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

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by Danny Awdeh

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by Naresh Kilaru

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***Citigroup Inc. v. Capital City Bank Group, Inc.*, Opp. No. 91177415 (TTAB Feb. 17, 2010)**

by Linda K. McLeod and Stephanie H. Bald

Despite the fame of Opposer's CITIBANK marks and Applicant's use of its CAPITAL CITY BANK marks for essentially identical financial services, the TTAB finds no likelihood of confusion because of the "significant differences" between the marks and the absence of any actual confusion where the parties had offered their services in the same geographic locations for many years.

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by Kenneth H. Leichter

TTAB holds, following *In re Bose*, that because intent is a required element to be pleaded for a claim of fraud, allegations that a party made material representations of fact that it "knew or should have known" were false or misleading are legally insufficient to support a fraud claim.

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Civil Cases

Doctor's Assocs., Inc. v. QIP Holders LLC, 2010 WL 669870 (D. Conn. Feb. 19, 2010)

by Danny Awdeh

ABSTRACT

Subway brought false-advertising claims based on a series of commercials run by Quiznos, which claimed that Quiznos sandwiches had double the amount of meat of Subway sandwiches. Quiznos moved for summary judgment, arguing that the evidence showed that the claims in its advertisements were not false or misleading. After an intensive inquiry into the factual bases for Quiznos' double-meat claims, including analyses of studies commissioned by Quiznos to back up its claims, the court declined to grant summary judgment, citing numerous disputes of material fact as to the truth or falsity of Quiznos' claims. Among other things, the court noted an audit showing that some Quiznos sandwiches contained less meat than its internal guidelines dictated, and noted that Quiznos' commercials and market study omitted the fact that the comparison Subway sandwiches are available with a double portion of meat.

CASE SUMMARY

FACTS

In 2006, Defendants QIP Holders LLC and iFilm Corp. (collectively "Quiznos") launched an advertising campaign promoting its new line of "double meat" sandwiches. As part of that campaign, Quiznos aired television commercials claiming that its "Prime Rib Cheesesteak" and "Ultimate Italian" sandwiches have twice the meat of comparable sandwiches offered by plaintiff Doctor's Associates, Inc. ("Subway"), its competitor.

The Prime Rib Commercials

Quiznos' commercials for its "Prime Rib Cheesesteak" (the "Prime Rib Commercials") depicted its Prime Rib and Subway's "Cheesesteak" sandwiches side-by-side with consumers commenting on the quantity of meat in each. The commercials displayed the text: "Quiznos New Prime Rib Cheesesteak v. Subway Cheesesteak . . . Only Quiznos has real Prime Rib. And more than 2x the meat."

Quiznos based its "2x the meat" claim in the Prime Rib Commercials on, among other things, the parties' sandwich "specifications." According to Quiznos, the specifications for its sandwich call for 5.0 oz. of meat, while Subway's specifications call for less than 2.5 oz. Before airing the commercials, Quiznos conducted an audit of its stores, which revealed that 94% of its franchisees were making sandwiches containing at least 4.0 oz. of meat—twice the amount in Subway's sandwiches according to Quiznos.

The Ultimate Italian Commercials

In 2007, Quiznos aired television commercials comparing Quiznos' "Ultimate Italian" and Subway's "Italian BMT" sandwiches (the "Ultimate Italian Commercials"). Similar to the Prime Rib Commercials, the Ultimate Italian Commercials displayed the text: "Quiznos New Ultimate Italian v. Subway's Italian BMT. The Quiznos has 2x the meat . . . Based upon average precooked weight, in an *independent national sampling* of Quiznos small Ultimate Italian v. Subway regular 6-inch Italian BMT. Sandwich prices differ." (emphasis added.) The specifications for Quiznos' Ultimate Italian call for 5.0 oz. of meat, while Subway's specifications call for 2.25 oz.

Before airing its commercials, Quiznos retained Guideline, Inc., a survey firm, to measure the meat in Quiznos' Ultimate Italian and Subway's Italian BMT sandwiches at various stores (the "Guideline Study"). The Guideline Study found that on average, the meat in Quiznos' small Ultimate Italian weighed 4.82 oz., while the meat in Subway's 6-inch Italian BMT weighed only 2.35 oz.

ANALYSIS

This decision addressed Quiznos' motion for summary judgment on Subway's false-advertising claims. To prevail on its false-advertising claims, Subway had to prove that Quiznos' Prime Rib and Ultimate Italian Commercials were either (1) literally false, or (2) likely to mislead and confuse consumers. For ads based on test results, literal falsity may be established by proving that those results are not sufficiently reliable.

Quiznos moved for summary judgment as to the Prime Rib Commercials by arguing that those ads were true because the Quiznos Prime Rib sandwich actually contained two times as much meat as the Subway Cheesesteak sandwich. Because the Prime Rib Commercials did not rely on test results, the court required Subway to prove that Quiznos' claims are literally false. Recognizing at least the following disputed issues of material fact, however, the court declined to rule on Quiznos' summary judgment motion. First, the court noted that "field checks" of the Prime Rib meat portions at 651 Quiznos stores revealed that 27.65% of those stores failed to meet Quiznos' 5 oz. standard, and 10.29% made sandwiches with less than 4 oz. of meat. Second, Subway's sandwiches are available with a double portion of meat, but Quiznos' commercials addressed only the single-portion serving. Third, Subway's Cheesesteak sandwich was no longer offered during the time the Prime Rib Commercials were aired. Instead, Subway was offering a 6-inch "Steak and Cheese" sandwich with 2.5 oz. of meat, which could be doubled to 5 oz.

Unlike the Prime Rib Commercials, the Ultimate Italian Commercials made claims based on test results, namely, the Guideline Study. Subway argued that there were disputes of material fact because the claim in the Ultimate Italian Commercial that the Quiznos Ultimate Italian sandwich contains two times the meat of Subway's Italian BMT was literally false because Subway always offered a double portion of meat on its Italian BMT, and because Quiznos offered a Classic Italian sandwich with a single portion of meat to which Quiznos could have compared Subway's Italian BMT. The court decided that the issue was not ripe for summary judgment. Specifically, the court noted that even though the Guideline Study supported Quiznos' "2x the meat" claim with respect to Subway's single-meat serving, it did not address whether the claim was true for Subway's double-meat portion.

CONCLUSION

This decision serves as a good example of the fact-intensive inquiry that a court may undertake in false-advertising cases, and suggests that some claims may not be decided short of a jury trial. The case is also important because it offers further insight into how tests and surveys may be scrutinized by the court in assessing the alleged truth of advertised claims.

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Civil Cases

Gallup, Inc. v. Bus. Research Bureau (Pvt.) Ltd., 2010 WL 545857 (N.D. Cal. Feb. 11, 2010)

by Naresh Kilaru

ABSTRACT

Following the republication of public opinion polls of the Pakistani national election by independent U.S. news organizations, which had been published by Pakistani polling company Gallup Pakistan on its website at www.gallup.com.pk, U.S.-based Gallup filed a trademark-infringement action against Gallup Pakistan. Finding that the Pakistani defendant had no business presence in the United States, did not sell or advertise any services in the United States, and that its activities were wholly extraterritorial, the district court denied plaintiff's summary judgment motion for lack of subject matter jurisdiction. The district court also emphasized that granting the relief requested by the plaintiff raised issues of comity as the parties were involved in a contemporaneous trademark dispute in Pakistan over the same mark.

CASE SUMMARY

FACTS

Plaintiff Gallup, Inc. ("Gallup"), the well-known U.S.-based market research and public opinion polling company, has used the GALLUP mark for its public opinion polling services for more than 70 years and owns numerous U.S. registrations therefore. The defendants ("Gallup Pakistan") run a public opinion polling service that has operated in Pakistan under the trade name GALLUP PAKISTAN for more than 30 years. Gallup Pakistan operates an English-language website at the URL www.gallup.com.pk, which is accessible in the United States and prominently displays the GALLUP PAKISTAN mark.

Gallup Pakistan is a member of the Zurich-based Gallup International Association ("GIA"), an international polling organization with more than 60 member agencies around the world. While GIA and the plaintiff were both founded by the same individual (Dr. George Gallup), the two organizations are otherwise unrelated and are involved in ongoing trademark disputes around the world.

In early 2008, following Gallup Pakistan's publication on its website of the results of six Pakistani public opinions polls regarding the Pakistan national election, thirteen major news organizations, including the *New York Times*, *Reuters*, and *Time*, republished the Pakistani polling results in the United States. Two of the articles inaccurately attributed the poll results to "Gallup."

Gallup filed suit in the United States for trademark infringement alleging a violation of its trademark rights based upon: (1) Gallup Pakistan's use of the GALLUP mark on its English-language website; and (2) Gallup Pakistan's use of the GALLUP mark in connection with its polling and survey results as published in the United States. Gallup sought to enjoin Gallup Pakistan's use of the GALLUP mark in the United States and its operation of an English-language website at www.gallup.com.pk.

Gallup Pakistan filed an answer and a motion to dismiss for lack of subject matter jurisdiction. The court initially denied the motion to dismiss, finding that the complaint alleged sufficient acts within the United States to warrant the exercise of subject matter jurisdiction. However, after Gallup filed a motion for summary judgment on its trademark-infringement claims, the court revisited the issue of subject matter jurisdiction in light of the factual evidence presented by both parties.

ANALYSIS

Courts in the Ninth Circuit must consider three factors in determining whether to extend the Lanham Act's jurisdictional reach over extraterritorial activities: (1) whether the extraterritorial activities have "some effect" on American foreign commerce; (2) whether the effect is sufficiently great to present a cognizable injury to the plaintiff under the statute; and (3) whether the interests of and links to American foreign commerce are sufficiently strong in relation to those of other nations to justify an assertion of extraterritorial authority.

In denying Gallup's motion for summary judgment and ordering Gallup to show cause why the case should not be dismissed for lack of subject matter jurisdiction, the court concluded that the application of this test raised "troubling concerns." In relation to the first factor, while concluding that Gallup Pakistan's activities had "some effect" on Gallup's U.S. trademark rights following republication of defendant's survey results in U.S. publications, the court found the effect to have been "nominal" since only six of presumably thousands of Gallup Pakistan surveys had ever been republished by American news outlets. Relative to the second factor, the court questioned whether the nominal nature of the injury could justify the "severe" equitable relief sought in Gallup's motion. Finally, the court found a substantial risk of conflict with foreign law, as the parties were involved in a contemporaneous infringement dispute in Pakistan over their rights to the GALLUP mark in that country. If Gallup prevailed in the Pakistani action, the relief sought in the U.S. case would be unnecessary as Gallup could rely on Pakistan's own trademark laws to enjoin Gallup Pakistan's use of the GALLUP mark. Alternatively, if Gallup Pakistan prevailed, the U.S. court's grant of equitable relief would significantly interfere with Gallup Pakistan's right to lawfully use its mark in Pakistan. The court found the possibility of such interference particularly troubling given Gallup Pakistan's long-standing status as a GIA member and, presumably, long-standing authorization from GIA to use the GALLUP PAKISTAN mark in Pakistan. Finally, even assuming the court were inclined to grant the equitable relief requested, it was unclear how such relief could be enforced given that both Gallup Pakistan and its website resided in Pakistan.

The court denied the summary judgment motion and ordered Gallup to show cause why the action should not be dismissed for lack of subject matter jurisdiction. Subsequent court records indicate that the parties have briefed the issue and the action is ongoing, with Gallup taking limited discovery on the scope of Gallup Pakistan's U.S. activities.

CONCLUSION

While U.S. courts have routinely exercised subject matter jurisdiction over trademark-infringement claims involving foreign websites, this decision suggests that where a foreign defendant's activities have limited impact on U.S. commerce and where the parties are already entangled in a trademark dispute abroad, a

U.S. court may decline to extend the Lanham Act's jurisdictional reach over extraterritorial activities.

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Civil Cases

Office Depot Inc. v. Zuccarini, 2010 WL 669263 (9th Cir. Feb. 26, 2010)

by David M. Kelly

ABSTRACT

Office Depot obtained a judgment that the defendant's use of the domain name offic-depot.com constituted cybersquatting and subsequently assigned the judgment to DSH. DSH attempted to collect on the judgment by levying upon a large number of other .com domain names owned by the defendant that were not at issue in the case and that were registered with multiple registrars in Germany, Israel, and the United States. Defendant argued that DSH had to bring actions where each domain name registrar was located. The Ninth Circuit held, however, that DSH could proceed against all of the domains in the Northern District of California where VeriSign, the registry for all .com and .net domain names, is located.

CASE SUMMARY

FACTS

Office Depot Inc. ("Office Depot") obtained a judgment for cybersquatting under the Anticybersquatting Consumer Protection Act ("ACPA") in 2000 against noted cybersquatter John Zuccarini's use of the domain name offic-depot.com. Office Depot was unable to collect on the judgment and assigned the judgment to DS Holdings, LLC ("DSH"). DSH attempted to levy upon the offic-depot.com domain name and 190 other .com domains owned by Zuccarini in the Northern District of California, where the registry for all ".com" and ".net" domains, VeriSign, is located. During discovery, DSH learned that the registrars for Zuccarini's various .com domain names were located in Germany, Israel, and the United States. DSH filed a motion for a turnover order to compel the registrars of these domain names to transfer them from Zuccarini to DSH. The district court denied the motion, holding that it could not order third parties to turn over property under California law. DSH then moved to appoint a receiver who would obtain and sell the .com domain names and use the proceeds to satisfy the judgment. The district court granted DSH's motion to appoint a receiver, and Zuccarini appealed.

ANALYSIS

The Ninth Circuit Court of Appeals affirmed the district court's appointment of a receiver, holding that the Northern District of California was a proper place to levy upon all of Zuccarini's .com domain names at issue. It noted that the jurisdictional question at issue here was "type two quasi in rem" jurisdiction (also called "attachment jurisdiction"), which establishes the ownership of property in a dispute unrelated to the property in the underlying action. Here, the 190 .com domain names that DSH sought to levy upon were not involved in the underlying cybersquatting litigation against Zuccarini.

The Ninth Circuit examined Federal Rule of Civil Procedure 69, which directs district courts to look to state rules regarding the execution of judgments unless a federal statute applies. Federal Rule of Civil Procedure 66 governs the appointment of a receiver in federal court, so it would prevail over any state law. However, because Rule 66 does not provide for the proper location for the appointment of a receiver to enforce a judgment, the court looked to California state law. The Ninth Circuit reviewed several sections of the California Civil Procedure Code and concluded that together they made the Northern District of California the appropriate location to execute judgment on Zuccarini's domain names through the appointment of a receiver *if* the domain names (1) were property subject to execution, and (2) were located in the Northern District of California. First, because the Ninth Circuit had previously held that domain names are intangible property under California law, they were thus subject to a writ of execution. Second, the court noted that the location of intangible property depends on the purpose to be served. Although California law does not discuss the location of domain names, Congress did address this question in the ACPA. In rem jurisdiction over allegedly infringing domain names for purposes of the ACPA, which is different from the "quasi in rem" jurisdiction at issue here, is "in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located." 15 U.S.C. § 1125(d)(2)(A). The Ninth Circuit stated that the ACPA was "authority" for the proposition that "domain names are personal property located wherever the registry or the registrar are located."

Zuccarini argued that because domain name registrars tell the registries who owns domain names, any attachment of the domains can be directed only at the registrars. He further argued that if the domain names under VeriSign's control as the registry were deemed to be located in the district where VeriSign was headquartered, then every .com and .net domain name would be located there. In response, DSH argued that registrars are essentially "intermediaries" because the domain name registries control the database of all domain names, and ultimately any changes in ownership are reflected in the registry's database. DSH also argued that the ability of judgment collectors to levy upon domain names would be greatly impeded if they had to bring suits in every jurisdiction where the domain name registrars are located.

The Ninth Circuit agreed with DSH and held that, "[g]iven the persuasive but not controlling language of the ACPA, and the practicalities involved in bringing suit to execute judgments against owners of domain names," under California law, domain names are located where the registry is located for purposes of asserting quasi in rem jurisdiction. It further noted that, although the question was not directly before the court, "it saw no reason why . . . domain names are not also located where the relevant registrar is located."

CONCLUSION

This decision confirms that domain names are property subject to creditors, and expands the jurisdictional boundaries where a judgment creditor may levy upon domain names to collect on a judgment. At least under California law, a party may bring such actions where the domain name registry is located. This will make the collection of judgments against .com and .net domain names far easier for creditors because VeriSign, the registry for all such names, is located in the United States. This is especially true as to cybersquatters that use multiple registrars and/or that are located outside of the United States. As a result, trademark owners may have more incentive to attempt to collect on a cybersquatting judgment by levying upon any other .com and .net domains owned by the cybersquatter.

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Civil Cases

Wolf Appliance, Inc. v. Viking Range Corp., 2010 WL 546782 (W.D. Wis. Feb. 11, 2010)

by Katherine L. Staba

ABSTRACT

A preliminary injunction was granted against Viking for its use of Wolf's red knobs on ranges. The Western District of Wisconsin found that Wolf had established both secondary meaning and a likelihood of confusion warranting the imposition of a preliminary injunction against its competitor in the residential range market. Secondary meaning in Wolf's trade dress was found based on the presumption accorded its federal registration and other evidence of strong sales, advertising, and market presence. The court found likelihood of confusion by focusing on the fact that red knobs were uncommon in the field, meaning the parties' products would be viewed as similar, and also found that a reasonable jury could infer an intent to pass off based on this fact.

CASE SUMMARY

FACTS

Plaintiff Wolf Appliance, Inc. ("Wolf") owns a U.S. trademark registration for "red knob or knobs" for domestic gas and electric cooking appliances, namely, ranges, dual-fuel ranges, cooktops, and barbeque grills. Wolf filed an action alleging federal trademark infringement and unfair competition against Defendant Viking Range Corporation ("Viking"), Wolf's competitor in the manufacture of high-end cooking appliances, including ranges and rangetops. Wolf claimed that Viking had infringed its trademark by offering high-end residential ranges with red knobs. After Viking filed its answer, Wolf filed a motion for a preliminary injunction against Viking seeking to enjoin Viking from advertising, promoting, offering, or selling red knobs during the pendency of the case.

ANALYSIS

To prevail on its motion for a preliminary injunction, Wolf must demonstrate (1) some likelihood of success on the merits of its trademark-infringement claim; (2) that there is no adequate remedy at law and it will suffer irreparable harm if the injunction is denied; (3) the harm Wolf would suffer if denied an injunction would outweigh the harm Viking would suffer if the injunction issues; and (4) that the public interest would not be affected negatively by an issuance of an injunction.

The district court found that Wolf had shown a reasonable likelihood of success on the merits because

Wolf's trade dress had acquired secondary meaning and consumers would likely be confused as to the source or affiliation of Viking's products. The court focused on whether Wolf's trade dress had acquired secondary meaning, evaluating this question under the Seventh Circuit's six-factor test.

First, the court evaluated direct consumer testimony and consumer surveys, finding that the minimal amount of this type of evidence presented by both parties did not disturb Wolf's presumption of validity and secondary meaning garnered through its registered trade dress. Second, the length and exclusivity of Wolf's use of its trade dress suggested that Wolf's red knobs had acquired secondary meaning. Specifically, the court noted that, despite the sporadic presence of other range and rangetop manufacturers using red knobs, Wolf had used the red knobs nearly exclusively and in a source-identifying fashion. The third secondary-meaning factor—amount and manner of advertising—also weighed in favor of a finding of secondary meaning. Wolf had spent approximately $41 million in advertising and promoting its products bearing red knobs, and had referred to the knobs as Wolf's *distinctive* or *exclusive* feature. Wolf's high volume of sales, more than 325,000 red knob-bearing units since 2000 generating in excess of $800 million in revenue, supported a finding of secondary meaning on the fourth factor, amount of sale and number of customers. The court found the fifth factor—an established place in the market—also supported secondary meaning as Wolf sold its red-knobbed ranges through approximately 2,000 authorized dealers in 50 states. Finally, the court found the sixth factor—proof of intentional copying—to be inferred through Viking's actions in adopting a red knob as its first colored knob. On balance, the court held that Viking had not presented evidence sufficient to overcome the presumption of validity and secondary meaning provided by Wolf's registered trade dress.

Applying the six-factor likelihood-of-confusion test, the court also found that Wolf had demonstrated that Viking's use of red knobs is likely to confuse consumers. Among the factors to weigh in favor of a finding of likelihood of confusion were the similarity of the trade dress, similarity of trade channels, the strength of Wolf's trade dress, and the possibility that Viking intentionally attempted to undermine Wolf's trade dress by adopting the red knobs on its competing ranges. The court found the knobs to have a similar size, shape, and color with only minimal differences that would not be noticed by consumers. Interestingly, in its analysis of the area and manner of concurrent use factor, the court found more persuasive the fact that Wolf's red knobs were the major *exception* to the black and stainless steel knobs pervading the range industry, than any evidence pointing to the actual similarities of the parties' red-knobbed ranges or locations of sale. Thus, for the factor purporting to analyze the similarity of the parties' ranges, it was not the similarities of the parties' products, but rather the dissimilarities of Wolf's product to industry equivalents that was most significant. And, as in the secondary-meaning analysis, the court found a reasonable jury could infer an intent to pass off.

The court further found that irreparable harm to Wolf from Viking's trademark infringement was presumed. Moreover, the court found that the balance of hardships weighed in favor of Wolf because Viking provided insufficient evidence to demonstrate the potential harm it would suffer if an injunction was granted. Finally, the public interest would be served and the purposes of federal trademark law fulfilled by granting an injunction.

CONCLUSION

This decision highlights the intricacies of a secondary-meaning analysis in the context of the multistep, multifactor analysis undertaken to determine whether to grant a preliminary injunction. Interestingly, the court found secondary meaning and a likelihood of confusion despite explicitly noting that the plaintiff did not present survey evidence on either point. First, in evaluating secondary meaning, the court noted that neither party had presented evidence of consumer surveys, but ultimately concluded that the lack of survey evidence did not disturb the presumption and other strong evidence of secondary meaning. Similarly, in evaluating likelihood of confusion, the court again noted that plaintiff had “not submitted any evidence, such as consumer surveys, to establish whether end-use consumers are confused,” yet evidently found this lack of such evidence overcome by the similarity of the parties’ trade dress and the inference of intentional copying.

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TTAB Cases

Citigroup Inc. v. Capital City Bank Group, Inc., Opp. No. 91177415 (TTAB Feb. 17, 2010)

by Linda K. McLeod and Stephanie H. Bald

ABSTRACT

Based on Opposer's prior use and registration of its CITIBANK marks for financial services, Opposer opposed registration of Applicant's CAPITAL CITY BANK marks for financial services on the grounds of likelihood of confusion and dilution. Applying the *DuPont* likelihood-of-confusion factors, the TTAB found that Opposer's CITIBANK marks were famous, the services of the parties were, in part, identical, and the services were presumed to move in the same channels of trade to the same classes of consumers. However, the TTAB also found that the marks were not similar and that there had been no reported instances of actual confusion despite having had a significant opportunity for confusion to occur. Balancing these factors, the TTAB found that the significant differences between the parties' marks outweighed the factors favoring Opposer, and concluded that confusion was unlikely.

On Opposer's dilution claim, the TTAB found that Opposer had not established the fame of its marks prior to Applicant's relevant priority date. Further, the TTAB found that the parties' marks were not substantially similar, there were numerous third-party users of the term "City Bank," there was no evidence demonstrating any association between the parties' marks, and there was no evidence that Applicant intended to create an association with Opposer's marks. These factors were sufficient to outweigh any fame and distinctiveness of Opposer's marks. Accordingly, the TTAB also rejected Opposer's dilution claim.

CASE SUMMARY

FACTS

Capital City Bank Group, Inc. ("Applicant") filed applications for the marks CAPITAL CITY BANK, CAPITAL CITY BANK INVESTMENTS, CAPITAL CITY BANK GROWING BUSINESS, and CAPITAL CITY BANC INVESTMENTS covering various banking and financial services. In each application, Applicant claimed ownership of three incontestable registrations for stylized versions of the mark CAPITAL CITY BANK featuring a star design to the left of the word mark.

Citigroup Inc. ("Opposer") opposed registration of the CAPITAL CITY applications on the grounds of likelihood of confusion and dilution based on Opposer's alleged family of CITIBANK service marks for financial services. Opposer asserted numerous registrations for CITIBANK-formative marks for banking and financial services.

ANALYSIS

Regarding standing, Applicant argued that because it was already the owner of three incontestable registrations incorporating the term “CAPITAL CITY BANK” for banking services, Opposer could not be damaged by the registration of the applications at issue. The TTAB rejected this argument, explaining that the prior registration defense asserted by Applicant was only applicable where the prior registration identified essentially the same mark for essentially the same goods or services as the proposed application. Here, the TTAB found that the applied-for marks in standard character form could create a different commercial impression than the marks in Applicant’s prior registrations, which were stylized and contained a star design. The TTAB also found that while the services in the applications and registrations fell under the same broad umbrella of financial services, the applications included services different from the banking services listed in the registrations.

The TTAB found that Opposer had established priority as to its individual CITIBANK marks based on its registrations. However, the TTAB held that Opposer had not established a family of CITIBANK marks prior to Applicant’s first use of its marks. Specifically, the TTAB found that Applicant was entitled to rely on 1975 as the relevant date for priority purposes, and that the earliest evidence of Opposer promoting its marks together as a family was not until a November 2000 press release, well after Applicant’s 1975 priority date. Because no family of marks had been established, the TTAB based its likelihood-of-confusion analysis solely on the use of the individual marks in Opposer’s registrations.

Turning to Opposer’s likelihood-of-confusion claim, the TTAB found that the CITIBANK marks were famous based on Opposer’s long and extensive use of the marks, the high level of brand awareness of the CITIBANK mark as reflected in corporate image-tracking studies, the high rankings of the CITIBANK mark in the *BusinessWeek* magazine brand valuation study and in MillwardBrown’s brand rankings, *BusinessWeek*’s brand valuation of the CITIBANK mark at over $13 billion, and media references to Opposer’s stature as a leading bank. The TTAB also found that the parties’ services were essentially identical and that the channels of trade and classes of purchasers were thus presumed to be the same.

Nevertheless, the TTAB held that the significant differences between the parties’ marks and the fact that there had been no actual confusion outweighed these other factors. Contrary to Opposer’s arguments, the TTAB found that there had been a reasonable opportunity for confusion to arise between the parties’ marks because both of the parties offered their services in the same geographic locations. Further, the TTAB rejected Opposer’s argument that the lack of any actual confusion was not probative because the Applicant’s marks with the star logo “differed so greatly” from the pending word mark applications. The TTAB explained that the dominant portion of Applicant’s star logo marks was the name CAPITAL CITY BANK, which portion engendered the same commercial impression as the applied-for marks such that the concurrent use of Applicant’s star logo marks and Opposer’s marks had presented a reasonable opportunity for confusion to occur. Regarding the similarity of the marks, the TTAB found that although the marks were superficially similar to the extent that Applicant’s marks contained the term “City Bank,” because Applicant’s marks started with the word “Capital,” the commercial impression engendered by Applicant’s marks was entirely different. The TTAB explained that Applicant’s marks would be perceived as CAPITAL CITY . . . bank, not as CAPITAL . . . CITY BANK. Further, in Applicant’s CAPITAL CITY BANK marks, the TTAB found that the term “Capital City” would be perceived as a geographic designation and “Bank” as a generic designation. Accordingly, the TTAB concluded that the parties’ marks were not similar in appearance, sound, or meaning, and the absence of any actual confusion lent credence to that finding.

On balance, the TTAB thus held that the significant differences between Applicant's CAPITAL CITY BANK marks and Opposer's CITIBANK marks outweighed the fame of Opposer's marks rendering confusion unlikely.

With respect to Opposer's dilution claim, Opposer argued that its marks were famous prior to the filing date of Applicant's applications and that Applicant's marks were likely to "blur" the distinctiveness of Opposer's marks. Because Applicant's CAPITAL CITY BANK application was a use-based application, however, the TTAB explained that Opposer was required to establish fame prior to Applicant's first use of the CAPITAL CITY BANK mark, not the filing date of that application. Here, Opposer had failed to do so because Applicant was entitled to rely on its 1975 priority date, and the evidence of record showed that Opposer's marks did not become famous until 1983. In addition, the TTAB found that Opposer had failed to establish blurring. Weighing the dilution factors, the TTAB found that Opposer had not established that the parties' marks were substantially similar, that there were numerous third-party users of the term "City Bank," that there was no evidence demonstrating any association between the parties' marks, and that there was no evidence that Applicant intended to create an association with Opposer's marks. Accordingly, the TTAB found that these factors outweighed any fame and distinctiveness of Opposer's CITIBANK marks.

The TTAB thus dismissed the opposition as to both Opposer's likelihood-of-confusion and dilution claims.

CONCLUSION

While the TTAB found the CITIBANK famous in its likelihood-of-confusion analysis in this case, this factor was ultimately outweighed by other factors such as the dissimilarity of the marks and the lack of any actual confusion despite the parties' long-term coexistence in the marketplace.

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TTAB Cases

Safer, Inc. v. OMS Investments, Inc., Opp. No. 91176445 (TTAB Feb. 23, 2010)

by Jonathan M. Gelchinsky

ABSTRACT

In a precedential decision, the TTAB expanded the types of documents that can be submitted under a notice of reliance pursuant to Trademark Rule 2.122(e) as publicly available documents to include materials obtained from the Internet. Provided that the materials are publicly available on the Internet, they can now be submitted under a notice of reliance as long as these documents identify (1) the date of publication or the date that the document was accessed and printed, and (2) its source (e.g., a URL).

CASE SUMMARY

FACTS

During its trial period, Safer, Inc. ("Opposer") submitted a notice of reliance containing various publications by federal and state agencies, universities, and certain private entities that were obtained from the Internet. OMS Investments, Inc. ("Applicant") objected to the admissibility of these materials on the ground that they were not self-authenticating printed publications pursuant to Trademark Rule 2.122 (e). The TTAB addressed the evidentiary objection in its ruling on the merits of the case.

ANALYSIS

Instead of strictly construing Rule 2.122(e) as applying only to *printed* publications and simply rejecting Opposer's website evidence, the TTAB instead looked at why printed publications in general circulation are self-authenticating in the first instance, noting that the TTAB generally finds such materials to be admissible if they identify their *publication date and source*. The TTAB acknowledged that it "must recognize and adapt to changes in technology, particularly the prevalence of the Internet," and noted that many of today's "publications" are no longer maintained and published in printed form, and are frequently (and sometimes exclusively) made available in electronic form, accessible to all via the Internet. It further stated that "either the utility of the use of notices of reliance to introduce printed publications and government records will become limited, or the Board must adapt the procedure to recognize the changes in how publications and other documents are kept and 'circulated.'"

Based upon the above reasoning, the TTAB held that, henceforth, a document obtained from the Internet may be admitted into evidence pursuant to a notice of reliance under Rule 2.122(e), as long as it is publicly available and identifies (1) its date of publication or the date that it was accessed and printed, and (2) its source (e.g., a URL). By providing the date and source, the nonoffering party is able to verify the contents of the document and may present rebuttal evidence if the content of the website has changed, just as the nonoffering party has been able do with traditional printed publications of general circulation.

The TTAB cautioned, however, that while it was expanding the types of documents that may be submitted via notice of reliance to include Internet-accessible websites, advertising, business publications, annual reports, and other materials, such documents may be of limited probative value and are admissible only to show what has been printed or displayed, but not to prove the truth of the matter asserted in the documents themselves.

The TTAB also noted that, in its notice of reliance submitting Internet and other "printed publication" evidence, a propounding party should indicate the specific legal issues and/or facts supported by each document or group of documents, so that their relevance to the case is clear.

Finally, the TTAB cautioned parties against engaging in the "needless presentation of cumulative evidence" which could lead to objection under Fed. R. Evid. 403.

CONCLUSION

While this new expanded rule will make it procedurally easier to put into evidence websites and other materials that are relevant for what they show on their face, it will not alleviate the need to utilize other mechanisms to introduce Internet evidence presented for other reasons. For example, certain Internet materials, such as advertisements, annual reports, and websites showing use of a mark or the promotion and sale of goods and services, may require introduction into evidence through the deposition testimony of a fact witness who can lay the proper foundation for such materials, provide necessary background on their content (e.g., how long the mark has been used in a particular manner, how many hits the website receives annually, etc.), and, in some cases, authenticate them as business records in order to overcome hearsay objections to prove the truth of the matters asserted therein.

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TTAB Cases

Qualcomm Inc. v. FLO Corp., 93 USPQ2d 1768 (TTAB Feb. 25, 2010)

by Kenneth H. Leichter

ABSTRACT

Opposer attempted to base its fraud claim on the allegation that Applicant "knew or should have known" of Opposer's prior use and registration of its pleaded marks and therefore could not have had a good-faith belief that Applicant was the owner of the mark at issue. The TTAB held that, in light of *In re Bose*, such a claim based on a "knew or should have known" allegation is insufficient. The TTAB also denied Opposer's motion for summary judgment because it was filed before Opposer had served initial disclosures. It did so even though Applicant had not formally objected to the motion as prematurely filed, finding that the disclosure requirement cannot be waived.

CASE SUMMARY

FACTS

FLO Corporation ("Applicant") filed an application to register the mark FLO for various goods and services, alleging a bona fide intent to use the mark in commerce pursuant to 15 U.S.C. § 1051(b). Qualcomm Inc. ("Opposer") claimed that Applicant lacked a bona fide intent to use the mark on all of the identified goods and services "at the time of filing said application," and also alleged fraud and a likelihood of confusion with its previously registered FLO and MEDIAFLO marks.

Opposer moved for summary judgment on its argument that Applicant "is, for all intents and purposes defunct and no longer in business," and that Applicant had therefore "abandoned" the applied-for mark and could no longer have a bona fide intent to use the mark. The TTAB decided the summary judgment motion and, although Opposer had not moved for summary judgment on its fraud claim, the TTAB also addressed the sufficiency of Opposer's fraud allegations.

ANALYSIS

The TTAB stated that in inter partes proceedings commenced after November 1, 2007, a party may not file a motion for summary judgment under Trademark Rule 2.127(e)(1) until that party has made its initial disclosures, unless the motion asserts claim or issue preclusion or lack of jurisdiction by the TTAB. Here, Applicant had not expressly objected to the motion for summary judgment as prematurely filed, but the TTAB held that the requirement that a party serve its initial disclosures prior to or concurrently with the filing of a motion for summary judgment cannot be waived. Because Opposer had not served its initial disclosures, the TTAB found the motion for summary judgment to be premature and denied it on that basis.

The TTAB also faulted Opposer's summary judgment motion on additional grounds. First, Opposer could not obtain summary judgment on the grounds that applicant "no longer has a bona fide intent to use the applied-for mark" when the allegation in its notice of opposition was that Applicant lacked a bona fide intent to use the mark "at the time of filing [the involved] application." Second, even if properly pled and thus suitable for summary judgment, abandonment is not available when the opposed application is based on Section 1(b).

Next, although fraud was not an issue raised in the motion for summary judgment, the TTAB discussed Opposer's allegation in the notice of opposition that applicant "knew or should have known" of Opposer's prior use and registration of its pleaded marks, and "therefore could not have formed the requisite good faith belief that [a]pplicant is the owner of the mark sought to be registered, and that no other person, firm, corporation or association has the right to use said mark in commerce."

As to this claim, the TTAB found that, "[t]o the extent that opposer intends to set forth a claim in this paragraph that applicant committed fraud by making false averments in the declaration in support of its involved application, such claim is legally insufficient." Citing the Federal Circuit's recent decision in *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009), the TTAB held that fraud in procuring or maintaining a trademark registration occurs when an applicant or registrant knowingly makes specific false, material representations of fact in connection with an application to register or in a postregistration filing with the intent of obtaining or maintaining a registration to which it is otherwise not entitled. The TTAB further held that because intent is a required element to be pleaded for a claim of fraud, allegations that a party made material representations of fact that it "knew or should have known" were false or misleading are insufficient.

The TTAB then specifically delineated the proper allegations for a fraud claim that is based on alleged knowledge of a prior rights holder. The TTAB held that a plaintiff must allege particular facts that would establish (1) there was in fact another user of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and (4) that applicant, in failing to disclose these facts to the PTO, intended to procure a registration to which it was not entitled. In this case, Opposer had failed to make these specific allegations.

The TTAB allowed Opposer an opportunity to amend its notice of opposition, and stated that failure to do so would result in the opposition proceeding only on the properly pleaded grounds of lack of a bona fide intent to use at the time of filing and a likelihood of confusion.

CONCLUSION

In another decision exploring the effects of the Federal Circuit's *In re Bose* decision, the TTAB confirmed that fraud allegations based on a "knew or should have known" standard are legally insufficient.

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Unregistrable

Osca®

by Robert D. Litowitz

From the earliest silent films to today's 3D blockbusters, trademarks have been supporting players to the motion picture industry. While the movies themselves are undeniably the main attraction, the viewing experience would seem diminished and incomplete if the studios did away with the iconic logos and sounds that precede the opening credits. What would "Gone with the Wind" be without MGM's lion, with his distinctive roar? And Paramount's mighty peak, Warner Brothers' shield, Columbia's torch-bearing lady, Universal's globe, and 20th Century Fox's floodlights are all etched into our collective cinematic conscience, along, of course, with this unforgettable image:

.

And Oscar® himself  not only denotes the highest achievement in film but is also a tightly controlled trademark. But despite the enduring impact of these and other brand images over the long and storied history of the cinema, trademarks have never held center stage, so to speak—until now.

This year, at the 82nd annual Academy Awards ceremony, the Oscar for Best Animated Short Film went to a movie that didn't just incidentally include trademarks. Rather, the winner was a film whose entire cast consisted of them. That film is *Logorama*, which All Movie Guide describes as a "satiric animated short subject . . . [that] imagines a massive American city where practically everything has been replaced by some sort of corporate symbol—the buildings are advertising logos, the people are characters from noted television commercials, and even the birds and insects have the familiar look of name brand trademarks."  From the Microsoft Windows butterflies that flit through the opening frames, to "oldies but goodies" such as "S & H" Green Stamps and Esso, *Logorama* is literally a cinematic tour de force of trademarks and consists of nothing but well-known logos, accompanied by a crooning Dean Martin soundtrack. In fact, the lead characters are a couple of profane Michelin Men, who bring to mind the avenging duo from Pulp Fiction. Other roles are played by a uniquely endowed Green Giant, and even a demented Ronald McDonald riven with road rage. The movie so abounds in unwholesome, if amusing, brand "performances" that cinemaphiles began to wonder at the Sundance Festival how the producers could distribute the film without facing hundreds of lawsuits. But apparently, the film's inventive parody and that thing called "The First Amendment" have so far kept litigation at bay. And now with Oscar in hand, *Logorama* seems safer than ever from legal retribution. So, after decades of bit parts, trademarks have finally declared, "All right, Mr. DeMille, I'm ready for my close-up."

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