

# Recent Developments in Trademark and Unfair Competition Law

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## Recent Highlights

- the abrogation of *Medinol Ltd. v. Neuro Vasx Inc.*
- the continued judicial preoccupation with the concept of “use in commerce”
- the Second Circuit’s and the Ninth Circuit’s aggressiveness toward genuine, but altered, goods
- the Second Circuit’s and the Sixth Circuit’s differing approaches to the proper interpretation of Section 43(c)
- the clarification of the role of the First Amendment in unfair competition litigation
- the Federal Circuit’s clarification of the test for abandonment



Is “known or should have known” the proper standard for evaluating claims of the fraudulent procurement or the fraudulent maintenance of a trademark registration?

- No. See *In re Bose Corp.*, 476 F.3d 1331 (Fed. Cir. 2009).



# *In re Bose Corp.*, 476 F.3d 1331 (Fed. Cir. 2009)





## Fraud on the USPTO after *Bose*:

- fraud will lie “only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive”
- the record evidence and testimony necessary to support a fraud-based challenge must be “clear and convincing”
- if an applicant or registrant doesn’t have use of its mark in connection with particular goods or services, it should be permitted to “restrict” its claims to delete those goods and services rather than risk invalidation of its entire filing



Is it possible to prove knowing fraud by clear and convincing evidence?

- Yes. See *Tuccillo v. Geisha NYC, LLC*, 635 F. Supp. 2d 227 (E.D.N.Y. 2009); *Dallas Cowboys Football Club, Ltd. v. America's Team Props.*, 616 F. Supp. 2d 622 (N.D. Tex. 2009).



[A] person can commit fraud upon the Office by willfully failing to correct his or her own misrepresentation, even if originally innocent, as long as that person subsequently learns of the misrepresentation, and knows that the Office has relied upon that misrepresentation....

*Space Base Inc. v. Stadis Corp.*, 17 U.S.P.Q.2d 1216, 1219 (T.T.A.B. 1990).



[A]n applicant or registrant is under a duty to correct material, false statements made to the PTO when their falsity becomes known.

*Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 U.S.P.Q.2d 1064, 1066 (T.T.A.B. 1992).



## Use in Commerce by Plaintiffs

How easily can a mark owner “tack” the current version of its mark to an earlier version?

- Not very. See *One Indus. v. Jim O’Neal Distrib., Inc.*, 578 F.3d 1154 (9th Cir. 2009).



# *One Indus. v. Jim O'Neal Distrib., Inc.*, 578 F.3d 1154 (9th Cir. 2009)





## Use in Commerce by Plaintiffs

A trademark owner may “claim priority in a mark based on the first use date of a similar, but technically distinct, mark—but only in the exceptionally narrow instance where the previously used mark is the legal equivalent of the [prior] mark in question or indistinguishable therefrom such that consumers consider both as the same mark.”

*One Indus.*, 578 F.3d at 1160 (quoting *Brookfield Commc’ns Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999)).



## Use in Commerce by Plaintiffs

Does Article *6bis* of the Paris Convention provide a basis for priority absent use in the United States?

- No. See *Bayer Consumer Care AG v. Belmora LLC*, 90 U.S.P.Q.2d 1587 (T.T.A.B. 2009).



## Use in Commerce by Plaintiffs

Can diverted genuine goods sold in the United States support a claim of actual use in commerce of a mark appearing on them?

- No. See *Bayer Consumer Care AG v. Belmora LLC*, 90 U.S.P.Q.2d 1587 (T.T.A.B. 2009).



## Use in Commerce by Plaintiffs

How can a foreign mark owner claim priority absent a registration or actual use of its mark?

- By advancing a claim of likely dilution coupled with an averment of a bona fide intent to use its mark in the United States. *See Fiat Group Automobiles S.p.A. v. ISM, Inc.*, 94 U.S.P.Q.2d 1111 (T.T.A.B. 2010).



## Use in Commerce by Defendants

Can the issue of whether a defendant has engaged in an actionable use in commerce be resolved on a motion to dismiss?

- Yes. *See Cintas Corp. v. Unite Here*, 601 F. Supp. 2d 571 (S.D.N.Y. 2009), *aff'd without op.*, No. 09-1287-CV, 2009 WL 4577027 (2d Cir. Dec. 8, 2009).



# Cintas Corp. v. Unite Here, 601 F. Supp. 2d 571 (S.D.N.Y. 2009)



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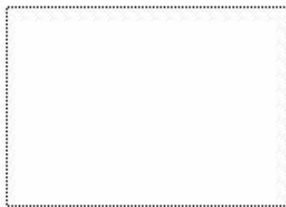
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## Distinctiveness

A certificate of registration of a mark on the Principal Register shall be prima facie evidence of the validity of the registered mark, and of the registration of the mark, [and] of the registrant's ownership of the mark . . . .

15 U.S.C. § 1057(b) (2006); *accord id.* § 1115(a).



## Distinctiveness

Can a plaintiff rely upon an expired third-party registration of the same mark to establish the distinctiveness of its own mark?

- Yes, “[a]lthough the statutory presumption of distinctiveness applies only when the mark holder’s own mark has been registered, courts also may defer to the PTO’s registration of highly similar marks.” *Lahoti v. Verichack, Inc.*, 586 F.3d 1190, 1199 (9th Cir. 2009).



## Distinctiveness

Can an applicant rely upon its own prior registrations to establish the distinctiveness of a different mark?

- No. See *In re Nielsen Bus. Media, Inc.*, Serial No. 77223725, slip op. (T.T.A.B. Jan. 28, 2010) (precedential); *In re Binion*, 93 U.S.P.Q.2d 1531 (T.T.A.B. 2009).



## Functionality

Can an applicant rely upon its own prior registrations to establish the nonfunctionality of a different mark?

- No. See *In re Dietrich*, 91 U.S.P.Q.2d 1622 (T.T.A.B. 2009).

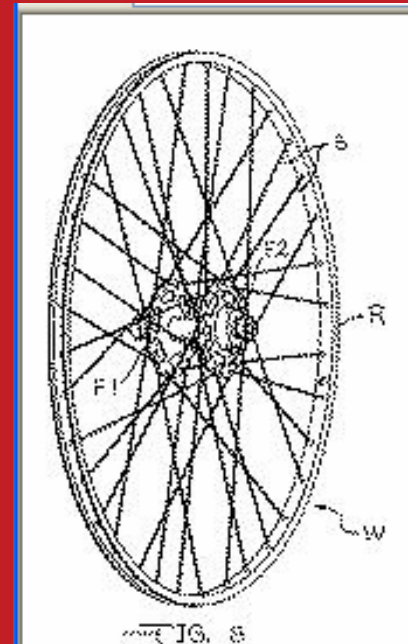
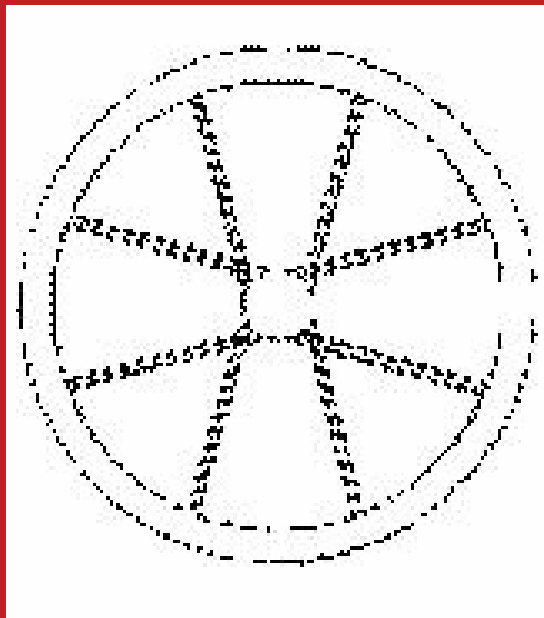


Is the significance of a related utility patent to the functionality inquiry limited to the patent's claims?

- No, the overall disclosure of the patent can come into play. See *In re Dietrich*, 91 U.S.P.Q.2d 1622 (T.T.A.B. 2009).



# *In re Dietrich*, 91 U.S.P.Q.2d 1622 (T.T.A.B. 2009)





## Likelihood of Confusion

Is an incontestably registered mark necessarily a strong one for purposes of the likelihood of confusion inquiry?

- Yes. See *Caliber Automotive Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC*, No. 08-16179, 2010 WL 1816170 (11th Cir. May 7, 2010).
- No. See *Safer, Inc. v. OMS Invs., Inc.*, 94 U.S.P.Q.2d 1031 (T.T.A.B. 2009).



## Likelihood of Confusion

The registrations alone are incompetent to establish ... the nature or extent of opposer's use and advertising of its trademarks or any reputation they enjoy or what purchasers' reactions to them may be. Accordingly, the fact that opposer's federally-registered trademark has achieved incontestable status means that it is conclusively considered to be valid, but it does not dictate that the mark is "strong" for purposes of determining likelihood of confusion.

*Safer*, 94 U.S.P.Q.2d at 1036 (citations omitted).



## Likelihood of Confusion

Can the likelihood of confusion between two marks be resolved at the pleadings stage on a motion to dismiss?

- Yes. *See Hensley Mfg., Inc. v. ProPride, Inc.*, 579 F.3d 603 (6th Cir. 2009).





# Hensley Mfg., Inc. v. ProPride, Inc., 579 F.3d 603 (6th Cir. 2009)

<a href="#">Home Page</a>	<a href="#">About Trailer Sway</a>	<a href="#">The 3P Hitch</a>	<a href="#">Products</a>	<a href="#">About ProPride</a>	<a href="#">Articles</a>
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### Jim Hensley Hitch Story

[Swift Hitch Story](#)

[Rock Tamers Story](#)



### The Jim Hensley Hitch Story

In 1955 Jim Hensley was stationed in Colorado, serving the US Army. Jim was granted leave to come home at the birth of his first child and he made plans to take his wife and newborn son back to Colorado with him when he returned.

He purchased a 30 foot house trailer, as they were called at that time. (Mobile homes and the modern travel trailers had not been separately identified then.) He went to the shop where he had worked, previous to being called upon by Uncle Sam, and built a hitch under his 1951 Kaiser automobile. There were a few Reese brand hitches on the market at the time, but Jim couldn't afford to buy one.

So, instead he bought a used trailer dolly equipped with two caster wheels. Jim hooked the dolly between the tow vehicle and the trailer for carrying the tongue weight.

When the baby was just three weeks old, Jim and his wife left Centralia, IL with this rig for the 1,000 mile trip to Colorado. Grandparents were certain the baby would not survive such a journey.... with two very young parents, in the month of July, and of course no air conditioning.

About 40 miles into the trip one of the dolly tires suffered a blow-out making it useless. The entire dolly was loaded into the trailer's bedroom and they continued on the way with the nose of the car in the air and the rear end nearly dragging the ground.... fish-tail swaying all the way. Still to the surprise of many, Jim, his wife and their small son made it to Colorado. But, five months later, Jim was assigned to go to Korea and the family made the return trip to Illinois in the same fashion they had left. This was the beginning of the Hensley Hitch concept. Jim continually thinking on these two long trips, "There has to be a better way to tow a trailer".

Reese was taking care of the weight distribution issues with spring bars, but those did little to

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## Likelihood of Confusion

Will liability for infringement lie for the incorporation of a genuine, but altered, good into another good?

- Yes, if there's a risk of post-sale confusion. *See Au-Tomotive Gold Inc. v. Volkswagen of Am.*, 603 F.3d 1133 (9th Cir. 2010).



*Au-Tomotive Gold Inc. v. Volkswagen of  
Am.*, 603 F.3d 1133 (9th Cir. 2010)





## Likelihood of Confusion

Will liability for infringement lie if the alteration of a genuine good interferes with a trademark owner's ability to control the nature and quality of the goods sold under its mark?

- Yes. See *Zino Davidoff SA v. CVS Corp.*, 571 F.3d 238 (2d Cir. 2009).



# Davidoff & Cie. V. PLD Int'l Corp., 263 F.3d 1297 (11th Cir. 2001)





# Zino Davidoff SA v. CVS Corp., 571 F.3d 238 (2d Cir. 2009)





## Likelihood of Dilution

Does a defendant's marketing of sex-related products under a mark similar to that of the plaintiff create a presumption (or at least a strong inference) of likely dilution?

- Yes. See *V Secret Catalogue, Inc. v. Moseley*, No. 08-5793, 2010 WL 1979429 (6th Cir. May 19, 2010).



*V Secret Catalogue, Inc. v. Moseley*, 2010  
WL 1979429 (6th Cir. May 19, 2010)

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*V Secret Catalogue, Inc. v. Moseley*, 2010  
WL 1979429 (6th Cir. May 19, 2010)





## Likelihood of Dilution

[W]e think . . . [there is] a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two.

*V Secret Catalogue*, 2010 WL 1979429, at \*4.



## Likelihood of Dilution

This *res ipsa loquitur*-like effect is not conclusive but places on the owner of the new mark the burden of coming forward with evidence that there is no likelihood or probability of tarnishment.

*V Secret Catalogue*, 2010 WL 1979429, at \*4.



## Likelihood of Dilution

Should the likelihood of dilution by blurring factors set forth in Section 43(c) be applied literally?

- Yes. *See Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009).



## Likelihood of Dilution

In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

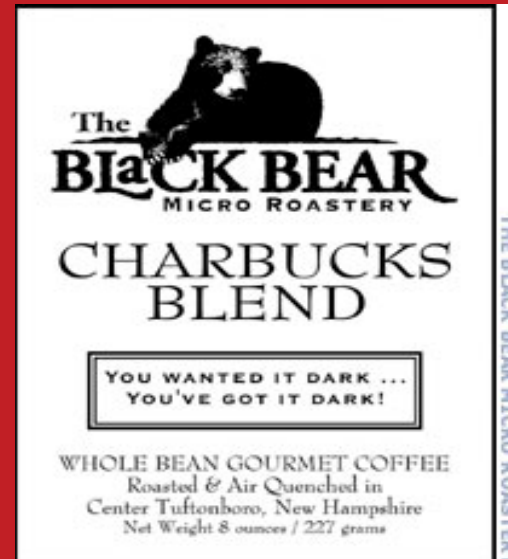
15 U.S.C. § 1125(c)(2)(B) (2006).



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## Likelihood of Dilution

In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

.....

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.



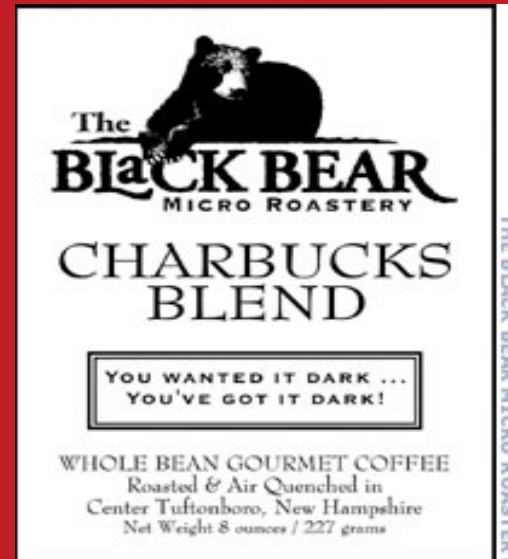


## Likelihood of Dilution

In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

.....

(vi) Any actual association between the mark or trade name and the famous mark.





# Cybersquatting

Does the doctrine of foreign equivalents apply in actions under the ACPA?

- Yes. *See Mastercard Int'l Inc. v. Trehan*, 629 F. Supp. 2d 824 (N.D. Ill. 2009).



*Mastercard Int'l Inc. v. Trehan*, 629 F. Supp.  
2d 824 (N.D. Ill. 2009)

**mastercards.com**



## The First Amendment

What role does the First Amendment play in trademark infringement and dilution litigation?

- A significant one if a non-trademark use by a defendant or an artistic work is involved. See *Commonwealth v. Omar*, 981 A.2d 179 (Pa. 2009).
- A significant one if the challenged use has political overtones. See *Protectmarriage.com – Yes on 8, a Project of Cal. Renewal v. Courage Campaign*, 93 U.S.P.Q.2d 1477 (E.D. Cal. 2010).



*Protectmarriage.com v. Courage Campaign,*  
93 U.S.P.Q.2d 1477 (E.D. Cal. 2010)





## The First Amendment

What role does the First Amendment play in trademark infringement and dilution litigation?

- Virtually none, if the challenged use is a commercial one. *See Pfizer Inc. v. Sachs*, 92 U.S.P.Q.2d 1835 (S.D.N.Y. 2009).



# *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512 (S.D.N.Y. 2009)





## The First Amendment

How easy is it to assert First Amendment protection on a motion to dismiss?

- Not very. *See Hilton v. Hallmark Cards*, 599 F.3d 894 (9th Cir. 2010).



# Hilton v. Hallmark Cards, 599 F.3d 894 (9th Cir. 2010)

Int. Cl.: 25

Prior U.S. Cls.: 22 and 39

Reg. No. 3,209,488

United States Patent and Trademark Office

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Paris's First Day  
as a Waitress.



A mark shall be deemed to be “abandoned” . . . [w]hen its use has been discontinued with intent not to resume such use. . . . Non-use for 3 consecutive years shall be prima facie evidence of abandonment. “Use” of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

15 U.S.C. § 1127 (2006).



What does *not* constitute ongoing use of a mark?

- Oral references to the mark in sales presentations unaccompanied by branded products. See *George & Co. v. Imagination Entm't Ltd.*, 575 F.3d 383 (4th Cir. 2009).



What is the relevant time period for purposes of rebutting a prima facie showing of abandonment?

- The initial three-year period of nonuse. See *Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387 (Fed. Cir. 2010).



## Defenses

A showing of a prima facie case creates a rebuttable presumption that the trademark owner has abandoned the mark without intent to resume use. “The burden then shifts to the trademark owner to produce evidence that he either used the mark during the statutory period or intended to resume use.”

*Crash Dummy Movie*, 601 F.3d at 1391 (quoting *On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1087 (Fed. Cir. 2000)).



## Defenses

The Board may consider evidence and testimony regarding [the mark owner's] practices that occurred before or after the three-year statutory period to infer [the mark owner's] intent to resume use during the three-year period.

*Crash Dummy Movie*, 601 F.3d at 1392.



## Secondary Liability

Can secondary liability be imposed on an online auction site based on its “generalized” knowledge of the sale of unauthorized merchandise using its services?

- No, specific knowledge of the sale of particular infringing goods is required. See *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010).



# See Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93 (2d Cir. 2010)

The screenshot shows an eBay listing for an authentic Tiffany & Co Atlas cuff bangle bracelet. The listing includes a product image, a title, and various details such as shipping costs, seller information, and bidding status. A callout box highlights the product title.

**AUTHENTIC TIFFANY & CO ATLAS CUFF BANGLE BRACELET 925**

Item number: 390047663398

End time: **46 mins 59 secs** (May-04-09 20:39:36 PDT)

Shipping: **US \$5.95**  
US Postal Service First Class Mail®  
Service to [United States](#)

Ships to: United States  
Item location: ROLLING MEADOWS, IL, United States

History: [6 bids](#)

High bidder: [a\\*\\*\\*a](#) (174 ★)

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**Description**

Item Specifics

Metal: **Sterling Silver**

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## Remedies

In a case involving the use of a counterfeit mark ..., the plaintiff may elect ... to recover ... an award of statutory damages ... in the amount of

(1) \$500 or more than \$100,000 per counterfeit mark per type of goods or services sold ... ; or

(2) if ... the use of the counterfeit mark was willful, not more than \$100,000 per counterfeit mark per type of goods or services sold ....

15 U.S.C. § 1117(c)(1)-(2) (2006).



Does “per type of good or service sold” in Section 35 contemplate an award of statutory damages for each unit sold?

- No, “type” means a genus of good or service. *See Gabbanelli Accordions & Imps., L.L.C. v. Gabbanelli*, 575 F.3d 693 (7th. Cir. 2009).



Does the reference to “per type of good or service sold” in Section 35 contemplate separate awards of statutory damages for differing models of each unit sold?

- No. *See Church & Dwight Co. v. Kaloti Enters. of Mich., LLC*, No. 07 Civ. 0216(BMC), 2009 WL 6093272 (E.D.N.Y. Dec. 23, 2009).



The condoms may be different in size or shape or even fabric [!] and texture but they are not different in basic functionality. Accordingly, I find that there is one “type of good” for purposes of calculating statutory damages.

*Church & Dwight*, 2009 WL 6093272, at \*3.

# Questions?

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**THANK YOU**

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