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Recent Development

RECENT DEVELOPMENTS IN TRADEMARK LAW

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\*498 This article reviews selected noteworthy trademark and unfair competition decisions reported in *United States Patents Quarterly*, Second Series, Volume 37, Number 1 (January 1, 1996) through Volume 37, Number 9 (February 26, 1996).

## I. Jurisdiction

### A. Enforcement of Settlement Agreement: *William Keeton Enterprises Inc. v. A All American Strip-O-Rama Inc.*<sup>1</sup>

According to the Ninth Circuit in *William Keeton Enterprises*, a federal district court lacks jurisdiction to enforce an agreement read into the record unless the court retains jurisdiction over the settlement agreement or incorporates the terms of the settlement agreement into the order of dismissal.<sup>2</sup>

On the eve of trial, the parties reached a settlement agreement and counsel for the defendant recited the terms of the settlement on the record.<sup>3</sup> These terms included an agreement by the defendant to a name change.<sup>4</sup> Following the hearing, the parties prepared a stipulated judgment, which failed to provide for the name change. This stipulated judgment was delivered to the court and was signed and filed with the court.<sup>5</sup> Afterward, counsel for both parties became aware that certain aspects of their agreement had been omitted from the stipulated judgment, and they thereby requested that the agreement be withdrawn. In response, the court entered a minute order striking the stipulated judgment and requested that a revised stipulated judgment be filed within ten days.<sup>6</sup> When the parties could not agree upon language for the revised stipulated judgment, the court reinstated the original order and entered an injunction “to reflect the terms of the settlement agreement read into the record by the defendant’s counsel on June 29, 1993.”<sup>7</sup>

The Ninth Circuit, referring to a Supreme Court decision, held that the district court lacked jurisdiction to enforce a settlement agreement that had been read into the record and pursuant to which the court had entered a stipulated order dismissing the action with prejudice.<sup>8</sup> “Because the order did not reserve jurisdiction to do so, \*499 the district court was precluded from enforcing the settlement agreement.”<sup>9</sup> The Court in *Kokkonen* noted that “enforcement of the settlement agreement … is more than just a continuation or renewal of the dismissed suit, and hence requires its own basis for jurisdiction.”<sup>10</sup> Ancillary jurisdiction to vindicate the court’s authority and effect its decree may exist, but only if the dismissal order required the parties to comply with the settlement agreement.<sup>11</sup> Because breaching the agreement would be a violation of the order, ancillary jurisdiction to enforce the agreement would exist.<sup>12</sup> Here, however, the terms of the settlement agreement read into the record had never been reduced to an order, and the stipulated judgment that had been entered by the court did not reserve jurisdiction to enjoin defendant from the acts which the court sought to enjoin.<sup>13</sup>

### B. Venue: *Woodke v. Dahm*<sup>14</sup>

The plaintiff brought action for reverse passing off under section 43(a)(1) of the Lanham Act in Northern District of Iowa.<sup>15</sup> The sole issue before the court was whether the Northern District of Iowa was a proper venue for this case.<sup>16</sup>

The plaintiff contended that venue was proper in the district of his residency since the ultimate effect of the passing off was experienced in that area.<sup>17</sup> However, this position was rejected by both the district and appellate courts.<sup>18</sup> Because the Lanham Act does not have a special venue provision, the courts held that the general venue statute was applicable.<sup>19</sup> According to 28 U.S.C. § 1391(b)(2), a federal question case may be filed in a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred.<sup>20</sup> Thus, the place where the alleged passing off occurs determines the correct venue.<sup>21</sup>

### \*500 C. Standing: *NTN Communications Inc. v. Interactive Network Inc.*<sup>22</sup>

In *NTN Communications*, the court held that a plaintiff must allege that the defendant has already taken steps to begin marketing its infringing product before injunctive relief can be issued under claims pursuant to 15 U.S.C. §§ 1114(a) and 1125(a).<sup>23</sup> In this case, the plaintiff, NTN Communications, Inc., had marketed an interactive video game, called “QB1,” to be

used in conjunction with televised football games.<sup>24</sup> The defendant, Interactive, threatened to offer its own game (IN The Huddle), which used Canadian Football League (CFL) marks—marks to which NTN had the exclusive rights for use in interactive games.<sup>25</sup> However, there was no allegation that Interactive had begun to use the CFL marks in commerce, as required for a claim under the Lanham Act,<sup>26</sup> nor did NTN make any allegations that Interactive had otherwise acted in a manner sufficient to support a cause of action for trademark infringement or unfair competition.<sup>27</sup> Thus, the court dismissed the plaintiff's action for failure to state a claim.<sup>28</sup>

#### **D. Standing: PDK Labs Inc. v. Friedlander<sup>29</sup>**

PDK Labs, Inc. (PDK) brought an action against the defendant seeking a declaratory judgment that the defendant was without standing to sue PDK for violations of section 43 of the Lanham Act.<sup>30</sup> On PDK's motion for summary judgment on its declaratory judgment claim and for dismissal of defendant's Lanham Act counterclaims, the court held that the defendant did not have a "reasonable interest" to be protected, as required to bring an action under the Lanham Act.<sup>31</sup>

The defendant initially contacted PDK, a manufacturer, seller, and distributor of dietary products, asserting that PDK's products infringed its patented method for producing weight loss in humans.<sup>32</sup> In later correspondence with PDK, the defendant added claims under the Lanham Act and the Georgia Fair Business \*501 Practices Act (GFBPA).<sup>33</sup> Upon defendant's notification that it intended to file an action under the GFBPA, PDK initiated its declaratory judgment suit.<sup>34</sup>

In assessing a party's standing to assert claims under section 43 of the Lanham Act, the court found that "a [party] must demonstrate a 'reasonable interest to be protected' against the advertiser's false or misleading claims, and a 'reasonable basis' for believing this interest is likely to be damaged by the false or misleading advertising."<sup>35</sup> The court further held that "a more substantial showing is required where the party 's products are not obviously in competition with the other 's products, or the other 's advertisements do not draw direct comparisons between the two as in the present case."<sup>36</sup>

In granting PDK's motion for summary judgment, the court disregarded the defendant's unsubstantiated argument that a person "considering establishing a commercial venture in the future" may be a proper plaintiff under the Lanham Act.<sup>37</sup> According to the court, this argument is applicable only in cases where the plaintiff presents credible evidence that the proposed venture is within the plaintiff's area of natural expansion.<sup>38</sup> In this case, the defendant made no such showing. Instead, the defendant offered only his own statement that he was considering expanding the scope of his existing commercial venture into the retail weight control market after receiving FDA approval for his products. This statement was found to amount to nothing more than an "intimation of his potential commitment to such a venture."<sup>39</sup> Accordingly, the court found that the defendant failed to show a reasonably protectable interest.<sup>40</sup>

#### **E. Case or Controversy: Starter Corp. v. Converse Inc.<sup>41</sup>**

In Starter, the court held that a declaratory judgment plaintiff in a trademark suit must actually be using the mark in question to establish a case or controversy for purposes of conferring subject matter jurisdiction.<sup>42</sup> Simply pleading one's desire \*502 and intention to use the trademark in the future, after completing arrangements with various third parties, is not sufficient.<sup>43</sup>

The court dismissed the complaint filed by Starter under Federal Rules of Civil Procedure 12(b)(1) for lack of subject matter jurisdiction.<sup>44</sup> The court held that a plaintiff seeking a declaratory judgment involving trademarks must allege and have "a real and reasonable apprehension of litigation."<sup>45</sup> The court further held that the adversarial conflict required by the Constitution is an adverse legal interest, not an adverse commercial interest.<sup>46</sup> Therefore, even though the declaratory judgment plaintiff expressed a desire to use the mark in the future, an adverse legal relationship would not exist until actual use had occurred.

The court distinguished this requirement in the context of trademark cases from that of patent infringement cases, where it is sufficient "that plaintiff either be engaged in manufacturing, using or selling the invention or that he have the immediate intention and ability to do so."<sup>47</sup>

#### **F. "Arising Under": Mother Waddles Perpetual Mission, Inc. v. Frazier<sup>48</sup>**

The issue before the court in Mother Waddles was whether a claim asserting trademark infringement as the result of a breach of contract "arises under" federal law so as to confer exclusive subject matter jurisdiction on federal district courts.<sup>49</sup> The court described a typical lawsuit as follows:

In the typical lawsuit the plaintiff is the owner of a trademark who permitted the defendant to use the trademark pursuant to a contract. The defendant breached the contract, and plaintiff revoked the right to use the trademark. The plaintiff claims that he had grounds to revoke [the right to use the trademark]

because the breach ... gave him the right to rescind the contract. The plaintiff then brings suit, alleging a violation of the Lanham Act and breach of contract.<sup>50</sup>

The district court noted that there were three approaches to resolving this issue.<sup>51</sup> Some courts, notably the Fourth, Fifth and Eleventh Circuits, had adopted \*503 the “face of the complaint” rule.<sup>52</sup> “Under this test, the courts look solely to the complaint to determine whether the plaintiff’s suit arises under the federal law.”<sup>53</sup> That is, the courts look to see whether the complaint seeks a remedy expressly granted by the Lanham Act (e.g., a suit for trademark infringement).<sup>54</sup> Other courts, notably the Eighth Circuit, follow “an essence of the complaint” test.<sup>55</sup> Under this test, the courts look beyond what is alleged in the complaint to determine the essence of the complaint rather than relying solely on how the plaintiffs have classified their action.<sup>56</sup> Finally, the court noted that the Second Circuit had adopted a test that was a hybrid of the first two.<sup>57</sup> Under the Second Circuit’s tripartite test for determining whether a complaint “arises under” federal law:

A district court must first ascertain whether the plaintiff’s infringement claim is only “incidental” to the plaintiff’s claim seeking a declaration of ownership or contractual rights under the copyright[, trademark, or patent]. If it is determined that the claim is not merely incidental, then a district court must next determine whether the complaint alleges a breach of a condition to, or a covenant of, the contract licensing or assigning the copyright[, trademark, or patent] .... [I]f a breach of a condition is alleged, then the district court has subject matter jurisdiction. But if the complaint merely alleges a breach of a contractual covenant in the agreement that licenses or assigns the copyright[, trademark, or patent], then the court must undertake a third step and analyze whether the breach is so material as to create a right of rescission in the grantor. If the breach would create a right of rescission, then the asserted claim arises under the [appropriate federal statute].<sup>58</sup>

However, the district court in *Mother Waddles* was not faced with formally adopting one of these approaches since it found that the facts satisfied all three tests for jurisdiction.<sup>59</sup> The district court also noted that as a practical matter the three steps may merge into one and that “affidavits and a hearing may be necessary to determine jurisdiction.”<sup>60</sup>

## \*504 II. Infringement

### A. Likelihood of Confusion/Parody: *Hormel Foods Corp. v. Jim Henson Prods., Inc.*<sup>61</sup>

In *Hormel Foods*, the Second Circuit found that the use of the name “Spa’am” for a wild boar in a Muppets movie and on associated merchandise was protected by parody and that such use did not constitute infringement or dilution of the famous “SPAM” trademark for luncheon meats.<sup>62</sup>

In a planned release of a new Muppet film featuring Jim Henson’s cast of Muppets, a number of additional characters had been created for the production including a character named Spa’am, which became the subject of this litigation.<sup>63</sup> Although the Spa’am character was a positive figure in the context of the movie as a whole,<sup>64</sup> the plaintiff Hormel brought this action for trademark infringement under 15 U.S.C. § 1114(1) and for trademark dilution under the New York antidilution statute.<sup>65</sup>

Reviewing the likelihood of confusion factors, the court found that these factors favored the defendant.<sup>66</sup> While recognizing that the SPAM mark was undeniably strong, the court found that confusion was avoided where the plaintiff’s mark was being used as a parody and where both parties’ marks were strong.<sup>67</sup> Here, the parody was not particularly subtle, in view of the widespread familiarity with the Henson Muppets and the strength of Hormel’s mark, the likelihood of confusion as to the source of sponsorship was minimized.<sup>68</sup> The court also noted that the products at issue—namely luncheon meat and a Muppet film—occupied distinctive merchandising markets,<sup>69</sup> and that there was no intention of either party entering the other party’s field of endeavor.<sup>70</sup> Moreover, there was no evidence of actual confusion and no showing of bad faith.<sup>71</sup> The Second Circuit noted that \*505 Henson’s Muppets represent high quality entertainment and the Spa’am character was a positive one.<sup>72</sup> As a result, the court found the plaintiff’s claim under section 1114 to be without merit.<sup>73</sup>

With regard to the claim of trademark dilution under the New York antidilution statute, the court considered both the theories of “blurring” and “tarnishment.”<sup>74</sup> Dilution by blurring may occur where the defendant uses or modifies the plaintiff’s trademark to identify defendant’s goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s product.<sup>75</sup> This injury need not involve any confusion as to source or sponsorship.<sup>76</sup> However, the court found that there was very little likelihood that Henson’s parody would weaken the association between

the mark SPAM and Hormel's luncheon meat.<sup>77</sup> Indeed, the court concluded that like other spoofs, this parody would tend to increase public identification of the mark with its source.<sup>78</sup>

Tarnishment occurs when a mark is linked to products of shoddy quality or portrayed in an unwholesome or unsavory context.<sup>79</sup> Hormel complained that Henson's use of the word "Spa'am" would link its luncheon meat with a loud boar and thereby adversely color consumers' impressions of SPAM.<sup>80</sup> However, the court found that the likable, positive Muppet character would not generate any negative associations.<sup>81</sup> Further, the court found that Henson's merchandise was not in direct competition with that of Hormel, and since parody inheres in the product, there was no likelihood of dilution under a tarnishment theory.<sup>82</sup>

#### **B. Likelihood of Confusion: General Instrument Corp. v. Nu-Tek Electronics & Manufacturing Inc.<sup>83</sup>**

Even when identical marks are used on virtually identical goods, summary judgment may not be appropriate where the marketing channels are different.<sup>84</sup> In \*506 this case, the plaintiff, General Instrument Corporation (GI), brought an action against Nu-Tek Electronics (Nu-Tek) under 15 U.S.C. §§ 1114 and 1125. GI manufactured and sold cable signal converter/descramblers that contained an addressable feature allowing cable companies to restrict an individual consumer's access to premium and pay-per-view programming.<sup>85</sup> The converter/descramblers, which were sold under registered trademarks, were marketed only to cable operators and not to individual consumers.<sup>86</sup>

Nu-Tek obtained GI converter/descramblers and converted them into non-addressable boxes, selling them directly to consumers.<sup>87</sup> In this way, purchasers of Nu-Tek's modified GI boxes were able to receive all channels without restriction.<sup>88</sup> The modified boxes were identical to the original GI packaging except for a gold seal placed on the boxes by Nu-Tek.<sup>89</sup>

On motion for summary judgment of infringement under 15 U.S.C. §§ 1114 and 1125, the court reviewed the factors relevant to a finding of likelihood of confusion.<sup>90</sup> While finding some factors in favor of the plaintiff, the court denied the motion for summary judgment, finding genuine issues of fact primarily on the basis that plaintiff and defendant sold their product to different customers and through substantially different marketing channels, and on the basis that the goods were not in direct competition.<sup>91</sup>

#### **C. Likelihood of Confusion/Fair Use: Shakespeare Co. v. Silstar Corp. of America, Inc.<sup>92</sup>**

In Shakespeare Co., the United States District Court for the District of South Carolina found that the plaintiff, Shakespeare, failed to establish that Silstar's use of a clear tip on its fishing rods created a likelihood of confusion with Shakespeare's federally registered trademark.<sup>93</sup> Alternatively, the court found that Silstar had established a fair use defense and that such defense permitted Silstar's use, even if \*507 some residual confusion existed between the two rods, since the clear tips were functional and were not source identifying.<sup>94</sup>

This action arose as a result of Silstar's attempt to market a fishing rod known as the "Silstar Power Tip Crystal," which had a clear tip on an opaque rod base. Silstar's fishing rod was similar to that protected by Shakespeare's federally registered trademark, which included a section of clear or translucent fiberglass near the end, known as the Shakespeare "CLEAR TIP."<sup>95</sup> Shakespeare had obtained trademark registration for its CLEAR TIP rod, and the mark had been accorded incontestable status.<sup>96</sup> Shakespeare brought this action against Silstar under 15 U.S.C. §§ 1114(1) and § 1125(a) and under common law trademark infringement and unfair competition statutes of South Carolina.<sup>97</sup> Originally, the district court had entered judgment for Silstar and ordered cancellation of Shakespeare's registration.<sup>98</sup> On appeal, though, the Fourth Circuit reversed the cancellation order and remanded the case with instructions for further proceedings.<sup>99</sup>

On remand, the district court concluded that:

1. The issue of cancellation based on grounds of functionality was no longer before the court;
2. The court was to consider the issue of likelihood of confusion when determining whether Silstar had established its fair use defense;
3. The court was to consider the defense of unclean hands and all counterclaims other than the functionality counterclaim; and
4. Shakespeare's trademark was valid as a matter of law with respect to charges of functionality.<sup>100</sup>

With regard to the issue of whether the plaintiff had proven likelihood of confusion, the district court considered the factors set forth in Pizzeria Uno Corp. v. Temple,<sup>101</sup> and in Perini Corp. v. Perini Construction, Inc.,<sup>102</sup> noting that not all of the factors

were relevant or of equal importance and that no one factor was *per se* dispositive.<sup>103</sup> \***508** In making its findings as to likelihood of confusion, the court concluded that Shakespeare was not entitled to a presumption of likelihood of confusion based on Silstar's alleged intentional copying of Shakespeare's trademark.<sup>104</sup> While recognizing that such a presumption normally arises where the defendant has intentionally copied the plaintiff's trademark, the district court noted that the relevant "intent" in trademark cases is not merely an intent to profit but an intent to confuse the buying public.<sup>105</sup> The court found it clear from the evidence that Silstar's intent was not to capitalize on or otherwise exploit Shakespeare's trademark; rather, Silstar merely sought to use the clear tip in its "descriptive sense."<sup>106</sup> Further, the court found that "there was no alternative design to Shakespeare's mark which would be as effective in communicating to consumers the fact that the rod was made of a graphite base and a solid fiberglass tip since the clear tip and the opaque base represent the natural color of the graphite and fiberglass resin which composed the rod."<sup>107</sup> Thus, the court found that the clear tip on Silstar's fishing rod was a functional attribute, which Silstar was legally entitled to use.<sup>108</sup>

Upon reviewing the relevant factors for establishing likelihood of confusion, the district court determined that Shakespeare failed to meet its evidentiary burden.<sup>109</sup> In addition, the court noted that even if Shakespeare had established likelihood of confusion between the two rods, Silstar had established a fair use defense that permitted its use of the clear tip.<sup>110</sup> This finding was based on the court's conclusion that the clear tip was a descriptive device and that Silstar was using the clear tip fairly and in good faith.<sup>111</sup> According to the court, such a fair use defense exists even if some residual confusion is likely.<sup>112</sup> Consequently, the court reasoned that despite the strength of Shakespeare's trademark and the risk of consumer confusion that might arise from Silstar's use of the clear tip, Silstar could not be enjoined from using the functional feature on its fishing rods fairly and in good faith as a descriptive device.<sup>113</sup> This conclusion was reached by the district court despite the Fourth Circuit's determination that Shakespeare's registration could not be canceled on grounds of functionality, since functionality was still a relevant \***509** factor where the defendant was using its similar configuration in good faith yet not as a means of source identification.<sup>114</sup>

#### **D. Famous Marks: McDonald's Corp. v. McClain<sup>115</sup>**

John L. McClain (McClain) sought to register the mark "MC CLAIM" for "legal and legal consultation services."<sup>116</sup> McDonald's Corp. (McDonald's) filed a notice of opposition asserting that McClain had adopted the mark with the intention of trading upon McDonald's fame and its family of marks, many of which use the prefix "Mc" in combination with other suggestive or descriptive terms to identify a wide range of goods and services.<sup>117</sup> Of particular significance to the TTAB was the fact that many of McDonald's marks are completely unrelated to its restaurant services.<sup>118</sup>

The TTAB also found that McClain's mark, which used a stylized "scales of justice" design for the initial letter "M," was analogous to the arches design for the letter "M" frequently incorporated into McDonald's marks, and that the use of slogan "Fast Food Justice" in conjunction with the mark was an obvious reference to McDonald's fast food business.<sup>119</sup>

Based on the similarities of the marks, the fame of the McDonald's marks, and their widespread use outside of the restaurant business, the TTAB found that, at the very least, consumers might believe McDonald's was authorizing or sponsoring McClain's activities, if not directly connected to them.<sup>120</sup> The TTAB found this especially true given that the customers of both McDonald's and McClain's generally come from the same class—ordinary consumers. While the TTAB acknowledged that these consumers certainly would not confuse legal services for fast food restaurant services, it found that some sort of connection could be falsely assumed given the fame of the family of "Mc" marks.<sup>121</sup>

### **\***510 III. Trade Dress****

#### **A. Trade Dress: Winning Ways, Inc. v. Holloway Sportswear, Inc.<sup>122</sup>**

In denying defendant's motion for summary judgment that plaintiff's jackets were unprotectable under the Lanham Act, the district court held in *Winning Ways* that the Tenth Circuit's recent acknowledgment of the right to copy unpatented products did not absolutely preclude trade dress protection for such products.<sup>123</sup>

The plaintiff in this case—a retailer of clothing and sports apparel for the college bookstore market—designed two jacket styles, the "Clipper" and the "Victory," both of which included features that had been used by other manufacturers.<sup>124</sup> The plaintiff did not have a patent or registered trademark on either design.<sup>125</sup> Four years after the plaintiff began selling its apparel, the defendant began selling intentionally similar jackets.<sup>126</sup>

The defendant moved for a summary judgment on the basis that allowing the jackets to be protected under trademark law would impermissibly interfere with the defendant's right to copy unprotected products, "because only a design patent can remove the entire product design from the public domain."<sup>127</sup> Recognizing that trade dress protection for an item for which a patent has expired creates tension between patent law and trademark law, the court nonetheless noted that a product may obtain secondary meaning or be inherently distinctive, and thus, may constitute protectable trade dress under 15 U.S.C. § 1125.<sup>128</sup> Although the district court acknowledged that the Tenth Circuit's decision in Vornado Air Circulation Sys., Inc. v. Duracraft Corp.<sup>129</sup> gave great weight to the right to copy, the district court determined that the Vornado decision did not compel acceptance of the defendant's position—namely that the right to copy absolutely precludes trade dress protection for product configurations.<sup>130</sup> As a result, the defendant's broad summary judgment motion was denied.<sup>131</sup>

#### **\*511 IV. Unregistered Marks**

##### **A. Scope of Protection: Game Power Headquarters Inc. v. Owens<sup>132</sup>**

The court found that the plaintiff had established first use of the contested mark and then determined the territorial scope of protection to which the first user of the mark was entitled.<sup>133</sup> The court established the scope of protection to be afforded to the owner of the unregistered service mark by measurement of zones, including zones of sales, advertising, reputation, and expansion.<sup>134</sup> The court considered four factors to demarcate the boundaries of a service mark's territorial zone of protection:

1. the volume of sales of the trademark product;
2. the growth trends both positive and negative in the area;
3. the number of persons actually purchasing the product in relation to the potential number of customers; and
4. the amount of product advertising in the area.<sup>135</sup>

Based on these criteria, the court found that the first user of the mark was entitled to a territorial scope of protection encompassing an area within a fifty mile radius of the plaintiff's first retail store.<sup>136</sup>

#### **V. Registration**

##### **A. Surnames: In re Benthin Management GmbH<sup>137</sup>**

Benthin Management GmbH (BMG) sought to register "BENTHIN" and design "for business consultation and market analysis."<sup>138</sup> The examining attorney refused registration pursuant to section 2(e)(4) of the Lanham Act on the grounds that "BENTHIN" is primarily merely a surname.<sup>139</sup>

According to the TTAB, whether a mark sought to be registered is primarily merely a surname can be resolved only on a case by case basis, taking into account a \*512 number of factors, both objective and subjective.<sup>140</sup> The first factor is "the degree of a surname's rareness."<sup>141</sup> In this case, the evidence introduced by both the examining attorney and BMG demonstrated the rareness of the surname Benthin.<sup>142</sup> The examining attorney submitted a printout from the PHONEDISC U.S.A. data base showing that out of approximately 76 million listings, there were slightly over 100 listings for the Benthin surname. BMG, on the other hand, showed that Benthin was not listed in several books of names or surnames, and that Benthin could not be found at all in a number of phone books from major metropolitan areas. As a result, the TTAB found that this factor weighed in favor of BMG.<sup>143</sup>

The second and third factors—whether there was anyone connected with BMG having the surname Benthin, and whether Benthin had any recognized meaning other than that of a surname, respectively—both weighed against BMG.<sup>144</sup> It was undisputed that BMG's Managing Director was Mr. Siegfried Benthin.<sup>145</sup> Furthermore, the record lacked any evidence of a meaning for Benthin other than that of a surname.<sup>146</sup>

The fourth factor—whether Benthin has the "structure and pronunciation" or the "look and sound" of a surname—was found to be neutral.<sup>147</sup> According to the TTAB, Benthin did not have the clear look and sound of a surname, like Pirelli, nor did it have the clear look and sound of an arbitrary term, like Kodak.<sup>148</sup>

The fifth and deciding factor in this case was the fact that BMG was not seeking to register “BENTHIN” per se, but rather, “BENTHIN” and design in a highly stylized form.<sup>149</sup> Given the rareness of the surname Benthin, and the fact that Benthin did not have the clear look and feel of a surname, the TTAB concluded that the mark would not be perceived as primarily merely a surname given its highly stylized presentation.<sup>150</sup>

#### **\*513 B. Declaration of Continued Use: In re Caldon Co. Ltd. Partnership<sup>151</sup>**

In *In re Caldon*, the Commissioner of Patents and Trademarks restated the requirement for determining the party in whose name a section 8 Declaration must be filed.<sup>152</sup> In the period for filing a section 8 Declaration of Use, Caldon had filed a declaration even though the registration had been assigned from the original registrant to Caldon Co. Limited Partnership.<sup>153</sup> The Commissioner rejected Caldon’s petition to accept the declaration, pointing out that section 8 of the Trademark Act required that the Declaration of Use be filed by “the registrant” prior to the expiration of the sixth year after the date of registration.<sup>154</sup> The Commissioner pointed out that “the term ‘registrant’ includes both the original registrant and a person who has acquired ownership through proper transfer of title”.<sup>155</sup> Thus, when a section 8 declaration is timely filed by the owner of the registration, but the records of the Patent and Trademark Office show title in another party, the party who filed the affidavit may submit evidence of its ownership of the registration even if the six-year statutory period has expired.<sup>156</sup> However, if the party who filed the declaration was not the actual owner of the registration at the time the declaration was filed, a substitute declaration in the name of the true owner cannot be filed outside the statutory filing period.<sup>157</sup>

While the trademark rules permit the Commissioner to waive any provision of the rules which is not a provision of the statute, where an extraordinary situation exists, justice requires, and no other party is injured, the commissioner has no authority to waive a requirement of the statute.<sup>158</sup> Thus, the requirement could not be waived in this instance.<sup>159</sup> Although the Commissioner noted that the Patent and Trademark Office (PTO) did not notify the petitioner before the expiration of the sixth year that a declaration in the name of the true owner was due, the Commissioner stressed that the registrant is ultimately responsible for filing proper documents, and the PTO has no obligation to notify the registrant as to defective \*514 papers to permit timely refiling.<sup>160</sup> As a result, the petition was denied and the registration was canceled.<sup>161</sup>

#### **C. Intent to Use: In re Vitamin Beverage Corp.<sup>162</sup>**

In another decision from the Commissioner of Patents and Trademarks, the Commissioner announced that the PTO would begin accepting requests for extensions of time to file a statement of use pursuant to 15 U.S.C. § 1051(d)(2), solely based upon an applicant’s allegation that its mark is in use in commerce.<sup>163</sup> In this case, the applicant filed a second request for extension of time to file a statement of use, asserting that:

Applicant’s mark is currently in use in commerce in connection with the goods identified in the Notice of Allowance. Applicant intended to file a statement of use in connection with the instant application by May 18, 1994. However, through an inadvertent error, the specimens supporting such use were lost in shipment to applicant’s counsel. Accordingly, it is respectfully requested that the time for filing the Statement of Use be extended.<sup>164</sup>

The extension request was initially denied because it did not include a verified statement that the applicant “[had] a continued bona fide intention to use the mark in commerce.”<sup>165</sup> However, upon reviewing the legislative history behind 15 U.S.C. § 1051(d)(2), the PTO decided to change its procedures to better comply with the intent of the statute.<sup>166</sup> Under the change, the PTO will now accept a statement that the “mark is currently in use in commerce” as fulfilling the requirement under 15 U.S.C. § 1051(d)(2) that a request for extension be accompanied by the verified statement.<sup>167</sup>

#### **VI. Generic Marks: Glover v. Ampak, Inc.<sup>168</sup>**

In *Glover*, the Fourth Circuit affirmed the district court’s finding that the term “white tail” was not generic for pocket knives used for hunting, even though the plaintiff had offered evidence that at least one other company used the term “white tail” primarily to indicate to buyers that its own knife would be suitable as a hunting \*515 instrument or as a tool to clean white tail deer.<sup>169</sup> Noting that such evidence, at best, established that the term “white tail” had not been used exclusively by the plaintiff and that the association between hunting knives and deer is easily and commonly made, the court concluded that the defendant failed to prove the mark’s genericness, since the defendant failed to present any evidence that the mark had become synonymous with “pocket knife” or “hunting knife” to purchasers in the relevant market.<sup>170</sup>

#### **VII. Analogous Use: Dyneer Corp. v. Automotive Products PLC<sup>171</sup>**

Dyneer Corp. (Dyneer) filed an opposition to the intent-to-use application of Automotive Products PLC (Automotive) for the

mark “SURETRAC” on “land vehicle parts” in International Class 12.<sup>172</sup> The basis for Dyneer’s opposition was its own pending application for registration of “SURETRAC” for “differentials in vehicles” in the same class.<sup>173</sup> Both parties’ motions for summary judgment were denied on the grounds that genuine issues of material fact remained with regard to priority.<sup>174</sup>

Dyneer attempted to establish both technical trademark use and use analogous to trademark use prior to Automotive’s application date.<sup>175</sup> Automotive, in turn, attempted to establish use analogous to trademark use prior to anything provable by Dyneer.<sup>176</sup>

According to the TTAB, use analogous to trademark use must be of such a “nature and extent so as to create an association of the term with a single source sufficient to create a proprietary right in the user deserving of protection.”<sup>177</sup> That is, the use must be “‘calculated to attract the attention of potential customers, or customers in the applicable field of trade,’ so as to create an association of the term with a single source, even if anonymous.”<sup>178</sup>

**\*516** It was undisputed that Automotive had made such use of the mark SURETRAC during the 1986-87 time frame.<sup>179</sup> At issue was the fact that approximately four years had passed between the last of these activities and the filing of Automotive’s application.<sup>180</sup> Although the parties focused on the issue of abandonment during this four-year period, the TTAB framed the issue as whether Automotive would be “permitted to tack on its use analogous to trademark use to establish priority.”<sup>181</sup> Thus, the TTAB determined that resolution of this issue hinged on whether Automotive intended during this period to cultivate an association of the mark with itself and whether “members of the relevant purchasing public in fact made such an association.”<sup>182</sup>

The TTAB also noted that with use analogous to trademark use, the proper inquiry is generally whether any delay between analogous use and actual trademark use was commercially reasonable.<sup>183</sup> However, since Automotive’s application was an intent-to-use application, the TTAB modified the analogous use test.<sup>184</sup> The TTAB noted that where the applicant has not yet made a technical use, the test is whether the “applicant engaged in a continuing effort to cultivate an association of the ... mark with itself and its goods, and whether the association created by established use analogous to trademark use in the past continued up until the date of filing of applicant’s intent-to-use application.”<sup>185</sup> The TTAB expressly noted that under this test, an applicant may “tack” use “analogous to trademark use, and any continuing association of the mark with applicant ... onto the constructive use date which applicant would obtain through issuance of a registration for its mark.”<sup>186</sup>

## Footnotes

<sup>a1</sup> Richards, Medlock & Andrews, Dallas, Texas.

<sup>aa1</sup> Richards, Medlock & Andrews, Dallas, Texas.

<sup>1</sup> 74 F.3d 178, 37 U.S.P.Q.2d (BNA) 1466 (9th Cir.1996).

<sup>2</sup> Id. at 182, 37 U.S.P.Q.2d at 1469.

<sup>3</sup> Id. at 179-80, 37 U.S.P.Q.2d at 1467.

<sup>4</sup> Id. at 180, 37 U.S.P.Q.2d at 1467.

<sup>5</sup> Id.

<sup>6</sup> Id.

7       Id. at 181, 37 U.S.P.Q.2d at 1468.

8       Id. at 181-82, 37 U.S.P.Q.2d at 1468 (referring to *Kokkonen v. Guardian Life Ins. Co. of America*, 114 S.Ct. 1673 (1994)).

9       Id. at 182, 37 U.S.P.Q.2d at 1468.

10      Kokkonen, 114 S.Ct. at 1675-76.

11      William Keeton, 37 U.S.P.Q.2d at 1469.

12      Id.

13      Id.

14      70 F.3d 983, 37 U.S.P.Q.2d (BNA) 1062 (8th Cir.1995).

15      Id. at 984-85, 37 U.S.P.Q.2d at 1063. See 15 U.S.C. § 1125(a)(1) (1994).

16      Woodke, at 984-85, 37 U.S.P.Q.2d at 1063.

17      Id. at 985, 37 U.S.P.Q.2d at 1063.

18      Id. at 986, 37 U.S.P.Q.2d at 1064.

19      Id. at 985, 37 U.S.P.Q.2d at 1063.

20      Id.

21      Id.

22      37 U.S.P.Q.2d (BNA) 1475 (N.D. Cal. 1995).

23      Id. at 1477.

24      Id.

25      Id. at 1476.

26      Id.

27       Id.

28       Id. at 1477.

29       37 U.S.P.Q.2d (BNA) 1195 (S.D.N.Y. 1995).

30       Id. at 1196. See 15 U.S.C. § 1125 (1994).

31       PDK Labs, 37 U.S.P.Q.2d at 1198.

32       Id. at 1196.

33       Id.

34       Id.

35       Id. at 1197 (citing *Ortho Pharmaceutical Corp. v. Cosprophar Inc.*, 32 F.3d 690, 694 (2d Cir.1994)).

36       Id. (citing *Ortho*, 32 F.3d at 694).

37       Id. at 1198.

38       Id.

39       Id.

40       Id.

41       37 U.S.P.Q.2d (BNA) 1415 (S.D.N.Y. 1995).

42       Id.

43       Id.

44       Id. at 1415 (relying on the holding in *Windsurfing Int'l Inc. v. AMF Inc.*, 828 F.2d 755, 4 U.S.P.Q.2d (BNA) 1052 (Fed. Cir.1987)).

45       Id. (quoting *Windsurfing*, 828 F.2d at 757, 4 U.S.P.Q.2d at 1054).

46       Id.

<sup>47</sup> Id. (citing *Wembley, Inc. v. Superba Cravats, Inc.*, 315 F.2d 87, 137 U.S.P.Q. (BNA) 235 (2d Cir.1963)).

<sup>48</sup> 904 F.Supp. 603, 37 U.S.P.Q.2d (BNA) 1184 (E.D. Mich. 1995).

<sup>49</sup> Id. at 606, 37 U.S.P.Q.2d at 1185.

<sup>50</sup> Id. at 607, 37 U.S.P.Q.2d at 1186.

<sup>51</sup> Id. at 607-08, 37 U.S.P.Q.2d at 1186-87.

<sup>52</sup> Id. at 607, 37 U.S.P.Q.2d at 1187.

<sup>53</sup> Id.

<sup>54</sup> Id., 37 U.S.P.Q.2d at 1186-87. Although all three tests were originally developed to resolve federal jurisdiction issues arising under the Copyright Act, the district court intimates that the tests are equally applicable to jurisdiction issues arising under both the Lanham Act and the Patent Act. *Id.*

<sup>55</sup> Id., 37 U.S.P.Q.2d at 1187.

<sup>56</sup> Id.

<sup>57</sup> Id. at 608, 37 U.S.P.Q.2d at 1187.

<sup>58</sup> Id. (quoting *Schoenberg v. Shapolsky Publishers, Inc.*, 971 F.2d 926, 932-33, 23 U.S.P.Q. (BNA) 1831, 1835-36)).

<sup>59</sup> Id. at 610, 37 U.S.P.Q.2d at 1189.

<sup>60</sup> Id.

<sup>61</sup> 73 F.3d 497, 37 U.S.P.Q.2d (BNA) 1516 (2d Cir.1996).

<sup>62</sup> Id. at 502-08, 37 U.S.P.Q.2d at 1519-24.

<sup>63</sup> Id. at 500-01, 37 U.S.P.Q.2d at 1517.

<sup>64</sup> Id., 37 U.S.P.Q.2d at 1518.

<sup>65</sup> Id.

<sup>66</sup> Hormel Foods, 73 F.3d at 505, 37 U.S.P.Q.2d at 1521-22 (referring to factors set forth in Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 128 U.S.P.Q. (BNA) 411 (2d Cir.1961), cert. denied, 368 U.S. 820, 131 U.S.P.Q. (BNA) 499 (U.S. 1961)).

<sup>67</sup> Id. at 502-03, 37 U.S.P.Q.2d at 1519-20.

<sup>68</sup> Id. at 503, 37 U.S.P.Q.2d at 1520.

<sup>69</sup> Id. at 504, 37 U.S.P.Q.2d at 1520.

<sup>70</sup> Id., 37 U.S.P.Q.2d at 1521.

<sup>71</sup> Id. at 504-05, 37 U.S.P.Q.2d at 1521.

<sup>72</sup> Id. at 505, 37 U.S.P.Q.2d at 1521.

<sup>73</sup> Id., 37 U.S.P.Q.2d at 1521-22.

<sup>74</sup> Id. at 505-06, 37 U.S.P.Q.2d at 1522.

<sup>75</sup> Id. at 506, 37 U.S.P.Q.2d at 1522.

<sup>76</sup> Id.

<sup>77</sup> Id.

<sup>78</sup> Id. at 507, 37 U.S.P.Q.2d at 1523.

<sup>79</sup> See Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43, 32 U.S.P.Q.2d (BNA) 1936, 1939 (2d Cir.1994).

<sup>80</sup> Hormel Foods, 73 F.3d at 507, 37 U.S.P.Q.2d at 1523.

<sup>81</sup> Id.

<sup>82</sup> Id.

<sup>83</sup> 37 U.S.P.Q.2d (BNA) 1444 (E.D. Pa. 1995).

<sup>84</sup> Id. at 1449.

<sup>85</sup> Id. at 1445.

86       Id.

87       Id. at 1446.

88       Id.

89       Id. Some of the altered boxes also had a toggle switch thereon. Id.

90       Id. (referring to factors as set forth in *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 200 U.S.P.Q. (BNA) 21 (3d Cir.1978)).

91       Id.

92       906 F.Supp. 997, 37 U.S.P.Q.2d (BNA) 1481 (D.S.C. 1995).

93       Id. at 1011, 37 U.S.P.Q.2d at 1491. Shakespeare's trademark was for a fishing rod with a specific color configuration, including a clear tip on an opaque fishing rod base. Id.

94       Id. at 1014, 37 U.S.P.Q.2d at 1493.

95       Id. at 1003, 37 U.S.P.Q.2d at 1484.

96       Id. at 1007 n.10, 37 U.S.P.Q.2d at 1487 n.10.

97       *Shakespeare Co. v. Silstar Corp. of America*, 802 F.Supp. 1386, 1389, 28 U.S.P.Q.2d (BNA) 1022, 1023 (D.S.C. 1992).

98       Id.

99       *Shakespeare Co. v. Silstar Corp. of America*, 9 F.3d 1091, 28 U.S.P.Q.2d (BNA) 1765 (4th Cir.1993).

100       *Shakespeare*, 906 F.Supp. at 1004-07, 37 U.S.P.Q.2d at 1484-87.

101       747 F.2d 1522, 224 U.S.P.Q. (BNA) 185 (4th Cir.1984).

102       915 F.2d 121, 16 U.S.P.Q.2d (BNA) 1289 (4th Cir.1990).

103       *Shakespeare*, 906 F.Supp. at 1008, 37 U.S.P.Q.2d at 1488 (citing *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 22 U.S.P.Q.2d (BNA) 1502 (4th Cir.), cert. denied, 113 S.Ct. 206 (1992)).

104       Id. at 1009-11, 37 U.S.P.Q.2d at 1489-90.

<sup>105</sup> Id. at 1009, 37 U.S.P.Q.2d at 1489 (citing Anheuser-Busch, 962 F.2d at 321, 22 U.S.P.Q.2d at 1507).

<sup>106</sup> Id. at 1010, 37 U.S.P.Q.2d at 1490.

<sup>107</sup> Id.

<sup>108</sup> Id.

<sup>109</sup> Id. at 1011-14, 37 U.S.P.Q.2d at 1490-93.

<sup>110</sup> Id. at 1014-16, 37 U.S.P.Q.2d at 1493-95.

<sup>111</sup> Id. at 1015-16, 37 U.S.P.Q.2d at 1495.

<sup>112</sup> Id. at 1016, 37 U.S.P.Q.2d at 1495.

<sup>113</sup> Id.

<sup>114</sup> Id.

<sup>115</sup> 37 U.S.P.Q.2d (BNA) 1274 (T.T.A.B. 1995).

<sup>116</sup> Id. at 1275.

<sup>117</sup> Id.

<sup>118</sup> Id. Many of the marks are used through McDonald's licensing programs with other businesses. Id.

<sup>119</sup> Id. at 1276.

<sup>120</sup> Id.

<sup>121</sup> Id.

<sup>122</sup> 903 F.Supp. 1457, 37 U.S.P.Q.2d (BNA) 1462 (D.Kan. 1995).

<sup>123</sup> Id. at 1461-62, 37 U.S.P.Q.2d at 1465.

<sup>124</sup> Id. at 1459, 37 U.S.P.Q.2d at 1462-63. Although the features had been used before, the court noted that “[the] plaintiff was the first company to combine all [of the] features used in the Clipper and Victory jackets.” Id., 37 U.S.P.Q.2d at 1462-63.

<sup>125</sup> Id.

<sup>126</sup> Id.

<sup>127</sup> Id. at 1460, 37 U.S.P.Q.2d at 1463-64.

<sup>128</sup> Id. at 1460-61, 37 U.S.P.Q.2d at 1464-65.

<sup>129</sup> 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir.1995).

<sup>130</sup> Winning Ways, 903 F.Supp. at 1461, 37 U.S.P.Q.2d at 1465.

<sup>131</sup> Id. at 1462, 37 U.S.P.Q.2d at 1465.

<sup>132</sup> 37 U.S.P.Q.2d (BNA) 1427 (E.D. Pa. 1995).

<sup>133</sup> Id. at 1435.

<sup>134</sup> Id.

<sup>135</sup> Id. at 1435-36.

<sup>136</sup> Id. at 1435.

<sup>137</sup> 37 U.S.P.Q.2d (BNA) 1332 (T.T.A.B. 1995).

<sup>138</sup> Id. at 1332.

<sup>139</sup> Id. (citing 15 U.S.C. § 1052(e)(4) (1994)).

<sup>140</sup> Id. at 1333.

<sup>141</sup> Id.

<sup>142</sup> Id.

<sup>143</sup> Id.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.*

<sup>147</sup> *Id.*

<sup>148</sup> *Id.* (citing *In re Industrie Pirelli*, 9 U.S.P.Q.2d (BNA) 1564-66 (T.T.A.B. 1988)).

<sup>149</sup> *Id.* at 1333-34.

<sup>150</sup> *Id.* at 1334.

<sup>151</sup> 37 U.S.P.Q.2d (BNA) 1539 (Comm'r Pat. 1995).

<sup>152</sup> *Id.* at 1541.

<sup>153</sup> *Id.* at 1540.

<sup>154</sup> *Id.* at 1541.

<sup>155</sup> *Id.* (citing 15 U.S.C. § 1127 (1994); TMEP § 1603 (1st ed., 1974))

<sup>156</sup> TMEP § 1603.11 (1st ed. 1974).

<sup>157</sup> *Caldon*, 37 U.S.P.Q.2d at 1541 (citing *In re Precious Diamonds, Inc.*, 635 F.2d 845, 208 U.S.P.Q. (BNA) 410 (C.C.P.A. 1980); *In re Weider*, 212 U.S.P.Q. (BNA) 947 (Comm'r Pat. 1981)).

<sup>158</sup> *Id.* (citing *In re Mother Tucker's Food Experience, Inc.*, 925 F.2d 1402, 17 U.S.P.Q.2d (BNA) 1795 (Fed. Cir. 1991)).

<sup>159</sup> *Id.*

<sup>160</sup> *Id.* (citing *In re Holland American Water Co.*, 737 F.2d 1015, 222 U.S.P.Q. (BNA) 273 (Fed. Cir. 1984); *In re Fuller-Jeffry Corp. of Santa Rosa*, 16 U.S.P.Q.2d (BNA) 1456 (Comm'r Pat. 1980)).

<sup>161</sup> *Id.*

<sup>162</sup> 37 U.S.P.Q.2d (BNA) 1537 (Comm'r Pat. 1995).

<sup>163</sup> Id. at 1539.

<sup>164</sup> Id. at 1537.

<sup>165</sup> Id. at 1537-38.

<sup>166</sup> Id. at 1538-39.

<sup>167</sup> Id. at 1539.

<sup>168</sup> 74 F.3d 57, 37 U.S.P.Q.2d (BNA) 1602 (4th Cir.1996).

<sup>169</sup> Id. at 60, 37 U.S.P.Q.2d at 1604.

<sup>170</sup> Id.

<sup>171</sup> 37 U.S.P.Q.2d (BNA) 1251 (T.T.A.B. 1995).

<sup>172</sup> Id. at 1253.

<sup>173</sup> Id.

<sup>174</sup> Id. at 1258.

<sup>175</sup> Id. at 1254.

<sup>176</sup> Id.

<sup>177</sup> Era Corp. v. Elec. Realty Assocs., Inc., 211 U.S.P.Q. (BNA) 734, 745 (T.T.A.B. 1981).

<sup>178</sup> Dyneer, 37 U.S.P.Q.2d at 1254 (citing Liqwacon Corp. v. Browning-Ferris Indus., Inc., 203 U.S.P.Q. (BNA) 305, 308 (T.T.A.B. 1979)).

<sup>179</sup> Id. at 1255.

<sup>180</sup> Id. at 1256.

<sup>181</sup> Id. at 1255.

<sup>182</sup> Id.

183        *Id.*

184        *Id.* at 1256.

185        *Id.* (emphasis added).

186        *Id.* at 1256 (emphasis added).