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Recent Development

RECENT DEVELOPMENTS IN TRADEMARK LAW

Selected Recent Cases Discussed

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Table of Contents

I.	<i>American Angus Ass'n v. Sysco Corp.</i>	150
II.	<i>Anheuser-Busch, Inc. v. Balducci Publications</i>	150
III.	<i>Anheuser-Busch, Inc. v. L & L Wings, Inc.</i>	150
IV.	<i>In re Hamilton Pharmaceuticals Ltd.</i>	151
V.	<i>Martahus v. Video Duplication Services Inc.</i>	151
VI.	<i>Master Distributors, Inc. v. Pako Corp.</i>	151
VII.	<i>McDonald's Corp. v. Druck & Gerner</i>	152
VIII.	<i>Paddington Corp. v. Attiki Importers & Distributors, Inc.</i>	152
IX.	<i>Qualitex Co. v. Jacobson Products Co.</i>	152
X.	<i>Sara G. Servin and George Baker v. Ziebart International Corp.</i>	153
XI.	<i>Stern's Miracle-Gro Products, Inc. v. Shark Products, Inc.</i>	153
XII.	<i>Talk To Me Products, Inc. v. Larami Corp.</i>	153

***150 I. *American Angus Ass'n v. Sysco Corp.*¹**

The District Court held that a prior Trademark Trial and Appeal Board ("TTAB") decision holding that plaintiff's mark "CERTIFIED ANGUS BEEF"² is generic, and denying plaintiff's ex parte application to register the mark on the Principal Register, does not require the court to find that the mark is generic,³ since a refusal to register a mark does not eliminate the possibility of confusion proscribed by the Lanham Act nor does it necessarily defeat plaintiff's claims of unfair competition. Indeed, the Court held that the phrase, "CERTIFIED ANGUS BEEF" is descriptive, not generic, even though "ANGUS BEEF" by itself, may be generic.⁴

II. *Anheuser-Busch, Inc. v. Balducci Publications*⁵

The Court held that the defendant magazine's use of plaintiff beer manufacturer's trademarks in its parody of beer advertisement that was aimed at commenting on pollution in the nation's water supply did not create a likelihood of confusion, even though plaintiff's marks are strong and even though great similarity exists between its marks and defendant's rendition of those marks in its ad parody. The Court stated that plaintiff's beers and defendant's magazine are not in competitive proximity and no evidence indicates that defendant intended to pass off its magazine as plaintiff's product.⁶

Moreover, the magazine's use of the mark in its beer parody advertisement that appeared on the magazine's back cover does not give rise to a cause of action under 15 U.S.C. 1125(a),⁷ for misrepresentation of another's goods in commercial advertising or promotion, since the parody was not in any way connected with the sale of a product.⁸

III. *Anheuser-Busch, Inc. v. L & L Wings, Inc.*⁹

The Fourth Circuit reversed the District Court's JNOV and held in favor of defendants.¹⁰ Defendants designed and sold t-shirts under the logo "KING OF BEACHES," admittedly imitating Anheuser-Busch's famous BUDWEISER "KING OF BEERS" label but with references to South Carolina beaches substituted for references to plaintiff's beer.¹¹ The Fourth Circuit held that defendants' design was an acceptable parody, which diminished any risk of consumer confusion.¹²

151 IV. *In re Hamilton Pharmaceuticals Ltd.¹³

The TTAB upheld the refusal to register the mark "HAMILTON,"¹⁴ noting that "it is well settled that whether a mark is primarily merely a surname depends upon whether its primary significance to the purchasing public is that of a surname. The burden is upon the Examining Attorney, in the first instance, to present evidence sufficient to make out a prima facie showing in support of the contention that a particular mark is primarily merely a surname. Provided that the Examining Attorney establishes a prima facie case, the burden shifts to the applicant to rebut the showing made by the Examining Attorney."¹⁵ Moreover, "the inclusion in a mark of a generic or merely descriptive term does not preclude its surname significance if, when considered as a whole, the primary significance of the mark to the purchasing public is that of a surname."¹⁶ The TTAB rejected the applicant's argument that its business is located in Hamilton, Bermuda, and it is a geographic location that is recognized as such by a significant segment of the population.¹⁷

V. *Martahus v. Video Duplication Services Inc.*¹⁸

The Federal Circuit held that cancellation petitioner's use of "VDS" on sales invoices was trade name or service mark use, rather than mere space-saving abbreviation of company's name "Video Duplication Services." The Circuit stated that an acronym or abbreviation made up of first letters of words in business name may have trademark or service mark significance.¹⁹ The use of initials in invoices was found inherently to be a use of the mark in association with the sale of petitioner's services, and thus constituted service mark use.²⁰

VI. *Master Distributors, Inc. v. Pako Corp.*²¹

The Eighth Circuit reversed and remanded the District Court's summary judgment holding that, as a matter of law, color alone could not be protected as a trademark. The plaintiff manufactured and sold leader-splicing tape under the mark BLUE MAX. Although leader-splicing tape is traditionally black, plaintiff intentionally dyed its tape blue and was well-known for that attribute.²² One of the claims asserted by plaintiff was common-law trademark infringement through use of its shade of blue on a competitor's tape.²³ The Eighth Circuit refused to adopt a *per se* prohibition against protection of a color alone as a trademark.²⁴ Rather, the Court held that protection would be appropriate if all the normal requirements for trademark protection, *e.g.*, secondary meaning, were established.²⁵

152 VII. *McDonald's Corp. v. Druck & Gerner²⁶

The Court held that the strength of plaintiff's "Mc" family of marks should be assessed as of the time of suit, rather than at the time defendant commenced use of its allegedly infringing mark²⁷ and that confusion is likely between plaintiff's "Mc" family of marks, for fast food, and defendant's "McDental," for dental services, even though markets for the parties' products are not in proximity and plaintiff is not likely to bridge the gap between fast food and dentistry.²⁸

VIII. *Paddington Corp. v. Attiki Importers & Distributors, Inc.*²⁹

The Second Circuit stated that the classification scheme by which trademarks are determined to be generic, descriptive, suggestive, or arbitrary also applies to trade dress and that trade dress typically will be arbitrary or fanciful, and thus, inherently distinctive, since choices for packaging products are almost unlimited. The Second Circuit held that the trade dress for plaintiff's bottle for its "No. 12" ouzo was inherently distinctive,³⁰ since nothing about the bottle and label design conveys anything about its particular contents, and since the colors, layout, lettering style, size, of the bottles' labeling were selected from an almost limitless supply of patterns, colors, and designs.³¹

IX. *Qualitex Co. v. Jacobson Products Co.*³²

The District Court had held that Defendant Jacobson had infringed Plaintiff Qualitex's registered trademark and had failed to prove that the trademark was invalid.³³ Defendant was found guilty of unfair competition by copying the appearance of plaintiff's "SUN GLOW" pad and deceiving purchasers by putting an inferior product into the marketplace under Qualitex's distinctive trade dress and infringing Qualitex's registered trademark for the green-gold color.³⁴

In its opinion, the Ninth Circuit affirmed the trade dress infringement, but reversed the District Court's refusal to cancel plaintiff's registration of the green gold color.

In this case, the Ninth Circuit confronted the issue of whether to follow the majority of circuits in holding that color alone cannot form the basis for a trademark, or to acknowledge the exception of *Owens-Corning*. The Ninth Circuit concluded that the better rule is that a trademark should not be registered for color alone. As many cases have noted, opined the Circuit, under the color depletion theory no person should have a monopoly on a primary color.

153 X. *Sara G. Servin and George Baker v. Ziebart International Corp.³⁵

The Third Circuit addressed the question of whether consumers of goods or services in interstate commerce who allege that, to their detriment, they purchased such goods or services in reliance on the advertising claims of the vendor, have a federal cause of action under subsection 1 of section 43(a) of the Lanham Act, 15 U.S.C. subsection 1125(a)(1),³⁶ against the vendor.³⁷

In dismissing plaintiff-appellants' claims,³⁸ the two district courts did not challenge the submission which seems, indeed, indisputable that as a matter of syntax, section 43(a)³⁹ is sufficiently broad to accommodate consumer claims.⁴⁰ "Rather, the district courts concluded, on the basis of case law with which the meager legislative history was not in disaccord, that the false advertising aspects of section 43(a) as originally framed in 1946 and as revised in 1988 were calculated to protect competitors or others with a comparably integral commercial interest but did not include ultimate consumers with the scope of protected interest."⁴¹ The Circuit affirmed the District court's judgment.⁴²

XI. *Stern's Miracle-Gro Products, Inc. v. Shark Products, Inc.*⁴³

The Court held that the evidence showing that plaintiff has used its mark "MIRACLE-GRO," for plant food exclusively for decades, and that mark has been extensively advertised,⁴⁴ has enjoyed commercial success, and has received unsolicited media coverage warrants a finding that it has acquired secondary meaning.⁴⁵ The Court granted plaintiff a preliminary injunction against defendant's "MIRACLE-GRO" mark for hair care products, despite dissimilarity between parties' products.⁴⁶

XII. *Talk To Me Products, Inc. v. Larami Corp.*⁴⁷

The district court granted summary judgment to the defendant⁴⁸ stating that defendant's use of the mark SUPER SOAKER for an air pressure water gun did not infringe plaintiff's application for registered trademark for the water gun "THE TOTALLY RAD SOAKER."⁴⁹ The court found that plaintiff's initial sale of the watergun constituted "merely a 'token sale,'"⁵⁰ and that its pending intent-to-use application to register the trademark "THE TOTALLY RAD SOAKER" did not provide plaintiff with *154 prior constructive use because the application had not yet been registered.⁵¹ The Second Circuit affirmed.⁵²

Footnotes

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¹ 829 F. Supp. 807, 27 U.S.P.Q.2d (BNA) 192 (W.D.N.C. 1993).

² *American Angus Ass'n*, 829 F. Supp. at 824 (citing opinion of TTAB dated September 28, 1990 at 9).

³ *Id.* at 824.

⁴ *Id.* at 825.

⁵ 814 F. Supp. 791, 26 U.S.P.Q.2d (BNA) 1180 (E.D.Mo. 1993).

⁶ *Balducci*, 814 F. Supp. at 796.

⁷ 15 U.S.C. § 1125(a) (Supp. 1992).

8 *Balducci*, 814 F. Supp. at 798.

9 962 F.2d 316, 22 U.S.P.Q.2d (BNA) 1502 (4th Cir. 1992), *cert. denied*, 113 S. Ct. 206 (1992).

10 *L & L Wings*, 962 F.2d at 317.

11 *Id.* at 314.

12 *Id.* at 321.

13 27 U.S.P.Q.2d (BNA) 1939 (TTAB 1993).

14 *Hamilton*, 27 U.S.P.Q.2d (BNA) at 1940.

15 *Id.*

16 *Id.*

17 *Id.* at 1942-43.

18 3 F.3d 417, 27 U.S.P.Q.2d (BNA) 1846 (Fed. Cir. 1993).

19 *Martahus*, 3 F.3d at 423.

20 *Id.* at 424.

21 986 F.2d 219, 25 U.S.P.Q.2d (BNA) 1794 (8th Cir. 1993).

22 *Master Distribs.*, 986 F.2d at 220.

23 *Id.* at 221.

24 *Id.* at 225.

25 *Id.* at 223.

26 814 F. Supp. 1127, 26 U.S.P.Q.2d (BNA) 1492 (N.D.N.Y. 1993).

27 *Druck & Gerner*, 814 F. Supp. at 1133.

28 *Id.* at 1135.

29 996 F.2d 577, 27 U.S.P.Q.2d (BNA) 1189 (2d Cir. 1993).

30 *Paddington*, 996 F.2d at 583.

31 *Id.* at 584.

32 29 U.S.P.Q.2d (BNA) 1277 (9th Cir. 1994).

33 *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 21 U.S.P.Q.2d (BNA) 1457, 1462 (C.D. Cal. 1991).

34 *Id.* at 1461.

35 11 F.3d 1163 (3d Cir. 1993).

36 15 U.S.C. § 1125(a)(1) (Supp. 1992).

37 *Ziebart Int'l*, 11 F.3d at 1164.

38 *Id.*

39 15 U.S.C. § 1125(a)(1) (Supp. 1992).

40 *Ziebart Int'l*, 11 F.3d at 1164-65.

41 *Id.* at 1165.

42 *Id.*

43 823 F. Supp. 1077, 27 U.S.P.Q.2d (BNA) 1267 (S.D.N.Y. 1993).

44 *Miracle-Gro*, 823 F. Supp. at 1084.

45 *Id.* at 1085.

46 *Id.* at 1095.

47 804 F. Supp. 555 (S.D.N.Y. 1992), *aff'd*, 992 F.2d 469, 27 U.S.P.Q.2d (BNA) 1080 (2d Cir. 1993).

48 *Talk To Me Prods.*, 804 F. Supp. at 556.

49 *Id.* at 561.

50 *Id.* at 559.

51 *Id.* at 561.

52 992 F.2d 469 (2d Cir. 1993).