

PENNSYLVANIA BAR INSTITUTE

4<sup>TH</sup> Intellectual Property Law Institute

Trademark Case Law Update<sup>1</sup>

Friday, April 16, 2010

Trademark law has proven dynamic, and no more so than in the past year. This annual review will cover ten “hot” topics in thirty minutes. At about three minutes per topic, this fast-paced summary will update you on domestic issues (*e.g.*, fraud during prosecution, registration of sounds, dilution, and Accelerated Case Resolution before the TTAB), Internet issues (*e.g.*, gTLDs, trademarks in virtual worlds, likelihood of confusion), and international issues (*e.g.*, counterfeiting, the Madrid Protocol expansion, priority from foreign use). The ten “hot” trademark topics include the following, which are discussed in more detail below.

1. Fraud During Prosecution: *In re Bose Corporation*
2. ICANN Proposals for Unlimited Expansion of Generic Top Level Domains
3. The Growing Problem of Counterfeiting
4. Expansion of the Madrid Protocol
5. Likelihood of Confusion on the Internet: Progress from the Second Circuit
6. Protecting Famous Marks Not Used in the U.S.: The Second Circuit vs. the Ninth Circuit
7. Dilution: Does the First Amendment Compel a Parody Exception?
8. Aftermath of the Supreme Court’s *Wal-Mart* decision: Registration of Sounds
9. Accelerated Case Resolution
10. Trademarks in Virtual Worlds

---

<sup>1</sup> The speaker, Kevin R. Casey, is Chair of the Intellectual Property Group with the Philadelphia-based firm of Stradley, Ronon, Stevens & Young, LLP. He has taught “Trademarks & Unfair Competition” as an adjunct professor at Temple’s Beasley School of Law since 1995. This paper was prepared with the able assistance of Dr. Brian A. Cocca, an associate with Stradley; John Bollinger, an intern with Stradley; and Evin Kozak, a law student at Temple.

1. Fraud During Prosecution: *In re Bose Corporation*

Bose Corporation opposed a trademark application filed by Hexawave, Inc. to register the mark HEXAWAVE. Bose contended likelihood of confusion with its registered marks, including WAVE. Hexawave counterclaimed that Bose's WAVE mark should be cancelled, asserting Bose committed fraud in renewing its registration. Hexawave alleged Bose claimed use of the mark on *all* goods named in the registration even though it had stopped manufacturing and selling certain goods. At the time of renewal, Bose had discontinued producing audio tape recorders and players, although it continued to repair previously sold items.

The Trademark Trial and Appeal Board (TTAB) agreed with Hexawave, concluding that Bose committed fraud on the U.S. Patent and Trademark Office (PTO) in its renewal because it did not in fact use the mark on all goods and because repair was not sufficient use to maintain the registration for these goods. The TTAB ordered cancellation of the WAVE mark registration in its entirety. Bose appealed this order to the Federal Circuit.

In deciding the appeal, the Federal Circuit began by stating that a third party may petition to cancel a registered trademark where the "registration was obtained fraudulently."<sup>2</sup> The Court noted that the party seeking to cancel a registration based on fraudulent procurement bears a heavy burden of proof:<sup>3</sup> "The very nature of the charge of fraud requires that it be proven 'to the hilt,' with clear and convincing evidence. There is no room for speculation, inference, or surmise, and obviously, any doubt must be resolved against the charging party."<sup>4</sup>

To constitute fraud, a party's deception must be willful. Precedent indicates that, before the PTO, "[a]ny duty owed by an applicant for trademark registration must arise out of the statutory requirements of the Lanham Act," which prohibits an applicant from making "knowingly inaccurate or knowingly misleading statements."<sup>5</sup> Absent the requisite intent to mislead the PTO, however, even a material misrepresentation does not rise to the level of fraud

---

<sup>2</sup> 580 F.3d 1240, 1243 (Fed. Cir. 2009) (quoting 15 U.S.C. §1064(3)).

<sup>3</sup> *Id.* (citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001 (CCPA 1967)).

<sup>4</sup> *Id.* (quoting *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033 (TTAB 1981)).

<sup>5</sup> *Id.* (citing *Bart Schwartz Int'l Textiles, Ltd. v. Fed. Trade Comm'n*, 289 F.2d 665 (CCPA 1961) (internal quotation marks omitted)).

warranting cancellation under the Lanham Act.<sup>6</sup> In this regard, the TTAB recognizes “a material legal distinction between a ‘false’ representation and a ‘fraudulent’ one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like.”<sup>7</sup> The fraud inquiry does not relate to the registrant’s subjective intent, but rather to the objective manifestations of that intent, which may be inferred from circumstances and related statements.<sup>8</sup>

In the *Bose* opinion, the Federal Circuit determined that the TTAB erroneously lowered the fraud standard to a simple negligence standard by equating “should have known” with subjective intent, whereas precedent counseled that “[m]ere negligence is not sufficient to infer fraud or dishonesty.”<sup>9</sup> The Court clarified that even a finding of “gross negligence” does not justify inferring an intent to deceive.<sup>10</sup>

The Federal Circuit derived this strict standard of intent for fraud in part from the standard applied to patent inequitable conduct cases. In the Court’s view, allegations of fraud in any context should not be taken lightly.<sup>11</sup> The Court has established that an applicant fraudulently obtains a trademark under the Lanham Act only if the applicant knowingly makes a false, material representation to the PTO with the intent to deceive.

Realizing that intent to deceive is an essential, albeit difficult element to prove, the Court indicated that “such intent can be inferred from indirect and circumstantial evidence. Such evidence must satisfy the clear and convincing standard, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.”<sup>12</sup> When inferring intent, the conduct

---

<sup>6</sup> *Id.* (citing *King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008 (CCPA 1981)).

<sup>7</sup> *Id.* (quoting *Kemin Indus., Inc. v. Watkins Prods., Inc.*, 192 USPQ 327 (TTAB 1976)).

<sup>8</sup> *Id.* at 1244 (citing *Medinol v. Neuro Vasx, Inc.*, 67 USPQ2d 1205 (TTAB 2003)).

<sup>9</sup> *Id.* (quoting *Symbol Techs., Inc. v. Opticon Inc.*, 935 F.2d 1569 (Fed. Cir. 1991)).

<sup>10</sup> *Id.* (citing *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867 (Fed. Cir. 1988)).

<sup>11</sup> *Id.* at 1245 (citing *San Juan Prods.*, 849 F.2d at 474).

<sup>12</sup> *Id.* (quoting *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357 (Fed. Cir. 2008)).

involved should be considered in context and “must indicate sufficient culpability to require a finding of intent to deceive.”<sup>13</sup>

The Court clarified an earlier opinion, in which it suggested that a registrant knowingly attempts to mislead the PTO when the registrant “knows or should know he is not using the mark as registered.”<sup>14</sup> In *Bose*, the Court indicated that regardless of what its earlier opinion meant by the phrase “should know,” this language conflicts with the remainder of the earlier opinion and warrants no precedential value because it also conflicts with established precedent.<sup>15</sup> The Court reaffirmed that fraud can only be found if there is “a willful intent to deceive.”<sup>16</sup>

Under the facts before it, the Court held that Bose did not commit fraud in renewing its WAVE mark, and found that the TTAB erred in cancelling the mark in its entirety. The Court nevertheless agreed with the TTAB that Bose must restrict its registration to reflect the fact that it no longer uses the WAVE mark on audio tape recorders and players.

This decision from the Federal Circuit makes summary judgment particularly unsuitable for resolving issues of fraud, primarily because the inquiry is so fact-specific and often requires inference from circumstantial evidence.<sup>17</sup> Allegations based solely on information and belief raise only the possibility of such evidence and do not constitute pleading fraud with particularity without accompanying factual allegations to support these contentions. Therefore, such allegations will not support a grant of summary judgment.

Applicants for trademark registration should take care with respect to representations they make during the application process, especially given the unlikelihood they will use, or that they even intend to use, the mark on all goods or services within a certain class. If an applicant claims use or asserts a *bona fide* intent to use the mark on all goods or services in a particular

---

<sup>13</sup> *Id.* (quoting *Kingsdown*, 863 F.2d at 876).

<sup>14</sup> *Id.* (citing *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 49 (Fed. Cir. 1986)).

<sup>15</sup> *Id.* at 1245-6 (citing *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 765 (Fed. Cir. 1988)).

<sup>16</sup> *Id.* at 1246.

<sup>17</sup> See *Asian & Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2D 1478 (TTAB 2009).

class but only uses the mark on some of those goods or services, the resulting registration may be defective.<sup>18</sup>

David Kappos, PTO Director, in his Remarks at the AIPLA Annual Meeting on October 15, 2009, stated:

- “In another positive step for Trademarks, the CAFC decision in the *Bose* case ended what I think was a too aggressive and too broad interpretation of fraud on the TM office. The CAFC have given us good guidance in the *Bose* decision. Now we need to apply this guidance in the context of our use-based TM system.”
- “As a practical matter, the Office is seeing an increasing number of applications with huge lists of goods and services, in both use and intent-to-use cases. Examining attorneys have a limited set of legal and practical tools to deal with such applications. And a use-based trademark system falls apart if the statements of use are unreliable.”
- “I have asked our TM management to engage trademark owners and the trademark bar in discussions on this matter. We look forward to reaching a long-term solution that works for the Office and the applicant community.”

Several TTAB decisions since the *Bose* case shed further light on the fraud issue. In *Enbridge v. Excelebrate Energy Ltd. Partnership*, Opposition No. 91170364 (2009), the applicant admitted that it had never used its mark for one of the listed services. The applicant characterized the misstatement in its application as “an inadvertent, honest mistake” and its subsequent amendment (after the opposition was filed) as correcting “its error in good faith.” The TTAB held: “whether applicant knowingly made this representation of use with the intent to deceive the PTO remains a genuine issue of fact to be determined at trial.”

In *Societe Coop. Vigneronne Des Grandes Caves Richon-Lezion v. Albrecht-Piazza*, Opposition No. 91190040 (2009), the TTAB required the counterclaimant to amend its fraud-based petition for cancellation in view of the *Bose* decision. The TTAB did not accept the counterclaimant’s “knew or should have known” allegation. Rather, actual knowledge is required to support a fraud allegation.

In *Asian & Western Classics B.V. v. Lynne Selkow*, 92 USPQ2d 1478 (TTAB 2009), the TTAB updated the requirements to plead fraud: (1) “any allegations based on ‘information and belief’ must be accompanied by a statement of facts upon which the belief is founded”; (2) “it

---

<sup>18</sup> JEROME GILSON, GILSON ON TRADEMARKS § 1402 (2007).

must be asserted that the false statements complained of were made willfully in bad faith with the intent to obtain that to which the party making the statements would not otherwise have been entitled”; and (3) “A party making a fraud claim is under a heavy burden because fraud must be “proven ‘to the hilt’ by clear and convincing evidence,” leaving nothing to speculation, conjecture, or surmise; any doubt must be resolved against the party making the claim.” The TTAB also cautioned, “The factual question of intent is particularly unsuited to disposition on summary judgment.”

In *Kathleen Hiraga v. Sylvester J. Arena*, 90 USPQ2d 1102 (TTAB 2009), the TTAB declined to find fraud. Fraud was asserted because the applicant had not used the mark in commerce by the claimed first use date. The TTAB held that a false statement regarding the first use date does not constitute fraud “because the first use date is not material to the Office’s decision to approve a mark for publication.” “[T]he critical question in this case is whether the mark was in use in connection with the identified goods as of the filing date of his use-based application.”

Despite some initial debate on the issue, it now appears that fraud is not an “all or nothing” proposition, i.e., the entire registration or application is not necessarily tainted by the fraud. In *G&W Laboratories v. G W Pharma*, 89 USPQ2d 1571 (TTAB 2009), the opposer relied on two registrations for G&W, each registration in classes 5 and 35, but the opposer never used the marks for class 35 services. The TTAB held, “a multiple-class application can be viewed as a series of applications for registration of a mark in connection with goods or services in each class, combined into one application. As a general matter, the filer of such an application is in the same position it would be had it filed several single-class applications instead.” Moreover, stated the Board, “each class of goods or services in a multiple class registration must be considered separately when reviewing the issue of fraud, and judgment on the ground of fraud as to one class does not in itself require cancellation of all classes in a registration.”

Can fraud, once committed, be cured? In *Zanella v. Nordstrom*, Opposition No. 91177858 (2008), the TTAB held that correction of a false statement regarding use, if made before a registration has been challenged, creates a rebuttable presumption that the registrant did not intend to commit fraud. In this case, registrant corrected its registrations by omitting the unused items from the Section 8 Declaration.

## 2. ICANN Proposals for Unlimited Expansion of Generic Top Level Domains

The Internet Corporation for Assigned Names and Numbers (ICANN) will soon expand the number of generic top level domains (gTLDs) available online. ICANN now oversees twenty-one gTLDs (*e.g.*, dot-com, dot-net) as well as 249 country code top level domains (ccTLDs) (*e.g.*, dot-uk, dot-ne) presently in operation. Under the proposed new program, no limits will be imposed on the number of new gTLDs that can be created.<sup>19</sup> ICANN has not disclosed when it may implement this new program, but has indicated a preference to do so as soon as practicable.<sup>20</sup>

ICANN released Version Three of its Draft Applicant Guidebook on October 2, 2009, which outlines some basic principles of the proposed expansion protocol. ICANN has received public comments throughout the development of this proposed program, and has invited additional comments toward publication of the updated draft, expected in June 2010.

The current draft of the Applicant Guidebook sets forth the conditions under which ICANN will evaluate applicants, and specifies that ICANN expects to publish non-confidential portions of all applications. Applicants will have to provide documentary support for proof of establishment and good standing, and must disclose any pending litigation related to their financial or corporate governance activities or to intellectual property infringement. In addition, ICANN will require background checks for individuals associated with an application.<sup>21</sup>

The guidelines require English as the language for all applications and objection evaluations. English was selected in the interest of cost efficiency because of its common use as the language of business transactions worldwide. The guidelines allow applicants to submit some documents (*e.g.*, financial statements) in their original language, with ICANN responsible for covering any necessary translations. Relatedly, ICANN will make the Applicant Guidebook, application forms, and other information available in multiple languages.

---

<sup>19</sup> <http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf> at page 46.

<sup>20</sup> <http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf> at page 7.

<sup>21</sup> <http://www.icann.org/en/topics/new-gtlds/summary-analysis-agv3-15feb10-en.pdf> at page 23.

The Applicant Guidebook includes guidelines for Code of Conduct and Conflict of Interest for application review panelists (Section 2.3). To ensure consistency in the evaluation process, the guidelines require evaluators to use the same criteria for all applications reviewed. ICANN has proposed steps to ensure that firms engaged in evaluation give special attention to consistency. As an internal check, the evaluation timeline provides for a “normalization” period for comparing graded applications for consistency.

A String Similarity Panel will compare strings for potential user confusion. The Panel will make their determinations based only on the strings themselves. ICANN does not anticipate requiring the Panel to check strings for similarity to trademarks because this would considerably widen the scope of the initial evaluation, and because resolution of conflicts with trademarks can occur through other means (*e.g.*, Legal Rights Objection Process (Module 3)). ICANN has expended significant effort to develop a Uniform Rapid Suspension system for the takedown of names that clearly abuse trademark rights. In addition, ICANN has partnered with existing gTLDs to create procedures for addressing abuse.

For resolving disputes, ICANN requires the Dispute Resolution Service Providers to select experts well-qualified in the subject matter of the application and the objection, as well as the language of the parties. The draft dispute resolution procedures provide for three-person panels to address morality and public order objections, and provide an option for a three-person panel for disputes over legal rights.

ICANN will enforce new gTLD agreements through provisions in the registry agreement and through regulating audits and investigations of third-party complaints. The registry agreement will include a notice requirement for a change of control to ensure ICANN has an opportunity to question proposed transactions. In addition, the agreement provides protections for ICANN and the community in the event the registry fails to perform its material obligations following any change of the control in the registry operator. ICANN will continue to work with groups like the Anti-Phishing Working Group and other active members of the community on issues of security and abuse.

ICANN proposals for unlimited expansion of gTLDs will continue to receive attention. Although wide support exists for further expansion, such expansion must be responsible. Many

in the trademark bar believe that ICANN's management of the domain name system has not provided sufficient protection for trademark owners and consumers.<sup>22</sup> Perhaps a measured rollout would be a good approach.

---

<sup>22</sup> See, e.g., T. Little, "Industry predictions," *World Trademark Review*, February/March 2010 at 12.

### 3. The Growing Problem of Counterfeiting

The crime of counterfeiting is the modern-day equivalent of bank robbing. “IP crimes are growing as the resources, sophistication and creativity of counterfeiters and pirates increase.”<sup>23</sup> The IP infrastructures of both European and American economies offer potentially lucrative targets for the international counterfeiting syndicate. For example, “[i]n the United States, IP based industries account for over \$5 trillion of gross domestic product and drive more than half of all exports.”<sup>24</sup> Attacks upon these industries “cost businesses billions in lost earnings, governments billions in lost revenue and society millions in lost jobs.”<sup>25</sup>

In particular, IP theft is committed through simple theft by downloading and copying, bribery, espionage, blackmail, hacking, electronic intercept and surveillance of activities and trash.<sup>26</sup> These tactics can be used to steal manufacturing processes, computer source code, chemical and drug formulas and research and development data.<sup>27</sup> The Organization for Economic Co-operation and Development (OECD) estimates that “the international trade in counterfeit and pirated goods was worth around \$250 billion in 2007. The International Anti-Counterfeiting Coalition (IACC), a lobby group, says the true figure is actually closer to \$600 billion, because the OECD’s estimate does not include online piracy or counterfeits that are sold in the same country as they are made. Counterfeit goods make up 5-7% of world trade, according to the IACC.”<sup>28</sup> “In 2008 the value of fake goods seized at America’s borders increased by nearly 40% over the year before. It subsequently fell by 4% last year--far less than the 25% decline in imports overall. In Europe in 2008 customs services confiscated more than double the previous year’s haul of counterfeit goods.”<sup>29</sup>

In addition, counterfeiting and piracy cost G20 economies \$85 billion a year in lost taxes and higher spending on unemployment benefits, according to a study by Frontier Economics, a

---

<sup>23</sup> Dr. Mark Esper, *Counterfeiting Perspectives: Fighting the Good Fight*, World Trademark Review (January 7, 2010), available at <http://www.theglobalipcenter.com/news/fighting-good-fight>.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> Richard Goldberg, *Prosecuting IP Crime, Criminal and Civil Aspects of Trade Secret Law*, The Philadelphia Intellectual Property Law Association (January 21, 2010).

<sup>27</sup> *Id.*

<sup>28</sup> *Knock Offs Catch On*, The Economist (March 4, 2010), available at <http://www.theglobalipcenter.com/news/knock-offs-catch>.

<sup>29</sup> *Id.*

consultancy. For every dollar invested in the fight against counterfeiting in America, the government receives \$5 in extra tax revenue, estimates the US Chamber of Commerce, a business lobby.<sup>30</sup>

“Several factors have contributed to the growth of counterfeiting in recent years. The shift of much of the world’s manufacturing to countries with poor protection of intellectual property has provided both the technology and the opportunity to make knock-offs. The internet in general, and e-commerce sites like eBay in particular, have made it easier to distribute counterfeit goods. MarkMonitor, a firm that helps companies defend brands online, estimates that sales of counterfeit goods via the internet will reach \$135 billion this year.”<sup>31</sup>

“In recent years France and Italy, among others, have enacted laws that threaten consumers who buy fake goods with steep fines and even imprisonment.”<sup>32</sup> In the scramble to thwart IP piracy, however, some initiatives have actually exacerbated the problem. “[C]ertain public policy proposals -- such as those calling for the plain packaging of tobacco products or the additional labeling of soft drinks and fast foods -- disregard trademark law and other established international IP norms that are a cornerstone of corporate identity and consumer information. Current initiatives along these lines in Canada, Australia, the United Kingdom and the European Union would increase global counterfeiting activities (by making counterfeits harder to identify), and empower illicit traffickers at the expense of legitimate business activity and consumer confidence. These proposals also constitute an unequivocal violation of international trade and IP agreements, while threatening jobs in small and medium-sized enterprises throughout the supply chain.”<sup>33</sup>

Recognizing the need for a better strategy, various measures have been taken by governments around the world to combat the threat. “The United States, the European Union and other trading partners are negotiating a new plurilateral treaty to combat this growing scourge. The Anti-counterfeiting Trade Agreement (ACTA) has the potential to enhance

---

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Counterfeiting Perspectives: Fighting the Good Fight*, World Trademark Review (January 7, 2010).

international cooperation in fighting IP theft and contains a number of effective measures and new standards for enhancing and better enforcing IP rights.

In addition, over the past year the Global Intellectual Property Centre (GIPC) and the Coalition Against Counterfeiting and Piracy have worked closely with the U.S. Congress to enact the PRO-IP Act. This sweeping legislation, approved overwhelmingly by lawmakers in both political parties, toughens civil and criminal laws against counterfeiting and piracy, provides for enhanced IP enforcement and prosecutorial resources, and improves IP coordination across executive branch agencies by establishing the unique position of the U.S. intellectual property enforcement coordinator (IPEC) within the executive office of the president.

The new IPEC will assume the challenging task of developing and implementing a first-ever national strategy to address the full range of IP issues facing U.S. industries, workers, and consumers. The role will make a significant contribution to the enforcement and promotion of IP laws both in the United States and abroad.

IP seizures in the United States increased by 9.7% from 2007 to 2008, with 14,992 seizures recorded at a domestic value of over \$270 million – an increase of over 38%. Therefore, the GIPC has also worked to pass the Customs Facilitation and Trade Enforcement Reauthorization Act of 2009. This measure recognizes the need to reshape the Bureau of Customs and Border Protection (CBP) to protect the innovation and creativity of U.S. industry from the tsunami of counterfeit and pirated goods that engulfs U.S. borders each year, mostly from China and other countries with weak IP laws, enforcement programs, or both.

The customs bill, which was introduced by Senators Max Baucus and Chuck Grassley, sets out three key courses of action:

- Establish high-level government leadership that will prioritize IP enforcement -- the bill combines the international and commercial offices of the CBP under a single assistant commissioner and formally authorizes the National Intellectual Property Coordinating Centre under an assistant director at U.S. Immigration and Customs Enforcement (ICE).
- Increase IP resources with better training for those in the field -- the bill requires an assessment of the optimal allocation of personnel to ensure that both CBP and ICE are effectively enforcing intellectual property, while ensuring that CBP personnel are adequately trained to detect and identify imported goods that violate IP laws.
- Enhance the enforcement capabilities of CBP and ICE -- the bill calls for the development of a joint strategic plan that addresses IP enforcement while establishing

individual national targeting and analysis groups to assist port inspectors. The bill also calls for a list of previous offenders as well as trustworthy partners; lowers administrative barriers to information sharing between rights holders and the CBP; and launches information campaigns educating travelers on the consequences of transporting goods that violate IP laws.

This legislation could significantly reduce counterfeiting and piracy. The GIPC has also put forth additional suggestions for Congress to strengthen this bill, such as:

- authorizing the establishment of a one-step process for registering and recording trademarks with CBP;
- granting CBP officers explicit authority to prevent counterfeit and pirated goods from being released in U.S. markets, while giving rights holders access to the counterfeit products; and
- requiring customs entry forms to include a declaration stating that a person is not knowingly bringing (illegal) IP-infringing goods into the United States.”<sup>34</sup>

“While the legislative proposals offer powerful new tools in the fight against IP theft, the key to success is a concerted effort by the European Union, the United States, and their trading partners to improve their own laws and enforcement, while enhancing cross border cooperation and coordination.”<sup>35</sup> Passing ACTA quickly would be advantageous, although China, “where 80% of the world’s fake goods are thought to be produced,” is not expected to sign ACTA.<sup>36</sup> China’s absence significantly undermines ACTA. “[T]he United States and the European Union can set the bar higher by building compatible institutions, harmonizing their IP laws and enforcement efforts, promoting strong IP rights in multilateral forums in Geneva and elsewhere, and elevating IP issues to the highest levels of public awareness and political attention.”<sup>37</sup>

Domestically, the federal Trademark Counterfeiting Act, 18 U.S.C. § 2320 provides remedies in addition to those provided in the Lanham Act. The Pennsylvania Trademark Counterfeiting Statute is 18 Pa. Cons. Stat. § 4119. In the consolidated cases of *Commonwealth v. Omar and Commonwealth v. O’Connor*, 2009 Pa. LEXIS 2104 (Pa. Oct. 5, 2009), the Pennsylvania Supreme Court held that the statute was overbroad and violates the constitutional

---

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Knock Offs Catch On*, The Economist, (March 4, 2010).

<sup>37</sup> *Counterfeiting Perspectives: Fighting the Good Fight*, World Trademark Review (January 7, 2010).

First Amendment rights to free speech. The Pennsylvania legislature is sure to revise the statute. Meanwhile, other civil and criminal laws remain in the state, however, to fight counterfeiting.

Turning a particular “hot” issue in the counterfeiting arena, a plaintiff who successfully pursues a claim under the Lanham Act may elect actual damages plus profits or statutory damages.<sup>38</sup> Section 1117, paragraph (a), of the Lanham Act permits plaintiffs to recover lost profits, actual damages, and costs, subject to the principles of equity, plus attorneys fees for exceptional cases. Paragraph (b) allows a court to award treble damages and attorneys fees where a defendant intentionally used a counterfeit mark in connection with a sale, offer for sale, or distribution of goods or services. As an alternative to remedies under paragraphs (a) and (b), plaintiffs may seek relief through paragraph (c), which provides that a plaintiff in a counterfeiting case may elect statutory damages at any time prior to a final judgment.

Until recently, courts had not given any indication as to whether plaintiffs could pursue both theories (paragraphs (a) and (b), or paragraph (c)) at the outset, and then later elect whichever relief is larger. The Fifth Circuit appeared to suggest they could in a non-precedential opinion.<sup>39</sup> The plaintiff, Kiva, owned four stores that sell high-end kitchen and bath appliances in various Texas cities. The defendant, Capital, a Kiva competitor, operated a retail appliance store in Dallas. Capital registered Internet domain names for “Kiva” and derivative spellings, and links to those domain names forwarded users to Capital’s website.

After a trial, the jury awarded Kiva compensatory damages, and determined the case to be “exceptional.” The District Court awarded Kiva \$500,000 in statutory damages, and an additional \$500,960 in attorneys fees based on the jury’s finding the case to be exceptional. Capital appealed on the ground that Kiva did not elect to receive statutory damages.

The Fifth Circuit affirmed the District Court’s award. The Court suggested “that a plaintiff is authorized to make an informed election of remedy even after the jury has rendered a verdict, with knowledge of the amount of both awards.”<sup>40</sup> The Court felt that the statutory

---

<sup>38</sup> 15 U.S.C. § 1117.

<sup>39</sup> *Kiva Kitchen & Bath Inc v. Capital Distributing Inc.*, 319 Fed. Appx. 316 (5th Cir. 2009).

<sup>40</sup> *Id.* at 320, citing *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 347 n.5 (1998).

damage provisions of the ACPA exist to discourage wrongful conduct and therefore need not be limited to provable actual damages.<sup>41</sup> The Court concluded “nothing indicates that a request by a plaintiff that the court award the greater of the two remedies is an invalid election.”<sup>42</sup>

The Fifth Circuit’s opinion departs from an earlier decision by the Ninth Circuit that considered a similar issue with respect to damages. In 2007, the Ninth Circuit interpreted Section 1117 to preclude an award of attorneys fees under paragraph (b) where a plaintiff elected to pursue statutory damages under paragraph (c).<sup>43</sup> The Ninth Circuit reasoned that because paragraph (c) does not reference attorneys fees, it cannot serve as a basis to award them. The Ninth Circuit then concluded that paragraph (c) limits a plaintiff’s award to statutory damages.

The Fifth Circuit’s opinion suggests that plaintiffs should not elect their remedy until damage options are determined, and at that time ask the court to implement the greater of the available remedies. Proper application of the statute may depend on how other circuits weigh in on similar issues as they arise.

---

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *K&N Engineering v. Bulat*, 510 F.3d 1079 (9th Cir. 2007).

#### 4. Expansion of the Madrid Protocol

The Madrid Protocol provides a cost-effective mechanism for obtaining trademark protection in countries around the world. Authorized by the World Intellectual Property Organization (WIPO), the Madrid system allows a trademark owner to file a single international application directly with its own national or regional trademark office. Assuming approval, an international mark so registered is considered equivalent to an application or a registration of the same mark directly in each of the countries designated by the applicant. If the trademark office of a designated country does not refuse protection within a specified period, the protection of the mark becomes the same as if it had been registered by that office.

Beginning with some statistics about recent happenings with the Madrid Protocol, WIPO notes that in the year ending 2008, “[a]pplicants from Germany topped the list of top filers for the 16th consecutive year, followed by users in France, the United States, the European Community, Switzerland, Italy, Benelux, China, Japan and Austria. China remained the most designated country in international trademark applications followed by the Russian Federation, reflecting sustained interest by foreign companies in trading in those countries.”<sup>44</sup>

According to WIPO, users in Germany filed 6,214 international applications representing 14.8% of the total and a growth rate of 2%. Applicants in France accounted for 10% of the total, filing 4,218 international applications representing a 7.3% increase on figures for 2007. Businesses in the United States filed the third-largest number of applications, 3,684 or 8.8% of the total number, showing a slight decrease (-1.5%) from 2007. The Office of Harmonization for the Internal Market (OHIM) ranked fourth with 3,600 international applications marking an increase of 6.8% from 2007. Switzerland moved into 5th position with an 8.6 % growth rate (2,885 international applications), overtaking Italy which fell to 6th position with 2,763 international applications or 3.7% growth.<sup>45</sup>

---

<sup>44</sup> World Intellectual Property Association, *New Record for International Trademark Registrations in 2008 but Signs of Slowdown at Year End*, March 10, 2009, available at [http://www.wipo.int/pressroom/en/articles/2009/article\\_0004.html](http://www.wipo.int/pressroom/en/articles/2009/article_0004.html).

<sup>45</sup> *Id.*

In 2008, the Madrid Protocol permitted filings in three languages: English, French, and Spanish. This means that applicants can now file an international application in one of these languages regardless of the particular treaty that may govern the application. In the future, additional languages may be permitted, and this possibility is currently under study.”<sup>46</sup>

The Madrid Protocol also includes additional countries, having entered into force in Syria on March 21, 2010, Liberia on December 11, 2009, Sudan on February 16, 2010, and Egypt on September 3, 2009.<sup>47</sup> India will soon join the Protocol,<sup>48</sup> and all indications point to the possibility that the Madrid Protocol will expand its reach throughout Latin America.

Accession to the Madrid Protocol would facilitate transactions by Latin American companies in Asian, European, North American, and African markets.<sup>49</sup> Without the Protocol, Latin American companies must expend their limited financial resources to register their marks individually throughout the world.<sup>50</sup> The high cost of individual registration serves as a barrier to expanding their brand names internationally, and may partially explain why Latin American countries focus efforts on exporting commodities, rather than consumer products.<sup>51</sup>

Many believe that facilitating trademark registration through the Madrid Protocol will aid local economies. As international consumers learn about the brand names used by Latin American companies, they will increase international patronage of these companies.<sup>52</sup> Recognizing this possibility, many Latin American companies have taken advantage of the

---

<sup>46</sup> *Id.*

<sup>47</sup> World Intellectual Property Association, Information Notices. (2010), available at <http://www.wipo.int/madrid/en/notices/>. See also [http://www.wipo.int/treaties/en/html.jsp?file=/redocs/notdocs/en/madridp\\_gp/treaty\\_madridp\\_gp\\_187.html](http://www.wipo.int/treaties/en/html.jsp?file=/redocs/notdocs/en/madridp_gp/treaty_madridp_gp_187.html).

<sup>48</sup> “On December 18, 2009, the Lok Sabha (Lower House of the Indian Parliament) passed The Trade Marks (Amendment) Bill, 2009, which will implement the Madrid Protocol into Indian Trade Mark Law. The Bill also amends the Indian Trade Mark Act to align it with the Protocol. As a result, it is imminent that India will accede to the Madrid Protocol as soon as the Bill is ratified by the Rajya Sabha (Upper House of the Indian Parliament) and brought into force.” See Linux Legal, Current Legal Awareness, <http://ca.linexlegal.com/index.php?cid=282927> (last visited February 28, 2010).

<sup>49</sup> Adam Smith, 2010: *Madrid to Expand into Latin America*, World Trademark Review, February/March 2010 at 18.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

Madrid Protocol by filing international registrations through their subsidiaries in countries such as Spain and Germany.<sup>53</sup>

Many important Latin American jurisdictions have considered accepting the Madrid Protocol, but the Madrid Protocol has met resistance from competing interests between the intellectual property industry, governments and politicians, and companies in private practice.<sup>54</sup> While the intellectual property industry predictably has urged acceptance of the Madrid Protocol, those engaged in private practice have been less supportive, believing that it will hurt their business. WIPO and other international organizations have weighed in, taking strides to promote the Madrid Protocol despite counterarguments of Latin American law firms, who argue that “[t]here would be more international trademarks easily registered [in Latin American jurisdictions] than domestic industry internationalizing its trademarks.”<sup>55</sup>

Private industry has expressed concerns about the concept of “central attack.” More specifically, industry representatives have expressed concerns about the possibility that refusal, withdrawal, or cancellation of the application or registration within five years of the registration date will lead to the refusal, withdrawal, or cancellation of the international registration. WIPO has attempted to allay these concerns over central attacks through the mechanism of transferring the international registration into a series of applications, each benefiting from the international filing date.<sup>56</sup>

Inefficient practices currently in place in many domestic offices also impede advocates of the Protocol.<sup>57</sup> For example, when Portugal first joined the Madrid Protocol, its internal proceedings resulted in upwards of a ten-year delay in registering a domestic mark.<sup>58</sup> The Brazilian Trademark Office offers similar doubt regarding the ability of domestic offices to adapt

---

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 15.

<sup>55</sup> *Id.* at 16.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

to the Protocol.<sup>59</sup> The Argentine Trademark Office shows evidence of hope, however, as it has strived to advance its technological systems in preparation for the transition.<sup>60</sup>

Overall, the Madrid Protocol continues to attract signatories around the world. As additional economic expansion occurs throughout Latin America, these countries too will likely come to enjoy the benefits of the Protocol.

---

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

5. Likelihood of Confusion on the Internet: Progress from the Second Circuit

The Second Circuit designated “use” as a threshold issue in trademark infringement in its *1-800 Contacts* decision from 2005,<sup>61</sup> ostensibly placing this Court at odds with the other circuit courts. In this case, defendant WhenU.com used software to monitor an Internet user’s online activity and place pop-up advertisements relevant to the websites visited in a separate window on-screen. 1-800 Contacts sued for trademark infringement, alleging that WhenU.com caused pop-up ads for competitors of 1-800 Contacts to appear when internet users accessed 1-800’s website.

The Second Circuit stated: “Not only are use, in commerce, and likelihood of confusion three distinct elements of a trademark infringement claim, but use must be decided as a threshold matter because, while any number of activities may be in commerce or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the use of a trademark.”<sup>62</sup> The Second Circuit held that WhenU.com did not “use” 1-800’s trademarks in commerce by triggering these pop-up advertisements, and determined that this lack of use precluded a likelihood of confusion analysis, noting that without “use” a trademark infringement claim must fail.

A more recent decision by the Second Circuit, *Rescuecom v. Google*, seriously undermined its *1-800 Contacts* holding.<sup>63</sup> In the *Rescuecom* opinion, the Court acknowledged its earlier decision but then limited it to its facts.

The *Rescuecom* opinion followed an appeal by plaintiff, Rescuecom Corp., of the District Court’s dismissal of their action for failure to state a claim for which relief can be granted. The District Court reasoned that the *1-800 Contacts* opinion compelled dismissal regardless of likelihood of confusion because Rescuecom failed to allege Google’s use of its mark was a “use in commerce” within the meaning of Section 45 of the Lanham Act, 15 U.S.C. § 1127. The District Court rejected Rescuecom’s argument that Google used its mark in selling the trademark

---

<sup>61</sup> *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400 (2d Cir 2005).

<sup>62</sup> 414 F.3d at 412 (internal quotation marks omitted).

<sup>63</sup> *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. 2009).

as a keyword based on the Court's interpretation that Google's actions amounted to an internal use, incapable of constituting use in commerce under the *1-800 Contacts* precedent.

Google sold keywords to advertisers that triggered "sponsored" links to advertiser's web sites to appear when an Internet user searches with that keyword. Google recommended to certain customers, some of which were Rescuecom's competitors, that they purchase the RESCUECOM trademark as one of their advertisement-trigger keywords. Competitors who purchased the RESCUECOM keyword received links to their websites as sponsored links alongside the list of natural hits from the user's search.

Rescuecom asserted that a user might be easily misled to believe that the advertisements appearing next to the search results were part of the search results, and therefore likely to be confused as to affiliation, origin, sponsorship, or approval of services in view of Google's failure to identify the ads as purchased and not search results (especially ads appearing in a horizontal bar at the top of the webpage, which may appear to the searcher as the first and most relevant search hit as opposed to a paid advertisement).

The appeal in *Rescuecom* concerned the question of whether Google's conduct constituted infringing use of a trademark in commerce. The District Court believed that Google had not used the mark because the sponsored links did not themselves contain the plaintiff's mark.<sup>64</sup>

The Second Circuit found the District Court's approach to misunderstand the holding of *1-800 Contacts*, and concluded that Google did in fact use the mark in commerce. The Court distinguished *1-800 Contacts* as applicable only to a very limited set of facts involving use of a web address as a trigger, and not use of a trademark because in that case, advertisers could not request or purchase keywords to trigger their ads, and ads were instead randomly triggered by categorical associations with searched websites or keywords. Thus, Google's actions of recommending and selling Rescuecom's trademark distinguished this case, bringing it within the ambit of Section 1127. Accordingly, under the holding of *Rescuecom*, use of a trademark in an

---

<sup>64</sup> *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393 (N.D.N.Y. 2006).

internal software program can fulfill the “use in commerce” test and constitute infringement if such use causes consumer confusion.

The Second Circuit backpedaled from *1-800 Contacts* some more by including an extensive Appendix in the *Rescuecom* opinion. The Appendix suggested that the *1-800 Contacts* panel may have been confused by inherent errors in precedential opinions that incorrectly defined “use in commerce” for infringement cases. The Appendix concluded with an invitation to Congress to clarify the definition of “use” through legislation. The circuit judges from the *1-800 Contacts* panel have indicated their approval of this Appendix.

The *Rescuecom* opinion from the Second Circuit suggests a moderation of this Court’s stance on using registered marks of others in Internet advertising. This opinion more closely aligns the law and policy in this circuit with that expressed by other circuits throughout the country.

6. Protecting Famous Marks Not Used in the U.S.: The Second Circuit vs. The Ninth Circuit

Ownership of a trademark in one country does not automatically confer rights to use that mark in another country. A general tenant of U.S. trademark law requires a trademark owner to make actual use of its mark on products or services in the United States to protect that mark in the United States.

The Ninth Circuit carved an exception to this tenant of territoriality, colloquially known as the famous marks doctrine.<sup>65</sup> This doctrine provides that a foreign entity with a well-known mark has priority over a new user of that mark in the United States, even if that foreign entity has never used that mark in the United States. In *Grupo Gigante*, the plaintiff, a large grocery store chain, used the name GIGANTE on stores open in Mexico since 1962. Almost thirty years after Grupo opened its first store in Mexico, Dallo opened a grocery store in San Diego, California called GIGANTE MARKET. When Grupo later opened a GIGANTE store in Los Angeles, Dallo demanded that Grupo stop using the GIGANTE mark in the United States, whereupon Grupo sued for declaratory judgment asserting superior U.S. rights stemming from prior use in Mexico.

Under a strict application of the territoriality principle, Dallo would have superior rights in the United States as the first user of the mark in that country. The Ninth Circuit created a famous marks exception, however, to this principle: “[W]hen foreign use of a mark achieves a certain level of fame for that mark within the United States, the territoriality principle no longer serves to deny priority to the earlier foreign user.”<sup>66</sup> The Court did not cite to any particular foundation in federal law to support its exception, instead grounding its decision on a public policy basis.<sup>67</sup> The Ninth Circuit commented that, without such an exception, absolute territoriality would promote consumer confusion and fraud.<sup>68</sup>

---

<sup>65</sup> *Grupo Gigante v. Dallo & Co., Inc.*, 391 F.3d 1088 (9<sup>th</sup> Cir. 2004).

<sup>66</sup> *Id.* at 1093.

<sup>67</sup> *Id.* at 1088 (citing *Vaudable v. Montmarte, Inc.*, 193 N.Y.S.2d 332 (N.Y. Sup. Ct. 1959)).

<sup>68</sup> *Id.* at 1094.

In contrast to the conclusion reached by the Ninth Circuit, the Second Circuit has rejected a famous marks exception to U.S. trademark law, and found that fame from use solely in another country does not provide a valid basis for asserting priority trademark rights in the United States. In *ITC Ltd. v. Punchgini, Inc.*,<sup>69</sup> the plaintiffs operated four restaurants under the trademark BUKHARA in New Delhi, Singapore, Kathmandu, and Ajman. The defendants, former employees of the plaintiffs, opened two restaurants in New York City under the trademark BUKHARA GRILL.

The defendants' restaurants used a similar mark as well as logos, decor, staff uniforms, and menus similar to the plaintiffs' international restaurants. The plaintiffs sued the defendants for trademark infringement, unfair competition, and false advertising under the Lanham Act, along with parallel causes of action under New York common law. The District Court awarded summary judgment in favor of the defendants on all claims, and the plaintiffs appealed.<sup>70</sup>

The Second Circuit's opinion began by acknowledging that Article *6bis* of the Paris Convention and Article 16(2) of the Agreement on Trade-Related Aspects of Intellectual Property Rights recognize the famous marks doctrine. Nevertheless, the Court determined that these international agreements do not self-execute and determined that the United States has not implemented these provisions. The Second Circuit deferred to Congress as the best venue to resolve policy arguments in favor of or against a famous marks exception in U.S. trademark law.

As part of its opinion, the Second Circuit certified the following questions to the New York Court of Appeals: Does New York common law permit the owner of a famous mark or trade dress to assert property rights therein by virtue of the owner's prior use of the mark or dress in a foreign country? If so, how famous must a foreign mark be to permit a foreign mark owner to bring a claim for unfair competition?<sup>71</sup>

The Court of Appeals of New York responded to these certified questions noting that New York state common law did not recognize the famous marks doctrine, but would protect

---

<sup>69</sup> *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135 (2nd. Cir.), *cert. denied*, 128 US 288 (2007).

<sup>70</sup> *ITC Ltd. v. Punchgini, Inc.*, 373 F. Supp. 2d 275 (S.D.N.Y. 2005).

<sup>71</sup> *Punchgini, Inc.*, 482 F.3d. at 171.

famous marks having goodwill in New York under a misappropriation theory. This would prohibit a party from using another's business property right (*i.e.*, a trademark) to compete unfairly against that business in New York State.<sup>72</sup> To prevail on such a claim under New York law, said the state court, the plaintiffs first have to show the defendants deliberately copied the foreign mark or trade dress. Then they must show sufficient recognition of the mark or trade dress among New York consumers.

Based on these answers, the Second Circuit denied summary judgment to the plaintiffs under New York State law. The Court found that, while ITC had shown deliberate copying of its mark, it had not produced adequate evidence to erase material issues of fact regarding secondary meaning of the mark among potential customers of the defendants' New York restaurant.<sup>73</sup>

Aside from the Ninth Circuit, at least one District Court in the Tenth Circuit has given approval to the famous marks exception.<sup>74</sup> New York state also apparently will protect the goodwill in a foreign mark used in New York. As concerns the PTO, the TTAB has given a nod to the viability of the doctrine,<sup>75</sup> but the Manual of Trademark Examining Procedure used by Examining Attorneys at the PTO explicitly states the opposite.<sup>76</sup>

More recently, the PTO has suggested its endorsement of the Second Circuit's approach. In *Bayer Consumer Care AG v. Belmora LLC*,<sup>77</sup> the TTAB denied a claim for cancellation under Article 6*bis* of the Paris Convention on the ground that the Paris Convention is not self-executing and therefore does not afford an independent cause of action for parties in Board proceedings. In this decision, the TTAB indicated that, while Section 44 of the Lanham Act was generally intended to implement elements of the Paris Convention, it does not provide the user of a claimed famous foreign trademark with an independent basis for cancellation in a Board proceeding without use of the mark in the United States.

---

<sup>72</sup> *ITC Ltd v. Punchgini, Inc.*, 2007 N.Y. LEXIS 3709 (N.Y. 2007).

<sup>73</sup> *ITC Ltd. v. Punchgini, Inc.*, 518 F.3d 159 (2d Cir. 2008).

<sup>74</sup> See *Sterling Consulting Corp. v. Indian Motorcycle Trademark*, 44 USPQ2d 1959 (D. Colo. 1997).

<sup>75</sup> *All England Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.*, 220 USPQ 1069 (TTAB 1983).

<sup>76</sup> Trademark Manual of Examining Procedure § 901.03 (use of a mark in a foreign country does not give rise to rights in the United States if the goods or services are not sold or rendered in the United States).

<sup>77</sup> 90 USPQ2d 1587 (TTAB 2009).

7. Dilution: Does the First Amendment Compel a Parody Exception?

This past year, the Second Circuit decided the case of *Starbucks Corporation v. Wolfe's Borough Coffee, Inc.*<sup>78</sup> This case pitted the international coffee dynamo against a New Hampshire family-owned and run specialty coffee business called Black Bear.

Black Bear began selling a dark-roasted coffee blend under the names “Mister Charbucks” and “Charbucks Blend” in April 1997. Black Bear sold Charbucks Blend in a package bearing a picture of a black bear above large font reading “BLACK BEAR MICRO ROASTERY.” The package informed consumers that the coffee was roasted in New Hampshire by “The Black Bear Micro Roastery.” Starbucks sued, alleging trademark dilution.

Federal dilution law applies in two situations: (1) dilution by blurring; and (2) dilution by tarnishment.<sup>79</sup> Dilution by blurring refers to an association arising from similarity that impairs the distinctiveness of the famous mark.<sup>80</sup> Dilution by blurring may exist in lieu of any likelihood of confusion.<sup>81</sup> Federal law specifies six non-exhaustive factors for courts to consider in a dilution by blurring analysis.<sup>82</sup>

In its analysis, the District Court found minimal similarity between the marks, and found that the “Mister” prefix or “Blend” suffix further lessened the similarity. Ultimately, the District Court found the marks not substantially similar.<sup>83</sup> The District Court reasoned that “dissimilarity alone is sufficient to defeat [Starbucks’] blurring claim.”<sup>84</sup> The District Court determined no actual dilution occurred sufficient to establish a violation of federal trademark law, and dismissed the complaint. Starbucks appealed the dismissal.

---

<sup>78</sup> 588 F.3d 97 (2d Cir. 2009).

<sup>79</sup> 15 U.S.C. § 1125(c).

<sup>80</sup> 15 U.S.C. § 1125(c)(2)(B).

<sup>81</sup> 15 U.S.C. § 1125(c)(1); the Court notes classic examples include hypothetical anomalies including DuPont shoes, Buick aspirin tablets, Kodak pianos, Bulova gowns, and the like, citing *Mead Data Cent. Inc v. Toyota Motor Sales, USA, Inc.* 875 F.2d 1026 (2d Cir. 1989).

<sup>82</sup> 15 U.S.C. § 1125(c)(2)(B)(i)-(vi).

<sup>83</sup> *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 559 F. Supp. 2d 472, 477 (S.D.N.Y. 2008).

<sup>84</sup> *Id.*

During the pendency of this appeal, Congress amended the trademark statute with the Trademark Dilution Revision Act of 2005 (the “TDRA”), passed in response to the Supreme Court’s decision in *Moseley v. V. Secret Catalogue, Inc.*, in which the Court held that the Federal Trademark Dilution Act required a showing of “actual dilution” to establish a dilution claim.<sup>85</sup> Specifically, the TDRA provides for an injunction against the use of a mark “likely” to cause dilution of a famous, distinctive mark.<sup>86</sup>

The Second Circuit vacated and remanded the District Court’s *Starbucks*’s opinion based on the TDRA. The Court determined that the District Court applied the pre-amended statute in deciding that Starbucks failed to prove actual dilution. The Second Circuit acknowledged that, before the TDRA, a plaintiff could not prevail unless the marks at issue were “very” or “substantially similar,” but noted that after the TDRA, federal dilution law preserves the “similarity” requirement, but discards the requirements of “very” or “substantial.” On this basis, the Second Circuit determined that the District Court erred in focusing on the absence of “substantial similarity,” and remanded the case for further proceedings on the dilution by blurring claim.

One of the discussion points on appeal was Wolfe’s alternative argument that the Charbucks name was a parody.<sup>87</sup> In addressing this issue, the Second Circuit commented that the Charbucks marks cannot qualify as a parody exception to trademark infringement because the marks designate a source.<sup>88</sup>

In its comments, the appellate court referenced an opinion authored by the Fourth Circuit in *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*,<sup>89</sup> the first appellate case interpreting the TDRA, which suggested considering a parody exception to determining likelihood of dilution by blurring under 15 U.S.C § 1125(c)(2)(B). Although the Second Circuit seemed willing to provide first amendment wiggle-room for assessing parody in a dilution-by-blurring analysis,

---

<sup>85</sup> 537 U.S. 418 (2003).

<sup>86</sup> 15 U.S.C. § 1125(c)(1).

<sup>87</sup> § 1125(c)(3).

<sup>88</sup> *Starbucks Corp.*, 588 F.3d at 112.

<sup>89</sup> 507 F.3d 252 (4th Cir. 2007).

overall, the Court's tone suggested it did not like the concept of a parody defense to conduct likely to cause dilution.

In the Fourth Circuit's *Louis Vuitton* case, the famous maker of luxury bags asserted trademark dilution against a manufacturer of parody pet toys for producing a purse-shaped toy encompassing the shape, design, and color of Louis Vuitton handbags called "Chewy Vuitton."

The Fourth Circuit believed that the defendant's use of the mark as a parody was a relevant consideration under Section 1125(c)(2)(B) when considering a claim of dilution by blurring. The Court reasoned that a parody intentionally creates an association with a famous mark and also communicates that it is not the famous mark. Said the Court, "association" and "likelihood of impairment of distinctiveness" are separate inquiries.<sup>90</sup> Ultimately finding no dilution, the Fourth Circuit concluded that "a defendant's use of a parody mark does not support a 'fair use' defense, [but] it may be considered in determining whether the plaintiff-owner of a famous mark has proved its claim that the defendant's use of a parody mark is likely to impair the distinctiveness of the famous mark."<sup>91</sup>

The Second Circuit believed that the *Louis Vuitton* rationale did not apply to the *Starbucks* dispute. The Court felt that the satire was subtle at best, and that Wolfe failed to demonstrate a clear parody: "the Charbucks parody is promoted not as a satire or irreverent commentary of Starbucks but, rather, as a beacon to identify Charbucks as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffees."<sup>92</sup> To the extent the Second Circuit would recognize a parody defense to dilution, the *Starbucks* opinion suggests the satire must be facially apparent.

---

<sup>90</sup> *Id.* at 267-268.

<sup>91</sup> *Id.* at 267.

<sup>92</sup> *Starbucks Corp.*, 588 F.3d at 113.

8. Aftermath of the Supreme Court’s *Wal-Mart* Opinion: Registration of Sounds

This past year, the TTAB created a standard for determining sufficiency of sound distinctiveness to qualify the sound for trademark registration.<sup>93</sup> The TTAB decided two cases, drawing heavily on the trade dress jurisprudence of the U.S. Supreme Court, and particularly its *Wal-Mart* opinion.<sup>94</sup> The TTAB separated sounds into two categories: (1) those capable of inherent distinctiveness; and (2) those not inherently distinctive but capable of acquiring distinctiveness through use. The TTAB acknowledged the potential applicability of the functionality bar to those sounds not inherently distinctive, and set a high standard for applicants seeking to establish acquired distinctiveness of sounds.

In the first case, *In re Vertex Group*, the applicant filed two intent-to-use applications to register a sound as a trademark for two kinds of personal security alarms. The Examining Attorney refused each application on two grounds: (1) functionality under Section 2(e)(5) of the Trademark Act;<sup>95</sup> and (2) inability to identify and distinguish the source of goods. The TTAB upheld the refusals on both grounds, and added a third ground: lack of acquired distinctiveness under Section 2(f).

On the question of distinctiveness, the TTAB relied in part on its previous decision in *In re General Electric Broadcasting Co., Inc.*,<sup>96</sup> where it distinguished between “unique, different, or distinctive sounds,” which may qualify for registration based on inherent distinctiveness, and “those that resemble or imitate ‘commonplace’ sounds or those to which listeners have been exposed under different circumstances.” The TTAB required registration to “be supported by evidence to show that purchasers, prospective purchasers, and listeners do recognize and

---

<sup>93</sup> Sounds have been registered as marks for many years. See Registration No. 916,522, which issued to the National Broadcasting Company, Inc. in 1971 (the mark comprises the musical notes G, E, C played on chimes); see also T.M.E.P. § 1202.15 (“Sound Marks”).

<sup>94</sup> In *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), the U.S. Supreme Court held that, in an action for infringement of unregistered trade dress under Section 43(a) of the Lanham Act, a product’s design is distinctive and therefore can be protected only upon a showing of acquired distinctiveness or “secondary meaning.” In contrast, product packaging trade dress can be inherently distinctive and protected even absent secondary meaning.

<sup>95</sup> 15 U.S.C. §1052(e)(5).

<sup>96</sup> 199 U.S.P.Q. (BNA) 560 (TTAB 1978).

associate the sound with services offered and/or rendered exclusively with a single, albeit anonymous, source.”<sup>97</sup>

*General Electric* predates the U.S. Supreme Court’s trade dress decisions in *Qualitex Co. v. Jacobson Prods. Co.*,<sup>98</sup> and *Wal-Mart Stores, Inc. v. Samara Bros.*<sup>99</sup> In *Qualitex*, the Court held that applicants can register colors as a trademark upon a showing of secondary meaning (absent functionality or other bars to registration).<sup>100</sup> In *Wal-Mart*, the Court held that applicants can register product configuration trade dress (as distinguished from product packaging trade dress) as a trademark only upon a showing of secondary meaning.

Drawing on these opinions as guidance, the TTAB in *Vertex* subjected sounds to a similar rule.<sup>101</sup> Specifically, the Board indicated:

When a sound is proposed for registration as a mark on the Principal Register, for goods that make the sound in their normal course of operation, registration is available only on a showing of acquired distinctiveness under Section 2(f). Examples of such goods would include products such as alarm clocks, appliances that include audible alarms or signals, telephones, and the alarm products of applicant.<sup>102</sup>

Because each application at issue in *Vertex* involved a sound emitted by a product in its normal operation, the TTAB deemed refusal proper absent evidence of acquired distinctiveness.<sup>103</sup>

As an alternative basis for upholding the examiner's refusal, the Board determined that *Vertex*’s sound failed to function as a trademark. Trademarks implicitly require “a direct association between the matter sought to be registered and the goods identified in the application, that is, that the matter is used in such a manner that it would be readily perceived as identifying

---

<sup>97</sup> *Id.* at 563.

<sup>98</sup> 514 U.S. 159 (1995).

<sup>99</sup> 529 U.S. 205 (2000).

<sup>100</sup> 514 U.S. at 174.

<sup>101</sup> 89 USPQ2d 1694, 1700 (TTAB 2009).

<sup>102</sup> *Id.*

<sup>103</sup> *Id.*

such goods.”<sup>104</sup> In this case, the TTAB found a direct association between the applicant's sound and products, but determined that because the product emitted the sound, the direct association fell short of the standard contemplated by the statute and case law.<sup>105</sup> The TTAB stated that “the association must be one of origin or source, and one that would be drawn between the sound and the product by prospective purchasers, when they hear the sound.”<sup>106</sup>

The TTAB examined the evidence to determine whether Vertex’s “use and promotion of the sound . . . has educated the consuming public as to the assertedly distinctive aspects of the sound.”<sup>107</sup> On balance, the TTAB determined the evidence did not show consumer appreciation of distinctiveness of Vertex's alarm sound. The only opportunity for consumers to hear what Vertex's alarm sounded like came from the use of the alarm sound in some public service announcements, but the TTAB felt that these announcements did not promote sound distinctiveness, instead promoting only an awareness of possible danger when the alarm sounds.<sup>108</sup> Analogizing to *Wal-Mart's* analysis of product configuration trade dress, the TTAB noted that “every audible alarm emits some sort of sound, many similar to that of applicant's product; and we do not find that consumers are predisposed to equate such sounds with the sources of the products that emit them.”<sup>109</sup> In this regard, the TTAB held Vertex’s alarm ineligible for registration absent a showing of acquired distinctiveness under Section 2(f).

Finally, the Board held that Vertex’s alarm sound could not be registered because of its functionality within the meaning of Section 2(e)(5). The TTAB concluded that Vertex’s alarm sound was “essential to the use or purpose of applicant's products,” because the evidence showed the importance of loudness for audible alarms and showed greater efficacy for using alternating sound and silence relative to using a continuous sound.

---

<sup>104</sup> *Id.* (citing *In re N.V. Organon*, 79 USPQ2d 1639, 1649 (TTAB 2006); 15 U.S.C. § 1125; and *In re Roberts*, 87 USPQ2d 1474, 1478 (TTAB 2008)).

<sup>105</sup> *Id.* at 1700-01.

<sup>106</sup> *Id.* at 1701 (citing *General Electric*, 199 USPQ at 563).

<sup>107</sup> *Id.* at 1701.

<sup>108</sup> *Id.* at 1702.

<sup>109</sup> *Id.*

In the second decision, the TTAB applied its new rule to the ringtone of a cellular telephone.<sup>110</sup> Motorola had filed an application to register an electronic chirp as a sound mark for cellular telephones and two-way radios. Nextel opposed this registration on two grounds: (1) Motorola had not used the chirp in commerce, and (2) the chirp was not inherently distinctive and had not acquired distinctiveness. In addition, Nextel filed its own application to register the same chirp for various telecommunications services.<sup>111</sup>

Applying the rule articulated in *Vertex*, the Board found the chirp sound of Motorola's telephones emitted in the normal operation of the telephone and not inherently distinctive. On this basis, eligibility for registration would require a showing of acquired distinctiveness.<sup>112</sup>

Motorola presented direct and circumstantial evidence to support its claim of acquired distinctiveness. As direct evidence, Motorola presented two consumer surveys, commissioned and introduced by the opposition (Nextel).<sup>113</sup> The Board found, however, that these surveys did not demonstrate acquired distinctiveness with respect to Motorola's telephones, because the majority of the respondents indicated associating the chirp with Nextel. As circumstantial evidence, Motorola presented length of use, volume of sales, and promotional efforts data.<sup>114</sup> The Board found, however, that Motorola had not used the chirp in commerce as a mark for its telephones, and that promotional efforts involving the chirp did not prove acquired distinctiveness.<sup>115</sup>

The Board concluded that consumers would perceive the chirp simply as an operational signal of the phone, and not as an indication of origin that had been affixed to the phone. If

---

<sup>110</sup> *Nextel Comms., Inc. v. Motorola, Inc.*, 91 USPQ2d 1393 (TTAB 2009).

<sup>111</sup> *Id.*

<sup>112</sup> *Id.* at 1400-01.

<sup>113</sup> *Id.* at 1401.

<sup>114</sup> *Id.* Motorola argued: that it has been manufacturing cellular telephones that emit the chirp since 1996; that sales (in dollar values and units sold) of these cellular telephone handsets have been significant; and that the applicant has expended "significant resources" in "advertising and promotional efforts" of the chirp in connection with the handsets.

<sup>115</sup> *Id.* at 1404.

consumers could not recognize the sound as an indication of origin, the sound could not acquire distinctiveness because Motorola did not use the sound as a mark.<sup>116</sup>

Unless a sound is unique, used to identify source, and functionally unrelated to a product, a party seeking to register the sound as a mark should consider offering evidence of acquired distinctiveness. The TTAB has strongly suggested that it will not consider sounds familiar to consumers from other contexts and sounds emitted by a product in its normal operation inherently distinctive features for registration eligibility. By analogizing to the reasoning of the U.S. Supreme Court with respect to product configuration trade dress in *Wal-Mart*, the TTAB has required trademark applicants to demonstrate that consumers' exposure to a sound through sales and advertising has led them to perceive the mark as an indication of source, and not a mere feature of the product.

---

<sup>116</sup> *Id.* at 1404.

## 9. Accelerated Case Resolution

Accelerated case resolution (ACR) functions as an efficient and economical alternative to a traditional TTAB *inter partes* proceeding. The form of ACR can vary, but the process generally approximates a summary bench trial. For parties to use ACR, they must stipulate that the Board can resolve any disputed issues of material fact (such as likelihood of confusion) in lieu of a full trial on the merits. ACR has the advantage of avoiding the time and expense from a denied motion for summary judgment.

Although only recently dubbed “ACR,” parties have had access to the underlying process for some time.<sup>117</sup> Yet, ACR has been used sporadically. The process has gained exposure since the TTAB amended its rules for *inter partes* proceedings in November 2007 to discuss ACR in settlement and discovery planning conferences.<sup>118</sup>

ACR focuses primarily on the development of facts, rather than on the claims and applicable law. The TTAB will consider almost any type of claim under ACR. The most appropriate cases, however, include at least some of the following features: little discovery necessary; parties stipulate many facts; each party expects to rely on the testimony of one or two witnesses with a minimal overall record; the parties make summary judgment submissions with exhibits and stipulate that the Board panel deciding the case can resolve any lingering issues of material fact; the parties stipulate to the admissibility of most of the record and will merely reserve the right to object in trial briefs on the grounds of relevancy or weight accorded particular evidence.

With ACR, parties have ample latitude in arranging what they believe will accomplish their goals, and they may request a telephone conference with an Interlocutory Attorney to assist in negotiating alternatives. Ultimately, they must present each option to an assigned Interlocutory Attorney, usually by written submission with a follow-up phone conference.<sup>119</sup>

---

<sup>117</sup> See *Miller Brewing Co. v. Coy Int’l Corp.*, 230 USPQ 675 (TTAB 1986).

<sup>118</sup> See *Eveready Battery Co., Inc. v. Green Planet, Inc.*, 91 USPQ2d 1511 (TTAB 2009).

<sup>119</sup> ACR can also be implemented by accepting an invitation or suggestion from a Board attorney or judge to participate in the process, with details to be negotiated.

The Board has denied requests to proceed by ACR in the absence of consent. The Board attorney or judge reviewing any stipulation or motion to depart from standard procedures may note potential problems that the parties' agreement does not anticipate. Although a party can change its mind about using ACR, the Board encourages parties facing such a situation to salvage the efficiencies they can, rather than revert entirely to a traditional process.

Parties can negotiate temporal or other limitations on discovery, and under current practice, the Board will not impose discovery limits. Parties should consider discussing with their counsel the trade-offs between limiting discovery and retaining the option to take full discovery on a cost-benefit basis.

The potential for cost savings comes from reduced time spent by counsel and client preparing to prosecute or defend the case. When the process limits the issues, savings can be even greater because all aspects of the proceeding (including discovery, trial, and briefing) focus on limited matters, making discovery more focused and efficient. The extent of savings will largely be a function of the willingness of attorneys and their clients to focus on issues genuinely in dispute.

Parties can take depositions in ACR, but limits in number, duration, or both may apply. The PTO envisions that parties often will agree to the presentation of direct testimony from witnesses by affidavit or declaration, with the adverse party or parties reserving the right to use live cross-examination if necessary.<sup>120</sup> Likewise, in many cases parties may submit depositions in lieu of testimony.

Revisions to the T.M.E.P. currently underway will result in more discussion of the process. The Board has indicated a willingness to entertain suggestions viewed as likely to improve the efficiency of Board practice while still providing parties with what they view as a just forum for resolving their disputes.

ACR may not be suitable for parties who agree on little and who are not willing to restrain, to at least some extent, their discovery or trial activities. Nor will ACR work well for a case that promises to generate a large record. A party may reject ACR if it wishes to use the full

---

<sup>120</sup> See *Christopher Brooks v. Creative Arts by Calloway, LLC*, 93 USPQ2d 1823 (TTAB 2009).

discovery period for fact-finding, or if it does not wish for the Board to decide disputed facts without a full trial on the merits.

## 10. Trademarks in Virtual Worlds

One of the more interesting and perhaps lesser known areas of developing trademark law concerns the virtual world. A virtual world consists of a computer-based simulated environment intended for its users to inhabit and interact via avatars.<sup>121</sup> In a virtual world, a player creates an avatar for use in the virtual world with unique characteristics determined by the player.<sup>122</sup> Some examples include the games *Second Life*, *The Sims*, *Entropia Universe*, *HiPiHi*, *Kaneva*, *Gaia Online*, *City of Heroes*, *Everquest*, *There.com*, *World of Warcraft*, and *Ultima Online*.<sup>123</sup> Participants can explore the virtual world with their avatars by wandering, socializing with other players, interacting with their surroundings, and collecting virtual property.<sup>124</sup> Participation in virtual worlds has increased significantly during the past few years. Indeed, some estimate that approximately 100 million people worldwide spend time online in a particular virtual world.<sup>125</sup>

Virtual worlds provide the same avenues of entertainment that exist in the real world, such as casinos, skydiving, and sporting events.<sup>126</sup> The economic significance of virtual worlds becomes evident in the merchandising aspects within these worlds. In fact, famous companies such as IBM, General Motors, Toyota, CBS, Dell, Cisco Systems, Sun Microsystems, American Apparel, Reebok, and Starwood Hotels have a presence in various virtual worlds.<sup>127</sup> So how do laws of the real world, especially trademark law, apply to the virtual world?

Some useful examples can be gleaned from Linden Lab's *Second Life* virtual world. *Second Life* participants take action to protect trademarks created and used in the virtual world. In one example, Eros, LLC sued a person identified only by his avatar name in the *Second Life*

---

<sup>121</sup> Melissa Ung, *Trademark Law and the Repercussions of Virtual Property*, 17 *CommLaw Conspectus* 679, 684-687 (2009) (quoting John W. Crittenden, *Real I.P., Virtual Worlds--Issues in Litigating Trademarks and Unfair Competition Cases in Second Life and Like Spaces*, in *LITIGATING TRADEMARK, INTERNET AND UNFAIR COMPETITION CASES* 239, 241 (ALI-ABA Course of Study 2008), available at SN053 ALI-ABA 239 (Westlaw)).

<sup>122</sup> *Id.*

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> Sean F. Kane, Benjamin T. Duranske, *Virtual Worlds, Real World Issues*, 1 No. 1 *LANDSL* 8, 9-10 (2008).

<sup>126</sup> *Id.* at 10.

<sup>127</sup> *Id.*

virtual world.<sup>128</sup> Eros sought an injunction and damages against the user, identified only as “John Doe,” under claims based on violation of the Lanham Act.<sup>129</sup> In particular, Eros claimed it suffered economic harm resulting from the user’s infringement of its mark in the *Second Life* virtual world when the defendant avatar copied and sold two adult-oriented products owned by Eros to *Second Life* residents in the virtual world.<sup>130</sup> Eros eventually learned the identity of the user, and obtained a default judgment against the user in the Middle District of Florida.

A second example concerns Richard Minsky, who sued Linden Labs for failing to enforce his mark, SLART, in *Second Life*.<sup>131</sup> Linden Labs refused to remove infringing content from *Second Life* after Minsky informed Linden Labs of the infringement of his registered mark.<sup>132</sup> In particular, Minsky encountered a *Second Life* user with the avatar name, Vezina, using the marks “SLART Garden” and “Slartists of Second Life” for a name of an art gallery and name of a group, respectively.<sup>133</sup> Minsky eventually settled out of court, but the case raised a significant issue of whether Linden Labs could have been held liable for contributory infringement and fraud for failure to enforce Minsky’s mark.

In another possible type of infringement, a virtual world user might design or name an avatar based upon a trademark or a celebrity.<sup>134</sup> One such example actually litigated, in *Marvel Enterprises Inc. v. NCSoft Corp.*, raised the question of whether players of the game *City of*

---

<sup>128</sup> Sharon K. Lowry, *Property Rights in Virtual Reality: All’s Fair In Life and Warcraft?*, 15 Tex. Wesleyan L. Rev. 109, (2009). See *Eros LLC v. Leatherwood*, No. 8:2007cv01158 (M.D. Fla. 2007).

<sup>129</sup> *Id.*

<sup>130</sup> *Id.* “Eros LLC, a business that programs, designs, and sells virtual adult-themed objects in Second Life, sued Leatherwood for making and selling unauthorized copies of its virtual products (in this case, an “animated” virtual bed), using Eros’ “SexGen” mark to misrepresent the copies as authorized and legitimate items created by Eros. Eros specified in its complaint that it uses the SexGen trademark in Second Life to sell and identify its products, which “have a reputation within [the virtual world] for performance, quality, and value,” and sought an injunction. Leatherwood defaulted.” See Sally M. Abel, *Trademarks and Rights of Publicity in the Converged World*, 978 PLI/Pat 57, 72 (2009).

<sup>131</sup> Kathleen E. McCarthy, *User Generated Content Affecting Trademarks, Including Real Trademarks in Virtual Worlds*, 962 PLI/Pat 657, at 673.

<sup>132</sup> Melissa Ung, *Trademark Law and the Repercussions of Virtual Property*, 17 CommLaw Conspectus 679, at 715.

<sup>133</sup> *Id.*

<sup>134</sup> Sally M. Abel, *Trademarks and Rights of Publicity in the Converged World*, 978 PLI/Pat 57, at 73.

*Heroes* could create, name, and model their avatars after Marvel comic heroes without infringing the trademark rights of Marvel comics.<sup>135</sup> A *City of Heroes* user had created an avatar named “Statesman,” and Marvel sued game publisher NCSoft Corporation and developer Cryptic Studios for contributory and vicarious liability for trademark infringement.<sup>136</sup> Marvel argued that the avatar’s name, “Statesman,” created a likelihood of confusion with Marvel’s own “Captain America”<sup>137</sup> and asserted that NCSoft “knew or should have known that its copyright and trademark infringement would diminish the value of Marvel’s intellectual property rights in its characters.”<sup>138</sup>

The Court dismissed Marvel’s claims on the ground of no likelihood of confusion between the names Statesman and Captain America.<sup>139</sup> The Court reasoned that Marvel failed to show use of the trademarks in commerce, or otherwise in connection with a sale or advertising, sufficient to maintain a federal trademark action.<sup>140</sup>

These cases highlight interesting issues of trademarks that may arise in computer games. As virtual computer gaming increases in popularity, Congress and the courts will likely address additional issues facing trademark owners, including the extent to which virtual use equates to use in commerce, the measure of damages, and the appropriate relief.

---

<sup>135</sup> Melissa Ung, *Trademark Law and the Repercussions of Virtual Property*, 17 *CommLaw Conspectus* 679, at 708. See *Marvel Enter. Inc. v. NCSoft Corp.*, 74 U.S.P.Q.2d 1303, 1305-06 (C.D. Cal. 2005).

<sup>136</sup> *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

<sup>140</sup> *Id.*