

TRADEMARK LAW

SPRING 2010

Cardozo School of Law

Professor Justin Hughes

Take Home Examination

Introduction

This is a twenty-four (24) hour, take-home examination. You have 24 hours from the time you access this examination to submit the answers online.

Conditions and your professional commitments

Once you have received this examination, you may not discuss it with anyone prior to the end of the examination period. 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.

Professor Hughes permits you to use any and all inanimate resources. **The only limitations on outside resources are those established by the law school for take home examinations.**

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 complied with all relevant Cardozo School of Law rules. Violations of any of these requirements will lead to discipline by the Academic Standing Committee.

The Examination consists of two parts. Part I is a set of true/false questions. Part II consists of one essay problem with an 1,800 word limit. **The illustrations appear at the end of this document AND/OR in a separate document called x-09TM-Exhibits.doc.**

GOOD LUCK

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 17, with “T” or “F” beside 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 fundamental ambiguity in the question.

SOME GENERAL QUESTIONS**TRUE FALSE**

- | | | |
|-------|-------|---|
| _____ | _____ | 01. If someone tried to register the trademark STING for musical instruments the former lead singer of “The Police” would have standing to oppose the registration despite the fact that his real name is Gordon Matthew Sumner, not “Sting.” |
| _____ | _____ | 02. If a trademark holder failed to make bona fide use of its mark in the ordinary course of trade for 32 months, this would constitute prima facie evidence of abandonment under 15 U.S.C. § 1125. |
| _____ | _____ | 03. An “suggestive” mark is one which brings the characteristics or qualities of the trademark product or service immediately to mind. |
| _____ | _____ | 04. In <i>Blue Bell v. Farah Manufacturing</i> the shipment of goods to a company’s own salespersons was insufficient to constitute “use in commerce” to establish trademark priority. |

_____ 05. In the typical trademark infringement action, if survey evidence showed that no or almost no consumers were confused when shown the defendant and plaintiff's trademarks in a side-by-side comparison, this would be conclusive evidence that there is no likelihood of confusion.

THE JOHN LEMON STORE

One of the wonderful things about Greenwich Village is the many unique shops and stores. A new shop in the East Village is called "The John Lemon Store." Their store sign is shown in **Exhibit A**. For questions 6-11 assume that federal courts have already recognized that Yoko Ono, John Lennon's widow, and the John Lennon estate (together, "the Lennon Estate") hold common-law, unregistered trademark rights in JOHN LENNON for the provision of musical entertainment under the Lanham Act.

Exhibit B is a decorative motif that appears several times on the windows of the John Lennon Store, both inside and outside.

TRUE FALSE

- _____ 06. If the Lennon Estate sues the John Lemon Store for dilution, a court will almost certainly find JOHN LENNON is a "famous" trademark under the current federal dilution law.
- _____ 07. If the Lennon Estate sues the John Lemon Store for infringement of the JOHN LENNON trademark, if the store sells fruit baskets this will reduce the likelihood of confusion in comparison to if the store sold used musical instruments.
- _____ 08. If the Lennon Estate sues the John Lemon Store for infringement of the JOHN LENNON trademark, the estate will bring its action under section 32 of the Lanham Act.

- _____ 09. Of all the *Polaroid* factors, the consistent use of the decorative motif shown in Exhibit B will probably be the most relevant to intent.
- _____ 10. If the proprietor of the John Lemon Store is a man named John Paul Stevens Lemon, then the Lennon Estate will be unable to stop his use of the store's name because of the "sacred right" everyone has to use his or her own name in commerce.
- _____ 11. If the John Lemon Store filed for trademark registration for "musical instruments" and "retail stores for musical instruments," the Lennon Estate would have good grounds to oppose the application based on Lanham Act § 2(d).
- _____ 12. If a court had concluded that the Lennon Estate has no trademark rights in "John Lennon" (registered or unregistered), then if the John Lemon Store filed for trademark registration, the Lennon Estate could not oppose the application based on Lanham Act § 2(a).

HABANA VIEJA – MARCA REGISTRADA?

Romeo y Julieta is an established manufacturer of cigars, originally founded in Cuba. During the Cuban Revolution, the principals of the company fled and re-established cigar-making operations in Honduras, using Honduran-grown tobacco. The company has just launched a "Habana Reserve" brand of cigars; the advertisement announcing the new product is shown in **Exhibit C**. Of course, "Habana" is the Spanish spelling of the Cuban capital city, Havana. Assume that Romeo y Julieta now seeks to register HABANA RESERVE with the U.S. Patent and Trademark Office.

TRUE FALSE

- _____ 13. Under the test announced in *In re Joint Stock Company* (the BAIKALSKAYA case), HABANA RESERVE will be considered neither "primarily geographically descriptive" nor "primarily geographically misde-

scriptive" because Spanish speakers are less than 25% of the US population.

- _____ 14. Under the test announced in *In Re Budge*, the mark HABANA RESERVE very likely misdescribes cigars made in Honduras.
- _____ 15. Evidence that a vast majority of Americans know about the U.S. embargo of Cuba – and the inability of Cuba to sell goods in the U.S. – would be very relevant in deciding the second factor of the *In Re Budge* test.
- _____ 16. If Romeo & Julieta markets millions of dollars in Cuban-made cigars in Mexico (which has no embargo against Cuba) under the trademark HABANA RESERVE, then even if hundreds of thousands of Americans travel to Mexico annually, this will not establish "use in commerce" under the test announced by the majority in *Casino de Monte Carlo* case [*International Bancorp v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco* (4th Cir., 2003)]

MORE GENERAL QUESTIONS . . .

TRUE FALSE

- _____ 17. One of the key factors in a "nominative fair use" analysis is whether the defendant used no more of the trademark than necessary to refer to the trademarked product or service.
- _____ 18. The *Deere & Co. v. MTD Products* and *Hormel Foods v. Jim Henson* decisions clearly establish a third kind of dilution under New York State law in addition to blurring and tarnishment.
- _____ When the USPTO reviews an application to determine whether a claimed trademark is a sur-

name, 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.

- _____ 20. Generally speaking, the “functionality” bar is more likely to affect trade dress – that is, product design and product packaging – than to affect word trademarks.
- _____ 21. All forms of trade dress can be inherently distinctive.
- _____ 22. Initial interest confusion is when the consumer initially believes incorrectly the senior mark holder is affiliated with, sponsored by, or endorsed by the junior marker holder.

COMMENTS on FUNDAMENTAL AMBIGUITIES? Note them with your T-F answers!

II. Essay Question

(70 points)

Please write an essay answer of no more than 1,800 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. **At the end of the essay, please provide the essay’s word count.**

BARRING THE WAY?

As readers of prior exams in this Trademarks class know, competition in the worldwide chocolate industry is fierce among four global rivals – American companies Hershey, Mars, and Kraft (which recently bought Cadbury of Great Britain), and Nestlé of Switzerland. Each company is always searching for ways to introduce competing products and put pressure on each other's market share in key markets.

In the United States, Mars' most important chocolate products are M&Ms as well as the SNICKERS and MILKY WAY chocolate bars. MILKY WAY bars were introduced in 1923; Mars registered the MILKY WAY trademark in the U.S. in 1925. Mars' current MILKY WAY trademarks are all in US product class 046 which covers chocolate, candy, and ice cream. The recipe of the MILKY WAY bar in the US is a chocolate malt flavored nougat with a layer of caramel, surrounded in milk chocolate. A dark chocolate variation – with a vanilla nougat center – is now called MILKY WAY MIDNIGHT. **Exhibit D** shows the trade dress of the classic MILKY WAY bar as well as the dark chocolate version.

Although it is one of the best selling candy bar in the U.S., Mars only markets MILKY WAY in Australia and some European countries. For historical reasons, they market the same recipe in Canada and Great Britain as a MARS BAR.

Nestlé recently decided that they would bring one of their successful chocolate bars from Great Britain and Australia into the US market. The product is called MILKY BAR. All MILKY BAR products are solid white chocolate. The top three ingredients in the product are sugar, dried whole milk, and cocoa butter. MILKY BARS have been sold in Great Britain and Australia since the late 1930s. **Exhibit E** shows the different trade dress used for the product line, Some of their current ads (print and TV) can be seen at <http://www.milkybar.co.uk/commercials/>.

Nestlé CEO, Paul Bulcke, is well aware that his decision to market MILKY BAR in the US will probably trigger a fight with Mars. That's why he came to your firm's senior IP partner, Mona L. Jaconde; Ms. Jaconde was recently named Lawyer of the Year by "Chocolate Magazine". Bulcke wants to know the best way for him "to get past Mars and market the MILKY BAR in the US." He wants a analysis of Mars' likely claims and arguments against MILKY BAR. He understands that there might be some differences in how these arguments would apply if he introduced the MILKY BAR into the US market and waited for Mars to sue him for infringement versus if he filed an application with the USPTO and had the first "fight" with Mars there. He wants creative ideas on how to improve Nestlé's chance of marketing MILKY BAR in the United States without Mars' permission.

Ms. Jaconde is taking her kids to Hershey Park (<http://www.hersheypark.com/>), but needs a memo in 24 hours on what to tell Mr. Bulcke. Remember, to keep your memo short and sweet.

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EXHIBIT A – John Lemon sign



EXHIBIT B – Additional decoration motif used at the "John Lemon Store"



EXHIBIT C – "Habana Reserve" cigars

**EXPERIENCE
A MORE INTENSE PASSION**

Habana Reserve brings bold flavor to Romeo y Julieta. Handcrafted at the acclaimed La Flor de Capas factory in Honduras with a robust blend of fine, hand-selected tobaccos from Nicaragua and Honduras, Habana Reserve is the most full-bodied Romeo y Julieta we've ever made. Habana Reserve – a Romeo y Julieta unlike any you've tasted before.

**ROMEO Y JULIETA
HABANA RESERVE**

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**SURGEON GENERAL WARNING:
Cigars Are Not A Safe Alternative
To Cigarettes.**

EXHIBIT D – MILKY WAY bar from Mars



EXHIBIT E – Milky bar from Nestlé



END OF EXHIBITS – SPRING 2010 EXAM