

Recent Developments in U.S. Trademark Practice

Ted Davis
Kilpatrick Stockton LLP
TDavis@KilpatrickStockton.com





Highlights of the Past Year

- the continued preoccupation of courts with the concept of “use in commerce”;
- clarification of “safe distance” rule by the Second and Tenth Circuits;
- clarification of the nature and scope of the accounting remedy;
- significant developments in the T.T.A.B.’s application of *Medinol Ltd. v. Neuro Vasx Inc.*;
- and
- the T.T.A.B.’s increasingly hard line on procedural issues



ITC Ltd. v. Punchgini, Inc., 880 N.E.2d 852 (N.Y. 2007)





Use In Commerce By Plaintiffs

Is there a basis under federal law for the well-known mark doctrine?

- No. *See Bayer Consumer Care AG v. Belmora LLC*, Cancellation No. 92047741, 2009 WL 962814 (T.T.A.B. April 6, 2009) (precedential).



Use In Commerce By Plaintiffs

Are preparations to use a mark sufficient to create protectable trademark rights?

- No. *See Aycocock Eng'g, Inc. v. Airflite, Inc.*, 560 F.3d 1350 (Fed. Cir. 2009).



Use In Commerce By Defendants

Does the “sale” of a trademark as a trigger for sponsored advertising constitute an actionable use in commerce?

- Yes. See *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2d Cir. 2009).



Use In Commerce By Defendants

1-800 contacts - Google Search - Internet Explorer provided by Dell
http://www.google.com/search?gbv=2&hl=en&q=1-800+contacts

1-800 contacts - Google... att.net

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Google 1-800 contacts Search Advanced Search Preferences

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Save money with 1-800-Contacts Coupons, Coupon Codes, 1-800-Contacts Promotions, 1-800-Contacts promotional codes & Discounts, plus online deals!
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Mar 13, 2009 ... My understanding is that 1-800 Contacts, the bill's principal advocate, ...
Meanwhile, even though 1-800 Contacts didn't get its statutory ...
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The Honorable Ellsworth Van Graafeiland, of the United 1 States ...
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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(b).



Distinctiveness

What burden does a defendant bear in challenging the distinctiveness of a mark covered by a registration that is not incontestable?

- The defendant bears the ultimate burden of *proof*. See *Aktieselskabet AF 21 November 2001 v. Fame Jeans Inc.*, 525 F.3d 8 (D.C. Cir. 2008); *Johnson & Johnson Consumer Cos. v. Aini*, 540 F. Supp. 2d 374 (E.D.N.Y. 2008).



Distinctiveness

What burden does a defendant bear in challenging the distinctiveness of a mark covered by a registration that is not incontestable?

- The defendant bears only the burden of *production*. See *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334 (4th Cir. 2009).



Distinctiveness

[W]hatever support [the registrant] might be able to claim from the registrations is in this case undermined by the fact that the PTO only grudgingly issued the registrations after intervention by North Carolina's congressional delegation. . . . Before then, the PTO examiners rejected [the registrant's] application five times

OBX-Stock, 558 F.3d at 342.



Distinctiveness

Is secondary meaning necessary for the registration of a sound emitted in the normal operation of the associated good?

- Yes. See *In re Vertex Group LLC*, 89 U.S.P.Q.2d 1694 (T.T.A.B. 2009).



In re Vertex Group LLC, 89 U.S.P.Q.2d 1694 (T.T.A.B. 2009)

Feature: AmberWatch

Cause: Prevention of Child Abduction and Molestation



AmberWatch[®]

Super-Loud Child Safety Alarm Watch

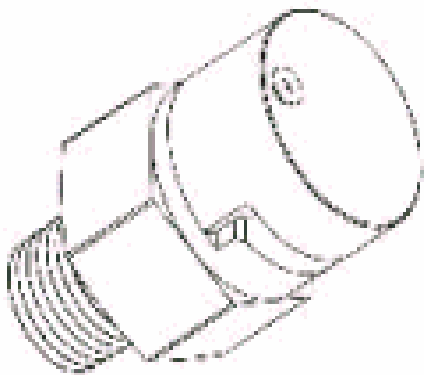
The AmberWatch[®] features a super loud alert signal that a child can activate when they are feeling threatened or scared.

A portion of all AmberWatch sales benefit the **AmberWatch Foundation**.

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***In re Udor U.S.A. Inc., 89 U.S.P.Q.2d 1978
(T.T.A.B. 2009)***



***YOU CAN TELL IT'S A BOOMINATOR®
NOZZLE ON SIGHT***

*Boominator's® unique round head shape
lets you know it is a genuine
Boominator® nozzle. It is also patented
and with patents pending. Boominator®.*



Functionality

Is it possible to distinguish the disclosure of a related utility patent in the functionality inquiry?

- Yes. See *In re Udor U.S.A. Inc.*, 89 U.S.P.Q.2d 1978 (T.T.A.B. 2009).

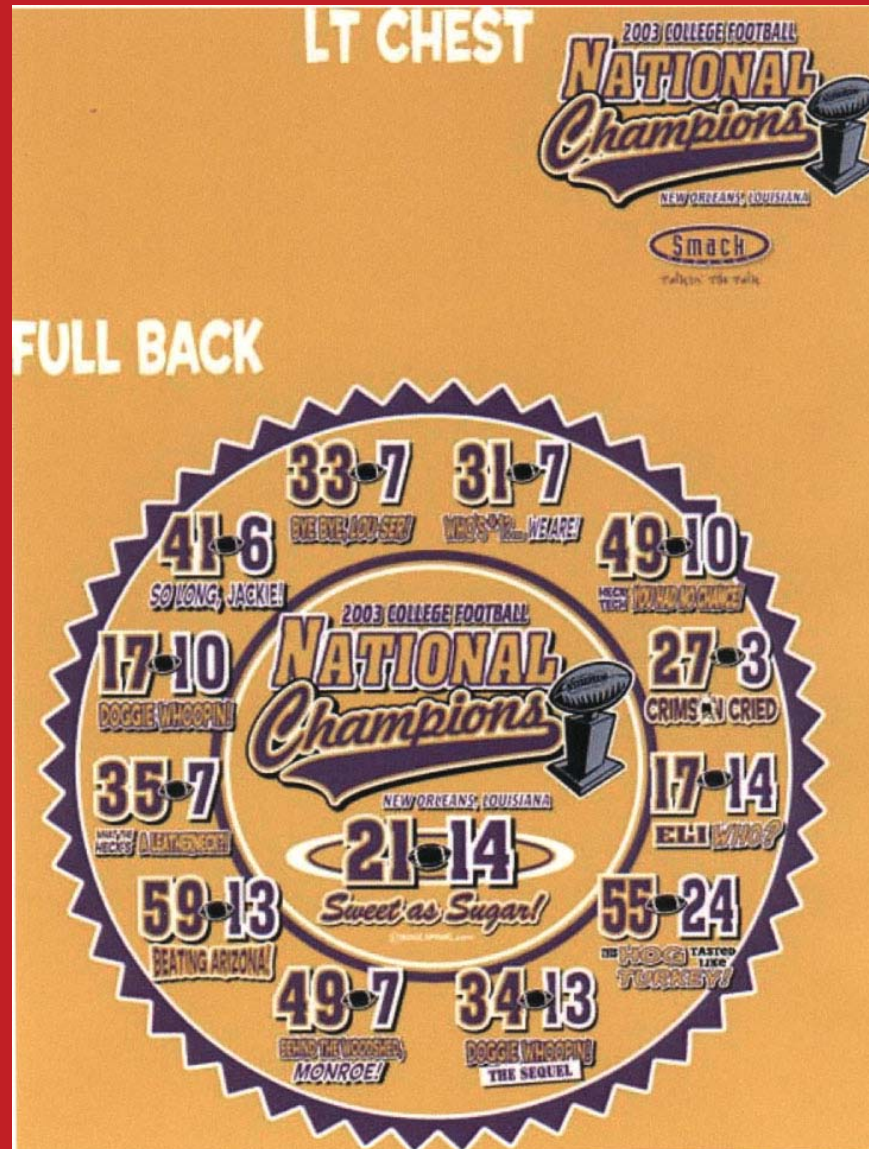


Are color schemes used by universities aesthetically functional if purchasers wish to display the colors to show their allegiance to the schools?

- No. *See Bd. of Supervisors v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir. 2008).



Bd. of Supervisors v. Smack Apparel Co., 550 F.3d 465 (5th Cir. 2008)





Likelihood of Confusion

Is the “safe distance” rule a standalone basis for liability?

- No, the rule is properly applicable only when (1) crafting injunctions and (2) disposing of contempt motions. *See PRL USA Holdings Inc. v. United States Polo Ass’n*, 520 F.3d 109 (2d Cir. 2008).



Likelihood of Confusion

When one sues for infringement of a trademark, the standard . . . is whether the [junior] mark is likely to cause confusion. Insertion of the concept of “safe distance” would change the standard of liability. If the “safe distance” instruction were used, the jury would be invited to find liability based on a mark which was not likely to cause confusion, leaving unclear to the jurors which standard should govern.

PRL USA, 520 F.3d at 117.



Likelihood of Confusion

Does the “safe distance” rule require district courts to enter injunctions that eliminate any possibility of confusion?

- No, because “[a]lthough a district court may require a prior infringer to choose a mark that avoids all possibilities of confusion, it is not required as a matter of law to do so.”
John Allan Co. v. Craig Allen Co., 540 F.3d 1133, 1142 (10th Cir. 2008) (internal quotation marks omitted).

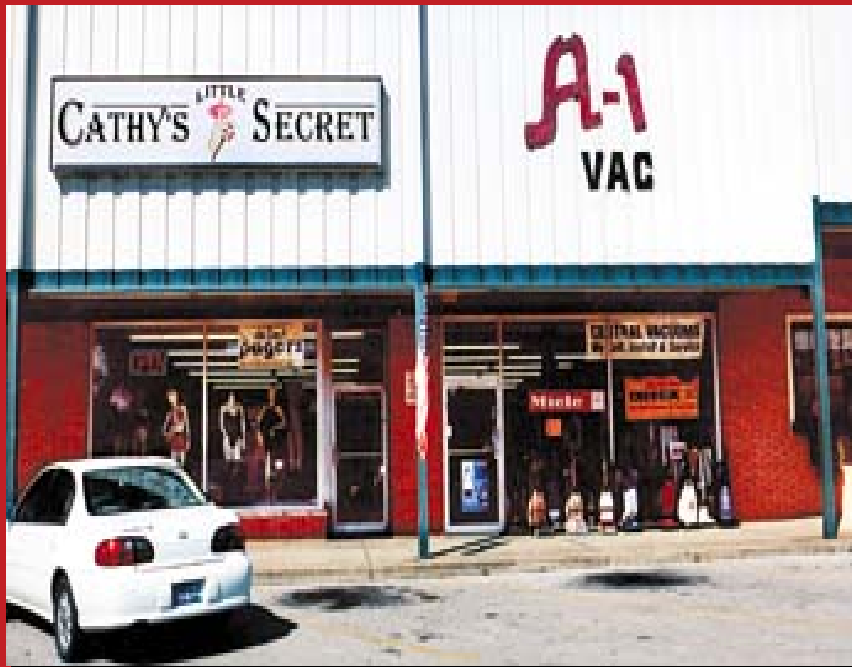


Are Victoria's Secret and the Moseleys *still* going at it?

- Yes. See *V Secret Catalogue Inc. v. Moseley*, 558 F. Supp. 2d 736 (W.D. Ky. 2008).



V Secret Catalogue Inc. v. Moseley, 558 F.
Supp. 2d 736 (W.D. Ky. 2008)





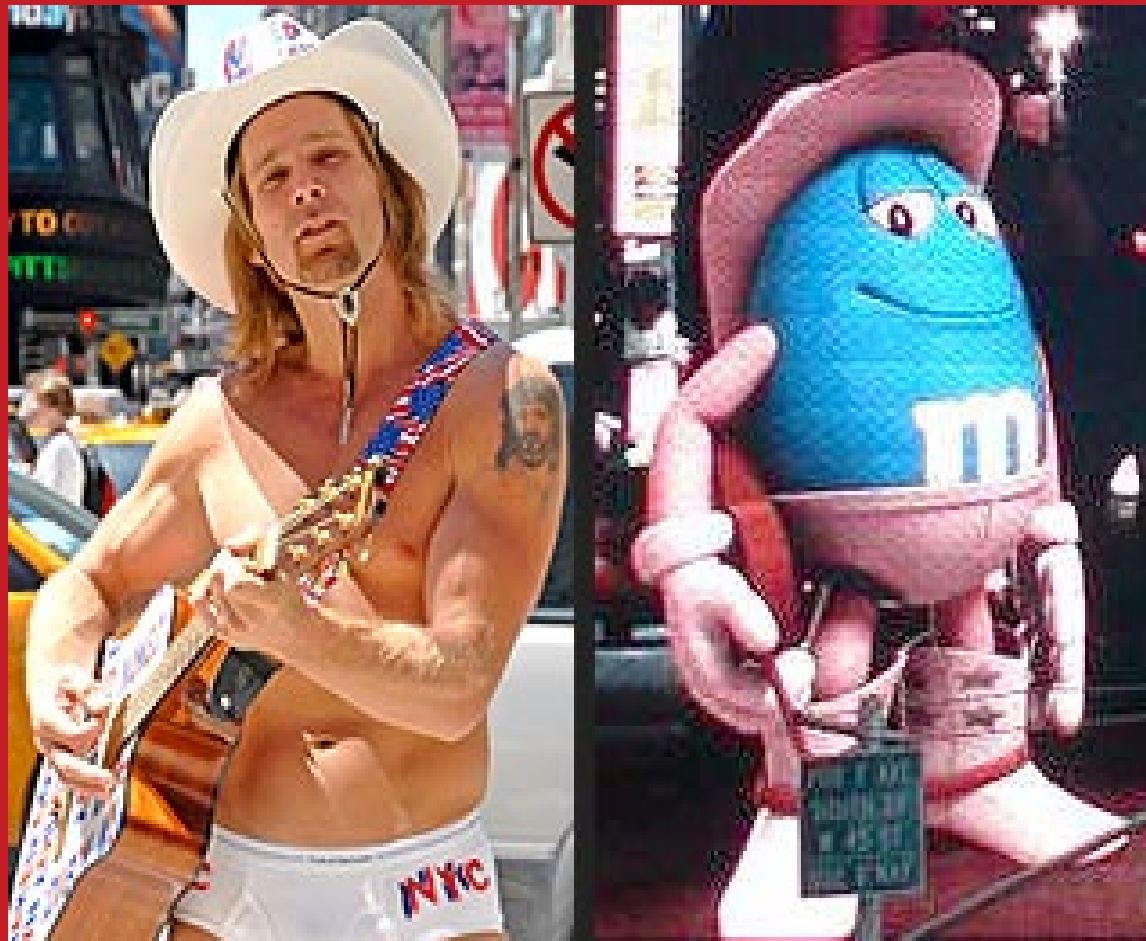
Right Of Publicity

Can right of privacy doctrine be used to vindicate violations of a plaintiff's right of publicity?

- No. See *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446 (S.D.N.Y. 2008).



Burck v. Mars, Inc., 571 F. Supp. 2d 446 (S.D.N.Y. 2008)





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.*, 576 F. Supp. 2d 463 (S.D.N.Y. 2008).



Tiffany (NJ) Inc. v. eBay, Inc., 576 F. Supp. 2d 463 (S.D.N.Y. 2008)

The screenshot shows an eBay auction page for an 'AUTHENTIC TIFFANY & CO ATLAS CUFF BANGLE BRACELET 925'. The current bid is US \$107.50, with 46 minutes and 59 seconds remaining. The seller is 'misshannover (2045)', a Power Seller with a 99.7% positive feedback score. The item is described as Sterling Silver. The page also features a 'Watch This Item' button and a 'Buy safe' section with instructions on how to check the seller's reputation and how to be protected.

Current bid: US \$107.50
Your maximum bid: US \$ [Place Bid >](#)
(Enter US \$110.00 or more)

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 ★)

You can also: [Watch This Item](#)
Get [SMS](#) or [IM](#) alerts | [Email to a friend](#)

Listing and payment details: [Show](#)

Get 10% back on all purchases, up to \$25. New eBay MasterCard Accounts only. US Residents Only. [See Details](#) | [Apply Now](#)

Description

Item Specifics

Metal: Sterling Silver

misshannovers jewelry deals

Visit my eBay Store: [misshannovers jewelry deals](#)

Meet the seller
Seller: [misshannover \(2045\)](#) ★ **Power Seller**
Feedback: 99.7% Positive
Member: since Aug-24-00 in United States
▪ [See detailed feedback](#)
▪ [Ask seller a question](#)
▪ [Add to Favorite Sellers](#)
▪ View seller's other items: [Store](#) | [List](#)
▪ Visit seller's Store: [misshannovers jewelry deals](#)

Buy safely

- Check the seller's reputation**
Score: 2045 | 99.7% Positive
[See detailed feedback](#)
- Check how you're protected**
Pay with **PayPal** and your [full purchase price](#) is covered | [See terms](#)



The First Amendment

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

- A significant one, if an artistic work is involved. *See E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008).
- A less significant one, if not. *See Pfizer Inc. v. Sachs*, 2008 WL 452418 (S.D.N.Y. Oct. 8, 2008).
- Virtually none, if the challenged use is a promotion for an artistic work. *See Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008).



E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095 (9th Cir. 2008)





The First Amendment

Under *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), titles are protected speech unless:

- they have no artistic relevance to the underlying works; or, if artistically relevant,
- they are explicitly misleading as to the source or content of the works.



Pfizer Inc. v. Sachs, 2008 WL 452418 (S.D.N.Y. Oct. 8, 2008)





Defenses

Nonuse 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).



Defenses

Does the prima facie evidence of abandonment triggered by three years' nonuse of a mark shift the burden of proof or the burden of production to the putative mark owner?

- Only the burden of production. *See Natural Answers, Inc. v. SmithKline Beecham Corp.*, 529 F.3d 1325 (11th Cir. 2008).



In an accounting of profits under Section 35 of the Lanham Act, which party bears the burden of apportioning the defendant's revenues between infringing and noninfringing sales?

- The defendant. See *WMS Gaming Inc. v. WPC Prods. Ltd.*, 542 F.3d 601 (7th Cir. 2008); *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56 (1st Cir. 2008).



Remedies

In assessing profits the plaintiff shall be required to prove defendant's sales only; the defendant must prove all elements of cost or deduction claimed.

15 U.S.C. § 1117(a) (2006).

The copyright owner is entitled to recover . . . any profits . . . *that are attributable to the infringement* and are not taken into account in computing the actual damages.

17 U.S.C. § 504(b) (2006) (emphasis added).



Remedies

[W]hen the district court . . . assumed that it had to segregate [the defendant's] legitimate revenues from those . . . derived through its infringement, and that [the plaintiff] had to bear the risk of uncertainty about the proper characterization of the revenues, it erred. . . . In doing so, the court relieved [the defendant] of its burden to show which portions of its *gross income* were not attributable to its infringing uses.

WMS, 542 F.3d at 608 (emphasis added).



Remedies

Here, [the plaintiff] met its burden by introducing tax returns showing [the defendants'] *gross sales* [The defendants] then had the burden of producing evidentiary documentation that some of those sales were unrelated to and unaided by [the defendants'] illicit use of [the plaintiff's] marks.

Venture Tape, 540 F.3d at 64 (emphasis added).



Remedies

[O]nce the plaintiff produces evidence regarding the defendant's gross sales, the burden is on the defendant-wrongdoer to demonstrate that its profits are not due to its Lanham Act violation rather than vice-versa.

Trilink Saw Chain, LLC v. Blount, Inc., 583 F. Supp. 2d 1293, 1323 (N.D. Ga. 2008).



Is it necessary for an ITU applicant to have corroborating evidence of a bona fide intent to use its mark as of the filing date of the application?

- Yes. *See Honda Motor Co. v. Winkelmann*, Opposition No. 91170552, 2009 WL 962813 (T.T.A.B. Apr. 8, 2009) (precedential); *Boston Red Sox Baseball Club LP v. Sherman*, 88 U.S.P.Q.2d 1581 (T.T.A.B. 2008); *L.C. Licensing, Inc. v. Berman*, 86 U.S.P.Q.2d 1883 (T.T.A.B. 2008).



[A]pplicant's mere response [in a deposition] that he intended to use [his] mark on [the recited goods] does not suffice to establish a bona fide intention to use the mark. The mere assertion of an intent to use the mark without corroboration of any sort, whether documentary or otherwise, is not likely to provide credible evidence to establish a bona fide intention to use the mark.

L.C. Licensing, 86 U.S.P.Q.2d at 1889.



What exposes a registration to cancellation for fraud on the PTO?

- an inaccurate claim of actual use of the mark in connection with particular goods and services, see *Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, 86 U.S.P.Q.2d 1572 (T.T.A.B. 2008); and
- the agreement to an inaccurate identification of goods and services proposed by an examiner, see *Grand Canyon W. Ranch, LLC v. Hualapai Tribe*, 88 U.S.P.Q.2d 1501 (T.T.A.B. 2008).



What does *not* expose a registration to cancellation for fraud on the PTO?

- technical discrepancies between a good or service described by an application and the good or service in the marketplace, see *Spira Footwear, Inc. v. Basic Sports Apparel, Inc.*, 545 F. Supp. 2d 591 (W.D. Tex. 2008); *Primepoint, L.L.C. v. Primepay, Inc.*, 545 F. Supp. 2d 426 (D.N.J. 2008);
- a failure to delete a discontinued good or service from a registration until the filing of a Section 8 declaration for that registration, see *Bass Pro Trademarks, LLC v. Sportsman's Warehouse, Inc.* 89 U.S.P.Q.2d 1844 (T.T.A.B. 2008); and



What does *not* expose a registration to cancellation for fraud on the PTO?

- an inaccurate recitation of a date of first use in a Section 1(a) application, provided that the actual date of first use was prior to the application's filing date. *See Hiraga v. Arena*, 90 U.S.P.Q.2d 1102 (T.T.A.B. 2009).



Can the possible fraud attaching to an inaccurate recitation of an application's basis be cured by a pre-publication amendment?

- Not necessarily – it creates only a presumption of good faith. *See University Games Corp. v. 20Q.net Inc.*, 87 U.S.P.Q.2d 1465 (T.T.A.B. 2008).
- Yes. *See DC Comics v. Gotham City Networking, Inc.*, Opposition No. 91175853, slip op. (T.T.A.B. Sept. 24, 2008) (nonprecedential).



[A] misstatement in an application as to the goods or services [with] which a mark has been used does not rise to the level of fraud where an applicant amends the application prior to publication.

DC Comics, slip op. at 14 n.4 (dictum).



USPTO Procedure

Can the possible fraud attaching to an inaccurate recitation of an application's basis be cured by a post-publication amendment?

- No. *See Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).



[D]eletion of the goods upon which the mark has not yet been used does not remedy an alleged fraud upon the Office. If fraud can be shown in the procurement of a registration, the entire resulting registration is void.

Medinol, 67 U.S.P.Q.2d at 1208.



Can the possible fraud attaching to an inaccurate recitation of an application's basis be cured by a post-publication amendment?

- No. *See Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003).
- Yes, if the applicant or registrant is willing to sacrifice the entire class in which problem goods or services are recited. *See G&W Labs v. GW Pharma Ltd.*, 89 U.S.P.Q.2d 1571 (T.T.A.B. 2009).



USPTO Procedure

[A] multiple-class application can be viewed as a series of applications for registration of a mark in connection with goods or services in each class, combined into one application.

. . . .

[E]ach class . . . must be considered separately . . . , and judgment on the ground of fraud as to one class does not in itself require cancellation of all classes in a registration.

G&W Labs, 89 U.S.P.Q.2d at 1574.



USPTO Procedure

Can the possible fraud attaching to an inaccurate recitation of an application's basis be cured by a post-publication amendment?

- Possibly, if the applicant or registrant voluntarily deletes the problem goods or services prior to a challenge to the registration being brought. *See Zanella Ltd. v. Nordstrom, Inc.*, Opposition No. 9117785889 (T.T.A.B. Oct. 23, 2008) (recently precedential).



Medinol Redux:

- The deletion of an entire class of goods or services at any time will cure any fraud allegedly attaching to the goods or services in that class.
- The deletion of individual goods or services from an application or registration will create a presumption that the applicant or registrant acted in good faith, but only if the deletion is made prior to the threat of a challenge.



How have *inter partes* litigants irritated the Trademark Trial and Appeal Board lately?

- by attempting to file pleadings by fax, see *Vibe Records Inc. v. Vibe Media Group LLC*, 88 U.S.P.Q.2d 1280 (T.T.A.B. 2008);
- by failing to serve opening pleadings as required by the new rules, see *Schott AG v. L'Wren Scott*, 88 U.S.P.Q.2d 1862 (T.T.A.B. 2008); *Springfield Inc. v. XD*, 86 U.S.P.Q.2d 1063 (T.T.A.B. 2008);



How have *inter partes* litigants irritated the Trademark Trial and Appeal Board lately?

- by failing to make adequate mandatory disclosures, see *Influence Inc. v. Zucker*, 88 U.S.P.Q.2d 1859 (T.T.A.B. 2008);
- by failing to pursue discovery diligently, see *Nat'l Football League v. DNH Mgmt. LLC*, 85 U.S.P.Q.2d 1852 (T.T.A.B. 2008);



How have *inter partes* litigants irritated the Trademark Trial and Appeal Board lately?

- by filing oversize briefs without permission, see *Cooper Techs. Co. v. Denier Elec. Co.*, 89 U.S.P.Q.2d 1478 (T.T.A.B. 2008); and
- by failing to introduce registrations and applications into evidence properly, see *Syngenta Crop Protection, Inc. v. Bio-Chek, LLC*, 90 U.S.P.Q.2d 1112 (T.T.A.B. 2009).

THANK YOU

Ted Davis
Kilpatrick Stockton LLP
TDavis@KilpatrickStockton.com

