March 2016

Trademarks in 2010 (and 2011): Dilution Takes Center Stage

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I. INTRODUCTION

From the hundreds of trademark cases decided in any year, it is often difficult to discern any particular theme. There are cases from many different areas raising very disparate issues. In 2010, however, trademark dilution stands out as the area with the most prominent doctrinal opinions. In addition to three court of appeals decisions, there were five significant Trademark Trial and Appeal Board (“TTAB”) decisions from an entity whose prior involvement in dilution had been...
very much the exception. These dilution opinions form the centerpiece of this discussion.

There were, of course, other notable decisions involving contributory infringement\(^3\) and the continuing saga of Google AdWords.\(^4\) For good measure, there is a small detour into the related field of rights of publicity and the issue of what constitutes commercial speech.\(^5\) But, first things first, and dilution deserves to be front and center this year.

II. THE RETURN (REVENGE?) OF VICTORIA’S SECRET

Probably not since the Supreme Court’s 2003 decision in *Moseley v. V Secret Catalogue, Inc.*\(^6\) has dilution been in the forefront of judicial decision making in trademark law. The Court’s decision, interpreting the Federal Trademark Dilution Act of 1995 (“FTDA”)\(^7\) to require a showing of “actual dilution,” as opposed to likelihood of dilution, set in motion a concerted effort to amend the statute. That effort resulted in the Trademark Dilution Revision Act of 2006 (“TDRA”),\(^8\) which changed the operative standard to likelihood of dilution and added new definitions of a “famous” mark,\(^9\) “dilution by blurring,”\(^10\) and “dilution by tarnishment.”\(^11\) Ironically, however, the Supreme Court’s decision did not bring finality to the case before it, involving Victoria’s Secret and a store in Elizabethtown, Kentucky, originally called “Victor’s Secret,” then changed to “Vicor’s Little Secret.”\(^12\) The Court remanded the case to the Sixth Circuit,\(^13\) which took no action for four years before remanding it back to the District Court.\(^14\) By that time, the TDRA had

\(^{3}\) See, e.g., Tiffany (NJ) Inc. v. eBay, Inc., 600 F.3d 93 (2d Cir. 2010), *cert. denied*, 131 S. Ct. 647 (2010).


\(^{13}\) *Id.* at 434.

replaced the FTDA, changing the operative language of the statute. The District Court reexamined the case under the TDRA. The court determined that there was no likelihood of dilution by blurring but that there was a likelihood of dilution by tarnishment.

The Sixth Circuit affirmed on appeal. However, its rationale for upholding the tarnishment claim merits particular scrutiny. The court held that there would be a rebuttable presumption of a likelihood of dilution by tarnishment where the unauthorized use of a famous mark was a use in a sexual context. The court justified its creation of the presumption by citing a number of cases in which sexually oriented uses had been found tarnishing. Although the presumption is rebuttable, it is unclear how, absent a well-conducted survey, one could successfully rebut the presumption.

There was a forceful dissent in the case by Judge Moore. She found the evidence put forth by Victoria’s Secret to be inadequate to demonstrate a likelihood of harm to the reputation of its mark. More critically, she questioned the basis for assuming, as the majority did, that any sexually based use would necessarily be likely to cause such harm: “That a consumer may associate a negative-sounding junior mark with a famous mark says little of whether the consumer views the junior mark as harming the reputation of the famous mark.”

Although conceding that it was possible that such harm would occur, she pointed to the statutory standard that requires a likelihood of dilution and asserted that Victoria’s Secret had not demonstrated that harm was more likely than not to occur. Finally, she noted that

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15. *Id.* at 737-38. Had the Sixth Circuit remanded the case immediately, the case would have been decided under the more restrictive standard of the FTDA.

16. *Id.* at 749-50.


18. *Id.* (affirming the judgment of the District Court but did not discuss the dilution by blurring claim).

19. *Id.* (Gibbons, J., concurring). The concurring judge preferred (preferring to call it an inference, rather than a presumption). *Id.* The difference is not trivial, since there is no requirement that an unrebutted inference be accepted. But one would expect most courts to accept the inference.

20. *Id.* at 385, 387-88.

21. *Id.*

22. *Id.* at 391 (Moore, J., dissenting).

23. *Id.*

24. *Id.* at 392 (quoting *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 110 (2d Cir. 2009)).

25. *Id.* at 394.
Victoria’s Secret had cultivated a less than wholesome reputation and stated that this should be relevant in the analysis.26

To determine whether dilution by tarnishment or blurring is likely to occur is a very difficult task. The TDRA’s factors for blurring have not been applied consistently by courts, and the statute does not list any factors to guide the tarnishment analysis.27 Thus, it is interesting that the Sixth Circuit chose to create a simpler decision path by creating a presumption.28 Whether the presumption is factually well-founded is a separate question. The fact that several courts have held sexually oriented uses to be tarnishing29 may say more about the sensibilities of courts faced with sexually oriented uses than the actual harm to the reputations of famous marks. Nevertheless, the court’s holding may signal a new wave of decisions designed to simplify and unify the analysis of dilution.30 It will be interesting to see whether future courts create new presumptions, especially for drug-oriented parodies of famous marks.31

III. WHEN IS eVISA NOT A VISA?

A second court of appeals decision, this one from the Ninth Circuit, examined blurring in the context of common word trademarks.32 JSL Corporation operated eVisa, which was run via the website www.evisa.com.33 According to the eVisa website, eVisa is a “multilingual education and information business.”34 Apparently JSL Corporation used the name eVisa “to suggest ‘the ability to travel, both linguistically and physically, through the English speaking world.’”35 Visa International Service Association, which owns the VISA credit card mark, sued JSL, claiming trademark dilution by blurring. Because JSL

26. Id. at 395.
28. *V Secret Catalogue, Inc.*, 605 F.3d at 385. This is not the first presumption to be created for dilution. Prior to the TDRA, some courts presumed that if the marks used by each side were identical then there was a presumption of actual dilution. *See, e.g.*, Savin Corp. v. Savin Grp., 391 F.3d 439, 452-53 (2d Cir. 2004), *cert. denied*, 546 U.S. 822 (2005).
29. Some of the citations by the Sixth Circuit were to cases decided under state dilution laws. However, it is not clear that the TDRA’s definition of tarnishment is fundamentally different than the implicit definition used in those cases.
32. Visa Int’l Serv. Assn. v. JSL Corp., 610 F.3d 1088, 1090 (9th Cir. 2010).
33. Id. at 1089.
34. Id.
35. Id.
conceded that the VISA mark was famous prior to the first use of eVisa and that eVisa was used in commerce, the only issue in the case was likelihood of dilution. 36 Although the TDRA contains six factors to assist courts when analyzing blurring, the Ninth Circuit did not look to those factors. 37 The court held that the eVisa mark was “effectively identical” to the VISA mark. 38 That holding, plus the court’s conclusion that “Visa is a strong trademark,” was sufficient for the court to permit entry of summary judgment. 39 The notion that use of an identical mark will normally suffice to show dilution predates the TDRA; the Second Circuit has held that it created a presumption of dilution sufficient to satisfy the more stringent “actual dilution” standard under the original FTDA. 40

But that was not all there was to the case. JSL claimed that because “visa” is a common word and because eVisa invoked the common meaning of the word, it was insulated from dilution liability. 41 The court rejected this argument for essentially two reasons. First, Visa’s use of the word as a mark was sufficiently distinct from the common definition of the word to make it sufficiently unique for dilution protection. 42 Thus, the court focused in part on the famous trademark owner’s distinctiveness. 43

Second, the court found that eVisa “is not using the word visa for its literal dictionary definition.” 44 Such a use might well insulate it from liability. However, the eVisa business was also distinct from the “visa” business, making eVisa a mark that stood on its own. 45 It is not clear whether a trademark use, that nevertheless directly invoked the dictionary definition of the term, would be deemed actionable by the court. The TDRA clearly excludes non-trademark uses of descriptive terms from liability, something the court did not discuss. Whether the court would extend the same principle to a trademark use cannot be

36. Id. at 1090.
37. Id. at 1090, 1091.
38. Id.
39. Id.
40. Savin Corp. v. Savin Grp., 391 F.3d 439, 452-53 (2d Cir. 2004), cert. denied, 546 U.S. 822 (2005). The Ninth Circuit also referred to this concept. See Visa Int’l Serv. Assn., 610 F.3d at 1090 (use identical marks as “circumstantial evidence” of dilution) (citing Horphag Research Ltd. v. Garcia, 475 F.3d 1029, 1036 (9th Cir. 2007)).
41. Visa Int’l Serv. Assn., 610 F.3d at 1091.
42. Id.
43. Id. at 1089-90.
44. Id. at 1092.
determined. Also unclear is the relation between this case and a parody use, such as the one in *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, where the Fourth Circuit denied relief from a trademark use that parodied the Louis Vuitton trademark.

IV. SIMILARITY REDUX

It has long been regarded as axiomatic that in order to be likely to cause dilution of a well-known mark, a second user’s mark must be “substantially similar” to the well-known mark. Thus, substantial similarity has been a threshold requirement, the absence of which has been regarded as fatal to a dilution claim. However, recent cases have held that when Congress enacted the Trademark Dilution Revision Act of 2006, it changed the applicable standard of similarity.

The latest case on this topic is from the Ninth Circuit, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.* Until *Levi Strauss*, the Ninth Circuit adhered to a standard that required a showing that the two marks at issue were “identical or nearly identical” to support a dilution claim. Even after the TDRA, the Ninth Circuit had referred to, and apparently applied, its “identical or nearly identical” standard. However, in *Levi Strauss*, the Ninth Circuit decided to reexamine its prior precedent in light of the language of the TDRA.

The court first traced its use of the existing standard, noting its origins in state law and its consonance with the original language of the FTDA. The court then examined the language of the TDRA, pointing to the fact that it constituted a wholesale revision of the FTDA. It examined its post-TDRA case law, concluding that none of the cases

47. *See, e.g.*, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011); *Starbucks Corp. v. Wolf’s Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009).
48. *Levi Strauss*, 633 F.3d 1158. The Trademark Trial & Appeal Board also has weighed in on this issue. See infra Part V.
49. *E.g.*, Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 905 (9th Cir. 2002), *superceded by statute*, as stated in *Levi Strauss*, 633 F.3d at 1162.
50. *See, e.g.*, Visa Int’l Serv. Assn. v. JSL Corp., 610 F.3d 1088, 1090 (9th Cir. 2010) (“the marks here are effectively identical”); Jada Toys, Inc. v. Mattel, Inc., 518 F.3d 628, 635 (9th Cir. 2008); Perfumebay.com, Inc. v. eBay, Inc., 506 F.3d 1165, 1180 (9th Cir. 2007).
52. Id. at 1163-65.
53. Id. at 1165-66.
Having decided to reexamine the issue, the court compared the language of the original FTDA with the TDRA. The TDRA incorporates similarity in the definition of blurring, requiring an association “arising from the similarity between [the famous mark and the second mark].” It does not expressly require “substantial” similarity or any other additional similarity. Further, the court noted that the first of the statutory factors listed as possible guides to finding dilution is the “degree of similarity” between the two marks—again with no added qualifier. Although no qualifier appears in the original FTDA, the term “similarity” was also absent from the original definition (there were no factors under the original statute either), and the court believed that “Congress did not wish to be tied to the language or interpretation of prior law.” It is not clear why the court thought this—it cited no legislative history or other material suggesting that Congress actually considered the question. Nevertheless, as the court stated, its conclusion that the TDRA changed the standard was consistent with the Second Circuit’s conclusion in Starbucks Corp. v. Wolfe’s Borough Coffee Inc., decided just over a year earlier.

It is unclear where Levi Strauss and Starbucks have left the issue of similarity. As the Ninth Circuit stated, similarity continues to be a crucial element in analyzing dilution. If the two marks at issue are not

54. Id. at 1167. The court noted that the Perfumebay.com case technically involved California law, and that California law had not then been amended to reflect the TDRA. Id. Regarding its subsequent Jada Toys decision, the court noted that because it found that the mark in question could have satisfied the identical or nearly identical standard (to defeat a motion for summary judgment), and because the court’s focus was on the change from actual dilution under the FTDA to likelihood of dilution under the TDRA, there was no need then to reexamine its standard. Id. at 1168-69. Finally, as to its Visa opinion, the court stated that its reference to “nearly identical” was simply a factual statement about the apparent identity of the marks, not a comment on the proper legal standard. Id. at 1170.

55. Id. at 1171 (quoting 15 U.S.C. § 1125(c)(2)(B) (2006)).

56. Id.

57. Id. at 1172.

58. § 1125(c)(2)(B).

59. Levi-Strauss, 633 F.3d at 1172, 1176.

60. Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97 (2d Cir. 2009).

61. The court then decided that the District Court’s application of the identical or nearly identical standard was not harmless error and remanded. Levi-Strauss, 633 F.3d at 1173-74.

62. Id. at 1171 (“No doubt, similarity has a special role to play in the implementation of the new statute’s multifactor approach”). This became apparent in the decision on remand in the Starbucks case. The District Court noted the relative lack of similarity between the marks in context while deciding that there was no likelihood of dilution. Starbucks Corp. v. Wolfe’s Borough
sufficiently similar, then there will be no association, or at least too weak an association, to be likely to cause any diminution of the distinctiveness of the famous mark. However, the *Levi Strauss* and *Starbucks* approach probably will make it more difficult for dilution defendants to defeat the claim on a motion for summary judgment because the analysis will be more context driven.

### V. THE TTAB ENTERS THE ARENA

Starting in 1999, one could oppose an application to register a trademark with the Patent and Trademark Office on the grounds that the applicant’s mark may dilute the opposer’s (famous) mark. An opposition on those (or other) grounds would be brought before the PTO’s TTAB. Until 2010, the TTAB was a minor participant in the dilution game, issuing only two decisions of real consequence. Then, in 2010, the TTAB came alive, issuing five precedential dilution decisions that covered a range of issues.

Perhaps the most significant TTAB decision is *National Pork Board v. Supreme Lobster and Seafood Co.*, in which the TTAB upheld a challenge based on blurring. The National Pork Board (NPB), owner of the slogan THE OTHER WHITE MEAT to promote pork, opposed Supreme Lobster and Seafood’s application to register THE OTHER RED MEAT for salmon.

In any dilution claim, the mark’s owner must prove that its mark is “famous”—that is, the mark is “widely recognized by the general consuming public of the United States.” The mark normally must also be famous before the defendant’s first use of the mark. However, in an intent to use registration case, the mark needs to

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68. Id. at 1497.

69. Id. at 1481.

70. 15 U.S.C. § 1125(c)(2)(A) (2006). The mark normally must also be famous before the defendant’s first use of the mark. However, in an intent to use registration case, the mark needs to
studies showing a very high degree of awareness as well as a study by Northwestern University, indicating a similar awareness of the slogan.\textsuperscript{71} Based on this record, plus the fairly large advertising expenditures over a quarter century\textsuperscript{72} and third-party references,\textsuperscript{73} the TTAB found the mark to be famous.\textsuperscript{74}

Turning to the issue of blurring, the TTAB identified similarity as a crucial factor in the analysis.\textsuperscript{75} Unlike the Visa case, the marks here were not identical.\textsuperscript{76} Nevertheless, the differences between them were small (only one word) and they conjured up similar contexts, such as a comparison to other foods. That, along with the high degree of association between the two slogans found by a survey, led the Board to find them “highly similar.”\textsuperscript{77} The TTAB then conducted an interesting analysis of the factor of degree of distinctiveness by looking almost exclusively at the degree of inherent distinctiveness possessed by the slogan.\textsuperscript{78} Although the TTAB did not explain its narrow focus, it appears that it assumed the more unique a mark was (as measured by inherent distinctiveness), the more likely it would be blurred by a highly similar mark.\textsuperscript{79} The other statutory factors for blurring\textsuperscript{80} were also found to favor NPB\textsuperscript{81} and actual association was shown by a survey.\textsuperscript{82} Thus, the Board found likely dilution by blurring.\textsuperscript{83}

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\textsuperscript{71} Supreme Lobster, 96 U.S.P.Q.2d at 1490. The TTAB rejected applicant’s attack on the methodology of the study. \textit{Id}. The Board also held that a promotional slogan for a commodity could act as a trademark, even though it did not promote a particular source for the commodity. \textit{Id}. at 1493-94.

\textsuperscript{72} \textit{Id}. at 1495. The expenditures totaled almost $550 million. \textit{Id}.

\textsuperscript{73} \textit{Id}. at 1496.

\textsuperscript{74} \textit{Id}.

\textsuperscript{75} \textit{Id}. at 1497.

\textsuperscript{76} \textit{Id}.

\textsuperscript{77} \textit{Id}. at 1497-98.

\textsuperscript{78} \textit{Id}. at 1497.

\textsuperscript{79} Cf. Virgin Enters., Ltd. v. Nawab, 335 F.3d 141, 148 (2d Cir. 2003) (stating that a highly inherently distinctive mark more likely to be confused with similar mark than less distinctive mark).

\textsuperscript{80} 15 U.S.C. § 1125(c)(2)(B) (2006) lists the following factors:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

\textit{Id}.

\textsuperscript{81} Supreme Lobster, 96 U.S.P.Q.2d at 1497-98.
An interesting contrast to National Pork Board is Coach Services, Inc. v. Triumph Learning Services, LLC,84 where handbag and accessory maker, Coach, opposed the registration of COACH as a mark for educational software.85 On its dilution claim, the TTAB found that Coach had not shown that its mark was famous.86 The TTAB found Coach’s brand awareness study not probative because of a lack of any witness to support its methodology. The TTAB also found that the study itself only showed awareness among a limited audience, women between the ages of 13 and 24, and omitted not only other women, but men.87 Nevertheless, the TTAB finished the dilution analysis and concluded that the factors did not favor a finding of dilution by blurring. The TTAB determined the two marks were dissimilar “because of their distinct meanings and commercial impressions,” the lack of evidence of intent to create an association, and there was no evidence of actual association between the marks.88

A third important decision, American Express Marketing & Development Corp. v. Gilad Development Corp.,89 involved the use of the statutory exclusions from dilution.90 When American Express opposed the registration of GRAND AMERICAN EXPRESS CLEVELAND AND COLUMBUS, the applicant claimed, among other things, that it was protected by the non-commercial use exclusion of the TDRA.91 However, the TTAB ruled that the non-commercial use exclusion cannot be invoked by an applicant in an opposition proceeding.92 The courts’ primary basis for this ruling was that an “applicant cannot claim non-commercial use of its marks when it is required to demonstrate use of its marks in commerce as service marks

82. Id. at 1497.
83. Id. at 1498. In one other interesting twist, the TTAB declined to discuss the opposer’s alternate ground of likelihood of confusion. Id. Normally, the TTAB operates in reverse; it reviews the confusion ground, then declines to discuss dilution when it finds confusion. Id. “Because we have found for opposer in connection with its likelihood of dilution claim, we do not reach its claim of likelihood of confusion.” Id.
85. Id. at 1601.
86. Id. at 1611.
87. Id. Here, it is relevant to note that the TDRA requires that a famous mark be widely recognized by the “general consuming public.” 15 U.S.C. §1125(c)(2)(A) (2006).
90. Id. at 1296; see § 1125(c)(3)(A)-(C).
91. § 1125(c)(3)(C).
Although this will normally be true, and was in this case, it may not always be true. First of all, in any dilution claim, to be actionable, the unauthorized use must be a “use in commerce.”94 The TTAB’s conclusion would appear to make the non-commercial use exclusion superfluous. Second, Congress specifically limited another exclusion, the “fair use” exclusion, to non-trademark uses.95 Thus, non-commercial uses most likely include some trademark uses as well. Finally, a “use in commerce” may still be a “noncommercial use.”96 Interpreting the original FTDA, the Ninth Circuit found “commercial use in commerce” to be different than “noncommercial use.”97 It stands to reason that a “use in commerce” could also include “non-commercial uses.” Nevertheless, it would be a rare circumstance in which an applicant legitimately could assert that its use will be non-commercial.98

In a fourth case, _Fiat Group Automobiles, S.p.A. v. ISM, Inc._,99 an opposer, who did not even use its mark in the United States, claimed that the applicant’s proposed PANDA mark would cause dilution of the its mark. The opposer, Fiat, sells automobiles in the United States.100 It does not, however, sell a PANDA automobile or any other PANDA product in the United States.101 Can a mark not used in this country claim dilution protection in this situation?

It is a source of contention whether a mark not used in this country can claim any protection under federal trademark law.102 The TTAB did not need to resolve the problem, although its opinion leaves tantalizing clues about its intentions. As we have seen, a plaintiff or opposer must

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93. Id.
94. § 1125(a)(1).
95. § 1125(c)(3)(A).
97. Id. at 903-04.
98. See WELKOWITZ, supra note 63, at 605.
100. Id. at 1111.
101. Id.
have a “famous” mark to be eligible for dilution protection. The TDRA’s definition of a famous mark specifically requires that it be widely recognized by consumers in the United States. The TTAB interpreted this to mean that the mark must be “used” in the United States, although not necessarily in a manner sufficient to create trademark rights in the United States. Thus, a “use analogous to trademark use” (e.g., advertising) could be sufficient if it created sufficient renown among U.S. consumers. Also, filing an Intent to Use application would suffice, again assuming the requisite recognition among U.S. consumers. But then, the TTAB opened the door to eligibility a bit wider, by assuming the “possibility” that a mark not used at all might obtain the requisite recognition for fame. However, it did not need to go further, because the evidence in Fiat’s case was insufficient under any measurement of recognition.

Finally, the TTAB considered the required degree of similarity between the litigants’ uses in Citigroup, Inc. v. Capital City Bank Group, Inc. Although the Second Circuit had just held that the TDRA mandated no specific level of similarity, the TTAB thought that a significant degree of similarity was necessary if the process of dilution was to occur—that is, if consumers would see the same mark as signifying two different sources. The TTAB continued to apply this standard in the Coach case.

103. See supra notes 70, 74, 80, 86, and 87 and accompanying text.
104. 15 U.S.C. § 1125(c)(2)(A) (2006) (“...mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”).
106. Id. at 1114-15.
107. Id. at 1115.
108. Id. at 1114 n.5.
109. Id. at 1115.
111. Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 108-09 (2d Cir. 2009). As discussed above, the Ninth Circuit abandoned its “identical or nearly identical” standard of similarity in favor of the Second Circuit’s approach. Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., 633 F.3d 1158, 1611 (9th Cir. 2011), discussed supra text accompanying notes 49-62. But this took place after the TTAB’s decision.
112. Citigroup, 94 U.S.P.Q.2d at 1667. Note that the TTAB found a “high degree” of similarity in the National Pork Board case when it found a likelihood of dilution. Id. In this case, the degree of similarity was insufficient to support a finding of dilution. Id. But see Nike, Inc. v. Maher, 100 U.S.P.Q.2d (BNA) 1018 (T.T.A.B. 2011) (adopting the Starbucks-Levi Strauss approach).
VI. BEYOND DILUTION: CONTRIBUTORY LIABILITY

In 2010, the Second Circuit issued its much anticipated decision in *Tiffany (NJ) Inc. v. eBay, Inc.* 114 Although there was a collateral dilution issue in the case, the main issues involved infringement, particularly contributory infringement.115

Tiffany claimed that a sizeable percentage of Tiffany branded merchandise sold on eBay is counterfeit.116 Tiffany alleged that eBay obtained fees from merchants who sold counterfeits. Tiffany alleged also that eBay promoted Tiffany merchandise sales through advertisements on eBay’s web site and through “sponsored links” advertisements on search engines such as Yahoo or Google.117 Thus, Tiffany claimed both direct infringement (through the sponsored links and eBay website advertising) and contributory infringement (by facilitating the sales on eBay).118 The court easily rejected the direct infringement claim, noting that long-standing precedent permitted eBay to advertise sales of branded merchandise as long as the advertising is truthful and does not suggest any endorsement by the brand owner.119 That left the contributory infringement claim.120

Turning to the contributory infringement claim, the court applied the test formulated by the Supreme Court in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.* 121 The *Inwood* test gives two possible bases for contributory liability: (1) intentionally inducing the direct infringer to infringe a mark, or (2) “continu[ing] to supply its [services] to one whom [defendant] knows or has reason to know is engaging in trademark infringement.”122 It was clear that the first base of the test did not apply, leaving the “knowing or having reason to know” as the basis for any liability.123 Tiffany’s case did not rely on those sellers whose
activities Tiffany specifically brought to eBay’s attention as sellers of counterfeits.124 Instead, its core claim was that eBay had sufficient knowledge that sellers of Tiffany-branded merchandise were predominantly selling counterfeits, which deemed eBay complicit and contributorily liable if it did not stop the sale of Tiffany-branded items on eBay.125 Tiffany pointed to the many notices of actual counterfeits it provided to eBay, the complaints to eBay from buyers and the results of a Tiffany buying program that it provided to eBay to support this claim.126 The key question was whether such generalized knowledge of widespread counterfeit sales, as opposed to specific knowledge of particular infringing sales, was sufficient to create liability.127 The Second Circuit, agreeing with the District Court, held that “a service provider must have more than a general knowledge or reason to know that its service is being used to sell counterfeit goods.”128 Interestingly, the Second Circuit drew on a Supreme Court copyright case, the well-known Sony v. Universal Studios case,129 for support. In Sony, the Court compared the Inwood standard to the standard used for contributory liability in copyright cases, stating that the Inwood standard was narrower and required knowledge of specific infringing individuals.130 This persuaded the Second Circuit that generalized knowledge did not satisfy Inwood.131 Applying this standard to the facts of the case, the court found that the general knowledge of counterfeiting supplied by Tiffany was insufficient to impose contributory liability on eBay.132

But this finding did not end matters. In an important additional section, the court held that a service provider may not “intentionally
shield[] itself from discovering” the identities of the direct infringers.\textsuperscript{133} However, the court found that eBay used significant efforts to combat counterfeit sales and did not become willfully blind to the identity of such sellers.\textsuperscript{134}

Although eBay advertised the availability of Tiffany-branded merchandise on its website, the Second Circuit disagreed with the District Court regarding Tiffany’s claim of false advertising.\textsuperscript{135} The court found that this advertising was not literally false because there were genuine Tiffany articles for sale,\textsuperscript{136} and the Second Circuit found that at this stage of the litigation, it could not say definitively that the advertisements did not mislead consumers into believing that all of the Tiffany merchandise for sale on eBay was genuine.\textsuperscript{137} However, the court also noted that a disclaimer may suffice to make the ads truthful; an investigation into the genuineness of each item for sale was not required.\textsuperscript{138}

In terms of contributory liability, *Tiffany* ultimately breaks little new doctrinal ground. However, its strong affirmation of the need for specific knowledge is an important statement.\textsuperscript{139} As the court noted, European courts have been more favorably disposed toward trademark owners.\textsuperscript{140} Thus, *Tiffany* illustrates an important distinction between U.S. law and European law. Moreover, it appears that the court was concerned about allowing a trademark owner to eliminate competition in the aftermarket for its goods.\textsuperscript{141} That competitive concern is consistent with recent Supreme Court opinions in trademark law.\textsuperscript{142} From a practical standpoint, the requirement that for online auctioneers and other intermediaries to be held liable they must have specific information about infringement, means that imposing contributory liability on such defendants will be very difficult.\textsuperscript{143} On the cautionary side for defendants, however, is the court’s treatment of the issue of willful blindness.\textsuperscript{144} In this case, eBay took great pains and spent a lot of

\textsuperscript{133} *Tiffany*, 600 F.3d at 109.
\textsuperscript{134} *Id.* at 110.
\textsuperscript{135} *Id.* at 113.
\textsuperscript{136} *Id.*
\textsuperscript{137} *Id.* at 114.
\textsuperscript{138} *Id.*
\textsuperscript{139} *Id.* at 107.
\textsuperscript{140} *Id.* at 105 n.9 (citing various cases and articles).
\textsuperscript{141} *See id.* at 103.
\textsuperscript{142} *See generally* David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, 30 WM. MITCHELL L. REV. 1659 (2004).
\textsuperscript{143} *Tiffany*, 600 F.3d at 107-09.
\textsuperscript{144} *Id.* at 109.
money to minimize sales of counterfeits.\textsuperscript{145} It is unclear what would be required of less well-financed defendants faced with similar or analogous allegations.

As an aside, another case reminds us that contributory liability requires that there be direct infringement.\textsuperscript{146} In \textit{Georgia-Pacific Consumer Products, LP v. Myers Supply, Inc.},\textsuperscript{147} a case involving paper towel dispensers and paper towels, the court held that consumers would not be confused by the use of towels not made by the manufacturer of the dispenser, hence no contributory (or direct) infringement.\textsuperscript{148}

\textbf{VII. AdWords ........... AGAIN!}

Google’s AdWords program is a seemingly endless source of trademark cases. It sparked a lively debate about whether the sale of trademarked words to competitors of trademark owners to trigger displays of competitive advertising constitutes a “use in commerce” under the Lanham Act.\textsuperscript{149} Lately, AdWords cases have largely moved beyond preliminary skirmishes to the issue of whether the program is, in fact, likely to cause confusion. Two district court cases in the past year provide interesting and, in one case, quite novel analyses of the problem: \textit{Rosetta Stone Ltd. v. Google, Inc.}\textsuperscript{150} and \textit{1-800 Contacts, Inc. v. Lens.com, Inc.}\textsuperscript{151}

\textit{Rosetta Stone} raised a variety of trademark issues, from direct infringement to contributory and vicarious liability,\textsuperscript{152} to functionality and even dilution.\textsuperscript{153}

As to infringement, the court analyzed the issue under the Fourth Circuit’s multifactor test; however, it focused on only three of the factors: Google’s intent, evidence of actual confusion, and “the consuming public’s sophistication.”\textsuperscript{154} Regarding intent, the court

\textsuperscript{145} See \textit{id.} at 98-100 (discussing eBay’s efforts).
\textsuperscript{146} \textit{Ga.-Pac. Consumer Prods., LP v. Myers Supply, Inc.}, 621 F.3d 771, 774 (8th Cir. 2010).
\textsuperscript{147} \textit{Id.}
\textsuperscript{148} \textit{Id.} at 773-76 (note that the Fourth Circuit previously denied defendant’s motion for summary judgment in a similar case involving the same plaintiff, see \textit{Ga.-Pac.}, 618 F.3d 441. However, the Eighth Circuit noted that the case before it involved a bench trial, not a denial of summary judgment. \textit{Ga.-Pac.}, 621 F.3d at 775-76.
\textsuperscript{149} See, e.g., \textit{Rescuecom Corp. v. Google, Inc.}, 562 F.3d 123, 125-30 (2d Cir. 2009).
\textsuperscript{150} \textit{Rosetta Stone Ltd. v. Google, Inc.}, 730 F. Supp. 2d 531 (E.D. Va. 2010).
\textsuperscript{151} \textit{1-800 Contacts, Inc. v. Lens.com, Inc.}, 755 F. Supp. 2d 1151 (D. Utah 2010).
\textsuperscript{152} \textit{Rosetta Stone}, 730 F. Supp. 2d at 540-41. Vicarious liability imposes liability on defendant for the act of another over whom defendant is responsible. \textit{Id}. Contributory liability imposes liability for defendant’s own acts inducing or aiding the direct infringement of another. \textit{Id.}
\textsuperscript{153} \textit{Id.} at 534-35.
\textsuperscript{154} \textit{Id.} at 540-41.
rejected Rosetta Stone’s assertion that Google’s desire to profit from the sale of trademarks as search keywords demonstrated intent to confuse.\textsuperscript{155} Rather, the court distinguished an intent to \textit{profit} (which Google had) from an intent to \textit{confuse} (which it did not have).\textsuperscript{156} In this case, the court noted that causing confusion was antithetical to Google’s business interests.\textsuperscript{157} Google wants users to obtain useful information from searches and would be harmed if the links it provides lead users astray or lead to purchases of counterfeit goods.\textsuperscript{158} Turning to actual confusion, the court noted that Rosetta Stone relied on precedent that related to a significantly different situation—a competitive goods case (Rosetta Stone and Google do not compete) and a 30-40\% rate of consumer confusion. Here, the confusion was experienced by only five people out of more than 100,000 displays, a sum the court termed \textit{de minimis}.\textsuperscript{159} Significantly, all of the confused individuals knew that they were not purchasing from Rosetta Stone, although they did believe that Rosetta Stone produced the program they bought.\textsuperscript{160} Rosetta Stone’s other evidence of confusion was considered inadequate as well.\textsuperscript{161} Most interesting was the court’s rejection of evidence of possible confusion of endorsement by Google of Rosetta Stone.\textsuperscript{162} Finally, the court found that given the cost of Rosetta Stone’s program and the goal of the purchase, learning a foreign language, potential consumers were likely to be sophisticated, which pointed away from confusion.\textsuperscript{163} Thus, the court found no direct infringement by Google and granted summary judgment on this issue.\textsuperscript{164}

Most notable was the court’s next topic, functionality.\textsuperscript{165} If a trademark is “functional,” then it is not protected.\textsuperscript{166} Normally, functionality is associated with a physical feature, such as shape, color,
or design, which gives the product a competitive advantage. This is reflected in the test for functionality: “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”167 In this case, the court found functionality based on the fact that the sale of trademarked words is essential to the operation (“cost or quality”) of Google’s AdWords program, as it generates needed revenue and provides useful competitive advertising.168 This is a highly unusual use of functionality—one that was apparently rejected by the Ninth Circuit in Playboy Enterprises, Inc. v. Netscape Communications Corp.169 Normally, functionality turns on whether the feature gives the plaintiff a market advantage not derived from its brand reputation. Here, the court focused on the detriment to Google without regard to its ability to compete against Rosetta Stone.170 It will be worth watching how the Fourth Circuit addresses this issue.

Rosetta Stone’s other arguments were similarly unavailing.171 The court applied the Second Circuit’s decision in Tiffany (NJ), Inc. v. eBay, Inc.172 and found neither inducement nor a continuing sale of keywords with specific knowledge that the purchaser sold counterfeit merchandise.173 Following the Second Circuit’s lead, the court found that generalized knowledge of counterfeit sales from sponsored links was insufficient, and Rosetta Stone’s evidence of specific knowledge was insufficient as well.174 The related argument of vicarious liability was rejected on the grounds that Google did not exercise control over the advertisers simply by having a financial relationship with them.175

Finally, the court disposed of Rosetta Stone’s dilution claims on three grounds.176 First, it found that Google’s use was a fair use, thus excluded by section 43(c)(3)(A).177 That section excludes “[a]ny fair use . . . of a famous mark . . . .”178 The court apparently viewed Google’s use as one involving “advertising or promotion that permits consumers

168. Id. at 546.
169. Playboy Enter., Inc. v. Netscape Commc’ns Corp., 354 F.3d 1020, 1030-31 (9th Cir. 2004).
171. Id.
172. Tiffany (NJ) Inc. v. eBay, Inc., 600 F.3d 93 (2d Cir. 2009), cert. denied, 131 S. Ct. 647 (2010). This decision is discussed supra text accompanying notes 114-45.
174. Id. at 548-49.
175. Id. at 549-50.
176. Id. at 550-52.
177. Id.
to compare goods or services.” Second, the court noted that, in conformance with the statutory exclusion, Google did not use the Rosetta Stone mark as its own trademark. Finally, the court found that since Google’s use began, the awareness of Rosetta Stone’s mark had increased, obviating any claim of impairment of its distinctiveness. As a result, there was no evidence of harm to the mark owner’s reputation resulting from the sales of counterfeit goods. The dilution claim was rejected.

The 1-800 Contacts case is interesting because, unlike Rosetta Stone, it involved a suit by the mark owner against the competitor who purchased the trademark as a keyword. Moreover, this case involved uses on search engines in addition to Google. The court addressed several important issues: use in commerce, direct infringement, and secondary liability.

As to use in commerce, the court sided with the other courts that have found the purchase of keywords to be a use in commerce, notwithstanding the fact that the trademark may not be displayed in the sponsored link. With regard to confusion, the court held that there was no direct infringement by confusion resulting from defendant’s purchase of keywords. Most notably, the court disagreed with the plaintiff’s characterization of defendant’s use as a “bait and switch.” The court noted that the Ninth Circuit’s opinion in Brookfield Communications, Inc. v. West Coast Entertainment Corp., which used the same characterization where defendant used plaintiff’s mark in a metatag, represented a misunderstanding of the functioning of search engines. The court cited the many possible choices that appear on a search engine’s results page and stated that “[w]hen the link does not incorporate a competitor’s mark ‘in any way discernable to internet users

179. Id. at 550-51 (citing § 1125(c)(3)(A)(i)).
180. Id.
181. Id.
182. Id. at 552.
184. Id. at 1163-65.
185. Id. at 1157.
186. Id. at 1170. See, e.g., Rescuecom Corp. v. Google, Inc., 562 F.3d 123, 127 (2d Cir. 2009).
187. 1-800 Contact Lens, 755 F. Supp. 2d. at 1181-82.
188. Brookfield Commc’ns, Inc. v. W. Coast Ent. Corp., 174 F.3d 1036 (9th Cir. 1999).
189. 1-800 Contact Lens, 755 F. Supp. 2d at 1172-73. The Brookfield opinion found “initial interest confusion” as a result of the “bait and switch.” Brookfield, 174 F.3d at 1162. More recently, the Ninth Circuit distinguished Brookfield in Network Automation, Inc. v. Advanced System Concepts, Inc., 638 F.3d 1137, 1148-49 (9th Cir. 2011) in a manner that hinted that criticisms of Brookfield may be gaining traction in that court.
and potential customers,’ there is ‘no opportunity to confuse . . . .’”190
The court further stated that imposing liability “would result in an anti-
competitive, monopolistic protection, to which [plaintiff] is not entitled.”191 Thus, the mere use of plaintiff’s trademark to trigger a
linked ad could not be deemed infringing.192 When the court analyzed
the factors of confusion, it found that sponsored links not containing
plaintiff’s mark were not likely to cause confusion.193 However, some
advertisements generated by defendant’s affiliates did contain plaintiff’s
mark and, as to those, the court found likely confusion.194 The
“affiliates” were not necessarily entities known to defendant, however,
leading to the discussion of secondary liability.195

In an analysis similar to that of Rosetta Stone,196 the court
concluded that defendant did not exercise control over the wording of
the affiliate’s advertisement and, therefore, could not be held vicariously
liable to those acts.197 Furthermore, there was no evidence of
inducement, thus eliminating one branch of contributory liability.198 As
to the second branch—continuing to deal with the infringer with
knowledge (“know or should have known”) of its infringement—only a
small subset of the affiliate ads directly infringed.199 Also, the plaintiff
failed to provide sufficient information for defendant to identify the
infringers.200 Defendant had taken steps to identify the offenders after
the suit was brought, but the court found that it lacked sufficient
information to do so and to stop the infringement.201 This result is
consistent with both Rosetta Stone202 and Tiffany,203 which refused to
impose liability based on generalized knowledge of infringement by
others.204

2007)).
191. Id. at 1174.
192. Id.
193. Id. at 1175.
194. Id. at 1182.
195. Id.
197. 1-800 Contact Lens, 755 F. Supp. at 1183-84.
198. Id. at 1185.
199. Id.
200. Id. at 1186-87.
201. Id. at 1187.
203. Tiffany (NJ) Inc. v. eBay, Inc., 600 F.3d 93, 107 (2d Cir. 2010), cert. denied, 131 S. Ct.
647 (2010).
204. 1-800 Contact Lens, 755 F. Supp. 2d at 1184-87.

https://ideaexchange.uakron.edu/akronintellectualproperty/vole6/iss1/3
Thus far, while courts appear to be finding the purchase of keywords to satisfy the use in commerce requirement, they are not inclined to impose liability on Google or its advertisers. An exception may be where the sponsored link displays plaintiff’s mark in a confusing manner, and then liability would only be on the offending advertiser.

Google also triumphed, at least partly, in Europe, although on different grounds. In Google France S.A.R.L. v. Louis Vuitton Malletier, the European Court of Justice held that the sale of trademarks as keywords was not a “use in the course of trade,” and therefore was not actionable for confusion under European trademark law.

VIII. RIGHTS OF PUBLICITY AND THE “COMMERCIALIZATION” OF AN IMAGE

Rights of publicity, which might be called a form of individual branding, raise numerous issues, some of which are unique, others of which are infused with issues from trademark and copyright. The problems in this area are compounded by the primacy of non-uniform state laws, as opposed to federal laws which are applicable in most other areas of intellectual property. Over the past year or so, several cases have tested the divide between using the celebrity image as an informational vehicle, which is normally considered protected speech, and using it as a commercial vehicle, which is normally actionable. This balancing act is not a new one, but recent cases present it in some new and interesting ways.

A good example of the problem was Keller v. Electronic Arts, Inc. Keller challenged the unauthorized use by Electronic Arts (EA) of the likenesses of various college football players in a video game. Under California law, which applied to Keller’s claim against EA, one key is whether the use is considered “transformative,” in which case it is

206. Id.
207. Id. However, the ECJ held that the advertiser’s purchase of the keyword was a “use in the course of trade” and thus potentially actionable. Id. If the advertiser were to be liable even in the absence of confusion, then the AdWords program would not work. European law allows an infringement claim if one makes an unauthorized use of a mark that is identical to a registered mark. Id.
209. Id. at 1132. EA actually licensed the use, but not from the players; it obtained a license from the National Collegiate Athletic Association and Collegiate Licensing Company. EA did not use the actual names of the athletes in the game, though consumers may be able to obtain that information online and input it into the game. Id. at 1132.
fully protected by the First Amendment. Here, the court held that the use was not sufficiently transformative to claim protection. The court stressed the realism of the video game setting and the close copying of plaintiff’s virtual identity as a quarterback at Arizona State University into the game. The court also rejected the argument that the game, broadly speaking, was transformative, focusing instead on its depiction of the plaintiffs. This emphasis on realism tracked the California Supreme Court’s ruling in Comedy III Productions, Inc. v. Saderup, where the court upheld a claim where the use was considered a literal depiction of the Three Stooges in a photographic manner (although the use was not a photograph, but a drawing) on lithographs and t-shirts. The use in Keller, however, extends Saderup because each depiction is not sold by itself. Rather, the various player depictions are part of a larger whole in which each player is a relatively small component.

The court then turned to the asserted public interest defense. EA compared its use to the use of major league player names and statistics, video clips, and game programs on the Major League Baseball website. However, the court found the comparison to what it termed “presentations of historical data” with a video game inapposite. The court also distinguished a more commercial use, the use of player names and statistics in fantasy leagues, which the Eighth Circuit permitted in C.B.C. Distribution & Marketing v. Major League Baseball Advanced Media, L.P. Here, the distinction was less clear; the court thought that because EA’s game used “the virtual players,” there was a significant difference in the analysis, though it did not explain why.

211. Keller, 94 U.S.P.Q.2d at 1134.
212. Id.
213. Id.
215. Id. at 407-09.
216. Keller, 94 U.S.P.Q.2d at 1135. In a later case, on very similar facts, a district court in New Jersey ruled that the use in a video game was transformative. Hart v. Elec. Arts, Inc., Civil Action No. 09–cv–5990 (FLW), 2011 WL 4005350 (D.N.J. 2011). Unlike Keller, Hart was decided on a more complete record. Id. at *24 (noting the difference).
218. Id.
221. Id.
A related issue was discussed in *Dryer v. National Football League*,224 where former football players sued the NFL for using video footage from games as part of a series of videos used to promote the NFL.225 As in *Keller*, the primary issue was whether the defendant’s actions were protected speech.226 In *Dryer*, the court viewed the problem as whether the use would be considered commercial speech, which would give it less protection than ordinary speech.227 The issue of commercial speech and rights of publicity is not new. The Ninth Circuit discussed the issue in *Hoffman v. Capital Cities/ABC, Inc.*,228 and took a narrow view of commercial speech—that it is speech that “does not more than propose a commercial transaction.”229 However, courts have not always agreed on the proper definition of commercial speech. The *Dryer* court chose to use a three-part test derived from an Eighth Circuit case,230 which looks at (1) whether the speech in question is an advertisement, (2) whether it refers to a specific product or service, and (3) the economic motivation of the speaker.231 Although the Eighth Circuit had previously held that using player names and statistics in a fantasy league was protected speech,232 the *Dryer* court believed that those cases were distinguishable.233 The court asserted that the prior cases only used “information [that] was already in the public domain.”234 The court also distinguished the California Court of Appeal ruling in *Gionfriddo v. Major League Baseball*,235 in which the court dismissed a claim that Major League Baseball’s use of photographs and video clips on its web site violated plaintiff’s right of publicity, notwithstanding the promotional aspect of the use.236 Although it acknowledged the similarity of the two cases, the *Dryer* court stated that “the *Gionfriddo* court did not consider or comment on whether the challenged uses . . . constituted an advertisement for the purposes of the commercial speech
inquiry.”237 Thus, the court denied the NFL’s motion for judgment on the pleadings.238

*Keller* and *Dryer* indicate that courts may be inclined to protect rights of publicity where the use is a mixture of information and promotion or commerciality.239 However, both cases were decided on the pleadings, not on a full record, and only held that the plaintiffs had stated a claim.240 Therefore, one must read them with a certain amount of caution. Additionally, the courts of appeals have yet to be heard from in these cases. They are worth watching.

**IX. POSTSCRIPT: BOOP BOOP BE DOOP, OR THE NINTH CIRCUIT TRADEMARK TWO-STEP**

In early 2011, the Ninth Circuit issued an opinion in *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*241 that looked to be a significant revival and expansion of the aesthetic functionality doctrine the court discussed more than thirty years before in *International Order of Job’s Daughters v. Lindeburg & Co.*242 *Fleischer* involved the copyright and trademark rights to the Betty Boop character and name, created in 1930.243 On the issue of trademark rights, the Ninth Circuit held that *Job’s Daughters* was “directly applicable” to the case.244 Because defendant was using the Betty Boop character as ornamentation (or as the product itself) for its own aesthetic value, not as a source identifier for defendant’s goods, the court held the use to be aesthetically functional.245 Potentially, *Fleischer* could have rendered many uses of images and characters (e.g., Mickey Mouse) non-infringing (assuming the absence of a valid copyright!). *Fleischer* also leads to interesting questions about the distinction between this use of aesthetic functionality and the rejection of

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238. Id. at 1121.
239. Note that, as of this writing, the *Keller* decision is on appeal, and the issue of rights of publicity of college athletes is the subject of a multi-plaintiff, multidistrict litigation. *See In re NCAA Student-Athlete Name & Likeness Licensing Litig., No. C 09–1967 CW, 2011 WL 1642256 (N.D. Cal. May 2, 2011).*
241. *Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 636 F.3d 1115 (9th Cir. 2011), opinion withdrawn and superseded on denial of reh’g, 654 F.3d 958 (9th Cir. 2011).*
242. *Int’l Order of Job’s Daughters v. Lindeburg & Co., 633 F.2d 912 (9th Cir. 1980).*
244. *Id.* at 1124.
245. *Id.* The court also cited the Supreme Court’s opinion in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), for the proposition that trademark law cannot be used to preclude a copyrighted image from entering the public domain. *Fleischer*, 636 F.3d at 1124-25.
the application of that doctrine in *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.* 246 Though the two cases are potentially distinguishable—*Fleischer* involved a character, 247 whereas *Au-Tomotive Gold* involved a word (and logo) mark 248—discerning the boundaries of the two cases would have been an interesting task for lower courts.

However, that problem was avoided when the Ninth Circuit subsequently withdrew the opinion, replacing it with one that came to almost the same result but on a different rationale (at least for the trademark claims). 249 The new opinion held that plaintiff’s evidence of trademark registration of the image was untimely, and that its evidence of secondary meaning was legally insufficient. 250 The court then found issues of fact remaining on the issue of validity and infringement of the word mark “Betty Boop,” and remanded to the district court. 251 Thus, the aesthetic functionality issue must await another day, although the original opinion is a tantalizing preview of a possible future opinion.

247. *Fleischer*, 636 F.3d at 1117.
248. *Au-Tomotive*, 457 F.3d at 1064. See also *Fleischer*, 636 F.3d at 1173-74 (“there is no evidence that consumers buy Auto Gold’s products solely because of their ‘intrinsic’ aesthetic appeal. Instead, the alleged aesthetic function is indistinguishable from and tied to the mark’s source-identifying nature”).
249. *Fleischer Studios, Inc. v. A.V.E.L.A. Inc.*, 654 F.3d 958, 966 (9th Cir. 2011). Apparently, a motion for rehearing and rehearing en banc was made, but mooted by the new opinion. *Id.* at 960.
250. *Id.* at 966. The court held that without the presumption of validity afforded by registration, plaintiff had to show secondary meaning. *Id.* The court offered no explanation for why the image could not be inherently distinctive, although the Supreme Court’s opinion in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000), could be the answer.