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Recent Development

RECENT DEVELOPMENTS IN TRADEMARK LAW

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***464 I. Overview**

In the last few months, the federal courts of appeals tackled an unusually large number of significant trademark, trade dress, false advertising, and related issues. The First Circuit wrestled with applying the Federal Trademark Dilution Act to a high-end faucet design. The Second Circuit addressed whether to apply trade dress protection to a line of children's clothing and, in another case, to the shape of a spring water bottle. It also rejected an argument of "reverse genericism"–that a generic term had been transformed, through a company's promotional efforts, into a trademark. The Second Circuit also dealt with the fair use defense. Not to be outdone, the Third Circuit took one trademark case *en banc* to clarify its infringement standard, decided a significant question of standing to raise false advertising claims, and discussed the interplay of trademark searches and willful infringement. The Sixth Circuit said it could not swallow the *Dawn Donut* rule. The Seventh Circuit found the alleged trade dress of a line of children's books and related cookbooks unprotectable. And the Ninth Circuit discussed the line between "puffery" and false advertising.

***465** Meanwhile, in the district courts, plaintiffs were complaining that such popular icons as the late Princess Diana, the Pope, Barbie and Ken, and Goldfish crackers were being misused.

The results, as discussed below, represent a mixed bag. Many of these decisions contain helpful analysis. Others, however (in particular, the First and Sixth Circuit cases mentioned above), may well have created more controversy than they resolved.

II. Product Design Disputes[1]

A. Dilution and Product Design

1. *I.P. Lund Trading ApS v. Kohler Co.*

One of the most ambitious recent decisions was the First Circuit's in *I.P. Lund Trading ApS v. Kohler Co.*,[2] in which it became the "first circuit" to opine on the application of the Federal Trademark Dilution Act of 1995 to product designs. Unfortunately, the First Circuit warmed to this novel topic a bit too much. As a consequence, much of its discussion of the dilution and infringement issues raised in that case was dicta.

The case involved allegations that the defendant's faucet impermissibly resembled plaintiff's VOLA faucet.[3] The district court granted the plaintiff's motion for a preliminary injunction, finding that although the defendant's faucet design did not infringe the trade dress of the plaintiff's faucet, the defendant's faucet design did dilute the plaintiff's trade dress.[4] On appeal, the First Circuit undertook a comprehensive restatement of two of what it termed the "prerequisite s " for trademark or trade dress protection: nonfunctionality and distinctiveness.[5] Concerning functionality, the court concluded that the party asserting the claim bears the burden of proving nonfunctionality.[6] It based this conclusion chiefly on the pragmatic rationale that courts will face fewer and better-framed disputes if the ***466** plaintiff, who knows the features of its product best, bears this burden.[7] While the court characterized its conclusions about functionality as a holding,[8] it would appear that this characterization is inaccurate. The court upheld the district court's ruling that there was no likelihood of confusion between the two faucets,[9] and it further assumed, despite the paucity of evidence in the record, that at least some aspect of the VOLA faucet was nonfunctional.[10] These factors made any further discussion of functionality unnecessary, and therefore dictum.

The court next engaged in an extended discussion of the role that the requirement of distinctiveness plays in product design cases. It discussed whether the five gradations of inherent distinctiveness set forth in the Second Circuit's seminal decision in *Abercrombie & Fitch Co. v. Hunting World, Inc.*[11] apply to product design cases. The court concluded that the proper test asks "whether the design, shape or combination of elements is so unique, unusual or unexpected ... that one can assume without proof that it will automatically be perceived by customers as an indicator of origin–a trademark."[12]

Applying this test, the court decided that the district court had correctly determined that Lund was unlikely to prevail on the allegation that its VOLA faucet was inherently distinctive.[13] The court then proceeded to determine whether Lund had proven that the design of the faucet had acquired secondary meaning.[14] In discussing the issue at some length, the court characterized the district court's finding of secondary meaning as doubtful,[15] but nevertheless decided that it "need not resolve the point" since Lund failed to establish infringement.[16]

After affirming the district court's finding that Kohler's faucet did not infringe, the court next discussed the district court's finding that Lund was likely to succeed ***467** on its dilution claim.[17] The court, after first giving some background about the passage of the Federal Dilution Act,[18] addressed the issue of whether the design of the VOLA faucet was "famous" within the meaning of the Act.[19] Noting that the Act's fame requirement is more stringent than the test for distinctiveness, the court found that Lund had not satisfied this element of its dilution claim.[20]

Despite concluding that Lund's dilution claim failed on this basis, the court discussed in dicta whether Congress had meant for the dilution act to apply to product designs and, assuming it did, whether application of the Act to product designs was constitutional. In its discussion, the court made several controversial observations. It first noted that since Lund theoretically could have obtained a design patent for the VOLA faucet, it was unclear whether Congress meant the Federal Dilution Act to cover such a product.[21] The court then questioned whether the Act should apply to cases involving competing goods or services, noting that dilution laws "are not intended to serve as mere fallback protection for trademark owners unable to prove trademark infringement."[22] Next, the court rejected the widely-used "Sweet factors" to determine whether dilution by blurring had occurred.[23] Finally, the court concluded its wide-ranging discussion to a close by suggesting that Congress may not have envisioned protection for product design under the Federal Dilution Act.[24]

In the author's view, the court engaging in so much dicta–whether correct or incorrect–in such relatively uncharted waters as the Federal Dilution Act, is highly questionable. Perhaps–hopefully–courts that *need* to address these issues in future cases will see these pronouncements as dicta, and come to their own conclusions under the facts of their cases.

468 2. *Nabisco, Inc. v. PF Brands, Inc.

This dispute pitted two food giants against one another in a turf battle over the cracker aisle. Defendant PF Brands and Pepperidge Farm (PF) own registrations for a goldfish-shaped cracker design and for the mark GOLDFISH under which these crackers are marketed.[25] PF learned that plaintiff Nabisco was about to launch a new cracker under the brand name CATDOG, based on a popular children's TV cartoon of the same name.[26] The CATDOG crackers comprise three shapes: the CatDog character itself, a bone-shaped cracker, and a fish-shaped cracker.[27] PF sent Nabisco a cease and desist letter, and Nabisco responded by filing a declaratory judgment action.[28] PF counterclaimed alleging Federal trademark infringement and dilution, as well as injury to business reputation and dilution under New York law.[29] PF also moved for a preliminary injunction.[30]

The district court granted the injunction under the Federal Dilution Act,[31] but found that PF had not demonstrated a likelihood of success on its infringement claims.[32] While the court did not grapple with any novel legal issues, its decision is noteworthy in both its thoroughness and in its adherence to Second Circuit precedent using the Sweet factors[33] to determine dilution, despite acknowledging the rejection of the Sweet factors by the First Circuit.[34]

B. Protection for an Entire Product Line–*Samara Brothers, Inc. v. Wal-Mart Stores, Inc.*

The Second Circuit engaged in a spirited debate on the circumstances in which a court may extend trade dress protection to an entire line of products. In *Samara* ***469** *Brothers, Inc. v. Wal-Mart Stores, Inc.*,[35] the plaintiff alleged that defendant Wal-Mart wrongfully copied its line of children's clothing. After trial, the jury found for Samara and awarded damages for infringement.[36] Wal-Mart moved for judgment as a matter of law, lost, and appealed.[37]

The Second Circuit, in a 2-1 decision, affirmed.[38] Wal-Mart first contended that the court should loosen its typical standard of review on appeals from denials of judgment as a matter of law, citing the "trend" allegedly begun by the Supreme Court's recent decision in the patent case *Markman v. Westview Instruments, Inc.*,[39] in which the Court held that the construction of a patent claim is one for the judge, not a jury.[40] The Second Circuit rejected the notion that *Markman* applied to trade dress cases, and further found that there was no such trend.[41] It therefore assessed the trial record to determine, under the traditional standard, whether there was a complete lack of evidence to support the jury's verdict.[42]

Wal-Mart's first substantive contention was that Samara's clothes were not distinctive as to source.[43] The majority rejected this argument.[44] It first noted that trade dress protection for products "is more difficult to obtain" than similar protection for the packaging of a product.[45] The majority noted that in two recent cases concerning the same issue, the court had focused on "whether the design was likely to be understood as an indicator of source."[46] The majority found it useful to ***470** compare the case before it with the *Landscape Forms* case.[47] In *Landscape Forms*, the court highlighted the difficulty in obtaining trade dress protection for a line of products because (1) the difficulty in demonstrating that the line shares unique and distinct features, and (2) the heightened degree of concern for precluding competition that courts should have when facing such claims.[48] The majority also quoted a passage in *Landscape Forms* that noted that a plaintiff raising product line claims must articulate a "precise expression of the ... claimed trade dress" so that courts can "evaluate how unique and unexpected the design elements are in the relevant market."[49]

Viewing the evidence through the strict standard of review for denials of motions for JMOL, the majority found "that the evidence adduced at trial sufficiently depicts the 'distinctive combination of ingredients' in Samara's trade dress, warranting protection under Section 43(a)."[50] Citing testimony from Samara's designer, the majority found the alleged trade dress to comprise

the typical use of: seersucker fabric; large bold appliqués; large collars with the appliqués generally integrated into the collar and any pockets on the garment; general absence of printed images, black outlines, alphanumeric characters, three-dimensional features or heavy ornamentation (such as bibs or fringe) which are frequently used in children's clothing; and full-cut, one-piece conservative bodies.[51]

The majority then addressed whether there was sufficient evidence of consumer confusion.[52] The court first noted that in product design cases, " c onsumer confusion may be proved directly by evidence of actual consumer confusion or indirectly by a showing that the copier intended to deceive consumers as to the source of the goods."[53] The court elaborated that if the plaintiff ***471** demonstrates that the defendant engaged in intentionally deceptive conduct, then the burden "shifts to the defendant to demonstrate the absence of consumer confusion."[54] The court found that there was ample evidence of "willful piracy with an intent to deceive."[55] It pointed to evidence: (1) that the Wal-Mart representative who ordered the accused items to be manufactured "specifically requested that the manufacturer create seersucker garments based on Samara samples"; (2) of the breadth of the copied line of clothing; (3) of the similarity of Wal-Mart's line to Samara clothes; and (4) of the fact that Wal-Mart buyers knew that Samara's clothes were being copied.[56]

Wal-Mart tried to argue that it rebutted any inference of intent to deceive by providing evidence that it put its own labels on the clothes, but the majority did not find this persuasive.[57] It cited an earlier Second Circuit decision for the proposition that "labels alone cannot insulate an infringer."[58] The majority concluded that the jury's verdict about confusion thus had support in the record.[59]

Finally, the majority remanded the case to the district court to fix the injunction it had entered.[60] The majority viewed it as affording Samara "far too much protection" because it enjoined Wal-Mart from selling products that were outside the definition of the protectable trade dress owned by Samara.[61] The court remanded to the district court to re-write the injunction so that it did not enjoin garments that lack one or more of the "major design elements" that make up the trade dress of Samara's line.[62]

Judge Jon O. Newman, in dissent, disagreed with the majority "that the look of Samara's line of dresses constituted protectable trade dress."[63] He emphasized the difficulty plaintiffs necessarily should have in establishing protectable trade dress in ***472** a line of products, emphasizing that courts should grant such protection "only in very extreme circumstances."[64] Taking the elements of the trade dress one-by-one,[65] Judge Newman found that two of the asserted elements were not protectable at all. In any event, stated the dissent, many of Samara's own products in the line lacked one or more key features of the alleged look,[66] and the "look" itself varied too much (in particular, the color combinations and different decorative objects used) to even be called a "look."[67]

The dissent also postulated that the root of its disagreement with the majority could be the result of a difference in the way the majority and the dissent viewed a reviewing court's role in assessing whether a jury verdict should be upheld.[68] In Judge Newman's words:

> [T]he boundaries within which an issue is reasonably a fact issue for a jury are narrower in some contexts than in others. ... [T]he broad range of reasonable fact-finding as to historical facts and familiar legal issues like negligence is not appropriate for issues infused with technical legal meaning, issues with which juries are almost completely unfamiliar... . It is not a matter of giving less deference to a jury's fact-finding, reached within an allowable scope. Rather, it is a matter of recognizing that the scope of allowable fact-finding is narrower [in cases involving whether trade dress is protectable than in cases involving findings of historical fact].[69]

He pointed out that the reason this should be so is that, as the Second Circuit has stated in earlier copyright cases, "[c]ourts have an important responsibility ... to monitor the outer limits within which juries may determine reasonably disputed issues of fact. If a case lies beyond those limits, the contrary view ... of a particular jury cannot be permitted to enlarge ... the scope of statutory protection ... ."[70] Judge Newman ended his discussion of the trade dress issue by stating that he "suspect ed that this is an aberrational result, not likely to be repeated."[71]

***473 C. Functionality–*Publications Int'l Ltd. v. Landoll Inc*.**

The Seventh Circuit in this case opined on the trade dress of cookbooks and children's books.[72] The plaintiff described the elements constituting its trade dress as (1) the 8½″ x 11″ size of the pages, (2) the gilded edges of the pages, (3) and an oilcloth cover.[73] The district court did not find the alleged trade dress to be distinctive enough to warrant trademark protection,[74] and the Seventh Circuit agreed.

Judge Posner, writing for the panel, began with a helpful discussion of the rationale underlying the law of distinctiveness and functionality.[75] In assessing whether the plaintiff's alleged trade dress was functional, Judge Posner noted the principle that trade dress sometimes may be nonfunctional even when made up of components that, assessed individually, are functional.[76] Nevertheless, the court found that the overall alleged trade dress was not distinctive because the three alleged components–even taken in combination–were so common to publishers of cookbooks.[77] On this basis, the court affirmed the trial court's judgment.

III. Packaging Disputes

A. Container Shapes–*Nora Beverages, Inc. v. Perrier Group of America, Inc*.

In this appeal, the Second Circuit addressed a claim by one spring water producer that other spring water producers copied its trade dress.[78] In its complaint, plaintiff Nora Beverages described its trade dress as a "unique and distinctive 1.5-liter clear plastic PET polyethylene terephthalate ... which features a 'ribbed' and 'bottle upon bottle' effect."[79] The district court had granted the defendants' motion for summary judgment on this claim, finding that there were so many spring water bottles of this type that the plaintiff's container had become generic.[80]

***474** The Second Circuit reversed. Before it assessed the district court's conclusion, the court stated that it had to address three preliminary issues: (1) whether the trade dress claim required the court to look, as Nora advocated, solely at the shape of the bottle, or whether it had to assess other aspects of the trade dress such as the labels as well; (2) the appropriate date for judging distinctiveness–i.e., the date the plaintiff introduced its bottle or the date the defendants introduced the infringing bottle; and (3) the standard of review of the district court's finding on distinctiveness.[81]

The court first decided that it should assess the entire trade dress, including the labels and any other relevant features.[82] It noted that while individual elements that make up the trade dress of a product could in their own right be eligible for trademark protection, trade dress claims are different, involving the overall look of the packaging.[83]

The court next determined that the appropriate date for judging the distinctiveness of a plaintiff's trade dress is the date that the alleged infringer begins the allegedly infringing activities.[84] It rejected using the date that the plaintiff first introduced its trade dress, reasoning that the use of that date would conflict with the principle that competitors are free to use another's trade dress any time after the trade dress becomes generic.[85]

As to the third preliminary issue, the court decided that the standard of review should be *de novo*, not clearly erroneous, because even though distinctiveness is a fact issue, the case had come up on a grant of summary judgment, which typically merits *de novo* assessment by the court of appeals.[86]

With all these preliminary matters out of the way, the Second Circuit found that the district court had erred in determining that there were no genuine issues of ***475** material fact relating to distinctiveness and to likelihood of confusion, and remanded the case for further consideration by the district court.[87]

B. Family of Packaging–*Rose Art Industries Inc. v. Raymond Geddes & Co*.

In this case,[88] the district court faced a "family of trade dress" argument similar to that faced by the Second Circuit in *Samara Brothers.*[89] *Rose Art* differed in two respects, however: it involved packaging design, not product design, and the court rejected Rose Art's argument that it had a protectable family of marks.[90] The *Rose Art* court's discussion of what is necessary to prove a "family" of trade dress is illuminating, and it is also noteworthy in that the court used rationale remarkably similar to that used by Judge Newman in his dissenting opinion in *Samara Brothers* in finding that the plaintiff had not carried its burden to prove an identifiable, protectable family of trade dress.[91]

IV. Trademark Infringement

A. Third Circuit Clarifies Infringement Standard–*A & H Sportswear Inc. v. Victoria's Secret Stores Inc.*

In an *en banc* decision, the Third Circuit clarified that in any kind of trademark or trade dress infringement case, the proper standard is likelihood of confusion.[92] The court decided to hear part of the appeal in the case *en banc* because its prior case law was unclear whether, in certain circumstances, a lesser "possibility" of confusion standard applied.[93] While the court did not expressly admit that its prior precedent in fact adopted a "possibility" standard, it noted that it was "concerned ***476** that our inexactitude of language in prior decisions may have engendered confusion as to the appropriate standard."[94]

Specifically, it discussed that in prior cases involving junior users who adopted a mark similar to a senior user for the same types of goods and services, the Third Circuit seemed to lessen the likelihood of confusion standard to a possibility of confusion standard.[95] Noting that every other circuit has consistently adhered to the likelihood of confusion standard, the *A & H Sportswear en banc* court made clear that the Third Circuit will apply the likelihood of confusion in *all* trademark infringement cases.[96] Because the district court had used the "possibility" of confusion standard, the *en banc* court vacated the judgment and remanded the case to the trial court for reconsideration under the likelihood of confusion standard.[97]

The court also pointed out that the district court's chosen remedy–permitting the junior user to keep using the mark, but requiring the use of a disclaimer and the payment of royalties for any such future use–was erroneous.[98] The court rejected the use of a "reasonable royalty" in cases other than those involving parties that had been involved in a licensing arrangement with one another concerning the mark, or at least had contemplated such an arrangement.[99]

B. Generic Marks–*Harley-Davidson, Inc. v. Grottanelli*

In this case, motorcycle manufacturer Harley-Davidson, owner of a federal registration for the mark HOG for motorcycles, attempted to enjoin the defendant from continuing its prior use of, among other things, the name "The Hog Farm" for his motorcycle service business.[100] The district court found in Harley's favor, and entered an injunction limiting the ways the defendant could use the mark and the geographic area in which he could use it.[101] The defendant appealed, arguing, ***477** among other things, that Harley's alleged HOG mark was generic as applied to large motorcycles.[102]

The case offered an interesting twist on the usual genericism dispute. In the usual case, a company first uses a term as a mark, and the defendant claims that the mark *later* lost its trademark significance, and became generic as to the goods or services on which it had been used. In this case, however, the evidence showed that (1) the word "hog" came in the late 1960s and early 1970s to be a synonym for large motorcycles; (2) "hog" subsequently became popular as a synonym for Harley-Davidson motorcycles; and (3) Harley-Davidson thereafter began to use the term as a mark in connection with products it sold, eventually obtaining several registrations of the mark.[103]

Harley-Davidson in essence advocated a "reverse genericism" rule: that if a term, originally generic, later comes to signify the source of particular goods or services, it becomes a protectable mark. In support, Harley first argued that Professor McCarthy acknowledged in his treatise that "there might be a doctrine whereby trademark use can be reacquired in a generic term ... ."[104] The Second Circuit was unmoved. Without sanctioning Professor McCarthy's hypothesis, it noted the case before it differed from the examples set forth in Professor McCarthy's discussion in that the examples in the treatise were words that originally were proper names of the manufacturer.[105] The court also stated: "Moreover, if a generic term could ever be infused with trademark significance, the word must have ceased to have current generic meaning."[106] The court found that the existence of several existing dictionary entries defining the word "hog" as large motorcycles also precluded application of this principle.[107]

Nor did the court find that the principle of "dual usage" applied. This principle would permit a term that starts out as a trademark and becomes generic *as to some segments of the public* to retain its trademark significance as to the nongeneric ***478** use.[108] The court found that this principle is inapplicable to a situation where the mark starts out generic and a manufacturer later seeks to use it as a trademark.[109] The court further rejected the suggestion that *the public* itself, by its usage, transform a generic term into a trademark.[110]

In another part of the court's opinion (concerning a different–and valid–mark of Harley's), the court re-affirmed (1) the principle that to qualify as a parody use, a defendant must not use the mark to promote his own goods and services; and (2) the Second Circuit's historical view that "negating words" disclaimers ("no," "not," or, as in this case, "un-") are usually ineffective.[111]

C. False Celebrity Endorsement–*Cairns v. Franklin Mint Co*.

In this case, defendant Franklin Mint began marketing collectibles depicting the late Princess Diana.[112] The executors of the Princess's estate and the trustees of the Diana, Princess of Wales Memorial Fund (a charitable organization licensed by the estate to use the Princess's name) sued, alleging claims under the Lanham Act for false designation of origin, false endorsement, and false advertising, as well as a claim under the Federal Trademark Dilution Act claims under California law.[113]

The defendant moved to dismiss for failure to state a claim and the plaintiffs moved for a preliminary injunction.[114] While the court upheld the legal sufficiency of the Lanham Act claims as pleaded,[115] it refused to enter a preliminary injunction based on those claims, finding that the plaintiffs had failed to demonstrate a likelihood of success on them.[116] The court assessed the false designation of origin and false endorsement claims as one, using the Ninth Circuit's familiar *Sleekcraft* test.[117] Because the case was not brought by a living celebrity, but by the estate of a deceased one and a fund set up in her memory, the court added a factor to the ***479** *Sleekcraft* test: the strength of the association between the mark (Princess Diana) and the plaintiff.[118] In this regard, the court found that the widespread unauthorized use of Princess Diana's name and likeness during her lifetime weakened any association between her name and the plaintiffs arising after her death.[119] In contrast, the court held that the proliferation of unauthorized usages after her death bore, not on this issue (association), but on the issue of possible laches by the plaintiffs.[120]

The court's analysis of the rest of the *Sleekcraft* factors was relatively straightforward, except perhaps concerning "actual confusion." On this factor, the court faulted the plaintiffs for failing to offer any survey evidence, inferring from the lack of any survey evidence that any survey would have been unfavorable.[121] The court also discounted evidence in the form of declarations of three confused consumers, saying that "they do not represent an adequate sample of the relevant universe" given the defendant's widespread sales.[122] On balance, the court concluded that the *Sleekcraft* factors did not indicate that confusion was likely.[123]

On the Federal Dilution claim, the court stated that, in cases where the mark is the name of a well-known persona, it is difficult to prove *secondary* meaning, as opposed to *primary* meaning.[124] The court explained that primary meaning in this context is the association of the name with the person of that name, while secondary meaning is the association of the name by the public of the name with the plaintiff's goods or services.[125] Concluding that the plaintiffs had not proven secondary meaning–a prerequisite to protection under the Federal Dilution Act– they could not show they were likely to prevail on this claim.[126]

*480 D. Likelihood of Confusion–*Jet Inc. v. Sewage Aeration Systems*

The Sixth Circuit in this case reviewed the district court's grant of summary judgment to the defendant on federal infringement and Ohio dilution claims.[127] The parties were competitors selling sewage and waste-water treatment devices for homes.[128] The plaintiff's mark was JET and the defendant's mark was AEROB-A-JET.[129] The court's analysis was straightforward. It first examined the evidence in the record relevant to the various factors bearing on likelihood of confusion. It found that the parties were in direct competition, the goods were related, and the marketing channels were similar.[130] It nevertheless upheld the district court's conclusion that confusion was unlikely because the marks were not "confusingly similar" and, because the devices were expensive, the people who purchase these kinds of devices were likely to exercise "very high degree of care" in making their purchases.[131] The court thus concluded that the district court correctly granted summary judgment.

E. Fair Use Defense–*Nihon Keizai Shimbum Inc. v. Comline Bus. Data Inc.*

The Second Circuit in *Nihon Keizai Shimbum Inc. v. Comline Bus. Data Inc*.[132] reversed a finding of infringement based on the "fair use" use defense.[133] The plaintiff in *Nihon*, familiar to people interested in global business as "Nikkei," owns several U.S. trademark registrations, including NIKKEI and NIKKEI WEEKLY, and publishes business news under those marks.[134] The defendant Comline gathers news articles, creates abstracts from them, and sells the abstracts.[135] One of the sources Comline routinely uses is Nikkei publications. At the end of its abstracts, Comline indicates the source of the information it abstracted. Thus, for articles it abstracted from Nikkei publications, the reference line of the abstract would say "Nikkei."[136]

Comline argued its use of the plaintiff's marks constituted a "fair use" under 15 U.S.C. Section 1115(b)(4), providing it with a defense to any accusations of ***481** infringement.[137] The court explained that this defense "permits others to use a protected mark to *describe* aspects of their own goods."[138] Agreeing with Comline, the Second Circuit stated that " a n abstract is often as valuable for the source of its facts as it is for the facts it relates, and it will usually be impossible to identify the source of the factual information without using a registered trademark of the source."[139] The court noted that there was "little difference" between beginning each article by saying, for example, "The Nikkei Weekly reports ..."–clearly *not* trademark infringement–and using the mark, as did Comline, "at the end of the abstract in the manner of a bibliography or footnote."[140]

V. Trademark Dilution

A. Proof of Blurring–*National Bd. for Cert. in Occup. Therapy Inc. v. American Occup. Therapy Ass'n*

This case concerned two warring associations each vying to be *the* certifying body for occupational therapists.[141] The plaintiff organization had grown out of the defendant organization through a series of transactions over time.[142] Initially, the defendant had been the sole certifying board, but the district court held on summary judgment that there were no disputed issues of fact that the plaintiff was now the sole owner of the certification marks in question and that its marks were valid.[143] Once ownership was established, the court turned to the plaintiff's claim that the defendant had diluted its certification marks under the Federal Trademark Dilution Act of 1995.[144]

The court denied the plaintiff's motion for summary judgment. It faulted the plaintiff for failing to offer proof that the defendant's use of the certification mark resulted in "blurring."[145] The court stated: " The plaintiff NBCOT simply asserts, ***482** conclusorily and without demonstrable factual support, that ' the defendant AOTA's unauthorized use whittles away the public's exclusive identification of NBCOT's marks with NBCOT as the certifier and therefore, diminishes the distinctiveness of the marks."'[146] The court contrasted the plaintiff's argument with "the plaintiffs in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*,[147] who attempted to show 'blurring' of the distinctive quality of their circus slogan with extensive survey and circumstantial evidence."[148]

B. The Internet, Tarnishment, and the Pope's Visit to St. Louis–*Archdiocese of St. Louis v. Internet Entertainment Group, Inc.*

In this case, the Pope's visit to the St. Louis area in January gave rise to an Internet dilution dispute.[149] The plaintiffs were the Roman Catholic Archdiocese of St. Louis and a related entity called "Papal Visit 1999, St. Louis."[150] These entities asserted that they owned the common law trademarks "Papal Visit 1999," "Pastoral Visit," "1999 Papal Visit Official Commemorative Items," and "Papal Visit 1999, St. Louis."[151] In late 1998, the plaintiffs became aware that the defendants had begun operating two web sites using the domain names "papalvisit.com" and "papalvisit1999.com."[152] On these web sites, the defendants listed certain information about the Pope's upcoming visit, but, more importantly, also provided hyperlinks to "adult entertainment" web sites and "off-color" jokes about the Pope and the Roman Catholic church.[153] The plaintiffs sued for trademark infringement, ***483** dilution, false designation of origin, and unfair competition.[154] After granting a TRO, the court addressed whether it should grant a preliminary injunction.[155] Purporting to follow the decision of another judge in the same district, the court first found that it could assert personal jurisdiction over the defendants, who apparently were from out-of-state.[156]

The first substantive claims that the court addressed were the plaintiffs' dilution claims under the Federal Dilution Act and under Missouri law.[157] The court, with little analysis other than to cite the statutory standard, found the plaintiffs' marks to be "famous" and thus qualify for federal dilution protection.[158] The evidence of "fame" found by the court amounted to little more than the plaintiffs' consistent descriptive use of the alleged marks and associated expenditures for several months, and attempts to engage in limited licensing.[159] The court then found that the defendants' use of the plaintiffs' marks constituted dilution by tarnishment.[160]

This case represents a court succumbing to one of the most tempting features of the Federal Trademark Dilution Act: the express creation of a cause of action for tarnishment. To tap into this substantive protection, however, the court had to strain the definition of what constitutes a "famous" mark well beyond the breaking point, at least from what appears in the court's written decision. All first year law students hear the phrase "hard facts make bad law." In this case, however, the court's decision is doubly lamentable because the facts did not appear to be that hard. At one point in its discussion, the court expressly noted that "defendant's appropriation of the plaintiffs' marks is really nothing more than a cyberspace version of the old 'bait and switch' scheme used for decades by commercial vendors."[161] If that were true, then perhaps the court could have sustained its ruling on the more firm ground that the defendant's activities were actionable as infringement or unfair competition, ***484** without having to create problematic precedent concerning what is required to prove that a mark is "famous" under the Federal Dilution Act.[162]

C. Parody Defense–*Mattel, Inc. v. MCA Records, Inc*.

This district court decision addressed a whole host of issues, but is perhaps most notable for its discussion, and acceptance, of the defendants' parody defense to the plaintiff's Federal Dilution Act claim.[163] The plaintiff Mattel markets BARBIE and KEN dolls and related products.[164] The defendants were a Danish musical group that recorded and were selling a song entitled "Barbie Girl," along with the group's record label and other related parties.[165] The defendants contended that the song was a permissible parody of the popular BARBIE and KEN toys, "with the singers referring to Barbie as a 'blond bimbo girl' who loves to party and whose 'life is plastic."'[166] The court, based largely on the language of the Federal Dilution Act[167] and on the First Circuit's decision under the Maine antidilution statute in *L.L. Bean, Inc. v. Drake Publishers, Inc.*,[168] agreed with the defendants that the song was a "parody of both the doll itself and the shallow plastic values she has come to represent in some circles."[169] The court distinguished the Ninth Circuit's holding in *Dr. Seuss Enterprises, L.P. v. Penguin Books (USA) Inc*.[170] on the ground that in *Dr. Seuss*, the defendant had used the famous "Cat in the Hat" character as an attention-getting device, not to parody the character or something associated with it.[171]

*485 VI. False Advertising

A. Actionable Statements or "Puffery"?–*Coastal Abstract Service, Inc. v. First American Title Insurance Co*.

The Ninth Circuit reversed a substantial jury verdict for the plaintiff in this case.[172] The plaintiff, Coastal, entered into a relationship with Shearson Lehman Hutton Mortgage Corp. to perform certain services as an escrow agent in connection with Shearson's nationwide home loan refinancing business.[173] Among the services provided by Coastal was the purchase of title insurance for the respective properties.[174] Coastal, in turn, contracted with defendant First American to provide some of the services Coastal was to provide for Shearson.[175] During the course of the parties' business relationship, First American allegedly said to Shearson that First American could no longer provide certain of its goods and services for Shearson's California refinancing business because Coastal was not properly licensed as an escrow company under California law.[176] As a result, Shearson for a time stopped using Coastal in California.[177]

Later, Shearson experienced a delay in receiving several hundred title insurance policies that were necessary for Shearson to be able to sell its loans on the secondary market.[178] First American assigned one of its officers to look into the cause of the delay. That officer reported to Shearson that Coastal was to blame, allegedly telling Shearson that Coastal was "too small" to handle the volume of business that Shearson provided and that the delay in receiving title insurance policies was caused by Coastal not "paying its bills."[179] Shearson later stopped doing business with Coastal.[180]

***486** The jury awarded damages to Coastal for false advertising under the Lanham Act.[181] Its verdict did not indicate how much damage was caused by each of the three allegedly false statements (not licensed, too small, not paying its bills).[182]

The Ninth Circuit held that the "too small" comment was "exactly the kind of 'puffery' that does not qualify as a statement of fact capable of being proved false."[183] First American's comment that Coastal was not properly licensed under California law also failed as a matter of law because it was a statement of opinion. The court elaborated: "Absent a clear and unambiguous ruling from a court or agency of competent jurisdiction, statements by lay persons that purport to interpret the meaning of a statute or regulation are opinion statements, and not statements of fact."[184]

The court viewed the "not paying its bills" statement, however, as "clearly one of fact, able to be proven true or false."[185] Consequently, the court upheld the jury's finding of liability concerning this statement. Because, however, the jury's damage award was "not segregated in a manner that permits attribution of any portion of the damages to any particular statement," the court reversed the district court's judgment and remanded for a new trial limited to damages.[186]

The court next upheld the jury's finding that the First American corporate officer who made the actionable false statement was personally liable as well because "he was an actual participant in the tort."[187] Finally, the court noted that, even though the false statement was made only to one company, the statements nevertheless constituted "commercial advertising or promotion" within the meaning of the Lanham Act.[188] In this regard, the court pointed out that there were only two or possibly three companies that were engaged in nationwide mortgage refinancing on the scale of Shearson.[189] The court therefore concluded that making the false statement to one of a two or three member "relevant purchasing public" was sufficient to trigger application of the statute.[190]

*487 B. Standing–*Conte Bros. Automotive Inc. v. Quaker State-Slick 50 Inc.*

Standing was the dispositive issue in the Third Circuit's false advertising decision in *Conte Brothers Automotive Inc. v. Quaker State-Slick 50 Inc*.[191] The plaintiffs were a putative class of retailers who sell motor oil.[192] They alleged that defendant Quaker State made false statements in ads concerning its Slick 50 engine lubricant, which in turn hurt the sales the plaintiffs made of competing brands of lubricants.[193] The district court dismissed the claim for lack of standing, reasoning that only "direct commercial competitors" or their "surrogates" can sue for false advertising under the Lanham Act.[194]

The Third Circuit affirmed. It first stated that standing has both constitutional and prudential components.[195] It then noted that, even though the parties did not dispute constitutional component, only statutory standing–which the court categorized as a prudential component–it felt compelled to address constitutional standing first.[196] Finding that the constitutional prerequisites were met,[197] the court next addressed whether Section 43(a) conferred standing on the plaintiffs.[198]

The court viewed this inquiry as one of statutory intent.[199] It first held that courts will usually presume, absent express authorization from Congress, that principles of prudential standing apply.[200] It then examined the language, structure, and legislative history of the Lanham Act, and determined that Congress did not abrogate these principles.[201] The court then noted that, in previous decisions, it had ruled that Lanham Act standing devolves to a question of whether the plaintiff has a "'reasonable interest' to be protected against false advertising."[202] It pointed out that a later decision suggested that the "reasonable interest" test does not require that ***488** parties be in direct competition.[203] Determining that it needed to elaborate on the "reasonable interest" test to resolve the case before it, the court rejected the "dichotomous" tests employed by the Ninth Circuit,[204] choosing instead to adopt the approach advocated by Professor McCarthy and the *Restatement (Third) of Unfair Competition*.[205] Both these commentators advocate the test set forth in the Supreme Court's antitrust standing decision in *Associated General Contractors of California, Inc. v. California State Council of Carpenters*.[206] That inquiry examines:

1. Is the injury of a type that Congress sought to redress in providing a private remedy?;

2. The directness of the injury;

3. The proximity of the plaintiff to the injurious conduct;

4. The speculativeness of the damage claim; and

5. The risk of duplicative damages or the complexity of apportioning damages.[207]

Applying this test, the court found that the plaintiffs lacked standing. The Third Circuit noted that the plaintiff had not alleged the "competitive harm" that is the focus of the false advertising part of the Lanham Act, nor was the alleged injury alleged to be "direct,"[208] since the injurious acts did not "impact the plaintiffs' ability to compete."[209] The court also noted that the alleged conduct was "remote" from the plaintiffs.[210] The court did not shed much light on these conclusions, however, until it reached the next parts of the test: speculativeness, duplicativeness, and complexity. In discussing these three topics, the court noted–significantly, in the author's view–that the plaintiff retailers had *not* alleged that they were unable to stock Slick 50 product. The court astutely noted that if the retailers were able to ***489** stock the product, then they would not have been injured at all if demand for the product increased because of the false advertising.[211] While this would appear to have been fully dispositive of the question before it, the court also pointed out that it would be difficult to apportion, and potential for duplication existed in the apportionment of, damages among parties at different levels of the retail chain.[212] Finally, the court also used the "floodgates" argument: if all parties in the distribution claim had standing to sue for false advertising, the number of such cases would increase significantly.[213]

In sum, it would appear that the court's analysis was thorough and its adoption of the *Associated General Contractors* test sound. Nevertheless, its ultimate conclusion–that the parties in the distribution chain who are not direct competitors of the defendant apparently never have standing–appears overbroad. The court's emphasis on the question of ability to obtain the subject product certainly is sensible. But the court went further, apparently trying to discourage even cases where retailers were not able to stock the subject product. This aspect of the court's decision rested on conclusions that seemed at least as speculative as the alleged injury the court found insufficient.

VII. Remedies, Willfulness, and the First-Filed Rule

A. Is Dawn Donut Getting Stale?–*Circuit City Stores Inc. v. CarMax Inc.*

In *Circuit City Stores Inc. v. CarMax Inc.*,[214] the Sixth Circuit tried to act nonchalant while dropping a bombshell on one of trademark law's most revered principles–the *Dawn Donut* rule. The *Dawn Donut* rule, named after a 1959 Second Circuit decision,[215] is that "while a senior federal registrant has superior priority, there is no likely confusion for a court to enjoin unless and until the senior user shows a likelihood of entry into the junior user's trade territory."[216] In the *Circuit City* case, the Sixth Circuit first upheld the district court's factual finding, ***490** after a bench trial, that Circuit City was the first to use the mark at issue, CARMAX.[217] The court affirmed the district court's findings that the defendant's business had serviced the Northeast Ohio area since 1990 under the name "Budget, not CARMAX."[218] Circuit City obtained a federal registration for the mark in 1995, having first used it in 1993 and therefore had priority over the defendant.[219] At the time of trial, Circuit City testified that it "projected" that it would open up a CARMAX facility in Northeast Ohio, but it introduced no other evidence such as "expansion plans, budgets, or expansion progress reports," nor did it show any supporting real estate purchases or hiring efforts.[220]

On appeal, the defendant argued, among other things, that "the District Court erred in awarding injunctive relief because it wrongly found that Circuit City was likely to enter the defendants' Northeast Ohio market in the near future ... ."[221] The Sixth Circuit rejected this argument. Without even mentioning *Dawn Donut*, the court stated:

We conclude that once there is a finding of infringement, as in this case, the District Court was not required to find that Circuit City was about to enter the defendants' market in order to grant injunctive relief. The law of this Circuit holds that no particular finding of likelihood of entry or irreparable harm is necessary for injunctive relief in trademark or unfair competition cases. The *Wynn* Court noted that irreparable injury "ordinarily follows when a likelihood of confusion or possible risk to reputation appears" from infringement or unfair competition. Thus, a court need only find that a defendant is liable for infringement or unfair competition for it to award injunctive relief. The Sixth Circuit has an eight point test for infringement liability under the Lanham Act. Likelihood of entry is just one of the eight factors under this test, and it is not dispositive of liability. The District Court found that the defendants were liable for trademark infringement, and its award of injunctive relief was therefore proper.[222]

While the main opinion did not even mention or cite *Dawn Donut*, the concurring opinion of Judge Jones did. Judge Jones explained that the defendant had urged the court to apply the *Dawn Donut* rule.[223] After explaining the rule and noting its wide acceptance, Judge Jones agreed with the panel opinion's explanation that "likelihood of entry" is only one of the factors the Sixth Circuit considers in determining whether "a senior user is entitled to an injunction."[224] Judge Jones ***491** concluded by noting that things have changed a lot since *Dawn Donut* was decided in 1959, and suggested that changes in technology and commerce may have rendered the rule's usefulness obsolete.[225]

In the author's view, the Sixth Circuit's decision in this case exhibits a fundamental misunderstanding of the court's own likelihood of confusion test, and conflates liability and remedial issues in a way that ignores not only a fundamental principle of equity jurisprudence, but also the fundamental requirement that a plaintiff have Article III standing to sue in federal court. First, in the various courts' multi-factor "likelihood of confusion" tests (including the Sixth Circuit's), the "likelihood of entry of expansion" into a particular market refers *not* to a g*eographic market area*, but to the market for *a particular product or service*.[226] That is because the closer the goods and services, the more likely customers will be confused as to source.[227] In contrast, whether the senior user has plans, or is about, to enter the junior user's geographic market concerns *when* any confusion will occur, not *whether* it will happen at all. Consistent with this distinction, Professor McCarthy expresses his understanding of *Dawn Donut* in temporal terms:

> In other words, the registrant has a nationwide right, but the injunctive remedy *does not ripen until* the registrant shows a likelihood of entry into the disputed territory. Obviously, a junior user like the defendant in *Dawn Donut* is in a precarious position. He is living on borrowed *time*. His use of the mark can continue *only so long as the federal registrant remains outside the market area*. But *once* the federal registrant shows a likelihood of entry, the junior user must stop use of the mark.[228]

In the preceding passage, Professor McCarthy also astutely differentiates the *right* (i.e., liability issues) from the availability of the injunctive *remedy*. Imminence of harm has traditionally been a prerequisite for the entry of injunctive relief.[229] Trying to address this remedial issue in the liability analysis would appear to prompt the old adage about forcing a square peg into a round hole.

Even more fundamentally, however, the Sixth Circuit's decision would appear to violate the requirement, rooted in Article III of the Constitution, that a plaintiff ***492** have standing before he can seek redress in a federal court. In *City of Los Angeles v. Lyons*,[230] the Supreme Court analyzed whether the plaintiff in that case "satisfied the prerequisites for seeking injunctive relief in the federal courts."[231] The plaintiff, who once had been held in a choke-hold by Los Angeles police officers, sought an injunction preventing the Los Angeles police from using choke-holds in the future.[232] The Supreme Court dismissed the case for lack of Article III standing. The Supreme Court first noted that a "plaintiff must show that he 'has sustained or is immediately in danger of sustaining some direct injury' as the result of the challenged ... conduct and the injury or threat of injury must be both 'real and immediate,' not 'conjectural' or 'hypothetical.'"[233] The Court noted that, in its previous decision in *O'Shea v. Littleton*,[234] the Court had observed that "case-or-controversy considerations 'obviously shade into those determining whether the complaint states a sound basis for equitable relief,'"[235] one of which is "*immediate* irreparable injury."[236] The Court also discussed several other of its past decisions that were to the same effect.[237] Since Lyons could not demonstrate an immediate threat of the allegedly wrongful conduct (he could not allege that he would have another encounter with police and that they would use the choke-hold again on him[238]), the Court held that he lacked standing to ask a federal court for equitable relief.[239]

Although the *Dawn Donut* court did not phrase its holding in terms of standing (having been decided long before the cases discussed by the Supreme Court in *Lyons*), its holding is fully consistent with the Supreme Court's standing jurisprudence in this regard, and perhaps is best explained on this basis. Like Lyons, who feared a choke-hold *if* he were arrested again, a *Dawn Donut*-type plaintiff fears likelihood of confusion *if* he enters the junior user's territory. Both Lyons and *Dawn Donut* plaintiffs lack standing, however, unless they can show an *immediate* threat of irreparable harm. To have such standing, Lyons had to show it was likely he would be arrested and choked, and a *Dawn Donut* plaintiff has to show he is likely to enter ***493** the junior user's geographic trade area. Whether the advent of the Internet and other technology narrows or erodes *Dawn Donut*, as the *Circuit City* concurrence suggests, is an interesting question, but it would appear that as long as Article III's standing requirements remain, it cannot be banished to the dust heap altogether.

B. Willfulness–*SecuraComm Consulting Inc. v. Securacom Inc.*

In *SecuraComm Consulting Inc. v. Securacom Inc.*,[240] the Third Circuit had an opportunity to discuss what circumstances constitute willful trademark infringement. In this case, the defendant, *after* receiving a cease and desist letter from the plaintiff, engaged in pre-litigation and litigation tactics that can only be characterized as abusive.[241] The district court's finding that the defendant's infringement was willful, as well as its award of 10% of the defendant's profits, the trebling of those profits, and attorney's fees, apparently was based in large part on these abusive tactics.[242]

The Third Circuit believed that the district court erred by finding willfulness and awarding these three kinds of monetary relief based on abusive litigation tactics. It stated that "there are other, appropriate remedies for abusive litigation tactics."[243] The Third Circuit began its analysis by observing that " t hough the standards for (1) awarding profits; (2) determining whether such an award should be enhanced; and (3) awarding attorneys' fees under the Lanham Act differ somewhat, the issue of willful infringement is central to each."[244]

The court quoted from a Second Circuit decision that, in the court's words, "aptly described willful infringement as involving 'an aura of indifference to plaintiff's rights' or a 'deliberate and unnecessary duplicating of a plaintiff's mark ... in a way that was calculated to appropriate or otherwise benefit from the good will the plaintiff had nurtured.'"[245] In *SecuraComm*, a corporate officer of the defendant's predecessor corporation–the predecessor was called "Burns & Roe Securacom"; the successor, "Securacom, Incorporated"–had known for several years of the plaintiff's trademark, but had worked only two days under the ***494** defendant's current management team before being fired.[246] Later, after learning of the name change, the plaintiff sent a cease and desist letter to the successor corporation.[247] Under these circumstances, the Third Circuit held that "there was no reasonable basis to infer that the fired officer told the new management team about the plaintiff's mark, and that it would also be inequitable to employ the general principle that an officer's knowledge is imputed to the corporation."[248]

The Third Circuit also concluded that the defendant's failure to conduct a trademark search when it later changed its corporate name (by coincidence, to a name closer to the plaintiff's mark) did not support a finding of willfulness.[249] The court's discussion in this regard clarifies the circumstances in which such a failure amounts to willfulness. The court first distinguished the Second Circuit's decision in *ISCYRA v. Tommy Hilfiger, U.S.A., Inc*.[250] In *ISCYRA*, the Second Circuit had held that the defendant's infringement was willful where (1) the infringer was aware when it adopted the mark that it was copying the plaintiff's design, and (2) the infringer's attorneys advised it to conduct a full trademark search.[251] By contrast, the Third Circuit pointed out that in the case before it, the successor corporation did not know of the plaintiff's mark, nor had it been advised by an attorney to conduct a trademark search.[252] Instead of the "willful ignorance" found by the Second Circuit in *ISCYRA*, the Third Circuit held that the defendant had been "at most careless , a nd carelessness is not the same as deliberate indifference to another's rights in a mark or a calculated attempt to benefit from another's goodwill."[253]

The court also declined to find willfulness on the basis that the defendant continued using the mark after it received a cease and desist letter from the plaintiff.[254] The court found that there were several other facts from which the defendant could reasonably believe it was legally entitled to use the name "Securacom."[255] First, the court noted that the plaintiff, at the time it sent its cease and desist letter, did not have a federal registration.[256] Second, the court also ***495** pointed out that the defendant had already attempted to register its name, but was denied registration because two *other* companies had attempted to register similar words.[257] The court also noted that the defendant had a "reasonable basis" to conclude that the plaintiff had no more than localized geographic rights in its name, and a "plausible" basis to believe that its use of its name would not cause confusion, though the court did not elaborate on what these bases were.[258]

Lacking the required predicate of willful infringement, the court felt constrained to reverse the district court's award of a percentage of the defendant's profits and enhancement of that profit award.[259] As to attorneys' fees, however, the court reversed *and* remanded for a determination whether "exceptional circumstances, other than willful infringement, exist warranting an attorneys' fees award"[260]–a strong hint that the defendant's bad faith litigation and pre-litigation tactics may well be highly relevant to a determination whether a case is exceptional.

C. Exception to the First-Filed Rule–*Anheuser-Busch Inc. v. Supreme Int'l Corp.*

In a brief decision, the Eighth Circuit upheld a district court's dismissal of a declaratory judgment action in favor of a later filed infringement action in another district. In *Anheuser-Busch Inc. v. Supreme International Corp.*,[261] the defendant trademark owner, Supreme, sent a cease and desist letter to the declaratory plaintiff, Anheuser-Busch, accusing it of infringement.[262] The letter indicated that Supreme would file suit for infringement if Busch did not respond within five days.[263] Busch did not respond, but filed the declaratory judgment in federal court in its home state, Missouri, instead.[264] Five days later, Supreme filed an infringement suit in federal court in its home state, Florida.[265] Busch prevailed upon the Florida court to stay the action pending the Missouri court's assessment of the "first-filed rule."[266] That rule is that "in cases of concurrent jurisdiction, 'the first court in which jurisdiction ***496** attaches has priority to consider the case.'"[267] The Missouri court, however, refused to apply the rule, and dismissed the case in favor of the later filed Florida suit.[268]

The Eighth Circuit affirmed the dismissal. It held that the district court did not abuse its discretion because it noted the presence of "compelling circumstances." These circumstances included the facts that Busch was on notice that Supreme was going to file suit, that Busch's suit was a declaratory judgment action, and that the timing of events suggested that Busch "raced to the courthouse to usurp Supreme's forum choice."[269] The appeals court also noted that additional factors supported the district court's decision: Busch had not alleged any adverse effect on its business caused by the infringement claim, and discovery was well underway in the Florida action and a trial date had been scheduled by the time the appeal was heard.[270]

VIII. TTAB Proceedings

A. Pleadings Limit Scope of Opposition

1. *Fossil Inc. v. Fossil Group*

In this proceeding, Fossil Group (applicant) sought to register two marks containing the word "fossil."[271] Fossil Inc. (opposer) instituted an opposition proceeding against Fossil Group before the Trademark Trial and Appeal Board.[272] The opposer's notice of opposition[273] mentioned only the opposer's FOSSIL mark in the singular.[274] In its trial brief on the merits, however, the opposer took the position that its opposition was based not only on likelihood of confusion with the word mark mentioned in its pleadings, but also on confusion with other marks it owned that contained the word "fossil" (one particular mark that the opposer wanted to inject into the opposition was the mark AUTHENTIC FOSSIL GENUINE and design).[275] ***497** The applicant objected to what it termed the "shifting and expanding focus" of the opposition proceeding from one mark to several.[276]

Highlighting the importance of the notice that pleadings give to the adverse party of the scope of the claimant's claim, the TTAB refused to consider many of the newly-added marks on which the opposer sought to base its opposition. The Board noted that, since the FOSSIL mark that was mentioned in the notice of opposition was a word mark, the opposer would be entitled to base its opposition on:

> all reasonable manners in which the word FOSSIL could be depicted including, simply by way of example, all lower case block letters, all upper case block letters, a mixture of lower case and upper case block letters and various script forms. However, opposer's registrations of the word FOSSIL in typed drawing form do not afford opposer rights in the word FOSSIL combined with other wording or with designs.[277]

Noting as well that the applicant had objected each time the opposer had mentioned marks outside of the scope of the opposition in its discovery requests, the Board scolded the opposer:

> Opposer knew full well its own marks. If opposer wished to rely upon whatever rights it might have in the mark AUTHENTIC FOSSIL GENUINE and oval design, it should have amended its notice of opposition to plead common law rights in said mark. At a minimum, in its interrogatory answers and responses to requests for admission, opposer should have disclosed to applicant all marks (registered and unregistered) upon which opposer intended to rely to prove likelihood of confusion.[278]

Because the opposer had failed to do either, the Board focused its analysis "solely upon a comparison of applicant's mark with opposer's word mark FOSSIL in all reasonable forms of presentation."[279]

The lesson to be learned from the Board's ruling in this proceeding needs no elaboration.

2. *Micro Motion Inc. v. Danfoss A/S*

The lesson was much the same in this decision. The opposer Micro Motion opposed registration of the applicant's mark MASSFLO for flowmeters on the ground that the term was generic for such meters.[280] At the same time the opposer filed its trial brief, it also moved to amend its opposition to include a claim of "mere ***498** descriptiveness," arguing that the parties tried this issue by consent.[281] The applicant objected, denying that the parties tried the issue by consent, and making the additional point that if "mere descriptiveness" had been at issue, it would have presented evidence of acquired descriptiveness.[282]

The TTAB denied the opposer's late attempt to add another ground for its opposition. In particular, the Board was persuaded that the applicant was not on notice that mere descriptiveness was at issue and would be prejudiced if the Board were to consider that issue.[283]

IX. Personal Jurisdiction and the Internet

A. *K.C.P.L. Inc. v. Nash*

In this case, the plaintiff, owner of the mark REACTION, sued a person who registered the Internet domain name "reaction.com."[284] The plaintiff alleged that the defendant had registered at least four domain names, never put any information or content on the respective web sites under those names, and when approached by the plaintiff concerning the possible purchase of the domain name "reaction.com," the defendant demanded $15,000.[285] The defendant moved to dismiss for lack of personal jurisdiction under the New York long arm statute.[286] Based on the assertions noted above, the plaintiff argued that personal jurisdiction was proper because the defendant was a "cyber pirate"[287] and the Ninth Circuit had found that cybersquatters are subject to personal jurisdiction in the state in which the trademark owner resides.[288]

The district court dismissed the case. It held that the Ninth Circuit's *Panavision* decision did not apply because (1) it concerned a long-arm statute co-extensive with the Due Process clause of the Constitution, while New York's statute ***499** was more stringent than Due Process, and (2) the facts asserted by the plaintiff were insufficient to conclude that the defendant was a cybersquatter.[289]

X. Federal Legislation

Of particular interest to persons involved in trademark enforcement activities is Title II of "The Trademark Law Treaty Implementation Act."[290] Section 201(a)(4) of that enactment expressly permits functionality as an additional basis to petition to cancel an incontestable registration.[291]

XI. Summary

Most of the decisions discussed in this survey were well-reasoned and uncontroversial. Others seem to reflect two overarching problems. First, even after the passage of the Federal Trademark Dilution Act, courts are still struggling to figure out just where dilution fits in to the fabric of trademark law. Some (the "Papal Visit" case) seem to apply it too easily. Others (the First Circuit faucet case or the occupational therapists case) seem unnecessarily afraid of it, approaching it as one would approach a buzzing hornets' nest. The other problem seems to be even more basic, with some courts still seemingly unclear about basic Lanham Act applications (the Second Circuit's *Samara* opinion, and the Third Circuit's overbroad standing decision), and others simply misunderstanding fundamental trademark law and how this area of the law fits in the overall framework of the law generally (the Sixth Circuit's rejection of *Dawn Donut* without recognizing the standing implications of doing so).

Footnotes

a1 Arnold White & Durkee, Houston, TX.

1 In this article, I will distinguish between what I will call "product design" disputes and "packaging" disputes because even though both kinds of cases may be brought under the rubric of "trade dress infringement" under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), the courts tend to analyze these two kinds of cases differently.

2 163 F.3d 27, 49 U.S.P.Q.2d (BNA) 1225 (1st Cir. 1998).

3 *See id.* at 32, 49 U.S.P.Q.2d at 1226.

4 *See id.*

[5] *See id*. at 36, 49 U.S.P.Q.2d at 1230.

[6] *See id*. at 37, 49 U.S.P.Q.2d at 1231.

[7] *See id*. at 38, 49 U.S.P.Q.2d at 1231-1232.

[8] *See id*. at 37, 49 U.S.P.Q.2d at 1231.

[9] *See id*. at 44, 49 U.S.P.Q.2d at 1237.

[10] *See id*. at 38, 49 U.S.P.Q.2d at 1232.

[11] 537 F.2d 4, 9, 189 U.S.P.Q. (BNA) 759, 764 (2d Cir. 1976) (in ascending order of distinctiveness: generic, descriptive, suggestive, arbitrary, and fanciful).

[12] *I.P. Lund*, 163 F.3d at 40, 49 U.S.P.Q.2d at 1234 (quoting 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:13 (4th ed. 1996)). The quoted passage from Professor McCarthy's treatise concerns the test enunciated in Seabrook Foods, Inc. v. Bar-Well Foods Ltd., 568 F.2d 1342, 1344, 196 U.S.P.Q. (BNA) 289, 291 (C.C.P.A. 1977), a case that the First Circuit had cited with approval. *See I.P. Lund*, 163 F.3d at 40, 49 U.S.P.Q.2d at 1233-34.

[13] *See I.P. Lund*, 163 F.3d. at 41, 49 U.S.P.Q.2d at 1234.

[14] *See id.*, 49 U.S.P.Q.2d at 1235.

[15] *See id*. at 42, 49 U.S.P.Q.2d at 1235.

[16] *See id*. at 43, 49 U.S.P.Q.2d at 1236.

[17] *See id*. at 45, 49 U.S.P.Q.2d at 1237.

[18] *See id*. at 45-46, 49 U.S.P.Q.2d at 1237-38.

[19] *See id*. at 46, 49 U.S.P.Q.2d at 1238-39 (quoting 15 U.S.C.A. § 1125(c)(1) (1998)).

[20] *See id*. at 47, 49 U.S.P.Q.2d at 1239-40.

[21] *See id*. at 48. 49 U.S.P.Q.2d at 1240.

[22] *Id.*, 49 U.S.P.Q.2d at 1241.

23 *See id*. at 49, 49 U.S.P.Q.2d at 1241. The "Sweet factors" refer to the list of six factors that District Judge Sweet set forth in his concurring opinion concerning the New York state dilution law at issue in Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1035, 10 U.S.P.Q.2d (BNA) 1961, 1969 (2d Cir. 1989) (the factors listed were (1) similarity of the marks, (2) similarity of the goods, (3) sophistication of consumers, (4) predatory intent, (5) senior mark's renown, and (6) junior mark's renown).

24 *See I.P. Lund*, 163 F.3d. at 50, 49 U.S.P.Q.2d at 1242.

25 *See* Nabisco, Inc. v. PF Brands, Inc., No. 99 Civ.0008, 1999 WL 47313, *1 n.1. (S.D.N.Y. Feb. 3, 1999).

26 *See id*. at *1.

27 *See id*. Apparently, the bone and fish shapes also come from the cartoon. In it, the CatDog character lives in a dwelling shaped both like a bone and a goldfish, and the bone and fish shapes also adorn the dwelling's wallpaper. Visitors to the cartoon creator's website at http://www.nick.com are invited to download a fish/bone screensaver for their PCs. *See id*. at *4.

28 *See id*. at *2.

29 *See id*.

30 *See id*.

31 *See id*.

32 *See id*. at *19.

33 *See supra* note 23 and Part II.A.1.

34 *See Nabisco*, 1999 WL 47313 at *10 n.17 (citing *I.P. Lund*, 163 F.3d 27, U.S.P.Q.2d (BNA) 1225 (1st Cir. 1998)).

35 *See* 165 F.3d 120, 123, 49 U.S.P.Q.2d (BNA) 1260, 1262 (2d Cir. 1998).

36 *See id*.

37 *See id*. at 123, 49 U.S.P.Q.2d at 1262-63.

38 *See id*. at 132-33, 49 U.S.P.Q.2d at 1271.

39 517 U.S. 370, 38 U.S.P.Q.2d (BNA) 1461 (1996).

40 *See Samara Bros.*, 165 F.3d at 124, 49 U.S.P.Q.2d at 1263 (citing *Markman*, 517 U.S. at 374, 38 U.S.P.Q.2d at 1470). The Second Circuit traditionally reviews denials of motions for JMOL to determine whether "there is such a complete absence of evidence supporting the verdict that the jury's finding could only have been the result of sheer surmise and conjecture." *Id*. at 123, 49

U.S.P.Q.2d at 1263 (quoting George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1536, 23 U.S.P.Q.2d (BNA) 1352, 1355 (2d Cir. 1992)).

41 *See id*. at 124, 49 U.S.P.Q.2d at 1263.

42 *See id*. at 125, 49 U.S.P.Q.2d at 1264.

43 *See id*.

44 *See id*.

45 *Id*.

46 *Id*. (citing Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 378, 42 U.S.P.Q.2d (BNA) 1641, 1644 (2d Cir. 1997); Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1008, 36 U.S.P.Q.2d (BNA) 1737, 1745 (2d Cir. 1995)).

47 *See id.*, 49 U.S.P.Q.2d at 1265. Even though *Knitwaves* was a clothing design case, the majority found it less useful than *Landscape Forms*, and distinguished it. *See id.*, 49 U.S.P.Q.2d at 1264-65. It stated that Samara had, for years and as its core business, produced the same product line, trying to build brand loyalty. *See id.*, 49 U.S.P.Q.2d at 1264. In *Knitwaves*, by contrast, the evidence did not reveal an intent by the plaintiff there to establish a particular "look" as its core business. *See id*. The evidence also showed that the line of clothing at issue was new. *See id.*, 49 U.S.P.Q.2d at 1264-65.

48 *See id*. at 125-26, 49 U.S.P.Q.2d at 1265 (quoting *Landscape Forms*, 113 F.3d at 380-81, 36 U.S.P.Q.2d at 1647).

49 *Id*. (quoting *Landscape Forms*, 113 F.3d at 380-81, 36 U.S.P.Q.2d at 1647).

50 *Id*. at 126, 49 U.S.P.Q.2d at 1265 *(citations omitted)*.

51 *Id*. The majority distinguished the case before it from *Landscape Forms*, on the ground that the only articulation of the trade dress at issue in *Landscape Forms* was that the product line was the appearance that the products were "substantial" in size, "yet 'light' as if the products were 'floating.'" *Id*. at 127, 49 U.S.P.Q.2d at 1266 (quoting *Landscape Forms*, 113 F.3d at 381-82, 36 U.S.P.Q.2d at 1648).

52 *See id*.

53 *Id*. (citing Resource Developers, Inc. v. Statue of Liberty-Ellis Island Found., Inc., 926 F.2d 134, 140, 17 U.S.P.Q.2d (BNA) 1842, 1845 (2d Cir. 1991)). The court did not mention the Second Circuit's version of the familiar multi-factor digits of confusion test, *see* Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495, 128 U.S.P.Q. (BNA) 411, 413 (2d Cir. 1961), although prior product design cases in the circuit have mentioned applying such a test. *See, e.g., Landscape Forms*, 113 F.3d at 382-83, 36 U.S.P.Q.2d at 1648.

54 *Samara Bros.*, 165 F.3d at 127, 49 U.S.P.Q.2d at 1266 (quoting *Resource Developers*, 926 F.2d at 140, 17 U.S.P.Q.2d at 1845).

55 *Id*.

[56] *Id*.

[57] *See id.*, 49 U.S.P.Q.2d at 1267.

[58] *Id*. (citing Bristol-Myers Squibb Co. v. McNeil P.P.C., Inc., 973 F.2d 1033, 1047, 24 U.S.P.Q.2d (BNA) 1161, 1170 (2d Cir. 1992)). There appears to be Second Circuit precedent in favor of Wal-Mart's argument, but the majority did not cite it. *See Landscape Forms*, 113 F.3d at 382, 36 U.S.P.Q.2d at 1648 (noting that the receptive lines of products "bear labels identifying their maker" and that this fact may "make confusion improbable").

[59] *See Samara Bros.*, 165 F.3d at 128, 49 U.S.P.Q.2d at 1267.

[60] *See id*.

[61] *See id*. at 128-29, 49 U.S.P.Q.2d at 1267-68.

[62] *Id*. at 129, 49 U.S.P.Q.2d at 1268.

[63] *Id*. at 133, 49 U.S.P.Q.2d at 1271 (Newman, J., dissenting in part).

[64] *Id*.

[65] *See id*. at 134-35, 49 U.S.P.Q.2d at 1272-73. The majority chided him for "dissect[ing]" the asserted trade dress. *Id*. at 129 n.4, 49 U.S.P.Q.2d at 1267 n.4.

[66] *See id*. at 134-35, 49 U.S.P.Q.2d at 1272-73.

[67] *See id*.

[68] *See id*. at 135, 49 U.S.P.Q.2d at 1273.

[69] *Id*.

[70] *Id*. at 136, 49 U.S.P.Q.2d at 1274 (quoting Warner Bros., Inc. v. American Broad. Cos., Inc., 720 F.2d 231,245, 222 U.S.P.Q. (BNA) 101, 112 (2d Cir. 1983)).

[71] *Id*.

[72] *See* Publications Int'l Ltd. v. Landoll, Inc., 164 F.3d 337, 49 U.S.P.Q.2d (BNA) 1139 (7th Cir. 1998).

[73] *See id*. at 341, 49 U.S.P.Q.2d at 1142.

[74] *See id*. at 338, 343, 49 U.S.P.Q.2d at 1140, 1143.

[75] *See id*. at 338-49, 49 U.S.P.Q.2d at 1140-41.

[76] *See id*. at 342, 49 U.S.P.Q.2d at 1142.

[77] *See id*. at 342-43, 49 U.S.P.Q.2d at 1143. It is unclear from the court's opinion whether this holding was based on evidence in the record of what other cookbook producers do, or was based on the judges' essentially taking judicial notice of that fact.

[78] *See* Nora Beverages, Inc. v. Perrier Group of Am., 164 F.3d 736, 742, 49 U.S.P.Q.2d (BNA) 1385, 1388 (2d Cir. 1998).

[79] *Id*. at 743, 49 U.S.P.Q.2d at 1388.

[80] *See id*.

[81] *See id*. at 744, 49 U.S.P.Q.2d at 1389.

[82] *See id*.

[83] *See id*. It is difficult to see why this issue made any difference in this case, since the court nevertheless assessed the distinctiveness of Nora's bottle shape by itself. *See id*. at 745, 49 U.S.P.Q.2d at 1390. Moreover, if the case had been one for trademark infringement concerning the shape of Nora's bottle, the court *still* would have had to assess likelihood of confusion in the context of the respective "products' sizes, logos, typefaces, and package designs." *See* W.W.W. Pharm. Co. v. Gillette Co., 984 F.2d 567, 573, 25 U.S.P.Q.2d (BNA) 1593, 1597 (2d Cir. 1993); *see also* Lever Bros. Co. v. American Bakeries Co., 693 F.2d 251, 257, 216 U.S.P.Q. (BNA) 177, 182 (2d Cir. 1982) ("the overall packaging context is especially important"). Where this distinction might make a difference is in a case where the element of the trade dress alleged to be infringed would be more likely to be held not inherently distinctive and/or functional by itself as opposed to in conjunction with other elements.

[84] *See Nora Beverages*, 164 F.3d at 744, 49 U.S.P.Q.2d at 1389.

[85] *See id*.

[86] *See id*. at 745, 49 U.S.P.Q.2d at 1389-90.

[87] *See id*. 745-46, 49 U.S.P.Q.2d at 1390.

[88] Rose Art Indus., Inc. v. Raymond Geddes & Co., 49 U.S.P.Q.2d (BNA) 1180 (D.N.J. 1998).

[89] *See* Samara Bros. v. Wal-Mart Stores, Inc., 165 F.3d 120, 49 U.S.P.Q.2d (BNA) 1260 (2d Cir. 1998), discussed *supra* notes 35-71 and accompanying text.

[90] *See Rose Art*, 49 U.S.P.Q.2d at 1180, 1188.

[91] *See id*. at 1183-88; *Samara Brothers*, 165 F.3d at 133-37, 49 U.S.P.Q.2d at 1271-75.

92 *See* A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 166 F.3d 197, 205, 49 U.S.P.Q.2d (BNA) 1481, 1487 (3d Cir. 1999) (en banc).

93 *See id*. at 199, 203, 49 U.S.P.Q.2d at 1482, 1485. A & H's cross-appeal, in which it challenged the district court's factual findings underlying its finding that there was no likelihood of confusion, was decided by a regular three-judge panel. The panel affirmed the district court's factual findings in this regard. *See* A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 166 F.3d 191, 49 U.S.P.Q.2d (BNA) 1493 (3d Cir. 1999).

94 *A&H Sportswear*, 166 F.3d at 205, 49 U.S.P.Q.2d at 1487.

95 *See, e.g.*, Country Floors, Inc. v. Partnership of Gepner and Ford, 930 F.2d 1056, 18 U.S.P.Q.2d (BNA) 1577 (3d Cir. 1991); Merchant & Evans, Inc. v. Roosevelt Bldg. Prods. Co., 963 F.2d 628, 22 U.S.P.Q.2d (BNA) 1730 (3d Cir. 1992), *overruled on other grounds in* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 33 U.S.P.Q.2d (BNA) 1801 (3d Cir. 1995).

96 *See A&H Sportswear I*, 166 F.3d at 205, 49 U.S.P.Q.2d at 1487.

97 *See id*. at 206-07, 49 U.S.P.Q.2d at 1488-89.

98 *See id*. at 208-09, 49 U.S.P.Q.2d at 1489-90.

99 *See id.*, 49 U.S.P.Q.2d at 1490; *cf.* Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d (BNA) 947, 963, 24 U.S.P.Q.2d 1001, 1014 (7th Cir. 1992) (permitting such a use of a "reasonable royalty").

100 *See* Harley-Davidson, Inc. v. Grottanelli, 164 F.3d 806, 808, 49 U.S.P.Q.2d (BNA) 1458, 1459 (2d Cir. 1999).

101 *See id*. at 809-10, 49 U.S.P.Q.2d at 1460.

102 *See id*. at 808, 49 U.S.P.Q.2d at 1458.

103 *See id*. at 808-09, 49 U.S.P.Q.2d at 1459-60.

104 *Id*. at 811, 49 U.S.P.Q.2d at 1462 (citing 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 12:30-12:32 (1996)).

105 *See id*. at 812, 49 U.S.P.Q.2d at 1462.

106 *Id*. at 811, 49 U.S.P.Q.2d at 1462 (citation omitted).

107 *See id*. at 812, 49 U.S.P.Q.2d at 1462. Harley also suggested that the public was entitled to convert, through changing usage, a generic term into a trademark. *See id*. The court rejected this argument for the same reason: the alleged mark retained some generic meaning. The court also noted that the cases in which this occurred the mark at issue did not start off generic as to the category of goods on which it later was permitted to be a trademark. *See id*.

[108] *See id*.

[109] *See id*.

[110] *See id*.

[111] *See id*. at 813, 49 U.S.P.Q.2d at 1463.

[112] *See* Cairns v. Franklin Mint Co., 49 U.S.P.Q.2d (BNA) 1396, 1398 (C.D. Cal. 1998).

[113] *See id*. at 1400.

[114] *See id*.

[115] *See id*. at 1406-12.

[116] *See id*. at 1420.

[117] *See id*. at 1407, 1414-18. The *Sleekcraft* test is named for the Ninth Circuit decision in AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 204 U.S.P.Q. (BNA) 808 (9th Cir. 1979), and is similar to other circuits' traditional "likelihood of confusion" tests. *See generally* RICHARD L. KIRKPATRICK, LIKELIHOOD OF CONFUSION IN TRADEMARK LAW § 5.10 (1997) (discussing the various circuits' multi-factor tests).

[118] *See Cairns*, 49 U.S.P.Q.2d at 1414-15.

[119] *See id*. at 1415.

[120] *See id*.

[121] *See id*. at 1417.

[122] *Id*.

[123] *See id*. at 1418.

[124] *See id*. at 1410-12, 1418-19.

[125] *See id*.

[126] *See id*. at 1419. The court also concluded that the plaintiffs were unlikely to show that the "mark" was famous for their goods and services. *See id*.

127 *See* Jet Inc. v. Sewage Aeration Sys., 165 F.3d 419, 421, 49 U.S.P.Q.2d (BNA) 1355, 1357 (6th Cir. 1999).

128 *See id*.

129 *See id*.

130 *See id*. at 424, 49 U.S.P.Q.2d at 1359.

131 *Id*.

132 166 F.3d 65, 49 U.S.P.Q.2d (BNA) 1516 (2d Cir. 1999).

133 *See id*. at 69, 49 U.S.P.Q.2d at 1518.

134 *See id*.

135 *See id*.

136 *See id*. at 69, 73, 49 U.S.P.Q.2d at 1518, 1522.

137 *Id*. at 73, 49 U.S.P.Q.2d at 1522. Section 1115(b)(4) provides a defense to charges of infringement where the defendant's use of the plaintiff's mark is "other than as a mark, ... which is descriptive of and used fairly and in good faith only to describe the goods or services." *Id*.

138 *Id*. (emphasis added; citation omitted).

139 *Id*.

140 *Id*. at 73-74, 49 U.S.P.Q.2d at 1522

141 *See* National Bd. for Certification in Occupational Therapy, Inc. v. American Occupational Therapy Ass'n, 24 F. Supp. 2d 494, 498, 49 U.S.P.Q.2d (BNA) 1010, 1011 (D. Md. 1998).

142 *See id*. at 498-99, 49 U.S.P.Q.2d at 1012-13.

143 *See id*. at 499-503, 49 U.S.P.Q.2d at 1013-16.

144 *See id*. at 509, 49 U.S.P.Q.2d at 1021.

145 *See id*. at 510, 49 U.S.P.Q.2d at 1022.

146 *Id.*, 49 U.S.P.Q.2d at 1022.

147 955 F. Supp. 605, 42 U.S.P.Q.2d (BNA) 1161 (E.D. Va. 1997).

148 *See National Bd.*, 24 F. Supp. 2d at 509, 49 U.S.P.Q.2d at 1022 (citing *Ringling Bros.*, 955 F. Supp. at 612, 42 U.S.P.Q.2d at 1164-65) (footnotes omitted). One can reasonably question whether the court in *Ringling Brothers*, which rejected the proffered survey in that case, virtually required, contrary to the language of the Federal Trademark Dilution Act, a showing of likelihood of confusion. *See Ringling Bros*. 955 F. Supp. at 618 n.23, 42 U.S.P.Q.2d at 1170 n.23; *cf*. Wawa Inc. v. Haaf, 40 U.S.P.Q.2d (BNA) 1629, 1632 (E.D. Pa. 1996) (where the court accepted a survey that showed simply that 29% of the respondents in the defendant's market associated the defendant's market with the plaintiff's markets), *aff'd mem.*, 116 F.3d 471 (3d Cir. 1997). The *National Board's* mention of "circumstantial" evidence referred to the "Sweet factors," *see National Bd.*, 24 F. Supp. 2d at 510 n.23, 49 U.S.P.Q.2d at 1022 n.23, which were rejected as a means of showing blurring by the First Circuit in I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 49 U.S.P.Q.2d (BNA) 1225 (1st Cir. 1998). *See supra* notes 2-24 and accompanying text.

149 *See* Archdiocese of St. Louis v. Internet Entertainment Group, Inc., No. 4:99CV27SNL, 1999 WL 66022 (E.D. Mo. Feb. 12, 1999).

150 *See id*. at *1.

151 *See id*.

152 *See id*.

153 *See id*. at *5.

154 *See id*. at *1.

155 *See id*.

156 *See id*. at *5 (following Maritz, Inc. v. Cybergold, Inc., 947 F. Supp. 1338, 40 U.S.P.Q.2d (BNA) 1729 (E.D. Mo. 1996)).

157 *See id*. at *6.

158 *See id*. at *7.

159 *See id*. Indeed, the court specifically found that the marks were descriptive, but noted, again with little analysis, that they had "acquired secondary meaning singularly linking the marks to a specific event–the Pope's visit to St. Louis in January 1999." *Id*. at *10 n.6.

160 *See id*. at *8. The court also found that the defendants' conduct violated the Missouri antidilution statute. *See id*.

161 *Id*. at *7.

162 *See, e.g.*, 1 MCCARTHY, *supra* note 12, at § 1:10 ("bait and switch" techniques are actionable as unfair competition); *see also* Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204, 46 U.S.P.Q.2d (BNA) 1737, 1749 (5th Cir. 1998) ("initial interest

confusion" actionable); Rust Env't & Infrastructure, Inc., 131 F.3d 1210, 1217, 45 U.S.P.Q.2d (BNA) 1187, 1192 (7th Cir. 1997).

163 *See* Mattel, Inc. v. MCA Records, Inc., 28 F. Supp. 2d 1120, 1136 (C.D. Cal. 1998).

164 *See id*. at 1125.

165 *See id*. at 1125-26.

166 *Id*. at 1125.

167 *See id*. at 1154. The Act covers only "commercial" uses of the allegedly famous mark. *See* 15 U.S.C.A. § 1125(c)(1) (1998).

168 811 F.2d 26, 1 U.S.P.Q.2d (BNA) 1753 (1st Cir. 1987).

169 *See Mattel*, 28 F. Supp. 2d at 1139.

170 109 F.3d 1394, 42 U.S.P.Q.2d (BNA) 1184 (9th Cir. 1997).

171 *See Mattel*, 28 F. Supp. 2d at 1140 (citing *Dr. Seuss*, 119 F.3d at 1399-1401, 42 U.S.P.Q.2d at 1189-90).

172 *See* Coastal Abstract Serv., Inc. v. First Am. Title Ins. Co., 165 F.3d 658, 49 U.S.P.Q.2d (BNA) 1349 (9th Cir. 1998).

173 *See id*. at 661, 49 U.S.P.Q.2d at 1350.

174 *See id*.

175 *See id*.

176 *See id*.

177 *See id*. at 662, 49 U.S.P.Q.2d at 1350-51.

178 *See id*.

179 *Id*.

180 *See id*.

181 *See id*.

182 *See id*.

183 *Id*.

184 *Id*. at 663, 49 U.S.P.Q.2d at 1352 (citations omitted).

185 *Id*. at 664, 49 U.S.P.Q.2d at 1353.

186 *Id*.

187 *Id*. at 665, 49 U.S.P.Q.2d at 1354 (citation omitted).

188 *Id*. at 666, 49 U.S.P.Q.2d at 1354.

189 *See id*.

190 *Id*.

191 165 F.3d 221, 49 U.S.P.Q.2d (BNA) 1321 (3d Cir. 1998).

192 *See id*. at 223, 49 U.S.P.Q.2d at 1322-23.

193 *See id*. at 223-24, 49 U.S.P.Q.2d at 1322-23.

194 *Id*. at 224, 49 U.S.P.Q.2d at 1323.

195 *See id*. at 227, 49 U.S.P.Q.2d at 1323.

196 *See id*.

197 *See id*. at 228, 49 U.S.P.Q.2d at 1323-24.

198 *See id.*, 49 U.S.P.Q.2d at 1324.

199 *See id.*, 49 U.S.P.Q.2d at 1324-25.

200 *See id*. at 229, 49 U.S.P.Q.2d at 1325.

201 *See id*. at 229-30, 49 U.S.P.Q.2d at 1325-28.

[202] *Id*. at 220, 49 U.S.P.Q.2d at 1328 (quoting Thorn v. Reliance Van Co., 736 F.2d 929, 933, 222 U.S.P.Q. (BNA) 775, 781 (3d Cir. 1984)).

[203] *See id*. at 231, 49 U.S.P.Q.2d at 1329 (citing Serbin v. Ziebart Int'l Corp., 11 F.3d 1163, 1176-77, 28 U.S.P.Q.2d (BNA) 1881, 1892 (3d Cir. 1993)).

[204] *See id*. at 232, 49 U.S.P,Q.2d at 1329-30 (citing Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1109 (9th Cir. 1992)).

[205] *See id.*, 49 U.S.P.Q.2d at 1330-31.

[206] *See id*. at 233, 49 U.S.P.Q.2d at 1331 (citing *Associated Gen. Contractors*, 459 U.S. 519, 529 (1983)).

[207] *Id*.

[208] *See id*. at 234, 49 U.S.P.Q.2d at 1331.

[209] *See id.*, 49 U.S.P.Q.2d at 1331-32.

[210] *See id*. at 235, 49 U.S.P.Q.2d at 1332.

[211] *See id*.

[212] *See id*. This conclusion, however, appears flawed. It would seem a straightforward and nonduplicative exercise to determine the net profit lost by all participants in the distribution chain. Each person in the chain presumably would simply re-sell the product for a bit more than the price paid. Such calculations are neither complex nor duplicative. They simply reflect the full extent of the damage caused by the false advertising.

[213] *See id*. This conclusion, too, is questionable. If, as the court suggested, a necessary element of distribution chain standing is inability to stock the subject product, that factor alone would serve to limit the number of such cases that could be brought.

[214] 165 F.3d 1047, 49 U.S.P.Q.2d (BNA) 1507 (6th Cir. 1999).

[215] *See* Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 121 U.S.P.Q. (BNA) 430 (2d Cir. 1959).

[216] 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 26:33 (4th ed. 1996).

[217] *See Circuit City*, 165 F.3d at 1053, 49 U.S.P.Q.2d at 1512-13.

[218] *See id*. at 1050, 49 U.S.P.Q.2d at 1511.

[219] *See id*. at 1049, 49 U.S.P.Q.2d at 1509.

[220] *Id*. at 1052, 49 U.S.P.Q.2d at 1512.

[221] *Id*. at 1056, 49 U.S.P.Q.2d at 1515.

[222] *Id*. (citations omitted).

[223] *See id.*, 49 U.S.P.Q.2d at 1516 (Jones, J., concurring).

[224] *Id*. at 1057, 49 U.S.P.Q.2d at 1516.

[225] *See id*.

[226] *See, e.g.*, Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1112, 18 U.S.P.Q.2d (BNA) 1587, 1596 (6th Cir. 1991) (describing this factor as "likelihood of expansion of *product lines*" and, while acknowledging that geographic concerns "may be relevant" under this inquiry, the "*more important question* ... concerns expansion in the types of products or services offered by the parties.") (emphasis added); *see generally* KIRKPATRICK, *supra* note 117, at § 5.10 (discussing the various circuits' multi-factor tests).

[227] *See, e.g.*, KIRKPATRICK, *supra* note 117, at § 5.2 ("The greater the relatedness of the goods and services, the greater is the likelihood of confusion.") (footnote omitted).

[228] 4 MCCARTHY, *supra* note 216, at § 26:33 (original emphasis deleted, new emphasis added).

[229] *See, e.g.*, OWEN M. FISS AND DOUG RENDELMAN, INJUNCTIONS 59, 109 (2d ed. 1984) (to qualify for an injunction, the alleged harm must be "imminent").

[230] 461 U.S. 95 (1984).

[231] *Id*. at 97.

[232] *See id*. at 97-98.

[233] *Id*. at 101-02 (citations omitted).

[234] 414 U.S. 488 (1974).

[235] *Lyons*, 461 U.S. at 103 (quoting *O'Shea*, 414 U.S. at 499).

[236] *Id*. (quoting *O'Shea*, 414 U.S. at 502) (emphasis added).

[237] *See id*. at 103-05.

238 *See id*. at 105.

239 *See id*. at 111-12.

240 166 F.3d 182, 49 U.S.P.Q.2d (BNA) 1444 (3d Cir. 1999).

241 *See id*. at 184-86, 49 U.S.P.Q.2d at 1446-47.

242 *See id*. at 186, 49 U.S.P.Q.2d at 1447 (citing the district court opinion, SecuraComm Consulting, Inc. v. Securacom, Inc., 984 F. Supp. 286, 303, 45 U.S.P.Q.2d (BNA) 1576, 1591 (D.N.J. 1997)).

243 *Id*. at 190, 49 U.S.P.Q.2d at 1450.

244 *Id*. at 187, 49 U.S.P.Q.2d at 1448 (citations omitted).

245 *Id*. (quoting W.E. Bassett Co. v. Revlon, Inc., 435 F.2d 656, 662, 168 U.S.P.Q. (BNA) 1, 5 (2d Cir. 1970) (further citations omitted)).

246 *See id*. at 184, 49 U.S.P.Q.2d at 1445-46.

247 *See id.*, 49 U.S.P.Q.2d at 1446.

248 *Id*. at 189, 49 U.S.P.Q.2d at 1449.

249 *See id*. at 188, 49 U.S.P.Q.2d at 1447.

250 80 F.3d 749, 38 U.S.P.Q.2d (BNA) 1369 (2d Cir. 1996).

251 *See id*. at 753, 38 U.S.P.Q.2d at 1372.

252 *See Securacomm*, 166 F.3d at 188, 49 U.S.P.Q.2d at 1450.

253 *Id*. at 189, 49 U.S.P.Q.2d at 1450.

254 *See id*.

255 *See id*. at 188, 49 U.S.P.Q.2d at 1450.

256 *See id*.

257 *See id*. at 188-89, 49 U.S.P.Q.2d at 1450.

[258] *See id*. at 189, 49 U.S.P.Q.2d at 1450.

[259] *See id*. at 190, 49 U.S.P.Q.2d at 1451.

[260] *Id*.

[261] 49 U.S.P.Q.2d (BNA) 1637 (8th Cir. 1999).

[262] *See id*. at 1638.

[263] *See id*.

[264] *See id*.

[265] *See id*.

[266] *See id*.

[267] *Id*. at 1638 n.3 (citations omitted).

[268] *See id*. at 1638.

[269] *Id*. at 1638-39.

[270] *See id*. at 1639.

[271] Fossil, Inc. v. Fossil Group, 49 U.S.P.Q.2d (BNA) 1452, 1453 (T.T.A.B. 1998).

[272] *See id*.

[273] A notice of opposition serves the same purpose as, and is similar to, a complaint in a civil action. *See* 37 C.F.R. § 2.116(c) (1998).

[274] *See Fossil, Inc.*, 49 U.S.P.Q.2d at 1453.

[275] *Id*. at 1453-54.

[276] *Id*. at 1454.

277 *Id*.

278 *Id*. at 1455.

279 *Id*.

280 *See* Micro Motion, Inc. v. Danfoss A/S, 49 U.S.P.Q.2d (BNA) 1628, 1629 (T.T.A.B. 1998).

281 *See id*.

282 *See id*.

283 *See id*.

284 *See* K.P.C.L., Inc. v. Nash, 49 U.S.P.Q.2d (BNA) 1584, 1585 (S.D.N.Y. 1998).

285 *See id*. at 1586.

286 *See id*.

287 A cyber pirate, or cybersquatter, is someone who registers others' trademarks as domain names in the hopes of selling them back to the trademark owner. *See id*. at 1589.

288 *See id*. (citing Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1321-22, 46 U.S.P.Q.2d (BNA) 1511, 1515-16 (9th Cir. 1998)).

289 *See id*. at 1590-91.

290 *See* Pub. L. No. 105-330, 112 Stat 3064.

291 *See id*. (amending 15 U.S.C. §1064(3)).