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Finnegan's monthly review of essential decisions, key developments, evolving trends in trademark law, and more.

July/August 2010 Issue

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Civil Cases

Georgia Pacific Consumer Prods., L.P. v. Von Drehle Corp., 2010 WL 3155646 (4th Cir. Aug. 10, 2010)

by Kenneth H. Leichter

ABSTRACT

The Fourth Circuit Court of Appeals reversed the district court's summary-judgment ruling in favor of defendant in this suit between competing paper-towel manufacturers. Plaintiff produced a paper-towel dispenser that was intended to be used only with its high-quality toweling. Defendant manufactured and marketed allegedly inferior-quality toweling specifically designed to be used in plaintiff's dispenser, which it sold to end users who actually put defendant's towels in plaintiff's dispensers. The appeals court found that, if the end users' actions constituted direct trademark infringement, then defendant's inducement of end users to use the inferior toweling could constitute contributory trademark infringement. The appeals court also found that plaintiff had presented sufficient evidence for a jury to conclude that the end users' use of the inferior toweling led to a likelihood of confusion and trademark infringement. In making this finding, the appeals court found that the district court erred in not recognizing the possibility of postsale confusion among restroom visitors who ultimately used the paper towels.

CASE SUMMARY

FACTS

Georgia-Pacific Consumer Products, L.P. ("G-P") is a leading designer/manufacturer of paper products and dispensers for such products. In 2002, G-P introduced the ENMOTION touchless paper-towel dispenser (the "ENMOTION Dispenser") and paper toweling with a high-quality, fabric-like feel designed specifically for use in the ENMOTION Dispenser (the "ENMOTION Toweling"). G-P sells ENMOTION Toweling to janitorial-supply distributors, who, in turn, sell it to their respective end-user customers (e.g., hotels, stadiums, restaurants, etc.), and G-P leases ENMOTION Dispensers to such distributors, who, in turn, are permitted to sublease them to end-user customers. The leases and subleases expressly provide that only ENMOTION Toweling can be used in ENMOTION Dispensers, and stickers on the inside of ENMOTION Dispensers reinforce this limitation. The face of every ENMOTION Dispenser bears several registered G-P trademarks ("the G-P Marks").

In 2005, Von Drehle Corporation ("VD"), a G-P competitor, started marketing and selling to distributors an inferior-quality paper toweling specifically manufactured by VD for use in ENMOTION Dispensers ("VD's 810-B Toweling"). In response, G-P brought this suit against VD, alleging contributory trademark

infringement and unfair competition, among other claims. G-P argued that VD's inducement and facilitation of the stuffing of ENMOTION Dispensers with VD's 810-B Toweling created postpurchase confusion as to the source of such toweling among restroom visitors.

On cross-motions for summary judgment, the district court granted summary judgment in favor of VD on all G-P's claims, and G-P appealed.

ANALYSIS

The appeals court first explained in detail the measures G-P had taken to tie ENMOTION Dispensers to ENMOTION Toweling in the minds of consumers. For many years, G-P (and VD) had sold "universal dispensers," which are intended to accept paper toweling from multiple manufacturers. However, with the introduction of its ENMOTION Dispensers, G-P sought to introduce a nonuniversal dispenser tied directly to the G-P Marks, i.e., one that G-P intended would only operate with, and that the restroom visitor would expect to dispense, ENMOTION Toweling. The court analogized G-P's goal to a branded Coca-Cola soda fountain, which the user expects to dispense only genuine Coca-Cola products.

G-P's claims were all based upon the same intentional conduct by VD, namely, VD's express marketing and sale of its 810-B Toweling to distributors and end-user customers for use with ENMOTION Dispensers, resulting in postpurchase confusion as to the source of toweling dispensed from ENMOTION Dispensers among restroom visitors. Because VD did not itself physically stuff its 810-B Toweling in ENMOTION Dispensers, the court found that G-P's claims must be analyzed under the doctrine of contributory, not direct, trademark infringement.

The contributory-trademark-infringement doctrine holds "that a manufacturer or distributor could be held liable to the owner of a trademark if it intentionally induced a merchant down the chain of distribution to pass off its product as that of the trademark owner's or if it continued to supply a product which could readily be passed off to a particular merchant whom it knew was mislabeling the product with the trademark owner's mark."

If the stuffing of ENMOTION Dispensers with VD's 810-B Toweling by end-user customers were held to constitute trademark infringement, the appeals court held that a reasonable jury could find VD liable for contributory trademark infringement by directly inducing such infringement and continuing to supply its product to distributors, knowing that such infringement was taking place.

Because VD could not be liable for contributory trademark infringement without corresponding direct trademark infringement, the ultimate question was whether there was sufficient evidence for a reasonable jury to find that the stuffing of ENMOTION Dispensers with VD's 810-B Toweling by end-user customers constitutes trademark infringement.

The court found that the G-P Marks were registered and presumably valid, and that by stuffing ENMOTION Dispensers with VD's 810-B Toweling, end-user customers used one or more of the G-P Marks in commerce in connection with the distribution of VD's 810-B Toweling.

The central question was whether the end-user customers used the plaintiff's trademark in a manner likely to cause confusion among the relevant public. The identity of the "relevant public" or "relevant audience" was the most hotly debated issue on appeal. The district court had rejected G-P's legal theory that restroom visitors who consume toweling from ENMOTION Dispensers in hotels, stadiums, and

restaurants constitute the relevant audience for purposes of the likelihood-of-confusion analysis. G-P argued this ruling was at odds with well-established precedent recognizing that postpurchase confusion can be actionable under the Lanham Act.

The Fourth Circuit agreed with G-P that the district court erred in limiting its likelihood-of-confusion inquiry to distributors who purchased VD's 810-B Toweling and their respective end-user customers. The appeals court found that the fact-finder may consider confusion among the nonpurchasing public in the likelihood-of-confusion inquiry if it can "be shown that public confusion will adversely affect the plaintiff's ability to control his reputation among its laborers, lenders, investors, or other groups with whom plaintiff interacts."

The appeals court concluded that G-P had presented sufficient evidence for a reasonable jury to find a likelihood of confusion among restroom visitors as to the source of the paper toweling being dispensed from ENMOTION Dispensers when such dispensers are stuffed with 810-B Toweling. In particular, there was sufficient evidence for a reasonable jury to find that the G-P Marks are strong, they appear on the front of ENMOTION Dispensers, and VD's 810-B Toweling is inferior to ENMOTION Toweling, but nonetheless was intentionally made to fit and operate in ENMOTION Dispensers. The record also included three empirical studies, which the Fourth Circuit found could lead a reasonable jury to find that stuffing VD's 810-B Toweling in ENMOTION Dispensers created a significant amount of consumer confusion as to the source of the paper toweling being dispensed; each showed that a large percentage of consumers expected there to be an association of various degrees between the source of ENMOTION Dispensers and the source of the toweling being dispensed, or expected the toweling in ENMOTION Dispensers to be the same brand as the dispenser.

Finally, as to the adverse effect on G-P's reputation among its laborers, lenders, investors, or other groups with whom G-P interacts, the appeals court found that loss of the ability to control the quality of the toweling used in ENMOTION Dispensers put G-P at risk of injury to the reputation of the G-P Marks. In addition, although proof that VD's 810-B Toweling is inferior to ENMOTION Toweling is unnecessary in order to establish this element, the record showed that VD actually received complaints from at least the distributor level about the inferior quality of its 810-B Toweling as compared to ENMOTION Toweling.

The Fourth Circuit vacated the district court's grant of summary judgment in favor of VD with respect to G-P's Lanham Act and unfair-competition claims, and remanded for further proceedings consistent with this opinion.

CONCLUSION

This case demonstrates an interesting intersection of the contributory-trademark-infringement and postsale-confusion doctrines. Although neither VD nor its customers used any trademarks that were confusingly similar to G-P's marks, the court nevertheless found that trademark liability can exist because VD intentionally usurped G-P's ability to control the quality of the products associated with its trademarks. The court also made clear that in the contributory-infringement context, the general public's confusion as to the source of products, even after those products have been purchased by distributors or other customers who were not confused, can be actionable.

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Civil Cases

Masters Software, Inc. v. Discovery Commc'ns, Inc., No. C10-405RAJ (W.D. Wash. July 16, 2010)

by Lynn M. Jordan

ABSTRACT

The Western District of Washington issued a preliminary injunction against defendant Discovery Communications, prohibiting it from using CAKE BOSS as the title of its reality television program about baker Buddy Valastro and his bakery in New Jersey beyond the third season. Although defendant argued that the First Amendment protected its title selection, the court found that because the title did not "allude to" plaintiff's business, the claim "did not implicate the First Amendment interests" protected in *Rogers v. Grimaldi* and its progeny.

CASE SUMMARY

FACTS

Masters Software, Inc. ("Masters") is a software company that owns a federal registration for the mark CAKEBOSS for computer software for bakery-business management, online instruction in the field of baking cakes, and providing information in the field of culinary arts via the Internet. Masters also operates a website at cakeboss.com, offering software to professional bakers and providing free recipes and baking materials. Upon learning that Discovery Communications, Inc. ("Discovery") intended to air a reality television series about baker Buddy Valastro and the antics in his New Jersey bakery under the title CAKE BOSS, Masters objected. Discovery refused to change the name and then objected when Masters began offering cake-decorating products under the CAKEBOSS mark. A year after originally objecting to the title, Masters sought preliminary injunctive relief.

ANALYSIS

The court found that Masters was likely to succeed on the merits of its reverse-confusion claim. Although the mark CAKE BOSS was deemed suggestive as used by both parties, the court found that Discovery's mark had significant marketplace strength. Moreover, Masters put forth significant evidence of actual confusion. Although the court noted that software and a television show typically would not be considered related, because the audience to which both parties cater, i.e., persons interested in cake baking, is a relatively small market niche, it concluded that the goods/services were related. Combined with the identity of the marks and the fact that it believed Discovery had acted in bad faith in proceeding with the title, the court found that the *Sleekcraft* likelihood-of-confusion factors favored Masters.

The court was also heavily influenced by Mr. Valastro's objection, presumably with Discovery's backing, to Masters' sales of CAKEBOSS cake-decorating products and threat to sue if Masters did not stop. The court noted that this "conduct in squelching [Masters'] effort to market CakeBoss-branded case bakeware is inconsistent with their contention that there is no likelihood of confusion between the marks."

Turning to what it deemed "Discovery's First Amendment defense," the court considered Discovery's contention that its choice of CAKE BOSS as the title of an expressive work was entitled to more protection than a typical trademark use. After reciting the fact scenarios present in the leading First Amendment/trademark cases *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), and *Mattel v. MCA Records*, 296 F.3d 894 (9th Cir. 2002), the court found that Masters' "claim against Discovery does not implicate the First Amendment interests recognized in *Mattel* and *Rogers*" because "Discovery did not choose the name of *Cake Boss* as an allusion to CakeBoss," as had been the case in *Rogers* (an allusion to Ginger Rogers and Fred Astaire) and *Mattel* (an allusion to the BARBIE doll). Specifically, the court found that

Discovery was expressing nothing more than what any user of a suggestive trademark expresses when branding its product, and the Lanham Act's limitations on such "expressions" do not violate the First Amendment Were it otherwise, the use of a trademark in the title of an expressive work would never violate the Lanham Act so long as it had some connection to the work's content. *Rogers* and *Mattel* do not express such a rule, but rather a balancing of expressive interests and trademark interests. Put in the language of the *Rogers* balancing test, the public interest in allowing Masters to avoid the consumer confusion that *Cake Boss* has created outweighs the expressive interest (if any) inherent in Discovery's choice of title.

Finding a likelihood of success on the merits and irreparable harm (despite a one-year delay in bringing suit), the court issued a preliminary injunction requiring Discovery to cease using the name "Cake Boss" to identify its television program at the conclusion of the third season. Discovery was also ordered to immediately cease sales of all merchandise related to the television program, although it was allowed to sell off existing inventory.

CONCLUSION

While the court's conclusion that the *Rogers* balancing test is applicable only where the title of the creative work somehow alludes to Masters or its mark is flawed, and Discovery's CAKE BOSS title was clearly artistically relevant to its show about the "boss" of a cake bakery, the decision elucidates that in cases involving a reality show about a real business (i.e., not a fictional or coincidental use involving use of real-life marks for fictional names/businesses within creative works), it may be more appropriate to compare the plaintiff's business or products/services to the underlying real business in the show (instead of to the show itself).

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Civil Cases

***Mattel, Inc. v. MGA Entm't, Inc.,
2010 WL 2853761 (9th Cir. July 22, 2010)***

by Margaret A. Esquenet

ABSTRACT

In this suit between rival toy-doll makers, the Ninth Circuit Court of Appeals held that plaintiff was wrongly granted ownership of the BRATZ trademark portfolio and related copyrights, and vacated a \$10 million damages award that had been awarded following a jury trial. The decision vacated the jury's verdict and related district court orders, and set a high bar for plaintiff to assert rights in the BRATZ trademarks and doll appearance on remand.

CASE SUMMARY

FACTS

In 2000, a Mattel, Inc. ("Mattel") employee, Carter Bryant, created a concept for a new toy-doll line. The line, dubbed BRATZ by Bryant, featured fashionable teen-aged dolls with exaggerated heads and feet and elongated bodies. Bryant created preliminary sketches and a rudimentary model as an example, named the first doll "Jade," and pitched his idea to Mattel rival, MGA Entertainment, Inc. ("MGA"). MGA hired Bryant as a consultant and launched the new brand shortly after Bryant gave notice at Mattel, and Bryant worked on the concept with MGA while still employed by Mattel. The BRATZ dolls were a huge success, generating substantial revenue for MGA. When Mattel discovered that the BRATZ product was created by a Mattel employee, it sued Bryant and MGA on a variety of claims, asking the court to find that the BRATZ name, the individual doll names, and the doll concept belong to Mattel.

The various suits were consolidated and later divided into two trial phases. The first phase considered the ownership claims relating to the copyrights in the doll designs and the BRATZ and JADE trademarks. During phase one, Mattel argued that Bryant violated his employment agreement by going to MGA with his Bratz idea instead of disclosing and assigning it to Mattel. Mattel also claimed it was the rightful owner of Bryant's preliminary sketches and model doll, which it argued MGA's subsequent Bratz dolls infringed. And it asserted that MGA wrongfully acquired the ideas for the names "Bratz" and "Jade," so the BRATZ trademarks should be transferred from MGA to Mattel.

At the conclusion of the first phase, the jury found that Bryant thought of the "Bratz" and "Jade" names, and created the preliminary sketches and sculpt while employed by Mattel. It found that MGA committed

three state-law violations relating to Bryant's involvement with Bratz. And it issued a general verdict finding MGA liable for infringing Mattel's copyrights in Bryant's preliminary Bratz works. The jury awarded Mattel \$10 million in damages (Mattel had sought over \$1 billion).

Relying on these jury findings, the district court imposed equitable relief, namely, a constructive trust over all of the BRATZ trademarks, effectively transferring MGA's BRATZ trademark portfolio to Mattel. The district court also enjoined MGA from manufacturing or distributing any dolls substantially similar to the copyrighted BRATZ works. The injunction covered not just the original dolls, but also subsequent generations (e.g., "Bratz Slumber Party Sasha" and "Bratz Girlfriendz Nite Out Cloe"). MGA appealed the phase-one findings and related orders.

ANALYSIS

The Ninth Circuit reversed, concluding that the district court erred on several key issues.

The Ninth Circuit found that the constructive trust turned on whether Bryant assigned his ideas for "Bratz" and "Jade" to Mattel in the first place. Bryant's employment contract provided: "I agree to communicate to [Mattel] as promptly and fully as practicable all inventions (as defined below) conceived or reduced to practice by me (alone or jointly by others) at any time during my employment by the Company I hereby assign to [Mattel] . . . all my right, title and interest in such inventions"

The appeals panel held that the district court erred when it found as a matter of law that the term "inventions" in Bryant's employment agreement covered ideas such as the Bratz concept. The Ninth Circuit reasoned that the trust would only be appropriate if Bryant had actually assigned his ideas for the BRATZ line and the JADE doll specifically. Reviewing the employment agreement *de novo*, the court held that the term "inventions" as defined in the contract was focused on concrete innovations and may not extend to ideas. The Ninth Circuit thus held that, while the agreement "could be interpreted to cover ideas," the "text does not compel that reading," and remanded the issue, instructing the lower court to allow extrinsic evidence regarding the meaning of the term "inventions" for consideration by a jury.

Next, the Ninth Circuit found that the "very broad" constructive trust the district court imposed must be vacated regardless of whether Bryant's employment agreement assigned his ideas to Mattel. The constructive trust imposed by the district court included not only the BRATZ and JADE trademarks, but all BRATZ-formative marks. The trust prohibited MGA from marketing any BRATZ-branded products, including dolls, doll accessories, video games, and the BRATZ movie. This wholesale transfer of the BRATZ trademark portfolio to Mattel was inappropriate because it failed to recognize MGA's own investment in the line, including substantial product development and marketing efforts. The court found that "[a]s a result, Mattel acquired the fruit of MGA's hard work, and not just the appreciation in value of the ideas Mattel claims it owns." Accordingly, the Ninth Circuit found that the imposition of the constructive trust was an abuse of discretion and vacated the entire trust.

As for ownership of the copyrights, the Ninth Circuit agreed with the lower court that the preliminary drawings and rudimentary doll model produced by Bryant while he worked for Mattel were "inventions" pursuant to the employment agreement, but disagreed that the agreement extended, as a matter of law, to projects not directly within Bryant's scope of duties, as required by the Copyright Act. The panel overturned the district court's summary-judgment holding that the employment agreement assigned the copyright in the works to Mattel. In vacating that holding, the Ninth Circuit noted that the issues of "(1) whether Bryant's agreement assigned works created outside the scope of his employment at Mattel, and

(2) whether Bryant's creation of the Bratz sketches and sculpt was outside the scope of his employment" should have been submitted to the jury. Because this holding cast doubt on the ownership of the copyrights to the initial drawings and rudimentary doll, the panel also vacated the copyright injunction and related damages award.

Finally, recognizing that, on remand, a jury may once again find that the copyright in the initial sketches and rudimentary doll vest with Mattel, the Ninth Circuit offered the district court guidance regarding the scope of protection offered by the initial sketches and rudimentary doll when compared to MGA's subsequent BRATZ dolls. Specifically, the panel held that these copyrights would cover only the "particular expression of the bratty-doll idea, not the idea itself." After detailing the test for copyright infringement in the Ninth Circuit, the court evaluated the preliminary doll created by Bryant and held that, given the narrow range of available expression for fashion dolls, Mattel would be entitled to "thin" protection against only virtually identical copying. Considering the sketches and complete dolls, the court recognized that there was a wide range of available expression, including choices in proportions, colors, clothing, and hair style. However, the Ninth Circuit nonetheless criticized the district court, holding that it failed to undertake an appropriate analysis regarding whether the works were substantially similar. In particular, the district court did not first filter out all of the unprotectable elements and erred in finding that the overall "look at attitude" is protectable. The district court's impermissible reliance on similarities in ideas led it to hold, erroneously, that the later-generation Bratz dolls infringed the initial sketches.

CONCLUSION

The Ninth Circuit's rejection of the district court's analysis of Bryant's employment contract shows the need to ensure that such contracts are tailored to cover the full scope of an employer's expectations regarding an employee's work product. Here, the failure to include the term "ideas" and to specify that all ideas for toys are works made for hire and belong to the toy-company employer, led to contractual ambiguity, which MGA exploited. The decision also establishes the importance of "sweat equity" and being able to demonstrate that talent and other contributions resulted in the subsequent success of a product. Finally, the opinion details the difference between protectable expression and unprotectable ideas, likely to be cited in cases where there are copycat goods at issue.

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***Specialized Seating, Inc. v. Greenwich Indus., LP,* 2010 WL 3155922 (7th Cir. Aug. 11, 2010)**

by Kenneth H. Leichter

ABSTRACT

The Seventh Circuit affirmed the district court's ruling that the declaratory-judgment defendant's registered design for an x-frame chair was functional and thus unprotectable. Although the registration was incontestable, it was still subject to attack based on functionality. The court found that four expired utility patents owned by the declaratory-judgment defendant covered all the features of the chair, except for one element that had been improved upon for a functional purpose. The court recognized that many alternative designs existed, but found that this was not dispositive of the functionality determination where those alternate designs were also functional and simply represented different solutions to the same functional-design problem.

CASE SUMMARY

FACTS

Greenwich Industries, LP ("Greenwich") has been making x-frame folding chairs for eighty years. In 1999, it applied to register one particular x-frame design as a trademark, and the PTO issued a registration for the following mark in 2004:



Following the departure of a Greenwich employee to competitor Specialized Seating, Inc. ("Specialized"), Specialized began selling a folding chair that closely resembled Greenwich's trademarked chair in its basic design. A dispute arose, and Specialized sought a declaratory judgment that its design does not violate Greenwich's rights under the Lanham Act, while Greenwich counterclaimed for an injunction.

Following a bench trial, the district court ruled in Specialized's favor, finding that the x-frame construction is functional because it was designed to be an optimal tradeoff between the chair's weight (and thus its

cost, since lighter chairs use less steel) and its strength. The district court also found that an x-frame chair folds itself naturally when knocked over; that the flat channel at the seat's edge, where the attachment to the frame slides so that the chair can fold, was designed for strength and for attaching hooks to link a chair with its nearest neighbor; and that the front and back cross bars contribute strength. In addition, the district court found that the newer "b-back" design used in the chair (and depicted in the registration) allows the chair to support greater vertical loads than Greenwich's older "a-back" design, and provided various other benefits. Based upon all of these determinations, the district court concluded that the x-frame construction was functional and unprotectable, and cancelled Greenwich's registration.

The district judge also found that Greenwich had defrauded the PTO. The examiner had initially refused to register the design as a trademark because the design appeared to be functional. Greenwich replied that the design was chosen for aesthetic rather than functional reasons, and that a patent it held on an x-frame chair, issued in 1934, did not include all of the features in the mark's design. Greenwich failed to inform the examiner that it held three other expired patents on the x-frame design. The district judge concluded that the four patents collectively covered every feature of the design except the b-back, and that as the b-back is a functional improvement over the a-back, Greenwich should have disclosed all of these utility patents (which, the district court believed, would have resulted in rejection of its application).

ANALYSIS

The Seventh Circuit began by noting that Greenwich's registration is "incontestable," but that the word "incontestable" is "misleading," because an incontestable mark may be contested—and defeated—on multiple grounds, including functionality and fraud.

The Circuit Court reviewed the standard of review applicable to the district court's functionality finding, noting that findings of fact made after a bench trial must stand unless clearly erroneous. The court explained that "functionality" is not an issue of law, as it represents a fact-specific conclusion about whether aspects of a design are "essential to the use or purpose of the article or if it affects the cost or quality of the article." Accordingly, the clearly erroneous standard applied.

Greenwich argued that the district judge's findings were influenced by legal errors, but the Seventh Circuit did not agree. The Circuit Court referenced the Supreme Court's *TrafFix* decision holding that claims in an expired utility patent are presumptively functional and that, since inventions covered by utility patents pass into the public domain when the patent expires, it is inappropriate to use trademark law to afford extended protection to a patented invention. The appellate court concluded that the lower court did not commit clear error in finding that Greenwich's utility patents disclosed every aspect of the asserted trademark design except for the b-back, and that the b-back design is a functional improvement over the a-back design. In other words, "[the chair] looks the way it does in order to be a better chair, not in order to be a better way of identifying who made it (the function of a trademark)."

Further, the Circuit Court agreed with the district court that the mere availability of alternate designs is not enough to defeat a functionality claim, as one of the rationales of the functionality doctrine is to prevent firms from appropriating basic forms that go into many designs. Thus, preserving basic elements for the public domain is not the functionality doctrine's *only* role. Rather, as *TrafFix* stressed, another goal of the functionality doctrine is to separate the spheres of patent and trademark law, and to ensure that the term of a patent is not extended beyond the period authorized by the legislature. The appeals court agreed with the lower court's finding that a design such as Greenwich's x-frame chair is functional not because it is the only way to do things, but because it represents one of many solutions to a problem.

Greenwich argued that other designs are stronger, or thinner, or less likely to collapse when someone sits on the backrest, or lighter and so easier to carry and set up. While granting that the list of alternative designs was very long, the court found that this means only that *all* of those designs are functional, in the sense that they represent different compromises along the axes of weight, strength, kind of material, ease of setup, ability to connect the chairs, and so on. A novel or distinctive selection of attributes on these many dimensions can be protected for a time by a utility patent or a design patent, but it cannot be protected forever as one producer's trade dress. Instead, when the patent expires, other firms should be free to copy the design to the last detail in order to increase competition and drive down the price that consumers pay.

Greenwich cited cases holding that a product whose overall appearance is distinctive can be protected under the trademark laws, even though most of the product's constituent elements serve some function. In each such case, the court noted that what made the appearance "distinctive" was a nonfunctional aspect of the design.

Finally, the Seventh Circuit found that because the district court did not commit clear error in finding Greenwich's design to be functional, it was unnecessary to decide whether Greenwich committed fraud on the PTO. Greenwich expressed concern that the district judge's finding of fraud might affect future litigation against a different competitor. In response, the Court stated that issue preclusion (collateral estoppel) applies only to issues actually *and necessarily* resolved in the first case. In this case, it was not necessary for the district court to address fraud on the PTO, so the district court's opinion on this subject should not have preclusive effect.

CONCLUSION

This decision highlights the importance that expired utility patents can have on a functionality analysis applied to a trademarked design. It also shows that a common argument against a finding of functionality, namely, that alternate designs are available, may not succeed if those alternate designs are simply alternate functional designs that represent a different balance of functional elements to achieve the same functional goal.

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Civil Cases

Visa Int'l Serv. Ass'n v. JSL Corp., 95 USPQ2d 1571 (9th Cir. June 28, 2010)

by B. Brett Heavner

ABSTRACT

The Ninth Circuit Court of Appeals affirmed the district court's grant of summary judgment to plaintiff on its claim that defendant's eVISA mark used for a "multilingual education and information business" diluted plaintiff's famous VISA mark for credit/debit-card services. On appeal, defendant argued that the district court erred as a matter of law because "visa" is a common English term with a dictionary definition, namely, a travel document allowing the bearer to enter the country. Given this common dictionary definition, defendant asserted that "visa" was not sufficiently distinctive to deserve antidilution protection. The court of appeals rejected this argument, holding that dilution protection can extend to common English terms that also function as arbitrary trademarks, and that dilution protection depends upon whether the term uniquely identifies a single good or service in the trademark context. If consumers uniquely associate a term/mark with a single product, dilution by blurring occurs whenever consumers are likely to start associating that same term/mark with additional products. In this case, consumers uniquely associate the trademark VISA with plaintiff's credit/debit cards (despite its common, unrelated meaning in English), and defendant's use of eVISA for multilingual education will likely destroy the uniqueness of that consumer association by causing consumers to also associate VISA or eVISA with defendant's services.

CASE SUMMARY

FACTS

Joseph Orr began offering an English tutoring service while living in Japan called "Eikaiwa Visa" (Eikawa means "English conversation" in Japanese). The name was meant to suggest the ability to travel, both linguistically and physically, in the English-speaking world. Orr later transformed his tutoring service into an Internet-based multilingual education and information business, shortened the name to eVISA, moved his business to New York, and began operating his business through Defendant JSL Corporation ("JSL"). Visa International Service Association ("Visa") then sued JSL on the ground that the eVISA mark was likely to dilute its VISA trademark.

The district court granted Visa's motion for summary judgment and JSL appealed, claiming that the district court erred as a matter of law when it found the eVISA mark was likely to dilute the VISA mark. Specifically, JSL argued that its mark cannot cause dilution because the shared term VISA is a common

English term with a dictionary definition and therefore does not deserve antidilution protection.

ANALYSIS

To obtain relief under federal antidilution law, Visa was required to show (1) that its mark is famous, (2) that JSL began using eVISA after the VISA mark became famous, and (3) that JSL's mark is likely dilute the VISA mark. JSL conceded the first two elements, namely, that Visa's VISA mark was famous at the time Orr began using eVISA. Thus, the only question on appeal was whether the eVISA mark is likely to dilute the VISA mark.

The court determined that dilution by blurring occurs when a mark previously associated with a single product also becomes associated with a second product. In such cases, the "commercial magnetism" of the mark becomes weakened because consumers now associate the mark with two products rather than just one.

In analyzing the likelihood of dilution by blurring, the court considered (1) the similarity of the marks, and (2) the distinctiveness and recognition of the plaintiff's mark. Given the online nature of JSL's business, the court determined that the "e" prefix in JSL's mark was a generic feature akin to "Inc.," and thus was incapable of distinguishing the two marks. As such, the marks were effectively identical. With respect to distinctiveness and recognition, the court accepted Visa's uncontroverted evidence that VISA was the top brand in the financial-services industry and that the VISA card was the most commonly used credit card for online purchases. Visa also submitted survey evidence showing widespread consumer association of the VISA mark with its services.

The court noted that JSL failed to present any evidence that third parties had used VISA as a trademark, and had failed to present any other evidence to rebut the distinctiveness and consumer-recognition evidence submitted by Visa. As such, the evidence of record created an inference that dilution was likely, and was therefore sufficient to support the district court's summary judgment.

JSL also argued that, as a matter of law, the VISA mark cannot be accorded protection from dilution because "visa" is a standard English word with a dictionary definition, namely, a travel document authorizing the bearer to enter a foreign country.

The court rejected JSL's argument on a number of grounds. First, as used by Visa, the VISA mark does not directly describe credit-card services and thus is sufficiently distinctive for protection. Second, the common nontrademark use of a term does not preclude its ability to function as a unique trademark. Rather, dilution protection depends upon whether the term uniquely identifies a single good or service in the trademark context. For example, while there are many "camels" in the sense of a desert animal, the court noted that there is only one CAMEL brand uniquely identifying a cigarette. Similarly, while there are many "tides" along the oceanfront, there is only one TIDE brand uniquely identifying a laundry detergent. Thus, the court reasoned, CAMEL cupcakes and TIDE calculators would dilute the value of those marks because they would cause consumers to associate CAMEL and TIDE with two products rather than one. Likewise, despite the common English meaning of "visa," the record showed only one famous VISA trademark. Consequently, dilution was likely because the introduction of the eVISA mark into the marketplace would cause consumers to associate the VISA mark with two products instead of just one.

The court noted that the situation would be different if JSL were using eVISA to identify a service that obtained travel documents. In that case, JSL would be using "visa" solely for its generic dictionary

meaning. Because Visa does not own the word “visa” in all contexts, but only as a trademark, such a generic usage would not violate Visa’s rights. Moreover, such generic use of “visa” would not dilute the VISA mark since it would not create a new product association for VISA in the minds of consumers. Rather, consumers would simply associate “visa” for travel documents with the standard dictionary definition of the word.

The court rejected JSL’s argument that its use of “visa” is akin to a generic usage. While JSL may have intended to invoke the idea of travel generally, it is not an actual visa service, but is instead an online multilingual education and information business. Thus, eVISA would not merely elicit the standard dictionary definition of “visa,” but would instead refer to JSL’s particular service, thus causing consumers to associate VISA with both Visa’s and JSL’s services rather than just Visa’s services.

Accordingly, the Ninth Circuit found dilution to be likely and affirmed.

CONCLUSION

Dilution is most frequently associated with famous coined or fanciful marks, such as KODAK and EXXON. This decision is interesting because it provides an excellent analysis of the dilution test for arbitrary marks, focusing on the uniqueness of the consumer’s association of the mark with a single product. By focusing on the “unique association” aspect of dilution, the court clearly rejects the notion that an arbitrary mark cannot be protected from dilution because it is also a common English term. Finally, the decision is also notable because it does not assume that consumers will always associate the famous arbitrary mark with plaintiff (a practice criticized by McCarthy), but instead looks to evidence of general brand recognition and survey evidence to establish such an association in the minds of consumers.

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TTAB Cases

Flash & Partners S.P.A. v. I.E. Mfg. LLC, Opp. No. 91191988 (TTAB July 14, 2010)

by Linda K. McLeod and Katherine L. Staba

ABSTRACT

Opposer's motion to dismiss Applicant's counterclaim for cancellation was granted with respect to Applicant's allegations based on ex parte examination matters. Specifically, the TTAB dismissed Applicant's assertions that Opposer's submission of an unsigned declaration and filing of amended drawings before declaring a bona fide intent to use the mark constituted grounds for cancellation. However, the TTAB denied Opposer's motion to dismiss with respect to Applicant's allegations that assignments of Opposer's underlying application were invalid.

CASE SUMMARY

FACTS

I.E. Manufacturing LLC ("Applicant") applied to register the mark shown below for "eyewear; sunglasses; goggles for sports; eyewear cases, namely, cases for sports eyewear." Flash & Partners S.P.A. ("Opposer") opposed the registration on the grounds of priority and likelihood of confusion. Applicant filed a counterclaim for cancellation of Opposer's pleaded registration, shown below. Opposer moved to dismiss the counterclaim and, in its response to this motion, Applicant moved to amend its counterclaim.



Opposer's Mark



Applicant's mark

ANALYSIS

The TTAB held that to withstand Opposer's motion to dismiss, Applicant must demonstrate (1) standing to challenge the continued registration of Opposer's mark, and (2) a valid statutory ground for cancellation. The TTAB addressed Applicant's asserted grounds for cancellation of Opposer's

registration separately.

First, Applicant sought cancellation of Opposer's pleaded registration on the ground that the underlying application was incomplete. Specifically, Applicant claimed that Opposer failed to submit a signed declaration supporting the application, thus rendering the registration void ab initio. The TTAB rejected this argument, finding that the submission of an unsigned application is an ex parte examination matter that does *not* form a statutory ground for cancellation. Further, the TTAB noted that the deficiency had been rectified with a verified statement submitted during examination.

Similarly, the TTAB rejected Applicant's related allegation that Opposer's predecessor lacked a bona fide intent to use the mark as originally filed. Applicant alleged that the predecessor's filing of a pre-examination amendment to the drawing *before* filing a declaration attesting to its bona fide intent constituted grounds for cancellation. The TTAB disagreed, confirming that an amended drawing need not be verified by a declaration, and that such a submission does not alone raise an issue of a lack of bona fide intent.

The TTAB expounded on its rejection, noting that any assertion by Applicant that Opposer's amended mark was a material alteration likewise did not form a statutory ground for cancellation. Any rejection of the amendment as a material alteration by the Examining Attorney would have preserved Opposer's original filing date for the original drawing and afforded Opposer opportunities to appeal or petition the refusal. The TTAB found that cancellation of the resulting registration in this proceeding "would, in effect, punish opposer for an alleged error on the part of the examining attorney."

Second, Applicant counterclaimed for cancellation of Opposer's pleaded registration on the ground that the underlying application was invalidly assigned. Namely, Applicant alleged that the application was twice assigned prior to the filing of a statement of use, and the assignments did not involve the transfer of an ongoing or existing business under the mark as of the execution date or the nunc pro tunc effective date. Applicant asserted that these assignments, therefore, were in violation of Section 10 of the Trademark Act, and, thus, the underlying application and any resulting registration is void.

The TTAB noted that under Trademark Act § 10, an application filed under § 1(b) may not be assigned before filing of either an amendment to allege use or statement of use, except to the successor of applicant's business, or portion of the business to which the mark pertains, if that business is ongoing and existing. Further, the TTAB stated that an assignment of a § 1(b) application in violation of this rule renders the application and any resulting registration void.

In this case, the TTAB concluded that Applicant's counterclaim contained sufficient allegations to set forth a claim that the assignments violated the provisions of Trademark Act § 10. Accordingly, the TTAB denied Opposer's motion to dismiss the counterclaim as to this ground.

CONCLUSION

This decision represents one of few precedential decisions addressing grounds for opposition and cancellation based on an allegation of an invalid assignment in violation of Section 10 of the Trademark Act. It also emphasizes the TTAB's strict adherence to the available statutory grounds for opposition and cancellation, and its consistent finding that ex parte examination matters do not form a valid ground for opposition or cancellation.

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TTAB Cases

Mag Instrument, Inc. v. Brinkmann Corp., Opp. No. 91163534 (TTAB July 28, 2010)

by Linda K. McLeod and Katherine L. Staba

ABSTRACT

The TTAB sustained each of three oppositions in a consolidated proceeding between competing flashlight manufacturers. In the first proceeding, the TTAB found a likelihood of confusion between Brinkmann's MAGNUM MAXFIRE mark and Mag's MAG-NUM STAR mark, rejecting Brinkmann's asserted *Morehouse* defense. With roles reversed in the second proceeding, the TTAB sustained Brinkmann's opposition to Mag's MAG STAR mark on the basis of Brinkmann's MAXSTAR registration. Finally, the TTAB held that Mag's dual-band design mark applied to the barrel of a flashlight was functional and, in the alternative, lacked the required acquired distinctiveness for registration.

CASE SUMMARY

FACTS

This opinion resolved three consolidated opposition proceedings between Mag Instrument, Inc. ("Mag") and Brinkmann Corporation ("Brinkmann"). In the first proceeding, Brinkmann applied to register the mark MAGNUM MAXFIRE for "hand-held portable lights, namely flashlights and spotlights." Mag opposed the registration on the grounds of priority and likelihood of confusion based on its famous family of "MAG" marks, including the registered mark MAG-NUM STAR for flashlight bulbs. In the second proceeding, Brinkmann opposed Mag's registration of the mark MAG STAR for flashlights and related parts and electric flashlight accessories based upon its own registration for the mark MAXSTAR for electric lanterns. In the final proceeding, Brinkmann opposed Mag's application to register a configuration mark ("the dual-band mark") for flashlights under Section 2(f) on the grounds that the mark was functional and, alternatively, had not attained acquired distinctiveness.

ANALYSIS

The TTAB reviewed each of the consolidated proceedings individually.

MAGNUM MAXFIRE

In the first proceeding in which Mag opposed Brinkmann's registration of MAGNUM MAXFIRE on the basis of its MAG-NUM STAR mark, the TTAB first addressed Brinkmann's assertion of the *Morehouse* defense, citing its ownership of an existing incontestable registration for the mark MAGNUM MAX for

“hand-held electrical spotlights.” The *Morehouse* defense, also known as the prior-registration defense, is an equitable doctrine that applies when an applicant owns a prior registration “for essentially the same (or substantially similar) mark and goods or services, and which registration has not been challenged.” In such cases, “the opposer cannot be injured . . . because there already exists a similar registration, and therefore the additional registration does not add to the injury.”

Brinkmann argued that the affirmative defense was applicable because it owned an incontestable registration for the mark MAGNUM MAX for “hand-held electrical spotlights,” which, it alleged, was substantially identical to the applied-for MAGNUM MAXFIRE mark. Brinkmann argued that the addition of the term FIRE was irrelevant because Mag’s allegation only related to the MAGNUM/MAX portions of Brinkmann’s mark, and that spotlights were identical to flashlights. The TTAB disagreed, finding MAGNUM MAX not substantially the same as MAGNUM MAXFIRE, and further that Mag did not solely claim damages based on the similarity of the MAGNUM portions of the marks. While the TTAB acknowledged that “hand-held electric spotlights” and “flashlights” were “clearly very similar in nature,” it concluded that the products represented distinct categories of lighting products and were thus not substantially the same.

Finding the *Morehouse* defense inapplicable, the TTAB found a likelihood of confusion between Mag’s MAG-NUM STAR mark and Brinkmann’s MAGNUM MAXFIRE mark. Of particular interest in that analysis was the TTAB’s rejection of Brinkmann’s argument that an absence of any actual confusion with any of Mag’s marks in the twenty-five years of Brinkmann’s use of its incontestable MAGNUM MAX mark suggested that confusion was not likely between the applied-for mark and Mag’s mark. The TTAB refused to extrapolate from the lack of confusion between *different* marks that confusion was unlikely between the marks at issue.

MAG STAR

In the second proceeding, the TTAB sustained Brinkmann’s opposition to Mag’s application to register the MAG STAR mark for flashlights and related accessories based on its MAXSTAR mark. The TTAB found the marks to be similar in sound and appearance, noting that both “begin with the letters ‘MA’ followed by another single letter and end with ‘star,’” and, unless spoken slowly with enunciation, it is likely a consumer will confuse the two marks upon hearing them spoken. Mag unsuccessfully argued that consumers would understand the MAG STAR mark to connote its product based on its family of “MAG” marks. The TTAB reiterated that the family-of-marks doctrine is unavailable to a defendant in an inter partes proceeding. Nor did the TTAB accept that “MAG” would be understood by consumers as Mag’s house mark.

It was undisputed that the goods—Mag’s flashlights and related parts and accessories, and Brinkmann’s electric lanterns—were found in the same channels of trade and sold to the same classes of consumers. And the TTAB held them to be “clearly related” despite different utilitarian purposes.

Finally, Mag unsuccessfully argued that there was no likelihood of confusion because it had extensively used *similar marks*, namely, MAG-NUM STAR and WHITE STAR, without any known instances of actual confusion with Brinkmann’s MAXSTAR mark. As with Brinkmann’s similar argument in the first proceeding, the TTAB rejected this argument.

Dual-Band Design Mark

In the third proceeding, Brinkmann opposed Mag’s dual-band design mark, which consisted of two bands

that encircled the barrel of a flashlight. As an initial matter, Mag argued that the mark consisted of bands that were *visibly contrasting* from the rest of the flashlight. Rejecting this contention, the TTAB noted that the application's description of the mark and its drawing did not require that the two bands contrast with the barrel of the flashlight. Rather, the drawing only showed the location of the bands on the barrel.

Mag's only use of the dual-band mark has been on its rechargeable MAG CHARGER flashlight, and Brinkmann argued that the design mark was functional because the mark represented a design "that is 'necessary to charge the flashlight and the reason that the charging feature works.'" Specifically, Brinkmann contended that the two charging bands encircling the barrel provided a continuous surface from which to charge the flashlight. In response, Mag contended that there was no functional requirement that the bands be visibly separate and contrasting bands. Pointing to Mag's expired utility patent claiming a flashlight and recharging unit depicting the two bands and describing their functional purpose for recharging, the TTAB held that "it is evident that the features of Mag's applied-for mark . . . are fundamentally covered by the expired patent." Despite slight differences between the patent and the MAG CHARGER flashlight, the TTAB found that the two bands represented in the mark also represented the two annular rings described in the patent as essential to the recharging function of the flashlight. The fact that several advertisements for the MAG CHARGER flashlight promoted the advantages of the circumferential ring design for recharging purposes was further evidence in favor of a functionality finding.

The TTAB rejected Mag's expert's testimony that functionally equivalent designs existed, finding several inadequacies with the proffered alternative designs, including that the alternatives lacked descriptions as to their feasibility; it was unstated whether third parties could use the alternatives without infringing Mag's design; and the alternatives were not functionally equivalent to Mag's design.

Finding the disclosure in the utility patent and advertisement language to outweigh the significance of any possible alternative designs in its functionality analysis, the TTAB concluded that the proposed design mark was functional.

The TTAB also addressed Brinkmann's alternative argument that the design mark lacked acquired distinctiveness. Despite evidence of twenty-seven years of use and substantial sales, the TTAB found Mag's secondary-meaning evidence lacking. Specifically, the TTAB found insufficient the numerous declarations of Mag sales representatives because they did not appear to be prepared by the signors, were not a random selection of possible declarants, and the declarants were not end consumers. The TTAB noted that the "most damaging" element to Mag's argument was the noticeable absence of evidence that Mag ever placed any "look for" advertisements or other promotional efforts to create an association between the dual bands and Mag itself.

CONCLUSION

This proceeding illuminates the TTAB's analysis of the functionality of a design mark covered by an expired utility patent and highlights the importance of exacting drawings and descriptions in a design-mark application. This decision also reiterates the extremely narrow application of the *Morehouse* defense. Finally, the decision illustrates that the TTAB will not credit the absence of a lack of actual confusion between similar, but not identical, marks as evidence that confusion is unlikely.

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TTAB Cases

***Saul Zaentz Co. v. Bumb,* Opp. No. 91156452 (TTAB June 28, 2010)**

by Linda K. McLeod and Katherine L. Staba

ABSTRACT

Opposer's opposition to Applicant's registration of the mark MITHRIL for jewelry was sustained by the TTAB on the ground that Applicant lacked a bona fide intent to use the mark in commerce. The TTAB found that Applicant lacked any documentary evidence relating to its intent to use, and failed to provide a credible explanation or excuse for its absence. Further, Applicant admitted that it filed the application merely to reserve rights in the MITHRIL mark with only vague plans for its use. Such factors established that Applicant lacked the requisite bona fide intent to use the MITHRIL mark in commerce.

CASE SUMMARY

FACTS

Joseph Bumb ("Applicant") applied to register the mark MITHRIL for jewelry as an intent-to-use application. The Saul Zaentz Co. d/b/a Tolkien Enterprises ("Opposer") opposed the registration on the grounds that Applicant lacked the requisite bona fide intent to use the mark in commerce, and Applicant's mark was likely to cause confusion with Opposer's MITHRIL mark.

Opposer is a film-production company and had acquired exclusive worldwide rights in the series of fantasy literary works authored by J.R.R. Tolkien, including *The Fellowship of the Ring*, *The Two Towers*, *The Return of the King*, and *The Hobbit* (collectively "the Tolkien Works"). Opposer has used and licensed the various trademarks based on names, objects, places, and events depicted in the Tolkien Works for a variety of goods and services, including jewelry. Opposer does not own a registration for the MITHRIL mark, but owns several registrations for the various marks associated with the Tolkien Works covering, among other goods, jewelry. The Tolkien Works define "mithril" as a mythical precious metal, an origin and definition recognized by the Oxford English Dictionary.

Applicant owns a company named American Precious Metals and operates a store at the San Jose Flea Market in California. Applicant buys and sells numerous goods, including jewelry, collectibles, and memorabilia, and designs and manufactures custom jewelry. Applicant adopted the MITHRIL mark because of its significance to the Tolkien Works.

ANALYSIS

Although Opposer based its opposition on both likelihood-of-confusion and lack-of-bona-fide-intent grounds, the TTAB only addressed the lack-of-bona-fide-intent claim.

The TTAB first recognized that Opposer had the requisite standing to oppose the Applicant's registration. Although Opposer did not own a registration for the MITHRIL mark, one of Opposer's licensees had marketed collectible miniature figures under the trade name MITHRIL MINIATURES since the late 1980s. Such use was sufficient to find that Opposer had a real interest in the outcome of the proceeding and a reasonable basis for believing it would be damaged by the registration of Applicant's mark.

Acknowledging that the initial burden of demonstrating that Applicant lacked a bona fide intent to use the MITHRIL mark for jewelry rested with Opposer, the TTAB outlined the factors required to meet this burden. Specifically, the TTAB noted that while an applicant's subjective assertion of an intent to use a mark in commerce is insufficient to establish a bona fide intent, an applicant's lack of any documentary evidence alone may be sufficient to establish a *lack* of a bona fide intent.

Applying these guidelines, the TTAB found that Opposer had met its burden of establishing a prima facie case that Applicant lacked the requisite bona fide intent. In reaching this holding, the TTAB found that, while Applicant had registered the domain names mithrilsilver.com, mithrilsilver.net, and mithrilsilver.org one month before filing its trademark application, it had not taken any other steps to construct or operate a site at any of these domains. Moreover, Applicant had admitted that, apart from registration of the domain names and the trademark application at issue, Applicant had no other documents relating to its adoption or intended use of the mark in commerce. Such deficiency alone established a prima facie case of a lack of bona fide intent.

In addition, the TTAB noted that Applicant's testimony affirmed that it had adopted the mark because of its significance in the Tolkien Works, and that it filed the application merely to reserve a right in the term MITHRIL. Moreover, Applicant was unable to answer basic questions about the goods to be offered under the mark, the intended market, marketing plans, prices of the goods, whether the goods would be sold in retail outlets, and whether Applicant had developed any prototypes. The TTAB viewed this testimony as establishing that Applicant had "nothing more than a vague plan for, or concept of, how he would actually use the MITHRIL mark in commerce on jewelry" This testimony, combined with the lack of any documentary evidence, further supported Opposer's prima facie case of a lack of a bona fide intent to use.

After Opposer established a prima facie case, Applicant assumed the burden to rebut Opposer's case by producing evidence that it had the requisite intent at the time the application was filed. Notably, however, Applicant had failed to submit any evidence or testimony at trial. Faced with Applicant's repeated, bald assertions of subjective intent, the TTAB examined Applicant's statement in its brief that Opposer had sent a cease-and-desist letter regarding the MITHRIL mark to which Applicant complied. Such compliance, Applicant argued, was now being used by Opposer to allege a lack of bona fide intent. The TTAB noted several inconsistencies regarding the date on which Applicant received the letter and, therefore, whether compliance would establish Applicant's bona fide intent to use the mark when the application was filed. Thus, the TTAB was not persuaded by Applicant's argument that his compliance with the cease-and-desist letter explained or excused the absence of documentary evidence.

Accordingly, the TTAB sustained the opposition, holding that Applicant lacked a bona fide intent to use

the MITHRIL mark in commerce at the time the application was filed.

CONCLUSION

This decision highlights the continued importance of preserving documentary evidence in order to demonstrate a bona fide intent to use an applied-for mark in commerce on or in connection with the identified goods or services. In the absence of such documentary evidence, or a credible excuse or explanation for the absence of the same, the TTAB has repeatedly held that an application may be rendered void in whole or in part.

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Brand Antics

by Robert D. Litowitz

Another summer has come and gone, and this one has been a doozy. Here at the Finnegan home office, Washington, DC, became a perpetual pressure cooker, with temperatures consistently flirting with the 100°F mark, punctuated by oppressive humidity. Only crippling thunderstorms provided a break from the monotonous heat. But they brought along vicious winds that knocked out electric power for hundreds of thousands of suburban residents for days, sparked tornado warnings, and left us in the dark without air conditioning, as the heat returned with a vengeance. Fortunately, we had it easy compared to the residents of the Gulf victimized by the massive oil-spill disaster that seemed to unfold in slow motion and whose magnitude and consequences still remain incalculable. Talk about irreparable harm. More recently, news is beginning to sink in about the unimaginable hardship, suffering, and loss being experienced in Pakistan, where flood waters have literally submerged half a nation, putting hundreds of thousands of ordinary Pakistanis in mortal jeopardy. And on the domestic front, the Great Recession continues to run its plodding and destructive course, accompanied by a drum beat of downbeat financial news.

Fortunately, amidst all the ecological and economic turmoil, we had a trademark issue to provide some much-needed comic relief. That relief came in the form of the news story that the YMCA, which generations of fitness-minded members have referred to colloquially as the “Y,” has formally jettisoned its venerable acronym of a name in favor of its conveniently succinct nickname.

Y, er, why?

Well, news reports suggest that it all comes down to branding. According to published reports, the Chicago-based nonprofit feels that many people don't know what the group does. That might hold water if we were talking about the Freemasons, but the YMCA? The curious conclusion that the Y's mission is somehow obscure is seemingly belied by the mobs of members in workout gear streaming in and out of thousands of YMCAs across the country. But Y officials insist that it's supported by two years of market research. Maybe all those dedicated YMCA members are too exhausted by their vigorous spinning and Pilates classes to spread the word about what goes on within the Y's inner sanctum.

Other reports chalk the major rebranding overhaul to the group's desire to project a kinder, gentler image: “It's a way of being warmer, more genuine, more welcoming, when you call yourself what

everyone else calls you," Kate Coleman, the organization's senior vice president and chief marketing officer, is quoted as saying by *The New York Times*. Could it be that this pillar of countless communities—founded over a century ago as the Young Men's Christian Association—has for decades been perceived as cold, insincere, and inhospitable? Who knew?!

Truth be told, life will go on for the "Y" and its membership with little change or disruption, just as consumers recovered from such branding traumas as Kentucky Fried Chicken becoming KFC and National Public Radio becoming simply NPR. In the era of Twitter, why saddle your brand with four letters when one will do?

But for one small but influential segment of the culture, the evisceration of MCA from Y is nothing less than cataclysmic. That segment, of course, will be the crowds at every major sporting event across the country. When the iconic Village People anthem is cued, and the fans rise to their feet as one and thrust their arms above their heads at acute angles from their shoulders, will it really be as much fun just to stay at the "Y"? And with the economy in the doldrums, do we really want to send the Village People's cop, Native American, and construction worker to the unemployment line?

The logo for Finnegan, consisting of the word "FINNEGAN" in a bold, green, sans-serif font.

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