Class 12: Trademark Use And Likelihood Of Confusion

- Administrative
  - Next Time: 709-16; Problems 5-7 and 5-8; 721-35 (BIG CHANGES)
    - Monday, we return to syllabus
  - NO OFFICE HOURS TODAY
  - Youtube Monday
- Last Time
  - Secondary Meaning
    - Test: Is the primary significance of the term in the minds of the consuming public to the product or to the producer?
    - Policy Rationale
    - Types of Evidence
      - Circumstantial Factors: Advertising, Volume of Sales, Length of Use
        - Protect Investment
        - Circumstantial Link
      - Direct: Survey Evidence
        - Sample Question: What do you associate "Fish Fry" With?
        - Or: Given this detailed description of a box, what's the product?
        - Who produces "Fish Fry"?
          - Multiple Choices
        - **What is "Fish Fry"?**
        - What do you use to fry fish?
    - Zatarain's
      - Basic Facts
      - Held (Dist Ct and CA5)
        - Fish Fry: Yes, secondary meaning, but fair use.
        - Chick Fry: No secondary meaning, so no TM, not distinctive.
  - Fair Use
    - Affirmative Defense
    - Policy
  - Trade Dress
    - Basic Definition
    - Basic Doctrine
      - For Trade Dress: Inherent distinctiveness is possible.
      - For Product Configuration: No inherent distinctiveness. Proof of secondary meaning is required to fall within the TM Act.
      - For Tertium Quid: probably can be inherently distinctive (see Samara Bros.)
    - Two Pesos v. Taco Cabana
      - Basic facts
        - Taco Cabana: Opened in 1978 in San Antonio; Grew to six in San Antonio by 1985.
          - Trade Dress: Festive eating atmosphere; artifacts, bright colors, paintings, and murals.
          - Spread to Houston and Austin in 1986.
        - Two Pesos: First in Houston in 1985.
          - "Very similar motif"
        - Suit under 43(a)
      - Held
      - Reasoning
    - Wal-Mart v. Samara Bros.
      - Basic Facts
        - Wal-Mart hired designer to explicitly copy Samara Bros' Dress designs.
      - Held
      - Reasoning
    - Squaring the two cases?
  - Class 12. Geographic Limitations of TM Problems
    - Unregistered Mark
      - Facts
        - Facts: Max invents a product (a clickable sharpie) that he calls the "Maxtastic"
          - Aside: what category of distinctiveness?
        - 2000: Max begins to sell the Maxtastic in Boulder and some of the various L towns
          - Advertising is purely local.
        - Max doesn't seek federal registration.
        - Early 2005: Eleanor begins to sell a pencil case that she calls "The Maxtastic"
          - Aside: Likelihood of Confusion?
          - Assume for the first three questions: Eleanor didn't know about Max's product.
        - Max Sues
      - 1. Eleanor sells only in Southern California
        - TM suit probably cannot proceed.
        - Common Law TM applies only to geographic area.
        - Who gets to be the one to bring the TM into New York?
          - Answer: First to expand.
      - 2. Eleanor sells in Denver
        - TM suit probably can proceed (either same region OR zone of natural expansion.)
        - What about Fort Collins? Colorado Springs?
      - 3. Eleanor sells only in Southern California. Max buys ads with Nationwide advertising firm, and ads are aired on Southern California TV before Eleanor begins to sell.
        - TM suit depends on whether Max's ads have established a reputation in SoCal.
          - Number of ads is circumstantial evidence, but no dispositive.
        - Exception for Nationwide reputation.
          - Have these ads established a nationwide reputation?
        - Polls may need to establish reputation from these ads.
      - 4. Eleanor knew about Max's product before she named her product.
        - Suit can possibly proceed, but close case.
          - Need more facts.
        - Exception for bad faith.
    - Registered Mark
      - Facts
        - Facts: Max invents a product (a clickable sharpie) that he calls the "Maxtastic"
        - 2000: Max begins to sell the Maxtastic in Boulder and some of the various L towns
        - Eleanor begins to sell a pencil case that she calls "The Maxtastic"
        - Max DOES register federally in Early 2006.
        - Max Sues
      - 5. Eleanor begins to sell in mid-2006 in Southern California
        - Can sue for TM infringement
          - But only once there's a "likelihood of entry".
        - Constructive Nationwide Notice
      - 6. Eleanor began selling in mid-2005 in Southern California.
        - Not precluded by registration.
        - Suit for TM will NOT proceed.
      - 7. Same facts as #6, but Eleanor tries to expand to NYC in mid-2006
        - Suit for TM infringement may proceed. Eleanor can't expand.
        - "Limited area" defense. Frozen and can't expand past natural zone of expansion.
- Trademark Use
  - Elements Required for Infringement
    - Valid Mark
    - Trademark Use
      - Today
    - In Commerce
    - In Connection with the Sale or Advertising of Goods or Services
    - Without P's Consent
    - Likelihood of Confusion
  - Tests
  - Rescuecom
    - Basic Facts
      - AdWords: You pay Google depending on which search terms you would like associated with your ads.
        - Not banner ads.
        - Is fact on page 4 true: "D does not always identify sponsored links as ads and it designs those appearing at the top of the search results to look like part of the non-sponsored search results.
        - One of the words sold was "Rescuecom"
          - May even have been suggested by "Keyword Suggestion Tool"
      - Competitor bought "Rescuecom" so its ads would appear (along with other search results) when user typed Rescue-
    - Preliminary: What about other elements?
    - Held
    - Reasoning
    - Sensible Doctrine?