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Trademark and Unfair Competition Law

Cases and Materials

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Chapter 1

Concepts of Trademarks and Unfair Competition

A. Competition

1. Common Law Unfair Competition and Preemption

Page 21. Insert new Question 4:

4. The misappropriation concept can be expansive, but it also has limits, including its focus on harm to a business rather than harm to consumers or to competition. In *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603 (2d Cir. 1925), the plaintiff made safes with an explosion chamber for protection against burglars. The chamber made it harder to break 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.

Chapter 2

What Is A Trademark?

A. Subject Matter of Trademark Protection

1. Word Marks

Page 77. Add the following paragraph to the end of the Note.

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, 29 F.4th 630 (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." *Id.* 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. [Citation.] "Generic marks" and trade dress "are not protectable under the Lanham Act." [Citation.]

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. & Distribs., 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.

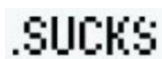
We conclude that the purported trade dress for Grandma Sycamore's is generic and unprotectable for the same reason the district court did—it is customary for homemade bread products. As a photograph submitted by U.S. Bakery shows, the homemade bread products that compete with Grandma Sycamore's all tend 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.

The image shows the word ".SUCKS" in a pixelated, blocky font. The letters are white with a black outline, set against a dark, textured background that resembles a night sky or a dark surface with some light reflecting off it.

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).

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?

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 to 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 Question 6.

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).

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 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 ezipz.com domain name. When those efforts were unsuccessful, he established a Cloudflare website at www.ezipz123.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.

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 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 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

⁵The 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).

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.

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.

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)

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 non-profit'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. 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.

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.

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 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.

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).

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 5 and add Questions 3 and 4 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, beverageware 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).

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 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.¹ 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

¹ 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).

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

...

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

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

Page 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 Ebony’s” in 1969, that the band had performed since then, that Howard joined the

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...

band in the mid-1990s for several years, that Beasley obtained a NJ state registration for THE EBONY mark in 1997 and that eventually Beasley and Howard split up. In 2012, Howard registered THE EBONY mark in the PTO. In 2013, Beasley petitioned the TTAB to cancel the registration on the ground of fraud. After reviewing the evidence, the TTAB dismissed the claim. Beasley filed a second petition to cancel the registration in the TTAB in 2017, again relying on a fraud ground but also adding a likelihood of confusion ground. The Board dismissed the proceeding because of claim preclusion. It determined that the fraud ground relied on the same facts as in the first proceeding and that the likelihood of confusion ground was precluded because it rested on the same transactional facts as in the prior action.

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

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

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

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

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

...

The TTAB is not a general-purpose tribunal for trademark disputes. Instead, it has limited jurisdiction "to determine only the right to register" a trademark and cannot "decide broader questions of infringement or unfair competition." [Citations.] With that limited jurisdiction comes "no authority to determine . . . damages or injunctive relief." [Citations.] The TTAB

therefore properly considers only narrow questions and grants only narrow remedies: it hears challenges litigants pose as to whether a trademark meets the Lanham Act's criteria for registration, and cannot dispense relief beyond whether or how the PTO registers a mark.

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

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

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

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

actually litigated; (3) it [was] determined by a final and valid judgment; and (4) the determination [was] essential to the prior judgment.'" (*quoting AMTRAK v. Pa. PUC*, 342 F.3d 242, 252 (3d Cir. 2003))).

Accordingly, the Circuit Court applied issue preclusion to Beasley's fraud ground, but reversed and remanded to the district court the 43(a) claim.

Chapter 5

Loss of Trademark Rights

A. Genericism

2. Implementing the Standard: Survey Evidence

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)

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 Mayo-chup and Heinz's use of Metchup in advertising, he sued Heinz for trademark infringement. The district court dismissed Mr. Perry's claims because it found

that there was no likelihood of confusion between 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.*, 2022 U.S. App. LEXIS 14985 (June 1, 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

Page 450. Insert the following case before the Questions.

Hetronic Int'l, Inc. v. Hetronic Germany GmbH, 10 F.4th 1016 (10th Cir. 2021).

Hetronic International, Inc., a U.S. company, manufactures radio remote controls—the kind used to remotely operate heavy-duty construction equipment (think cranes). Defendants, none of whom are U.S. citizens, distributed Hetronic's products, mostly in Europe. That relationship worked well for nearly a decade. But then one of Defendants' employees stumbled across an old research-and-development agreement between the parties. Embracing a creative legal interpretation of the agreement endorsed by Defendants' lawyers, Defendants concluded that they—not Hetronic—owned the rights to Hetronic's trademarks and other intellectual property.

That caused some tension in the relationship. Defendants began manufacturing their own products—identical to Hetronic's—and selling them under the Hetronic brand, mostly in Europe. They even kept the same product names. . . .

Hetronic asserted numerous claims against Defendants, but we're here concerned almost exclusively with its trademark claims under the Lanham Act. . . .

In the district court and now on appeal, Defendants have focused on one defense in particular: Though they accept that the Lanham Act can sometimes apply extraterritorially, they insist that the Act's reach doesn't extend to their conduct, which generally involved foreign defendants making sales to foreign consumers. Our circuit has yet to grapple with that question. . . .

. . . .
[W]e agree with *McBee* [*v. Delica Co.*, 417 F.3d 107 (1st Cir. 2005)] that the Lanham Act will usually extend extraterritorially when the defendant is an American citizen. *Id.* at 118. No one questions Congress's ability "to regulate the conduct of its own citizens, even extraterritorial conduct." *Id.* (quoting *Steele*, 344 U.S. at 285-86). Indeed, "Congressional power over American citizens is a matter of domestic law that raises no serious international concerns, even when the citizen is located abroad." *Id.* . . . So when the defendant is an American citizen, courts may conclude that the Lanham Act reaches that defendant's extraterritorial conduct even when the effect on U.S. commerce isn't substantial.

[Citation.] . . .

Second, when a plaintiff seeks to recover under the Lanham Act against a foreign national, we also agree with *McBee* that the plaintiff must show that the defendant's conduct has a substantial effect on U.S. commerce. True, the *Steele* Court never required that the effects on U.S. commerce must be *substantial* to trigger extraterritorial application of the Lanham Act But we nonetheless adopt the substantial-effects requirement for two reasons. First, the defendant in *Steele* was an American citizen—for the reasons just explained, it's no surprise that the *Steele* Court was unconcerned about the relatively modest effect of the defendant's conduct on U.S. commerce given Congress's uncontroversial and extensive powers to regulate the conduct of its own citizens. Second, requiring that the defendant's conduct has a substantial effect on U.S. commerce aligns the test for Lanham Act extraterritoriality with both the Supreme Court's antitrust jurisprudence and general principles of foreign relations law.[Citations.]

Finally, if a plaintiff successfully shows that a foreign defendant's conduct has had a substantial effect on U.S. commerce, courts should also consider whether extraterritorial application of the Lanham Act would create a conflict with trademark rights established under the relevant foreign law. *See Steele*, 344 U.S. at 289 ("Mexico's courts have nullified the Mexican registration of 'Bulova'; there is thus no conflict which might afford petitioner a pretext that such relief would impugn foreign law."). Though the *McBee* court eschewed such an analysis, 417 F.3d at 111, every other circuit court considers potential conflicts with foreign law in assessing the Lanham Act's extraterritorial reach, [citations]. Accordingly, in conducting this analysis, courts should weigh any foreign trademark rights established by the defendant.

. . . .

To recap, in deciding whether the Lanham Act applies extraterritorially, courts should consider three factors. First, courts should determine whether the defendant is a U.S. citizen. Second, when the defendant is *not* a U.S. citizen, courts should assess whether the defendant's conduct had a substantial effect on U.S. commerce. Third, only if the plaintiff has satisfied the substantial-effects test, courts should consider whether extraterritorial application of the Lanham Act would create a conflict with trademark rights established under foreign law.

Applying its test, the court noted that none of the defendants were American citizens, and that none of them had raised any foreign trademark rights that might come into conflict with plaintiff's rights under the Lanham Act. The court concluded that defendants' foreign conduct had a substantial effect on U.S. commerce:

Viewing the evidence as a whole, Hetronic has presented more than enough evidence to show that Defendants' foreign infringing conduct had a substantial effect on U.S. commerce. Besides the millions of euros worth of infringing products that made their way into the United States after initially being sold abroad, Defendants also diverted tens of millions of dollars of foreign sales from Hetronic that otherwise would have ultimately flowed into the United

States. Moreover, though much of Hetronic's evidence focused on consumer confusion abroad, it also documented numerous incidents of confusion among U.S. consumers. We thus conclude that Hetronic has presented evidence of impacts within the United States of a sufficient character and magnitude as would give the United States a reasonably strong interest in the litigation. Accordingly, the Lanham Act applies extraterritorially here to reach all of Defendants' foreign infringing conduct.

B. Likelihood of Confusion

2. Likelihood of Confusion in the Courts

Page 471. Add the following case after the Questions.

H&R Block v. Block, Inc., 2022 U.S.P.Q. 2d (BNA) 421 (W.D. Mo. 2022). Since 2009, Square, Inc. has marketed a white, square-shaped payment card reader and point-of-sale software that allowed businesses and individual sellers to accept customer payments. In the past decade, Square acquired or developed additional businesses, including Cash App, a money transfer service that allows people to send money to friends, family, and others through their phones without needing a bank account or credit card, and which uses a green square logo; Credit Karma Tax, a free federal tax filing service; and Tidal, a music and video streaming service. In December of 2021, Square announced that it would be integrating its financial services, rebranding Credit Karma Tax as Cash App Tax, and renaming its company “Block.” It launched a spiffy website introducing its new company name.

H&R Block was founded in 1955 by brothers Henry and Richard Bloch. It provides a range of financial services, but is best known for its income tax preparation services and software. The company has adopted a green square logo, and uses both “H&R Block” and “Block” in its advertising. It filed a trademark infringement suit against Block, Inc. and moved for a preliminary injunction. The district court granted the motion, finding that H&R Block had shown a likelihood of confusion. It declined, however, to infer that Block, Inc. intended to confuse consumers from its knowledge of H&R Block’s marks:

Block, Inc. is presumed to have constructive knowledge of the registered “H&R Block” marks. 15 U.S.C. § 1072 (“Registration of a mark on the principal register . . . shall be constructive notice of the registrant's claim of ownership thereof.”). Additionally, Block, Inc.'s general counsel, Ms. Esperanza, testified that Block, Inc. conducted a trademark search before adopting the “Block” mark. . . . There is no doubt that Block, Inc. had knowledge of H&R Block's tax preparation services and its green logos at the time Defendant chose its new name.

H&R Block asks this Court to find this knowledge enough to tip the intent factor in its favor. While certain district courts have found knowledge to be enough, it appears the Eighth Circuit itself has foreclosed the option. *ZW*

USA, Inc. [v. *PWD Sys.*, 889 F.3d 441 (8th Cir. 2018) at 447 ("We have explained that '[k]nowledge of another's product and an intent to compete with that product is not . . . equivalent to an intent . . . to mislead and to cause consumer confusion.'")

Even so, in this case, there is more than just knowledge and an intent to compete. There is also the temporal proximity between Square's acquisition of a tax business and its decision to change its name to Block, Inc., with full knowledge that H&R Block was a competitor in the tax field with a similar green logo. This evidence suggests an intent to trade on H&R Block's reputation. Nonetheless, the Court believes this issue is best addressed after both sides have an opportunity to fully develop the record. At this point, the Court treats intent as a neutral factor.

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 are considered findings of fact, but consider the analysis of whether the factors together create a likelihood of confusion 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 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. 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 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 *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 525. Add the following case and Question after *Fleet Feet, Inc. v. Nike, Inc.*,

RiseandShine Corp. v. PepsiCo, Inc., 2021 U.S. Dist. LEXIS 213902 (S.D.N.Y. 2021), *rev'd*, 2022 U.S. App. LEXIS 20268 (2d Cir. July 22, 2022). Rise Brewing Company sells ready-to-drink canned coffee drinks under the registered mark RISE.



In March of 2021, PepsiCo introduced a line of fruit-flavored caffeinated canned beverages under the mark MTN DEW RISE ENERGY.



Rise Brewing sued PepsiCo for trademark infringement, alleging a likelihood of reverse confusion. District Court Judge Lorna Schofield found that Rise Brewing was likely to prevail “particularly because of the similarity between the two marks, the proximity of Defendant’s area of commerce to Plaintiff’s and the credible testimony . . . on instances of actual confusion.” The court concluded that the RISE mark was suggestive, and that it had accumulated further market distinctiveness through advertising expenditures and unsolicited media coverage. Therefore, the court wrote, the strength of the mark factor “tilts slightly in Plaintiff’s favor.” The court found the two parties’ marks confusingly similar in appearance:

Both highlight the single word "RISE." ...On both of the parties' respective products, "RISE" is printed on a beverage can, in large typeface, in all-capital

letters, in a bright color against a light background and is the dominant feature occupying the top third of the can. The other terms, the parties' respective house marks -- i.e., "Brewing Co." and "Mtn. Dew" -- appear in much smaller lettering."

The court found that the proximity of the products factor favored the plaintiff, because both products were canned, caffeinated drinks that were sold in grocery and convenience stores. Judge Schofield credited testimony from Rise executives and sales staff about incidents in which retailers had confused Rise and Shine with Mtn Dew Rise Energy drink, as well as testimony from a Rise brand ambassador that many prospective customers had asked whether Rise and Shine was the new coffee version of Mountain Dew. The court concluded that "the degree of similarity between Plaintiff's and Defendant's marks, the proximity of their areas of commerce, and credible testimony of actual confusion," met plaintiff's burden of showing the reverse confusion was probable and warranted the grant of a preliminary injunction.

The Court of Appeals for the Second Circuit reversed. Judge Leval's opinion declared that "that the district court erred in its evaluation of what is often the most important factor—the strength of Plaintiff's mark—as well as in its finding of similarity in the appearance of the products." While the RISE mark may have been suggestive rather than descriptive, the court continued, the mark was nonetheless weak.

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.

The court of appeals declined to weigh in on how, as a general rule, the marketplace strength of the senior mark should be weighed in reverse confusion cases. It held that, on the evidence presented, the senior user had not shown enough evidence of secondary meaning to offset the conceptual weakness of the mark.

The court also held that the district court's conclusion that the two marks were confusingly similar was clear error.

The only notable similarity is the shared use of the term "Rise" in large bold letters. However, as explained above, the word "Rise" in this context is not distinctive. Therefore, without more striking visual similarities, the shared use of this ordinary word, used to signify a virtue of the product, is not enough to render the two products "confusingly similar." ... Nor is there anything distinctive about the use of large bold letters to present a drink's brand name.

Comparing the two products, the differences appear far more notable than the similarities. The two cans are different in size, proportion, style, color, and artwork. Even the word "RISE" is presented in very different manners. On Plaintiff's can, it appears in a simple sans-serif font—its "R" and "S" evenly curved. Defendant's can, in contrast, uses an angular and jagged font. Furthermore, while "RISE" on Plaintiff's can is written on a horizontal line, the letters on Defendant's can are arranged in an arc.

Beyond the presentations of the shared word, the overall appearances of the cans are very dissimilar. Plaintiff's seven-ounce can is less than half the size of Defendant's sixteen-ounce can. Plaintiff's can features warm or neutral colors, in stark contrast to the bright, bold colors of Defendant's cans. The word "RISE" on Defendant's can is partially covered at the top by Defendant's prominently displayed house mark, "MTN DEW." And perhaps most plainly, while the lower half of Plaintiff's can shows simple, regular, white writing against a calm, uniform background, the lower half of Defendant's can depicts a large, stylized lion's head, composed of jagged shards that complement the can's angular font. There is little about the appearance of the two cans that would suggest to a consumer that they come from the same source.

The district court granted Plaintiff a preliminary injunction based in part on the conclusion that Plaintiff was likely to succeed on the merits. This rested in substantial part on the court's conclusion that Plaintiff's mark was strong—both in inherent and acquired strength—as well as its determination that the two products were "confusingly similar." To the extent that Defendant's use of its marks caused any likelihood of confusion, this was because Plaintiff chose a weak mark in a crowded field.

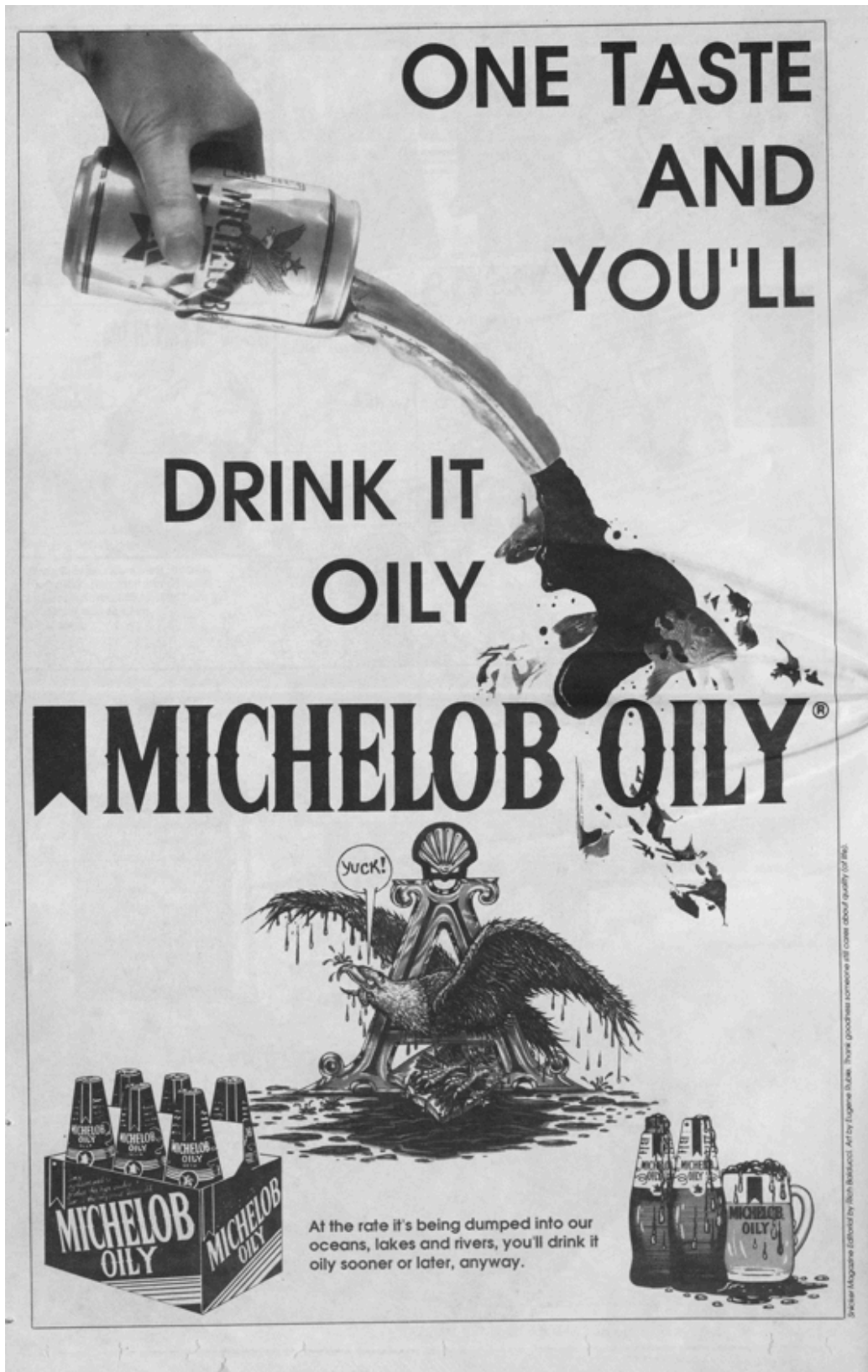
Question

Should courts treat the strength of the mark factor differently when they are evaluating the likelihood of reverse confusion? The district court in *Fleet Feet v. Nike* suggested that the low commercial strength of plaintiff's mark made it more vulnerable to reverse confusion. The Court of Appeals in this case, in contrast, insists that the weakness of the RISE mark makes reverse confusion unlikely. Which view do you find more convincing?

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.



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).

Chapter 8

Defenses to Infringement

A. Statutory Defenses/Incontestability

2. Particular Section 33(b) Defenses

a. *Fraud on the Trademark Office*

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:

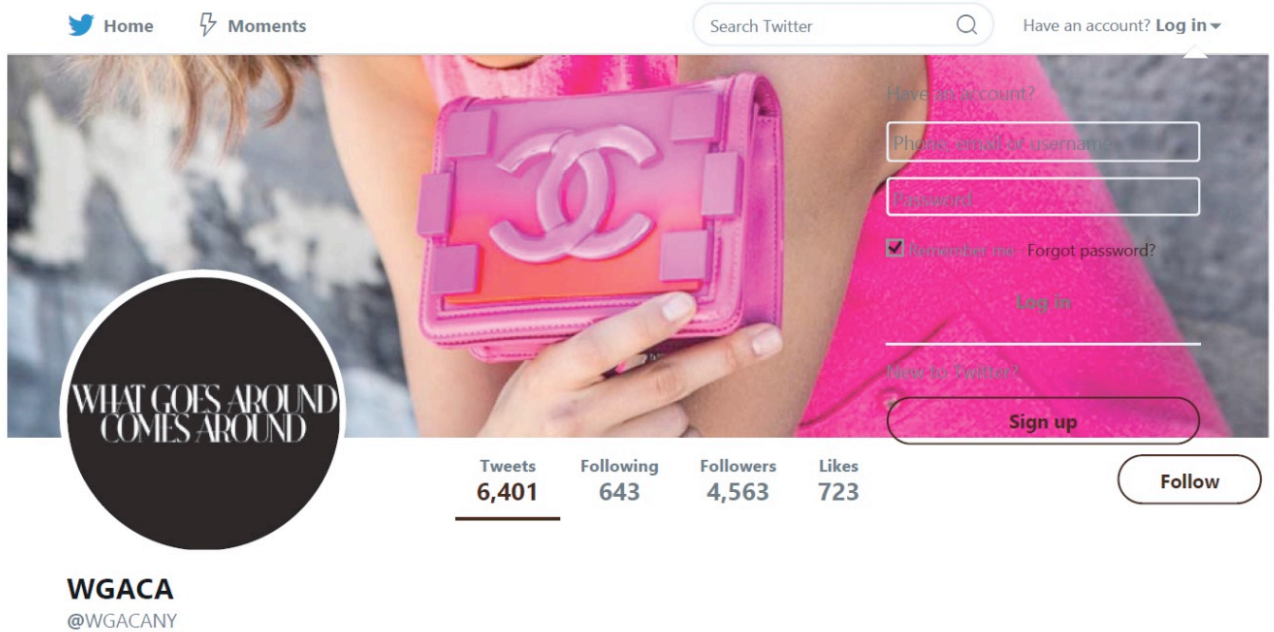


Page 729. Add new Question 6:

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:



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?

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?

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 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*, --- F.Supp.3d ---- 2022 WL 1564597 (S.D.N.Y. May 18, 2022).[†]

2. Parody

Page 761. In the first full paragraph, “Borrowed” should be “borrowed.”

Page 762. In the last sentence of the carryover paragraph, the sentence should end with a period.

Page 764. Renumber current question 5 as 6. Add new question 5:

5. Vans makes a well-known skate shoe:

[†] Professor Tushnet represents defendant Rothschild.



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).

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”).

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."

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 and 4.

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?

C. Misleading Representations

Page 927. Change “Question” to “Questions” and add a new Question 2.

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).

D. Standing

Page 951. Add Questions 4 and 5.

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. 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. ICANN and UDRP

1. Bad Faith

Page 1024. Replace *Deutsche Welle v Diamondware* with the following case.

Law Offices of Jeffrey J. Antonelli, Ltd., Inc. v. The Law Offices of Stephen C. Vondran, P.C., 2021 UDRP LEXIS 2679, WIPO Arbitration and Mediation Center, Case No. D2021-2428 (October 4, 2021). The parties are two law firms, both of whom offer legal services to alleged copyright infringers. Complainant registered the word mark TORRENT DEFENDERS in 2018 as a service mark for its legal services and a blog discussing BitTorrent copyright infringement cases, which it posts at www.torrent-defenders.com. Complainant claims to have used the TORRENT DEFENDERS mark in commerce since 2012. Respondent registered the domain name torrentdefenders.com in 2016, and uses it to redirect to its law firm's website.

Complainant has alleged that Respondent has no rights or legitimate interests in the disputed domain name. Specifically, Complainant asserts that Respondent registered the disputed domain name in 2016, long after Complainant began using the TORRENT DEFENDERS trademark and the very similar www.torrent-defenders.com domain name, and that Respondent's use of the TORRENT DEFENDERS mark to redirect consumers to Respondent's website for identical competing 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 paragraph 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 even 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.

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.*, 2022 U.S. Dist. LEXIS 60922 (D.D.C. March 31, 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).

B. Monetary Relief

1. Assessing Profits and/or Damages

Page 1099. Add Question 6:

6. Recall the extraterritorial reach of Lanham Act liability set forth by the 10th Circuit in *Hetronic Int'l, Inc. v. Hetronic Germany GmbH*, *supra* this Supplement, Ch. 6.A. All the defendants were foreign. The court affirmed a \$90 million award that represented the entirety of defendants' worldwide gross sales without cost deductions (defendants' cost expert testimony was

excluded) even though 97% of such sales were by foreigners to foreigners of products that did not enter the U.S. market. The court applied a diversion-of-foreign-sales theory that assumed plaintiff could have made these sales abroad. Of the remaining 3%, only about \$240,000 represented direct sales to the U.S. Do you agree with this damage theory? Why or why not? *Compare Tire Engineering & Distribution, LLC v. Shandong Linglong Rubber Co.*, 682 F.3d 292 (4th Cir. 2012) (rejecting this theory). The *Hetronic* defendants filed a cert. petition. The Supreme Court subsequently invited briefs from the Solicitor General. 2022 U.S. LEXIS 2324 (May 2, 2022).

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 Cir. 2020).