

TRADEMARK LAW

FALL 2021

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 download the examination from the “Trademark Law -Take Home Exam...” TWEN course to upload your completed answer to the same TWEN course. You should place your 7-digit LLS ID in the top right header on ALL PAGES of your answer. Your answer should be submitted as a .pdf or .doc/.docx file (you do NOT use Exemplify for this exam).

Once you have received this examination, you may not discuss it with anyone (other than the Registrar’s Office) prior to the end of the LLS examination period. Nor may you discuss the examination at ANY time with any student in the class who has not taken the examination (in case a student has an accommodation to take the exam later). You may NOT collaborate on this work. You may NOT receive assistance on the substance of your answers from any other person.

This is an open book, take home examination. However, you should NOT do additional factual research for the questions nor look for any case law or court decisions outside what we studied in the course. The examination’s fact patterns may be based on real circumstances or incidents, but changed into hypotheticals. So, you should treat the “facts” as limited to what you are told in the examination. Finally, this exam may refer to marks that were the subject of questions in prior years, but, if so, the questions this year will be different.

By turning in your answers you certify that you did not gain advance knowledge of the contents of the exam, that the answers are entirely your own work, and that you complied with all Loyola Law School rules.

The Exhibits appear at the end of this document.

GOOD LUCK

I. TRUE/FALSE QUESTIONS
(40 points maximum)

This part of the exam is worth 40 points. Each answer is worth 2 points. There are 21 questions, so in the same spirit as the LSAT and other standardized tests, you can get one (1) wrong and still get a maximum score on this section.

Please provide your answers to this section as a single column series, numbered 1 to 19, with “True” or “False” beside each number, i.e.

- 30. True
- 31. False
- 32. False
- 33. True

This list should come BEFORE your essay answer and BE ON A SEPARATE PAGE FROM YOUR ESSAY ANSWER.

If you think a question is unclear, you may write a note at the end, but only do so if you believe there is a fundamental ambiguity in the question.

SOME GENERAL QUESTIONS

- 01. In *Tiffany v. eBay* (2010), the Second Circuit concluded that the “knows or has reason to know” requirement of the Supreme Court’s *Inwood* test meant that eBay would only be contributorily liable for the sale of infringing goods on its auction platform if eBay continued to provide its service to “identified individuals” who it “knew or had reason to know were selling counterfeit Tiffany goods.”
- 02. In *B&B Hardware v. Hargis Industries* (2015), the Supreme Court held that a Trademark Trial and Appeal Board (TTAB) determination on likelihood of confusion between two marks will never be the basis for issue preclusion on likelihood of confusion between the same marks in federal court because the

TTAB only makes a “comparison of the marks in the abstract and apart from their marketplace usage.”

03. When a trademark brings the characteristics or qualities of the trademarked product or service immediately to mind it is considered a “suggestive” trademark.
04. *In re Becton, Dickinson and Co.* (Fed Cir. 2012), the majority concluded that where the claimed trademark “includes both functional and non-functional features” the determination whether the claimed mark was *de jure* functional could be done “by weighing the functional and non-functional features of [the] mark against each other.”
05. If someone tried to register the trademark FLEA for musical instruments, Flea, the best known member of the band The Red Hot Chili Peppers would not be able to oppose the registration under Lanham §2 because his real name is Michael Peter Balzary, not “Flea.”
[https://en.wikipedia.org/wiki/Flea_\(musician\)](https://en.wikipedia.org/wiki/Flea_(musician))

DISTINCTIVE SUGAR COOKIES

Pepperidge Farm recently introduced a new brand of cookies in its “Distinctive Line.” The brand is called ZURICH. ZURICH cookies contain no chocolate, nuts, or fruit flavors; they are simple sugar cookies. ZURICH cookies are baked at Pepperidge Farm’s main plant in Connecticut; the wheat, sugar, and dairy products in the cookies are all sourced in North America. Finally, like all Distinctive Line cookies, ZURICH are considerably more expensive (per ounce or per cookie) than national cookie brands from Nabisco and Keebler.

The new product is shown at **Exhibit A** at the end of this exam.

Pepperidge Farm has applied for federal registration of the ZURICH trademark.

With limited research, the USPTO Trademark Examiner has determined that [1] Zurich is the largest city in Switzerland, with a metropolitan

area population of almost 2 million people, [2] Zurich is famous as a banking and financial center – perhaps the most important in Europe after London; [3] Zurich is the main hub of Swiss Air, with non-stop service to several US cities (New York, Los Angeles, Chicago, Miami, Boston, and San Francisco); [4] according to Wikipedia, “[b]y far the most important sector in the economy of Zürich is the service industry, which employs nearly four-fifths of workers. Other important industries include light industry, machine and textile industries and tourism”; and [5] the most famous local food in Zurich is “rösti” described by one website “a traditional breakfast staple among the Swiss. Similar to a hash brown, it’s made of coarsely grated potato that’s shaped into rounds, and pan-fried in butter or fat.”

Based on consultation with her colleagues, the Trademark Examiner also concluded that the only foodstuffs for which Switzerland is famous are chocolate and cheese.

06. Given the Trademark Examiner’s research, she is likely to conclude that “the mark sought to be registered is the name of a place generally known to the public”
07. Considering the reasoning in *In re Miracle Tuesday* (Fed. Cir. 2012), the Trademark Examiner will likely conclude that there is insufficient evidence that “the public would make a goods/place association” between sugar cookies and the Swiss city of Zurich.
08. As a basic principle, ZURICH is "primarily geographically deceptively misdescriptive" as a trademark for sugar cookies that do not contain any chocolate and are manufactured in Connecticut from raw materials sourced in North America.
09. If the Trademark Examiner determines that ZURICH is “deceptively misdescriptive” under Lanham §2(e)(1) for cookies made in Connecticut from raw materials sourced in North America, Pepperidge Farms may still be able to obtain federal trademark

registration if they establish that their use of ZURICH has achieved secondary meaning.

NOT BIG MACS

McDonald's is the world's most successful fast-food hamburger chain, with many well-known products that have trademark registrations, including McNUGGETS, FILET-O-FISH, QUARTER POUNDER, and their flagship burger, the BIG MAC. In 2007, a McDonald's spokesperson said that in the United States alone, 560 million Big Macs are sold each year.

Of course, McDonald's has many competitors in the fast-food hamburger business, including Carl Jr's, Jack in the Box, Wendy's, and their biggest competitor, Burger King. Burger King's flagship burger is called THE WHOPPER. Burger King marketing distinguishes its burgers by saying they are "flame-broiled" over direct fire, instead of griddle-fried, as McDonalds [and Wendy's] burgers are.

Burger King is not only McDonald's biggest direct competitor, Burger King likes to do advertising and promotional campaigns that poke fun at McDonald's.

Burger King has announced that they are going to replace the usual menus in their restaurants with an "homage" to the BIG MAC on two days each year - April Fool's Day and the "anniversary" of THE WHOPPER, 10 November. Burger King plans to place "The Not Big Macs" menus in *one* restaurant in each major city - obviously because they only need to do this in one restaurant in each local television market to get lots of coverage in local television news programs.

McDonald's has obtained secret video of the planned "The Not Big Macs" menu which will be placed in Burger King restaurants. Please study **Exhibit B** to see what the Burger King's "The Not Big Macs" menus will look like. Assuming McDonald's brought suit:

10. Under the analysis of *Leelanau Wine Cellar v. Black & Red* (6th Cir 2007), the fact that a consumer only encounters "The Not Big Macs" menu when she knows she is in a Burger King restaurant may have significant bearing on the likelihood of confusion analysis.

11. Burger King's "The Not Big Macs" menus are clearly a descriptive fair use under Section 33(b)(4) of the Lanham Act.
12. This is a nominative fair use that is likely shielded by §43(a)(3) from any dilution claim unless a court concludes that Burger King is using "Big Mac" as a designation of source for Burger King's own products.
13. The *Rogers* test [from *Rogers v. Grimaldi*] applies to this situation and McDonald's will have to show *either* that use of the BIG MAC trademark is not artistically relevant to Burger King's activities *or* that Burger King's use of BIG MAC is "explicitly misleading as to the source or content" of its burgers.
14. If Burger King's "The Not Big Macs" menus are found to be a nominative fair use of the BIG MAC trademark, this will shield Burger King from infringement liability even if McDonald's can establish that there is a significant likelihood of confusion among Burger King customers as to McDonald's sponsorship, approval, or affiliation with Burger King.
15. Following the reasoning of *Louis Vuitton v. Haute Diggity Dog*, the obviousness and strength of the humorous criticism of Big Mac hamburgers in "The Not Big Macs" menu will support a finding that there is no likelihood of dilution by blurring.

MORE GENERAL QUESTIONS

16. In *Luxottica Group v. Airport Mini Mall* (11th Cir. 2019) the appellate court concluded that because of the letters from trademark holders complaining about infringement and the police raids seizing counterfeit products at the mini-mall, a reasonable jury could find that "the defendants had at least con-

structive knowledge of (or were willfully blind to) specific acts of direct infringement by their subtenants.”

17. In *Iancu v. Brunelli* (2019), a majority of the Court concluded that while the §2 bar to registration for a trademark being “immoral” was an unconstitutional restriction on freedom of expression, the §2 bar to registration for a trademark being “sancdalous” could pass constitutional muster with a “narrowing construction” by which USPTO could refuse registration to “the most vulgar, profane, or obscene works and images imaginable.”
18. In order to maintain a federal trademark registration, Lanham §8 requires a registrant to file an affidavit that the trademark is in use for at least some of the goods or services covered in the registration between the fifth and sixth year after the registration date (or within a six-month grace period).
19. According to the 7th Circuit’s *International Kennel Club of Chicago* and *Gimix* decisions, the amount and manner of advertising, volume of sales, the length and manner of use, direct consumer testimony, and consumer surveys are all factors by which secondary meaning in a descriptive mark can be established.
20. When customers of a senior mark holder may confusingly believe the senior mark holder is affiliated with, sponsored by, or endorsed by the junior mark holder, the senior mark holder’s claim for trademark infringement should be characterized as “initial interest confusion.”
21. When a junior user of a trademark is sued for infringement by the holder of a federal trademark registration, for the junior user to invoke the “limited area exception” of Lanham §33(b), the junior

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user must have used the mark continuously in that location and initially in good faith without notice of an infringing mark.

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

II. Essay Question

(60 points total)

[no more than 2000 words]

This part of the examination has ONE essay problem. Please make sure that you use 1.5 line or double line spacing. Please make sure that the essay starts on A SEPARATE PAGE from the true/false section. Be sure to include a total word count for the essay.

Again, you should NOT do additional factual research. The examination's fact pattern is based on real circumstances, but some parts of the story have been changed and you should treat the "facts" available to you as limited to what you are told in the examination. Of course, as a good lawyer you may identify additional facts your law firm should learn to analyze the issues fully.

KERNEL SANDERS?

You are a new associate in a law firm and working in the firm's intellectual property group, headed by Mona L. Jaconde. Ms. Jaconde met today with Helga Headroom, the general counsel of Kentucky Fried Chicken (KFC). KFC has an interesting trademark problem that requires some thoughtful analysis.

Mona thinks you know a lot about trademark law and, because she's got to be in San Jose tonight for meetings, she has assigned you to prepare a memo figuring out the issues. Giving you her wry smile, she reminds you: really, absolutely no more than 2000 words. She has a meeting with Ms. Headroom about 30 hours from now; she needs your memo prepping her in 24 hours, absolutely no more. As she runs out the door, Mona hands you her notes which say the following:

KFC was founded by Colonel Harland Sanders in 1952 in North Corbin, Kentucky, but with its first franchise actually being in Salt Lake City, Utah. Today, KFC has become one of the world's most successful restaurant/fast food companies with 18,875 outlets across 118 countries and territories. According to one ranking of global brands, KFC is the 120th most valuable brand in the world, slightly less valuable than SONY and GUCCI but more valuable than ADIDAS, BOEING, CHEVROLET, or LOUIS VUITTON. <https://brandirectory.com/rankings/global/table>

In the early days, the Colonel and KFC appeared together in the main logos of the company [Exhibit C]. Some more recent examples of how KFC relies on "colonel" marketing are shown in Exhibit D.

Indeed, although the company simplified its principal marketing name to just "KFC," Colonel Harland Sanders has remained the "brand spokesman" and principal symbol for the company. Over the years, the company registered many word trademarks for particular products or activities using "Colonel Sanders" or simply the "Colonel"; these have included COLONEL'S COUNTRY LEMONADE, COLONEL'S CRISPY STRIPS, COLONEL'S CHOICE FILET, BREAKFAST WITH THE COLONEL, and COLONEL'S SIGNATURE SAUCE. Two sample current KFC trademark registrations at Exhibit E show KFC's reliance on both Colonel Sanders' name and image. [These are the 2800403 and 5590733 registrations, although the 2800403 number is not visible in Exhibit E.]

KFC's use of Colonel Sanders for marketing is also evident on KFC's YouTube channel: <https://www.youtube.com/c/kfc/videos>. (Do NOT, however, waste any time here.) And the trade dress of KFC stores relies heavily on Colonel Sanders [Exhibit F].

But Harland Sanders never served in the military; his title "Colonel" was an honorific bestowed by the State of Kentucky. He was a "Kentucky Colonel." As Wikipedia describes it:

Colonel Harland David Sanders (September 9, 1890 – December 16, 1980) was an American businessman, best known for founding fast food chicken restaurant chain Kentucky Fried Chicken (also known as KFC) and later acting as the company's brand ambassador and symbol. His name and image are still symbols of the company. The title "colonel" is an honorific title, the highest awarded by the Commonwealth of Kentucky, the Kentucky Colonel, and is not a mili-

tary rank. The Governor of Kentucky bestows the honor of a colonel's commission, by issuance of letters patent.
https://en.wikipedia.org/wiki/Colonel_Sanders

For several years, KFC has been aware of a medium-sized company called “Kentucky Kernel.” Kentucky Kernel manufactures and markets “seasoned flour” and batter mixes, including batter mixes for fried chicken. The original Kentucky Kernel “seasoned flour” product is shown in **Exhibit G**. Recently the company has introduced a wider range of related products – see **Exhibit H** – and is aggressively expanding its marketing. KFC has only just discovered that Kentucky Kernel obtained a USPTO trademark registration for their KENTUCKY KERNEL name and logo on 27 August 2019. That is USPTO registration 5906132, attached here as **Exhibit I**.

Although Kentucky Kernel claims “since 1810” on all its marketing, KFC believes that this only relates to the age of the original flour milling operation, not the use of the name. The USPTO trademark registration states their name KENTUCKY KERNEL was “first used anywhere in a different form other than that sought to be registered at least as early as 01/09/1967,” so KFC believes their use in commerce cannot be any earlier than 1967. The trademark registration also says that the “first use in commerce” was 2017, but that probably refers to the exact logo shown in the registration.

The human image used in KENTUCKY KERNAL marketing is this:



This design is described in the USPTO trademark registration as “a black and white stylized outline depiction of a man's head wearing a brimmed hat

and having a mustache and goatee.” [That is on the second page of the registration, which is not reproduced in the Exhibit.]

On their website, Kentucky Kernel emphasizes fried foods, chicken, and biscuits - <https://kentuckykernel.com> - all of which are central to KFC’s menus.

Lastly, Kentucky Kernel is a brand owned and marketed by Renwood Mills, a company located in Newton, North Carolina. <https://renwoodmills.com>. Newton, North Carolina is 258 miles from the closest point in Kentucky; Ms. Headroom believes that no Kentucky-grown grains are used in the manufacture of Kentucky Kernel products.

Ms. Headroom would like an analysis on whether and how KFC can take actions to stop Kentucky Kernel from marketing its products.

* * * *

END OF WRITTEN EXAMINATION – EXHIBITS FOLLOW

EXHIBITS -
Trademark Fall 2021 Examination

EXHIBIT A – Pepperidge Farm’s new ZURICH cookies



EXHIBIT B – Burger King’s planned “The Not Big Macs” menus for temporary use in selected Burger King restaurants



EXHIBIT C - early KFC logos and trademarks



COL. SANDERS' RECIPE
Kentucky Fried Chicken


EXHIBIT D - More recent KFC logos referencing Colonel Sanders



COL. SANDERS' RECIPE

EXHIBIT E – Two KFC registered trademarks featuring Colonel Sanders

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Word Mark KFC

Goods and Services (CANCELLED) IC 029. US 046. G & S: [Cooked chicken, cole slaw, cooked potatoes, vegetable salads, namely, garden salads, potato salads, and three bean salads, baked red beans and corn on the cob, all for consumption on or off the premises]. FIRST USE: 19970601. FIRST USE IN COMMERCE: 19970601

IC 043. US 100 101. G & S: Restaurant services. FIRST USE: 19970601. FIRST USE IN COMMERCE: 19970601

Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

Design Search Code 02.01.01 - Busts of men facing forward; Heads of men facing forward; Men - heads, portraiture, or busts facing forward; Portraiture of men facing forward
 02.01.05 - Historical men (American); Men, famous; Presidents (American)
 16.03.07 - Eyeglasses; Frames, eyeglass; Glasses, eye; Glasses, safety; Goggles; Safety goggles; Spectacles; Sunglasses
 26.09.21 - Squares that are completely or partially shaded

Serial Number 78202117

Filing Date January 10, 2003

Current Basis 1A

Original 1A



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Word Mark	COL. HARLAND SANDERS ORIGINAL RECIPE SINCE 1940
Goods and Services	IC 043. US 100 101. G & S: Restaurant services. FIRST USE: 20141031. FIRST USE IN COMMERCE: 20141031
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	01.01.10 - Stars, three or more ; Three or more stars 01.01.13 - Stars - multiple stars with five points
Serial Number	87027960
Filing Date	May 6, 2016
Current Basis	1A
Original Filing Basis	1B
Published for Opposition	October 25, 2016
Registration Number	5590733
Registration Date	October 23, 2018
Owner	(REGISTRANT) KFC Corporation CORPORATION KENTUCKY 1441 Gardiner Lane Louisville KENTUCKY 40213
Attorney of Record	Cathy Tang
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "SINCE 1940" APART FROM THE MARK AS SHOWN
Description of Mark	Color is not claimed as a feature of the mark. The mark consists of the words "Col. Harland

EXHIBIT F – The modern “trade dress” of KFC locations with emphasis on Colonel Sanders



EXHIBIT G - Kentucky Kernel original "seasoned flour" mix

EXHIBIT H - Expanded Kentucky Kernel product line



EXHIBIT I - Page 1 of USPTO registration 5906132

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Word Mark KENTUCKY KERNEL SINCE 1810
Goods and Services IC 030. US 046. G & S: Corn meal; Flour; Mixes for making baking batters; Mixes for making breading; Seasonings. FIRST USE: 20170622. USED IN ANOTHER FORM The mark was first used anywhere in a different form other than that sought to be registered at least as early as 01/09/1967. FIRST USE IN COMMERCE: 20170622
Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code 01.17.11 - Maps of states of the United States, excluding Texas
 02.01.31 - Men, stylized, including men depicted in caricature form
 02.11.06 - Beards ; Hair ; Hair extensions ; Human hair, locks of hair, wigs, beards, mustaches ; Mustaches ; Toupees ; Wigs
 09.05.10 - Men's narrow-brimmed hats, including fedoras and derbies
Serial Number 87706444
Filing Date December 4, 2017
Current Basis 1A
Original Filing Basis 1A
Published for Opposition August 27, 2019
Registration Number 5906132

<https://tmsearch.uspto.gov/bin/showfield?f=doc&state=4803:33myl5.3.2>

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END OF EXHIBITS ###
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