

2010 WL 3164745 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

In re Cartier N.V.

Serial No. 77227767

July 30, 2010

Hearing: May 13, 2010

*1 [Milton Springut](#) and [Tal Benschar](#) of Kalow & Springut LLP for Cartier N.V.

[April K. Roach](#)

Trademark Examining Attorney

Law Office 115

([Tomas V. Vlcek](#), Managing Attorney)

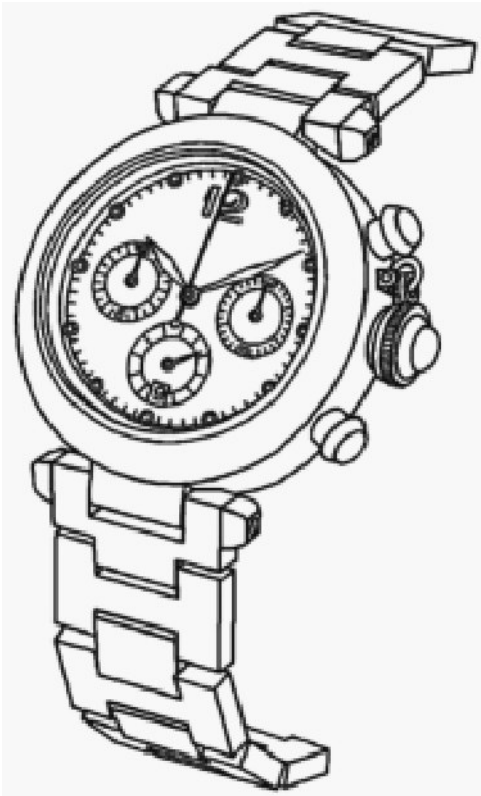
Before [Hairston](#), [Bucher](#) and [Walsh](#)

Administrative Trademark Judges

Opinion by [Bucher](#)

Administrative Trademark Judge:

Cartier N.V. seeks registration on the Principal Register of the following alleged mark:



for goods identified as “horologic and chronometric instruments, namely, watches” in International Class 14.¹ Applicant is the owner of two prior registrations:



REGISTRATION NO. 3211038

REGISTRATION NO. 3211038



REGISTRATION NO. 3211039

REGISTRATION NO. 3211039

The Trademark Examining Attorney refused registration under Trademark Act Sections 1, 2 and 45 of the Trademark Act, [15 U.S.C. §§ 1051, 1052 and 1127](#), on the ground that this matter consists of non-distinctive features of product design and that applicant's evidence is insufficient to establish the acquired distinctiveness of the applied-for mark. Inasmuch as applicant has applied under the provisions of Section 2(f) of the Act, the only issue before us is whether the alleged mark has acquired distinctiveness.

After the Trademark Examining Attorney made the refusal final, applicant appealed to this Board. Both the Trademark Examining Attorney and applicant's counsel appeared for an oral hearing before this panel of the Board. We reverse the refusal to register.

Applicant has been active in the United States for over a century, and owns trademark rights here in the famous word mark **CARTIER**, as well as U.S. trademark registrations for distinctive designs of jewelry and watches. The watch configuration involved herein is the chronograph entry into the **PASHA** (or “Pasha de Cartier”) line of watches. This particular line of watches was first introduced in 1985. The record shows that Pasha watches are one of Cartier's best sellers, and have become world famous among luxury goods consumers over the past twenty-five years. Robert Wexler Decl. ¶¶ 7-10; Kristina Skoczylas Decl. ¶¶ 3-4, 8-12, Exhibit E The configuration of the non-chronograph version of the Pasha line of watches has already been registered as distinctive under Section 2(f) of the Trademark Act [#038 and #039, above].

*2 The current chronograph treatment adds three small dials on the face of the watch (disclaimed in the application) and has two smaller buttons on the side of the watch. These additional features are integral to the chronograph functions. Otherwise, applicant seeks herein a registration having the same combination of visual design features contained in the #039 Registration. Peter Kramer Decl. ¶¶ 3-12; Kristina Skoczylas Decl. ¶¶ 5-7 The fact that this configuration was earlier registered for this combination of visual features is consistent with applicant's position that this composite image reflects strong public recognition of the Pasha de Cartier line of watches.

Applicant argues that it seeks to register a specific combination of design elements as its mark. Hence, we agree that we must consider its registrability from the standpoint of the product appearance in its entirety. *In re Bose, Inc.*, 216 USPQ 1001 (TTAB 1983), *aff'd*, 772 F.2d 866, 227 USPQ 1 (Fed. Cir. 1985). Applicant's protectable rights rest on the distinctiveness of the entirety of that design - not merely the sum of the protectability of its individual features.

Survey

Applicant submitted evidence into this record of a consumer survey taken in the course of another litigation involving a knock-off watch design that incorporated all the protectable elements of the Pasha Chronograph.² In order to test the level of consumer confusion as to that infringing watch, applicant commissioned a survey by Dr. Sidney I. Lirtzman. This survey's use of “look-alike” watches to determine levels of acquired distinctiveness has been explicitly approved by our primary reviewing Court. *See Textron, Inc. v. U.S. Intl. Trade Comm'n*, 753 F.2d 1019, 225 USPQ 625 (Fed. Cir. 1985). A high percentage of respondents erroneously identified the knock-off watch as coming from Cartier. We find this to be powerful evidence that this overall configuration has acquired distinctiveness. The survey properly focused on the totality of the watch design. On this point, we disagree with the Trademark Examining Attorney's position that such a survey is not probative of acquired distinctiveness if it fails to inquire about respondents' recognition of specific “features” of the watch at issue.

Prior Litigation

The distinctiveness of the Pasha watch line was also implicated in earlier litigation in the United States District Court for the Southern District of New York.³ The District Court ruled twice⁴ that the Pasha watch design comprised protectable trade dress inasmuch as it had acquired distinctiveness, and the Court permanently enjoined the defendant's sales of look-alike watches.⁵ In the course of issuing the final injunction, the Court found that, *inter alia*, the Pasha design had acquired distinctiveness consistent with the test set forth in *Wal-mart*.⁶ In describing the Pasha line, this Court relied on the same basic design elements set forth above. Moreover, with reference to the chronograph treatment of the involved design, the Court noted that “[s]ome models within the [Pasha watch] family contain two smaller crowns positioned above and below the central crown. They are capped with non-removable caps, similarly designed to the central cap, and ending in matching cabochon.” *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 348 F.Supp.2d at 223. Significantly, this Court found that the overall configuration of the Pasha de Cartier line was protectable trade dress due to a showing of acquired distinctiveness, both with and without a metal bracelet, with and without chronograph treatment, with and without the grill design on the glass of the watchface. *Id.* at 241.

Additional Evidence of Acquired Distinctiveness

*3 Applicant has submitted evidence supporting substantial sales of the Pasha line of watches over decades. *Contra In re ic! berlin brillen GmbH*, 85 USPQ2d 2021 (TTAB 2008). There are numerous national advertisements in the record displaying images of the Pasha chronograph watch quite reminiscent of the drawing herein. Consistent with the survey results, there are unsolicited articles talking about the way in which those in the relevant market for high-end watches immediately recognize the Pasha line of watches from the very features claimed in this trademark application.⁷

Furthermore, we are certainly not bound by the registrability decisions of an earlier Trademark Examining Attorney. However, in reflecting on the possible interests of legitimate competitors in the field of luxury goods, the fact the configuration marks of Registration Nos. 32110388 and 32110389 have so recently survived the opposition process is also an argument in applicant's favor. These two prior registrations depict and claim substantially similar watch configurations. The current Trademark Examining Attorney has not made the argument that these earlier registrations issued in error. Yet consistency and logic make it difficult to argue that the instant set of seven elements is not distinctive when somewhat smaller subsets of five or six of precisely the same elements were deemed distinctive several years ago. If we were to affirm this refusal, applicant could well be handicapped in its efforts to deal with the threat of future knock-off artists after having gotten tripped up by a registration system that proved to be both unpredictable and inconsistent.

Decision: We reverse the refusal to register under Sections 1, 2 and 45 of the Trademark Act, finding that applicant's evidence is sufficient to establish acquired distinctiveness under Section 2(f) of the Act.

Footnotes

1 Application Serial No. 77227767 was filed on July 12, 2007, based upon claims of first use anywhere and first use in commerce at least as early as January 1, 1994. Applicant claims acquired distinctiveness under Section 2(f) for the entire configuration. However, applicant has disclaimed “the Arabic numeral 12, the three dials on the face of the watch, and the hand on the face and the dials of the watch.” Applicant describes the mark as follows: “The mark consists of a configuration of a round and thick watch case (i.e., deep) with a thick outer metal bezel surrounding the watch face that slopes downward from the inside of the case to the outside; a removable, screw down cap that covers a central crown, such that in looking at the watch from the front, there are three metal rings of increasing thickness with engaged striations, a fourth thick metal ring, and a rounded cap, all of which is attached to the watch with a chain link; two smaller crowns positioned above and below the central crown, that are capped with non-removable caps that mimic the cap on the central crown; single horned extensions at the top and bottom of the watch case connecting it to the strap, such that the strap fits between the extensions with only one single extension on each side; a lug that extends through the strap/bracelet and the single horned extension with pyramid-shaped caps; Arabic numerals in curly font; and a metal bracelet that consists of H-shaped links alternating with rectangular shaped links, the width of the H-shaped links being half that of the rectangular link.” Color is not claimed as a feature of the mark.

- 2 *Richemont North America, Inc. et al v. Sweepstakes Clearinghouse*, 06 Civ. 4698 (S.D.N.Y. 2007).
- 3 *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, No. 01 Civ. 11295, 2003 WL 21056809 (S.D.N.Y. 2003). See applicant's response of January 16, 2009, Exh. 2.
- 4 Once as a preliminary injunction [f.3], and then again as a permanent injunction following an eight-day bench trial [f.5].
- 5 *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 348 F.Supp.2d 217, 241-44 (S.D.N.Y. 2004). See applicant's response of January 16, 2009, Exh. 3.
- 6 See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 54 USPQ2d 1065 (2000).
- 7 Rudiger Bücher [*No known relationship with the author of this opinion*], *Comparative Test: Chronos with the Frederic Piguet Caliber 1185*, *WATCHTIME*, June 2001.

2010 WL 3164745 (Trademark Tr. & App. Bd.)

2014 WL 2967635 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

IN RE ROLLED ALLOYS, INC.

Serial No. 85223044

June 3, 2014

Hearing: April 22, 2014

*1 [John A. Cullis](#) and [Mike R. Turner](#) of Neal, Gerber & Eisenberg LLP for Rolled Alloys, Inc.

Jason Paul Blair

Trademark Examining Attorney

Law Office 104

([Chris Doninger](#), Managing Attorney)

Before [Wellington](#), [Wolfson](#), and [Lykos](#)

Administrative Trademark Judges

Opinion by [Wolfson](#)

Administrative Trademark Judge:

Rolled Alloys, Inc. (“Applicant”) seeks registration on the Principal Register of the mark ROLLED ALLOYS (in standard characters) for goods amended to “specialty metals and metal alloys for further manufacturing by others,” in International Class 6.¹

The Trademark Examining Attorney has refused registration of Applicant's mark under Sections 2(e)(1) and 23(c) of the Trademark Act, 15 U.S.C. §§ 1052(e)(1) and 1091(c), having determined that the applied-for mark is the generic name for specialty metals and metal alloys or, in the alternative, that the mark ROLLED ALLOYS merely describes the nature of the goods and that the evidence is insufficient to show that the mark has acquired distinctiveness under Trademark Act § 2(f), 15 U.S.C. § 1052(f). Applicant maintains that ROLLED ALLOYS is not generic for specialty metals and metal alloys, and that the mark has acquired distinctiveness.²

Applicant is a processor and distributor of heat and corrosive-resistant metal alloys sold in various shapes and sizes such as bars, sheets, and rods,³ used in a variety of applications, such as containers, car parts, radiant tubes for furnaces, heat-treating fixtures and in aeronautics as, for example, supports for rocket casings.⁴ Applicant offers “a wide variety of specialty metals, including, for example, several varieties of cobalt alloys, nickel alloys and stainless steels.”⁵ In the 1930's, metallurgists at Applicant's predecessor company, MISCO, recognized “that rolled products could be a complement” to the company's main business of producing metal alloys through casting methods.⁶ According to the company's circular, “Rolled Alloys Story - 50 Years,” the Rolled Products division of MISCO officially began in 1945. As stated therein, “Its mission was to market the rolled (we would now say wrought) alloys, as opposed to the cast alloys.”⁷ In 1952, MISCO was split into separate companies and the new company, Rolled Alloys, Inc., was incorporated in January 1953 “to be your dependable storeroom for heat resisting alloys.”⁸ Applicant has continuously produced specialty metals and metal alloys under the mark ROLLED ALLOYS since 1953.⁹

*2 When the refusal was made final, Applicant filed an appeal. Both the Examining Attorney and Applicant filed briefs, and an oral hearing was held. Because we find that the mark is not generic for the goods and that, while descriptive, has acquired distinctiveness, we reverse the refusal to register.

I. Whether the term ROLLED ALLOYS is Generic?

A mark that refers to the class or category of goods on or in connection with which it is used, rather than to the source of origin of the goods, is considered to be a generic name for those goods. *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 57 USPQ2d 1807, 1810 (Fed. Cir. 2001) (“Generic terms are common names that the relevant purchasing public understands primarily as describing the genus of goods or services being sold.”); *see also*, *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528 (Fed. Cir. 1986). There is a two-part test used to determine whether a designation is generic: (1) what is the genus (class or category) of goods or services at issue? and (2) does the relevant public understand the designation primarily to refer to that genus of goods or services? *Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 USPQ 2d 1458, 1462 (TTAB 2014), *citing Marvin Ginn*, 228 USPQ at 530. The Office has the burden of proving genericness by “clear evidence” thereof. *In re Hotels.com LP*, 573 F.3d 1300, 91 USPQ2d 1532, 1533 (Fed. Cir. 2009) (“The Patent and Trademark Office (PTO) bears the burden of establishing that a proposed mark is generic, ... and must demonstrate generic status by clear evidence....”), *citing Am-Pro Protective Agency, Inc. v. United States*, 281 F.3d 1234, 1239-40 (Fed. Cir. 2002) (explaining that “clear evidence” is equivalent to “clear and convincing evidence,” which is a heavier burden than preponderance of the evidence). *See also*, *In re Steelbuilding.com*, 415 F.3d 1293, 75 USPQ2d 1420, 1421 (Fed. Cir. 2005); *In re Gould Paper Corp.*, 834 F.2d 1017, 5 USPQ2d 1110, 1111 (Fed. Cir. 1987); *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987) (“Mixture of uses” both generic and non-generic did not prove with clarity that the designation was a generic name).

In defining the genus of the goods at issue, we commonly look to the identification of goods as it has been prepared by the applicant in filing the application. *See Magic Wand, Inc. v. RDB, Inc.*, 940 F.2d 638, 19 USPQ2d 1551, 1552 (Fed. Cir. 1991) (“[A] proper genericness inquiry focuses on the description of [goods or] services set forth in the [application or] certificate of registration.”). Here, the identification of goods is “specialty metals and metal alloys used for further manufacturing by others.” Specialty metals are metals that have unique material properties required for various specific applications and alloys are specialty metals that combine two or more elemental metals, such as nickel, carbon, or aluminum.¹⁰ The genus of goods at issue is aptly described in the application.

*3 Having defined the genus of goods at issue in this case, we now turn to the critical issue of “whether members of the relevant public primarily use or understand the term sought to be protected to refer to the genus of goods or services in question.” *Marvin Ginn*, 228 USPQ at 530. *See also*, *In re Am. Fertility Society*, 188 F.3d 1341, 51 USPQ2d 1832 (Fed. Cir. 1999); *Loglan Inst. Inc. v. Logical Language Group Inc.*, 902 F.2d 1038, 22 USPQ2d 1531, 1533 (Fed. Cir. 1992). Evidence of the public's understanding of a term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers and other publications. *Loglan*, 22 USPQ2d at 1533; *In re Northland Aluminum Products, Inc.*, 777 F.2d 1556, 227 USPQ 961, 963 (Fed. Cir. 1985); *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 202 USPQ 100, 105 (CCPA 1979). “The relevant public is “limited to actual or potential purchasers of the goods or services.” *Magic Wand*, 19 USPQ2d at 1553.

The Examining Attorney seeks to prove that Applicant's mark is generic for specialty metals and metal alloys that have been formed by a rolling process in a rolling mill. The definition of “rolled” includes “to form metal in a rolling mill” and the definition of “rolling mill” is “a mill or factory where ingots of heated metal are passed between rollers to produce sheets or bars of a required cross section and form”.¹¹ These definitions, however, do not establish that the mark is generic for the recited goods. Thus, the Examining Attorney has further relied on (1) three online printouts intended as guides for engineers to learn about the standard specifications in the industry for ““rolled alloy” flanges, steel, and bars; (2) pages from the websites of three foreign companies advertising steel for sale under the wording “rolled alloys” and a single website wherein unrelated foreign companies advertise for sale ““hot rolled alloy steel”; and (3) pages from the

websites of three United States companies advertising “hot rolled alloy steel.” Upon careful review of the totality of the evidence, we find it is insufficient to show that the mark ROLLED ALLOYS is generic for the goods.

Specifically, the guides for engineers are not relevant because they are not directed to Applicant's customers. They also use term “rolled alloy” descriptively and not as a generic name for the goods:

*4 1). The ASTM International website uses the term “rolled alloy” in the title of two of its “standards,” the first offered for sale as a “Standard Specification For Forged Or Rolled Alloy And Stainless Steel Pipe Flanges, Forged Fittings, And Valves And Parts Of High-Temperature Services.” An abstract of this reference is provided that explains the scope of the specification is to cover the specified dimensions and ASME specifications for “low alloy and stainless steel piping components.”¹²

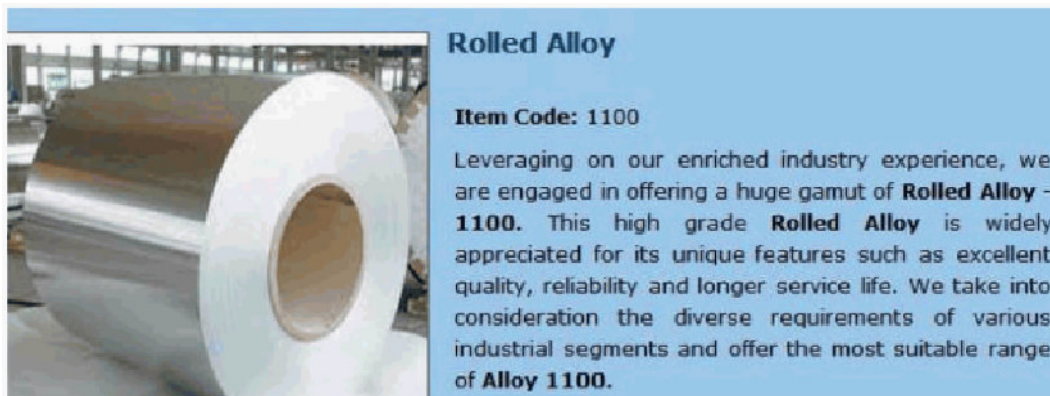
2). The second standard is entitled “ASTM A506-12 Standard Specification for Alloy and Structural Alloy Steel, Sheet and Strip, Hot-Rolled and Cold-Rolled.” The page offers for sale copies of the standard for \$35.00. It is a 4-page document that specifies “the standard for hot-rolled and cold-rolled alloy.” The phrase “rolled alloys” is not used.¹³

3). The TIMKEN company offers “practical data for metallurgists” via a guide for engineers that lists the “Bar Tolerance for Hot Rolled Alloy Bars.”¹⁴

The foreign companies' websites identify one Indian company (Krishna Trader) and over 30 Chinese companies (including “TPCO” and HiSupplier) that use the term “rolled alloy” to describe rounded steel bars.

1). The company *Krishna Trader* advertises a “Wide Range of Aluminium [sic] Rolled Product and Extrusions,” one of which is “Rolled Alloy.” Contact information for Krishna Trader is an address in Pune, Maharashtra, India.¹⁵

The advertisement is depicted below.



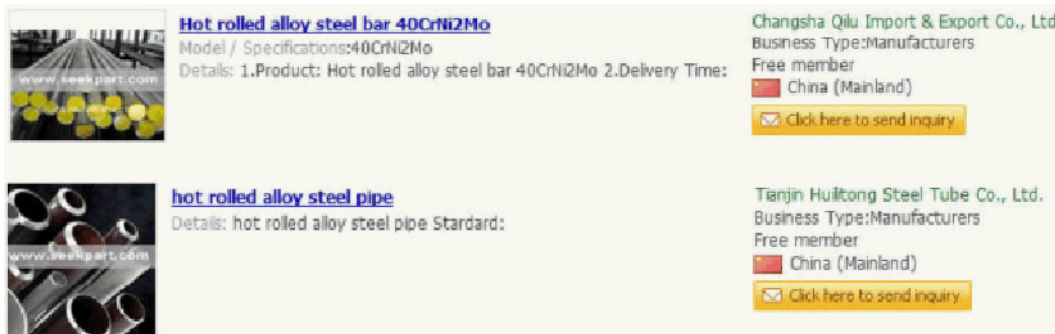
2). Tianjin Pipe International Economic & Trading Corporation (“TPCO”) advertises “hot rolled alloy steel pipe” available “FOB Tianjin port.” An announcement on the site indicates that TPCOINTL is one of the top 500 enterprises in China foreign trade.¹⁶

3). *HiSupplier.com* advertises itself as the “global trade e-marketplace” and offers for sale “Hot Rolled Alloy Steel Bars” from Tianjin available through the China Steel Holding Group Co., Limited, located in Hong Kong.¹⁷

4). On the *seekpart.com* website, the results of a search for “hot rolled alloy steel” are displayed. Thirty-one companies are listed (all with addresses in China). Nine of the companies indicate that they sell “hot rolled alloy” steel bars or pipes. One company also describes a “cold rolled steel bar” (without using the phrase “rolled alloy”) and several use

“hot rolled” in association with “alloy” as part of a larger composite phrase, such as “hot rolled P11 seamless alloy steel pipe,” and “hot rolled low alloy steel pipe.”¹⁸

*5 Two examples follow:

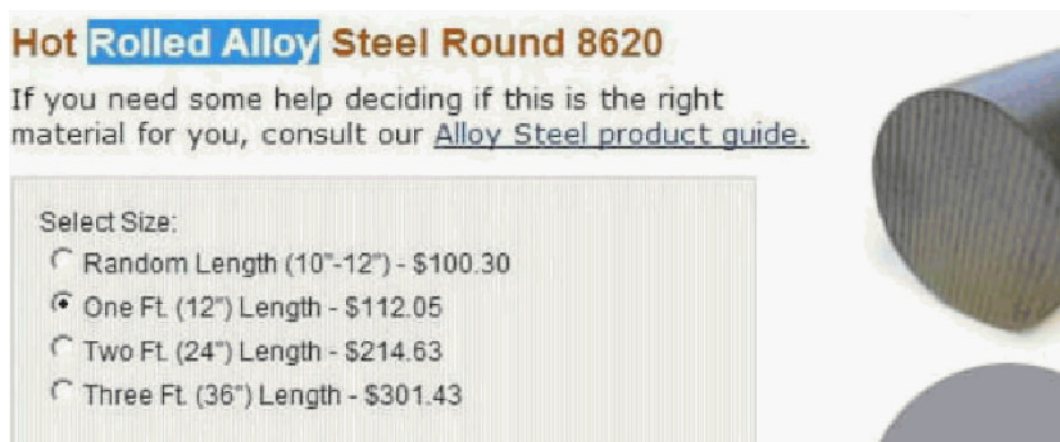


As foreign websites, without any evidence to support an inference that these uses have “had any material impact on the perceptions of the relevant public in this country,” *In re Men's Int'l Professional Tennis Council*, 1 USPQ2d 1917, 1918-19 (TTAB 1986), they have little probative value. While there is a remote possibility that some potential United States customers have viewed at least some of these third-party websites, there is no indication that anyone, let alone a substantial number of relevant consumers, has actually seen these materials in the United States, or that such consumers would perceive the term ROLLED ALLOYS as a generic term for the goods. Applicant's declarant, with 38 years of stated experience in the industry, contends that he has never heard of “Krishna Trader,” “Indiamart.com,” or “Seekpart.com” and concludes that “these entities do not appear to do business in the United States.”¹⁹ There is, moreover, no meaningful way to gauge whether the Indian and Chinese companies are cognizant of or careful about proper trademark usage in the United States, whether they are familiar with Applicant, or their level of English proficiency. On all but the Krishna Trader website, the term is used as part of the phrase “hot rolled alloy” and is followed by a word that would more readily be considered the generic name, such as pipe, bar, or steel to describe the product. Therefore, even when taken cumulatively, the evidence has very little probative value.

The most relevant evidence provided by the Examining Attorney are the print-outs from three United States companies. The first two use the phrase “hot rolled alloy steel.” The third uses only the phrase “rolled rings.”

1). Online Metals, located in Seattle, Washington, advertises “Hot Rolled Alloy Steel Round 8620.”²⁰

The advertisement is depicted below.



Also, on the pages from Online Metal's website provided by Applicant, the company's products are primarily listed according to metal composition, but there are two columns for “cold roll” and “hot roll” bars, sheets, rods and the like.²¹



2). Fay Industries, Inc. of Strongsville OH utilizes the terminology “hot rolled alloy steels” to describe “heat treated rounds,” i.e., rounded steel bars meeting ASTM specifications. The “4140” series includes: “Annealed Hot Rolled Alloy Steels,” “Hot Rolled Heat Treated Alloy Steel,” and “Hot Rolled Annealed Alloy Steel.”²²

*6 3). All Metals & Forge Group, providing a New Jersey address, describes itself as a “producer of ... seamless rolled rings....” The website provides a chart “for size capabilities in various metal alloys.” The term “rolled alloys” does not appear.²³

Applicant asserts that Online Metals and Fay Industries are “frequent clients” of Applicant's who would be well aware of Applicant's mark.²⁴ Applicant further asserts that by referring to the method by which the metals are heat-treated, the sub-categories of “hot rolled” or “cold rolled” simply suggest various properties of the metals (such as ductility and malleability) that derive from the manufacturing process.

We agree that these examples are not clear evidence of use by the relevant public of the term “rolled alloys” in a generic manner. Moreover, these webpages present a case of mixed usage in view of the continuous use, as a mark, of the term ROLLED ALLOYS by Applicant for nearly 60 years (and in view of the evidence of trademark recognition by third parties that we discuss more fully below). See *Merrill Lynch*, 4 USPQ2d at 1143 (“The mixture of usages unearthed by the NEXIS computerized retrieval service does not show, by clear evidence, that the financial community views and uses the term CASH MANAGEMENT ACCOUNT as a generic, common descriptive term for the brokerage services to which Merrill Lynch first applied the term”); *Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1765 (TTAB 2013) (“However, when considered in conjunction with the testimony of respondent's competitors, these uses result in at best a mixed record of use of the phrase both generically and as part of what appear to be trademarks or trade names. This ambiguous evidence thus fails to establish that the primary significance of ANNAPOLIS TOURS to the

relevant public is guided tour services of cities, rather than a guided tour service of cities provided by a particular entity.”); *In re America Online*, 77 USPQ2d 1618, 1623 (TTAB 2006) (“the evidence of generic use is offset by Applicant's evidence that shows not only a significant amount of proper trademark use but also trademark recognition [by third parties]”).

Accordingly, on this record, we find that the Office has not met its burden to show by clear and convincing evidence that the phrase ROLLED ALLOYS is generic.

II. Whether the term ROLLED ALLOYS has acquired distinctiveness?

The remaining question before us is whether the term ROLLED ALLOYS is entitled to registration on the Principal Register under Section 2(f) of the Act, 15 U.S.C. § 1052(f) and 37 CFR § 2.41(b), based on the sufficiency of Applicant's showing of acquired distinctiveness. On the Section 2(f) issue, Applicant has the burden of proving that its designation has acquired distinctiveness. *Yamaha*, 6 USPQ2d 1001 at 1006 (Applicant established acquired distinctiveness in design); *In re Hollywood Brands, Inc.*, 214 F.2d 139, 102 USPQ 294, 295 (CCPA 1954) (“[T]here is no doubt that Congress intended that the burden of proof [under Section 2(f)] should rest upon the Applicant”). The higher the level of descriptiveness, the greater need be the proportionate showing of acquired distinctiveness. *In re Steelbuilding.com*, 415 F.3d 1293, 75 USPQ2d 1420, 1424 (Fed. Cir. 2007); *Qualitex Co. v. Jacobson Prods. Inc.*, 514 U.S. 159, 163 (1995). “[L]ogically that standard becomes more difficult as the mark's descriptiveness increases.” *Yamaha*, 6 USPQ2d at 1008. “To show that a mark has acquired distinctiveness, an Applicant must demonstrate that the relevant public understands the primary significance of the mark as identifying the source of a product or service rather than the product or service itself.” *Steelbuilding*, 75 USPQ2d at 1424. Factors to examine include “copying, advertising expenditures, sales success, length and exclusivity of use, unsolicited media coverage, and consumer studies (linking the name to a source).” *Id.* Of this list, no single factor is determinative, and each of these elements need not be present.

*7 Applicant argues that its “long-standing, and deep-seated presence in the specialty metals market”²⁵ evinces not only that the mark ROLLED ALLOYS is not generic, but that it has acquired distinctiveness. Applicant has been operating since 1953, under the name ROLLED ALLOYS, in a “niche sector of the steel industry as a processor and distributor of specialty metals.”²⁶ Applicant spent over \$2,000,000 in advertising during a five-year period (2008-2013) and exceeded \$250 million in sales over that same period.²⁷ Advertising is placed in trade journals and periodicals that cater to the specialty metals industry.²⁸ Applicant is an active member of a number of professional organizations²⁹ and has participated in various trade shows at which its ROLLED ALLOYS mark is prominently displayed.³⁰ There are “roughly twenty thousand purchasers and users” of Applicant's specialty metals, manufacturers of finished goods made from the “high quality heat, corrosion, titanium and aerospace alloy specialty products”³¹ processed by Applicant. Mr. Nault, Applicant's Vice President of Finance, estimates that “nearly half” have placed orders with Applicant.³² Currently, Applicant has a customer base “in excess of 1,000 companies.”³³ Nine of these customers provided declarations stating that the customer “primarily recognizes ‘Rolled Alloys’ as a premier supplier of high quality heat and corrosion resistant metals.”³⁴ In addition, one of Applicant's suppliers (for 40 years) provided the same statement.³⁵

We have examined all of the circumstances involving Applicant's use of its mark to determine its primary significance in relation to the involved goods. We find that Applicant has shown that its mark ROLLED ALLOYS has acquired distinctiveness for “specialty metals and metal alloys for further manufacturing by others.”

Conclusion

The above evidence of record shows that the phrase “rolled alloys” is not generic. Applicant's resort to the benefit of Section 2(f) is a concession that the mark is merely descriptive. Applicant's demonstrated sales in the industry, its

longstanding use of the mark, and the recognition expressed by its customers and supplier establish that the mark has acquired distinctiveness.

Decision: The refusal to register Applicant's mark ROLLED ALLOYS under Trademark Act § 2(e)(1) on the ground that the mark is generic, and the refusal to accept Applicant's claim of acquired distinctiveness under Section 2(f), are reversed. The application will proceed to registration under Section 2(f).

Footnotes

- 1 Application Serial No. 85223044 was filed on January 21, 2011, based on an allegation of first use and first use in commerce of January 7, 1953.
- 2 “By seeking registration under Section 2(f), Applicant, in effect, has conceded that its mark is not inherently distinctive and is not registrable in the absence of a showing of acquired distinctiveness.” *In re Professional Learning Centers Inc.*, 230 USPQ 70, 71 (TTAB 1986). See also *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001, 1005 (Fed. Cir. 1988) (when application is initially filed or subsequently amended to Section 2(f), descriptiveness is conceded); *In re Mine Safety Appliances Co.*, 66 USPQ2d 1694 (TTAB 2002); *Congoleum Corp. v. Armstrong Cork Co.*, 218 USPQ 528, 535 (TTAB 1983) (generally a claim under Section 2(f) is a concession that a mark is nondistinctive).
- 3 Declaration of David Nault dated January 24, 2013 (“Nault II”), ¶6; attached to January 24, 2013 response to Office Action.
- 4 “Rolled Alloys Story - 50 Years” booklet, printed in 2003; attached to October 25, 2011 response to Office Action.
- 5 Nault II Decl. ¶6.
- 6 Id.
- 7 Id.
- 8 Id.
- 9 Declaration of David Nault dated May 22, 2012 (“Nault I”), ¶3; attached to May 22, 2012 response to Office Action.
- 10 Nault II Decl. ¶15.
- 11 At <http://dictionary.reference.com>; attached to April 25, 2011 Office Action.
- 12 At <http://www.astm.org>; attached to November 22, 2011 Office Action.
- 13 At <http://www.astm.org>; attached to July 24, 2012 Office Action.
- 14 At <http://www.timken.com>; attached to November 22, 2011 Office Action.
- 15 At <http://www.indiamart.com>; attached to July 24, 2012 Office Action.
- 16 At <http://www.steelpipechn.com>; attached to November 22, 2011 Office Action.
- 17 At <http://www.hissupplier.com>; attached to November 22, 2011 Office Action.
- 18 At <http://www.seekpart.com>; attached to July 24, 2012 Office Action.
- 19 Nault II, ¶ 8.
- 20 At <http://www.onlinemetals.com>; attached to July 24, 2012 Office Action. Emphasis provided.
- 21 Applicant's Response dated January 24, 2013; exhibit A.
- 22 At <http://fayindustries.thomasnet.com>; attached to July 24, 2012 Office Action.
- 23 At <http://www.steelforge.com>; attached to July 24, 2012 Office Action.
- 24 Nault II, ¶8.
- 25 Applicant's Appeal Brief at 7.
- 26 Nault II Decl. ¶2.
- 27 Nault II, ¶9.
- 28 Nault II, ¶12, exhibit D.
- 29 Nault II, ¶13.
- 30 Nault II, ¶9; exhibit C.
- 31 Nault I, ¶5.
- 32 Nault II, ¶6.
- 33 Nault I Decl. ¶7.
- 34 Submitted with Applicant's response dated May 22, 2012.

35 Id.

2014 WL 2967635 (Trademark Tr. & App. Bd.)

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2010 WL 4502071 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

In re Carl Walther GmbH

[Serial No. 77096523](#)

October 26, 2010

*1 [Karen A. Brennan](#) of Winthrop & Weinstine, P.A. for Carl Walther GmbH

Seth A. Rappaport

Trademark Examining Attorney

Law Office 103

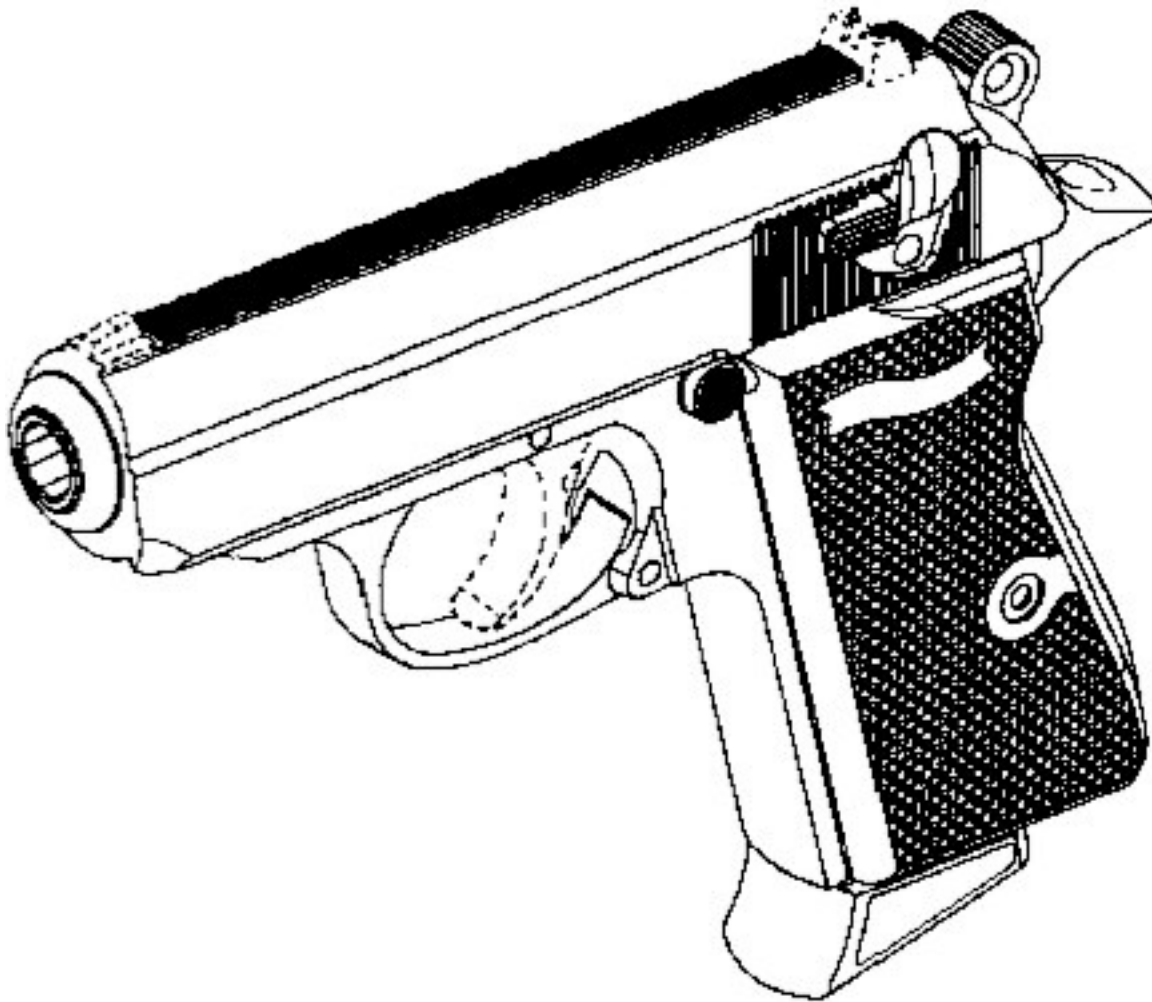
([Michael Hamilton](#), Managing Attorney)

Before [Kuhlke](#), [Cataldo](#) and [Wellington](#)

Administrative Trademark Judges

Opinion by [Wellington](#)

On February 1, 2007, Carl Walther GmbH filed an application to register as a trademark on the Principal Register the product configuration design shown below for “firearms; pistols; and air soft guns” in International Class 13.¹



Applicant subsequently amended the application to seek registration under Trademark Act Section 2(f). The mark is described as follows:

The mark consists of the three-dimensional configuration of a pistol. The mark includes the overall size and shape of the pistol and the external accents and features of the pistol. The mark includes the relative proportions of the external accents and features of the pistol. The mark includes the lines and ridges along both sides of the slide, barrel, and frame indicating grooves and ridges on the surface of the pistol; the vertical and angular lines on the rear of the slide indicating ridges on the surface of the pistol; the pattern on the hand grip; the shape and location of the magazine release lever; the shape and appearance of the trigger guard; the exterior shapes and designs on the hand grip or other portions of the pistol and the placement or position of those shapes; the shape and proportion of the barrel, and the shape, proportion, and position of the accessory rail. The dotted lines indicate features that are not claimed as a part of the mark including: the shape of the front sight and rear sight; and the shape of the trigger.

The trademark examining attorney has finally refused registration under Trademark Act Sections 1, 2, and 45 on the ground that the design sought to be registered (hereinafter “PPK handgun design”²) is not inherently distinctive and that applicant has not established acquired distinctiveness.³

Applicant filed a request for reconsideration which was denied by the examining attorney. Applicant and the examining attorney then filed briefs.

Since applicant seeks registration under Trademark Act Section 2(f), the only issue before us is whether applicant has established that the PPK handgun design has acquired distinctiveness.

In its brief and in arguing that its PPK handgun design has acquired distinctiveness, applicant initially contends that the handgun, itself, has a “definite aura” and “mystique” surrounding it, mainly as a result from being known as “James Bond's gun” and through years of “extensive use and the repeated appearance of the PPK design in popular culture.” Brief, p. 1. Applicant then argues that the evidence it has submitted is “substantial, indeed almost overwhelming” in support of its contention that the handgun design has acquired distinctiveness. Brief, p. 2. As for direct evidence, applicant relies on a consumer recognition survey that it commissioned as well as declarations from individuals attesting to the “distinctiveness and notoriety” of the PPK handgun design. In addition, applicant relies on circumstantial evidence such as its use of the PPK handgun design for over forty years, sales, unsolicited media coverage, and advertising and promotional efforts, to establish that its proposed mark has become distinctive of applicant's handguns.

*2 The examining attorney takes the position that applicant's PPK design mark is “a commonly used configuration of pistols” (brief, (unnumbered) p. 7) and that evidence submitted in support of the final Office action establishes that “other pistols contain the same placement of the elements that make up applicant's mark.” Brief, (unnumbered) p. 8. He argues that “[t]his evidence clearly shows that the applied-for mark is nearly identical to many pistol designs in the marketplace.” Furthermore, the examining attorney was not persuaded by applicant's direct and circumstantial evidence. In particular, he contends that there is “nothing in the applicant's advertising materials that inform the consumer of how to identify the applicant's goods and distinguish them from similar goods in the marketplace.” Brief, (unnumbered) p. 13. He points to the absence of any “look for” advertisements. As to the survey, the examining attorney acknowledges that “many of the respondents ... stated that they believed the silhouette or outline of the Walter PPK is recognizable as a trademark”; however, he argues that this just shows that “applicant's goods have achieved a level of fame” and “does not show that consumers recognized the configuration of the pistol as a mark that identifies the applicant as the source of the goods.” Brief, (unnumbered) pp. 14-15. The examining attorney also takes issue with the survey because it used a random sample from subscribers to certain magazines and thus “only survey[ed] consumers with extensive knowledge of handguns” rather than the “public.” Brief, (unnumbered) p. 15. And, as to the declarations of individuals, the examining attorney states that applicant “merely surveyed individuals who have superior knowledge about the applicant's goods based on their substantial and continuous involvement in the field of handguns.” *Id.* Ultimately, the examining attorney concludes that applicant has failed to show that the PPK handgun design has acquired distinctiveness.

In its reply brief, applicant asserts that the examining attorney improperly dismissed or disregarded applicant's evidence, and attacked it in piecemeal fashion rather than considering all evidence in its entirety. Applicant, in particular, takes issue with the examining attorney's attacks on the probative value of the consumer recognition survey and the declarations and, ultimately, failed to rebut applicant's evidence.

There is no question that the burden of proving acquired distinctiveness in an ex parte proceeding rests with applicant. *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 1576, 6 USPQ2d 1001, 1004 (Fed. Cir. 1988); citing *Levi Strauss & Co. v. Genesco, Inc.*, 742 F.2d 1401, 1405, 222 USPQ 939, 942 (Fed. Cir. 1984); see also, *In re Hollywood Brands, Inc.*, 214 F.2d 139, 102 USPQ 294, 295 (CCPA 1954) (“[T]here is no doubt that Congress intended that the burden of proof [under Section 2(f)] should rest upon the applicant”). There is no clear standard as to the amount of evidence necessary for allowing a mark to register under Section 2(f); indeed, as our primary reviewing court noted:

*3 ... the statute is silent as to the weight of evidence required for a showing under Section 2(f) except for the suggestion that substantially exclusive use for a period of five years immediately preceding filing of an application may be considered prima facie evidence.

As observed by our predecessor court, the exact kind and amount of evidence necessarily depends on the circumstances of the particular case, and Congress has chosen to leave the exact degree of proof necessary to qualify a mark for registration to the judgment of the Patent Office and the courts. In general, the greater the degree of descriptiveness the term has, the heavier the burden to prove it has attained secondary meaning.

Yamaha Int'l Corp., 6 USPQ2d at 1008. Nevertheless, it has been observed that an applicant faces a heavy burden in cases such as the one before us where applicant is attempting to establish the distinctiveness of a product design. *Id.*; see also, *In re Ennco Display Systems Inc.*, 56 USPQ2d 1279, 1284 (TTAB 2000).

Ultimately, to establish acquired distinctiveness, an applicant must show that the product configuration is perceived by consumers as not just the product but, rather, that the design identifies the producer or source of the product. This may be shown by direct and/or circumstantial evidence. Direct evidence includes actual testimony, declarations or surveys of consumers as to their state of mind. Circumstantial evidence, on the other hand, is evidence from which consumer association might be inferred, such as years of use, extensive amount of sales and advertising, and any similar evidence showing wide exposure of the mark to consumers. See 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, Section 15:30 (4th ed. Updated 2010).

After careful consideration of the evidence submitted in this case and the arguments made, we are persuaded that applicant has, at least, made a prima facie case that its mark has acquired distinctiveness and the examining attorney has not sufficiently rebutted this showing.

Applicant's direct evidence that the PPK handgun design has acquired distinctiveness primarily consists of a consumer recognition survey.⁴ Applicant commissioned a blind, online survey of individuals (over 18 years old) who "own a handgun or plan on purchasing a handgun in the near future" and have not previously worked for a gun manufacturer. The eligible individuals were instructed "we are going to show you four different images of pistol shapes and then ask you to respond to some questions about each pistol shape." The participants were then shown the images and asked whether or not they were able to identify each pistol "based on [their] shape[s]" and, if so, to identify the "company or companies that make a pistol with this shape." Applicant's PPK handgun design was among three other handguns from various manufactures shown to the survey participants.⁵ Approximately 54% of the participants who completed the survey stated that they were able to identify who makes applicant's PPK pistol based on the shape of the pistol; and 33% of survey participants correctly identified applicant, or its licensee, as the maker. That is, over half of the survey participants associated PPK handgun design with a single source and approximately one-third of the participants were able to correctly identify the source. These percentages are not out of line with previous cases where secondary meaning or acquired distinctiveness in a mark has been established. *Cf.*, *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 116, 227 USPQ 417, 424 (survey showing 41% and 50% recognition, submitted together, found sufficient to establish acquired distinctiveness of trade dress); *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 217 USPQ 988 (5th Cir. 1983) (23-28% correct responses sufficient to establish secondary meaning); and *In re Jockey Int., Inc.*, 192 USPQ 579, 581 (TTAB 1976) (survey showing 51.6% recognition found sufficient to establish acquired distinctiveness for trade dress). We do not find these survey results, alone, to be conclusive in establishing that the PPK handgun design has acquired distinctiveness; rather, the survey is one piece of persuasive evidence that is considered in conjunction with the entire record before us.

*4 As noted, the examining attorney attacks the survey's probative value. However, in doing so, he appears to contradict himself by stating that "[m]any of the respondents ... stated that they believed the [PPK handgun design] is recognizable

as a trademark” and later, in the same paragraph, that the survey “does not show that consumers recognize [PPK handgun design] as a mark that identifies the applicant as the source of the goods.” Brief, (unnumbered) p. 15. If consumers recognize the PPK handgun design as a trademark, then by definition, they are viewing the PPK design as a source identifier. We also disagree with the examining attorney's reasoning that the survey is flawed because the participants were subscribers to publications in the field of handguns. The examining attorney asserts that “by only surveying consumers with extensive knowledge of handguns, the applicant has not shown that the *public* recognizes that [the PPK handgun design] identifies the source of the goods.” Brief, at (unnumbered) p. 15 (*emphasis added*). First, applicant need only show that the mark has become distinctive as a source identifier in the minds of consumers or prospective consumers of handguns, and not the “public” at large. Second, we have no reason to believe that merely because someone is a subscriber to a handgun publication that he or she has “extensive knowledge” of handguns. Rather, as previously noted, the survey results were obtained only from participants who stated that they owned a handgun or were in the market to purchase one, and have not worked for a gun manufacturer.

In addition to the survey, applicant submitted other direct evidence that its PPK handgun design has become distinctive. Mr. S.P. Fjestad, an author and publisher of authoritative books on handguns, states that consumers do consider the design of a handgun when choosing to purchase and “[w]hile there have never been more configurations of semi-automatic handguns available, there are certain handgun configurations that are more recognizable and stand out as trademarks from the crowded field of handguns in the market. One of the most recognizable handgun configurations among handgun consumers is the Walther PPK.” Fjestad dec., para. 4.⁶ Mr. Fjestad describes in his declaration the reasons why he believes the PPK handgun design is now “unique and identifiable and as coming from a single source.” *Id.*, para. 5. Inasmuch as Mr. Fjestad is extremely knowledgeable about handguns, he cannot be considered a typical consumer of handguns. Nevertheless, his declaration makes it clear that he is just as knowledgeable about the marketplace for handguns and, in particular, how and why consumers make their purchasing decisions regarding certain handguns. In this respect, his declaration is persuasive.

As to circumstantial evidence, applicant has submitted declarations and other evidence showing that it has made substantial efforts in promoting the PPK handgun since it was first introduced for sale in the United States in 1968.⁷ Applicant advertises the PPK handgun extensively in trade publications, on websites and in various magazines featuring firearms. For the period 2004–2007 alone, applicant spent approximately \$ 920,000 for such advertisements. By way of these advertisements, applicant often presents the PPK handgun with a full pictorial representation and touts the “sleek, elegant lines have excited shooters from the moment it was created over 75 years ago.”⁸

*5 Applicant has clearly benefited from extensive unsolicited media exposure as a result of the PPK handgun being used as a prop in nearly all of the James Bond films for approximately forty years and, indeed, the handgun is frequently referred to as “James Bond's weapon of choice.” The record includes printouts from various James Bond film advertisements prominently displaying the PPK handgun as well as various other media references mentioning the connection between James Bond and the PPK handgun, including an online encyclopedia reference that “[t]he PPK pistol is the trademark gun of fictional secret agent James Bond in books and films. The pistol is prominently featured in opening sequences and film art, hence it is culturally popular.”⁹ Also, in this regard, the record includes evidence that the PPK handgun has been recognized by its configuration after being displayed or used as a prop in films. Applicant submitted numerous printouts from various websites (usually in the form of chat or blog sites) indicating that viewers of movies (usually James Bond films) saw a pistol in the movie and recognized it (or believed they did) as applicant's PPK handgun.¹⁰ We are careful to avoid any immediate conclusion that because the PPK handgun design has been recognized by filmgoers, it has become distinctive amongst consumers of handguns. It has not been shown that the persons recognizing the handgun in films or shows are consumers of the identified goods. Thus, this evidence does not necessarily indicate the degree of recognition amongst the relevant consumers. Nevertheless, such evidence does help show a certain level of notoriety or fame that can be attributed to the PPK handgun design. And, more importantly, we do find that the James Bond films have clearly influenced handgun consumers and their recognition of the PPK handgun

design; this is demonstrated by some of the responses to the consumer survey commissioned by applicant. Several of the survey participants mentioned “James Bond” in their reasons for recognizing the PPK handgun design as source identifier for handguns.

The popularity of the PPK handgun design is further reflected in the fact that it is imitated, under license, through replica products such as air pistols. Applicant submitted the declaration of Justin Biddle, a Marketing Manager for Umarex USA, a related company of applicant and a manufacturer of replica products, including replicas of the PPK handgun and other brands of handguns.¹¹ Mr. Biddle states that Umarex USA obtains licenses “to create and sell replicas of the specific gun configurations used” and that it is “generally understood in the firearm industry” that such licenses are “required in order to create a replica when the shape indicates source and the firearm product configuration functions as a separate trademark.” Biddle dec., paras. 5-6. Mr. Biddle further avers that the PPK handgun design has been a “very successful design for replicas” and that over 25,000 “PPK replica products” were sold in the United States with sales over \$ 900,000 in the three-year period 2006-2008. *Id.*, para. 7. Samples of advertisements featuring Umarex's PPK handgun design replicas are attached to Mr. Biddle's declaration.

*6 The fact that the PPK handgun design is sought after and licensed to a maker of replica products has been recognized as one type of evidence that helps establish that a configuration or trade dress mark has become distinctive. *See, e.g., Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 169 (2d Cir. 1991) (intentional copying of another party's mark constitutes “persuasive evidence of consumer recognition”); see also, *Hartford House Ltd. v Hallmark Cards Inc.*, 647 F.Supp. 1533 (D.Colo. 1986) (the fact that a party licenses its greeting card trade dress for different goods “demonstrate[s] that the distinctive look is recognized in the market as having a value separate from the [greeting] cards”). It simply stands to reason that a party would only attempt to replicate another party's trade dress or product configuration, under license or not, if that trade dress or product configuration is perceived by the consumers as distinctive.

Finally, we address the evidence submitted by the examining attorney consisting of printouts showing various handguns that, on their face, appear similar to the PPK handgun. While this evidence is certainly relevant, it does not rise to the level necessary to rebut the direct and circumstantial evidence presented by applicant. There is no evidence as to the degree of consumer exposure to the third-party pistols or whether they are actually in production. Thus, the third-party pistols depicted may have only limited exposure and, in which case, would have limited probative value. Furthermore, even if certain features found in applicant's PPK handgun design are common to other pistol designs, this does not necessarily establish that handgun consumers are unable to perceive the *overall* appearance of applicant's PPK handgun as distinctive. We would be remiss if we did not acknowledge that the examining attorney is somewhat handicapped inasmuch as he does not have access to the same evidentiary resources as counsel for applicant or that of a party in an *inter partes* proceeding.¹²

In summary, based upon consideration of all the evidence of record, we conclude that applicant has established a prima facie case that the PPK handgun design involved in the application before us has acquired distinctiveness within the meaning of Section 2(f) of the Trademark Act. The evidence and arguments of the examining attorney, taken together, do not rebut that showing.

Decision: The refusal to register is reversed. The application will be forwarded for publication for opposition.

Footnotes

- 1 Serial No. 77096523, filed under Section 1(a) of the Trademark Act based on an allegation of first use anywhere and in commerce on June 30, 1969.
- 2 “PPK” is the model designation of applicant's handgun bearing the design attributes that constitute the proposed mark which applicant asserts has acquired distinctiveness.
- 3 We note that the examining attorney raised and subsequently withdrew a functionality refusal to registration of the mark.

- 4 A declaration, with exhibits, of Riva Kupritz, a Principal of Outsource Marketing, a Minnesota company, was attached as Exhibit 4 to applicant's Request for Reconsideration (filed on August 10, 2009). In her declaration, Ms. Kupritz describes the pistol configuration survey and results that Outsource Marketing conducted on behalf of applicant. The exhibits to the declaration include copies of Ms. Kupritz's curriculum vitae and various printouts involving the survey. Applicant also submitted the declaration of Karen Brennan, an attorney with the law firm representing applicant, in support of the consumer survey.
- 5 A second survey was conducted in the same manner but substituting a slightly different model of handgun of applicant's for the PPK. We only rely on the results of the first survey, involving the PPK handgun design.
- 6 Mr. Fjestad's declaration was submitted as Exhibit 7 to applicant's Request for Reconsideration (filed on August 10, 2009). In his declaration, Mr. Fjestad states he is an author and publisher of several books on firearms, including the *Blue Book of Gun Values* that contains “nearly 2,300 pages of detailed pricing and information on thousands of modern and antique firearms” and has a circulation of over 1.3 million copies worldwide. Mr. Fjestad has over twenty-five years experience in the field of compiling information on handguns and has “had extensive exposure to almost every type and brand of handgun currently manufactured or discontinued, including the Walther PPK.”
- 7 Applicant submitted the declaration of Wulf-Heinz Pflaumer, Chairman of the Advisory Board of applicant and Managing Partner of applicant's mother company, as Exhibit 2 to applicant's response (filed January 26, 2009) to an Office action. Copies of applicant's advertisements are also attached as various exhibits to the same response.
- 8 Exhibit 10 attached to applicant's response (filed January 26, 2009) to an Office action.
- 9 From online encyclopedia, Wikipedia, at www.en.wikipedia.org/wiki/Walther_PPK, printout attached as Exhibit 4 to applicant's response (filed January 26, 2009) to an Office action.
- 10 Submitted as Exhibit 2 to applicant's response (filed January 26, 2009) to an Office action.
- 11 Submitted as Exhibit 6 to applicant's Request for Reconsideration (filed on August 10, 2009).
- 12 Our conclusion in this *ex parte* appeal would not, of course, preclude the Board from reaching a different result in a subsequent *inter partes* proceeding brought against this same application by a competitor of applicant, if the competitor was able to present evidence showing that the PPK handgun design has not acquired distinctiveness.

2010 WL 4502071 (Trademark Tr. & App. Bd.)

2017 WL 6442187

Only the Westlaw citation is currently available.
United States District Court, N.D. California.

GOVINO, LLC, Plaintiff,

v.

WHITEPOLES LLC, et al., Defendants.

Case No. 4:16-cv-06981-JSW (KAW)

|
Filed 11/03/2017

Attorneys and Law Firms

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for Defendants.

**REPORT AND RECOMMENDATION
TO GRANT PLAINTIFF'S MOTION
FOR DEFAULT JUDGMENT**

Re: Dkt. No. 27

KANDIS A. WESTMORE, United States Magistrate
Judge

*1 Plaintiff govino, LLC (“Plaintiff”) moves for Default Judgment against defendants WhitePoles LLC (dba Vintout) and Brands Exclusive LLC (collectively “Defendants”) for seven causes of action, including direct and contributory infringement of [U.S. Patent No. D577,547](#) (“the ‘547 Patent”), trade dress infringement, trademark dilution, and unfair competition with respect to the govino Trade Dress, as defined below, and false and misleading advertising and related unfair competition. Defendants have not appeared in this action, nor have they responded to Plaintiff’s complaint or motion for default judgment. Plaintiff seeks injunctive relief, profits, and an award of reasonable attorneys’ fees and costs.

On August 31, 2017, the Court held a hearing, and, for the reasons set forth below, RECOMMENDS that Plaintiff govino, LLC’s motion for default judgment be granted and that judgment be entered against Defendants.

I. BACKGROUND

govino is a small company engaged in the design, manufacturing, distribution and retail sales of distinctive drinking glasses that include, *inter alia*, its GOVINO® Go Anywhere® shatterproof, reusable, recyclable™ stemless wine glasses, flutes, cocktail glasses, beer glasses, and decanters (collectively “GOVINO® Products”), which are readily identifiable and distinguishable over competitor products, *e.g.*, by way of inclusion of a distinctive notched indent in the glass side wall (“govino Trade Dress”). (Compl., Dkt. No. 1 ¶¶ 9-10, 12-15; Exs. to Compl., Dkt. No. 3, Exs. A-F; Decl. of Scott M. Lowry, “Lowry Decl.,” Dkt. No. 27-1 ¶ 10, Exs. 8-10.) The U.S. Patent and Trademark Office (“USPTO”) awarded govino multiple design patents incorporating the govino Trade Dress, including [U.S. Patent Nos. D577,547](#); [D646,926](#); [D724,898](#); and [D685,218](#) (collectively “GOVINO® Design Patents”). (Compl. ¶ 11; Dkt. No. 3, Exs. A-D, G; Lowry Decl. ¶¶ 4-8, Exs. 1-5.) and govino won several prestigious design awards for GOVINO® Products incorporating the govino Trade Dress. (Compl. ¶ 12.) Also, all GOVINO® Products and related product packaging display the govino Trade Dress. (Compl. ¶¶ 9, 10, 12, 26, 40; Dkt. No. 3, Exs. A-F.)

Since about 2008, govino has substantially continuously and exclusively marketed and sold the GOVINO® Products incorporating the govino Trade Dress in commerce and, as a result of govino’s expenditure of considerable time, effort, and money to advertise and publicize this feature, the govino Trade Dress is well known and has become associated only with govino, and serves to designate govino as an exclusive manufacturing source distinguishable over competitor products. (Compl. ¶¶ 8-10, 12, 15, 18, 19, 23, 24, 39; Dkt. No. 3, Exs. B-G, N-O.) Consumers readily see the govino Trade Dress in the GOVINO® Products and in connection with govino’s advertising and product packaging, such as at the point of purchase in retail stores and at online retailers. (Compl. ¶¶ 9-10, 12-15; Dkt. No. 3, Exs. B-F, N-O.)

Long after govino obtained the GOVINO® Design Patents and began marketing and selling GOVINO® Products incorporating the govino Trade Dress in commerce, Defendants commenced marketing and selling drinking glasses that infringe the [‘547 Patent](#) and infringe the govino Trade Dress. (Compl. ¶¶ 16-19; Dkt. No. 3,

Exs. H-O.) In fact, some of Defendants' products are virtually indistinguishable from the '547 Patent (Dkt. No. 3, Ex. G) and are identical to the GOVINO® Wine Glass (Dkt. No. 3, Exs. A-C). Defendants intend to use govino's goodwill to obtain a profit at govino's expense, and Defendants willfully and intentionally adopted and commenced selling and offering for sale in commerce the confusingly similar products through the same outlets as govino, including Amazon. (Compl. ¶¶ 19, 26, 27, 46; Dkt. No. 3, Exs. N-O.) Defendants refused to cease and desist their infringing activity after multiple notifications, thereby forcing govino to file the present action. (Compl. ¶ 23, 24; Dkt. No. 3, Ex. N-O.)

*2 On January 30, 2017, default was entered against Defendant White Poles LLC & Defendant Brand Exclusive LLC. (Dkt. No. 13.) On May 25, 2017, Plaintiff filed the motion for default judgment. (Pl.'s Mot., Dkt. No. 27.) Thereafter, the motion was referred to the undersigned for report and recommendation. On June 15, 2017, Plaintiff filed a motion for leave to file a supplemental declaration in support of its motion for default judgment, which was granted. On August 31, 2017, the Court held a hearing on the motion for default judgment, at which Defendants did not appear. On October 30, 2017, Plaintiff filed a second supplemental declaration, in which it clarified the hours spent by Plaintiff's counsel and furnished the undersigned with information regarding Defendants' likely cost of production. (2d Decl. of Scott M. Lowry, "2d Supp. Lowry Decl.," Dkt. No. 44.)

II. LEGAL STANDARD

Federal Rule of Civil Procedure 55(b)(2) permits a court to enter a final judgment in a case following a defendant's default. *Shanghai Automation Instrument Co. v. Kuei*, 194 F. Supp. 2d 995, 999 (N.D. Cal. 2001). Whether to enter a judgment lies within the court's discretion. *Id.* at 999 (citing *Draper v. Coombs*, 792 F.2d 915, 924-25 (9th Cir. 1986)).

Before assessing the merits of a default judgment, a court must confirm that it has subject matter jurisdiction over the case and personal jurisdiction over the parties, as well as ensure the adequacy of service on the defendant. See *In re Tuli*, 172 F.3d 707, 712 (9th Cir. 1999). If the court finds these elements satisfied, it turns to the following factors

(“the *Eitel* factors”) to determine whether it should grant a default judgment:

- (1) the possibility of prejudice to the plaintiff,
- (2) the merits of plaintiff's substantive claim,
- (3) the sufficiency of the complaint,
- (4) the sum of money at stake in the action[,] (5) the possibility of a dispute concerning material facts[,] (6) whether the default was due to excusable neglect, and (7) the strong policy underlying the Federal Rules of Civil Procedure favoring decision on the merits.

Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986) (citation omitted). Upon entry of default, all factual allegations within the complaint are accepted as true, except those allegations relating to the amount of damages. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987). Where a default judgment is granted, the scope of relief “must not differ in kind from, or exceed in amount, what is demanded in the pleadings.” Fed. R. Civ. P. 54(c).

III. DISCUSSION

A. Jurisdiction and Service of Process

In considering whether to enter default judgment, a district court must first determine whether it has jurisdiction over the subject matter and the parties to the case. *In re Tuli*, 172 F.3d 707, 712 (9th Cir. 1999) (“When entry of judgment is sought against a party who has failed to plead or otherwise defend, a district court has an affirmative duty to look into its jurisdiction over both the subject matter and the parties.”).

i. Subject Matter Jurisdiction

This civil action arises under the laws of the United States, Title 35 United States Code, particularly §§ 271 and 281; the Federal Trademark Act of 1946, 15 U.S.C. § 1051, *et seq.*, as amended (the “Lanham Act”) and California Common Law; and California Business & Professions Code § 17200 and 17500 *et seq.* (Compl. ¶ 1.) This court has original jurisdiction over the parties and the subject

matter of the action pursuant to 28 U.S.C. §§ 1331 and 1338(a)-(b), as well as under 15 U.S.C. §§ 1121. *Id.* at ¶ 2.

ii. Personal Jurisdiction

Defendants are Wyoming limited liability companies. (Compl. ¶¶ 6-7.) California’s long-arm statute authorizes specific personal jurisdiction over nonresident defendants to the full extent permitted by the Due Process Clause of the United States Constitution. *See Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1320 (9th Cir. 1998). Thus, this Court may assert specific personal jurisdiction over nonresident defendants if three requirements are met:

- *3 (1) The nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws; (2) the claim must be one which arises out of or results from the defendant’s forum-related activities; and (3) exercise of jurisdiction must be reasonable.

Id. (quotation marks and citation omitted). Plaintiff bears the burden of satisfying the first two requirements; the burden then shifts to the defendant to present a “compelling case” that the exercise of jurisdiction would be unreasonable. *Mavrix Photo, Inc. v. Brand Techs., Inc.*, 647 F.3d 1218, 1228 (9th Cir. 2011) (citations omitted).

a. Purposeful Direction

The first requirement encompasses two distinct concepts: purposeful availment and purposeful direction. *See Yahoo!, Inc. v. La Ligue Contre Le Racisme Et L’ Antisemitisme*, 433 F.3d 1199, 1206 (9th Cir. 2006). Tort claims and tort-like claims—including intellectual property claims—are analyzed under the purposeful direction concept. *See Craigslist, Inc. v. Kerbel*, C-11-3309 EMC, 2012 WL 3166798, at *4 (N.D. Cal. Aug. 2, 2012) (“In analyzing purposeful direction, the Court

applies the ‘effects’ test in *Calder v. Jones*, 465 U.S. 783 (1983).”). Jurisdiction is proper under the effects test if the defendant “(1) committed an intentional act, which was (2) expressly aimed at the forum state, and (3) caused harm, the brunt of which is suffered and which the defendant knows is likely to be suffered in the forum state.” *Id.* (citing *Bancroft & Masters, Inc. v. Augusta Nat’l, Inc.*, 223 F.3d 1082, 1087 (9th Cir. 2000)). All three requirements are met here.

First, Defendants committed intentional acts: they purposefully advertised for sale products that infringed on Plaintiff’s patents and trade dress. (*See* Compl. ¶¶ 15-19, 29, 39-40.)

Second, Defendants expressly aimed their conduct at this forum. Express aiming exists where “the defendant is alleged to have engaged in wrongful conduct targeted at a plaintiff whom the defendant knows to be a resident of the forum state.” *CollegeSource, Inc. v. Academyone, Inc.*, 653 F.3d 1066, 1077 (9th Cir. 2011) (internal quotation marks and citations omitted). Here, Defendants targeted govino, a company located in California, by advertising for sale products that infringe on govino’s patents and trade dress. (*See* Compl. ¶¶ 5, 16-19.) This constitutes aiming conduct at this forum.

Third, Defendants knew they would cause harm in California because the scheme was directed at a company known to be located in California. *See also Craigslist, Inc. v. Naturemarket, Inc.*, 694 F. Supp. 2d 1039, 1053 (N.D. Cal. 2010) (“Because Plaintiff is headquartered in California and maintains its website in California, Defendants’ actions directly targeted California, and Defendants knew that Plaintiff would suffer the brunt of its harm in California.”).

b. Arising from forum-related activities

This element is established if Plaintiff would not have been injured “but for” the nonresident defendants’ forum-related activities. *See Ballard v. Savage*, 65 F.3d 1495, 1500 (9th Cir. 1995). As explained above, Defendants expressly targeted govino, a company located in California, by selling counterfeit goods, and govino suffered injury from the schemes in this forum, where its principal place of business is located. *See CollegeSource*, 653 F.3d at 1079 (“We have repeatedly held that

a corporation incurs economic loss, for jurisdictional purposes, in the forum of its principal place of business.”); *Nissan*, 89 F. Supp. 2d at 1160 (“[T]he defendant’s intentional exploitation of the plaintiffs’ goodwill and diversion of the plaintiffs’ potential customers [via the Internet] had the effect of injuring [plaintiffs] in California. But for the [defendant’s] conduct, this injury would not have occurred.”). Moreover, Plaintiff expends a significant amount of resources to advertise and publicize the govino trade dress. (Pl.’s Mot. at 1.) Accordingly, the claims arise out of Defendants’ forum-related activities.

c. Reasonableness

*4 Because the first two requirements for exercising specific personal jurisdiction has been established, the nonresident defendant must present a “compelling case” that asserting jurisdiction would be unreasonable. *Mavrix*, 647 F. 3d at 1228 (citations omitted). Defendants have waived their opportunity to make this showing by failing to participate in this litigation, despite having initially stipulated to an extension of time to respond to the complaint. (See Dkt. No. 10.) Thus, Defendants not only had “fair warning” that they might be sued in California, but were also aware that they were being sued. Accordingly, the exercise of personal jurisdiction is not unreasonable, and the district court has personal jurisdiction over the defendants.

iii. Venue

Venue is proper in the Northern District of California under 28 U.S.C. § 1391, as Plaintiff is located within the Northern District.

iv. Service of Process

Plaintiff served the authorized agents for both defendants with a copy of the Complaint and Summons under Fed. R. Civ. P. 4(h)(1) and in compliance with Wyoming state law, and filed the affidavits of the proof of service with the Court. (Dkt. Nos. 8-9.)

B. Application to the Case at Bar

i. Prejudice to Plaintiff

Plaintiff will suffer prejudice if the Court does not enter default judgment, because govino has no other recourse for recovery for the harm already inflicted by Defendants; and govino cannot stop continued future infringement without an injunction. *PepsiCo, Inc. v. California Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002) (finding that “Potential prejudice to Plaintiffs favors granting a default judgment”). Thus, the Court finds that if Plaintiff’s motion for default judgment is not granted, Plaintiff will likely be without other recourse for recovery.

ii. Merits of Plaintiff’s Claims & Sufficiency of the Complaint

The second and third *Eitel* factors focus on the merits of Plaintiff’s substantive claims and the sufficiency of the Complaint. *Eitel*, 782 F.2d at 1471-72. As such, the Court finds that govino has sufficiently pleaded meritorious claims in its Complaint, as follows:

a. Direct Patent Infringement under 35 U.S.C. §§ 271(a) and 281; and Contributory Patent Infringement under 35 U.S.C. §§ 271(c) and 281

In its first and second claims for direct and contributory patent infringement under 35 U.S.C. §§ 271(a) and 281, Plaintiff alleges that Defendants, through their respective agents, employees, and servants, have, and continue to, knowingly, intentionally, and willfully directly (and indirectly by virtue of sales through Amazon and to third parties) infringe the '547 Patent, for which govino is the assignee of the entire right, title, and interest. (Compl. ¶¶ 11, 16-18, 25, 26, 28-37; Dkt. No. 3, Exs. H-O.)

Furthermore, the Defendants are making, using, selling, offering for sale, and/or importing drinking glasses having a design that would appear to an ordinary observer to be substantially similar to the design claim of the '547 Patent, including, Defendants’ “Neel”, “Claire”, and “Zelenka” product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; and SKU# VIN-Z23-1 (collectively “Patent Infringing Glasses”). (Compl. ¶¶ 16-18, 25, 26, 28-37; Dkt. No. 3, Exs. H-I, K-O.) The

Court finds that the only exception is Defendants' double-notched, stemless wine glasses, SKU# VIN-N19-2; SKU# VIN-C19-2; SKU# VIN-Z19-2 (Dkt. No. 3, Ex J.), because Plaintiff's design patents are for single-notched glassware.

Each of the Patent Infringing Glasses were made, used, offered for sale, sold, or otherwise imported into the United States by Defendants, and Defendants advertised and sold the Patent Infringing Glasses in commerce through Defendants' website (vintout.com), Amazon, and Facebook. (Compl. ¶¶ 16-17, 20; Dkt. No. 3, Exs. H-O.) The Patent Infringing Glasses are substantially similar such that an ordinary observer familiar with the '547 Patent and the Patent Infringing Glasses would be deceived into believing that the Patent Infringing Glasses are the same as govino's '547 Patent. (Lowry Decl. ¶ 9; Ex. 6 (comparing the '547 Patent to the Patent Infringing Glasses)).

*5 Defendants' acts of infringing the '547 Patent were without permission or license from govino. (Compl. ¶¶ 23, 24; Dkt. No. 3, Exs. N-O.) Moreover, Defendants had actual knowledge of govino's rights in the '547 Patent at least as early as Sept. 27, 2016 when govino delivered its first cease and desist letter to Defendants, and Defendants admit they "knew of or had purchased one or more of the govino Products, and were aware that the govino Products were for sale through the Amazon.com marketplace... [and] [r]ecogniz[ed] the extreme commercial success of the govino Products, [and thereafter] engaged in the business of making, using, importing, selling, or otherwise offering to sell" the Patent Infringing Glasses. (Compl. ¶ 18.) Thus, the Court finds that Defendants' actions constitute willful and intentional infringement of the '547 Patent. (Compl. ¶¶ 18, 23-26, 30; Dkt. No. 3, Exs. N-O.) Consequently, Defendants knew, or it was so obvious that Defendants should have known, that their actions constituted direct and/or contributory infringement of the '547 Patent. (Compl. ¶¶ 10, 12-15, 18, 23-26; Dkt. No. 3, Exs. N-O.)

b. Trade Dress Infringement Under 15 U.S.C. § 1051 et seq.; Trademark Dilution Under 15 U.S.C. § 1125(a); and Unfair Competition re Trade Dress Infringement Under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code §§ 17200 et seq., and California common law

In its third, fourth, and fifth causes of action for trade dress infringement under 15 U.S.C. § 1051 et seq., trademark dilution under 15 U.S.C. § 1125(a), and unfair competition regarding trade dress infringement under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code §§ 17200 et seq., and California common law, Plaintiff alleged that Defendants, through their agents, employees, and servants, have, and continue to, knowingly, intentionally, and willfully directly infringe the govino Trade Dress prominently shown in all GOVINO® Products, and in violation of 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code §§ 17200 et seq., and California common law. (Compl. ¶¶ 9, 10, 15-19, 25, 26, 38-53; Dkt. No. 3, Exs. A-F, N-O; Lowry Decl. ¶ 10; Exs. 6, 7 (summarizing the GOVINO® Products).) Moreover, the govino Trade Dress is emphasized on the product packaging for all GOVINO® Products. (Compl. ¶¶ 10, 12, 40, 41; Dkt. No. 3, Exs. A-F; Lowry Decl. ¶ 10; Exs. 9-10 (summarizing the GOVINO® Products product packaging).) For example, all packaging shows the govino Trade Dress in wire form or as a picture on the box front and on the side where a white semi-circle noticeably disrupts a colored boarder next to the govino Trade Dress. *See id.*

Defendants make, use, sell, offer to sell, and/or import drinking glasses incorporating the govino Trade Dress, including the "Neel", "Claire", and "Zelenka" product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; SKU# VIN-Z23-1; SKU# VIN-N13-1; SKU# VIN-C13-1; SKU# VIN-Z13-1; SKU# VIN-N20-1; SKU# VIN-C20-1; and SKU# VIN-Z20-1 (collectively "TD Glasses"). (Compl. ¶¶ 16, 17, 20; Dkt. No. 3, Exs. H-I, K-M; Lowry Decl. ¶¶ 11; Ex. 11 (comparing the TD Glasses to the govino Trade Dress).) Again, as set forth above, Defendants' double-notched, stemless wine glasses, SKU# VIN-N19-2; SKU# VIN-C19-2; SKU# VIN-Z19-2 (Dkt. No. 3, Ex J.) do not incorporate Plaintiff's trade dress, because Plaintiff's protectable dress is single-notched glassware. *See discussion supra* Part III.B.ii.a.

Each of the TD Glasses were made, used, offered for sale, sold, or otherwise imported into the United States by Defendants at least by way of advertising and selling through Defendants' website (vintout.com) and Amazon, and include a notched indent so similar to the govino Trade Dress that consumers are likely to be confused regarding whether the TD Glasses are genuine products.

(Compl. ¶¶ 16-19; Dkt. No. 3, Exs. H-M.) The Court finds that Defendants have willfully infringed upon the govino Trade Dress in violation of 15 U.S.C. § 1125(a), and that Defendants have admitted that its trade dress infringement constitutes unfair competition under the common law and statutory laws of the State of California, and particularly Cal. Bus. & Prof. Code § 17200 *et seq.* (Compl. ¶¶ 38-53.)

1. Plaintiff's Trade Dress Is Protectable Designation of Origin

*6 Lanham Act § 43(a) broadly provides a cause of action for the use by any person of “any container for goods ... symbol, or device, or any combination thereof ... likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association ... as to the origin, sponsorship, or approval of his or her goods.” 15 U.S.C. § 1125(a) (2012). The “breadth of the confusion-producing elements actionable under § 43(a) has been held to embrace ... ‘trade dress’—a category that originally included only the packaging, or ‘dressing,’ of a product, but in recent years has been expanded ... to encompass the product’s design.” *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 209 (2000). Trade dress is thus a “symbol” or “device” under the Lanham Act. *Id.* While trade dress may not necessarily be “inherently distinctive”, it can acquire distinctiveness by showing “secondary meaning.” *Id.* at 214. One way to do so, under 15 U.S.C. § 1052(f), is to provide “proof of substantially exclusive and continuous use thereof as a mark ... in commerce for the five years before the date on which the claim of distinctiveness is made....” Such evidence can serve as “*prima facie* evidence that the mark has become distinctive”. 15 U.S.C. § 1052(f); *Cal. Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1454 (9th Cir. 1985) (“Proof of ‘substantially exclusive and continuous use’ for the five years ... is acceptable as *prima facie* evidence of secondary meaning ... [and] that the mark is distinctive.”).

govino has been using and selling the govino Trade Dress in commerce substantially, exclusively, and continuously since at least 2008, and longer than the five years required for attaining *prima facie* secondary meaning and acquired distinctiveness under Section 1052(f). (Compl. ¶¶ 9-10, 12-14; Dkt. No. 3, Exs. A-F.) Importantly, govino enjoys comprehensive design patent coverage that permits govino to exclude others from making, using,

selling, etc. glasses including the govino Trade Dress. (See, e.g., Compl. ¶ 11; Dkt. No. 3, Ex. G; Lowry Decl. ¶¶ 4-7; Exs. 1-4.) Thus, the Court finds that govino’s use in commerce has been substantially exclusive and continuous over the last nine years and serves as *prima facie* evidence under Section 1052(f) and relevant case law that the govino Trade Dress has acquired distinctiveness through secondary meaning, and is, thus, enforceable as a trademark. *Id.*

Moreover, the Ninth Circuit held that deliberate copying of a competitor name, symbol, packaging, other marking or combination of elements establishes a *prima facie* case of secondary meaning (and also likelihood of confusion). *Vision Sports Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989) (“proof of copying strongly supports an inference of secondary meaning”); *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 558 (9th Cir. 1960) (holding that proof of copying is sufficient to establish secondary meaning). The Court further finds that Defendants admitted they knew of the GOVINO® Products and, in recognizing the extreme commercial success, decided to engage in the business of making, using, importing, selling, or otherwise offering to sell its own TD Glasses and knock off the govino Trade Dress. (Compl. ¶ 18; Dkt. No. 3, Exs. H-M.)

2. Defendants Concurrent Use Is Likely To Cause Confusion

The basic test for trademark infringement is a likelihood of confusion, which exists “whenever consumers are likely to assume that a mark is associated with another source or sponsor because of similarities between the two marks”. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404 (9th Cir. 1997) (“[I]nfringement of an unregistered mark is triggered by a use which ‘is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association’ ”.); *Acad. of Mot. Picture Arts & Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1456 (9th Cir. 1991). Here, the Court finds that Defendants admit they willfully, intentionally, and deliberately caused a likelihood of confusion by using, advertising, and selling the TD Glasses in commerce. (Compl. ¶¶ 40, 50.)

In assessing a likelihood of confusion for trademark infringement and related unfair competition,

*7 courts in the Ninth Circuit have typically applied the eight factors identified ... in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979): (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.

iCall, Inc. v. Tribair, Inc., 2012 WL 5878389, at *5 (N.D. Cal. Nov. 21, 2012); *see also AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979); *Abercrombie & Fitch Co. v. Moose Creek, Inc.*, 486 F.3d 629, 633 (9th Cir. 2007). “The test is a fluid one and the plaintiff need not satisfy every factor, provided that strong showings are made with respect to some of them.” *Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 631 (9th Cir. 2005). In *GoTo.com, Inc. v. Walt Disney Co.*, the Ninth Circuit found that “the three most important *Sleekcraft* factors are (1) the similarity of the marks, (2) the relatedness of the goods or services, and (3) the ... marketing channel.” 202 F.3d 1199, 1205 (9th Cir. 2000); *Brookfield Commun., Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (stating that the “similarity of the marks and whether the two companies are direct competitors—will always be important”). Here, as set forth below, Defendants misappropriated the govino Trade Dress, sold confusingly similar glassware through the some of the same marketing channels, such as Amazon, and to the same consumers, such that the *Sleekcraft* factors show a likelihood of confusion and infringement of the govino Trade Dress.

i. Similarities of the Marks

First, the similarities between the govino Trade Dress and Defendants' TD Glasses are remarkably similar. (*Cf.* Compl. ¶¶ 10, 12, 40, 41; Dkt. No. 3, Exs. A-F with Compl. ¶¶ 16, 17, 20; Dkt. No. 3, Exs. H-M; *see also* Lowry Decl. ¶ 11; Ex. 11.) Each of the TD Glasses includes a notched indent of nearly identical construction

as the GOVINO® Products. *See ids.* Consumers will be unable to discern the differences in the origination of the products, especially when Defendants' TD Glasses appear next to the GOVINO® Products, such as on Amazon. (*Cf.* Compl., ¶¶ 10, 12, 40; Dkt. No. 3, Exs. B-F with Compl. ¶¶ 16, 20; Dkt. No. 3, Exs. I-K.) Thus, the Court finds that the first principal *Sleekcraft* factor weighs in favor of govino.

ii. Similarities of the Goods

Second, the goods in this case are identical—all are drinking glasses. (*Cf.* Compl. ¶¶ 10, 12, 40, 41; Dkt. No. 3, Exs. A-F with Compl. ¶¶ 16, 17, 20; Dkt. No. 3, Exs. H-M; *see also* Lowry Decl. ¶¶ 9-11; Exs. 6-8, 11.) Some of the TD Glasses are even nearly indistinguishable from the GOVINO® Products. (Lowry Decl. ¶¶ 9, 11; Exs. 6, 11.) Importantly, govino's products and Defendants' products embrace the exact same category of goods and include no discernible differences. Thus, the Court finds that the second principal *Sleekcraft* factor weighs in favor of govino.

iii. Similarities of the Trade Channels

Defendant and govino use the exact same trade channels for selling and/or distributing drinking glasses, such as through Amazon.com. (Compl. ¶ 10, 16-18; Dkt. No. 3, Exs. B-F, I-K.) In fact, some Amazon product listings show govino products next to Defendants' products. (Dkt. No. 3, Ex. B at 2; Ex. C at 2; Ex. F at 2; Ex. I at 2; Ex. J at 2, 6.) Accordingly, Defendants target the exact same consumers as govino in the exact same trade channels. Thus, the Court finds that the third principal *Sleekcraft* factor weighs in favor of govino.

*8 Since the three primary *Sleekcraft* factors heavily favor govino, *i.e.*, similarities of the (1) marks, (2) goods, and (3) trade channels, the Court finds a likelihood of confusion.

iv. Defendants' Intent

The Court will now turn to the six remaining *Sleekcraft* factors, the first of which requires analyzing defendants' intent. Here, Defendants admit copying

govino's established and well known trade dress and establishes Defendants' wrongful intent and demonstrates a likelihood of confusion (and secondary meaning). See *VisionSports, Inc.*, 888 F.2d 609 at 615. The Ninth Circuit stated in *Academy*, that when the evidence shows deliberate adoption of a mark to "obtain advantage from the other's good will, we may infer a likelihood of confusion". 944 F.2d at 1456. Defendants' copying was not a mistake. Rather, Defendants "knew of or had purchased one or more of the govino Products" and willfully and deliberately copied "the distinctive product configuration of the govino Products." (Compl. ¶¶ 18, 25, 26, 30, 40, 50, 47, 61.) A deliberate intent to copy a mark is "the most damning element" against an accused infringer and "alone may be sufficient to justify the inference that there is confusing similarity". *Ocean Garden, Inc. v. Marktrade Co., Inc.*, 953 F.2d 500, 507 (9th Cir. 1991). "[C]ourts almost unanimously presume a likelihood of confusion based on a showing of intentional copying". *Fuddrucker, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 846 (9th Cir. 1987); Compl. ¶ 26 ("Defendants created the [TD] Glasses to engage in the willful and intentional infringement of govino's proprietary rights."); Compl. ¶ 40 ("Defendants ... intentionally adopted and commercially used and sold the confusingly similarly configured [TD] Glasses, e.g., including govino's distinctive notched indent as shown in Exhibits A-E, so as to cause a likelihood of confusion among the relevant purchasing public..."). Thus, the Court finds that this element weighs heavily in favor of govino.

v. Evidence of Actual Confusion

The Court finds that this factor is entitled to less weight and, while govino has yet to acquire proof of actual confusion, "[t]he failure to prove instances of actual confusion is not dispositive against a trademark plaintiff, because actual confusion is hard to prove; difficulties in gathering evidence of actual confusion make its absence generally unnoteworthy." *Brookfield*, 174 F.3d at 1050; *Am. Intern. Group, Inc. v. Am. Intern. Bank*, 926 F.2d 829, 832 (9th Cir. 1991) ("actual confusion is not necessary to a finding of likelihood of confusion under the Lanham ... Act."). Thus, the Court finds that govino's inability to prove actual confusion is entitled to little weight, particularly on default.

vi. Consumer Degree of Care

The goods at issue are relatively inexpensive drinking glasses to which purchasers devote only slight care and attention in making selections and purchases. (Compl. ¶¶ 10, 16-18; Dkt. No. 3, Exs. B-F, I-K.) Thus, the govino Trade Dress is prominently shown and marketed at the point of sale (Compl. ¶ 10; Dkt. No. 3, Exs. B-F; Lowry Decl. ¶ 10; Exs. 7-10), and is important to its commercial success and serves to distinguish the GOVINO® Products over competitor products. (Compl. ¶¶ 9-10, 12-15; Dkt. No. 3, Exs. A-F.) Such features allow ordinary purchasers, who typically rely "only [on] general impressions with respect to an original product or its name", to readily identify its products. *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 156 (9th Cir. 1963). Despite drinking glasses being commonplace for years, Defendants designed the TD Glasses to include features identical to the govino Trade Dress so that ordinary consumers, having seen and perhaps even purchased the GOVINO® Products in the past, would believe Defendants' TD Glasses were govino products. Accordingly, the Court finds that this *Sleekcraft* factor also weighs in favor of govino.

vii. Strength of Mark

*9 The Ninth Circuit includes a two-prong test for determining the "strength" of an asserted mark. *GoTo.com*, 202 F.3d at 1207. First, the Court finds that the "conceptual" strength of the govino Trade Dress is strong, as evidenced by its unique design, multiple design patents, IDEA awards, publicity, and industry recognition. (Compl. ¶¶ 9-15; Dkt. No. 3, Exs. A-F.) Second, the "commercial" impact is highlighted by the fact that the govino Trade Dress has acquired secondary meaning and distinctiveness. (Compl. ¶¶ 9-15; Dkt. No. 3, Exs. A-F.) The Court finds that this *Sleekcraft* factor weighs in favor of govino.

viii. Likelihood of Product Line Expansion

govino and Defendants already sell competing drinking glasses in identical trade channels, such as through Amazon.com. (Compl. ¶ 10, 16-18; Dkt. No. 3, Exs. B-F, I-K.) The Court, thus, finds that the zone of

natural expansion heavily favors govino, since the parties already compete for the same customers in the same trade channels.

ix. Totality of Circumstances
Shows Likelihood of Confusion

Accordingly, in light of the *Sleekcraft* factors, the Court finds that there is a likelihood of confusion.

3. govino's Trade Dress Rights Are Non-Functional

"Trade dress protection applies to 'a combination of any elements in which a product is presented to a buyer,' including the shape and design of a product." *Art Attacks Ink, LLC v. MGA Ent. Inc.*, 581 F.3d 1138, 1145 (9th Cir. 2009) (citing J.Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 8:1, at 8–3 (4th ed. 2008)). Although, trade dress rights must be non-functional. *Art Attacks Ink*, 581 F.3d at 1145. Plaintiff has established that the govino Trade Dress is non-functional. For example, the USPTO issued govino several design patents in the GOVINO® Design Patents. Design patents issue to those who "invent[] any new, original, and ornamental design for an article of manufacture...." 35 U.S.C. § 171. The GOVINO® Design Patents are presumed valid and enforceable and, therefore, the design elements, including the govino Trade Dress, are presumed ornamental and non-functional. 35 U.S.C. § 282. "Design patents protect 'the novel, ornamental features of the patented design,' not the functional elements." *Richardson v. Stanley Works, Inc.*, 610 F. Supp. 2d 1046, 1049 (D. Ariz. 2009), *aff'd* 597 F.3d 1288 (Fed. Cir. 2010) (citing *OddzOn Prods, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997)).

In *Inwood Labs. v. Ives Labs.*, the Supreme Court noted that "a product feature is functional if it is essential to the use or purpose of the article or it affects the cost of quality of the article." 456 U.S. 844, 850 n.10 (1982). Here, the goods at issue are drinking glasses. A notched indent in the glass side wall is not essential to the use or purpose of the product as a drinking glass. Rather, govino has established that this feature is a purely ornamental aesthetic design feature, such as by way of obtaining the GOVINO® Design Patents. Indeed, drinking glasses have existed for decades without

the govino Trade Dress and the use and purpose of competitor drinking glasses function equally well without the govino Trade Dress. The govino Trade Dress actually increases manufacturing costs. Moreover, the fact that govino obtained four design patents for various drinking glass and decanter designs incorporating the govino Trade Dress is further evidence of non-functionality. *Fuji Kogyo Co., Ltd. v. P. Bay Intern., Inc.*, 461 F.3d 675, 683 (6th Cir. 2006) ("A design patent ... is presumptive evidence of nonfunctionality, evidence that may support a similar trademark claim."); *Am. Bev. Corp. v. Diageo N.A., Inc.*, 936 F. Supp. 2d 555, 588, 597 (W.D. Pa. 2013) (rejecting defendant's functionality argument that "the curved sides of the pouch offer an 'ergonomic' shape that makes the pouch comfortable for the user to hold" in view that (a) plaintiff obtained a design patent, (b) the shape increased manufacturing costs, and (c) the shape was "not 'essential' to the purpose of the frozen cocktail"). Similar to *Am. Bev.*, the Court finds that the govino Trade Dress is non-functional because it (a) is covered by at least one design patent; (b) increases manufacturing costs; and (c) is not essential to the purpose or use of a drinking glass to store a drinkable beverage.

c. False and Misleading Advertising Under 15
U.S.C. § 1125(a) and Unfair Competition re False
Advertising Under 15 U.S.C. § 1125(a), Cal. Bus. &
Prof. Code §§ 17200 et seq., and California common law

*10 In its sixth and seventh causes of action, Plaintiff alleges that Defendants engaged in false and misleading advertising under 15 U.S.C. § 1125(a) and unfair competition re false advertising under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code §§ 17200 et seq., and California common law because (1) Defendants falsely state in advertising that their products are "FDA Approved", (2) consumers are likely to depend on the false statement since FDA approval is an indicator of product safety, (3) such willful false statements are deceptive and material and likely to influence consumers to purchase Defendants' products on the mistaken belief they are safer than competitor products, (4) Defendants caused the false statement to enter interstate commerce through ads on vintout.com and Amazon, and (5) govino is likely to be injured because Defendants are diverting consumers from govino on the false premise Defendants' products are safer or superior. (Compl. ¶¶ 20-22; Dkt. No. 3, Exs. I, J, M; *Skydive Ariz., Inc. v. Quattrocchi*, 673 F.3d

1105, 1110 (9th Cir. 2012) (identifying five elements of a claim for false advertising under the Lanham Act.) Having satisfied each of the five *Skydive* factors, the Court finds that Defendants engaged in false and misleading advertising and unfair competition under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code §§ 17200 *et seq.*, and California common law.

iii. Sum of Money at Stake

The fourth *Eitel* factor focuses on the amount at issue in the action, as courts should be hesitant to enter default judgments in matters involving large sums of money. “When the money at stake in the litigation is substantial or unreasonable, default judgment is discouraged.” *Bd. of Trs. v. Core Concrete Const., Inc.*, No. C 11-2532 LB, 2012 WL 380304, at *4 (N.D. Cal. Jan. 17, 2012) (citing *Eitel*, 782 F.2d at 1472). Nevertheless, when “the sum of money at stake is tailored to the specific misconduct of the defendant, default judgment may be appropriate.” *Id.* (citations omitted). Here, the sum of money at stake is tailored to Defendants' profits of \$592,700.00, Plaintiff's attorneys' fees of \$38,244.00, and Plaintiff's costs of \$935.67, which the Court finds to be appropriately tailored to the conduct in this case, and reasonable under *Eitel*.

iv. The Possibility of a Dispute Concerning Material Facts

Regarding the fifth *Eitel* factor, Defendants have not participated in this action and have not made any attempt to contest any of Plaintiff's material facts or legal assertions and Defendants have not moved to set aside the entry of default despite being served with all papers. Thus, the possibility of a dispute concerning the material facts is unlikely and the Court finds that the fifth *Eitel* factor weighs in favor of Default Judgment. *Solaria Corp. v. T.S. Energie e Risorse*, S.R.I., 13-CV-05201-SC, 2014 WL 7205114, at *3 (N.D. Cal. Dec. 17, 2014) (“[T]he absence of the possibility of a dispute concerning material facts is often easier to infer” when the “defendant has not appeared at all.”).

v. Whether Default was a Result of Excusable Neglect

Plaintiff properly served Defendants with the Summons and Complaint. (Dkt Nos. 8 & 9.) Defendants made no formal appearance in this matter and have not responded to Plaintiff's Complaint or Motion for Default Judgment. In fact, they purposely decided to not participate in the litigation after obtaining an extension of time to respond to the complaint. Consequently, there is nothing suggesting that Defendants' failure to appear and litigate this matter is based on excusable neglect. *Shanghai Automation Instr. Co. v. Kuei*, 194 F.Supp.2d 995, 1005 (N.D. Cal. 2001).

vi. Federal Rules Preference for a Decision on the Merits

Even though “default judgment is disfavored,” the Court finds that “judgment on the merits is impractical, if not impossible” given that Defendants have had ample time to file an answer and continue to refuse to do so. *Truong Giang Corp. v. Twinstar Tea Corp.*, C 06-03594 JSW, 2007 WL 1545173, at *13 (N.D. Cal. May 29, 2007). Thus, the Court finds that the seventh *Eitel* factor weighs in favor of entry of Default Judgment.

After an examination of all seven *Eitel* factors, this Court finds that the facts weight in favor of entry of Default Judgment, and the undersigned, therefore, recommends an entry of default judgment against Defendants.

IV. RELIEF SOUGHT

A. Damages

*11 Plaintiff is entitled to Defendants' profits or as a result of Defendants' sales of products that infringe the '547 Patent. Pursuant to 35 U.S.C. § 289, “[w]hoever during the term of patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than \$250, recoverable in any United States district court having jurisdiction of the parties.” See also *Amini Innovation Corp. v. KTY Int'l Mktg.*, 768 F. Supp. 2d 1049, 1058 (C.D. Cal. 2011). Similarly, Plaintiff is entitled to recover Defendants' profits from the sale of any products that infringe the govino's trade dress rights under 15 U.S.C. §

1117. “In assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed.” *Am. Honda Motor Co. v. Two Wheel Corp.*, 918 F.2d 1060, 1063 (2nd Cir. 1990) (quoting 15 U.S.C. § 1117). Profit is determined by deducting certain expenses, including the cost of the goods, from gross revenue. See *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1447 (Fed. Cir. 1998).

Here, Defendants' price list identifies the quantity of product available for sale, and the wholesale price based on the quantity ordered. (See Supp. Decl. of Scott M. Lowry, “Supp. Lowry Decl.,” Dkt. No. 34-1 ¶ 13, Ex. 9.) Thus, Defendants' profits for each SKU can be calculated according to the following formula: (Wholesale Price—Manufacturing Cost) x Quantity = Profit. Defendants' price list allows retailers to order quantities of up to 5,000 glass sets. (Supp. Lowry Decl. ¶ 14, Ex. 10.) Plaintiff is seeking judgment based on a quantity of 5,000 sets per type of glass. (See Supp. Lowry Decl., Ex. 10; 2d Supp. Lowry Decl. ¶¶ 6-10, Ex. 10A.) Initially, Plaintiff sought to extrapolate Defendants' profits based on its price list. (Supp. Lowry Decl., Exs. 9 & 10.) This was in error, as the profit calculation on Defendants' price list was based on the potential retailer’s profit rather than the manufacturer/wholesaler’s profit. See *ids.*

After the hearing, and in response to this error, Plaintiff shipped the infringing products to its own manufacturer, TricorBraun, to obtain a quote regarding Defendants' likely cost of production.¹ (2d Supp. Lowry Decl. ¶ 5, Ex. 11.) Plaintiff then submitted a revised exhibit calculating Defendants' profits. (2d Supp. Lowry Decl. ¶¶ 6-10, Ex. 10A.)

Assuming that Defendants sold at least 5,000 of each of the remaining 12² types of glassware at the wholesale price, the total profits would be \$592,700.00:

Tabular or Graphical Material not displayable at this time

(See 2d Supp. Lowry Decl., Ex. 10A.) The Court, therefore, recommends that govino be awarded Defendants' estimated profits from the sale of its infringing glassware in the amount of \$592,700.00. *Id.*

B. Attorney’s Fees

A court may award reasonable attorneys' fees to a prevailing party in patent litigation in an “exceptional case”. 35 U.S.C. § 285. The Federal Circuit has held that the “[c]riteria for declaring a case exceptional include willful infringement, bad faith, litigation misconduct, and unprofessional behavior.” *nCube Corp. v. SeaChange Int'l, Inc.*, 436 F.3d 1317, 1319 (Fed. Cir. 2006). Similarly, a court may award reasonable attorneys' fees to a prevailing party in an exceptional case in an action for trade dress infringement, unfair competition, and dilution under 15 U.S.C. § 1117. *Stephen W. Boney, Inc. v. Boney Servs., Inc.*, 127 F.3d 821, 825 (9th Cir. 1997). A trade dress infringement case is exceptional for purposes of an award of attorneys' fees when the infringement is willful. See *Boney*, 127 F.3d at 826. As such, the Court deems this case “exceptional” for purposes of assessing attorneys' fees since the Defendants failed to respond to the pleadings. See *Allergan, Inc. v. Mira Life Grp., Inc.*, 2004 WL 2734822, at *4 (C.D. Cal. June 9, 2004) (“[A] case may be deemed exceptional where the defendant disregards the proceedings and does not appear.”). Since the Court found that Defendants willfully infringed the '547 Patent, and, by virtue of the entry of default, Defendants have admitted that their acts of trade dress infringement, unfair competition, and dilution were willful, this Court finds this case exceptional and awards Plaintiff its reasonable attorneys' fees.

*12 Courts in the Ninth Circuit calculate an award of attorney's fees using the lodestar method, whereby a court multiplies “the number of hours the prevailing party reasonably expended on the litigation by a reasonable hourly rate.” *Camacho v. Bridgeport Fin., Inc.*, 523 F.3d 973, 978 (9th Cir. 2008) (citation omitted). In doing so, the court must look to the prevailing market rates in the relevant community for similar work by attorneys of comparable skill, experience, and reputation. *Yufa v. TSI Inc.*, 09-CV-01315-KAW, 2014 WL 4071902, at *5 (N.D. Cal. Aug. 14, 2014). A party seeking attorney’s fees bears the burden of demonstrating that the rates requested are “in line with the prevailing market rate in the community.” *Id.* Typically, affidavits of counsel “regarding prevailing fees in the community and rate determinations in other cases ... are satisfactory evidence of the prevailing market rate.” *United Steelworkers of Am. v. Phelps Dodge Corp.*, 896 F.2d 403, 407 (9th Cir. 1990) (citation omitted). The “community is the forum in which the district court sits.” *Camacho*, 523 F.3d at 979 (citation omitted). Moreover, the undersigned has “recognized that

the field of intellectual property law requires specialized knowledge” and has relied on the American Intellectual Property Law Association *Report of the Economic Survey* as an authority for determining reasonable attorneys' fees for intellectual property attorneys. *Yufa*, 2014 WL 4071902, at *5 (finding \$500.00 per hour reasonable in view that “the average billing rate for IP attorneys in the San Francisco Bay Area was \$736.00 per hour with a median rate of \$500.00 per hour.”). The most recent *AIPLA Report of the Economic Survey 2015* indicates that the average billing rate for IP attorneys in the San Francisco Bay Area is \$651.00 per hour with a median rate of \$530.00 per hour. (Supp. Lowry Decl. ¶¶ 11-12, Exs. 7-8.)

Here, Plaintiff seeks to recover \$38,244.00 in attorneys' fees, which comprises 88.5 hours at between \$360.00 and \$380.00 per hour for attorney time; 30.4 hours at \$150 per hour for paralegal time; and some attorney work performed on a flat fee basis. (2d. Supp. Lowry Decl., Ex. 1A.)

Scott M. Lowry is a partner at Lowry Blixseth LLP, who graduated from University of New Hampshire School of Law in 2006. (Supp. Lowry Decl., Ex. 3.) He specializes in intellectual property law. *Id.* His hourly billing rate in 2016 was \$360 per hour, and his rate in 2017 is \$380.00 per hour. (Supp. Lowry Decl., Ex. 2.) Mr. Lowry billed a total of 88.5 hours, for a total \$33,184.00 in attorneys' fees. (2d. Supp. Lowry Decl., Ex. 1A.) Additionally, Mr. Lowry billed a flat fee of \$500.00. *Id.* While the Court finds that Mr. Lowry's billing rate and amount of time billed are both reasonable under the circumstances, the Court declines to recommend that fees be awarded for the \$500.00 he spent that was billed on a flat fee basis, because Mr. Lowry did not provide any description of the work performed.

Jeffrey Castaneda and Norman Anderson are paralegals with the law firm, and their billing rate is \$150.00 per hour. (Supp. Lowry Decl. ¶ 5) Mr. Castaneda earned a paralegal certificate in 2009 from UCLA, and has been working as a paralegal for eight years, the last five of which were spent working on intellectual property matters. (Supp. Lowry Decl. ¶ 7.) Mr. Anderson obtained his paralegal certificate from Pasadena City College, and has worked as a paralegal since 1993. (Supp. Lowry Decl. ¶ 8, Ex. 4.) Collectively, the paralegals billed 30.4 hours, incurring \$4,560.00 in fees. (2d. Supp. Lowry Decl., Ex. 1A.)

The undersigned is familiar with the range of rates customarily charged by attorneys practicing before it, and the stated hourly rates appear to be commensurate with those charged for cases of this magnitude and complexity and for similar work performed by attorneys of comparable skill, experience, and reputation. In this case, Plaintiff's counsel's hourly rate of \$380.00 per hour is below the \$500.00 per hour found reasonable, and is well below the average rate of \$651.00 per hour and the median rate of \$530.00 per hour in the San Francisco Bay Area for comparable IP attorneys. (Supp. Lowry Decl. ¶¶ 11-12; Exs. 7-8.) Accordingly, the Court finds that the hourly rate requested is reasonable and that the number of hours counsel spent litigating this action is also reasonable. Plaintiff is therefore entitled to recovery attorney's fees in the amount of \$37,744.00.

C. Costs

In patent infringement, “[u]pon finding for the claimant[,] the court shall award the claimant damages adequate to compensate for the infringement ... together with interest and costs as fixed by the court.” 35 U.S.C. § 284; *Wilden Pump & Engr. Co. v. Pressed & Welded Products Co.*, 570 F. Supp. 224, 226 (N.D. Cal. 1983). Additionally, a plaintiff is entitled to recover “costs of the action” in trademark infringement actions. 15 U.S.C. § 1117(a) (3). Based upon Defendants' conduct in this case and the fact that Defendants' actions were willful, the Court holds that Plaintiff is entitled to recover its costs incurred in bringing this action. *See* 15 U.S.C. § 1117(a) and 35 U.S.C. § 284. The record substantiates \$935.67 in costs for which Plaintiff's counsel has requested reimbursement. (Supp. Lowry Decl. ¶¶ 9-10, Exs. 5-6.) Accordingly, the undersigned recommends that Plaintiff be awarded its costs in the amount of \$935.67.

V. CONCLUSION

*13 In light of the forgoing, the undersigned RECOMMENDS that Plaintiff's motion for default judgment be granted, as follows:

1. That judgment be entered in favor of Plaintiff govino on govino's claims for direct and contributory patent infringement under 35 U.S.C. § 271; Federal trade dress infringement under 15 U.S.C. § 1125(a), trademark

dilution under [15 U.S.C. § 1125\(c\)](#), unfair competition and false designation of origin under [15 U.S.C. § 1125\(a\)](#), [Cal. Bus. & Prof. Code § 17200 et seq.](#), and California common law; Federal false and misleading advertising under [15 U.S.C. § 1125\(a\)](#), and unfair competition under [15 U.S.C. § 1125\(a\)](#), [Cal. Bus. & Prof. Code § 17200 et seq.](#), and California common law.

2. That Defendants take nothing;

3. That Defendants and their officers, agents, servants, employees, attorneys, successors, assigns, and those in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby permanently enjoined and restrained from directly or indirectly infringing govino's [U.S. Patent No. D577,547](#) ("the '547 Patent") in violation of [35 U.S.C. § 271](#) by making, using, selling, offering for sale and/or importing products which are covered by the claim of the '547 Patent, including but not limited to Defendants "Neel", "Claire", and "Zelenka" product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; and SKU# VIN-Z23-1 ("Patent Infringing Glasses"), or any product that is a variation thereof, during the term of the '547 Patent;

4. That Defendants and their officers, agents, servants, employees, attorneys, successors, assigns, and those in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby permanently enjoined and restrained from infringing the govino Trade Dress in violation of [15 U.S.C. § 1125\(a\)](#) by developing, manufacturing, importing, advertising, and/or selling products that use trade dress that is confusingly similar to the govino Trade Dress, including but not limited to Defendants' "Neel", "Claire", and "Zelenka" product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; SKU# VIN-Z23-1; SKU# VIN-N13-1; SKU# VIN-C13-1; SKU# VIN-Z13-1; SKU# VIN-N20-1; SKU# VIN-C20-1; and SKU# VIN-Z20-1 ("TD Glasses"), and any product that is a variation thereof;

Footnotes

- 1 The Court notes that the quote is for 200,000 glasses for each type—or 50,000 sets of four glasses—because that is the minimum order quantity from the manufacturer. (2d Supp. Lowry Decl. ¶ 5, Ex. 11.) The undersigned is satisfied that, as Plaintiff argues, Defendant would have been subject to similar minimum order quantities. (2d Supp. Lowry Decl. ¶ 5.)

5. That Defendants shall pay govino their total profits for sales of Patent Infringing Glasses pursuant to [35 U.S.C. § 289](#) and TD Glasses pursuant to [15 U.S.C. § 1117](#) in an amount of \$592,700.00.

6. That Defendants shall pay the attorneys' fees incurred by govino in the amount of \$37,744.00;

7. That Defendants shall pay the costs incurred by govino in the amount of \$935.67;

8. After this Judgment has been entered by the Court, govino shall promptly serve a copy of it on Defendants, and govino shall file with the Court a proof of service thereof within 15 days thereafter; and

9. That the district court retain jurisdiction over this matter for the purpose of making any further orders necessary or proper for the construction of this Judgment, the enforcement thereof and the punishment of any violations thereof.

*14 Any party may file objections to this report and recommendation with the district judge within 14 days of being served with a copy. See [28 U.S.C. § 636\(b\)\(1\)](#); [Fed. R. Civ. P. 72\(b\)](#); N.D. Civil L.R. 72-3. The parties are advised that failure to file objections within the specified time may waive the right to appeal the District Court's order. [IBEW Local 595 Trust Funds v. ACS Controls Corp.](#), No. C-10-5568, 2011 WL 1496056, at *3 (N.D. Cal. Apr. 20, 2011).

Additionally, Plaintiff shall serve a copy of this report and recommendation on Defendants within 3 days of this order.

IT IS SO RECOMMENDED.

All Citations

Slip Copy, 2017 WL 6442187

² As set forth above, the undersigned has excluded the double-notched wine glasses, because Plaintiff's design patent and trade dress only concern single-notched glassware. See discussion *supra* Part III.B.ii.

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2017 WL 6442188

Only the Westlaw citation is currently available.
United States District Court, N.D. California.

GOVINO, LLC, Plaintiff,

v.

WHITEPOLES LLC, et al., Defendants.

Case No. 16-cv-06981-JSW

|
Signed 12/11/2017

Attorneys and Law Firms

Scott Matthew Lowry, Stuart Orin Lowry, Lowry Blixseth LLP, Calabasas, CA, for Plaintiff.

Asheesh P. Puri, Fox Rothschild LLP, Los Angeles, CA, for Defendants.

**ORDER ADOPTING REPORT AND
RECOMMENDATION TO GRANT PLAINTIFF'S
MOTION FOR DEFAULT JUDGMENT**

Re: Dkt. Nos. 27, 46

JEFFREY S. WHITE, United States District Judge

*1 Now before the Court for consideration is the Report and Recommendation issued by Magistrate Judge Kandis A. Westmore, in which Judge Westmore recommends the Court grant Plaintiff's motion for default judgment. The time for filing objections has passed, and the Court has not received any objections. The Court finds the Report thorough and well-reasoned, and the Court ADOPTS it in every respect.

Accordingly, the Court GRANTS Plaintiff's motion for default judgment as follows:

1. Judgment is entered in favor of Plaintiff govino on govino's claims for direct and contributory patent infringement under 35 U.S.C. § 271; Federal trade dress infringement under 15 U.S.C. § 1125(a), trademark dilution under 15 U.S.C. § 1125(c), unfair competition and false designation of origin under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code § 17200 *et seq.*, and California common law; Federal false and misleading advertising under 15

U.S.C. § 1125(a), and unfair competition under 15 U.S.C. § 1125(a), Cal. Bus. & Prof. Code § 17200 *et seq.*, and California common law.

2. Defendants shall take nothing.

3. Defendants and their officers, agents, servants, employees, attorneys, successors, assigns, and those in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently enjoined and restrained from directly or indirectly infringing govino's U.S. Patent No. D577,547 ("the '547 Patent") in violation of 35 U.S.C. § 271 by making, using, selling, offering for sale and/or importing products which are covered by the claim of the '547 Patent, including but not limited to Defendants "Neel", "Claire", and "Zelenka" product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; and SKU# VIN-Z23-1 ("Patent Infringing Glasses"), or any product that is a variation thereof, during the term of the '547 Patent.

4. Defendants and their officers, agents, servants, employees, attorneys, successors, assigns, and those in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby permanently enjoined and restrained from infringing the govino Trade Dress in violation of 15 U.S.C. § 1125(a) by developing, manufacturing, importing, advertising, and/or selling products that use trade dress that is confusingly similar to the govino Trade Dress, including but not limited to Defendants' "Neel", "Claire", and "Zelenka" product lines identified under SKU# VIN-N19-1; SKU# VIN-C19-1; SKU# VIN-Z19-1; SKU# VIN-N23-1; SKU# VIN-C23-1; SKU# VIN-Z23-1; SKU# VIN-N13-1; SKU# VIN-C13-1; SKU# VIN-Z13-1; SKU# VIN-N20-1; SKU# VIN-C20-1; and SKU# VIN-Z20-1 ("TD Glasses"), and any product that is a variation thereof.

5. Defendants shall pay govino their total profits for sales of Patent Infringing Glasses pursuant to 35 U.S.C. § 289 and TD Glasses pursuant to 15 U.S.C. § 1117 in an amount of \$592,700.00.

6. Defendants shall pay govino their attorney's fees in the amount of \$ 37,744.00.

*2 7. Defendants shall pay govino their costs in the amount of \$935.67.

8. After this Order and the separate Judgment have been entered by the Court, govino shall promptly serve a copy of them on Defendants, and govino shall file with the Court a proof of service thereof within 15 days thereafter.

9. The Court shall retain jurisdiction over this matter for the purpose of making any further orders necessary or proper for the construction of this Order and the separate

judgment, the enforcement thereof, and the punishment of any violations thereof.

The Court shall enter a separate judgment and the Clerk shall close the file.

IT IS SO ORDERED.

All Citations

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2010 WL 11508002

Only the Westlaw citation is currently available.

United States District Court,
N.D. Georgia, Atlanta Division.

BEAUMONT PRODUCTS, INC., Plaintiff,

v.

CLEAN CONTROL CORPORATION, Defendant.

CIVIL ACTION NO. 1:09-CV-3325-CAP

|
Signed 10/07/2010

Attorneys and Law Firms

Cynthia Jeannette Lee, Dan Robert Gresham, George Marshall Thomas, Thomas, Kayden, Horstemeyer & Risley, LLP, Atlanta, GA, for Plaintiff.

Jessica Ash, Vaibhav P. Kadaba, William Howard Brewster, Kilpatrick Townsend & Stockton, LLP, Atlanta, GA, for Defendant.

ORDER

CHARLES A. PANNELL JR., United States District Judge

*1 This matter is before the court on the defendant's motion to dismiss pursuant to [Federal Rule of Civil Procedure 12\(b\)\(6\)](#) [Doc. No. 10].

I. Factual Background

The plaintiff, Beaumont Products, is a corporation that manufactures, markets, and sells air fresheners, odor eliminators, and related products in the United States. One of Beaumont's products, "Citrus Magic," is a solid air freshener and odor eliminator sold in a disc-shaped plastic container. Beaumont alleges that it has trade dress rights in the design of its air freshener product and that it has rights in the design for the container as shown in [U.S. Patent No. D491,257](#) ("the '257 Patent"). The plaintiff sells its Citrus Magic product in a shelf organizer/display; the plaintiff claims trade dress rights in this display and claims that its air freshener product design and display tray are "inherently distinctive" and that they "have become associated with Beaumont Products" [Doc. No. 1, ¶ 19].

Count I is a federal trade dress infringement claim brought under [15 U.S.C. § 1125\(a\)](#), in which the plaintiff alleges that the defendant has adopted and used Beaumont's distinctive and nonfunctional trade dress in its air freshener packaging and display tray, creating a likelihood of consumer confusion. Count II is a federal unfair competition claim brought under [15 U.S.C. § 1125\(a\)](#). Count III is for trade dress infringement and unfair competition under Georgia's Uniform Deceptive Trade Practices Act, [O.C.G.A. § 10-1-371 et seq.](#) Count IV is a common law misappropriation and unfair competition claim. Count V alleges infringement of [U.S. Patent No. D491,257](#).

II. Legal Standard

The defendant, pursuant to [Federal Rule of Civil Procedure 12 \(b\)\(6\)](#), moves to dismiss the plaintiff's complaint. A [Rule 12\(b\)\(6\)](#) motion requires an assessment of whether the plaintiff has set forth claims upon which this court may grant relief. In considering a defendant's motion to dismiss, the court accepts the plaintiff's allegations as true, [Hishon v. King & Spalding](#), 467 U.S. 69, 73 (1984), and construes the complaint in the plaintiff's favor, [Duke v. Cleland](#), 5 F.3d 1399, 1402 (11th Cir. 1993). A complaint attacked by a [Rule 12\(b\)\(6\)](#) motion to dismiss does not need detailed factual allegations:

[A] plaintiff's obligation to provide the "grounds" of his "entitle[ment] to relief" requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do. Factual allegations must be enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true.

[Bell Atlantic Corp. v. Twombly](#), 550 U.S. 544, 555-56 (2007). Ultimately, the complaint is required to contain "only enough facts to state a claim to relief that is plausible on its face." [Id.](#) at 547. But, "[d]ismissal is warranted if the complaint lacks an allegation as to a necessary element of the claim raised." [Id.](#) Also, this court applies the traditional pleading requirement of [Federal Rule of Civil Procedure 8\(a\)](#) to the instant motion to dismiss, requiring only " 'a short and plain statement of the claim' that

will give the defendant fair notice of what the plaintiff's claim is and the grounds upon which it rests." [Conley v. Gibson](#), 335 U.S. 41, 47 (1957). "Although authorized by the Federal Rules of Civil Procedure, the liberal rules as to the sufficiency of a complaint make it a rare case in which a motion on this ground should be granted." [St. Joseph's Hospital, Inc. v. Hospital Corporation of America](#), 795 F.2d 948, 953 (11th Cir. 1986). In light of these standards, the court reviews the plaintiff's complaint to determine whether dismissal is warranted.

III. Analysis

A. Trade Dress Infringement

*2 In order to prevail on its trade dress infringement claims, the plaintiff must prove: (1) that the features of the trade dress are primarily non-functional; (2) that the trade dress is inherently distinctive or has acquired secondary meaning; and (3) that the defendant's trade dress is confusingly similar to that of the plaintiff. See [Epic Metals Corp. v. Souliere](#), 99 F.3d 1034, 1038 (11th Cir. 1996). The defendant contends that the plaintiff fails to state a claim for trade dress infringement because its product design and display tray are not protected by the Lanham Act. More specifically, the defendant contends: (1) the plaintiff's air freshener product design and display tray are functional; and (2) the plaintiff's product design cannot acquire secondary meaning.

1. Functionality

The defendant contends that both the air freshener product design and the display tray design are functional. Under the traditional test for functionality, a product feature or design is functional "if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." [TrafFix Devices, Inc. v. Marketing Displays, Inc.](#), 532 U.S. 23, 32 (2001). The court may also consider the "competitive necessity test" for functionality, which looks at whether exclusive use of a product design or feature "would put competitors at a significant non-reputation-related disadvantage." *Id.* Functionality is a question of fact. [John H. Harland Co. v. Clarke Checks, Inc.](#), 711 F.2d 966, 982-83 (11th Cir. 1983).

In the complaint, the plaintiff recited the elements of its trade dress in written form and also provided pictures of the products that embody the alleged trade dress. The

plaintiff also specifically pled that its trade dress is non-functional [Doc. No. 1, ¶¶ 16, 29, and 38]. The complaint also pled additional facts that support its contention that the trade dress is nonfunctional. For example, the complaint identifies its design patent for the air freshener container [Doc. No. 1, ¶¶ 26 and 61]. As such, the court finds that the plaintiff's allegations regarding non-functionality, accepted as true, set forth sufficient facts for the trade dress infringement claim to survive a motion to dismiss.

2. Secondary Meaning

The defendant also contends the plaintiff fails to state a trade dress infringement claim because the plaintiff cannot demonstrate that the air freshener product design and display tray have acquired secondary meaning. Plaintiffs seeking trade dress protection over product packaging can rely upon the distinctiveness of the packaging, but to receive trade dress protection on actual product designs, plaintiffs must prove secondary meaning. [Wal-Mart Stores, Inc. v. Samara Bros., Inc.](#), 529 U.S. 205, 212-13 (2000). The Eleventh Circuit has provided a number of factors for a court to consider when determining whether trade dress has acquired secondary meaning, including: "(1) the length and manner of its use, (2) the nature and extent of advertising and promotion, (3) the efforts made by the plaintiff to promote a conscious connection in the public's mind between the trademark and the plaintiff's business, and (4) the extent to which the public actually identifies the trademark with the plaintiff's goods and services." [Unique Sports Products, Inc. v. Babolat VS](#), 403 F.Supp.2d 1229, 1237 (N.D. Ga. 2005) (citing [Gift of Learning Foundation, Inc. v. TGC, Inc.](#), 329 F.3d 792, 800 (11th Cir. 2003)).

Here, the plaintiff has alleged: that it adopted a distinctive trade dress in order to market and sell its products; that it has used its trade dress for approximately six years; that it has engaged in wide-spread and continuous use, marketing, and advertising of its trade dress; that use of the trade dress was unique and exclusive to the plaintiff before the defendant began using the allegedly protected trade dress in October 2009; that customers recognize the plaintiff's trade dress as signifying a single source for air freshener products; that the plaintiff was awarded a design patent for its container for solid air freshener; and that the defendant's infringement is willful [Doc. No. 1, §§

11-27]. These allegations, accepted as true, are sufficient to make the plaintiff's allegation of secondary meaning plausible under the factors listed above and to survive the defendant's motion to dismiss.

B. Design Patent Claim

*3 The defendant contends that the plaintiff has not pled a plausible claim for design patent infringement; instead, the defendant argues that the plaintiff merely pled a legal conclusion of design patent infringement. In this case, the plaintiff's complaint identified the asserted design patent, claimed ownership of that patent, identified an accused product (the defendant's products marketed and sold under the designation "OdoBan"), and alleged "enough detail to allow the defendan[t] to answer." [McZeal v. Sprint Nextel Corp.](#), 501 F.3d 1354, 1357 (Fed. Cir. 2007) (vacating dismissal of a litigant's claims for patent and trademark infringement because the complaint sufficiently pled a patent infringement claim

where it identified the asserted patent identified a specific accused product, and alleged "enough detail to allow the defendants to answer," and stating that even under [Bell Atlantic](#), "It logically follows that a patentee need only plead facts sufficient to place the alleged infringer on notice as to what he must defend"). Thus, the complaint meets the notice pleading required to survive a [Rule 12\(b\)\(6\)](#) motion to dismiss.

IV. Conclusion

For the reasons stated above, the defendant's motion to dismiss [Doc. No. 10] is DENIED.

SO ORDERED, this 7th day of October, 2010.

All Citations

Not Reported in Fed. Supp., 2010 WL 11508002