

Trademark and Unfair Competition Law

Cases and Materials

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Contents

Chapter 1 • Concepts of Trademarks and Unfair Competition	3
A. Competition	3
1. Common Law Unfair Competition and Preemption	3
<i>Ramsi A. Woodcock, The Obsolescence of Advertising in the Information Age</i>	4
<i>Jeremy Sheff, Biasing Brands</i>	9
<i>Ralph S. Brown, Jr., Advertising and the Public Interest: Legal Protection of Trade Symbols</i>	10
Questions	11
Chapter 2 • What Is A Trademark?	13
A. Subject Matter of Trademark Protection	13
<i>Jack Daniel’s Properties, Inc., Petitioner v. VIP Products LLC</i>	13
1. Word Marks	14
a. Slogans	14
<i>In re Lizzo LLC</i>	14
B. Distinctiveness	21
1. Arbitrary, Fanciful, Suggestive and Descriptive Terms	21
<i>Bimbo Bakeries USA, Inc., v. Sycamore</i>	21
Question	23
2. Secondary Meaning	23
TBL Licensing v. Vidal	23
<i>Jeanne Fromer, Against Secondary Meaning</i>	27
Questions	30
C. Collective and Certification Marks and Other Group Designations	30
1. Collective and Certification Marks	30
Chapter 3 • Use and Ownership	31
A. Trademark Use	31
<i>The Real USFL LLC v. Fox Sports, Inc</i>	31
B. Ownership	32
C. “Use in Commerce”	32
D. Analogous Use	34
E. Priority	35
<i>Bertini v. Apple Inc.</i>	35
Chapter 4 • Registration of Trademarks	39
A. The Bases and Process	39
1. Bases of Registration	39
B. Priority of ITUs, Madrid Protocol Extensions and Applications Claiming Paris Convention Priority	39
<i>Lodestar Anstalt v. Bacardi & Co. Ltd.,</i>	41

C. Bars to Registration	43
1. Section 2(a) of the Lanham Act; Immoral, Scandalous, Disparaging or Deceptive and False Suggestion of a Connection	43
a. Immoral, Scandalous or Disparaging Marks	43
<i>In re Brunetti</i>	43
b. Deceptive Terms	44
2. Sections 2(b) and 2(c) of the Lanham Act	45
<i>In re Elster</i>	45
3. Section 2(d) of the Lanham Act: Likely Confusion	50
Note: Concurrent Use Registrations	51
<i>Beasley v. Howard</i>	53
Chapter 5 • Loss of Trademark Rights	56
A. Genericism	56
2. Implementing the Standard: Survey Evidence	57
B. Abandonment	57
1. Non Use	57
<i>Perry v. H.J. Heinz Co. Brands</i>	57
<i>The Real USFL LLC v. Fox Sports, Inc.</i>	60
2. Assignment in Gross	60
Chapter 6 • Infringement	61
A. Defendant’s Use in Commerce	61
<i>Steele v. Bulova Watch Co.</i>	61
Questions	61
<i>Abitron Austria GmbH v. Hetronic International, Inc.</i>	62
Questions	67
B. Likelihood of Confusion	68
1. Factors for Assessing Likelihood of Confusion	68
2. Likelihood of Confusion in the Courts	69
<i>Therapeutics MD, Inc. v. Evofem Biosciences, Inc.,</i>	69
<i>Lerner & Row PC v. Brown Engstrand & Shely LLC</i>	71
3. Different Varieties of Confusion	73
a. Initial Interest Confusion	73
<i>Jim S. Adler, P.C. v. McNeil Consultants, L.L.C.</i>	73
c. Reverse Confusion	75
<i>Wreal, LLC v. Amazon.com, Inc.</i>	75
Chapter 7 • Section 43(A)(1)(A) of the Lanham Act	86
A. Unregistered Marks	86
1. Application to Traditional Trademark and Trade Dress Cases	86
Question	86
Chapter 8 • Defenses to Infringement	89

A. Statutory Defenses/Incontestability	89
2. Particular Section 33(b) Defenses	89
a. Fraud on the Trademark Office	89
Chutter, Inc. v. Great Management Group	89
Questions	89
B. Judge-Made Defenses	90
1. First Sale	90
4. Sovereign Immunity	93
Note: Standing as an Alternative Limit	93
Brooklyn Brewery v. Brooklyn Brew Shop	94
Questions	96
C. Other Limitations on Trademark Protection: Expressive Use	97
1. Re-Weighing Likelihood of Confusion	97
<i>Jack Daniel’s Properties, Inc. v. VIP Products LLC</i>	97
Questions	105
Question	107
2. Parody	108
Note	109
<i>Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC</i>	109
3. Trademarks as Speech	118
Chapter 9 • Dilution	119
B. Federal Dilution	119
1. Statutory Standards	119
a. Fame	119
b. Blurring	120
d. Parody	121
Jack Daniel’s Props. v. VIP Prods. LLC	121
Chapter 10 • False Advertising	123
A. Commercial Advertising or Promotion	123
B. Literal Falsehood	123
C. Misleading Representations	124
D. Standing	125
Chapter 11 • Internet Domain Names	127
B. Anti Cybersquatting Consumer Protection Act	127
1. Bad Faith	127
Note	127
<i>Prudential Ins. Co. of Am. v. Shenzhen Stone Network Info. Ltd.</i>	128
C. ICANN and the Uniform Dispute Resolution Policy	131
1. Bad Faith	131
Law Offices of Jeffrey J. Antonelli, Ltd., Inc. v. The Law Offices of Stephen C. Vondran, P.C.	131

3. Gripe Sites	132
Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc. Customer 1249561463 / Steve Coffman	132
Chapter 12 • Remedies	136
A. Injunctive Relief	136
1. Injunctions	136
Nichino America, Inc. v. Valent USA LLC	136
2. Disclaimers	138
4. Declaratory Relief: Defendants’ Counterpart to Injunctive Relief	138
San Diego County Credit Union v. Citizens Equity First Credit Union	138
C. Trademark Counterfeiting	139
1. What Is Counterfeiting?	139

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 in to 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 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. 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

* Most footnotes omitted. Excerpted with permission. – Eds.

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”).

...

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 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.

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

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

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 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

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

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 ...

Justice Douglas ... observed that

Clorox spen[ds 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

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

⁹⁹ *Id.* at 572.

... [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....

Jeremy Sheff, *Biasing Brands*

32 *Cardozo L. Rev.* 1245 (2011)[excerpts]*

. . . The proposition that the function of trademarks is to inform consumers is at the heart of the dominant theoretical model of trademark law. In this view, the consumer’s mind runs a kind of matching algorithm, testing the consumer’s own preferences against all sources of information — whether derived from the consumer’s own search or from the informational content of a trademark — about the available purchase options, in order to determine which purchase option is most likely to satisfy his preferences.

. . . Despite its intuitive appeal, this model does not describe actual consumer decision-making very well. It is unlikely that any modern consumer can, on reflection, honestly characterize their myriad and varied purchasing decisions as a series of calculations to determine likelihood of

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

¹²¹ *Kellogg Co.*, 99 F.T.C. at 256.

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preference-satisfaction based on a synthesis of product information conveyed by a trademark with product information obtained independently. Many, if not most, consumer transactions — from purchasing a pack of gum at a drugstore checkout, to ordering a beer at a bar, to pre-ordering the latest tech gadget online — are considerably less systematic and analytical than the search-costs model can account for. Two questions therefore arise: First, is a more descriptively accurate model of consumer decision-making available; and second, does that model, if it exists, provide the same normative support for the current system of legal protection for trademarks?

With respect to the first question, there is an entire field of academic and professional study devoted to analyzing, predicting, and influencing the consumer decision-making process: marketing. The marketing literature has developed tools for analyzing consumer decision-making, and particularly for analyzing the effect of trademarks (and of the related construct, brands) on that decision-making. In particular, marketing researchers have directed considerable attention to the question of what makes consumers willing to pay more for a branded product than for an equivalent unbranded product — the question of “brand equity.” Academic development of the concept of brand equity has given rise to a model of consumer decision-making that shares some overlap with the search-costs model, but also contradicts it in important ways.

. . . First, and consistent with the search-costs model, trademarks inform consumers: They provide consumers with objective information about the products and services to which they are affixed. Second, trademarks persuade consumers: Marketing efforts can generate or change consumer preferences to align with whatever qualities — including subjective qualities — are perceived to be offered by a marked product. The persuasive function of trademarks and advertising has long been a subject of intense debate in the economic and legal academic literatures.

[T]his Article will focus on a third, under-appreciated effect of trademarks: their ability to bias consumers. By “bias,” I mean that trademarks, supported by marketing activities . . . , can give rise to consumer beliefs about objective product qualities that are objectively mistaken, and yet resistant to correction by exposure of the consumer to objective evidence. I refer to this phenomenon as “brand bias,” and I situate it as an example of the type of boundedly rational decision-making behavior that undergirds the behavioralist critique of neoclassical law and economics models (such as the search-costs model).

The behavioralist critique does not so much invalidate traditional economic models of behavior (such as the search-costs model) as it requires their qualification. Specifically, it raises the possibility that strategic actors can compromise the efficiencies of a system (such as the trademark system) by manipulating the divergence between rational and boundedly rational behavior. . . . [M]arketing techniques can be and are in fact deployed strategically by brand owners to manipulate brand bias in welfare-reducing ways. Moreover, this strategic behavior is enabled by the very trademark protection that the search-costs model purports to justify in the name of efficiency.

Ralph S. Brown, Jr., Advertising and the Public Interest: Legal Protection of Trade Symbols

57 YALE L.J. 1165 (1948)

Advertising has two main functions, to inform and to persuade. With qualifications that need not be repeated, persuasive advertising is, for the

community as a whole, just a luxurious exercise in talking ourselves into spending our incomes. For the individual firm, however, it is a potent device to distinguish a product from its competitors, and to create a partial immunity from the chills and fevers of competition. The result of successful differentiation is higher prices than would otherwise prevail. The aim, not always achieved, is higher profits. Whether persuasive advertising enhances the total flow of goods by promoting cost reductions is disputable. Whether it swells the flow of investment by the lure of monopoly profits is doubtful.

For the consumer who desires to get the most for his money, persuasive advertising displays a solid front of irrelevancy. The alternatives to what the advertisers offer are not adequately presented, and the choice among advertised products is loaded with a panoply of propaganda for which the buyer pays, whether he wants it or not. However, both buyer and seller profit from informative advertising. In a complex society, it is an indispensable adjunct to a free traffic in goods and services. The task before the courts in trade symbol cases, it may therefore be asserted, should be to pick out from the tangle of claims, facts, and doctrines they are set to unravel, the threads of informative advertising, and to ignore the persuasive. The two functions are very much intertwined in trade symbols, how confusingly will appear when we try to separate them.

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 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.

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., Petitioner v. VIP Products LLC

599 U. S. ____ (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 case and Note.



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.

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 1990, Jimmy Johns registered the slogan FREE SMELLS for restaurant services. 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 decision in *In re Lizzo* demonstrates, 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. Similarly, the PTO will conclude that a purported mark fails to function as a trademark if consumers will understand the phrase source 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 § 1202.02(f)(i) (July 2022).

What if the slogan is straightforwardly descriptive? Like other descriptive terms, a descriptive slogan can acquire secondary meaning through extensive, continuous and substantially

exclusive use. One such slogan was at issue in *Roux Labs. v. Clairol, Inc.*, 427 F.2d 823 (C.C.P.A. 1970), where the court dismissed an opposition to registration on the Principal Register of the slogan HAIR COLOR SO NATURAL ONLY HER HAIR DRESSER KNOWS FOR SURE for "hair tinting, dyeing and coloring preparation." In rejecting opposer's mere descriptiveness challenge, the court emphasized the pervasiveness of applicant's advertising and sales: from 1956–66, applicant sold over 50 million dollars worth of the product, and expended 22 million dollars in advertising containing the disputed slogan.

In *In re Boston Beer*, 198 F.3d 1370 (Fed. Cir. 1999), the Court of Appeals for the Federal Circuit upheld the Board's refusal to register THE BEST BEER IN AMERICA despite evidence of 85 million dollars of sales and 10 million dollars of advertising. The court observed: "The record shows that 'The Best Beer in America' is a common phrase used descriptively by others before and concurrently with Boston Beer's use, and is nothing more than a claim of superiority." 198 F.3d at 1374. More recently, the Trademark Trial and Appeal Board upheld the trademark examiner's refusal to register the slogan ONCE A MARINE, ALWAYS A MARINE for clothing on the ground that the slogan did not function as a trademark. *In re Eagle Crest, Inc.*, 96 U.S.P.Q.2d (BNA) 1227. 1230 (T.T.A.B. 2010):

There is no dispute that the phrase ONCE A MARINE, ALWAYS A MARINE is an old and familiar Marine expression, and as such it is the type of expression that should remain free for all to use. In fact, the evidence shows that the slogan is commonly used in an informational and ornamental manner on t-shirts and various other retail items produced and/or sold by others. . . . The function of a trademark is to identify a single commercial source. Because consumers would be accustomed to seeing this phrase displayed on clothing items from many different sources, they could not view the slogan as a trademark indicating source of the clothing only in applicant. It is clear that clothing imprinted with this slogan will be purchased by consumers for the message it conveys. Applicant is not entitled to appropriate the slogan to itself and thereby attempt to prevent competitors from using it to promote the sale of their own clothing.

In *In re GO and Associates, LLC*, 2022 TTAB Lexis 156 (T.T.A.B. April 22, 2022), applicant sought to register the trademark EVERYBODY VS RACISM for tote bags and T-shirts. The Examiner refused registration on the ground that the phrase was a "widely used social or political slogan that does not function as a trademark." The Board affirmed, citing *In re Eagle Crest*:

[W]e find that consumers would perceive EVERYBODY VS RACISM as merely an informational anti-racist message that everyone--every person, institution or organization should support the fight against racism. The commonplace meaning imparted by the phrase EVERYBODY VS RACISM would be the meaning impressed upon the purchasing public, and it would not be perceived as a service mark or trademark. Clothing and tote bags imprinted with EVERYBODY VS RACISM will be purchased by consumers for the informational message it conveys. *In re Eagle Crest Inc.*, 96 USPQ2d at 1230. Therefore, consumers accustomed to seeing this phrase displayed on clothing, tote bags and other retail items from many different sources would not view the slogan as a trademark indicating source of the clothing or tote bags only in Applicant. *Id.*

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

See JLM Couture v. Gutman, 24 F.4th 785 (2d Cir. 2022).

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 new Question 6.

6. Jason Scott Designs [JSD] sells hand-carved heavy wood furniture crafted from reclaimed teak by Indonesian artisans. The furniture is sold through authorized retailers who have exclusive access to the collection in their geographic area. Trendily Furniture competes with JSD in the high-end furniture market. Its owner saw pieces from the JSD collection and manufactured nearly identical imitations of a dining table, buffet, and desk in Trendily’s furniture factory in Jaipur. Trendily then sold the knockoff furniture through retail stores in Texas. JSD sued Trendily for infringement of its trade dress. The parties stipulated that the overall look of the three JSD pieces is not inherently distinctive, and that Trendily deliberately copied them. JSD argues that Trendily’s copying is itself sufficient evidence that the designs have secondary meaning. Trendily argues that deliberate copying shouldn’t support a finding of secondary meaning unless the copier intended to confuse consumers. How should the court rule? *See Jason Scott Collection, Inc. v. Trendily Furniture LLC*, __ F.4th __, 2023 U.S. App. LEXIS 13225 (9th Cir. May 30, 2023).

Page 137. Replace *Converse, Inc. v. ITC* with the following case.

TBL Licensing v. Vidal, __ F. Supp. 3d __, 2022 U.S. Dist. LEXIS 222097 (E.D.Va. Dec. 8, 2022). Timberland sought to register eight features of the design of one of its boots as trademarks. The TTAB affirmed the examiner’s denial of registration on the ground that TBL had failed to prove acquired distinctiveness. TBL sought review in the district court for the district of Colorado, which affirmed the TTAB’s decision.

[S]econdary meaning (also known as acquired distinctiveness)... requires proof that, in the minds of the public, the *primary* significance of a product feature or term is to identify the source of the product rather than the product itself. *Inwood Labs. Inc. v. Ives Labs. Inc.*, 456 U.S. 844, 851n.11 (1982). The Fourth Circuit has made clear that secondary meaning entails a rigorous evidentiary standard. [Citations.] Such a standard is hard to meet in product design cases because normally it is difficult to parse apart how much of sales success is due to the inherent desirability of the product. That in turn makes it hard to determine how much, if any, of the product's success is due to consumers seeing the design as a source-identifier.

Consumers do not associate the design of a product with a particular manufacturer as readily as they do a trademark or product packaging trade dress. In the context of product design marks, it is imperative that the evidence of acquired distinctiveness relate to the promotion and recognition of the specific configuration embodied in the applied-for mark and not to the goods in general. Secondary meaning cannot be proven by advertisements that merely picture the claimed trade dress and do nothing to emphasize or call attention to it.

Six factors are considered in assessing acquired distinctiveness: (1) advertising expenditures; (2) consumer studies linking the mark to a source; (3) record of sales success; (4) unsolicited media coverage; (5) attempts to plagiarize the mark; and (6) the length and exclusivity of the plaintiff's use of the mark. [Citation.]

For product features to be protected as a trademark, the evidence must show that people primarily view them not as product features but as indicators of source. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000). To determine this, courts look at many different kinds of evidence, including advertising and consumer surveys. *See, e.g., George & Co. v. Imagination Entm't Ltd.*, 575 F.3d 383, 395 (4th Cir. 2009). The issue of acquired distinctiveness is also a question of fact. [*In re Becton, Dickinson*, 675 F.3d 1368 (Fed. Cir. 2012)] at 1372-73; *U.S. Search, LLC v. U.S. Search.com Inc.*, 300 F.3d 517, 525 (4th Cir. 2002).

TBL uses the registered TIMBERLAND word mark, the registered Timberland tree logo, both of which appear on the boot itself and their boxes, and multiple registered slogans as the means to identify source.

Where multiple competitors use the design that one company wants for its own, consumers will not see the design as indicating a unique source of goods.

Teaching customers to "look for" whatever design feature said to be a source identifier is a critical form of advertising in product design trademark cases.

Despite almost 50 years of advertising, TBL has not produced any evidence that it has engaged in "look for" advertising.

When TBL's advertisements do mention any of the applied-for features, they mention the functional benefits, such as waterproofing and durability.

TBL identifies itself as the source of its boots through use of a comprehensive range of traditional word marks, stylized word marks, logos, and slogans. These marks allow consumers to see that a boot is a TBL product before they get close enough to examine a pair of boots to tick off a check-list of eight specific product features.

In addition to these registered word and logo trademarks, TBL has for years called consumers' attention to the yellow color of its best-selling boot. It applied to register the color yellow itself for boots, but the USPTO refused to award TBL exclusive rights in the color because many competing bootmakers produced similarly colored boots.

As the examples of advertising materials TBL has provided bears out, the source-identifying significance of TBL's comprehensive use of traditional trademarks cannot be overstated. Indeed, the media, and TBL itself, have noted that consumer identification of the boot with TBL took off when TBL decided, in the 1970s, to take the then-unusual step of burning its tree logo into the outward-facing side of the boot. What really made this boot an icon was the decision to burn its Timberland tree logo into the side of the leather upper. In another publication for its retailers about the brand's history, TBL pointed to the registered tree logo, stating the Timberland logo stands for quality, durability, and performance. Some retailers/commercial partners actually tout the TBL Tree Logo on the side of the boot (and sometimes the tongue) as a "feature" of the product, as does even TBL itself. The various store displays that TBL offers to its retailers and the actual Timberland product displays in retail stores feature large-scale depictions of the registered TIMBERLAND word mark and registered tree logo to identify the products as TBL's and draw customers to the displayed products long before they get close enough to carefully examine whether the boots contain all eight claimed features.

The saturation of the market with look-alike boots using many of the same functional features is fatal to TBL's claim that consumers look for these features to identify TBL's boots and distinguish them from competing boots. TBL itself acknowledges over and over in its advertisements that there are many imitators. This is at odds with the principle of secondary meaning, which requires that a mark or dress has come through use to be uniquely associated with a specific source. *Two Pesos*, 505 U.S. at 766 n.4; *see also Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143, 145-46 (1920) (secondary meaning means the mark has acquired a secondary significance and . . . indicate[s] the plaintiff's product alone It means a single thing coming from a single source, and well known to the community.); *George & Co.*, 575 F.3d at 394 (a mental association in buyers' minds between the alleged mark and a single source of the product). If the alleged mark is used by more than just the claimant, acquired distinctiveness may be impossible to prove. Third-party use undermines the claim that the relevant public perceives this designation as identifying only one source in

the marketplace.

TBL argues that its sales and advertising of boots with the claimed features are so large that trademark rights must attach. While the numbers are impressive, trying to prove that consumers see a product design as a brand is a different matter. In particular, in assessing sales numbers in product design cases, the inference normally drawn from a product's market success is that the sales reflect the desirability of the product configuration rather than the source-designating capacity of its features. [Citations.] Here, the product seller's advertising, to the extent it mentions the features for which trade dress protection is sought, highlights the functional benefits of the features.

The same problem is present in attempts to use large advertising expenditures as evidence. The Plaintiff spent an arguably large sum of money on advertising but this is of limited probative value. Plaintiff did not present evidence establishing that the advertising effectively created secondary meaning as to the product.

TBL has failed to link-up its large sales and advertising numbers with the one thing it needs to prove: that amidst a sea of similar-looking boots, consumers nevertheless can identify TBL's product just by the eight specified product features irrespective of any other marks used on or with the product.

Page 138. Replace Question 1 with the following Question.

1. The courts in *Board of Supervisors v. Smack Apparel*, *Chrysler v. Moda*, 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. In *Converse, Inc. v. ITC*, 909 F.3d 1110 (Fed. Cir. 2018), the Court of Appeals for the Federal Circuit articulated its own version of a multi-factor test for secondary meaning:

Today we clarify that the 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.

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 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

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

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 recentring 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. Recentring 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 mark.

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 believes that, as the only other surviving member of the original trio, he owns 50% of any Isley Brothers mark. Rudolph filed a lawsuit seeking a declaration that the mark is jointly owned and an accounting of half of any proceeds from exploitation of the mark. Ronald insists that Rudolph lost any interest that he might have owned in the mark when he retired in 1989. How should the court analyze their claims? *See Isley v Isley*, No. 1:23-cv-01729 (N. D. Ill. Filed March 20, 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 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. Add to the end of the Note on Foreign Commerce:

In *Abitron Austria GmbH v. Hetronic International, Inc.*, 600 U.S. __ (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.

Page 175. Add new Question 3.

3. *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.

D. Analogous Use

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 priorityThat 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 '64 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.*

¹ Although the terminology "legal equivalents" is typically used, the Supreme Court has made clear this is a factual

....

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 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.

question. *Hana*, 574 U.S. at 422-23 (abrogating prior decisions holding this was a legal question).

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 222. Add to point 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 227. Add "Madrid Protocol Extensions" after "Priority of ITUs" in Heading B as follows:

B. Priority of ITUs, Madrid Protocol Extensions and Applications Claiming Paris Convention Priority

Page 232. Replace Questions with the following Questions:

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 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 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 after the end of Problems.

Lodestar Anstalt v. Bacardi & Co. Ltd., 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 omitted.]

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.

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.

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).

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.

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 254. Add the following text after the last sentence of the penultimate paragraph of *Note: Implications of Matal v. Tam and Iancu v. Brunetti*:

See In re Elster, infra this Supplement, Chapter 4.C.2.

Page 254. Add to the end of *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. August 22, 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, 13 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).

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

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

In re Elster

26 F.4th 1328 (Fed. Cir. 2022), cert. granted sub nom. *Vidal v. Elster*. 2023 U.S. LEXIS 2339, 2023 WL 3800017 (June 5, 2023),

DYK, CIRCUIT JUDGE:

Steve Elster appeals a decision of the Trademark Trial and Appeal Board ("Board"). The Board affirmed an examiner's refusal to register the trademark "TRUMP TOO SMALL" for use on T-shirts. The Board's decision was based on section 2(c) of the Lanham Act, 15 U.S.C. § 1052(c), and the Board's finding that the mark included the surname of a living individual, President Donald J. Trump, without his consent. Because we hold that applying section 2(c) to bar registration of Elster's mark unconstitutionally restricts free speech in violation of the First Amendment, we reverse the Board's decision.

....
According to Elster's registration request, the phrase he sought to trademark invokes a memorable exchange between President Trump and Senator Marco Rubio from a 2016 presidential primary debate, and aims to "convey[] that some features of President Trump and his policies are diminutive."

....
The provision of the Lanham Act involved in this case, section 2(c), prohibits registration of a trademark that

[c]onsists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

§ 1052(c). Neither *Tam* nor *Brunetti* resolves the constitutionality of section 2(c). Both holdings were carefully cabined to the narrow, "presumptive[] unconstitutional[ity]" of section 2(a)'s viewpoint-based restrictions, *Brunetti*, 139 S. Ct. at 2299 (quoting *Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 829-30, 115 S. Ct. 2510, 132 L. Ed. 2d 700 (1995)), and Elster agrees that section 2(c) does not involve viewpoint discrimination. We nonetheless conclude that as applied in this case, section 2(c) involves content-based discrimination that is not justified by either a compelling or substantial government interest.

II

While neither *Tam* nor *Brunetti* resolves this case, they do establish that a trademark represents "private, not government, speech" entitled to some form of First Amendment protection. [Citations.]. The cases also establish that trademarks often "do not simply identify the source of a product or service but go on to say something more"...They frequently "have an expressive content" and can convey "powerful messages . . . in just a few words." [Citation.] Even though the government in the trademark area has not

imposed an absolute prohibition on speech, *Brunetti* further established that denying trademark registration "disfavors" the speech being regulated. [Citation.] We recognize ... that section 2(c) does not prevent Elster from communicating his message outright. But whether Elster is free to communicate his message without the benefit of trademark registration is not the relevant inquiry—it is whether section 2(c) can legally disadvantage the speech at issue here.

[The Court rejected the government's contentions that trademarks are a government subsidy or that the Lanham Act bars to registration compare to speech restrictions in a limited public forum].

It is well established that speech ordinarily protected by the First Amendment does not lose its protection "because the [speech] sought to be distributed [is] sold rather than given away." *Heffron v. Int'l Soc. for Krishna Consciousness, Inc.*, 452 U.S. 640, 647, 101 S. Ct. 2559, 69 L. Ed. 2d 298 (1981) [citations]. Nor is expressive speech entitled to a lesser degree of protection because it is printed on a T-shirt. See *Cohen v. California*, 403 U.S. 15, 18, 91 S. Ct. 1780, 29 L. Ed. 2d 284 (1971) (holding that a jacket bearing the words "Fuck the Draft" is protected speech); [citations].

That trademarked speech is entitled to First Amendment protection and that the protection is not lost because of the commercial nature of the speech does not establish the relevant test. Whatever the standard for First Amendment review of viewpoint-neutral, content-based restrictions in the trademark area, whether strict scrutiny, [citation], or intermediate scrutiny, [citation], there must be at least a substantial government interest in the restriction....

III

The First Amendment interests here are undoubtedly substantial. "Whatever differences may exist about interpretations of the First Amendment, there is practically universal agreement that a major purpose of that Amendment was to protect the free discussion of governmental affairs." [Citations.] Indeed, "speech concerning public affairs is more than self-expression; it is the essence of self-government." [Citation.]

"[T]he right to criticize public men" is "[o]ne of the prerogatives of American citizenship." [Citation.] ...[T]he First Amendment "has its fullest and most urgent application" to speech concerning public officials. [Citation.] Laws suppressing the right "to praise or criticize governmental agents" generally cannot be squared with the First Amendment. [Citation.]

The government appears to recognize that the section 2(c) restriction implicates First Amendment interests but contends that these interests are outweighed by the government's substantial interest in protecting state-law privacy and publicity rights, grounded in tort and unfair competition law....

...The question here is whether the government has an interest in limiting speech on privacy or publicity grounds if that speech involves criticism of government officials—speech that is otherwise at the heart of the First Amendment.

IV

... Here, there can be no plausible claim that President Trump enjoys a right of privacy protecting him from criticism in the absence of actual malice—the publication of false information "with knowledge of its falsity or in reckless disregard of the truth." *Time, Inc. v. Hill*, 385 U.S. 374, 388, 87 S. Ct. 534, 17 L. Ed. 2d 456 (1967). The government cites no case authority or treatise that recognizes such an interest, and there is no claim here of actual malice. In such circumstances, when the restricted speech comments on or criticizes public officials, the government has no interest in disadvantaging the speech to protect the individual's privacy interests. This recognition goes back to the very origin of the right of privacy, as recognized by the Supreme Court in *Bartnicki v. Vopper*:

As Warren and Brandeis stated in their classic law review article: 'The right of privacy does not prohibit any publication of matter which is of public or general interest.'

532 U.S. 514, 534, 121 S. Ct. 1753, 149 L. Ed. 2d 787 (2001) (quoting Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 Harv. L. Rev. 193, 214 (1890)).

The majority in *Bartnicki* later understood *Time* as requiring that "privacy concerns give way when balanced against the interest in publishing matters of public importance." 532 U.S. at 534. Those privacy concerns similarly must give way when the speech at issue references a public figure because public figures subject themselves to "greater public scrutiny and ha[ve] a lesser interest in privacy than an individual engaged in purely private affairs." *Id.* at 539 (Breyer, J., concurring); *see also id.* at 534 (majority opinion) ("One of the costs associated with participation in public affairs is an attendant loss of privacy."). With respect to privacy, the government has no legitimate interest in protecting the privacy of President Trump, "the least private name in American life," Appellant's Br. 35, from any injury to his "personal feelings" caused by the political criticism that Elster's mark advances.

V

The asserted interest in protecting the right of publicity is more complex. The government ... has an interest in protecting against copying or misappropriation of an existing mark, just as it has an interest in preventing misappropriation of other forms of intellectual property. In *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Committee*, 483 U.S. 522, 526, 107 S. Ct. 2971, 97 L. Ed. 2d 427 (1987), ... the Supreme Court considered the constitutionality of a statute that granted the United States Olympic Committee ("USOC") "the right to prohibit certain commercial and promotional uses of the word 'Olympic' and various Olympic symbols." The USOC sought to enjoin a nonprofit's use of "Gay Olympic Games" on letterheads and mailings used to promote a nine-day athletic event, as well as on T-shirts and other merchandise sold promoting the games. *Id.* at 525. The nonprofit urged that its use of "Gay Olympic Games" was protected First Amendment expression. *Id.* at 531-32. Focusing on the fact that the nonprofit's use of the word Olympic "sought to exploit [the word's] 'commercial magnetism'" and that the "image [the nonprofit] sought to invoke was exactly the image" the USOC "carefully cultivated," the Court held that it was valid for Congress to determine that these "unauthorized uses, even if not confusing, nevertheless may harm the USOC by lessening the distinctiveness and thus the commercial value of the mark," such that the statute was consistent with the First Amendment. *Id.* at 539-41....

No similar claim is made here that President Trump's name is being misappropriated in a manner that exploits his commercial interests or dilutes the commercial value of his name, an existing trademark, or some other form of intellectual property. *See also Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 575-76, 97 S. Ct. 2849, 53 L. Ed. 2d 965 (1977) (holding that state law consistent with the First Amendment can create tort liability for appropriating an individual's performance rights).

The government, in protecting the right of publicity, also has an interest in preventing the issuance of marks that falsely suggest that an individual, including the President, has endorsed a particular product or service. ... No plausible claim could be or has been made that the disputed mark suggests that President Trump has endorsed Elster's product. In any event, trademarks inaccurately suggesting endorsement in a manner that infringes the "right of privacy, or the related right of publicity" are already barred by section 2(a) of the Lanham Act,² a provision not invoked on appeal.³ *See, e.g., Bridgestone/Firestone Rsch., Inc. v.*

² As stated previously, section 2(a)'s false association clause bars registration of trademarks that "falsely suggest a connection with persons, living or dead." § 1052(a).

³ We note that the Board did not address the examiner's rejection of Elster's proposed mark on section 2(a) grounds, and the government on appeal similarly did not raise section 2(a) as an alternative basis for affirming the Board's decision.

Auto. Club de l'Ouest de la Fr., 245 F.3d 1359, 1363 (Fed. Cir. 2001) ("This protection of rights of personal privacy and publicity distinguishes the § 2(a) false suggestion of connection provision from the § 2(d) likelihood of confusion provision."); *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 1376 (Fed. Cir. 1983) ("[Section] 2(a) was intended to preclude registration of a mark which conflicted with another's rights, even though not founded on the familiar test of likelihood of confusion.").

The right of publicity does not support a government restriction on the use of a mark because the mark is critical of a public official without his or her consent....

Thus, for example, the Tenth Circuit held that parody baseball trading cards, including cards "featuring caricatures of political and sports figures" accompanied by "humorous commentary about their careers," constituted protected speech. *Cardtoons [L.C. v. Major League Baseball Players Ass'n]*, 95 F.3d [59] at 962, 972 (10th Cir. 1996). Although the cards appropriated the commercial value of the players' names and likenesses without their consent, the card producer had a "countervailing First Amendment right to publish the cards" because the use of parody "provide[d] social commentary on public figures," "an especially valuable means of expression." *Id.* at 968-69, 972. ...

...New York courts have also recognized judicial exceptions to the state's right of publicity statute for "newsworthy events or matters of public interest," "works of humor," "art," "fiction, and satire." *Lohan v. Take-Two Interactive Software, Inc.*, 31 N.Y.3d 111, 73 N.Y.S.3d 780, 97 N.E.3d 389, 393 (N.Y. 2018).

The right of publicity is particularly constrained when speech critical of a public official is involved. The Restatement ... notes that the right of publicity would be unavailable to "a candidate for public office" who sought to "prohibit the distribution of posters or buttons bearing the candidate's name or likeness, whether used to signify support or opposition." Restatement (Third) of Unfair Competition § 47 cmt. b. ...

The government has no valid publicity interest that could overcome the First Amendment protections afforded to the political criticism embodied in Elster's mark. As a result of the President's status as a public official, and because Elster's mark communicates his disagreement with and criticism of the then-President's approach to governance, the government has no interest in disadvantaging Elster's speech.

Contrary to the government's claim that section 2(c) merely "involves a targeted effort to preclude federal registration that facilitates a particular type of commercial behavior that has already been banned by most states," our review of state-law cases revealed no authority holding that public officials may restrict expressive speech to vindicate their publicity rights, and the government cites no such cases. In fact, every authority that the government cites reaches precisely the opposite conclusion, recognizing that the right of publicity cannot shield public figures from criticism. *See generally* 1 J. Thomas McCarthy, *The Rights of Publicity & Privacy* § 2:4 (2d ed. 2020) ("Every personal and property right must peacefully co-exist within the confines of the free speech policies of the First Amendment.").⁵

In short, whether we apply strict scrutiny and the compelling government interest test, or ... intermediate scrutiny and the substantial government interest test, "the outcome is the same." [Citation.] The PTO's refusal to register Elster's mark cannot be sustained because the government does not have a

⁵ ...Most of the cases the government cites upholding the right of publicity involve a routine use of a public figure's name or likeness to promote a product or the misappropriation of the commercial value of their identity. *Zacchini*, 433 U.S. 562 (broadcaster airing human cannonball performer's entire act); *Jordan v. Jewel Food Stores, Inc.*, 743 F.3d 509 (7th Cir. 2014) (advertisement incorporating Michael Jordan's name to promote grocery store); *Hart*, 717 F.3d 141, (video game using college football players' photos and likenesses); [citation]; *Bi-Rite Enters., Inc. v. Bruce Miner Co.*, 757 F.2d 440 (1st Cir. 1985) (posters depicting British rock group); *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983) (toilet manufacturer incorporating entertainer's "here's Johnny" catchphrase); [citation]; *Haelan Lab'ys, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953) (chewing-gum producer using athlete's photo to promote product); *Kimbrough v. Coca-Cola/USA*, 521 S.W.2d 719 (Tex. Civ. App. 1975) (Coca-Cola advertisement using football player's photo).

privacy or publicity interest in restricting speech critical of government officials or public figures in the trademark context—at least absent actual malice, which is not alleged here.

VI

As Elster raised only an as-applied challenge before this court, we have no occasion to decide whether the statute is constitutionally overbroad. We note, however, that section 2(c) raises concerns regarding overbreadth.

The First Amendment overbreadth doctrine recognizes that "a law may be overturned as impermissibly overbroad" when "a 'substantial number' of its applications are unconstitutional, 'judged in relation to the statute's plainly legitimate sweep.'" [Citation.] It may be that a substantial number of section 2(c)'s applications would be unconstitutional. The statute leaves the PTO no discretion to exempt trademarks that advance parody, criticism, commentary on matters of public importance, artistic transformation, or any other First Amendment interests. It effectively grants all public figures the power to restrict trademarks constituting First Amendment expression before they occur. In *Tam*, Justice Alito, joined by three other Justices, characterized as "far too broad" a statute that would bar the trademark "James Buchanan was a disastrous president." 137 S. Ct. at 1765 (Alito, J.). Nonetheless, we reserve the overbreadth issue for another day.

CONCLUSION

For the foregoing reasons, we hold that the Board's application of section 2(c) to Elster's mark is unconstitutional under any conceivable standard of review, and accordingly reverse the Board's decision that Elster's mark is unregistrable.

Page 271. Delete Question 4, renumber Question 3 as number 6, and add Questions 3, 4 and 5 below:

3. Based on the *dicta* in *Elster* about possible overbreadth, is section 2(c) in danger of being struck down as unconstitutional as were the disparaging and scandalous/immoral prongs of section 2(a) in *Tam* and *Brunetti*?

4. The *Elster* panel notes that "[n]o ... claim is made here that President Trump's name is being misappropriated in a manner that exploits his commercial interests or dilutes the commercial value of his name, an existing trademark." Would the result be different if it were? Before he became U.S. President, Donald Trump used the TRUMP name and mark widely in connection with real estate developments, hotels, casinos and various types of merchandise, such as wine, posters, furniture, beverage ware and apparel. He also was a well-known TV reality star and has often been caricatured sporting his shock of blond hair. During his 2016 Presidential campaign, he extensively used the slogan "Making [sic] America Great Again." ADCO Industries applied to register the following two marks for utility knives:



The Examiner refused registration based on sections 2(a) (false connection) and 2(c). Is this result congruent with the *Elster* decision? Would false suggestion of a connection under section 2(a) be consonant with the decision? Why or why not? See *In re ADCO Industries-Technologies, L.P.*, 2020 U.S.P.Q.2d 53786 (T.T.A.B. 2020).

5. After a piecemeal approach to section 2(a), the Supreme Court has an opportunity in *Elster* to address in general terms the limits that the first amendment places on bars to registration. What do you think is the right balance between the interests Congress sought to protect by denying registration to marks under 2(a), 2(b) and 2(c), and the free speech interests asserted in *Tam, Brunetti* and *Elster*?

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.*, 2023 U.S. App. LEXIS 15964 (Fed. Cir. June 26, 2023), the Federal Circuit specified which party bears the burden of proof of demonstrating non use 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 the *Note* below after the *Question* following *In re Guild Mortg. Co*:

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 of 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 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

* 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.

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 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 EBONYNS mark in 1997 and that eventually Beasley and Howard split up. In 2012, Howard registered THE EBONYNS 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

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...

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 to the district court the 43(a) claim.

Chapter 5

Loss of Trademark Rights

A. Genericism

Page 337. Add new Questions 4 and 5.

4. Aspirin, Cellophane and Thermos exemplify coined terms that began as 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 (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, 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?

5. “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).

2. Implementing the Standard: Survey Evidence

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).

Page 365, Question 2. The article by B. Beebe, R. Germano, C. Sprigman & J. Steckel, *The Role of Consumer Uncertainty in Trademark Law: An Experimental and Theoretical Investigation*, has now been published: 72 Emory L.J. 489 (2023).

B. Abandonment

1. Non Use

Page 402. Insert following *Silverman v CBS*:

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 MayoChup 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 MayoChup 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 MayoChup 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 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).

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

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 US __ (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. 598 U. S. (2023).

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, subject to “the limits Congress has (or has not) imposed on the statute’s foreign application.” *RJR Nabisco*, 579 U. S., at 337–338.

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.

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 reading of *Steele v. Bulova*, 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.? *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 stock holders 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).

4. Frida Kahlo was a Mexican painter whose works attracted widespread acclaim after her death in 1954. In 2005, Kahlo’s family sold all of Kahlo’s copyrights and trademarks to a Panamanian corporation, which does business as the Frida Kahlo Corporation. The corporation enters into licensing agreements with companies wishing to use the Frida Kahlo mark or images related to Kahlo’s art. The corporation has registered FRIDA KAHLO on the principal register in the United States for a variety of consumer products (e.g., women’s clothing; kitchenware; beer). Upon hearing reports of an Argentine company that marketed household products bearing images from Kahlo’s paintings and marked with her initials to customers in Argentina, Mexico, Costa Rica, and Guatemala, the Frida Kahlo Corporation asked a sales consultant in Mexico to purchase some of the items and mail them to the corporation’s Miami offices. The Corporation then filed a trademark infringement suit against the Argentine company and its U.S. corporate parent in the Southern District of Florida. The defendants move to dismiss the complaint, arguing that they have not used any Frida Kahlo mark in commerce within the meaning of section 32 of the Lanham Act. Plaintiff argues that infringing products are displayed on defendants’ Argentine and Mexican websites, which are accessible from the United States, and that purchasers of defendants’ Frida Kahlo products have marketed them in the United States on eBay, YouTube, and Facebook. How should the court rule? *See Frida Kahlo Corp. v. Tupperware Corp.*, 2014 US Dist LEXIS 200931, 2017 WL 11880681 (S.D. Fla. 2014).

5. Trader Joe’s is a well-known, national grocery store chain with a South Seas motif that claims to sell hard-to-find, great-tasting food at inexpensive prices. The store has registered TRADER JOE’S on the principal register as a service mark for its store and a trademark for its private brand products. Trader Joe’s has no stores outside of the United States. Michael Hallatt opened a grocery store in Vancouver, B.C., Canada named “PIRATE JOE’S.” He stocked his store, in part, with products that he bought at full price from Trader Joe’s stores across the border in Washington State and then imported into Canada, having paid customs duties as appropriate. Trader Joe’s filed suit against Hallatt under the Lanham Act; Hallatt insisted he has not used Trader Joe’s marks in commerce. In *Trader Joe’s Company v. Hallatt*, 835 F.3d 960 (9th Cir. 2016), the Court of Appeals for the 9th Circuit concluded that the Lanham Act applies to Hallatt’s conduct. Is that decision still good law after the Supreme Court’s decision in *Abitron v. Hetric*?

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.

Lerner & Row PC v. Brown Engstrand & Shely LLC, 2023 U.S. Dist. LEXIS 87597, 2023 WL 3568201 (D. Ariz. May 18, 2023). Personal injury law firm Lerner & Rowe sued a competing law firm, Accident Law Group, claiming that Accident Law Group's purchase of "Lerner & Rowe" as a keyword advertising trigger infringed its registered service mark. Defendant introduced a consumer survey that purported to show that only 3% of consumers were confused. Plaintiff did not introduce a competing survey, but argued that defendant's call logs, which recorded callers' reasons for calling Accident Law Group, demonstrated significant actual confusion. Over a four-year period, 236 callers mentioned Lerner & Row by name in explaining their reasons for calling. The court found the evidence of actual confusion *de minimis*, and granted defendant's motion for summary judgment.

The Ninth Circuit has never defined what it means by an "appreciable" or "significant" number of confused consumers. But because infringement plaintiffs ultimately must prove a "likelihood" of confusion, it seems evident that the number of confused consumers must be compared to the total number of consumers who were exposed to the allegedly misleading actions of the infringer. A number that might seem "appreciable" or "significant" standing alone may be only minimal when compared to the universe of persons who saw the allegedly infringing advertisement. . . .

The parties agree that during the years that Defendants purchased Plaintiff's name as a keyword, Google searches for some version of "Lerner & Rowe" returned a screen that included Defendants' advertisement 109,322 times. The 236 instances of potential confusion constitute 0.215% of this total number. Thus, even if it is assumed that all 236 callers who mentioned Lerner & Rowe were confused by Defendants' use of keywords. . . ., Plaintiff's evidence shows that only two-tenths of one percent of the consumers who searched for Plaintiff's law firm and saw Defendants' ads were actually confused by those ads. This tiny percentage cannot reasonably be said to constitute an "appreciable" or "significant" number of consumers confused by Defendants' advertising strategy. . . .⁵

⁵ It is also undisputed that of the 109,322 Google searches that returned a page with Defendants' ad, the consumer conducting the search clicked on Defendants' ad 7,452 times. Doc. 66, ¶ 92; Doc. 68 at 1. This "click through" rate is 6.82%. But Plaintiff present no evidence about how many of these consumers ever contacted Defendants, much less were misled by Defendants' ads (as opposed to recognizing the ad was for a different law firm and returning to their original search).

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 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*, 141 S. Ct. 2190 (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* Chapter 10.D.

3. Different Varieties of Confusion

a. Initial Interest Confusion

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

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

Page 522. Replace *Fleet Feet v Nike, Inc.* with the following case.

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. . . . 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.

**ONE TASTE
AND
YOU'LL
DRINK IT
OILY**

MICHELOB OILY®

yuck!

At the rate it's being dumped into our oceans, lakes and rivers, you'll drink it oily sooner or later, anyway.

Please Recycle. Art by Eugene Iulino. There's goodness somewhere all over about quality of life.

Page 545. Add new Question 6.

6. In *Abitron v. Hetronic*, 600 U.S. __ (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 575. Add the following Question after *Hammerton v. Heisterman*:

Question

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:

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.”



Is this 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”).

Chapter 8

Defenses to Infringement

A. Statutory Defenses/Incontestability

2. Particular Section 33(b) Defenses

a. *Fraud on the Trademark Office*

Page 657. Add new Note:

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?

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). 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. Thus, the registration was cancelled.

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 at an organization knew about competing uses rendering claims of exclusive use false, it 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?

d. Laches § 33(b)(9)

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).

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 account is shown below:

Home Moments Search Twitter Have an account? Log in

Have an account? Remember me [Forgot password?](#) [Log in](#)

Not on Twitter? [Sign up](#)

Tweets	Following	Followers	Likes
6,401	643	4,563	723

WGACA
@WGACANY

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?

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).

Page 759. Add new note 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 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 mark 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 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 from interference with its rights. 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). 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.)

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. ___ (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.

¹ To be clear, when we refer to “the *Rogers* threshold test,” we mean any threshold First Amendment filter.

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. Velez 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

² That is not to say (far from it) that every infringement case involving a source-identifying use requires full-scale litigation. Some of those uses will not present any plausible likelihood of confusion—because of dissimilarity in the marks or various contextual considerations. And if, in a given case, a plaintiff fails to plausibly allege a likelihood of confusion, the district court should dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6). See 6 McCarthy §32:121.75 (providing examples).

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 trade- marks 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. 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?

2. Is there a difference between trading 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?

3. 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?

4. 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: is it about VIP's intent or something else? What other facts, if any, would be relevant? Should evidence that consumers are confused about who authorized the use be relevant?

5. Is use in a title use as an indication of source? *See Activision Publishing, Inc. v. Warzone.com, LLC*, 621 F.Supp.3d 1090 (C.D. Cal. 2022) (before *Jack Daniel's*, applying *Rogers* to game site Warzone.com's reverse confusion claim against videogame *Call of Duty: Warzone*), appeal filed, No. 22-55831. 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. In addition, courts have been willing to protect single titles with secondary meaning. What should that mean for the movie title *Fred and Ginger*? 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? 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?

6. 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:



Accused use in the game:



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? Compare the Pig Pen to the Krusty Krab from Chapter 7.

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. May 18, 2022).³ In early 2023, a jury found that Rothschild had infringed and diluted the Birkin mark.

2. Parody

³ Professor Tushnet represents defendant Rothschild.

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)

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) (GUCCHI 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 POPIGNON 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 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.*, No. 22-cv-02156-WFK-RML (S.D.N.Y. Apr. 29, 2022).

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. 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 "[t]here 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?

d. Parody

Page 843. Insert the following before *Louis Vuitton Malletier v. Haute Diggity Dog*.

***Jack Daniel’s Props. v. VIP Prods. LLC*, 599 U.S. ___ (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*.

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.

Chapter 10

False Advertising

A. Commercial Advertising or Promotion

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*).

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? 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?

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). *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 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. 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 new Note following Questions.

Note

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.

C. ICANN and the Uniform Dispute Resolution Policy

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.

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 material at the end of the Presumption of Irreparable Harm Note.

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.

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 America, Inc. v. Valent USA LLC, 44 F.4th 180 (3d Cir. 2022).

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 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.]

2. Disclaimers

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 standards developed by private entities but denied as to PRO’s use of trademarked words, finding posted disclaimers adequate).

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....

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).

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