

x-TM - Model Essay 2

II. Essay Question

To: Mona Jaconde

From: Associate

Date: December 21, 2010

Re: Brown-Forman v. Northern Comfort

I. Claims against Northern Comfort

Brown-Forman should bring actions against Northern Comfort for (a) trademark/trade-dress infringement, (b) initial interest confusion (c) dilution and (d) confusion as to sponsorship.

A. Trademark/ trade-dress infringement

Assuming that Northern Comfort is using its mark in interstate commerce, Brown-Forman will assert both its infringement claims under Lanham § 32(1) which will provide for liability if Brown-Forman can show that the use of Northern Comfort is likely to cause confusion or mistake as to source, sponsorship, affiliation or approval. The court will determine the likelihood of confusion by applying the Polaroid/Sleekcraft test. The trade-dress infringement claim is likely to succeed as the similarity of Northern's mark is so extensive it implies bad faith. The trademark infringement claim may also succeed for the same reason but is weaker due to divergent natures of the products.

1. Strength of Brown-Forman's Mark:

Brown-Forman's trademark and trade-dress are inherently strong. First, the trademark "Southern Comfort" is suggestive of the feeling it produces and the classic label is arguably suggestive, requiring no showing of secondary meaning (*Two-Pesos*). Even if it is primarily geographically descriptive due to the picture of the south, Brown-Forman will have little trouble establishing secondary meaning given its notoriety. *Abercrombie; Parents-Magazine*. Furthermore, since both are federally registered they are "presumed to be distinctive and should be afforded the utmost protection." *Gallo*.

Northern will unsuccessfully argue that inherent strength should not be found for trade-dress. They will assert that non-use of the registered classic label for 3

consecutive years is prima facie evidence of abandonment and “sporadic licensing for essentially non-commercial uses of a mark is not sufficient use to forestall abandonment.” Lanham §45; *Silverman*. However, Brown-Forman will counter that (1) it used the classic label in relation to its liquor less than 3 years ago, (2) its licensing program is much more than sporadic as it represented a real effort to exploit the value of its mark (*Procter&Gamble;Silverman*) and (3) *Silverman* is distinguishable as it was decided on mainly free expression grounds. Ultimately, Brown-Forman’s trade-dress will be found to be inherently strong as use was not nominal and it is a suggestive product design which is a good indicator of source. *Abercrombie; Quik-Print*.

Brown-Forman’s marks are strong as to marketplace strength evidenced by high sale volume, constant advertising and excellent consumer recognition in the market place as an indication of source. *Gallo*. A compelling argument can be made that the marks are so strong they have acquired “famous” status, affording it broader range of protection. Lanham § 43(c), *Marshall Fields*.

This factor favors Brown-Forman.

2. Degree of similarity between the marks:

The degree of similarity is analyzed in terms of market context and based on three factors: sight, sound, and meaning. *Sleekcraft*.

For the trademark, in determining similarity of sight and sound, the court first decides which part is dominant as both Southern Comfort and Northern Comfort are composite marks. *Marshall-Fields*. The court would likely decide that “Comfort” or the entire mark, “Southern Comfort” is dominant, but Southern is likely not to be dominant as it is easily recognized as a geographical description and purchasers are accustomed to distinguishing between such common descriptions by whatever slight differences may exist in the marks as a whole. *Id.* Regardless, the marks are similar in both sight and sound as they contain a first word with two syllabus and identical spellings except for the first three letters and the same second word.

Similarity of sight is relevant not only to the marks but is also the critical factor in the trade-dress analysis. The respective trademarks and trade-dresses are very similar in sight. The trade-dresses are both primarily rectangular with a solid border outside

of second, thin border of a different color with distinguishable dots at the corners, outside of a third, non-continuous border. Both “Southern” and “Northern” are arced above the word “Comfort.” The center of each mark contains an oval shaped drawing with a decorative mark in the center which depicts either a Southern or Northern landscape, respectfully. Both drawings are flanked on each side by other decorative marks. Below the drawing on each appears cursive writing. There are differences between the two, namely in color scheme and font and are otherwise subtle. Northern will argue the second trade-dress they use is not as similar; “Comfort” is arced on same line as “Northern,” the border is dissimilar, and they use a house-mark which should weigh heavily. Brown-Forman will nonetheless argue that they are similar enough and the house-mark is not easily visible. The similarities in sight factor will favor of Brown-Forman. *Jockey*.

The trademarks are also similar in meaning as they both convey a feeling of comfort which, regardless of the geographical nature, stimulates the same mental reaction. Overall, the similarity factor is strongly in favor of Brown-Forman.

3. Proximity of the products

Proximity encompasses both the nature of the goods and channels of commerce. For the trademarks, even under the most expansive view, the products are not related in nature to each other. *Aunt-Jemima*. Southern Comfort is primarily an alcoholic product but is also registered for ice cream and tea while Northern Comfort is a maple syrup. This is an extremely strong argument for Northern.

At first glance, proximity of channels of commerce seems divergent and therefore would be in favor of Northern because we only know of one channel of commerce for Northern; the Chelsea Market. It is possible that Southern Comfort products are also sold in this market, and such may be sufficient. *Yale*. If we assume Northern is also sold in the same channels as most maple syrups, Brown-Forman has some more compelling arguments. Although the products would not be sold in the same aisle, which would increase the likelihood of confusion, they can still be confusingly similar when they are sold in the same stores. *Nutrasweet; Yale*.

Proximity of channels of commerce is of utmost importance in the trade-dress analysis. The court should view trade-dress as a whole and in context as it appears in

the market. *Jocky*. Brown-Forman licenses its classic-label trade-dress to many different product lines and therefore the classic-label appears in numerous aisles and numerous stores, increasing the common channels of commerce. Furthermore, this increases the likelihood of confusion as consumers are likely to assume the syrup is just another product licensed by Brown-Forman.

Ultimately, this factor favors Northern in the trademark action but favors Brown-Forman in trade-dress, especially if the syrup sold the same way as most syrups. However, this factor is not as critical here as in the case of similar, competing goods or services.

4. Likelihood Brown-Forman will bridge the gap:

This factor would be in favor of Brown-Forman in both actions. Brown-Forman has shown a willingness to license its trademarks to non-related product-lines, no reason to think maple syrup is out of the question. *Banfi; Uncle-Ben's*.

5. Evidence of actual confusion:

Although there is little evidence of actual confusion, it is critically important that Brown-Forman conduct effective surveys to establish such. The survey should present consumers who are familiar with the Brown-Forman trademarks with Northern's syrup and ask who they think made the product. If a significant amount of confusion the court may rely heavily on such evidence. *Gallo*.

6. Northern's good-faith in adopting the mark

There are compelling arguments that Northern adopted the mark in bad-faith. First, the trademark and trade-dress is so similar in sight sound and meaning, it seems likely that Northern intended to profit on Brown-Forman's good will. Furthermore, Northern had actual knowledge of Brown-Forman's registrations as the trademark displays the ® symbol, thus this factor favors Brown-Forman. *Hackey-Sack, Mobil*.

7. Sophistication of buyers

Generally, buyers of syrup and inexpensive liquor are not sophisticated as the low cost of the products indicate they are impulse type items and purchasing decision is unlikely to be well thought-out. *Nutrasweet*. This favors Brown-Forman.

The 8th factor, quality of Northern's product, is irrelevant here.

B. Initial interest confusion

Brown-Forman will have a compelling argument under this theory but will need to establish competitive proximity. In order to be successful, Brown-Forman must show likelihood that an appreciable number of ordinarily prudent purchasers, when first contemplating purchase and are exposed to Northern's syrup, are likely to be misled into initial interest because they think it is produced by or is affiliated with Brown-Forman. *Mobil*.

The court will use the Polaroid/Sleekcraft analysis above, but for proximity of goods, competitive proximity is required. Brown-Forman will likely meet this requirement as strong marks such as Brown-Forman's are likely to be associated with a greater breadth of products, and the high degree of similarity of the marks entitles Brown-Forman to protection over a broader range of related products. *Mobil*.

C. Dilution

Brown-Forman will have a reasonable claim for likelihood of dilution by blurring. They will assert that dilution by blurring occurred as Northern modified "Southern Comfort" to identify their syrup, which raises the possibility that the mark will lose its ability to serve a unique identifier Brown-Forman's product. *Deere*. Under state law, the claim will likely fail as it is not clear that Northern is a competitor. *Id*.

Brown-Forman will be successful under federal dilution, Lanham §43(c) as the marks are considered famous under §43(c)(2); it is widely recognized by the general consuming public. There is no need to show competition between the parties, likelihood of confusion or actual economic injury. §43(c)(1); *Louis-Vuitton*.

D. Likelihood of confusion as to sponsorship

Brown-Forman can state a claim for likelihood of confusion as to sponsorship if it can show, often by survey evidence, that the purchasing public is likely to believe that producer of Southern Comfort licenses or endorses Northern's syrup. *BAAvSullivan; Omaha*. Although Northern's use is likely not fair use or nominative fair use, it would be difficult to establish that the syrup was likely endorsed or licensed as on every other

product, the word mark and trade-dress does not change as it does here. *WCVB-TV v BAA*.

II. Defenses

Northern may unsuccessfully assert their use of Brown-Forman's marks is a parody as it causes no loss of distinctiveness, since the success of the use depends upon the continued association with Southern Comfort. *Louis-Vuitton*. A parody is something that makes fun of a specific cultural work and uses the mark to make fun of it; it is very much like nominative fair use. *Mattel v MCA*. The defense fails here as it fails all three of the *NKOTB* factors, and would fail for dilution as the use constitutes a designation of source for Northern's own services. §43(c)(3)(A).