

TRADEMARK LAW

SPRING 2015

Loyola Law School

Professor Justin Hughes

Take Home Examination

Directions, conditions, and your professional commitments

This is a twenty-four (24) hour, take-home examination. You have 24 hours from the time you pick up this examination at the Office of the Registrar to return your completed examination answer back to the Office of the Registrar.

Remember that your submitted examination answer **MUST** have only your LLS ID Number and shall not have your name on any pages. Please make sure that the examination answer has page numbers, preferably with your LLS ID Number **AND** the page number in the footer on each page.

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.

This is an open book, take home examination. Professor Hughes permits you to use any and all inanimate resources.

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 Loyola Law School rules. Detected violation 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 has two essay questions: "A" is a short essay (300 words limit) and "B" is a long essay (1800 word limit). **You must answer both questions and you must give a word count at the end of each essay.** Professor Hughes takes on no obligation to read beyond the essay's word limit. **The illustrations appear at the end of this document.**

GOOD LUCK

Happy summer to all, congratulations to graduates, and thanks for a fun class.

I. TRUE/FALSE QUESTIONS

(30 points)

This part of the exam is worth 30 points. Each answer is worth 2 points. There are 17 questions, so in the same spirit as the LSAT and other standardized tests, you can get two wrong and still get a maximum score (30 points) on this section.

Please provide your answers to this section as a single column series, numbered 1 to 17, with “T” or “F” beside each number. Make sure these T/F answers are on a separate page from the essay(s).

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. In a “reverse confusion” case, a larger entity has adopted the pre-existing trademark of a smaller, less powerful senior mark owner and the question is whether consumers doing business with the senior user might mistakenly believe that they are dealing with the junior user.
02. In considering the use of LEXUS in the defendant’s domain name, the court in *Toyota Motor Sales v. Tabari* (2010) concluded that “far less confusion will result when a domain making nominative use of a trademark includes characters in addition to those making up the mark.”
03. The federal dilution act – codified at 15 U.S.C. 1125(c) – provides a cause of action for actual dilution, but not likelihood of dilution.
04. According to *In re Quadrillion Publishing*, when the USPTO reviews an application to determine whether a claimed trademark is a surname, it is relevant, among other factors, to consider whether an-

yone connected with the applicant has that surname.

05. In *Munsingwear v. Jockey* and *Mastercrafters Clock v. Vacheron & Constantin*, the Circuit courts rejected the concept of “post-sale confusion” despite dicta from the Supreme Court saying that post-sale confusion might be a bona fide type of claim under Lanham §§ 32 and 43.

Chilpochtli

A “chipotle” is a smoke-dried jalapeño. The word comes from the word “chilpochtli,” which means ‘smoked chili’ in Nahuatl, a language of Central Mexico rooted in Aztec culture.

Chipotle is used as a flavoring in many Mexican salsas, stews, and soups. Because of its distinctive smoky flavor, chipotle is now used – and advertised as used – in many barbecue and hot sauces.

Of course, CHIPOTLE is also the name of a popular high end fast food chain. Founded in 1993, CHIPOTLE now has over 1,700 locations in the US, Canada, and western Europe. CHIPOTLE’s motto is “*Food with Integrity*” and it emphasizes the use of organic and natural ingredients. In 2011, Consumer Reports voted CHIPOTLE the best restaurant chain in America. CHIPOTLE has several registered trademarks, including the word mark CHIPOTLE MEXICAN GRILL (3325609, registered 30 October 2007) and the round CHIPOTLE logo (2949842, 10 May 2005) shown in **Exhibit A**.

Assume that in January 2015 the California burger chain JACK IN THE BOX started marketing the “Chipotle Chicken Club Combo” as shown in **Exhibit B**. Sales of the new product have been strong.

06. If CHIPOTLE sues JACK IN THE BOX for trademark infringement under Lanham section 32, JACK IN THE BOX is likely to have a strong nominative fair use defense.

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07. There is no possibility of a dilution claim against JACK IN THE BOX because they are engaged in a noncommercial use of the word “chipotle” under 15 U.S. Code § 1125 (c)(3)(C).
08. If the JACK IN THE BOX product uses chipotle in the chicken sandwich’s sauce giving a rich smoked jalapeno flavor to the sandwich, JACK IN THE BOX is likely to have a strong descriptive fair use defense.

Bad amphibian

The United States is now awash with micro-breweries, but back in 1995 one of the pioneers was Bad Frog Brewery in Rose City, Michigan. The BAD FROG BEER logo is shown at Exhibit C.

At one time or another, Bad Frog Beer has been banned in New York, Ohio, and Pennsylvania because the frog at the center of the label is apparently giving the finger to the viewer – an appearance effectively confirmed by the text in the rest of the label. In the words of the Second Circuit, when the New York State Liquor Authority first considered licensing the beer, they concluded “that within the state of New York, the gesture of ‘giving the finger’ to someone, has the insulting meaning of ‘Fuck You’ or ‘Up Yours,’ a confrontational, obscene gesture, known to lead to fights, shootings and homicides.” Nonetheless, Bad Frog Beer has been sold in over a dozen states for two decades now – with, to date, no directly related violence.

Assume you are the USPTO Trademark Examiner first considering an application for registration of this trademark.

09. If surveys showed that 47% of consumers thought the “bad frog” label was amusing or funny and another 5% did not recognize that the frog was “giving the finger” to the viewer, this would likely protect the label from a finding of being “immoral” or “scandalous” under *In re Fox* (Fed. Cir. 2012).
10. Under the standards laid out in *Boston Red Sox v. Sherman* (T.T.A.B. 2008) and *In re Fox* (Fed. Cir.

2012), if a substantial composite of the general public finds the label to be vulgar, this will likely bar registration under Lanham §2(a).

11. If the Trademark Examiner permits publication of this application in the Gazette, the only people who will be able to file an Opposition to the registration will be persons who meet the Constitutional “case or controversy” standard for a claim in federal court.

MORE GENERAL QUESTIONS . . .

12. In *Network Automation v. Advanced Systems Concepts*, Judge Wardlaw concluded that the fact that both plaintiff and defendant used the internet for marketing was not very important because “the shared use of a ubiquitous marketing channel does not shed much light on the likelihood of consumer confusion.”
13. According to *The Hershey Company v. Art Van Furniture* (E.D. Mich 2008) and *Louis Vuitton Malletier v. Haute Diggity Dog* (4th Cir. 2007), a successful parody defense against a dilution claim requires the defendant’s use to “convey two simultaneous – and contradictory – messages: that it is the original, but also that it is not the original and is instead a parody” and this “second message must . . . communicate some articulable element of satire, ridicule, joking, or amusement.”
14. In order to determine if the defendant has engaged in a bona fide descriptive fair use under Lanham §33(b)(4), we apply the three part test set out by Judge Kozinski in *New Kids on the Block*.
15. If judged by the standards for abandonment in Lanham §45, the Bayer Company’s early 20th century acts of omission and/or acts of commission may have contributed to “aspirin” becoming generic.

16. In *Tiffany and Co. v. eBay, Inc.* (2d Cir. 2010) the court found eBay secondarily liable for trademark infringement by people selling counterfeit goods on the eBay website because eBay had “reasons to suspect that counterfeit Tiffany goods were being sold through its website, and intentionally shielded itself from discovering the offending listings or the identity of the sellers behind them.”
17. According to the Second Circuit’s *Rogers v. Grimaldi* test, as long as a title has artistic relevance to the underlying work – a book, film, photograph, song, or painting – it will not be a violation of the Lanham Act.

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

II. Essay Questions

(two questions, each must be)

This year’s exam has two essay questions, “A” is a short essay (200-300 words) worth 10% of the exam; “B” is a long essay (1700-1800 words) worth 60% of the exam. **You must answer both essay questions.** Remember to give the word count for each essay and that Professor Hughes will not read beyond the respective word limits.

A. UNIONMADE OR NOT?

You are a newly hired Trademark Examiner at USPTO. You have been given a dossier of pending trademark registration applications from an Trademark Examiner who just retired, James Shorts.

One of these applications is from “Unionmade,” a clothing boutique in Los Angeles; the boutique was founded in 2009. Sample of the Unionmade storefronts in The Grove and Brentwood are shown in Exhibit D.

Apparently, after receiving the application Jim had called the attorney who filed the application for Unionmade and asked if, in fact, the

clothes sold in the boutiques were all made in unionized factories. According to Jim's notes, the attorney had responded "*The Unionmade boutiques source their clothes from around the world, including a substantial percentage of clothing that is made in China, India, and Malaysia. We do not believe that clothes from these sources are made by members of labor unions, although it is possible. When we buy American and European made products we express a preference to our suppliers for products manufactured by unionized factories.*"

Draft a very short (200-300 word) memo for your supervisor on how you think USPTO should handle this application under Lanham section §2(a) and (e).

B. JACK DANIELS – THE NOVEL

[The following essay question is based on real events, but assume all the facts here are true – do not draw any facts from outside the exam question. In my own review, nothing online would help a student answer this question successfully. While Jack Daniel's sent a "cease and desist" letter in the real world situation, that letter has no legal analysis that would help you.]

You are a young associate in a law firm and working in the firm's intellectual property group, headed by Mona L. Jaconde. Ms. Jaconde was recently contacted by the senior Vice President of Brown-Forman Corporation, Hariko Manjitu. Ms. Manjitu explained her situation to Ms. Jaconde in a long phone call; Ms. Jaconde took careful notes.

The two have agreed to meet tomorrow, but Ms. Jaconde is traveling today and cannot work on this problem. She needs a short memorandum from you – no more than 2000 words -- to prepare her for the meeting tomorrow with Manjitu. Below is the situation as Jaconde explained it to you.

* * * * *

Since 1956, Brown-Forman has owned JACK DANIEL's Tennessee Whiskey, the world's best-selling American whiskey. Jack Daniel founded his distillery in the 1870s and had established his "Brand No. 7" by the 1880s. The JACK DANIEL's trademark is registered with the USPTO and is an incontestable mark.

Bottles of “Jack Daniel’s Old No. 7 Brand Tennessee Whiskey” have been marketed with the distillery’s distinctive “black label” design for many decades. The company has used the same black label trade dress with some ancillary products, such as a canned whiskey-and-cola product. The label is not registered at the USPTO. Samples of the black label as marketed are shown in **Exhibit E** while **Exhibit F** shows you the very subtle and nuanced evolution of the JACK DANIEL’S label, i.e. how little it has changed in over half a century.

Ms. Manjitu has just discovered that a writer named Patrick Wensink has published a book entitled “Broken Piano for President.” While the title has no relationship to JACK DANIEL’S, the book’s cover art, meant to look like a weathered label, certainly does. **Exhibit F shows both the front cover (in a couple different photos) and the back cover.**

The book was published by Lazy Fascist Press, a small indie publisher. The cover was designed by Matthew Revert, see <https://trashcomplex.wordpress.com/2012/02/06/design-brief-broken-piano-for-president-by-patrick-wensink/>. The book is sold on Amazon, which displays a small image of the cover art: http://www.amazon.com/dp/1621050203/?tag=mh0b-20&hvadid=4960389189&hvqmt=e&hvbmmt=be&hvdev=c&ref=pd_sl_9p756roqlb_e. Ms. Manjitu believes that the book is being displayed prominently at Barnes & Nobles and independent book stores across the country. Assume that the book has just been published and that it is selling briskly.

Please write a 1700-1800 word memo for Ms. Jaconde to prep her for the meeting with Ms. Manjitu. Your memo should lay out the basic claims that Brown-Forman could bring, against whom, how a court would conduct an analysis of those claims, what defenses might be raised, and how those defenses would be analyzed.

END OF WRITTEN EXAMINATION – EXHIBITS FOLLOW

EXHIBITS

EXHIBIT A – CHIPOTLE LOGO



EXHIBIT B – JACK IN THE BOX's new product (as advertised)



EXHIBIT C - BAD FROG BEER

WWW.BADFROG.COM

AN AMPHIBIAN WITH AN ATTITUDE

BAD FROG
WORLD FAMOUS

DO IT FROGGY STYLE

IN MA OR ME 4 MIT CT DE 5¢
MI 10¢ REFUND (CA CASH REFUND)

BAD FROG
WORLD FAMOUS

WWW.BADFROG.COM

BAD FROG BEER

HE JUST DON'T CARE

A FRESH, CRISP, LIGHTLY LAGER BEVERAGE FROM
SPECIALLY BREWED MALT AND HOPS

TURNING BAD INTO GOOD
12 FL. OZ. (355 ML)

BAD FROG MERCHANDISE AVAILABLE ONLINE

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

EXHIBIT D – UNIONMADE





EXHIBIT E - JACK DANIEL'S / page 2



EXHIBIT F - EVOLUTION OF JACK DANIEL'S LABEL



1950s



1990s



TODAY

EXHIBIT G - COVER OF PATRICK WENSICK'S
"BROKEN PIANO FOR PRESIDENT"

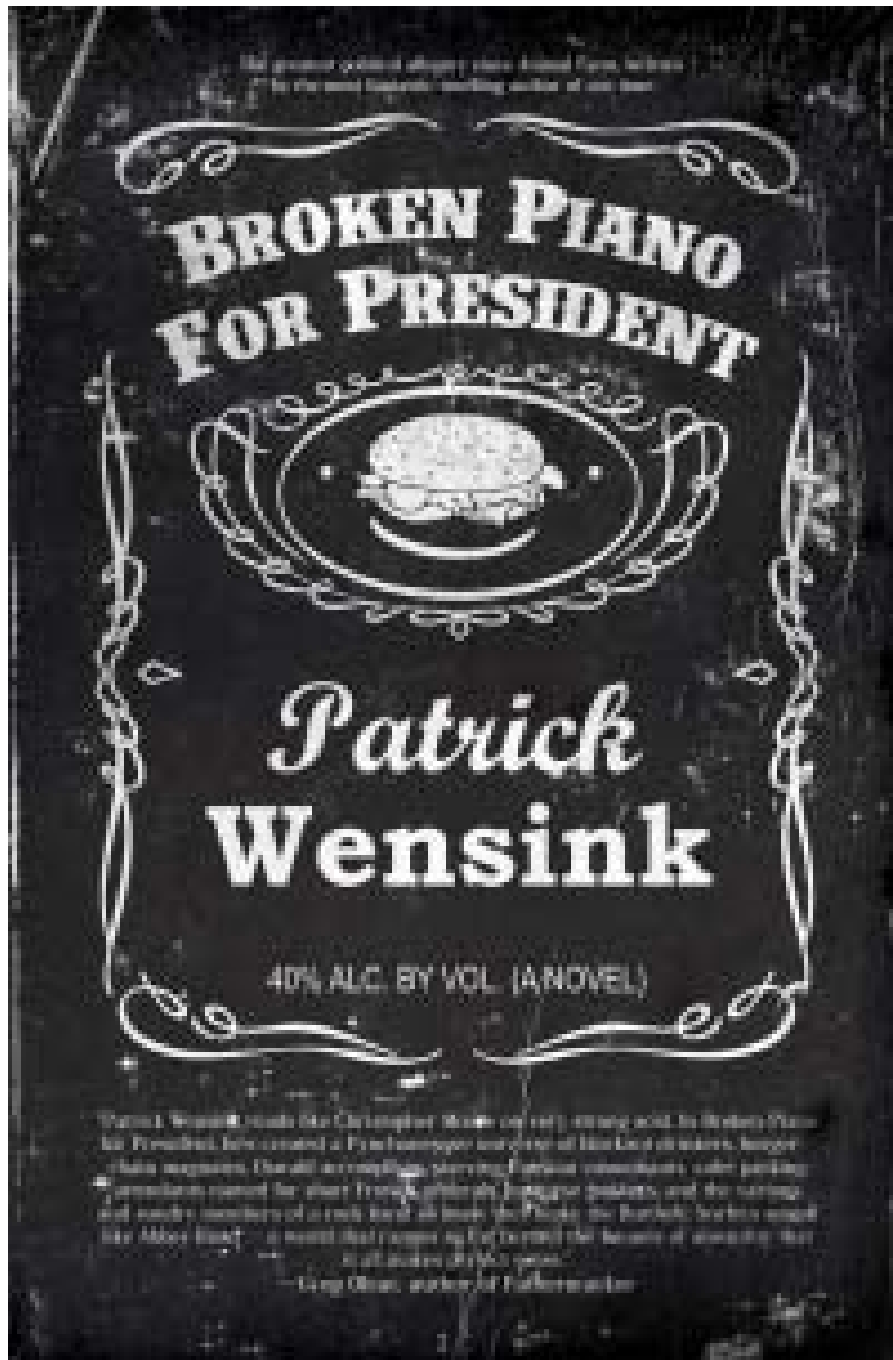
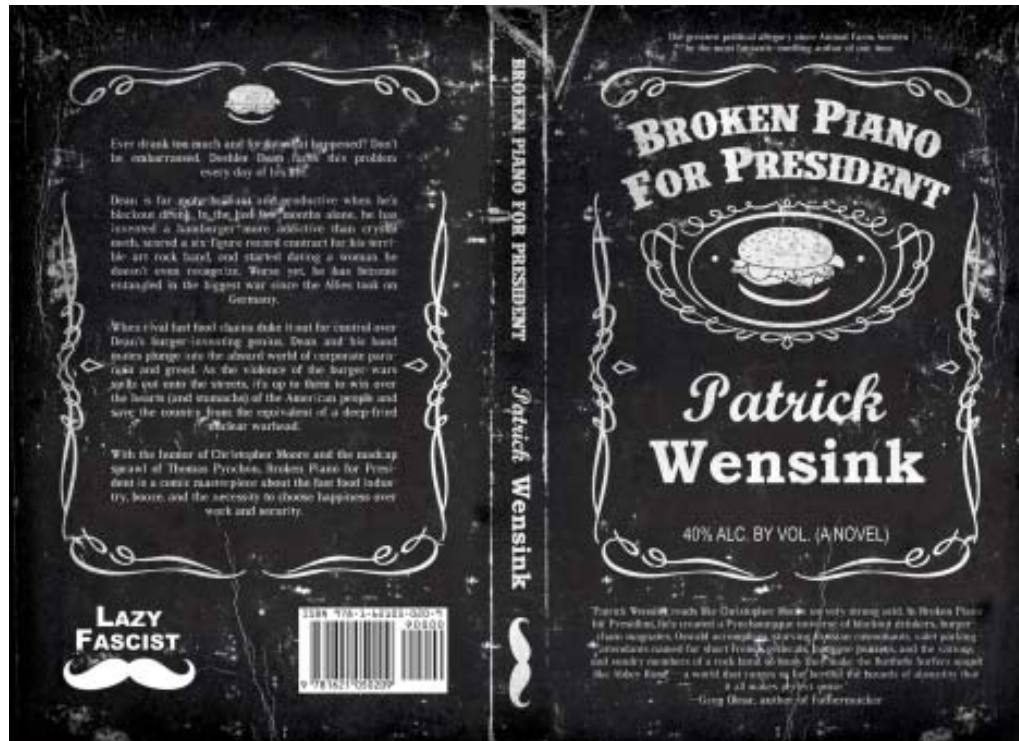


EXHIBIT G - "BROKEN PIANO FOR PRESIDENT" cont'd



END OF EXHIBITS