

Trademarks & Unfair Competition, Summer 2006
Final Exam with Model Answer

The following answers are not necessarily complete and comprehensive, and partial credit was given for various additional pertinent observations and arguments. All multiple choice questions were worth a maximum of 5 points.

Scenario One

Your firm represents a software startup named Confidante Systems. Its first product will be a privacy protection and anti-fraud program that plugs in to a user's web browser. A small animated character named Connie will float unobtrusively in the corner of the window, monitoring the activity of the browser. If fraud is suspected, Connie will alert the user and offer options for addressing the situation. Connie also will keep a secure database of the user's various passwords and account numbers, which the user can instruct Connie to supply to web sites as appropriate.

You have been asked to review the results of a preliminary scan of USPTO records for CONNIE THE CONFIDANTE; the gender neutral form, CONFIDANT, also was searched. There are no trademarks that combine both CONNIE and CONFIDANT(E), but there were several references for each term separately.

To narrow the search results to the most relevant references, the researcher used the following criteria: (1) the mark is registered or pending ("live") and not expired, canceled, or abandoned; (2) the application lists at least some goods in International Class 9 (electronics), or contains goods with any of the following terms: comput... or software or security or secure or browser or network... or web or internet.



Results for CONNIE

After narrowing the search results, there was only one relevant reference. The Spanish company Neptuno Films Production, S.L. owns an application for CONNIE THE COW which includes a design of three cows. The lengthy list of goods and services includes "computers," "computer game software," "computer software and computer interface software for children's education and children's entertainment," and "education services in the fields of computers . . . at the nursery, pre-school, primary, secondary and adult levels."

Q1. What is your level of concern over the application for CONNIE THE COW in relation to the client's ability to use its mark free of infringement liability?

- A. None. "Cow" and "Confidante" look and sound so different and have such different meanings that CONNIE THE COW can be ignored. There is no overlap between the client's security software and the applicant's software. And our client's "Connie" is depicted as a human.

This is tempting, but no part of a mark can really be ignored in the LOC analysis, and the depiction of the client's Connie is not part of the marks being compared.

- B. Low. “Cow” and “Confidante” look and sound different and have different meanings, so the marks differ as a whole. While the two companies’ goods could be used together, the client’s software is quite different in purpose and function from game/education/entertainment software, and computers are a bit more different than that.

BEST ANSWER — *Whether you agree with “Low,” this is the best reasoned analysis: marks are compared as a whole, and the relationship between the goods is given fair consideration (neither extreme).*

- C. Moderate. The marks have a similar structure: “Connie the C-word.” Although the two C-words have considerable differences, the shared pattern suggests that they could be related in some manner because consumers have a better memory for the first part of a mark. When marks are this similar, quite different goods can pose a conflict.

SECOND BEST ANSWER — *The last sentence gives too little weight to the differences between “cow” and “confidante” and overstates the continuum idea.*

- D. High. The parallel structure of the marks and identical alliteration, and the fact that both would be marketed to unsophisticated home computer users, override any differences in sight, sound and meaning. Nowadays, computer security is inseparable from computers, so the goods are very close as well.

Too extreme.

- E. Undecided. It isn’t possible to advise on this reference without conducting an actual investigation of the “strength,” “customer care,” “market channels” and “likelihood of expansion” factors.

The marks are not that close.

Results for CONFIDANT / CONFIDANTE

The references from this search have been charted as follows:

Owner	Mark(s)	Goods/Services
Friend, Jeff	CONFIDANT ® <i>First Use July 2000</i>	“consulting services, namely, providing computerized research information and advice to banks and other institutions concerning data security issues”
Friend, Jeffrey	CONFIDANT <i>ITU Filed Dec. 2005</i>	“computer software for accessing a global telecommunications network or interactive computer communications network, instant messaging, voice over internet protocol (VOIP), transmitting, securing, and searching electronic data”

Computerized Security Systems, Inc.	CONFIDANT MT ® <i>First Use May 2005</i>	“electronic locks”
Computerized Security Systems, Inc.	CONFIDANT <i>ITU Filed May 2006</i> CONFIDANT LTD <i>ITU Filed May 2006</i> CONFIDANT LIMITED <i>ITU Filed May 2006</i>	“electronic entry control system”
Computerized Security Systems, Inc.	CONFIDANT LITE <i>ITU Filed May 2006</i>	“electronic access control systems”

The search also turned up another application Jeffrey Friend filed this year for financial services for banks. Therefore, it appears likely that “Jeff” and “Jeffrey” are the same person, even though the addresses differ.

A brief Google search indicates that CONFIDANT MT is used in connection with electronic door locks for hotel guest rooms.

- Q2. In assessing whether the client could register its mark, assume its application would describe its goods as “computer software for protecting users’ private data and avoiding online fraud.” Assume also that the Friend registration (the older of the two marks) will be uncovered in the Trademark Office’s search; that the Examiner applies the likelihood of confusion test in TMEP §1207.01; and that the Examiner views CONFIDANTE as the dominant portion of the mark. Which of the following appears to be the most likely outcome in the first office action?
- A. No citation, because software is a Class 9 good and computer consulting is a Class 42 service, and a different class rules out confusion.
 - B. Refusal, because the goods do not need to be related when the marks are identical.
A & B are too extreme.
 - C. No citation, because Friend’s customers are expressly limited to banks and other institutions, while the client’s application refers to users.
Because the unlimited term “users” subsumes all industries, this is incorrect.
 - D. Refusal, because Friend’s services refers to “data security,” which is related to “protecting private data,” even though one is a service and the other is software.
BEST ANSWER — best reasoned choice, although Examiners can be difficult to predict!

- E. It could go either way, depending on whether the Examiner reads the word “advice” in Friend’s registration to refer to the specific warnings and suggestions offered by “Connie” when she detects a problem.

It is very unlikely that the Examiner will attempt to determine the exact manner in which the client’s software operates. Examiners often look at web sites and other marketing material, but this choice goes well beyond.

- Q3. Assume the client would file its mark for “computer software for protecting users’ private data and avoiding online fraud,” and that the Friend application covering software for “securing . . . electronic data” would be cited. In response you would of course argue that the appearance, sound, and meaning of CONNIE THE CONFIDANTE is quite different than that of CONFIDANT alone. Which of the following additional arguments, if any, would be likely to sway the Examiner and help overcome a citation of the recent Friend application?

- I. Purchasers take extra care in choosing computer software products, because the people who purchase and use computers tend to be sophisticated about technology products.

As we know from interacting with other computer users, this is most definitely NOT true for ALL computer purchasers.

- II. The client’s product plugs in to a user’s web browser, and appears in that context, whereas Friend’s software is a complete communications product that functions independently of the user’s browser (according to Friend’s web site).

This statement depends on external information, which can be used to illuminate ambiguities, but NOT to introduce new limitations into a broad registration.

- III. Several other persons and entities have obtained Federal registrations for CONFIDANT or marks containing the word CONFIDANT and, accordingly, the cited application is entitled to a limited scope of protection.

Use by others is a valid factor in the LOC test applied by the PTO, but the mere existence of registrations is NOT taken as proof of actual use.

- A. Both I and II.
B. Both II and III.
C. Both I and III.
D. I, II, and III.
E. None of the three arguments is likely to be persuasive in this case.

BEST ANSWER — all three proposed arguments will fail.

Q4. In the context of formulating advice to the client on its ability to use its mark free of infringement liability, what significance do you accord to the registration and pending applications owned by Computerized Security Systems, Inc.?

- I. The registered mark CONFIDANT MT establishes that CONFIDANT is weak in the field of security and therefore others (like the client) are entitled to use the same term. The pending intent-to-use applications only reinforce this perception.

Aside from not proving use, a single registration cannot prove that multiple parties have rights in a mark. As a single company owns the registration and all the pending applications, this statement does not make any sense.

- II. Although the goods in these applications are related to security, they most likely involve locks used to secure physical premises and therefore have little bearing on the client's ability to use its proposed mark (assuming the marks aren't famous).

The scenario indicates that the registered mark is used on hotel door locks, but of course it is impossible to know exactly how the marks filed on an ITU basis will be used. That uncertainty is compounded by the differences in the descriptions of goods in the applications. Still, "most likely" might be the fairest characterization of the evidence, and the risk of dilution liability is addressed in the parenthetical.

- III. The proliferation of new variations on the mark suggest that the company is making a significant investment in this brand, and therefore the client would be wise to investigate the company's plans, separate and apart from the wording in the applications.

The question posed is in the context of advising the client, and obtaining additional information on potentially related uses often is good advice.

- A. Both I and II.
B. Both II and III.

BEST ANSWER; of course E is too extreme.

- C. Both I and III.
D. I, II, and III.
E. Because the client's mark contains additional wording, these references are simply irrelevant.

Scenario Two

Roger, a friend of a friend who operates an online T-shirt business has contacted you and forwarded an office action he received for his mark “High Tees” (filed for clothing and related ecommerce services). The Examiner refused registration on the grounds that the mark merely describes the goods and services. The refusal is based on two pages from Roger’s online store where the shirts depict marijuana and marijuana paraphernalia. The Examiner cites an online dictionary for the proposition that one meaning of the word “high” is a state of euphoria induced by the use of marijuana and other drugs. Accordingly, the mark merely describes the merchandise for sale under the mark.

While Roger has limited resources and would have to pay you in “half-off” coupons for use at his store, the case is intriguing to you because you suspect the refusal might have been motivated by the Examiner’s disapproval of the shirt designs. Still, you need a viable legal theory, or the application ultimately will be denied registration.

Note: A maximum of 8 points was awarded on each of these three questions.

- Q5. Suppose you decide to argue that the Examiner’s theory fails to prove the mark merely descriptive within the meaning of the TMEP (“a descriptive term . . . immediately tells something about the goods or services”). Instead, you would argue that considered as a whole the mark is at worst suggestive, and is entitled to registration with a disclaimer of the word Tees (that part really is descriptive). How might you spin the Examiner’s theory of the meaning of the mark into an application of the imagination test (marks that “require imagination, thought or perception to reach a conclusion as to the nature of [the] goods or services”)?

The Examiner’s argument leaps several mental steps in a single bound. It’s not fair to argue that customers “could not guess” the subject matter of the T-shirts based on the mark, as that is not the legal test. Rather, the question is whether potential customers encountering shirts displaying marijuana or marijuana paraphernalia would immediately perceive the mark as describing either the clothing itself or the service of selling clothing online.

With respect to the clothing, the clothing itself is not “high.” Nor does the clothing make the customer “high.” In fact, the word “high” does not immediately describe any feature, function, or characteristic of the clothing. Instead, it describes a state of mind that the potential customer might attain from the use of the products depicted in the designs on the clothing. For the customer to associate the word “high” with the goods, then, requires that the customer recognize the design as relating to marijuana, then imagine the use of the marijuana as an intoxicant, then imagine the state of mind that such intoxicants are said to create — euphoria — and ultimately associate that state with the word “high.” Such a multiple-step chain of reasoning is characteristic of a suggestive, not a descriptive, mark.

With respect to the online service of offering clothing for sale, there are even more steps in the chain; far too many for the mark to “immediately” convey information about any significant aspect of the services.

Note: Many students made arguments that the word “high” could have multiple meanings, but to earn the maximum score, you had to do as the question directed and work with the Examiner’s definition of “high” and theory of descriptiveness.

Q6. Suppose you decide to argue that the mark is “incongruous” because “high” implies “high fashion” while “tees” are decidedly “low fashion.” Thus, consumers encountering the mark High Tees would not perceive it as a potentially descriptive phrase (at least not immediately). Choose two of the following examples/cases to support your argument, and explain why they would be the best choices and how well they match the facts of this case:

APPLE PIE
CLEAN SHOWER
LA YOGURT
MOUSE SEED
POLY PITCHER
RS RAPIDSCREEN
SUGAR & SPICE
VEGGIE VISE

Three of these marks were found to be “not descriptive” because they are “incongruous”: *MOUSE SEED, VEGGIE VISE, and LA YOGURT. Of those, the third is based on the rationale that the mark contains a mixture of English language and foreign language terms, which does not appear to be applicable to “High Tees.”*

MOUSE SEED was used with poison pellets for killing mice. As the pellets apparently were of the size and shape of a “seed,” the mark initially was refused as descriptive. This refusal was reversed because seeds ordinarily are the kernel of a new life, when growing a plant, or serve as a nutritious food. Thus, consumers encountering the mark would find “seed” a surprising or jarring term in the context of poison pellets. When compared with this case, the use of the word “high” for T-shirts does not seem so bizarre or incongruous. Perhaps the reason for this is that the word “fashion” is needed, either explicitly or implicitly, to create the mismatch in usage.

VEGGIE VISE was used with a type of clamp used to hold vegetables onto a cutting board. The refusal was reversed because the word “vise” calls to mind a heavy duty piece of equipment used in a shop, and would be perceived as “whimsical and illogical” in relation to gadget to hold carrots. When compared with this case, the word “high” is not so strongly associated with an inappropriately overpowered or overpriced garment, such that its use with T-shirts would be as whimsical or illogical as *VISE* with cucumbers.

Note: Several students argued that the mark RS RAPIDSCREEN fell into the category of an incongruous mark because the applicant’s test in that case was not rapid and was not used for initial screening. Partial credit was given for creativity, but a review of the TTAB ruling will show that this was not one of the theories used in that case.

Q7. Suppose you decided to argue that the mark contains a “double entendre” because consumers will immediately be reminded of the afternoon custom of “high tea,” which is a tradition sustained at fine hotels around the U.S. Thus, consumers encountering the mark High Tees would not perceive it as a potentially descriptive phrase (at least not immediately). Choose two of the following examples/cases to support your argument, and explain why they would be the best choices and how well they match the facts of this case:

APPLE PIE
CLEAN SHOWER
LA YOGURT
MOUSE SEED
POLY PITCHER
RS RAPIDSCREEN
SUGAR & SPICE
VEGGIE VISE

Two of these marks were found to be “not descriptive” because they offer a double meaning, or a whole greater than the sum of their parts: POLY PITCHER and SUGAR & SPICE.

In the case of POLY PITCHER, the court ruled that potential customers would think of Molly Pitcher “of Revolutionary War fame” rather than deconstruct the mark and perceive POLY as an abbreviation for the little known word “polyethylene.” We made an argument in Q5 that “high” is not really descriptive for T-shirts or online T-shirt sales, which could be similar to the argument that “poly” was too obscure to be immediately understood to describe the material of which the pitcher was made. What is rather unclear is whether relevant consumers of T-shirts would in fact think of the traditional British tea ceremony when encountering this mark in the context of clothing. Maybe it’s a guy thing, but it wouldn’t be my first thought.

In the case of SUGAR & SPICE, the court ruled that although bakery goods tend to contain sugar and spices, the mark immediately calls to mind a nursery rhyme, and thus the phrase “and everything nice.” Accordingly, potential customers would have a general impression of the mark as fanciful or suggestive, rather than a list of ingredients. For most consumers, I doubt that “high tea” has such a strong hold on their minds that the HIGH TEES mark would call the tea ceremony to mind in the same manner. Not such a good match to our facts.

Note: None of the other marks was held to create an alternative meaning that transcended the sum of its parts in this same manner.

Scenario Three

You have been contacted by the Executive Director of the Clean Air Coalition. Its application to register the service mark FAIR TRADE for “a smoking cessation program offering antioxidant-rich dark chocolate in exchange for packs of cigarettes” has been refused registration on the alternative grounds that it either is merely descriptive or is deceptively misdescriptive under section 2(e)(1).

The Examiner states that “fair trade” has a particular meaning in relation to chocolate and other commodities. In particular, “fair trade” indicates that (i) the product was purchased at a fair price which guarantees a living wage to the producer; (ii) no forced or child labor was used in growing or manufacturing the product; and (iii) working conditions are safe and healthy. The refusal is based on this meaning: either the mark merely describes a significant feature, function, or characteristic of the services — that “fair trade” chocolate is exchanged for cigarettes — or it is deceptively misdescriptive because non-“fair trade” chocolate is provided instead. In support of the refusal, the Examiner provided copies of web pages referring to “fair trade” chocolate.

The Examiner requires that the Coalition’s response state whether its exchanges involve “fair trade” chocolate. In fact, the Coalition has never purchased “fair trade” chocolate for its program, and has no plans to do so in the future. During the five years it has been running the program, the Coalition has simply purchased good quality dark chocolate at Trader Joe’s. It does not apply any of its own branding to the bars themselves. Instead, when participants hand over their cigarettes to Coalition volunteers, they receive a flier along with their chocolate providing health information and smoking cessation tips. The FAIR TRADE mark is used on large signs or banners over the Coalition’s table, whether at a festival, fair, farmer’s market, or other venue, and in promotional materials promoting upcoming exchanges.

Q8. Assume that any office action response will accurately state the Coalition’s past history and future intentions with respect to its chocolate. What combination of the following arguments, if any, would be useful in overcoming the refusal of registration?

Note something important in the question: the response will state that the Coalition does NOT give out “fair trade” chocolate. Accordingly, the only relevant basis for objection is deceptive misdescriptiveness.

I. Because the Coalition uses its mark to identify its smoking cessation program and not chocolate bars, imagination, thought, or perception is required to associate the phrase “fair trade” with chocolate bars.

For a deceptive misdescriptiveness refusal, it is not clear that this should be relevant: the proper inquiry is whether consumers will believe that they are receiving “fair trade” chocolate, and not whether the mark immediately describes the applicant’s own services.

- II. Because the Coalition uses its mark to identify its smoking cessation program and not chocolate bars, consumers will not believe that the bars are “fair trade” chocolate.

This answer addresses the most pertinent test; whether the Examiner agrees is another issue.

- III. Because the Coalition’s applied-for services involve an exchange of one item for another, the mark would be perceived as having a double meaning (“double entendre”), and therefore is suggestive, not descriptive.

For a deceptive misdescriptiveness refusal, it is not clear that this should be relevant: the proper inquiry is whether consumers will believe that they are receiving “fair trade” chocolate, and not whether the mark immediately describes the applicant’s own services.

- A. I only.
B. II only.
BEST ANSWER
C. III only.
D. I, II, and III.
E. None of the three arguments would be useful in this case.

Q9. If the Coalition is not successful in overcoming the refusal of registration based on argument alone, and receives a “final” office action under section 2(e)(1), which of the following options would be worth pursuing?

- I. Submitting a request for reconsideration along with a declaration evidencing the Coalition’s continuous and substantially exclusive use of the mark for at least five years in connection with the applied-for services.

Excellent idea.

- II. Submitting a request for reconsideration along with a declaration by the Coalition’s Executive Director showing that competitors neither use nor need to use FAIR TRADE in relation to the applied-for services.

For a deceptive misdescriptiveness refusal, this really is not relevant. Furthermore, we know that the company’s own “self serving” statements are seldom persuasive.

- III. Filing an *ex parte* appeal with the Trademark Trial and Appeal Board on the grounds that NAFTA altered the requirements for refusals based on deceptive misdescriptiveness.

Sorry, this relates only to geographically deceptively misdescriptive marks, and “fair trade” is not geographic.

A. I only.

BEST ANSWER — E is incorrect because it is not a §2(a) refusal, for which secondary meaning would be irrelevant, but a §2(e)(1) refusal.

B. II only.

C. III only.

D. I, II, and III (not necessarily in that order).

E. None of the above, because like the designation “organic,” the phrase “fair trade” would materially influence a consumer’s purchasing decision.