TRADEMARK LAW

SPRING 2007/CRN 52725 Cardozo School of Law

Take Home Examination

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INTRODUCTION

Once you have accessed this examination, you may not discuss it with anyone prior to turning in your answers. Nor may you discuss the examination at ANY time with any student in the class who has not taken it. Nor may you collaborate on the exam.

By turning in your answers you certify that you did not gain advance knowledge of the contents of the examination, that the answers are entirely your own work, and that you have complied with all relevant Cardozo School of Law rules.

You have 24 hours from the time you access this examination to submit the answers online.

The Examination consists of two parts and a bonus (after this introduction). Part I is a set of true/false questions. Part II consists of one essay problem with a 2,000 word limit. With the Part II essay, I take on no obligation to read beyond this 2,000 word limit. Part III is a 2-3 sentence bonus. **The illustrations appear at the end of this document AND/OR in an a separate document called x-07TM-Exhibits.doc**.

GOOD LUCK

A great summer to everyone, thanks for a fun class

II. TRUE/FALSE QUESTIONS

(30 points)

This part of the exam is worth 30 points. Each answer is worth 1.5 points. There are 22 questions, so in the same spirit as the LSAT and other standardized tests, you can get 2 wrong and still get a maximum score on this section.

Since this exam is being administered online, please provide your answers to this section as a single column series, numbered 1 to 22, with "T" or "F" besides each number.

If you are concerned about a question being unclear, you may write a note at the end, but only do so if you believe that there is a <u>fundamental</u> ambiguity in the question.

SOME GENERAL QUESTIONS

TRUE FALSE

_____ _____ 01. In a situation in which customers doing business with the senior mark holder mistakenly believe that they are dealing with a junior mark holder, the senior mark holder must make its claim in terms of "initial interest confusion."

_____ _____ 02. As a general rule, the likelihood of confusion increases between similar trademarks as the plaintiff's and defendant's products are marketed in increasingly proximate or overlapping channels of commerce.

_____ _____ 03. A "suggestive" trademark is one which brings the characteristics or qualities of the trademarked product or service immediately to mind.

_____ _____ 04. If a product design is *de facto* functional, then that product design is *per se* ineligible for trademark protection under the the functionality doctrine.

_____ _____ 05. When the USPTO reviews an application to determine whether a claimed trademark is a surname, it considers how common the surname is in the United States, but does not impose a fixed, minimum number of people in order to treat the word as a surname.

CONFUSION AS FAR AS YOU CAN SEE?

The Microsoft Corporation is spending hundreds of millions of dollars advertising and promoting *VISTA*, the new version of its ubiquitous *WINDOWS* operating system. During its development at Microsoft, the new operating system was code-named "Longhorn," a name that was leaked to the press without Microsoft's authorization and frequently appeared in news reports about Microsoft. The "Vista" name was officially announced on July 22, 2005.

The *VISTA* operating system went on sale in December 2006 as a software package; PCs with the *VISTA* operating system went on sale January 30, 2007. Several hundred thousand copies of *VISTA* have already been sold.

A French company, InfoVista, has a registred USPTO trademark for *VISTA FOUNDATION* (#3211620) The registration describes the trademark as being used for "[r]ecorded computer software programs, namely, software for managing the collection of data in complex information technology infrastructures, ..." A Dutch company, Organon, has a USPTO trademark registration for *VISTA* (#3139369) for use with "[s]cientific research services for medical purposes in the field of anesthesiology."

The SuperMax Real Estate Company has recently started advertising mountain homes in several upscale San Francisco and Silicon Valley publications. The print ads include the words "Through these windows you can see amazing vistas."

TRUE FALSE

_____ _____ 06. Based on the *U.S. Shoe* case, if SuperMax is sued by Microsoft, SuperMax is likely to prevail with a nominative fair use defense.

_____ _____ 07. InfoVista's claim of "reverse confusion" against Microsoft will be stronger than Organon's parallel claim against Microsoft on the question of the proximity of goods.

_____ _____ 08. Organon's claim of "reverse confusion" against Microsoft will be weaker than InfoVista's parallel claim against Microsoft on the question of the similarity of the marks.

_____ _____ 09. If SuperMax used the sentence in question as a slogan they are more likely to violate Microsoft's trademark rights than if they use the sentence in question as part of a larger text describing the vacation homes.

_____ _____ 10. From the facts you are given, Microsoft has done nothing to acquire common law trademark rights in *LONGHORN* for its operating system.

WAFER FILLED WITH MILK CREAM

The Rolling-In-Dough Baking Compary (RID) has created a new wafer cookie "filled with milk cream" called LAUSANNE. The product is shown in Exhibit A. Of course, Lausanne is a French-speaking city in Switzerland, on the banks of Lake Geneva. Assume that RID has applied to the USPTO for federal registration of the *LAUSANNE* trademark. Which of the following propositions are true and which false for this application?

TRUE FALSE

_____ _____ 11. If the USPTO determines that RID manufactures *LAUSANNE* wafer cookies at its factory in Kuala Lumpur, Malaysia, then trademark registration will

be barred without further evidence under Lanham §2(e).

_____ _____ 12. Pepperidge Farms may be able to oppose the RID application on the grounds that the requested trademark is confusingly similar to Pepperidge Farm's *GENEVA* trademark for cookies.

_____ _____ 13. If the USPTO determines [a] that the wafer cookies are made in Malaysia and [b] that Lausanne is a well known place to American consumers, then these facts by themselves constitute an absolute bar to trademark registration under Lanham §2(e).

_____ _____ 14. If 1000 Americans are surveyed with the question "what do you think of when someone mentions Lausanne, Switzerland?" and 0% answer "cookies" and only 2 people say "milk," this will greatly help RID's trademark application.

A POCKETFUL OF TRADEMARKS

As reported in the *New York Times*, the Levi Strauss Company – manufacturers of Levis jeans – has a reputation for suing other manufacturers for copying the Levis trade dress, specifically Levis' registered trademark for the design on its back pocket. This design is shown in Exhibit B – in these questions "Levis trademark" refers to this backpocket design. Exhibit C shows the Levis design and five rival jean manufacturers – and their back pocket designs – that have faced litigation from Levis.

Looking up the news reports will **NOT** help you answer these questions.

TRUE FALSE

_____ _____ 15. If Levis did not sue any of these companies and these various back pocket designs had continued to be marketed, under the reasoning in *Nabisco v. Warner-Lambert*, this would have adversely affected the strength of the Levi's trademark.

_____ _____ 16. If it is shown that this sort of "curved V" stitching strengthens a piece of fabric better than any other stitching pattern, this will help Levi's claim for trademark protection of the design.

_____ _____ 17. In a trademark infringement lawsuit brought by Levis against any of these other jean manufacturers, post-sale confusion will be irrelevant for the same reasons as discussed by the court in *Munsingwear v. Jockey*.

_____ _____ 18. In a trademark infringement lawsuit brought by Levis against Fossil, it will help Fossil if they can establish that Fossil jeans are sold only in Fossil retail stores and that no other jeans are sold in Fossil retail stores.

_____ _____ 19. In preparation to defend a trademark infringement lawsuit, Fossil conducted a survey of 500 consumers using Exhibit C, but with all the words removed except for the Levi Strauss pocket. In the survey, consumer were asked if they thought the Fossil back pocket came from Levis: only 11 out of 500 consumers said "yes." By the standards enunciated in the *Gallo* case, a court would be likely to accept these survey results.

MORE GENERAL QUESTIONS . . .

_____ _____ 20. The "functionality" bar is more likely to affect trade dress – that is, product design and product packaging – than to affect word trademarks.

_____ _____ 21. Once a trademark has become "incontestable," § 15 U.S.C. 1115(b) (Lanham Act §33(b)) bars any party from attacking the trademark's registration on the grounds of fraud

_____ _____ 22. In *Qualitex,* the Supreme Court found that a single color could serve as a "technical trademark," sub-

ject to registration without proof of secondary meaning.

COMMENTS on FUNDAMENTAL AMBIGUITIES?

II. Essay Question
(70 points)

This year there is only ONE essay question. Please write an essay answer of no more than 2,000 words. This essay is worth 70 points of the 100 point exam.

Please make sure that you use 1.5 line or double line spacing and include a header or footer that has the page number and the exam number on each page.

WHAT HAPPENS IN THE CANDY
SHOP STAYS IN THE CANDY SHOP

On September 1, 2006, Craft Foods began limited marketing in the United States of *NON STOP* chocolates [**Exhibit D**] – milk chocolate "buttons" with a candy coating, much like M&M's. *NON STOP* is made by Craft's Norwegian subsidiary, Freia Chocolate. Since June 1, 2006, Craft has been distributing *NON STOP* in Florida, Texas, and the greater Chicago area. To date, *NON STOP* has sold 1.2 million units in the United States and Craft plans to distribute the candy throughout the US. On December 12, 2006, Craft applied for trademark registration with the USPTO for *NON-STOP* for candy products. There has been no USPTO action on this trademark application.

In January 2007, Craft's arch-rival, Jupiter Chocolate, announced that they would begin marketing *NEVER STOP* candy in the United States [**Exhibit E**]. *NEVER STOP* is also milk chocolate "buttons" with a candy coating, much like M&M's and is made by Jupiter's Swedish subsidiary, Marabou. Investigators for Craft have recently discovered that Marabou *NEVER STOP* is already sold in Canada and advertised extensively on Canadian radio and television (which can be received throughout northern Vermont, the Detroit area, Buffalo, and much of upstate New York). It is not clear how long *NEVER STOP* has been sold and advertised in Canada.

On December 1, 2006, Jupiter Chocolate had filed an intent-to-use application to register the trademark *NEVER STOP* for candy products. There has been no USPTO action on this trademark application.

Finally, "Ekte Sjokolade," is an exclusive, faux-Scandinavian chocolate shop with stores in Manhattan, Los Angeles, San Francisco, Las Vegas, and Nantucket. Ekte has been marketing a chocolate bar under the name *DON'T STOP* [**Exhibit F**] in all its store since spring 2004. Ekte has used an ad campaign featuring a close-up of a nude woman (or a man – depending on the ad) addressing a lover, off-camera, with the words "Don't stop." The ad campaign has consisted of posters, promotional cards, and internet video ads. All the posters, cards, and videos uses the taglines "*DON'T STOP* – chocolate as good as last night" or "*DON'T STOP* – true seduction for kids and grown-ups". The New York Times has called the *DON'T STOP* ad campaign "the most risqué and provocative campaign ever used for a chocolate bar"; the Wall Street Journal called it "a clever, but questionable way to sell calories."

Ekte filed a registration application for *DON'T STOP* with the USPTO on March 1, 2007. There has been no USPTO action on this trademark application.

In a press release this morning, Jupiter Chocolate announced that they had reached a tentative agreement to acquire 100% ownership of Ekte Sjokolade including all its stores, recipes, and intellectual property. The effective date of the acquisition is not known.

Tomorrow – just 24 hours from now – your senior partner, Mona L. Jaconde, has an emergency meeting with Craft's deputy counsel, who will be flying back from the World Chocolatiers' Congress in Lausanne, Switzerland. Write the memo that tells her everything she needs to know about likelihood of confusion among these marks, the priority issues, and what Craft should do. Remember that you have a 2,000 word limit for office memos. So keep it short . . . and sweet.

Part III --Bonus

(1-2 points – no more than 40 words)

The USPTO recently rejected an application to register the trademark *OBAMA BIN LADEN*. The rejection was based on Lanham §2(a) and §2(c). Which of these, in your opinion, was a stronger grounds to reject the application and why?

END OF WRITTEN EXAMINATION – EXHIBITS FOLLOW
# # # #

EXHIBIT A – WAFER FILLED WITH MILK CREAM

EXHIBIT B – A POCKETFUL OF TRADEMARKS

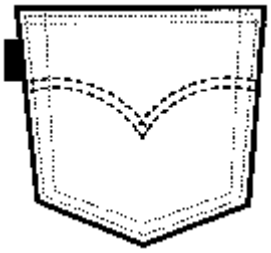

EXHIBIT C – A POCKETFUL OF TRADEMARKS

EXHIBIT D - *NON STOP* candy from Craft

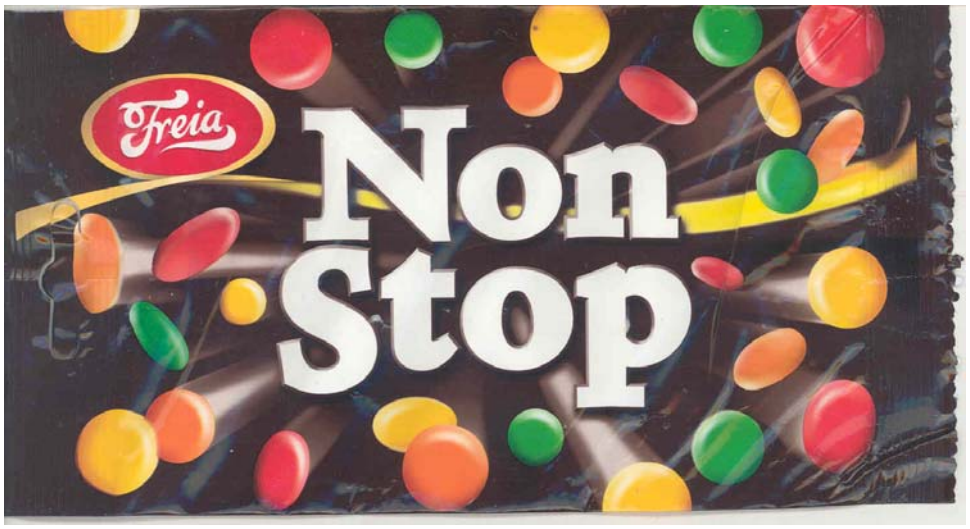

EXHIBIT E – *NEVER STOP* candy from Jupiter Chocolate

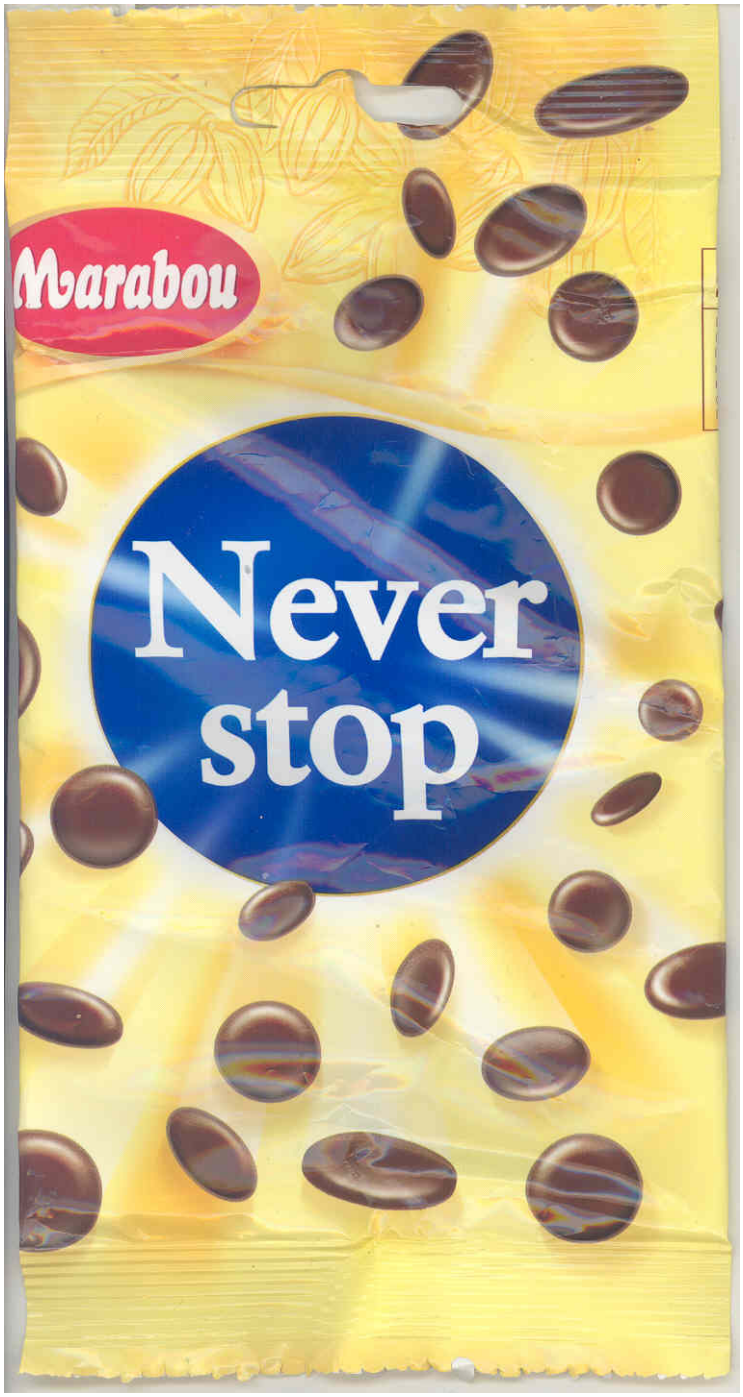

EXHIBIT F – *DON"T STOP* chocolate bar from Ekte

END OF EXHIBITS
END OF EXAMINATION/ Spring 2007