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# A Masterclass in Trademark's Descriptive Fair Use Defense

Deborah R. Gerhardt

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## A MASTERCLASS IN TRADEMARK’S DESCRIPTIVE FAIR USE DEFENSE

*Deborah R. Gerhardt\**

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### ABSTRACT

*When judges decide trademark cases, they often must balance trademark rights against interests in free expression. The defense known as “classic” or “descriptive” fair use embraces the foundational themes that make trademark conflicts so compelling. By design, the defense pits fair competition and free speech against a mark owner’s right to control its story, reputation, and values. The outcome of this tug of war may be hard to predict. It turns on consumer perception, and therefore, generally raises questions of fact. But in Mars, Inc. v. J.M. Smucker Co., this fact intensive question was decided as a matter of law. The intensely competitive business of pet products sets the stage for the expressive*

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*battle. Mars, Inc. had been using the trademark “Pill Pockets” on a patented treat for hiding and delivering medicine to pets. When the patents expired, The J.M. Smucker Company entered the market with “pillpouches.” Mars sued for trademark infringement, and Smucker held up the shield of descriptive fair use. This defense enumerates three factors designed to help courts weigh the interests of consumers, competitors, and mark owners. The Court granted summary judgment for the Defendant. A close study of the strategic choices leading to the decision reveals the critical importance of articulating the difference between the first two elements, descriptive and trademark use of a term. They are not mutually exclusive opposites. Understanding the particular trademark meaning of bad faith, the third element, is necessary in order to select the best evidence to support it. Winning such a fact intensive issue on summary judgment is not easy. Perhaps in this case, a win could have been averted. This Article offers a master class on descriptive fair use by examining the parties’ litigation strategies and how they influenced the Court’s decision.*

## I. INTRODUCTION

The *Mars, Inc. v. J.M. Smucker Co.*<sup>1</sup> decision from the Eastern District of Virginia provides a master class in trademark’s expressive safe harbor known as “classic” or “descriptive” fair use. Judges deciding trademark cases must often balance trademark rights against expressive interests. The Supremacy Clause of the U.S. Constitution may tempt us into thinking that First Amendment expressive freedoms will always trump statutory or common law trademark rights. But that is not always the case. All of trademark law functions as an exception to free speech by reserving some expressive uses exclusively for trademark owners. Trademark fair use doctrine involves careful balancing of a mark owner’s right to protect its reputation against the rights of competitors to compete fairly and effectively so that consumers will have access to accurate, informative speech that is not bounded by monopolies on descriptive words.

Trademark litigation revolves around consumer perceptions which often present complex questions of fact. Consequently, it is not easy to win trademark cases on summary judgment. But they are winnable, and the pitched battle between Mars and Smucker over the name of a pet treat shows how it can be done. This article gives a master class in the

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1. No. 1:16-CV-01451, 2017 WL 4323582, at \*3–4 (E.D. Va. Sept. 27, 2017). (Hereinafter, Mars, Inc. is referred to as “Mars” and The J.M. Smucker Company is referred to as “Smucker”).

descriptive fair use defense by analyzing the litigation strategies that led to the Court's decision. The master class proceeds in three parts. Part I tells the Pill Pockets story. Part II explains how the descriptive fair use defense works to support the foundational trademark principals of fair competition. Part III illustrates how descriptive fair use can be used to achieve victory on summary judgment and summarizes what the Pill Pockets story teaches about trademark selection and the descriptive fair use defense.

## II. THE PILL POCKETS STORY

The conflict in *Mars, Inc. v. J.M. Smucker Co.* involved the words used to describe treats that surround medicine to make it more palatable for pets. The story of the Mars product began like many entrepreneurial successes—with an everyday crisis. Bryan McGann's golden retriever needed medicine and would not swallow it.<sup>2</sup> Bryan could get a pill in his dog's mouth if he delivered it in cheese, but his dog found creative ways to eat the cheese but not the medicine.<sup>3</sup> This issue was far from unique. In the late '90s, pet pill ingestion rates were a common problem. In trying to find a solution, McGann learned that trying to trick his dog with food wrapped around the medicine did not work because his dog could smell the pill after he handled it with his fingers and then touched the surrounding food.<sup>4</sup> This insight was the secret to his entrepreneurial breakthrough.<sup>5</sup> McGann realized that if he formed a dog treat into a pocket before touching the medicine, he could place the pill in the treat with one hand and shut the treat around the medicine with the other.<sup>6</sup> The pill would be wholly encased, and the treat (untouched on the outside by the medicine) would not smell like the pill.<sup>7</sup> He found that with this process, pets were much more likely to consume both the treat and the medicine. The pocket shape was the secret to the treat's success.

Like many entrepreneurial stories, this one had its share of delays and obstacles. McGann sought patent counsel and found that the United States Patent and Trademark Office ("USPTO") had issued a patent in 1989 to Robert Harold for "a food product for administering medication

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2. See Pete McEntegart, *Head of Duke Startup Ventures Clinic Has Worn Many Hats*, GREPBEAT: TRIANGLE TECH NEWS (Sep. 4, 2018), <https://grepbeat.com/2018/09/04/duke-startup-ventures-clinic-head-has-worn-many-hats/> [<https://perma.cc/S3R2-QDT9>].

3. *See id.*

4. *See id.*

5. *See id.*

6. *See id.*

7. *See id.*

to animals.”<sup>8</sup> Harold’s patent used the words “pill pockets” to describe the invention.<sup>9</sup> The patent did not encompass all of McGann’s discoveries, but it was close enough to potentially block him from proceeding.<sup>10</sup> Undeterred, McGann contacted Robert Harold and learned he had been in an accident and had not been able to devote resources to commercializing his invention.<sup>11</sup> They cut a deal, and McGann purchased the patent rights.<sup>12</sup> Then McGann was accepted to law school, and his patent sat in a drawer for three years.<sup>13</sup>

In 2000, Linda Hayden, the holder of another related patent,<sup>14</sup> applied to register the words “pill pocket” as a trademark for an “[i]ngestible pouch sold empty for use in encapsulating and aiding in the oral administration of medications and vitamins.”<sup>15</sup> The original trademark application was filed based on her intent to use the mark in commerce.<sup>16</sup> McGann joined forces with Linda Hayden in late 2001 after she introduced him to investors in Colorado who agreed to fund commercialization of their venture.<sup>17</sup> On September 20, 2002, Hayden sent the USPTO a statement alleging use of the “Pill Pockets” mark in commerce, and in 2003, she assigned the mark to Pill Pockets, Inc., the company she formed with McGann.<sup>18</sup>

Pill Pockets were a huge success. In 2005, S&M NuTec, the developer and owner of the Greenies pet product brand, acquired Pill Pockets Inc.,<sup>19</sup> and in 2006, Mars acquired S&M NuTec, becoming the owner of both the Greenies and Pill Pockets brands.<sup>20</sup>

After the patents expired, the product continued to be a commercial success. The door to competition was open and compelling. In August 2016, Smucker—the owner of the Milk Bone dog biscuit brand—

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8. U.S. Patent No. 4,857,333 (filed May 12, 1988)(“The treat may be provided in a variety of shapes and sizes as long as the treats are chewable and include *pill pockets*.”)(emphasis added).

9. U.S. Patent No. 4,857,33 at col. 2 11. 42-55 (filed May 12, 1988).

10. See *id.*

11. See McEntegart, *supra* note 2.

12. See *id.*

13. See *id.*

14. U.S. Patent No. 6,143,316 (filed September 6, 1996).

15. PILL POCKETS, Registration No. 2,673,252.

16. See *id.* (application filing date: Nov. 06, 2000, registration date: Jan. 07, 2003).

17. Email from Bryan McGann to Deborah Gerhardt (Feb. 2, 2019) (on file with author).

18. *Id.*

19. *Developer of Greenies Acquires Healthy Pet Treat for Pill Delivery*, BUS. WIRE (Apr. 18, 2005, 09:00 AM), <https://www.businesswire.com/news/home/20050418005070/en/Developer-Greenies-Acquires-Healthy-Pet-Treat-Pill> [<https://perma.cc/S6HN-B9FX>].

20. See *Mars to Buy Greenies’ Maker S&M NuTec*, PET PRODUCT NEWS (Sep. 19, 2006, 03:47 PM), <http://www.petproductnews.com/September-2006/Mars-To-Buy-Greenies-Maker-S-M-NuTec/> [<https://perma.cc/RR3T-5Y8Y>].

bulldozed through it. They began selling a competitive product called “pillpouches.”<sup>21</sup> Examples of the product packaging used by both companies appear below:



Mars decided that the product names were so similar that consumers would be confused, and it sued Smucker for trademark infringement.<sup>22</sup> The resolution of the dispute provides a model for understanding and strategically working with trademark law’s descriptive fair use defense.

## II. THE DESCRIPTIVE FAIR USE DEFENSE

The Lanham Act was enacted to promote fair competition, and therefore, does not create unbounded monopolies.<sup>23</sup> Because trademark protection creates a zone of exclusivity, Congress limited protections for words that competitors may need to name or describe their products and services.<sup>24</sup> One of the important protections available to new market players is the descriptive fair use defense. The defense originates in foundational trademark principles. For a trademark to be protected under the Lanham Act, it must be “distinctive,” meaning that it must signal to consumers that the product or service comes from a particular company,

21. Memorandum in Support of Defendants’ Motion for Summary Judgment at 3, Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582 (E.D. Va. Sept. 27, 2017), EFC No. 25.

22. See Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582, at \*1 (E.D. Va. Sept. 27, 2017).

23. U.S. Shoe Corp. v. Brown Grp., Inc., 740 F. Supp. 196, 198 (S.D.N.Y.), *aff’d sub nom.* U.S. Shoe Corp. v. Brown Grp., 923 F.2d 844 (2d Cir. 1990).

24. Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 951 (7th Cir. 1992) (“The fair use doctrine is based on the principle that no one should be able to appropriate descriptive language through trademark registration.”).

even if consumers cannot name that company.<sup>25</sup> If a product name is generic, it will fail the distinctiveness test and cannot be protected as a mark because it is incapable of signaling to a consumer that the product comes from a particular source.

The Lanham Act prohibits the registration of generic terms. Generic words may not be registered as trademarks because they communicate what a product is, not who sells it.<sup>26</sup> If a product name becomes generic after it is registered, federal law also provides cancellation procedures that can be used to undo these registrations.<sup>27</sup> The question of whether a term is generic depends on the context in which it is used.<sup>28</sup> If a product name answers the question “What are you?,” the name is generic and may not be protected as a mark.<sup>29</sup> For example, “apple” is generic for the fruit and cannot be monopolized by any apple orchard. Trademark law protects competition by prohibiting any one orchard from obtaining exclusive rights in this word which all of them need. If, however, the product name answers the question “Who are you?” or “Who vouches for you?” the name can be distinctive and may be protected as a trademark.<sup>30</sup> While “apple” may not be a mark for apples, it can be registered for computers, because other sellers of computers do not need to use the word “apple” to describe or name their goods.

Creators of new unique products must be careful that their product names do not become known as generic synonyms for the products. The meaning of a term and its ability to send a distinctive trademark signal may change over time as consumer perceptions evolve. Product names that were once federally registered trademarks but are now considered generic and available to competitors include: yo-yo, aspirin, escalator, and trampoline.<sup>31</sup>

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25. See 15 U.S.C. § 1052(f) (2012).

26. See *Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999) (“[T]he name of the product or service itself—what [the product] is, and as such . . . the very antithesis of a mark.”).

27. See 15 U.S.C. § 1064 (2012).

28. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (“[A] term that is in one category for a particular product may be in quite a different one for another.”).

29. See *Filipino Yellow Pages, Inc.*, 198 F.3d at 1147.

30. *Id.*

31. See *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 668 (7th Cir. 1965) (holding that “yo-yo” is no longer a valid trademark); *Bayer Co. v. United Drug Co.*, 272 F. 505, 515–16 (S.D.N.Y. 1921) (allowing competitor to market its drug to the public under the term Aspirin since the word had already entered into public domain); Commissioner of Patents, *Haughton Elevator Co. v. Seeberger, etc.*, 40 TRADEMARK REP. 326, 326–27 (1950) (cancelling 50-year-old registration for Escalator); *Nissen Trampoline Co. v. Am. Trampoline Co.*, 193 F. Supp. 745, 755–56 (S.D. Iowa 1961) (holding that the term Trampoline is “generic and in the public domain and cannot be exclusively appropriated for trademark usage”).

The Lanham Act also limits trademark rights in descriptive terms.<sup>32</sup> In addition to being more difficult to obtain, these trademarks are more difficult to enforce. The Act poses a high burden when an applicant seeks to register a descriptive mark in order to avoid unfair monopolies on words that competitors need to define their products and services. A mark will be deemed descriptive if it “conveys an immediate idea of the ingredients, qualities or characteristics of the goods.”<sup>33</sup> In trademark law, a word or design may be classified as descriptive if it references any feature of the claimed goods and services, such as an ingredient, flavor, quality, characteristic, function, purpose, or use of the specified goods or services.<sup>34</sup> A mark need not name the product or even a visual feature to be deemed descriptive. For example, the USPTO found that “apple pie” was descriptive of potpourri that was designed to smell like apple pie.<sup>35</sup> Because the term described the product’s purpose—to emit the scent of apple pie—the mark was deemed merely descriptive and unregistrable.<sup>36</sup> Marks that fall into this category are weaker than other marks. When a mark incorporates a descriptive term, the USPTO generally requires an applicant to disclaim any exclusive right in the descriptive word. An applicant who registered “Apple Twister” for a sweet apple treat was first required to state that it did not claim any exclusive right to the word “apple.”<sup>37</sup>

The Lanham Act permits registration of descriptive marks only if the applicant provides evidence that although the words are descriptive, they still signal that the applicant is the source.<sup>38</sup> Exclusive use of the descriptive words for five years may be sufficient proof.<sup>39</sup> Federal trademark applications composed entirely of descriptive terms are generally denied registration unless the applicant submits evidence of acquired distinctiveness, also known as secondary meaning.<sup>40</sup> An application to register “Crispy Apple Fries” for dried apples was denied because the mark “merely describes a feature and ingredient of applicant’s goods” and the applicant did not submit evidence that consumers

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32. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976).

33. *Id.* at 11 (quoting *Stix Prods. v. United Merchants & Mfrs., Inc.*, 259 F. Supp. 479, 488 (S.D.N.Y. 1968)).

34. See *In re Gyulay*, 820 F.2d 1216, 1217 (Fed. Cir. 1987).

35. *Id.* at 1216–17.

36. *Id.* at 1218.

37. APPLE TWISTER, Registration No. 4,432,856

38. 15 U.S.C. § 1052(f) (2012).

39. *Id.* § 1052(f).

40. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15.1 (4<sup>th</sup> ed. 2017).



perceived the mark as a source identifier.<sup>41</sup> A mark that fails to qualify for the Principal Register may be placed on the less desirable Supplemental Register.<sup>42</sup> When an applicant cannot establish that its mark is inherently distinctive, the mark may still obtain a place on the Supplemental Register.<sup>43</sup> If the mark ever acquires secondary meaning, the applicant may reapply to register the term.<sup>44</sup>

Once the applicant demonstrates that consumers consider the descriptive mark to be distinctive, the mark may be moved to the Principal Register. Owners of registered marks may assert trademark infringement claims if a competitor uses the mark in a way that causes confusion about the source, sponsorship, or affiliation between the mark owner and the new entrant.<sup>45</sup> A parallel provision in the Lanham Act permits trademark infringement claims to be asserted even for descriptive marks that have not been federally registered if the mark owner can prove the term is commercially distinctive.<sup>46</sup>

Trademark law provides several fair use defenses for protecting businesses that use words which others have registered as trademarks. The nominative fair use defense protects those who use another's trademark to refer to the trademark owner or its products.<sup>47</sup> This defense would protect a teacher that provides lessons on how to use Apple software, as long as she used Apple's marks only to describe her services and not in a way that falsely suggests sponsorship or an affiliation with the company.

The descriptive fair use defense applies in a different context, where the junior user is using a descriptive word to explain its own product rather than referring to the senior user. It shields competitors from liability when they use descriptive words in good faith to explain their own product features, even if those same descriptive words have been claimed by a competitor as a trademark.<sup>48</sup> Section 33(b)(4) of the Lanham Act created this safe harbor from infringement liability when words or symbols are used "otherwise than as a mark, . . . [as] a term or device which is

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41. Office Action, U.S. Trademark Application Serial No. 87/124,023 (filed Aug. 2, 2016).

42. 15 U.S.C. § 1091(a) (2012).

43. *Id.* § 1095.

44. *See id.*

45. 15 U.S.C. §§ 1114, 1125(a) (2012).

46. *See id.* § 1125(a).

47. *See* Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 228 (3d Cir. 2005); *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

48. *U.S. Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 197–98 (S.D.N.Y.), *aff'd sub nom.* *U.S. Shoe Corp. v. Brown Grp.*, 923 F.2d 844 (2d Cir. 1990) ("The purpose of the defense is to prevent the trademark rights of one party from being extended to preclude another party from the description of his product to the public.").

descriptive of and used fairly and in good faith only to describe the goods or services of such party[.]”<sup>49</sup>

Given the Lanham Act’s recognition of the descriptive fair use defense, any business that chooses descriptive words for its mark must accept the foreseeable market consequences. The words in descriptive marks always remain vulnerable to competitive uses. Therefore, descriptive marks are incapable of having a protectable and unique space in a competitive field. By choosing a descriptive mark, a brand owner assumes the risk that its words may be used by its competitors. McCarthy explains this risk as follows:

By choosing a descriptive term, the trademark owner must live with the result that everyone else in the marketplace remains free to use the term in its original “primary” or descriptive sense. A junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark. The only right of exclusion that trademark law creates in a descriptive word is in the secondary, new, “trademark” meaning of the word that plaintiff has created. The original, descriptive primary meaning is always available for use by others to describe their goods, in the interest of free competition.<sup>50</sup>

Given the defense, the burden of protecting descriptive marks is higher than it would be for a more distinctive term. Even if a mark owner proves that a new entrant’s use is confusing, the expressive fair use defense may protect the use. As the Supreme Court explained in *KP Permanent Make-Up, Inc. v. Lasting Impression*, “the common law of unfair competition also tolerated some degree of confusion from a descriptive use of words contained in another person’s trademark.”<sup>51</sup> Tolerating some confusing uses is the price an applicant must pay for choosing a descriptive term as a mark. “When the plaintiff chooses a mark with descriptive qualities, the fair use doctrine recognizes that ‘he cannot altogether exclude some kinds of competing uses,’ particularly those which use words in their primary descriptive and non-trademark sense.”<sup>52</sup> While descriptive marks send both descriptive and source-signifying messages, a new entrant charged with infringement must demonstrate its use is only descriptive.

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49. 15 U.S.C. § 1115(b)(4) (2012).

50. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11.45 (5th ed. 2018).

51. 543 U.S. 111, 119 (2004).

52. *U.S. Shoe*, 740 F. Supp. at 198 (quoting *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 12 (2d Cir.1976)).

The descriptive fair use defense permits mark owners to protect the secondary brand meaning they created while still permitting everyone else to use the same words for their original descriptive meaning.<sup>53</sup> Trademark infringement matters can play out differently when brought by owners of descriptive marks. In these cases, courts often tolerate more confusion, because the senior user's trademark interests are balance against the competitor's expressive interest in truthfully describing its product to consumers.

### III. STRATEGIC LESSONS ON EACH DESCRIPTIVE FAIR USE ELEMENT

Descriptive fair use is an affirmative defense that trademark defendants may use to shield themselves from infringement liability. To gain its protection, a junior user must establish three elements: that it used the contested words “(1) other than as a mark, (2) in a descriptive sense, and (3) in good faith.”<sup>54</sup> This section examines each of these three elements separately to illustrate strategic lessons that may be drawn from Smucker's effective use of this defense and Mars' failure to defeat it.

#### A. *Descriptive Use*

In asserting a descriptive fair use defense, a junior user must prove it is using its mark descriptively but not as a mark. Determining the difference between trademark and descriptive use can be tricky. In order to analyze the defense correctly, one must be careful to distinguish the first two prongs of the test and not to conflate them into one. Trademark use occurs when a symbol reflects a product's source or origin.<sup>55</sup> Descriptive use occurs when one uses a term that describes the product's “qualities, ingredients or characteristics”<sup>56</sup> or an action the alleged infringer hopes consumers will make<sup>57</sup> with the product. While the senior user's mark may both describe the product and indicate source, the junior user's fair use defense depends on the ability to prove that the use is

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53. *Id.* at 199 (“A user of a descriptive word may acquire the exclusive right to use that descriptive word as an identifier of the product or source. This, however, does not justify barring others from using the words in good faith for descriptive purposes pertinent to their products.” (emphasis in original)).

54. *Kelly-Brown v. Winfrey*, 717 F.3d 295, 303 (2d Cir. 2013) (quoting *JA Apparel Corp. v. Abboud*, 568 F.3d 390, 400 (2d Cir. 2009)).

55. *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 424 (S.D.N.Y. 2008), *aff'd*, 329 F. App'x 333 (2d Cir. 2009).

56. *In re Colonial Stores Inc.*, 394 F.2d 549, 551 (C.C.P.A. 1968).

57. *Dessert Beauty*, 568 F. Supp. 2d at 425 (quoting *EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopolos Inc.*, 228 F.3d 56, 65 (2d Cir. 2000)).

descriptive but not a trademark use that signals source. Therefore, in assessing descriptive fair use, it is important to keep in mind that descriptive use and trademark use can coexist, but if a defendant engages in both uses, it will not be able to take advantage of the defense.<sup>58</sup>

For the first element of the descriptive fair use test, a finding that the defendant engaged in *descriptive* use of the contested term is a necessary prerequisite. Descriptive fair use may be predicated on any use that proclaims a product feature. Courts examine this question contextually by considering the meaning of the word, how it relates to the particular product or service, and whether it is used descriptively. Although courts have attempted to develop heuristics to answer this question, there are no litmus tests. However, there are some factors that may impact a finding of descriptiveness.

The typicality of a phrase may suggest descriptiveness. When a cosmetics company used the words “Seal it with a Kiss” in a promotional activity instructing consumers to seal a complimentary postcard with a kiss using its lipstick,<sup>59</sup> the Court held that use of this common phrase was descriptive because it was used to “describe an action that the sellers hope consumers will take, using their product.”<sup>60</sup> The common use of the phrase in this context was a factor the Court weighed in favor of descriptiveness.

Use of a visually prominent and well known house mark sometimes suggests that consumers would consider smaller less noticeable text to be used descriptively.<sup>61</sup> In *U.S. Shoe v. Brown* and *Dessert Beauty v. Fox*, the courts indicated that the use of more prominent and famous house marks would lead consumers to perceive the challenged words as descriptive.<sup>62</sup> The use of the word “inhibitor” (a competitor’s mark) in connection with

58. *Sorensen v. WD-40 Co.*, 792 F.3d 712, 723 (7th Cir. 2015) (“[A]s McCarthy makes clear, the use of a term by other sellers of similar goods is an indicia of the *descriptiveness* of the term, not of its being used in a non-trademark manner.” (quoting MCCARTHY, *supra* note 40 § 11.20)).

59. *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond’s USA Co.*, 125 F.3d 28, 30 (2d Cir. 1997).

60. *Id.*

61. *Id.* at 30–31. *See* *Schafer Co. v. Innco Mgmt. Corp.*, 995 F.2d 1064 (4th Cir. 1993), *aff’d* 797 F. Supp. 477 (E.D.N.C. 1992) (granting defendant summary judgment based on the conclusion that defendant’s use was descriptive fair use because the use reflected a descriptive meaning that preexisted the plaintiff’s trademark, the term did not resemble plaintiff’s visual depiction of its trademark, and defendant prominently displayed its own tradename and logo in connection with the challenged term).

62. *U.S. Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 197 (S.D.N.Y.), *aff’d sub nom.* *U.S. Shoe Corp. v. Brown Grp.*, 923 F.2d 844 (2d Cir. 1990) (“The ad includes the NaturalSport logo, the slogan, Walk Our Way and the words From Naturalizer, which defendant uses to advertise other styles of shoe in the NaturalSport line.”); *see* *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 421 (S.D.N.Y. 2008), *aff’d*, 329 F. App’x 333 (2d Cir. 2009).

its WD-40 mark was insulated from liability based on descriptive fair use.<sup>63</sup> The Court noted that “inhibitor” described a product feature and the packaging displayed the well-known WD-40 mark in larger more prominent typeface.<sup>64</sup>

Mars’s counsel might have earned some credibility with the Court by conceding that the term “pillpouches” is descriptive of the defendant’s product. As noted above, descriptiveness can be predicated on a product’s purpose or function, and Smucker’s product was intended to be used to form a pouch to hold a pill. Mars would not concede even this element.

Instead, Mars argued dodged the question by contending that “pillpouches” was misdescriptive because the Smucker’s product comes out of the bag as a tube and must be formed into a pouch after a consumer takes it from the package.<sup>65</sup> Unlike Mars’s Pill Pockets, Smucker’s product must be pinched at both ends.<sup>66</sup> The argument was a good one, (and will be revisited in discussing the third fair use prong), but it was not effective here given trademark doctrine’s broad view of descriptiveness. Ultimately, a consumer would pinch one end of the Smucker’s treat to form a pouch. Based on loads of precedent, one might easily conclude that pill pouches described a purpose for which Smucker’s intended consumers to use its product. Given this precedent, Mars’ strategy on this element was not well conceived. Its conception of descriptiveness failed to embrace the idea that a product may be descriptive if it identifies the purpose for using a product.

The District Court found Smucker’s use of “pillpouches” to be descriptive, noting that it “alludes to that term’s primary meaning to describe the product’s . . . function.”<sup>67</sup> The misdescriptive argument was not a winning strategy, partly because Mars and its predecessors in interest had used both “pill” and “pouch” to describe their product. The Harold patent referred to a “pill” pockets for delivering medicine.<sup>68</sup> The Pill Pockets trademark application used the words “pill pouches” as a generic synonym in its description of goods and services.<sup>69</sup> And as illustrated

63. *Sorensen v. WD-40 Co.*, 792 F.3d 712, 724 (7th Cir. 2015) (“Due to the word’s small size, plain color, and non-privileged placement on the bottle, we find that ‘inhibitor’ is not an ‘attention-getting symbol,’ and does not function as a source indicator.”).

64. *See id.*

65. Plaintiffs’ Opposition to Defendants’ Motion for Summary Judgment 25-26, *Mars, Inc. v. J.M. Smucker Co.*, No. 1:16-CV-01451, 2017 WL 4323582 (E.D. Va. Sept. 27, 2017), EFC No. 27.

66. *See id.*

67. *Mars, Inc. v. J.M. Smucker Co.*, No. 1:16-CV-01451, 2017 WL 4323582, at \*3 (E.D. Va. Sept. 27, 2017).

68. *See, e.g.*, U.S. Patent No. 6,143,316 at col. 2 l. 4 (filed Sept. 6, 1996).

69. U.S. Trademark Application Serial No. 78/034,057 (filed Nov. 6, 2000) (describing the goods as an “ingestible pouch”).



below, Mars’s Pill Pockets packaging uses both the words “pill” and “pouch” to describe features of its own product.<sup>70</sup>

Mars had also approved the use of “pill pouches” as a generic synonym. When a trademark applicant described its Champion Treats product as a “pill pocket” in a trademark application, Mars objected, but dropped its opposition when the applicant changed the description of its product to a “pill pouch.”<sup>71</sup> Based on this history, a competitor trying to select a generic synonym for the “pill pocket” may have (and in this case did) settle on using “pill pouches.” Given that Mars’s own packaging used these words descriptively, it had to strike the Court as a bit odd that it was arguing that the same words *misdescribed* a competitor’s product that was used for the very same purpose.

Smucker’s lawyers effectively directed the Court’s attention to all of this substantial evidence of descriptive use. The Court was so impressed by these assertions that it seemed to conclude that the high level of descriptiveness was enough to establish the defense.<sup>72</sup> The Court concluded:

Smucker’s use of the term ‘pill pouches’ alludes to that term’s primary meaning to describe the product’s design, function, and characteristics; the visual appearances of Smucker’s Pill Pouches label and Mars’s Pill Pockets mark are dissimilar; and Smucker’s product prominently displays the MILK–BONE name and logo to avoid consumer

70. Memorandum in Support of Defendants’ Motion for Summary Judgment at 9–10, Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582 (E.D. Va. Sept. 27, 2017), EFC No. 25.

71. U.S. Trademark Application Serial No. 86/828,963 (filed Nov. 23, 2015) (CHAMPION TREATS and design).

72. *Mars*, 2017 WL 4323582, at \*3.

confusion as to origin.<sup>73</sup>

Instead of arguing that the Smucker's mark was misdescriptive, Mars could have argued that even if the Court found the mark to be descriptive, that did not preclude a finding that the product name was being used as a mark. Mars could have conceded the first factor, and focused the Court's attention on the second two elements of the descriptive fair use defense. Mars failed to convince the Court that descriptive use and use as a mark are not mutually exclusive. These concepts are not and should not be thought of as "two sides of the same coin."<sup>74</sup> Sometimes they coexist.<sup>75</sup> Sometimes they do not. All descriptive use cases involve at least one mark—the plaintiff's—that is both descriptive and used as a mark. Most often, if the products are competitive and plaintiff's use is descriptive, defendant's use will be descriptive too. That the defendant's use is descriptive should not be deemed dispositive. It is important to conduct a separate analysis of the first two descriptive fair use elements, because the even if a term is found to be descriptive, it may fail the second element if it also used as a mark. Perhaps Mars's biggest strategic error was that it failed to illuminate that distinction.

#### B. Use as a Mark

The second element requires analysis of whether the contested term is used as a mark.<sup>76</sup> Unlike the first element of descriptiveness, a defendant who fails this element cannot take advantage of the defense. One must determine whether consumers would view the term, as used, to signal source or merely to explain a product feature. Like descriptiveness, this element requires analysis of contextual use and may raise many questions of fact.

Courts have adopted a variety of approaches to decide whether a term is used as a mark. Some are more helpful than others. One Court examined "whether the defendant is using the 'term as a symbol to attract public

73. *Id.*

74. William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 85, n. 194 (2008) (citing *Whirlpool Props., Inc. v. LG Elecs. U.S.A., Inc.*, No. 1:03-cv-414, 2005 WL 3088339, at \*20 (W.D. Mich. Nov. 17, 2005) "The first issue is whether defendant used the term descriptively and not as a trademark. These questions are really two sides of the same coin.").

75. See *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 953–54 (7th Cir. 1992) (explaining it would be inaccurate to claim that "a descriptive term can *never* function as a trademark. Such a rule would not only conflate two of the three elements of fair use, it would also be contrary to the well-established doctrine that a descriptive term is protectable as a trademark to the extent it has developed secondary meaning.").

76. *Kelly-Brown v. Winfrey*, 717 F.3d 295, 303 (2d Cir. 2013) (quoting *JA Apparel Corp. v. Abboud*, 568 F.3d 390, 400 (2d Cir. 2009)).

attention.”<sup>77</sup> That is a bit of an odd standard because everything in an ad is designed to attract attention and would not likely help separate descriptive from source-identifying content. More helpfully, the second and seventh circuits have considered whether the term was used once or repeatedly across a series of products and services.<sup>78</sup>

Mars tried this approach. It did not work because Smucker’s argued that it was using the term as a generic product name, and therefore needed to repeat it for different sizes and flavors.

Repetition across multiple product types is the kind of repeated use that signals a term is used to communicate the source of the entire line. Use across multiple flavors of one product does not carry the same weight. It can just as easily state what a product is, and not who sells it. Mars offered no evidence that Smucker used “pill pouches” on a variety of different products.

Use of descriptive terms in conjunction with a famous house mark may still constitute use as a mark. For example, when Gatorade used a competitor’s mark, Thirst Aid, in the slogan Gatorade is Thirst Aid, the Court found the use to be as a mark, notwithstanding the prominent use of the house mark.<sup>79</sup> Mars did not use this decision as an analogy to make that point.

There are not many clear signals that use of a phrase is not as a mark, but to the extent they exist, they were largely absent in this case. One clear indicator is when the challenged term is imbedded in other descriptive text and is not bolded, enlarged, or otherwise set out against surrounding words.<sup>80</sup> If the words appear in a textual description similar in size and style to other descriptive text, a court may find that the term is less likely to be perceived as a mark.<sup>81</sup> In *U.S. Shoe v. Brown*, the plaintiff owned the mark “Looks Like a Pump, Feels Like a Sneaker,” for women’s

77. *Id.* at 306 (quoting *JA Apparel Corp. v. Abboud*, 568 F.3d at 400 (2d Cir. 2009)).

78. *Compare id.* at 309 (holding that use across an event, a magazine and with “‘first-ever’ of its kind” language suggested brand use), with *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 633 (7th Cir. 2001) (finding the Chicago Tribune did not use plaintiff’s registered mark “The Joy of Sex” as a mark when, after the Bulls won their sixth basketball championship, it published a newspaper headline proclaiming “The Joy of Six,” and printed the headline on promotional merchandise which included this headline and the name of the paper).

79. *Sands*, 978 F.2d at 954.

80. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. c (AM. LAW INST. 1995) (“Use of a descriptive term in textual . . . instructions . . . is ordinarily a fair use.”).

81. *See U.S. Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 199 (S.D.N.Y. 1990), *aff’d sub nom. U.S. Shoe Corp. v. Brown Grp.*, 923 F.2d 844 (2d Cir. 1990) (“Defendant’s use of the words ‘feels like a sneaker’ is not even as a caption or slogan, but as a fragment of a sentence in small print. In short, defendant uses the words ‘otherwise than as a trade or service mark[.]’”); *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 424 (S.D.N.Y. 2008), *aff’d*, 329 F. App’x 333 (2d Cir. 2009).



shoes.<sup>82</sup> The defendant ran an ad stating, “Think Of It As A Sneaker With No Strings Attached.”<sup>83</sup> The ad includes the phrase, “And when we say it feels like a sneaker, we’re not just stringing you along.”<sup>84</sup> Similarly, placing a term adjacent to larger, more prominent brand signifiers weighs against brand perception.<sup>85</sup> When defending against a claim that a term lacks distinctiveness, failing to set off the size of one’s own mark in contrast to those of others may lessen the perception that the word is used as a mark, even if it appears in stylized text. In *Frosty Treats*, the Court noted that the use of stylized text that was similar in size to text in other styles did not advance the plaintiff’s claim that the descriptive term was perceived as a trademark.<sup>86</sup>

When the disputed term is visually prominent, courts often find that such use tilts the balance towards use as a mark.<sup>87</sup> The size and style of the typeface in relation to surrounding text may signal brand significance. It is unusual to obtain summary judgment on descriptive fair use when a mark is displayed as prominently as the pill pouches designation. If a word on a label or package is set off in a different font, on a colored background, and is among the largest text on a package, the visual impact generally signals to consumers that the words have brand meaning.<sup>88</sup> Visual prominence can carry significant persuasive force. Capitalization appears

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82. *U.S. Shoe Corp.*, 740 F. Supp. at 196.

83. *Id.* at 197.

84. *Id.*

85. *See Sorensen v. WD-40 Co.*, 792 F.3d 712, 724 (7th Cir. 2015) (“Due to the word’s small size, plain color, and non-privileged placement on the bottle, we find that ‘inhibitor’ is not an ‘attention-getting symbol,’ and does not function as a source indicator.”).

86. *See Frosty Treats, Inc. v. Sony Comput. Entm’t Am., Inc.*, 426 F.3d 1001, 1004-05 (8th Cir. 2005) (“There is no indication in the record that the survey respondents (apart from the one percent) were familiar with the vans because of the small nine-by-four-inch ‘Frosty Treats’ decal on the rear portion of the side of the van, the only place where the phrase ‘Frosty Treats’ appears on the vehicle. This decal, moreover, is surrounded by numerous other decals comprising the van’s menu board.”).

87. *See Tree Tavern Prods., Inc. v. Conagra, Inc.*, 640 F. Supp. 1263, 1269 (D. Del. 1986) (finding that Side Dish for One was used as a trademark, and not descriptively, based on “prominent positioning . . . meant to attract the consumer’s attention . . . . The phrase’s bold lettering is the largest on the package. It is set off from both the house mark and the generic description, and modifies the generic description of each individual product.”).

88. *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 938 (10th Cir. 1983) (finding the words Brew Nuts were used as a mark based on packaging in which the words were “much larger than the other lettering on the package and in a different type style. The words are set off in a distinctive red-brown oval, outlined in dark brown and topped by a conspicuous white circle containing a picture of an overflowing beer stein. Below or above the oval, depending on the particular package, is the phrase actually used to describe the product: ‘sweetened salted peanuts.’”).

to matter as well.<sup>89</sup> Marks are often, but not always, capitalized. The absence of capitalization may signal that a term is generic or descriptive.<sup>90</sup> Use of a term just before a less prominent generic product name may also be deemed to signal source.<sup>91</sup> It is difficult to discern why Mars did not rely more heavily on the prominent visual appearance of “pillpouches” on Smucker’s packaging. Prominent visual appearance of words in relation to other content on a package is often important in determining whether words are used as a mark.<sup>92</sup>

The blending of two words into one can influence perception as a mark, especially when the term is also set off in a different and prominent typeface.<sup>93</sup> The lack of a space between “pill” and “pouches” on Smucker’s packaging could have been used by Mars to press this point. Mars did not include this argument in its summary judgment motion. Smucker’s packaging may have led the Court to deny summary judgment. The words “pillpouches” appear together as one word set off from the surrounding text. They also appear in the center of the package where one expects to see a mark, and in nearly the same position where Mars “Pill Pockets” mark appears on its package. The similarity of the marks and packaging, taken with this use that could be perceived as a mark, may have been enough for many courts to summarily deny summary judgment on the ground that these facts alone would be sufficient to send the questions of confusion and descriptive fair use to a jury.

Instead, Mars drew the Court’s attention to other lines in which Smucker prints its trademarks in a manner that is visually similar to its use of “pillpouches.” This strategy has been used effectively to convince courts to deny summary judgment in descriptive fair use cases.<sup>94</sup> The argument may have been effective if Mars did not also use both generic

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89. See *Adidas Am., Inc. v. Skechers USA, Inc.*, No. 3:15-CV-01741-HZ, 2017 WL 3319190, at \*24 (D. Or. Aug. 3, 2017) (use of Adidas mark “SUPERNOVA” in “all caps” deemed to be a trademark use).

90. See *Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 124 U.S.P.Q.2d 1184, \*6-10 (T.T.A.B. Sept. 6, 2017) (noting the “many instances in the record where the term ‘pretzel crisp’ is set forth in lower case” and citing this fact as indicative of a descriptive term since other brand names were routinely capitalized).

91. See *Beer Nuts*, 711 F.2d at 938.

92. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 n.6 (2004) (explaining that “the fair use analysis of KP’s employment of the stylized version of ‘microcolor’ on its brochure may differ from that of its use of the term on the bottles and flyers”).

93. *But see, in re Gould Paper Corp.*, 834 F.2d 1017, 1019 (Fed. Cir. 1987) (finding screenwipe generic).

94. See *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1040 (9th Cir. 2010) (finding a question of fact based in part on the use of Delicious in a remarkably similar way to how Victoria’s Secret “uses two of its own trademarks—PINK and VERY SEXY.”).

and trademark product names in a visually similar way. Mars could have planned ahead for that vulnerability (or tossed this argument in favor of one that might be more fruitful), but they did not. Smucker's counsel did have a plan. They waited. This strategic decision was effective because instead of arguing up front that this practice was common in the industry, they opened the door for Mars to make much out of Smucker's use of similar typeface for its registered marks and "pillpouches." Mars's counsel ran right through that door, without acknowledging that this practice was common in the industry and on Mars's own products. Smucker's reply brief showed that Mars itself displayed generic and trademarked product names in similar typeface. This evidence diffused Mars's argument and did not reflect well on the credibility of its counsel.

Use of the "TM" or "SM" symbol is perhaps the best evidence that a term will be understood as a mark. Courts frequently note that the absence of any notice and the choice not to file a trademark application may be viewed as evidence that the word or symbol was not intended to be used to designate source.<sup>95</sup> While the presence of a trademark notice or application may be dispositive, the absence generally is not deemed to carry decisive weight. But Mars gave the Court so little to work with on this prong that the Court simply noted that Smucker's did not use the "TM" symbol adjacent to the term "pillpouches"<sup>96</sup> [LB1] and never applied to register the term as a trademark with the USPTO. The Court did not discuss the visual prominence of "pillpouches."

After noting that the company had not claimed trademark rights in "pillpouches,"<sup>97</sup> the decision jumps to a discussion of the descriptive nature of the words without genuinely addressing whether a question of fact exists on whether *consumers* would perceive "pillpouches" as a brand due to its visual prominence on the package. The Court stated:

Smucker does not have a registered trademark for Pill Pouches. Smucker does not use a <sup>TM</sup> designation on its Pill Pouches label. See George & Co., 575 F.3d at 401 ("While not dispositive, the absence of a <sup>TM</sup> designation is telling."). Smucker's use of the term "pill pouches" is not used to indicate either Smucker or Mars as the source of the product, but rather to describe the purpose, function, and characteristics of the product.<sup>98</sup>

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95. *See* George & Co. v. Imagination Entm't Ltd., 575 F.3d 383, 401 ("While not dispositive, the absence of a <sup>TM</sup> designation is telling.").

96. *See* Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582, at \*3 (E.D. Va. Sept. 27, 2017).

97. *Id.*

98. *Id.*

This conclusion suggests the Court did not consider whether the “pillpouches” could be both descriptive and perceived as a brand. Virtually all uses subject to this defense will be descriptive. By conceding that point, Mars may have been able to focus the Court’s attention more directly on this second prong. By failing to clarify that a term can be both descriptive and used as a mark, Mars missed an opportunity to overcome plaintiff’s motion for summary judgment.

### C. *Bad Faith*

The third descriptive fair use factor precludes application of the defense if a defendant uses another’s mark in bad faith. In trademark law, a finding of bad faith requires proof that the junior user intentionally and unfairly tried to profit by using the plaintiff’s mark.<sup>99</sup> For example, bad faith may be predicated on facts showing that a plaintiff selected a mark because it knew the designation would trick consumers into believing that its products are sourced or sponsored by someone else.<sup>100</sup> Knowledge of another’s mark is not enough to establish bad faith.<sup>101</sup> For this reason, actual knowledge of a senior user’s prominent use or constructive knowledge based on a federal trademark registration are both insufficient to establish bad faith.<sup>102</sup> Similarly, continued use of a descriptive term after receiving a cease and desist letter will not support a finding of bad faith if the junior user has a strong argument that its use was not confusing or is protected by a trademark defense.<sup>103</sup> Uses that may remind consumers of a senior user’s product are also not necessarily in bad faith if consumers are not likely to be confused about sponsorship, affiliation, or source.<sup>104</sup> Evidence that packaging was designed to minimize the chance of consumer confusion can neutralize an allegation of bad faith.

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99. *EMI Catalogue P’ship v. Hill, Holliday, Connors, Cosmopolos Inc.*, 228 F.3d 56, 66 (2d Cir. 2000) (“Courts and commentators who have considered the question equate a lack of good faith with the subsequent user’s intent to trade on the good will of the trademark holder by creating confusion as to source or sponsorship.”).

100. *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 426 (S.D.N.Y. 2008), *aff’d*, 329 F. App’x 333 (2d Cir. 2009).

101. *Person’s Co., Ltd. v. Christman*, 900 F.2d 1565, 1570 (Fed. Cir. 1990); *see Dessert Beauty*, 568 F. Supp. 2d at 427 (stating that mere knowledge of the plaintiff’s trademark does not equate to a “lack of good faith without additional evidence supporting an inference of bad faith”).

102. *See Dessert Beauty*, 568 F. Supp. 2d at 427.

103. *See, e.g., Wonder Labs, Inc. v. Proctor & Gamble Co.*, 728 F. Supp. 1058, 1064 (S.D.N.Y. 1990) (granting summary judgment for defendant on the ground that its use of “the dentists’ choice” was descriptive fair use, despite plaintiff’s assertion of bad faith due to failure to cease and desist use of its mark Dentists Choice).

104. *See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 117 (2d Cir. 2009).

Therefore, use of a house mark or a visually different package design can demonstrate a junior user's good faith intent to distinguish its product.<sup>105</sup>

Mars claimed "that Smucker's use was in bad faith due to its failure to cease and desist the launch of its Pill Pouches product upon receiving Mars's cease and desist letter."<sup>106</sup> The Court correctly held that such knowledge of a plaintiff's mark and infringement claim is not "sufficient to constitute bad faith where the terms used by both parties are descriptive."<sup>107</sup> That allegation had been found by other courts to be an insufficient basis to find even a question of fact. Based on that precedent and Smucker's use of its house marks on different color packaging, the Court found that that there was not a question of fact on whether Smucker's acted in bad faith.<sup>108</sup>

Mars missed an opportunity to offer much better evidence of bad faith. Here, the misdescriptive argument might have mattered. Mars could have asserted that Smucker's attempted to deceive the public by choosing a mark nearly identical to "Pill Pockets" with words that describe Mars's product but misdescribe its own product. From the beginning, Bryann McGann claimed that the pocket is the key to the treat's success in the market. The packaging gave clear instructions to "fill," "pinch," and "give" the treat so that the pet would not taste or smell the medicine.<sup>109</sup> That instruction and the graphic was copied by Smucker's as well.<sup>110</sup> While the Mars treat comes out of the package in the form of a pocket (or pouch), the Smucker's version does not. It is a tube, open at both ends. Its shape does not facilitate easy hiding of the medicine from a pet, but the word "pouch" may deceive consumers into thinking it does. Smucker's could have chosen a product name that was far less similar such as "pill treats" or "medicine traps." Instead, it chose a product name that was nearly identical to Mars's trademark. Mars could have argued that this choice raised a question of fact about whether Smucker deliberately chose its name to confuse consumers into thinking that "pillpouches" were part of the "Pill Pockets" product line. While this argument may not have been a silver bullet, if pressed, it may have been effective at convincing the

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105. See *Dessert Beauty*, 568 F. Supp. 2d at 427-28.

106. Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582, at \*4 (E.D. Va. Sept. 27, 2017).

107. *Id.* at \*3-4 (citing *Wonder Labs*, 728 F. Supp. at 1064).

108. See *id.*

109. See Answer and Counterclaims at 17, Mars, Inc. v. J.M. Smucker Co., No. 1:16-CV-01451, 2017 WL 4323582 (E.D. Va. Sept. 27, 2017) (depicting the back of both Mars's and Smucker's packaging which both illustrate a "fill," "pinch," and "give" instruction), EFC No. 13.

110. See *id.*

Court that important questions of fact should have led to a denial of summary judgment.

Instead, the Court noted more general attributes of the competitive packaging, such as the different colors and use of famous house marks.<sup>111</sup> Ignoring (or missing) the misdescriptive and copied elements on Smucker's packaging, the Court held that it was designed to avoid tricking consumers into thinking the product came from any source other than its well-known line of dog treats.<sup>112</sup> It pointed out that "the visual appearances of Smucker's Pill Pouches label and Mars's Pill Pockets mark are dissimilar; and Smucker's product prominently displays the MILK-BONE name and logo to avoid consumer confusion as to origin."<sup>113</sup> One is left to wonder if the missed opportunity resulted from a failure to understand that knowledge from receipt of a cease and desist letter was not enough. Mars had better evidence of bad faith. While the mystery of why they did not aggressively assert it remains unanswered, this missed opportunity is one of the lessons from this master class in descriptive fair use.

#### IV. LESSONS FROM THE SMUCKER'S MASTER CLASS

The first lesson from this master class can be applied at the point of selecting a mark for a new product. From the beginning, entrepreneurs should confront the foreseeable market consequences of choosing a descriptive mark for a new product or service. Descriptive marks are weak. The Lanham Act's descriptive fair use defense guarantees competitors will have the right to use terms in the mark for their primary descriptive meaning.<sup>114</sup> Therefore, descriptive marks can never be as commercially distinctive as suggestive, arbitrary or fanciful marks. Because of their weak quality as source identifiers, the zone of protection is narrow. Proving that use of an identical word is infringing will be a steep uphill battle. When the junior user chooses a similar descriptive synonym, the task may be even more difficult and not worth the fight. Even before conducting its fair use analysis, the Smucker's Court noted Mars's purported rights protect it only from nearly identical trademarks. As the United States Supreme Court held, "[i]f any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with

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111. See *Mars*, 2017 WL 4323582, at \*2-3.

112. *Id.* at \*3.

113. *Id.* at \*2.

114. See 15 U.S.C. § 1115(b)(4) (2012); MCCARTHY, *supra* note 50 § 11.45.

a mark that uses a well-known descriptive phrase.”<sup>115</sup> In such circumstances, trademarks that incorporate even minor differences—a test that Smucker’s readily passes—are sufficient to withstand infringement claims.<sup>116</sup>

Given this precedent, entrepreneurs should prepare for the day when competitors enter the market. When naming a new patented product, the best practice is to designate a generic word for future competitors that is different from the mark. Had Mars done so, they might have appealed the District Court’s decision. But often the best defense is a strong offense. Smucker’s counsel responded to the lawsuit by asserting that the plaintiff’s “Pill Pockets” mark is perceived by consumers as a generic product name and should not be protected by trademark law at all.<sup>117</sup> Interestingly, Mars did not appeal its loss on summary judgment. Perhaps they knew that continued litigation would make “Pill Pockets” vulnerable to a challenge that the term was generic, and not protectable at all as a trademark. Had they preselected a generic synonym for future competitive use, their mark would not have been so vulnerable. It is possible that Smucker’s conducted a pre-litigation search of their patent and trademark applications for evidence of safe synonym, and chose “pill pouches” as their generic product name.

Another interesting question is whether Mars’s counsel ever made a genuine assessment of Mars’s likelihood of success. For example, did they check the source of defendant’s descriptive words? Did they look to see if their packaging, patent, or trademark applications used a generic synonym, and if so whether those were the very words Mars dedicated to its future competitors? Did Mars conduct a survey? If they conducted a survey before the suit was filed, where was their evidence in the summary judgment proceedings? The absence of any survey evidence strongly suggested that Mars did a survey, and it did not help them.<sup>118</sup> If that is so, why did they bring suit, and then why didn’t they settle? All trademark questions are ultimately decided on consumer impressions. If only the defendant has a survey witness, and that expert will testify that the rate of

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115. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004) (discussing “fair use” of common terms).

116. *See Mars*, 2017 WL 4323582, at \*3-4.

117. *See Memorandum in Support of Defendant’s Motion for Summary Judgment at 20, Mars, Inc. v. J.M. Smucker Co.*, No. 1:16-CV-01451, 2017 WL 4323582 (E.D. Va. Sept. 27, 2017), EFC No. 25.

118. *Mars*, 2017 WL 4323582, at \*2 (explaining that although survey evidence is not strictly necessary to prove likelihood of confusion, “the lack of such a survey can greatly hinder the plaintiff’s case since the plaintiff has the burden of proof”).

confusion is 0.0%, a defendant, as Mars learned, will not even need the descriptive fair use defense to succeed.

This case also teaches future plaintiffs to make sure your competitor did not take its descriptive product name from your own patent or product packaging. If a mark owner unintentionally dedicates a generic synonym to its competitors in its own descriptive text, it will be hard pressed to show that it is asserting a claim only against *unfair* competition when it tries to prevent a competitor from using the same descriptive words.

Perhaps the most interesting and surprising lesson for trademark doctrine is that use of large attractive text is not a deal-breaker for winning summary judgment based on the descriptive fair use defense. Because generic product names also may be set off to attract consumer attention, such use does not compel a finding that the words are used as a mark. Use of this practice in the industry can be especially compelling evidence to support this contention. If, like Smucker's counsel, one finds such use in the plaintiff's own product lines, the argument may become difficult to overcome.

When I first saw the factual basis for the case, I thought summary judgment would be denied. That Smucker selected such a similar designation and featured it so prominently led me to think a descriptive fair use defense might fail on the second or third prong of the test. That didn't happen, and when I saw the names of the lawyers at the top of the Court's opinion, I was not surprised. Tim Fraelich and Angella Gott are superstar trademark lawyers at Jones Day in Cleveland. Their mentor, Rob Ducatman, is the best in the business. They are masters at trademark litigation, and they have an excellent, lean team that is built on trust through many years of working together. Their winning descriptive fair use strategy is a model for all future fair use litigants to study.