette as depicted in the drawings, with a visibly bulbous toe box and the following individual features:

- (1) the external appearance of a tube-shaped ankle collar on the outside surface of the product running from one eyelet panel to the other eyelet panel around the sides and rear of the boot and protruding over the upper side and rear panels of the boot (material on the inside of the ankle collar not being claimed);
- (2) outsoles having two color tones divided horizontally and extending around the circumference of the boot, and visibly showing inverted tooth shaped cuts on each side of the heel of the outsole and around the sides and front of the forward portion of the outsole;
- (3) an hourglass-shaped rear heel panel, defined by four vertical stitching lines from the top of the outsole to the rear collar;
- (4) quad-stitching forming an inverted “U” shape around the vamp line in front of the boot at the bottom of the tongue and curving around to the left and right sides and ending at the cinched portion of the hourglass stitching of the rear heel panel; and
- (5) eyelets shaped hexagonally on the exterior-facing outside surface.

. . . .

Importantly, TBL did not try to register every aspect of the boot. In its registration application, TBL asserted—or, to use the legal term, “claimed”—intellectual property rights in some, but not all, of the features of its boot design. . . .[T]he application claimed no particular color as a part of the boot’s design, such as the popular wheat-yellow color depicted above. Nor did it include TBL’s already-registered tree logo or TIMBERLAND word mark.

The USPTO’s examining attorney refused to register the design, finding it overall functional and not distinctive. TBL appealed to TTAB, which affirmed the examining

attorney's refusal to register the design, finding the design lacks distinctiveness and declining to reach whether it is functional.

....

II.

....

C.

To be registerable, a mark must cause the public to identify the product bearing it as coming from a specific source. *Wal-Mart Stores [v. Samara Bros.]*, 529 U.S. 205 (2000)] at 210. That is, the mark must be distinctive. *Id.* A mark generally acquires distinctiveness “if it has developed secondary meaning, which occurs when, ‘in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.’” [Citations.] While the public “need not be able to identify the name of the manufacturer that produces the product,” it must perceive “that the product emanates from a single source.” [Citations.] That public perception must rely on the features claimed, as drawn and described in TBL’s application.

This point is critical. Some consumers might recognize the whole boot, unclaimed features and all, as a Timberland. But TBL did not undertake to register the entire boot. Instead, TBL sought to register only the select attributes described in its application—for instance, two-colored outsoles “visibly showing inverted tooth shaped cuts” along the soles’ sides, but not “the bottom, outer most surface of the outsole.” . . . Thus, the question is whether the design features claimed in TBL’s application have acquired secondary meaning. And those features have not if consumers associate them with sources other than just Timberland. [Citations.]

A party seeking to establish secondary meaning in a product design bears a “formidable burden of proof.” [Citations.] Reflecting that “rigorous evidentiary standard,” our circuit assesses secondary meaning through many factors: (1) advertising expenditures; (2) consumer studies linking the mark to a source; (3) record of sales success; (4) unsolicited media coverage of the product; (5) attempts to plagiarize the mark; and (6) the length and exclusivity of the mark’s use. [Citation.] “[N]o single factor is determinative.” *Id.*

Applying these factors, the district court found that TBL failed to carry its formidable burden of proving that the design features of the boot that it sought to register have acquired secondary meaning. And, as described below, the district court did not clearly err in reaching that finding.

....

To sum up our secondary meaning analysis, TBL had to show that the design features described in its application encourage consumers to buy the boot not because those features make the boot a solid product but because, to the public, those features make the boot a Timberland product.. . . Without a viable consumer survey, TBL lacks direct evidence of secondary meaning. Resorting to circumstantial evidence, TBL has not shown that its sales or advertising expenditures have translated into consumer recognition of the design elements it sought to register. Indeed, portrayals of TBL’s boot in marketing materials and the media tend to highlight features not claimed in TBL’s current application. The many similar looking products in the boot market do not show that competitors copied TBL’s design intending to confuse consumers. Rather, those lookalikes undermine TBL’s attempt to show that the design it sought to register has come to be “uniquely associated” with Timberland. [Citations.] Assessing these various factors, the district court found that TBL failed to show that the combination of features

it specified in its registration application—the outer ankle collar, the two-tone color and etching on the side of the boot’s sole, the hourglass rear heel panel, the quad stitching along the boot’s side and tongue area, the hexagonal eyelets for the boot’s laces and the boot’s bulbous toe box—leads consumers to associate the boot with Timberland alone. Since our review of the record does not leave us with “a definite and firm conviction that a mistake has been made,” we conclude that the district court did not clearly err in finding that the design TBL sought to register has not acquired secondary meaning. [Citation.]

Page 138. Replace Question 1 with the following Question.

1. The courts in *Board of Supervisors v. Smack Apparel*, *Chrysler v. Moda*, *In re Post Foods*, and *TBL Licensing v. Vidal* all use multi-factor tests to determine whether a mark has acquired secondary meaning. The tests are not identical, but factors overlap significantly. Is there a meaningful difference among the tests? Which of the factors strike you as most nearly probative of secondary meaning?

The multi-factor test for secondary meaning is one of several open-ended multi-factor tests applied by courts in trademark cases. In Chapter 4, we will see the Federal Circuit’s *Dupont* factors, for assessing whether a mark is ineligible for registration because it is confusingly similar to another mark. In Chapter 6, we will look at the federal courts’ multi-factor tests for likelihood of confusion in trademark infringement cases, and in Chapter 9, we will see the different multi-factor tests applied in the context of actions for trademark dilution.

Page 138. Insert the following excerpt and questions following the Questions.

Jeanne Fromer, Against Secondary Meaning

98 NOTRE DAME L. REV. 211 (2022) (excerpts)*

BOOKING.COM for online travel booking services. “FOR WALKING” (with quotation marks) used on Off-White footwear. VAGISIL for vaginal-health products. All of these terms have been involved in recent trademark disputes, a core issue being that protection for these terms arguably runs contrary to trademark law’s goals of fair competition and consumer protection because of how closely associated each term is conceptually with the category of goods or services for which it is being used. (In fact, BOOKING.COM touted this close conceptual connection in its widely seen Super Bowl ad this year in which it refers to its name as “lit” for literal.) In particular, giving one business exclusive rights in these marks can prevent competing businesses from using these or similar terms, granting the markholder an outsized competitive advantage.

Even so, each instance also underscores how trademark protection turns on consumers’ perception that a word or symbol is a trademark signifying goods or services, known in trademark law as “secondary meaning”—that is, meaning in addition to its linguistic primary meaning . . .

[T]rademark law premises protection for a term or symbol on either a showing of secondary meaning or an irrebuttable presumption that the term or symbol has secondary meaning. It does so through its rules of distinctiveness, allowing marks that are descriptive of the goods or services they signify to be protectable upon a showing of secondary meaning and protecting marks that are suggestive of the goods or

* Footnotes omitted. Used with permission. -- Eds.

services they signify, arbitrary in relation to them, or coined terms without any further showing on the reasoning that these marks intrinsically possess secondary meaning. The law also awards broader scope to marks that have well-established secondary meaning. Atop that, trademark law makes it easy to establish secondary meaning, especially for deep-pocketed businesses.

Yet these rules that base protection and trademark scope on secondary meaning undermine trademark law's goals when there is a close conceptual connection between the mark and the associated goods or services, as in the examples just noted. As discussed herein, this close conceptual connection can exist regardless of whether the law classifies the mark as descriptive, suggestive, arbitrary, or fanciful. When this close conceptual connection exists, a business securing trademark rights in such a mark will inherently possess a tremendous commercial advantage over its competitors. All else being equal, the business can lure in customers more easily than competitors using a less conceptually related mark and it can assert its trademark rights to prevent competitors from choosing a mark that is similar to its advantageous mark. That is precisely antithetical to trademark's goals of fair competition and consumer protection in allowing businesses to distinguish themselves via their marks as source indicator and repository of goodwill. Indeed, trademark protection in this scenario does the contrary by creating unfair competition and consumer harm.

....
[I]t is too easy—especially for well-resourced firms—to show that consumers perceive terms as source-indicating, including for marks whose protection undermines trademark law's goals. Making it harder to establish secondary meaning as a way to promote the law's goals in turn creates undesirable competitive consequences, making it too tough for new entrants or smaller businesses to establish secondary meaning. Additionally, the law conclusively presumes secondary meaning for certain marks where that frustrates trademark's goals. Moreover, even when marks have secondary meaning, they retain their primary meaning, which might be closely related enough conceptually to the associated goods or services that protection impairs trademark law's goals. To the extent that establishing secondary meaning is an independent goal trademark law deems worth encouraging, legitimate businesses have strong incentives external to trademark law to develop secondary meaning anyhow. For these reasons, trademark law should not be centered on secondary meaning because the consecration of secondary meaning counters trademark law's fundamental goals of fair competition and consumer protection.

This Article thus advocates against enshrining secondary meaning as a basis of protectability in trademark law. In its place, the Article proposes recentering distinctiveness doctrine on the primary meaning of terms as the gauge of protectability. That is, a word, image, or other symbol should be protectable as a trademark only when there is enough conceptual distance between the primary meaning of that symbol and the goods or services for which it is being used. Recentering distinctiveness on primary meaning and moving away from secondary meaning would better promote trademark law's goals by encouraging businesses to choose certain marks and avoid others at the outset. Furthermore, because it is difficult to eradicate considerations of secondary meaning from assessment of the scope of trademark rights, the Article recommends that a sliding scale of secondary meaning be established for that assessment. A sliding scale would make the requisite showing of secondary meaning directly proportional to the size of a business's footprint as a way to navigate between the relevance of assessing secondary meaning for scope and the problematic consequences of doing so.

....
The primary meaning of a term can be used to gauge protectability by assessing its conceptual relatedness to the goods or services for which it is used. When that relatedness is too high, the term should not be protectable as a trademark. Conceptual relatedness can be measured based on standard linguistic evidence—such as dictionary meaning and common word usage in media or corpora—or software tools like WordNet, which group words into cognitive synonyms and interlink them using conceptual-semantic and lexical relations, such as hyponyms (as “spoon” is a subtype of “cutlery”), hypernyms (as “color” is a hypernym of “red,” “blue,” and so forth), and meronyms (as “nose” is a part of a “face” or “engine” is a part of a “car”).

This analysis should be functional rather than formalistic. In particular, coined terms should not be adjudged to lack conceptual relation to their associated goods or services merely because they are new words. Rather, a term should be analyzed to see whether it communicates one or more existing words within it and conceptual distance should be measured in turn based on any such words.

....
Consider some illustrations of how a measure of conceptual relatedness would operate. For example, COMPUTER for computers would be unprotectable because there is no conceptual distance between the term and the goods or services with which it is associated. Relatedly, COOL for air conditioners, AMERICAN AIRLINES for an airline providing flights in the United States, and DRIVE for cars should also be similarly unprotectable because of the high conceptual relatedness between the term and the respective goods or services at issue.

Return now also to the examples at this Article's outset: BOOKING.COM for online travel services, "FOR WALKING" for footwear, and VAGISIL for vaginal-health products. They are each so close conceptually to their associated goods or services that they should not be protectable. Say BOOKING.COM to anyone these past few decades, and regardless of whether they might also understand the term to refer to a particular business, they surely would think it means online booking services. Rendering secondary meaning irrelevant and dwelling on the term's primary meaning in relation to the associated services—the opposite of what the Supreme Court did for that mark—expose how harmful it is to competition and consumers to provide trademark protection for BOOKING.COM. "FOR WALKING" is also closely conceptually related to footwear, despite the possibility that fashion aficionados might see the quotation marks surrounding the term and understand that they signal that the footwear comes from OFF-WHITE. Consider now the third example of VAGISIL. Although VAGISIL is a coined term, it readily conveys the concept of "vaginal": its first four letters are the same as those in "vaginal" and there are almost no other English words that start with those four letters unrelated to the vagina. It is thus too closely related conceptually to the vaginal-health products with which it is associated. This is true even if many consumers also associate VAGISIL with a single source in light of advertising expenditures exceeding \$400 million since 1993, sales revenue greater than \$1 billion since 1991, media coverage including on *Saturday Night Live*, and market dominance in the relevant market. Given that a word starting with VAGI- conveys "vaginal," it is perhaps no surprise that at least sixty-six other vaginal-health products use the same first four letters to begin the mark for their products, as they know these first four letters will convey that they are vaginal-relevant products.

By contrast to these examples, STARBUCKS for coffee would be protectable because there is little conceptual relatedness between the term and the goods, even if the term might call to mind the *Moby Dick* character Starbuck or the words "star" and "bucks," of which it is comprised, as none of these have a sufficient conceptual association with coffee. NIKE for sportswear would also be protectable because sportswear is not sufficiently conceptually related to the Greek goddess of victory with the same name, even if sportswear and victory are not entirely unconnected. They are merely insufficiently directly related. To take another example, KODAK, a coined term, conveyed no primary meaning in English when it was adopted for photography equipment. Founder George Eastman merely wanted a mark that started with a "K," was short, easy to pronounce, and did not resemble other marks. It would thus be protectable as a trademark as it is sufficiently conceptually distant from photography. Consider as a final illustration VIAGRA, another coined term, for an erectile-dysfunction drug. As noted above, its sound connotes aggression and as Barton Beebe and I explain elsewhere, "VIAGRA calls to mind, all at once, 'vigor,' 'vitality,' 'aggression,' and 'Niagara' (suggesting both water and honeymoons)." Even with these associations, this coined term is sufficiently conceptually distant from erectile-dysfunction drugs that it would be protectable.

As these examples illustrate what should and should not be protectable under a test of primary meaning, trademark law would not protect marks that are conceptually necessary or important for competitors to use and that would grant a single competitor a persistent competitive advantage by allowing

that business to have rights in that term for its sector. Consumers would be benefited by a more competitive, level playing field and not be drawn to businesses merely because of a mark that is conceptually close to the goods or services they are seeking. To be sure, consumers might benefit from locating a business providing a particular good or service easily, but consumers ultimately are worse off if they are led to a particular business merely because the mark conceptually matches the good or service. In particular instances, consumers might be better off locating goods and services that they like, but categorically, they are likely to be hurt because conceptual matches between mark and the associated good or service bear no relation to the quality of the associated good or service.

Questions

1. If a service mark like BOOKING.COM should be deemed ineligible for trademark protection because its primary meaning is too descriptive of the services provided under the mark, does that mean that any online booking service should be able to use the term “booking.com” in advertising its services? If not, why not?
2. How would Professor Fromer’s analysis apply to marks that include logos or designs instead of, or in addition to, words and phrases?

C. Collective and Certification Marks and Other Group Designations

1. Collective and Certification Marks

Page 142. Add the following sentence to the end of the Note on Collective and Certification Marks.

In *Interprofessionel du Gruyere v. U.S. Dairy Exp. Council*, 61 F.4th 407 (4th Cir. 2022), however, the Court of Appeals for the 4th Circuit agreed with the PTO that the term GRUYERE is generic as a matter of law for a type of cheese and is therefore ineligible for registration as a certification.

Chapter 3

Use and Ownership

A. Trademark Use

Page 149. Add the following case after *Thoroughbred Legends v. Walt Disney*.

The Real USFL LLC v. Fox Sports, Inc., 2022 U.S. Dist. LEXIS 72857 (C.D. Cal. 2022). In 1982, a group of investors launched a springtime football league they named the United States Football League (USFL). The USFL lasted for three seasons and included 18 football teams. During its active years, the USFL registered 400 different trademarks and service marks for the names and logos of the league and its teams. In 1986, the USFL disbanded. By 1992, all of its registered marks had been canceled. Between 1986 and 2006, the investors behind the USFL engaged in no use of any of its marks. Beginning in 2006, Steve Ehrhart, the chairman of the USFL’s executive committee, began to talk with publishers and producers about potential book and film projects featuring the USFL and its players. In 2007, Ehrhart hosted a 25th year USFL reunion. In 2008, ESPN interviewed him for a documentary about the USFL. In 2011, Ehrhart entered into a licensing agreement with American Classics Licensed Apparel to produce throwback t-shirts featuring USFL and USFL team logos. American Classics sold the first t-shirts under the license agreement in October of 2011, and continued to make and sell licensed t-shirts bearing USFL logos, and to pay royalties to Ehrhart under the agreement, for the next decade.

In June 2021, a different group of investors announced the launch of a new professional spring football league, also called the United States Football League. The new group described its effort as a relaunch of the 1980s USFL. It planned to use team names and logos from the old USFL in its new league. The team owners and investors from the old USFL sued the new USFL for trademark infringement. The old USFL acknowledged that it had abandoned its registered marks, but claimed priority on the basis of its licensing agreement with American Classics. The new USFL argued that since the old USFL had no trademark rights in its old marks and logos when it entered into the licensing agreement, American Classics’s sale of licensed t-shirts couldn’t prove trademark priority. The court disagreed:

The sole evidence of use of the League Marks prior to the launch of the New League in June 2021 is the sale of apparel by the Old League’s licensee American Classics from October 2011 through December 2021. Defendants rely heavily on the fact that Mr. Ehrhart did not have any rights to license to American Classics at the time of the parties’ licensing agreement in July 2011 because the Original USFL Marks had been abandoned or declared “dead” by that time. This may be true, but it is irrelevant. Once abandoned, Mr. Ehrhart could establish ownership through use of the Marks. [Citation.] Indeed, that is how Defendants allegedly acquired its own interests in some of the Marks.

....

Likewise, Defendants have not provided any persuasive evidence to support their other arguments to overcome Plaintiff’s reliance on American Classics’ use of the League Marks. Defendants claim that the use of the USFL and Old Teams names on apparel are merely “ornamental” and are not “source identifying.” This argument directly contradicts Defendants’ other arguments that rely on the public’s desire for and memory of the USFL.

Indeed, it was Defendants’ intentional decision to capitalize on the public’s interest by calling its New League “USFL,” and using Old Team names instead of choosing new names for the New League and Teams. In addition, Defendants chose to ask former USFL players and coaches to promote the New League. There is an obvious reason for these decisions that negates Defendants’ attempt to argue that there is no Old League name or team logo recognition—there is a “nostalgia among older football fans” for the USFL and its team “names, jerseys and helmets.” The Court thus concludes that American Classics’ use of the Marks on apparel was source identifying.

Page 149. Add new Question 3.

3. In both *Thoroughbred Legends* and *The Real USFL*, parties sought to establish trademark rights by entering into license agreements that authorized third parties to use the marks. What were the salient differences that allowed the old USFL to succeed while Thoroughbred Legends failed?

B. Ownership

Page 159. Add new Question 2; renumber the following question as Question 3.

2. In the 1950s, brothers Rudolph, Ronald, and O’Kelly Isley began a long and successful recording career as the Isley Brothers. Between 1954 and 2022, they recorded and released multiple hit singles and more than 30 studio albums. The three brothers performed as a trio until 1973, when their brothers Ernie Isley and Marvin Isley and their brother-in-law Chris Jasper joined the band. O’Kelly Isley died in 1986. Rudolph retired from active performance in 1989, while Ronald and Ernie continued to perform and record under the Isley Brothers name. The Isley Brothers were inducted into the Rock and Roll Hall of Fame in 1992 and awarded a Grammy lifetime achievement award in 2014. In 2022, Ronald Isley, without consulting his brothers, registered the mark THE ISLEY BROTHERS for visual and audiovisual recordings featuring music, claiming actual use in commerce since 1954. Ronald claims to be the sole owner of the mark. Rudolph believed that, as the only other surviving member of the original trio, he owned 50% of any Isley Brothers mark. Rudolph filed a lawsuit seeking a declaration that the mark was jointly owned and an accounting of half of any proceeds from exploitation of the mark. Ronald insisted that Rudolph lost any interest that he might have owned in the mark when he retired in 1989. Rudolph died in October of 2023, but his estate is pursuing the lawsuit. How should the court analyze the brothers’ claims? *See Isley v. Isley*, No. 1:23-cv-01720 (N. D. Ill. Aug. 22, 2023).

C. “Use in Commerce”

Page 160. Add the following paragraph at the end of *Note: Token Use*:

Even if an applicant has a bona fide intent to use a mark at the time of applying for a registration, it still must make bona fide use in commerce in “the ordinary course of trade and not made merely to reserve a right in a mark” in order to support receiving a registration. Social Tech filed an intent-to-use application to register the mark MEMOJI for mobile application software and received a notice of allowance. In 2018, Social Tech sought and was granted a six-month extension to file a statement of use. Meanwhile, Apple,

Inc., acquired an assignment of the MEMOJI mark and goodwill from a company that had made actual use of the mark after Social Tech’s filing date, and released a public beta version of its operating system incorporating MEMOJI software. In response, Social Tech accelerated its timeline to develop its software, quickly releasing its own MEMOJI software on the Google Play store and filing a statement of use with the PTO. As soon as its registration issued, Social Tech sued Apple for trademark infringement. The district court granted summary judgment to Apple on the ground that Social Tech had not engaged in bona fide use of the MEMOJI mark. The Ninth Circuit affirmed. Plaintiff may have had a bona fide intent to use at the time it applied for the MEMOJI mark for mobile application software, but the evidence showed that plaintiff’s rush to release software was done in order to secure its registration and sue Apple, and thus was made “merely to reserve a right in a mark.” Accordingly, the court also affirmed cancellation of the plaintiff’s registration for MEMOJI. *See Social Techs. LLC v. Apple Inc.*, 4 F.4th 811 (9th Cir. 2021).

Page 163. Add new Questions 6 and 7.

6. Alessandra Suuberg’s efforts to set up a new charity include incorporating a non-profit organization named HAVE SOME DECENCY, applying for tax exempt status, registering the domain name havesomedecency.org, and beginning to build a website to recruit volunteers and donors to help get her charity off the ground. The website includes the organization’s logo and a statement of its mission, but also includes links that don’t resolve, a non-functioning “donate” button, and pages with paragraphs of Latin placeholder text (“*Lorem ipsum dolor sit amet, consectetur adipiscing elit...*”). Has Suuberg acquired service mark rights in the phrase HAVE SOME DECENCY? If not, what does she need to do next? *See In re Suuberg*, 2021 U.S.P.Q. 2d (BNA) 1209 (T.T.A.B. 2021).

7. The New York Times publishes weekly columns on specific subjects. “The New Old Age” addresses aging, health and personal finances; “A Good Appetite” covers recipes and cooking; “Hungry City” reviews restaurants; and “Work Friend” is an advice column on the subject of working, office and work-life balance. The columns appear in both the print and the online versions of the newspaper; they are not syndicated to other publications. The New York Times filed applications to register these titles for the product of newspaper columns. The trademark examiner refused registration on the ground that the New York Times does not use the column titles to distinguish its columns from columns in other publications, but instead uses the titles to distinguish the columns from other columns in its own newspaper. How should the New York Times respond? *See In re New York Times*, 2023 U.S.P.Q. 2d (BNA) 392 (T.T.A.B. 2023).

Page 163. Add the following case after the Questions.

In re Duracell US Operations, Inc., Serial No. 90559208, 2023 TTAB LEXIS 261 (T.T.A.B. July 24, 2023). Duracell sought to register a sound mark for batteries consisting of a three-note musical sequence. It submitted as specimens an audio recording of the mark and a video file showing a television commercial that ended with the three-note mark. The trademark examiner refused registration on the ground that the specimens represented mere advertising that did not show use of the mark in connection with the sale of goods. Duracell then submitted substitute specimens containing audio recordings of commercials for Duracell batteries that Duracell paid retail stores to play so that they would be heard by shoppers when they were near shelves stocking the batteries. Duracell claimed that the recordings constituted audio messaging akin to shelf-talkers. The trademark examiner was not persuaded and denied registration. The TTAB reversed.

“A mark is deemed in use in commerce on goods when, among other things, ‘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.” *In re Siny Corp.*, 920 F.3d 1331, 2019 USPQ2d 127099, at *2 (Fed. Cir. 2019) (quoting 15 U.S.C. § 1127). Here, Applicant has not placed the involved sound mark on the goods or their containers, or on tags or labels affixed thereto; Applicant does not argue otherwise. Thus, we must determine whether the “audio messaging” in Applicant’s specimens constitutes “displays associated” with Applicant’s batteries. In doing so, we keep in mind that, as the Examining Attorney points out, “[m]ere advertising is not enough to qualify as a display.” *Id.* at * 2-3. . .

. . . .
Here, we find on this record that Applicant’s in-store “audio messaging” serves as more than “mere” advertising. Specifically, unlike most television, radio, newspaper, Internet, billboard or other types of advertising that consumers might encounter at home, in their cars or in other non-retail locations, Applicant’s advertising/”audio messaging” is transmitted repeatedly (often multiple times per hour) in retail locations where the identified goods are displayed and available for purchase. It can be heard in the section of the store where the goods are located. In fact,. . . the messaging/advertising is “clearly heard by shoppers at the shelves where DURACELL batteries are stocked.”

. . . .
Applicant’s substitute specimens demonstrate trademark use, because the record shows that Applicant’s sound mark is used in the aural equivalent of a “display associated with the goods.”

Page 166. Add the following text to the end of Question 4.

In *AK Futures LLC v Boyd Street Distro*, 35 F.4th 682 (9th Cir. 2022), defendant challenged the validity of plaintiff’s unregistered trademark for vaping liquid containing THC derived from hemp. The Court of Appeals for the 9th Circuit agreed that only lawful uses can support trademark rights, but concluded that plaintiff’s product was lawful because, under the plain text of the 2018 Agricultural Improvement Act, the THC in plaintiff’s products came from lawful hemp rather than unlawful marijuana.

Page 166. Replace the Note on Foreign Commerce with the following Note:

Note: Foreign Commerce

The Lanham Act, § 45, defines “commerce” as “all commerce which may lawfully be regulated by Congress.” What does this suggest about trademark uses occurring outside the U.S.? Congress’s power extends to commerce between the United States and a foreign country, see U.S. Const. art. I, § 8, cl. 3, but the Trademark Manual of Examining Procedure (November 2023 version) § 901.03 cautions: “Unless the ‘foreign commerce’ involves the United States, Congress does not have the power to regulate it. Use of a mark in a foreign country does not give rise to rights in the United States if the goods or services are not sold or rendered in the United States.” The PTO, accordingly, will refuse to register a mark if the applicant claims ownership based on use in commerce but alleges only foreign use.

If the foreign mark is well known in the United States, however, consumers will be confused when a company that has no affiliation with the foreign owner uses the mark in connection with the sale of its

own products. Courts have therefore sought to extend protection to foreign mark owners who have not used their marks within the United States. *International Bancorp v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco*, 329 F.3d 359 (4th Cir. 2003), involved an infringement lawsuit by the owner of the Casino de Monte Carlo against online gambling companies that used the Casino de Monte Carlo's marks on their websites. The plaintiff had advertised its casino services to potential customers in the United States, but had rendered those services only at its properties in Monaco. The Court of Appeals for the 4th Circuit held that the undisputed fact that United States customers traveled from the United States to Monaco to gamble in plaintiff's casino satisfied the requirement that it have rendered its services in commerce within the meaning of the statute. In *Grupo Gigante SA de CV v. Dallo & Co., Inc.*, 391 F.3d 1088 (9th Cir. 2004), the Court of Appeals for the 9th Circuit held that the owner of a foreign mark that was famous was entitled to an exception to the legal principle that required use within the border of the United States if "a *substantial* percentage of consumers in the relevant American market is familiar with the foreign mark." 391 F.3d at 1098 (emphasis in original). Other courts declined to follow *Grupo Gigante*. See, e.g., *ITC Limited v. Punchgini*, 482 F.3d 135, 165 (2d Cir. 2007); *Almacenes Exito S.A. v. El Gallo Meat Mkt., Inc.*, 381 F. Supp. 2d 324, (S.D.N.Y. 2005).

In *Abitron Austria GmbH v. Hetronic International, Inc.*, 600 U.S. 412 (2023), *infra* this Supplement Chapter 6.A., the Supreme Court held that the Lanham Act is not extraterritorial, and that "use in commerce" within the meaning of the statute is limited to domestic use in U.S. commerce. After *Abitron*, both the 4th Circuit's and the 9th Circuit's expansive constructions of "use in commerce" seem doubtful.

That does not leave owners of foreign marks without rights under U.S. law. First, as we will see in the next section of this chapter, foreign use that creates secondary meaning in the United States can be the basis for claiming priority under the doctrine of analogous use. See *infra* Chapter 3[D]. Second, as Chapter 4 explains, the Lanham Act permits registration of marks on bases other than use in commerce, including foreign registration. See *infra* Chapter 4[A]. Third, courts have held that that secondary meaning can be the basis for recovery in an action brought under state unfair competition law. See, e.g., *ITC Ltd v. Punchgini*, 9 N.Y.3d 467 (2007). Finally, Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides a civil cause of action that does not require the plaintiff to show ownership of a mark. In *Belmora LLC v. Bayer Consumer Care*, 819 F.3d 697 (4th Cir. 2016), for example, the Court of Appeals for the 4th Circuit concluded that the owner of the Mexican FLANAX mark could recover under § 43(a) for the deceptive marketing in the United States of an analgesic under the FLANAX mark despite the fact that plaintiff had not used the FLANAX mark within the United States. We will explore this and similar cases in Chapter 7[A][3].

The United States is party to treaties and trade agreements under which it has promised to extend special protection to foreign "well known marks." Article 6 *bis* of the *Paris Convention for the Protection of Industrial Property*, 21 U.S.T. 1583, 828 U.N.T.S. 825, for example [reproduced in the casebook *infra* Appendix D at page 1248], obliges member states to prohibit the use of trademarks that are confusingly similar to famous marks owned in other states. Other agreements promise to protect trademarks and service marks subject to legal protect under foreign law from a wide range of acts of unfair competition. The 1929 *General Inter-American Convention for Trademarks and Commercial Protection*, 46 Stat. 2907, 124 L.N.T.S. 357, requires member states to extend effective protection against both trademark infringement and unfair competition to businesses from other member states. The Lanham Act embodies those promises in § 44, 15 U.S.C. § 1126. See generally Christine Haight Farley, *The Lost Unfair Competition Law*, 110 T.M.R. 739 (2020). Over the course of the semester, as you explore the law's treatment of foreign marks and foreign owners, ask yourself whether United States law substantially complies with its treaty obligations.

D. Analogous Use

Page 178. Replace Question 2 with the following Question.

2. *Shinya Shokudō* (深夜食堂) is a Japanese television series owned and produced by Netflix about a small restaurant in the Shinjuku neighborhood of Tokyo that is open only between midnight and 7:00 a.m. The series is based on a Japanese manga, also titled *Shinya Shokudō*, and has run for five seasons and generated two feature-length movies. The title “Shinya Shokudō (深夜食堂)” translates to “Midnight Diner” in English. In October of 2016, Netflix made the 10-episode fourth season of the series available for streaming in the United States under the title *Midnight Diner: Tokyo Stories*. The series received favorable reviews in the *New Yorker*, the *New York Times*, and online review sites, and has been popular with viewers. Netflix released the fifth season under the title *Midnight Diner: Tokyo Stories* for streaming worldwide (including in the US) in 2019. Shortly thereafter, Netflix released the initial three seasons of the series in the US as *Midnight Diner*. All episodes are subtitled, with the original Japanese titles and credits clearly visible for those who can read them.

In February of 2020, a new restaurant named “Shinya Shokudō” opened in Seattle, Washington. The restaurant is open from noon to midnight, and serves yakitori (grilled skewered chicken). The restaurant’s website explains, “At Shinya Shokudo, we strive to bring Japanese tradition to Seattle where guests can get a taste of genuine Japanese Yakitori from an experienced chef who came from one of the best Yakitori restaurants in Tokyo.” The restaurant recently opened a second branch in nearby Bellevue. Both the website and the signs on the brick-and-mortar restaurants show the name in both English and Japanese characters. If Netflix is concerned, what should it do? Advise Netflix of its options.

Page 178. Add new case following the Questions.

Eazy-PZ LLC v. Ez Etail, Inc, 2022 TTAB LEXIS 113 (T.T.A.B. 2022). Ez Etail and Eazy-PZ both operated online stores using the EZPZ service mark. In a priority dispute over which of them was entitled to register the service mark, Eazy-PZ proved actual use in commerce as of December 29, 2014. Ez Etail sought to prove prior analogous use.

Under the theory of “use analogous,” a party seeks to show that pre-sales activities, publicity, and promotions constituted use analogous to actual trademark use, and thus created an association in the relevant public’s mind with the mark on a date that precedes the party’s constructive use (filing) date or its technical first use in commerce date. *T.A.B. Sys. v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879, 1881 (Fed. Cir. 1996); *see also* J. THOMAS MCCARTHY, 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 20:16 (5th ed. March 2022 Update). In *T.A.B. Sys.*, the Federal Circuit held that in order for use analogous to apply, the evidence must show that the asserting party’s promotional activities (1) reached “more than a negligible portion” of potential customers; and (2) were sufficient to have a “substantial impact on the purchasing public.” *T.A.B. Sys. v. PacTel Teletrac*, 37 USPQ2d at 1375-76.

Thus, in order to establish such proprietary rights, the party must allege and prove that “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.” *Herbko [Int’l, Inc. v. Kappa Books, Inc.]*, 64 USPQ2d 1375 (Fed. Cir. 2002)] at 1378. “[A]nalogous use must be more than mere advertising.” *Westrex Corp. v. New Sensor Corp.*, 83 USPQ2d 1215, 1218 (TTAB 2007).

Moreover, while use analogous can create priority, “actual, technical trademark use must follow the use analogous to trademark use within a commercially reasonable period of time.” *Dyneer Corp. v. Auto. Prods. Plc.*, 37 USPQ2d 1251, 1256 (TTAB 1995).

Ez Etail argued that its founder started developing EZPZ as a brand in March 2012, when he initially sought to secure the ezpz.com domain name. When those efforts were unsuccessful, he established a Cloudflare website at www.ezpz123.com and hired a marketing consultant to help him market the EZPZ brand. In 2013, he hired an intern to do market research to identify strategic partners who might sell products under the EZPZ brand. In January 2014, he attended a trade show in Las Vegas and presented himself as from EZPZ to manufacturers, wholesalers, and distributors, who ultimately agreed to sell their products through his website. The Board held that none of these uses amounted to analogous use of the sort that would entitle Ez Etail to service mark priority because there was no evidence that the mark had been promoted to potential consumers before December of 2014:

After giving careful consideration to the entire record, we find that Respondent has not demonstrated use analogous for purposes of establishing a priority That is, the evidence of pre-2015 activity, whether undertaken by Respondent or on Respondent’s behalf, does not show promotional efforts in connection with the EZPZ mark that reached “more than a negligible portion” of potential customers, or that such activity was sufficient to have had a “substantial impact on the purchasing public.” *T.A.B. Sys. v. PacTel Teletrac*, 77 F.3d at 1375-76.

E. Priority

Page 185. Insert the following case after *Hana Financial v. Hana Bank*.

Bertini v. Apple Inc.

63 F.4th 1373 (Fed Cir. 2023)

MOORE, CHIEF JUDGE.

Charles Bertini appeals from a final decision of the Trademark Trial and Appeal Board dismissing his opposition to Apple Inc.’s application to register the mark APPLE MUSIC. For the following reasons, we reverse.

BACKGROUND

Apple filed Trademark Application No. 86/659,444 to register the standard character mark APPLE MUSIC for several services in International Class 41, including, *inter alia*, production and distribution of sound recordings and arranging, organizing, conducting, and presenting live musical performances. Bertini, a professional jazz musician, filed a notice of opposition to Apple’s application. Bertini has used the mark APPLE JAZZ in connection with festivals and concerts since June 13, 1985. In the mid-1990s, Bertini began using APPLE JAZZ to issue and distribute sound recordings under his record label. Bertini opposed Apple’s registration of APPLE MUSIC on the ground that it would likely cause confusion with Bertini’s

common law trademark APPLE JAZZ. *See* 15 U.S.C. § 1052(d).

Apple began using the mark APPLE MUSIC on June 8, 2015, when it launched its music streaming service, nearly thirty years after Bertini’s 1985 priority date. Apple argued, however, it was entitled to an earlier priority date of August 1968 based on trademark rights it purchased from Apple Corps, the Beatles’ record company. Apple purchased Apple Corps’ Registration No. 2034964 in 2007. The ‘964 registration covers the mark APPLE for “[g]ramophone records featuring music” and “audio compact discs featuring music” and claims a date of first use of August 1968.

DISCUSSION

II

Trademark rights arise from the use of a mark in commerce. *Hana [Fin., Inc. v. Hana Bank]*, 574 U.S. 418 (2015), at 419. The party who first uses a distinctive mark in connection with particular goods or services has priority over other users. *Id.* “Recognizing that trademark users ought to be permitted to make certain modifications to their marks over time without losing priority,” trademark owners may, in limited circumstances, “clothe a new mark with the priority position of an older mark.” *Id.* at 419-20. This doctrine is known as “tacking.” *Id.* at 420.

We permit tacking because, without it, “a trademark owner’s priority in his mark would be reduced each time he made the slightest alteration to the mark, which would discourage him from altering the mark in response to changing consumer preferences, evolving aesthetic developments, or new advertising and marketing styles.” [Citation.]. Trademark owners often modernize and update their trademarks in response to a changing marketplace. [Citation.]

The standard for a trademark owner to invoke tacking is strict. [Citation.] The party seeking to tack bears the burden to show the old mark and the new mark “‘create the same, continuing commercial impression’ so that consumers ‘consider both as the same mark.’” *Hana*, 574 U.S. at 422 (quoting *Van Dyne-Crotty*, 926 F.2d at 1159). In other words, the marks must be “legal equivalents.”¹ *Id.* . . .

While rare, tacking can apply in situations where the marks are sufficiently similar such that a consumer would understand the two marks identify the same source. . . .

III

This case raises a question of first impression regarding the appropriate tacking standard in the registration context: whether a trademark applicant can establish priority for *every* good or service in its application merely because it has priority through tacking in a *single* good or service listed in its application. We hold it cannot. Bertini argues the Board erred by only considering whether Apple can tack its use of APPLE MUSIC for production and distribution of sound recordings—one of several services listed in Apple’s application. Apple responds that its application should be granted as to all listed goods or services if it can establish priority through tacking in any one of those goods or services. We do not agree.

Apple seeks to register its APPLE MUSIC mark for 15 broad categories of services, from the production and distribution of sound recordings, to presenting live musical performances, to providing websites featuring entertainment and sports information. Apple attempts to claim priority for all of these

¹ Although the terminology “legal equivalents” is typically used, the Supreme Court has made clear this is a factual question. *Hana*, 574 U.S. at 422-23 (abrogating prior decisions holding this was a legal question).

services by tacking onto Apple Corps' 1968 use of APPLE for gramophone records. The Board found Apple was entitled to tack its use of APPLE MUSIC for production and distribution of sound recordings onto Apple Corps' 1968 use of APPLE for gramophone records and thus may claim priority for all of the services listed in its application. It made no findings regarding the other services listed in the application.

The Board legally erred by permitting Apple to claim absolute priority for *all* of the services listed in its application based on a showing of priority for *one* service listed in the application. . . .

To sustain his opposition, Bertini therefore only needs to show he has priority of use of APPLE JAZZ for any service listed in Apple's application. Bertini's use of APPLE JAZZ overlaps with two of the services in Apple's application: production and distribution of sound recordings; and arranging, organizing, conducting, and presenting live musical performances. . . . Even assuming Apple is entitled to tack its use of APPLE MUSIC for production and distribution of sound recordings onto Apple Corps' 1968 use of APPLE for gramophone records, this does not give Apple priority as of 1968 for live musical performances. Nor does it give Apple a 1968 priority date for the laundry list of other services in its application.

The Board found, and Apple does not dispute, that Bertini may claim priority of use of APPLE JAZZ in connection with "[a]rranging, organizing, conducting, and presenting concerts [and] live musical performances" as early as June 13, 1985. To defeat Bertini's showing of priority, Apple must at minimum show it is entitled to tack its use of APPLE MUSIC for live musical performances onto Apple Corps' use of APPLE for gramophone records.

This raises a question regarding the scope of the tacking inquiry. Trademark rights arise from the use of the mark in connection with particular goods or services. *See B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142 (2015); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97-98 (1918). We therefore cannot evaluate whether two marks create the same commercial impression without considering the goods or services on which the marks are used. Our tacking cases have focused on whether a trademark owner can tack two different marks which have been used for the same goods or services. We have not addressed the appropriate standard for tacking uses on *different* goods or services.

The Board has held tacking requires the new and old goods or services be "substantially identical." [Citations.] Both parties urge us to apply this standard. We agree the goods or services must be substantially identical for tacking to apply. . . .

Goods and services are substantially identical for purposes of tacking where the new goods or services are within the normal evolution of the previous line of goods or services. This inquiry depends, at least in part, on whether consumers would generally expect the new goods or services to emanate from the same source as the previous goods or services. [Citations.]

To establish tacking, Apple must therefore show live musical performances are substantially identical to gramophone records. There is no need to vacate and remand for the Board to make a finding on this issue in the first instance. No reasonable person could conclude, based on the record before us, that gramophone records and live musical performances are substantially identical. Nothing in the record supports a finding that consumers would think Apple's live musical performances are within the normal product evolution of Apple Corps' gramophone records.

Accordingly, Apple is not entitled to tack its use of APPLE MUSIC for live musical performances onto Apple Corps' 1968 use of APPLE for gramophone records. Because Apple began using the mark APPLE MUSIC in 2015, Bertini has priority of use for APPLE JAZZ as to live musical performances. We therefore reverse the Board's dismissal of Bertini's opposition to Apple's application to register APPLE MUSIC.

Chapter 4

Registration of Trademarks

A. The Bases and Process

1. Bases of Registration

Page 214. Add the following text at the end of Footnote *.

Such a strategy by a U.S. entity can mask a company's intention to launch a product or service under a particular mark for a few months by filing first in a foreign filing jurisdiction that is slow to make the application public. The U.S. entity can then file a U.S. application claiming Paris Convention priority within 6 months and not lose an earlier priority filing date.

Page 216. Add the following citation at the end of Note: Madrid Protocol Extensions to the U.S.

See Sarmento v. Carvalho, 2024 U.S.P.Q.2d 1683 (T.T.A.B. 2024) (a Madrid Protocol extension was cancelled because the underlying IR was voided after finding the applicant was not the owner of the mark. Nevertheless, the Board upheld transformation into a Section 1(b) application under § 70(c) with the same filing priority as the IR extension had).

2. The Process

Page 217. Replace the last 2 sentences in **Editors' Note with the following text:

Parties or their counsel can conduct preliminary searches on the Trademark Office's Trademark Search database located at <https://tmsearch.uspto.gov/search/search-information>, proprietary databases and search engines such as Google. If a proposed mark is not knocked out, a full availability search can be ordered from a searching company.

Page 219. Replace the text of (e) *Filing Fee* with the following text:

The fee for Section 1 and 44 applications is \$350 per class for electronic applications if they use descriptions in the PTO's Acceptable Identification of Goods and Services Manual. Otherwise, each class of goods and services costs an extra \$200 per class. The fee for paper applications is \$850 per class. The fee for Madrid extension applications is \$600 per class. Additionally, for all applications a separate \$200 per class is charged for every 1,000 characters over 1,000 characters in the description of goods or services for any application.

Page 220. Delete text of * *Editors' Note* and substitute the following text:

The Trademark Modernization Act of 2020, Publ. L. No. 116-260 § 221, 134 Stat. 1182, 2200 (Dec. 27, 2020) amended § 12(b) of the Lanham Act and permitted the Director to alter the amount of time to respond

to an Office action. The final regulations provide for a response date to Office actions for Section 1 and Section 44 applications of three months with the option of a 3-month extension for a \$125 fee. The response time for post-registration Office actions also changed to three months with an option of a 3-month extension for a \$125 fee for Section 1 and Section 44 applications. The response time remains at 6 months for Madrid extension applications.

Page 221. Insert the following cite to the Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) at the end of the first paragraph:

TBMP (June 2025), at <https://tbmp.uspto.gov/RDMS/TBMP/current> (sets forth rules and cases concerning practice and procedure before the TTAB).

Page 221. Delete the citation for the TMEP at the bottom of the page and substitute the following:

TMEP (May 2025), at <https://tmep.uspto.gov/RDMS/TMEP/current>.

Page 222. Add the following case excerpt after No. 6 of the *Note: Advantages of Trademark Registration on the Principal Register*:

In *SoClean, Inc. v. Sunset Healthcare Solutions, Inc.*, 52 F.4th 1363 (Fed. Cir. 2022), an action concerning the registered trade dress of replacement filters for a medical sanitizing device, the Court of Appeals for the Federal Circuit rejected defendant-appellant’s argument that the district court should have declined to apply the presumption of validity attaching to a registration:

The presumption of validity is not conditional; the statute provides that a certificate of registration “shall” result in the presumption, without specifying any exceptions. See 15 U.S.C. § 1057(b). Sunset fails to identify any statutory or legal basis to withhold the presumption from a registration. And “withholding the presumption” is the basic import of Sunset’s position, no matter what it acknowledges about who bears the burden; scrutinizing the application process and deciding whether the trademark examiner was correct to issue the registration in the first place is the opposite of presuming that the registration as issued is valid. Sunset may still invoke § 1119 and ask the district court to rectify the register if SoClean’s trade dress is deficient; Sunset simply bears the burden of proof in doing so, and SoClean is entitled to rely only on the presumption and need not present any evidence of its own. The district court did not, therefore, abuse its discretion when it declined to revisit the examiner’s actions and alter the statutory presumption of validity.

Page 223. *Note: Advantages of Trademark Registration on the Principal Register*. Add the following text at the end of No. 7:

Additionally, use of the symbol undercuts a defense of lack of knowledge of the registration by an infringer. A mark owner who fails to include the notice cannot seek profits and damages pursuant to § 29 of the Lanham Act, unless the infringer had actual notice of the registration.

Page 224. *Note: Advantages of Trademark Registration on the Principal Register*. Add No. 11 set forth below after No. 10:

11. *Non-statutory advantages.* Having a federal registration (or application) is a requirement for brand owners to participate in certain search engine advantages and in Amazon’s highly successful Brand Registry Program, which is a private dispute resolution system that (i) gives participants access to Amazon-approved law firms to register marks more economically; (ii) “allows mark owners to object to uses of their marks on Amazon without needing to invoke formal

legal process”; and (iii) provides “more favorable treatment in Amazon’s search rankings.” Jeanne C. Fromer and Mark P. McKenna, Amazon’s Quiet Overhaul of the Trademark System, 113 Cal. L. Rev. __ (forthcoming 2025).

Page 225. Note: The Notice of Registration. Add the following cross-reference at the end of the first paragraph of the Note:

See Chapter 12.B, *infra*, this Supplement concerning Section 1111.

Page 226 Note: Maintenance and Renewal of Registration: Add Editors’ Note at the end of the Note:

**Editors’ Note:* The Fourth Circuit recently held that a third party could challenge the USPTO under the APA for accepting a late renewal payment 10 years after the registration’s renewal deadline and remanded the proceeding to the district court. *See Bacardi & Co. v. USPTO*, 104 F. 4th 527 (4th Cir.2024) (holding that the Lanham Act “does not foreclose an APA action for judicial review of the PTO’s compliance with statutes and regulations governing trademark registration renewal”).

Page 227. Add “Madrid Protocol Extensions” after “Priority of ITUs” and “Reliance on the Pan American Convention” after “Applications Claiming Paris Convention Priority” in Heading B as follows:

B. Priority of ITUs, Madrid Protocol Extensions, Applications Claiming Paris Convention Priority and Reliance on the Pan American Convention

Page 232. Replace *Problems* with the following *Problems*:

1. Early Bird Corp. filed an intent-to-use application for EARLY BIRD Brand shampoo in January 2014. Early Bird had been testing the product formulation in a laboratory and expected to release it within the next year. In May of 2015, the Patent and Trademark Office sent Early Bird a notice of allowance. Sparrow Corp. began using the mark EARLY BIRD for shampoo on June 1, 2015. On October 15, 2015, Early Bird Corp. began selling large quantities of EARLY BIRD shampoo in interstate commerce and filed a statement of actual use with the PTO. What are the respective rights of Early Bird and Sparrow?

2. Same as above, except that Early Bird did not begin selling large quantities of EARLY BIRD shampoo in interstate commerce until January 2020. Beginning in April of 2018, however, having filed for all available extensions, Early Bird test markets the shampoo in interstate commerce by selling product in Boston and Philadelphia and files its statement of use.

3. Same as #2, except that, instead of test marketing, Early Bird shipped two cases of a different brand shampoo, overlaid with EARLY BIRD labels, in interstate commerce.

4. Ginger Spirits, Inc. filed an intent-to-use application on June 28, 2013 for the mark SOUTH BEACH BEER for “alcoholic beverages, namely beer.” Ginger Spirits alleged that it first used the mark in commerce on October 4, 2004. The registration was issued on March 7, 2015.

Frank Salacuse filed an intent-to-use application on March 22, 2013 for the mark SOUTH BEACH for “brewed drinks, namely, beer and ale.” Between March and August of 2013, Salacuse filed a total of 8 intent-to-use applications for the mark SOUTH BEACH. These applications were for products including wine and wine drinks; frozen drinks; pencil cases and other desk accessories; luggage; lingerie; furniture; motor vehicles; plastic sports bottles, portable insulated coolers, and insulated lunch boxes; school notebooks, calendars, diaries, and address books. Salacuse has also filed intent-to-use applications for SOBE and SO-BE-IT!, which are variations of SOUTH BEACH. With respect to these expanded applications, Salacuse did not have any documents bearing upon or supporting his intention to use the SOUTH BEACH mark in commerce.

In 2017, Salacuse filed a petition to cancel respondent’s registration, alleging priority of use and likelihood of confusion under Trademark Act Section 2(d). His ITUs are still pending.

What affirmative defenses can Ginger Spirits assert? Does it matter that at the time he filed suit, Salacuse had not used the mark in commerce? Do the other seven intent-to-use applications have any bearing on this case? What effect does his lack of documentary evidence have on his claim of bona fide intent? *See Salacuse v. Ginger Spirits*, 44 U.S.P.Q.2d 1415 (T.T.A.B. 1997); *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503 (T.T.A.B. 1993); *Dunn Computer Corp. v. Loudcloud, Inc.*, 133 F. Supp. 2d 823 (E.D. Va. 2001) (350 ITU applications of words incorporating the term “cloud”); *Boston Red Sox Baseball Club LP v. Sherman*, 88 U.S.P.Q.2d 1581 (T.T.A.B. 2008).

5. WebStream Inc. operates websites offering website design services under the domain names webstream.com and webstream.net. The domain names were registered on July 14, 2018; the websites were up and running by July 24, 2018. On August 3, 2018, SongNetwork filed an ITU application for WEB STREAM for streaming music services, and began use in September 2018. WebStream’s websites and domain name registration had not appeared on the trademark search report commissioned by SongNetwork, but SongNetwork learned of WebStream’s sites shortly after filing its ITU applications. SongNetwork requested that WebStream include on its websites a disclaimer of affiliation with SongNetwork, but WebStream refused, and, after converting the Webstream.com site to offer music streaming services, ultimately initiated a trademark infringement action against SongNetwork.

WebStream’s websites have generated no income, and received no visitors when they first went up. WebStream has been unable to attract traffic to the websites through well-placed links on the major search engines because SongNetwork had already obtained those placements for its websites. Who has prior use of the WebStream mark? *See Burns v. RealNetworks*, 359 F. Supp. 2d 1187 (W.D. Okla. 2004).

Page 236. Add the following case and *Note* after the end of Problems.

Lodestar Anstalt v. Bacardi & Co., 31 F.4th 1228 (9th Cir. 2022). Lodestar Anstalt (“Lodestar”) obtained an extension to the U.S. of its International Registration under the Madrid Protocol based on its home registration in Liechtenstein filed in 2009 for the mark UNTAMED for “whiskey, rum and other distilled spirits.” Bacardi began an advertising campaign for its rum products in the U.S. in November 2013 using the phrase “Bacardi Untameable.” Lodestar subsequently made bona fide use of UNTAMED in commerce on certain rum products in the U.S. and sued Bacardi for infringement and unfair competition in 2016. The appellate court affirmed summary judgment for defendant but found that Lodestar had priority and that even subsequent use by Lodestar to Bacardi’s use entitled Lodestar as the owner of the prior Madrid extension to sue for infringement. The court noted:

The Madrid Protocol ... reflects a ...departure from the traditional emphasis on assigning priority of rights based on actual use. ...The Protocol allows holders of trademark rights in their respective countries to “secure protection” for their marks ... in other contracting parties by obtaining, through their home country’s trademark office, an

“international registration” in the “register of the International Bureau of the World Intellectual Property Organization.” [Citation.]

For foreign trademark owners who seek to extend protection, under the Protocol, *into* the United States, ... the Lanham Act provides ... [i]f there is no successful opposition and no grounds for refusal of the request, then the PTO “shall issue a certificate of extension of protection,” which “shall have the same effect and validity as a registration on the Principal Register.” *Id.* § 1141i(a), (b)(1).

Notably, § 68(a)(3) of the Lanham Act specifically states that “[e]xtension of protection shall *not* be refused on the ground that the mark has not been used in commerce.” 15 U.S.C. § 1141h(a)(3) (emphasis added). Rather, the PTO may properly ... grant a request for extension of protection so long as the request received from the International Bureau shows that, when that Bureau received it, the request had “attached to it a declaration of bona fide intention to use the mark in commerce.” *Id.* § 1141f(a). ... Thus, while a request for an extension of protection under the Madrid Protocol is similar to an intent-to-use application in that both may be *filed* based on a declaration of a bona fide intent to use the mark in U.S. commerce, a request under the Protocol differs from an intent-to-use application in that it may also be *granted* without first showing actual use in commerce....

....

... Title XII of the Lanham Act ... contains two key provisions describing the rights that flow from a grant of extension of protection in the U.S.

First, § 66(b) states that, unless extension of protection is refused, “the proper filing of the request for extension of protection” with the PTO “shall constitute constructive use of the mark, conferring the same rights as those specified” for intent-to-use applications under § 7(c), as of the earlier of three possible dates. 15 U.S.C. § 1141f(b).⁵ Section 7(c), in turn, states that, “[c]ontingent on the registration of a mark on the principal register” under the Lanham Act, “the filing of the application to register such mark shall constitute constructive use of the mark,” thereby conferring the following “right of priority”:

a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing—

(1) has used the mark;

(2) has filed an application to register the mark which is pending or has resulted in registration of the mark; or

(3) has filed a foreign application to register the mark on the basis of which he or she has acquired a right of priority, and timely files an application under section 1126(d) of this title [*i.e.*, § 44(d) of the Lanham Act] to register the mark which is pending or has resulted in registration of the mark.

⁵ The three dates are (1) the date of the underlying international registration, “if the request for extension of protection was filed in the international application”; (2) the date of the PTO’s “recordal of the request for extension of protection, if the request for extension of protection was made after the international registration date”; or (3) a claimed “date of priority,” not more than six months preceding the international-registration or PTO-recordal dates, that is “based on a right of priority within the meaning of Article 4 of the Paris Convention for the Protection of Industrial Property.” 15 U.S.C. §§ 1141f(b)(1)-(3), 1141g. Lodestar apparently invoked the third option, because its application for extension of protection reflects a claimed priority date of July 16, 2009, which precedes the international-registration and PTO-recordal dates (both of which are August 19, 2009).

15 U.S.C. § 1057(c) (emphasis added).

Second, § 69(b) states that, “[f]rom the date on which a certificate of extension of protection is issued” by the PTO, “(1) such extension of protection shall have the same effect and validity as a registration on the Principal Register”; and “(2) the holder of the international registration shall have the same rights and remedies as the owner of a registration on the Principal Register.” 15 U.S.C. § 1141i(b).

Under these provisions, the PTO’s issuance of an extension of protection ... had “the same effect” as a “registration” on the Principal Register. *See id.* § 1141i(b)(1). As a result, that issuance satisfied the contingency on which the rights specified in § 7(c) depend, *viz.*, that there be a “registration of [the] mark on the principal register,” *id.* § 1057(c). With the fulfillment of that contingency, Lodestar thereby was granted the “right of priority” described in § 7(c) as of the date specified in § 66(b), which in this case is July 21, 2009. Moreover, because it is undisputed that Bacardi did not use, or apply to register, the allegedly infringing “Bacardi Untameable” mark before the filing of Lodestar’s request for extension of protection on August 19, 2009, the plain language of § 7(c) grants Lodestar “a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against” Bacardi. *Id.* § 1057(c). Here, the relevant goods or services specified in Lodestar’s certificate of extension of protection are “rum, whiskey and distilled spirits.” Therefore, as of July 21, 2009, Lodestar had a “right of priority” against Bacardi with respect to use of the Untamed Word Mark on or in connection with rum.

Although the appellate court found that Lodestar had priority over Bacardi, it nevertheless affirmed summary judgment for Bacardi after concluding that there was not a likelihood of confusion.

Note: The Pan American Convention

The United States is a member of the General Inter-American Convention for Trade Mark and Commercial Protection of 1929, informally known as the Pan American Convention (the “Convention”). In addition to the U.S., Colombia, Cuba, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay and Peru have ratified the Convention, which governs the treatment of trademarks, trade names, unfair competition and false indications of geographic origins. Articles 7 and 8 of the Convention are particularly relevant to trademark priority issues in the member countries.

Article 8 provides for the cancellation of a blocking mark in another contracting state under certain conditions:

When the owner of a mark seeks the registration or deposit of the mark in a Contracting State other than that of origin of the mark and such registration or deposit is refused because of the previous registration or deposit of an interfering mark, he shall have the right to apply for and obtain the cancellation or annulment of the interfering mark upon proving, in accordance with the legal procedure of the country in which cancellation is sought, the stipulations in Paragraph (a) and those of either Paragraph (b) or (c) below:

(a) That he enjoyed legal protection for his mark in another of the Contracting States prior to the date of the application for the registration or deposit which he seeks to cancel; and

(b) That the claimant of the interfering mark, the cancellation of which is sought, had knowledge of the use, employment, registration or deposit in any of the Contracting

States of the mark for the specific goods to which said interfering mark is applied, prior to adoption and use thereof or prior to the filing of the application or deposit of the mark which is sought to be cancelled; or

(c) That the owner of the mark who seeks cancellation based on a prior right to the ownership and use of such mark, has traded or trades with or in the country in which cancellation is sought; and that goods designated by his mark have circulated and circulate in said country from a date prior to the filing of the application for registration or deposit for the mark, the cancellation of which is claimed, or prior to the adoption and use of the same.

In other words, Article 8 permits a foreign party who has legal protection for its trademark in a foreign contracting country prior to another party's application for that mark in the U.S. can petition to cancel the U.S. party's blocking registration when the foreign party seeks registration in the U.S. even though the foreign party is junior in the U.S. *See, e.g., British-American Tobacco Co. v. Phillip Morris, Inc.*, 55 U.S.P.Q.2d 1585 (T.T.A.B.2000) (the Board held the Convention was self-executing and denied a motion to dismiss a petition to cancel Philip Morris' BELMONT registration in the U.S. that was cited against the Panamanian company's later-filed U.S. application; the Panamanian entity alleged legal protection of its BELMONT mark in Panama prior to Philip Morris' application to register the mark in the U.S. and that Phillip Morris knew this at the time it filed in the U.S.). In effect, the Convention can alter the territoriality principle of trademarks. *See also, General Cigar Co. v. Empresa Cubana Del Tabaco*, 2025 U.S. Dist. LEXIS 87607 (E.D. Va. 2025) (on appeal from the TTAB, the district court affirmed the Board's grant of cancellation of General Cigar's registrations for the COHIBA mark based on Article 8 of the Convention).

Article 7 in the Convention can apply in the context of an opposition. It provides:

Any owner of a mark protected in one of the contracting states in accordance with its domestic law, who may know that some other person is using or applying to register or deposit an interfering mark in any other of the contracting states, shall have the right to oppose such use, registration or deposit and shall have the right to employ all legal means, procedure or recourse provided in the country in which such interfering mark is being used or where its registration or deposit is being sought, and upon proof that the person who is using such mark or applying to register or deposit it, had knowledge of the existence and continuous use in any of the Contracting States of the mark on which opposition is based upon goods at the same class, the opposer may claim for himself the preferential right to use such mark in the country where the opposition is made or priority to register or deposit in such country, upon compliance with the requirements established by the domestic legislation in such country and by this Convention.

The Convention in the opposition context applied in *Diaz v. Servicios De Franquicia Pardo's S.A.C.*, 83 U.S.P.Q.2d 1320 (T.T.A.B. 2007). The Board granted summary judgment to a Peruvian applicant who filed a Section 44(e) application in the U.S. based on its Peruvian registration for the stylized mark PARDO'S CHICKEN for restaurant services. The application was opposed by an individual who claimed common law rights in the U.S. for that mark after the time the Peruvian company had established rights in Peru. The Board held that Article 7's requirements were met by the Peruvian company as opposer was brought up in Peru and there was proof that he had knowledge of the Peruvian's company's rights.

C. Bars to Registration

1. Section 2(a) of the Lanham Act; Immoral, Scandalous, Disparaging or Deceptive and False Suggestion of a Connection

a. Immoral, Scandalous or Disparaging Marks

Page 253. Add the following citation after the Katyal quotes:

For an analysis of the numerosity and content of post-*Tam* applications, see Michael P. Goodyear, “Queer Trademarks,” 2024 U. Ill. L. Rev. 163 (Vol. 2024, No. 1) (analyzes applications before and after *Tam*, finding the number of LGBTQ+ oriented applications increased twofold after *Tam* but have been unanimously affirming rather than disparaging uses).

Page 254. Add the following text at the end of penultimate paragraph of Note: *Implications of Matal v. Tam and Iancu v. Brunetti*:

In fact, the Supreme Court recently took up the constitutionality of Section 2(c). See *Vidal v. Elster*, *infra*, this Supplement, Chapter 4.C.2.

Page 254. Add after the Note: *Implications of Matal v. Tam and Iancu v. Brunetti*:

In re Brunetti, 2022 U.S.P.Q.2d (BNA) 764 (T.T.A.B. 2022). Despite the hand-wringing fears of a plethora of registrations of disparaging or scandalous marks in the wake of *Tam* and *Brunetti*, the history of *Brunetti*’s subsequent attempts to register FUCK marks provides solace: while the USPTO may no longer engage in viewpoint discrimination to exclude offensive marks, the term or design must still function as a trademark. If the public is not likely to perceive the tasteless (or worse) term as a designator of source, then the term will not be registered. While the FUCT mark at issue in *Iancu v. Brunetti* was ultimately registered, the Applicant also filed new applications to register the word FUCK while the Supreme Court decision was still pending. After the decision in *Iancu v. Brunetti*, the Examining Attorney refused registration under Sections 1, 2, 3, and 45 of the Trademark Act, 15 U.S.C. §§ 1051-1053, and 1127, on the ground that each “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 Board upheld the refusal to register, relying in part on caselaw declining to register slogans that merely convey information or communicate a sentiment (see *supra*, Chapter 2.A.1.a).

B. Failure to Function

One way a proposed mark fails to function is if consumers will view it as a merely informational slogan or phrase instead of something that “point[s] out distinctively the origin of the goods to which it is attached.” [Citation.] . . .

Matter 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. 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. [Citations.]

....

The evidence in this case shows that the word FUCK is no ordinary word, but rather one that has acquired a multitude of recognized meanings since its first recorded use, and whose popularity has soared over the years, particularly in recent times, transforming what was once a taboo word to be spoken in hushed tones to one that is trendy and cosmopolitan. Although the word FUCK has been “a choice word of artists, politicians, and musicians for centuries,” “major dictionaries declined to include fuck until quite recently, yet it now appears without fuss in an impressive range of cultural

domains.”

FUCK is used not only to describe sexual intercourse, but as a word 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. FUCK is arguably one of the most expressive words in the English language — an “all-purpose word.” We find that the record in this case amply demonstrates the ubiquity of the term FUCK as an expression to convey a wide-range of recognized concepts and sentiments, including those noted above.

...

We disagree that trademark law dictates that anything which is not generic necessarily is a trademark. In Trademark Act Section 45, Congress defined what could be registered—trademarks—but it did not purport to define every way that terms or symbols for which registration is sought fail to perform the function of a trademark. Genericness is one way-but not the only way-that a proposed “mark” fails to function as a mark. [Citation]

We need not belabor the point about Applicant’s mistaken theory on the basis for the refusal, or his unpersuasive argument that simply because other common words may be registrable, FUCK is automatically registrable too. There are multiple reasons why a term or other indicia may fail to function as a mark, whether because it is nondistinctive trade dress, a title of a single work, a varietal name, or a repeating pattern, to name a few. Registration is not available if the matter to be registered fails to function as a mark, and we do not need to find that FUCK is generic for a class of goods or services to find that it fails to function as a mark. Suffice to say that Applicant’s attempt to limit the refusal to terms or phrases that provide “specific information about the goods,” is also unavailing because “[a] term may still fail to function as a mark even if it does not convey information about the goods.”

The Board also found that the term’s use in the marketplace confirmed its determination that the public sees the term as ornamental rather than source-identifying:

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 the FUCK Applications, e.g., phone cases, laptop cases, jewelry, earrings, rings, bracelets, ornamental lapel pins, carrying bags, fanny packs, tote bags, and wallets. Prominent 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.” *Mayweather Promotions*, 2020 USPQ2d 11298, at *4; *In re Hulting*, 107 USPQ2d at 1179 (“Clearly, the placement, size, and dominance of the wording are consistent with informational (or ornamental), not trademark use.”).

b. Deceptive Terms

Page 260. Add Question 8:

8. SMART SUTURE for “bandages for surgical use for skin wounds having mechanical hooks that penetrate the skin on either side of the wound for attachment to the skin.” The Board considered definitions of “suture” as “the fine thread or other material used surgically to close a wound” and of “bandage” as “1: A strip of fabric used especially to cover, dress, and bind up wounds” and “2: a flexible strip or band used

to cover, strengthen, or compress something.” See *In re BandGrip, Inc.*, 2021 TTAB LEXIS 413 (T.T.A.B. Oct. 21, 2021).

c. False Suggestion of a Connection

Page 267. Add Question 5:

5. On March 13, 2018, President Trump gave a speech covered by national media proposing a sixth military branch to deal with space operations called the “Space Force.” A few days later, Thomas Foster filed an ITU application for US SPACE FORCE covering a wide variety of merchandise. In June 2018, President Trump issued a directive to create the U.S. Space Force that was officially established as the sixth military branch by Congress in December 2019. The Examining Attorney refused registration to Foster because it would falsely suggest a connection with the U.S. Government and its military and considered evidence of use by the military up to the time the examination process concluded in December 2022. The refusal was affirmed by the TTAB. Foster argued his constructive first use date preceded any use by the Government. On appeal, how should the Federal Circuit Court of Appeals rule? See *In re Foster*, 136 F.4th 1090 (Fed. Cir. 2025) (affirmed propriety of considering evidence up to the end of examination process and that the elements of false association were satisfied).

2. Sections 2(b) and 2(c) of the Lanham Act

Page 269. Delete *In re Richard M. Hoefflin* and add the following Supreme Court case:

Vidal v. Elster

602 U.S. 286 (S. Ct. 2024)

JUSTICE THOMAS announced the judgment of the Court and delivered the opinion of the Court with respect to Parts I, II, and IV, and an opinion with respect to Part III, in which JUSTICE ALITO and JUSTICE GORSUCH join.*

Steve Elster sought to register the trademark “Trump too small.” But, the Patent and Trademark Office (PTO) refused to register the mark because the Lanham Act prohibits registration of a trademark that “[c]onsists of or comprises a name . . . identifying a particular living individual except by his written consent.” 60 Stat. 428, 15 U.S.C. §1052(c). Elster contends that this prohibition violates his First Amendment right to free speech. We hold that it does not.

I

A trademark is “a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons.” *Trade-Mark Cases*, 100 U.S. 82, 92 (1879); see also §1127. As we have explained, “[t]he principle underlying trademark protection is that distinctive marks—words, names, symbols, and the like—can help distinguish a particular artisan’s goods from those of others.” *B&B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138, 142 (2015). So “[o]ne

* *Editors’ Note:* JUSTICE KAVANAUGH AND CHIEF JUSTICE ROBERTS joined Parts I, II and IV of this opinion, which therefore functions as the majority opinion. JUSTICE BARRETT also joined Parts I, II-A, and II-B of this opinion.

who first uses a distinct mark in commerce thus acquires rights to that mark,” which “include preventing others from using the mark.” *Ibid.*

Trademark rights are primarily a matter of state law, but an owner can obtain important rights through federal registration. The Lanham Act creates a federal trademark-registration system administered by the PTO. Federal “[r]egistration of a mark is not mandatory,” and “[t]he owner of an unregistered mark may still use it in commerce and enforce it against infringers.” *Iancu v. Brunetti*, 588 U.S. 388, 391 (2019). Federal registration, however, “confers important legal rights and benefits.” *B&B Hardware*, 575 U.S., at 142 (internal quotation marks omitted). For example, a registrant may rely on registration in litigation as prima facie evidence of his exclusive right to use the mark. §1115(a). And, registration provides nationwide constructive notice of the registrant’s claim of ownership of the mark. §1072.

Only marks that meet certain criteria are federally registerable. Among other criteria, the Lanham Act contains what we will call the “names clause”—a prohibition on the registration of a mark that “[c]onsists of or comprises a name . . . identifying a particular living individual except by his written consent.” §1052(c). The names clause excludes from registration “not only full names but also surnames, shortened names, and nicknames, so long as the name does in fact identify a particular living individual.” 2 J. McCarthy, *Trademarks and Unfair Competition* §13:37, p. 31 (5th ed. 2024) (McCarthy).

Steve Elster sought to register the trademark “Trump too small,” accompanied by an illustration of a hand gesture, to use on shirts. . . . The mark draws on an exchange between then-candidate Donald Trump and Senator Marco Rubio during a 2016 Presidential primary debate.

The PTO examiner refused registration under the names clause because the mark used President Trump’s name without his consent. The Trademark Trial and Appeal Board affirmed, and it also rejected Elster’s argument that the names clause violates his First Amendment right to free speech.¹ The Federal Circuit reversed, holding that the names clause violated the First Amendment. *In re Elster*, 26 F. 4th 1328 (CA Fed. 2022). The court first concluded that the names clause is a viewpoint-neutral, content-based restriction on speech subject to at least intermediate scrutiny. See *id.*, at 1331, 1333-1334. It next concluded that the Government could not satisfy even intermediate scrutiny because the names clause does not advance any substantial governmental interest. See *id.*, at 1339.

We granted certiorari to resolve whether the Lanham Act’s names clause violates the First Amendment. 598 U. S. ____ (2023).

II

A

The First Amendment provides that “Congress shall make no law . . . abridging the freedom of speech.” In general, we have held that the First Amendment prohibits the Government from restricting or burdening “expression because of its message, its ideas, its subject matter, or its content.” *Ashcroft v. American Civil Liberties Union*, 535 U.S. 564, 573 (2002) (internal quotation marks omitted). “When enforcing this prohibition, our precedents distinguish between content-based and content-neutral regulations of speech.” *National Institute of Family and Life Advocates v. Becerra*, 585 U.S. 755, 766

¹ The Board declined to reach the PTO examiner’s alternative ground for refusing registration—that Elster’s mark “falsely suggest[s] a connection with persons, living or dead.” 15 U. S. C. §1052(a). We focus only on the names clause and express no opinion about whether Elster’s mark fails to meet other requirements for federal registration.

(2018). A content-based regulation “target[s] speech based on its communicative content,” restricting discussion of a subject matter or topic. *Reed v. Town of Gilbert*, 576 U.S. 155, 163 (2015). “As a general matter,” a content-based regulation is “‘presumptively unconstitutional and may be justified only if the government proves that [it is] narrowly tailored to serve compelling state interests.’” *National Institute of Family and Life Advocates*, 585 U.S., at 766. Our precedents distinguish further a particularly “egregious form of content discrimination”—viewpoint discrimination. *Rosenberger v. Rector and Visitors of Univ. of Va.*, 515 U.S. 819, 829 (1995). A viewpoint-based regulation targets not merely a subject matter, “but particular views taken by speakers on a subject.” *Ibid.* It is also generally subject to heightened scrutiny, though viewpoint discrimination’s “violation of the First Amendment is . . . more blatant.” *Ibid.* Because our precedents dictate that these distinctions inform our assessment under the First Amendment, we start with them to evaluate the names clause.

... [W]e have twice concluded that trademark restrictions that discriminate based on viewpoint violate the First Amendment. In *Matal v. Tam*, 582 U.S. 218, 223 (2017), we held that the Lanham Act’s bar on disparaging trademarks violated the First Amendment. All Justices in *Tam* agreed that this bar was viewpoint based because it prohibited trademarks based only on one viewpoint: “[g]iving offense.” *Id.*, at 243 (plurality opinion); [citation.] And, in *Brunetti*, we held that the Lanham Act’s bar on trademarks containing immoral or scandalous matter likewise violated the First Amendment. 588 U.S., at 390. We concluded that the bar was viewpoint based because it prohibited trademarks based only on one viewpoint, immoral or scandalous matter, while permitting trademarks based on other viewpoints. *Id.*, at 393-394.

The names clause does not facially discriminate against any viewpoint. No matter the message a registrant wants to convey, the names clause prohibits marks that use another person’s name without consent. It does not matter “whether the use of [the] name is flattering, critical or neutral.” 2 McCarthy §13:37.50. The Government is thus not singling out a trademark “based on the specific motivating ideology or the opinion or perspective of the speaker.” *Reed*, 576 U.S., at 168; accord, *Brunetti*, 588 U.S., at 394 (explaining that a viewpoint-based trademark law “distinguishes between two opposed sets of ideas”).

Elster suggests that the names clause verges on viewpoint discrimination in practice... [because] it is easier to obtain consent for a trademark that flatters a person rather than mocks him. This Court has found that a law can discriminate based on viewpoint in its practical operation. [Citations.] But, here, there are many reasons why a person may be unable to secure another’s consent to register a trademark bearing his name. Even when the trademark’s message is neutral or complimentary, a person may withhold consent to avoid any association with the goods, or to prevent his name from being exploited for another’s gain.²

Although the names clause is not viewpoint based, it is content based. ... [A] restriction on speech is content based if the “law applies to particular speech because of the topic discussed or the idea or message expressed.” *Reed*, 576 U.S., at 163. The names clause turns on the content of the proposed trademark—whether it contains a person’s name. If the trademark does contain a person’s name, and the registrant lacks that person’s consent, then the names clause prohibits registration. Because trademarks containing names “are treated differently from [trademarks] conveying other types of ideas,” the names clause is content

² It is also hard to see the viewpoint discrimination that Elster alleges in practice. The PTO has refused registration of trademarks such as “Welcome President Biden,” “I Stump for Trump,” and “Obama Pajama”—all because they contained another’s name without his consent, not because of the viewpoint conveyed. See PTO, Office Action of Dec. 8, 2020, Serial No. 90226753; PTO, Office Action of Oct. 15, 2015, Serial No. 86728410; *In re Hoefflin*, 97 USPQ 2d 1174, 1177-1178 (TTAB 2010).

based. *Id.*, at 164.

We thus confront a situation we did not address in *Tam* or *Brunetti*. In *Tam*, we were careful to “leave open” the framework “for deciding free speech challenges to provisions of the Lanham Act.” 582 U.S., at 245, n. 17 (plurality opinion); see *id.*, at 244, n. 16. And, in *Brunetti*, we declined to “say anything about how to evaluate viewpoint-neutral restrictions on trademark registration.” 588 U.S., at 398, n.

B

Because we must now consider for the first time the constitutionality of a content-based—but viewpoint-neutral—trademark restriction, we begin by addressing how the nature of trademark law informs the applicable constitutional scrutiny. Although a content-based regulation of speech is presumptively unconstitutional as a general matter, we have not decided whether heightened scrutiny extends to a viewpoint-neutral trademark restriction. Several features of trademark counsel against a *per se* rule of applying heightened scrutiny to viewpoint-neutral, but content-based trademark regulations.

Most importantly, trademark rights have always coexisted with the First Amendment, despite the fact that trademark protection necessarily requires content-based distinctions. See generally *Tam*, 582 U.S., at 223-224; *Trade-Mark Cases*, 100 U.S., at 92. Trademark rights “ha[ve] been long recognized by the common law and the chancery courts of England and of this country, and by the statutes of some of the States,” and that protection continues today. *Id.*, at 92. As we all agree, this “[h]istory informs the understanding that content-based distinctions are an intrinsic feature of trademarks.” *Post*, at 6 (Sotomayor, J., concurring in judgment); accord, *post*, at 2-6 (Barrett, J., concurring in part). ... [T]he inherently content-based nature of trademark law has never been a cause for constitutional concern.

Our country has recognized trademark rights since the founding. See B. Pattishall, *The Constitutional Foundations of American Trademark Law*, 78 *Trademark Rep.* 456, 457-459 (1988)....Much of early American trademark law “was lifted essentially from that of England.” *Id.*, at 457. The protection of trademarks under English law was an inherently content-based endeavor. For example, an early English law made it “lawful to and for every Trader, Dealer and Weaver of Linen Manufacture, to weave his Name, or fix some known Mark in any Piece of Linen Manufacture by him made.” 13 Geo. I, c. 26, p. 458 (1726). And, a person could be liable for fraud if he sold a product under another person’s mark. [Citations].

Although there was an early push for federal legislation to protect trademarks, no such law was enacted during our country’s infancy. [Citation]; see also F. Schechter, *Historical Foundations of the Law Relating to Trade-Marks* 131 (1925) (Schechter). Instead, trademark law fell largely within “the province of the States” for the 18th and most of the 19th century. *Tam*, 582 U.S., at 224. ...[F]or most of our first century, most commerce was local and most consumers therefore knew the source of the goods they purchased. See R. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. Rev. 547, 575 (2006). “[E]ven as late as 1860 the term ‘trademark’ really denoted only the name of the manufacturer.” B. Pattishall, *Two Hundred Years of American Trademark Law*, 68 *Trademark Rep.* 121, 128 (1978)....

The “first reported American decision that may be described as a trademark case” involved a dispute over the content of a mark—and in particular, the use of a person’s name. Pattishall, *Constitutional Foundations*, at 460. In *Thomson v. Winchester*, 36 Mass. 214, 216 (1837), Samuel Thomson—who sold a medicine under the name “Thomsonian Medicines”—brought suit against another Massachusetts druggist who sold an allegedly inferior product under the same name. The court held that the druggist could be liable for fraud if he passed the medicine off as that of Thomson. *Ibid.*

... [T]he first reported trademark case in federal court revolved around a trademark's content. Justice Story, sitting as Circuit Justice, granted an injunction to prohibit a seller of spools from infringing on the plaintiff's trademark of "Taylor's Persian Thread." *Taylor v. Carpenter*, 3 Story 458 (D. Mass. 1844). ...

Recorded trademark law began to take off in the last decades of the 19th century—after the ratification of the Fourteenth Amendment in 1868—and its established content-based nature continued. [Citations]. American commerce became more national in character, and ... Congress enacted the first federal trademark law in 1870. Although States retained their important role, "Congress stepped in to provide a degree of national uniformity" for trademark protection. *Tam*, 582 U.S., at 224; [citation].³

This first law contained prohibitions on what could be protected as a trademark. ... [T]he law would not protect a trademark that contained "merely the name of a person . . . only, unaccompanied by a mark sufficient to distinguish it from the same name when used by other persons." *Id.*, at 211. It thus restricted a trademark based upon its content (*i.e.*, whether it contained more than a name). As trademark disputes increased, courts continued to assess trademarks based on their content. ... Throughout its development, trademark law has required content-based distinctions.

That did not change when Congress enacted the Lanham Act in 1946. The Act[] continues to distinguish based on a mark's content. [Citation.] The Act defines a trademark to include "any word, name, symbol, or device, or any combination thereof" that a person uses "to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods." §1127. When the Government defines what may be registered as a trademark, it necessarily decides that some words or images cannot be used in a mark. To take one example, the Lanham Act bars the registration of "a mark which so resembles [another's] mark . . . as to be likely . . . to cause confusion, or to cause mistake, or to deceive." §1052(d). It is impossible to determine whether one trademark is the same as (or confusingly similar to) another without looking at the content of the two marks.

This history ... demonstrates that restrictions on trademarks have always turned on a mark's content. But, despite its content-based nature, trademark law has existed alongside the First Amendment from the beginning. That longstanding, harmonious relationship suggests that heightened scrutiny need not always apply in this unique context.

The content-based nature of trademark protection is compelled by the historical rationales of trademark law. A trademark has generally served two functions: "indicating ownership of the goods to which it [is] affixed" and "indicating the source or origin of manufacture." Schechter 122. Indicating ownership of a good was needed in part to "fix[] responsibility for defective merchandise." Restatement §9, Comment *b*. And, indicating the source of the good helped "prospective purchasers . . . make their selections based upon the reputation, not merely of the immediate vendor, but also of the manufacturer." *Ibid*. Both goals thus reflect that trademarks developed historically to identify for consumers who sold the goods (the vendor) and who made the goods (the manufacturer). See *ibid*. In that vein, a basic function of trademark law has always been to "prohibi[t] confusion as to the source of good or services." Pattishall, Constitutional Foundations, at 458; see also *Jack Daniel's Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 147 (2023) ("Confusion as to source is the *bête noire* of trademark law"). Indicating ownership and

³ This first federal trademark law "provided for the registration of trademarks generally without regard to whether they were used in interstate or foreign commerce." 1 McCarthy §5:3, at 188. This Court held that the law exceeded Congress's power under the Commerce Clause. See *Trade-Mark Cases*, 100 U. S. 82, 99 (1879). The law drew no challenge under the First Amendment.

the manufacturing source touch on the content of the mark—*i.e.*, from whom the product came. And, as we have explained, policing trademarks so as to prevent confusion over the source of goods requires looking to the mark’s content. [Citation.]

Because of the uniquely content-based nature of trademark regulation and the longstanding coexistence of trademark regulation with the First Amendment, we need not evaluate a solely content-based restriction on trademark registration under heightened scrutiny. See [citation]; *Jack Daniel’s*, 599 U.S., at 159 (explaining that, in some circumstances, “trademark law [can] prevail over the First Amendment”); [citations].

C

... [T]rademark rights and restrictions can “play well with the First Amendment.” *Jack Daniel’s*, 599 U.S., at 159. In this case, we do not delineate an exhaustive framework for when a content-based trademark restriction passes muster under the First Amendment. But, in evaluating a solely content-based trademark restriction, we can consider its history and tradition, as we have done before when considering the scope of the First Amendment. [Citations.]

The Lanham Act’s names clause has deep roots in our legal tradition. Our courts have long recognized that trademarks containing names may be restricted. And, these name restrictions served established principles. This history and tradition is sufficient to conclude that the names clause—a content-based, but viewpoint-neutral, trademark restriction—is compatible with the First Amendment. We need look no further in this case.

1

...

We 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. [Citation.] This recognition carried over to our country. [Citation.] Even in the absence of fraud, it would be difficult, if not impossible, to square such a right to trademark another person’s name with our established understanding that “[a] person may have a right in his own name as a trade-mark, as against a person of a different name.” *Gilman v. Hunnewell*, 122 Mass. 139, 148 (1877); [citation]. Relatedly, one could contract for the use of another person’s name in his business. See, *e.g.*, *McLean*, 96 U.S., at 249 (explaining that a “physician whose name the pills bear . . . sold the right to use the same” to another); see also *L. E. Waterman Co. v. Modern Pen Co.*, 235 U.S. 88, 96 (1914); *Meriden Britannia Co. v. Parker*, 39 Conn. 450, 453 (1872) (“[T]hey made a contract with the petitioners, by which, and by subsequent contracts, the petitioners acquired the right . . . to manufacture and sell plated spoons and forks with the name ‘Rogers’ stamped thereon as a component part of a trade mark”). Such contracts would make little sense if one could use another living person’s name in business at will. The common-law approach to trademarking names thus protected only a person’s right to use his *own* name.

This common-law understanding carried over into federal statutory law. The first federal trademark law contained a requirement that a trademark contain more than merely a name. [Citation.] That requirement remains largely intact. See §1052(e)(4) (prohibiting registration of a trademark if it “is primarily merely a surname”). A few decades later, federal trademark law emphasized “[t]hat nothing herein shall prevent the registration of a trade-mark otherwise registerable because of its being the name of the applicant.” Act of Feb. 18, 1911, ch. 113, 36 Stat. 918 (emphasis added). And, the Lanham Act later

“incorporat[ed] the principal features of common law trademark protection,” thereby “declar[ing] . . . existing law” rather than writing trademark law from scratch. Restatement §9, Comment *e*; [citation]. It is thus unsurprising that the Lanham Act included the names clause, prohibiting the registration of a mark containing “a name . . . identifying a particular living individual except by his written consent.” §1052(c). The names clause reflects the common law’s careful treatment of names when it comes to trademarks.

The restriction on trademarking names also reflects trademark law’s historical rationale of identifying the source of goods.[Citations.] Trademark protection ensures that consumers know the source of a product and can thus evaluate it based upon the manufacturer’s reputation and goodwill. See Restatement §9, Comment *b*; [citation]. By barring a person from using another’s name, the names clause reflects the traditional rationale of ensuring that consumers make no mistake about who is responsible for a product. [Citation.]

... [T]he names clause respects the established connection between a trademark and... protection of the markholder’s reputation. We have long recognized that a trademark protects the markholder’s reputation. [Citation;] see also *Hanover Star Milling Co.*, 240 U.S., at 412-413, 414; [citation]. This protection reflects that a mark may “acquir[e] value” from a person’s “expenditure of labor, skill, and money.” *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 532 (1987); [citation]. Accordingly, when a person uses another’s mark, “the owner is robbed of the fruits of the reputation that he had successfully labored to earn.” *Amoskeag Mfg. Co. v. Spear & Ripley*, 2 Sandf. 599, 606 (NY Super. Ct. 1849). A person’s trademark is “his authentic seal,” and “[i]f another uses it, he borrows the owner’s reputation, whose quality no longer lies within his own control.” *Yale Elec. Corp. v. Robertson*, 26 F. 2d 972, 974 (CA2 1928) (Hand, J.). “This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask.” *Ibid*.

This connection between a trademark and reputation is even stronger when the mark contains a person’s name. ... In fact, the English common law of trademarks arose from the fact that “those who sold goods . . . that were the fruit of their own labor or craftsmanship [began to] identif[y] those products . . . with their own names.” Pattishall, *Constitutional Foundations*, at 457. As we have explained, virtually up until the Fourteenth Amendment’s adoption, a trademark “really denoted only the name of the manufacturer.” Pattishall, *Two Hundred Years*, at 128. ... The names clause thus protects “the reputation of the named individual” by preventing another person from using his name. [Citation.]

Applying these principles, we have recognized that a party has no First Amendment right to piggyback off the goodwill another entity has built in its name. In *San Francisco Arts & Athletics, Inc.*, the Court upheld a provision of the Amateur Sports Act of 1978 that prohibited ““any person”” from using the word ““Olympic”” for certain purposes ““[w]ithout the consent”” of the U.S. Olympic Committee (USOC), and subjected violations to ““the remedies provided in the Lanham Act.”” 483 U.S., at 528 (quoting 36 U.S.C. §380(a); alteration omitted). The Court rejected the argument that the consent requirement violated the First Amendment because “Congress reasonably could conclude” that the value of the word ““Olympic”” was the product of the USOC’s ‘own talents and energy.’” 483 U.S., at 532-533 (quoting *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 575 (1977)). Although the petitioner certainly had a First Amendment right to speak on political matters, it lacked the right to “exploit the commercial magnetism” of the word “Olympic” and the USOC’s hard-won efforts in giving that word value. 483 U.S., at 539 (internal quotation marks omitted). The names clause guards a similar interest. By protecting a person’s use of his name, the names clause “secur[es] to the producer the benefits of [his] good reputation.” *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985); [citation].

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.

... 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. To be sure ... a case presenting a content-based trademark restriction without a historical analogue may require a different approach. [Citation.] But, we need not develop such a comprehensive theory to address the relatively simple case before us today. [Citation.]

We conclude that the names clause is of a piece with a common-law tradition regarding the trademarking of names. We see no reason to disturb this longstanding tradition, which supports the restriction of the use of another’s name in a trademark.

III

[This section of the opinion is largely omitted. In it, Justice Thomas rebuts the rationales put forward in the Sotomayor and Barrett concurrences].

Despite the differences in methodology, both JUSTICE SOTOMAYOR and JUSTICE BARRETT reach the same conclusion that the names clause does not violate the First Amendment. On the bottom line, there is no dispute. Rather than adopt a reasonableness test premised upon loose analogies, however, we conclude that the names clause is grounded in a historical tradition sufficient to demonstrate that it does not run afoul of the First Amendment.

IV

Our decision today is narrow. We do not set forth a comprehensive framework for judging whether all content-based but viewpoint-neutral trademark restrictions are constitutional. Nor do we suggest that an equivalent history and tradition is required to uphold every content-based trademark restriction. We hold only that history and tradition establish that the particular restriction before us, the names clause in §1052(c), does not violate the First Amendment. Although an occasion may arise when history and tradition cannot alone answer whether a trademark restriction violates the First Amendment, that occasion is not today. In a future case, we can address the “distinct question” whether “a viewpoint-neutral, content-based trademark restriction” is constitutional without “such a historical pedigree.” *Post*, at 1 (opinion of KAVANAUGH, J.). The judgment of the Court of Appeals is

Reversed.

JUSTICE SOTOMAYOR, with whom JUSTICE KAGAN and JUSTICE JACKSON join, concurring in the judgment.

This case involves a free-speech challenge to a viewpoint-neutral, content-based condition on trademark registration. In deciding how to evaluate this kind of challenge, the Court faces two options: Either look only to the history and tradition of the condition, or look to trademark law and settled First Amendment precedent. The first option, which asks whether the history of a particular trademark registration bar plays well with the First Amendment, leads this Court into uncharted territory that neither

party requests. The other guides it through well-trodden terrain. I would follow the well-trodden path.

... This Court has held in a variety of contexts that withholding benefits for content-based, viewpoint-neutral reasons does not violate the Free Speech Clause when the applied criteria are reasonable and the scheme is necessarily content based. That is the situation here. Content discrimination is an inescapable feature of the trademark system, and federal trademark registration only confers additional benefits on trademark holders. The denial of trademark registration is therefore consistent with the First Amendment if it turns on “reasonable, viewpoint-neutral content regulations.” *Iancu v. Brunetti*, 588 U.S. 388, 424 (2019) (SOTOMAYOR, J., concurring in part and dissenting in part). Because the names clause satisfies that test, I would uphold the constitutionality of the provision on that ground alone.

I A

... [Citations]. Because [*Tam* and *Brunetti*] involved viewpoint-based provisions, there was no occasion to consider the framework for “how to evaluate viewpoint-neutral restrictions on trademark registration.” *Brunetti*, 588 U.S., at 398, n. This case, by contrast, presents that very circumstance—a viewpoint-neutral, content-based condition on trademark registration. ...

B

... The majority asserts that one need look only to the “history and tradition” of the clause and “no further.” [Citation.]. ... Considering this Court has never applied this kind of history-and-tradition test to a free-speech challenge, and that “[n]o one briefed, argued, or even hinted at the rule that the Court announces today,” one would have expected a more satisfactory explanation. [Citation.] ...

...

... I agree with JUSTICE BARRETT that, even if the majority’s historical “evidence were rock solid,” there is no good reason to believe that “hunting for historical forebears on a restriction-by-restriction basis is the right way to analyze the constitutional question.” [Citation.] ...

... I would instead apply this Court’s First Amendment precedent, just as the parties did in arguing this case.

C

„, The analysis should proceed in two steps. First ask whether the challenged provision targets particular views taken by speakers on a given subject. If the trademark registration bar is viewpoint based, it is presumptively unconstitutional and heightened scrutiny applies; if it is viewpoint neutral, however, the trademark registration bar need only be reasonable in light of the purpose of the trademark system. Specifically, the trademark registration bar must reasonably serve its purpose of identifying and distinguishing goods for the public. If the challenged provision is both viewpoint neutral and reasonable, then it does not violate the Free Speech Clause.

II A

...

1

... [T]his Court has recognized repeatedly that the First Amendment permits governmental bodies

to rely on reasonable, viewpoint-neutral, content-based criteria when deciding to benefit certain communicative activities. [Citation.]

... [V]arious strands of precedent support this point, ranging from cases about limited public (or nonpublic) forums to those involving monetary subsidies and noncash governmental programs (such as the collection of fees by public-sector labor unions). [Citations.] ... [C]ontent discrimination was necessarily a part of the governmental initiative at issue, yet the initiative was not subject to the constitutional straitjacket of heightened scrutiny. [Citations.] That was so because each “initiative . . . supported some forms of expression without restricting others. Some speakers were better off, but no speakers were worse off.” *Brunetti*, 588 U.S., at 423 (opinion of SOTOMAYOR, J.).

These cases ... generally stand for the proposition that the Free Speech Clause permits governmental bodies to impose a “reasonable, viewpoint-neutral limitation” on a “state-bestowed entitlement.” [Citations.]

2

Someone with a federally registered mark enjoys certain benefits by virtue of that registration. Even so, free speech is not abridged when these benefits are denied to someone based on reasonable, viewpoint-neutral criteria.

... “[E]very trademark’s ‘primary’ function” is to tell the public who is responsible for a particular product, that is, to serve as a source identifier. *Jack Daniel’s Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 146 (2023). Although trademarks may also communicate a “message,” that message is only incidental to “what a trademark is and does.” *Id.*, at 145-146... “[F]ederal law does not create trademarks.” *B&B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138, 142 (2015). Rather, by virtue of common law, the first person to use a “distinct mark in commerce . . . acquires rights to that mark,” including exclusivity rights to “preven[t] others from using the mark.” *Ibid.* ... [F]ederal registration provides increased trademark protection only by conferring additional benefits on trademark holders. See *ibid.* For example, it (1) provides “nationwide constructive notice of the registrant’s claim of ownership of the mark,” which forecloses some defenses in infringement actions; and (2) constitutes “prima facie evidence” of the mark’s validity and exclusivity in commerce. [Citations.]... [N]othing in the Constitution requires these predominantly commercial benefits.

„, By prohibiting trademark registration for viewpoint-neutral, content-based reasons, Congress simply denies an applicant the opportunity to include his mark on a list and secure “certain benefits” that are “useful in infringement litigation.” *Jack Daniel’s*, 599 U.S., at 146. The risk of speech suppression is therefore “attenuated” because denying a trademark holder these ancillary benefits does not prevent him from using his mark in commerce or communicating any message incidental to the mark. [Citations.]

B

...

When the U.S. Patent and Trademark Office rejected [Elster’s] registration request, it denied ... the Government-bestowed benefits associated with registration... [T]he denial did not prevent Elster from communicating his message. It also did not restrict his preferred mode of expression. Elster can still sell shirts displaying the same message. Elster could also use a different phrase (such as ELSTER APPAREL) as a source identifier to obtain the desired benefits of registration while continuing to sell shirts with his preferred message across the front.... [T]he denial only barred Elster from registering a mark asserting exclusive rights in another person’s name without their written consent.

III A

Because trademark registration criteria limit statutory benefits in a necessarily content-based scheme, the First Amendment requires the criteria to be viewpoint neutral and reasonable. [Citations.] From this Court’s analogous nonpublic-forum and limited-public-forum cases, it is clear that “reasonable” means that the challenged provision must reasonably serve the purpose of the content-based scheme. On this point, I agree with Justice Barrett that the challenged trademark registration criteria must be “reasonable in light of the trademark system’s purpose of facilitating source identification.” [Citation.]

—

B

“Content-based criteria for trademark registration do not abridge the right to free speech so long as they reasonably relate to the preservation of the markowner’s goodwill and the prevention of consumer confusion,” “goals” that a “particular restriction will serve . . . if it helps ensure that registered marks actually function as source identifiers.” *Ante*, at 8 (opinion of BARRETT, J.) The names clause easily passes this reasonableness test. Source identification is, after all, at the heart of what the names clause does.

...

... In sum, the names clause is constitutional because it is a viewpoint-neutral, reasonable limitation on a trademark’s registration.

... Ultimately, all nine Justices agree that Congress can innovate when it comes to trademark law, and we further agree that nothing in today’s opinion calls into question the constitutionality of viewpoint-neutral provisions lacking a historical pedigree. [Citations.]

For the reasons set forth above, I respectfully concur in the judgment.

JUSTICE KAVANAUGH, with whom THE CHIEF JUSTICE joins, concurring in part.

I join all but Part III of the Court’s opinion. I agree with the Court that the names clause is constitutional, particularly in light of the long history of restricting the use of another’s name in a trademark. In my view, a viewpoint-neutral, content-based trademark restriction might well be constitutional even absent such a historical pedigree. We can address that distinct question as appropriate in a future case. [Citation].

JUSTICE BARRETT, with whom JUSTICE KAGAN joins, with whom JUSTICE SOTOMAYOR joins as to Parts I, II, and III-B, and with whom JUSTICE Jackson joins as to Parts I and II, concurring in part.

[Justice Barrett’s concurrence questions the accuracy and completeness of the majority’s historical examples and provides counter-examples. Even if the majority’s historical analysis were “rock solid,” she contends it would not be dispositive of the First Amendment question. Instead, she finds the exception to the requirement of strict scrutiny required in public forum cases to be “apt.” Her counter-examples and conclusions are excerpted below.]

While I agree with the Court that the names clause does not violate the First Amendment, I disagree with some of its reasoning. The Court claims that “history and tradition” settle the constitutionality of the names clause, rendering it unnecessary to adopt a standard for gauging whether a content-based trademark registration restriction abridges the right to free speech. That is wrong twice over. First, the Court’s evidence, consisting of loosely related cases from the late-19th and early-20th centuries, does not establish

a historical analogue for the names clause. Second, the Court never explains why hunting for historical forebears on a restriction-by-restriction basis is the right way to analyze the constitutional question. I would adopt a standard, grounded in both trademark law and First Amendment precedent, that reflects the relationship between content-based trademark registration restrictions and free speech. In my view, such restrictions, whether new or old, are permissible so long as they are reasonable in light of the trademark system's purpose of facilitating source identification.

...

Content-based criteria for trademark registration do not abridge the right to free speech so long as they reasonably relate to the preservation of the markowner's goodwill and the prevention of consumer confusion. A particular restriction will serve those goals if it helps ensure that registered marks actually function as source identifiers....

...

Elster protests that consumers would not assume that Donald Trump is responsible for the mark "Trump too small." [Citation.] Thus, he argues that even if the names clause generally guards against source confusion, refusing to register his proposed mark does not. But Congress is entitled to make categorical judgments, particularly where heightened scrutiny does not apply. The Government can reasonably determine that, on the whole, protecting marks that include another living person's name without consent risks undermining the goals of trademark. The names clause is therefore constitutional, both facially and as applied to Elster's mark.

III

Rather than adopt a generally applicable principle, the Court assesses the names clause in isolation, treating the supposed history and tradition of the clause as determinative. In my view, the historical record does not alone suffice to demonstrate the clause's constitutionality. For one thing, the record does not support the Court's conclusion. For another, I disagree with its choice to treat tradition as dispositive of the First Amendment issue.

A

First, the Court's history. It is true that "a tradition of restricting the trademarking of names" arose in the late 19th century. *Ante*, at 19. As the Court says, a personal name by itself, without any accompanying words or symbols, did not typically qualify as a trademark. See *McLean v. Fleming*, 96 U.S. 245, 252-253 (1878); *ante*, at 13. And a person could not always enforce a trademark including her own name against another with the same name. See *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 542 (1891); *ante*, at 14.³ The first federal trademark statute reflected these principles, prohibiting the registration of a mark that was "merely the name of a person, firm, or corporation only, unaccompanied by a mark sufficient to distinguish it from the same name when used by other persons." §79, 16 Stat. 211. Today, the Lanham Act continues to bar the registration of a mark that is "primarily merely a surname." 15 U.S.C. §1052(e)(4).

But the Court also claims that the common law did not afford protection to a person seeking a trademark including *another* living person's name (in other words, a rule akin to the names clause). *Ante*, at 14. I am less sure. In *Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461 (1914), this Court explained that the

³ By the early-20th century, however, courts enforced personal-name marks even against "newcomer[s] with the same name when confusion over source [was] the likely result." 2 McCarthy §13:8; see *L. E. Waterman Co. v. Modern Pen Co.*, 235 U.S. 88, 94 (1914).

1905 federal trademark statute contained “a fairly complete list of the marks used by dealers in selling their goods, which are not valid trademarks at common law.” [Citation.] Notably, this statute did not include the names clause or any rough equivalent.⁴ And if such a common-law rule existed, the majority opinion does not identify it. Instead, the Court draws from sources suggesting that a person could not enforce a trademark with another individual’s name *against that individual*. See *ante*, at 14-15. Nor could she fraudulently attempt to pass off her goods as those of another person, using that person’s name. *Ante*, at 14. So far, so good. Yet the names clause prevents other uses of someone else’s name that the common law may have allowed. And on that score, the Court does not fully grapple with countervailing evidence.

In 1860, the Supreme Court of Rhode Island concluded that the phrase “Roger Williams Long Cloth” was “capable of distinguishing” the manufacturer’s goods and thus qualified as a trademark. *Barrows v. Knight*, 6 R. I. 434, 438. “‘Roger Williams,’ though the name of a famous person,” the Court explained, was, “as applied to cotton cloth, a fancy name,” as would be the case with “any other her[o], living or dead.” *Ibid.* (emphasis added). Likewise, a New York court upheld the plaintiffs’ exclusive right to use the name “Bismarck” to designate their paper collars, as they were the first to “appropriate” the name for that purpose. *Messerole v. Tynberg*, 4 Abb. Pr. (N.S.) 410, 414 (Ct. Com. Pl. 1868). The court thus rejected the defendant’s argument that the plaintiffs could not adopt “the name of a distinguished German citizen” as a trademark. *Id.*, at 412. Summarizing, the Second Circuit explained that “[t]he law permits the adoption as a trade-mark of the name of a person who has achieved fame and distinction, provided the name is not descriptive of the quality or the character of the article or a geographical name.” *Stephano Bros., Inc. v. Stamatopoulos*, 238 F. 89, 93 (1916). See also *Medlar & Holmes Shoe Co. v. Delsarte Mfg. Co.*, 46 A. 1089 (N. J. Ch. Ct. 1900) (“The name of a famous person, used merely as a fancy name, may become an exclusive trade-mark”); W. Browne, *Law of Trade-Marks* §216, pp. 225-226 (2d ed. 1885) (same).⁵

The legislative history of the Lanham Act also undercuts the Court’s conclusion. If the names clause codified an existing common-law tradition, one might expect to see some reference to that tradition when the names clause was adopted. But proponents of the clause offered a different justification. Discussing a predecessor version of the clause, Edward Rogers, the Lanham Act’s primary drafter, remarked that “[t]he idea of prostituting great names by sticking them on all kinds of goods is very distasteful to me.” Trade-Marks: Hearings on H. R. 9041 before the Subcommittee on Trade-Marks, House Committee on Patents, 75th Cong., 3d Sess., 79 (1938) (H. R. 9041); see J. Litman, Keynote Address, 39 *Cardozo Arts & Ent. L. J.* 855, 856 (2021). The Commissioner of the Patent Office agreed, noting the “shock to [his] sense of propriety to see liberty taken . . . with the names of celebrities of private life.” H. R. 9041, at 79. He then referred to the attempted registration of “the name of the Duchess of Windsor for brassieres and ladies’ underwear.” *Ibid.* They did not suggest that the common law would already prevent those uses of another’s name as a trademark. On the contrary, they seemed most concerned about the types

⁴ The *Thaddeus* Court referred specifically to the statute’s prohibition on the registration of marks that “consis[t] merely of individual, firm or corporate names, not written or printed in a distinctive manner, or of designations descriptive of the character or quality of the goods with which they are used, or of geographical names or terms.” 233 U.S., at 467.

⁵ The Court dismisses my examples as irrelevant because several involve the names of dead individuals. *Ante*, at 19, n.4. But “[t]he exclusive right to grace paper collars with Bismarck’s name was granted while he was still alive.” J. Pike, *Personal Names as Trade Symbols*, 3 *Mo. L. Rev.* 93, 101 (1938) (Pike). And the other authorities either expressly recognized that the names of famous living persons could be trademarked, see *Barrows*, 6 R.I., at 438, or did not indicate whether the rule differed for dead versus living individuals, see *Stephano Bros.*, 238 F., at 92-93. Indeed, “[t]he authorities [were] somewhat meagre” as to “the rule . . . where the notable person [was] still alive,” Pike 100, undercutting the notion that the common law contained a clear rule one way or the other.

of marks that the common law appeared to allow. See *supra*, at 11.

It is thus difficult to say that the names clause is constitutional solely because of its historical pedigree.⁶ Perhaps recognizing that reality, the Court relies not only on the purported common-law tradition restricting the trademarking of names, but also points to the names clause’s relation to trademark’s historical purposes. *Ante*, at 16-18. The latter argument is quite similar to my own—I agree that the names clause helps to ensure that the proposed mark functions as a source identifier and to guard against reputational consequences, serving trademark’s historical goals.

B

But I cannot agree with the Court that the existence of a “common-law tradition” and a “historical analogue” is sufficient to resolve this case. *Ante*, at 19-20. Even if the Court’s evidence were rock solid, I still would not adopt this approach. „The views of preceding generations can persuade, and, in the realm of *stare decisis*, even bind. But tradition is not an end in itself—and I fear that the Court uses it that way here.

The Court does not (and could not) argue that the late-19th and early-20th century names-restriction tradition serves as evidence of the original meaning of the Free Speech Clause. *Cf. Samia v. United States*, 599 U.S. 635, 655-656 (2023) (BARRETT, J., concurring in part and concurring in judgment). Nor does it treat the history it recites as a persuasive data point. Instead, it presents tradition itself as the constitutional argument; the late-19th and early-20th century evidence is dispositive of the First Amendment issue. Yet what is the theoretical justification for using tradition that way?

Relying exclusively on history and tradition may seem like a way of avoiding judge-made tests. But a rule rendering tradition dispositive is *itself* a judge-made test. And I do not see a good reason to resolve this case using that approach rather than by adopting a generally applicable principle. (After all, there is a tradition of the latter approach too. See, e.g., *McCulloch v. Maryland*, 4 Wheat. 316, 421 (1819) (adopting standard for application of the Necessary and Proper Clause).) In the course of applying broadly worded text like the Free Speech Clause, courts must inevitably articulate principles to resolve individual cases. I do not think we can or should avoid doing so here. As I explained in Part I-B, the takeaway from history is that content-based trademark restrictions have long been central to trademark’s purpose of facilitating source identification, and they have not posed a serious risk of censorship. This principle offers a generally applicable way to think about whether registration restrictions “‘play well with the First Amendment.’” *Ante*, at 12. We should bring clarity to the law by adopting it.

In my view, the Court’s laser-like focus on the history of this single restriction misses the forest for the trees. It gives secondary billing to what I think is the central point: that the names clause “reflects trademark law’s historical rationale of identifying the source of goods.” *Ante*, at 16. I see no reason to proceed based on pedigree rather than principle. Besides, as the Court admits, its approach merely delays the inevitable: Eventually, the Court will encounter a restriction without a historical analogue and be forced to articulate a test for analyzing it. *Ante*, at 19-20.

⁶ The Court characterizes my critique as a demand for a “historical twin.” On the contrary, my point is that the Court has not cleared the “historical analogue” bar it sets for itself. The existence of closely analogous historical counterexamples surely complicates the argument that “history and tradition” alone establish the clause’s constitutionality. By presenting its evidence as conclusive, “the Court overclaims.” *Samia v. United States*, 599 U.S. 635, 657 (2023) (BARRETT, J., concurring in part and concurring in judgment).

...Trademark protection cannot exist without content discrimination. So long as content-based registration restrictions reasonably relate to the purposes of the trademark system, they are constitutional. The names clause clears this bar. I respectfully concur in part.

Page 271. Delete Questions 2 and 4, renumber Questions 1 and 3 as 5 and 6, and add Questions 1- 4 below:

1. As noted in footnote 2 of Justice Thomas' *Elster* opinion, the Trademark Examining Attorney also refused registration on the ground of false suggestion of a connection under Section 2(a). *See* Casebook Ch.4.C.1.c. This alternative ground of refusal was not appealed. Accordingly, this issue was not raised before the Federal Circuit or the Supreme Court. Do the Supreme Court's opinions in *Elster* provide any guidance as to how the Supreme Court might have ruled on that provision's constitutionality?

2. *Elster* contended that the "names clause" is viewpoint discriminatory in practical effect because it is harder to get consent for a critical use than a complimentary one. How persuasive were the Court's opinions in responding to this argument?

3. Recall the numerous significant benefits to federal registration of a trademark that were listed in the Casebook. *See Note: Advantages of Trademark Registration on the Principal Register.* Ch.4.A.2. The Supreme Court's opinions rebutted the significance of this withholding of benefits and instead argued that *Elster* was not prohibited from using his mark and selling his T-shirts and thus his expressive message was not overly burdened. How convincing was this response?

4. Justice Sotomayor's concurrence expressed surprise and dismay at the majority's history and tradition rationale for upholding the constitutionality of the "names clause," noting that none of the parties had relied on this argument. Was it a legitimate concern that First Amendment analysis was not employed? Were the rationales in the concurrences more persuasive?

5. Justice Thomas shows that courts in the 19th century did not allow deceptive uses of names when the names functioned as trademarks. Is that sufficient justification to presume any trademark use of a well-known name without consent is deceptive no matter what else is in the putative mark? Is it sufficient to conclude it is unfair free riding outside the protection of the First Amendment? As Justice Barratt notes, one's view of how to analogize to the past will have substantial effects on the freedom Congress has to enact new trademark rules.

6. Is a "history and tradition" focus any more or less likely to produce a convincing analysis when applied to constitutional challenges to other laws regulating property or other individual rights? How persuasive are Justice Barrett's counter-examples in arguing against the historical rationale relied on by Justice Thomas?

7. Matthew Handal applied to register the mark INDICT THE TRUMP ORGANIZATION in Class 41 for journals and blogs about political issues as well as for blogs "featuring information about Donald Trump ... as it relates to politics and political campaigning." After a refusal under Section 2(c) by the Examiner, Handal appealed to the TTAB, including arguing that his mark does not pertain to a "living individual" because it refers to the Trump Organization that was formed by Donald Trump's deceased father and grandmother in 1923 before Donald Trump was born. On appeal, how should the Board rule? *See In re Handal*, 2025 TTAB LEXIS 79 (Feb. 10, 2025) (rejecting Handal's arguments, the Board found that the "names clause" precedents supported including a name with other matter and further that Handal's own conduct validated that the mark referred to Donald Trump and not to deceased individuals).

3. Section 2(d) of the Lanham Act: Likely Confusion

Page 284. Add Question 8:

8. Johnson & Johnson (“J&J”) opposed registration of the word mark PISSTERINE for non-medical mouthwashes and gargle in Class 3. J&J owns registrations for the word mark LISTERINE for oral care products, including medicated mouthwash in Class 5 and toothpaste in Class 3. J&J has used the LISTERINE mark for over a century. The medicated mouthwash products are a market leader and have been heavily advertised. The Applicant claims its PISSTERINE mark and product are a parody of LISTERINE. How should the Board rule under section 2(d)? See *Johnson & Johnson v. Pissterine, LLC*, 2022 TTAB LEXIS 24 (January 18, 2022).



Should it make a difference how the parties’ products are packaged? Does the fact that both parties’ respective registrations and application are word marks affect the analysis?

Page 284. Add the following after the Questions:

In construing the sixth *DuPont* factor, “The number and nature of similar marks in use on similar goods,” the Federal Circuit has ruled that the effect of those registrations on the commercial strength of the mark will depend on whether the registered marks are in fact in use. In **Spireon v. Flex Ltd.**, 71 F.4th 1355 (Fed. Cir. 2023), the Federal Circuit specified which party bears the burden of proof of demonstrating nonuse of identical (and, implicitly, of similar) registered marks: Spireon sought to register the mark FL FLEX for electronic tracking devices, and Flex filed an opposition, arguing that the mark was confusingly similar to Flex’s registered marks FLEX and FLEX PULSE for supply chain logistics services and devices. Spireon argued that confusion was unlikely because Flex’s marks were both conceptually and commercially weak, as demonstrated by multiple third-party registrations or applications to register marks including FLEX for both similar and dissimilar goods and services. To obtain the benefits of registration, Spireon was willing to argue that its own registration would have a narrow scope given the already crowded market. Although this argument seems counterintuitive and against the interests of the applicant, in practice it hasn’t been much of a tradeoff for applicants, because both the PTO and the courts have held that strength at the time of registration is not relevant to likely confusion at a later time, since commercial strength may grow over time (and others using similar marks may exit the market). But the PTO and courts have often assumed that an applicant asserting a “crowded field” of similar registered marks in order to avoid a likely confusion refusal or opposition has the burden of showing that those third-party marks are in use. The thinking is that, without use, those other registrations can’t be affecting the actual strength of the cited mark. At least as to third-party registrations for the same word (Flex) for the same goods and services, the Federal Circuit held that the opposer had the burden of showing nonuse, given that its own mark might have been wrongly granted registration. When it comes to oppositions, which party should generally have the burden of showing use or nonuse of registrations for similar but not identical marks or goods/services?

Page 286. Insert both the case excerpt and *Note* below after the *Question* following *In re Guild Mortg. Co.*:

In **Bureau National Interprofessional du Cognac v. Cologne & Cognac Entertainment**, 110 F.4th 1356 (Fed. Cir. 2024), the Federal Circuit vacated and remanded the TTAB’s decision that found no likelihood of confusion or dilution between the certification mark COGNAC for brandy products produced in the Cognac region of France and the mark COLOGNE & COGNAC ENTERTAINMENT for a hip-hop record label and music production services and entertainment in the nature of live music performances. The Circuit Court stressed that the Board erred in its analysis of some of the likelihood of confusion factors that require a different focus when dealing with a certification mark. For example, the TTAB found that the COGNAC mark was not famous because the opposer had not shown that the public was aware of the certification function of the mark. The Circuit Court held this was error:

The majority seems to have required that COGNAC be famous for its “certification status,” rather than its geographic significance or other indicator(s) (*e.g.*, quality, method of manufacture, etc.) (explaining that the mark was used “in a manner that is not likely to heighten consumer awareness to the certification status of the term COGNAC”); (finding that Opposers failed to show that the “COGNAC mark is a strong one in terms of renown for conveying the message that the goods are certified by Opposers”), (discussing the difficulties in “measuring the level of consumer awareness for the goods’ certification status”). We find that to be error. A certification mark may be famous for “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,” 15 U.S.C. § 1127 (emphasis added), but it need not be famous for all of its indications, and it need not be famous for its certification function.

In *Brown-Forman*, . . . the Board granted summary judgment that “as a matter of law, . . . COGNAC is a common law regional certification mark.” 47 U.S.P.Q.2d (BNA) at 1884. In the process of reaching that determination, the Board found that “the issue is not whether the public is expressly aware of the certification function of the mark or the certification process underlying use of the mark, but rather is whether the public understands that goods bearing the mark come only from the region named in the mark.” *Id.* It further held that, for the mark to be a certification mark, “[n]either the statute nor the caselaw requires that purchasers also be expressly aware of the term’s certification function, *per se.*” *Id.*; *see also Luxco, Inc. v. Consejo Regulador del Tequila, A.C.*, 121 U.S.P.Q.2d (BNA) 1477, 1483 (T.T.A.B. 2017) (similar); *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d (BNA) 1881, 1887 (T.T.A.B. 2006) (similar); TMEP § 1306.05(c). We agree and conclude that the same rationale applies to determining the fame of the mark. Not only is there no statutory requirement that consumers be aware of the “certification status” of the mark, but such a requirement could be impractical and inconsistent with ordinary purchasing behaviors.

In this case, Opposers argued that the COGNAC mark was a famous designator of regional origin. The Board should therefore have considered whether or not the mark was famous as an indicator of its geographic origin, but it did not do so. That failure alone is an error necessitating vacatur and remand.

Note: Concurrent Use Registrations

Recall the discussion in Chapter 3.F of the Casebook about when different parties can be permitted to use similar or the same marks in separate geographic locations in the U.S. Section 2(d) of the Lanham Act likewise provides for concurrent registrations in limited circumstances:

(d) ... *Provided*, That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947 [in case of registrations issued under previous acts] ...or (3) July 5, 1947 [for applications filed under the 1905 Act but registered after July 5, 1947].

Section 2(d) provides two exceptions to the lawful prior use in commerce requirement. Such prior use:

shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

A concurrent use application on the Principal Register in the USPTO can only be based on a use-based application or an ITU after an acceptable allegation of use has been made.* The applicant provides information about its first use and places of use, as well as about the excepted third parties' applications, registrations and uses, consent agreements with third parties or a court decree, including a verified statement that it satisfies one of the eligibility requirements. The applications are examined for all the normal bars to registration except the Examiner will not refuse registration under 2(d) for the excepted third parties in their specified geographic areas. After the concurrent use application is published and any oppositions resolved, a concurrent use proceeding then must be evaluated by the TTAB, with limited exceptions for situations in which a court decree resolves essentially all the issues or a prior concurrent use proceeding has already resulted in a determination, see T.M.E.P. § 1207.04.

Although the language of section 2(d) refers to “conditions and limitations” that include mode of use and the goods or services, the TTAB has construed concurrent use narrowly. Normally, concurrent use proceedings are instituted only when different geographic territories are at issue rather than solely mode of use or nature of the goods limitations. The Board explained its reasoning in *Tamarkin Co. v. Seaway Food Town*, 34 U.S.P.Q.2d 1587 (T.T.A.B. 1995) (different trade channels insufficient basis for a concurrent use proceeding) as follows:

The concurrent registration ... is not an alternative type ... which is available to every applicant independent of ... the main clause of Section 2(d), nor is the concurrent use proceeding an independent, alternative route to registration open to all applicants. Rather, concurrent use proceedings are appropriate only in those relatively rare circumstances where the issue of whether a likelihood of confusion exists cannot be fully or accurately adjudicated, under the main clause of Section 2(d), by means of the ... usual *ex parte* and *inter partes* proceedings.

... [T]he main clause ... provides that ... a registration shall issue if confusion is unlikely to result from applicant's use of its mark on its goods... [T]he concurrent use proviso's ... statement [is] that a concurrent registration may be issued in certain circumstances. Because the issuance of concurrent registrations is permissive, ... the

* Applications based solely on section 44 or the Madrid Protocol are ineligible as they are not use-based. See 37 C.F.R. § 2.99(g).
— Eds.

Board has the discretion to decline to institute concurrent use proceedings in a particular case.

Any “conditions or limitations” as to the parties’ marks and/or goods which are incorporated into the parties’ respective drawings and identifications of goods and/or services can and must be considered as part of the basic likelihood of confusion analysis under the main clause of Section 2(d). ...

Accordingly, where the purported ... “conditions or limitations” which are said to eliminate the likelihood of confusion ... are incorporated, or are capable of being incorporated, into the applicant’s drawing of its mark and/or identification of goods or services, and into the drawing and/or identification of any involved application or registration which may be owned by the excepted user or users named by the applicant, the Board will decline to institute a concurrent use proceeding. ...

Regardless of the admittedly contrary language of the concurrent use proviso, it is clear that institution of concurrent use proceedings makes sense only in cases where the proposed concurrent use conditions or limitations are extrinsic to, and cannot be considered in connection with, the basic likelihood of confusion analysis of the parties’ marks and goods which is required under the main clause of Section 2(d).⁹

Accordingly, as a leading trademark treatise author has opined, concurrent proceedings are “not the answer” “for every applicant who argues a distinction between its mark and that of a cited registration or application.” 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 20:87 (5th ed.).

Page 287-288. Delete the last sentence of *Note: Differences in Likely Confusion Analysis for Registration and for Infringement Purposes*. Add the following sentence after the Question and directly before the *B&B Hardware* opinion:

The Supreme Court considered the differences in registration decisions by the Board and infringement decisions by courts in the following case.

⁹ For example, concurrent use proceedings are proper, and necessary, in cases where the proposed conditions or limitations are as to the “place of use” of the marks.... [R]eview of the legislative history ... reveals that the primary, if not the sole, purpose of concurrent use proceedings is to allow for issuance of a geographically restricted registration in situations where registration would otherwise be barred under the main clause of Section 2(d). Because the normal federal trademark registration is nationwide in scope and effect, the proposed geographic restrictions cannot be incorporated into the identification of the applicant’s goods or services, and cannot be considered under the basic likelihood of confusion analysis set forth in the main clause of Section 2(b). The only mechanism for determining whether imposition of geographic restrictions might be sufficient to eliminate the likelihood of confusion is the concurrent use proceeding.

... [C]oncurrent use proceedings conceivably might be appropriate when the proposed conditions and limitations consist of certain “mode of use” restrictions which are not part of the mark itself, and thus cannot be incorporated into the drawing of the mark... Examples include situations where the applicant agrees to use its mark only in conjunction with specified trade dress, or in conjunction with a house mark which can’t be incorporated into the drawing of the mark, or in conjunction with an affiliation disclaimer. The only way to consider the effect of these restrictions on the mode of use of applicant’s mark is in the context of a concurrent use proceeding. However, it should be noted that concurrent registrations involving “mode of use” restrictions are relatively uncommon, and almost always are issued as the result of a court’s equitable decree...

Page 295. Add the following case after *Editors' Note*:

Beasley v. Howard, 14 F.4th 226 (3rd Cir. 2021). In April 2019, Beasley sued Howard in federal district court in New Jersey after losing twice in the TTAB. Beasley alleged that he founded the band “The Ebonys” in 1969, that the band had performed since then, that Howard joined the band in the mid-1990s for several years, that Beasley obtained a NJ state registration for THE EBONY mark in 1997 and that eventually Beasley and Howard split up. In 2012, Howard registered THE EBONY mark in the PTO. In 2013, Beasley petitioned the TTAB to cancel the registration on the ground of fraud. After reviewing the evidence, the TTAB dismissed the claim. Beasley filed a second petition to cancel the registration in the TTAB in 2017, again relying on a fraud ground but also adding a likelihood of confusion ground. The Board dismissed the proceeding because of claim preclusion. It determined that the fraud ground relied on the same facts as in the first proceeding and that the likelihood of confusion ground was precluded because it rested on the same transactional facts as in the prior action.

After his failure to succeed in the TTAB, Beasley filed a complaint in the District Court of New Jersey, which construed Beasley’s complaint as asserting fraud and a section 43(a) action for infringement that sought damages. The District Court dismissed the action finding that claim preclusion applied to these grounds. On appeal, the Third Circuit panel explained the differences between “claim preclusion” (or *res judicata*) and “issue preclusion.”

Beasley limits this appeal to whether the District Court properly dismissed his section 43(a) infringement claim, so its central issue is whether Beasley’s prior losses in cancellation proceedings before the TTAB preclude his section 43(a) claim before the District Court. We hold that they do not. Despite the factual similarities between Beasley’s petitions for cancellation and the complaint he filed in the District Court, the jurisdictional limits on the TTAB that accompany its role as the primary venue for narrow questions of trademark registration ensure that proceedings before it do not carry claim preclusive effect against subsequent Article III infringement proceedings under section 43(a). ...

Claim preclusion — which some courts and commentators also call res judicata — protects defendants from the risk of “‘repetitious suits involving the same cause of action’ once ‘a court of competent jurisdiction has entered a final judgment on the merits.’” [Citations.] The prior judgment’s preclusive effect then extends not only to the claims that the plaintiff brought in the first action, but also to any claims the plaintiff could have asserted in the previous lawsuit. [Citation.] Claim preclusion similarly reaches theories of recovery: a plaintiff who asserts a different theory of recovery in a separate lawsuit cannot avoid claim preclusion when the events underlying the two suits are essentially the same. [Citation.]

... When a defendant seeks to invoke claim preclusion based on a federal tribunal’s judgment, we require “(1) a final judgment on the merits in a prior suit involving (2) the same parties or their privies and (3) a subsequent suit based on the same cause of action.”...

... The corollary to this prerequisite is that claim preclusion “generally does not apply where ‘[t]he plaintiff was unable to rely on a certain theory of the case or to seek a certain remedy because of the limitations on the subject matter jurisdiction of the courts. . . .’” [Citations.] This limit to claim preclusion protects a plaintiff’s right to bring claims that he “was not at liberty to assert” in a prior forum of limited jurisdiction. ...

....

The TTAB is not a general-purpose tribunal for trademark disputes. Instead, it has limited jurisdiction “to determine only the right to register” a trademark and cannot “decide broader questions of infringement or unfair competition.” [Citations.] With that

limited jurisdiction comes “no authority to determine . . . damages or injunctive relief.” [Citations.] The TTAB therefore properly considers only narrow questions and grants only narrow remedies: it hears challenges litigants pose as to whether a trademark meets the Lanham Act’s criteria for registration, and cannot dispense relief beyond whether or how the PTO registers a mark.

... [T]he statutory provision under which Beasley sues is broad. Section 43(a)(1) creates liability for the deceptive “use[] in commerce” of a mark that “is likely to cause confusion” as to the “affiliation, . . . association[,] . . . origin, sponsorship, or approval” of a defendant’s products, as well as for deceptive advertising practices. 15 U.S.C. § 1125(a)(1). The provision extends far further than the . . . grounds on which the TTAB can cancel a mark under section 14 of the Lanham Act, 15 U.S.C. § 1064. Even insofar as the Lanham Act bars the registration of trademarks which “so resemble[]” marks previously in use so as to cause confusion, *see* Lanham Act § 2(d), 15 U.S.C. § 1052(d), the cancellation provisions of the Lanham Act give no basis for relief on the ground of how an infringer uses a trademark in practice. *See B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 145, 135 S. Ct. 1293, 191 L. Ed. 2d 222 (2015) (“In infringement litigation, the district court considers the full range of a mark’s usages, not just those in the application.”). As a result, the TTAB could never have granted Beasley the damages he now seeks.

We therefore hold that a limit to claim preclusion applies to cases . . . where a plaintiff seeks damages or an injunction in a section 43(a) infringement action after pursuing a cancellation claim before the TTAB. A section 43(a)(1)(A) infringement or “false association” claim requires a plaintiff to prove, *inter alia*, that “the defendant’s use of [a] mark[] to identify goods or services is likely to create confusion concerning the origin of the goods or services. {Citations.} Because the TTAB has no jurisdiction to consider whether an infringer’s *use* of a mark damages a petitioner seeking cancellation, and in turn cannot award any remedy beyond cancellation for the injuries a petitioner has suffered, [citation], a section 43(a) claim is not one that could have been brought in a TTAB cancellation proceeding.

The Circuit court rejected defendant’s argument that Beasley should have sued in the first instance in district court, and recognized that TTAB proceedings provide “an expedited vehicle” for cancelling registrations and that the TTAB was the primary tribunal to adjudicate cancellations. Moreover, courts’ power to order cancellations is “remedial” as an adjunct to determining some other claim and “is not an independent basis for federal jurisdiction.” The court further noted that issue preclusion, such as was involved in *B&B Hardware*, protects against relitigation of an issue. The court noted:

Federal issue preclusion is a narrower doctrine than claim preclusion and prevents “a party from relitigating an issue actually decided in a prior case and necessary to the judgment.” *Lucky Brand Dungarees*, 140 S. Ct. at 1594. We apply issue preclusion from TTAB proceedings to section 43(a) suits where “an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment . . . in a subsequent action between the parties, whether on the same or a different claim.” *B & B Hardware, Inc.*, 575 U.S. at 148 (quoting Restatement (Second) of Judgments § 27); *see also Karns v. Shanahan*, 879 F.3d 504, 514 n.3 (3d Cir. 2018) (“The elements for [issue preclusion] are satisfied when: ‘(1) the issue sought to be precluded [is] the same as that involved in the prior action; (2) that issue [was] actually litigated; (3) it [was] determined by a final and valid judgment; and (4) the determination [was] essential to the prior judgment.’” (quoting *AMTRAK v. Pa. PUC*, 342 F.3d 242, 252 (3d Cir. 2003))).

Accordingly, the Circuit Court applied issue preclusion to Beasley’s fraud ground but reversed and

remanded the 43(a) claim to the district court.

Page 296. Add the following text to the end of Question 2 prior to the *see also* sentence:

The district court's applied issue preclusion in the infringement suit subsequently brought against Peju by Caesari and granted summary judgment to Caesari. That decision is on appeal to the Second Circuit. The International Trademark Association has filed an amicus brief, arguing against issue preclusion's applicability under *B & B Hardware* because the Board did not consider the marketplace use of the parties' marks in adjudicating the likelihood of confusion question. How should the Second Circuit rule?

Chapter 5

Loss of Trademark Rights

A. Genericism

Page 337. Add citation to *In re Medisafe Technologies*, 134 F.4th 1368 (Fec. Cir. 2025) (color green held generic for medical examination gloves; evidence before the TTAB included “screenshots of third-party websites showing unaffiliated sellers of chloroprene/neoprene medical examination gloves in the same or nearly the same dark green color as in [the] proposed mark”) to Question 3 and add new Questions 4 and 5 and the following cases:

4. “Gruyère” is a region straddling the border of France and Switzerland in the Vosges mountains, which produces an eponymous cheese. Under regulations applicable in France and in Switzerland, “Gruyère” is a protected geographical indication in France, and a protected designation of origin in Switzerland. As a result, only cheeses made in the Gruyère region may bear that name. U.S. cheese producers, however, have not encountered similar geographic restrictions on their use of the term; as a result, in the U.S., “gruyere” may be made in Wisconsin, and imported from abroad, for example, United States Department of Agriculture (“USDA”) data show that, at least since 1995, cheese has been imported to the United States under the category “Gruyere-Process Cheese, Processed, Not Grated or Powdered” from the Netherlands, Germany, Austria, Belgium, Luxembourg, and Denmark. USDA data also reflect that between 2010 to 2020, cheese in that category was imported into the United States from Switzerland, France, the Netherlands, Germany, Egypt, Denmark, Austria, Belgium, Ireland, the Czech Republic, Italy, and Tunisia. The interprofessional society of Gruyère producers from France and Switzerland applied to the USPTO in 2010 to register “LE GRUYERE” as a certification mark that would certify that the cheese originates in the Gruyère region of Switzerland. The USPTO refused registration of the applied-for mark because it found that “the relevant consuming public views gruyere as a firm, nutty flavored cheese that can be made anywhere. Therefore, gruyere is a generic designation for cheese.” [Certification marks and geographic indications are discussed *supra*, Chapter 2, pages 140-43.] You represent the Franco-Swiss trade association. What would you need to show to combat the finding of genericism? Does it matter that the term is widely understood in Europe to identify a particular kind of cheese made in a designated region? See *Interprofessionel du Gruyère v. U.S. Dairy Exp. Council*, 61 F.4th 407 (4th Cir. 2023).

5. “Aspirin,” Cellophane and Thermos exemplify coined terms that began as a valid trademarks, but lost trademark significance, notably through generic usage by the trademark owner and by the public at large. Courts take similar considerations into account in assessing whether a term adopted as a trademark was generic *ab initio*. For example, in *Sensory Path Inc. v. Fit and Fun Playscapes LLC*, 2022 U.S. Dist. LEXIS 209205, 2022 WL 17072012 (N.D. Miss. Nov. 17, 2022), the plaintiff adopted the term “sensory path” in connection with interactive children’s playscapes that she had designed. The court accepted a genericism defense on the grounds that the plaintiff

has herself used the term “sensory path” generically as a description of the product, rather than as a designation of her own brand, both in communicating with prospective clients regarding the product and on Sensory Path’s own website. [citations] Further, the record amply demonstrates that the term “sensory path” has been used generically by Sensory Path’s competitors, by others in the education industry, and by trade publications. This generic usage includes an Edutopia article regarding “[t]he possibilities for creating a sensory path ...;” an educational textbook that generically describes a sensory path as “a series of colorful stickers or other objects placed on the ground in a hallway or room which help learners understand how to integrate and regulate different sensory inputs;” another textbook that

makes several generic references to sensory paths; and numerous examples of the generic use of sensory path on Amazon.com and other commercial and educational websites, including sensorypath.store.com which is owned by a company in the same business as Sensory Path, and chconline.org, a community organization in California which devotes an entire page to sensory paths, to describe the products of other vendors, and not the Plaintiff's products."

Do you agree that the genericism analysis should be the same when an initially valid mark has lost trademark significance and when a descriptive term has failed to acquire secondary meaning because of improper use and promotion by the term's adopter?

With respect to the appropriate time period for determining when a mark became generic, the Ninth Circuit in **Bullshine Distillery v. Sazerac Brands**, 130 F.4th 1025 (Fed. Cir. 2025) discounted evidence of long-passed generic meaning of FIREBALL for whiskey.

The parties disagree on the appropriate time period for assessing whether a mark was generic such that it could not be registered in the first instance. This is an issue of first impression. Bullshine argues if a term is generic at any time prior to registration, regardless of how it is understood at the time of registration, it remains generic for all time and cannot be registered. Sazerac argues the correct time period to assess if a mark was generic is at the time of registration. We agree with Sazerac.

...

The statutory scheme of the Lanham Act supports this interpretation. The Act not only prevents registration of generic terms, but also provides for cancellation of marks "[a]t any time," if they become generic. 15 U.S.C. § 1064(3).³ Even a mark that has attained incontestable status can still be challenged on the basis of genericness. 15 U.S.C. § 1065(4). This demonstrates Congress' understanding that whether a term is generic is an inquiry that changes over time, and therefore Bullshine's argument that once generic always generic, no matter how far removed from the time-period of genericness, is inconsistent with the statute.

This interpretation is consistent with the purposes of the Act. The Act established the federal trademark system to "promote competition and the maintenance of product quality." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985). The Act aims to "protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get." *Booking.com*, 591 U.S. at 552 (quoting S. Rep. No. 79-1333, at 3 (1946)). The Act "is incompatible with an unyielding legal rule that entirely disregards consumer perception." *Id.* at 560. The public is not protected by looking to what consumers thought of a term ten, fifty, or one-hundred years ago. It is the impression of consumers at the time of the mark's registration—whether they would be confused or misled by a mark—that the Act aims to protect.

Our caselaw is consistent with this holding. In 1966, our predecessor court affirmed the denial of registration for the term "the pill," by finding "substantial evidence that the term is the common descriptive name of an oral contraceptive pill at the time the issue of registrability was under consideration." *Application of G. D. Searle & Co.*, 360 F.2d 650, 656 (C.C.P.A. 1966). This understanding is baked into our test for genericness: "[T]he Board must first identify the genus of goods or services at issue, and then assess whether the public understands the mark, as a whole, to refer to that genus." *Princeton Vanguard, LLC v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 966 (Fed. Cir. 2015) (emphasis

omitted); see also *id.* at 969 (“the relevant public’s perception is the primary consideration in determining whether a term is generic”); *Magic Wand, Inc. v. RDB, Inc.*, 940 F.2d 638, 640–41 (Fed. Cir. 1991) (“this court has stated that whether a term is entitled to trademark status turns on how the mark is understood by the purchasing public”). The “purchasing public” is necessarily contemporaneous with the time of registration.

. . . the proper time to evaluate whether a term is generic in the first instance is at the time of registration.

By contrast, the Fifth Circuit, in **Gibson, Inc. v. Armadillo Distrib. Enters.**, 107 F.4th 441 (5th Cir. 2024), reversed the district court’s exclusion of decades-old evidence of third-party use of features of electric guitar-body shapes, particularly the winged headstock shape. Referencing section’s 14’s general five-year limit for petitions to cancel a mark’s registration, Gibson urged the same limit on third-party use evidence preceding the alleged infringement. The Fifth Circuit disagreed, citing prior TTAB decisions recognizing that evidence of past third-party use may affect public perception of genericness at the time of registration. See, e.g., *In re Jasmin Larian, LLC*, 2022 TTAB LEXIS 37, 2022 WL 374410, at *7 (T.T.A.B. Jan. 19, 2022) (holding trademark generic where the “Examining Attorney [] presented substantial evidence that third parties have sold, offered for sale, and/or otherwise advertised, discussed or promoted identical or nearly identical handbags prior to and concurrently with Applicant’s use [beginning on January 27, 2013], and that consumers have seen identical or nearly identical handbags emanating from parties other than Applicant since at least the 1940s and recognize Applicant’s mark as a common design”).

With respect to Gibson’s statutory argument, the Fifth Circuit rebutted:

Gibson’s interpretation of Sections 1064(1) and (3) does not save the district court’s evidentiary ruling. Gibson argues that Armadillo is barred by statute from even arguing pre-1992 genericness at this point. Under Gibson’s reading of the relevant statute, once five years have passed from a mark’s registration, a challenging party loses any opportunity to argue that the mark was generic before registration and, going forward, may argue only that the registered mark has become generic since registration. It is true that Section 1064 of the Lanham Act freely allows cancellation actions brought within five years of registration but limits the options for a party seeking such relief after that window passes. See 15 U.S.C. § 1064. But Gibson’s construction conflicts with other provisions of the statute—namely, Section 1065(4), which provides that “no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.” 15 U.S.C. § 1065(4). This provision notes no sort of time limitation for bringing a claim that a party’s mark became generic before registration. To the contrary, we have held that “if it is determined that the mark is generic, it can *never* become incontestable.” [citation]. Reading these provisions together demonstrates that Section 1064 does not stretch so far as to per se bar third-party-use evidence predating five years before the first alleged infringing use. Because the district court excluded wholesale the pre-1992 evidence without examining the possible relevance of that evidence, it abused its discretion.

Are these decisions inconsistent, or are both in fact addressing public perception of the mark at the time of registration? Armadillo appears to be arguing that third party use predating Gibson’s use of the trade dress rendered the headstock design generic, so that, at the time of registration it was, and long had been generic. The court did not inquire whether the once-generic trade dress had subsequently acquired trademark significance. By contrast, the *Bullshine* court seemed open to the possibility that a once-generic mark could retrieve trademark status. For fuller consideration of a generic term’s recapture of trademark significance see Note, *Recapturing Generic Terms? infra*, Main Casebook, p. 382.

Page 359. Add the following Note after *Booking.com*

The TTAB continues to grapple with “generic.com” applications. In *In re SP Plus Corporation*, Serial No. 87906630 (TTAB August 11, 2023), the Board ruled “parking.com” generic for a website providing information regarding parking availability. Addressing the separate meanings of the components of the term, the TTAB stated that “The industry-specific evidence makes clear that the term ‘parking’ on a parking availability information website is a recognized shorthand for parking availability information. The shorthand ‘parking’ appears not just on the webpage but in the URL. In short, to the relevant consumers of Applicant’s parking availability information from a website, ‘parking’ names the genus of online information regarding parking.” And “com” “identifies a top level domain used in designating an Internet web address, and also a short hand reference to a company doing business online, i.e., from a website.” Mindful that *Booking.com* requires an assessment of public perception of the *combined* term, the Board referenced multiple parking information websites whose URLs incorporated “parking.com,” such as “usairportparking.com,” “stouisparking.com,” “premium parking.com” and “offcampusparking.com,” among many others, to conclude that “we have no hesitation in finding that the relevant consumer of websites providing parking availability information perceives ‘parking.com’ as naming a genus of a website providing parking availability information.”

By contrast, in *In re Benjamin & Bros., LLC*, 2023 TTAB LEXIS 419, in a non-precedential decision, the Board reversed the Examiner’s refusal on genericism grounds to register RESERVATIONS.COM for “Making hotel reservations for others via the internet and over the phone” The Board stated that “The evidence that numerous competitors use domain names incorporating ‘reservation(s).com’ to identify travel reservation services for hotel and auto transportation supports the Examining Attorney’s position that when the terms ‘reservations’ and ‘.com’ are combined, they retain their generic significance. This type of third-party use evidence may be probative of genericness.” Nonetheless, the Board determined that “[consumer] reviews reflect that the consumers eventually understood that they made their reservations through Applicant’s website suggesting that the proposed mark may be capable of serving as a source identifier. Additional reviews further support consumer perception of RESERVATIONS.COM as a particular website and not a type of website for travel reservation services.” While consumer surveys played a role in the *Booking.com* Court’s determination that consumers did not perceive BOOKING.COM as generic, the parking.com applicant did not submit a survey; the RESERVATIONS.COM applicant did submit a survey based on the Poret survey in *Booking.com*, but the Board found its administration too flawed to provide much probative value.

2. Implementing the Standard: Survey Evidence

Page 360. Question 6 after *Booking.com*: replace LEXIS cite for *In re GJ & AM, LLC*, with 2021 USPQ2d 617 (TTAB 2021) [precedential]

Page 361. *Editors’ Note*: Snyder’s Lance subsequently withdrew its appeal from the District Court’s Remand Opinion, see <https://news.bloomberglaw.com/ip-law/snyders-lance-drops-appeal-of-frito-lays-pretzel-crisp-win> (Aug. 31, 2021). Replace LEXIS cite for *Snyder’s Lance, Inc. v. Frito-Lay N. Am., Inc.*, with 542 F. Supp. 3d 371 (W.D.N.C. 2021)

Page 367. Add after paragraph listing articles debating the utility of survey evidence in genericism cases:

In *Going Generic: A Linguistics Approach to Genericide in Trademark Law*, 50 BYU L. Rev. 81 (2024). Available at: <https://digitalcommons.law.byu.edu/lawreview/vol50/iss1/8>, James A. Heilpern,

William G. Eggington, Earl Kjar Brown, and Zachary D. Smith, propose “corpus linguistics” as an alternative to survey evidence.

Corpus linguistics is a methodology that seeks to harness the power of big data to produce empirical evidence about the meaning of words. By utilizing large, electronically searchable databases of real-world texts produced by a specific community, a linguist can identify trends and patterns of language that are often not intuitive as well as track how language use changes over time. . . .

The authors recognize that a corpus linguistics database’s evidence of frequency of use does not necessarily mean that the users understand the terms to be common nouns: one may use a brand name as generic shorthand for the broader class of goods (e.g. KLEENEX for tissues in general; GOOGLE for any internet search), but still understand the term to be a trademark. To ascertain the term’s “primary significance,” the authors compare frequency of usage of a trademark with its corresponding generic term (e.g., ESCALATOR/moving staircase; XEROX/copier) at one point in time, and run the same comparison 20 and 10 years earlier, in order to ascertain if the frequency of generic usage has increased relative to the use of alternative terms. The higher the score for alternative terms over time, the less likely the term has become generic; the higher the score for generic usage over time, the more likely the term has lost its trademark significance. The authors contend that judicial consultation of sources such as books and magazines to ascertain public meaning “can be prone to subjectivity and cherry-picking. Differently, corpus linguistic methods of analyzing many examples of naturally occurring language offer a more objective and empirical approach to gauging what [the term at issue] may have meant in the public’s mind at the time in question.” But does that claim assume away any bias in the composition of the database (the “corpus”) employed to ascertain common usage?

See also See Quentin J. Ullrich, *Corpora in the Courts: Using Textual Data to Gauge Genericness and Trademark Association*, 108 TRADEMARK REP. 989 (2018).

3. Genericism and Confusion

Page 381. Insert a heading following the line separator:

“Doctrine of Foreign Equivalents”

Page 382. Add the following excerpt at the end of the note on generic meaning in foreign languages:

In re Vetements Grp. AG, 137 F.4th 1317 (Fed. Cir. 2025). The applicant sought to register VETEMENTS for various items of clothing and for online retail store services for the same. “Vêtements” means clothing in French. Applying the “doctrine of foreign equivalents,” the TTAB upheld the Examiner’s refusal to register on the grounds that the proposed mark was generic for the goods. The Federal Circuit affirmed.

The doctrine of foreign equivalents originated in our precedent in the 1933 case of *Northern Paper Mills*. Northern Paper Mills affirmed the rejection of a trademark for “Gasa” for toilet paper, explaining that “Gasa,” a Spanish word meaning gauze, “as applied to toilet paper, was descriptive of the supposed quality of the paper.” 64 F.2d at 998-99 (rejecting argument that the “English equivalent of the word sought to be registered, namely, ‘Gauze,’ is not descriptive of toilet paper”). The court reasoned “that a word taken from a well-known foreign modern language, which is, itself, descriptive of a product, will be so considered when it is attempted to be registered as a trade-mark in the United States for the same product.” Id. (“[A] descriptive word, used in one of the modern languages of

the principal nations of the world, cannot be properly registered as a trade-mark under the present laws of the United States on that subject.”).

Our cases have rejected the registrability of proposed marks in non-English languages that are merely descriptive words after translating them under the doctrine of foreign equivalents. *Bart Schwartz* affirmed the cancellation of the mark, “FIOCCO” for “textile fabrics in the piece of cotton, rayon, synthetic fibers, and mixtures thereof.” *Bart Schwartz Int’l Textiles, Ltd. v. FTC*, 289 F.2d 665, 667 (C.C.P.A. 1961). *Bart Schwartz* explained that because “fiocco” is an Italian word referring to fabrics “made wholly or in part of spun rayon,” the word’s “prior use by others,” to descriptively identify the fiber content of textile fabrics was known but fraudulently concealed in the registrant’s sworn declaration as to its ownership of the mark. *Id.* at 667-69, 671. The court explained in dicta that because there “is no question but that the Italian word ‘fiocco’ is descriptive of ‘spun rayon,’” it is thus “subject to the general rule that a descriptive word in a foreign language cannot be registered in the United States as a trademark for the described product.” *Id.* at 668 (citing *N. Paper Mills*, 64 F.2d 998).

Weiss Noodle affirmed the rejection of a trademark for “Ha-Lush-Ka” for egg noodles and egg noodle products. *Weiss Noodle Co. v. Golden Cracknel & Specialty Co.*, 290 F.2d 845, 846, 848, 48 C.C.P.A. 1004, 1961 Dec. Comm’r Pat. 406 (C.C.P.A. 1961). “Ha-Lush-Ka” was a hyphenated, phonetically spelled version of the Hungarian word for noodles—Haluska or Galuska—which, as the Board found, was the “common descriptive name for egg noodles.” *Id.* at 846. The court reasoned that the mark was merely descriptive and not registrable because “[t]he name of a thing is the ultimate in descriptiveness. It is immaterial that the name is in a foreign language.” *Id.* at 847 (internal citation omitted) (citing *N. Paper Mills*, 64 F.2d 998).

2.

The doctrine of foreign equivalents has been considered by this Court in other trademark contexts. In *Palm Bay*, this Court considered the doctrine in the context of likelihood of confusion—“to determine . . . similarity of connotation in order to ascertain confusing similarity with English word marks.” *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005); [citation].

This Court in *Palm Bay* considered an appeal of the Board’s likelihood-of-confusion rejection of a trademark for a non-English mark, “VEUVE ROYALE.”[Citation.] *Palm Bay* explained that “[a]lthough words from modern languages are generally translated into English, the doctrine of foreign equivalents is not an absolute rule and should be viewed merely as a guideline.” *Id.* at 1377. “When it is unlikely that an American buyer will translate the foreign mark and will take it as it is, then the doctrine of foreign equivalents will not be applied. *Id.* (citing *Tia Maria, Inc.*, 188 U.S.P.Q. (BNA) 524 (T.T.A.B. 1975)). “The doctrine should be applied only when it is likely that the ordinary American purchaser would ‘stop and translate [the word] into its English equivalent.’” [Citation]. *Palm Bay* declined to translate the mark to analyze its English equivalent’s potential confusing similarity to the opposer’s mark (“THE WIDOW”). *Id.* *Palm Bay* determined “it [was] improbable that the average American purchaser would stop and translate ‘VEUVE’ into ‘widow.’” *Id.* The Court reversed the Board’s finding of the likelihood of confusion as to the opposer’s “THE WIDOW” mark. *Id.* . . .

1.

We begin by considering whether the ordinary American purchaser would stop and translate the mark into English because *Spirits* states that is “a threshold limitation on the application of the doctrine of foreign equivalents.” [Citation.]

...

It is enough to demonstrate that an “appreciable” number of Americans are capable of translating the term VETEMENTS from French into English. At this time, we do not need to precisely or rigidly define the ordinary American purchaser’s language skills given the backdrop of well recognized principles in the doctrine of foreign equivalents that we have stated elsewhere in this opinion....

....

... [U]nlike in *Palm Bay*, here an “appreciable” number of Americans are capable of translating the term VETEMENTS from French into English. Substantial evidence in the record, on which the Board based its findings, demonstrates that, as of 2010, French (including all French dialects) was the fourth most common language spoken in the United States and 2.1 million Americans over the age of five spoke French at home. French was taught to “14% of all students enrolled in foreign languages” in elementary grades through high school, and “12.4%” of all American university foreign-language students. Additionally, the word in question is a simple and common word—the word for clothing. On the other hand, “widow” requires a more advanced vocabulary. This, therefore, distinguishes this case from the aspect of *Palm Bay* that was premised on “an appreciable number of purchasers [being] unlikely to be aware that VEUVÉ means ‘widow’” in French, and therefore “unlikely to translate the marks into English.” [Citation]... .

B. Abandonment

1. Non Use

Page 397: Insert following Lanham Act text:

In *Simply Wireless, Inc. v. T-Mobile United States, Inc.*, 115 F.4th 266 (4th Cir. 2024), the Fourth Circuit applied the same statutory framework to common law trademarks: “the Lanham Act’s statutory presumption of abandonment is triggered by three consecutive years of nonuse,” and lack of evidence of intent to resume use.

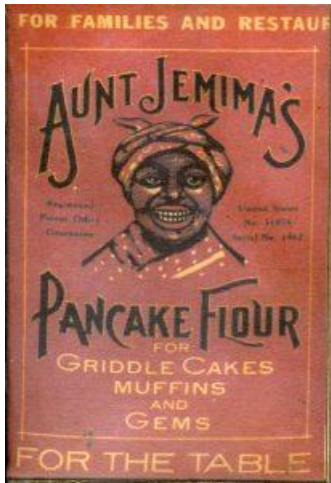
Page 402. Insert following *Silverman v. CBS*:

Note: Retiring Racist Trademarks

Silverman v. CBS illustrates the conundrum confronting companies whose trademarks, often well-known and long-standing, portray minorities such as African Americans, Asian Americans and Native Americans as servile or alien. Among such trademarks we today would find cringeworthy are AUNT JEMIMA and UNCLE BEN’S. As the images below show, initial attempts to update these characters to remove the trappings of service did not remove the stain of their association, and eventually the brands

were either withdrawn altogether (Aunt Jemima became Pearl Milling Company), or relabeled without an accompanying image (Uncle Ben's became Ben's Original).

Aunt Jemima and Uncle Ben's over time:





But if the trademark owner ceases using the mark, and a court deems it abandoned, then third parties may adopt it for their own goods and services. Moreover, after *Matal v. Tam*, *supra*, Chapter 4, the offensiveness of a mark no longer supplies a ground for refusing to register it. Trademark owners, if they own the copyright in the now-offensive images, may prevent third-party use during the life of the copyright. But some trademark images, including Aunt Jemima, who debuted in 1893, are in the public domain, free for all to use. If the revised mark remains verbally or visually similar to the abandoned mark, as appears to be the case with Ben's Originals, third party use of the abandoned mark might give rise to a likelihood of

confusion with the revised mark. Nonetheless, there may remain a group of socially-unacceptable trademarks whose non use may be laudable, as with Amos ‘n Andy, but may also free the marks for third party exploitation, if a court deems them “abandoned.” According to Jon J. Lee, *Racism and Trademark Abandonment*, 91 GEO. WASH. L. REV. 932, 937 (2023), “Within days of Quaker Oats’s announcement [that it was withdrawing the Aunt Jemima trademark], three federal trademark applications for the verbal mark “Aunt Jemima” were filed by different entities. As of June 2023, only one of the three applications had failed to register; the other two are still pending. There have been similar filings for “Eskimo Pie” and “Uncle Ben’s” by companies that specialize in acquiring dormant trademarks.” (Footnotes omitted.)

Note that the label on the back side of the bottle of “Pearl MillingTM Company” states, “Formerly Aunt Jemima®” in the color scheme and script previously used for Aunt Jemima insignia. Will this reference suffice to forestall a finding of abandonment? For judicial and business strategies to elude a finding of abandonment and preserve rights in retired marks, see Note, “The Song is Over but the Melody Lingers On,” *infra* main Casebook, page 407, and materials following.

Perry v. H.J. Heinz Co. Brands

994 F.3d 466 (5th Cir. 2022)

GRAVES, J.

Mr. Dennis Perry makes Metchup, which depending on the batch is a blend of either Walmart-brand mayonnaise and ketchup or Walmart-brand mustard and ketchup. Mr. Perry sells Metchup exclusively from the lobby of a nine-room motel adjacent to his used-car dealership in Lacombe, Louisiana. He has registered Metchup as an incontestable trademark. Though he had big plans for Metchup, sales have been slow. Since 2010, Mr. Perry has produced only 50 to 60 bottles of Metchup, which resulted in sales of around \$170 and profits of around \$50. He owns www.metchup.com but has never sold Metchup online. For better or worse, the market is not covered in Metchup.

Along comes Heinz. It makes Mayo-chup, which is solely a blend of mayonnaise and ketchup. To promote Mayo-chup’s United States launch, Heinz held an online naming contest where fans proposed names. A fan submitted Metchup, and Heinz posted a mock-up bottle bearing the name Metchup on its website alongside mock-up bottles for the other proposed names. Heinz never sold a product labeled Metchup.

When Mr. Perry discovered Mayo-chup and Heinz’s use of Metchup in advertising, he sued Heinz for trademark infringement. The district court dismissed Mr. Perry’s claims because it found that there was no likelihood of confusion between Mayo-chup and Metchup and no confusion caused by Heinz’s fleeting use of Metchup in advertising. It also canceled Mr. Perry’s trademark registration after concluding that he had failed to prove that he had made lawful, non-*de minimis* use of the Metchup mark in commerce.

We agree that there is little chance that a consumer would confuse Mr. Perry’s Metchup with Heinz’s Mayo-chup or be confused by Heinz’s use of Metchup in advertising, so we affirm the district court’s dismissal of Mr. Perry’s claims against Heinz. But because Mr. Perry sold some Metchup and testified that he hoped to sell more, a finder of fact should determine whether his incontestable trademark should be deemed abandoned and canceled. Consequently, we vacate the district court’s cancellation of Mr. Perry’s trademark and remand for further proceedings on Heinz’s counterclaim.

...



...

The district court first found that Mr. Perry had abandoned his trademark because “[he] [] failed to produce any evidence to show any sales of METCHUP-branded products outside of Louisiana or to non-Louisiana residents.” But this conclusion that Mr. Perry never used his mark in commerce because *he* cannot prove sales outside of Louisiana conflicts with recent Commerce Clause jurisprudence and misplaces the burden of proof.

“Because one need not direct goods across state lines for Congress to regulate the activity under the Commerce Clause, there is likewise no such per se condition for satisfying the Lanham Act’s ‘use in commerce’ requirement.” *Christian Faith Fellowship Church v. adidas AG*, 841 F.3d 986, 995 (Fed. Cir. 2016). In *Christian Faith Fellowship*, the Trademark Trial and Appeal Board concluded that two sales totaling \$38 to two out-of-state residents were *de minimis* and therefore not sales in commerce. *Id.* at 987-88. The Federal Circuit overturned the decision. . . .

Mr. Perry testified that he sold Metchup to motel guests who come from “all over the place.” Heinz has the burden to prove otherwise by presenting strict proof, and it has neither put forth evidence that discredits Mr. Perry’s testimony nor has it shown why the reasoning from *Christian Faith Fellowship* would fail to apply here. . . .

The district court also reasoned that Mr. Perry had failed to make “lawful, non-*de minimis* use” of the Metchup mark. Heinz insists that Mr. Perry’s use was unlawful because he failed to comply with state and federal food labelling regulations when he omitted required information from the Metchup labels. But this court has not adopted the unlawful use doctrine—the doctrine that failing to abide by all laws and regulations can turn what would otherwise constitute “use” into “non-use.” [Citations.] We see no reason to adopt the doctrine here.

Abandonment generally requires a complete discontinuance of the trademark’s use and even minor or sporadic good faith uses of a mark will defeat the defense of abandonment. [Citations.]

Heinz cannot show that Mr. Perry abandoned the mark due to complete nonuse. True, Mr. Perry neither sold (only 34 documented sales) nor made (only 60 bottles produced) much Metchup. And we did find in *Exxon Corp. v. Humble Exploration Co., Inc.*, 695 F.2d 96 (5th Cir. 1983), that seemingly similar sporadic and *de minimis* use could serve as grounds for registration cancellation.

But *Humble* addressed what could be called *de minimis* use in the context of a trademark maintenance program where Exxon made only token or sporadic use of its retired Humble Oil name to reserve rights to the trademark. 695 F.2d at 99-101. For example, Exxon packaged products adorned with both Exxon and Humble labels and shipped the goods to customers. *Id.* *Humble* built upon an earlier Second Circuit decision where the court found that token defensive use was insufficient to obtain enforceable rights

in a trademark. *La Societe Anonyme des Parfums le Galion v. Jean Patou, Inc.*, 495 F.2d 1265, 1273-74 (2d Cir. 1974). In *Le Galion*, Jean Patou had registered a trademark in the United States and sold a small amount of perfume under the trademarked name to keep Le Galion from selling a competing product. *Id.* at 1274.

Humble and *Le Galion* concern behavior that the Lanham Act specifically prohibits. In fact, the Seventh Circuit has cabined cases like *Le Galion* and *Humble* to situations involving a trademark maintenance program or defensive trademark use, implying that *de minimis* sales and use alone are insufficient to show abandonment. [Citation.] Again, the Lanham Act's framework imposes two requirements—use in commerce and bona fide use or use not merely to reserve a right. These requirements have nothing to do with a threshold use or sales requirement, nor do they imply that trademark rights, however weak, will vanish if sales are slow. In fact, sales are “not the sine qua non of trademark use.” *Blue Bell, Inc. v. Farah Mfg. Co., Inc.*, 508 F.2d 1260, 1267 (5th Cir. 1975). So, considering the Lanham Act's requirements and the more prevalent view that even minor good-faith use can forestall abandonment, *de minimis* sales and sporadic use alone are not enough to warrant a conclusion that Mr. Perry has not made “use” of the mark in a way that qualifies as “use” under the Lanham Act.

That said, Heinz has created an issue of fact as to whether Mr. Perry's use of the Metchup mark was bona fide use or whether he was simply making sporadic use of the mark to maintain his trademark rights. Mr. Perry has a history of acquiring domain names with no intention of using them and with hopes of selling them for a profit. This “domain squatting” is akin to a trademark maintenance program. And evidence suggests that Mr. Perry might have been doing something similar with the Metchup trademark.

Mr. Perry made next to no effort to grow the sales of Metchup. He never registered his trademark in Louisiana, never attempted to sell Metchup in local stores, restaurants, or farmer's markets; never attempted to increase production or improve packaging; and never attempted to sell the product online or advertise where the product could be purchased online. His only attempts to get Metchup into stores came when he sent unsolicited samples to national groceries and to a store in New Orleans after he found out Heinz was selling a similar product and had used the name Metchup in its marketing. At the time of his deposition, Mr. Perry had no Metchup on hand. Thus a reasonable jury could infer that Mr. Perry's registration and use of the trademark was something other than a sincere, good-faith business effort and something more like a trap that Heinz unwittingly fell into.

But if that inference is to be made, it should be made by a finder of fact because “summary judgment is rarely proper when an issue of intent is involved.” [Citation.] Heinz has a heavy burden, and the absence of definitive proof of a trademark maintenance program like the one in *Humble* requires an examination of Mr. Perry's intent and credibility to determine whether his use of the Metchup mark was bona fide use. After all, Mr. Perry had hoped to sell millions of bottles and testified that he contemplated expanding production and improving packaging. Consequently, his efforts could also be seen as a foundering business venture rather than a trademark trap. We therefore vacate the district court's grant of summary judgment on Heinz's cancellation counterclaim and remand the case to the district court for further proceedings to address whether Mr. Perry made bona fide use of the Metchup mark.

Page 406. Insert before Questions: The Real USFL LLC v. Fox Sports, Inc., 2022 U.S. Dist. LEXIS 72857 (C.D. Cal. April 14, 2022). The *Specht v. Google* court recognized Google's acquisition of rights in the Android mark by adopting and using the abandoned mark from the public domain. The Central District of California applied the same principle in this priority dispute over acquisition of the abandoned USFL mark, which had designated the defunct United States Football League, disbanded in 1986. For the facts of the case, and the court's analysis of acquisition of rights in an abandoned mark, see *supra*, this Supplement, Chapter 3.A. The *Real USFL* court also observed that “there is a ‘nostalgia among older football fans’ for the USFL and its team ‘names, jerseys and helmets.’” The Court thus concludes that

American Classics’ use of the Marks on apparel was source identifying.” We discuss whether nostalgia suffices for source identification in the Note on Page 407 (“The Song is Ended (but the Melody Lingers on)”) and in the materials following.

Page 407. Add new Question 7:

7. The definition of abandonment includes “acts of omission as well as commission” that cause the mark to lose its significance as a mark. Does non-enforcement of rights in a registered trademark constitute such a “course of conduct of the [trademark] owner” even if the owner continues to use the mark in commerce? Consider the following: celebrity chef David Chang and his Momofuku company own a federal registration for CHILE CRUNCH for a condiment. Facing backlash from Asian-American food purveyors in response to Momofuku’s cease and desist letters, a Momofuku spokesperson stated: “we have heard the feedback from our community and now understand that the term ‘chili crunch’ carries broader meaning for many. We have no interest in ‘owning’ a culture’s terminology and we will not be enforcing the trademark going forward,” Tim Carman and Emily Heil, *David Chang and Momofuku say they won’t enforce ‘chile crunch’ trademark*, WASHINGTON POST, April 12, 2024. Even though they will continue to sell their CHILE CRISP condiment, if Chang and Momofuku forbear from enforcing the mark, will they have abandoned it (rendering it available for use by others, including larger and less culturally sensitive sellers)? Does the statement’s reference to “a culture’s terminology” suggest that the mark in fact is generic?

Page 413. Add to the end of Question 5:

The Federal Circuit affirmed the TTAB’s determination that Barclays had not abandoned its rights in the Lehman Brothers mark, *Tiger Lily Ventures Ltd. v. Barclays Cap. Inc.*, 35 F.4th 1352 (5th Cir. 2022).

Page 414. Add to the end of Question 7:

In *Rascal House, Inc. v. Jerry’s Famous Deli, Inc.*, Cancellation Nos. 92075125, 92075180, and 92075185 (September 30, 2023), the cancellation respondent had operated two restaurants in Florida under the Rascal House name, but ceased operations in 2008. Respondent also operated Jerry’s Famous Deli restaurants in California; even after Rascal House closed its doors, Jerry’s Famous Deli menus and restaurant signage displayed the trademarks of other restaurants that Respondent claimed to own and operate, including Rascal House. Respondent acknowledged that it intended the menu listing and signage to attract customers familiar with the Florida establishments. Respondent testified “Rascal house was an iconic name in the world of delis, okay, and people – You know, Jews eat in delis. And Jews are in various locations and they travel to different locations. And so it always would help – if a Jew from Miami is visiting Los Angeles and he sees Rascal House on there, he’s more likely to buy food, right, because it’s something he liked and can relate to.” In a non-precedential decision, the Board granted the petition to cancel, ruling that Respondent’s use of the Rascal House name “constitutes, at most, an attempt to take advantage of residual good will in a past iconic brand in connection with services rendered under other brands . . . But residual goodwill does not negate a finding of abandonment based on nonuse.”

The following year, on September 30, 2024, the TTAB issued part two of its decision on abandonment for non-use (non precedential), holding that mere declarations of intent and the display of the marks on menus and signage at other establishments were insufficient to establish intent to resume use, ten

years after ceasing use. Intent to resume must be backed by concrete, timely actions—not vague plans or post-cancellation efforts. The Board granted the petition to cancel the registrations due to abandonment.

Pages 414-415. Delete Question 8.

Page 416. Add to end of second full paragraph (TM Modernization Act expungement proceedings):

For an example of an expungement proceeding under the Trademark Modernization Act, *see, e.g., In re Locus Link, USA*, Expungement No. 2022-100137E for Registration No. 5376467; Expungement No. 2022-100138E for Registration No. 5376466 (TTAB, July 1, 2024) affirming the USPTO’s cancellation for nonuse of SMARTLOCK for “components for air conditioning and cooling systems, namely, evaporative air coolers.” While the registrant had used the mark in connection with components for air conditioning systems, its use had not extended to “evaporative air coolers.” Abandonment thus turned on the role of “namely” as limitatively defining the nature of the use, as the Attorney Adviser urged, or as merely illustrative of the use, as the Registrant contended. The Board stated:

“the term “namely” is definite and is preferred to set forth an identification that requires greater particularity. The goods or services listed after the term “namely” must further define the introductory wording that precedes “namely” using definite terms within the scope of the introductory wording. . . . If we were to find, as Registrant argues, that “namely, evaporative air coolers” further defines only “air conditioning and cooling systems” – in other words, that the goods are components of any kind for evaporative air coolers – such unspecified “components” would be not only indefinite, but also overbroad because as specified, these “components” could be classified in different classes depending on their material composition, purpose, or function.”

The TTAB found that the mark had never been used on the goods listed in the registration and affirmed the cancellation.

2. Assignment in Gross

Page 420. Add to the end of Question 3:

See also *We Vote v LeYeF LLC*, 2020 TTAB LEXIS 331 (June 26, 2020) (assignment of domain name did not convey service mark rights when the only source of evidence of use – garnered from the “Wayback machine” – did not indicate what services the website attached to the domain name provided).

Chapter 6

Infringement

A. Defendant's Use in Commerce

Page 444. Add the following note after *Rescuecom Corp. v. Google*.

Note: Keyword Advertising and Use in Commerce

In *Network Automation v. Advanced Systems Concepts*, 638 F. 3d 1137, 1144-45 (9th Cir. 2011), the Court of Appeals for the 9th Circuit relied on the Second Circuit's analysis in *Rescuecom Corp v. Google* to hold that the purchase of a competitor's trademark as a keyword trigger was a use in commerce within the meaning of section 32:

Previously we have assumed, without expressly deciding, that the use of a trademark as a search engine keyword that triggers the display of a competitor's advertisement is a "use in commerce" under the Lanham Act. [Citations.] We now agree with the Second Circuit that such use is a "use in commerce" under the Lanham Act. *See Rescuecom Corp. v. Google Inc.*, 562 F.3d 123, 127 (2d Cir.2009) (holding that Google's sale of trademarks as search engine keywords is a use in commerce)....

Thirteen years later, the Ninth Circuit faced a keyword advertising infringement case between personal injury lawyers. *See Lerner & Rowe PC v. Brown Engstrand & Shely, LLC*, 119 F. 4th 711 (9th Cir. 2024), *infra* this Supplement Chapter 6.B.3.a.. The defendant argued that it was entitled to summary judgment because its purchase of an advertising keyword was not a use in commerce. The majority rejected that argument because it was bound by the holding in *Network Automation*. Judge Desai, concurring, urged the full 9th Circuit to take the case *en banc* in order to revisit whether keyword bidding and purchasing constitutes use in commerce:

Under the Lanham Act, a mark is "used in commerce" when it is "used or displayed in the sale or advertising of services." 15 U.S.C. § 1127. This definition is easily satisfied when a defendant displays a mark. But what about when a defendant does not display a mark? Is it enough that a defendant merely bid on a mark, even if the defendant never displayed the mark themselves?

We have previously suggested that a defendant can "use" a mark in commerce even if the mark is not visibly displayed. *See Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1064-65 (9th Cir. 1999) (holding that use of competitor's trademark in metatags, which are not visible on a website, is actionable under the Lanham Act). Other circuits suggest the same. *See, e.g., 1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 411 (2d Cir. 2005) (recognizing that the use of metatags may involve conduct that constitutes a "use" under the Lanham Act). But this case presents a different question: Whether an action, like bidding on keywords, that involves no display or presentation of a mark whatsoever satisfies the "use in commerce" definition. In other words, does a buyer of advertising keywords who bids on certain terms and phrases "use" its competitor's mark when bidding on it?

In *Network Automation*, we answered, yes. 638 F.3d at 1144-45. But we provided no analysis to support this holding, *id.* at 1145, and we relied on cases with meaningfully

different facts. Given that the cases on which *Network Automation* relied are readily distinguishable, the purpose of trademark infringement actions and modern practice on the internet suggest we may have gotten it wrong.

....

Network Automation relied almost exclusively on the Second Circuit’s decision in *Rescuecom Corp. v. Google*...for its conclusion that purchasing advertising keywords satisfied the “use in commerce” definition. [Citation] But the plaintiff in *Rescuecom* sued Google, the *seller* of the keywords, not the *buyer* of the keywords. [Citation]. Specifically, the plaintiff alleged that Google’s “Adwords” program and Keyword Suggestion Tool used the plaintiff’s marks to cause consumer confusion. [Citation]. The district court granted Google’s motion to dismiss, holding that Google did not use Rescuecom’s mark in commerce. [Citation]. The Second Circuit reversed. [Citation]. It explained that Google satisfied § 1127’s “use or display” definition because Google “displays, offers, and sells Rescuecom’s mark to [its] advertising customers when selling its advertising services.” [Citation]. By “recommending and selling [Rescuecom’s mark] to its advertisers,” Google necessarily displayed Rescuecom’s trademark in the sale of services. *Id.* The Second Circuit’s decision in *Rescuecom* is based on the display of a trademark, a fact that does not exist here.

Purchasers of keywords do not display the mark. Here, Lerner & Rowe alleges that ALG bid on certain search terms—including “Lerner & Rowe”—and having been the highest bidder, paid Google to place its own advertisement near the top of the list when users use that search term. This process does not involve ALG displaying Lerner & Rowe’s mark. Google—not ALG—displayed, offered, and sold the advertising term consisting of Lerner & Rowe’s mark. While Google or other search engine providers may “use” trademarks by displaying and selling them as advertising words, it does not necessarily follow that bidding on those advertising words involves a “use.” And, to be sure, the buyer of keywords does not in any way display a trademark to sell or advertise services.

....

Because purchasing keywords is different than selling them or using metatags, *Network Automation*’s holding is unsupported by existing case law. When considering whether ALG used or displayed Lerner & Rowe’s mark in the sale or advertising of its services, 15 U.S.C. § 1127, the more reasoned conclusion may be that it did not. As noted above, ALG did not affix, display, offer, or present Lerner & Rowe’s mark to any consumers. And while “use in commerce” is a relatively permissive standard, *Network Automation*, 638 F.3d at 1145, it is not boundless....

Pages 444-52. Replace *Steele v. Bulova Watch*, *McBee v. Delica*, and the Questions on pages 450-52 with the following material.

Steele v. Bulova Watch Co., 344 U.S. 280 (1952). Sidney Steele, a U.S. citizen and San Antonio resident, encountered Bulova-brand watches in the course of operating a watch business in San Antonio. He discovered that Bulova had not registered the BULOVA mark in Mexico, and secured registration of the mark in Mexico as a trademark for watches. Steele opened a business in Mexico City to take advantage of his registration. He purchased watch parts from the United States, Switzerland, and other countries, and assembled them into watches in Mexico. Steele applied the BULOVA mark to the watches and sold them from his Mexico City business. Bulova’s Texas sales representatives received complaints from authorized Bulova dealers whose customers had brought Steele’s watches into their stores for repairs. Bulova sued Steele under the Lanham Act. While the litigation was pending, Mexican courts held that Steele’s Mexican registration of Bulova was invalid. Steele denied that any of his actions in Mexico violated U.S. law. The

Supreme Court held that Steele’s behavior was actionable under the Lanham Act.

On the facts in the record we agree with the Court of Appeals that petitioner’s activities, when viewed as a whole, fall within the jurisdictional scope of the Lanham Act. This Court has often stated that the legislation of Congress will not extend beyond the boundaries of the United States unless a contrary legislative intent appears. [Citations.] The question thus is “whether Congress intended to make the law applicable” to the facts of this case. [Citation.] . . . In the light of the broad jurisdictional grant in the Lanham Act, we deem its scope to encompass petitioner’s activities here. His operations and their effects were not confined within the territorial limits of a foreign nation. He bought component parts of his wares in the United States, and spurious “Bulovas” filtered through the Mexican border into this country; his competing goods could well reflect adversely on Bulova Watch Company’s trade reputation in markets cultivated by advertising here as well as abroad. . . . We do not deem material that petitioner affixed the mark “Bulova” in Mexico City rather than here, or that his purchases in the United States when viewed in isolation do not violate any of our laws. They were essential steps in the course of business consummated abroad; acts in themselves legal lose that character when they become part of an unlawful scheme. [Citations.] “[In] such a case it is not material that the source of the forbidden effects upon . . . commerce arises in one phase or another of that program.” . . .

Questions

1. Suppose the Mexican Court had upheld the validity of Sidney Steele’s Mexican registration of BULOVA. How should a U.S. court have analyzed the challenge to exercise of jurisdiction under the Lanham Act?

2. What if Steele’s activities occurred entirely in Mexico, but he anticipated that American tourists would buy his Bulova watches? Is confusing U.S. customers outside the US a “use in commerce”? What if Steele made the fake watches in the U.S., but sold them entirely abroad? Is that “use in commerce” if no Americans are confused?

Abitron Austria GmbH v. Hetronic International, Inc.

600 U.S. 412 (2023)

JUSTICE ALITO delivered the opinion of the Court.

This case requires us to decide the foreign reach of 15 U.S.C. §1114(1)(a) and §1125(a)(1), two provisions of the Lanham Act that prohibit trademark infringement. Applying the presumption against extraterritoriality, we hold that these provisions are not extraterritorial and that they extend only to claims where the claimed infringing use in commerce is domestic.

I

This case concerns a trademark dispute between a United States company (Hetronic International, Inc.) and six foreign parties...(collectively Abitron)). Hetronic manufactures radio remote controls for construction equipment. It sells and services these products, which employ “a distinctive black-and-yellow color scheme to distinguish them from those of its competitors,” in more than 45 countries....

Abitron originally operated as a licensed distributor for Hetronic, but it later concluded that it held the rights to much of Hetronic’s intellectual property, including the marks on the products at issue in this suit. After reverse engineering Hetronic’s products, Abitron began to sell Hetronic-branded products that incorporated parts sourced from third parties. Abitron mostly sold its products in Europe, but it also made some direct sales into the United States.

Hetronic sued Abitron in the Western District of Oklahoma for, as relevant here, trademark violations under two related provisions of the Lanham Act. First, it invoked §1114(1)(a), which prohibits the unauthorized “use in commerce [of] any reproduction . . . of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services” when “such use is likely to cause confusion.” Hetronic also invoked §1125(a)(1), which prohibits the “us[e] in commerce” of a protected mark, whether registered or not, that “is likely to cause confusion.” Hetronic sought damages under these provisions for Abitron’s infringing acts worldwide.

Throughout the proceedings below, Abitron argued that Hetronic sought an impermissible extraterritorial application of the Lanham Act. But the District Court rejected this argument, and a jury later awarded Hetronic approximately \$96 million in damages related to Abitron’s global employment of Hetronic’s marks. This amount thus included damages from Abitron’s direct sales to consumers in the United States, its foreign sales of products for which the foreign buyers designated the United States as the ultimate destination, and its foreign sales of products that did not end up in the United States. The District Court later entered a permanent injunction preventing Abitron from using the marks anywhere in the world. On appeal, the Tenth Circuit narrowed the injunction to cover only certain countries but otherwise affirmed the judgment. It concluded that the Lanham Act extended to “all of [Abitron’s] foreign infringing conduct” because the “impacts within the United States [were] of a sufficient character and magnitude as would give the United States a reasonably strong interest in the litigation.” [Citation.]

We granted certiorari to resolve a Circuit split over the extraterritorial reach of the Lanham Act.

II A

“It is a ‘longstanding principle of American law ‘that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States.’” *Morrison v. National Australia Bank Ltd.*, 561 U.S. 247, 255 (2010). We have repeatedly explained that this principle, which we call the presumption against extraterritoriality, refers to a “presumption against application to conduct in the territory of another sovereign.” [Citations.] The presumption “serves to avoid the international discord that can result when U.S. law is applied to conduct in foreign countries” and reflects the “‘commonsense notion that Congress generally legislates with domestic concerns in mind.’” *RJR Nabisco, Inc. v. European Community*, 579 U.S. 325, 335–336 (2016).

Applying the presumption against extraterritoriality involves “a two-step framework.” *Id.*, at 337. At step one, we determine whether a provision is extraterritorial, and that determination turns on whether “Congress has affirmatively and unmistakably instructed that” the provision at issue should “apply to foreign conduct.”[Citations.] If Congress has provided an unmistakable instruction that the provision is extraterritorial, then claims alleging exclusively foreign conduct may proceed. . . .

If a provision is not extraterritorial, we move to step two, which resolves whether the suit seeks a (permissible) domestic or (impermissible) foreign application of the provision. To make that determination, courts must start by identifying the “‘focus’ of congressional concern” underlying the provision at issue. *Id.*, at 336. “The focus of a statute is ‘the object of its solicitude,’ which can include the conduct it ‘seeks to ‘regulate,’” as well as the parties and interests it ‘seeks to “protect”’ or vindicate.” [Citation.]

Step two does not end with identifying statutory focus. We have repeatedly and explicitly held that

courts must “identif[y] ‘the statute’s “focus”’ and as[k] whether the *conduct relevant to that focus* occurred in United States territory.” [Citations.] Thus, to prove that a claim involves a domestic application of a statute, “plaintiffs must establish that ‘the *conduct relevant to the statute’s focus* occurred in the United States.” [Citations.]

....
With this well-established framework in mind, the first question is whether the relevant provisions of the Lanham Act, see §§1114(1)(a), 1125(a)(1), provide “a clear, affirmative indication” that they apply extraterritorially, *RJR Nabisco*, 579 U.S., at 337. They do not.

....
Here, neither provision at issue provides an express statement of extraterritorial application or any other clear indication that it is one of the “rare” provisions that nonetheless applies abroad. Both simply prohibit the use “in commerce,” under congressionally prescribed conditions, of protected trademarks when that use “is likely to cause confusion.” §§1114(1)(a), 1125(a)(1).

Hetronic acknowledges that neither provision on its own signals extraterritorial application, but it argues that the requisite indication can be found in the Lanham Act’s definition of “commerce,” which applies to both provisions. Under that definition, “‘commerce’ means all commerce which may lawfully be regulated by Congress.” §1127. Hetronic offers two reasons why this definition is sufficient to rebut the presumption against extraterritoriality. First, it argues that the language naturally leads to this result because Congress can lawfully regulate foreign conduct under the Foreign Commerce Clause. Second, it contends that extraterritoriality is confirmed by the fact that this definition is unique in the U.S. Code and thus differs from what it describes as “boilerplate” definitions of “‘commerce’” in other statutes.

Neither reason is sufficient. When applying the presumption, “‘we have repeatedly held that even statutes . . . that expressly refer to “foreign commerce”’” when defining “commerce” are not extraterritorial. *Morrison*, 561 U.S., at 262–263; see also *RJR Nabisco*, 579 U.S., at 344. This conclusion dooms Hetronic’s argument. If an express statutory reference to “foreign commerce” is not enough to rebut the presumption, the same must be true of a definition of “commerce” that refers to Congress’s authority to regulate foreign commerce. That result does not change simply because the provision refers to “all” commerce Congress can regulate. [Citation.] And the mere fact that the Lanham Act contains a substantively similar definition that departs from the so-called “boilerplate” definitions used in other statutes cannot justify a different conclusion either.

C

Because §1114(1)(a) and §1125(a)(1) are not extraterritorial, we must consider when claims involve “domestic” applications of these provisions. As discussed above, the proper test requires determining the provision’s focus and then ascertaining whether Hetronic can “establish that ‘the conduct relevant to [that] focus occurred in the United States.’” [Citation.]

....
The parties all seek support for their positions in *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952), but that decision is of little assistance here. There, we considered a suit alleging that the defendant, through activity in both the United States and Mexico, had violated the Lanham Act by producing and selling watches stamped with a trademark that was protected in the United States. Although we allowed the claim to proceed, our analysis understandably did not follow the two-step framework that we would develop decades later. Our decision was instead narrow and fact-bound. It rested on the judgment that “the facts in the record . . . when viewed as a whole” were sufficient to rebut the presumption against extraterritoriality. *Id.*, at 285. In reaching this conclusion, we repeatedly emphasized *both* that the defendant committed “essential steps” in the course of his infringing conduct in the United States and that his conduct was likely to and did cause consumer confusion in the United States. *Id.*, at 286–287; accord, *e.g.*, *id.*, at 286 (“His operations and their effects were not confined within the territorial limits of a foreign nation”); *id.*, at 288 (“[P]etitioner by his ‘own deliberate acts, here and elsewhere, brought about forbidden results within the United States’” (alteration omitted)). Because *Steele* implicated both domestic conduct and a likelihood of domestic confusion, it does not tell us which one determines the domestic applications of §1114(1)(a) and

§1125(a)(1). With *Steele* put aside, then, we think the parties’ particular debate over the “focus” of §1114(1)(a) and §1125(a)(1) in the abstract does not exhaust the relevant inquiry. The ultimate question regarding permissible domestic application turns on the location of the conduct relevant to the focus. See, e.g., *RJR Nabisco*, 579 U.S., at 337. And the *conduct* relevant to any focus the parties have proffered is infringing use in commerce, as the Act defines it.

In sum, as this case comes to us, “use in commerce” is the conduct relevant to any potential focus of §1114(1)(a) and §1125(a)(1) because Congress deemed a violation of either provision to occur each time a mark is used in commerce in the way Congress described, with no need for any actual confusion. Under step two of our extraterritoriality standard, then, “use in commerce” provides the dividing line between foreign and domestic applications of these Lanham Act provisions.

....

IV

In sum, we hold that §1114(1)(a) and §1125(a)(1) are not extraterritorial and that the infringing “use in commerce” of a trademark provides the dividing line between foreign and domestic applications of these provisions. Under the Act, the “term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade,” where the mark serves to “identify and distinguish [the mark user’s] goods. . . and to indicate the source of the goods.” §1127. Because the proceedings below were not in accord with this understanding of extraterritoriality, we vacate the judgment of the Court of Appeals and remand the case for further proceedings consistent with this opinion.

It is so ordered.

JUSTICE JACKSON, concurring.

I agree with the Court that 15 U.S.C. §1114(1)(a) and §1125(a)(1) do not apply extraterritorially. I also agree that the “‘use in commerce’ of a trademark” that both statutory sections describe “provides the dividing line between foreign and domestic applications” of these provisions. The Court has no need to elaborate today upon what it means to “use [a trademark] in commerce,” §1127, nor need it discuss how that meaning guides the permissible-domestic-application question in a particular case. I write separately to address those points.

....

Critically, the Act defines “‘use in commerce’” as “the bona fide use of a mark in the ordinary course of trade.” §1127. And, in light of the core source-identifying function of marks, Congress’s statutory scheme embodies a distinction between *trademark* uses (use of a symbol or equivalent “‘to identify or brand [a defendant’s] goods or services’”) and “‘non-trademark uses’” (use of a symbol—even the same one—“in a ‘non-source-identifying way’”). *Jack Daniel’s*, 599 U.S., at (slip op., at 13). This all points to something key about what it means to use a trademark in the sense Congress prohibited—*i.e.*, in a way likely to commit the “cardinal sin” of “confus[ing] consumers about source.” *Id.*, at ____.

....

Because it is “use in commerce”—as Congress has defined it—that “provides the dividing line between foreign and domestic applications of “these provisions, the permissible-domestic-application inquiry ought to be straightforward. If a marked good is in domestic commerce, and the mark is serving a source-identifying function in the way Congress described, §1114(1)(a) and §1125(a)(1) may reach the “person,” §1127, who is “us[ing that m]ark as a trademark,” *Jack Daniel’s*, 599 U.S., at _____. But if the mark is *not* serving that function in domestic commerce, then the conduct Congress cared about is not occurring domestically, and these provisions’ purely domestic sweep cannot touch that person.

Consider an example. Imagine that a German company begins making and selling handbags in Germany marked “Coache” (the owner’s family name). Next, imagine that American students buy the bags while on spring break overseas, and upon their return home employ those bags to carry personal items. Imagine finally that a representative of Coach (the United States company) sees the students with the bags and persuades Coach to sue the German company for Lanham Act infringement, fearing that the “Coache” mark will cause consumer confusion. Absent additional facts, such a claim seeks an impermissibly extra-

territorial application of the Act. The mark affixed to the students' bags is not being "use[d] in commerce" domestically as the Act understands that phrase: to serve a source-identifying function "in the ordinary course of trade," §1127.

Now change the facts in just one respect: The American students tire of the bags six weeks after returning home, and resell them in this country, confusing consumers and damaging Coach's brand. Now, the marked bags are in domestic commerce; the marks that the German company affixed to them overseas continue "to identify and distinguish" the goods from others in the (now domestic) marketplace and to "indicate the source of the goods." So the German company continues to "use [the mark] in commerce" within the meaning of the Act, thus triggering potential liability under §1114(1)(a) and §1125(a)(1). This result makes eminent sense given the source-identifying function of a trademark.

In brief, once the marks on its bags are serving their core source-identifying function in commerce in the United States, this German company is doing—domestically—exactly what Congress sought to proscribe. Accordingly, the German company may be subject to liability for this domestic conduct—*i.e.*, it cannot successfully obtain dismissal of the lawsuit on extraterritoriality grounds—even though it never sold the bags in, or directly into, the United States.

Guided by this understanding of "use in commerce," I join the Court's opinion in full.

JUSTICE SOTOMAYOR, with whom the CHIEF JUSTICE, JUSTICE KAGAN, AND JUSTICE BARRETT join, concurring in the judgment.

Sections 32(1)(a) and 43(a)(1)(A) of the Lanham Act prohibit trademark infringement and unfair competition activities that are "likely to cause confusion, or to cause mistake, or to deceive." 60 Stat. 437, 441, as amended, 15 U.S.C. §§1114(1)(a), 1125(a)(1)(A). The issue in this case is whether, and to what extent, these provisions apply to activities that occur in a foreign country. I agree with the majority's conclusion that the decision below must be vacated. I disagree, however, with the extraterritoriality framework that the Court adopts today. In my view, §§32(1)(a) and 43(a)(1)(A) of the Lanham Act extends to activities carried out abroad when there is a likelihood of consumer confusion in the United States.

....

The parties offer different interpretations of the focus of §§32(1)(a) and 43(a)(1)(A). Petitioners argue that the focus of the statute is the "use" of the mark "in commerce." Under petitioners' theory, the Lanham Act does not reach any infringing products sold abroad; instead, the defendant must sell the products directly into the United States. Respondent, by contrast, argues that the Act has two distinct focuses: protecting mark owners from reputational harm and protecting consumers from confusion. Under respondent's view, reputational harm to the mark owner "is not necessarily tied to the locus of [consumer] confusion or the locus of the [defendant's] conduct." Instead, respondent asserts, harm to a mark owner's reputation "is felt where [the mark owner] resides." The Government, as *amicus curiae* supporting neither party, offers a middle ground. In its view, the focus of the statute is consumer confusion. Accordingly, "[w]here such effects are likely to occur in the United States, application of Sections 32(1)(a) and 43(a)(1)(A) is a permissible domestic application of the Act, even if the defendant's own conduct occurred elsewhere."

I agree with the Government's position. Sections 32(1)(a) and 43(a)(1)(A) of the Act prohibit specific types of "use[s] in commerce": uses that are "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. §§1114(1)(a), 1125(a)(1)(A). The statute thus makes clear that prohibiting the use in commerce is "merely the means by which the statute achieves its end" of protecting consumers from confusion. [Citation.] Stated differently, "a competitor's use does not infringe a mark unless it is likely to confuse consumers." [Citations.] Because the statute's focus is protection against consumer confusion, the statute covers foreign infringement activities if there is a likelihood of consumer confusion in the United States and all other conditions for liability are established.

....

The Lanham Act covers petitioners’ activities abroad so long as respondent can show that those activities are “likely to cause confusion, or to cause mistake, or to deceive” in the United States and can prove all elements necessary to establish liability under the Act. 15 U.S.C. §§1114(1)(a), 1125(a)(1)(A). Because the courts below did not apply that test, I agree vacatur and remand is required. The Court’s opinion, however, instructs the Court on remand to apply a test that is not supported by either the Lanham Act or this Court’s traditional two-step extraterritoriality framework. I therefore concur only in the judgment.

Hetronic Int’l, Inc. v. Hetronic Germany GmbH, 99 F. 4th 1150 (10th Cir. 2024). On remand, the Court of Appeals for the 10th Circuit concluded that the Lanham Act covered Abitron’s direct sales to U.S. customers and any activities Abitron engaged in through its U.S. distributor to sell, market, advertise or distribute infringing goods to U.S. customers, but did not extend to either its foreign sales to foreign customers, even when it intended the foreign customers to make downstream sales to customers in the United States.

Questions

1. Recall the decisions addressing whether a foreign mark’s “use” or “use in [U.S.] commerce” suffices to vest the foreign entrepreneur with trademark rights in the U.S., or to confer standing to oppose a U.S. registration, *supra*, Chapters 3[D], 3[E], and 4[C][3]. Are those decisions consistent with *Abitron v. Hetronic*? If the purported owner of a mark must make use in domestic U.S. commerce in order to secure rights in a mark, is there any reason to adopt a different rule defining what counts as infringement? Under the majority’s interpretation, would advertising in the U.S. plus delivering services to U.S. consumers abroad suffice as “use in commerce”?

2. The Justices of the Supreme Court agree that only domestic uses in commerce violate the Lanham Act. They seem to disagree markedly, however, over what sorts of behavior count as domestic use in commerce within the meaning of the Lanham Act. Whose view strikes you as the most workable one, and why? In particular, in Justice Jackson’s hypothetical, *supra*, does it make sense to say the hypothetical Coache family company is itself “using” the mark “in the ordinary course of trade” in the U.S. if its foreign retail customers, independently of Coache and without its knowledge, resell their bags in the U.S.? In *Dividing Trademark Use*, 48 COLUM. J. L. & ARTS 141 (2024), Jeremy Sheff suggests that sometimes trademark use can be divided among multiple actors, and that doctrines of secondary liability may permit courts to combine those actions to satisfy the statutory requirement of use in commerce. *Cf.* Chapter 6C, *infra* (discussing principles of secondary liability).

3. Plaintiff operates a consumer lending business in the United States under the registered service mark THE CASH STORE. Defendant operates an unrelated consumer lending business in Canada under the mark THE CASH STORE. Defendant has no U.S. customers, and does not advertise in U.S. markets, but has some American stockholders and has been listed on the New York Stock Exchange since June 2010. In addition, it has given presentations to gatherings of potential investors in the United States. Defendant argues that none of its activities constitute actionable “use in commerce.” How should the court rule? *See Cottonwood Fin. Ltd. v. Cash Store Fin. Servs.*, 778 F. Supp. 2d 726 (N.D. Tex. 2011).

B. Likelihood of Confusion

1. Factors for Assessing Likelihood of Confusion

Page 454. Update citation.

The citation for the 9th Circuit should read *Ironhawk Technologies, Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1160 (9th Cir. 2021).

2. Likelihood of Confusion in the Courts

Page 473. Add the following case before *Kraft Foods Group Brands v. Cracker Barrel Old Country Store*.

Therapeutics MD, Inc. v. Evofem Biosciences, Inc., 2022 U.S. Dist. LEXIS 58524 (D. Fla. Mar. 30, 2022). Both plaintiff and defendant sell estrogen suppositories. Plaintiff, who uses the mark IMVEXXY, sued, claiming that defendant's mark, PHEXXI, was likely to cause confusion. Both parties conducted surveys. Plaintiff's survey purported to show likelihood of confusion, while defendant's survey purported to show that confusion was unlikely. Plaintiff's expert administered a "*Squirt*" survey modeled on a survey used in *Squirtco v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980). Both doctors and patients were first shown brochures and product samples for plaintiff's IMVEXXY, and then shown brochures and samples for defendant's PHEXXI. Respondents were asked whether they believed that the two products were made by the same company. Defendant's expert administered an "*Eveready*" survey derived from the survey presented in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir. 1976). The expert showed respondents the PHEXXI mark, and then asked to them identify any company that they believed to be the source of the product. The parties filed cross motions to exclude each other's surveys on a variety of grounds. The magistrate judge acknowledged that both parties' surveys were arguably flawed, but concluded that those flaws should go to the weight juries should give the surveys rather than their admissibility. The parties' opportunities to cross-examine each other's experts would mitigate any prejudice from flawed survey design:

The Parties' Cross-Motions to Exclude Consumer Survey Experts

It is commonplace for parties to retain experts to conduct surveys designed to aid the factfinder in determining whether the confusion element of a trademark infringement claim is present. [Citation.] There are two prominent surveys used in trademark cases to aid in establishing the "likelihood of confusion" element: the *Eveready* survey and the *Squirt* survey.

Eveready is "appropriate for testing alleged infringement [of] a 'top of mind' mark: one that is 'highly accessible . . . in memory, enhancing the likelihood that it will be cognitively cued by a similar junior use.'" [Citation.] *Eveready* "involves showing consumers only the potentially-infringing product," without showing them the senior mark, "and asking open-ended questions to determine whether they believe the product

is associated with the senior mark.” [Citation.] The *Eveready* format “does not inform survey respondents what the senior mark is, but assumes that they are aware of the mark from their prior experience.”[Citation.]

By contrast, the *Squirt* survey presents the consumer with multiple competing products, including the parties’ marks, and asks consumers whether they believe any two of the products are offered by the same company. [Citation.] The *Squirt* test’s “use of closed-ended and leading questions has been criticized by both courts and commentators because of the suggestive nature of those questions.”[Citation.] Moreover, courts have found that “the effectiveness of this [*Squirt*] method is diminished when the consumer is presented with the competing products in a manner different than how those products appear in the actual marketplace” because this creates an “artificial market.” [Citation.] Nevertheless, experts who have conducted *Squirt* surveys are routinely permitted to present their findings to juries.

Here, Plaintiff presents Dr. Yoram (Jerry) Wind who conducted *Squirt* surveys designed to “quantif[y] the prescriber and patient confusion caused by [Defendant’s] PHEXXI product samples and patient brochures.” ECF No. 164 at 9. As a result of his surveys, Dr. Wind opined in his report that there was a net confusion of approximately 20% between IMVEXXY and PHEXXI. ECF No. 164-2 at 9.

Defendant, on the other hand, presents David Neal, Ph.D. who conducted *Eveready* surveys of pharmacists and prescribers. As a result of his surveys, Dr. Neal opined that Defendant’s use of the “PHEXXI mark . . . does not cause any material likelihood of confusion” with Plaintiff’s IMVEXXY mark. ECF No. 116-1 at 7.

Neither party disputes that the other side’s consumer survey expert is qualified. Nevertheless, both parties seek to have the other’s consumer survey expert excluded, claiming that the methodology used was inappropriate given the facts and circumstances of the alleged infringement at issue here. . . .

....

The parties’ disputes over the proper survey to use, the relevant consumer to be surveyed, the actual marketplace to be replicated, the appropriate packaging and product names to be presented to the respondents, the form of questions to be asked, etc. do not render any results of these surveys inherently unreliable such that they should be deemed inadmissible. . . . Disputes over the parameters used in each survey are not an adequate basis to exclude the surveys and their results from the jury. Rather, these issues go to the weight a jury decides to afford the expert’s testimony and are more properly addressed through “vigorous cross-examination [and] presentation of contrary evidence.” [Citation.]

Both the *Squirt* and *Eveready* methodologies have been deemed acceptable by courts and are frequently used in trademark infringement cases as a means of assisting the factfinder in assessing likelihood of confusion. Admittedly, both methodologies have their flaws. *Squirt* has been criticized for its leading questions and creation of an artificial marketplace. Likewise, *Eveready*’s usefulness in a case like this is debatable given the survey’s reliance on the senior brand being so well-recognized that survey participants do not even need to be reminded of its existence before responding to questions about possible confusion. Nevertheless, the prejudice to either side is mitigated by the fact that both methodologies will be presented. Thus, I find that the reports and testimony of Dr. Wind and Dr. Neal should be presented to the factfinder who can choose to credit or disregard either or both experts’ results and opinions. Simply put, each party has satisfied

its burden of showing that its expert should not be excluded.

Page 475. Add the following case before the Questions.

Bliss Collection, LLC v. Latham Co., LLC, 82 F.4th 499 (6th Cir. 2023). If the marks are dissimilar, can plaintiff nonetheless prevail if the other factors indicate confusion? Bliss Collection and Latham Companies both sell children’s clothes. The court described the two companies’ relationship as “long and acrimonious.” Bliss uses the mark “bella bliss,” featuring a stylized lowercase b drawn as if it had been stitched in light blue or white thread.



Latham uses the mark “little english” and the initials “Le.” Its labels are a similar shade of blue.



Bliss sued Latham for trademark infringement. A divided Sixth Circuit panel upheld Bliss’s trademark infringement claim. Applying the Sixth Circuit’s *Frisch* factors, the majority concluded that Bliss’s marks were inherently distinctive and the parties’ goods were directly competitive. The complaint did not allege any instances of actual confusion between the parties’ marks, but it did recount some anecdotes of consumers’ identifying little english clothing as bella bliss clothing on social media, and one customer’s attempting to return a Latham item to Bliss. The majority found that the marketing channels were similar, and that Bliss’s complaint was silent on the purchaser care and likelihood of expansion of product lines factors.

The majority found that the marks were sufficiently similar to survive Latham’s motion to dismiss:

Latham (and the dissent) argues that its logos are so inherently distinct from Bliss’s logo that no reasonable consumer would ever confuse them. Bliss’s amended complaint includes a convenient side-by-side comparison of the logos in question. . . . Comparing the logos next to each other, Latham is correct that the logos share no words or homophones. But the letter “e” in Latham’s “Le” logo is tucked into the uppercase “L” in a manner that tracks the shape of Bliss’s logo. Similarly, the words “little english” are underneath Latham’s “Le” logo just as the words “bella bliss” are underneath Bliss’s lowercase “b” logo. Lastly, the colors appear nearly identical.

Of course, these similarities are not per se evidence of trademark infringement such that summary judgment would be appropriate. But they are also not per se evidence of the converse, especially at the motion-to-dismiss stage. This factor thus weighs slightly in Bliss’s favor.

Bliss also alleged that Latham’s current logo was more similar to Bliss’s mark’s than Latham’s original logo, and that the revision showed that Latham chose its current mark with the intent of causing confusion. The majority agreed that the evidence of intent was circumstantial, but strong enough to cause the intent factor to weigh in Bliss’s favor. Finding that five of the eight factors favored Bliss, the majority concluded that the complaint plausibly alleged likelihood of confusion.

Judge Larsen dissented:

I agree with the majority that Bliss’s marks are strong. But Bliss’s marks and Latham’s share no protected features, and the overall appearance of the marks is decidedly different. When trademarks are “so clearly distinguishable” that no reasonable consumer could be confused, “a court may resolve the issue of . . . similarity as a matter of law.” [Citation.] And in such situations, the plaintiff will have a difficult time “prevailing on the seven other *Frisch* factors.” [Citation.] (calling the plaintiff’s burden “effectively insurmountable”). Here, taking all the allegations in the complaint as true, Bliss’s trademark infringement claim cannot survive.

....

Start with Latham’s word mark. Bliss says that the word mark infringes because it uses “a similar lowercase lettering pattern,” in the “exact shade of bliss Blue. What this allegation ignores is: that Latham’s mark spells out *entirely different words* (“little english” not “bella bliss” or anything close to it); in an *entirely different font* (Bliss’s lower-case letters are sans serif and Latham’s letters are either serif or script). And, of course, Bliss does not have blanket trademark protection for “bliss Blue.” It has protection for “light blue” in connection with its stylized “b” and the words “bella bliss.” To say that Latham’s word mark infringes Bliss’s would be to give Bliss a right to exclude all children’s clothing brands from using “light blue” and lower-case letters to spell *any* word in *any* font. Consider, for example, the famous Carter’s brand of children’s clothing. Its logo spells out the word “carter’s” in a lower-case sans-serif font, either in light blue letters, or in white letters on a light blue background. But no one would think that the more-famous Carter’s has a viable claim against Bliss because the words “carter’s” and “bella bliss” are wildly distinct. So too with “bella bliss” and “little english.” [Citation.]

Now consider whether Latham’s “Le logo” resembles Bliss’s unregistered logo—the light blue stitched “b” with the light blue words “bella bliss” underneath. Latham’s logo does not use a “b” at all—it features a capital “L” and a lower-case “e,” in white lettering, with the words “little english” underneath. As the majority admits, “the

logos share no words or homophones.”. They don’t share initial letters either; and they don’t rhyme. So there goes similarity of “sound.” The words also share no “meaning.”

How about “sight?” Here again, there are no common protected features, and the overall appearance of the marks differs. Bliss’s mark is minimal and modern; Latham’s is more ornate and vintage. A dominant feature of Bliss’s mark is its stitched “b.” Meanwhile, as noted above, Latham’s mark does not include a “b” at all. And Latham’s “L” and “e” are not “stitched” like Bliss’s “b.” Finally, the words “little english” appear in a different font and color (white lower-case letters with a gold or brown shading at the edges).

Adding to the disparity are the extra design features in the “Le logo,” which are not mentioned in the majority opinion. The “Le logo” features criss-crossed sheaves of golden wheat. And the “Le” with “little english” beneath it is surrounded by a golden “picture frame” with blue polka-dot detail—one version oval-shaped, the other square. In the square “Le logo,” the words “classic children’s collection” appear in a goldish-brown font. None of these elements has even an arguable companion in the simple Bliss marks.

Only the “Le logo” background color—light blue, in a shade resembling “bliss Blue”—is an arguably similar element. But the background color, by itself, cannot do the work here. [Citation.] The majority rightly notes that Bliss has not adequately alleged secondary meaning in the particular shade of light blue it calls “bliss Blue.” Bliss did not seek blanket trademark protection for either light blue or “bliss Blue,” and even if it had, it would not have received it. [Citations.]

What Bliss sought was trademark protection in a lower-case “b” “stitched in light blue” and the words “bella bliss” also in “light blue.” Latham’s use of a light blue backdrop for different letters (“L” and “e”) and different words (“little english”), in a different font, surrounded by a gold picture frame and accompanied by criss-crossed sheaves of golden wheat does not infringe this mark. . . . In sum, the two marks are so dissimilar that no one could be confused.

....

The marks, considered in their entirety, are so dissimilar that they cannot plausibly create a likelihood of confusion. I would, therefore, affirm the district court’s judgment as it relates to Bliss’s trademark infringement claims.

Page 477. Replace the final two paragraphs on the page with the following text.

In *Ironhawk Technologies, Inc. v. Dropbox, Inc.*, 2 F.4th 1150 (9th Cir. 2021), the Court of Appeals for the 9th Circuit described its *Sleekcraft* multifactor test in these terms:

We now turn to the *Sleekcraft* factors, each of which presents a highly factual inquiry. While we have described this inquiry as exhausting, the list of factors is “neither exhaustive nor exclusive.” [Citation.] Instead, “the factors are intended to guide the court in assessing the basic question of likelihood of confusion.” [Citation.] “The presence or absence of a particular factor does not necessarily drive the determination of a likelihood of confusion.” [Citation.]. The factors should be considered together to determine, under the totality of the circumstances, whether a likelihood of confusion exists. [Citation.] Where conflicting facts render it unclear whether a likelihood of confusion exists, summary judgment is inappropriate.

The Second and Sixth circuits hold that the question is one of law. The Second Circuit has stated

that lower courts' determinations based on the likelihood of confusion factors are legal conclusions, and thus reviewable, *de novo*, as matters of law. *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 326 (2d Cir. 2020). The Sixth Circuit frames the issue as "a mixed question of fact and law," *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1107 (6th Cir. 1991). It considers the individual determinations of whether each likelihood of confusion factor favors the plaintiff or defendant to be findings of fact, but treats the analysis of whether the factors together create a likelihood of confusion as a question of law. Since this analysis is the most important, and reviewable *de novo* under the Sixth Circuit's procedure, the question is functionally one of law.

When reviewing infringement actions from district courts in other circuits, the Federal Circuit applies the law of the relevant circuit court. *3M Co. v. Mohan*, 482 F. App'x 574, 579 (Fed. Cir. 2012). However, the Federal Circuit reviews likelihood of confusion determinations made by the TTAB *de novo*, and considers likelihood of confusion "a question of law, based on underlying factual determinations." *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 1265 (Fed. Cir. 2002).

Page 486, Question 5.

Delete the citation to *Network Automation v. Advanced Systems Concepts* at the end of the Question.

Page 488. Replace Question 5 with the following:

5. How much should courts rely on the *Abercrombie* spectrum in assessing conceptual strength? In a case involving two canned, caffeinated beverages both incorporating "RISE" in their names, Judge Leval reasoned:

Although the suggestive category is higher than the descriptive category because a descriptive association between mark and product is more direct than a suggestive association, it does not necessarily follow that every suggestive mark is stronger than every descriptive mark. If the suggestion conveyed by a suggestive mark conjures up an essential or important aspect of the product, while the description conveyed by a descriptive mark refers to a relatively trivial or insignificant aspect of the product, the particular suggestive mark could be deemed weaker than the descriptive. Coffee's capacity to wake one up and lift one's energy, which is what the "RISE" mark suggests, is such an important part of the perceived virtue of coffee in the eyes of the consuming public as to render this suggestive mark decidedly weak.

RiseandShine Corp. v. PepsiCo, Inc., 41 F.4th 112 (2d Cir. 2022). Is this reasoning persuasive? Does it matter whether there are other "RISE"-incorporating caffeinated beverages in the marketplace?

Page 491. Add New Question 4.

4. In *Transunion v. Ramirez*, 594 U.S. 413 (2021), a case brought under the Federal Fair Credit Reporting Act, the Supreme Court explained that "To have Article III standing to sue in federal court, plaintiffs must demonstrate, among other things, that they suffered a concrete harm. No concrete harm, no

standing.” The Court continued, “A regime where Congress could freely authorize unharmed plaintiffs to sue defendants who violate federal law ...would violate Article III.” If Professor Bone is correct that courts decide infringement cases in favor of trademark owners who have not shown that they have suffered harm from a likelihood of confusion, do those owners have standing under article III to bring the lawsuit? In *Note: Trademark Injury in Law and Fact: A Standing Defense to Modern Infringement*, 135 Harv. L. Rev. 667 (2021), Lauren Bilow argues that they do not. Bilow suggests that infringement complaints that do not allege specific, concrete business harm that results from the allegedly infringing use must be dismissed on standing grounds. Consider the infringement cases you have read so far in Chapter 6. In which of those cases did the trademark owner prove concrete business harm?

We discuss Article III standing further *infra* this Supplement in Chapter 8.C and Chapter 12.A., and *infra* the casebook in Chapter 10.D.

3. Different Varieties of Confusion

a. Initial Interest Confusion

Page 495. Delete *Blockbuster Entertainment v. Laylco, Inc.*

Page 498. Replace *Multi Time Machine v. Amazon.com* with the following two cases.

Lerner & Rowe, PC v. Brown Engstrand & Shely LLC

119 F.4th 711 (9th Cir. 2024)

DE ALBA, CIRCUIT JUDGE:

I. Factual and Procedural Background

Appellant Lerner & Rowe, PC (“Lerner & Rowe”), and Appellee Brown, Engstrand & Shely, LLC—which does business as The Accident Law Group (“ALG”)—are both personal injury law firms based in Arizona. Founded in 2005, Lerner & Rowe is the larger of the two firms with nineteen offices throughout the state. It has three registered trademarks: on June 14, 2011, it registered the phrase “Lerner & Rowe Gives Back;” on March 3, 2015, it registered the name “Glen Lerner;” and, on May 19, 2020, it registered the name “Lerner & Rowe.” Lerner & Rowe has spent over \$100 million promoting its brand and trademarks in Arizona.

Since its founding in 2015 until 2021, ALG purchased the term “Lerner & Rowe” as a Google Ads keyword, which prompted ALG’s advertisements to appear near the top of Google’s search results list whenever someone searched for “Lerner & Rowe.” This strategy, known as “conquesting,” is a common internet marketing tool by which companies promote their services to potential customers who might be searching for a competitor. In fact, Lerner & Rowe has engaged in conquesting in other contexts. Importantly, while the format and copy of ALG’s advertisements varied from search to search, they never included or referenced the term “Lerner & Rowe.”

On September 8, 2021, Lerner & Rowe filed a complaint alleging claims for (1) trademark infringement, unfair competition, false designation of origin, and false description under the Lanham Act; (2) state trademark infringement and unfair competition; and (3) unjust enrichment. In a May 18, 2023, order, the district court granted summary judgment in favor of ALG . . .

....

III. Discussion

....

This case primarily concerns “initial interest confusion,” which occurs when an alleged infringer uses a competitor’s mark to direct consumer attention to its product. *See Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1025 (9th Cir. 2004). “Although dispelled before an actual sale occurs, initial interest confusion impermissibly capitalizes on the goodwill associated with a mark and is therefore actionable trademark infringement.” *Id.* Such a claim applies, however, only to “misleading and deceptive” uses of a mark, not to “legitimate comparative and contextual advertising.” *Network Automation[, Inc. v. Advanced Sys. Concepts Inc.]*, 638 F.3d 1137 (9th Cir. 2011)] at 1148. Therefore, in the keyword advertising context, we have emphasized that, “the owner of the mark must demonstrate likely confusion, not mere diversion.” *Id.* at 1149; *see also Playboy Enters.*, 354 F.3d at 1035 (Berzon, J., concurring) (“There is a big difference between hijacking a customer to another website by making the customer think he or she is visiting the trademark holder’s website (even if only briefly) . . . and just distracting a potential customer with another *choice*, when it is clear that it is a choice.”).

A. Strength of the Mark

....

The district court correctly found, and ALG does not dispute, that Lerner & Rowe’s mark is strong. Not only is the mark federally registered, but Lerner & Rowe has spent millions of dollars advertising it, garnering the business of over 100,000 clients. This factor weighs in favor of Lerner & Rowe.

B. Evidence of Actual Confusion

“[A] showing of actual confusion among significant numbers of consumers provides strong support for the likelihood of confusion.” *Playboy Enters.*, 354 F.3d at 1026. In fact, if a plaintiff can demonstrate “that an ‘*appreciable*’ number of people are confused,” that fact, alone, might entitle the plaintiff to a trial on the likelihood of confusion. [Citations.] Nevertheless, because actual confusion evidence is difficult to gather, “the absence of such evidence is not dispositive.” [Citation.]

Here, Lerner & Rowe’s proffer of actual confusion consists of 236 phone calls that ALG’s intake department received during which the caller mentioned Lerner & Rowe by name when responding to a question about how the caller found ALG’s phone number. Data from Google shows that, between 2017 and 2021, searches for “Lerner & Rowe” returned results featuring ALG’s advertisement 109,322 times. Evidence of 236 instances of actual confusion, therefore, constitutes only 0.216% of the total number of users exposed to the challenged advertisements. Moreover, users clicked on ALG’s advertisements 7,452 times, or just 6.82% of the time Google displayed them. ALG separately commissioned an expert survey concluding that ALG’s advertisements confused between 0% and 3% of consumers. The district court dismissed this evidence of actual confusion as *de minimis* and concluded that this factor favored ALG.

....

Typically, instances of actual confusion present a numerator with no denominator, saying little or nothing about the actual proportion of the consumer population that is confused. In such cases, we see the tip of an iceberg and have no ability to speculate about how much lies below the surface. Here, however, no speculation is necessary—we can see the entire iceberg. 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. [Citation.] The resulting 0.216% confusion rate is direct evidence of the likelihood of confusion comparable to, but more complete than, survey evidence. No reasonable jury would conclude that this percentage is anything but *de minimis* and fails to support a finding of likelihood of confusion. [Citations.]

....

Having determined that Lerner & Rowe’s evidence of actual confusion is *de minimis*, we must now decide how to weigh it. In one sense, the evidence Lerner & Rowe has presented is so slight it may as well

have presented none at all. Due to the difficulties in gathering evidence of actual confusion, we have noted that “its absence [is] generally unnoteworthy.” [Citations.] Here, however, the nature of the actual confusion evidence paints a picture that affirmatively contradicts Lerner & Rowe’s assertions that ALG’s advertisements were likely to confuse an appreciable number of consumers, compelling us to conclude that this factor should weigh substantially in favor of ALG. [Citations.]

C. The Reasonably Prudent Consumer’s Degree of Care

Sophisticated consumers and those shopping for high-value products are likely to exercise a higher degree of care while shopping and are, therefore, less likely to be confused by similar marks. *See Network Automation*, 638 F.3d at 1152. Additionally, when it comes to online shopping, “the default degree of consumer care is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace.” *Id.* The district court weighed this factor in favor of ALG because acquiring legal services can be expensive and important and because those accustomed to online shopping are typically savvy enough to differentiate between search engine results.

We agree that this factor weighs in ALG’s favor. Since at least 2010, we have recognized that “[c]onsumers who use the internet for shopping are generally quite sophisticated about” how the internet functions. *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1178 (9th Cir. 2010). For example, regular internet users can readily distinguish domain names associated with the companies they are searching for from those they are not. *See id.* Additionally, Google’s search engine is so ubiquitous that we can be confident that the reasonably prudent online shopper is familiar with its layout and function, knows that it orders results based on relevance to the search term, and understands that it produces sponsored links along with organic search results. Moreover, in this case, the relevant consumers specifically typed in “Lerner & Rowe” as a search term, suggesting that they would be even more discerning of the results they received. Therefore, because this case involves shopping on Google by using the precise trademark at issue, this factor weighs in favor of ALG.

D. Labeling and Appearance of Advertisements

“[C]lear labeling can eliminate the likelihood of initial interest confusion in cases involving Internet search terms.” *Multi Time Mach.*, 804 F.3d at 937; *see also Network Automation*, 638 F.3d at 1153 (“In the keyword advertising context the ‘likelihood of confusion will ultimately turn on what the consumer saw on the screen and reasonably believed, given the context.’” (quoting *Hearts on Fire Co. v. Blue Nile, Inc.*, 603 F. Supp. 2d 274, 289 (D. Mass. 2009))). The district court, after analyzing three screenshots depicting ALG’s advertisements, concluded that the advertisements would not confuse a reasonably prudent consumer searching online for personal injury legal services. We agree.

To frame the following discussion, the relevant screenshots depicting ALG’s advertisements are reprinted below:

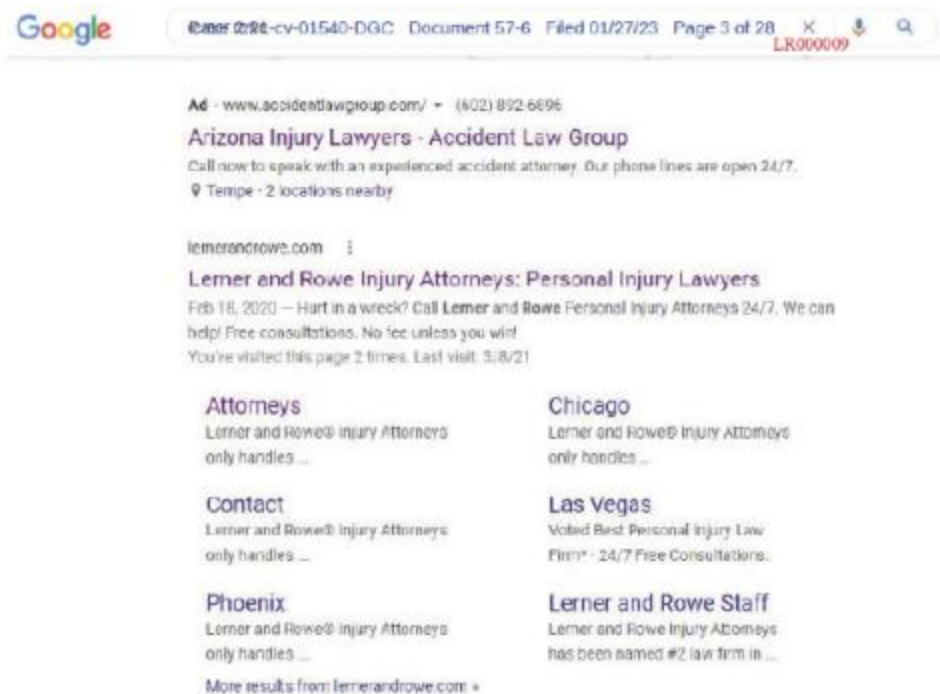
First screenshot:



Second screenshot:



Third screenshot:



The most significant feature of the second and third screenshots is the clearly labeled result for Lerner & Rowe’s website. Though the first screenshot does not display a result for Lerner & Rowe, we think it reasonable that, based on the other two screenshots, such a result likely appeared immediately after the ALG advertisement. But even if the list of search results did not include an entry for Lerner & Rowe after the ALG advertisement, our conclusion would remain the same. Indeed, we find it difficult to believe that consumers searching for the phrase “Lerner & Rowe” would not choose to click on the link that matches their search query word for word.

Nor do we think that ALG’s advertisements are so confusing as to lure reasonably prudent online shoppers into unwittingly clicking on them in search of Lerner & Rowe’s website.

We acknowledge that some of ALG’s advertisements are not models of clarity. As Lerner & Rowe points out, sometimes the content of an advertisement contains generic statements that could apply to any personal injury law firm—for example, “Your Personal Injury Attorney—We Don’t Win—You Don’t Pay.” In such cases, the only feature identifying ALG as the source of the advertisement is the URL, which is in a smaller, lighter font. While these features could possibly cause confusion in isolation, our job is to analyze the advertisements within the context of the entire search results page. That page invariably contains a result for Lerner & Rowe that includes the precise search term at issue, dispelling any confusion ALG’s advertisements might cause. The parties’ presentation of de minimis evidence of actual confusion only bolsters our conclusion that it is only the “[u]nreasonable, imprudent and inexperienced web-shoppers” who might find the search results pages confusing. *Tabari*, 610 F.3d at 1176.

E. Other Factors

While the factors above are the most relevant to trademark infringement claims based on keyword advertising, other factors can also be helpful. *See Network Automation*, 638 F.3d at 1149-54 (weighing nine factors and finding four to be the most relevant to the court’s analysis). Here, however, our assessment of these other factors does nothing to change our conclusion that Lerner & Rowe has failed to establish a genuine dispute of material fact regarding the likelihood of confusion element.

....

IV. Conclusion

The district court was correct to conclude that this is one of the rare trademark infringement cases susceptible to summary judgment. The generally sophisticated nature of online shoppers, the evidence demonstrating that there is not an appreciable number of consumers who would find ALG's use of the mark confusing, and the clarity of Google's search results pages, convince us that ALG's use of the "Lerner & Rowe" mark is not likely to cause consumer confusion. The district court's judgment is affirmed.⁷

DESAI, CIRCUIT JUDGE, CONCURRING:

I concur in the majority opinion in full. But I write separately to urge our court to reconsider whether keyword bidding and purchasing constitutes a "use in commerce" under the Lanham Act. Our binding precedent says it does, *Network Automation, Inc. v. Advance Systems Concepts, Inc.*, 638 F.3d 1137, 1144-45 (9th Cir. 2011), but I am not convinced that we got it right or that our holding withstands the test of time and recent advancements in technology.

....

First, trademark infringement typically requires presenting the mark to the allegedly confused consumers. In an ordinary infringement case, the defendant's presentation of a similar mark causes consumer confusion about the source of the goods or services. [Citation.] ALG's actions look nothing like the ordinary case. Indeed, ALG never presented Lerner & Rowe's marks to the consumer on the other end of the search engine—or to any consumer at all. Google users entered their chosen search terms, and Google arranged the results, including sponsored advertisements, for the user. To the extent ALG displayed or presented anything to the consumer, it presented its *own* mark, which both parties acknowledge is not similar to "Lerner & Rowe." . . .

Second, the traditional likelihood of confusion factors are not well-suited to address these circumstances. As *Network Automation* noted, even the *Sleekcraft* factors that typically apply in the internet context are "a particularly poor fit for the question presented here." 638 F.3d at 1148. . . .

And third, given the predominance of the internet in our lives, this type of advertising has become commonplace. Scrolling through sponsored ads at the top of a results page is often the rule—not the exception—when using a search engine. The familiarity of sponsored ads to those navigating internet platforms makes the likelihood of confusion inquiry difficult, if not impossible, to satisfy. [Citation.] Consumers likely understand that, even when they search for a trademarked term, the sponsored results may not be associated with that trademark. This is not because the keyword purchaser has displayed or incorporated the trademark into its own page, but because sophisticated internet consumers understand the general norms and context in which internet advertisements appear. See *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1178 (9th Cir. 2010) (explaining that "[c]onsumers who use the internet for shopping are generally quite sophisticated" about how the internet works).

* * *

Twenty-five years ago, we recognized that "emerging technologies require a flexible approach" in the internet context. *Brookfield*, 174 F.3d at 1054. But that flexible approach is limited by the plain text and purpose of the Lanham Act. At bottom, trademark law is designed to protect parties against infringing *uses* of their marks. Bidding on and purchasing keyword search terms may not constitute such a use. We should take the opportunity to directly address this issue *en banc* rather than relying on our holding in *Network Automation*.

⁷ ALG alternatively asks us to affirm the district court's grant of summary judgment on the ground that ALG never used Lerner & Rowe's trademark in commerce. *Network Automation*, however, explicitly held that "the use of a trademark as a search engine keyword that triggers the display of a competitor's advertisement is a 'use in commerce' under the Lanham Act." 638 F.3d at 1145-46. Because no intervening Supreme Court decision is "clearly irreconcilable" with this holding, we have no power to overrule it. [Citation.]

1-800 Contacts, Inc. v. JAND, Inc., 119 F.4th 234 (2d Cir. 2024). 1-800-Contacts sued Warby Parker for trademark infringement, alleging that Warby Parker’s purchase of “1-800-Contacts” as an advertising keyword caused initial interest confusion. The Court of Appeals for the Second Circuit held that it did not.

We now join the consensus view and decide that the mere act of purchasing a competitor’s trademarks in the context of keyword search advertising does not constitute trademark infringement. . . .

As an initial matter, Warby Parker’s practice of bidding on competitors’ trademarks during search advertising auctions is a permissible and standard industry practice. [Citations.] As 1-800 Contacts conceded at oral argument, there is no prohibition on such search advertising. This well-known marketing strategy—standing alone—cannot support a claim of trademark infringement absent additional use of 1-800’s Marks. [Citations.]

Viewing the *Polaroid* factors as a whole, 1-800’s Complaint fails to plausibly allege that consumers are likely to be confused by any portion of Warby Parker’s search advertising plan. We recognize that “the likelihood of confusion test is a fact-intensive analysis that ordinarily does not lend itself to a motion” for judgment on the pleadings. [Citation.] However, “district courts can and do properly dismiss [trademark infringement] claims when the allegation of consumer confusion is implausible, and we have affirmed dismissals in such cases.” [Citation.] Here, the pleadings failed to plausibly allege that Warby Parker used 1-800’s Marks *anywhere* during the search advertising process outside of its purchase at the initial, permissible keyword auction. Notably, Warby Parker did not use 1-800’s Marks in the paid advertisement displayed on the search results page, in the domain name of the URL linked in the paid advertisement (www.warbyparker.com), or on the landing webpage displayed to consumers who clicked on the URL in the paid advertisement. Nor did 1-800 plausibly allege that Warby Parker used any other *protectable* marks in these remaining components of the search advertising campaign.⁶ the dissimilarity of the marks factor is dispositive in this case; 1-800 has not adequately alleged likelihood of consumer confusion.

Pages 506-07. Replace Questions following *Multi Time Machine v. Amazon.com* with the following Questions.

Questions

1. In *Lerner & Rowe v. Brown Engstrand & Shely*, the court refers to “the generally sophisticated nature of online shoppers.” In *1-800-Contacts v JAND*, the court notes that the “practice of bidding on competitors’ trademarks during search advertising auctions is a permissible and standard industry practice.” Are the court of appeals judges overgeneralizing from their own experience?

2. Brick-and-mortar marketplaces are rife with examples of packaging and advertising that may cause fleeting initial interest confusion. CVS and Walgreens, for example, sell house brand cosmetics and medicines packaged to resemble nationally advertised products. Typically, the house brand products appear on the shelves next to the name brand products that they imitate. When should a trademark owner be able to recover because initial interest confusion enables the seller of competing products to capture the attention

of a potential customer, and when should it be sufficient for a defendant to show that any confusion is likely to be dispelled before the customer purchases the product? Can you articulate a principle that would aid courts and juries in determining whether and when initial interest confusion is significant enough and persists long enough to be actionable?

3. Both the Ninth and the Second Circuits continue to follow the rule that the purchase of a trademark as a keyword is a use of that mark in commerce, but both courts have now concluded that that use, without more, is categorically unlikely to cause confusion. Judge Desai argues that it would make more sense to revisit the holding that purchasing a keyword for an online ad counts as a use of the mark in commerce under § 32. Is she right about that? What's the difference between holding that keyword purchases are not themselves uses of the mark in commerce and holding that keyword purchases are unlikely to cause confusion? Which approach makes more sense in the context of keyword advertising?

4. In *Trademarks as Keywords: Much Ado About Something?*, 26 Harv. J. L. & Tech 481 (2013), Professors David Franklyn and David Hyman presented the results of their two-part empirical study assessing whether consumers are confused by the use of trademarks as keyword for search engine ads: "We find little evidence of consumer confusion regarding the source of goods, but only a small minority of consumers correctly and consistently distinguished paid ads from unpaid search results. We also find that the aggregate risk of consumer confusion is low, because most of the ads triggered by the use of trademarks as keywords are for authorized sellers or the trademark owners themselves. However, a sizeable percentage of survey respondents thought it was unfair and inappropriate for one company to purchase another company's trademark as a keyword, independent of confusion as to source." Should Franklyn's and Hyman's findings affect the result in initial interest confusion litigation?

Page 507. Add the following case after the Questions.

Jim S. Adler, P.C. v. McNeil Consultants, L.L.C., 10 F.4th 422 (5th Cir. 2021). Jim Adler, a personal injury lawyer with multiple Texas offices, uses the service marks JIM ADLER, THE HAMMER, TEXAS HAMMER, and EL MARTILLO TEJANO to advertise his legal services on billboards, television, radio, and the Internet. Adler purchases Google keyword ads that use these marks as search terms. Lauren Von McNeil owns and operates the Accident Injury Legal Center, a lawyer referral website and call center. McNeil also purchases Google keyword ads that use Adler's marks as search terms. McNeil's keyword ads don't identify any particular lawyer or law firm as the source of the ad.

McNeil purchases what is known as a "click-to-call" advertisement. If a user clicks on the advertisement using a mobile phone, the advertisement causes the user's phone to make a call rather than visit a website. McNeil's representatives answer the telephone using a generic greeting. The complaint alleges that the ads "keep confused consumers, who were specifically searching for Jim Adler and the Adler Firm, on the phone and talking to [McNeil's] employees as long as possible in a bait-and-switch effort to build rapport with the consumer and ultimately convince [the consumer] to engage lawyers referred through [McNeil] instead."

The trial court dismissed Adler's infringement complaint, reasoning that Adler could not show a likelihood of confusion because even though McNeil uses Adler's marks as keyword triggers, none of McNeil's ads incorporate any of Adler's service marks. The Fifth Circuit reversed.

Adler alleges that McNeil's advertisements use generic text and are not clearly labeled as belonging to McNeil. When McNeil's advertisements appear in response to an internet search of the Adler marks, Adler alleges that a consumer is likely to believe that the

unlabeled advertisements belong to or are affiliated with Adler.

Adler further alleges that McNeil’s use of click-to-call advertisements exacerbates this confusion. Instead of being directed to a clearly labeled website, users who click on McNeil’s advertisement are connected by telephone to a call center. McNeil employees answer the phone without identifying who they are, then seek to build a rapport with the customer before disclosing McNeil’s identity. Thus, for the initial portion of the conversation, callers are unaware that they are not talking to an Adler representative.

...We ... find that Adler made specific factual allegations describing how the use of the Adler marks as keyword terms — combined with generic, unlabeled advertisements and misleading call-center practices — caused initial interest confusion.

....

[T]he district court concluded that Adler’s claims fail as a matter of law because McNeil’s use of the Adler marks is not visible to the consumer. We find no Fifth Circuit authority for such a rule of law, and we disagree with it. Such a rule would undermine the requirement that, in evaluating whether use of a trademark creates a likelihood of confusion, no single factor is dispositive.

....

We conclude that whether an advertisement incorporates a trademark that is visible to the consumer is a relevant but not dispositive factor in determining a likelihood of confusion in search-engine advertising cases.

Adler’s complaint contains sufficient factual matter, accepted as true, to state a Lanham Act claim that is plausible on its face. [Citation.] We express no opinion on the merits of Adler’s claims, which would require, among other things, an evaluation of the digits of confusion and any other relevant factors.

c. Reverse Confusion

Pages 518-28. Replace *Uber, Inc. v Uber Technologies, Fleet Feet v Nike, Inc. and Fortres Grand Corp. v Warner Brothers Entertainment* with the following two cases.

X Soc. Media, LLC v. X Corp.

2024 U.S.P.Q.2D (BNA) 1264 (M.D. Fla. 2024)

JOHN ANTOON II, UNITED STATES DISTRICT JUDGE.

I. BACKGROUND

Plaintiff, X Social Media, LLC, is a Florida company founded in 2015 that provides online advertising and social media services to connect consumers with legal services. In addition, Plaintiff hosts “The X Blog” and a newsletter, “X Weekly.” In September 2018, Plaintiff registered its trademark, “X SOCIALMEDIA,” with the United States Patent and Trademark Office (USPTO). The mark was registered for use in association with advertising services and “consists of standard characters without claim to any particular font style, size, or color.” The registration further states that “[n]o claim is made to the exclusive right to use the following apart from the mark as shown: ‘SOCIAL MEDIA.’” Since registering its

trademark, Plaintiff has used it exclusively and continuously and its mark has become “incontestable.”

Defendant, X Corp., formerly Twitter Inc., is an online news and social networking platform that Elon Musk acquired in 2022. In July 2023, Twitter publicly announced that it was rebranding to “X.” Prior to the public announcement, in March 2023, Defendant made numerous international filings for the “X” mark that were later used as the basis for applications before the USPTO. In April 2023, court filings acknowledged “X Corp.” as a new legal entity. Of Defendant’s many trademark filings, one specifically requested a trademark on “X” to use in association with Defendant’s “[b]usiness data analysis; promotional services; business consulting and information services; business, consumer, and market research.” Plaintiff claims that these are not only identical services to those it offers but also areas in which it has heavily invested for brand awareness. Plaintiff further alleges that since Twitter’s rebrand, Defendant’s market strength, financial resources, social media clout, and advertising leverage have dominated the consumer perception of Plaintiff’s mark, causing consumer confusion and a loss in profit.

Plaintiff filed this action alleging four causes of action against Defendant: (1) registered trademark and service mark infringement under the Lanham Act; (2) Florida common law unfair competition; (3) violation of the Florida Deceptive and Unfair Trade Practices Act (FDUTPA); and (4) common law trademark and service mark infringement. Defendant now moves to dismiss all claims.

....

III. DISCUSSION

a. Federal and Florida Trademark Infringement and Unfair Competition — Counts I, II & IV

To state a claim for federal trademark infringement under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), a plaintiff must plausibly allege that (1) its mark was entitled to protection and (2) the defendant used a mark that was identical or so similar that it was likely to cause consumer confusion. [Citations.] . . . Claims of trademark infringement and unfair competition under Florida law are analyzed in the same way as their federal counterparts. [Citation.]

Plaintiff’s Complaint sufficiently pleads both prongs of trademark infringement. First, Plaintiff alleges that it has a registered trademark for “X SOCIALMEDIA,” and that its mark has become “incontestable.” Although Defendant maintains that Plaintiff’s rights are in “X SOCIALMEDIA” and not “X” —weakening Plaintiff’s claim—this argument does not show that Plaintiff’s mark lacks protection. Plaintiff has sufficiently alleged that its mark is entitled to trademark protection.

Second, Plaintiff plausibly alleges a likelihood of consumer confusion. Traditionally, the likelihood-of-confusion analysis in trademark cases follows a “forward confusion” pattern: “customers mistakenly think that the junior user’s goods or services are from the same source as or are connected with the senior user’s goods or services.”[Citation.] This case, however, presents a less typical factual scenario: alleged “reverse confusion.” In reverse-confusion cases:

[T]he plaintiff is usually a commercially smaller, but more senior, user of the mark at issue. The defendant tends to be a commercially larger, but more junior, user of the mark. The plaintiff thus does not argue that the defendant is using the mark to profit off plaintiff’s goodwill; instead, the plaintiff brings suit because of the fear that consumers are associating the plaintiff’s mark with the defendant’s corporate identity. It is this false association and loss of product control that constitutes the harm in reverse-confusion cases.

Wreal, LLC v. Amazon.com, Inc., 38 F.4th 114, 121 (11th Cir. 2022). Here, both parties acknowledge reverse confusion as the correct designation for this set of facts: Plaintiff—the senior user of the mark—contends that Defendant—the junior but more powerful user—is illegally using Plaintiff’s mark, creating a likelihood consumers will believe Defendant is the source of Plaintiff’s services.

The likelihood-of-confusion analysis “is highly fact-specific and depends for its application on the

presence of a critical mass of key facts.” *Wreal*, 38 F.4th at 128 (quoting 4 McCarthy, *supra*, § 23:10). Because this case is only at the motion-to-dismiss stage, Plaintiff is correct that a full likelihood-of-confusion analysis is premature. Plaintiff need only provide the Court with plausible allegations that consumer confusion is likely. [Citations.]

Here, Plaintiff alleges, among other things, that Defendant’s mark is confusingly similar to its own, that Defendant had knowledge of Plaintiffs preexisting rights to the mark prior to its rebrand; and that a portion of Defendant’s vast business overlaps with Plaintiffs sole business: social media, advertising services, and data analysis. Plaintiff attached to its Complaint a Google search result suggesting Elon Musk owns “x social media” as well as evidence of multiple headlines in major news outlets referring to Defendant as “X Social Media.” Plaintiffs allegations of likelihood of confusion are sufficient at this stage of the case.

Because Plaintiff has plausibly alleged both that its mark is entitled to protection and that there is a likelihood of confusion, Defendant’s motion to dismiss Counts I, II, and IV is denied.

Wreal, LLC v. Amazon.com, Inc.

38 F.4th 114 (11th Cir. 2022)

LAGOA, CIRCUIT JUDGE:

This appeal asks us to address the doctrine of reverse-confusion trademark infringement. Reverse confusion is not a standalone claim in trademark law; rather, it is a theory of how trademark infringement can occur. In reverse-confusion cases, the plaintiff is usually a commercially smaller, but more senior, user of the mark at issue. The defendant tends to be a commercially larger, but more junior, user of the mark. The plaintiff thus does not argue that the defendant is using the mark to profit off plaintiff’s goodwill; instead, the plaintiff brings suit because of the fear that consumers are associating the plaintiff’s mark with the defendant’s corporate identity. It is this false association and loss of product control that constitutes the harm in reverse-confusion cases.

In this case, the plaintiff is Wreal, LLC, a Miami-based pornography company, which has been using the mark “FyreTV” in commerce since 2008. The defendant is Amazon.com, Inc., the largest online purveyor of goods and services in the United States, which has been using the mark “Fire TV” (or “fireTV”) in commerce since 2012. Wreal does not claim that Amazon, by using the “Fire TV” mark, is attempting to profit off Wreal’s good name, as would be typical in a forward-confusion case. Instead, Wreal contends that Amazon’s allegedly similar mark is causing consumers to associate its mark—“FyreTV”—with Amazon.

The resolution of this appeal turns on the likelihood of confusing Amazon’s “Fire TV” with Wreal’s “FyreTV.” In forward-confusion cases, we determine likelihood of confusion by applying a well-established seven-factor test. *See Welding Servs, Inc. v. Forman*, 509 F.3d 1351, 1360 (11th Cir. 2007). Applying those seven factors, the district court found that consumers were unlikely to confuse “Fire TV” with “FyreTV” and granted summary judgment to Amazon on Wreal’s trademark infringement claims.

We have not had the opportunity to delineate how this seven-factor test applies in reverse-confusion cases. As discussed below, there are several important differences in how the seven likelihood-of-confusion factors apply in reverse-confusion cases versus forward-confusion cases. When applied specifically to the issues presented here, we conclude that the district court erred in granting summary judgment and should have allowed the case to proceed to trial. We therefore reverse the district court’s order.

I. FACTUAL AND PROCEDURAL BACKGROUND

A. Wreal, LLC, and FyreTV

Wreal is a “Miami-based technology company that was formed in 2006 with the goal of developing a platform for streaming [pornographic] video content over the internet.” In 2007, Wreal launched “FyreTV,” an online streaming service that Wreal markets as the “Netflix of Porn,” “The Ultimate Adult Video On Demand Experience,” and a “porn pay per view service.” That same year, Wreal began using in commerce the marks “FyreTV” and “FyreTV.com” —the latter of which represents the website where users can access the FyreTV service. . . .

In order to make accessing its FyreTV service easier, Wreal also sells a set-top box, called the FyreBoXXX, which allows consumers to access FyreTV on their television sets. . . . As of today, Wreal advertises its products only on other adult websites.

Apart from the FyreBoXXX and FyreTV.com, Wreal’s customers also have other methods available to access the FyreTV service. For example, both Apple TV and Roku—two commercial set-top boxes that offer a host of general interest channels and media—support FyreTV. Thus, after signing up for an account at FyreTV.com, Wreal’s customers can watch its content from their television set through a computer, a smartphone, a FyreBoXXX, an Apple TV, or a Roku.

B. Amazon and “fireTV”

Amazon is the largest online purveyor of goods in the United States. In 2011, Amazon “started using the mark ‘Fire’ in connection with its Kindle tablets . . . to highlight the new model’s ability to stream video over the internet.” In late 2012 and early 2013, Amazon was gearing up to launch several new products, including a phone, a new tablet, and a set-top box. It decided to use the “Fire” brand, as well as its housemark, “amazon,” on these products, with the set-top box being called “fireTV.” During its branding discussions for the set-top box, Amazon learned about Wreal and its FyreTV products, but it never contacted Wreal about the set-top box’s name and decided to use the “Fire” mark without Wreal’s knowledge.

Amazon launched fireTV in April 2014 with a nationwide advertising campaign covered by major magazines and television networks. The fireTV is a streaming-only set-top box; it does not contain a DVD tray and cannot play DVDs. Amazon markets the product as a set-top box for general interest content, including “instant access to Netflix, Prime Instant Video, WatchESPN,” and more. It is not marketed as a device for streaming pornography. Amazon advertises the device on amazon.com, as well as on television, in print media, and using in-store displays at retailers like Best Buy and Staples. When Amazon began its search-engine-optimization efforts (to help fireTV appear on the internet), it bought ads for keywords related to fireTV, but not for FyreTV or anything related to pornography. Often—but not always—Amazon will market its “Fire” products with its housemark, “amazon.” In the graphics and advertisements for the device, the device is sometimes referred to as one word, i.e., “fireTV,” and sometimes it appears as two words, i.e., “Fire TV.”

Amazon’s fireTV does not broadcast any hardcore pornographic material. But the fireTV does have apps for Showtime and HBO GO, and both of those content providers broadcast softcore pornography as part of their after-hours programming. . . .

It is undisputed that Amazon’s policies for Amazon Prime Instant Video, which is Amazon’s own streaming service and streams on the fireTV, prohibit the sale and consumption of hardcore pornography

on the set-top box. However, the record evidence suggests that hardcore pornographic DVDs are available for purchase on amazon.com. The record evidence also suggests that two films with highly suggestive names were available for streaming on the fireTV through Amazon Prime Instant Video, though the record does not establish whether those films would be categorized as hardcore or softcore pornography.

Moreover, Amazon does not advertise the fireTV on any pornographic websites and, as such, there is no overlap between the marketing schemes for FyreTV and fireTV. Nor does Amazon sell the fireTV on any pornographic websites. Thus, there is no overlap of the sales outlets utilized by Amazon and Wreal.

C. Evidence of Confusion

. . . .Below are screenshots of the marks at issue as they appear in internet advertising for the set-top boxes:



As noted above, the two products are neither advertised nor sold in the same outlets. A consumer cannot buy a fireTV at the same place where he could buy a FyreTV, and vice versa. Thus, no consumer will come across the products or marks in the same location—whether over the internet or in person at a brick-and-mortar location—save for an internet search engine like google.com. Additionally, Wreal’s own evidence supports the proposition that mine-run internet consumers would not confuse Amazon’s amazon.com website with Wreal’s FyreTV.com website.

Over the course of the litigation, both Wreal and Amazon sought to present evidence relevant to the issue of actual consumer confusion. Amazon, for its part, produced in discovery “tens of thousands” of customer service inquiries related to the fireTV. In one of those inquiries, an Amazon customer asked whether he could access adult content on the Amazon “fyreTV.” Wreal points to record evidence showing a number of customer service inquiries it received in which customers asked Wreal if the FyreTV streaming service would be available on Amazon’s fireTV set-top box. Significantly, Wreal also produced in discovery a tweet directed to Wreal’s Twitter account in which the sender asked, “Did you guys just merge with Amazon?”

. . . .

III. ANALYSIS

Wreal argues that Amazon’s use of the mark fireTV infringed its trademark FyreTV under a reverse-confusion theory—the resolution of which boils down to the likelihood of confusion between the two marks. . . .

In determining the likelihood of confusion, we consider the following seven factors:

- (1) distinctiveness of the mark alleged to have been infringed;
- (2) similarity of the infringed and infringing marks;
- (3) similarity between the goods or services offered under the two marks;
- (4) similarity of the actual sales methods used by the two parties, such as their sales outlets and customer base;
- (5) similarity of advertising methods;
- (6) intent of the alleged infringer to misappropriate the proprietor’s good will; and
- (7) existence and extent of actual confusion in the consuming public.

[Citation]. . .

. . . .

In order to resolve this appeal, we must determine how these seven likelihood-of-confusion factors apply in the context of reverse-confusion trademark infringement. . . . Because both the harm and the theory of infringement in a reverse-confusion case differ from what is claimed in a forward-confusion case, the analysis and application of the seven likelihood-of-confusion factors differ as well.

In a reverse-confusion case, the harms that can occur are varied. For example, consumers may come to believe the smaller, senior user of the mark is itself a trademark infringer, [citation] *see Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 490 (2d Cir. 1988), or that the defendant’s use of the mark diminishes the value of the plaintiff’s mark as a source indicator, [citation]. . . . In this case, Wreal contends that “Amazon’s use of Wreal’s mark creates a likelihood that consumers will believe that Amazon is the *source* of Wreal’s FyreTV service.”

With these principles in mind, we turn to the seven-factor test for likelihood of confusion and analyze each of the factors and their application in a reverse-confusion case. . . .

A. Distinctiveness of the Mark

In the typical forward-confusion case, this factor focuses only on the conceptual strength of the plaintiff’s mark. [Citation] This is because in a forward-confusion case, the plaintiff’s theory is that the defendant—a newer user of the mark at issue—is attempting to profit off the plaintiff’s goodwill and reputation. And here, the district court did assess the conceptual strength of Wreal’s “FyreTV” mark and found it distinctive and strong.

But in a reverse-confusion case, the plaintiff is not arguing that the defendant is attempting to profit

off the plaintiff's goodwill. Rather, the plaintiff asserts that the defendant—the junior but more powerful mark user—has been able to commercially overwhelm the market and saturate the public conscience with its own use of the mark, thereby weakening and diminishing the value of the senior user's mark. [Citation.] Thus, in this situation, the conceptual strength of the plaintiff's mark is necessarily less important to the analysis. [Citation.] Accordingly, when assessing the distinctiveness of the mark in a reverse-confusion case, the district court should consider both the conceptual strength of the plaintiff's mark and the relative commercial strength of the defendant's mark. [Citations.]

....

The commercial strength of Amazon's mark is manifest and appears in the record. Amazon admitted in its answer that the fireTV was launched with a major advertising campaign, was covered by major magazines and television networks, and that it was a bestseller. Amazon also admits that it advertises the fireTV in multiple brick-and-mortar locations, as well as on amazon.com, one of the most visited online shopping sites in the United States. In short, Amazon's overwhelming commercial success with the fireTV mark, coupled with the conceptual strength of Wreal's mark, pushes this factor firmly in Wreal's favor.

B. Similarity of the Marks

The similarity-of-the-marks analysis is, with one exception related to housemarks noted below, the same in both forward-confusion and reverse-confusion cases. . . .

....

When the focus is on the similarity of the marks themselves, the result is clear—FyreTV and fireTV are nearly identical. “Fire” is the first and only dominant word in both marks, and it is presented in a phonetically and connotatively identical fashion. It is also an abstract term, and thus the only term in either mark that gives the mark meaning. [Citations] . . .

....

Amazon's pervasive use of its “amazon” housemark alongside “fireTV” in advertisements warrants separate discussion. In forward-confusion cases—where a commercially superior plaintiff with a strong conceptual mark sues a defendant for attempting to profit off its goodwill—the presence of a housemark is indeed likely to dispel confusion in ordinarily prudent consumers. [Citation.] But in reverse-confusion cases, this presumption is reversed; because the harm is false association of the plaintiff's mark with the defendant's corporate identity, the defendant's use of a housemark alongside the mark is more likely to cause confusion. [Citations.]

Amazon's use of its housemark alongside advertisements for the “fireTV” does exactly what one might expect it to do: it causes consumers to associate Amazon with fireTV. Because this is a reverse-confusion case asserting that Amazon's use of fireTV causes consumers to associate FyreTV with Amazon instead of Wreal, Amazon's use of the housemark supports Wreal's theory of recovery. The district court erred in concluding otherwise.

In short, the parties' marks are nearly identical. Both use the same words, are pronounced the same, and have the same meaning. While they are spelled slightly differently and use different fonts, this is not enough to conclude that the marks are dissimilar. Moreover, Amazon's pervasive use of its housemark alongside “fireTV” pushes this factor even further in favor of Wreal, as it is likely to confuse consumers into believing that Amazon is the origin of the FyreTV mark. Thus, the similarity-of-the-marks factor weighs heavily in favor of Wreal.

C. Similarity of the Products

The analysis of this factor is the same regardless of the theory of confusion, and “requires a determination as to whether the products are the kind that the public attributes to a single source, not whether or not the purchasing public can readily distinguish between the products of the respective parties.”

[Citation] . . . In reverse-confusion cases, it also is relevant to ask whether consumers might expect the defendant to “bridge the gap” and enter the plaintiff’s market. [Citation.]

Here, many pieces of record evidence are relevant to the question of whether the fireTV set-top box is similar to the Fyre-BoXXX. The record evidence presented in the district court established that consumers were already able to stream softcore pornography on Amazon’s fireTV through content providers like HBO GO and Showtime. The record evidence also established that Amazon Prime Instant Video—Amazon’s own streaming service, which, like HBO GO and Showtime, is available on the fireTV—offered consumers softcore pornography. And the record evidence also established that: (1) Amazon already offered the sale of hardcore pornographic DVDs and magazines on its related consumer website, amazon.com; (2) the parties’ devices are visually similar—both are plain black set-top boxes that come with a small remote; and (3) Amazon’s direct competitors in the mainstream set-top box market—Roku and Apple TV—already provided access to hardcore pornography, including FyreTV.

The question therefore is whether this record evidence would suggest to an ordinarily prudent consumer that a do-it-all giant like Amazon—which already sells a set-top box that streams softcore pornography and which competes against other set-top boxes that stream hardcore pornography—would “bridge the gap” to hardcore pornography streaming and release a set-top box that streams exclusively pornographic content. We answer that question in the affirmative. Amazon is a company that already sells hardcore pornography on its website and offers softcore pornography on its set-top box. And it competes in a market in which its direct competitors offer hardcore pornography streaming directly on their set-top boxes. Given this information, a reasonable juror could conclude that Amazon decided to “bridge the gap” and offer a standalone set-top box dedicated to streaming hardcore pornography. [Citation.] The two products at issue therefore “are the kind the public attributes to a single source.” [Citation.]

D. Similarity of Sales Outlets and Customer Bases

. . . The analysis of this factor is the same in forward-confusion and reverse-confusion cases.

Here, the district court concluded that the “similarity of sales outlets” factor weighs in favor of Amazon. Amazon’s fireTV is available everywhere—on multiple internet sites and in brick-and-mortar locations around the world. Wreal’s FyreTV, on the other hand, is available in only one place and can only be purchased one way—a consumer must make his way to FyreTV.com, navigate through an eighteen-year-olds-only banner, certify that he is interested in purchasing pornography, and find the product on the website. And crucially, Amazon’s fireTV is unavailable on FyreTV.com. Both *where* the products are sold and *how* the products are sold are thus different. Only to *whom* the products are sold is arguably similar, as the record evidence shows that both companies target twenty-to fifty-year-old men with disposable income. The difference, however, is that Wreal targets only individuals who “are interested in purchasing pornography”—a uniquely identifiable subset of Amazon’s customer base. [Citation.] We therefore conclude that this factor favors Amazon.

E. Similarity of Advertising

. . . This inquiry is the same in both forward-and reverse-confusion cases.

There is no dispute in this case that the parties advertise in completely different media. Amazon advertises the fireTV on the amazon.com homepage, on television, in print media, and on in-store displays. Wreal stopped advertising on television and in print in 2012, two years before Amazon launched the fireTV. In fact, at all times relevant to the lawsuit, Wreal advertised the FyreTV and FyreBoXXX only through pornographic websites, social media, and newsletters—i.e., only on the internet or other media dedicated to similarly prurient content.

....

We therefore conclude that this factor weighs heavily in Amazon’s favor.

F. Amazon’s Intent

In the forward-confusion context, the intent factor asks whether the “defendant adopted [the] plaintiff’s mark with the intention of deriving a benefit from the plaintiff’s business reputation.” [Citation.]. This is because in forward-confusion cases, “customers mistakenly think that the junior user’s goods or services are from the same source as or are connected with the senior user’s goods or services.” [Citation.]. Without precedent pointing in any other direction, the district court understandably applied this test for intent and found that Amazon did not adopt the fireTV mark with any intent to derive a benefit from Wreal’s FyreTV mark.

But reverse-confusion cases are different. In this context, the concern is that customers will “purchase the senior user’s goods under the mistaken impression that they are getting the goods of the junior user.” [4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION (5th ed.)] § 23.10. In other words, that “the junior user’s advertising and promotion so swamps the senior user’s reputation in the market that customers are likely to be confused into thinking that the senior user’s goods are those of the junior user.” *Id.* In this case, Wreal is not suggesting that Amazon chose the fireTV mark with the intention of siphoning Wreal’s goodwill; instead, Wreal claims that, by Amazon’s use of the fireTV mark, Wreal has lost control over its own, more senior mark.

Courts have responded to this problem in varying ways. The Seventh Circuit, for example, has eliminated the intent element from its likelihood-of-confusion test in reverse-confusion cases. *See Sands, [Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947 (7th Cir. 1992)]*, at 961. The Third Circuit has acknowledged that evidence of intent to infringe is not expected in reverse-confusion cases, but continues to consider such evidence if it exists. *See A & H Sportswear, [Inc. v. Victoria’s Secret Stores, Inc., 237 F.3d 198 (3d Cir. 2000)]*, at 232. And the Tenth Circuit, while similarly discounting the importance of the intent factor in reverse-confusion cases, has continued to apply it in the same manner in both forward-and reverse-confusion cases. *See Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co., 22 F.3d 1527, 1531-32 (10th Cir. 1994)*. Finally, the Ninth Circuit applies a modified version of the intent factor in reverse-confusion cases, under which indicia of intent may come from a variety of sources:

At one extreme, intent could be shown through evidence that a defendant deliberately intended to push the plaintiff out of the market by flooding the market with advertising to create reverse confusion. Intent could also be shown by evidence that, for example, the defendant knew of the mark, should have known of the mark, intended to copy the plaintiff, failed to conduct a reasonably adequate trademark search, or otherwise culpably disregarded the risk of reverse confusion. The tenor of the intent inquiry shifts when considering reverse confusion due to the shift in the theory of confusion, but no specific type of evidence is necessary to establish intent, and the importance of intent and evidence presented will vary by case.

Marketquest Grp., Inc. v. BIC Corp., 862 F.3d 927, 934-35 (9th Cir. 2017) (citations omitted).

We agree with and adopt the Ninth Circuit’s approach. Evidence of a specific intent to deceive is not a prerequisite to establish intent in reverse-confusion cases, as it is in forward-confusion cases. Indicia of intent can come from a wide variety of sources, including a more generalized intent to obtain market saturation or to proceed with the adoption of a mark in circumstances where the defendant had constructive knowledge of the plaintiff’s mark. The facts of each case will vary, and district courts should accord the intent factor whatever weight it is due under the circumstances.

Here, applying this standard, the evidence of intent is strong. First, Amazon has admitted that, before launching the fireTV, it had actual knowledge of both the FyreBoXXX and Wreal's FyreTV trademark registration. . . . Amazon's Vice President of Marketing further testified in his deposition that Amazon not only chose to proceed with its usage of the fireTV mark after becoming aware of the FyreTV registration, but that his "goal was customers ... if they search for Amazon Fire TV, if they search for our product I did not want them to first come across a porn site and have that experience." . . . The record evidence established that when Amazon launched the fireTV, it specifically tried to flood the market with advertising in an attempt to lower awareness of Wreal's similarly named mark. We take Amazon at its word, and we therefore conclude that the intent factor weighs heavily in favor of Wreal.

G. Actual Confusion

. . . .
The record evidence here contains some evidence of actual confusion. For example, Wreal introduced evidence that one of its customers asked over Twitter, "Did you guys just merge with Amazon?" And one of Amazon's customers communicated with Amazon to ask whether he could access "adult content" on his Amazon "fyre" TV. Both instances directly suggest reverse confusion; the first consumer believed Amazon had purchased Wreal's trademark, and the second consumer contacted Amazon to inquire about Wreal's product. But these are the only two true instances of confusion present in the record.

. . . .
. . . Although a close call, we conclude that the two reported instances of actual confusion here are sufficient to make the issue one of triable fact and thus weighs in Wreal's favor.

IV. CONCLUSION

This case addresses the application of the seven likelihood-of-confusion factors to a reverse-confusion trademark infringement case. Although some of those factors are analyzed and applied in the same way in both reverse-confusion cases and the more familiar forward-confusion cases, there are important differences in how other factors are analyzed and applied that stem from the fact that the harm and the theory of infringement differ between forward and reverse confusion.

Here, the record evidence establishes that Amazon acquired actual knowledge of Wreal's registered trademark and still launched a product line with a phonetically similar name. The two marks at issue are nearly identical, the commercial strength of Amazon's mark is consistent with Wreal's theory of recovery, the parties' services are the kind that a reasonable consumer could attribute to a single source, and the record establishes that Amazon intended to swamp the market with its advertising campaign. Furthermore, Wreal has identified two consumers who a reasonable juror could conclude were confused by Amazon's chosen mark.

As noted throughout our decision, there is no mechanical formula for applying the seven factors relating to likelihood of confusion. But when considering all seven factors as they apply to a theory of reverse confusion and taking all the circumstances of this case into account on the record before us, we conclude that they weigh heavily in favor of Wreal and that the district court erred when it entered summary judgment in Amazon's favor. We therefore reverse the district court's order. This is not to say that Amazon may not ultimately prevail on the merits; rather, it must do so before a jury.

Page 528. Update citation in Question 2.

The citation at the end of Question 2 should read *Ironhawk Technologies, Inc. v. Dropbox, Inc.*, 2 F.4th 1150 (9th Cir. 2021).

Page 532. Replace the picture with the following image.



Page 545. Add new Questions 5 and 6.

5. Lontex makes and sells athletic apparel under the registered trademark COOL COMPRESSION. In 2015, Nike began using the phrase “Cool Compression” in the names of Nike products, and in literature describing the products. Nike’s retailers copied the phrase in their own names and descriptions of Nike’s products. After Lontex sent a cease-and-desist letter, Nike’s lawyers directed the company to stop using the phrase “Cool Compression.” Nike removed the phrase from its product’s names and descriptions, but it did not inform its retailers about Lontex’s cease and desist letter or the potential legal ramifications of continuing to use that phrase. Even though some of the retailers continued to use “Cool Compression” in connection with their sale of Nike’s products, Nike neither asked them to stop nor refused to sell them its products. Can Lontex hold Nike liable as a contributory infringer? See *Lontex Corp. v. Nike, Inc.*, 107 F. 4th 139 (3d Cir. 2024), *infra* this Supplement Chapter 12.B.1.

6. In *Abitron v. Hetronic*, 600 U.S. 412 (2023), *supra* this supplement Chapter 6.A, Justice Jackson posed a hypothetical involving a German family named Coache who operated a handbag business using the COACHE trademark. American students purchase Coache handbags while on vacation in Germany and return with them to the United States. Six weeks after returning, they decide that they don’t want the handbags anymore and resell them. The American Coach corporation, well known for the manufacture of luxury leather goods, fears that the resale of COACHE-branded handbags will confuse consumers and damage Coach’s reputation. Under what circumstances would it make sense to hold the Coache family liable as contributory infringers?

Chapter 7

Section 43(a)(1)(A) of the Lanham Act

A. Unregistered Marks

1. Application to Traditional Trademark and Trade Dress Cases

Page 555. Add the following Footnote to the Heading - A. Unregistered Marks*:

*For an in-depth account of the history of how common law marks became federalized through Section 43(a) of the Lanham Act, see Jessica Litman, Chapter 15, “Edward S. Rogers, the Lanham Act and the Common Law,” in RESEARCH HANDBOOK ON THE HISTORY OF TRADEMARK LAW (Robert G. Bone & Lionel Bentley, eds., 2024), available at <https://ssrn.com/abstract=3932701>.

Page 571. Renumber Question 6 as Question 1 and add the following text to the end of it and add new Question 2; renumber the remaining Questions as 3 through 7:

To what extent does the *Wal-Mart* decision narrow the potential scope of *Two Pesos* to apply only to trade dress consisting of restaurant décor, other retail décor or the like?

2. Does the *tertium quid* category, coined by Justice Scalia in *Wal-Mart* to distinguish the *Two Pesos* decision that found the Taco Cabana restaurant décor could qualify as inherently distinctive trade dress, make sense? Are trade dress marks pertaining to services, such as restaurant or store décor, really “a third thing” analogous to packaging of goods? Dustin Marlin in “Servicing Trade Dress,” 58 UC Davis L. Rev. 1513 (2025) (<https://lawreview.law.ucdavis.edu/archives/58/3/servicing-trade-dress-demystifying-tertium-quid>), answers with a resounding “no.” He argues that service trade dress, instead of routinely distinguishing source like product packaging often can, routinely serves purposes such as “user experience, efficiency and desirability.” He concludes:

[*Tertium quid*] is best understood as “service dress”—a realm that extends beyond products. Contrary to being a derivative of product packaging, service dress aligns more closely with service design—a discipline primarily focused on goals unrelated to trademark or brand identification. The enduring conceptual ambiguity surrounding *tertium quid* trade dress has for too long ... resulted in the eligibility for service dress’s immediate trademark protection based on inherent distinctiveness.

...Embracing a secondary meaning requirement for service dress—akin to the standard already applied to product design and color marks—would help usher trademark law into a more enlightened and rational era.

Is Marlin’s argument persuasive?

Page 573. Add Question 7:

7. Plaintiff Penguin swimming school claims trade dress comprised of the following elements: (1) red, blue, green, and yellow colored dressing rooms; (2) individual dressing rooms situated adjacent to one another in a row; (3) alternating red, blue, green, and yellow colored dressing room doors, door trim, and roof trim; (4) structural dressing room elements including A-frame roof style, shiplap siding, and ventilated doors; (5) decorative design surrounding the swimming pool comprising several shades of blue arranged to resemble waves; (6) swim lane dividers comprising alternating blue and red colored segments; and (7) beach sand floor color and surface throughout the lobby and pool area. Penguin sued Blue Legend, a competing swimming school, for trade dress infringement under Section 43(a). Will Penguin need to prove secondary meaning for its trade dress to be protectable or can it claim it is inherently distinctive? Is Penguin's claimed trade dress what Justice Scalia was referring to as some third thing? *See Penguin Swim Sch., LLC v. Blue Legend, LLC*, 2023 U.S. Dis. LEXIS 61948 S.D. Tex April 8, 2023). For decisions on post-trial motions, *see* 2023 U.S. Dist. LEXIS 152030 (S.D. Tex. Aug. 29, 2023).

Photos of Penguin's dressing rooms and interior are below:



Photos of Blue Legends dressing rooms and interior are below:



Page 575. Add the following *Question* after *Hammerton v. Heisterman*:

Question

1. In considering the following case, recall the standard for assessing protectability of product design trade dress set forth in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.* Casebook, Chapter 2.B.1. Plaintiff markets the AT2020 entry-level professional studio microphone that has been described by reviewers as “iconic,” one of “The Top 10 Best Condenser Microphones on Earth” and “probably the most famous condenser microphone among home studios and creators in general.” Defendant introduced a competing BX2020 microphone. The parties’ microphones are shown below.



Reviews of defendant’s microphone described it variously as a “clone,” “knock-off” or “shameless copy” of plaintiff’s microphone. Plaintiff described its claimed product trade dress as: “(1) two vertical bars on either side of the microphone’s mesh protruding above the top and bottom, (2) a small portion of the microphone’s mesh protruding above the top circular enclosure, and (3) a threaded adapter with rounded hinges and a tapered bottom containing the microphone’s cord port.” Plaintiff introduced evidence of a high volume of sales and advertising in the U.S. since 2004 and media references to the design, but submitted no survey evidence. Has plaintiff made a sufficient showing of protectable product design trade dress? See *Audio-Technica Corp. v. Music Tribe Commercial MY Sdn. Bhd.*, 2022 U.S. Dist. LEXIS 82094 (C.D. Calif. May 5, 2022).

Page 595. Add new Question 4 and renumber current Question 4 as Question 5:

4. A fashion designer sued Lego for copying his trade dress, defined as the following: “(1) short, provocative phrases; (2) satirical commentary on punk rock and mainstream pop culture; (3) hand-painted graffiti-style lettering.” The pictures below on the top show plaintiff’s clothing. The picture on the bottom show Lego’s products.



Is the designer’s description, accompanied by pictures, sufficient to plead a protectable trade dress? See *Concannon v. Lego Sys.*, 2023 U.S. Dist. LEXIS 43329 (D. Conn. Mar. 15, 2023) (accepting definition for purposes of defeating motion to dismiss because “Plaintiff’s definition allows the Court to determine by visual inspection whether each item of clothing falls within the proposed definition” and because plaintiff alleged that “no other artist or designer has released a line of clothing containing this unique combination of specific elements”).

2. Use in Commerce

Page 601. Delete the Question and add the following Question:

Question

In *Grupo Gigante SA de CV v. Dallo & Co., Inc.*, 391 F.3d 1088 (9th Cir. 2004), the Ninth Circuit recognized an exception to the territoriality principle for famous foreign marks. The court reasoned:

... While the territoriality principle is a long-standing and important doctrine within trademark law, it cannot be absolute. An absolute territoriality rule without a famous-mark exception would promote consumer confusion and fraud. Commerce crosses borders. In this nation of immigrants, so do people. Trademark is, at its core, about protecting against consumer confusion and “palming off.” There can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home.

To qualify for the exception, the court held the foreign mark owner must persuade the court “that a substantial percentage of consumers in the relevant American market is familiar with the foreign mark.”

After the Supreme Court’s decision in *Abitron v. Hetronic*, *supra* this Supplement, Chapter 6.A, is there any way for a litigant that has not used its mark in U.S. commerce to claim priority over a U.S. defendant under Section 43(a)? Does *Abitron* hold that 43(a) requires use in commerce by a plaintiff or only by a defendant?

C. False Designation of Origin

Page 631. Add the following case after Questions:

In **Pennsylvania State University v. Vintage Brand, LLC**, 795 F. Supp.3d 563 (M.D. Pa, 2024)[‡], prior to the jury trial in the case, the court decided several *in limine* motions, including one by the University to strike a defense based on *Dastar* that contended certain design marks of the University were in the public domain under copyright law and thus should not be allowed protection under trademark law. The court weighed the competing purposes of copyright and trademark to determine what path to take when they intersect:

...As to copyright law:

the limited grant [of protection] is a means by which an important public purpose may be achieved. It is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired. *Sony Corp of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

“The rights of a patentee or copyright holder are part of a carefully crafted bargain under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution.” *Dastar*, 539 U.S. at 33-34.

In contrast, “[t]he Lanham Act,” [a]s the Supreme Court has explained:

Federal trademark law ... by preventing competitors from copying a source-identifying mark, reduces the customer’s costs of shopping and making purchasing decisions, and helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. *Id.* at 34.

The court then steered a “middle path” between these potentially conflicting purposes and, in this case,

[‡] *Editors’ Note:* Professor Tushman is associated with the firm that represents Vintage Brand.

granted Penn State's motion to strike Vintage Brand's *Dastar* defense:

The key distinction in determining whether an image in the public domain may be subject to a trademark claim is, therefore, whether application of the public domain would implicate or undermine the primary concerns of each area of the law.

If a defendant's use of a trademark-containing-image that has fallen into the public domain is used for a creative purpose, then trademark law may not be applied, or else courts would undermine the 'carefully crafted bargain' that permits the public to build upon the genius of the past and move our society forward in positive ways. Failing to account for the purpose of copyright law and the public domain in such circumstances would 'undermine the policy of encouraging competition in using material in the public domain and allowing new authors to build upon the creativity of the past.' [Cite omitted.] But if an image that bears a trademark is within the public domain, but is being used for purely commercial—as opposed to creative—purposes, then trademark law may be applied to its use; otherwise courts would undermine the purpose of trademark law in ensuring that companies reap the benefits associated with its products and reputation. Under this test, the creative expression meant to be fostered by copyright law remains largely, if not entirely, unimpeded by the application of trademark law, while the benefits that companies and individuals derive from their goodwill remain intact under trademark law.

The court applied its "creative/commercial test" and held:

Vintage Brand cannot present evidence that the images it used were in the public domain. Its conduct here was wholly commercial in nature—it took images that were allegedly in the public domain and put them on products to sell, such as t-shirts, hats, mugs, and other physical merchandise. Applying copyright law would not further the goals of fostering creative expression but could potentially impair trademark law's goal of helping companies reap the financial and reputational-related awards associated with their product.

Do you think the court's test is appropriate? Why or why not? For a fuller discussion of trademark protection of copyright-expired images, *see, e.g.*, Jane C. Ginsburg, *Intellectual Property as Seen by Barbie and Mickey: The Reciprocal Relationship of Copyright and Trademark Law* (13th annual Christopher Meyer lecture), 65 *Journal of the Copyright Society of the USA* 245 (2018) <http://ssrn.com/abstract=3078944>.

Chapter 8

Defenses to Infringement

A. Statutory Defenses/Incontestability

Note: Incontestable Registration and Strength of the Mark

Page 654. Add at end of carryover paragraph at top of page:

Courts often misunderstand incontestability in various ways. *See* Rebecca Tushnet, *Fixing Incontestability: The Next Frontier?*, B.U. J. Sci. & Tech. L. (2017). For example, although incontestability precludes arguments that a mark is merely descriptive without secondary meaning, *Benefit Cosmetics LLC v. E.L.F. Cosmetics, Inc.*, 2024 WL 5135604 (N.D. Cal. Dec. 17, 2024), followed several other cases in stating that incontestable marks are presumed to be “conceptually” strong. Do you understand the court’s error? Are the concepts of “conceptual” and “marketplace” strength useful here?

2. Particular Section 33(b) Defenses

a. Fraud on the Trademark Office

Page 657. Add new Note before *In re Bose*:

Congress did in fact pass the Trademark Modernization Act, adding a new defense to 33(b) that the mark was never used. Under what circumstances would this be easier to prove than fraud on the Trademark Office through submission of a fraudulent specimen?

In recent years, the PTO has also added a number of anti-fraud measures, including Real ID requirements, requirements that foreign applicants be represented by US counsel, and requirements that applicants disclose their domicile in order to enforce the foreign applicant rule. Are these all justified? Do you foresee any privacy problems with such disclosures?

Page 660. Replace Question 2 with the following Question and new case:

2. Are some flaws in a registration more susceptible to proof of intentional falsehood than others? In *Fuji Medical Instruments Mfg. Co., Ltd. v. American Crocodile International Group, Inc.*, 2021 U.S.P.Q.2d (BNA) 831 (T.T.A.B. Jul. 28, 2021), the Board found fraud where a U.S. distributor knew that the overseas manufacturer of the goods actually owned the mark registered by the distributor. Is it easier to “know” the truth of ownership than of, e.g., trademark function?

Chutter, Inc. v. Great Management Group, 2021 WL 4494251 (T.T.A.B. Sept. 30, 2021), *rev’d*, 90 F.4th 1333 (Fed. Cir. 2024). The Federal Circuit in *Bose* left open the question of whether “reckless disregard” for the truth or falsity of a statement could satisfy the intent requirement to prove fraud on the PTO. In *Chutter*, the registrant, as Great Concepts, filed a combined declaration of use and incontestability for its registration of DANTANNA’S for steak and seafood restaurants, declaring that “there is no proceeding involving said rights pending and not disposed of either in the U.S. Patent and Trademark Office or in the courts,” even though the attorney who filed the declaration knew about two pending proceedings. The attorney was unaware of the legal requirements for filing for incontestability. He did not

read the form carefully enough to see that the required statement was false as applied to the registration at issue.

The Board found that the facts of the case “at a minimum demonstrate reckless disregard,” which satisfied the requisite intent for fraud on the PTO “in trademark matters.” “A declarant is charged with knowing what is in the declaration being signed, and by failing to make an appropriate inquiry into the accuracy of the statements the declarant acts with a reckless disregard for the truth.” Because of the substantial benefits of incontestability, false statements about eligibility for incontestability are material.

However, on appeal, the Federal Circuit reversed the Board’s cancellation of the registration. The fraud only invalidated the *incontestability*, not the underlying registration. It did not rule on whether reckless disregard for the truth sufficed for fraud.

Questions

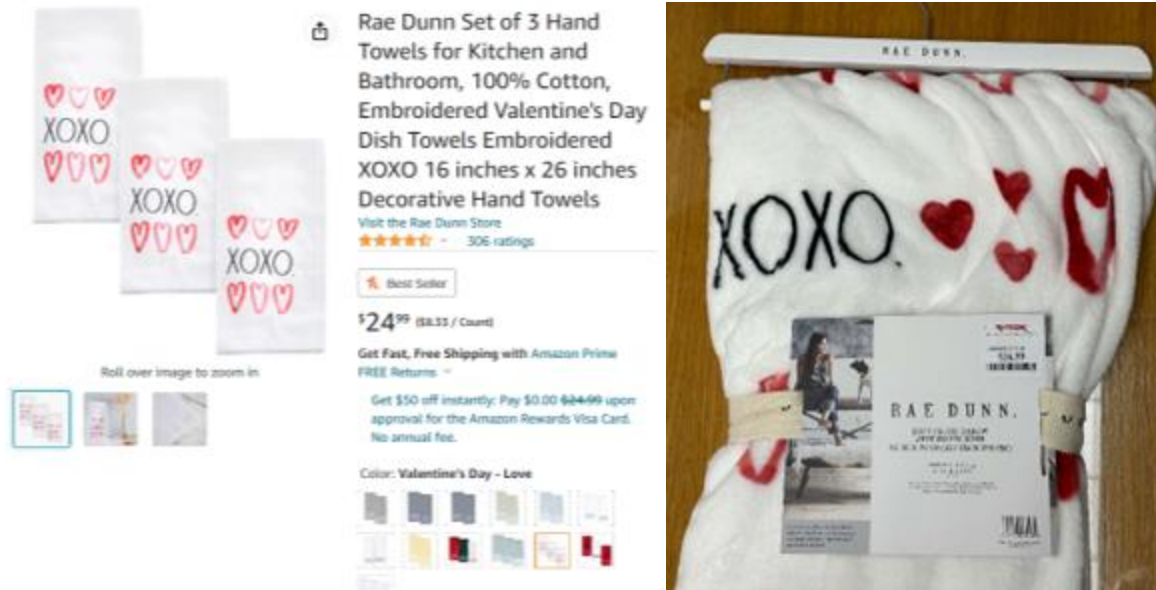
1. Incontestability would have been unavailable even if the error had been innocent or negligent, because the statutory requirements for incontestability were not satisfied. However, that would not have led to the cancellation of the underlying registration. Is invalidating the entire registration an appropriate sanction for fraud in a statement of incontestability? What other deterrent is available to the PTO?

2. In *Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta v. The Florida Priory of the Knights Hospitallers of St. John of Jerusalem Knights of Malta, the Ecumenical Order*, 702 F.3d 1279 (11th Cir. 2012), the court held that, even if decision makers of an organization knew about competing uses that rendered claims of exclusive use of the mark false, the organization’s application was not fraud on the PTO as long as the representative who actually signed the application did not know of such uses. In the case of a corporate entity, should the fraud inquiry be limited only to the knowledge of the person who signed the documents submitted to the PTO?

b. Fair Use: § 33(b)(4)

Page 669. Replace Question 3 with the following Question:

3. Plaintiff has registrations for the letters “XOXO” for bedding, furniture, and pillows. (X and O in combination are regularly used to denote “kisses” and “hugs,” respectively). Rae Dunn sells blankets and towels that look like this:



Should descriptive fair use be available on a motion to dismiss? *See Global Brand Holdings, LLC v. Rae Dunn Design LLC*, 2024 WL 96537 (S.D.N.Y. Jan. 9, 2024).

Page 669. Update Question 4 with the following citations:

JLM Couture, Inc. v. Gutman, 24 F.4th 785 (2d Cir. 2022), *later proceedings*, *JLM Couture, Inc. v. Gutman*, 91 F.4th 91 (2d Cir. 2024).

c. *Functionality* § 33(b)(8)

Page 687. Add new Question 2, and renumber current Question 2 as Question 3:

2. Recall the facts of *Ezaki Glico Kabushiki Kaisha v. Lotte Int'l Am. Corp.*, 986 F.3d 250 (3d Cir. 2021), in Chapter 2.

How much evidence should be required to defeat the presumption of nonfunctionality conferred by a registered trade dress? The maker of a watermelon-flavored, wedge-shaped chewy candy, with a green layer topped by a thin white band and then a larger red section, obtained a registration for the shape and color of the candy:



In *PIM Brands Inc. v. Haribo of America Inc.*, 81 F.4th 317 (3d Cir. 2023), the Third Circuit affirmed a finding of functionality:

[I]f a product's picture is enough evidence of its usefulness, the judge's common-sense assessment of functionality may suffice. . . . Because the functionality bar is low, all the design need do is give the product a significant competitive edge beyond identifying its source. And not all consumers have to see the trade dress as serving a function beyond identifying the product's source. It is enough that all reasonable jurors would conclude that a significant number of consumers would see it that way. That is true here.

. . . The [district] court rightly analyzed the trade dress as a whole and whether any part of it only advanced the brand.

. . . To identify its flavor, the candy's trade dress need not exactly copy watermelon, but just evoke it.

Does this analysis give sufficient weight to the presumption of validity conferred by registration?

Page 695. Add new Question:

3. Did the colors *Sulzer Mixpac* have immediate informational functionality, or did that take time to develop? Should it matter, given that *Inwood* also involved colors that had no particular meaning at the time of adoption? Compare *Sulzer Mixpac* with *Zest Anchors, LLC v. Geryon Ventures, LLC*, 2023 WL 2783175 (9th Cir. 2023) (denture attachment system where color denoted strength; “[T]he Color Marks do not have utilitarian functionality because although colors in general may be necessary to denote retention strength, other colors could be used just as effectively”).

d. Laches § 33(b)(9)

Page 700. Replace the text on pp. 700-703 with the following text and case:

Laches is an equitable doctrine that either precludes recovery entirely or limits the relief to which a litigant would otherwise be entitled. It applies if the litigant unreasonably delayed in bringing suit and the delay caused prejudice to the other party. The Lanham Act explicitly provides, in § 33(b)(9), for the use of laches as a defense even when a trademark registration is incontestable, and also in § 43(a) provides that all remedies shall be “subject to the principles of equity,” which includes laches.

Registrants can assert laches against attempts to cancel a registration, even in the absence of incontestability. See *Pinkette Clothing, Inc. v. Cosmetic Warriors, Ltd.*, 894 F.3d 1015 (9th Cir. 2018). But the far more common scenario is that laches is asserted to preclude an infringement claim. The Lanham Act does not have an express limitations period. Courts have therefore uniformly borrowed the most closely analogous statute of limitations under state law, but only as a starting point. If a claim is brought within the analogous state limitations period, then the action is presumptively timely and the alleged infringer has the burden of proof to show laches (both unreasonable delay and resulting prejudice). If a claim is brought after the analogous state limitations period has run, then the action is presumptively untimely and the claimant has the burden of proof to show that laches does not apply. Some courts treat the first presumption, that of timeliness, as a “strong” one. See *Eat Right Foods, Ltd. v. Whole Foods Mkt., Inc.*, 880 F.3d 1109 (9th Cir. 2018). Does the interest in protecting consumers justify differential treatment of the second presumption, where a claim is brought after an analogous state limitations period but consumers are still being confused?

In *Kars 4 Kids Inc. v. America Can!*, 98 F.4th 436 (3d Cir. 2024), the parties were both charities that sell donated vehicles to fund children's education programs. Texas-based America Can started using “Cars for Kids” in advertising in 1989; New Jersey-based Kars 4 Kids began using “KARS 4 KIDS” and “1-877-KARS-4-KIDS,” in its advertising around 1997. As the court explained:

In 2003, America Can discovered a Kars 4 Kids advertisement in the Dallas Morning News and sent Kars 4 Kids a cease and desist letter, asserting America Can's rights to the "Cars for Kids" mark in Texas. Kars 4 Kids' leadership believed that its use of the mark "Kars 4 Kids" in Texas was lawful and did not take any action in response to the cease and desist letter. America Can's representatives did not notice Kars 4 Kids' advertisements in Texas for several years after sending the letter. But Kars 4 Kids continued to advertise in Texas. In 2005, Kars 4 Kids purchased a national advertisement in Reader's Digest magazine. It also advertised on Google, which allowed Kars 4 Kids' advertisements to appear nationwide—including in Texas—when potential donors used certain search terms. In 2011, America Can's representatives became aware of the Kars 4 Kids website and growing internet presence. That same year, America Can contacted its lawyers to consider its legal options. In 2013, America Can sent another cease and desist letter, alleging that Kars 4 Kids was unlawfully using "KARS 4 KIDS" in Texas.

America Can sued in 2014. A jury found that America Can had priority and that Kars 4 Kids infringed its Texas rights willfully. The court of appeals ultimately found that the district court abused its discretion in rejecting Kars 4 Kids' laches defense and ordering over \$10 million in disgorgement for its Texas profits. The court of appeals held that, because America Can waited so long to sue, it bore the burden of disproving unreasonable delay and prejudice. In order to avoid the application of laches, America Can had to show that "a reasonable person in [its] shoes would have waited to file suit." The court of appeals looked at "two distinct but related questions" to determine whether America Can could rebut the presumption of inexcusable delay: "What did America Can know? And what did America Can do?"

The evidence of the extent of Kars 4 Kids' Texas advertising was limited—but because America Can bore the burden of proof, that meant America Can failed to meet its burden of showing that its delay was the product of a reasonable lack of awareness of Kars 4 Kids' presence in Texas. Nor did America Can establish that it was diligent in looking for infringement and pursuing reports of confusion, even when confronted with donors who were confused between the two organizations.

Delay can cause prejudice in two ways: it can cause evidence to be lost, including witness memories, and it can cause economic prejudice, where a defendant builds a valuable business around its trademark while the plaintiff delays. The court of appeals found that the district court reversibly erred in holding that there was no prejudice to Kars 4 Kids because it assumed the risk of losing any investment made after receiving the 2003 cease and desist letter:

The cases cited by America Can . . . are distinguishable from the facts here. In both Fifth Circuit cases, the plaintiff sued only one year after sending a demand letter. *See [Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188 (5th Cir. 1998); Conan Props., Inc. v. Conans Pizza, Inc., 752 F.2d 145 (5th Cir. 1985)]*. In the Eleventh Circuit decision, the plaintiff repeatedly warned the defendant by letter and ultimately sued within two years of the defendant drastically increasing the infringing behavior. [*Citibank, N.A. v. Citibanc Grp., Inc., 724 F.2d 1540 (11th Cir. 1984)*.] Each of those cases involved a registered trademark, whereas America Can's mark was unregistered. Registration, while not determinative of a party's rights, is relevant because "federal registration of a trademark is prima facie evidence of the mark's validity, the registrant's ownership of the mark, and its exclusive right to use the mark in commerce." *Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc., 186 F.3d 311, 315 (3d Cir. 1999)* . . .

America Can's inaction was of a different order. It observed what it believed to be infringing behavior in 2003, so it sent a cease and desist letter. In the ten years that followed, however, America Can took no proactive steps to police the marketplace or protect its mark. In fact, a total of twelve years elapsed before America Can filed suit.

During that time, and confident in its ability to rightfully use its mark, Kars 4 Kids steadily increased its investment in that mark. From 2004 to 2014, it spent more than \$75 million on advertising. It also increased its Texas-specific advertising between 2003 and 2019, resulting in over \$16,000,000 in net revenue from thousands of donations in Texas from 2008 to 2019. This prolonged and concerted investment in its brand and the related goodwill, without any further contact from America Can, constitutes classic economic prejudice. . . . To the extent that America Can had difficulty meeting its burden to establish that these advertisements did not reach a sufficient number of Texans, that is a feature—not a bug—of evidentiary prejudice and the shifting burden after so many years of America Can’s inaction.

America Can’s 2003 decision to send a cease and desist letter was an important and perhaps necessary step in acting to diligently protect its mark. However, it was not—on its own—sufficient to warrant a finding that Kars 4 Kids assumed more than ten years’ and tens of millions of dollars’ worth of risk following receipt of that letter when Kars 4 Kids reasonably believed it had the right to use its mark. Were we to hold otherwise on this record, a mark holder could be empowered to send a single demand letter and then rest comfortably in the knowledge that it need not concern itself with any prejudice caused by its delay before acting again to protect its mark. There may be circumstances, consistent with our sister circuits’ reasoning, under which it would be appropriate to hold that an alleged infringer has assumed the risk for its conduct following a mark holder’s warning. But this is not that case. . . .

The court also rejected the argument that the doctrine of progressive encroachment, discussed below, applied, given that Kars 4 Kids was operating in Texas as of 2003.

Finally, the court ruled that laches barred both injunctive and monetary relief in the case at bar, though laches does not always preclude prospective injunctive relief. See Chapter 12.

Page 706. Add new Question 5:

5. Darkside is a hardcore punk-rock band/record label operating in New York City under the name Darkside since 1992. Another musical duo playing electronic, psychedelic music has operated as Darkside since 2011, also in New York City. In 2013, punk Darkside became aware of electronic Darkside and made repeated objections in emails and letters from counsel through 2014. In 2013, punk Darkside rejected electronic Darkside’s offer to add the performers’ personal names to the Darkside name. In mid-2014, electronic Darkside posted on Twitter that “darkside is coming to an end, for now” and that the band “[will] be playing [its] last show in [B]rooklyn on sept 12.” But electronic Darkside posted a clip of a live performance in 2015, participated in an interview with the music site Pitchfork in 2016, and continued to list its music on Spotify. Then electronic Darkside released a new song on December 21, 2020 and announced a forthcoming spring 2021 album. Punk Darkside sued in early 2021. Does laches apply? See *Satan Wears Suspenders, Inc. v. Jaar*, 2022 WL 2181449 (S.D.N.Y. Jun. 16, 2022).

Page 706. Add new subsection before B. Judge-Made Defenses:

e. Unlawful Use

The PTO has long maintained that only “lawful” use in commerce satisfies the “use in commerce” requirement for registration. See, e.g., *In re JJ206, LLC*, 120 U.S.P.Q.2d (BNA) 1568 (T.T.A.B. 2016) (refusing registration because applicant identified its goods as vaporizing devices for cannabis); *In re Morgan Brown*, 119 U.S.P.Q.2d (BNA) 1350 (T.T.A.B. 2016) (refusing registration because the herbs offered for sale in applicant’s retail store included marijuana); *Coahoma Chem. Co. v. Smith*, 113 U.S.P.Q.

413 (Com'r Pats. & Trademarks 1957) (canceling registrations of trademarks used on insecticides whose interstate shipment violated federal law).

Several courts have extended the “lawful use” requirement to infringement claims under both § 32 and § 43(a)(1)(A). For example, *CreAgri, Inc. v. USANA Health Scis., Inc.*, 474 F.3d 626 (9th Cir. 2007), found that a dietary supplement manufacturer did not infringe the plaintiff’s trademark because the plaintiff’s prior use of the mark for dietary supplements had been unlawful. It reasoned that unlawful use could not be the basis of valid rights:

First, as a logical matter, to hold otherwise would be to put the government in the anomalous position of extending the benefits of trademark protection to a seller based upon actions the seller took in violation of that government’s own laws Second, as a policy matter, to give trademark priority to a seller who rushes to market without taking care to carefully comply with the relevant regulations would be to reward the hasty at the expense of the diligent.

The court also ordered cancellation of the plaintiff’s registration. *See also FN Herstal SA v. Clyde Armory Inc.*, 838 F.3d 1071 (11th Cir. 2016) (reasoning that a use is unlawful “if (1) a court or agency with competent jurisdiction has previously found a violation, or (2) “there has been a per se violation of a statute regulating the sale of a party’s goods” and the violation is material and related to the use of the trademark, as established by clear and convincing evidence); *United Phosphorus, Ltd. v. Midland Fumigant, Inc.*, 205 F.3d 1219 (10th Cir. 2000) (holding that to obtain rights to a registration, the trademark owner “needed to show the [mark] was lawfully used in commerce”).

The Fifth Circuit, in contrast, “has not adopted the unlawful use doctrine.” *Perry v. H. J. Heinz Co. Brands, L.L.C.*, 994 F.3d 466 (5th Cir. 2021); *see also Pac-West Distrib. NV LLC v. AFAB Indus. Servs., Inc.*, 674 F. Supp. 3d 132 (E.D. Pa. June 13, 2023) (reasoning that the Lanham Act requires only “use in commerce,” not “lawful use in commerce”); *Hi-Tech Pharms. Inc. v. Dynamic Sports Nutrition, LLC*, 2020 WL 10728951 (N.D. Ga. Jan. 10, 2020) (declining to apply the doctrine where the relevant agency had not specifically determined that the plaintiff’s product was unlawful).

For criticism of the unlawful use doctrine, see Robert A. Mikos, *Unauthorized and Unwise: The Lawful Use Requirement in Trademark Law*, 75 Vanderbilt Law Review 161 (2022). Mikos argues that the PTO should not be attempting to interpret and apply non-trademark laws.

Does holding plaintiff’s unlawful use to be a bar to suit for infringement undervalue the consumer protection interests served by the Lanham Act? State-level marijuana legalization, while it remains technically illegal at the federal level, has led to the existence of locally well-known marijuana brands, which remain in legal limbo as a result.

B. Judge-Made Defenses

1. First Sale

Page 728. Add new Questions 2 and 3 and renumber current questions 2 and 3 as 4 and 5:

2. Bluetooth is a mark for short-range wireless technology incorporated into many products. FCA made cars containing legitimate Bluetooth-equipped stereo units that were made by third-party suppliers, and FCA used the marks on its cars and in publications. The Ninth Circuit held that first sale applies to

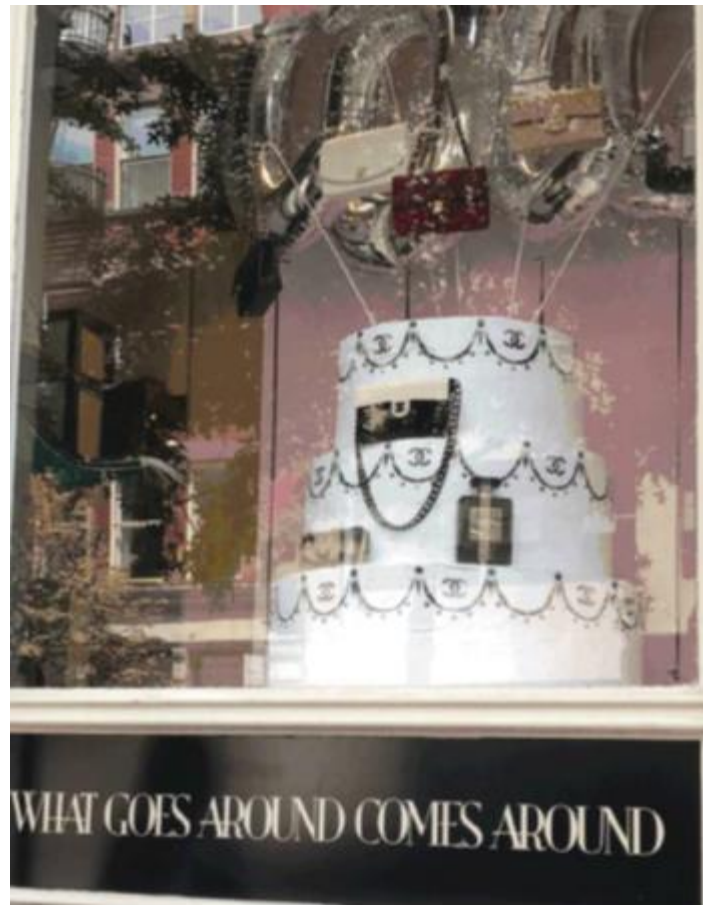
prevent trademark owners' continuing control when a mark is used to refer to a component incorporated into a new end product, so long as the seller adequately discloses how the trademarked product was incorporated. *Bluetooth SIG Inc. v. FCA US LLC*, 30 F.4th 870 (9th Cir. 2022). However, whether the seller adequately disclosed its "relationship with, and qualification to use," Bluetooth technology was a fact-intensive issue, and so it was for the district court on remand to balance the risks of confusion with the policies behind first sale. What is the difference, if any, between incorporating a Bluetooth-equipped stereo unit into a car and the conduct in *Au-Tomotive Gold*?

3. In *Hamilton International Ltd. v. Vortic LLC*, 13 F.4th 264 (2d Cir. 2021), the defendant took antique Hamilton pocket watches, restored their inner workings, and turned them into wristwatches. Is that the kind of material change that you would expect to negate first sale? The court of appeals affirmed a finding of noninfringement based on a combination of first sale and likely confusion analysis, reasoning that the modifications were not material changes, and that consumers would perceive the watches as restored antiques rather than new, infringing products, especially given defendant's clear disclosures on its website about what it had done. Below is an image from the defendant's website:

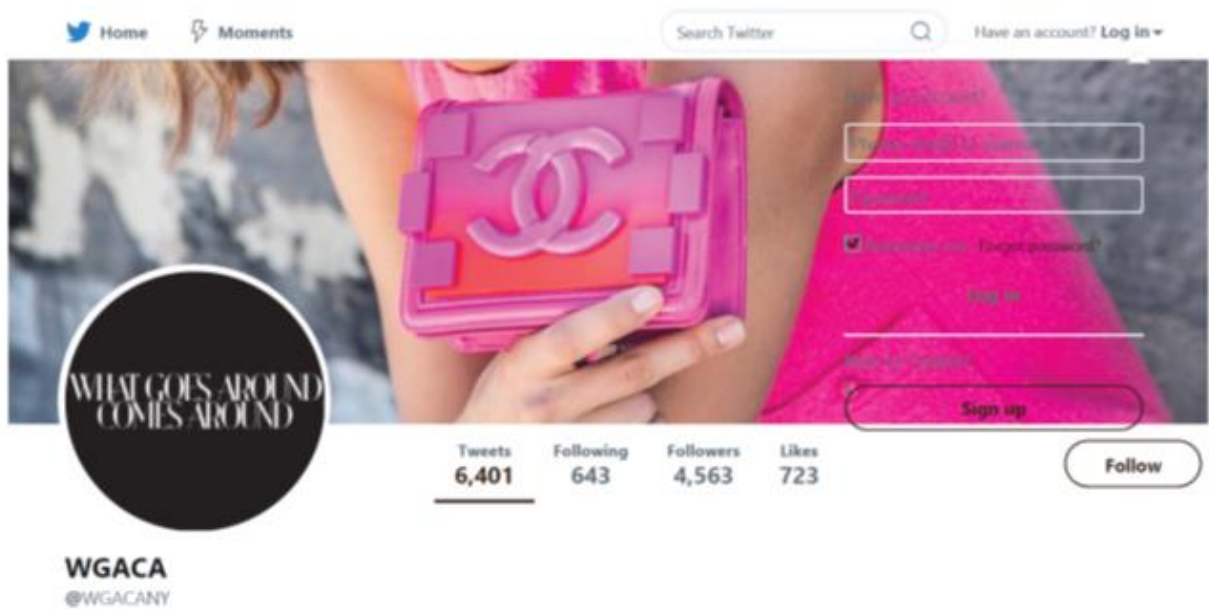


Page 729. Add new Question 6:

6. How intensively can a reseller of legitimate goods promote those goods? What Goes Around Comes Around (WGACA) specializes in the sale of luxury secondhand clothing, bags, jewelry, and accessories. Chanel challenged WGACA's retail displays' prominent use of the Chanel Marks, like a giant CHANEL No.5 perfume bottle or CHANEL-branded cake; direct-to-consumer email advertisements that prominently displayed the Chanel Marks, frequently in WGACA's stylized font; use of #WGACACHANEL in social media posts; and non-product specific advertising, like ads for general WGACA sales, with prominently featured CHANEL-branded items front and center. Additionally, Chanel pointed to WGACA's website which used images of and quotations from Coco Chanel (at times stylized in Chanel's font), and included statements like "Buy WGACA CHANEL-100% Authenticity Guaranteed." Below is a WGACA retail display featuring Chanel cake:



The WGACA Twitter (now X) account is shown below:



An Instagram post using #WGACACHANEL hashtag is seen here:



Chanel, Inc. v. WGACA, LLC, 2022 WL 902931 (S.D.N.Y. Mar. 28, 2022); *see also Chanel, Inc. v. RealReal, Inc.*, 449 F. Supp. 3d 422 (S.D.N.Y. 2020). Is sponsorship or affiliation confusion plausible despite the first sale doctrine? In early 2024, a jury found WGACA liable for willful trademark infringement and false advertising.

4. Sovereign Immunity

Page 736. Renumber Question as Question 1 and add new Question 2.

2. How far does sovereign immunity extend? What about schools that are mostly funded by the state but run by local entities? *See, e.g., Springboards to Educ., Inc. v. Mission Indep. Sch. Dist.*, 2023 WL 3094185 (5th Cir. Apr. 26, 2023).

C. Other Limitations on Trademark Protection: Expressive Use

1. Re-Weighing Likelihood of Confusion

Page 742. Replace Questions with the following case and Questions:

Jack Daniel's Properties, Inc. v. VIP Products LLC,
599 U. S. 140 (2023)

JUSTICE KAGAN delivered the opinion of the Court.

This case is about dog toys and whiskey, two items seldom appearing in the same sentence. Respondent VIP Products makes a squeaky, chewable dog toy designed to look like a bottle of Jack Daniel’s whiskey. Though not entirely. On the toy, for example, the words “Jack Daniel’s” become “Bad Spaniels.” And the descriptive phrase “Old No. 7 Brand Tennessee Sour Mash Whiskey” turns into “The Old No. 2 On Your Tennessee Carpet.” The jokes did not impress petitioner Jack Daniel’s Properties. It owns trademarks in the distinctive Jack Daniel’s bottle and in many of the words and graphics on the label. And it believed Bad Spaniels had both infringed and diluted those trademarks. Bad Spaniels had infringed the marks, the argument ran, by leading consumers to think that Jack Daniel’s had created, or was otherwise responsible for, the dog toy. And Bad Spaniels had diluted the marks, the argument went on, by associating the famed whiskey with, well, dog excrement.

The Court of Appeals, in the decision we review, saw things differently. Though the federal trademark statute makes infringement turn on the likelihood of consumer confusion, the Court of Appeals never got to that issue. On the court’s view, the First Amendment compels a stringent threshold test when an infringement suit challenges a so-called expressive work—here (so said the court), the Bad Spaniels toy. And that test knocked out Jack Daniel’s claim, whatever the likelihood of confusion. ...

[In reversing the Court of Appeals], we do not decide whether the threshold inquiry applied in the Court of Appeals is ever warranted. We hold only that it is not appropriate when the accused infringer has used a trademark to designate the source of its own goods—in other words, has used a trademark as a trademark. That kind of use falls within the heartland of trademark law, and does not receive special First Amendment protection. ...

I A

....

The Lanham Act ... creates a federal cause of action for trademark infringement. In the typical case, the owner of a mark sues someone using a mark that closely resembles its own. The court must decide whether the defendant’s use is “likely to cause confusion, or to cause mistake, or to deceive.” §§1114(1)(A), 1125(a)(1)(A). The “keystone” in that statutory standard is “likelihood of confusion.” See 4 McCarthy §23:1. And the single type of confusion most commonly in trademark law’s sights is confusion “about the source of a product or service.” *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003); see 4 McCarthy §23:5. Confusion as to source is the *bête noire* of trademark law— the thing that stands directly opposed to the law’s twin goals of facilitating consumers’ choice and protecting producers’ good will....

B

A bottle of Jack Daniel’s—no, Jack Daniel’s Old No. 7 Tennessee Sour Mash Whiskey—boasts a fair number of trademarks. Recall what the bottle looks like (or better yet, retrieve a bottle from wherever you keep liquor; it’s probably there):



“Jack Daniel’s” is a registered trademark, as is “Old No. 7.” So too the arched Jack Daniel’s logo. And the stylized label with filigree (*i.e.*, twirling white lines). Finally, what might be thought of as the platform for all those marks—the whiskey’s distinctive square bottle—is itself registered.

VIP is a dog toy company, making and selling a product line of chewable rubber toys that it calls “Silly Squeakers.” (Yes, they squeak when bitten.) Most of the toys in the line are designed to look like—and to parody—popular beverage brands. There are, to take a sampling, Dos Perros (cf. Dos Equis), Smella Arpaw (cf. Stella Artois), and Doggie Walker (cf. Johnnie Walker). VIP has registered trademarks in all those names, as in the umbrella term “Silly Squeakers.”

In 2014, VIP added the Bad Spaniels toy to the line. VIP did not apply to register the name, or any other feature of, Bad Spaniels. But according to its complaint (further addressed below), VIP both “own[s]” and “use[s]” the “ ‘Bad Spaniels’ trademark and trade dress.” And Bad Spaniels’ trade dress, like the dress of many Silly Squeakers toys, is designed to evoke a distinctive beverage bottle-with-label. Even if you didn’t already know, you’d probably not have much trouble identifying which one.



Bad Spaniels is about the same size and shape as an ordinary bottle of Jack Daniel's. The faux bottle, like the original, has a black label with stylized white text and a white filigreed border. The words "Bad Spaniels" replace "Jack Daniel's" in a like font and arch. Above the arch is an image of a spaniel. (This is a dog toy, after all.) Below the arch, "The Old No. 2 On Your Tennessee Carpet" replaces "Old No. 7 Tennessee Sour Mash Whiskey" in similar graphic form. The small print at the bottom substitutes "43% poo by vol." and "100% smelly" for "40% alc. by vol. (80 proof)."

The toy is packaged for sale with a cardboard hangtag (so it can be hung on store shelves). Here is the back of the hangtag:



At the bottom is a disclaimer: “This product is not affiliated with Jack Daniel Distillery.” In the middle are some warnings and guarantees. And at the top, most relevant here, are two product logos—on the left for the Silly Squeakers line, and on the right for the Bad Spaniels toy.

Soon after Bad Spaniels hit the market, Jack Daniel’s sent VIP a letter demanding that it stop selling the product. VIP responded by bringing this suit, seeking a declaratory judgment that Bad Spaniels neither infringed nor diluted Jack Daniel’s trademarks. The complaint alleged, among other things, that VIP is “the owner of all rights in its ‘Bad Spaniels’ trademark and trade dress for its durable rubber squeaky novelty dog toy.” Jack Daniel’s counterclaimed under the Lanham Act for both trademark infringement and trademark dilution by tarnishment.

VIP moved for summary judgment on both claims. First, VIP argued that Jack Daniel’s infringement claim failed under a threshold test derived from the First Amendment to protect “expressive works”—like (VIP said) the Bad Spaniels toy. When those works are involved, VIP contended, the so-called *Rogers* test requires dismissal of an infringement claim at the outset unless the complainant can show one of two things: that the challenged use of a mark “has no artistic relevance to the underlying work” or that it “explicitly misleads as to the source or the content of the work.” *Rogers v. Grimaldi*, 875 F. 2d 994, 999 (CA2 1989) (Newman, J.). Because Jack Daniel’s could make neither showing, VIP argued, the likelihood-of-confusion issue became irrelevant. ...

The District Court rejected [application of *Rogers*] because VIP had used the cribbed Jack Daniel’s features as trademarks—that is, to identify the source of its own products. In the court’s view, when “another’s trademark is used for source identification”—as the court thought was true here—the threshold *Rogers* test does not apply. Instead, the suit must address the “standard” infringement question: whether the use is “likely to cause consumer confusion.” ...

The case thus proceeded to a bench trial, where Jack Daniel’s prevailed. The District Court found, based largely on survey evidence, that consumers were likely to be confused about the source of the Bad Spaniels toy. See 291 F. Supp. 3d 891, 906–911 (D Ariz. 2018). ...

But the Court of Appeals for the Ninth Circuit reversed, ruling that the District Court had gotten the pretrial legal issues wrong. In the Ninth Circuit’s view, the infringement claim was subject to the threshold *Rogers* test because Bad Spaniels is an “expressive work”: Although just a dog toy, and “surely not the equivalent of the *Mona Lisa*,” it “communicates a humorous message.” 953 F. 3d 1170, 1175 (2020) (internal quotation marks omitted). The Court of Appeals therefore returned the case to the District Court to decide whether Jack Daniel’s could satisfy either of *Rogers*’ two prongs. ...

On remand, the District Court found that Jack Daniel’s could not satisfy either prong of *Rogers*, and so granted summary judgment to VIP on infringement. Jack Daniel’s appealed, and the Ninth Circuit summarily affirmed.

We then granted certiorari

II

Our first and more substantial question concerns Jack Daniel’s infringement claim: Should the company have had to satisfy the *Rogers* threshold test before the case could proceed to the Lanham Act’s likelihood-of-confusion inquiry?¹ The parties address that issue in the broadest possible way, either attacking or defending *Rogers* in all its possible applications. Today, we choose a narrower path. Without deciding whether *Rogers* has merit in other contexts, we hold that it does not when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods. VIP used the marks derived from Jack Daniel’s in that way, so the infringement claim here rises or falls on likelihood of confusion. But that inquiry is not blind to the expressive aspect of the Bad Spaniels toy that the Ninth Circuit highlighted. Beyond source designation, VIP uses the marks at issue in an effort to “parody” or “make fun” of Jack Daniel’s. Tr. of Oral Arg. 58, 66. And that kind of message matters in assessing confusion because consumers are not so likely to think that the maker of a mocked product is itself doing the mocking.

A

To see why the *Rogers* test does not apply here, first consider the case from which it emerged. The defendants there had produced and distributed a film by Federico Fellini titled “Ginger and Fred” about two fictional Italian cabaret dancers (Pippo and Amelia) who imitated Ginger Rogers and Fred Astaire. When the film was released in the United States, Ginger Rogers objected under the Lanham Act to the use of her name. The Second Circuit rejected the claim. It reasoned that the titles of “artistic works,” like the works themselves, have an “expressive element” implicating “First Amendment values.” 875 F. 2d, at 998. And at the same time, such names posed only a “slight risk” of confusing consumers about either “the source or the content of the work.” *Id.*, at 999–1000. So, the court concluded, a threshold filter was appropriate. When a title “with at least some artistic relevance” was not “explicitly misleading as to source or content,” the claim could not go forward. *Ibid.* But the court made clear that it was not announcing a general rule. In the typical case, the court thought, the name of a product was more likely to indicate its source, and to be taken by consumers in just that way. See *id.*, at 1000.

Over the decades, the lower courts adopting *Rogers* have confined it to similar cases, in which a trademark is used not to designate a work’s source, but solely to perform some other expressive function. So, for example, when the toymaker Mattel sued a band over the song “Barbie Girl”—with lyrics including “Life in plastic, it’s fantastic” and “I’m a blond bimbo girl, in a fantasy world”—the Ninth Circuit applied *Rogers*. *Mattel, Inc. v. MCA Records, Inc.*, 296 F. 3d 894, 901 (2002). That was because, the court reasoned,

the band’s use of the Barbie name was “not [as] a source identifier”: The use did not “speak[] to [the song’s] origin.” *Id.*, at 900, 902; see *id.*, at 902 (a consumer would no more think that the song was “produced by Mattel” than would, “upon hearing Janis Joplin croon ‘Oh Lord, won’t you buy me a Mercedes Benz?’, . . . suspect that she and the carmaker had entered into a joint venture”). Similarly, the Eleventh Circuit dismissed a suit under *Rogers* when a sports artist depicted the Crimson Tide’s trademarked football uniforms solely to “memorialize” a notable event in “football history.” *University of Ala. Bd. of Trustees v. New Life Art, Inc.*, 683 F. 3d 1266, 1279 (2012). And when Louis Vuitton sued because a character in the film *The Hangover: Part II* described his luggage as a “Louis Vuitton” (though pronouncing it *Lewis*), a district court dismissed the complaint under *Rogers*. See *Louis Vuitton Mallatier S. A. v. Warner Bros. Entertainment Inc.*, 868 F. Supp. 2d 172 (SDNY 2012). All parties agreed that the film was not using the Louis Vuitton mark as its “own identifying trademark.” *Id.*, at 180 (internal quotation marks omitted). When that is so, the court reasoned, “confusion will usually be unlikely,” and the “interest in free expression” counsels in favor of avoiding the standard Lanham Act test. *Ibid.*

The same courts, though, routinely conduct likelihood-of-confusion analysis, without mentioning *Rogers*, when trademarks are used as trademarks—*i.e.*, to designate source. See, *e.g.*, *JL Beverage Co., LLC v. Jim Beam Brands Co.*, 828 F. 3d 1098, 1102–1103, 1106 (CA9 2016); *PlayNation Play Systems, Inc. v. Vexel Corp.*, 924 F. 3d 1159, 1164–1165 (CA11 2019). And the Second Circuit—*Rogers*’ home court—has made especially clear that *Rogers* does not apply in that context. For example, that court held that an offshoot political group’s use of the trademark “United We Stand America” got no *Rogers* help because the use was as a source identifier. See *United We Stand Am., Inc. v. United We Stand, Am. New York, Inc.*, 128 F. 3d 86, 93 (1997). True, that slogan had expressive content. But the defendant group, the court reasoned, was using it “as a mark,” to suggest the “same source identification” as the original “political movement.” *Ibid.* And similarly, the Second Circuit (indeed, the judge who authored *Rogers*) rejected a motorcycle mechanic’s view that his modified version of Harley Davidson’s bar-and-shield logo was an expressive parody entitled to *Rogers*’ protection. See *Harley-Davidson, Inc. v. Grottanelli*, 164 F. 3d 806, 812–813 (1999). The court acknowledged that the mechanic’s adapted logo conveyed a “somewhat humorous[]” message. *Id.*, at 813. But his use of the logo was a quintessential “trademark use”: to brand his “repair and parts business”—through signage, a newsletter, and T-shirts—with images “similar” to Harley-Davidson’s. *Id.*, at 809, 812–813.

The point is that whatever you make of *Rogers*—and again, we take no position on that issue—it has always been a cabined doctrine. If we put this case to the side, the *Rogers* test has applied only to cases involving “non-trademark uses”—or otherwise said, cases in which “the defendant has used the mark” at issue in a “non-source-identifying way.” S. Dogan & M. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 Iowa L. Rev. 1669, 1684 (2007); see *id.*, at 1683–1684, and n. 58. The test has not insulated from ordinary trademark scrutiny the use of trademarks as trademarks, “to identify or brand [a defendant’s] goods or services.” *Id.*, at 1683.

We offer as one last example of that limitation a case with a striking resemblance to this one. It too involved dog products, though perfumes rather than toys. Yes, the defendant sold “a line of pet perfumes whose names parody elegant brands sold for human consumption.” *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 412 (SDNY 2002) (Mukasey, J.). The product at issue was named Timmy Holedigger—which Tommy Hilfiger didn’t much like. The defendant asked for application of *Rogers*. The court declined it, relying on *Harley-Davidson*. See 221 F. Supp. 2d, at 414. *Rogers*, the court explained, kicks in when a suit involves solely “nontrademark uses of [a] mark—that is, where the trademark is not being used to indicate the source or origin” of a product, but only to convey a different kind of message. 221 F. Supp. 2d, at 414.

When, instead, the use is “at least in part” for “source identification”—when the defendant may be “trading on the good will of the trademark owner to market its own goods”—*Rogers* has no proper role. 221 F. Supp. 2d, at 414–415. And that is so, the court continued, even if the defendant is *also* “making an

expressive comment,” including a parody of a different product. *Id.*, at 415. The defendant is still “mak[ing] trademark use of another’s mark,” and must meet an infringement claim on the usual battleground of “likelihood of confusion.” *Id.*, at 416.

That conclusion fits trademark law, and reflects its primary mission. From its definition of “trademark” onward, the Lanham Act views marks as source identifiers—as things that function to “indicate the source” of goods, and so to “distinguish” them from ones “manufactured or sold by others.” §1127. The cardinal sin under the law, as described earlier, is to undermine that function. It is to confuse consumers about source—to make (some of) them think that one producer’s products are another’s. And that kind of confusion is most likely to arise when someone uses another’s trademark as a trademark—meaning, again, as a source identifier—rather than for some other expressive function. To adapt one of the cases noted above: Suppose a filmmaker uses a Louis Vuitton suitcase to convey something about a character (he is the kind of person who wants to be seen with the product but doesn’t know how to pronounce its name). Now think about a different scenario: A luggage manufacturer uses an ever-so-slightly modified LV logo to make inroads in the suitcase market. The greater likelihood of confusion inheres in the latter use, because it is the one conveying information (or misinformation) about who is responsible for a product. That kind of use “implicate[s] the core concerns of trademark law” and creates “the paradigmatic infringement case.” G. Dinwoodie & M. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 Iowa L. Rev. 1597, 1636 (2007). So the *Rogers* test—which offers an escape from the likelihood-of-confusion inquiry and a shortcut to dismissal—has no proper application.²

Nor does that result change because the use of a mark has other expressive content—*i.e.*, because it conveys some message on top of source. Here is where we most dramatically part ways with the Ninth Circuit, which thought that because *Bad Spaniels* “communicates a humorous message,” it is automatically entitled to *Rogers*’ protection. 953 F. 3d, at 1175 (internal quotation marks omitted). On that view, *Rogers* might take over much of the world. For trademarks are often expressive, in any number of ways. Consider how one liqueur brand’s trade dress (beyond identifying source) tells a story, with a bottle in the shape of a friar’s habit connoting the product’s olden monastic roots:



Or take a band name that “not only identifies the band but expresses a view about social issues.” *Tam*, 582 U. S., at 245 (opinion of ALITO, J.) (discussing “The Slants”). Or note how a mark can both function as a mark and have parodic content—as the court found in the *Hilfiger/Holedigger* litigation. See *supra*, at 13–14. The examples could go on and on. As a leading treatise puts the point, the Ninth Circuit’s expansion of *Rogers* “potentially encompasses just about everything” because names, phrases, symbols, designs, and their varied combinations often “contain some ‘expressive’ message” unrelated to source. 6 McCarthy §31:144.50. That message may well be relevant in assessing the likelihood of confusion between

two marks, as we address below. But few cases would even get to the likelihood-of-confusion inquiry if all expressive content triggered the *Rogers* filter. In that event, the *Rogers* exception would become the general rule, in conflict with courts' longstanding view of trademark law.

The Ninth Circuit was mistaken to believe that the First Amendment demanded such a result. The court thought that trademark law would otherwise “fail[] to account for the full weight of the public’s interest in free expression.” 953 F. 3d, at 1174. But as the *Mattel* (i.e., Barbie) court noted, when a challenged trademark use functions as “source-identifying,” trademark rights “play well with the First Amendment”: “Whatever first amendment rights you may have in calling the brew you make in your bathtub ‘Pepsi’ “ are “outweighed by the buyer’s interest in not being fooled into buying it.” 296 F. 3d, at 900. Or in less colorful terms: “[T]o the extent a trademark is confusing” as to a product’s source “the law can protect consumers and trademark owners.” *Tam*, 582 U.S., at 252 (Kennedy, J., concurring in part and concurring in judgment); see *Friedman v. Rogers*, 440 U.S. 1, 15 (1979) (rejecting a First Amendment challenge to a law restricting trade names because of the “substantial” interest in “protecting the public from [their] deceptive and misleading use”). Or yet again, in an especially clear rendering: “[T]he trademark law generally prevails over the First Amendment” when “another’s trademark (or a confusingly similar mark) is used without permission” as a means of “source identification.” *Yankee Publishing Inc. v. News Am. Publishing Inc.*, 809 F. Supp. 267, 276 (SDNY 1992) (Leval, J.) (emphasis deleted). So for those uses, the First Amendment does not demand a threshold inquiry like the *Rogers* test. When a mark is used as a mark (except, potentially, in rare situations), the likelihood-of-confusion inquiry does enough work to account for the interest in free expression.

B

Here, the District Court correctly held that “VIP uses its Bad Spaniels trademark and trade dress as source identifiers of its dog toy.” See App. to Pet. for Cert. 105a. In fact, VIP conceded that point below. In its complaint, VIP alleged that it both “own[s] and “use[s]” the “ ‘Bad Spaniels’ trademark and trade dress for its durable rubber squeaky novelty dog toy.” The company thus represented in this very suit that the mark and dress, although not registered, are used to “identify and distinguish [VIP’s] goods” and to “indicate [their] source.” §1127. ...

In this Court, VIP says the complaint was a mere “form allegation”—a matter of “rote.” Tr. of Oral Arg. 73. But even if we knew what that meant, VIP has said and done more in the same direction. First, there is the way the product is marketed. On the hangtag, the Bad Spaniels logo sits opposite the concededly trademarked Silly Squeakers logo, with both appearing to serve the same source-identifying function. See *supra*, at 7. And second, there is VIP’s practice as to other products in the Silly Squeakers line. The company has consistently argued in court that it owns, though has never registered, the trademark and trade dress in dog toys like “Jose Perro” (cf. Jose Cuervo) and “HeinieSniff ‘n” (cf. Heineken). And it has chosen to register the names of still other dog toys, including Dos Perros (#6176781), Smella Arpaw (#6262975), and Doggie Walker (#6213816). Put all that together, and more than “form” or “rote” emerges: VIP’s conduct is its own admission that it is using the Bad Spaniels (née Jack Daniel’s) trademarks as trademarks, to identify product source. Because that is so, the only question in this suit going forward is whether the Bad Spaniels marks are likely to cause confusion. There is no threshold test working to kick out all cases involving “expressive works.”...

IV

Today’s opinion is narrow. We do not decide whether the *Rogers* test is ever appropriate On infringement, we hold only that *Rogers* does not apply when the challenged use of a mark is as a mark. ... [O]ur holdings turn on whether the use of a mark is serving a source-designation function. The Lanham Act makes that fact crucial, in its effort to ensure that consumers can tell where goods come from....

JUSTICE SOTOMAYOR, with whom JUSTICE ALITO joins, concurring.

I join the Court’s opinion in full. I write separately to emphasize that in the context of parodies and potentially other uses implicating First Amendment concerns, courts should treat the results of surveys with particular caution. As petitioner did here, plaintiffs in trademark infringement cases often commission surveys that purport to show that consumers are likely to be confused by an allegedly infringing product. Like any other evidence, surveys should be understood as merely one piece of the multifaceted likelihood of confusion analysis. See, e.g., *Uncommon, LLC v. Spigen, Inc.*, 926 F. 3d 409, 425 (CA7 2019). Courts should also carefully assess the methodology and representativeness of surveys, as many lower courts already do. See, e.g., *Water Pik, Inc. v. Med-Systems, Inc.*, 726 F. 3d 1136, 1144–1150 (CA10 2013); *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F. 3d 97, 117 (CA2 2009).

When an alleged trademark infringement involves a parody, however, there is particular risk in giving uncritical or undue weight to surveys. Survey answers may reflect a mistaken belief among some survey respondents that all parodies require permission from the owner of the parodied mark. Some of the answers to the survey in this case illustrate this potential. See App. 81–82, n. 25 (“ ‘I’m sure the dog toy company that made this toy had to get [Jack Daniel’s] permission and legal rights to essentially copy the[ir] product in dog toy form’ ”); *ibid.* (“ ‘The bottle is mimicked after the Jack Daniel BBQ sauce. So they would hold the patent therefore you would have to ask permission to use the image’ ”); see also *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F. 3d 769, 772–773, 775 (CA8 1994) (describing a similar situation). Plaintiffs can point to this misunderstanding of the legal framework as evidence of consumer confusion. Cleverly designed surveys could also prompt such confusion by making consumers think about complex legal questions around permission that would not have arisen organically out in the world.

Allowing such survey results to drive the infringement analysis would risk silencing a great many parodies, even ones that by other metrics are unlikely to result in the confusion about sourcing that is the core concern of the Lanham Act. Well-heeled brands with the resources to commission surveys would be handed an effective veto over mockery. After all, “[n]o one likes to be the butt of a joke, not even a trademark.” 6 J. McCarthy, *Trademarks and Unfair Competition* §31:153 (5th ed. 2023). This would upset the Lanham Act’s careful balancing of “the needs of merchants for identification as the provider of goods with the needs of society for free communication and discussion.” P. Leval, *Trademark: Champion of Free Speech*, 27 Colum. J. L. & Arts 187, 210 (2004). Courts should thus ensure surveys do not completely displace other likelihood-of-confusion factors, which may more accurately track the experiences of actual consumers in the marketplace. Courts should also be attentive to ways in which surveys may artificially prompt such confusion about the law or fail to sufficiently control for it.

JUSTICE GORSUCH, with whom JUSTICE THOMAS and JUSTICE BARRETT join, concurring.

I am pleased to join the Court’s opinion. I write separately only to underscore that lower courts should handle *Rogers v. Grimaldi*, 875 F. 2d 994 (CA2 1989), with care. Today, the Court rightly concludes that, even taken on its own terms, *Rogers* does not apply to cases like the one before us. But in doing so, we necessarily leave much about *Rogers* unaddressed. For example, it is not entirely clear where the *Rogers* test comes from—is it commanded by the First Amendment, or is it merely gloss on the Lanham Act, perhaps inspired by constitutional-avoidance doctrine? *Id.*, at 998. For another thing, it is not obvious that *Rogers* is correct in all its particulars All this remains for resolution another day, and lower courts should be attuned to that fact.

Questions

1. On remand, the district court revisited its confusion analysis. Relying in part on Justice Sotomayor’s concerns about the unreliability of survey evidence in parody cases, it found that confusion was unlikely, but reiterated its finding of actionable dilution (see Chapter 9). *VIP Products LLC v. Jack Daniel’s Properties Inc.*, 2025 WL 27590 (D. Ariz. Jan. 23, 2025). The case is now again on appeal as of

summer 2025.

2. What is the difference between use to indicate source, in the Court’s view, and use for some other purpose? The Court holds that source indication is distinct from other expressive purposes, even though (or perhaps because) trademarks are often expressive. If *Rogers* survives, it applies only when uses are not source-indicating. This would seem to suggest that, absent *Rogers*, non-source-indicating uses *can* infringe trademark rights—otherwise *Rogers* would never be needed. Can you identify examples of infringing, non-source-identifying uses in the cases we’ve looked at?

3. Is there a difference between source-identifying use that trades on a trademark owner’s goodwill and referring to a trademark owner in order to add meaning? For example, was the movie *Ginger and Fred* exploiting Ginger Rogers’s goodwill, or are some references not sufficient to count as exploiting goodwill? Does the Court’s discussion of the difference between using a Louis Vuitton knockoff in a movie to show what kind of person a particular character is and using a similar trade dress to sell actual luggage shed any light on this question?

4. Under *Jack Daniel’s*, what should a court do when a defendant raises *Rogers* in response to a claim of sponsorship, endorsement, affiliation, or initial interest confusion? Are those the same as “source” confusion? The Court indicates that the confusion requirement provides all the protection for free expression that is needed. Even if that is true of source confusion, is that also true of sponsorship, endorsement, affiliation, or initial interest confusion? See, e.g., *Hara v. Netflix, Inc.*, 2023 WL 6812769 (C.D. Cal. Aug. 23, 2023) (plaintiff, a well-known drag queen in Hollywood who hosts events in LA and West Hollywood, sued defendants over their animated TV series based in West Hollywood which allegedly misappropriated plaintiff’s name, image, and/or likeness in one episode and a promotional teaser).

5. How will courts know when the defendant is using a term as an indication of source? Is this an empirical question or a normative question? Consider the evidence on which the Court relies for *Bad Spaniels*—VIP’s own allegations that it owns a protectable trade dress; the visual appearance of the toys; the toy’s packaging/hangtag; and VIP’s practices with respect to other toys. Are these about VIP’s intent or something else? What other facts, if any, could be relevant? Should courts or juries refer to the facts considered in the “otherwise than as a mark” requirement for descriptive fair use, such as whether the use was repeated in a way indicating an attempt to create an association between the speaker and the use? Should courts or juries use the facts considered in the PTO’s “failure to function as a mark” assessments? Should evidence that consumers are confused about who authorized the use be relevant? If confusion evidence is relevant, especially circumstantial evidence such as the strength of the plaintiff’s mark and the similarity between the uses, would anything be left of *Rogers*? See *HomeVestors of Am., Inc. v. Warner Bros. Discovery, Inc.*, 2023 WL 8826729 (D. Del. Dec. 21, 2023). After *Jack Daniel’s*, is the applicability of *Rogers* a question of fact ordinarily left for a jury to resolve, at least as to the threshold issue of trademark use? See *MGA Entm’t Inc. v. Harris*, 2023 U.S. Dist. LEXIS 230578 (C.D. Cal. Dec. 8, 2023).

6. Given that the Court seems to indicate that *Rogers* is inapplicable when a use is “at least in part” as a source indicator, should uncertainty be resolved against a defendant? For example, in *Diece-Lisa Indus. v. Disney Store USA, LLC*, No. 2:20-cv-09147-TJH-JC (C.D. Cal. May 1, 2024), plaintiff alleged reverse confusion based on its rights in a LOTS OF HUGS stuffed animal. Disney used a character, “Lots-o-Huggin Bear,” in its film *Toy Story 3*. Is a character’s name “use as a mark”? Does it matter if the character appears in multiple books and video games? If Disney calls a stuffed toy Lots-o-Huggin Bear and sells it in connection with other *Toy Story* merchandise, does that disentitle it to *Rogers* protection for the underlying *Toy Story 3* film?

7. Is use in a title use as an indication of source? The PTO has historically applied a rule that a single title does not serve as a trademark for the underlying work, but that a series title can serve a trademark

function. What should that mean, after *Jack Daniel's*, for a new television series? See, e.g., *Akc Global, LLC v. Netflix, Inc.*, 2023 U.S. Dist. LEXIS 103057 (C.D. Cal. June 13, 2023) (plaintiff metal band, A Killer's Confession, sued Netflix over its use of the title "The Confession Killer" for its documentary series). In addition, courts have been willing to protect single titles with secondary meaning. What should that mean, after *Jack Daniel's*, for the movie title *Ginger and Fred*? If "Ginger Rogers" has secondary meaning for the actor/dancer, does that mean that the book title *Ginger Rogers: A Biography* serves as an indication of source for the book? See *Davis v. Blue Tongue Films*, 2024 WL 5182630 (9th Cir. Dec. 20, 2024) (plaintiff's book was called *Gringo*, and so was defendant's movie; *Rogers* held inapplicable at motion to dismiss stage given allegations that defendant chose the name "Gringo" to suggest an association between the book and the movie, displayed the mark in similar ways, and distributed the movie through Amazon, which also distributed the book, which supported an inference that the filmmakers used the title to identify the source of the movie).

Suppose a book, *My Summer at Wal-Mart*, becomes a major hit and is adapted for a television series. When the book was unknown, its title was not serving as an indicator of source and thus was potentially eligible for *Rogers*; should marketplace success, and/or the addition of a TV series, change the legal analysis? See *Davis v. Amazon.com*, 2023 WL 8113299 (C.D. Cal. Nov. 2, 2023).

8. Should the First Amendment play a greater role when speech is political? *Jack Daniel's* specifically approved of *United We Stand America, Inc. v. United We Stand, America New York, Inc.*, 128 F.3d 86 (2d Cir. 1997), involving a lawsuit against a breakaway faction of a political party. Note that this was classic source confusion: it was not clear to potential supporters who was the "real" United We Stand; should the First Amendment considerations be different for claims for affiliation or sponsorship confusion? In *Libertarian National Committee, Inc. v. Saliba*, 116 F.4th 530 (6th Cir. 2024), the Sixth Circuit agreed that the Lanham Act applied to a breakaway "Libertarian Party of Michigan." However, it reversed an injunction to the extent that it applied to the breakaway entity's donation page, which "displayed one of two pop-up disclaimers notifying the potential donor of the governance dispute, the [fact that the national Libertarian Party recognized a different entity as the Libertarian Party of Michigan], and that any donations would be going solely to defendants. The disclaimers also included hyperlinks to the [nationally recognized affiliate's] website. By clearly explaining the identity of the donation recipient, these disclaimers ameliorated the confusion the Lanham Act seeks to prevent." For more on disclaimers, see Chapter 12; should disclaimers be a favored remedy in contexts that seem to raise free speech concerns?

9. In *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008), a strip club known as the Play Pen sued the producers of the Grand Theft Auto videogames, alleging that *Grand Theft Auto: San Andreas* infringed its trademark. Plaintiff's logo:



Plaintiff's business exterior (L) and accused use in the game (R):



As the court of appeals explained, the videogame series “is known for an irreverent and sometimes crass brand of humor, gratuitous violence and sex, and overall seediness. Each game in the Series takes place in one or more dystopic, cartoonish cities modeled after actual American urban areas. The games always include a disclaimer stating that the locations depicted are fictional. Players control the game’s protagonist, trying to complete various ‘missions’ on a video screen. The plot advances with each mission accomplished until the player, having passed through thousands of cartoon-style places along the way, wins the game.” The Pig Pen is one such location in the game. Is the use of the Pig Pen in *E.S.S.* use as an indication of source or should *Rogers* apply? Compare the Pig Pen to the Krusty Krab from Chapter 7. See also *JTH Tax LLC v. AMC Networks Inc.*, 2023 U.S. Dist. LEXIS 170363 (S.D.N.Y. Sept. 25, 2023) (Liberty Tax Service alleged infringement by an episode of the TV series “Better Call Saul” which featured a business called “Sweet Liberty Tax Services” and whose store front allegedly resembled Liberty Tax Service’s).

Page 744. Add new Question at bottom of page:

Question

How should courts deal with this legislative history in light of the *Jack Daniel’s* case, *supra*?

Page 745. Delete *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008).

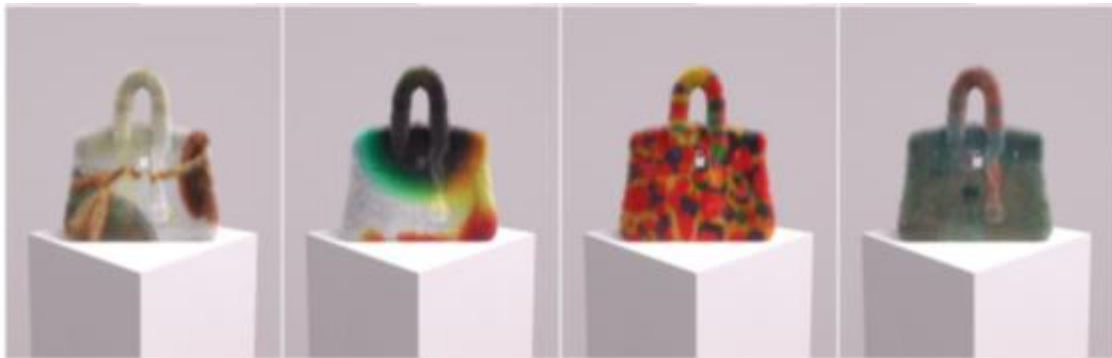
Page 749. Delete *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).

Page 758. Replace Question 3 with the following:

3. Bravo Television’s reality show *Top Chef* challenges chefs to cook gourmet meals in a series of competitive elimination challenges, until the final remaining chef claims the title “Top Chef.” Commonly, a given contest features a particular commercial setting or ingredient. Some episodes have revolved around named high-end restaurants; others have required contestants to cook something yummy using Quaker® Oats or Baileys’ Irish Cream® Liqueur. Many times, such deals involve payment from the featured product’s owner. If the show’s producers choose to use a branded ingredient whose producer declines to pay for placement, may they go ahead without permission? Product placement deals in television series are now common. Won’t viewers naturally assume that a product that makes repeated appearances in a television series or film is there because of a branding deal (regardless of which way the money flowed)? In 2009, for example, NBC announced that it had signed a deal with Subway® restaurants to make Subway® an integral presence in its adventure series, *Chuck*. If a different network airs an episode of a hospital drama in which multitudes come down with food poisoning after eating at a local Subway® restaurant, should Subway have any recourse? Would the analysis in *Jack Daniel’s*, *supra*, counsel any particular result?

Page 758. Add new Question 5 and renumber following Questions as 6 and 7.

5. “Non-fungible tokens” (NFTs) are a new way of tracking ownership and transactions in which a unique identifier is associated with a specific item, such as an image. Mason Rothschild creates a series of NFTs called “Metabirkins,” examples of which are shown below:



The images are stylized, “fake fur-covered” versions of the well-known Birkin bag. Hermès, which makes the Birkin bag, sues for trademark infringement. Should *Rogers* apply to NFT images? To the Metabirkins.com website and Instagram and Twitter @Metabirkins accounts used to promote sales of the NFTs? See *Hermès International v. Rothschild*, 603 F.Supp.3d 98 (S.D.N.Y. 2022).[§] In early 2023, a jury found that Rothschild had infringed and diluted the Birkin mark. After *Jack Daniel’s*, the court ruled that Rothschild’s use of metabirkins.com to market the NFT images constituted trademark use. 2023 U.S. Dist. LEXIS 109010 (S.D.N.Y. June 23, 2023). Does that mean that a studio website promoting *Ginger and Fred* would not be entitled to a *Rogers* defense, even though ads on YouTube would be?

Page 759. Add new Note and case after Question 6.

Note: Standing as an Alternative Limit

One way of implementing Judge Leval’s suggestion to look for real trademark harm might be to reconsider standing. In recent years, the Supreme Court has given increased attention to both constitutional and statutory standing as a limit on federal courts’ powers. Article III standing requires an “injury in fact,” namely, a harm that is concrete, particularized, and actual or imminent, not conjectural or hypothetical. “Congress’s creation of a statutory prohibition or obligation and a cause of action does not relieve courts of their responsibility to independently decide whether a plaintiff has suffered a concrete harm under Article III.” *TransUnion LLC v. Ramirez*, 141 S. Ct. 2190, 2205 (2021). To establish concrete harm, plaintiffs need to identify a “close historical or common-law analogue for their asserted injury,” though not “an exact duplicate.” In particular, an unrealized risk of harm could not justify standing to bring a damages claim, though a “sufficiently imminent and substantial” risk of harm suffices for injunctive relief.

Is every theory of harm accepted by courts in trademark cases really concrete enough to satisfy Article III? See Lauren Bilow, Note, *Trademark Injury in Law and Fact: A Standing Defense to Modern Infringement*, 135 Harv. L. Rev. 667 (2021) (noting that, in particular, initial interest confusion, affiliation confusion, and post-sale confusion may not routinely cause actual harm absent additional circumstances). Bilow argues:

For a producer to suffer concrete harm from affiliation confusion, for example, consumers

[§] Professor Tushnet represents defendant Rothschild.

would need to: (1) actually, not just likely, be confused about the plaintiff's affiliation with the defendant's product; (2) dislike the defendant's product; (3) connect their gripes about the defendant's product to the plaintiff; and (4) withhold business that they otherwise would have transacted with the plaintiff or lower their estimation of the plaintiff. As trademark scholars point out, marketing research demonstrates that this sequence of events rarely occurs.

Courts often state that a trademark owner's lost control over its reputation as a result of confusion is inherently injurious. But Professor Jeremy Sheff has argued that this rationale conflicts with general legal principles of standing. If there is no evidence that the defendant is presently harming the trademark owner's reputation, this rationale "seems to allow a plaintiff who suffered no injury to obtain a judgment against a defendant who may (or may not) injure him someday, ignoring standing and ripeness doctrines that would seem to be directly applicable." Jeremy N. Sheff, *Marks, Morals, and Markets*, 65 Stan. L. Rev. 761, 799–800 (2013). At least one non-trademark case suggests that a pure unjust enrichment rationale—objecting to the defendant's free riding—does not involve any Article III harm to the plaintiff. *Baehr v. Creig Northrop Team, P.C.*, 953 F.3d 244 (4th Cir. 2020), though many other cases see no Article III standing problem with unjust enrichment claims.

To the extent that the plaintiff bases a claim on the defendant's free riding on its reputation, has it suffered cognizable harm? Of the infringement cases you have studied so far, which, if any, present serious Article III standing problems?

So far, while multiple cases address Lanham Act false advertising standing (see Chapter 10), there are few reported decisions addressing standing in trademark infringement or false designation of origin cases. The Federal Circuit recently decided a standing challenge in the registration context, which offers a registration-focused concept of trademark injury.

Brooklyn Brewery v. Brooklyn Brew Shop, 17 F.4th 129 (Fed. Cir. 2021). Brooklyn Brewery (Brewery), a craft brewery with a registration for BROOKLYN BREWERY for beer, opposed the application of Brooklyn Brew Shop (BBS) to register a stylized version of BROOKLYN BREW SHOP for sanitizing preparations for household use and for beer-making kits.

As the party seeking judicial review of the Board's decision in this case, Brewery is required to "supply the requisite proof of an injury in fact" to satisfy the Article III standing requirements. ... The Supreme Court has held that an injury in fact must be both "concrete and particularized." *Spokeo, Inc. v. Robins*, 578 U.S. 330 (2016) Injuries that are " 'conjectural' or 'hypothetical' " will not provide standing. [*Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560 (1992).]

Our cases in the patent area establish that "in order to demonstrate the requisite injury [for Article III standing] in an [inter partes review] appeal, the appellant/petitioner must show that it is engaged or will likely engage 'in an[] activity that would give rise to a possible infringement suit,' " *JTEKT Corp. v. GKN Auto. Ltd.*, 898 F.3d 1217, 1220 (Fed. Cir. 2018) ...; that it "has contractual rights that are affected by a determination of patent validity," *id.*; or that it would suffer some other concrete and particularized injury. Speculation about " 'possible future injury' " is not sufficient. *Momenta Pharms., Inc. v. Bristol-Myers Squibb Co.*, 915 F.3d 764, 767 (Fed. Cir. 2019)

To establish injury in fact in a trademark case, an 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. This does not require that an opposer show that it faces a risk of potential trademark infringement liability, though

that could be sufficient to establish standing. It may also establish standing by showing that if a mark is not canceled, or if an application is granted, the very registration and use of the mark would cause the opposer concrete and particularized harm.

Thus, the issue for likelihood-of-confusion or descriptiveness purposes is typically whether the challenger and registrant compete in the same line of business and failure to cancel an existing mark, or to refuse registration of a new mark, would be likely to cause the opposer competitive injury. To be clear, an opposer cannot show standing by merely showing the registrant competes with the opposer and receives a benefit from an unlawful trademark. *See Already, LLC v. Nike, Inc.*, 568 U.S. 85, 96–100 (2013) (“Taken to its logical conclusion, the theory seems to be that a market participant is injured for Article III purposes whenever a competitor benefits from something allegedly unlawful—whether a trademark, the awarding of a contract, a landlord-tenant arrangement, or so on. We have never accepted such a boundless theory of standing.”). A more particularized showing of harm is required. *Id.*

B

Here, Brewery never explains how granting the application to register the mark for sanitizing preparations in Class 5 would cause Brewery to suffer an Article III injury. To be sure, BBS’s sanitizing preparations are used in connection with beer-making kits. But Brewery does not make or sell sanitizing preparations. The Board found that “sanitizing preparations are only peripherally related to beer-making kits, much less beer” and that there was no indication in the record that “[BBS’s] sanitizing preparations for household use—particularly when sold individually—are likely to travel in the same channels of trade ... as [Brewery’s] beer.”

When pressed on this issue at oral argument on appeal, Brewery urged that it would suffer possible injury if it were ever to expand its business to the sale of sanitizing preparations. ... Brewery did not provide any details of a concrete plan for such expansion of its business, nor is there anything in the record indicating that Brewery presently has such plans or any interest in making or selling sanitizing preparations. Such hypothetical future possible injury is insufficient to establish Article III standing. *See Spokeo*, 136 S. Ct. at 1548 (“To establish injury in fact, a[n] appellant] must show that he or she suffered ‘an invasion of a legally protected interest’ that is ‘concrete and particularized’ and ‘actual or imminent, *not conjectural or hypothetical*.’ “ (emphasis added) ... ; *see also JTEKT Corp.*, 898 F.3d at 1221 (“[W]here the party relies on potential infringement liability as a basis for injury in fact, but is not currently engaging in infringing activity, it must establish that it has concrete plans for future activity that creates a substantial risk of future infringement or [would] likely cause the patentee to assert a claim of infringement.”). Because Brewery lacks Article III standing to oppose the ‘776 Application as to the sanitizing preparations under Class 5, we dismiss its appeal as to those goods.

BBS appropriately does not raise a challenge to Brewery’s Article III standing to seek cancellation or oppose registration of its mark for beer-making kits. Brewery need not prevail on the merits to establish standing.... As the Board found, beer-making kits are related to beer and to some extent compete with beer since they are sold in many of the same stores. The Board found that “[t]he classes of consumers for [BBS’s] beer-making kits and [Brewery’s] beer [are] overlapping.” ... Although “[t]he population of beer drinkers willing to brew their own beer likely is small as compared to the overall population of beer drinkers,” the Board observed, “they are nevertheless part of the same larger beer-drinking group.” *Id.*... Also, Brewery in the past was involved in the sale of

co-branded beer-making kits. This is sufficient to establish Brewery's standing to challenge the existing and applied-for marks for beer-making kits....

Questions

1. Is the reasoning of *Brooklyn Brewery* consistent with the expansion of trademark law to cover noncompeting uses, such as the *Stork Club v. Sahati* case in Chapter 1? Should the Federal Circuit have given weight to the possibility that, if BBS's sanitation products were bad, consumers might think less of Brewery as a result? What about the possibility that BBS's registration and use of the mark might prevent Brewery from expanding into sanitation products?

2. If some reasonable possibility of competition is required to have standing in a registration case, should it also be required in an infringement case? *Cf. San Diego County Credit Union v. Citizens Equity First Credit Union*, 365 F.4th 1012 (9th Cir. 2023) (Article III standing to seek invalidation of registration no longer exists after mark owner's likely confusion claim has been rejected).

3. Courts may also consider what is often called "statutory standing," as a shorthand for whether the plaintiff is the kind of entity Congress intended to protect and proximately suffering the kind of injury Congress intended to redress. The Supreme Court addressed Lanham Act statutory standing in *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014) (see Chapter 10). As an example of a statutory standing question, some courts require that a trademark licensee have some sort of exclusive right before it can sue over infringing uses, since otherwise the licensee has no right to be free of competition. Other courts allow even nonexclusive licensees to sue if they suffer commercial injury from the infringement. *Compare, e.g., Bliss Clearing Niagara, Inc. v. Midwest Brake Bond Co.*, 339 F. Supp. 2d 944, 959-60 (W.D. Mich. 2004) ("A licensee will have standing where the agreement transfers to the licensee all of the licensor's rights in the use of the trademark, or where the agreement grants the licensee exclusive use of the mark without restricting the licensee's ability to enforce the mark."), *with, e.g., Adidas America, Inc. v. Athletic Propulsion Labs, LLC*, 2016 WL 3896826 (D. Or. Jul. 18, 2016) (commercial interest suffices to give nonexclusive licensee standing to sue for infringement). *See also Luca McDermott Catena Trust v. Fructuoso-Hobbs SL*, No. 2023-1383 (Fed. Cir. May 23, 2024) (significant investor in trademark claimant lacked statutory standing to bring cancellation action against allegedly conflicting registration; although economic injury was present, proximate causation was not).

4. What, if anything, does statutory standing add to the Article III inquiry? (Should consumers have standing to sue for trademark infringement if they buy based on their confusion? *Cf.* Chapter 10.)

2. Parody

Page 759. Delete *Mattel, Inc. v. Universal Music International*, 296 F.3d 894 (9th Cir. 2002). Replace with the following Note and case:

Note

In *Jack Daniel's*, *supra*, the Court commented:

[A] trademark's expressive message—particularly a parodic one, as VIP asserts—may properly figure in assessing the likelihood of confusion. *See, e.g., Louis Vuitton Malletier S. A. v. Haute Diggity Dog, LLC*, 507 F. 3d 252, 265 (CA4 2007) (Parody "influences the way in which the [likelihood-of-confusion] factors are applied"); Brief for United States as Amicus Curiae 17–22 (same). A parody must "conjure up" "enough of [an] original to make the object of its critical wit recognizable." *Campbell v. Acuff-Rose Music, Inc.*,

510 U. S. 569, 588 (1994) (internal quotation marks omitted). Yet to succeed, the parody must also create contrasts, so that its message of ridicule or pointed humor comes clear. And once that is done (if that is done), a parody is not often likely to create confusion. Self-deprecation is one thing; self-mockery far less ordinary. So although VIP’s effort to ridicule Jack Daniel’s does not justify use of the *Rogers* test, it may make a difference in the standard trademark analysis.

Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC,
221 F.Supp.2d 410 (S.D.N.Y. 2002)

MUKASEY, District Judge.

Defendant Nature Labs, LLC manufactures, markets and sells a line of pet perfumes whose names parody elegant brands sold for human consumption—Timmy Holedigger (Tommy Hilfiger), CK–9 (Calvin Klein’s cK–1), Pucci (Gucci), Bono Sports (Ralph Lauren’s Polo Sports), Miss Claybone (Liz Claiborne), and White Dalmations (Elizabeth Taylor’s White Diamonds). Most of the companies that purvey these expensive human fragrances have chosen either to accept the implied compliment in this parody—that the mere association of their high-end brand names with a product for animals is enough to raise a smile—or, if they have taken offense, to suffer in silence. Not so plaintiff Tommy Hilfiger Licensing, Inc., which sues for trademark infringement, trademark dilution, false designation of origin, false advertising, and related claims under New York statutory and common law. Defendant moves for summary judgment. For the reasons stated below, defendant’s motion is granted.

I.

The following facts are not in dispute. Tommy Hilfiger Licensing, Inc. (“Hilfiger”) is the owner of the world-famous TOMMY HILFIGER and flag design trademarks used in connection with the sale of numerous high-end products, including fragrances. The flag design mark is comprised of a combination of red, white, and blue geometric shapes. These marks are federally registered, and several of those registrations have achieved incontestable status pursuant to 15 U.S.C. § 1065.



In 1995, Nature Labs began developing its line of parody perfume products for use on pets. Nature Labs’ initial spoof of Hilfiger was called Tommy Holedigger and had a flag-shaped label with side-by-side red and white squares bordered on top and bottom by a blue stripe with white letters. Hilfiger complained that this use infringed its marks. Nature Labs then changed the name to Timmy Holedigger and changed the label to its present form: inverted side-by-side yellow and red triangles bordered on top and bottom by a blue stripe with white letters. Beneath the new logo design, the following phrase appears: “If You Like Tommy Hilfiger Your Pet Will Love Timmy Holedigger.” Although neither party claims to have performed a disciplined olfactory comparison or chemical analysis, John Harris, the general partner of Nature Labs, testified at his deposition that the two scents are similar, based on his recollection of Hilfiger cologne. An

asterisk following the words “Tommy Hilfiger” references a disclaimer in red type on the back label, which states, “This imitation fragrance is not related to Tommy Hilfiger Licensing, Inc.” Another current version of the product, a two-ounce bottle being marketed primarily to PetCo, changes the flag-shape label to a bone with red and yellow triangles and a thick blue border. Hilfiger persists that these uses constitute unlawful use of its trademarks.

As noted, Nature Labs’ line of animal perfume includes parodies of several designer fragrances. All the parody pet colognes are packaged in the same type of bottle, and Nature Labs’ resellers stock at least three and often more of the pet colognes, displaying them next to one another. The displays Nature Labs provides to its retailers are labeled “famous pet cologne”; some also include the slogan “Strong enough for a man but made for a chihuahua.” Nature Labs sells its products primarily to pet stores and gift shops, where they retail at approximately \$10.00 per four-ounce bottle. ...



II.

A. Trademark Infringement, False Designation of Origin, and Unfair Competition

The central issue in an action for trademark infringement or false designation of origin under the Lanham Act is whether the unauthorized use of the mark is “likely to cause confusion.” 15 U.S.C. § 1114(1); 15 U.S.C. § 1125(a)(1)(A). Confusion exists where there is a “likelihood that an appreciable number of ordinary prudent purchasers” will be misled or confused as to the source of the goods in question, *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir.1978), or where consumers are likely to believe that the mark’s owner sponsored, endorsed, or otherwise approved of the defendant’s use of the mark, *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204–05 (2d Cir.1979). The court’s conclusion as to whether there is a likelihood of confusion also determines plaintiff’s common-law trademark infringement and unfair competition claims. ...

... Hilfiger points out that when asked at his deposition whether his product was intended to make any comment about Hilfiger, Hilfiger products, or Hilfiger customers, John Harris, the general partner of Nature Labs, said no. Harris did, however, testify that he was intending to create a “parody ... target[ing] ... Tommy Hilfiger,” “a fun play on words,” or “spoof ... [t]o create enjoyment, a lighter side.” Although

Harris had difficulty expressing the parodic content of his communicative message, courts have explained that:

Trademark parodies ... do convey a message. The message may be simply that business and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark. The message also may be a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner.

See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir.1987); see also *Anheuser–Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir.1992) (quoting *id.*). One can readily see why high-end fashion brands would be ripe targets for such mockery, and why pet perfume is a clever vehicle for it. Even if not technically a parody, Nature Labs' use is at least a pun or comical expression—ideas also held to be entitled to First Amendment protection. . . .

... [B]ecause the mark is being used at least in part to promote a somewhat non-expressive, commercial product, the First Amendment does not extend to such use, or to the extent that it does, the balance tips in favor of allowing trademark recovery, if in fact consumers are likely to be confused. See *Harley–Davidson*, 164 F.3d at 812–13; *United We Stand Am., Inc., v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 93 (2d Cir.1997); *Schieffelin & Co. v. Jack Co. of Boca*, 850 F.Supp. 232, 249 n. 9 (S.D.N.Y.1994). When a parodist makes trademark use of another's mark, it should be entitled to less indulgence, even if this results in some residual effect on the free speech rights of commercial actors.

Nevertheless, even without recourse to the First Amendment, Nature Labs' comical adaptation is still relevant to the extent that the joke is clear enough to result in no confusion under the statutory likelihood of confusion analysis. In such cases, "parody is not really a separate 'defense' as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to source, sponsorship or approval." *Schieffelin*, 725 F.Supp. at 1323. In determining whether there is a likelihood of confusion, courts in this Circuit are guided by the eight-factor test articulated by Judge Friendly in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir.1961). ...

1. Strength of Plaintiff's Mark

It is undisputed that plaintiff's mark is widely recognized. In the usual trademark case, a strong mark is a factor pointing toward a likelihood of confusion. However, "[w]here the plaintiff's mark is being used as part of a jest ... the opposite can be true." *Yankee Publ'g*, 809 F.Supp. at 273; see also *N.Y. Stock Exch.*, 69 F.Supp.2d at 484 (citing *Hormel Foods*, 73 F.3d at 502–03). "The strength and recognizability of the mark may make it easier for the audience to realize that the use is a parody and a joke on the qualities embodied in trademarked word or image." McCarthy on Trademarks and Unfair Competition § 31:153 (4th ed. 2001). That is, it is precisely because of the mark's fame and popularity that confusion is avoided, and it is this lack of confusion that a parodist depends upon to achieve the parody. See *Hormel Foods*, 73 F.3d at 503; *Schieffelin*, 850 F.Supp. at 248. ("Certainly it is unremarkable that [defendant] selected as the target of parody a readily recognizable product; indeed, one would hardly make a spoof of an obscure or unknown product!"). In the present case, Nature Labs' adaptation of Hilfiger's famous mark likely allows consumers both immediately to recognize the target of the joke and to appreciate the obvious changes to the marks that constitute the joke. A distinctive mark will not favor plaintiff in these circumstances.

2. Similarity of the Marks

The marks are undeniably similar in certain respects. There are visual and phonetic similarities between the words "Tommy Hilfiger" and "Tommy Holedigger" or even "Timmy Holedigger." Nature

Labs admits that its logo deliberately mimics Hilfiger's and is based upon the Hilfiger mark. It is necessary for the pet perfume to conjure up the original designer fragrance for there to be a parody at all. However, a parody also relies on "equally obvious dissimilarit[ies] between the marks" to produce its desired effect. *Tetley, Inc. v. Topps Chewing Gum, Inc.*, 556 F.Supp. 785, 790 (E.D.N.Y.1983). "If the difference in wording or appearance of the designation together with the context and overall setting is such to convey to the ordinary viewer that this is a joke, not the real thing, then confusion as to source, sponsorship, affiliation, or connection is unlikely." McCarthy § 31:155. Here, "the very broadness of the joke is a measure of the difference" between Hilfiger's marks and Nature Labs' pet perfume. *Tetley*, 556 F.Supp. at 790. The whimsical substitution of the dog-related pun, "Holedigger," on dog perfume, and in some versions, the use of the bone-shaped logo, clearly convey a joking variation on the original. In addition to these changes, there are further alterations to the Hilfiger trademarks on both the early and current pet perfume label designs. In the original "Tommy Holedigger" label, the red and white square are reversed and a different font is used. In the current version, "Tommy" is changed to "Timmy," and the colors and shapes are revised: the red and white squares are changed to red and yellow triangles. These changes reinforce the imitative, yet comedic scheme inherent in a humorous takeoff.

"Moreover, an inquiry into the degree of similarity between the two marks does not end with a comparison of the marks themselves." *Hormel Foods*, 73 F.3d at 503 (citation omitted). One must also look to context, because "the setting in which a designation is used affects its appearance and colors the impression conveyed by it." *Id.* As noted, the marks in this case appear on pet perfume, a product which itself underscores the parody or pun captured in the label. Further, the packaging of the product bears headings or slogans that highlight the intended silliness. These include: "famous pet perfume"; "Strong enough for a man, but made for a chihuahua"; "T. Holedigger keeps your best friend smelling fresh and clean"; "If You Like Tommy Hilfiger, Your Pet Will Love Timmy Holedigger." As another Court put it, "such broad satirical adaptation draws a heavy line between itself and the object of satire." *Tetley*, 556 F.Supp. at 785. The last of the above-listed slogans also references a statement in red print on the back of the product that explicitly disclaims any relation between defendant and Tommy Hilfiger. Finally, the Tommy/Timmy Holedigger product is always presented to the consumer along with a variety of other parody pet colognes, such as CK-9 and Pucci, each appearing in an identically shaped bottle. As Nature Labs argues, this context immediately reinforces the message that the perfumes are a parody, and that they come from a single source rather than the multiple sources of the parodied marks.

Taken as a whole and in context, as it should be for a fair evaluation, Nature Labs' presentation accomplishes what the Second Circuit has said it must: "A parody must convey two simultaneous—and contradictory messages—that it is the original but also that it is not the original and is instead a parody." *Cliffs Notes*, 886 F.2d at 494. Because the parody is sufficiently strong, the similarities between the marks are outweighed by the differences, and do not contribute to a likelihood of confusion.

3. Proximity of the Products

Although an action for trademark recovery is not limited to cases involving competing products, courts are most vigilant to guard against a likelihood of confusion when the plaintiff and defendant use their marks on directly competing products. See, e.g., *Polaroid*, 287 F.2d at 495–498. This is true both generally and in particular as to parodies. Thus, even where the use is humorous, courts have shown little tolerance where the mark is used on a competing product. See, e.g., *Harley-Davidson*, 164 F.3d at 812–13 ("We have accorded considerable leeway to parodists whose expressive works aim their parodic commentary at a trademark or trademarked product, but have not hesitated to prevent a manufacturer from using an alleged parody of a competitor's mark to sell a competing product."); *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F.Supp. 838, 839–40 (S.D.N.Y.1977) (GUCCI GOO diaper bag found to infringe GUCCI tote bags); *Nabisco Brands, Inc. v. Kaye*, 760 F.Supp. 25 (D.Conn.1991) (A2 steak sauce held to infringe A1 steak sauce); cf. *N.Y. Stock Exch.*, 69 F.Supp.2d at 493 (distinguishing other cases on the basis that this case "involves some degree of satiric expression by a non-competitor"); *Deere*, 41 F.3d at 44 (noting that joking

uses of trademarks are deserving of less protection when the object of the joke is the mark of a directly competing product).

Hilfiger urges that its own cologne and the pet cologne fall within the same general class—fragrances—and thus are in competitive proximity. Hilfiger further cites testimony that the Holedigger product was created to smell like Hilfiger’s fragrances, and is marketed by comparative advertising, to support a professed concern that the pet perfume may serve as a market substitute for its own product. This argument simply does not withstand scrutiny. The products in fact do not compete, and they occupy distinct, non-overlapping markets. Because pet perfume is for use on pets, not humans, the products “differ in essential character.” *Recot Inc. v. Becton*, 2000 WL 1367190, 56 U.S.P.Q.2d 1859, 1861 (2000). Moreover, pet perfume, in its very conception, is a novelty item, a parody of an actual product, for which there is no market independent of the parody. As one Court has noted, “[c]ases involving novelty items are the best examples of parody precluding any possibility for consumer confusion.” *Schieffelin*, 725 F.Supp. at 1324. Even if there is a connection between fragrances for pets and humans, or even if a dense and humorless consumer could mistakenly conclude that plaintiff itself sponsored the humorous line of fragrances, plaintiff’s and defendant’s products are sold in different kinds of stores—the former in department or designer stores, the latter in pet stores or gift shops—at markedly different prices. See *Tetley*, 556 F.Supp. at 790–91. It is thus plain that the products do not have the market proximity to one another that could create a likelihood of confusion.

4. *Likelihood Plaintiff Will Bridge the Gap*

Plaintiff has presented no evidence that it is likely to bridge the gap and offer a pet perfume like defendant’s, and the evidence does not suggest that the purchasing public would attribute such an enterprise to plaintiff. “In view of [plaintiff’s] concern that [defendant’s] use of [plaintiff’s] marks may tarnish them, it would be surprising if [plaintiff] had such plans.” *N.Y. Stock Exch.*, 69 F.Supp.2d at 485. This factor cannot favor Hilfiger.

5. *Actual Confusion*

Nor is there evidence of actual confusion in this case. This is not surprising, as a review of the factors thus far shows that the character and context of Nature Labs’ products quickly dispels any confusion. Although actual confusion need not be shown for a plaintiff to prevail, “[i]f consumers have been exposed to two allegedly similar trademarks in the marketplace for an adequate period of time and no actual confusion is detected either by survey or in actual reported instances of confusion, that can be powerful indication that the junior trademark does not cause a meaningful likelihood of confusion.” *Id.* (quoting *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 228 (2d Cir.1999)). Where, as here, a product has been on the market for several years, the absence of evidence on this point is considered “a very significant deficiency.” *Yankee Publ’g*, 809 F.Supp. at 274. Here, it is also significant that Nature Labs now parodies at least 13 other designer brands, not one of which has complained about consumer confusion. See *Tetley*, 556 F.Supp. at 790. That loud silence gives rise to only one inference: consumers have not been confused.

6. *Defendant’s Bad Faith*

Plaintiff cites Nature Labs’ intentional copying of Hilfiger’s marks as evidence that defendant acted in bad faith. That evidence, however, does not show that defendant acted with the intent relevant in trademark cases—that is, an intent to capitalize on consumer deception or hitch a free ride on plaintiff’s good will. See *N.Y. Stock Exch.*, 293 F.3d 550, 556 n. 1; *Yankee Publ’g*, 809 F.Supp. at 275. Although it is true that the deliberate adoption of a similar mark may give rise, in the usual case, to a presumption that the copier intended to confuse consumers, in the case of parody, “the intent is not necessarily to confuse the public but rather to amuse”:

In one sense, a parody is an attempt to derive benefit from the reputation of the owner of the mark, if only because no parody could be made without the initial mark. The benefit to the one making the parody, however, arises from the humorous association, not from public confusion as to the source of the marks.

Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1486 (10th Cir.1987) (holding that LARDASHE mark on jeans for oversized women was an intentional parody of JORDACHE, but finding no intent to confuse); accord *Anheuser–Busch*, 962 F.2d at 321–22. The commercial success of a parodist’s product is attributable to consumers who purchased because “they were amused by the cleverness of its design,” and not because they believed it to be the original. *Anheuser–Busch*, 962 F.2d at 322. Of course, confusion can exist despite the intent to create a parody. “[The] single concern here, however, is whether an intent to parody an existing trademark supports an inference of a likelihood of confusion.... [I]t does not. An intent to parody is not an intent to confuse the public.” *Jordache*, 828 F.2d at 1486.

7. *Quality of Defendant’s Product*

The next factor in the Polaroid analysis can cut either way, depending on the product involved. “An inferior product may cause injury to the plaintiff trademark owner because people may think that the senior and junior user came from the same source; or ... products of equal quality may tend to create confusion as to source because of this very similarity.” *Hormel Foods*, 73 F.3d at 505. In any event, there is no evidence in this case regarding the quality of defendant’s product.

8. *Sophistication of Consumers*

The final factor to be considered is the sophistication of the consumers and the degree of care likely to be exercised in purchasing the product. This factor also fails to assist plaintiff. Although the record does not disclose the exact price of Hilfiger’s product, both sides agree that it is a “high-end” designer fragrance. The substantial price associated with such goods “requires buyers to exercise care before they part with their money, and such sophistication generally militates against a finding of confusion.” *Charles of the Ritz*, 832 F.2d at 1323. It is also counterintuitive that buyers of any sophistication will “impulse buy” a bottle of pet perfume priced at \$10.00 a bottle. “To the extent that a shopper might make such a purchase, it would likely be after viewing the bottle carefully, grasping the joke, and seeking to share it with others.” *Schieffelin*, 850 F.Supp. at 250; see also *id.* (“This case is not one where unsophisticated customers may fall prey to similar marks of inexpensive products that are in competitive proximity with each other.”) Because defendant’s “theme and pun on the [Hilfiger] marks are obvious, even a minimally prudent customer would not be confused by the source or affiliation of [defendant’s products]. The purchasing public must be credited with at least a modicum of intelligence.” *N.Y. Stock Exch.*, 69 F.Supp.2d at 487.

An analysis of the foregoing factors yields the conclusion that there is no triable issue of fact on the likelihood of confusion. Rather, defendant’s use of the mark is an obvious parody or pun, readily so perceived, and unlikely to cause confusion among consumers. Compare *N.Y. Stock Exch.*, 293 F.3d 550 (granting defendant summary judgment on infringement claims because a Las Vegas casino’s use of “New York Slot Exchange” on a replica of the Stock Exchange was an “obvious pun and would not cause any confusion among consumers”), *Hormel Foods*, 73 F.3d 497 (holding that the Muppet puppet “Spa’am” was an obvious parody of the luncheon meat SPAM and thus not likely to cause confusion), *Tetley*, 556 F.Supp. 785 (concluding that “Wacky Pack” sticker featuring “Petley Flea Bags” was a heavy-handed parody of TETLEY tea bags unlikely to cause confusion), with *Schieffelin*, 850 F.Supp. 232 (finding DOM POIGNON popcorn was not a sufficiently strong parody of DOM PERIGNON champagne to avoid confusion, and explaining “[t]his conclusion is compelled in large measure by the evidence of actual confusion”).

Hilfiger fails to see the humor in all of this. In support of its dour position on the subject, it cites two

opinions in which dog treats parodying human food items were found to infringe on the owner's marks. See *Recot*, 2000 WL 1367190, 56 U.S.P.Q.2d 1859 (refusing to register the mark FIDO-LAY for dog treats because of the likelihood of confusion with FRITO-LAY (but “confess[ing] that [they] have at least some doubt about [their] conclusion”)); *Grey v. Campbell Soup Co.*, 650 F.Supp. 1166 (C.D.Cal.1986) (DOGIVA dog biscuits held to infringe GODIVA chocolates), *aff'd*, 830 F.2d 197 (9th Cir.1987) (unpublished table decision). I find these cases distinguishable on at least three relevant grounds: first, the dog and human products in those cases were both offered for sale in the same retail establishments; second, unlike Grey, there is no evidence of actual confusion in this case; and third, dog treats are not inherently a parody item as pet perfume is. To the extent these cases are on point, I respectfully disagree with them.

Hilfiger, and perhaps some others, would do well to read McCarthy on the subject: “No one likes to be the butt of joke, not even a trademark. But the requirement of trademark law is that a likely confusion of source, sponsorship, or affiliation must be proven, which is not the same thing as a ‘right’ not to be made fun of.” McCarthy § 31:155; see also *Anheuser-Busch*, 962 F.2d at 322 (“The purpose of the Lanham Act is to eliminate consumer confusion, not to banish all attempts at poking fun or eliciting amusement... [or] deprive the commercial world of all humor and levity.”). Although Hilfiger is unamused, it has not offered evidence on the issue of confusion that would justify denying Nature Labs’ motion for summary judgment. That motion therefore is granted....

Page 762. Delete Questions 1 and 2 and replace with new Questions 1 and 2.

1. Does it matter whether the parody is funny? Can factfinders avoid imposing their own senses of humor when evaluating whether a parody “succeeds” in distinguishing itself from the original?

2. In *Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Group, Inc.*, 886 F.2d 490 (2d Cir. 1989), involving a Spy Magazine parody of the Cliff’s Notes study guides, the Second Circuit acknowledged that the effectiveness of a parody lies in its ability to engender initial confusion between the parody and the parodied subject. So long as the initial misimpression is dispelled, then there is no actionable confusion. In *Cliffs Notes*, the parodist adopted a variety of disclaimers, which the court found sufficient to alleviate confusion. So did the court in *Tommy Hilfiger*, but in a footnote it commented that disclaimers may not work if the use is truly confusing. Under what circumstances and why would you advise your parodist clients to incorporate disclaimers?

Page 762. Correct typographic error in editorial footnote.

[Editors’ Note: A decade later, Mattel in fact licensed the Barbie Girl song for advertisements for the doll. See Stuart Elliott, Years Later Mattel Embraces “Barbie Girl,” New York Times, August 26, 2009 4:30 pm, <https://mediadecoder.blogs.nytimes.com/2009/08/26/years-later-mattel-embraces-barbie-girl/>.]

Page 763-64. Delete Question 4.

Page 764. Renumber current question 5 as 6. Add new questions 4 and 5:

4. Vans makes a well-known skate shoe:



Art collective/provocateur MSCHF produces a sneaker, the Wavy Baby, that is not particularly useful for walking or skating:



It argues, among other things, that the shoe is a parody of the Vans shoe. Should its argument succeed? *See Vans, Inc. v. MSCHF Prod. Studio, Inc.*, 88 F.4th 125 (2d Cir. 2023).

5. Should parody need to criticize the trademark owner? Does copyright's distinction between parody (which comments on the original) and satire (which comments on something else using the original as its medium) have relevance to trademark law? Or is mockery itself, whether justified or irrelevant, sufficient to avoid likely confusion? Consider the logo of Trader Joe's, a grocery store, compared to t-shirts sold by an unrelated entity:





Is either T-shirt a successful parody? See *Trader Joe's Co. v. T-Shirt at Fashion LLC*, No. 23-cv-03010 (C.D. Cal. filed Apr. 20, 2023).

3. Trademarks as Speech

Page 773. Add to Question 2:

Compare *Girl Scouts of U.S. v. Boy Scouts of America*, 2022 U.S.P.Q.2d (BNA) 326 (S.D.N.Y. 2022) (finding that Boy Scouts' adoption of "Scouts" and "Scouting" in connection with gender-neutral programs, including girls, did not infringe Girl Scouts' marks).

Page 774. Add new Question 5:

5. If a speaker impersonates a commercial entity in order to achieve a noncommercial benefit, should the Lanham Act cover the conduct? In *AdoreMe, Inc. v. Watson*, 2020 WL 5769083 (C.D. Cal. Jul. 14, 2020), the defaulting defendant pretended to be a talent scout in order to obtain nude and intimate photos from women. The court refused to grant a default judgment because the requisite connection to some kind of commercial act was lacking. Cf. *Arizona Bd. of Regents v. Doe*, 2022 WL 1514649 (9th Cir. May 13, 2022) (defaulting defendant who ran @ASU_covid.parties Instagram account, from which they disparaged Arizona State University policies and personnel and made other unbelievable claims, was not plausibly engaged in commercial activity despite a statement on the account that Doe was a "party planner"). Does the Supreme Court's focus on "indication of source" in *Jack Daniel's* counsel any different result?

Chapter 9

Dilution

B. Federal Dilution

1. Statutory Standards

a. Fame

Page 819. Continuing the discussion of *Tivo Brands*, add before *Questions*:

In another opposition proceeding, the online music service SPOTIFY opposed registration of POTIFY for “downloadable software for use in searching, creating and making compilations, rankings, ratings, reviews, referrals and recommendations relating to medical marijuana dispensaries . . .” as well as for clothing, and for computer services in creating an online community for its registered users. See *Spotify AB v. U.S. Software Inc.*, 2022 U.S.P.Q.2d (BNA) 37 (T.T.A.B. 2022). In finding the requisite fame, the Board emphasized internet sources:

Opposer has been incredibly successful. In fact, within a few years of expanding to the United States, and before Applicant’s first use of its marks, Opposer’s “Monthly Active Users” (“MAUs”) represented a sizable percentage of the entire United States population. And, by 2020, the number of Opposer’s MAUs had multiplied to a number that could not be attained absent a level of popularity and consumer recognition rarely if ever seen in Board cases. Opposer’s SPOTIFY mobile apps are “consistently” among “the top apps downloaded in the Apple App Store or Google Play Store.”

These are far from the only indicia that the pleaded SPOTIFY mark is widely recognized and exceedingly famous in the United States. Opposer has 23.3 million “likes” on Facebook, 5.3 million followers on Instagram, 3.5 million Twitter followers, 1 million followers on LinkedIn and 1 million subscribers on YouTube.

. . . .

Some of Opposer’s promotional efforts have been both unique and highly successful. For example, when President Obama joked that he hoped to work for Opposer after leaving the White House, “Spotify created a job post in January 2017 titled ‘President of Playlists’ with credentials that could only be met by President Obama.” This marketing tactic became “the number one trending moment on Twitter, and claimed the number one spot on Reddit. In under a week, Spotify received 14 million visits to its website and over 900 job applications.”

In addition, recording artists such as Taylor Swift, Lorde, The Weeknd, Lady Gaga, Kendrick Lamar and The Black Keys engage with their fans by making Spotify playlists, and Michelle Obama, Joe Rogan and Kim Kardashian West “have signed exclusive podcast partnership deals with Spotify.”

b. Blurring

Page 836. Add to the end of Question 2:

For an example of a decision in which a finding of no likelihood of confusion in a Section 2(d) opposition to registration probably drove the rejection of a blurring challenge as well, see *DC Comics v. Cellular Nerd LLC*, 2022 U.S.P.Q.2D (BNA) 1249 (Dec. 20, 2022). There, applicant Cellular Nerd sought to register the following design for computer installation, maintenance and repair services:



DC Comics opposed on the grounds that consumers would likely confuse the shield portion of the design with the Superman shield mark:



The Board dismissed the opposition; despite the S-Shield's strength and fame as a mark, and its widespread licensing, "the differences in the marks outweigh their similarities, and because the goods and services are not related and are offered in different channels of trade to different classes of consumers, we find that . . . Applicant's services were too remote and dissimilar to Opposer's entertainment services." Turning to dilution, the Board did not acknowledge Applicant's mark's obvious reference to Superman; rather, it somewhat implausibly asserted that it was not persuaded "that Applicant intended to create an association with Opposer's 'S' shield design marks when it created its CELLULAR NERDS mark," and that "There is no evidence of any actual association between Applicant's mark and Opposer's 'S' shield design marks." Although the Board recognized that a section 2(d) analysis of likelihood of confusion is distinct from an inquiry into blurring, it nonetheless concluded, "just as we found that Applicant's mark is not similar to Opposer's 'S' shield design marks for purposes of likelihood of confusion, we find that Applicant's mark is not similar enough to Opposer's asserted marks for purposes of dilution."

Underlying the Board's analysis is an unstated distinction between referencing a famous mark (as

Applicant's CN shield mark clearly was), and giving rise to an actionable "association" between the marks. In its discussion of likelihood of confusion, the Board observed:

Having proven that its "S" shield design marks are commercially strong or famous, the factor of fame alone is not sufficient to establish likelihood of confusion. If that were the case, having a famous mark would entitle the owner to a right in gross, and that is against the principles of trademark law.

A dilution claim, however, may come close to establishing rights in gross, since the claim requires neither a showing of likelihood of confusion, nor of direct competition between the mark owner's goods or services and the later adopter's goods or services. The *Charbucks* district court, on remand, endeavored to interpret the meaning of "association" in a way that would avoid granting famous marks rights in gross. How do you think that court would have ruled had DC Comics brought a dilution action against Cellular Nerds?

Page 839. c. Tarnishment, add after *Nordstrom*:

For a recent contrary example, see *Abbott Laboratories v. Revitalyte*, 744 F.Supp.3d 894 (D. Minn. 2024) (Abbott plausibly alleged that Revitalyte diluted the famous 'Pedialyte' trademark by associating it with alcohol hangover remedies marketed in a vulgar manner, tarnishing Pedialyte's reputation as a children's rehydration aid).

d. Parody

Page 843. Add new Question and case before *Louis Vuitton Malletier v. Haute Diggity Dog*.

8. Recall that in *Matal v. Tam*, *supra*, Chapter 4.C, the Supreme Court invalidated Lanham Act section 2(a)'s bar to registration of marks that "disparage . . . or bring . . . into contemp[t] or disrepute" any "persons, living or dead" as viewpoint discrimination impermissible under the first amendment. Justice Alito characterized the provision as "a happy-talk clause." Might the same be said of section 43(c) tarnishment claims? Is there a difference between disparagement and tarnishment that makes the latter less susceptible to first amendment challenge? Or, if anything, does tarnishment's arguably broader condemnation of association of the mark with things unpleasant or unpalatable, such as dog feces in *Jack Daniel's v. VIP Prods.*, *supra* Chapter 8.C.1, and immediately below, render a tarnishment claim even more suspect? On remand in *Jack Daniel's v. VIP Prods.*, the district court certified to the U.S. Attorney General the following question: "Does the Lanham Act provision authorizing injunctive relief in cases of trademark dilution by tarnishment, 15 U.S.C. § 1125(c)(2)(C), violate the First Amendment to the United States Constitution because its reliance on whether the trademark use 'harms the reputation of the famous mark' constitutes impermissible viewpoint discrimination?" *VIP Prods. v. Jack Daniel's*, No. CV-14-02057-PHX-SMM (N.D. Cal. April 10, 2024). VIP argued that the provision was "a paradigm of viewpoint based discrimination: speech that burnishes is permissible, while speech that tarnishes is subject to injunction regardless of any harm." Opening Brief of Defendant VIP Products LLC, No. 2:14-cv-02057-SMM at 11 (filed Feb. 16, 2024). Do you agree?

Jack Daniel's Props. v. VIP Prods. LLC, 599 U.S. 140 (2023). The facts are set out in Chapter 8.C.1, *supra*, this Supplement.

Our second question, more easily dispatched, concerns Jack Daniel's claim of dilution by tarnishment (for the linkage of its whiskey to less savory substances). Recall that the Ninth Circuit dismissed that claim based on one of the Lanham Act's

“[e]xclusions” from dilution liability—for “[a]ny noncommercial use of a mark.” §1125(c)(3)(C). On the court’s view, the “use of a mark may be ‘noncommercial’ even if used to sell a product.” 953 F. 3d, at 1176 (internal quotation marks omitted). And VIP’s use is so, the court continued, because it “parodies” and “convey[s] a humorous message” about Jack Daniel’s. *Id.*, at 1175-1176. We need not express a view on the first step of that reasoning because we think the second step wrong. However wide the scope of the “noncommercial use” exclusion, it cannot include, as the Ninth Circuit thought, every parody or humorous commentary.

To begin to see why, consider the scope of another of the Lanham Act’s exclusions—this one for “[a]ny fair use.” As described earlier, the “fair use” exclusion specifically covers uses “parodying, criticizing, or commenting upon” a famous mark owner. §1125(c)(3)(A)(ii). But not in every circumstance. Critically, the fair-use exclusion has its own exclusion: It does not apply when the use is “as a designation of source for the person’s own goods or services.” §1125(c)(3)(A). In that event, no parody, criticism, or commentary will rescue the alleged dilutor. It will be subject to liability regardless.

The problem with the Ninth Circuit’s approach is that it reverses that statutorily directed result, as this case illustrates. Given the fair-use provision’s carve-out, parody (and criticism and commentary, humorous or otherwise) is exempt from liability only if not used to designate source. Whereas on the Ninth Circuit’s view, parody (and so forth) is exempt always—regardless whether it designates source. The expansive view of the “noncommercial use” exclusion effectively nullifies Congress’s express limit on the fair-use exclusion for parody, etc. Just consider how the Ninth Circuit’s construction played out here. The District Court had rightly concluded that because VIP used the challenged marks as source identifiers, it could not benefit from the fair-use exclusion for parody. The Ninth Circuit took no issue with that ruling. But it shielded VIP’s parodic uses anyway. In doing so, the court negated Congress’s judgment about when—and when not—parody (and criticism and commentary) is excluded from dilution liability.

Recall that the Supreme Court acknowledged the possibility that a trademark parody used as a mark might be found non confusing (see Chapter 8.C.1, *supra*, this Supplement). Similarly, in excluding a blanket exclusion from dilution liability for those parodies under the “noncommercial use” exception, the court left open a front-end defense that the challenged mark’s humorous treatment neither blurs nor tarnishes the targeted mark. For successful and unsuccessful examples of such a showing, consider the following decisions, all rendered before *Jack Daniels*’.

On remand, **VIP Products LLC, v. Jack Daniel’s Properties Incorporated**, 2025 WL 275909 (D. Ariz. 2025), the District of Arizona addressed the defendant’s speech interests in disseminating a dog toy parody of the Jack Daniels’ trade dress.

While the Supreme Court did reverse the Ninth Circuit’s determination that heightened First Amendment protections applied to “Bad Spaniels,” the Supreme Court did not alter the Lanham Act’s trademark dilution framework that this Court applied in its 2018 Order. On tarnishment, the Supreme Court found only that this Court had correctly concluded that VIP’s source-identifying use of the “Bad Spaniels” mark could not benefit from the statute’s fair-use exclusion for parody. 599 U.S. at 152.

Now on remand, VIP raises an unequivocal First Amendment challenge to the Lanham Act’s prohibition on trademark dilution by tarnishment, arguing that the Supreme Court’s recent decisions in *Matal v. Tam*, 582 U.S. 218 (2017) and *Iancu v. Brunetti*, 588

U.S. 388 (2019) compel the conclusion that the statute amounts to unconstitutional viewpoint discrimination by enjoining the use of a mark that “harms the reputation” of a famous mark. 15 U.S.C. § 1125(c)(2)(C). However, VIP did not raise this cause of action before the Court prior to the Court’s 2018 judgment, nor on subsequent appeal to the Ninth Circuit, raising serious questions as to whether VIP has waived its claim. VIP did raise the issue of constitutionality in its merits brief to the United States Supreme Court in 2023, suggesting that a narrow reading of the statute’s exceptions would run afoul of the First Amendment but positing that “[t]he Court need not resolve” the matter of whether the statute discriminates on viewpoint “because the statute provides (i) an exclusion for ‘[a]ny noncommercial use of a mark,’ and (ii) an exclusion for ‘[a]ny fair use..., including...parodying’ the famous mark or its owner[.]” The Supreme Court did adopt a narrower interpretation of the statute’s exceptions for noncommercial use, reversing the Ninth Circuit, but did not address VIP’s arguments as to viewpoint discrimination.

However, the court ruled that VIP had waived its First Amendment challenge by not raising it in the pleadings: “The First Amendment is far from a new or unexpected factor in this litigation—in fact, VIP maintained throughout this case that ‘Bad Spaniels’ was entitled to sweeping First Amendment protections under the Lanham Act’s fair use exclusion—but never did VIP amend its pleadings to raise a First Amendment challenge to the statute.”

On tarnishment, the court found that

[b]ecause Jack Daniel’s produces a product intended for human consumption, association of Jack Daniel’s marks with something like dog feces is particularly detrimental. While it is obviously true that “Bad Spaniels” does not actually contain dog feces and consumers would not believe that it does, the fact remains that “Bad Spaniels” creates an association between dog feces and Jack Daniel’s by way of referencing dog feces in substitution for Jack Daniel’s listed qualities. VIP’s use of “The Old No. 2 on your Tennessee carpet” in place of “Old No. 7 Tennessee Sour Mash Whiskey,” together with VIP’s replacement of “40% alcohol by vol. (80 proof)” with “43% poo by vol.” and “100% smelly” create unsavory associations that denigrate Jack Daniel’s marks and undermine the positive associations that Jack Daniel’s has taken considerable expense to create.

...

The Court thus finds that Jack Daniel’s has demonstrated by a preponderance of the evidence all of the elements necessary for a claim of dilution by tarnishment: fame, similarity, and reputational harm, caused by the association of VIP’s use of “Bad Spaniels” with Jack Daniel’s trademarks and trade dress.

By contrast, the court found that VIP’s parody product was not likely to cause confusion:

beginning the *Sleekcraft* evaluation with the premise that a successful parody is unlikely to be confusing, the Court finds that Jack Daniel’s has not shown by a preponderance of the evidence that VIP’s “Bad Spaniels” toy creates a likelihood of confusion. The foremost concern of trademark infringement is consumer confusion as to source, and, when accounting for parody, the Court cannot conclude based on the *Sleekcraft* factors that consumer confusion is likely.

As a result, this case is one of the rare examples of a court rejecting a confusion-based trademark infringement claim, yet finding actionable dilution. The court recognized this apparent anomaly:

“Bad Spaniels” finds itself in the category of a non-confusing parody product that is

nonetheless impermissible under the Lanham Act's cause of action for tarnishment. This divergent result arises because the considerations under the Lanham Act's cause of action for trademark infringement and trademark dilution are distinct; liability for trademark infringement "protects the prior user of a mark from the potential diversion of trade or harm to reputation that results when purchasers are confused as to the source or sponsorship of goods or services bearing the mark[.]" whereas "antidilution statutes protect against ... dilution of the distinctiveness and the selling power of a mark." Restatement (Third) of Unfair Competition, § 25 (1995). As further explained in the Restatement,

Tarnishment and dilution of distinctiveness, although conceptually distinct, both undermine the selling power of a mark, the latter by disturbing the conditioned association of the mark with the prior user and the former by displacing positive with negative associations. Thus, tarnishment and dilution of distinctiveness reduce the value of the mark to the trademark owner.

Ibid. Thus, a parodic product that does not create confusion as to its source may still, by way of the irreverent message qualifying it as a parody in the first instance, create negative associations and reduce the value of the famous mark to its owner. Such is the case here.

If you were to make the First Amendment argument that VIP apparently waived, what would you contend? Do First Amendment considerations weigh differently depending on whether the alleged trademark violation stems from likelihood of confusion, or from blurring, or from tarnishment? Is tarnishment "viewpoint neutral"?

Pages 851-54. Delete the excerpt of the Ninth Circuit decision in *Jack Daniel's Props. v. VIP Prods. LLC* and the Questions following.

Pages 856-58. Delete the excerpt of the TTAB decision in *New York Yankees Partnership v. IET Products and Services, Inc.*, and the Questions following.

Pages 858-61. Delete the Dogan-Lemley excerpt and the Question following.

Chapter 10

False Advertising

A. Commercial Advertising or Promotion

Page 879. Add to the end of current Question 1:

Relatedly, does *Dastar* preclude a lawsuit based on the theory that the defendant’s advertising of its basketballs as “innovative” deceived consumers into believing that it was the originator of the relevant technology? The Federal Circuit held in *Baden Sports, Inc. v. Molten USA, Inc.*, 556 F.3d 1300 (Fed. Cir. 2009), that it did. The court reasoned that “authorship, like licensing status, is not a nature, characteristic, or quality, as those terms are used in Section 43(a)(1)(B) of the Lanham Act.” *See also Sybersound Recs., Inc. v. UAV Corp.*, 517 F.3d 1137 (9th Cir. 2008) (similar). By contrast, in *Crocs, Inc. v. Effervescent, Inc.*, 119 F.4th 1 (Fed. Cir. 2024), the Federal Circuit reasoned that allegedly false descriptions of a material used to make a shoe as “patented,” “proprietary,” and “exclusive” were actionable because these advertising statements were linked to the advertiser’s statements about the material’s tangible benefits and thus did concern the nature, characteristics, or qualities of the physical products. Consumers could be deceived into thinking that Crocs’ shoes were different from all other molded footwear. Do you see the difference?

Page 885. Replace Question 1 with the following:

1. The *Gordon & Breach* decision held that in order for representations to constitute “commercial advertising or promotion” under Section 43(a)(1)(B), they must be made by a defendant who is in commercial competition with plaintiff. Courts generally agree that the subsequent decision in *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014), removes the requirement of direct competition from the “commercial advertising or promotion” test, as long as the plaintiff is an entity that has statutory standing (discussed *infra*).

Page 886. Replace Question 6 with the following:

6. Can you think of other kinds of non-advertising activities a company undertakes in support of its goods or services that would constitute “commercial . . . promotion”? That would *not* constitute “commercial . . . promotion”? In a video posted by Kim Kardashian, she offers a tour of the offices of her Skkn by Kim skincare company, in the course of which she states: “These Donald Judd tables are really amazing, and totally blend in with the seats.” Donald Judd was a well-known minimalist artist and furniture maker; although the Donald Judd Foundation does sell tables made in his style, she did not buy the tables and associated chairs from the Foundation. In the subsequent false advertising dispute, does a video tour of a new business count as “commercial . . . promotion”? *See Judd Foundation v. Clements Design, Inc.*, No. 2:24-cv-02496 (C.D. Cal. filed Mar. 27, 2024). Why should false advertising under §43(a)(1)(B) have this limitation when liability under §43(a)(1)(A) does not?

B. Literal Falsehood

Page 902. Add Questions 3-5.

3. Sycamore advertised its bread in Utah as “local,” but baked it out of state. The Tenth Circuit held that, despite a survey purporting to find substantial deception, “local” was not a falsifiable factual claim. *Bimbo Bakeries USA, Inc. v. Sycamore*, 29 F.4th 630 (10th Cir. 2022). According to the court,

the word lacks any specific objective meaning beyond the general concept it conveys. Definitions of ‘local’ and views about whether something is “local” vary wildly, so the word’s usage in marketing can only communicate U.S. Bakery’s position that its products are local. ... Without more, then, the veracity of a locality claim cannot be judged in an empirically verifiable way. Locality is fundamentally subjective. Without any consensus definition of what “local” objectively means, we are unable to conclude that a claim of locality admits of being proven true or false.

How far does this reasoning extend? Could Sycamore bake its bread in Michigan and advertise it as “local” in Utah? Could it bake its bread in Canada and do the same? *Cf. El Paso Disposal, LV. v. Ecube Labs Co.*, 2025 WL 1766310 (W.D. Tex. Jun. 26, 2025) (South Korean company operating from Philippines claimed to offer “local” service in Texas). What if a substantial number of reasonable consumers agree on one definition, while substantial numbers of reasonable consumers don’t have a definition or have other definitions? That is, a survey might find that, to a subset of consumers, the word does have a specific objective meaning. In general, deceiving a substantial number of reasonable consumers suffices for Lanham Act liability. Why is it relevant here that many other consumers are not deceived when it is not relevant in other situations? The court of appeals stated that: “If a statement is not one of fact, it is legally irrelevant whether consumers agree with it.” If a survey cannot prove that “local” is falsifiable, what kinds of claims *are* subject to proof by survey?

4. Builders (and laws) usually require that plywood used in the U.S. be certified. Defendants were certifiers who allegedly knowingly allowed Brazilian plywood mills to use their certification stamps to stamp nonconforming plywood as certified. Defendants argued that certification doesn’t make a specific factual representation about any specific piece of plywood, and that the certification standards, because they were flexible and gave the certifier discretion, were not falsifiable factual claims. *See U.S. Structural Plywood Integrity Coalition v. PFS Corp.*, 2022 WL 898598 (S.D. Fla. Mar. 28, 2022); *U.S. Structural Plywood Integrity Coalition v. PFS Corp.*, 2022 WL 953150 (S.D. Fla. Mar. 30, 2022). The court distinguished a number of other cases finding ratings or “grades” to be nonactionable opinion. The certifications here were not mere “subjective assessments by third-party entities that had no control over market entrants”; they involved “a series of engineering tests susceptible of objective examination” and they were special because uncertified plywood could not legally be sold in the U.S. for construction purposes. Does the control over entry into the U.S. market really make certification more objective and falsifiable? The court analogized to medical licensing boards: A licensing board’s certification decision “isn’t offering an opinion at all: it’s attesting that the aspirant has (objectively) passed its tests, met its standards, or satisfied its prerequisites.” The certifier might be wrong—which is what defendants might have been getting at when they pointed out that certification was inherently based on sampling and was complex—but “the possibility that the certifier might get the tests wrong—or apply the tests improperly—doesn’t somehow render the tests subjective. We can all agree that the answers to questions of math are objective, even if, from time to time, a young student may erroneously believe that two and two is five.” Is this a persuasive analogy to a certification process? Is it consistent with the other cases above?

5. Materiality is not required in trademark cases, but it is required in false advertising cases. What sort of proof of materiality is appropriate? Should it be enough to show that the type of the claim made by the defendant is material to consumers’ decisions, or should a plaintiff have to show that the difference

between the truth and the defendant's advertising is material to consumers? *See Delta T LLC v. MacroAir Technologies, Inc.*, 2022 WL 19827572 (C.D. Cal. Nov. 18, 2022) (holding that expert testimony on materiality of "manufacturers' claims about warranty, performance, reliability, [] safety, and perceived differences between manufacturers' offerings in these areas" was "too broadly-drawn for the false advertising element of materiality"). Which materiality standard was applied in the cases above?

Page 909. Replace Question 1 with the following:

1. The Federal Trade Commission's (FTC's) foundational statute prohibits deceptive and unfair methods of competition. Should the FTC's definitions of what is false or deceptive control in private litigation over literal falsity? FTC studies have found that consumers have a very rigorous definition of Made in the USA, which often does not include products that are assembled in the U.S. out of foreign-made parts, and thus its Made in the USA rule requires further disclosures rather than an unqualified "Made in the USA" or similar label. Should a private litigant be able to rely on these definitions in establishing literal falsity/falsity by necessary implication? *See I Dig Texas, LLC v. Creager*, 98 F.4th 998 (10th Cir. 2024).

C. Misleading Representations

Page 927. Change "Question" to "Questions" and add new Questions 2 and 3.

2. Courts have held that the Lanham Act provides for contributory liability for false advertising as well as for trademark infringement (see Chapter 6.C). *See, e.g., Duty Free Americas, Inc. v. Estee Lauder Cos.*, 797 F.3d 1248 (11th Cir. 2015) (contributory liability requires the plaintiff to show that there was direct false advertising by a third party, and that "the defendant contributed to that conduct either by knowingly inducing or causing the conduct, or by materially participating in it"). How far does this principle extend? Can a noncommercial speaker such as a scientist be held liable for contributory false advertising if a commercial advertiser uses their findings in false advertising? *See ExeGi Pharma, LLC v. Pacifici*, 2022 WL 889275 (N.D. Ga. Mar. 25, 2022).

3. When, if ever, should a trademark licensor be held liable for false advertising by its licensee? *Joseph v. TGI Fridays, Inc.*, 2022 WL 17251277 (N.D. Ill. Nov. 28, 2022), TGI Fridays licensed its mark to a producer of bagged snacks. The licensee produced "mozzarella sticks snacks" that lacked mozzarella; it had other cheese content, but mozzarella has too much moisture for a snack of this type. The court found that the complaint stated a claim for false advertising under consumer protection law: "If a product does not contain mozzarella cheese, why market it under the TGIF logo, which has a strong correlation to the hot appetizer mozzarella sticks, which presumably contain some quantity of mozzarella cheese?" Nonetheless, the court dismissed the trademark licensor from the case, reasoning that "an allegation that a party has licensed its trademark to appear on a product is not, by itself, sufficient to state a claim for liability for misleading misrepresentations that appear on the product." Given the court's ruling on the contribution of the licensed logo to the commercial impression of the snacks, does this make sense?



D. Standing

Page 950. Replace Question 1 with the following Question 1:

1. *Lexmark* addresses a situation involving disparagement rather than direct competition. Consider the following scenario: The defendant is a strip club. The plaintiffs are models who do not perform at strip clubs. The defendant uses their images in online ads. They argue that it is harmful to their reputations to be portrayed as the kind of people who perform at strip clubs. What result under *Lexmark*? (Note that right of publicity laws, discussed in Chapter 7, may provide different rights.) In *Souza v. Exotic Island Enterprises, Inc.*, 68 F.4th 99 (2d Cir. 2023), the Second Circuit applied *Lexmark*'s holding that a viable false advertising claim requires the plaintiff to have been injured as a result of the misrepresentation, either by direct diversion of sales or by a lessening of goodwill associated with its products. It further reasoned that, although such injury may be presumed from a direct competitor's false comparative advertising claim, in all other cases, a plaintiff must present some affirmative indication of actual injury and causation. How might the models in *Souza* have attempted to do this?

Page 951. Add Questions 4-6.

4. A well-known skateboarder alleged that his identity was wrongly used in a skateboarding videogame, and that this constituted false advertising. If consumers wrongly think that he endorsed the video game, does he have standing to claim false advertising? Would he suffer a financial or reputational injury proximately caused by the misrepresentation? See *Miller v. Easy Day Studios Pty. Ltd.*, 2021 WL 4209205 (S.D. Cal. Sept. 16, 2021).

5. A startup alleges that false advertising by the market leader made it impossible to penetrate the market, but it wasn't well-resourced enough to be able to advertise heavily even if there had been no false advertising, and it has made no sales. Does it have standing? See *TocMail, Inc. v. Microsoft Corp.*, 67

F.4th 1255 (11th Cir. Apr. 25, 2023).

6. Before *Lexmark*, lower courts almost uniformly rejected deceived consumers’ attempts to bring Lanham Act false advertising claims, and *Lexmark* approved that conclusion. Review the statement of congressional intent in Section 45, on which *Lexmark* relied to formulate its test:

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.

Are consumers “engaged in ... commerce [within the control of Congress]”? *Should* they have Lanham Act standing? The legislative history of the 1988 amendments to the Lanham Act includes a statement from Representative Kastenmeier, who was a prominent supporter of the legislation, that “[t]he plain meaning of the statute already includes consumers, since it grants any ‘person’ the right to sue,” though explicit language about consumer standing was removed from the amendments. It is probably fair to say that, as with many issues, Congress was divided on the question of whether consumers should have standing and left it to courts to decide how to interpret the statutory language.

Chapter 11

Internet Domain Names

B. Anti Cybersquatting Consumer Protection Act

1. Bad Faith

Page 960. Substitute revised Question 1:

1. What is a “domain name” under the ACPA? Only the character string immediately preceding the TLD? For example, wordpress.com is the domain name of a blog hosting site. Are the URLs of the hosted blogs also domain names? If a blog’s URL includes a third party trademark without authorization, for example, <https://ronkramermusclebeach.wordpress.com>, is the blogger subject to suit under the ACPA? *See Thermolife Int’l. LLC v. https://ronkramermusclebeach.wordpress.com*, 2015 U.S. Dist. LEXIS 80057 (N.D. Cal. June 18, 2015). What about trademarks that appear in other parts of a URL? For example, a search query may include the searched-for terms in the URL of the results. A Google search for “Ron Kramer Muscle Beach,” for example, would generate the URL containing the string “www.google.com/search?hl=en&q=ron+kramer+musclebeach&dlr”. Should the ACPA apply to the use of a mark in the URL used to respond to a user’s search?

Page 960. Add following Questions.

Lanham Act Section 43(d)(1)(A)(ii) subjects to civil liability a “person” who “registers” a domain name with a bad faith intent to profit from the plaintiff’s mark. Does a domain name registrar’s registration of an allegedly infringing domain name give rise to liability under the ACPA? See, e.g. **Rigsby v GoDaddy, Inc.**, 59 F.4th 998 (9th Cir. 2023), holding domain name registrars “shielded from liability under the ACPA assuming that [their] activities do not extend beyond registration;” the court held that allowing a gambling site to register under plaintiff’s name when plaintiff inadvertently allowed his registration to lapse did not “surpass mere registration activity. . . . “

Rigsby is clearly frustrated that GoDaddy “let some other person or entity register the domain name,” but letting a third party purchase an available domain name is standard practice for a domain name registrar. See *InvenTel Prods., LLC v. Li*, 406 F. Supp. 3d 396, 402 (D.N.J. 2019) (“[W]ithout a warning that the specific URL being registered would be used for an illicit purpose, GoDaddy did not have a ‘bad faith intent to profit’ from the automatic registration of ‘www.hdmirrorcambuy.com.’”); *Verizon Cal. Inc. v. OnlineNIC, Inc.*, 647 F. Supp. 2d 1110, 1126 (N.D. Cal. 2009) (noting that the ACPA “exempts a domain name registrar from liability resulting from its registration of domain names for others where the registrar is acting in a purely passive capacity”).

Rigsby equates GoDaddy’s lack of intervention with active promotion, but GoDaddy “simply could not function as a registrar, or as keeper of the registry, if it had to become entangled in, and bear the expense of, disputes regarding the right of a registrant to use a particular domain name.” *Lockheed Martin Corp. v. Network Sols., Inc.*, 141 F. Supp. 2d 648, 655 (N.D. Tex. 2001). Rigsby has not alleged that GoDaddy went beyond

the registrar role by adding its own content or advertising to the site or “using” the domain name for its own purposes. Instead, by merely allowing another entity to register the domain name without bad faith intent to profit from the registration, GoDaddy is shielded from liability under the ACPA.

Pages 971-78. Replace *GoPets v. Hise* and *Jysk Bed’N Linen* with the following decision:

Prudential Ins. Co. of Am. v. Shenzhen Stone Network Info. Ltd.

58 F.4th 785 (4th Cir. 2023)

THACKER, Circuit Judge:

Appellant Shenzhen Stone Network Information Ltd. (“SSN”) appeals the district court’s order granting summary judgment on Appellee Prudential Insurance Company of America’s (“Prudential”) cybersquatting claim. Prudential owns several registered trademarks on the term PRU and other PRU-formative marks. Prudential initiated the underlying action after discovering that SSN had registered the domain name PRU.COM. Internet users who visited PRU.COM were routed to a page that included advertisements displaying Prudential’s trademarks and the marks of Prudential’s competitors.

Prudential alleged, inter alia, that SSN violated the Anti-Cybersquatting Consumer Protection Act (“ACPA”), 15 U.S.C. § 1125, by registering a domain name identical to Prudential’s distinctive mark with the bad faith intent to profit. Although SSN was not the initial registrant of the PRU.COM domain name, the district court determined that SSN could nonetheless be held liable for cybersquatting because the ACPA is not limited to the initial registration of a domain name but encompasses subsequent re-registrations as well.

...

C. The Meaning of “Registration”

Pursuant to the ACPA, a cybersquatter who “registers” a domain identical or confusingly similar to a distinctive trademark or famous mark with a “bad faith intent to profit” from the domain is liable to the trademark owner. 15 U.S.C. § 1125(d)(1)(A). However, the statute does not define the term “registers.” *Id.* SSN argues that there can be no ACPA cybersquatting liability where the initial domain name registration is done in good faith. Specifically, SSN contends that its re-registration of the PRU.COM domain name in 2017 is not a qualifying “registration” within the meaning of the ACPA because an unaffiliated Texas company initially registered the PRU.COM domain name before Prudential trademarked the term PRU in the United States.

This is an issue of first impression for our court. Several of our sister circuits, the Third, Ninth, and Eleventh Circuits, have considered the issue and split on the meaning of the term “registers” and its derivatives.

In *Schmidheiny v. Weber*, the Third Circuit held that the term “registration” is not limited to the initial registration but encompasses subsequent re-registrations as well. 319 F.3d 581, 582 (3d Cir. 2003). There, Stephan Schmidheiny, one of the wealthiest individuals in the world, sued Steven Weber for registering the domain name “schmidheiny.com.” *Id.* at 581. Weber first registered schmidheiny.com with Network Solutions under the name Weber Net in 1999, prior to the enactment of the ACPA. *Id.* In June 2000, after the ACPA was enacted, the domain name was transferred from Network Solutions to a new registrar, Internet Names Worldwide. *Id.* at 583. The named registrant was also changed from Weber Net to Famology.com, of which Weber was the President. *Id.* The Third Circuit reasoned that if the ACPA were

limited to initial registrations, it would permit “the domain names of living persons to be sold and purchased without the living persons’ consent, ad infinitum, so long as the name was first registered before the effective date of the [ACPA].” *Id.* Thus, the Third Circuit held that the term “registration,” as used in the ACPA, includes the initial registration and subsequent re-registrations because a “registration” is the creation of a “new contract at a different registrar and to a different registrant.” *Id.*

The Eleventh Circuit followed suit in *Jysk Bed’N Linen v. Dutta-Roy*, holding that the term “registration” in the ACPA was not limited to the initial registration. 810 F.3d 767, 777 (11th Cir. 2015). There, the plaintiff contracted with the defendant to create an online shopping website for the plaintiff’s home furniture products. *Id.* at 771. When the defendant registered the domain name “bydesignfurniture.com,” he was instructed to list the plaintiff as the owner, but the defendant listed himself instead. *Id.* at 771-72. Several years later, when the registration expired, the plaintiff discovered that it did not own the registration and again asked the defendant to register bydesignfurniture.com in the plaintiff’s name. *Id.* The defendant refused and re-registered the domain name and other similar domain names in his own name. *Id.*

Because the ACPA did not qualify the term “registration” with a word like “initial” or “creation,” the Eleventh Circuit applied the “plain and unambiguous” meaning of the word and reasoned, “a re-registration is, by definition, a registration.” *Id.* at 777 (internal quotation marks omitted). The Eleventh Circuit also looked to Congress’s intent in enacting the ACPA and determined, “It would be nonsensical to exempt the bad-faith re-registration of a domain name simply because the bad-faith behavior occurred during a subsequent registration.” *Id.* at 778. Therefore, the court held that a re-registration constituted a registration pursuant to the ACPA. *Id.* at 774.

But the Ninth Circuit reached the opposite conclusion in *GoPets Ltd. v. Hise*, holding that the re-registration of an existing domain name is not the type of “registration” contemplated by the ACPA. 657 F.3d 1024, 1026 (9th Cir. 2011). There, the defendant first registered the domain name “gopets.com” in his name. *Id.* at 1027. After failed negotiation attempts to sell the domain name to the plaintiff, GoPets, Ltd., the defendant transferred the registration of gopets.com from himself to a corporation he owned with his brother. *Id.* at 1027-28.

In reaching its decision, the Ninth Circuit first noted that the ACPA does not define the term “registration” and that “under any reasonable definition, the initial contract with the registrar constitutes a ‘registration.’” *Id.* at 1030. However, the court continued:

It is less obvious which later actions, if any, are also “registrations.” [For example,] [a]fter registering . . . the registrant can update the registration if her contact or billing information changes. She can switch to “private” registration, where a third party’s name is substituted for hers in the public databases of domain registrants. She can switch between registrars, but leave her contact and billing information unchanged. A registrant can change the name of the registrant without changing who pays for the domain, or a registrant can transfer both the domain and payment responsibilities to someone else. Even if the registrant does none of these things, she must still renew the registration periodically. All of these actions could conceivably be described as “registrations” within the meaning of § 1125(d)(1).

Id. at 1030-31. The Ninth Circuit concluded that the defendant was not a cybersquatter, given the minor, nominal change in ownership, because the defendant effectively controlled the subject website both before and after the change in the registration. *Id.* The court reasoned that the domain name holder has the right to transfer the domain to another owner because “[t]he general rule is that a property owner may sell all of the rights he holds in property.” *Id.* at 1032. Thus, because including subsequent re-registrations within the meaning of “registration” would make domain names “effectively inalienable,” the Ninth Circuit held that

the term registration, as used in the ACPA, “refer[s] only to the initial registration.” Id. at 1031-32.

... [T]he ACPA does not define the term “register.” Thus, “we give the term its ordinary, everyday meaning.” [citation]

The Merriam-Webster Dictionary defines “registration” as “the act of registering.” Registration, Merriam-Webster Dictionary (11th ed. 2022). To “re-register” simply means “to register again.” Re-register, Merriam-Webster Dictionary (11th ed. 2022). Therefore, the ordinary meaning of the word “registers” necessarily includes both the first registration and any subsequent re-registrations. And because the ACPA does not expressly limit the term registers to only the initial or creation registration, we conclude that the re-registration of a domain name is a registration for purposes of the ACPA.

SSN places considerable reliance on the Ninth Circuit’s *GoPets* decision to support its argument that ACPA liability based on a “re-registration” is improper because “[n]othing in the text or structure of the statute indicates that Congress intended that rights in domain names should be inalienable.” Appellant’s Opening Br. at 20 (quoting *GoPets*, 657 F.3d at 1032). But we find SSN’s reliance on *GoPets* unavailing for a number of reasons.

To begin, the Ninth Circuit’s *GoPets* decision is contrary to the statutory purpose of the ACPA, which is to curtail cyberpirates and cybersquatting. H.R. Rep. No. 106-464, at 108 (1999). Courts must interpret a given statute in accord with Congress’s purposes and intent in enacting it. [Citation.] And Congress’s express intent in enacting the ACPA was to curtail abusive bad faith registrations that harm commerce, business, and consumers. See S. Rep. No. 106-140, at 4-6 (1999) (stating that online consumers have a difficult time distinguishing between authentic sites and pirate sites, which can result in brand abuse and consumer confusion); H.R. Rep. No. 106-412, at 6-7 (1999) (explaining that cyberpiracy harms businesses by causing loss of business opportunities by diverting customers from a trademark owner’s website, blurring the distinctive quality of the domain name or tarnishing the domain name, and by requiring businesses to police and enforce their trademarks rights). By including the opportunity to pursue an in rem cause of action within the ACPA, Congress considered domain name holders to have a property-like interest in their domain names.

Because property interests are generally freely alienable, the Ninth Circuit declined to read the term “registration” to include re-registrations because such an interpretation could frustrate the alienability of domain names. *GoPets*, 657 F.3d at 1032. While this concern is well-taken, it would be “nonsensical” to not include re-registrations within the purview of the ACPA as it would allow for “the exact behavior that Congress sought to prevent.” *Jysk*, 810 F.3d at 778. For example, if the ACPA were limited to initial registrations, a mark owner would not have a cause of action where, following the withdrawal of a partner who was the initial registrant of a domain name, the departing partner is instructed by the remaining partners to re-register the domain name in the partnership’s name but, in an attempt to extort the partnership, does not. Cf. *Xereas v. Heiss*, 933 F. Supp. 2d 1, 17 (D.D.C. 2013) (holding that plaintiff successfully stated a claim for cybersquatting pursuant to the ACPA against the defendant corporation by alleging that the company revised a domain name’s registration information without permission after removing plaintiff, the original domain name registrant and mark owner, from his management role). Therefore, because of the unique nature of the domain name system, the term “registers” and its derivatives must encompass both initial registrations and re-registrations.

Additionally, we agree with the district court that “[t]he underlying rationale for the Ninth Circuit’s decision—a public policy concern that innocent persons would be subject to ACPA liability for minor, periodic re-registrations of domain names—is best addressed through the bad faith intent to profit inquiry.” *Prudential Ins. Co. of Am. v. PRU.COM*, 546 F. Supp. 3d 476, 492 (E.D. Va. 2021). As the Ninth Circuit correctly noted, registration, in the domain name context, may include a multitude of actions, including where a domain name holder switches between registrars, changes the name of the registrant or transfers

both the domain and payment responsibilities to someone else. *GoPets*, 657 F.3d at 1030-31. However, a registrant will only lose their rights to a domain name at one of the aforementioned junctures if they act in bad faith. Cybersquatting is, by definition, a bad faith registration of another’s trademark in a domain name. *Jysk*, 810 F.3d at 775 (“Cybersquatting is essentially extortion.”). When a person re-registers a domain name because of a periodic re-registration requirement, they do not act with a bad faith intent to profit. The ACPA does not take away the initial registrant’s right to sell or transfer all of her rights in a domain name to any other party. Rather, the statute simply prohibits a domain name registrant from registering a domain name with a bad faith intent to profit. Thus, where there is no bad faith, there is no liability for cybersquatting.

Accordingly, we join the Third and Eleventh Circuits in holding that the term “registers” and its derivatives extend to each registration of a domain name, including the initial registration and any subsequent re-registrations. Where a successive registration of a disputed domain name postdates the trademark registration of the corresponding mark, the mark owner may show that the successive registration was done in bad faith. This interpretation furthers the ACPA’s purpose of eliminating cybersquatting and protecting American businesses, consumers, and online commerce.

B.3. § 43(d)(2) and in rem Jurisdiction

Page 1002: Add before *Harrods* blurb:

Central Source LLC v Annaulcreditreport.com, 2024 U.S. Dist. LEXIS 179853, approved and adopted, 2024 U.S. Dist. LEXIS 239795 (E.D. Va. 2024) offers a recent example of successful application of the § 1125(d)(2)(A) requirement of inability to obtain *in personam* jurisdiction over a person who would have been a defendant in a civil action or through due diligence was not able to find a person who would have been a defendant in a civil action. The plaintiffs offer consumer credit protection services and are the trademark owners of the ANNUALCREDITREPORT, E-OSCAR, or OPTOUTPRESCREEN marks. They pleaded that the 115 Defendant Domain Names sought to have transferred “have been registered by either out-of-country actor(s)—who purportedly are based in locales such as China, Laos, Panama, Romania, Seychelles, or Indonesia—and/or by someone who has intentionally misrepresented or concealed identifying information.” Plaintiffs’ attempts to notify the domain name registrants were unavailing, as was publication in a local newspaper.

C. ICANN and UDRP

1. Bad Faith

Page 1024. Replace *Deutsche Welle v Diamondware* with the following case.

Law Offices of Jeffrey J. Antonelli, Ltd., Inc. v. The Law Offices of Stephen C. Vondran, P.C., 2021 UDRP LEXIS 2679, WIPO Arbitration and Mediation Center, Case No. D2021-2428 (October 4, 2021). The parties are two law firms, both of whom offer legal services to alleged copyright infringers. Complainant registered the word mark TORRENT DEFENDERS in 2018 as a service mark for its legal services and a blog discussing BitTorrent copyright infringement cases, which it posts at www.torrent-defenders.com. Complainant claims to have used the TORRENT DEFENDERS mark in commerce since 2012. Respondent registered the domain name torrentdefenders.com in 2016, and uses it to redirect to its law firm’s website.

Complainant has alleged that Respondent has no rights or legitimate interests in the disputed domain name. Specifically, Complainant asserts that Respondent registered the disputed domain name in 2016, long after Complainant began using the TORRENT

DEFENDERS trademark and the very similar www.torrent-defenders.com domain name, and that Respondent's use of the TORRENT DEFENDERS mark to redirect consumers to Respondent's website for identical completing services does not confer rights or a legitimate interest in the disputed domain name.

Both parties rely significantly on arguments about United States trademark principles applicable to filings under Section 2(f) of the Lanham Act. While trademark law informs Policy precedent, a UDRP proceeding is not an abridged infringement action and Policy precedent may differ from trademark law in some specific respects, and based on individual case facts and circumstances. [Citations.]

Panel determinations under paragraphs 4(a)(ii) and (iii) of the Policy ordinarily turn on two issues: whether the respondent was actually aware, or should have been aware, of the complainant and its mark at the time the disputed domain name was registered; and whether the respondent registered and used the disputed domain name to take advantage of the mark's goodwill. As with any other substantive matter, the complainant must establish these issues with competent evidence.

Complainant here has not met his evidentiary burden on either issue. Complainant filed his trademark application in 2018, two years after Respondent registered the disputed domain name. Had Respondent done a USPTO search prior to registration he would not have discovered the Complainant or his putative mark. True, Complainant has alleged prior usage and common law rights but has furnished scant proof of such rights.

Complainant's claim of acquired distinctiveness under Section 2(f) of the Lanham Act is effectively an admission that the TORRENT DEFENDERS trademark lacks inherent distinctiveness and was initially considered a descriptive term . . . There is no evidence on the record before the Panel of any other reason why Respondent should have been aware of Complainant or his mark.

There is similarly no evidence of Respondent's targeting of Complainant, only the unsupported allegation of Complainant's counsel. Those are of no force or effect. WIPO Overview 3.0, section 4.3. Without proof of targeting or direct imitation, Respondent's use of the disputed domain name, a somewhat descriptive term, to relay traffic to his firm's website appears to be legitimate and not done in a bad faith attempt to target Complainant.

Respondent has demonstrated that it is using the term "torrent defenders" in its descriptive sense to describe the subject matter of the website to which it redirects the disputed domain name, which contains information and articles about defending copyright infringement claims related to "torrent" file sharing sites, and to describe its provision of related legal services. WIPO Overview 3.0, section 2.10. Because Respondent has been using the disputed domain name in connection with this offering of services since 2016, before receiving any notice of the domain name dispute at issue in this proceeding, Respondent has satisfied the requirement set forth by Paragraph 4(c)(i) of the Policy. [Citation.] . . .

For similar reasons, the Panel does not find evidence of bad faith in the registration and use of the disputed domain name.

Page 1027. Add after the Question.

DTTM Operations LLC v. Michael Gargiulo, Case No. D2023-4060, <https://www.wipo.int/amc/en/domains/decisions/pdf/2023/d2023-4060.pdf> WIPO Arbitration and Media Center (3 panelists) (Jan. 25, 2024). The company operating former president Trump’s Florida resort, Mar-a-Lago, and owner of the MAR-A-LAGO and MAR-A-LAGO CLUB trademarks, sought the transfer of the domain name maralago.com, which the Respondent’s predecessor had registered in 1997 for a website memorializing his deceased pets, “Mar” for a dog, Marq; “A” for a duck Alfred, and “Lago” for a cat, Lag. The website did not reference the Trump property. The Respondent, who is in “the business of registering and developing inherently valuable domain names, all of which consist of one or more common use, generic and dictionary words and/or short letter domain names,” purchased the mark from the original registrant and removed the link to the former website. The Complainant sought transfer on the grounds that the disputed domain name was identical or confusingly similar to the Complainant’s trademark; that the Respondent had no rights or legitimate interests in respect of the disputed domain name; and that the disputed domain name was registered and being used in bad faith.

The three-member Panel denied the complaint, finding that the Complainant had not carried its burden of showing that the Respondent lacked rights or legitimate interests in the mark. Respondent had contended, *inter alia*, that:

The wording “maralago” is descriptive, being comprised of dictionary terms that translate into “sea to lake” in several languages. The Complainant’s property earned its name because it is located between the Atlantic Ocean and Lake Worth.

Being in the business of registering and developing inherently valuable domain names, the Respondent seeks to extract value from the fact that the disputed domain name is a pronounceable eight-letter dotcom domain name comprised of descriptive words.

Panels have accepted that aggregating and holding domain names (usually for resale) demonstrates rights and a legitimate interest in such domain name.

Knowledge of a complainant’s trademark, alone, does not equate to a respondent’s lack of rights or legitimate interests in a dictionary word or phrase

There are no factors present that demonstrate that the Respondent registered the disputed domain name to target the Complainant’s trademark, and at no point since the disputed domain name was registered some 26 years ago was it used to target the Complainant or any third party mark.

Though the Respondent has not used the disputed domain name in connection with an active website, it has legitimate rights in the disputed domain name because of its descriptive, dictionary word connotation and may be later used for bona fide purposes

The Panel observed that

the Complainant was unable to provide persuasive specific evidence to overcome the Respondent’s arguments. The Policy is not designed to adjudicate all types of disputes that relate in any way to domain names. [Citation.] The Panel does not have the benefit of cross-examination of witnesses, disclosure of documents held by the parties, or the other instruments that are typically available to assist a court to resolve certain kinds of disputes. Many of the Complainant’s assertions, through no fault of the Complainant,

are conclusory. That is the nature of this proceeding, as already noted above. Further, it is noted that the Complainant's arguments and evidence that are directed to the third element (bad faith) do not carry the Complainant's burden as to the second element (whether the Respondent has no rights or legitimate interests in respect of the disputed domain name).

As a result, of the Complainant's failure to meet its burden on the second element, the Panel did not address the issue of bad faith registration and use.

Another complaint, concerning the domain name mar-a-lago.com, was also denied, but for failure to demonstrate bad faith. *DTTM Operations LLC v. Marq Quarius*, 1 LLC, Case No. D2023-4147, <https://www.wipo.int/amc/en/domains/decisions/pdf/2023/d2023-4147.pdf> WIPO Arbitration and Media Center (1 panelist) (Nov 24, 2023). The single panelist, like the panelists who denied the "maralago.com" complaint, emphasized the limitations of the evidence available to UDRP proceeding panelists:

the disputed domain name here does not refer directly to THE MAR-A-LAGO-CLUB, however, but is comprised of a shorter string of dictionary words, for which the Respondent offers an unusual but not altogether incredible explanation [the pet memorial], given the actual use of the disputed domain name. Importantly, the Respondent has retained and used the disputed domain name for essentially noncommercial purposes for more than 25 years, without trying to sell it to the Complainant or third parties. Even when the Complainant tried to purchase it, the Respondent asked for the proceeds to be given to a charity. These facts are not consistent with typical cybersquatting behavior and lend credence to the Respondent's account.

The Panel is aware that the account given by the Respondent as to his reason for having registered the disputed domain name may seem to be a stretch; to the extent this explanation could be fabricated and sought to mask an intent to cybersquat, ascertaining such fact would require detailed evidence and information – which, if it was already available, was not provided in the Complaint – such as may be obtained in litigation discovery or cross-examination and is beyond the purview of the Panel here.

Question

Is the unavailability of cross-examination and other evidence-production mechanisms of civil litigation a feature or a bug in UDRP proceedings? Should panels have access to additional evidence?

3. Gripe Sites

Page 1035. Replace *Zillow v. Storseth* with the following case.

Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc. Customer 1249561463 / Steve Coffman, 2022 UDRP LEXIS 1013, WIPO Arbitration and Mediation Center, Case No. D2022-0473 (April 4, 2022).

Complainant, Everytown for Gun Safety Action Fund, Inc., is a United States based gun violence prevention organization. Complainant owns and uses the mark MOMS DEMAND ACTION in connection with its advocacy efforts and owns two trademark registrations for the MOMS DEMAND ACTION mark in the United States (Registration Nos. 4,569,205 and 5,092,084, which issued to registration on July 15, 2014 and November 29, 2016 respectively). Complainant also owns a trademark registration

for a stylized logo for MOMS DEMAND ACTION FOR GUN SENSE IN AMERICA (Registration No. 5,151,549, which issued to registration on February 28, 2017. Lastly, Complainant owns and uses the domain names www.momsdemandaction.org and www.momsdemandaction.com for a website that provides information regarding Complainant and its advocacy efforts.

Respondent, who is based in the United States, registered the disputed domain name [www.momsdemand.org] on February 26, 2021. At some point thereafter, Respondent redirected the disputed domain name to a web page within a website at “www.defcad.com” which has offered a 3D printable “MOMS DEMAND ACTION - FIREBOLT 5.56 CATCH MAGWELL.” The website at “www.defcad.com” appears to be a repository for small arms technical data that users subscribe to and presumably pay fees to download materials for 3D printable firearms and parts.

...

[Respondent asserts] that he registered and used the disputed domain name for claimed protected speech and political commentary and for claimed purposes of “parodying the organization.”

...

With respect to Respondent’s use of the disputed domain name, Respondent has used it as a redirect to a web page that offers a 3D printable firearm part. That web page sits within a website that is dedicated to promoting and offering downloads of numerous 3D printable firearms and parts, and which holds itself out to be “The World’s Largest 3D Gun Repository”. Moreover, the web page to which the disputed domain name resolves features an image of a 3D printed gun with an exact copy of Complainant’s stylized logo for the MOMS DEMAND ACTION FOR GUN SENSE IN AMERICA mark emblazoned on it in a stamped form. The possible intent of the web page, as Complainant contends, is to suggest that the 3D printable firearm part being promoted, namely, a “Firebolt 5.56 Bolt Catch Magwell,” is somehow connected to Complainant’s MOMS DEMAND ACTION mark.

Given that Complainant’s MOMS DEMAND ACTION advocacy efforts are focused on gun violence prevention and promoting safety measures and responsible gun ownership, the use of the disputed domain name as a redirect to a web page promoting a 3D printable firearm part featuring the MOMS DEMAND ACTION mark raises a question as to whether Respondent’s actions are legitimate as an expression of free speech.

Paragraph 4(c)(iii) of the Policy provides that a respondent may have a right or legitimate interest in a disputed domain name if the respondent is “making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.” Here, the first question is whether Respondent may have intended to make some legitimate commentary on or criticism of Complainant’s MOMS DEMAND ACTION gun violence prevention advocacy by using the disputed domain name for a web page that juxtaposes a 3D printed gun with Complainant’s logo. As discussed below, the Panel does not believe this to be the case.

The Panel notes that a number of panelists have held, in what could be seen as a consensus view, that even a general right to legitimate criticism does not necessarily

extend to registering or using a domain name identical to a trademark. However, an exception has been expressed by a few panels in instances, such as here, where the parties are based in the United States. Such panels applying United States First Amendment principles have historically found that even a domain name identical to a trademark used for a *bona fide* noncommercial criticism site may support a legitimate interest. . . .

With the foregoing in mind, the Panel has considered Respondent's defense of free expression and found it wanting. Here, the web page to which the disputed domain name redirects does not contain any criticism or commentary regarding Complainant or its MOMS DEMAND ACTION advocacy. The web page looks similar to the many other pages offering 3D printable firearms or parts within the "www.defcad.com" website. The individual pages within the "www.defcad.com" website, which the Panel has reviewed, typically show an image of the 3D printable firearm or part with its name and description.

As presented, Respondent's web page is confusing on its face. The web page features an image of a 3D printed gun with a stamp of Complainant's MOMS DEMAND ACTION FOR GUN SENSE IN AMERICA stylized logo along with accompanying web page text that simply reads "MOMS DEMAND ACTION - FIREBOLT 5.56 BOLT CATCH MAGWELL Mod of The Firebolt 3D Printable AR-15/9/45 Lower Receiver System." As the web page is devoid of any criticism or commentary concerning Complainant, let alone anything, such as a disclaimer, advising that the web page has no connection to Complainant, a web user brought to the web page through the disputed domain name which is based on Complainant's MOMS DEMAND ACTION mark could conceivably believe (even if mistakenly) that the particular 3D printed firearm part being promoted with Complainant's stamped logo is approved of by Complainant. Indeed, given that Complainant encourages a culture of responsible gun ownership, the 3D printed part could be seen, for example, as an approved safety measure (*e.g.*, one that makes it more difficult to use an AR-15 rifle, such as preventing its conversion into a fully automatic weapon).

To be sure, the disputed domain name itself does not contain anything that would communicate that its purpose is to criticize or comment on Complainant or its MOMS DEMAND ACTION advocacy efforts. If anything, the disputed domain name standing alone with a ".org" TLD extension suggests that the disputed domain name is connected to Complainant's MOMS DEMAND ACTION gun violence prevention efforts. Given the lack of any criticism or commentary in the disputed domain name and associated web page, which also includes information for subscribing to a "Defcad Newsletter," links within the "www.defcad.com" website about Defcad and ultimately downloads of 3D printable firearms and parts (presumably for a fee), it seems more likely than not that Respondent's intent has been to use the disputed domain name as a way to draw consumers to the "www.defcad.com" website for Respondent's benefit. Such use is not legitimate. With regard to Respondent's claim that he intended to engage in some form of parody, such is not evident from the disputed domain name or the content of the web page that the disputed domain name resolves to. There is nothing in the disputed domain name that would alert a web user that the disputed domain name is part of a parody and that the associated web page is not affiliated with or approved by Complainant. See *Harry Winston Inc. and Harry Winston S.A. v. Jennifer Katherman*, WIPO Case No. D2008-1267 (finding that the domain name *www.hairywinston.com* using "hairy" instead of "harry" for a dog product boutique was part of a parody of the famous HARRY WINSTON mark for jewelry). Indeed, the content of the web page at the disputed domain name, as already noted, is confusing and does not on its face suggest that the web page is a parody, or is unconnected with Complainant, as opposed to simply being seen as a

genuine offer for a 3D printable firearm part on a website whose entire purpose is to offer downloads of 3D printable firearms and parts to individuals who have accounts with the “Defcad” organization.

If anything, the evidence shows that Respondent’s real purpose behind the disputed domain name has been to mislead and attract web users to the “www.defcad.com” website for the benefit of Respondent and not for some fair use purpose such as a *bona fide* parody. Simply put, whatever parody Respondent might claim exists remains a mystery and does not justify essentially impersonating Complainant to attract web users to Respondent’s web page. [Citations.]

Given that Complainant has established with sufficient evidence that it owns rights in the MOMS DEMAND ACTION mark, and given Respondent’s above noted actions, the Panel concludes that Respondent does not have a right or legitimate interest in the disputed domain name and that none of the circumstances of paragraph 4(c) of the Policy are evident in this case.

Chapter 12

Remedies

A. Injunctive Relief

1. Injunctions

Page 1060. Add the following paragraph at the end of the *Note: Presumption of Irreparable Harm*.

In a post-Trademark Modernization Act case, the District of Colorado followed the line of cases holding that delay in seeking preliminary injunctive relief can undercut the presumption of irreparable harm and cited several pre-Trademark Modernization Act decisions involving delays of from three to nine months. *See Harley’s Hope Foundation v. Harley’s Dream*, 2022 U.S.P.Q.2d (BNA) 386 (D. Colo. 2022) (preliminary injunction denied to HARLEY’S HOPE FOUNDATION for pet assistance services where plaintiff waited over two years to send a cease-and-desist letter to defendant who was using HARLEY’S HOUSE OF HOPE for similar services because such delay rebutted the presumption of irreparable harm). A party seeking preliminary injunctive relief therefore needs to move swiftly to take advantage of the presumption.

Page 1060. Add the cases and Question below after the *Note*.

Nichino America, Inc. v. Valent USA LLC, 44 F.4th 180 (3d Cir. 2022). In a case involving marks for competing pesticides, the Court of Appeals for the 3d Circuit explained how district courts should apply the presumption:

Nichino and Valent sell pesticides for farming. Since 2004, Nichino has offered a trademarked product known as “CENTAUR.” Valent trademarked a competing product called “SENSTAR” in 2019, giving it a logo resembling CENTAUR’s colors, fonts, and arrow artwork. Both pesticides are used in the same geographic areas against many of the same insects, and both are sold to farmers through distributors. But there are differences. SENSTAR comes as a liquid and uses a unique combination of two active chemicals. It costs \$425 per gallon, and ships in cases containing four one-gallon containers. CENTAUR is manufactured as a solid and sold by the pallet, with each containing 622 pounds of pesticide packed into bags and cases, for \$24 per pound. Yet the similarities were enough for Nichino to sue Valent for trademark infringement, and ask for a preliminary injunction against SENSTAR’s launch. A suit that would become one of the first to apply the newly effective TMA.

....

Nichino argued that Valent’s use of the SENSTAR mark would create confusion among consumers, a necessary element in a trademark infringement claim. [Citation.] Confusion, said Nichino, likely to harm its reputation and goodwill, warranting [sic] injunctive relief. That is where the TMA enters, creating a rebuttable presumption of irreparable harm favoring a plaintiff who has shown a likelihood of success on the merits of an infringement claim.

The District Court found Nichino narrowly demonstrated its infringement claim would likely succeed, though “there is not an abundance of evidence of likelihood of

confusion” between the products. The District Court reached that conclusion by consulting the “*Lapp* factors,” our nearly forty-year-old, ten-part, yet non-exhaustive inquiry that guides analysis of likely confusion. . . .

Closing the circle, the District Court found Nichino failed to proffer evidence that it would likely suffer irreparable harm without immediate injunctive relief. Finally, the District Court held that the balance of equities and public interest weigh against issuing a preliminary injunction.

For those reasons, the District Court denied the injunction, and Nichino appealed, challenging the Court’s finding that Valent had rebutted the presumption of irreparable harm. Finding no reversible error that disturbs the District Court’s conclusion, we will affirm.

. . . .

Like all laws, the TMA does not exist in isolation. It complements existing rules and standards and is informed by their established effect. One complement, Federal Rule of Evidence 301, aids our understanding of the best ordinary meaning of the TMA. Rule 301 provides that, in all civil cases, absent specific statutory language to the contrary, “the party against whom a presumption is directed has the burden of producing evidence to rebut the presumption.” Fed. R. Evid. 301. That allocation “does not shift the burden of persuasion, which remains on the party who had it originally.” *Id.* That framework applies here because the TMA creates a rebuttable presumption without explaining how it applies. . . .

Because Rule 301 shifts the evidentiary burden of production, but leaves the burden of persuasion unmoved, the task of courts applying the TMA is limited. Over-scrutinizing the persuasive value of evidence proffered on rebuttal would violate Rule 301 by shifting the burden of persuasion, not just the burden of production. [Citation.] Instead, courts must ask only whether the rebuttal evidence is enough to allow a reasonable factfinder to conclude that irreparable harm is unlikely. With that guidance in hand, we sketch the steps for applying the TMA’s rebuttable presumption.

Step 1. The TMA’s rebuttable presumption requires courts considering a trademark injunction to assess the plaintiff’s evidence only as it relates to a likelihood of success on the merits. . . . If a court finds no likelihood of success on the merits, the inquiry ends and the injunction will be denied. [Citation.]

Step 2. If the plaintiff’s evidence does establish likely trademark infringement, the TMA is triggered, and the burden of production shifts to the defendant to introduce evidence sufficient for a reasonable factfinder to conclude that the consumer confusion is unlikely to cause irreparable harm. [Citation.] But note again the sequence. So far, the court has not assessed any of the evidence for likely irreparable harm. Rather, the TMA’s presumption means the court assumes irreparable harm, even if the plaintiff has proffered nothing in support. The focus trains on the defendant’s evidence, and whether it is sufficient to rebut the TMA’s presumption. A meaningful consideration of the facts, not a box-checking review of the *Lapp* factors, is key, aimed at determining whether the defendant’s offering allows a reasonable conclusion that the consumer confusion shown by the plaintiff will not cause irreparable harm.

Step 3. If a defendant successfully rebuts the TMA’s presumption by making this slight evidentiary showing, the presumption has no further effect. It has done its work and simply disappears like a bursting bubble. [Citation.] So the burden of production

returns to the plaintiff to point to evidence that irreparable harm is likely absent an injunction. [Citation.] Here again, the evaluation outlined in *Lapp* may prove useful to assess whether consumer confusion will lead to irreparable harm.

....

The District Court’s finding that Valent rebutted the TMA’s presumption follows the TMA and tracks Rule 301. The District Court began by using the *Lapp* factors to assess likelihood of consumer confusion to determine Nichino’s likelihood of success on the merits without simultaneously considering irreparable harm. Finding that Nichino would likely succeed on the merits, the District Court properly applied the TMA by presuming irreparable harm and turning its attention to Valent’s rebuttal evidence. Here, the District Court again appropriately referenced the *Lapp* factors for consumer confusion, described them as “closely balanced,” and found that Valent had rebutted the presumption by producing evidence of a sophisticated consumer class.. . .

....

With the presumption rebutted, the burden of evidence production returned to Nichino to show likely irreparable harm absent an injunction. The District Court found that Nichino did not, and Nichino does not argue otherwise. That makes the District Court’s conclusion, and its decision to deny injunctive relief, correct, as “[a] plaintiff’s failure to establish any element in its favor renders a preliminary injunction inappropriate.” [Citation.]

Y.Y.G.M. SA dba Brandy Melville v. Redbubble, Inc., 75 F.4th 995 (9th Cir. 2023). After a jury rendered a verdict against Redbubble for contributory infringement of certain of Brandy Melville’s marks, the district court granted a motion for judgment as a matter of law in favor of Redbubble on certain claims and also denied injunctive relief on claims of contributory infringement that the court let stand. The Ninth Circuit vacated for a reconsideration of Redbubble’s liability and of Brandy Melville’s entitlement to injunctive relief. The Ninth Circuit’s decision elucidates the differences in applying the presumption of irreparable harm in the preliminary injunction context as compared with the permanent injunction context that was applicable in this case.

....Brandy Melville appeals the district court’s denial of a permanent injunction. ... [T]he district court’s analysis on remand requires correction of errors in its evaluation of whether Brandy Melville experienced irreparable harm.

Normally, a party seeking a permanent injunction must show “(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.” *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 391 (2006); [citation]. The Lanham Act adds a statutory layer to the irreparable harm analysis for trademark infringement ... by creating “a rebuttable presumption of irreparable harm” when a permanent injunction is sought to remedy an established trademark violation. 15 U.S.C. § 1116(a).

... The district court concluded that Brandy Melville’s pre-litigation delay [of one year] rebutted the statutory presumption. Lacking the benefit of the presumption, the district court found that the remaining testimony from a Brandy Melville employee could not establish irreparable harm. Brandy Melville argues that pre-litigation delay is legally

irrelevant to the permanent injunction irreparable harm analysis and alternatively that the district court abused its discretion.

Certainly, the movant's delay is relevant to a permanent injunction. Extreme delay in seeking relief, for example, can give rise to laches, an affirmative defense to a permanent injunction. [Citations.] And delay in seeking a preliminary injunction may also undermine a permanent injunction. See *Simon Prop. Grp., LP v. mySIMON, Inc.*, 282 F.3d 986, 990-91 (7th Cir. 2002) (considering voluntary abandonment of a preliminary injunction in determining irreparable harm for a permanent injunction). The district court did not err by considering the delay.

That said, the district court abused its discretion in determining that the statutory presumption was rebutted and that there was no irreparable harm, ...

Generally, “delay is but a single factor to consider in evaluating irreparable injury; courts are ‘loath to withhold relief solely on that ground.’” *Arc of Cal. V. Douglas*, 757 F.3d 975, 990 (9th Cir. 2014) (quoting [citation]). A successful trademark plaintiff “is entitled to effective relief; and any doubt in respect of the extent thereof must be resolved in its favor as the innocent producer and against the [infringer], which has shown by its conduct that it is not to be trusted.” *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 532 (1924); [citation].

The significance of the delay depends on context. For example, “tardiness is not particularly probative in the context of ongoing, worsening injuries.” *Arc of Cal.*, 757 F.3d at 990. Meanwhile, delay can be dispositive when its length substantially outweighs any upsides from the injunction. For instance, in the context of a preliminary injunction, a three-year delay between when the trademark holder learned of the infringement and when it filed suit revealed that “[a]ny injury that [the trademark holder] would suffer before trial on the merits would be a relatively short extension of the injury that [the trademark holder] knowingly suffered for three years before it filed suit.” *GTE Corp. v. Williams*, 731 F.2d 676, 679 (10th Cir. 1984).

We have emphasized that the Lanham Act's statutory presumption underscores the trademark holder's ability to control its trademark's use. In *AK Futures LLC v. Boyd Street Distro, LLC*, ... 35 F.4th 682, 694 (9th Cir. 2022), ... the infringer submitted a declaration that it would stop selling the infringing products and argued that the declaration rebutted the presumption and the showing of irreparable harm. Because the declaration “contain[ed] a number of admissions that call into question [the infringer's] ability to adequately control the flow of products through its store,” suggesting “a business structure without safeguards against selling counterfeit products,” we concluded that the declaration did not rebut the presumption.

The district court did not explain how a delay has equal bearing in the permanent injunction context (where the injunction protects established rights that a jury found were violated) rather than the preliminary injunction context (where the injunction preserves the status quo pending litigation). See *Trump v. Int'l Refugee Assistance Project*, 582 U.S. 571, 580 (2017) (per curiam) (“The purpose of [a preliminary injunction] is not to conclusively determine the rights of the parties . . . but to balance the equities as the litigation moves forward.”). Nor did it explain how the one-year delay indicates that no future harms would result despite the jury's verdict in Brandy Melville's favor on its infringement claims and Brandy Melville's testimony about future harms arising from a loss of control. See *Herb Reed Enters., LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1250

(9th Cir. 2013) (“Evidence of loss of control over business reputation and damage to goodwill could constitute irreparable harm.”). A Brandy Melville employee testified that Brandy Melville “take[s] pride in [the] authenticity of our product, and it seems that Redbubble is just making knockoffs of our brand, and that is not fair for our customers receiving a knockoff item that is not actually Brandy Melville.” Counterfeits also affect Brandy Melville’s sales strategies because some marks ... go in and out of circulation and are not always available for purchase. This testimony goes exactly to harms that arise from losing control of a trademark. *See Herb Reed*, 736 F.3d at 1250; *see also adidas Am., Inc. v. Skechers USA, Inc.*, 890 F.3d 747, 756-57 (9th Cir. 2018) (affirming irreparable harm finding based on employee testimony about efforts to control reputation and supply of products). The district court abused its discretion by discounting the relevance of future harm. [Citation.]

We thus vacate the district court’s denial of a permanent injunction. We remand for the district court to reconsider, after redetermining Redbubble’s liability, how the existence of future harm affects irreparable harm and the other factors governing injunctive relief consistent with this opinion. [Citation.]

Question

How should the district court rule on remand in *Redbubble*? *See Y.Y.G.M. SA v. Redbubble, Inc.*, 2024 U.S. Dist. LEXIS 88504 (C.D. Cal. April 11, 2024).

2. Disclaimers

Page 1073. Add the following at the end of Question 2.

Two NYU professors and a NYU researcher conducted experiments to measure the effectiveness of disclaimers in the online shopping context. *See*, B. Beebe, R. Germano & J. Steckel, *Disclaimers of Affiliation Can Dispel Consumer Confusion: Evidence from Two Survey Experiments* (August 21, 2024), available at SSRN: <https://ssrn.com/abstract=4934563>. They showed respondents a T-shirt for sale with an old Notre Dame logo no longer in use. One group was shown an online ad with no disclaimer, another was shown the ad with a standard disclaimer above the T-shirt: “Nostalgia Brands.” Not affiliated with or sponsored by the “University of Notre Dame”, and the third group was shown the same disclaimer, but were required to type into an entry box. “I understand that this T-shirt is not put out by, affiliated or connected with, or approved or sponsored by the University of Notre Dame” before they could answer the survey questions to measure confusion. In a second experiment, the researchers added two additional groups—for one, instead of retyping the disclaimer, respondents were required to click a box that they were aware of the disclaimer and for the other, respondents were shown a briefer disclaimer “Notre Dame logo used without permission” highlighted and in bold. The percentages confused in the No Disclaimer groups were 70% and 72%, in the Disclaimer Only groups were 31% and 29%, in the Disclaimer+ Typing groups 9% and 8% (normally below what courts consider likely confusion), in the Disclaimer plus Click the box group 11% (normally below what courts consider likely confusion) and in the Brief Disclaimer Group 40%. The authors concluded that disclaimers of the typing group and Click the box group, likely confusion was under the amount normally considered infringing by courts and recommended adoption of such evidence to support a disclaimer rather than an injunction remedy. Do you believe that these two types of survey would be useful in proving the effectiveness of a disclaimer? Would they be cognizable evidence with respect to a claim of post-sale confusion or of likely dilution?

Page 1074. Add Question 7:

7. When are disclaimers sufficient as a remedy instead of an injunction? *See Am. Soc’y for Testing & Materials v. Public Resource Org., Inc.*, 597 F. Supp. 3d 213 (D.D.C. 2022) (injunction warranted where PRO used plaintiffs’ logos in identifying copies of plaintiffs’ standards developed by plaintiffs but denied an injunction as to PRO’s use of trademarked words, finding posted disclaimers adequate); *aff’d on other grounds*, 82 F.4th 1262 (D.C. Cir. 2023).

4. Declaratory Relief: Defendants’ Counterpart to Injunctive Relief

Page 1088. Insert the following case before the Question.

San Diego County Credit Union v. Citizens Equity First Credit Union, 65 F.4th 1012 (9th Circ. 2023).

After a party obtains declaratory relief which decrees that it is not infringing a trademark, does it retain Article III standing to invalidate that mark? That is the central question presented in these appeals, and, under the circumstances presented here, we answer it: No.

Defendant-appellant and cross-appellee Citizens Equity First Credit Union (CEFCU) began this dispute by petitioning the Trademark Trial and Appeal Board (TTAB) to cancel a trademark registration belonging to plaintiff-appellee and cross-appellant San Diego County Credit Union (SDCCU). CEFCU claimed that SDCCU’s registration covered a mark that is confusingly similar to both CEFCU’s registered mark and its alleged common-law mark. SDCCU procured a stay to the TTAB proceedings by filing the instant declaratory judgment action. SDCCU persuaded the district court that, during the course of the TTAB proceedings, it had become apprehensive that CEFCU would sue SDCCU for trademark infringement. SDCCU sought declaratory relief to establish it was not infringing either of CEFCU’s marks *and* to establish that those marks are invalid. The district court granted SDCCU’s motion for summary judgment on non-infringement. After a bench trial, the district court *also* held that CEFCU’s common-law mark is invalid and awarded SDCCU attorneys’ fees.

We hold that SDCCU had no personal stake in seeking to invalidate CEFCU’s common-law mark because the district court had already granted summary judgment in favor of SDCCU, which established that SDCCU was not infringing that mark. Hence, there was no longer any reasonable basis for SDCCU to apprehend a trademark infringement suit from CEFCU. After it granted summary judgment in favor of SDCCU, the district court was not resolving an actual “case” or “controversy” regarding the validity of CEFCU’s common-law mark; thus, it lacked Article III jurisdiction to proceed to trial on that issue. We therefore vacate its judgment and its award of attorneys’ fees....

B. Monetary Relief

1. Assessing Profits and/or Damages

Page 1095. Add an *Editors' Note at the end of the Section 1117 quote:**

**Editors' Note.* Section 1117 subjects an award of damages and/or profits to Section 1111, which conditions such an award on the registrant having used a registration notice “unless the defendant had actual notice of the registration.” Accordingly, it is prudent for owners of a registration to do so.

Page 1099. Add the following cases after *Romag Fasteners v. Fossil*.

The Third Circuit dealt with a willfulness finding and its impact on a damage award in **Lontex Corp. v. Nike, Inc.**, 107 F.4th 139 (3rd Cir. 2024). Plaintiff owned the registered trademark COOL COMPRESSION for its athletic compression clothing. Nike’s NIKE PRO athletic clothing included a category of clothing designed to reduce sweat and reduce body temperature in different fits, including compression wear. It started using “COOL” and “COMPRESSION” together in names of products sold online, in catalogs and in tech sheets given to some third-party retailers who Nike knew used such phrases as product names for what they sold. Nike did not use the term on hangtags or products. Nike did not conduct a trademark search for the term as “employees viewed the phrase as merely a descriptive term for the product and fit.” After receiving Lontex’s cease and desist letter, “Nike’s lawyers directed the company to stop using the phrase ... in product names “as soon as possible.” In subsequent months, Nike removed the phrase from its website and took steps to remove it from its catalogs, but there was still some use a year later in catalogs. After two years, it contacted its retailers and said it was updating its product naming without mentioning the cease-and-desist letter. The jury found Nike’s conduct was willful, and in post-trial motions, the district court tripled the jury award of compensatory damages to \$426,000. On appeal as to the willfulness finding, the appellate court affirmed, stating:

Nike appeals the jury’s finding that its infringement was “willful,” arguing that the jury was improperly allowed to infer willfulness solely from Nike’s continued use of Lontex’s trademark after it received the cease-and-desist letter. Nike is incorrect.

Though “defendants have every right to decline pre-litigation requests without adverse consequences, . . . they must do so in good faith—that is, believing that they have a colorable claim of right to engage in the challenged behavior.” [Cite.] So continued use of a trademark contrary to a cease-and-desist letter can establish willfulness if done in bad faith. [Cite.] A defendant’s subjective belief is often discerned through circumstantial, rather than direct, evidence. “When there is no evidence of bad faith in the adoption of the mark, all post-notification conduct must be analyzed to determine if the defendant’s continuing actions were unreasonable and amounted to bad faith.” [Cite.]

Even assuming that Nike had no improper motive in adopting the phrase “Cool Compression” without conducting a trademark search, a jury could still find willfulness from Nike’s continued use after it learned of Lontex’s trademark. After reviewing the cease-and-desist letter, Nike’s legal department instructed the company to stop using “Cool Compression” “as soon as possible.” That advice might have been precautionary guidance designed to avoid litigation notwithstanding Nike’s belief that it had a colorable legal basis to use the phrase. Or perhaps Nike needed to stop “as soon as possible” because the company knew it was infringing Lontex’s trademark rights. The evidence does not compel one inference over the other, so a reasonable jury could have found that Nike did not subjectively believe it had a right to use “Cool Compression” in view of its counsel’s legal advice.

Despite that advice, Nike kept using the mark for at least a year in its catalogs.

And there is no evidence that Nike removed the phrase from the tech sheets viewed by sales associates and some retailers. Nor is there any evidence that the company alerted third-party retailers of the trademark issue as Nike continued to sell them “Cool Compression” products for two years. Taken together, this circumstantial evidence supports a jury inference that Nike, despite knowing of Lontex’s trademark and being advised by its own lawyers to stop using the mark, intentionally continued using Lontex’s trademark. Because a reasonable jury could find that Nike’s continued use of Lontex’s trademark shows willful infringement, the District Court did not err, and Nike is not entitled to judgment as a matter of law.

In **Dewberry Group, Inc. v. Dewberry Engineers Inc.**, 145 S. Ct. 681, 604 U.S. ____ (2025), the Supreme Court held it was error for the lower courts to award defendant’s profits by totaling the profits of the defendant corporation with those of 30 separately incorporated affiliated entities that were not party to the lawsuit. Defendant Dewberry Group (“Group”), a commercial real-estate company, provides financial, legal, marketing and operational services to the 30 affiliates of Group’s owner. Each of the 30 affiliates lease a commercial property. The rental income is allocated to each of them, not to Group, which receives only “agreed fees.” Group operated for many years at a loss and “survives only through occasional cash infusions from John Dewberry...”, the overall owner of Group and the other affiliates.

Dewberry Engineers (“Engineers”), a real estate development company for commercial entities, owns a registration for DEWBERRY and sued Group, but not its affiliates, for trademark infringement and unfair competition under the Lanham Act and won. The district court awarded profits. Group had none, but the court treated Group and the 30 affiliates as a single entity and awarded nearly \$43 million in profits. A divided Fourth Circuit panel affirmed. The Supreme Court rejected Group’s argument that the lower courts had applied a “just sum” analysis under Section 1117(a) to justify the award. Justice Kagan for the unanimous Court stated:

... [I]f corporate law treated all affiliated companies as ... “a single corporate entity,” we might construe the term “defendant” in the same vein—as sweeping in the named defendant’s affiliates because they lack a distinct identity. But in fact the usual rule is the opposite. “[I]t is long settled as a matter of American corporate law that separately incorporated organizations are separate legal units with distinct legal rights and obligations.” [Cite.] And that is so even if the entities are affiliated—as they are here by virtue of having a common owner. [Cite.] To be sure, the “principle[] of corporate separateness” has exceptions: A court may in select circumstances “pierc[e] the corporate veil,” especially to prevent corporate formalities from shielding fraudulent conduct. [Cites omitted.] But Dewberry Engineers, as it admits, never tried to make the showing needed for veil-piercing. So the demand to respect corporate formalities remains. And that demand fits hand-in-glove with the Lanham Act’s text: Again, the “defendant’s profits” are the *defendant’s* profits, not its plus its affiliates’.

Engineers argued that it was entitled to the profits award under the “just sum” language of Section 1117(a) that states: “If the court shall find that the amount of recovery based on profits is either inadequate or excessive, the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances.” Engineers contended that “a court can consider ‘as relevant evidence’ the profits of related entities—for example, to see if the defendant diverted some of its earnings to an affiliate’s book.” The Supreme Court found that the lower courts had not, as a factual matter, relied on the “just sum” theory:

In remanding this case for a new award proceeding, we leave a number of questions unaddressed. First, we express no view on Dewberry Engineers’ understanding of the just-sum provision. We have concluded only that the courts below did not invoke that

provision to support the \$43 million award. Whether (or how) they could have used the provision is not properly before us; still less is whether Dewberry Engineers may press its just-sum theory on remand given forfeiture rules. Second, we also state no view on the position of the Government respecting when courts, even without relying on the just-sum provision, can look behind a defendant's tax or accounting records to consider "the economic realities of a transaction" and identify the defendant's "true financial gain." [Cite.] Again, it is now up to the lower courts to decide whether to consider the Government's proposals. And third, we offer no opinion on whether, as raised during oral argument here, corporate veil-piercing is an available option on remand.

All we hold today is that the courts below were wrong to treat Dewberry Group and its affiliates as a single entity in calculating the "defendant's profits." Dewberry Group is the sole defendant here, and under that language only its own profits are recoverable.

We therefore vacate the judgment of the Court of Appeals and remand the case for further proceedings consistent with this opinion.

What do you think the parties should argue on remand and what should the courts do?

Page 1099. Add Questions 6 and 7.

6. FRCP 54(c) provides that a default judgment "must not differ in kind from, or exceed in amount what is demanded in the pleadings." Where a plaintiff sought actual damages "in an amount to be determined at trial," and the case resulted in a default judgment, can the plaintiff be awarded actual damages? *See Airdoctor, LLC v. Xiamen Qichuang Trade Co., Ltd.*, 134 F.4th 552 (9th Cir. 2025) (held that actual damages were pled and that it was not necessary to specify an amount; accordingly, actual damages could be awarded).

7. If a plaintiff seeks profits in an infringement case that ends in a default judgment, and the plaintiff proves defendant's revenues, can the court award the entire amount as profits? *See Dyson Technology Ltd. v. David & Store*, 132 F.4th 526 (7th Cir. 2025) (Seventh Circuit reversed the district court's refusal to award any profits as the plaintiff's burden was met by proving defendant's revenues under Section 1117(a) and remanded the case to the district court, which would be permitted to modify the profits award if the court in its discretion found the award would be excessive).

3. Attorney's Fees

Page 1117. Add Question 5:

5. Recall *Lontex Corp. v. Nike, Inc.*, this Supplement, 12.B.1, *supra*. In that case, the district court awarded plaintiff \$5 million in attorney's fees, relying on general considerations to find the case exceptional: that enforcement of trademark laws is important, that the size of plaintiff was dwarfed by Nike, and that as a matter of policy, it is unreasonable to expect a small company to afford the costs of this type of lawsuit. Although the district court referred to willfulness, it did not state that as a reason for the award. The appellate court held that general policies applicable to typical trademark cases could not be the basis for the award and vacated it and remanded for a reassessment by the district court. What arguments would you make to the district court to justify the award? *On remand*, 2024 U.S. Dist. LEXIS 187839 (E.D. Pa. Oct. 16, 2024).

C. Trademark Counterfeiting

Page 1121. Add the following sentence after the first sentence in *Note: The Problem of Counterfeiting*.

Additionally, state remedies, including anti-counterfeiting state statutes and civil suits by local prosecutors, add to the arsenal against counterfeiters. *See, e.g.,* Trevor Little, “LA City Attorney’s high-profile counterfeiting victory highlights benefits of working with local prosecutors,” *World Tm Rev.* (March 5, 2022).

Page 1121. Add the following sentence at the end of *Note: The Problem of Counterfeiting*.

A recent criminal sentencing proceeding illustrates the scale and dangers posed by counterfeiting. *See USA v. Aksoy*, Case No. 3:22-cr-00464 (DNJ May 2, 2024) (counterfeiting scheme involved over \$1 billion worth of counterfeit Cisco products with functional and safety issues that were sold to hospitals, schools and the military).

1. What Is Counterfeiting?

Page 1130. Add Question 4:

4. Plaintiff owns a registered mark for EYE DEW in standard characters that covers eye creams. Defendant subsequently began selling an eye cream under the mark EYE DEW. Both parties’ products bear their respective house marks, ARCONA and FARMACY, and are depicted below:



Should Farmacy’s use of EYE DEW be considered a counterfeit under 15 U.S.C. § 1114? Why or why not? Is a finding of likelihood of confusion required? *See Arcona, Inc. v. Farmacy Beauty, LLC*, 976 F.3d 1074 (9th Cir. 2020).

Page 1143. Add “Statutory Damages and” before “Mandatory Treble Damages and Attorney’s Fees” in Subheading 3 and the following case:

3. Statutory Damages and Mandatory Treble Damages and Attorney’s Fees

Section 35(c) of the Lanham Act permits plaintiffs who sue for counterfeiting to elect, before final judgment, statutory damages instead of actual damages and profits. The range for non-willful violations is from \$1,000 to \$200,000 per counterfeit mark and rises up to \$2,000,000 per counterfeit mark if the use is

willful. In **Top Tobacco, L.P. et al v. Star Importers & Wholesalers, Inc.**, 135 F.4th 1344 (11th Cir. 2025), Top Tobacco and Republic Tobacco sued Star Importers *inter alia* for selling counterfeit cigarette rolling papers with counterfeit TOP and JOB marks. The jury found the infringement was non-willful and assessed statutory damages in the amount of \$123,000 per mark for a total of \$1,107,000 for nine marks. Star appealed on the ground that the verdict was excessive, not related to plaintiffs' actual damages and inconsistent with the finding of non-willfulness. The Circuit Court panel rejected all these arguments and also analogized to copyright law that also provides for elective statutory damages:

Star's argument that the verdict needed to be related to actual damages is also wrong as a legal matter. The lodestar for the legality of an award for statutory damages is the range enshrined by Congress—not the amount of actual damages. In the copyright context, for example, a district “court has wide discretion in determining the amount of statutory damages to be awarded, *constrained only by the specified maxima and minima.*” *Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829, 852 (11th Cir. 1990) (emphasis added). And the Supreme Court has explained that a statutory damages award “must be within the prescribed limitations, that is to say, neither more than the maximum nor less than the minimum” but “[w]ithin these limitations the court's discretion and sense of justice are controlling.” *F. W. Woolworth Co. v. Contemp. Arts, Inc.*, 344 U.S. 228, 232, 73 S. Ct. 222, 97 L. Ed. 276 (1952). The jury had wide latitude to award a within-range verdict regardless of the size of actual damages.

Nothing in section 1117(c) nor precedent suggests that statutory damages must be related to actual damages; instead, all signs point toward the opposite conclusion. Section 1117(c) states that plaintiffs may pursue statutory damages “*instead of* actual damages and profits.” 15 U.S.C. § 1117(c) (emphasis added). In a related context, the Copyright Act authorizes statutory damages regardless of “whether or not adequate evidence exists as to the actual damages incurred by plaintiffs.” *Cable/Home Communication Corp.*, 902 F.2d at 850. That Act uses the same language as section 1117(c): plaintiffs “may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action.” 17 U.S.C. § 504(c)(1). We extend this evident principle to the trademark context.... The jury instructions and evidence at trial also foreclose Star's argument. The district court instructed the jury that “[a]n award of statutory damages . . . should not constitute a windfall for the plaintiff and thus should bear some relationship to the actual damages suffered by the plaintiff and in consideration of the other factors.” Because we “presume that a jury follows its instructions,” [cite,] we can assume that the jury ensured that the verdict “b[ore] some relationship to the actual damages”—even if it did not need to do so as a matter of first principles.

The appellate court also rejected Star's argument that consideration of deterrence is not appropriate with respect to non-willful conduct:

Nothing in the record suggests that the jury “punished” Star with damages that could be awarded only for willful infringement. To the contrary, the jury rendered a verdict below the statutory maximum for nonwillful infringement. See 15 U.S.C. § 1117(c)(1)....

Star's argument is also foreclosed by the jury instructions. The district court instructed the jury that “[a] finding of willfulness . . . is not required in order to award statutory damages.” Those instructions further explained that “[b]ecause statutory damages serve...both compensatory and punitive purposes, under the law, Republic can recover statutory damages even if Republic did not lose revenue or suffer any actual damages.”

The jury instructions also correctly stated the law. Star overreads the prefatory phrase in our statement in *Cable/Home Communication Corp. v. Network Productions, Inc.* that “when the infringement is willful, deterrence of future violations is a legitimate consideration because defendants must not be able to sneer in the face of copyright owners and copyright laws.” 902 F.2d at 851 (emphasis added). Although Star cites this language to argue that a finding of willfulness is a condition precedent to the jury considering additional justifications for punishment like deterrence, a closer examination of that decision makes clear that it does not support that argument. In *Cable/ Home Communication*, we explained that district courts have “wide latitude . . . in awarding statutory damages, bounded only by the statutory limits.” And we ruled that “the district court should consider both the willfulness of the defendant’s conduct and the deterrent value of the sanction imposed”—with no suggestion that the former was a condition precedent to consideration of the latter. That we stated that a jury can consider deterrence when the infringement is willful does not mean that a jury cannot also consider deterrence when the infringement is not willful.

The Eleventh Circuit also concluded that “the within range verdict against Star is not so disproportionate as to offend the Constitution” as Star had argued. Accordingly, the appellate court affirmed the district court.

4. Online Counterfeit Strategies

Page 1154. Add the following case after Question:

It is often difficult to obtain jurisdiction over foreign entities that are selling counterfeit goods online. District courts in the Seventh and Ninth Circuits have found jurisdiction when a counterfeit product is purchased on an interactive website and shipped to the relevant U.S. district. The Second Circuit went a step farther in **American Girl, LLC v. Zembrka**, 118 F.4th 271 (2nd Cir. 2024). The Chinese defendant sold counterfeit versions of AMERICAN GIRL doll products on its interactive website as shown below:

<u>Counterfeit Product Image on Defendants' Website www.zembrka.com</u>	<u>Counterfeit Product Image on Defendants' Website www.daibh-idh.com</u>	<u>Image of Plaintiff's Authentic American Girl Product</u>
		
		
		

American Girl asserted jurisdiction over the defendant under NY's long arm statute on the basis of transacting business within the state. Plaintiff's lawyers had placed an order on the defendant's interactive website and entered their billing and payment information, shipping address and contact information and received a confirmation that the order had been received and that defendant was getting the order ready to be shipped. After being served with a TRO, however, the defendant cancelled the shipment and refunded the purchase. It also cancelled other orders into New York and moved to dismiss for lack of personal jurisdiction. The district court granted the motion. On appeal, the Second Circuit reversed:

The evidence demonstrates that Zembrka accepted orders with New York shipping addresses, sent confirmatory emails with New York shipping addresses containing commitments to ship to those New York addresses, and accepted payments from a customer with a New York address. We have little difficulty concluding that this activity constitutes transacting business within New York for purposes of jurisdiction under § 302(a)(1).

The fact that Zembrka cancelled the orders and refunded the purchase price to the customer does not change this conclusion. Zembrka breached their commitment to sell and ship apparently only after they received notice of this litigation. Section 302(a)(1) doesn't require a completed sale. It only requires a transaction.

Defendants contend that they did no more than operate interactive websites that were accessible from New York. But the law is clear that “long-arm jurisdiction is appropriately exercised over commercial actors who have . . . used electronic . . . means to project themselves into New York to conduct business transactions.” [Cite.] That is precisely what Zembrka did. We have recognized that “a website’s interactivity may be useful for analyzing personal jurisdiction under section 302(a)(1) . . . insofar as it helps to decide whether the defendant transacts any business in New York.” *Best Van Lines, Inc. v. Walker*, 490 F.3d 239, 252 (2d Cir. 2007). The District Court erred in characterizing Defendants’ websites as merely “accessible” from New York. As noted above, American Girl provided evidence that a prospective customer in New York could submit an order and payment information through Zembrka’s websites that, in turn, triggered an order confirmation email from Defendants and payment receipts from PayPal. Accordingly, Defendants’ websites can readily be characterized as “highly interactive.” *Chloe*, 616 F.3d at 170. Defendants’ operation of these websites is therefore another contact that contributes to their purposeful availment of New York.

The District Court concluded that Zembrka had not transacted business under § 302(a)(1) because there was no evidence that they *actually* shipped ordered and paid-for goods to New York. This conclusion was incorrect. Section 302(a)(1) does not require a shipment. It requires a transaction. As noted earlier, the “overriding criterion” is whether the non-domiciliary defendant “purposefully avails itself of the privilege of conducting activities within New York.” [Cite.] That activity may or may not include shipping goods.