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THE OTHER RED MEAT for fresh and frozen salmon found likely to dilute the famous mark THE OTHER WHITE MEAT for association services, including promotion of the pork industry.

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Civil Cases

***Campagnolo S.r.l. v. Full Speed Ahead, Inc.*, 2010 WL 2079694 (W.D. Wash. May 20, 2010)**

by Anna C. Bonny

ABSTRACT

In evaluating whether a corporation was secondarily liable for false advertising, the district court held that even though the corporation was so closely related to the codefendant that it acted as the codefendant's "parent" company, the corporation was not liable for the actions of the codefendant because there was no evidence that the parent company had knowledge of the advertisements or of their falsity, the parent company did not direct or control the advertisements or cause them to be false, and it did not exercise "complete domination" over the codefendant.

CASE SUMMARY

FACTS

Plaintiff Campagnolo S.r.l. ("Campagnolo"), an Italian manufacturer of bicycle components, brought a false advertising claim against defendant Full Speed Ahead, Inc. ("FSA"), alleging that advertisements published by FSA misrepresented the characteristics of FSA's and Campagnolo's bicycle cranksets. In addition, Campagnolo brought a false advertising claim against defendant Tien Hsin Industries Co., Ltd. ("Tien Hsin"), a Taiwanese company that manufactured FSA's products, under theories of direct, contributory, and vicarious liability for FSA's advertisements.

Tien Hsin's bicycle components were sold under a variety of names, including FULL SPEED AHEAD and FSA. Tien Hsin sold its FULL SPEED AHEAD− and FSA−branded products to FSA, which in turn sold the products to distributors and retailers in North America. Tien Hsin owned rights to the mark FSA and had no written agreement with FSA regarding the licensing of this mark, but FSA's sole shareholder claimed that FSA had an oral license to use the FSA mark. Moreover, no written agreements of any kind formalized the relationship between Tien Hsin and FSA.

Tien Hsin was owned by Yudi Chiang and three other members of her family. Chiang was also FSA's sole shareholder. FSA was managed by Matt Van Enkenvort, who made the day−to−day operating decisions for FSA, and who reported to Chiang at least once every quarter on FSA's sales and financial data. However, Chiang and Tien Hsin were not typically involved in FSA's operations or advertising, and neither Chiang nor any Tien Hsin employee directed FSA's advertising campaigns, controlled the content of advertisements, directed when advertisements should be published, or advised or commented on the advertisements.

Although Tien Hsin did not directly pay FSA to conduct advertising, Tien Hsin indirectly compensated FSA to conduct some advertising on its own behalf and for the benefit of Tien Hsin. FSA purchased products from Tien Hsin at “a very aggressive price,” lower than the price other distributors would receive, that allowed FSA to be profitable reselling goods to other distributors “and also to engage in marketing.” Any marketing conducted by FSA for its FSA−branded products benefitted Tien Hsin as well as FSA because the products originated from Tien Hsin and Tien Hsin owned the FSA trademark. When FSA met with its customers, distributors, and original equipment manufacturers, it acted on its own behalf. However, as many of these customers conducted significant business in Asia, they often bought products directly from Tien Hsin.

If light of the above facts, Tien Hsin moved for summary judgment on the basis that it had no knowledge of or involvement with the allegedly false advertisements published by FSA, that it was a separate corporate entity from FSA, and that it was not liable for FSA’s actions.

ANALYSIS

The court first found that Tien Hsin was not directly liable for false advertising. The evidence established that no Tien Hsin employees contributed to FSA’s advertisements, commissioned the advertisements, reviewed the advertisements, or participated in any way in their creation or dissemination. The court also rejected the argument that direct liability could stem from FSA’s use of technical information on FSA−branded products obtained from Tien Hsin’s “Bike Solutions Guide,” noting the lack of any evidence that Tien Hsin intended the information in the Guide to be the basis for an FSA advertising campaign.

Similarly, the court found that Tien Hsin was not contributorily liable for false advertising by intentionally inducing FSA to create false advertisements. Acknowledging that a defendant could be contributorily liable for false advertising for intentionally directing, approving, authorizing, drafting, and/or editing the advertisements in question, the court found no evidence of any inducement, as no Tien Hsin employees were involved with the advertisements. Although Tien Hsin may have contemplated through its pricing arrangement that FSA would advertise, and that Tien Hsin would benefit as the owner of the FSA trademark, the court found that Tien Hsin did not direct or control the advertisements, nor induce FSA to render its advertisements false.

The court also rejected Campagnolo’s argument that, just as a company may be contributorily liable for trademark infringement if it continues to supply a product knowing that the recipient is using the product to engage in infringing activities, a defendant similarly may be subject to contributory liability for false advertising by continuing to sell a product knowing that it is being falsely advertised by the buyer. The court found no precedent for such a theory and determined that there was no evidence that Tien Hsin had knowledge of the advertisements or of their falsity.

Campagnolo also claimed that Tien Hsin was vicariously liable for false advertising based on Tien Hsin’s relationship with FSA. First, Campagnolo argued that Tien Hsin and FSA were “intertwined” such that they acted as a single entity and FSA was Tien Hsin’s alter ego. Second, Campagnolo argued that Tien Hsin was responsible for FSA’s actions because FSA was Tien Hsin’s agent.

In reviewing the facts, the court determined that FSA and Tien Hsin were closely related because (1) FSA existed almost solely to distribute Tien Hsin’s products in North America; (2) Tien Hsin owned the

FSA trademark, which it licensed to FSA without any written contract; (3) Tien Hsin sold its products to FSA at an aggressively low price with the understanding that FSA would use the profits to advertise; (4) the more FSA advertised, the more the value of the Tien Hsin−owned FSA brand increased, resulting in a higher number of products Tien Hsin could sell through FSA; and (5) FSA, at least on occasion, conducted negotiations on behalf of Tien Hsin.

The court held that the relationship between Tien Hsin and FSA was akin to a parent−subsidiary relationship, even though Tien Hsin did not own any of FSA's stock directly. Specifically, Tien Hsin had the power to control FSA because it owned the FSA mark and supplied substantially all of the products FSA sold. Moreover, the court noted that FSA was wholly owned by one of Tien Hsin's shareholders, who was related through marriage to Tien Hsin's three other shareholders. According to the court, this close family relationship allowed for the unusual business practice of an independent company to have the trademark for its own name owned by a completely unrelated company, particularly where there was no written agreement guaranteeing a continued license to that mark.

Ultimately, the court found that although FSA and Tien Hsin were "clearly related entities with aligned interests," they were separately incorporated companies, and that "[i]t is a general principle of corporate law deeply ingrained in our economic and legal systems that a parent corporation . . . is not liable for the acts of its subsidiaries."

Addressing Campagnolo's "alter ego" theory, the court found no indication that Tien Hsin abused the corporate form to avoid a duty, and no evidence of fraud. The evidence showed only that FSA and Tien Hsin had a close relationship and nearly perfectly aligned business interests. Accordingly, Tien Hsin was not vicariously liable under an "alter ego" theory.

Finally, in addressing Campagnolo's agency theory of liability, the court determined that to hold a parent liable on an agency theory requires that the parent exercise total control over the subsidiary, well beyond the normal control exercised by parents over subsidiaries, recognizing that a parent has no liability under an agency theory where it does not "direct[ ] and authorize[ ] the manner in which the subsidiary conduct [s] its business." The court found that Tien Hsin did not exercise "complete domination" over FSA. Notwithstanding Chiang's stock ownership, that Tien Hsin was nearly the sole supplier of FSA's goods, and that Tien Hsin exercised some control over FSA owing to its ownership of the FSA trademark, the court determined that FSA was not a sham or a shell corporation, that Tien Hsin did not exercise any control over FSA's day−to−day operations, and that there was no overlap between Tien Hsin's and FSA's employees. Most importantly, the court found no evidence that Tien Hsin exercised any oversight over the content of FSA's advertising campaigns. Thus, Tien Hsin could not be held vicariously liable under an agency theory.

Accordingly, the court found no liability on the part of Tien Hsin and granted summary judgment in favor of Tien Hsin.

CONCLUSION

Even where a corporation is so closely related to another company that it takes on the role of a parent company, the corporation may not be liable for false advertising committed by the subsidiary under a direct or contributory infringement theory where the parent company has no knowledge of the advertisements or of their falsity, does not direct or control the advertisements or cause them to be false, and does not exercise complete control over the subsidiary.

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Civil Cases

Deere & Co. v. Int'l Trade Comm'n, 2010 WL 2104659 (Fed. Cir. May 26, 2010)

by Naresh Kilaru

ABSTRACT

Reviewing an ITC decision, the Federal Circuit held that in determining whether sales of a trademark owner's foreign-version products are "authorized" for sale in the United States for purposes of granting an exclusion order under Section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, apparent authority (as opposed to actual authority) is sufficient. Further, in determining whether "substantially all" of the trademark owner's products sold in the United States are the domestic U.S. version, the Federal Circuit reversed the calculation applied by the ITC and clarified that the calculation must be made in terms of total authorized sales.

CASE SUMMARY

FACTS

Deere & Company ("Deere") sold different versions of its self-propelled forage harvesters for the North American and European markets. Intervenors Bourdeau Brothers, Inc., OK Enterprises, and Sunova Implement Co. (collectively "Bourdeau") were independent dealers of Deere products who imported Deere's European-version harvesters for sale in the United States. Deere applied to the U.S. International Trade Commission ("ITC") for an exclusion order pursuant to Section 337 of the Tariff Act of 1930, contending that Bourdeau had infringed Deere's trademarks by unlawfully importing and selling Deere's European-version harvesters in the United States. The ITC determined that Deere was not entitled to an exclusion order under Section 337 because not "all or substantially all" of Deere's authorized sales of harvesters in the United States were the North American version. Deere appealed the denial of its request for an exclusion order to the U.S. Court of Appeals for the Federal Circuit.

ANALYSIS

Among other things, Section 337 of the Tariff Act forbids the importation of products that are "produced by the owner of the United States trademark or with its consent, but not authorized for sale in the United States," also commonly referred to as gray-market goods. As a threshold issue, the Federal Circuit determined whether the sales of European-version harvesters in the United States had been "authorized" by Deere. The appeals court found there was substantial evidence to support the ITC's finding that Deere implicitly condoned the sale of European-version harvesters in the United States. For instance, Deere's U.S. subsidiary financed the purchases of European−version harvesters in the United States, and Deere promoted a website which allowed dealers to advertise the sale of European−version harvesters in the United States. Although Deere argued that it had no control over its financing subsidiary, the appeals court found that the ITC properly relied on the public's *perception* of Deere's actions in allowing such financing to take place rather than the direct control Deere exercised. The ITC's focus on public perception was appropriate because the test for determining whether Deere had "authorized" sales of European−version harvesters in the United States was whether Deere exercised "apparent," rather than actual, authority. Apparent authority arises from the public's reasonable belief, based on Deere's acts and omissions, that sales were authorized. The appeals court noted this test was consistent with the underlying policy goal of trademark law to avoid third−party confusion in the marketplace.

After determining that Deere had authorized the sale of a certain number of European−version harvesters in the United States (the ITC found this number to be 141), the appeals court next evaluated what percentage of Deere's sales of harvesters in the United States were of the North American version. To be entitled to an exclusion order under Section 337, Deere was required to show that "all or substantially all" of the harvesters it authorized for sale in the United States were of the North American version. The rationale for this requirement is that, if a trademark owner has itself authorized the sale of a significant number of foreign−version products in the United States, it would essentially be contributing to the same consumer confusion that it accuses the gray−market importer of creating. Here, to determine the percentage of sales of authorized European−version harvesters over total sales, the ITC divided 141 by 347, with 347 representing the total number of European−version harvesters in the United States, regardless of source. The ITC had concluded that since Deere had authorized the sale of 40% of the total number of European−version harvesters on the market, Deere's sales in the United States were not "substantially all" of the North American version.

The Federal Circuit found that the ITC misapplied the "all or substantially all" test. Rather than dividing 141 by 347, the appeals court found that the appropriate denominator was 4541, which represented the total number of Deere's authorized sales in the United States (4400 authorized sales of North American−version harvesters plus 141 authorized sales of European−version harvesters). Using the proper denominator, the appeals court found that only 3.1% (141/4541) of Deere's sales of harvesters in the United States were of the European version, and that 96.9% of its sales of harvesters in the United States were of the North American version. While the Federal Circuit noted that 96.9% "might well be considered to be 'substantially all,'" it remanded the case to the ITC to make this factual determination.

CONCLUSION

To be entitled to an exclusion order under Section 337 against gray−market imports, a trademark owner must show that "all or substantially all" of its domestic sales are of the authorized U.S. version. This decision clarifies that, in calculating the percentage of "authorized" sales, the ITC should divide the number of authorized sales of the gray−market product by the total number of authorized sales of *both* the gray−market and domestic products.

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Civil Cases

Super–Krete Int'l, Inc. v. Sadleir, 2010 WL 1688533 (C.D. Cal. Apr. 22, 2010)

by David M. Kelly

ABSTRACT

Plaintiff sued defendants, a direct competitor in the concrete−resurfacing business and its president, for trademark infringement, dilution, and cybersquatting based on defendants' registration and use of a domain name consisting of plaintiff's trademark to direct Internet users to defendants' own website marketing competing products. After plaintiff lost a UDRP action filed against the domain some eight years after plaintiff first objected to defendants' domain name, defendants threatened to sell the domain to a foreign third party. Plaintiff then filed this lawsuit and the court granted plaintiff's motion for a preliminary injunction to prevent defendants' sale or transfer of the domain before the court decided the merits of plaintiff's claims.

CASE SUMMARY

FACTS

Plaintiff Super−Krete International, Inc. ("Super−Krete") sells products for the repair and restoration of concrete under the mark SUPER−CRETE, which was federally registered in 1975 and first used in 1966. Super−Krete also registered the mark SUPER−KRETE in September 1999, which was first used in 1989. Super−Krete promotes its products online through websites located at super−crete.com, super−krete.com, super−crete.ca, and super−krete.ca. Defendant Concrete Solutions, Inc. ("CSI") is a direct competitor of Super−Krete, and is located less than seventeen miles away. In March 1999, Rod Sadleir, CSI's president, registered the domain name supercrete.com and directed all traffic from supercrete.com to CSI's website at concretesolutions.com that promoted CSI's competing products. CSI never used the terms "supercrete" or "super−crete" on its website, and Sadleir claimed to be unaware of Super−Krete's trademarks when he registered the supercrete.com domain name. Sadleir received an email in August 1999 from Super−Krete's president indicating CSI's awareness of the potentially infringing domain name, but Super−Krete did not pursue the matter further at that time.

In September 2007, Sadleir offered to sell the supercrete.com domain name to Super−Krete for $15,000. Super−Krete refused and filed a UDRP complaint in 2008 seeking transfer of the domain name. The UDRP panel denied Super−Krete's complaint, finding that Super−Krete failed to provide evidence of commercial use of its trademarks before Sadleir registered the domain name and that the term

SUPERCRETE was descriptive. Super−Krete then filed this lawsuit in March 2010 asserting claims for trademark infringement, dilution, and cybersquatting.

After Super−Krete filed this lawsuit, CSI's counsel informed Super−Krete that CSI was considering selling the supercrete.com domain name to a third party, possibly one located outside of the United States. Super−Krete requested that CSI wait to sell the domain name until after Super−Krete's claims were adjudicated in court, but CSI refused. Super−Krete then sought an ex parte temporary restraining order enjoining CSI from transferring or selling the domain name to any third party pending resolution of Super−Krete's claims, which the court granted. At issue in this decision was Super−Krete's motion for a preliminary injunction to extend this injunction on transfer or sale through the remainder of the litigation.

ANALYSIS

The district court granted Super−Krete's motion for a preliminary injunction based on its cybersquatting claim and enjoined CSI from selling or transferring the supercrete.com domain name until Super−Krete's claims were adjudicated. Regarding the merits of its cybersquatting claim, although CSI argued that the SUPER−CRETE mark was descriptive and not inherently distinctive, the court held that the mark's federal registration was sufficient evidence of its distinctiveness and validity.

The court also held that CSI's supercrete.com domain name was confusingly similar to Super−Krete's mark SUPER−CRETE, as it differed only by its lack of a hyphen. CSI argued that the hyphen was "significant" in modifying the term, but the court rejected this argument as "contrary to the case law and common sense." Although the court did not need to look beyond the domain name itself, it also noted that both parties operated commercial websites marketing the same products and were located in the same geographical area.

The court then held that CSI registered the supercrete.com domain name with a bad−faith intent to profit from the SUPER−CRETE mark because it used the domain name solely to route potential Internet customers to CSI's website. Although CSI contended that SUPERCRETE could be used as a "purely descriptive" term, the court rejected that argument because CSI admittedly never used the term to describe its products. CSI's attempt to sell the domain name to Super−Krete in 2007 was further evidence of its bad faith. CSI countered that its registration of the domain name six months prior to Super−Krete's filing of its most recent trademark applications suggested sufficient prior use of its supercrete.com website to negate a finding of bad faith. As support, CSI relied on the UDRP panel's finding that Super−Krete had not demonstrated use of its marks in commerce prior to its September 1999 trademark registration. The court noted, however, that the UDRP panel's findings had no weight in this case, and recognized Super−Krete's credible evidence that the SUPER−CRETE mark had been used well before CSI's registration of the domain name.

CSI also claimed that its use of the supercrete.com domain name fell within the Anticybersquatting Consumer Protection Act's ("ACPA") safe−harbor provision, in which bad−faith intent shall not be found if the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful. CSI's safe−harbor argument centered on the UDRP panel's decision and its characterization of SUPERCRETE as a descriptive term. As noted above, however, the court was not bound by the UDRP decision. Moreover, the Ninth Circuit Court of Appeals, the reviewing court of the district court here, has held that courts should apply the ACPA's safe−harbor provision "very sparingly and only in the most unusual cases." Indeed, "a defendant who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from the safe−harbor provision." Because the court found that CSI acted in at least partial bad faith well before the UDRP decision by registering the domain name when it knew of Super−Krete's operation, the safe−harbor provision did not apply.

CSI also argued that Super−Krete's cybersquatting claim was barred by laches because it knew of CSI's ownership of the supercrete.com domain in 1999, but did not take action until its UDRP filing in 2008. The court found that a four−year statute of limitations was applicable to Super−Krete's cybersquatting claim. Although Super−Krete delayed some eight years, laches did not apply here because CSI could not prove clear prejudice as a result of Super−Krete's delay because it invested nothing in developing or promoting the domain name and because the denial of relief would allow CSI to continue to use the domain name to "lure customers" to CSI's competing website. Finally, the court determined that Super−Krete proved irreparable harm based on the threatened loss of customers who would be diverted away from its website should CSI be allowed to transfer or sell the supercrete.com domain. The balance of equities also favored Super−Krete, who would be forced to file new claims against third parties, potentially beyond the court's jurisdiction, if CSI sold or transferred the domain before the end of the litigation. The court thus granted Super−Krete's motion for a preliminary injunction and enjoined CSI from selling or transferring the supercrete.com domain name until further order of the court.

CONCLUSION

This decision is of interest because it shows the court's willingness to issue different types of injunctive relief to protect a trademark owner's interests against cybersquatting activities. Moreover, although plaintiff's claim was presumptively barred by laches based on its eight−year delay in taking action, this decision shows that cybersquatters acting in bad faith to trade on the goodwill of another's mark have a heavy burden to establish the defense of laches.

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TTAB Cases

In re Anpath Group, Inc., **App. Ser. No. 77004809 (TTAB May 13, 2010)**

by Linda K. McLeod and Katherine L. Staba

ABSTRACT

The TTAB affirmed refusal to register mark, as Applicant's specimens of use consisting of a pamphlet and flyer containing Applicant's website URL and telephone contact number were insufficient as displays associated with Applicant's cleaning products.

CASE SUMMARY

FACTS

Anpath Group, Inc. ("Applicant") applied to register the mark ANPATH for "all purpose disinfectant cleaning preparations for household, commercial and industrial use." The Examining Attorney refused registration on the ground that the Applicant's specimens of use were unacceptable.

Applicant had submitted two specimens of use. The original specimen submitted to the Examining Attorney was a pamphlet purportedly "provided in conjunction with the product." The second specimen, submitted with Applicant's Request for Reconsideration and Notice of Appeal, consisted of a flyer, identified by Applicant as "product ordering information" and which Applicant stated was "either mailed, emailed or left with a customer by a sales representative."

ANALYSIS

On appeal, the TTAB examined both specimens and adopted the Examining Attorney's conclusion that they were merely advertisements for the goods, and thus were not valid specimens showing trademark use under the Lanham Act. The TTAB began with a recitation of the Lanham Act's definition of "use in commerce," recognizing that, while Applicant did not argue that the specimens showed affixation of the mark on a "label, tag, or container for the goods," the specimens may still be valid as displays associated with the goods. However, the TTAB noted that among these displays, "a clear line of demarcation" exists between acceptable point-of-purchase promotional materials and unacceptable advertising materials. Thus, the critical question was whether Applicant's specimens were point-of-sale devices.

Applicant unsuccessfully argued that the specimens were the mechanisms through which purchases of its ANPATH goods could be made. The Examining Attorney rejected this argument, finding that, despite prominently featuring a toll−free telephone number, the specimens contained insufficient information for a prospective consumer to order the goods. The TTAB agreed, finding that the specimens did not meet the standards set out in *Land's End, Inc. v. Manbeck*, 24 USPQ2d 1314 (E.D. Va. 1992), for printed materials from which goods can be ordered, such as containing detailed descriptions and pictures close to the marks, specifications and options, prices, colors, sizes, and a detailed order form.

Moreover, Applicant contended that its specimens were analogous to digital displays of product information on a website. Again, the TTAB focused on the critical question of whether the specimens possessed the requisite point−of−sale nature, namely, whether the specimens contained "adequate information for routinely and easily placing orders for the goods via the Internet." Missing from Applicant's specimens, according to the TTAB, were sales forms or ordering information, including minimum quantities, cost, payment instructions, and shipment details. A purchaser encountering Applicant's specimens would not be *at the point of purchase*. In fact, a consumer would need to contact Applicant for further information to actually place an order. Further contrasting Applicant's specimens from acceptable online purchasing web pages, the TTAB noted that Applicant's potential purchaser would not encounter an interactive computer screen with information about the product and the option of completing the transaction.

In reaching its conclusion that Applicant's specimens were unacceptable, the TTAB reasoned that the specimens did not contain adequate information from which a consumer could make the decision to purchase and, in fact, order the goods. Accordingly, the TTAB concluded that Applicant's specimens were promotional pieces of literature and thus "nothing more than mere advertisements that do not show use of ANPATH as a trademark for the goods." Interestingly, the TTAB noted that Applicant's specimens listed the URL for Applicant's website and contact numbers for sales representatives. These inclusions, however, were insufficient to make the specimens a point−of−sale display similar to catalogs or web pages. The TTAB stated, "We find that the mere listing of the URL of a website or a telephone number for the sales office cannot turn what is otherwise an ordinary advertisement into a point−of−sale display...and hence, into a valid specimen showing trademark use under the Lanham Act."

CONCLUSION

This decision clarifies that the mere inclusion of a URL or contact number does not transform an advertisement into an acceptable specimen of use for goods under the Lanham Act. It also confirms that an acceptable point−of−purchase specimen of use for goods must include the necessary details, such as detailed descriptions and pictures of the goods in close proximity to the marks, prices, colors, sizes, and detailed information from which a consumer can make the decision to purchase and allows a consumer to order the product.

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TTAB Cases

Nat'l Pork Bd. v. Supreme Lobster & Seafood Co., Opp. No. 91166701 (TTAB June 11, 2010)

by Linda K. McLeod and Katherine L. Staba

ABSTRACT

Opposers' opposition to Applicant's registration of THE OTHER RED MEAT for fresh and frozen salmon was sustained by the TTAB on the basis that Applicant's mark was likely to dilute Opposers' famous mark THE OTHER WHITE MEAT for promotion of the pork industry. The TTAB found that THE OTHER WHITE MEAT was among the most recognized consumer slogans in the United States, and survey evidence supported a finding that Applicant's mark was associated with Opposers' famous mark.

CASE SUMMARY

FACTS

Supreme Lobster and Seafood Company ("Applicant") applied to register the mark THE OTHER RED MEAT for "fresh and frozen salmon." The National Pork Board and National Pork Producers Council (collectively "Opposers") opposed the registration on the grounds that Applicant's mark was likely to cause confusion and dilute Opposers' registered mark THE OTHER WHITE MEAT.

Opposers are organizations committed to promoting the consumption of pork and pork products in the United States. Opposers' mark THE OTHER WHITE MEAT is registered for numerous goods and services, including association services for promoting the interests of members of the pork industry and providing a website featuring information about cooking and accompanying recipes. Between 1987 and 2007, Opposers spent more than $550 million dollars on the promotion and advertisement of pork products to U.S. consumers, most of it including a display or verbal expression of the slogan THE OTHER WHITE MEAT. Opposers have launched advertising campaigns based on their mark on radio, television, billboards, taxi cabs, and transit shelters, and featured their mark in supermarket promotional programs, on meat package labeling, by sponsorship of race cars, through celebrity spokespersons, and via websites. Additionally, retailers and food manufacturers have participated in cobranded advertising campaigns with Opposers to promote the mark THE OTHER WHITE MEAT. Opposers have stretched the scope of their brand by launching advertising campaigns stressing the phrase "The Other" combined with additional terms, such as in THE OTHER HAMBURGER.

Applicant is a wholesale seafood distributor headquartered in Chicago that sells fresh and frozen salmon to retailers and food service providers. Applicant selected THE OTHER RED MEAT mark to exemplify salmon's nutritious qualities. Opposers' mark THE OTHER WHITE MEAT was included in a trademark search received by Applicant prior to applying for its mark. Applicant filed THE OTHER RED MEAT as an intent−to−use ("ITU") application, and there was no indication of any use of the mark at the time of the TTAB proceedings.

ANALYSIS

Although Opposers based their opposition on both likelihood of confusion and dilution grounds, the TTAB only addressed the dilution claim. To determine whether Applicant's mark dilutes Opposers' mark, the TTAB needed to determine (1) whether Opposers' mark is famous; (2) whether Opposers' mark became famous prior to the date of Applicant's ITU application; and (3) whether Applicant's mark is likely to blur the distinctiveness of Opposers' famous mark.

Applicant made several unsuccessful arguments that Opposers' voluminous advertising and promotional evidence was inadequate to show the fame of Opposers' mark. For example, Applicant argued that Opposers presented merely "imprecise statements regarding advertising expenditures" rather than substantiated evidence of actual advertising expenditures. Rejecting this argument, the TTAB pointed to the $550 million in advertising expenditures over more than twenty years and found that, despite the presence of other marks or taglines in the promotions, THE OTHER WHITE MEAT was always the central focus. Similarly, Applicant argued that Opposers' promotional efforts were insufficient when contrasted with the campaigns of other famous marks, such as JUST DO IT (Nike) or DON'T LEAVE HOME WITHOUT IT (American Express), and that Opposers failed to show advertising of their associational services. Again, the TTAB flatly rejected these contentions since Opposers' promotional activities were designed and functioned to promote the pork industry, and it was therefore insignificant whether consumers could name the Opposers' organization names.

The TTAB considered several additional facts in finding Opposers' mark to be famous: (1) Opposers' substantial cross−promotional and cobranding activities with third parties; (2) tracking studies that consistently showed consumer recognition of the mark above the eighty−five percent level; (3) extensive references to the mark in popular culture; and (4) discussions of the mark in unsolicited media and third-party publications. The TTAB relied on two nonlitigation consumer surveys to support its finding of a high degree of consumer and general public recognition of THE OTHER WHITE MEAT mark. Particularly, a study conducted in 2000 by outside academics at Northwestern University (the "Northwestern Study") showed nearly eighty percent awareness of Opposers' mark among the general adult population. In fact, the Northwestern Study showed only four nationally known slogans ranked higher than THE OTHER WHITE MEAT, and that the slogan ranked higher than others that have been recognized as famous, including JUST DO IT, DON'T LEAVE HOME WITHOUT IT, and KING OF BEERS. Accepting Opposers' contention that THE OTHER WHITE MEAT was among the most well−known advertising slogans in the United States, the TTAB concluded that Opposers' mark was famous among a broad spectrum of the general consuming public. Moreover, the TTAB found that THE OTHER WHITE MEAT was famous before Applicant's ITU filing date because the majority of evidence predated the application filing date.

In evaluating the final factor—whether Applicant's mark is likely to blur the distinctiveness of Opposers' mark—the TTAB considered statutory, nonexclusive factors, including: (1) the degree of similarity between Applicant's mark and Opposers' mark; (2) the degree of distinctiveness of Opposers' mark; (3) the extent to which Opposers are engaging in substantially exclusive use of the mark; (4) the degree of recognition of Opposers' mark; (5) whether Applicant intended to create an association with Opposers' mark; and (6) any actual association between Applicant's mark and Opposers' mark.

The TTAB found the two marks to be highly similar, as they both have the same structure and cadence and three of the same words. The sole difference between them is a single word which, in both cases, is an adjective describing the color of meat, to which the TTAB remarked that "there are precious few from which to choose." Moreover, the TTAB found that both slogans elicit the same mental processing, suggesting a comparison of the promoted meat with other kinds of meat. Supporting this finding, the TTAB referred to Opposers' dilution survey showing that more than thirty−five percent of respondents associated Applicant's slogan, THE OTHER RED MEAT, with Opposers' slogan, THE OTHER WHITE MEAT.

Further supporting the finding that dilution by blurring was likely, the TTAB noted that Opposers' mark was entitled to a presumption of inherent distinctiveness due to its incontestable status, and that Opposers' use of the mark THE OTHER WHITE MEAT was virtually exclusive. The TTAB also acknowledged that Opposers' slogan has "become part of the fabric of popular culture in the United States," and was the fifth most recognized consumer slogan in the United States according to the Northwestern Study. This high recognition of Opposers' mark in the United States supported a finding of dilution.

Finding that Applicant intended to create an association with Opposers' slogan, the TTAB relied on evidence that Applicant's CEO was aware of Opposers' mark, Applicant had customer relationships with restaurants in the Chicago area that participated in Opposers' THE OTHER WHITE MEAT campaign, and Applicant stated that it had chosen THE OTHER RED MEAT to suggest the nutritious qualities of salmon, coincidentally the same connotation with respect to pork that Opposer intended with its mark. While the TTAB was reluctant to conclude that Applicant acted in bad faith, it nonetheless concluded that Applicant's belief that it was permissible to create an association with Opposers' mark was consistent with a finding of likelihood of dilution by blurring.

As Applicant had not yet used its mark in commerce, it was impossible to present any evidence of actual association between the marks in the marketplace. Interestingly, the TTAB rejected Opposers' argument that its dilution survey suggesting that more than thirty−five percent of respondents associated Applicant's slogan with Opposers' slogan was a replacement for actual marketplace association. While the TTAB called this result "compelling," it refused to draw any "actual association" conclusions from the survey.

Considering all the relevant factors, the TTAB concluded that Applicant's mark, THE OTHER RED MEAT, was likely to dilute Opposers' mark, THE OTHER WHITE MEAT.

CONCLUSION

As one of the very few TTAB decisions sustaining a dilution claim, this case emphasizes the significance that both prelitigation and litigation survey evidence can play in establishing a dilution claim. Brand−tracking studies, such as the Northwestern Study that Opposers conducted well before the litigation began, can help prove the level of fame of a mark at an earlier point in time. In this case, the Northwestern Study showed that eighty percent of the general adult population was aware of Opposers' mark prior to Applicant's ITU filing date, supporting the finding of fame. Opposers' substantial evidence of unsolicited media attention also played a large role in establishing fame. The TTAB then found a likelihood of dilution, notwithstanding the differences between the parties' marks, relying on the degree of recognition of Opposers' mark, as well as their dilution survey that showed that more than thirty−five percent of respondents associated Applicant's slogan with Opposers' slogan.

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June 2010 Issue

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Unregistrable

Reign of Terror and TM

by Robert D. Litowitz

One June 20th, the Showtime® original series *The Tudors* ended its lusty four−year run with a riveting final episode showing Henry VIII at the end of his days, mourning his lost youth while reviewing in his mind's eye the many travails and offenses of his long and bloody reign. The eighth Henry is, of course, most infamous for his fickle matrimonial habits. The legendary "Six Wives of Henry VIII" were, in order of appearance: Catherine of Aragon (Spanish princess and daughter of Ferdinand and Isabella of Columbus fame) of whom Henry tired after their twenty−year marriage failed to produce a male heir; Anne Boleyn, the cagey courtesan who insinuated herself into the King's affections as Henry's passions for Katherine waned, but whose own failure to produce a son and other palace shenanigans cost her her head; Jane Seymour, who delivered Henry a much desired prince, Edward, but who did not survive childbirth; Anne of Cleves, the Germanic princess to whom Henry was betrothed sight unseen in the 16th century precursor of Match.com®, but who did not prove to be His Highness's cup of tea when she ultimately arrived in Merry Ol' England; Catherine Howard, a teenage bride thirty years Henry's junior who reinvigorated the ailing king for a spell, but whose wanton past and wandering proclivities proved her undoing; and last but not least, Katherine Parr, a widow and Protestant reformist reluctantly forced to wed the corpulent, age−ravaged monarch, who kept her head by keeping her wits about her as rivals plotted her demise. Their fates, while difficult to keep straight, can perhaps best be remembered by the clever mnemonic mantra: "died, beheaded, died; died, beheaded, survived."

But while the infamous King is best known for dispassionately dispatching wives, noblemen, and scholars such as Thomas More to the chopping block, his reign was also noteworthy for his affinity for, of all things, trademarks—more particularly, a logo that identified his regime and distinguished Henry and his court from lesser noble houses. The Tudor Rose  was festooned throughout Henry's court in the more than fifty palaces built during his reign at ruinous cost to the English treasury. Like a modern sports logo, this colorful badge adorned the uniforms of all the King's men, instantly marking them as members of Team Tudor. The Tudor Rose was the creation of Henry VIII's father, the first Henry Tudor (Henry VII), whose exploits on the battlefield ended the War of the Roses between the

House of Lancaster (whose badge was a red rose) and the House of York (whose badge was a white rose). On his marriage to Elizabeth of York, he joined the York's white rose with the red rose of Lancaster to create the iconic badge of a white rose superimposed on a red blossom.

Had Henry lived today, he almost certainly would have exploited the commercial value of the Tudor Rose through exclusive licensing and other sponsorship arrangements. We would no doubt see Tudor Rose insignias on a vast kingdom of merchandise, such as ball caps, jerseys, and beer holders, and the commercial value of exploiting the royal symbol would command a king's ransom. Henry would also likely have brokered the naming rights to his assortment of royal residences. Imagine a Harrods's Hampton Court or BP Windsor Castle. But back in the 1500s, marketing opportunities had to take a back seat to more pressing concerns—nullifying marriages by whatever means necessary (including the executioner's ax), founding the Church of England by sheer force of personality, brokering and breaking treaties with his French and Spanish nemeses, waging wars abroad, suppressing insurrections at home, and warding off the plague.

Yet through all the chilling palace intrigue, the Tudor Rose stood as a vibrant symbol of promise and hope. Following Henry VIII's death, his second daughter, Elizabeth, eventually ascended to the throne after short reigns by her half siblings, the boy-prince Edward and "Bloody" Mary I. Elizabeth's forty−year reign under the banner of the Tudor Rose is remembered as England's Golden Age, which brought prosperity and stability to England, and helped forge the country's sense of national identity. Not a bad legacy for a monarch, or a logo.

Of course, unlike in today's freewheeling commercial environment where trademark counterfeiting and "ambush marketing" run rampant, especially at the 2010 World Cup® (where a bevy of orange−clad Dutch blondes were criminally charged for an unauthorized marketing stunt), no one in Henry's realm would dare rip off the Tudor Rose. After all, sticking one's neck out by infringing that royal symbol could cost one a head.

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