

TRADEMARK LAW

AUTUMN 2012

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. You may NOT 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 two essay problems with an 1,700 word limit (total). Professor Hughes takes on no obligation to read beyond each essay's word limits. **The illustrations appear at the end of this document.**

GOOD LUCK

Happy holidays and safe travels to all -- thanks for a fun class.

I. TRUE/FALSE QUESTIONS

(25 points)

This part of the exam is worth 25 points. Each answer is worth 1.5 points. There are 19 questions, so in the same spirit as the LSAT and other standardized tests, you can get two wrong and still get a maximum score (25 points) 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 19, with “T” or “F” beside each number. Make sure these T/F answers are on a separate page from the essays.

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

01. If someone unknown to the Reagan family tried to register RONALD REAGAN as a trademark for men’s hair care products, Nancy Reagan could oppose the registration under Lanham §2(c), but not under §2(a).
02. *Hanover Star Milling v. Metcalf* teaches that trademarks are unquestionably “classed among property rights” but are a particular kind of property that exists only “appurtenant to an established business or trade.”
03. An “arbitrary” mark is one which brings the characteristics or qualities of the trademarked product or service immediately to mind.
04. For three dimensional trademarks, it is sufficient for the USPTO trademark application to include photographs of the claimed trademark design provided the photographs are in black & white and taken from at least 3 angles.

05. *Maryland Stadium Authority v. Becker* held that advertising and promotional activities can be sufficient to obtain common law rights in a trademark as long as they occur “within a commercially reasonable time prior to the actual rendition of services . . .” and as long as the totality of acts “create[s] association of the goods or services and the mark with the user thereof.”

WAY OUT OF AFRICA

In 2008, OUT OF AFRICA was registered with the USPTO (#3423031) by the Kenya Nut Company, Nairobi, Kenya, for a wide variety of food products including “preserved, dried and cooked fruits and vegetables, edible oils and macadamia oils, shelled nuts, roasted nuts, candied nuts, honey-coated nuts, processed nuts . . .” -- you get the idea.

Kenya Nut Company was founded in 1974 and since that time has sold OUT OF AFRICA products in high-end stores in Africa, including many airport locations, in Kenya, Tanzania, Uganda, Zambia, and South Africa. Since 1980, over 40,000 Americans have visited Kenya each year as tourists, almost all of them traveling to the country by air. OUT OF AFRICA products have been sold in a wide variety of stores in the United Kingdom since 1990.

Kenya Nut Company did not begin selling products in the United States under the OUT OF AFRICA trademark until 1 March 2002 and is the only food company using that name in the United States. Its macadamia nut package as sold in the US shown in Exhibit A. The company filed the application for trademark registration #3423031 on June 29, 2005.

According to Wikipedia, the world’s chief macadamia growing regions include (in alphabetical order) Australia, Brazil, California, Costa Rica, Hawaii, Kenya, Malawi, New Zealand, and South Africa.

Finally, private investigators (hired by PLANTERS brand peanuts) discovered in early 2012 that the macadamia nuts in all packages of OUT OF AFRICA products sold in the United States since sometime in 2005 or 2006 have actually been grown in Australia and processed in Fresno, California.

06. If the USPTO trademark examiner was told that the macadamia nuts in the OUT OF AFRICA packages in 2005 came from Kenya, then the trademark examiner will more likely determine that OUT OF AFRICA was suggestive, not descriptive or geographically descriptive.
07. If surveys show that most Americans believe that African countries are substantial producers of cashews, macadamia nuts, peanuts, and pistachio nuts, this fact will probably be important for the second prong of the *In re Budge* test.
08. If the USPTO trademark examiner concluded that OUT OF AFRICA was a descriptive term for macadamia nuts grown in Kenya, the three years of substantially exclusive and continuous use in the United States preceding the application would be prima facie evidence that OUT OF AFRICA had acquired secondary meaning.
09. The majority opinion in *International Bancorp v. Societe Des Bains De Mer* strongly suggests that Kenya Nut Company could have filed a “use in commerce” application for OUT OF AFRICA on the 1980s or 1990s.
10. According to the analysis in *In re California Innovations*, assuming that the macadamia nuts sold in the US come from Australia (as above), the words “OUT OF” will not prevent OUT OF AFRICA from being primarily geographically deceptively misdescriptive in any future cancellation proceeding.
11. Based on the *In re Joint-Stock Company “Baik”* and *In re California Innovations* decisions, the TTAB is likely to find that OUT OF AFRICA refers to a geographic place generally known to the public.

PEANUT BARRED

Introduced in the 1930s, PLANTERS PEANUT BAR has been a popular candy for generations of Americans. The trade dress of the candy bar as shown in **Exhibit B** has remained basically unchanged since the 1980s.

One of Planters' principal competitors in nuts and snack products is the Snyder's-Lance Company (Lance), marketing their products under the name LANCE. In 2001, Lance introduced its own "Peanut Bar" onto the market. In spring 2010, the company recently redesigned the packaging of their Peanut Bar, using blue colors, a peanut "background" for most of the packaging, and, in small print, Spanish "barra de cacahuete" (peanut bar). The new packaging is shown in **Exhibit C**.

On 1 April 2012, Lance filed three different trademark applications: one for PEANUT BAR, one for LANCE PEANUT BAR, and one for the trade dress shown in **Exhibit C** consisting of "a background of photographically realistic peanuts, a blue logo with red lettering, and blue edging on opposing sides."

Although we discussed in class that "peanut bar" is probably generic, assume that issue has never been litigated or addressed by the TTAB.

12. Planters will not have standing under Lanham §2(d) to oppose any of Lance's trademark applications before the TTAB.
13. If Planters sues Lance for trademark infringement, the prominent use of the LANCE house mark will be irrelevant.
14. It is reasonably likely that at least some of the trade dress claimed by Lance will be deemed aesthetically functional.
15. *Bayer v. United Drug* and *Rock & Roll Hall of Fame v. Gentile* will be useful to Planters in defeating any claim by Lance to have developed secondary meaning in their use of "peanut bar".

16. If “peanut bar” is found to be descriptive, under the facts presented, there would be a presumption that Lance’s use of “peanut bar” had acquired secondary meaning.

MORE GENERAL QUESTIONS . . .

17. A “collective mark” is a particular kind of trademark that, according to the Lanham Act, is used “to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods for services or that the work or labor on the goods or services was performed by members of a labor union or other organization.”
18. Under the reasoning of *Munsingwear v. Jockey*, if a automobile transmission manufacturer claimed that another manufacturer imitated its distinctive, non-functional – and therefore trademarked – product design, the court should not consider “post-sale” confusion.
19. *Wal-Mart Stores v. Samara Bros.* (Supreme Court, 2000) establishes that all forms of trade dress can be inherently distinctive.

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

II. Essay Questions (75 points)

There are two essay questions. 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.

Please make sure each essay starts on a separate page (so I cannot see my notes on your T/F or other essay when I read an essay).

At the end of each essay, please provide the essay's word count.

Essay A
(1000 – 1200 words)

MILK'S FAVORITE COOKIE

Most trademarks come and go, but some are enduring. This year was the 100th anniversary of OREO brand cookies (introduced on 6 March 1912). OREOs were created by the National Biscuit Company (Nabisco) and first baked at Nabisco's Chelsea factory (now the Chelsea Market in 9th Avenue). Nabisco is now part of the food conglomerate Kraft. Kraft now manufactures and sells OREO cookies throughout the world. OREOs are the best-selling cookie in the United States, China, and many other countries.

Kraft has a whole series of word trademarks related to OREO, including OREO for cookies, pudding, ice cream, brownies, and cheese-cake; OREO DUNKERS; SPRING OREO; and GOLDEN OREO. The registered trademark for OREO MILK'S FAVORITE COOKIE (#4092756) includes the current packaging:

<http://tess2.uspto.gov/bin/showfield?f=doc&state=4002:dp5imv.2.19>

Exhibit D shows this registered trade dress as well as how the package looks in real life. **Exhibit E** shows the previous trade dress for OREO cookies.

Kraft also has registered trademarks for the iconic OREO cookie product design (#901838 and #2412926). **Exhibit F** shows this trade-marked cookie design.

In honor of the 100th birthday of OREO, Kraft's new IP Counsel, Hariko Manjitu, decided to commission an investigation of OREO imitators sold in the US. Hariko is very troubled by the results. She has brought three examples to Monia L. Jaconde, senior partner in your trademark and copyright law boutique. There is BORIO from Israel (**Exhibit G**) and ROREO from Japan (**Exhibit H**) – each sold in specialty stores. There is also a more widely-distributed kosher brand from Brooklyn, TRIOS (**Exhibit I**). Hariko notes that the kosher baking

company, Paskesz, makes lots of sandwich cookies and – separate from TRIOS -- Paskesz certainly knows how to brand and package them in non-confusing ways. <http://www.paskesz.com/morecookky.html>

Mona is traveling, but has a conference call with Hariko scheduled 26 hours from now. To prep for the telephone call, Mona needs a **1000-1200 word** memo from you -- mainly on what Kraft should do about TRIOS, but also with some analysis of ROREO and BORIO.

Essay B
(500 words)

SUE YOU I MIGHT

Star Wars is one of the world’s most successful film franchises. Lucasfilm, owners of the Star Wars films, have registered trademarks on STAR WARS, DARTH VADER, JAVVA THE HUTT, LUKE SKYWALKER, STORMTROOPER. etc. Lucasfilms also has registered YODA (##3716938, 2540705, 2247400, and 1272311) for a wide variety of goods, including “toys, games and playthings” as well as “books featuring photographs” and “art prints; animation cels; collectible cards; lithographic prints; original works of art created from paper, photographic prints; [and] printed art reproductions.”

Lucasfilm also has registered trademarks in Darth Vader’s mask, R2D2’s shape, and stormtrooper masks and armor, but there is no USPTO registration for Yoda’s distinctive face or silhouette.

“The Secret Life of Toys” is a project of artist Marcos Minuchin, who uses real toys and action figures as well as figurines he makes to create humorous images. <http://www.thesecretlifeoftoys.com/index.html>
Exhibit J is one of Minuchin’s works, “Yoda’s Teachings.”

Using the Mattel cases (*Mattel v. Universal Music*, *Mattel v. Walking Mountain*), the Boston Marathon cases (*Boston Athletic Ass’n v. Sullivan*, *WCVB-TV v. Boston Athletic Association*), and cases discussed therein, give a brief analysis of whether Lucasfilm can stop distribution of “Yoda’s Teachings.”

END OF WRITTEN EXAMINATION – EXHIBITS FOLLOW

Trademark

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EXHIBITS

EXHIBIT A

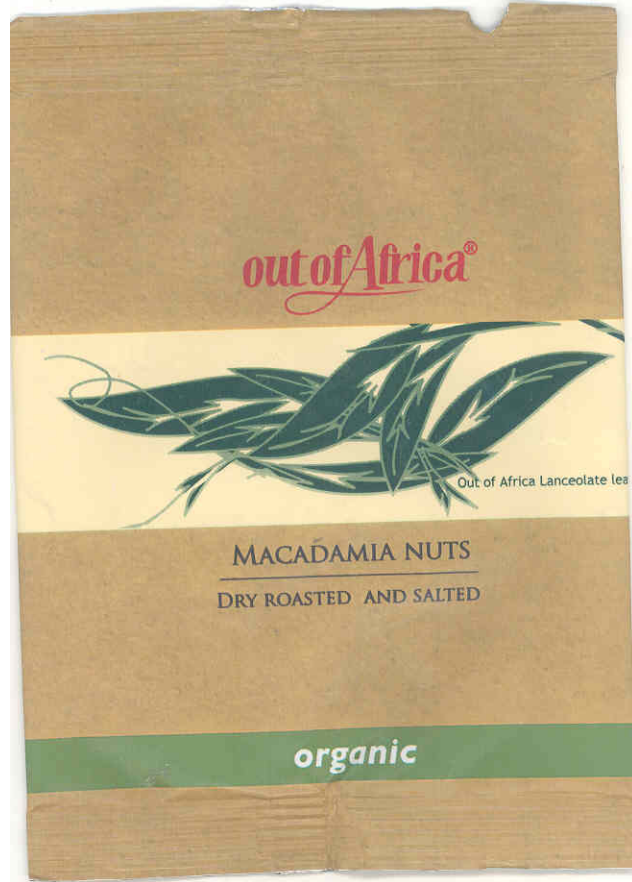


EXHIBIT B



EXHIBIT C



EXHIBIT D

Registered product design for OREO MILK'S FAVORITE COOKIE
(#4092756)



Actual OREO package



EXHIBIT E

Previous OREO packaging



EXHIBIT F

Kraft's registered trade dress for the OREO cookie



EXHIBIT G



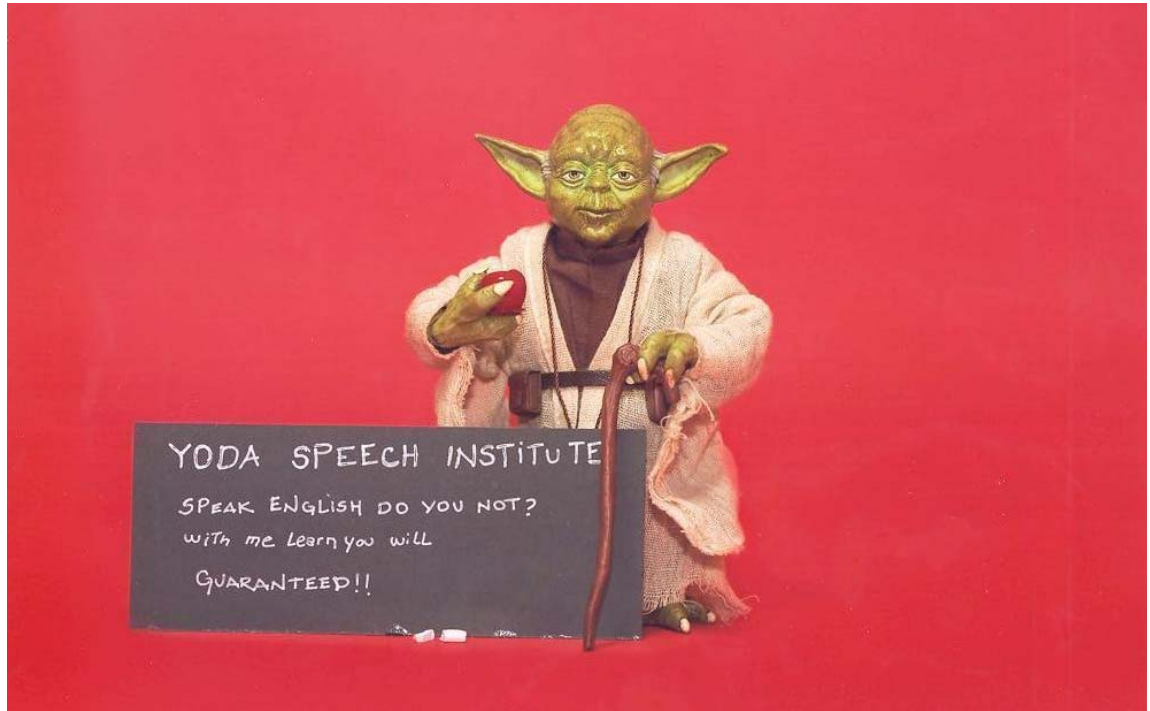
EXHIBIT H



EXHIBIT I



EXHIBIT J



END OF EXHIBITS