Protecting Brands in a Modern Economy

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Antonin Scalia Law School
WIPO-CPIP Summer School on Intellectual Property
June 13, 2019
Today’s Agenda

• Introduction and Review
• Securing Trademark Protection for Word Marks
• Securing Trademark Protection for Colors and Designs
• Likelihood of Confusion Simulation Exercise
PROFITABILITY BY YEAR THREE
Why are brands important for businesses?
Why are brands important for customers?
Securing Trademark Protection for Word Marks
Lanham Act Section 45 (15 U.S.C. § 1127) definition of “trademark”

The term “trademark” includes any word, name, symbol or device, or any combination thereof . . . used by a person . . . To identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.
“No trademark 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 . . .

(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive . . .

(f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce.”
Degrees of Distinctiveness for Word Marks

- **Very Distinctive**—“Inherently Distinctive”
  - *Fanciful*. Made up word(s).
  - *Arbitrary*. Real word(s), but product/service is unrelated to the word(s).
  - *Suggestive*. Word(s) suggests, but doesn’t describe, the product/service.

- **Possibly Distinctive** Enough For Protection Through “Acquired Distinctiveness”/ “Secondary Meaning”
  - *Descriptive*. Word(s) describes the product.

- **Never Distinctive** Enough for Protection
  - *Generic*. Common descriptive name of the product/service.
Don’t Say Velcro

https://youtu.be/rRi8LptvFZY
It’s just not BOTOX® without the ®.

The ® after BOTOX® Cosmetic means it’s a registered trademark of Allergan, Inc.
Not a nickname. Or a generic term for other botulinum toxins.
It’s the BOTOX® you and your patients trust.
And the one we trust you’ll always use with an ®.

See also http://www.google.com/permissions/guidelines.html
A NOTE OF INFORMATION AND ENTREATY TO FASHION EDITORS, ADVERTISERS, COPYWRITERS AND OTHER WELL-INTENTIONED MIS-USERS OF OUR CHANEL NAME.

CHANEL was a designer, an extraordinary woman who made a timeless contribution to fashion.

CHANEL is a perfume.

CHANEL is modern elegance in couture, ready-to-wear, accessories, watches and fine jewelry.

CHANEL is our registered trademark for fragrance, cosmetics, clothing, accessories and other lovely things.

Although our style is justly famous, a jacket is not 'a CHANEL jacket' unless it is ours, and somebody else's cardigans are not 'CHANEL for now.'

And even if we are flattered by such tributes to our fame as 'Chanel-issime, Chanel-ed, Chañels and Chanel-ized', PLEASE DON'T. Our lawyers positively detest them.

We take our trademark seriously.

Merci.

CHANEL, Inc.
There are two R's in Xerox.

One is right in the middle. But the really important one is the one you probably never notice.
It's the little R in a crack - like the one you see at the bottom of this ad - that tells you that Xerox is a registered trademark.
And it reminds you that our name - which is also our trademark - should only be used in connection with the products and services of our company.
Including everything from Xerox copiers to information processors to electronic printers.

So as you can see, our trademark is a very valuable one.
To us. And to you, too.
Because it ensures that when you ask for something, you can be sure of what you're going to get.
Of course, we don't expect you to use our trademark every time you use our name.
But we do hope you'll give it a second thought.

XEROX

When you use 'Xerox' the way you use 'aspirin,' we get a headache.
There's a new way to look at it.

Boy, what a headache! And all because some of you may be using our name in a generic manner. Which could cause it to lose its trademark status. The way the name 'aspirin' did years ago. So when you do use our name, please use it as an adjective to identify our products and services, e.g., Xerox copiers. Never as a verb. "to Xerox" in place of "to copy," or as a noun. "Xerox" in place of "copier." Now that you're aware of all this, that should just about zip things up. Thanks.

XEROX
Teflon Survey


• I'd like to read 8 names to you and get you to tell me whether you think it is a brand name or a common name; by brand name, I mean a word like Chevrolet which is made by one company; by common name, I mean a word like automobile which is made by a number of different companies. So if I were to ask you, “Is Chevrolet a brand name or a common name?,” what would you say?

• Now, if I were to ask you, “Is washing machine a brand name or a common name?,” what would you say?

• [If respondent understands continue. If they don’t understand, explain again.]
When the survey was conducted of 514 men and 517 women on the evening of June 4, 1973, in 20 cities, the results were as follows:

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<thead>
<tr>
<th>NAME</th>
<th>BRAND/%</th>
<th>COMMON/%</th>
<th>DON'T KNOW/%</th>
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</thead>
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<tr>
<td>STP</td>
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<td>5</td>
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<td>THERMOS</td>
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<td>46</td>
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<td>MARGARINE</td>
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<td>TEFILON</td>
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<td>JELLO</td>
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<td>REFRIGERATOR</td>
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<td>94</td>
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<td>ASPIRIN</td>
<td>13</td>
<td>86</td>
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<td>COKE</td>
<td>76</td>
<td>24</td>
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Thermos Survey


- Are you familiar with the type of container that is used to keep liquids, like soup, coffee, tea and lemonade, hot or cold for a period of time?
- If you were going to buy one of these containers tomorrow— that is, the type that keeps food and beverages hot or cold—what type of store would you select to make your purchase?
- What would you ask for—that is, what would you tell the clerk you wanted?
  - 75% of approx. 3,000 persons interviewed said “Thermos,” 11% said “Vacuum Bottle” and, as a result of follow-up questions, 12% said they thought that “Thermos” had some trademark significance.

  ***

- Can you think of any other words that you would use to ask for a container that keeps liquids hot or cold?
- If you went into a fast food restaurant to buy a carbonated cola beverage, what would you ask for?
Securing Trademark Protection for Colors and Designs
Limited Supply?
COLOR SPACE
THE COOLEST SHADES IN CORPORATE AMERICA.

THE BATTLE FOR BLUE
Companies spend millions trying to differentiate their brand from the others. Yet a quick look at the logos of major corporations reveals that in color as in real estate, it's all about location, location, location. The result is an ever more frantic competition for the best neighborhood. Here's a look at the new blue bloods. — Michael Rock
Shade Confusion?
Yanny or Laurel?

US Supreme Court Discussing Functionality

- **Inwood Laboratories, Inc. v. Ives Laboratories, Inc.** (1982)
  - “In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”

- **Qualitex Co. v. Jacobson Products Co., Inc.** (1995)
  - “This Court consequently has explained that, ‘[i]n general terms, a product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article,’ that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.”

- **TrafFix Devices, Inc. v. Marketing Displays, Inc.** (2001)
  - “Where the design is functional under the Inwood formulation there is no need to proceed further to consider if there is a competitive necessity for the feature.”
  - “There is no need, furthermore, to engage . . . in speculation about other design possibilities.”
  - “It is proper to inquire into a ‘significant non-reputation-related disadvantage’ in cases of esthetic functionality.”
THAT DOESN'T MAKE ANY SENSE!
Lanham Act § 32, 15 U.S.C. § 1114:
(1) Any person who shall, without the consent of the registrant-- (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided.

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--(A) is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.
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<th>Factor</th>
<th>1</th>
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<th>D.C.</th>
<th>Fed.</th>
<th>Total circuits considering the factor</th>
<th>Restatement (First) Torts Factors</th>
<th>Restatement (Third) Unfair Competition Factors</th>
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<tr>
<td>1. Similarity of the marks</td>
<td>(1)</td>
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<td>(1)</td>
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<td>§ 729(a)</td>
<td>§ 21(a)</td>
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<td>2. Proximity of the goods</td>
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<td>§ 731(a), (e)</td>
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<td>4. Strength of plaintiff's mark</td>
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<td>§ 729(b), 731(i)</td>
<td>§ 22</td>
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<td>5. Defendant's intent</td>
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<td>§ 729(d), 731(g), 731(e)</td>
<td>§ 21(e)</td>
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<td>6. Sophistication of the consumers</td>
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<td>§ 729(b), 731(i)</td>
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<td>7. Similarity of advertising methods, marketing methods</td>
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<td>8. Similarity of sales facilities</td>
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<td>9. Likelihood of bridging the gap</td>
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<td>10. Comparative quality of the goods</td>
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<td>11. Length of time of concurrent use without evidence of actual confusion</td>
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<td>12. Extent to which targets of parties' sales efforts are the same</td>
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<td>13. Third-party use of plaintiff's mark</td>
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<td>14. Variety of goods on which mark is used</td>
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<td>15. Market interface between applicant and owner of prior mark</td>
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<td>16. Extent of applicant's right to exclude</td>
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<td>17. Extent of potential confusion, i.e., whether de minimis or substantial</td>
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<td>18. Any other established fact probative of effect of use</td>
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<td>19. Strength of plaintiff's mark in defendant's geographically-distinct market</td>
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*The Seventh Circuit tends to consider both the similarity of advertising methods and the similarity of sales facilities under factor three. **The Tenth Circuit considers in factor four the "similarity of products and manner of marketing."*
The Second Circuit’s Likelihood of Confusion Factors

“[The prior owner’s chance of success is a function of]:

1. The strength of his mark
2. The degree of similarity between the two marks
3. The proximity of the products
4. The likelihood that the prior owner will bridge the gap
5. Actual confusion
6. The reciprocal defendant’s good faith in adopting its own mark
7. The quality of defendant’s product
8. The sophistication of the buyers
TiPSY wine

“TIPSY” Winery & T-Shirt Company Likelihood of Confusion Simulation Exercise

TIPSy t-shirts
• “All of [the plaintiff’s] experts acknowledged in cross-examination that the relevant consumers would not be confused into purchasing the wrong nuclear reactor.”

• “[I]t is not sufficient that the only confusion would be to a very small, unobservant section of society; or as Foster J. put it recently, if the only person who would be misled was a ‘moron in a hurry.’”

• “In this industry, the fact that Homer Simpson may be confused is insufficient to find confusion.”
Thank You!

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Assistant Director, CPIP
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