

How to Judge Yourself an Infringer

By: Jim Astrachan

The creative on the other end of the line hung up the phone with just enough force to let me know she was miffed at my answer to her question. "Sorry," I thought to myself, "but that's why your boss pays my bills." She was asking whether it would be okay to use RANCHER'S RESERVE to name her client's soon to be released cabernet sauvignon wine.

Given that SAFEWAY adopted that mark last year and has spent a fortune promoting it in hundreds of markets across the country, I thought its use on a wine bottle a bad idea and tried to explain why.

I decided to create a desk-top piece of collateral that would list the criteria we consider when determining whether a client's use of a mark will cause infringement. I set out to kill two birds with one stone. I'd create a useful and educational tool for clients, and I'd mail it as a holiday card.

So what do we consider when we review a new mark for likelihood of confusion and, therefore, infringement?

1. The strength of the other person's mark. If the mark is on the PTO's principal register, exercise care because the mark is presumed to be distinctive and protectible. Learn how much the owner spends to advertise the mark and the degree of recognition that exists among the likely consumers of the product with which the mark is associated. Is the mark a made up word like EXXON and therefore very strong? Strong marks will likely be protected from poachers.

2. Similarity of the marks. Similarity is judged by sound, appearance and meaning. And while similarity, in the case of marks of more than one word, is measured by the whole, similarities weigh more heavily than differences. Compare the commercial impression created by both marks. If similar, stay away. Examples of marks of different words held to have similar meanings are REDBULL/TORO ROJO; BLUE LIGHTNING/BLUE THUNDER; SPICE ISLANDS/SPICE GARDEN; HEALTHY SELECTIONS/HEALTHY CHOICE and MOUNTAIN KING/ALPINE EMPEROR. Each pair of marks designated a similar product.

3. Similarity of products or services. When the goods produced by the alleged infringer compete for sales with the trademark owner, infringement is more likely to be found. Courts will assess whether the two products at issue compete with each other in the same market. They will evaluate the nature of the product as well as the structure of the relevant market. Differences in price are sometimes considered, but should not be considered determinative. If the products are worlds apart, and no confusion is likely, dilution of famous marks must be considered.

4. Likelihood that the senior user will bridge the gap. Even if the products compared are not considered similar or proximate, the inquiry is not over. Courts will ask whether it is

somewhat likely that the senior user will, in the future, brand a product similar to the junior user's. Will McDonald's sell children's clothes? Will SAFEWAY sell wine? If the answer is yes, then this factor weighs against the junior user.

5. Is there evidence of actual confusion. I remember one case, believe it or not, where the defendant's law firm actually sent its bills to my client -- until they weren't paid, that is. Speak of evidence of actual confusion! This is a very helpful factor, and if present, provides strong support for a finding of likelihood of confusion. But actual confusion, or lack thereof, is not dispositive of an infringement claim. If present, the quality of the evidence must be considered. But absence of actual confusion does not defeat an otherwise successful claim, as the gravamen of the offense is a *likelihood of confusion*, which can be determined from each of these factors. This is especially so where a product has yet to hit the market and there is no way to establish that actual confusion has occurred.

6. Good faith in adopting the mark. Intent, or bad faith, is not necessary to support a finding of likelihood of confusion. But beware; where an infringer adopts a mark with knowledge of the senior user's mark, many courts will presume that the junior user intended to copy the mark and usurp goodwill.

7. Quality of the junior user's products. Slipshod, or inferior products will help seal an infringer's fate as the courts may see damages caused by the confusion and try to remedy this affect through injunctive relief. It doesn't help, however, that the junior user's products are superior to the senior user, as the senior user has the right to sell its products as it sees fit and enjoy the reputation, good or bad, created by price or quality. Besides, imagine the damage

caused by a store named WALMART where everything sold is better than the original product and cost is twice as much.

8. Sophistication of the buyers. This criterion is also referred to as the "degree of care exercised by purchasers." Impulse products involve relatively unsophisticated, uncaring customers. Pocket combs and throw-away lighters, for example. This follows because courts have repeatedly held that a lack of consumer sophistication significantly enhances the likelihood of confusion between two products with similar marks.

Each federal circuit has adopted its own list of factors, and most of these factors are found on each other's list. All the factors should be evaluated, weighed and balanced, but if any of the factors weigh heaviest they are strength, intent and evidence of actual confusion. When the client calls and seeks to use another's strong mark, the inquiry is almost over, for certainly my client is aware of the senior user and these two strikes do not bode well.

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