

# FEDERAL CIRCUIT TRADEMARK ROUNDUP\*

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## I. INTRODUCTION

### A. *In General*

How did the U.S. Court of Appeals for the Federal Circuit fare with its trademark decisions in 1992? The decisions were middle-of-the-trademark-road, reflecting a conservative but not stodgy approach to trademark law. Although trademark cases occupy only about five percent of its docket,<sup>1</sup> almost all on appeal from the Trademark Trial and Appeal Board (the Board),<sup>2</sup> the court showed a keen grasp of the field and a strong respect for established trademark rights. The court was not particularly innovative, with no bold or stunning breakthroughs. But neither was it timid, slavishly following precedent where the facts dictated otherwise. In the end, it took the cases one at a time, recognizing a principle many practitioners still refuse to believe: each trademark case must be decided on its own set of facts.

### B. *Likelihood of Confusion*

In a trademark infringement case, an opposition or a cancellation proceeding, the central issue is whether an appreciable segment of the public is likely to be confused upon encountering the defendant's mark on goods or in connection with services.<sup>3</sup> In the Federal Circuit, unlike most other circuits, likelihood of confusion is

1. Judge Paul Michel, Language and the Law, Address Before the 1992 United States Trademark Association Midyear Meeting (Nov. 14, 1992).

2. The U.S. Patent and Trademark Office describes the Trademark Trial and Appeal Board as "the USPTO administrative tribunal that hears and decides (1) appeals from examining attorneys' final refusals to allow registrations of trademarks, and (2) certain *inter partes* proceedings." COMM'R OF PATENTS AND TRADEMARKS, ANNUAL REPORT FISCAL YEAR 1991 (Apr. 1992) [hereinafter PTO 1991 ANNUAL REPORT].

3. See 1 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 5.01[1], at 5-6 to -7 (1992) (introducing basic scenarios in which likelihood of confusion issue arises in trademark infringement cases).

deemed a question of law, which the court reviews *de novo*.<sup>4</sup> By contrast, underlying factual findings such as trademark similarity or trade channel overlap are reviewed under the "clearly erroneous" standard set forth in rule 52(a) of the Federal Rules of Civil Procedure.<sup>5</sup> In most other circuits, likelihood of confusion is deemed an issue of fact and is reviewed only for clear error.<sup>6</sup> The Federal Circuit thus has far greater latitude than most other circuits in reviewing trademark cases. In theory, an appellant before the Federal Circuit arguing that the Board erred in deciding the issue has a lower threshold to overcome.

In reviewing Board decisions addressing the issue of likelihood of confusion, the Federal Circuit pays close attention to the so-called *DuPont* factors.<sup>7</sup> Twenty years ago, the Federal Circuit's predecessor court, the Court of Customs and Patent Appeals, enumerated the factors to be considered in reviewing the evidence.<sup>8</sup> Essentially,

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4. See *id.* § 8.14, at 8-346 (describing *de novo* review as court judgment, independent of Board decision, based on all pertinent information).

5. See *Electronic Design & Sales, Inc. v. Electronic Data Sys. Corp.*, 954 F.2d 713, 715, 21 U.S.P.Q.2d (BNA) 1388, 1390 (Fed. Cir. 1992) (applying "clearly erroneous" test to Board finding of likely confusion between maker of power supplies and provider of computer services); see also FED. R. CIV. P. 52(a) (providing for fact finding and review).

6. See 1a GILSON, *supra* note 3, § 8.14, at 8-340 (observing that "clear majority" of circuit courts uphold lower court decisions absent clear error).

7. See 1 GILSON, *supra* note 3, § 5.01[3], at 5-18 n.20 (noting that Federal Circuit has continued to rely on *DuPont* factors).

8. See *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 U.S.P.Q. (BNA) 563, 567 (C.C.P.A. 1973) (providing factors). The court in *DuPont* stated that the reviewing court should consider the following 13 factors (the "*DuPont* factors"):

- (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
- (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
- (3) The similarity or dissimilarity of established, likely-to-continue trade channels.
- (4) The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.
- (5) The fame of the prior mark (sales, advertising, length of use).
- (6) The number and nature of similar marks in use on similar goods.
- (7) The nature and extent of any actual confusion.
- (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
- (9) The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).
- (10) The market interface between applicant and the owner of a prior mark:
  - (a) a mere "consent" to register or use.
  - (b) agreement provisions designed to preclude confusion, i.e., limitations on continued use of the marks by each party.
  - (c) assignment of mark, application, registration and good will of the related business.
  - (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
- (11) The extent to which applicant has a right to exclude others from use of its mark on its goods.

the factors focus on similarity, fame, and market conditions.<sup>9</sup>

In 1992, the Federal Circuit embellished the traditional test for likelihood of confusion in several important ways. For example, the court reached down and plucked "fame of the prior mark" from the *DuPont* factors and breathed new life into it, stressing the strong protectibility of famous trademarks.<sup>10</sup> The court fine-tuned the concept of overlapping purchasers, a common indicator of confusion likelihood, by looking inside corporations to determine who really purchases the products.<sup>11</sup> And, in a return to questionable authority, the Federal Circuit in *Kenner Parker Toys Inc. v. Rose Art Industries, Inc.*<sup>12</sup> accorded weight to a defendant's similar trade dress<sup>13</sup> even though the central issue was whether the defendant's word and design trademark was confusingly similar to the plaintiff's.<sup>14</sup> Collectively, these and the other trademark decisions of the year represent not a watershed year, but a year of Federal Circuit trademark law stability, a year that will be remembered for the court's largely well-reasoned, sensible decisions. In only a few cases, as we shall see, could the court have done better in choosing applicable law or articulating a legal standard for the guidance of the trademark community.

### C. The *DuPont* Factors—Time to Modernize?

The *DuPont* case, that twenty-year old piece of judicial legislation, played a large role, as it usually does, in the court's determination of trademark likelihood of confusion. The Federal Circuit turns to the *Restatement*-like, now-venerable checklist of factors to guide it in

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(12) The extent of potential confusion, i.e., whether *de minimis* or substantial.

(13) Any other established fact probative of the effect of use.

*Id.*

9. See *id.* (providing factors).

10. See *infra* notes 34-38 and accompanying text (discussing trademark fame as factor in likelihood of confusion analysis).

11. See *infra* notes 167-85 and accompanying text (discussing Federal Circuit decision in *Electronic Design*, in which court looked beyond corporate purchasers and considered likelihood of confusion for individual purchasing agents within corporations).

12. 963 F.2d 350, 22 U.S.P.Q.2d (BNA) 1453 (Fed. Cir.), *cert. denied*, 113 S. Ct. 181 (1992).

13. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2755 n.1 (1992) (noting that "trade dress" is defined as "the total image of the business" or product and citing *John W. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980, 219 U.S.P.Q. (BNA) 515, 528 (11th Cir. 1983); *Harland*, 711 F.2d at 980, 219 U.S.P.Q. (BNA) at 528 (defining "trade dress" as "the total image of a product and may include features such as size, shape, color or color combination, texture, graphics, or even particular sales techniques").

14. *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352, 22 U.S.P.Q.2d (BNA) 1453, 1455 (Fed. Cir.), *cert. denied*, 113 S. Ct. 181 (1992); see *infra* notes 80-88 and accompanying text (criticizing Federal Circuit's use of trade dress in likelihood of confusion analysis).

comparing trademarks in the context of marketplace realities.<sup>15</sup> The facts and holding of the *DuPont* case have faded into obscurity, but the checklist lives on, as influential as ever. Indeed, in the world of trademark litigation before the Board and the court, “DuPont” has achieved secondary meaning. It no longer means petroleum operations, polymers, fibers, and chemicals; it means likelihood of confusion factors. And what degree of importance does the court place on the *DuPont* checklist? In the court’s view, when there is relevant evidence of record, the checklist factors are no less than “mandatory.”<sup>16</sup>

The *DuPont* checklist forces the court to review the many applicable factors in a systematic way in answering the eternal question: is the defendant’s trademark likely to cause confusion? Now second nature to the court, the checklist is a flexible guide that must be consulted in each trademark case. Because of the diverse fact situations in cases coming before the court, the *DuPont* factors are not all relevant or entitled to the same weight in each case. The court has considerable latitude in applying the factors.<sup>17</sup> But the *DuPont* checklist has not changed in two decades and probably hundreds of cases. Is it not time for the court to take steps to modernize it?

The *DuPont* checklist works well in general and does not require a major overhaul. The enumerated factors will always be relevant on the likelihood of confusion factors, absent a Lanham Act amendment or other unanticipated change in the law. But the factors are not static. They have, in effect, been modified or supplemented by decisions of the court in subtle and not-so-subtle ways. It makes sense to fine-tune the checklist from time to time as the court’s decisions indicate, and the court should be alert to these possibilities and make appropriate changes from year to year. The trademark community and the public would benefit from an updated list of factors that reflect the current views of the court. One would never know from reading *DuPont*, for example, that trade dress can be an

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15. See, e.g., *Kenner Parker*, 963 F.2d at 353, 22 U.S.P.Q.2d (BNA) at 1455-56 (considering *DuPont* factors); *Olde Tyme Foods, Inc. v. Roundy’s Inc.*, 961 F.2d 200, 202, 22 U.S.P.Q.2d (BNA) 1542, 1544 (Fed. Cir. 1992) (observing that *DuPont* factors for analyzing likelihood of confusion were mandatory); *Kellogg Co. v. Pack’em Enters., Inc.*, 951 F.2d 330, 332, 21 U.S.P.Q.2d (BNA) 1142, 1144 (Fed. Cir. 1991) (turning to *DuPont* factors for likelihood of confusion analysis and noting that factors must be considered if record contains evidence that allows application of factors).

16. See *Olde Tyme Foods*, 961 F.2d at 202, 22 U.S.P.Q.2d (BNA) at 1544 (emphasis added) (citing compulsory nature of *DuPont* factors); *Kellogg*, 951 F.2d at 332, 21 U.S.P.Q.2d (BNA) at 1144 (mandating use of *DuPont* factors in likelihood of confusion analyses).

17. See *In re DuPont de Nemours & Co.*, 476 F.2d 1357, 1362, 177 U.S.P.Q. (BNA) 563, 567-68 (C.C.P.A. 1973) (permitting factors to be weighed differently as required by facts of particular case).

important factor in a case where a comparison of word trademarks is the focus.<sup>18</sup> The American Law Institute revises *Restatements* from time to time to reflect changes in the law.<sup>19</sup> Why does the court not do the same with *DuPont*? It could well choose a 1993 case for fine-tuning purposes.<sup>20</sup> 1992 provided several possibilities.

#### D. Summary Judgments

Only a tiny percentage of Board decisions reach the court, and many of these are decided on motions for summary judgment. In fiscal 1991, 3813 *inter partes* cases<sup>21</sup> were filed with the Board: 894 cancellation petitions and 2919 oppositions.<sup>22</sup> Through settlement, by default, or on summary judgment motion, the Board disposed of 3123 cases.<sup>23</sup> Under rule 56 of the Federal Rules of Civil Procedure, summary judgment in advance of trial is appropriate where there is no issue of material fact and the moving party is entitled to judgment as a matter of law.<sup>24</sup> The Board spent substantial time in fiscal 1991 on summary judgment motions and disposed of more than 150 cases involving contested motions.<sup>25</sup> In fact, approximately half of all *inter partes* decisions written by Board members in fiscal 1991 were decisions on summary judgment motions.<sup>26</sup> In turn, a substantial part of the trademark business of the Federal Circuit consists of deciding cases on appeal from these decisions. Of the fourteen Federal Circuit trademark appeals decided in 1992, four were appeals from Board rulings on summary judgment in *inter partes* cases.<sup>27</sup>

18. See *Kenner Parker*, 963 F.2d at 355-56, 22 U.S.P.Q.2d (BNA) at 1458 (discussing trade dress similarities and concluding that similarities increase likelihood of confusion from similar word marks).

19. See generally RESTATEMENT (THIRD) OF UNFAIR COMPETITION (Tent. Drafts Nos. 2 & 3, 1990-1991) (providing currently proposed revisions).

20. Within the next several years, the court should be faced with numerous unanswered questions of statutory interpretation involving the Trademark Law Revision Act, Pub. L. No. 100-667, 102 Stat. 3935 (1988) (codified as amended in scattered sections of 15 U.S.C.). For example, what conduct qualifies for a "bona fide intent to use" trademark application under 15 U.S.C. § 1051(b)? A *DuPont*-type checklist for this range of new questions based on the legislative history of the Act would be extremely helpful to the bar, the public, and the courts. Because of its success with the *DuPont* factors, the Federal Circuit would be the logical court to adopt such a checklist.

21. See PTO 1991 ANNUAL REPORT, *supra* note 2, at 40 (defining *inter partes* cases as "cases involving opposition to granting registration of marks and petitions to cancel existing registrations").

22. PTO 1991 ANNUAL REPORT, *supra* note 2, at 76.

23. PTO 1991 ANNUAL REPORT, *supra* note 2, at 76.

24. See FED. R. CIV. P. 56(c) (stating criteria for summary judgment).

25. See PTO 1991 ANNUAL REPORT, *supra* note 2, at 41 (reviewing fiscal 1991).

26. PTO 1991 ANNUAL REPORT, *supra* note 2, at 41.

27. See *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 736, 23 U.S.P.Q.2d (BNA) 1701, 1705 (Fed. Cir. 1992) (affirming Board's conclusion that trademark term LINCOLN would improperly connect respondent's homes with petitioner's toys); *Opry-*

The Board battled .500 on these cases. The court affirmed the Board twice and reversed it twice. But despite the upsurge in Board summary judgments, the Federal Circuit took pains in 1992 to remind the Board, and all others, that summary judgment motions must still be denied where there are issues of material fact.<sup>28</sup> Any belief that the Board and the court have a high degree of tolerance for such motions and a willingness to decide them without ferreting out triable issues of material fact was dashed in 1992. Rule 56 still has vitality, issues of material fact still require a trial, and summary judgments are inappropriate where such issues exist or where the factual inferences drawn from the evidence favor the nonmoving party.

## II. TRADEMARK FAME IN THE LIKELIHOOD OF CONFUSION ANALYSIS

From time to time, the court singles out one of the *DuPont* likelihood of confusion factors and gives it special emphasis. Last year, for example, in *Kellogg Co. v. Pack'em Enterprises, Inc.*,<sup>29</sup> the court affirmed a Board summary judgment decision by holding that, based on the single *DuPont* factor of trademark similarity in sound, appearance, and meaning, the trademark FROOTEE ICE and design was not likely to cause confusion with respect to the trademark FRUIT LOOPS.<sup>30</sup> The court gave considerable deference to the Board, apparently encouraging the Board to grant more summary judgment motions based on trademark similarity alone.<sup>31</sup> After all, what speedier way is there to dispose of a backlog of cases?

This year the court concentrated on trademark fame,<sup>32</sup> a consistently important component in the likelihood of confusion calculus

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land USA Inc. v. Great American Music Show, Inc., 970 F.2d 847, 851, 23 U.S.P.Q.2d (BNA) 1471, 1474 (Fed. Cir. 1992) (remanding to Board for further analysis on issue of whether phrase CAROLINA OPRY would cause confusion); Loglan Inst., Inc. v. Logical Language Group, Inc., 962 F.2d 1038, 1040-42, 22 U.S.P.Q.2d (BNA) 1531, 1533-34 (Fed. Cir. 1992) (affirming Board decision that LOGLAN is generic word describing certain language and therefore not registrable as trademark); Olde Tyme Foods, Inc. v. Roundy's Inc., 961 F.2d 200, 203, 22 U.S.P.Q.2d (BNA) 1542, 1545 (Fed. Cir. 1992) (remanding to Board for redetermination of whether trademark terms YE OLDE TYME and OLD TIME are sufficiently confusing to warrant cancellation of former mark).

28. See *Opryland U.S.A.*, 970 F.2d at 851-53, 23 U.S.P.Q.2d (BNA) at 1474-75 (finding sufficient issues of material fact regarding public's perception of litigants' entertainment services to resist motion for summary judgment); *Olde Tyme Foods*, 961 F.2d at 202, 22 U.S.P.Q.2d (BNA) at 1544 (reversing Board's grant of summary judgment on ground that Board failed to consider inferences indicating no confusion in favor of nonmovant).

29. 951 F.2d 330, 21 U.S.P.Q.2d (BNA) 1142 (Fed. Cir. 1991).

30. *Kellogg Co. v. Pack'em Enters., Inc.*, 951 F.2d 330, 332-33, 21 U.S.P.Q.2d (BNA) 1142, 1144 (Fed. Cir. 1991).

31. See *id.*, 21 U.S.P.Q.2d (BNA) at 1145 (approving Board's summary judgment motion against registrant due to dissimilarity).

32. See 1 GILSON, *supra* note 3, § 5.05[3], at 5-74 to -77 (explaining importance of public awareness in likelihood of confusion analysis and defining trademark fame); see also RESTATE-

and the fifth *DuPont* factor.<sup>33</sup> Fame is the essence of a trademark's commercial magnetism, the quality that makes the deepest and broadest penetration into the public consciousness.<sup>34</sup> The greater the fame, the greater the likelihood that a court will grant protection of the mark, even as against noncompeting products.<sup>35</sup> It is no surprise, therefore, that courts granted injunctions against ROLLS-ROYCE radio tubes<sup>36</sup> and DUNHILL scotch whiskey.<sup>37</sup> Why? Purchasers are likely to assume that such products are simply extensions of original brand-name product lines or are licensed by or otherwise associated with the trademark owner. Even where likelihood of confusion is inapplicable, as in a straight dilution case,<sup>38</sup> trademark fame is critical. It defines the degree of distinctiveness that is subject to being whittled away.

What, then, did the Federal Circuit add to this subject last year? As it turned out, quite a bit.

#### A. Kenner Parker Toys Inc. v. Rose Art Industries, Inc.

Trademark fame was the centerpiece of *Kenner Parker Toys Inc. v. Rose Art Industries, Inc.*,<sup>39</sup> perhaps the most important trademark case the Federal Circuit decided in 1992. Kenner Parker owned five federal registrations, four of which were incontestable, for the mark PLAY-DOH for modeling compounds and related accessories.<sup>40</sup> Kenner Parker opposed Rose Art's application to register FUNDOUGH as a trademark for the same kinds of products—modeling compounds and related accessories.<sup>41</sup> The Board dismissed

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MENT (THIRD) OF UNFAIR COMPETITION § 21(d) (Tent. Draft No. 2, 1990) (including trademark distinctiveness as factor in determining likelihood of confusion).

33. See *supra* note 8 (listing *DuPont* likelihood of confusion factors).

34. See 1 GILSON, *supra* note 3, § 5.05[3], at 5-74 to -77 (emphasizing significance of trademark fame to public's perception of product).

35. See *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 353, 22 U.S.P.Q.2d (BNA) 1453, 1456 (Fed. Cir. 1992) (discussing precedents affording greater protection to famous marks, as required by Lanham Act).

36. See *Wall v. Rolls-Royce of Am., Inc.*, 4 F.2d 333, 333-34 (3d Cir. 1925) (enjoining Rolls-Royce Tube Company from using name "Rolls-Royce" in order to prevent confusion with automaker of same name).

37. See *Alfred Dunhill of London, Inc. v. Kasser Distillers Prods. Corp.*, 350 F. Supp. 1341, 1369, 175 U.S.P.Q. (BNA) 586, 605-06 (E.D. Pa. 1972) (denying distiller use of "Dunhill" name due to potential public belief that distiller was associated with famous tobacco company), *aff'd per curiam*, 480 F.2d 917, 178 U.S.P.Q. (BNA) 449 (3d Cir. 1973).

38. See 1 GILSON, *supra* note 3, § 5.05[9], at 5-90 (defining dilution of trademark as "the 'gradual whittling away' of its distinctiveness through use by third parties on nonconfusing, noncompeting products") (quoting Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927)).

39. 963 F.2d 350, 22 U.S.P.Q.2d (BNA) 1453 (Fed. Cir.), *cert. denied*, 113 S. Ct. 181 (1992).

40. *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 351, 22 U.S.P.Q.2d (BNA) 1453, 1454 (Fed. Cir.), *cert. denied*, 113 S. Ct. 181 (1992).

41. *Id.* at 351-52, 22 U.S.P.Q.2d (BNA) at 1455.



Kenner Parker's opposition.<sup>42</sup> It held that there was no likelihood of confusion between FUNDOUGH and PLAY-DOH.<sup>43</sup> Curiously, the Board treated the fame of Kenner Parker's mark as a liability.<sup>44</sup> It relied on a statement made by the Federal Circuit in *B.V.D. Licensing Corp. v. Body Action Design, Inc.*<sup>45</sup> to the effect that "[t]he fame of a mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference."<sup>46</sup> The Board reasoned that confusion tended to be unlikely because the public was able to detect the dissimilarities in the marks.<sup>47</sup>

The Federal Circuit reversed, holding that the parties' marks were quite similar and the respective goods directly competitive.<sup>48</sup> Moreover, it held that the fame of the PLAY-DOH mark magnified rather than reduced the significance of the similarities.<sup>49</sup> The Federal Circuit criticized the Board for misreading the *B.V.D.* case and taking the statement out of context. The court emphasized that it had consistently afforded strong trademarks "a wider latitude of legal protection than weak marks"<sup>50</sup> and cited cases to prove it.<sup>51</sup> But then the court backpedaled, realizing that the statement could have been interpreted as the Board did, and therefore noted that "[t]he holding of *B.V.D.*, to the extent it treats fame as a liability, is confined to the facts of that case."<sup>52</sup>

In 1988 Kenner Parker's sales of PLAY-DOH products exceeded \$30 million, and the company spent over \$2 million in advertisement and promotion.<sup>53</sup> Kenner Parker introduced testimony, not surprising to most parents, that one of every two children aged two to seven owned a PLAY-DOH product.<sup>54</sup> The company also submitted a survey that showed sixty percent of mothers named PLAY-DOH modeling compound without any prompting whatsoever.<sup>55</sup> For these reasons, the Federal Circuit and the Board concluded that

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42. Kenner Parker Toys Inc. v. Rose Art Indus., Inc., Opp. No. 75,237, slip op. at 13 (T.T.A.B. Mar. 20, 1986).

43. *Id.* at 8.

44. *Id.* at 11-12.

45. 846 F.2d 727, 6 U.S.P.Q.2d (BNA) 1719 (Fed. Cir. 1988); see *infra* notes 157-60 and accompanying text (discussing *B.V.D.* case and judicial notice of trademark fame).

46. *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 729, 6 U.S.P.Q.2d (BNA) 1719, 1721 (Fed. Cir. 1988).

47. *Id.*, 6 U.S.P.Q.2d (BNA) at 1721.

48. *Kenner Parker*, 963 F.2d at 355-56, 22 U.S.P.Q.2d (BNA) at 1458.

49. *Id.* at 352-55, 22 U.S.P.Q.2d (BNA) at 1456-58.

50. *Id.* at 354, 22 U.S.P.Q.2d (BNA) at 1457.

51. See *id.*, 22 U.S.P.Q.2d (BNA) at 1457 (citing precedent before and after *B.V.D.* case).

52. *Id.*

53. *Id.* at 351, 22 U.S.P.Q.2d (BNA) at 1455.

54. *Id.*

55. *Id.*

the PLAY-DOH mark was famous, but the court found that the Board erred in discounting the importance of the mark's fame.<sup>56</sup>

Kenner Parker filed its opposition based on likelihood of confusion under section 2(d) of the Lanham Act,<sup>57</sup> and the Federal Circuit dutifully reviewed the likelihood of confusion factors set forth in *DuPont*.<sup>58</sup> Of the thirteen factors, the Federal Circuit emphasized the fame of the prior mark.<sup>59</sup> The court observed that famous or strong marks enjoy a wide latitude of legal protection and that after trademark fame and consumer trust are established, the mark is often subject to exploitation.<sup>60</sup> A competitor can quickly obtain economic advantage by trying to "snuggle as close as possible to a famous mark," a proximity the court simply was not willing to accept.<sup>61</sup> The court issued a blunt warning: "A strong mark . . . casts a long shadow which competitors must avoid."<sup>62</sup> It went on to describe the protection afforded famous marks in an inverse formula: "As a mark's fame increases, the Act's tolerance for similarities in competing marks falls."<sup>63</sup>

How did the Board go wrong in treating the fame of the PLAY-DOH mark as a liability, instead of as an asset? Based on its analysis of *B.V.D.*, the Board thought that consumers would more easily recognize variations of a famous mark and that the fame of the PLAY-DOH mark permitted greater legal tolerance for similarity.<sup>64</sup> In other words, the Board reasoned that because the PLAY-DOH mark was famous, consumers could easily distinguish between it and a somewhat similar mark.<sup>65</sup> The Federal Circuit disagreed, sidestepping its *B.V.D.* statement. It noted the public policy rationale that trademarks benefit producers who build up goodwill in their trademarks and consumers who rely on them.<sup>66</sup> Kenner Parker had in-

56. *Id.* at 353, 22 U.S.P.Q.2d (BNA) at 1456.

57. See 15 U.S.C. § 1052(d) (1988) (prohibiting registration of trademark if it is confusingly similar to another registered or previously used mark). The Lanham Act is the popular name for the Trademark Act of 1946, ch. 540, 60 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.).

58. *Kenner Parker*, 963 F.2d at 352-56, 22 U.S.P.Q.2d (BNA) at 1456-58.

59. See *id.* at 352-55, 22 U.S.P.Q.2d (BNA) at 1456-58 (applying trademark fame analysis to PLAY-DOH and concluding that fame enhances trademark protection). After analyzing the fame aspect, the court concluded with a cursory examination of several other *DuPont* factors. *Id.* at 355-56, 22 U.S.P.Q.2d (BNA) at 1458; see *infra* notes 74-79 (providing further discussion of court's decision in *Kenner Parker*).

60. *Kenner Parker*, 963 F.2d at 353, 22 U.S.P.Q.2d (BNA) at 1456.

61. *Id.*

62. *Id.*

63. *Id.*

64. *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, Opp. No. 75,237, slip op. at 11-12 (T.T.A.B. Mar. 20, 1986).

65. *Id.*

66. See *Kenner Parker*, 963 F.2d at 353, 22 U.S.P.Q.2d (BNA) at 1456-57 (stating that "[a]

vested massive amounts of money to establish PLAY-DOH goodwill, and consumers recognized the mark as symbolizing superior products for children.<sup>67</sup> It would be absurd to decrease the protection of a trademark at the same time a company succeeded in increasing the fame of the mark.<sup>68</sup> Thus, the court reasoned, as the fame of a mark increases, so too does the protection against similar marks.<sup>69</sup>

But what happens when the senior user of a famous trademark allows a junior user to build up rights in its mark to the point where it, too, becomes famous? Does the senior user win a contest between the marks, with the Board giving it the protection accorded famous marks by the rationale of *Kenner Parker*? In *Marshall Field & Co. v. Mrs. Fields Cookies*,<sup>70</sup> the Board, post-*Kenner Parker*, answered this question in the negative. It held that both the petitioner's mark, MARSHALL FIELD'S, and the registrant's mark, MRS. FIELDS, were famous: MARSHALL FIELD'S for department store services and MRS. FIELDS for cookies.<sup>71</sup> The Board found that the fame of both marks made them readily distinguishable by the public.<sup>72</sup> Does the Board's reasoning square with *Kenner Parker*? It does. Because the respective marks were famous in unrelated businesses, the Board correctly ruled that the parties' goodwill encompassed their respective areas of fame and that the public recognized the marks as symbolizing quality products in different fields.<sup>73</sup> Marshall Field did not appeal the Board decision holding that there was no likelihood of confusion.

Once the Federal Circuit found that the PLAY-DOH mark was famous in *Kenner Parker*, it applied other relevant *DuPont* factors to find likelihood of confusion.<sup>74</sup> In analyzing the similarity of PLAY-DOH

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trademark's 'function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his' ") (quoting *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918)).

67. See *id.* at 351, 22 U.S.P.Q.2d (BNA) at 1455 (detailing Kenner's advertising investment in PLAY-DOH and public's widespread acceptance of PLAY-DOH mark).

68. See *id.* at 354, 22 U.S.P.Q.2d (BNA) at 1457 (observing that law would be "schizophrenic" to countenance disincentive to trademark investment where increased fame yields decreased protection).

69. See *id.* (concluding that Lanham Act gives greater protection as fame increases).

70. 25 U.S.P.Q.2d (BNA) 1321 (T.T.A.B. 1992).

71. *Marshall Field & Co. v. Mrs. Fields Cookies*, 25 U.S.P.Q.2d (BNA) 1321, 1332 (T.T.A.B. 1992).

72. *Id.*

73. *Id.* The *Marshall Field* decision suggests that the fifth *DuPont* factor should be modified to read: "The fame of the prior and subsequent marks (sales, advertising, length of use)." See *id.* at 1331-34 (discussing fame of both marks and finding confusion unlikely), see also *supra* note 8 (setting forth *DuPont* factors).

74. See *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 354-56, 22 U.S.P.Q.2d (BNA) 1453, 1457-58 (Fed. Cir.) (considering nature of goods, trade channels, length of use, and trade dress in analyzing likelihood of confusion), *cert. denied*, 113 S. Ct. 181 (1992).

and FUNDOUGH, the court explained that the prefixes PLAY- and FUN- conveyed a similar impression, especially in the context of a child's plaything.<sup>75</sup> Furthermore, the suffixes -DOH and -DOUGH sound alike, and "doh" is a simplified spelling of "dough."<sup>76</sup> The Federal Circuit also observed that in the context of a far less famous mark, FUN FACTORY, the Board had properly concluded that PLAY FACTORY was confusingly similar.<sup>77</sup> The court went on to state that the marks were used on practically identical, inexpensive products, sold in practically identical channels of trade, to buyers not exercising a great deal of care.<sup>78</sup> Finally, the court reaffirmed the longstanding doctrine that any doubt about confusing similarity should be resolved against the newcomer.<sup>79</sup>

While singing the praises of famous trademarks and drawing applause from most trademark quarters, the court in *Kenner Parker* did revive a questionable premise. The competing products were of similar size, shape, and color, and both were packaged featuring fictitious characters wearing hats.<sup>80</sup> Moreover, both companies offered similar discounts, rebates, and promotions accompanied by similar designs.<sup>81</sup> The court, struck by the magnitude of the similarity, stated that it "cries out for recognition."<sup>82</sup> But even though the court recognized that accompanying trade dress can always be changed and is generally not relevant in a word trademark case, it went on to state that the trade dress of record may provide supplemental evidence beyond the word marks of whether the challenged mark creates a likelihood of confusion.<sup>83</sup> In doing so, the court used the trade dress similarity to bolster its conclusion that the word marks were confusingly similar.<sup>84</sup>

Although the court had precedent for this holding,<sup>85</sup> it reopened a trademark Pandora's box that could well have remained closed. One searches the *DuPont* checklist in vain for any reference to trade

75. *Id.*, 22 U.S.P.Q.2d (BNA) at 1457.

76. *Id.* at 355, 22 U.S.P.Q.2d (BNA) at 1457.

77. *See id.*, 22 U.S.P.Q.2d (BNA) at 1458 (citing *General Mills Fun Group, Inc. v. Channel Cos.*, 183 U.S.P.Q. (BNA) 367 (T.T.A.B. 1974)).

78. *Id.* at 355-56, 22 U.S.P.Q.2d (BNA) at 1458.

79. *Id.* at 355, 22 U.S.P.Q.2d (BNA) at 1458.

80. *Id.*

81. *Id.*

82. *Id.*

83. *See id.* (citing *Specialty Brands, Inc. v. Coffee Bean Distribs., Inc.*, 748 F.2d 669, 671, 223 U.S.P.Q. (BNA) 1281, 1282 (Fed. Cir. 1984)).

84. *See id.* at 355-56, 22 U.S.P.Q.2d (BNA) at 1458 (concluding that marks' similar trade dress increased overall similarity).

85. *See Specialty Brands*, 748 F.2d at 672-74, 223 U.S.P.Q. (BNA) at 1282-84 (weighing trade dress as significant factor in likelihood of confusion case).

dress used in conjunction with a word trademark.<sup>86</sup> It is conspicuously absent. Certainly, the Board and the Federal Circuit should not wear blinders in deciding trademark cases. At the same time, they are not as well equipped to decide trade dress cases as the federal district courts, which are presented with all of the evidence as to similarity, wrongful intent, and functionality, and which can consider the total image of a product or a business. Finally, opening the door to this kind of collateral inquiry raises the need to conduct the inquiry fully, consistently, fairly, and even-handedly. For example, the Board should allow the admission of consumer survey or other public reaction evidence by either party on the extent to which the accompanying trade dress does or does not augment the conclusion based on the word marks alone.

In most of the reported cases where the Board or the court relied on surrounding trade dress in a word mark case, it did so in support of a finding that confusion was likely.<sup>87</sup> Yet, if trade dress can help prove confusing similarity, it can just as well help disprove it. There is no reason why a defendant should be deprived of relying on dissimilar trade dress accompanying an allegedly similar word mark. The court should either expressly embrace this principle, opening the door wide, or it should discontinue considering trade dress in word mark cases. If the court prefers the former, it should serve notice on litigants and the public in a future case by adopting another *DuPont* factor to cover the principle.<sup>88</sup>

#### B. Century 21 Real Estate Corp. v. Century Life of America

Trademark fame was also a centerpiece in *Century 21 Real Estate Corp. v. Century Life of America*,<sup>89</sup> a *Kenner Parker* clone. In that case, the Federal Circuit reversed the Board, holding that it improperly

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86. See *supra* note 8 (providing *DuPont* factors).

87. See, e.g., *Kenner Parker*, 963 F.2d at 355, 22 U.S.P.Q.2d (BNA) at 1458 (finding trade dress to be one factor in determination that confusion was likely in children's modeling compound case); *Specialty Brands*, 748 F.2d at 673-74, 223 U.S.P.Q. (BNA) at 1284 (including trade dress in determination of likely confusion for tea trademarks); *Indianapolis Motor Speedway Corp. v. Battery Sys. Inc.*, Opp. No. 73,969, slip op. at 1-12 (T.T.A.B. Nov. 10, 1988) (considering trade dress in dispute over vehicular battery trademarks and concluding that confusion was likely); *Roger & Gallet S.A. v. Venice Trading Co.*, 1 U.S.P.Q.2d (BNA) 1829, 1832 (T.T.A.B. 1987) (using trade dress to find likelihood of confusion in case involving hair care products). But see *Northwestern Golf Co. v. Acushnet Co.*, 226 U.S.P.Q. (BNA) 240, 244 (T.T.A.B. 1985) (finding no likelihood of confusion notwithstanding similarity of trade dress in golf club trademark case).

88. For example, the factor might provide: "(14) the similarity or dissimilarity of trade dress accompanying a word trademark, insofar as it enhances the mark's commercial impression."

89. 970 F.2d 874, 23 U.S.P.Q.2d (BNA) 1698 (Fed. Cir.), *cert. denied*, 113 S. Ct. 812 (1992).

applied the likelihood of confusion analysis.<sup>90</sup> Century 21 had registered its CENTURY 21 mark for real estate brokerage, insurance brokerage, and mortgage brokerage services.<sup>91</sup> In addition, a Century 21 customer could obtain automobile, umbrella liability, life, and health insurance from the company.<sup>92</sup> Century 21 opposed Century Life's registration of CENTURY LIFE OF AMERICA for insurance underwriting services.<sup>93</sup>

Consistent with its ruling in *Kenner Parker*, the Board had recognized the fame of the CENTURY 21 mark, but suggested that this factor weighed against a likelihood of confusion.<sup>94</sup> Predictably, the Federal Circuit followed its decision in *Kenner Parker* and held that a mark's fame cannot lower its protection against similar marks.<sup>95</sup> The court noted that Century 21 had more real estate affiliates than any other franchisor, had \$55 billion in gross sales under its mark in 1987, and had spent nearly \$300 million on advertising since 1978.<sup>96</sup> The Board, handing down its decision before the Federal Circuit decided *Kenner Parker*, erred in holding that the fame of CENTURY 21 actually reduced the likelihood of confusion.<sup>97</sup>

In addition to highlighting the fifth *DuPont* factor, the Federal Circuit determined that the first, second, third, and sixth factors also favored a likelihood of confusion.<sup>98</sup> In analyzing similarity, the court found that CENTURY was the dominant element of both CENTURY LIFE OF AMERICA and CENTURY 21, and that consumers would identify this element as salient.<sup>99</sup> Century 21's other registrations incorporating CENTURY further underscored the significance of the CENTURY component.<sup>100</sup> Century 21 also produced a consumer survey showing a high association between the CENTURY term and Century 21.<sup>101</sup> The Federal Circuit admonished the Board for giving insufficient weight to the parties' use of similar marks for identical services and applied an established prin-

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90. *Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 875, 23 U.S.P.Q.2d (BNA) 1698, 1699 (Fed. Cir.), *cert. denied*, 113 S. Ct. 812 (1992).

91. *Id.*

92. *Id.*

93. *Id.*

94. *Id.* at 877, 23 U.S.P.Q.2d (BNA) at 1701.

95. *See id.* (reversing Board and holding that fame of phrase CENTURY 21 increases likelihood of confusion).

96. *Id.* at 875, 23 U.S.P.Q.2d (BNA) at 1699.

97. *Id.* at 877, 23 U.S.P.Q.2d (BNA) at 1701.

98. *See id.* at 877-78, 23 U.S.P.Q.2d (BNA) at 1700-01 (considering additional similarity factors of goods, trade channels, and marks).

99. *Id.* at 876, 23 U.S.P.Q.2d (BNA) at 1700.

100. *See id.* (finding that Century 21's registration of CENTURYNET and CENTURY WRITE focus attention on CENTURY mark).

101. *Id.*

ciple of law, stating that "[w]hen marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines."<sup>102</sup> The court further criticized the Board for discounting the similarity of trade channels.<sup>103</sup> The Board had found that the parties advertised in the same media and offered their services to the same types of purchasers, yet it minimized these similarities.<sup>104</sup> By contrast, the court ruled that an opposer need only prove similar, not identical, trade channels.<sup>105</sup> Lastly, the court found a paucity of third party CENTURY marks for similar services and then applied its familiar slogan: any doubts must be resolved in favor of the registrant and against the newcomer.<sup>106</sup>

### C. Opryland USA Inc. v. Great American Music Show, Inc.

In yet another famous mark decision, the court followed its *Kenner Parker* protectionist lead, notwithstanding the fact that the famous mark contained the adjudicated generic term "opry." In *Opryland USA Inc. v. Great American Music Show, Inc.*,<sup>107</sup> a consolidated cancellation/opposition proceeding, the court vacated the Board's entry of summary judgment in favor of the registrant/applicant and remanded for further proceedings.<sup>108</sup> Opryland owned a number of service mark registrations for country music entertainment services, including GRAND OLD OPRY, OZARK OPRY, OPRYLAND USA, and OPRYLAND.<sup>109</sup> Opryland alleged that Great American's marks, THE CAROLINA OPRY and CALVIN GILMORE PRESENTS THE CAROLINA OPRY, so resembled its marks for similar services that confusion was likely and, furthermore, that Great American's marks falsely suggested a connection with Opryland under section 2(a) of the Lanham Act.<sup>110</sup>

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102. See *id.* at 877, 23 U.S.P.Q.2d (BNA) at 1700 (citing precedents from Second, Fifth, Eighth, and Eleventh Circuits).

103. *Id.*

104. *Id.* at 876, 23 U.S.P.Q.2d (BNA) at 1700.

105. *Id.* at 877, 23 U.S.P.Q.2d (BNA) at 1701.

106. See *id.* at 877-78, 23 U.S.P.Q.2d (BNA) at 1701 (weighing paucity of evidence in opposer's favor).

107. 970 F.2d 847, 23 U.S.P.Q.2d (BNA) 1471 (Fed. Cir. 1992).

108. *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 849, 23 U.S.P.Q.2d (BNA) 1471, 1472 (Fed. Cir. 1992).

109. *Id.*

110. *Id.*; see 15 U.S.C. § 1052(a) (1988). The code provides:

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

The Board granted Great American's summary judgment motion, holding that there was no likelihood of confusion under section 2(d) primarily because the Eighth Circuit had held "opry" to be generic for country music shows in *WSM, Inc. v. Hilton*.<sup>111</sup> Because "opry" was the only element the marks in *Opryland USA* had in common, the Board reasoned that the term could not be given any weight in comparing the otherwise dissimilar marks.<sup>112</sup> Thus, according to the Board, confusion was unlikely as a matter of law and there could be no false suggestion under section 2(a).<sup>113</sup>

The Federal Circuit found that the Board erred in excluding the word "opry" from its analysis.<sup>114</sup> The court pointed out that the public absorbs the entirety of the commercial impression of a mark, not just the separate components.<sup>115</sup> Thus, the Federal Circuit concluded that the Board should have analyzed the marks in their entireties.<sup>116</sup> The generic character of "opry," the court noted, was only one factor to be considered when making this comparison.<sup>117</sup> The court went on to state that the Board should have considered other evidentiary factors as well, including the fame of the Opryland marks as developed through use in live performances and on radio and television.<sup>118</sup> The court reiterated its position advanced in *Kenner Parker*: a well-known mark is afforded greater legal protection because similar marks are more readily confused with the familiar mark.<sup>119</sup>

The court also found fault with the Board's denial of Opryland's request to take discovery on public perception and actual confusion.<sup>120</sup> Because the facts sought through discovery related to Opryland's defense against the summary judgment motion, the Federal Circuit asserted that the Board had an obligation to permit discovery or deny the motion under rule 56(f) of the Federal Rules of Civil Procedure.<sup>121</sup> The court therefore vacated the summary judg-

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15 U.S.C. § 1052(a) (1988).

111. See *Opryland USA*, 970 F.2d at 850, 23 U.S.P.Q.2d (BNA) at 1473 (discussing Board's conclusion that Opryland was collaterally estopped from litigating generic nature of "opry" and Board's reliance on *WSM, Inc. v. Hilton*, 724 F.2d 1320, 1329, 221 U.S.P.Q. (BNA) 410, 417 (8th Cir. 1984)). *WSM, Inc.* was Opryland's predecessor. *Opryland USA*, 970 F.2d at 853, 23 U.S.P.Q.2d (BNA) at 1475.

112. *Opryland USA*, 970 F.2d at 850, 23 U.S.P.Q.2d (BNA) at 1473.

113. *Id.*

114. *Id.* at 851, 23 U.S.P.Q.2d (BNA) at 1473.

115. *Id.*

116. *Id.*

117. *Id.*, 23 U.S.P.Q.2d (BNA) at 1474.

118. *Id.*

119. *Id.* (citing *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352, 22 U.S.P.Q.2d (BNA) 1453, 1456 (Fed. Cir.), cert. denied, 113 S. Ct. 181 (1992)).

120. *Id.* at 851-53, 23 U.S.P.Q.2d (BNA) at 1474-75.

121. *Id.* at 852, 23 U.S.P.Q.2d (BNA) at 1475 (citing FED. R. CIV. P. 56(f)). The rule



ment under both sections 2(a) and 2(d) of the Lanham Act and remanded the case for further proceedings.<sup>122</sup> It also criticized Great American for filing an unwarranted motion for sanctions.<sup>123</sup> The court held that Opryland was justified in taking the position, in light of changed circumstances, that the *WSM* decision did not constitute collateral estoppel.<sup>124</sup>

#### D. Olde Tyme Foods, Inc. v. Roundy's Inc.

In *Olde Tyme Foods, Inc. v. Roundy's Inc.*,<sup>125</sup> the Federal Circuit reversed the Board's entry of summary judgment for a cancellation petitioner on the ground that the Board incorrectly drew factual inferences in favor of the petitioner.<sup>126</sup> Roundy's, the petitioner, was the owner of the registered mark OLD TIME for donuts, rolls, buns, bread, fruit pies, and ice cream.<sup>127</sup> Olde Tyme Foods registered the mark YE OLDE TYME for mixes for making corn bread, donuts, breads, frying batter, cakes, muffins, tortillas, breadings, and cookies.<sup>128</sup> Roundy's petitioned to cancel the YE OLDE TYME registration based on likelihood of confusion.<sup>129</sup> The Board granted summary judgment to Roundy's, canceling Olde Tyme Foods' registration on the ground that the mark created a likelihood of confusion.<sup>130</sup>

The Board made a number of factual findings along the way, noting that the marks were phonetically and visually similar, that the Roundy's mark was relatively strong and well known despite evidence of third party use, and that the lack of actual confusion was insignificant.<sup>131</sup> In reversing the Board, the Federal Circuit emphasized that a ruling on a summary judgment motion must view the evidence in the light most favorable to the nonmoving party and draw all reasonable inferences in the nonmoving party's favor.<sup>132</sup>

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states: "Should it appear from the affidavits of a party opposing [summary judgment] that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit . . . discovery to be had . . ." FED. R. CIV. P. 56(f).

122. *Opryland USA*, 970 F.2d at 853, 23 U.S.P.Q.2d (BNA) at 1475.

123. *Id.* at 853-54, 23 U.S.P.Q.2d (BNA) at 1476.

124. *See id.* at 854, 23 U.S.P.Q.2d (BNA) at 1476 (holding that changes in public perception and usage of "opry" were sufficient to permit Opryland's claim).

125. 961 F.2d 200, 22 U.S.P.Q.2d (BNA) 1542 (Fed. Cir. 1992).

126. *Olde Tyme Foods, Inc. v. Roundy's Inc.*, 961 F.2d 200, 201, 206, 22 U.S.P.Q.2d (BNA) 1542, 1544, 1547 (Fed. Cir. 1992).

127. *Id.* at 201, 22 U.S.P.Q.2d (BNA) at 1544.

128. *Id.* at 201-02, 22 U.S.P.Q.2d (BNA) at 1544.

129. *Id.* at 202, 22 U.S.P.Q.2d (BNA) at 1544.

130. *Id.*

131. *Id.*

132. *Id.* (citing *United States v. Diebold, Inc.*, 369 U.S. 654, 655 (1962)).

The court then compared OLD TIME and YE OLDE TYME and gave the benefit of the doubt to Olde Tyme Foods.<sup>133</sup> Despite the phonetic similarities, the court found that a reasonable fact finder could have found that the marks conveyed different connotations and commercial impressions.<sup>134</sup> The court noted that YE distinguished the marks and OLDE TYME suggested old England.<sup>135</sup> This conservative approach suggests that the court requires near-identity in the marks before it will uphold a summary judgment finding the marks similar in sound, appearance, and meaning. The Board, therefore, will be at risk of reversal if it steps over this very narrow line.

As to trademark fame and the strength of the Roundy's mark, the court found that the Board improperly drew the factual inference against the *nonmoving* party.<sup>136</sup> Under *DuPont*, the quality and quantity of similar marks in use on similar goods must be considered.<sup>137</sup> In *Olde Tyme Foods*, the record contained evidence of actual use of such marks that the court found could support an inference that the Roundy's mark was weak, not strong.<sup>138</sup> Thus, the court concluded that the Board should have resolved the inference in favor of Olde Tyme Foods.<sup>139</sup>

Finally, the court treated unkindly the Board's finding that the parties did business in different geographic areas.<sup>140</sup> The court found that only the headquarters of the parties were geographically remote, and that there were a number of states where the parties sold in competition with one another.<sup>141</sup> Moreover, the court found that the Board had incorrectly discounted the absence of proof of actual confusion during eighteen years of concurrent use.<sup>142</sup> Thus, the Federal Circuit held that the Board incorrectly drew the inference in favor of Roundy's.<sup>143</sup> The court recognized that doubts

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133. *Id.* at 203, 22 U.S.P.Q.2d (BNA) at 1545.

134. *Id.*

135. *Id.*

136. *Id.*

137. *See id.* (stating that registration evidence of similar marks is not relevant in drawing inference, but agreeing with Olde Tyme Food's contention that actual use must be considered under *DuPont*).

138. *See id.* at 204, 22 U.S.P.Q.2d (BNA) at 1545 (noting that use of OLD TYME by Olde Tyme Foods for bread and soft drinks could indicate that Roundy's mark was weak).

139. *See id.* (holding that inference of mark's strength or weakness should be made against movant for summary judgment based on actual use).

140. *Id.* at 204-05, 22 U.S.P.Q.2d (BNA) at 1545-46.

141. *See id.* at 204, 22 U.S.P.Q.2d (BNA) at 1546 (noting that Roundy's did business in Illinois, Indiana, West Virginia, Ohio, Kentucky, Michigan, Iowa, Wisconsin, Tennessee, Missouri, and Arkansas, while Old Tyme Foods did business in every state except Alaska, Hawaii, and Montana).

142. *See id.* (weighing lack of evidence of actual confusion in favor of Olde Tyme Foods).

143. *Id.* at 204-05, 22 U.S.P.Q.2d (BNA) at 1546.

should be resolved against the newcomer in a cancellation proceeding, but it emphasized that this "tie-breaking rule" could not substitute for evidence.<sup>144</sup> In reversing and remanding the case, the court also denied Roundy's request for sanctions and attorney's fees.<sup>145</sup>

*E. Determination of Trademark Fame*

The well-settled law that trademark fame is important begs the question of when and how a trademark becomes famous. In *Kenner Parker*, the court did not give any specific clues or guidelines but instead simply suggested that a famous mark should be very distinctive, have enormous advertising investment, and be associated with a product of lasting value.<sup>146</sup> Of course, the court had the benefit of a survey showing that sixty percent of mothers named PLAY-DOH for modeling compound without prompting, in addition to the fact that half of the two- to seven-year-old age group owned a PLAY-DOH product.<sup>147</sup> One witness characterized the PLAY-DOH trademark as a unique toy business "piece of gold" that had lasted over thirty years.<sup>148</sup> On these facts, few would dispute that at least among mothers of children in this age group, the mark and product were famous.

Nevertheless, the Board and the courts have no yardstick by which to measure fame in a particular case and, unless a consumer survey or other extrinsic evidence is available, must rely on subjective judgment. After *Kenner Parker*, one assumes, more trademark owners than ever before will claim in *inter partes* cases that their marks are at least as famous as COCA-COLA. These tribunals will thus be asked to confer the extraordinary trademark protection benefits of fame on a regular basis. Is there any way to separate the trademark wheat from the chaff and draw a bright line in future cases to ensure that only the rare trademark is entitled to such exalted status? Or do the tribunals simply rely on their instincts, hunches, and the "I know it when I see it" approach? In its present form, the fifth *DuPont* factor is of little help in defining the trademark fame elements: sales, advertising, and length of use.<sup>149</sup>

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144. *Id.* at 205, 22 U.S.P.Q.2d (BNA) at 1546-47.

145. *See id.* at 205-06, 22 U.S.P.Q.2d (BNA) at 1547 (holding Olde Tyme Foods' ignorance of trade channel precedents insufficiently egregious to merit awarding of sanctions or attorney's fees and finding that Olde Tyme Foods' appeal raised reviewable issue of law).

146. *See Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 351, 22 U.S.P.Q.2d (BNA) 1453, 1455 (Fed. Cir.) (citing sales figures, marketing scheme, and widespread acceptance to indicate success of PLAY-DOH mark), *cert. denied*, 113 S. Ct. 181 (1992); *supra* notes 53-69 and accompanying text (discussing trademark fame in *Kenner Parker*).

147. *Kenner Parker*, 963 F.2d at 351, 22 U.S.P.Q.2d (BNA) at 1455.

148. *Id.*

149. *See supra* note 8 (providing *DuPont* factors).

There are only a few approaches for determining whether a trademark is famous. The first is the *Kenner Parker* ad hoc approach, where the court reviews the record of trademark exposure to relevant purchasers through product sales, advertising, or publicity.<sup>150</sup> The greater the exposure, the received wisdom goes, the greater the likelihood that the mark will make a dent in the consumer consciousness and be remembered.<sup>151</sup> But the court in *Kenner Parker* had much more: a consumer survey showing sixty percent unaided recognition,<sup>152</sup> clearly enough to establish fame for purposes of granting extraordinary trademark protection.

Ordinarily, consumer surveys come closest to establishing trademark fame in litigation when they are offered to prove secondary meaning.<sup>153</sup> A term that is not inherently distinctive, such as a descriptive term, can become registrable and entitled to trademark protection if it attains secondary meaning by becoming recognizable to the public as an identification of a source.<sup>154</sup> Proof of secondary meaning entails the same kinds of proof typically involved in proving fame: evidence of sales, advertising, and length of use.<sup>155</sup> But is secondary meaning synonymous with fame, so that if one is proved, the other is proved automatically? Probably not. Establishing trademark recognition as a bare minimum hardly seems to reach the threshold of trademark fame, whatever that threshold turns out to be.

Does a famous trademark necessarily have secondary meaning? Yes, if the mark is not inherently distinctive in the first place; no, if it is inherently distinctive.<sup>156</sup> In the latter situation, there would be no secondary meaning because the primary meaning of the mark is

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150. See *Kenner Parker*, 963 F.2d at 351-52, 22 U.S.P.Q.2d (BNA) at 1454-55 (noting statistics indicating success of Kenner Parker marketing techniques).

151. See *id.* at 353, 22 U.S.P.Q.2d (BNA) at 1456 (discussing importance of exposure of mark to public in order to ensure consumer awareness).

152. *Id.* at 351, 22 U.S.P.Q.2d (BNA) at 1455.

153. See 1 GILSON, *supra* note 3, § 2.09[5][b], at 2-126 (explaining use of surveys in trademark litigation as best source of direct evidence of secondary meaning).

154. See 1 GILSON, *supra* note 3, § 2.09[5], at 2-114 (defining secondary meaning as "the association in the public mind between a product and its source which occurs when an inherently nondistinctive designation . . . changes from being nondistinctive to being distinctive of the particular product"). For a more detailed discussion of secondary meaning, see Willa-jeanne F. McLean, *The Birth, Death, and Renaissance of the Doctrine of Secondary Meaning in the Making*, 42 AM. U. L. REV. 737 (1993).

155. See 1 GILSON, *supra* note 3, § 2.09[5], at 2-124 (listing direct and secondary methods of proving secondary meaning).

156. See 1 GILSON, *supra* note 3, § 2.09[1], at 2-111 to -113 (explaining that inherently distinctive marks do not require proof of secondary meaning "because they instantaneously convey trademark meaning," but marks that are not inherently distinctive must have secondary meaning "because at the outset the primary meaning which they convey to the public may not be trademark meaning").

identification of a source. Thus, in future cases the safest course for the trademark owner is to introduce a survey specifically demonstrating fame, which necessarily would encompass secondary meaning.

Judicial notice is the second approach for determining the fame of a mark. In *B.V.D. Licensing Corp. v. Body Action Design, Inc.*,<sup>157</sup> the Federal Circuit took judicial notice of a mark's fame in a dispute involving the B.V.D. trademark, a mark in use for decades and "practically a household word."<sup>158</sup> The court relied primarily on the appearance of the mark in dictionaries and observed that the mark was widely, if not universally, known.<sup>159</sup> But is this approach workable on a day-to-day basis? Except for truly famous consumer product marks, such as the court's examples of COCA-COLA and SINGER,<sup>160</sup> it seems doubtful. Under rule 201 of the Federal Rules of Evidence, a court does not have free rein to make assumptions or to speculate as to what a particular segment of the population might think about a trademark.<sup>161</sup> Judicially noticed facts tend to be of the concrete variety: there is a large lake immediately east of the city of Chicago; the Chicago Bulls won the NBA championship for the last two years. These types of facts quite clearly are "not subject to reasonable dispute" within the meaning of rule 201.<sup>162</sup> Nevertheless, the fame of a trademark among discrete or highly specialized groups

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157. 846 F.2d 727, 6 U.S.P.Q.2d (BNA) 1719 (Fed. Cir. 1988).

158. *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 728, 6 U.S.P.Q.2d (BNA) 1719, 1720 (Fed. Cir. 1988).

159. *Id.*

160. *Id.*, 6 U.S.P.Q.2d (BNA) at 1720-21.

161. See FED. R. EVID. 201 (governing judicial notice of facts). Rule 201 provides:

Judicial Notice of Adjudicative Facts

(a) Scope of rule. This rule governs only judicial notice of adjudicative facts.

(b) Kinds of facts. A judicially noticed fact must be one not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.

(c) When discretionary. A court may take judicial notice, whether requested or not.

(d) When mandatory. A court shall take judicial notice if requested by a party and supplied with the necessary information.

(e) Opportunity to be heard. A party is entitled upon timely request to an opportunity to be heard as to the propriety of taking judicial notice and the tenor of the matter noticed. In the absence of prior notification, the request may be made after judicial notice has been taken.

(f) Time of taking notice. Judicial notice may be taken at any stage of the proceeding.

(g) Instructing jury. In a civil action or proceeding, the court shall instruct the jury to accept as conclusive any fact judicially noticed. In a criminal case, the court shall instruct the jury that it may, but is not required to, accept as conclusive any fact judicially noticed.

*Id.*

162. See *id.* 201(b) (providing criteria for taking judicial notice of facts).

of purchasers, such as the fame of agricultural pesticides among farmers or computer chips among computer professionals, is almost certain not to rise to the level of what the court in *B.V.D.* referred to as "universal notoriety."<sup>163</sup>

It is impossible to formulate a test for trademark fame that will apply to each and every trademark dispute. Such disputes come in every size, shape, and form, ranging from cases involving chewing gum to those involving bulldozers. Yet, the Federal Circuit and the Board have available at least one other approach that is a refinement and possible clarification of the fifth *DuPont* factor. In anticipation of the Trademark Law Revision Act of 1988, The United States Trademark Association Trademark Review Commission proposed adding a new section 43(c) to the Lanham Act for purposes of protecting famous registered marks from dilution.<sup>164</sup> The Commission suggested the following nonexclusive factors to determine whether a mark is famous:

- (a) the degree of inherent or acquired distinctiveness of the mark;
- (b) the duration and extent of use of the mark in connection with the goods and services;
- (c) the duration and extent of advertising and publicity of the mark;
- (d) the geographical extent of the trading area in which the mark is used;
- (e) the channels of trade for the goods or services with which the registrant's mark is used;
- (f) the degree of recognition of the registrant's mark in its and in the other's trading areas and channels of trade; and
- (g) the nature and extent of use of the same or similar mark by third parties.<sup>165</sup>

Would these elements aid the Federal Circuit and the Board in answering the question? In the absence of a litmus test for trademark fame, they are the next best thing. With such a separate checklist

163. *B.V.D.*, 846 F.2d at 728, 6 U.S.P.Q.2d (BNA) at 1720.

164. Trademark Review Comm'n, U.S. Trademark Ass'n, *Report and Recommendation to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 458-59 (1987).

165. *Id.*; see also S. 1883, 100th Cong., 2d Sess. § 36 (1988) (proposing slightly different version of Commission's factors as proper test for determining presence of fame element). The proposals of the USTA and Congress largely parallel one another, although Congress did not include a "channel of trade" factor distinct from "recognition in channels of trade," as the USTA did. Compare S. 1883, 100th Cong., 2d Sess. § 36 (1988) (listing six factors used to determine trademark fame) with Trademark Review Comm'n, U.S. Trademark Ass'n, *supra* note 164, at 458-59 (including trade channel factor in addition to six factors in congressional list). See generally Jerome Gilson, *A Federal Dilution Statute: Is It Time?*, 83 TRADEMARK REP. 108 (Mar.-Apr. 1993).

for fame replacing the fifth *DuPont* factor, these tribunals could review the evidence in a more methodical, orderly fashion than they can with the skeletal *DuPont* elements. It is important to eliminate guesswork as much as possible, and expanding *DuPont* in this fashion would be one way to do it.

### III. RELEVANT INDIVIDUAL PURCHASERS, THEIR SOPHISTICATION AND PERCEPTIONS

#### A. *Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*

The Federal Circuit made another important contribution to likelihood of confusion law when it ruled in *Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*<sup>166</sup> that customer overlap depends on the individual purchaser and not on his or her corporate employer.<sup>167</sup> Thus, the parties may have corporate customers in common, but unless the respective products are purchased by the same persons within those companies, they are not likely to be confused.<sup>168</sup>

In establishing this rule, the Federal Circuit adopted the reasoning of the First Circuit's *Astra Pharmaceutical Products v. Beckman Instruments*.<sup>169</sup> In *Astra*, the court noted that different hospital departments make purchasing decisions independently of one another.<sup>170</sup> Accordingly, the sale of trademarked goods to the same hospitals is not necessarily evidence of overlapping customers because the individuals making the purchases may be different.<sup>171</sup> In following the lead of the First Circuit, the Federal Circuit appears to have either adopted a new *DuPont* factor or modified the third factor. After *Electronic Design*, this factor could well be revised to read "similarity or dissimilarity of established, likely-to-continue trade channels, especially the presence or absence of individual purchasers in common."

In *Electronic Design*, the Federal Circuit reversed the Board's decision sustaining an opposition and held that the Board's likelihood of confusion conclusion was incorrect as a matter of law.<sup>172</sup> The Board

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166. 954 F.2d 713, 21 U.S.P.Q.2d (BNA) 1388 (Fed. Cir. 1992).

167. *Electronic Design & Sales, Inc. v. Electronic Data Sys. Corp.*, 954 F.2d 713, 717, 21 U.S.P.Q.2d (BNA) 1388, 1391 (Fed. Cir. 1992).

168. *Id.*

169. 718 F.2d 1201, 220 U.S.P.Q. (BNA) 786 (1st Cir. 1983).

170. *Astra Pharmaceutical Prods. v. Beckman Instruments*, 718 F.2d 1201, 1206-07, 220 U.S.P.Q. (BNA) 786, 790 (1st Cir. 1983).

171. *Id.*

172. *Electronic Design*, 954 F.2d at 715, 21 U.S.P.Q.2d (BNA) at 1389.

had ruled that confusion would be likely between the applicant's mark, EDS within a stylized box, for power supplies and battery chargers, and the opposer's registered mark, EDS, for computer programming services, including the design, implementation, and management of electronic data processing programs and telecommunications services.<sup>173</sup> In the court's view, the Board did very little right. The Federal Circuit criticized the Board, stating that "the Board failed to assess properly the differences in purchasers, channels of trade, and what each company sold, and overlooked the sophistication of the purchasers; that the Board accorded too much weight to the renown and strength of Electronic Data's mark; and that the Board's legal analysis was deficient."<sup>174</sup>

First, the court criticized the Board's finding that the applicant sold some of its EDS goods to the same corporate customers that purchased the opposer's EDS services because the Board did not determine who the relevant purchasing individuals were within the corporations.<sup>175</sup> The court ruled that although the two parties conducted business in the same field with some of the same corporate customers, "the mere purchase of the goods and services of both parties by the same institution does not, by itself, establish similarity of the trade channels or overlap of customers."<sup>176</sup> The court noted that individual departments within corporations could well operate independently in their purchasing activities, and the selection of goods or services could not be presumed to be made by the same individuals.<sup>177</sup> Moreover, the court emphasized that the parties advertised in completely different media and exhibited at different trade shows.<sup>178</sup>

Next, the Federal Circuit criticized the Board for failing to consider purchaser sophistication, the fourth *DuPont* factor.<sup>179</sup> The court noted that the respective goods and services were costly and purchased by experienced individuals only after careful consideration.<sup>180</sup> Confusion hardly seemed likely.

Finally, the court found the Board erred in emphasizing the fame of the opposer's mark.<sup>181</sup> The court held that the opposer's sales

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173. *Electronic Data Sys. Corp. v. Electronic Design & Sales, Inc.*, Opp. No. 77,738, slip op. at 7 (T.T.A.B. Sept. 5, 1990).

174. *Electronic Design*, 954 F.2d at 714, 21 U.S.P.Q.2d (BNA) at 1389.

175. *Id.* at 716-18, 21 U.S.P.Q.2d (BNA) at 1391-92.

176. *Id.* at 717, 21 U.S.P.Q.2d (BNA) at 1391.

177. *Id.*

178. *Id.*

179. *Id.* at 718, 21 U.S.P.Q.2d (BNA) at 1392.

180. *Id.*

181. *Id.* at 719, 21 U.S.P.Q.2d (BNA) at 1393.



and advertising for corporate computer services did not establish fame outside that field, and that any fame existing in the field would not carry over to specifically different and noncompeting goods.<sup>182</sup> The court's decision pre-dated *Kenner Parker* by four months<sup>183</sup> and clearly suggested that trademark fame is critical to enhanced protection only if the mark is in the same product or service field as the opposite mark. As such, *Electronic Design* is distinguishable from *Kenner Parker*, where the respective products were in direct competition,<sup>184</sup> and consistent with *Marshall Field*, where they were not.<sup>185</sup>

*Electronic Design* can be expected to have an impact on *inter partes* case litigation strategy. Even if an opposer can show that the applicant sells products under a similar mark to identical corporate customers, the opposer can expect the applicant to dig deep into the opposer's corporate purchasing operations during discovery. Interrogatories, document requests, and depositions will no doubt pursue detailed information on organizational charts and the specifics of product purchasing.

### B. Ex Parte Appeals

In the three *ex parte* appeals from Trademark Trial and Appeal Board affirmances of examiner rejections of applications to register trademarks, the Board batted only .333. All three cases turned on their specific facts, as such cases do, and stood as reminders that the Federal Circuit acts very independently in reviewing Board decisions. The court also did not hesitate to apply very subjective judgment.

In *In re Hearst Corporation*,<sup>186</sup> the court was faced with the refusal to register the trademark VARGA GIRL for calendars on the ground of likelihood of confusion with the previously registered trademark VARGAS for calendars and related products.<sup>187</sup> The Board re-

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182. *Id.*

183. *Compare id.* at 713, 21 U.S.P.Q.2d (BNA) at 1388 (stating that case was decided on Jan. 8, 1992) with *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 350, 22 U.S.P.Q.2d (BNA) 1453, 1453 (Fed. Cir.) (giving date of decision as Apr. 15, 1992), *cert. denied*, 113 S. Ct. 181 (1992).

184. *See Kenner Parker*, 963 F.2d at 355, 22 U.S.P.Q.2d (BNA) at 1458 (stating that products and channels of trade were "practically identical"); *supra* notes 39-69, 74-79 and accompanying text (discussing *Kenner Parker* in detail).

185. *See Marshall Field & Co. v. Mrs. Fields Cookies*, 25 U.S.P.Q.2d (BNA) 1321, 1323-24 (T.T.A.B. 1992) (finding that while marks applied to some similar bakery products, petitioner only sold those products within its own department stores, whereas respondent's products were on sale in bakeries standing alone and in other department store chains); *supra* notes 70-73 and accompanying text (discussing court's decision in *Marshall Field*).

186. 982 F.2d 493, 25 U.S.P.Q.2d (BNA) 1238 (Fed. Cir. 1992).

187. *In re Hearst Corp.*, 982 F.2d 493, 493, 25 U.S.P.Q.2d (BNA) 1238, 1238 (Fed. Cir. 1992).

garded "Varga" as the salient element of the VARGA GIRL mark and found that "girl" was merely descriptive and thus entitled to little weight in comparing the mark with the VARGAS mark.<sup>188</sup>

With a sense of nostalgia, harking back to the Esquire Magazine drawings of the Varga Girl by Alberto Vargas during World War II, the court applied the familiar trademark "entireties" rule.<sup>189</sup> By giving so little weight to the "girl" component, the Board "inappropriately changed the mark."<sup>190</sup> The public would be likely to perceive the mark VARGA GIRL in its entirety and not piecemeal, the court reasoned, and thus not be likely to be confused with respect to the VARGAS mark.<sup>191</sup> Likelihood of confusion under section 2(d) was absent.<sup>192</sup> The court did not, in so many words, conjure up the image of the Varga Girl and the impact she made on the American consciousness a half century ago, but her presence was felt. Because of its trademark comparison rationale, the Federal Circuit did not reach Hearst's argument that the fame of its mark was not given sufficient weight by the Board.<sup>193</sup>

In *In re Amsted Industries Inc.*,<sup>194</sup> the Board also did not fare well. The Federal Circuit reversed the Board's refusal to register as a trademark the orange coloration of a plastic sheath that was slightly shrunk around the applicant's wire rope, giving the sheath a textured surface.<sup>195</sup> The Board had refused registration under section 2(d) of the Lanham Act because of two prior registrations of marks for wire rope.<sup>196</sup> One of those marks consisted of a single orange strand in a six-strand wire rope, and the second was a single orange strand adjacent to a single black strand.<sup>197</sup> In a very brief opinion, the court faulted the Board for assuming that the marks covered wire rope when in fact they covered only wire rope cladding.<sup>198</sup> The court distinguished the marks and considered the sophistication of wire rope purchasers in holding that there would be no likelihood of confusion between the marks.<sup>199</sup>

188. *Id.* at 494, 25 U.S.P.Q.2d (BNA) at 1239.

189. *See* 1 GILSON, *supra* note 3, § 5.03, at 5-49 (observing that likelihood of confusion analysis requires that trademarks are compared in their entireties rather than as to their discrete elements or component parts).

190. *Hearst Corp.*, 982 F.2d at 494, 25 U.S.P.Q.2d (BNA) at 1239.

191. *Id.*

192. *Id.*

193. *Id.*

194. 972 F.2d 1326, 24 U.S.P.Q.2d (BNA) 1067 (Fed. Cir. 1992).

195. *In re Amsted Indus. Inc.*, 972 F.2d 1326, 1326, 24 U.S.P.Q.2d (BNA) 1067, 1067 (Fed. Cir. 1992).

196. *Id.* at 1326-27, 24 U.S.P.Q.2d (BNA) at 1067.

197. *Id.* at 1326, 24 U.S.P.Q.2d (BNA) at 1067.

198. *Id.* at 1327, 24 U.S.P.Q.2d (BNA) at 1068.

199. *Id.*

In the third *ex parte* case, *In re Curtice-Burns Foods Inc.*,<sup>200</sup> the court treated the Board more gently. The Board affirmed the examiner's rejection of the application to register THE RIGHT STUFF for "popped popcorn" because of the registered mark THE RIGHT STUFF for "packaged foods consisting of sandwiches."<sup>201</sup> After a scholarly discussion of the relationship of popcorn to sandwiches, the court concluded that both were "relatively inexpensive comestibles, likely to be purchased without careful scrutiny."<sup>202</sup> It discounted a consumer survey designed to show that popcorn and sandwiches are seldom consumed together.<sup>203</sup> Unfortunately for the food industry and students of American eating habits, the specifics of the survey, such as the questions asked and the universe polled, were not included in the opinion.<sup>204</sup> Doubt being resolved against the newcomer, as it always is, confusion was found likely and the refusal to register affirmed.<sup>205</sup>

### C. Kangol Ltd. v. KangaROOS U.S.A., Inc.

In *Kangol Ltd. v. KangaROOS U.S.A., Inc.*,<sup>206</sup> another brief decision, it was not surprising that the Federal Circuit affirmed a decision of the Board sustaining an opposition based on the mark KangaROOS and a kangaroo design used on athletic shoes, sweat suits, and athletic shirts.<sup>207</sup> The application covered the mark KANGOL and a kangaroo design for golf shirts.<sup>208</sup> The court agreed that the parties' goods were virtually identical and that although there were differences in the marks, the similarities outweighed the dissimilarities.<sup>209</sup> The court noted that one feature of a mark may be more obvious or dominant in determining likelihood of confusion and that such a feature should be given greater weight.<sup>210</sup> The court determined that the consuming public was likely to perceive the kangaroo design, an element common to both marks, as the dominant feature.<sup>211</sup> The court confirmed that "likelihood of confusion must be determined from the perspective of the ordinary

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200. 25 U.S.P.Q.2d (BNA) 1316 (Fed. Cir. 1992) (unpublished).

201. *In re Curtice-Burns Foods Inc.*, 25 U.S.P.Q.2d (BNA) 1316, 1317 (Fed. Cir. 1992) (unpublished).

202. *Id.*

203. *Id.*

204. *Id.*

205. *Id.*

206. 974 F.2d 161, 23 U.S.P.Q.2d (BNA) 1945 (Fed. Cir. 1992).

207. *Kangol Ltd. v. KangaROOS U.S.A., Inc.*, 974 F.2d 161, 162, 23 U.S.P.Q.2d (BNA) 1945, 1945 (Fed. Cir. 1992).

208. *Id.*

209. *Id.* at 163-64, 23 U.S.P.Q.2d (BNA) at 1945-46.

210. *Id.* at 163, 23 U.S.P.Q.2d (BNA) at 1946.

211. *Id.*

consumer," rejected the applicant's arguments that golf shirts are dissimilar to athletic shirts, and held that the goods traveled in the same or similar trade channels.<sup>212</sup>

#### IV. GENERICNESS, MERE DESCRIPTIVENESS, AND PRIMARILY GEOGRAPHICALLY DECEPTIVE MISDESCRIPTIVENESS AS A BAR TO REGISTRATION

Section 2 of the Lanham Act,<sup>213</sup> enumerating bars to federal trademark registration, is unique. Among federal statutes, the Lanham Act has one of the lengthiest tests to be applied by government officials in the course of discharging their duties. A mark is disqualified from federal registration if, under section 2(e)(2) of the Act, it is "primarily geographically deceptively misdescriptive" of the goods of the applicant.<sup>214</sup> But what does this mean? Is a mark disqualified if it is not *primarily* geographically deceptively misdescriptive, if it is geographically misdescriptive but not deceptively so, or if it is deceptively misdescriptive for reasons other than its geographical connotations? Undaunted, the Federal Circuit faced the test squarely in 1992 in a case involving an application to register the mark CHABLIS WITH A TWIST for wines.

##### A. *Institut National des Appellations d'Origine v. Vintners International Co.*

In *Institut National des Appellations d'Origine v. Vintners International Co.*,<sup>215</sup> the Federal Circuit affirmed the Board's dismissal of the Institute's opposition.<sup>216</sup> Vintners, a California wine producer, sought registration of the mark, CHABLIS WITH A TWIST, for a citrus flavored wine.<sup>217</sup> The Institute, a French wine industry organization responsible for policing misuses of appellations of origin, filed an opposition based on sections 2(a) and 2(e)(2) of the Lanham Act,<sup>218</sup>

212. *Id.* at 163-64, 23 U.S.P.Q.2d (BNA) at 1946.

213. 15 U.S.C. § 1052 (1988).

214. *Id.* § 1052(e)(2).

215. 958 F.2d 1574, 22 U.S.P.Q.2d (BNA) 1190 (Fed. Cir. 1992).

216. *Institut Nat'l des Appellations d'Origine v. Vintners Int'l Co.*, 958 F.2d 1574, 1575, 22 U.S.P.Q.2d (BNA) 1190, 1191-92 (Fed. Cir. 1992).

217. *Id.*, 22 U.S.P.Q.2d (BNA) at 1191.

218. *Id.* (citing 15 U.S.C. § 1052(a), (e) (1988)). The statute provides:

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

....

(e) Consists of a mark which, (1) when used on or in connection with the goods

and under a theory of trademark mutilation.<sup>219</sup> On cross motions for summary judgment, the Board denied Vintners' claim that the Institute lacked standing to oppose.<sup>220</sup> The Board dismissed the opposition on the grounds that the Institute failed to allege any genuine, triable issues of fact under sections 2(a) and 2(e)(2) and under its trademark mutilation theory.<sup>221</sup>

One of the functions of the Institute was to maintain a system of identifying French wine appellations of origin and to protect against their misuse.<sup>222</sup> The term "chablis," for example, refers to a city and a geographic region in France, and is an appellation of origin recognized under French law.<sup>223</sup> On the question of whether the Institute had standing to bring an opposition, the court applied the test set out in *International Union v. Brock*.<sup>224</sup> Under *Brock*, an organization of members has standing if:

- (a) [I]ts members would otherwise have standing to sue in their own right; (b) the interests it seeks to protect are germane to the organization's purpose; and (c) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit.<sup>225</sup>

Finding Vintners' argument against the Institute's standing unpersuasive because it was aimed mainly toward the merits of registrability rather than at standing, the court found that the Institute qualified under *Brock* to bring an action.<sup>226</sup>

On the merits of the Institute's claim under sections 2(a) and 2(e)(2), the court began its analysis with the landmark case of *In re Nantucket*<sup>227</sup> and its progeny.<sup>228</sup> Under the *Nantucket* doctrine, a

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of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, or (3) is primarily merely a surname.

15 U.S.C. § 1052(a), (e) (1988).

219. *Institut Nat'l*, 958 F.2d at 1575, 22 U.S.P.Q.2d (BNA) at 1191. Trademark mutilation refers to registration of less than an entire trademark. *Id.* at 1582, 22 U.S.P.Q.2d (BNA) at 1197. In this case, the Institute argued that the absence of "California" in the trademark constituted mutilation. *Id.*

220. *Id.*

221. *Id.*, 22 U.S.P.Q.2d (BNA) at 1191-92.

222. *Id.* at 1576, 22 U.S.P.Q.2d (BNA) at 1192.

223. *Id.*

224. 477 U.S. 274 (1986).

225. *International Union v. Brock*, 477 U.S. 274, 282 (1986).

226. *Institut Nat'l*, 958 F.2d at 1580, 22 U.S.P.Q.2d (BNA) at 1195.

227. 677 F.2d 95, 213 U.S.P.Q. (BNA) 889 (C.C.P.A. 1982).

228. See *Institut Nat'l*, 958 F.2d at 1580, 22 U.S.P.Q.2d (BNA) at 1195 (citing *In re Societe Generale Des Eaux Minerales de Vittel, S.A.*, 824 F.2d 957, 959, 3 U.S.P.Q.2d (BNA) 1450, 1452 (Fed. Cir. 1987); *In re Loew's Theatres, Inc.*, 769 F.2d 764, 767, 226 U.S.P.Q. (BNA) 865, 867 (Fed. Cir. 1985); *In re Nantucket, Inc.*, 677 F.2d 95, 98-99, 213 U.S.P.Q. (BNA) 889, 892-93 (C.C.P.A. 1982)).

mark is "primarily geographically deceptively misdescriptive" under section 2(e)(2) when the mark's primary significance is a generally known geographic place and when the public would make a goods/place association, i.e., would believe that the goods in the application originate in that place.<sup>229</sup> In addition, a mark is deemed geographically deceptive under section 2(a) if it is primarily geographically deceptively misdescriptive under section 2(e)(2) and the geographic misrepresentation is material to the decision to purchase the goods bearing the mark.<sup>230</sup> The court found that the Board had correctly granted summary judgment on both counts.<sup>231</sup>

The Institute relied primarily on regulations promulgated by the Bureau of Alcohol, Tobacco, and Firearms (BATF) for protecting the public against false or misleading labeling and advertising.<sup>232</sup> The regulations classified "chablis" as a type or class of wine with a name connoting geographic significance.<sup>233</sup> The Institute argued that "chablis," used as a component of a trademark for a non-French wine, must therefore create a misleading goods/place association.<sup>234</sup> Nevertheless, the Board ruled correctly that the term "chablis" is a generic term for a type of wine.<sup>235</sup> The Federal Circuit explained that because the term is generic and because exclusive rights in the term were disclaimed by Vintners, it could not be the reason that CHABLIS WITH A TWIST, when taken as a whole,

229. *Nantucket*, 677 F.2d at 98-99, 213 U.S.P.Q. (BNA) at 892-93.

230. *In re Budge Mfg. Co.*, 857 F.2d 773, 775, 8 U.S.P.Q.2d (BNA) 1259, 1260 (Fed. Cir. 1988).

231. *Institut Nat'l*, 958 F.2d at 1582, 22 U.S.P.Q.2d (BNA) at 1196.

232. *Id.* at 1580, 22 U.S.P.Q.2d (BNA) at 1195; see 27 C.F.R. § 4.24 (1992) (providing regulations). The relevant BATF regulations provide:

(a) (1) A name of geographic significance which is also the designation of a class or type of wine, shall be deemed to have become generic only if found so by the Director.

(2) Examples of generic names, originally having geographic significance, which are designations for a class or type of wine are: Vermouth, Sake.

(b) (1) A name of geographic significance, which is also the designation of a class or type of wine, shall be deemed to have become semi-generic only if so found by the Director. Semi-generic designations may be used to designate wines of an origin other than that indicated by such name only if there appears in direct conjunction therewith an appropriate appellation of origin disclosing the true place of origin of the wine, and if the wine so designated conforms to the standard of identity, if any, for such wine contained in the regulations in this part or, if there be no such standard, to the trade understanding of such class or type.

(2) Examples of semi-generic names which are also type designations for grape wines are Angelica, Burgundy, Claret, Chablis, Champagne, Chianti, Malaga, Marsala, Madeira, Moselle, Port, Rhine Wine (Syn. Hock), Sauterne, Haut Sauterne, Sherry, Tokay.

27 C.F.R. § 4.24 (1992).

233. 27 C.F.R. § 4.24(b)(2) (1992).

234. *Institut Nat'l*, 958 F.2d at 1580, 22 U.S.P.Q.2d (BNA) at 1195.

235. *Id.* at 1581, 22 U.S.P.Q.2d (BNA) at 1196.

was primarily geographically deceptively misdescriptive.<sup>236</sup> In other words, the Institute failed to prove that American wine purchasers would believe that the product originated in the Chablis region of France.<sup>237</sup> The court agreed with the Board that the case presented no genuine issue for determination.<sup>238</sup>

Finally, the Federal Circuit addressed the issue of trademark mutilation.<sup>239</sup> The Institute argued that the mark sought to be registered, CHABLIS WITH A TWIST, did not correspond to the mark used in commerce.<sup>240</sup> It contended that the "California White Wine" legend was a part of Vintners' trademark because it appeared on labels in conjunction with the trademark and because it was required by the BATF regulations.<sup>241</sup> The court affirmed the Board's decision that there was no mutilation, however, and agreed that the BATF labeling requirement in no way mandated the inclusion of the "California" legend in the Vintner mark.<sup>242</sup>

#### B. Loglan Institute, Inc. v. Logical Language Group, Inc.

In *Loglan Institute, Inc. v. Logical Language Group, Inc.*,<sup>243</sup> the Federal Circuit recognized that generic terms can never become trademarks and that it is in the public interest to keep generic terms from becoming or continuing as registered trademarks.<sup>244</sup> The case contained both a human interest story about the invention of a new language and the moral that even a coined name can be a generic term from its inception. The Federal Circuit affirmed the Board's summary judgment decision holding that the LOGLAN mark for dictionaries was generic and ordering that the registration of the mark be canceled.<sup>245</sup>

In 1955, Dr. James Brown invented a "logical language" designed to "test the theory that natural languages limit human thought."<sup>246</sup> Called a "symbolic logic made speakable," the language was derived from the eight most widely spoken natural languages and, accordingly, was culturally and politically neutral.<sup>247</sup> The language was

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236. *Id.* at 1581-82, 22 U.S.P.Q.2d (BNA) at 1196.

237. *Id.* at 1581, 22 U.S.P.Q.2d (BNA) at 1196.

238. *Id.* at 1582, 22 U.S.P.Q.2d (BNA) at 1196.

239. *Id.* at 1582-83, 22 U.S.P.Q.2d (BNA) at 1196-97.

240. *Id.* at 1582, 22 U.S.P.Q.2d (BNA) at 1197.

241. *Id.* at 1583, 22 U.S.P.Q.2d (BNA) at 1197.

242. *Id.* at 1582-83, 22 U.S.P.Q.2d (BNA) at 1197.

243. 962 F.2d 1038, 22 U.S.P.Q.2d (BNA) 1531 (Fed. Cir. 1992).

244. *Loglan Inst., Inc. v. Logical Language Group, Inc.*, 962 F.2d 1038, 1042, 22 U.S.P.Q.2d (BNA) 1531, 1534 (Fed. Cir. 1992).

245. *Id.* at 1039, 22 U.S.P.Q.2d (BNA) at 1532.

246. *Id.*

247. *Id.*

also suitable for "cross-cultural linguistic experimentation."<sup>248</sup> Dr. Brown coined the name "Loglan" (from *logical language*) for his new language.<sup>249</sup>

Dr. Brown first used the name in 1956, and in 1962 he formed the Loglan Institute to promote the development and use of Loglan.<sup>250</sup> The Institute obtained its trademark registration in 1988, and that year a disgruntled member left the Institute and formed the Logical Language Group.<sup>251</sup> The Logical Language Group in turn produced a newsletter referring to Loglan.<sup>252</sup> It then petitioned to cancel the Institute's registration of LOGLAN after it received threats of an infringement lawsuit.<sup>253</sup> The Logical Language Group claimed that "Loglan" was merely a generic contraction of the name "logical language," and the Board agreed.<sup>254</sup>

The Federal Circuit noted that the issue of whether a term is generic poses a question of fact<sup>255</sup> and that the Lanham Act provides for cancellation of a mark that is or has become generic for goods or services.<sup>256</sup> The court explained that a registered mark is presumed valid, but a cancellation petitioner may rebut the presumption by

248. *Id.*

249. *Id.*

250. *Id.*

251. *Id.* at 1039-40, 22 U.S.P.Q.2d (BNA) at 1532.

252. *Id.* at 1040, 22 U.S.P.Q.2d (BNA) at 1532.

253. *Id.*

254. *Id.*

255. *Id.*, 22 U.S.P.Q.2d (BNA) at 1533.

256. *Id.* (citing 15 U.S.C. § 1064(3) (1988)). The statute provides:

A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who believes that he [or she] is or will be damaged by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905:

....

(3) At any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 1054 of this title or of subsection (a), (b), or (c) of section 1052 of this title for a registration under this chapter, or contrary to similar prohibitory provisions of such prior Acts for a registration under such Acts, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.

15 U.S.C. § 1064(3) (1988).



presenting evidence showing that the mark is used generically.<sup>257</sup> The primary consideration in such a case is the relevant public's perception of the term and its meaning.<sup>258</sup> Evidence of public perception may be derived from consumer testimony, surveys, dictionary listings, newspapers, and other publications.<sup>259</sup> In the court's view, a survey, though frequently desirable to establish public perception, was unnecessary given the limited size of the relevant public and the numerous usage examples introduced in evidence.<sup>260</sup>

The evidence showed that Dr. Brown himself used the Loglan term only in its generic sense in his speeches and writings.<sup>261</sup> Accordingly, the Federal Circuit ruled that, based on all the evidence of record, the Board had correctly concluded that Dr. Brown and the Loglan Institute adopted and used the term as the generic name for the language.<sup>262</sup> Because language names are typically capitalized, e.g., French, German, and so on, capitalization did not weigh against a finding of genericness.<sup>263</sup>

Furthermore, the Federal Circuit rejected the Loglan Institute's argument that the Logical Language Group had recognized and acquiesced to the Institute's rights in the Loglan term.<sup>264</sup> The court agreed with the Board that acquiescence is rarely a valid defense against a claim that a mark has become generic, because there is an overriding public interest in canceling registrations for such marks.<sup>265</sup> Finally, the court rejected the unclean hands, fraud, and estoppel defenses.<sup>266</sup>

### C. Bose Corp. v. International Jensen Inc.

In *Bose Corp. v. International Jensen Inc.*,<sup>267</sup> the Federal Circuit affirmed the Board's dismissal of an opposition by Bose Corp., which asserted that the mark ACOUSTIC RESEARCH was merely descriptive for audio speakers and turntables.<sup>268</sup> Bose submitted evidence that the term had been used in a descriptive manner, but the Board found that Bose failed to carry its burden of demonstrating that

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257. *Loglan Inst.*, 962 F.2d at 1040, 22 U.S.P.Q.2d (BNA) at 1533.

258. *Id.* at 1041, 22 U.S.P.Q.2d (BNA) at 1533.

259. *Id.*

260. *Id.*

261. *Id.*

262. *Id.*, 22 U.S.P.Q.2d (BNA) at 1533-34.

263. *Id.* at 1041-42, 22 U.S.P.Q.2d (BNA) at 1534.

264. *Id.* at 1042, 22 U.S.P.Q.2d (BNA) at 1534.

265. *Id.*

266. *Id.*

267. 963 F.2d 1517, 22 U.S.P.Q.2d (BNA) 1704 (Fed. Cir. 1992).

268. *Bose Corp. v. International Jensen Inc.*, 963 F.2d 1517, 1518, 22 U.S.P.Q.2d (BNA) 1704, 1704 (Fed. Cir. 1992).

ACOUSTIC RESEARCH was merely descriptive of International Jensen's goods.<sup>269</sup> Reviewing the Board's finding under the clearly erroneous rule, the Federal Circuit agreed.<sup>270</sup>

The court stated that the Board was not required to consider and to make a specific finding regarding whether the mark ACOUSTIC RESEARCH conveyed information about the goods.<sup>271</sup> The Federal Circuit reasoned that there are numerous tests that the Board may use in determining whether a mark is merely descriptive, and the fact situations are so varied that the Board should not be held to any particular one or any type of formula.<sup>272</sup> The court concluded that the term at issue, when taken in its entirety, did not immediately convey information about a characteristic or a quality of the products.<sup>273</sup> The fact that acoustic research is the first step in producing the products is not determinative of the mark's descriptiveness.<sup>274</sup> The Federal Circuit also rejected Bose's assertion that the public must be free to use the words "acoustic research" to describe the properties of audio goods.<sup>275</sup>

#### V. THE TIME FOR COMPUTING LACHES AND ESTOPPEL IN OPPOSITIONS BEGINS AT PUBLICATION

In 1992 the Federal Circuit confirmed the viability of the doctrine set forth in *National Cable Television Association Inc. v. American Cinema Editors, Inc.*,<sup>276</sup> which holds that the time for computing laches and estoppel in an opposition proceeding begins at the time a mark is published.<sup>277</sup> The court, however, applied an unusual variation of the doctrine: an opposer cannot be found guilty of laches if its challenge to an applicant's use, years before its opportunity to oppose,

269. *Bose Corp. v. International Jensen Inc.*, Opp. No. 76,754, slip op. at 5 (T.T.A.B. Feb. 12, 1991).

270. *Bose Corp.*, 963 F.2d at 1519-20, 22 U.S.P.Q.2d (BNA) at 1706.

271. *Id.* at 1519, 22 U.S.P.Q.2d (BNA) at 1706.

272. *Id.* at 1519-20, 22 U.S.P.Q.2d (BNA) at 1706.

273. *Id.* at 1520, 22 U.S.P.Q.2d (BNA) at 1706.

274. *Id.*

275. *Id.* In fact, International Jensen admitted that Bose could use the term "acoustic research" in a descriptive manner to advertise its research efforts in acoustics. *Id.*, 22 U.S.P.Q.2d (BNA) at 1706-07.

276. 937 F.2d 1572, 19 U.S.P.Q.2d (BNA) 1432 (Fed. Cir. 1991).

277. *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1580-81, 19 U.S.P.Q.2d (BNA) 1424, 1432 (Fed. Cir. 1991). The court in *National Cable* should definitely have modified the tenth *DuPont* factor, part (d), to read: "laches and estoppel attributable to owner of prior mark and commencing with the publication or registration of the mark." See *supra* note 8 (listing *DuPont* factors). The last phrase, "indicative of lack of confusion," should have been made a separate subpart beginning "side-by-side use of the mark."

is met by the applicant's claim of prior rights.<sup>278</sup>

In *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*,<sup>279</sup> the Federal Circuit upheld the Board's summary judgment rejection of the applicant's laches defense because there was no unreasonable delay in the assertion of rights by the opposer, Lincoln Logs.<sup>280</sup> Lincoln Pre-Cut applied to register the mark THE ORIGINAL LINCOLN LOGS LTD. and design for prefabricated homes, and Lincoln Logs opposed the application, asserting a likelihood of confusion of that mark with its registered mark LINCOLN for essentially the same goods.<sup>281</sup>

Lincoln Logs had sent a cease and desist letter to Lincoln Pre-Cut regarding a substantially similar mark in 1984, but did not oppose the applied-for mark until 1988.<sup>282</sup> In Lincoln Pre-Cut's response to the 1984 cease and desist letter, however, Lincoln Pre-Cut stated that it had priority of use of the similar mark over Lincoln Logs.<sup>283</sup> In affirming the grant of summary judgment for Lincoln Logs after a *de novo* review, the court held:

Opposer cannot be held guilty of unreasonable delay in failing to take action to protect its rights if he had no rights to protect vis-a-vis Applicant at that time. Thus, the defense of laches fails because there was no delay in assertion of paramount rights by Opposer. In 1984, Opposer's rights were then limited to rights based on common law and were subservient to Applicant's rights, if we take Applicant at its word.<sup>284</sup>

The court also rejected the Lincoln Pre-Cut argument that the mark that was alleged to infringe in 1984 was the legal equivalent of the mark it sought to register, therefore allowing Lincoln Pre-Cut to "tack" onto the prior mark.<sup>285</sup> The court agreed with the Board's conclusion that the two marks did not meet the strict test of legal equivalency: the marks must create the same continuing commercial impression, and the later mark cannot materially differ from or alter the character of the previous mark.<sup>286</sup>

More significantly, the court underscored the federal policy in

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278. *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 735-36, 23 U.S.P.Q.2d (BNA) 1701, 1704 (Fed. Cir. 1992).

279. 971 F.2d 732, 23 U.S.P.Q.2d (BNA) 1701 (Fed. Cir. 1992).

280. *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 733-35, 23 U.S.P.Q.2d (BNA) 1701, 1703-04 (Fed. Cir. 1992).

281. *Id.* at 733, 23 U.S.P.Q.2d (BNA) at 1702.

282. *Id.* at 733-34, 23 U.S.P.Q.2d (BNA) 1702-03.

283. *Id.* at 734, 23 U.S.P.Q.2d (BNA) 1703.

284. *Id.* at 735, 23 U.S.P.Q.2d (BNA) 1704.

285. *Id.*

286. *Id.*

favor of encouraging registration of trademarks.<sup>287</sup> The court explained that Lincoln Pre-Cut, as prior user, could have prevented Lincoln Logs from registering the trademark LINCOLN initially or could have petitioned to cancel the registration within five years.<sup>288</sup> Because Lincoln Pre-Cut failed to pursue either of these options, it was not entitled to a very sympathetic view of its case.<sup>289</sup>

## VI. APPEALS FROM DISTRICT COURTS

### A. Standing

In *U.S. Philips Corp. v. Windmere Corp.*,<sup>290</sup> the Federal Circuit ruled that the mere inclusion of the name of a party on an official case caption does not establish standing.<sup>291</sup> During the pendency of the appeal from the Southern District of Florida in a patent and trade dress case, Phillips and Windmere entered into a settlement agreement pursuant to which they filed a joint motion to dismiss the appeal and vacate the judgment.<sup>292</sup> Izumi, a codefendant with Windmere, opposed the motion to dismiss insofar as the motion requested vacating the judgment.<sup>293</sup>

Izumi claimed standing as an appellee, pointing out that it was a party before the district court and that its name was included in the Federal Circuit caption.<sup>294</sup> The court noted that although Izumi was indeed on the caption, it was not a party to the appeal because it did not file an appearance or a certificate of interest.<sup>295</sup> The court concluded that "inclusion on the 'official caption' does not establish status as a party before this Court."<sup>296</sup> The court therefore vacated the appeal, noting that Izumi did not seek intervention pursuant to rule 24 of the Federal Rules of Civil Procedure or joinder under rules 19 or 20.<sup>297</sup>

### B. Trademark Infringement and Unfair Competition

In *Charles Greiner & Co. v. Mari-Med Manufacturing, Inc.*,<sup>298</sup> the Fed-

287. *Id.* at 736, 23 U.S.P.Q.2d (BNA) 1704.

288. *Id.* at 735-36, 23 U.S.P.Q.2d (BNA) 1704.

289. *Id.*

290. 971 F.2d 728, 23 U.S.P.Q.2d (BNA) 1709 (Fed. Cir. 1992).

291. *U.S. Philips Corp. v. Windmere Corp.*, 971 F.2d 728, 730, 23 U.S.P.Q.2d (BNA) 1709, 1710 (Fed. Cir. 1992).

292. *Id.*

293. *Id.*

294. *Id.*

295. *Id.*

296. *Id.*

297. *Id.* at 730-31, 23 U.S.P.Q.2d (BNA) at 1710-11.

298. 962 F.2d 1031, 22 U.S.P.Q.2d (BNA) 1526 (Fed. Cir. 1992).

eral Circuit heard the appeal of a patent infringement, trademark infringement, and unfair competition case on appeal from the U.S. District Court for the District of Rhode Island.<sup>299</sup> The district court held that the defendants did not infringe the patent or the trademark at issue and that the plaintiffs had not proved unfair competition.<sup>300</sup> The Federal Circuit affirmed.<sup>301</sup>

The case involved cervical collars used to treat spinal injuries.<sup>302</sup> The plaintiff claimed protection of a cervical collar made of two mating halves, as embodied in U.S. Patent No. 3,756,226.<sup>303</sup> In addition, the plaintiff claimed trademark protection in the designation PHILADELPHIA CERVICAL COLLAR.<sup>304</sup> The defendant referred to its collar as a "Philly Collar" and defendant's distributors referred to the collar as a "Philly-Type Collar," "Philly-Style Collar," or a "Generic Philadelphia Collar."<sup>305</sup> The district court held that the plaintiff did not show that the defendant intended to misuse the plaintiff's mark, nor was there any substantial evidence of confusion.<sup>306</sup>

The Federal Circuit found that the district court did not err either in concluding lack of infringement or in holding that the defendant was not liable for inducing its distributors to infringe.<sup>307</sup> The court noted that the test for trademark inducement liability is whether "a manufacturer or distributor intentionally induces another to infringe a trademark, or [whether] it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement."<sup>308</sup> Finally, the Federal Circuit rejected the plaintiff's unfair competition claim under section 43(a) of the Lanham Act.<sup>309</sup> The plaintiff claimed that the defendant appropriated the cervical collar trade dress and caused likelihood of confusion, but the Federal Circuit ruled that the shape of the cervical collar was functional and that the plaintiff therefore had no enforceable rights.<sup>310</sup>

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299. *Charles Greiner & Co. v. Mari-Med Mfg., Inc.*, 962 F.2d 1031, 1032, 22 U.S.P.Q.2d (BNA) 1526, 1527 (Fed. Cir. 1992).

300. *Charles Greiner & Co. v. Mari-Med Mfg., Inc.*, 754 F. Supp. 951, 954, 956-58 (D.R.I. 1991), *aff'd*, 962 F.2d 1031, 22 U.S.P.Q.2d (BNA) 1526 (Fed. Cir. 1992).

301. *Charles Greiner*, 962 F.2d at 1032, 22 U.S.P.Q.2d (BNA) at 1527.

302. *Id.*

303. *Id.*

304. *Id.*

305. *Id.* at 1037, 22 U.S.P.Q.2d (BNA) at 1530-31.

306. *Charles Greiner*, 754 F. Supp. at 957-58.

307. *Charles Greiner*, 962 F.2d at 1037-38, 22 U.S.P.Q.2d (BNA) at 1530-31.

308. *Id.* at 1037, 22 U.S.P.Q.2d (BNA) at 1531.

309. *Id.* at 1038, 22 U.S.P.Q.2d (BNA) at 1531.

310. *Id.*

## VII. CONCLUSION

In the 1992 world of trademark law, the Federal Circuit deserves high marks. Although its docket of appeals from the Trademark Trial and Appeal Board lacks the excitement of appeals in civil actions (with "sexy" issues involving damage awards, jury verdicts, and draconian injunctions), the court's trademark law influence continues to rise. For example, the court and its predecessor have led the way in developing the role and application of the functionality doctrine in trade dress cases, as is evident from the decisions cited by the Reporters for the American Law Institute's *Restatement (Third) of Unfair Competition*.<sup>311</sup> Moreover, *Kenner Parker* and its progeny will undoubtedly have an influence on other courts, and possibly on Congress as well. There are stirrings abroad on the subject of adding a trademark dilution cause of action to the Lanham Act,<sup>312</sup> and the fame of the mark alleged to have had its distinctiveness diluted will be central to any such analysis.

But why does the Federal Circuit not take a greater leadership role in critically reviewing and revising the *DuPont* checklist from time to time? Although courts should not become legislatures and should not straightjacket themselves with hard and fast *Restatement*-like rules, modest changes to *DuPont* would be of great benefit to the trademark bar and the public. Explicit modification would increase the predictability of case outcomes, would enhance the ability of lawyers to advise their clients, and would facilitate settlements in trademark disputes. *DuPont* has worked well for two decades, but a fresh approach to it in 1993 and beyond would definitely enhance the trademark law leadership role and influence of the Federal Circuit.

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311. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (Tent. Draft No. 2, 1990) (citing numerous Federal Circuit decisions in comments on doctrine of functionality).

312. See Gilson, *supra* note 165 (manuscript at 14-16, on file with *The American University Law Review*) (discussing recent momentum in favor of federal dilution statute).