
Anthony F. Lo Cicero Partner



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The firm's managing partner and an engineer by training, Tony has represented companies in patent litigation involving product areas as diverse as e-commerce platforms, angular rate sensors, refrigeration chemistry, camcorders and flat panel displays and in trademark matters involving clothing and shoes, candy, baby strollers, jewelry and many more. He conducts due diligence of IP portfolios and provides strategic patent counseling to companies in a wide range of industries from recorded and published music to consumer electronics. He is a past president of the New York Intellectual Property Law Association and is currently co-chair of its Legislative Action Committee.

Increasingly sophisticated technology competes with style and price as key aspects of the customer experience in the fashion industry. Tony represents some of the most prominent brick-and-mortar and on-line retailers in the country in patent disputes relating to the enterprise's e-commerce, mobile and point of sale systems. The retail industry regularly confronts patent assertions involving mobile platforms, electronic merchandise presentation, billing, marketing, inventory management and other features of the 21st century marketplace. He evaluates and responds to these assertions in a practical, business-oriented manner. Tony also evaluates contractual terms with vendors and suppliers to mitigate liability and works with retailers to identify and obtain protection for their own innovations. He has assisted retailers in successfully pursuing indemnification claims ranging to seven-figure settlements.

Restaurants, financial institutions, insurance companies, health care institutions, consumer product manufacturers and other businesses likewise rely on technology to bind customers, improve the customer experience, differentiate themselves and stimulate demand. Tony advises clients on freedom to operate issues, prosecutes patents and defends them in litigation.

Many of the most prestigious apparel manufacturers and retailers in the world, along with financial services, food products, computer, consumer electronics, home products, and toy companies also turn to Tony for trademark protection. He advances brand development and enforcement strategies ranging from anti-counterfeiting and trademark infringement protection to trade dress and Internet domain matters. For example, he overcame significant legal obstacles to protecting a name and symbol for what is now one of the best-known prestige brands in the country. On many occasions, he has been called upon to enforce trademark rights for entities that do not have the advantage of a federal trademark registration.

In the public sector, Tony has been active in advocating responsible patent reform and he was actively involved in shaping the Trademark Anti-counterfeiting Act of 1984, and served on the board of the International Anti-counterfeiting Coalition during seminal efforts to strengthen the protection of federal and state laws, including Customs laws, to counteract counterfeiting. He is also effective at marshalling law enforcement agencies in the United States and other countries to disrupt and dismantle counterfeiting operations harming his clients' rights. For example, counterfeit toner cartridges were adversely impacting the profitability of a major printer manufacturer; he coordinated Customs and law enforcement in the United States and abroad, obtained seizure orders and mitigated the problem. Similarly, he represents companies based in Europe, Asia and Latin America in protecting their trademark rights in the United States.

An important element of Tony's work is transactional and results in monetizing a client's IP through a sale or license agreement. Knowledgeable of customs and terms in a wide variety of industries, he counsels clients on structuring and pricing transactions when the IP is the key value of an enterprise.

Tony is a frequent speaker on issues of patent infringement, trademark dilution, anti-counterfeiting, arbitration, intellectual property damages and recovery, domain name disputes and Internet-related issues. He is regularly named a "Super Lawyer" for Intellectual Property and is included in IP Stars.

EDUCATION

- Brooklyn Law School, Brooklyn, NY, J.D., *cum laude*, 1975
- Polytechnic University, Brooklyn, NY, B.S.E.E., *cum laude*, 1972

CERTIFICATION AND SPECIALTIES

- Registered Patent Agent, United States Patent and Trademark Office, 1977

PROFESSIONAL ASSOCIATIONS & MEMBERSHIPS

- New York Intellectual Property Law Association: Co-chair, Legislative Action Committee; Board Member (2007-10); Chairman, Patent Litigation Committee (2010-11), Officer (2011-2014), President (2014-2015)
- International Anticounterfeiting Coalition (Member, Board of Directors 1993-2005)
- New York State and American Bar Associations
- Education Through Music (Member, Board of Directors 2008-2012)

AWARDS & HONORS

- Intellectual Property, *Super Lawyers*, 2007 - 202024
- IP Star
- Highest AV Preeminent Professional Rating (5 out of 5), *Martindale- Hubbell Law Directory*

REPRESENTATIVE CASES

- *Benefit Cosmetics v. e.l.f. Cosmetics* (NDCal 2024)
- *Desly Int'l Corp. v. Otkrytoe Aktsionernoe Obshchestvo*, (EDNY 2018)
- *Eliya, Inc. v. Steven Madden, Ltd.*, United States Court of Appeals for the Second Circuit, (2018)
- *Joules Ltd. v. Macy's Merch. Grp., Inc.* (SDNU 2017)
- *Wellnext LLC v. OVM LLC*, (S.D. Fla. 2017)
- *Joules Ltd. v. Macy's Merch. Grp. Inc.*, (SDNY 2016)
- In re Application of LPKF Laser & Elecs. AG for an Order to Conduct Discovery for Use in a Foreign Legal Proceeding pursuant to 28 U.S.C. §1782, (N.D. II. 2015)
- *Perfect Pearl v Majestic Pearl Store, Inc.*, (SDNY 2012)
- *Perfect Pearl Co. v. Majestic Pearl & Stone, Inc.*, (SDNY 2012)
- *Barnhart v. Federated Department Stores, Inc.*, 715 U.S.P.Q.2d (BNA) 1184, (SDNY 2005)
- *BEI Techs. v. Matsushita Electric Industrial*

REPRESENTATIVE CASES CONT.

- *Paco Sport, Ltd. v. Paco Rabanne Perfumes*, (2nd Cir. 2000)
- *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, (5th Cir. 2000)
- *Polo Ralph Lauren, L.P. v. Schuman*, 46 U.S.P.Q.2d (BNA) 1046, United States District Court for the Southern District of Texas, Houston Division, 1998
- *Westchester Media Co. L.P. v. PRL USA Holdings, Inc.*, 1998 U.S. Dist. LEXIS 11737, United States District Court for the Southern District of Texas, Houston Division, 1998
- *Hoechst Celanese Corp. v. Nylon Eng'g Resins*, 1997 U.S. Dist. LEXIS 16339, (M.D. Fla 1997)
- *United States Polo Assn., Inc. v. Polo Fashions, Inc.*, 1984 U.S. Dist. LEXIS 21908, (SDNY 1984)
- *Mattel, Inc. v. Azrak-Hamway International, Inc.*, 724 F.2d 357, United States Court of Appeals for the Second Circuit, 1983

BAR ADMISSIONS

- U.S. Supreme Court, 1982
- U.S. Court of Appeals for the Federal Circuit, 1982
- New York, 1976
- U.S. District Court Southern District of New York, 1976

BAR ADMISSIONS CONT.

- U.S. District Court Eastern District of New York, 1976
- U.S. Court of Appeals for the Second Circuit, 1979

AMICUS BRIEFS

- Brief Of Amici Curiae, In re Cuozzo Speed Technologies, LLC, *V. Michelle L. Lee, Director, U.S. Patent and Trademark Office.* (U.S. April 16, 2015)
- Brief Of Amici Curiae, In *Stephen Kimble And Robert Michael Grabb V. Marvel Interprises, Inc.,* (U.S. February. 04, 2015) February 4, 2015
- Brief of Amici Curiae, in *B & B Hardware, Inc. v. Hargis Industries, Inc.,* (U.S. October. 31, 2014) October 31, 2014
- Brief of New York Intellectual Property Law Association as *Amicus Curiae* in Support of Neither Party, *Alice Corporation PTY. LTD., v. CLS Bank International, et al.,* (U.S. Jan. 29, 2014) January 29, 2014
- Brief of New York Intellectual Property Law Association as *Amicus Curiae* in Support of Neither Party: *Highmark Inc.,. v. Allcare Health Management Systems, Inc.,* (U.S. Dec. 09, 2013) December 9, 2013
- Brief of New York Intellectual Property Law Association as *Amicus Curiae* in Support of Neither Party: *Octane Fitness, LLC,. v. Icon Health & Fitness, Inc.,* (U.S. Dec. 09, 2013) December 9, 2013
- Brief for *Amicus Curiae* New York Intellectual Property Law Association in *Association for Alice Corporation PTY. LTD. v. CLS Bank International, et al.,* (U.S. Oct. 07, 2013) October 7, 2013

AMICUS BRIEFS CONT.

- Brief for *Amicus Curiae* New York Intellectual Property Law Association in *Association for Molecular Pathology v. Myriad Genetics, Inc.* (U.S. Mar. 14, 2013) March 15, 2013
- Brief for *Amicus Curiae* New York Intellectual Property Association in *CLS Bank International v. Alice Corp. Pty. Ltd.* (Fed. Cir. December 07, 2012) December 7, 2012
- Brief for Amicus Curiae New York Intellectual Property Law Association in Support of Neither Party in *Association for Molecular v. PTO* (Fed. Cir. June 15, 2012) June 18, 2012
- Brief of Amicus Curaie NYIPLA in *Mayo Collaborative Services (D/B/A Mayo Medical Laboratories) and Mayo Clinic Rochester, Petitioners, v. Prometheus Laboratories, Inc.,* (Sup. Ct. September 8, 2011) September 8, 2011
- Brief for Amici Curiae Double Rock Corporation, Island Intellectual Property LLC, LIDs Capital LLC, Intrasweep LLC, Access Control Advantage, Inc., Ecomp Consultants, Pipeline Trading Systems LLC, Rearden Capital Corporation, Craig Mowry and PCT Capital LLC in Support of Petitioners, *Bernard L. Bilski and Rand A. Warsaw v. John J. Doll, Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office,* Docket No. 08-964, (Sup. Ct. Aug. 6, 2009) August 6, 2009

AMICUS BRIEFS CONT.

- Brief For Amici Curiae Reserve Management Corporation, PCT Capital LLC, Rearden Capital Corp. And Sales Optimization Group In Support Of Maintaining State Street and AT&T in *In Re Bernard L. Bilski and Rand A. Warsaw,* Appeal No. 2007-1130 (Fed. Cir. Apr. 4, 2008) April 1, 2008

PUBLISHED WORKS

- ARE Trademark Law Alert: Supreme Court Holds TTAB Decisions May Have Preclusive Effects
- ARE Patent Law Alert: International Trade Commission ALJ Finds No Standing For Non-Practicing Entity With Only Revenue Driven License Agreements
- ARE Patent Law Alert: Supreme Court Finds Alice's Computer Implemented Claims To Be Patent-Ineligible Under 35 U.S.C § 101 As An Abstract Idea
- ARE Patent Law Alert: Supreme Court Relaxes Standards for Awarding Attorney Fees Under 35 U.S.C. § 285 in Patent Cases April 29, 2014
- ARE Patent Litigation Alert: Judge Robinson of District of Delaware Implements Revised Patent Case Scheduling Order April 2, 2014
- ARE Patent Litigation Alert: Eastern District of Texas Adopts An Optional Track B Case Management Procedure March 3, 2014

PUBLISHED WORKS CONT. PUBLISHED WORKS CONT.

- **ARE Copyright Law Alert: Second Circuit Clarifies Digital Millenium Copyright Act's Safe Harbor Provisions In *Viacom International, Inc. v. Youtube, Inc.* Decision**
April 18, 2012
- **ARE Trademark Law Alert: Fourth Circuit Revives Rosetta Stone Case Against Google's Keyword Searching**
April 13, 2012
- **ARE Patent Litigation Alert: NYIPLA Files Amicus Brief in *Mayo v. Prometheus***
September 8, 2011
- **ARE Patent Litigation Alert: *Centillion v. Qwest Communications*: Federal Circuit Held That "Use" of a System Means Use as a Whole and the User Must Derive Benefit From It**
January 31, 2011
- **ARE Trademark Law Alert: Facebook To Offer Personalized URLs**
June 9, 2009
- ***Tiffany (NJ) Inc. v. eBay Inc.*: Guidelines for Online Retailers to Police Third Party Sales of Counterfeit Goods**
Common Law Journal, July 29, 2008
- **HearSay: I Got it on eBay...(Audio interview excerpt)**
HearSay with Cathy Lewis, July 18, 2008, WHRV
- ***Tiffany v. eBay*: Trademark Owners Beware**
IP Law360, July 16, 2008
- **Q&A With Amster Rothstein & Ebenstein's Anthony F. Lo Cicero**
IP Law360, September 21, 2007
- **Refining In U.S. Patent Law For Software**
IP Law360, May 7, 2007

- **Courts Write History on Permanent Injunctions In Patent Actions**
IP Law360, August 22, 2006, Guest Column

IN THE PRESS

- **In The Press: 5 ARE Attorneys Named *Super Lawyers* Again**
- Super Lawyers, October 8, 2014
- **In The Press: Amster, Rothstein & Ebenstein LLP is pleased to announced that partners Daniel Ebenstein, Anthony F. Lo Cicero and Charles R. Macedo have been named IP Stars by Managing IP for 2013**
Managing Intellectual Property IP Handbook, www.miphandbook.com
- **In the Press: Super Lawyers names partners Anthony F. Lo Cicero and Charles R. Macedo for 2012 New York — Metro 2012 Intellectual Property Super Lawyers**
- **In the Press: 'T-minus' Buffet enters the private placement biz**
- Investment News, December 2, 2011
- **In the Press: Super Lawyers names partners Anthony F. Lo Cicero and Charles R. Macedo**
New York — Metro 2011 Intellectual Property Super Lawyers



Hillary Lyon joined e.l.f. Beauty in 2022 and currently serves as Assistant General Counsel. In her current role at e.l.f., Hillary provides legal and compliance support to business teams domestically and internationally. Hillary's responsibilities include providing advice and counsel on corporate governance, SEC reporting, securities compliance, commercial contracts, mergers and acquisitions, intellectual property and employment matters. Prior to joining e.l.f., Hillary worked as in-house counsel for both YETI and Fossil Group. She began her legal career as a corporate associate at a global law firm. Hillary received a B.A. in Advertising and a B.A. in Latin American Studies from Southern Methodist University and a J.D. from the University of North Carolina School of Law

Kathleen E. McCarthy (Katie)

Partner

Trial and Global Disputes / Intellectual Property

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Katie McCarthy focuses on trademark, copyright, design, advertising and internet law. As a partner in our Intellectual Property, Patent, Trademark and Copyright Litigation practice, Katie represents clients in a wide array of industries including consumer products, pharmaceuticals, retail, internet services, sports and entertainment, cosmetics, and food and beverages. Katie appears on behalf of clients in federal court and before the U.S. Patent and Trademark Office's Trademark Trial and Appeal Board. Katie also develops domestic and international protection and enforcement programs.

During her more than 30 years of experience, Katie has first-chaired numerous trials and preliminary injunction hearings. Katie actively polices online infringement and scams for several clients. In addition to litigation and contested matters, Katie directs international and domestic trademark clearance and prosecution programs, manages domain name disputes and acquisitions, and develops social media and other intellectual property-related policies.

Katie also counsels clients on a broad range of IP-related matters, helping to find creative and practical solutions to legal challenges, and developing legal strategies and policies that advance their business goals.

Katie has served on the Board of the New York Intellectual Property Law Association for years, recently finishing a term as President during which she organized and moderated a forum of key discussion leaders debating online platform liability. Katie served as Editor-in-Chief of the International Trademark Association peer-reviewed scholarly journal, *The Trademark Reporter*, having served on the committee soliciting and editing articles for the journal for more than 20 years. Katie's article, "Free Ride or Free Speech: Predicting Results and Providing Advice for Trademark Disputes Involving Parody" won INTA's 2020 Ladas Memorial Award for best paper in the professional category. Katie has presented at and co-chaired PLI's IP Enforcement Update program annually since 2011 and frequently writes and speaks for PLI, INTA, NYIPLA and other organizations on trademark, copyright and false advertising topics. Katie is the author of PLI's one volume treatise, "Kane on Trademark Law: A Practitioner's Guide."

Katie has been recognized in the 2012–2016 editions of *Legal 500* for her trademark work.

Matters

A Better Choice Lock & Key LLC v. **Google Inc.** et al (DC Cir., filed 2016) (Lead counsel for defendant in Lanham Act, antitrust class action case with CDA Section 230 defense motion to dismiss granted and affirmed on appeal in precedential decision).

Baldino's Lock & Key Inc. v. **Google Inc.** et al (EDVA and 4th Cir., filed 2014) (Lead counsel for defendant securing CDA Section 230 defense on motion to dismiss in case involving Lanham Act and RICO claims).

Valerus Field Solutions LP v. Valerus Specialty Chemicals (SDTX, filed 2015) (Lead counsel for plaintiff in trademark infringement action, securing settlement prior to preliminary injunction motion).

On Site Energy Co. v. **MTU Onsite Energy** (EDNY, filed 2010; jury trial August 2012) (Lead counsel in trademark infringement action challenging the use of the term ON SITE ENERGY in connection with power generators, securing jury verdict for the defense).

Spanx, Inc. v. Times Three Clothiers d/b/a Yummie Tummie (NDGA, SDNY, filed 2013) (Lead counsel in design patent infringement declaratory judgment action and related design patent and utility patent infringement action, securing decision invalidating two patents with case resolved and dismissed thereafter).

Fritz Hansen A/S v. Restoration Hardware (SDNY, filed 2013) (Lead counsel in trademark and trade dress infringement action involving copies of chair designs, securing resolution).

Rolex Watch U.S.A., Inc. v. PRL Holdings (SDNY 2012) (Lead counsel in appeal of TTAB decision involving marks RLX RALPH LAUREN and RALPH LAUREN RLX, securing resolution prior to trial). Prior cases include: **Rolex Watch U.S.A., Inc.** v. Capetown Diamond Corp. et al (N.D. Georgia 2003-2007) (Lead counsel in the latest of a series of cases establishing that genuine Rolex watches altered with non-genuine integral parts such as diamond bezels and bracelets are counterfeit);

Rolex Watch U.S.A., Inc. v. Town & Country Jewelers (2005);

Rolex Watch U.S.A., Inc. v. JBJ Distributors, Inc. (5th Cir. July 29, 2003) (per curiam);

Rolex Watch U.S.A., Inc. v. Zeotec Diamonds, Inc., 2003 U.S. Dist. LEXIS 5595 (C.D. Cal., Mar. 7, 2003) (Lead counsel);

Rolex Watch U.S.A., Inc. v. Michel Co., 179 F.3d 704 (9th Cir. 1999);

Rolex Watch U.S.A., Inc. v. Meece, 158 F.3d 816 (5th Cir. 1998).

Credentials

EDUCATION

J.D., Columbia University, Harlan Fiske Stone Scholar

B.A., College of the Holy Cross, Dean's List

ADMISSIONS

U.S. Court of Appeals for the Federal Circuit

Supreme Court of the United States

U.S. Court of Appeals for the Second Circuit

U.S. Court of Appeals for the Fourth Circuit

U.S. Court of Appeals for the Eleventh Circuit

U.S. Court of Appeals for the D.C. Circuit

U.S. District Court for the Eastern District of New York
U.S. District Court for the Northern District of New York
U.S. District Court for the Southern District of New York
New York

ASSOCIATIONS

New York

Recognition

Named as a recommended lawyer for Trademarks: Non-Contentious and Trademarks: Litigation
LEGAL 500, 2022

Named for Trademark Law

BEST LAWYERS, 2023

Named a Trademark Star nationwide and in New York

MANAGING INTELLECTUAL PROPERTY, 2022

Ranked for Trademark Law nationwide and in New York

WORLD TRADEMARK REVIEW 1000

Named to Managing Intellectual Property's Global Top 250 Women in IP

MANAGING INTELLECTUAL PROPERTY, 2020

Insights

ARTICLE

February 8, 2017

Kathleen McCarthy Featured in New International Trademark Association Video

CLIENT ALERT

October 31, 2023

California's New Law To Prevent Greenwashing In Environmental Marketing For Voluntary Carbon Offsets

NEWSLETTER

February 22, 2016

Intellectual Property Newsletter - January/February 2016

[VIEW ALL ON KSLAW.COM](#)

Events

CONFERENCE

November 7, 2023

Pharmaceutical University 2023

SPEAKING ENGAGEMENT

January 17, 2024

Kathleen McCarthy, Bruce Baber to Speak at Practising Law Institute

November 3, 2023

Kathleen E. McCarthy to Speak at Practising Law Institute

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News

CASES & DEALS

March 6, 2023

Southern District of New York Issues Terminating Sanctions in Russian Cybercrime Botnet Suit

IN THE NEWS

March 2, 2023 • Source: Law360 and Bloomberg Law

Bruce Baber and Katie McCarthy represent Chutter in a trademark dispute before the Federal Circuit

November 16, 2022 • Source: Law360, Bloomberg Law and Top Class Actions

Laura Harris, Andrew Michaelson, Sumon Dantiki, Kathleen McCarthy, Matthew Bush and David Mattern represent Google before a New York federal court

[VIEW ALL ON KSLAW.COM](#)



"Dupes" in the Fashion and Cosmetics Industry

June 26, 2025

A Discussion of *Benefit v. e.l.f. Cosmetics*

Tony Lo Cicero	Hillary Lyon	Katie McCarthy
Amster Rothstein & Ebenstein	e.l.f. Cosmetics	King & Spalding



Recent Headlines from The Fashion Law Blog

How the Dupes Economy is Challenging Traditional Trademark Rules

If Consumers Love Logos, What is Driving Demand for Dupes?

For Some Brands, Searches for Dupes Top Those for the “Real Thing”

Cosmetics Dupes Prove Big Business, But Not Without Legal Complications

Squabbles Over Dupes Are Getting Their Day in Court

Agenda

- *Benefit v. e.l.f.* Facts & Decision
- Legal Issues & Challenges, especially intent
- Older Cases (before they were called Dupes): *Ambrit v. Kelloggs*; *Calvin Klein v. Parfums du Cour*; *Moroccainoil v. Zoros*
- Pending Cases to Watch: *Sol De Janeiro v. MCo Beauty*; *Coach v. Quince*; *Deckers v. Quince*; *Deckers v. Costco*; *Williams-Sonoma v. Carrot Cart d/b/a Dupes.com*
- Managing Risks

ROLLER LASH v. LASH 'N ROLL



Key Factual Findings after Bench Trial: Trademarks Roller Lash vs. Lash 'N Roll

Factor	Analysis
Strength of Mark	The overall strength of Benefit's trademarks weighs in favor of confusion
Proximity of Goods	The proximity of Benefit and e.l.f.'s goods weigh in favor of confusion.
Similarity of Marks	Despite superficial resemblance, e.l.f.'s mark is dissimilar based on the packaging differences and the use of the house mark.
Actual Confusion	e.l.f.'s survey showed 5% net confusion; Benefit's failure to submit survey necessitates a negative finding. No evidence of actual confusion.
Degree of Customer Care	Both Benefit and e.l.f. treat consumers as sophisticated, and the product price differential would increase purchaser attention.
Marketing & Sales Channels	Factor slightly favors e.l.f.
e.l.f.'s intent	e.l.f. intended to create a mass market curling mascara under its name and brand qualities, at a fifth of the price of Benefit's prestige product.

Key Factual Findings after Bench Trial: Roller Lash Trade Dress

Factor	Analysis
Protectability	Benefit's trade dress is protectable
Adequate Definition	Benefit adequately defined its trade dress as (1) a pink top, (2) a black base, and (3) pink lettering on the black portion of the product that matches the pink of the top
Distinctiveness	Benefit established secondary meaning; trade dress is not generic
Functionality	Benefit trade dress is not functional
Infringement	<p>Similarity: Significance of house marks; plus, secondary exterior box packaging differs from primary packaging</p> <p>Intent: e.l.f. originally wanted all pink; went to black/pink due to issue with matching top and bottom</p> <p>Same balance of factors as trademark claims for other issues</p>

Legal Issues & Challenges: Assessment of Likelihood of Confusion Factors

- Trade Dress Issues
- Product Names, House Marks
- Price Differentials
- Sold in Different Stores
- Sophistication of Purchasers
- Surveys / Evidence of Actual Confusion
- Intent
- Proving harm / damage to brand

JB Weld Case:

Potential Consequences of “Intent”

- A defendant's intention to bolster its own reputation by trading off of the goodwill associated with the plaintiff's trade dress supports a finding of likelihood of confusion.
- A finder of fact may ... infer intent to derive a benefit from a competitor's goodwill—and, accordingly, an intent to cause confusion—from evidence of intent to copy.
- Where a defendant attempts to copy a plaintiff's product "as closely as possible" and uses the plaintiff's product design as a model, it may be "inferred that [defendant] purposely chose a mark which was very similar to [plaintiff's] in order to benefit from the reputation [plaintiff]'s mark had already achieved.

JB Weld Co. v. Gorilla Glue

978 F. 3d 778 (11th Cir. 2020)

Summary Judgment of Noninfringement Reversed due to "Intent"

Emails from Gorilla Glue's packaging design team ...

- "repeatedly referenced J-B Weld Original's packaging"
- considered option to "follow" the J-B Weld brand "closely"
- described certain packaging options as "[c]lose to JB Weld brand" and aspiring to "go[] directly after [J-B Weld Original],"
- Identified target market as consumers that had used the J-B Weld Original product in the last six months and
- called the design a "knock off" of J-B Weld.

J-B Weld Company v. The Gorilla Glue Company



**A VERDICT FOR YOUR THOUGHTS?
WHY AN ACCUSED TRADEMARK INFRINGER'S
INTENT HAS NO PLACE IN LIKELIHOOD OF
CONFUSION ANALYSIS**

*By Thomas L. Casagrande**

The author argues:

- Vestigial references to intent are because the claim was one for deceit and intent was an element of the claim
- No rationale basis to include intent in the assessment of liability today
- Likelihood of confusion is based on consumer perceptions of what is taking place in the marketplace, but consumers are not aware of intent
- Cases suggest that intent is nevertheless relevant because courts assume that businesspeople usually succeed when they want to trick people into buying their goods
- Evidence of intent is highly influential and prejudicial to the finder of fact
- Issue of intent makes cases harder to predict and more costly/difficult to litigate

Older Case Examples

Ambrit v. Kraft: **Confusion Likely** 812 F. 2d 1531 (11th Cir. 1986)



Calvin Klein v. Parfums de Coeur: **Mixed PI Results**

824 F. 2d 665 (8th Cir. 1987)



Enjoined

Not Enjoined

Moroccanoil v. Zotos Int'l – **PI Granted**

230 F. Supp. 3d 1161 (CDCA 2017)



Moroccanoil v. Zotos Examples



Pending Cases to Watch

Sol De Janeiro v. MCoBeauty



MCoBeauty Fragrance Mist No. 7	Sol de Janeiro Cheirosa Perfume Mist 48
	

MCoBeauty Fragrance Mist No. 1	Sol de Janeiro Cheirosa Perfume Mist 40
	

MCoBeauty Fragrance Mist No. 2	Sol de Janeiro Cheirosa Perfume Mist 62
	

Sol De Janeiro Examples Cont.



Aramara Beauty v. MCoBeauty



Defendants' Accused Product



Glow Recipe Product

Laura Geller v. Guangzhou Aolimei Cosmetics



Tapestry v. Last Brand (Coach v. Quince)



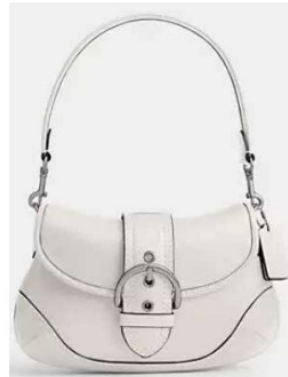
*Accused Product
(Quince Italian Leather Medium
Convertible Satchel)*



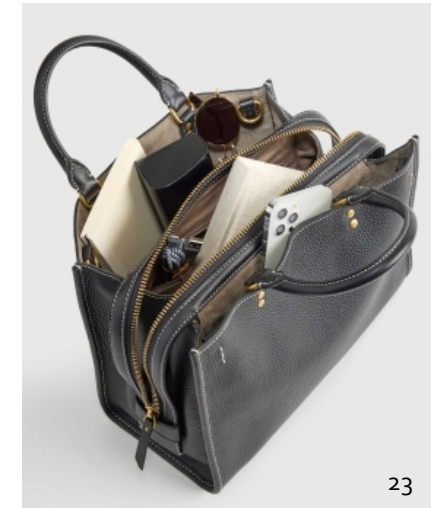
Coach Rogue Bag



*Accused Product
(Italian Leather Buckle Detail
Shoulder Bag)*



Coach Soho Flap Bag



Deckers v. Last Brand (Quince)

UGG



Quince



Deckers v. Costco

**Accused Product – Kirkland Signature® Unisex
Shearling Slipper**



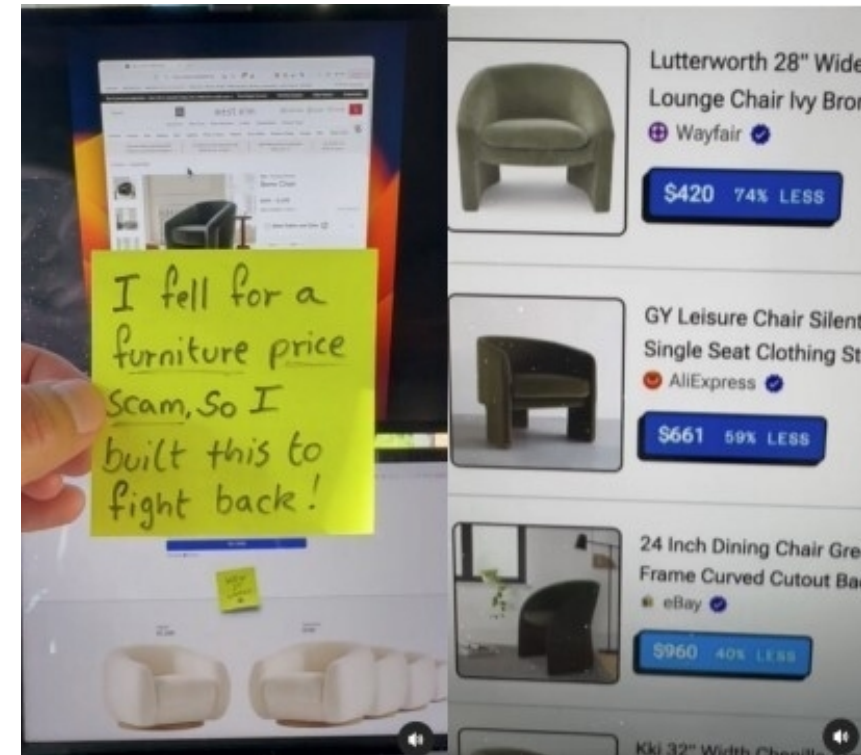
UGG® Tasman



Mondelez v. Aldi



Williams-Sonoma v. Carrot Cart d/b/a Dupe.com



Diptyque SAS v. Italic, Inc. 2:21-cv-08227 (C.D.Cal.) [settled]



Managing Risks

Considerations for Plaintiffs

- Honest Assessment of Distinctiveness of Trade Dress / Key Brand Elements
- Preventing Dilution Issues for Key Brand Elements – When Are You “Required” to Act to Keep Brand Protectible?
- Significance of Product
- Cost of Litigation
- Need for Survey?
- Assessment of Damages

Considerations for Defendants

- Product Design Team Training
- Clarity of Presentation of Defendant's Own Branding
- Weighing Benefits of Using Visual "clues" vs. More Subtle Marketing
- Full Disclosure with Legal for Clearance Purposes and Guidance
- Testing Assessments of Comparability for Ad Claims

“

Imitation is the sincerest
form of flattery.

”

Charles Caleb Colton

Questions? Thank you!



Hot Topics in Trademark & Copyright Law
June 26, 2025

“Dupes” in the Fashion and Cosmetics Industry: A Discussion of *Benefit v. e.l.f. Cosmetics*

Moderator: Anthony F. Lo Cicero, Partner, Amster Rothstein & Ebenstein LLP

Panelists:

Hillary Lyon, Assistant General Counsel, e.l.f. Beauty, Inc.

Kathleen E. McCarthy, Partner, King & Spalding LLP

Written Materials / Recommended Reading

I. Recent Articles Regarding “Dupes”

Several legal and non-legal publications have addressed what is sometimes referred to as “dupe” culture including the following:

- A. The Fashion Law Blog, available at <https://www.thefashionlaw.com/>, with articles including the following from 2025 alone:
 - i. Glow Recipe Targets MCoBeauty Over Dupe Product in New Lawsuit (June 10, 2025)
 - ii. How the Dupes Economy is Challenging Traditional Trademark Rules (June 2, 2025)
 - iii. Squabbles Over Dupes Are Getting Their Day in Court (May 16, 2025)
 - iv. Coach Sues Quince for Trademark Infringement Over Handbag Dupes (April 8, 2021)
 - v. Deckers v. Quince: The Legal Battle Over UGG Boot Dupes (April 2, 2025)
 - vi. Dupes: Understanding the Legal Implications and Challenges (March 26, 2025)
 - vii. Lululemon Hints at Dupes Venture with New Trademark Filing (March 4, 2025)
 - viii. If Consumers Love Logos, What is Driving the Demand for Dupes? (February 8, 2025)
 - ix. What Dupes, Fast Fashion & Chines’ Slowdown Mean for Luxury Brands (January 27, 2025)
 - x. Can “Authentic Fakes” Exist? A Dive into Dupes (January 26, 2025)
- B. OP SEC Blog Post, “The choice of a new generation? Dupes versus counterfeits and lessons from brand building”
- C. Above the Law Blog Post, Fashion Victims: Dupes Are A Serious Problem
- D. Fashion & Law Journal, The Rise and Impact of Dupe Culture in Fashion

II. Benefit v. e.l.f. Cosmetics

Benefit filed its complaint in the U.S. District Court for the Northern District of California in February 2024. After a bench trial in November 2024, the district court judge issued a decision in favor of e.l.f. on December 17, 2024. A copy of the judge’s decision is submitted herewith as **Exhibit A**.

III. The Issue of “Intent”

The defendant’s intent can be a critical issue in any Lanham Act case. For an article reviewing the rationale for including the element of intent in the likelihood of confusion analysis, and questioning the value of the intent element when considering liability, see Thomas L. Casagrande’s article “A Verdict For Your Thoughts? Why an Accused Trademark Infringer’s Intent Has No Place in Likelihood of Confusion Analysis,” 101 Trademark Reporter 1447 (September-October 2011). A copy of the article, reprinted here with permission from The Trademark Reporter® and the author, is submitted herewith as **Exhibit B**.

See also the treatment of intent in *JB Weld Co. LLC v. Gorilla Glue Co.*, 978 F. 3d 778 (11th Cir. 2020) (reversing summary judgment where lower court did not draw inferences from defendant’s emails referencing plaintiff’s product in the light most favorable to plaintiff; a reasonable jury could infer intent to capitalize on goodwill from this circumstantial evidence).

IV. Older Caselaw

- A. *AmBrit, Inc. v. Kraft, Inc.*, 812 F. 2d 1531 (11th Cir. 1986)
- B. *Calvin Klein v. Parfums de Coeur*, 824 F. 2d 665 (8th Cir. 1987)
- C. *Moroccanoil, Inc. v. Zotos Int’l, Inc.*, 230 F. Supp. 3d 1161 (C.D. Cal. 2017)

V. Pending “Dupe” Litigation to Watch

- A. *Sol De Janeiro, Inc. v. MCoBeauty Pty Ltd*, 1:24-cv-08862 (SDNY)
- B. *Aramara Beauty (Glow Recipe) v. MCO Beauty PTY Limited*, 1:25-cv-04808 (SDNY)
- C. *AS Beauty Group LLC (Laura Geller) v. Guangzhou Aolimei Cosmetics Co., Ltd.*, 1:24-cv-08461-MMG (SDNY)
- D. *Tapestry Inc. (Coach) v. Last Brand Inc. (Quince)*, 3:25-cv-03082 (N.D. Cal.)
- E. *Deckers Outdoor Corp. (Uggs) v. Last Brand, Inc. (Quince)*, 3:24-cv-00740 (N.D. Cal.).
- F. *Deckers Outdoor Corp. (Uggs) v. Costco Wholesale Corp.*, 2:25-cv-04174 (C.D. Cal.)
- G. *Mondelez Int’l, Inc. v. Aldi Inc.*, 1:25-cv-05905 (N.D.Ill.)
- H. *Williams-Sonoma, Inc. v. Carrot Cart, Inc. d/b/a Dupe.com*, 1:24-cv-06597-VSB-HJR (SDNY)
- I. *Diptyque SAS v. Italic, Inc.*, 2:21-cv-08227 (C.D.Cal.)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

BENEFIT COSMETICS LLC,
Plaintiff,
v.
E.L.F. COSMETICS, INC.,
Defendant.

Case No. 23-cv-00861-RS

OPINION AND ORDER**I. INTRODUCTION**

Benefit Cosmetics LLC (“Benefit”) claims e.l.f. Cosmetics, Inc. (“e.l.f.”) has infringed on the trademark and trade dress of Benefit’s popular mascara, Roller Lash. This case came on for trial without a jury on August 26, 2024, and concluded on September 3, 2024. The parties then submitted revised proposed findings of fact and conclusions of law before returning to present closing arguments on October 30, 2024.

As Benefit tells it, e.l.f. intentionally capitalized on the goodwill of Roller Lash and guaranteed its own commercial success by copying Roller Lash’s name, packaging, and marketing wholesale. E.l.f.¹ admits Roller Lash served as inspiration for e.l.f.’s own mascara, Lash ‘N Roll. However, e.l.f. argues, any similarities in Lash ‘N Roll’s name or trade dress are mere “cues” to consumers that Lash ‘N Roll is an affordable alternative to Roller Lash.

¹ Although e.l.f.’s name is consistently styled in lowercase in the filings, this Opinion and Order will capitalize e.l.f. at the start of sentences to align with standard grammatical conventions.

Trademark and trade dress law is designed “to protect the goodwill created by using a uniform mark and to protect the ability of consumers to distinguish among competing producers.” *Blockbuster Videos, Inc. v. City of Tempe*, 141 F.3d 1295, 1299 (9th Cir. 1998). Therefore, the likelihood of consumer confusion as to the source of a product is the “touchstone” of infringement claims. *E.g., Stone Creek, Inc. v. Omnia Italian Design, Inc.*, 875 F.3d 426, 431 (9th Cir. 2017); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir. 1992). E.l.f. avers the success of products like Lash ‘N Roll – often referred to as duplicates or “dupes” of their more expensive counterparts – relies on consumers distinguishing between the expensive inspiration and the product at hand. Therefore, e.l.f. argues, Lash ‘N Roll does not cause the consumer confusion necessary to infringe on Benefit’s trademark or trade dress.

While Benefit succeeds in establishing the protectability of its trademark and trade dress, it ultimately fails to show a likelihood of consumer confusion around the source of e.l.f.’s Lash ‘N Roll. Benefit needed to show consumer confusion is “probable, not simply a possibility.” *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842 (9th Cir. 2002) (quoting *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1217 (9th Cir. 1987)). Based on the sufficiency, weight, and credibility of the testimony of the witnesses, the documentary evidence admitted at trial, and the post-trial submissions of the parties, consumer confusion is too speculative to meet this burden. Therefore, e.l.f. has not infringed on Benefit’s trademark nor on its trade dress. This Opinion and Order comprises the findings of fact and conclusions of law required by Federal Rule of Civil Procedure 52(a).

II. BACKGROUND

A. Parties

Benefit is a cosmetics company founded in 1967 and headquartered in San Francisco, California. Benefit designs, manufactures, and sells mascaras and a variety of other cosmetic products, which are sold throughout the United States and abroad in over fifty-five countries. Benefit is a what is known as a “prestige” beauty company. Prestige companies sell products at a higher price than their counterparts, which are often referred to as “mass” cosmetics products.

Prestige products are characteristically sold in department stores (e.g., Macy’s, Bloomingdales, Nordstrom, Neiman Marcus, Belk, and Henri Bendel), beauty specialty stores (e.g., Sephora and Ulta Beauty), or on those stores’ websites. Benefit’s products are known for their catchy, feminine, and sometimes retro branding.

E.l.f. is a cosmetics company founded in 2004 and headquartered in Oakland, California. E.l.f. offers a range of beauty, skin, and cosmetic products in the United States. E.l.f. is a mass beauty company, selling cosmetics and other products at lower price points than their prestige counterparts. The sales channels of prestige and mass companies also differ. Mass beauty products like e.l.f. are sold in drug stores, grocery stores, and big-box stores — all retailers that sell many products other than cosmetics. E.l.f.’s products are vegan and cruelty-free, features it regularly highlights in its marketing and branding.

Both companies advertise on social media, particularly targeting younger beauty consumers, also known as Generation Z (“Gen Z”). Benefit and e.l.f. pay directly for marketing placements in more traditional advertisements, but also pay and incentivize influencers on social media platforms to promote their products. Much like other beauty brands, both parties rely on and encourage unpaid, user-generated endorsements and reviews of their products on platforms like Instagram, TikTok, and YouTube.

B. Benefit’s Product

In 2015, Benefit released a curling mascara branded “Roller Lash.” Whereas some mascaras are designed to lengthen and thicken the eyelashes, a curling mascara is one designed to curl the eyelashes. In developing Roller Lash, Benefit also designed a specialized mascara brush with a pink and curved brush head with short bristles, which Benefit branded as “Hook ‘N’ Roll.” The primary packaging of mascara usually consists of 1) a base tube in which the mascara product itself is stored and 2) an applicator wand, which users hold by the cap and is screwed into the base tube when not in use. Roller Lash’s primary packaging went through several iterations with Benefit’s contracted industrial designer before Benefit eventually selected the current design. Roller Lash’s primary packaging has a black base, pink cap, vertical script in the same shade of

pink going up the base, a ribbed collar on top of the base, and a diamond texture on the cap.

Benefit owns U.S. Trademark Registration No. 4752213 for the mark ROLLER LASH in International Class 3 for use in connection with “mascara; cosmetics.” Benefit also owns U.S. Trademark Registration No. 4796514 for the mark HOOK ‘N’ ROLL in International Class 3 for use in connection with “a makeup applicator sold as a component of cosmetics.”

Total U.S. revenue for Roller Lash mascara from its launch in 2015 through August 2023 was approximately \$278 million. Benefit markets its Roller Lash mascara through online advertising via Google Ads, internet banner ads, social media advertising on YouTube, Instagram, and TikTok, in-store displays and window displays, billboards, wall signs, and in-person events. Benefit also engages influencers on various social media, namely TikTok, Instagram, and YouTube, to promote Roller Lash. Benefit currently sells both a full size and mini version of Roller Lash, which are priced at \$29 and \$16, respectively.

C. E.l.f.’s Product

In December 2022, e.l.f. released a new mascara under the name “Lash ‘N Roll.” The Lash ‘N Roll mascara is also a mascara designed to curl the eyelashes. Certain members of e.l.f.’s development and design team were aware of Benefit and its Roller Lash mascara prior to developing and designing e.l.f.’s Lash ‘N Roll mascara. These team members also knew Benefit’s Roller Lash was the best-selling prestige curling mascara in the United States. E.l.f. admits it sought to “cue” to Benefit’s Roller Lash with its curling mascara product. Separately, in selecting a name for the mascara, e.l.f. wanted to play off some of its other mascara lines, whose names reference music – Lash It Loud and Lash Beats. Lash ‘N Roll’s primary packaging was originally a pink base with a matching pink cap. However, due to production difficulties with matching the cap color to the base, e.l.f. changed its design to a black bottom and pink cap. This color combination, with writing in pink going vertically up the base, remains the current design of the primary packaging. Lash ‘N Roll’s primary packaging does not have any texture, collar, or tapering.

In April 2022, e.l.f. applied to register federally the LASH ‘N ROLL mark with the United

States Patent and Trademark Office (“USPTO”). This application was subsequently published for opposition in the USPTO, at which point Benefit filed an opposition. On July 31, 2023, the USPTO Board suspended the opposition pending the outcome of this action.

Like Benefit, e.l.f. markets Lash ‘N Roll through online advertising via Google Ads, internet banner ads, social media advertising on YouTube, Facebook, TikTok, in-store displays, and window displays. E.l.f. also engages influencers on TikTok, Instagram, and YouTube to promote Lash ‘N Roll. E.l.f. sells Lash ‘N Roll only in its “full” size for \$6.

D. Procedural Background

In January 2023, Benefit became aware e.l.f. was selling mascara under the Lash ‘N Roll mark and using the averred infringing trade dress. It thereafter notified e.l.f. of its registered trademark and common law trade dress rights and requested e.l.f. cease and desist from its acts of infringement. After e.l.f. continued selling its Lash ‘N Roll mascara without modifying the name or packaging, Benefit filed suit in February 2023. In July 2023, e.l.f.’s partial motion to dismiss was denied and discovery commenced. The parties agreed to a bench trial, which began on August 26, 2024, and spanned six days. On October 30, 2024, after submitting revised proposed findings of fact and conclusions of law, the parties returned to deliver closing arguments.

Benefit seeks redress for trademark infringement, false designation of origin, and trade dress infringement under the Lanham Act, 15 U.S.C. § 1114 and § 1125(a). Benefit also brings trademark and trade dress infringement claims in contravention of California common law and for unfair competition under Cal. Bus. & Prof. Code § 17200.

III. LEGAL STANDARD

The Lanham Act protects against another’s use of “any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to cause confusion, or to cause mistake . . . as to the origin . . . of his or her goods.” *Jason Scott Collection, Inc. v. Trendily Furniture, Ltd. Liab. Co.*, 68 F.4th 1203, 1212–13 (9th Cir. 2023) (citing 15 U.S.C. § 1125(a)(1)(A)). To prevail on a claim of trademark infringement under the Lanham Act, 15 U.S.C. § 1114, a party must prove: “(1) it has a protectible ownership interest in the mark; and (2) the defendant’s use of the

mark is likely to cause consumer confusion.” *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1144 (9th Cir. 2011) (internal citation omitted). The burden of proof rests squarely on the plaintiff. *See, e.g., id.* “The elements of a claim for false designation of origin under § 1125 are virtually the same as the elements of a claim for trademark infringement under § 1114, although a § 1114 claim requires ownership of a registered trademark while a § 1125 claim does not.” *GS Holistic, LLC v. Pudasaini*, No. 23-cv-00753, 2024 U.S. Dist. LEXIS 29733, at *14 (N.D. Cal. Feb. 21, 2024). Because infringement claims made under state common law and California’s Lanham Act analog are “substantially congruent” to federal ones, they may be proven based on the same evidence and analysis. *See Cleary v. News Corp. Corp.*, 30 F.3d 1255, 1262-63 (9th Cir. 1994).

“Trade dress protection is broader in scope than trademark protection, both because it protects aspects of packaging and product design that cannot be registered for trademark protection and because evaluation of trade dress infringement claims requires the court to focus on the plaintiff’s entire selling image, rather than the narrower single facet of trademark.” *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989). To establish infringement of an unregistered trade dress, Plaintiff must demonstrate: “(1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary meaning, and (3) there is a substantial likelihood of confusion between the plaintiff’s and defendant’s products.” *adidas Am., Inc. v. Skechers USA, Inc.*, 890 F.3d 747, 754 (9th Cir. 2018).

After an initial demonstration of protectability, the core of any trademark or trade dress infringement claim is the likelihood of consumer confusion. *See Stone Creek, Inc. v. Omnia Italian Design, Inc.*, 875 F.3d 426, 431. Courts ask, “whether a reasonably prudent marketplace consumer is likely to be confused as to the origin of the good or service bearing one of the marks.” *Id.* (quotations and citation omitted). In *AMF, Inc. v. Sleekcraft Boats* (“*Sleekcraft*”), the Ninth Circuit developed a flexible eight-factor test to guide the analysis of the likelihood of consumer confusion. 599 F.2d 341 (9th Cir. 1979), *abrogated in part on other grounds by Mattel Inc. v. Walking Mt. Prods.*, 353 F.3d 792, 810 (9th Cir. 2003). These factors are (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) the defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Id.* at 348–49.

The *Sleekcraft* factors are flexible, neither exclusive or exhaustive, and not all factors are equal. “Applying the *Sleekcraft* test is not like counting beans,” and “the relative importance of each individual factor will be case-specific.” *One Indus., LLC v. Jim O’Neal Distrib.*, 578 F.3d 1154, 1162 (9th Cir. 2009) (cert. denied) (citing *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999)). Given the fluidity of the test, the plaintiff need not satisfy every factor, but must make a strong showing on at least some of the relevant factors to prevail. *Survivor Media, Inc. v. Survivor Productions*, 406 F.3d 625, 631 (9th Cir. 2005).

Both parties concede the likelihood of expansion is not relevant and therefore should not factor into the analysis. *See Brookfield Commc’ns*, 174 F.3d at 1060 (treating likelihood of expansion as “relatively unimportant where two companies already compete to a significant extent”).

IV. TRADEMARK INFRINGEMENT

Benefit successfully establishes the protectability of its trademarks, but ultimately fails to show consumer confusion graduates from the hypothetical to the probable. Therefore, Benefit’s trademark infringement claim fails. *See Cohn*, 281 F.3d at 842.

A. Protectability

Benefit’s properly registered word marks are clearly protectable. “Registration of a mark is prima facie evidence of the validity of the mark, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the mark in connection with the goods specified in the registration.” *Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1124 (9th Cir. 2014) (citing 15 U.S.C. § 1115(a)).

There also is no dispute Benefit’s trademarks are valid and enforceable, have attained incontestable status, and Benefit enjoys priority in its marks. Benefit therefore has a protectible

ownership interest in the word marks “Roller Lash” and “Hook ‘N Roll.” *See id.*; *see also* *Filipino Yellow Pages, Inc. v. Asian Journal Publ’ns, Inc.*, 198 F.3d 1143, 1146 (9th Cir. 1999); *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 196 (1985).

B. Infringement

Applying the *Sleekcraft* factors, Benefit has not shown a likelihood of confusion between Benefit’s and e.l.f.’s word marks. Most relevant to the analysis are the dissimilarity of the marks, the lack of evidence of actual confusion, and the degree of care exercised by the average purchaser.² The marketing and sales channels and e.l.f.’s intent also slightly favor e.l.f.’s position that consumer confusion is unlikely. The strength of the mark and the proximity of the goods, both of which favor Benefit, are not enough to overcome Benefit’s deficiencies on the other factors.

i. Similarity of the Marks

The similarity of the marks is “considered [the] critical question in the likelihood-of-confusion analysis.” *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). “[T]he greater the similarity between the two marks at issue, the greater the likelihood of confusion.” *Id.* at 1206. “Similarity of the marks is tested on three levels: sight, sound, and meaning.” *Sleekcraft*, 599 F.2d at 351. Courts may “assess individual features of the mark” even if the decision rests on the overall similarity. *See Glow Indus. v. Lopez*, 252 F. Supp. 2d 962, 1122 (C.D. Cal. 2002). The Ninth Circuit asks how consumers encounter the products in the marketplace, requiring courts to examine the marks’ broader contexts. *See Cohn*, 281 F.3d at 842;

² Benefit insists three factors – the similarity of the marks, the relatedness or proximity of the products, and the marketing channels used – constitute “the most crucial body of the *Sleekcraft* analysis.” Plaintiff’s Revised Proposed Findings of Fact and Conclusions of Law (“Benefit FFCLs”) at 110 (relying on *GoTo.com*, 202 F.3d at 1207). However, this “Internet trinity” is not the “controlling troika” in every case. *Network Automation*, 638 F.3d at 1148 (“Given the multifaceted nature of the Internet and the ever-expanding ways in which we all use the technology, however, it makes no sense to prioritize the same three factors for every type of potential online commercial activity.”). In *Network Automation*, the Ninth Circuit reaffirmed the flexibility of the *Sleekcraft* factors, whose relative importance depends on the circumstances of the alleged infringement. *See id.* In this case, the similarity of the marks, the evidence of actual confusion, and the degree of care are most relevant, particularly given the attenuated relevance of e-commerce. And even if Benefit were correct, e.l.f. prevails on two of the three factors in the “trinity.”

1 *see also Arcona, Inc. v. Farmacy Beauty, LLC.*, 976 F.3d 1074, 1080 (9th Cir. 2020) (Courts
2 "should not myopically focus on only the alleged counterfeit marks to the exclusion of the entire
3 product or even common sense.").

4 Benefit contends Lash 'N Roll is a combination of Benefit's two word marks, Roller Lash
5 and Hook 'N' Roll, infringing on each individually. At first blush, the similarity of these marks is
6 persuasive. However, even when the marks are superficially identical, courts must examine their
7 sight, sound, and meaning in the context of the marketplace. *Cohn*, 281 F.3d at 842.

8 Roller Lash and Lash 'N Roll do share the components "roll" and "lash." However, the
9 marks diverge on meaning and overall commercial impression. Rather than a mere inversion of
10 Roller Lash, as Benefit argues, Lash 'N Roll harmonizes with e.l.f.'s other music-inspired mascara
11 lines, Lash It Loud and Lash Beats. Benefit's "roller," by contrast, references the vintage hair
12 curler, which served as inspiration for Roller Lash's packaging and is a recurring motif in its
13 marketing.

14 Benefit's argument for similarity is stronger when comparing Lash 'N Roll with Hook 'N'
15 Roll. The word marks look and sound similar. However, their appearance in the market differs.
16 While Lash 'N Roll appears prominently on the primary and secondary mascara packaging, Hook
17 'N' Roll is not included on the primary packaging of Roller Lash. Benefit includes Hook 'N' Roll
18 on the side or back of its secondary packaging, in font smaller than the name Roller Lash or
19 Benefit. To argue similarity of these word marks, Benefit avers this inclusion on the secondary
20 packaging is highly relevant to consumers.³ However, in contrast to Lash 'N Roll on e.l.f.'s
21 secondary packaging, Hook 'N' Roll is undeniably overshadowed by Benefit's own brand name
22 and the name Roller Lash.

23 The boxes themselves have notable differences. Roller Lash's secondary packaging
24 features diamonds and hides the primary component entirely. E.l.f.'s packaging is pink and black,

25 ³ By contrast, Benefit argues for exclusion of the secondary packaging from the similarity analysis
26 of its trade dress infringement claim. Although the trademark and trade dress infringement claims
27 are analytically distinct, this incongruence is noteworthy. Benefit's later disregard of the
28 secondary packaging undermines its argument here.

1 but uses a different shade of pink, is more pared down, and features a window displaying the
2 primary component. These differences compound the gulf between e.l.f.'s and Benefit's word
3 marks in the marketplace.

4 Finally, Benefit's similarity arguments are undercut by e.l.f.'s consistent use of its house
5 mark. Prominent house marks can render even identical trademarks dissimilar. *E.g.*, *Cohn*, 281
6 F.3d at 842; *Arcona*, 976 F.3d at 1080–81 (finding it would be “implausible that a consumer
7 would be deceived because the products had their respective housemarks . . . prominently on the
8 packaging”). On both the primary and secondary packaging of Lash 'N' Roll, e.l.f. is the
9 “dominant commercial identity,” *Cohn*, 281 F.3d at 842, as the e.l.f. brand name is in font almost
10 twice as large as Lash 'N Roll. Despite superficial resemblance, e.l.f.'s mark is dissimilar from
11 both of Benefit's trademarks based on the packaging differences and the use of the house mark.

12 **ii. No Evidence of Actual Confusion**

13 Because evidence of actual confusion can be difficult to obtain, its absence is “generally
14 unnoteworthy” and is given little probative weight. *See Brookfield Commc'ns*, 174 F.3d at 1050.
15 However, in cases such as *Cohn v. Petsmart, Inc.*, where the parties have used allegedly infringing
16 marks in the same markets for years, “some evidence of actual confusion should have become
17 available if [the would-be infringer's] coexisting use had created a genuine likelihood of
18 confusion.” 281 F.3d at 842–43. This case is essentially the same.

19 After two years of coexistence and more than 2.1 million units of Lash 'N Roll sold,
20 Benefit has produced no evidence of actual confusion. Although Benefit avers this factor is
21 neutral, this lack of evidence is a larger blemish than it admits. *See Brookfield Commc'ns*, 174
22 F.3d at 1050 (“We cannot think of more persuasive evidence that there is no likelihood of
23 confusion between these two marks than the fact that they have been simultaneously used for five
24 years without causing any consumers to be confused as to who makes what.”).

25 E.l.f.'s expert Sarah Butler's survey found an insignificant 5% net rate of consumer
26 confusion. This survey is the only empirical evidence provided as to consumer confusion.
27 Benefit's expert, Dr. Jeffrey Stec, criticizes the methodology of Ms. Butler's survey and contends
28

her results should be ignored. However, Benefit clearly had the financial ability to hire its own expert and conduct its own survey to rebut directly the results reached by Ms. Butler. Because Benefit chose not to do so, its critiques of e.l.f.’s survey methodology ring hollow.

Granted, Benefit was not required to conduct its own survey. *See, e.g., Jason Scott Collection*, 68 F.4th at 1217. However, given the overlap of marketing and sales averred here, Benefit had some responsibility to show consumer confusion beyond the mere hypothetical. Even discarding the results of Ms. Butler’s survey, Benefit’s inaction necessitates a negative finding. This factor weighs firmly against a likelihood of confusion.

iii. Degree of Consumer Care

“In assessing the likelihood of confusion to the public, the standard used by the courts is the typical buyer exercising ordinary caution.” *Sleekcraft*, 599 F.2d at 353. “When the buyer has expertise in the field, a higher standard is proper though it will not preclude a finding that confusion is likely.” *Id.* “Similarly, when the goods are expensive, the buyer can be expected to exercise greater care in his purchases; again, though, confusion may still be likely.” *Id.*

The parties dispute the degree of care with which beauty consumers approach their purchases. E.l.f. argues in the saturated beauty market, consumers differentiate between the countless products and brands available based on factors such as price, branding, ingredients, color, package design, online reviews, user-generated content, and what friends and family are purchasing. E.l.f. also points out cosmetic consumers are a natural analogy to skincare and fragrance purchasers, whom courts in this circuit treat as sophisticated. *See, e.g., Boost Beauty, LLC v. Woo Signatures, LLC*, No. 2:18-cv-02960-CAS-Ex., 2022 U.S. Dist. LEXIS 24515, at *30 (C.D. Cal. Feb. 7, 2022) (finding that consumers exercise a higher degree of care and brand consciousness with regard to more expensive “cosmetic products that consumers must apply to a sensitive portion of the body.”); *Moroccanoil, Inc. v. Moroccan Gold, LLC*, 590 F. Supp. 2d 1271, 1280 (C.D. Cal. 2008) (“[C]ourts have recognized that purchasers of fragrances and skin care products also exercise a higher degree of care and brand consciousness.”); *Glow Indus.*, 252 F. Supp. 2d at 1001 (“Courts have previously recognized, however, that purchasers of fragrances and skin care products tend to exercise a high degree of care and brand consciousness.”). E.l.f. also

1 points out mascara products themselves are used on sensitive areas, right next to the eyes.

2 Bn contrast, Benefit contends these products are relatively inexpensive, impulse purchases,
3 “to which the average, unsophisticated consumer does not devote a great deal of care and
4 consideration.” *E. & J. Gallo Winery v. Gallo Nero*, 782 F. Supp. 457, 464–65 (N.D. Cal. 1991)
5 (quotations omitted). Benefit argues an ordinary consumer would not pay much attention when
6 purchasing a product that costs less than \$50. *See Maxim Integrated Prods. v. Quintana*, 654 F.
7 Supp. 2d 1024, 1035 (N.D. Cal. 2009) (“[A]n ordinary consumer is likely to exercise a low degree
8 of care” where “products both cost close to \$50.”).

9 It is unnecessary to determine which party has the better description of the average beauty
10 consumer. Instead, this factor turns on the parties’ behavior. Both Benefit and e.l.f. spend huge
11 amounts of time, money, and effort in tracking and fostering organic online reviews and mentions
12 of its products. Benefit spent over \$400,000 alone on one campaign with a TikTok beauty
13 influencer, Alix Earle. Given that outsized resource allocation, it is clear Benefit itself believes
14 these endorsements and reviews, paid and unpaid, return their value. Benefit’s behavior in
15 marketing its products and its brand reflects an understanding of the average beauty consumer as
16 brand-aware, engaged in reviews and social media, and seeking out a particular curling mascara
17 after research based on those sources. Benefit therefore behaves as though its consumer is
18 sophisticated, does background research, and generally exercises a relatively high degree of care
19 in purchasing mascara.

20 Benefit’s arguments on price are also unconvincing. Benefit relies on cases where both the
21 original and allegedly infringing products were similar in price. *See, e.g., Maxim*, 564 F. Supp. 2d
22 at 1035. Even if customers are making these mascara purchases on impulse, buying a product
23 expected to be \$6 at \$29, or vice versa, would likely raise a consumer’s eyebrow. The degree of
24 customer care weighs against a likelihood of confusion, as parties treat these consumers as
25 sophisticated, and the product price differential would increase purchaser attention.

26 **iv. Strength of Mark**

27 When assessing the strength of a mark, courts consider both conceptual and commercial
28 strength. *See GoTo.com*, 202 F.3d at 1207. “The stronger the mark, the more likely it is that

1 encroachment on it will produce confusion.” 1 McCarthy § 11:73 (quotations omitted). Benefit’s
2 word marks are conceptually and commercially strong.

3 Incontestability is relevant to determining the conceptual strength of a trademark. Courts in
4 this circuit generally presume an incontestable mark is conceptually strong. *See, e.g., San Diego*
5 *Comic Convention v. Dan Farr Prods.*, 336 F. Supp. 3d 1172, 1186 (S.D. Cal. 2018) (quotations
6 omitted); *Young v. 3.1 Phillip Lim, LLC*, No. SA CV 16-1556-DOC (KESx), 2016 U.S. Dist.
7 LEXIS 158931, at *8 (C.D. Cal. Nov. 16, 2016) (“Absent a showing that the mark is generic, an
8 incontestable mark is considered to have a high conceptual strength.”); *YKK Corp. v. Jungwoo*
9 *Zipper Co.*, 213 F. Supp. 2d 1195, 1201 (C.D. Cal. 2002) (finding “[t]he strength of the [asserted]
10 mark is beyond question” based, in part, on the fact that the asserted mark had “achieved
11 incontestable status”); *Adidas Am., Inc. v. Skechers USA, Inc.*, 149 F. Supp. 1222, 1243 (D. Or.
12 2016), *rev’d on other grounds*, 890 F.3d 747 (9th Cir. 2018) (finding plaintiff’s trademark strong
13 and noting “its conceptual distinctiveness is demonstrated by its incontestable federal
14 registration”). While “the incontestable status of [a plaintiff’s] mark does not require a finding that
15 the mark is strong,” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 n.3 (9th Cir. 2002),
16 there is no reason here to doubt the conceptual strength of Benefit’s word marks.

17 Commercial strength “may be demonstrated by commercial success, extensive advertising,
18 length of exclusive use, and public recognition.” *Harman Int’l Indus., Inc. v. Jem Access., Inc.*,
19 668 F. Supp. 3d 1025, 1039 (C.D. Cal. 2023) (quotations omitted). Benefit has provided ample
20 evidence of Roller Lash’s commercial success. Domestic sales of Roller Lash mascara have
21 generated nearly \$300 million in revenues, making Roller Lash the number one best-selling
22 prestige curling mascara domestically.

23 Benefit’s extensive marketing campaigns for Roller Lash also underscore the commercial
24 strength of the marks. “The more extensively advertised and readily identifiable a mark and dress
25 are in the relevant market, the stronger the mark and dress.” *CytoSport, Inc. v. Vital Pharms., Inc.*,
26 617 F. Supp. 2d 1051, 1070 (E.D. Cal. 2009). Benefit has run campaigns on social and traditional
27 media, and even special in-person events promoting Roller Lash and its associated word marks.

Over nine years, Benefit built up the commercial strength of Roller Lash and Hook ‘N’ Roll via advertising, all of which highlighted the word marks.

The length of time Benefit has exclusively used its asserted trademarks further demonstrates their commercial strength. Benefit launched Roller Lash in 2015 with marketing assets and packaging that prominently displayed both asserted trademarks. Since then, Benefit has exclusively and continuously used the marks. *See Maxim*, 654 F. Supp. at 1033 (finding plaintiff’s marks were commercially strong where plaintiff “spent more than two million dollars advertising,” there were millions of the products in circulation, and the marks “ha[d] been in use for nearly ten years”).

E.l.f.’s arguments against the strength of Benefit’s trademarks fall short. E.l.f. contends the Roller Lash mark is weak because other mascaras use the word “lash.” However, under Ninth Circuit law, the strength of a mark must be analyzed in its entirety. *See Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1392 (9th Cir. 1993) (explaining that, when analyzing strength of a trademark, courts cannot “examin[e] its component parts” because “under the anti-dissection rule, the validity and distinctiveness of a trademark is determined by viewing the trademark as a whole”); *GoTo.com*, 202 F.3d at 1207 (explaining that while a mark may appear weak because its individual components are common, “it is the mark in its entirety that must be considered not simply the individual elements of that mark”). Benefit has adequately demonstrated the strength of Roller Lash as an entire mark. The commercial strength of Roller Lash is even evidenced in part by e.l.f.’s internal communications. E.l.f. employees acknowledged the name Lash ‘N Roll would draw an “instant connection” in the minds of consumers to Roller Lash. Tr. 482:3-14; PTX-017. The overall strength of Benefit’s trademarks weighs in favor of a likelihood of confusion.

v. Proximity of Goods

Relatedness of the goods reflects the common-sense conclusion that the danger of consumer confusion increases where the goods are related or complementary. *Gallo Cattle*, 967 F.2d at 1291. Roller Lash and Lash ‘N Roll are in close proximity, as they are essentially the same product for the same purpose, targeted to much the same consumer. When developing Lash ‘N

Roll, e.l.f. tested numerous potential formulas against that of Roller Lash to achieve the closest comparison. The result was so close that e.l.f. employees even referred to its chosen formula as “the Roller Lash one.” E.l.f. admits it intended for Lash ‘N Roll to mimic closely Roller Lash and promotes the same “curling and lifting” benefits. The proximity of Benefit and e.l.f.’s goods weigh in favor of a likelihood of confusion.

vi. Marketing and Sales Channels

This factor requires courts to examine where the parties advertise and sell their products. While overlap in marketing channels can increase the likelihood of consumer confusion, the inverse is also true. *See Sleekcraft*, 599 F.2d at 353. This factor is ultimately neutral because although there are large overlaps in where and how the parties advertise their products, the mostly separate streams of prestige and mass cosmetic sales negate any increased likelihood of confusion.

Benefit and e.l.f. both advertise heavily on social media. Benefit and e.l.f. rely on paid and earned media, and use the same targeted marketing methods, including influencers, posts, and videos on the same social media platforms (including Instagram, YouTube and TikTok) to reach the same target consumers. E.l.f. argues this advertising overlap means little in the digital age. *See Network Automation*, 638 F.3d at 1151 (“Today, it would be the rare commercial retailer that did not advertise online, and the shared use of a ubiquitous marketing channel does not shed much light on the likelihood of consumer confusion.”); *Playboy Enters. v. Netscape Commc’ns. Corp.*, 354 F.3d 1020, 1028 (9th Cir. 2001) (“Given the broad use of the Internet today, the same could be said for countless companies. Thus, this factor merits little weight.”). Although it is common for companies to advertise on social media, the overlap between Benefit and e.l.f.’s advertisements go beyond shared platforms. The parties use the same tactics, types of posts and videos, and analytics tools to conduct their advertisements. Therefore, this aspect of the *Sleekcraft* factor would support a likelihood of confusion.

By contrast, the overlap of sales channels is not as favorable to a likelihood of confusion. Benefit emphasizes the probability of consumer confusion at the two retailers, Target and Ulta, where both Roller Lash and Lash ‘N Roll are sold. Given that the physical and online retail

1 environments differ, even within the same retailer, each are analyzed separately.

2 The only brick-and-mortar stores where both products are sold are Ulta stores and select
3 Target stores with an Ulta area therein. In its standalone stores, Ulta cordons off mass and prestige
4 products from one another. Within the separate mass and prestige sections, Ulta tightly groups
5 products from the same brand together, also known as “brand blocking.” Both parties presented
6 exhibits showing a “typical” Ulta store, and in every example, the mass and prestige sections were
7 distinct, and products were blocked by brand, with distinct house marks on shelving and endcaps.

8 At select Target stores, Benefit’s Roller Lash Mascara is found only in the dedicated Ulta
9 section with other prestige beauty brands, while e.l.f.’s Lash ‘N Roll Mascara is found with other
10 mass beauty brands in the regular Target aisles. Target also utilizes brand blocking. It is clear from
11 the physical architecture of these retailers that mass and prestige products are at least conceptually
12 distinct. Therefore, the overlap in the brick-and-mortar stores appears minimal.

13 Benefit argues consumer confusion is likely when shopping online, where retailers do not
14 brand block. While a brand’s products are not necessarily grouped together on Ulta.com or
15 Target.com, the Roller Lash and Lash ‘N Roll product pages include “Benefit” or “e.l.f.,”
16 respectively, clearly in the title. Moreover, when viewing the general search results for “mascara,”
17 Target and Ulta’s websites consistently list the brand before the name of the individual product.
18 Therefore, the source of each product is equally clear online as it is in brick-and-mortar stores.

19 Benefit further points out in both the retail and online environments, consumers pay for
20 Roller Lash and Lash ‘N Roll using the same register or virtual shopping cart. It is true that a
21 confused consumer would not necessarily realize their mistake as to the source of Lash ‘N Roll
22 once they arrived at the checkout counter. However, Benefit has not shown the required upstream
23 confusion would occur in the first place, given brand-blocking and clear labeling of each brand
24 online.

25 Furthermore, these retailers are not the sole channels by which Benefit and e.l.f. sell their
26 products. As a prestige company, Benefit sells Roller Lash in department stores and other
27 specialized beauty retailers such as Sephora and as a mass company, e.l.f. sells Lash ‘N Roll in
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1 drug stores and big-box stores. Therefore, Benefit cannot point to a substantial overlap in sales
 2 channels. While the results are mixed, this factor slightly favors e.l.f. in determining a likelihood
 3 of confusion.

4 **vii. E.l.f.’s Intent**

5 Because the Lanham Act is intended “to protect the goodwill created by using a uniform
 6 mark,” courts ask, “whether [the] defendant in adopting its mark intended to capitalize on
 7 plaintiff’s good will.” *Blockbuster*, 141 F.3d at 1299; *Marketquest*, 862 F.3d at 934. Benefit avers
 8 e.l.f.’s intent to copy would alone warrant a finding in its favor on this factor. However, an overall
 9 intent to “cue” to Benefit’s product is not quite intent to copy. Benefit argues e.l.f.’s intent to
 10 create a “dupe,” or a less expensive product that achieves the same result as Roller Lash, was an
 11 intent to copy Roller Lash and its word marks. However, e.l.f. has convincingly demonstrated it
 12 sought to create its own product in line with its broader branding. E.l.f. presented evidence it
 13 chose the name Lash ‘N Roll based on musical inspiration, independent from any intent to cue.
 14 E.l.f. also designed Lash ‘N Roll to be vegan and cruelty-free, features not shared by Roller Lash.
 15 Finally, e.l.f.’s intent was always to contrast with Roller Lash in price, a differential foundational
 16 to “dupes.” Therefore, Benefit fails to show e.l.f.’s intent was to copy Roller Lash wholesale.

17 Moreover, an intent to copy is not inherently an intent to deceive. *See Fuddruckers, Inc. v.*
 18 *Doc’s B.R. Others, Inc.*, 826 F.2d 837, 844-45 (9th Cir. 1987); *Jason Scott Collection, Inc. v.*
 19 *Trendily Furniture, LLC*, 68 F.4th 1203, 1219 (“[I]f there is proof of intentional copying with no
 20 alternative explanation, an intent to benefit from the other’s good will through confusion may be
 21 inferred.”) (citation omitted). Competitors could copy product features for a variety of reasons
 22 beyond intent to deceive. A competitor may, for example, “choose to copy wholly functional
 23 features that they perceive as lacking any secondary meaning because of those features’ intrinsic
 24 economic benefits.” *Id.* E.l.f.’s use of “lash” is understandable in the mascara context. E.l.f.’s use
 25 of “roll” can invoke curling, just as Benefit sought to do with its name. Therefore, e.l.f. has
 26 provided an alternative explanation for the selection of its name, beyond merely its intent to cue to
 27 Roller Lash.

When there is evidence of intent to copy, but not of intent to deceive, courts in this district view this factor as neutral or favoring the defendant. *See Glob. Tobacco, LLC v. R.K. Co.*, No. CV 15-05227-RGK (PJWx), 2015 U.S. Dist. LEXIS 190441, at *15 (C.D. Cal. Sep. 24, 2015) (finding that the intent factor was neutral when the “evidence indicates an intent to copy” but “no evidence before the Court regarding whether Defendant specifically intended to confuse consumers”); *Dayva Int’l, Inc. v. Award Prods. Corp.*, No. CV-94-7331 KMW(SHx), 1996 U.S. Dist. LEXIS 22973, at *22-23 (C.D. Cal. Dec. 30, 1996) (finding that plaintiff failed to demonstrate a likelihood of confusion because while defendant “intended to copy numerous aspects of [plaintiff’s product] and incorporate them into its own,” the evidence did not indicate an intent to confuse or deceive consumers as to the source of its goods.).

Overall, while e.l.f. used Benefit’s Roller Lash Mascara as an inspiration for the development of e.l.f.’s Lash ‘N Roll Mascara, no evidence indicates e.l.f. intended to deceive consumers as to the source of its product. To the contrary, e.l.f. shows it intended to create a mass market curling mascara product under its brand name and brand qualities, at approximately a fifth of the price of Benefit’s prestige product. Given the dearth of evidence showing an intent to deceive, this factor too favors e.l.f. in evaluating a likelihood of confusion.

Overall, Benefit has shown a mere possibility of consumer confusion where it needed more. Although satisfaction of all *Sleekcraft* factors is unnecessary, Benefit needed a strong showing with respect to at least some of the factors. *See Survivor Media*, 406 F.3d at 631. Despite its success on two factors, Benefit’s showing elsewhere was lacking, particularly on the critical similarity analysis. While the *Sleekcraft* analysis goes beyond mere counting, the balance of these factors reveals only hypothetical consumer confusion in limited retail environments. Viewing the factors together, Benefit did not show a likelihood of confusion as to the source of e.l.f.’s Lash ‘N Roll, nor a likelihood of confusion between Roller Lash and Lash ‘N Roll. Therefore, Benefit’s trademark infringement claim fails.

V. TRADE DRESS INFRINGEMENT

To make out a claim for trade dress infringement under the Lanham act, a plaintiff must

1 show that: “(1) its trade dress is protectable, and (2) a defendant's "use of the same or similar trade
2 dress is likely to confuse consumers." *Fuddruckers*, 826 F.2d at 841. Courts ask, “whether there is
3 a likelihood of confusion resulting from the total effect of the defendant's package on the eye and
4 mind of an ordinary purchaser." *Id.* (internal quotation marks and citation omitted).

5 Although some of the relevant facts differ from the trademark claim when evaluating
6 Benefit’s trade dress, the end result is the same. Benefit succeeds in establishing the protectability
7 of its trade dress but cannot show a likelihood of confusion. Therefore, e.l.f. has not infringed on
8 Benefit’s trade dress.

9 **A. Protectability**

10 Benefit’s first hurdle is the protectability of its trade dress. To establish a protectable trade
11 dress, a plaintiff must (1) “adequately define the trade dress for which it claims protection”; (2)
12 demonstrate that its trade dress is distinctive, and (3) demonstrate that its trade dress is
13 nonfunctional. *Greenberg v. Johnston*, No. 14-cv-04605, 2014 U.S. Dist. LEXIS 194325, at *6-10
14 (C.D. Cal. Oct. 22, 2014); *see also Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150
15 F.3d 1042, 1047 (9th Cir. 1998) (same). With respect to the second prong, a trade dress is
16 “distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has
17 acquired distinctiveness through secondary meaning.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505
18 U.S. 763, 769 (1992). For the following reasons, Benefit’s trade dress is protectable.

19 **i. Adequate Definition**

20 Benefit’s trade dress is adequately defined as (1) a pink top, (2) a black base, and (3) pink
21 lettering on the black portion of the product that matches the pink of the top. A court may not read
22 in elements to a trade dress definition that the trade dress holder did not include in the trade dress
23 definition. *See Sazerac Co. v. Fetzer Vineyards, Inc.*, 251 F. Supp. 3d 1288, 1301 (N.D. Cal. 2017)
24 (Because plaintiff “identif[ied] the elements of its asserted trade dress . . . and chose not to list
25 ‘bourbon’ as an element,” the court could not “insert ‘bourbon’ into [plaintiff’s] trade dress when
26 it has elected to exclude it.”). A trade dress holder’s “asserted trade dress consists of the elements
27 it listed—no more and no less.” *Id.* E.l.f. insists Benefit incorrectly excluded “dominant and
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1 distinctive” features of its trade dress. However, there is no requirement a trade dress definition
 2 include all features. Other details of Roller Lash’s design, like the diamond pattern “tone on tone”
 3 texture on the top, the ribbed collar, and the tapered base, are not part of Roller Lash’s trade dress,
 4 as defined by Benefit.

5 **ii. Distinctiveness**

6 When evaluating each element of trade dress protectability, courts in the Ninth Circuit
 7 focus “not on individual elements, but rather on the overall visual impression that the combination
 8 and arrangement of those elements create.” *Clicks Billiards v. Sixshooters Inc.*, 251 F.3d 1252,
 9 1259 (9th Cir. 2001). Because Benefit’s trade dress has acquired secondary meaning, it is
 10 unnecessary to decide whether Benefit’s trade dress is product design or product packaging and
 11 whether the trade dress is inherently distinctive.

12 *a. Genericness*

13 Where the plaintiff asserts an unregistered trade dress, “non-genericness is a prima facie
 14 element of a plaintiff’s claim for trade dress infringement.” *Amini Innovation Corp. v. McFerran*
 15 *Home Furnishings, Inc.*, 68 F. Supp. 3d 1170, 1175 (C.D. Cal. 2014). In the context of trade dress,
 16 “the term ‘genericness’ covers three situations: (1) if the definition of a product design is
 17 overbroad or too generalized; (2) if a product design is the basic form of a type of product; or (3) if
 18 the product design is so common in the industry that it cannot be said to identify a particular
 19 source.” *Walker & Zanger v. Paragon Industries, Inc.*, 549 F. Supp. 2d 1168, 1174 (9th Cir.
 20 2007).

21 E.l.f. primarily argues the Roller Lash trade dress is so common in the mascara market as
 22 to be generic. E.l.f. relies on examples of third-party mascara products that also have a black base
 23 and pink top with matching pink writing on the base. E.l.f.’s alleged third-party uses largely do not
 24 use Benefit’s asserted trade dress. Many of these simply use a black and pink color scheme, but
 25 not the same combination of black base and pink top. The third-party examples that approach the
 26 trade dress are discontinued and/or were sold only briefly and in unknown or *de minimis*
 27 quantities, including through limited channels. E.l.f.’s “third party use” evidence is insufficient to
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1 establish that asserted trade dress is common or widespread in the market, particularly in view of
 2 the thousands of mascaras sold without use of the trade dress, including all the mascaras currently
 3 for sale at Target and Ulta stores. Finally, e.l.f.'s own behavior acknowledges that Roller Lash's
 4 trade dress is not generic. In designing Lash 'N Roll's packaging, e.l.f. associated the colors and
 5 arrangement of the primary packaging as another "cue" to Roller Lash.

6 E.l.f. makes passing arguments about the overbreadth of Benefit's trade dress definition,
 7 but these averments improperly focus on individual elements of the asserted trade dress or on the
 8 use of pink and black generally. The proper focus, however, is on the trade dress as a whole. Here,
 9 Benefit seeks to protect a trade dress that is a specific combination and configuration of elements.
 10 It does not seek to protect use of any individual elements of its asserted trade dress, such as use of
 11 black or pink, or pink and black, on a mascara tube, or writing on a mascara base that matches the
 12 cap. Therefore, taken as a whole, Benefit's trade dress is not generic.

13 *b. Secondary Meaning*

14 The Ninth Circuit defines secondary meaning as "the mental association by a substantial
 15 segment of consumers and potential consumers between the alleged mark and a single source of
 16 the product." *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1354 (9th Cir. 1985).
 17 Consumers need not be able to identify the source of the product by name. *See Two Pesos*, 505
 18 U.S. at 769-770. Secondary meaning can be established in a variety of ways, including "direct
 19 consumer testimony; survey evidence; exclusivity, manner, and length of use of mark; amount and
 20 manner of advertising; amount of sales and number of customers; established place in the market;
 21 and proof of intentional copying by the defendant." *Jason Scott Collection*, 68 F.4th at 1214
 22 (citing *P & P Imps. LLC v. Johnson Enters., LLC*, 46 F.4th 953, 961 (9th Cir. 2022)).

23 Benefit has established secondary meaning by almost all of the above methods. Over the
 24 past nine years, Benefit has made considerable efforts to advertise and promote Roller Lash
 25 mascara in ways that prominently feature the Roller Lash Trade Dress. The social media-based
 26 earned market value ("EMV") associated with marketing Roller Lash is over \$131 million and the
 27 number of impressions is 820 million. Press coverage for Roller Lash includes 622 articles, which
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1 have achieved almost 200 billion unique visitors. Since 2015, Benefit has sold over \$300 million
 2 worth of Roller Lash mascara, which is recognized as the bestselling curling mascara, including by
 3 e.l.f. which labeled it the “Holy Grail” of curling mascaras. Roller Lash has received extensive
 4 industry recognition winning multiple awards. Finally, Benefit has exclusively and consistently
 5 used the Roller Lash Trade Dress since the product’s launch in 2015. Therefore, Benefit has
 6 adequately demonstrated secondary meaning. *See Clamp Mfg.*, 870 F.2d at 517; *First Brands v.*
 7 *Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987).

8 Evidence of deliberate copying also is “relevant to a determination of secondary meaning”
 9 and “in appropriate circumstances, deliberate copying may suffice to support an inference of
 10 secondary meaning.” *Clicks Billiards*, 251 F.3d at 1264; *see also Vision Sports*, 888 F.2d at 615
 11 (“[P]roof of copying strongly supports an inference of secondary meaning.”). “That is because
 12 competitors generally copy to realize upon a secondary meaning that is in existence.” *P & P Imps.*,
 13 46 F.4th at 961 (citation and quotations omitted).⁴ Acknowledging Roller Lash’s secondary
 14 meaning, when choosing which leading mascara to duplicate, e.l.f. recognized Roller Lash as the
 15 “Holy Grail” of curling mascaras and chose it to use as “inspiration” due to its notoriety and
 16 popularity among consumers. Thus, when e.l.f. wanted Lash ‘N Roll’s primary package to
 17 communicate Roller Lash and the curling benefit to consumers, it chose Lash ‘N Roll’s pink and
 18 black color scheme, acknowledging that that is what consumers associate with Roller Lash.

19 E.l.f.’s assertion that lack of a secondary meaning survey “warrants an adverse inference”
 20 is unavailing. E.l.f.’s Revised Proposed Findings of Fact and Conclusions of Law (“e.l.f. FFCLs”)
 21 at 52. There is no controlling Ninth Circuit authority for this position; instead, the Ninth Circuit
 22 repeatedly has held that “direct evidence of secondary meaning— such as . . . survey evidence

23 ⁴ To clarify, an intent to copy is sufficient to support a finding of secondary meaning, but this
 24 analysis of intent differs from the *Sleekcraft* intent factor. While some parties have previously
 25 argued “intentional copying supports a finding of secondary meaning only where the defendant
 26 intended to confuse consumers and pass off its product as the plaintiff’s,” which would align with
 27 the intent requirement under the *Sleekcraft* factor, the Ninth Circuit has declined to impose an
 intent to confuse requirement at the secondary meaning stage. *Jason Scott Collection*, 68 F.4th at
 1215. Therefore, an intent to copy nonfunctional features supports an inference of secondary
 meaning, even when there was no intent to confuse consumers. *See id.*

1 showing end-consumer recognition— . . . is not a requirement.” *Jason Scott Collection*, 68 F.4th at
 2 1217 (quotations omitted); *Clamp Mfg.*, 870 F.2d at 517 (affirming district court’s finding of
 3 secondary meaning and noting the lack of “evidence concerning the views of actual purchasers”
 4 such as surveys “d[id] not overcome the findings of the district court on use and advertising”).
 5 Therefore, Benefit succeeds in establishing the secondary meaning of its trade dress.

6 **iii. Functionality**

7 Benefit’s trade dress is not functional. The Ninth Circuit utilizes a two-part test in
 8 determining whether a trade dress is nonfunctional. *Millennium Labs. v. Ameritox, Ltd.*, 817 F.3d
 9 1123, 1128–29 (9th Cir. 2016). At the first step, “courts inquire whether the alleged ‘significant
 10 non-trademark function is essential to the use or purpose of the article [or] affects [its] cost or
 11 quality.’” *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1072 (9th Cir. 2006)
 12 (quoting *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32–33 (2001)). If the
 13 claimed trade dress is determined to be functional under the first step, then “the inquiry is over.”
 14 *Id.* at 1072. If not, the second question is “whether protection of the feature as a trademark would
 15 impose a significant non-reputation-related competitive disadvantage.” *Id.*

16 The Ninth Circuit has identified several factors to consider regarding trade dress
 17 functionality: “(1) whether the design yields a utilitarian advantage, (2) whether alternative
 18 designs are available, (3) whether advertising touts the utilitarian advantages of the design, and (4)
 19 whether the particular design results from a comparatively simple or inexpensive method of
 20 manufacture.” *Clicks Billiards*, 251 F.3d at 1260 (quotations omitted).

21 Several facts demonstrate the Roller Lash Trade Dress is non-functional. There is no
 22 utilitarian advantage gained from using a black base, pink cap and lettering on the base that
 23 matches the cap. The thousands of alternative packaging designs for mascara, including designs
 24 that both Benefit and e.l.f. have used for other mascara products and designs that e.l.f. considered
 25 but rejected for Lash ‘N Roll, support this conclusion. None of Benefit’s advertising touts any
 26 utilitarian advantages of the design. Finally, Benefit does not use the trade dress for
 27 manufacturing-related or cost advantages because there are no cost savings associated with using
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1 pink and black and lettering in the manner associated with the Roller Lash Trade Dress.

2 The protection of the Roller Lash Trade Dress would not impose any significant non-
3 reputation-related competitive disadvantage because, among other things, the trade dress is limited
4 to the specific configuration of specific elements and there are countless alternative designs
5 available to competitors, as shown by the many third-party examples presented at trial.

6 E.l.f. argues that the black base of Roller Lash is functional because it indicates the color
7 of the mascara. However, using black does not serve to identify the color of the mascara product
8 in the tube. Benefit presented evidence showing mascara is usually black, yet many mascara tubes
9 use non-black tubes, including e.l.f.'s Big Mood mascara. There is no evidence proving Benefit
10 used black in this manner, or that any other mascara seller, including e.l.f., does either. E.l.f. even
11 uses a black base for all three colors of Lash 'N Roll. In rebuttal, e.l.f. points to Benefit's use of
12 brown on the base of a Roller Lash mascara tube when it briefly sold the mascara in brown.
13 However, Benefit's packaging design team did not know Benefit would eventually release a
14 brown color and did not consider that fact—or the black mascara color—when choosing the black
15 base for Roller Lash.

16 Moreover, when the brown mascara was released, Benefit altered the black Roller Lash
17 secondary packaging to add the words "black mascara" on the front panel and "black" on top; it
18 did not use or rely on the black base color to indicate the black formula color. Thus, Benefit did
19 not use the black base to indicate the mascara color. Instead, it added labeling to permit consumers
20 to distinguish between brown and black mascara colors. Therefore, the evidence supports the
21 conclusion that the black base color is not functional.

22 And even if Benefit did use black to communicate the color of the mascara inside the tube,
23 the Roller Lash Trade Dress would still not be functional because it is a specific combination and
24 orientation of black and pink. *See Clicks Billiards*, 251 F.3d at 1259 (explaining that the
25 functionality analysis focuses "not on the individual elements, but rather on the overall visual
26 impression that the combination and arrangement of those elements create"). Therefore, Benefit
27 has established its trade dress is nonfunctional, confirming its trade dress is protectable.

B. Infringement

Benefit clears the first hurdle of protectability, but it cannot demonstrate a likelihood of confusion. Although some of the relevant facts differ from the trademark infringement analysis, the end result is the same. The dissimilarity of the dress, the lack of evidence of actual confusion, and the degree of care exercised by the average purchaser again weigh against any likelihood of consumer confusion. The marketing and sales channels and e.l.f.'s intent also slightly favor e.l.f.'s position. Overall, despite success on two factors, Benefit has not established the required probability of consumer confusion based on trade dress.

i. Similarity

The dissimilarity of the trade dresses cuts against the likelihood of consumer confusion. When assessing similarity of trade dress, “courts should consider the two trade dresses in their entirety and as they appear in the marketplace . . . and weigh similarities more heavily than differences.” *Fiji Water Co., LLC v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1178 (C.D. Cal. 2010) (citing *GoTo.com*, 202 F.3d at 1206).

While Benefit is entitled to define its trade dress as it sees fit, at this stage the contested trade dress is viewed in its entirety. Benefit insists the visual stimuli in the retail environment, coupled with limited views in the online environment, make for a similar appearance of both products in the marketplace. However, the visual dissimilarities between Benefit's asserted trade dress and Lash 'N Roll's packaging outweigh any similarities, especially considering the secondary packaging and the prominence of the “e.l.f.” house mark.

Despite Benefit's insistence, courts cannot focus solely on the primary packaging simply because it is the contested trade dress. *See Arcona*, 976 F.3d at 1080. Even though the two primary packaging designs are similar, they are each sold exclusively in secondary packaging that is markedly different. Benefit points out Lash 'N Roll's secondary package has a clear window to display the primary component. Benefit also presents examples of its typical retail display, which often includes one Roller Lash primary component shown out of the box to highlight the brush. The combination of those two facts, Benefit argues, negates any distinguishing impact the

secondary packaging has in the marketplace. However, this argument is unconvincing given the important role the secondary packaging plays in consumers’ interaction with the product. In-person shoppers must pick up the secondary packaging to purchase the product. And online, the secondary packaging is included in some of the provided photos of each product. Even if the secondary packaging were irrelevant, it is necessary to consider another potential distinguishing characteristic – the house mark.

The house mark, like in the trademark analysis, serves to distinguish the trade dresses in the marketplace. The house mark “e.l.f.” is included in the largest font size next to the words Lash ‘N Roll on both the primary component and secondary packaging of Lash ‘N Roll. While the text size of Benefit’s house mark on its packaging is small in comparison to the Roller Lash mark, the combination of the house mark and the distinct secondary packaging makes the trade dress dissimilar in the marketplace. *See Amarte USA Holdings, Inc. v. Kendo Holdings Inc.*, No. 22-cv-08958-CRB, 2024 U.S. Dist. LEXIS 159201, at *21-22 (N.D. Cal. Sept. 4, 2024) (finding marks are not similar when the products have prominent use of house marks and different outer packaging). When sold online, each webpage presented at trial features Benefit or e.l.f. clearly in the title of the product. In the retail space, these differences are even more apparent because the products are displayed using brand blocking and are offered and sold in their distinguishable secondary packaging.

Given the totality of the circumstances in the marketplace, Benefit’s similarity arguments fall short. Therefore, this factor weighs against likelihood of confusion.

ii. Lack of Actual Evidence and Degree of Consumer Care

These factors both weigh against a likelihood of confusion, for the reasons discussed in Section IV.B.ii and iii. Benefit has failed to show any actual evidence of consumer confusion, despite several years of simultaneous sales of Roller Lash and Lash ‘N Roll. Because mascara is a product applied to a sensitive area and the parties’ target consumer is well-informed, the degree of consumer care also weighs against a likelihood of confusion.

iii. Strength

As in the trademark infringement analysis, the strength of Roller Lash’s trade dress weighs slightly in favor of a likelihood of confusion. Benefit shows some evidence of conceptual strength based on the protectability of its trade dress. Courts in the Ninth Circuit often look at whether the trade dress has attained secondary meaning to determine the strength of the claimed trade dress. *See, e.g., Network Automation*, 638 F.3d at 1147 (considering evidence regarding secondary meaning in determining strength of the mark); *Tee Turtle, LLC v. Anhui Leadershow Household Indus. Co.*, No. CV 21-4703-CBM-(Ex), 2021 U.S. Dist. LEXIS 114490, at *8 (C.D. Cal. Jun. 17, 2021) (“Because Plaintiff has demonstrated a likelihood that its trade dress has acquired secondary meaning, its trade dress is likely strong.”); *Glob. Tobacco*, 2015 U.S. Dist. LEXIS 190441, at *14 (“Plaintiff’s showing that the Clipper Trade Dress has acquired secondary meaning, and thus commercial strength, weighs in favor of a likelihood of confusion.”).

Benefit’s trade dress is a specific combination and configuration of elements that, out of the thousands of different mascara tube designs sold, only a handful of third parties have approached. In instances where third parties have approached Benefit’s trade dress, there is no evidence of their extent of use, the use has been discontinued, or the use had *de minimis* sales. *See Nat’l Lead Co. v. Dannenfelser*, 223 F.2d 195, 204 (9th Cir. 1955) (disregarding evidence of third-party use because it was *de minimis* in the market for paint); *Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883, 891-93 (N.D. Cal. 2010) (“[W]ithout evidence of the scope of use by third parties, the degree to which plaintiff’s mark was weakened by these users cannot be determined.”).

Benefit’s trade dress is also commercially strong. Commercial strength “may be demonstrated by commercial success, extensive advertising, length of exclusive use, and public recognition.” *Harman Int’l Indus.*, 668 F. Supp. 3d at 1039 (quotations omitted). As discussed above, Roller Lash has achieved demonstrated success in the mascara market after Benefit’s extensive advertising efforts over nine years. Importantly, this advertising highlighted Benefit’s trade dress, as defined. Therefore, the strength of Roller Lash’s trade dress supports a likelihood of confusion.

iv. Proximity

As discussed above in Section IV.B.iv, Roller Lash and Lash ‘N Roll are products in close proximity. This factor would support a likelihood of confusion.

v. *Intent*

E.l.f.’s intent to cue to Roller Lash through Lash ‘N Roll’s trade dress again slightly favors e.l.f. Benefit relies on e.l.f.’s intent to copy or cue to Roller Lash using Lash ‘N Roll’s trade dress. Much like in the trademark context, e.l.f. provided ample explanation for its selection of Lash ‘N Roll’s primary trade dress, beyond a mere intent to copy Roller Lash wholesale. Lash ‘N Roll’s initial design was an all-pink primary component mascara tube. E.l.f. decided on a shade of pink, which differs from the Roller Lash shade, based on its own product line. Due to timing constraints and an issue with matching the pink top with the pink base of the primary component mascara tube, e.l.f. had to make a design change to the primary component, eventually changing the base to black. E.l.f.’s design team chose black because it provided a safe resolution to the color mismatch issue, is one of e.l.f.’s main brand colors, and is generally common in the beauty industry. Although e.l.f.’s internal communications show e.l.f. intended for, or was at least aware of, the cuing effect of the black and pink trade dress, e.l.f. has rebutted Benefit’s claim of intent to deceive. Therefore, this factor tips in e.l.f.’s favor in likelihood of confusion analysis.

vi. *Marketing and Sales Channels*

Finally, for the reasons discussed in Section IV.B.vi, the marketing and sales channels slightly favor e.l.f.’s position. Given the same balance of factors, Benefit cannot establish a likelihood of confusion based on trade dress. Because confusion is the core of Benefit’s burden of proof, its trade dress infringement claim fails.

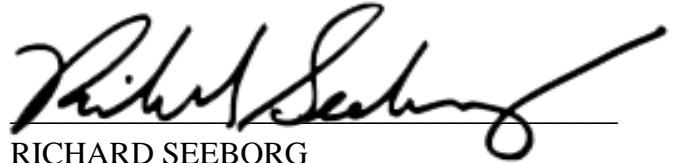
VI. CONCLUSION

Ultimately, Benefit has not shown that Lash ‘N Roll, while it is a “dupe” of Roller Lash, actually dupes any consumers. Under current trademark and trade dress law, Benefit was required to show consumer confusion was likely, rather than merely hypothetical. While some dupes could potentially cross the line and engender consumer confusion, Benefit has not shown such a risk is present here. Therefore, e.l.f. is not liable for trademark nor trade dress infringement. Accordingly,

Benefit is not entitled to disgorgement of e.l.f.'s profits, nor is Benefit entitled to injunctive relief.

IT IS SO ORDERED.

Dated: December 17, 2024

A handwritten signature in black ink, appearing to read "Richard Seeborg", written over a horizontal line.

RICHARD SEEBORG
Chief United States District Judge

The Trademark Reporter®



The Law Journal of the International Trademark Association

Tracking the Protection of Well-Known Marks in India:
A Befuddled Path to Nirvana?

Latha R. Nair

A Verdict for Your Thoughts? Why an Accused Trademark Infringer's
Intent Has No Place in Likelihood of Confusion Analysis

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Trademarks Laid Bare: Marks that May Be Scandalous or Immoral

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Paul Tackaberry

The Dilution Defense Congress Never Meant to Create (and Needs to Fix)

Timothy A. Lemper and Joshua R. Bruce

A VERDICT FOR YOUR THOUGHTS? WHY AN ACCUSED TRADEMARK INFRINGER'S INTENT HAS NO PLACE IN LIKELIHOOD OF CONFUSION ANALYSIS

*By Thomas L. Casagrande**

I. INTRODUCTION

As any U.S. trademark lawyer knows, an accused infringer's "intent" in adopting the accused mark plays a central role in determining trademark infringement. Since the dawn of trademark law, an accused's intent has been the subject of scrutiny. It is at center stage in each of the infringement tests used by every court in America. And when a trademark owner's lawyers get a whiff of wrongful intent, intent frequently becomes the "sexiest" issue in a case where the other facts consist of a couple of labels and dry testimony about who sells what products, at what prices, through which stores, to which customers. Did the defendant want to trick unsuspecting consumers? How blatant or subtle was he trying to be? How flimsy were the defendant's attempts to explain it away or make excuses for it? *These* are the issues that engage judges and juries.

But other than its emotional gravitational pull, what does intent really bring to the table? By definition, infringement occurs when *consumers* are likely to be confused by what they encounter in the marketplace. But an accused *infringer's* intent is not present in the marketplace; it is present only in his mind.

This article explores whether intent *should* play any role in determining infringement, that is, whether a defendant's intent to deceive consumers makes it more likely, from an empirical standpoint, that such consumers will actually be deceived. The author concludes that intent should be excised from the confusion analysis. Part II summarizes the current role of intent in determining likelihood of confusion—which is that every federal court, to varying degrees, considers it relevant—and describes how U.S. law got to this point. Part III discusses why an accused infringer's intent does not shed light on the crucial issue of whether confusion is likely among consumers, suggests that trademark law is anomalous in its continued regard of intent evidence as relevant and that evidence of intent is both irrelevant

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and highly prejudicial, thus running afoul of basic evidentiary principles. Part IV identifies some of the practical effects of intent's current role in determining infringement under U.S. law. Part V proposes the elimination of intent as a factor to be considered in determining likelihood of confusion. It also discusses the practical issues surrounding implementation of that proposal, advocates restricting any discussion of intent to the judge-directed equitable issues (largely concerning remedies) that may arise, and proposes dealing with such issues, if implicated, only after liability is determined.

II. THE CURRENT STATUS OF INTENT IN THE INFRINGEMENT INQUIRY AND HOW IT GOT THERE

A. Current State of U.S. Law

The Lanham Act prohibits a second-comer's use of a trademark that is "likely to cause confusion, or to cause mistake, or to deceive" as to the origin of a good or service, or as to the association, sponsorship, or other affiliation between the second-comer (or its goods and services) and the senior trademark owner (or its good and services).¹ To determine whether confusion is likely, every one of the regional circuit courts refers to a list of several factors. Although not identical, the circuits' tests all include assessment of the similarity between the marks, the goods and services on or in connection with which they are used, the strength and distinctiveness of the senior user's mark, the ways the parties market their respective goods and services, the parties' targeted customers, and whether any identifiable confusion has already occurred.² Further—and more pertinent to this article—

1. See 15 U.S.C. § 1114(1) (prohibiting infringement of registered marks); 15 U.S.C. § 1125(a)(1)(A) (encompassing any false designation of origin, including infringement of unregistered marks).

2. See, e.g., *Visible Sys. Corp. v. Unisys Corp.*, 551 F.3d 65, 73 (1st Cir. 2008); *Playtex Prods., Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 162 (2d Cir. 2004); *Freedom Card, Inc. v. JPMorgan Chase & Co.*, 432 F.3d 463, 470-71 (3d Cir. 2005); *George & Co. LLC v. Imagination Entm't, Ltd.*, 575 F.3d 383, 393 (4th Cir. 2009); *Xtreme Lashes LLC v. Xtended Beauty Inc.*, 576 F.3d 221, 226-27 (5th Cir. 2009); *Hensley Mfg., Inc. v. ProPride, Inc.*, 579 F.3d 603, 610 (6th Cir. 2009); *AutoZone, Inc. v. Strick*, 543 F.3d 923, 929 (7th Cir. 2008); *Ga.-Pac. Consumer Prods. LP v. Myers Supply, Inc.*, 621 F.3d 771, 775 (8th Cir. 2010); *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1030 (9th Cir. 2010); *The John Allan Co. v. The Craig Allen Co.*, 540 F.3d 1133, 1138 (10th Cir. 2008); *Caliber Auto. Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC*, 605 F.3d 931, 934-35 (11th Cir. 2010).

The D.C. Circuit has not yet had a case where it found it necessary to adopt (or reject) a multifactor likelihood of confusion test. The Federal Circuit does not apply its own precedents to infringement claims within its appellate jurisdiction, but rather the law of the regional circuit encompassing the district court from which the appeal was taken. See, e.g., *Vita-Mix Corp. v. Basic Holding, Inc.*, 581 F.3d 1317, 1329 (Fed. Cir. 2009). The Federal Circuit, however, also possesses appellate jurisdiction over direct appeals of trademark registration disputes, see 15 U.S.C. § 1071(a), and, as to those disputes that concern

every federal circuit considers a defendant's "intent" in adopting the accused mark to be relevant to the determination of whether use of that mark in the marketplace will likely cause consumer confusion.³

B. How Intent Became Part of the "Likelihood of Confusion" Inquiry

Intent's current role in the "likelihood of confusion" inquiry may be seen as a vestige of its role as an element in the common law forerunner to the modern version of the tort of trademark infringement. The Restatement (Third) of Unfair Competition and commentators agree that United States trademark law has its origins in the English common law cause of action for deceit.⁴ Intent to deceive was required for liability to attach.⁵ In 1837 the first American court adopted this cause of action,⁶ and, based as it was on English common law developments, early American common law similarly required proof of intent to be held liable for deceit.⁷ It has been noted that cases decided during this early

likelihood of confusion, it applies a multifactor test. *See, e.g., Shen Mfg. Co. v. The Ritz Hotel, Ltd.*, 393 F.3d 1238, 1241 (Fed. Cir. 2004).

The Supreme Court has never addressed or endorsed any particular test for determining likelihood of confusion. Perhaps the closest it has come was in *McLean v. Fleming*, 96 U.S. (6 Otto) 245 (1877), one of the first trademark cases it ever decided. In *McLean*, the Supreme Court adopted the likely confusion standard, holding that infringement occurs when "ordinary purchasers" exercising "ordinary caution" are likely to be misled. *See id.* at 251; *see also id.* at 253, 255, 256. But the Court did not set forth any "test" for determining whether such likelihood exists in such cases generally.

3. *See* all of the regional circuit decisions cited *supra* note 2, para. 1. The Federal Circuit and its predecessor court have also indicated that intent is relevant to likelihood of confusion in administrative trademark registration disputes. *See, e.g., Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imports Co.*, 703 F.2d 1372, 1374 (Fed. Cir. 1983) (characterizing intent as "being pertinent to a determination of likelihood of confusion"); *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d 1009, 1013 (C.C.P.A. 1979). Even the D.C. Circuit, which has not yet adopted any multifactor confusion standard, has indicated that, in at least those trademark cases that involve alleged attempts to "pass off" one entity as another, the second-comer's intent is relevant. *See Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1045-46 (D.C. Cir. 1989).

4. *See, e.g., Daniel M. McClure, Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TMR 305, 311 (1979); Beverly W. Pattishall, *The Impact of Intent in Trade Identity Cases*, 60 TMR 575, 576 (1970); Grover C. Grismore, *Fraudulent Intent in Trade Mark Cases*, 27 Mich. L. Rev. 857, 858 (1929); Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813, 819 (1926); Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 Ill. L. Rev. 551, 552 (1909); Restatement (Third) of Unfair Competition § 4, cmt. d; *id.* § 9, cmt. d. [hereinafter Restatement].

5. McClure, *supra* note 4, at 312; Pattishall, *supra* note 4, at 576; Rogers, *supra* note 4, at 552; *see also* 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 23:104 (4th ed. 2010).

6. McClure, *supra* note 4, at 314.

7. McClure, *supra* note 4, at 314; Pattishall, *supra* note 4, at 576; Restatement, *supra* note 4, § 9, cmt. d.

period in American trademark law's development "emphasized the character of the defendant's conduct rather than the nature of the plaintiff's rights in the mark"⁸ or the injuriousness of the defendant's acts to the plaintiff's property rights in the mark.

In the latter half of the 19th century, however, courts began to pay more attention to the nature of the plaintiff's right than to the morality of the defendant's actions.⁹ During this period—which has been called the "formalist" period of American trademark law development¹⁰—two distinct causes of action developed.¹¹ The first, which was closely related to the common law cause of action for deceit, was called "unfair competition" or "passing off,"¹² and it generally concerned allegations of confusion caused by designations that were not technically trademarks because they were not considered distinctive enough.¹³ These included surnames, geographic and other descriptive designations, and trade dress.¹⁴ The second type of action was for trademark infringement, and this cause of action was limited to "technical trademarks," that is, fanciful or arbitrary marks.¹⁵ Both, however, concerned use of designations alleged to be likely to confuse or deceive consumers.¹⁶

In cases of technical trademark infringement, courts stopped requiring proof of wrongful intent, either because they believed it was immaterial or because, in the case of technical trademarks, they could conclusively "presume" the existence of intent.¹⁷ In

8. Restatement, *supra* note 4, § 9 cmt. d.

9. See, e.g., Pattishall, *supra* note 4, at 577; Restatement, *supra* note 4, § 4 cmt. d.

10. See McClure, *supra* note 4, at 316-20.

11. See *id.* at 316.

12. See, e.g., Beverly W. Pattishall, *Two Hundred Years of American Trademark Law*, 68 TMR 121, 132-33, n.62 (1978).

13. See McClure, *supra* note 4, at 316; Restatement, *supra* note 4, § 9 cmt. d; see also Wallace R. Lane, *Development of Secondary Rights in Trade Mark Cases*, 18 Yale L.J. 571, 573-74 (1908); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 Notre Dame L. Rev. 1839, 1862 (2007).

14. See, e.g., McClure, *supra* note 4, at 316; Lane, *supra* note 13, at 573.

15. See, e.g., McClure, *supra* note 4, at 316; see also Lane, *supra* note 13, at 573; Julius R. Lunsford, Jr., *Trade-Marks and Unfair Competition—The Demise of Erie v. Tompkins?*, 40 TMR 169, 175-76 (1950).

16. See, e.g., *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412-13, 36 S. Ct. 357, 360 (1916) ("The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another. This essential element is the same in trademark cases as in cases of unfair competition unaccompanied with trademark infringement.").

17. See Milton Handler and Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 Colum. L. Rev. 168, 169 (1930) ("A trade-mark will be protected even against innocent infringement; a trade name, only against fraudulent simulation."); 4 McCarthy, *supra* note 5, § 23:105; cf. E.R. Coffin, *Fraud in Unfair Competition*, 16 Harv. L. Rev. 272, 279-80 (1902) (pointing out that, at that time, English courts did not require a showing of fraudulent intent, but American courts tended to say it was conclusively presumed). Some have opined that the reason underlying the rejection of intent as a required element in technical trademark cases was that technical trademarks

contrast, courts initially continued to require a showing of intent to deceive to prevail in an unfair competition or passing-off action.¹⁸ By the middle of the 20th century, however, courts faced with unfair competition claims generally focused more on the defendant's actions and their effects on consumers than the defendant's intention itself.¹⁹ Thus, by the time of the enactment of the Lanham Act in 1946, courts had uniformly held that wrongful intent was no longer an essential element of causes of action for either trademark infringement or unfair competition.²⁰

The passage of the Lanham Act in 1946 changed the way trade designation infringement claims were classified. Rather than the distinction being between infringement of "technical trademarks" and "trade names," the distinction created by the Lanham Act is between actions for likelihood of confusion with registered marks and those claiming likelihood of confusion with any other type of protectable designation.²¹ As a consequence, courts nowadays have come to recognize that, in both instances, the inquiry is the same, namely, whether a likelihood of confusion exists, regardless of whether the trademark is a descriptive term that has acquired meaning or is inherently distinctive due to its arbitrary, fanciful, or suggestive nature and regardless of whether the senior mark has been registered.²²

Thus, the Lanham Act, with its focus on trade usages that are likely to cause consumer confusion as to source, is consistent with the trend of early twentieth century American courts to cease treating fraudulent intent as a necessary element of claims for unfair competition or infringement. Nevertheless, post-Lanham

were a form of property, and thus the right to relief is based not on deceit but on violation of a property right. See, e.g., *id.* at 280 n.1; McClure, *supra* note 4, at 316-17; Grismore, *supra* note 4, at 863-64.

18. McClure, *supra* note 4, at 317; Lane, *supra* note 13, at 576; Rogers, *supra* note 4, at 553; Grafton D. Cushing, *On Certain Cases Analogous to Trade-Marks*, 4 Harv. L. Rev. 322, 324, 332 (1890); see also Coffin, *supra* note 17, at 283; Milton Handler and Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: II*, 30 Colum. L. Rev. 759, 769 (1930) (in unfair competition cases, fraud "is the essence of the wrong").

19. See Lunsford, *supra* note 15, at 176.

20. See 4 McCarthy, *supra* note 5, §§ 23:105-23:107.

21. See 15 U.S.C. § 1114(a) (action for likelihood of confusion with a registered trademark), 15 U.S.C. § 1125(a)(1) (action for likelihood of confusion as to source or origin generally).

22. See, e.g., *United States v. Torkington*, 812 F.2d 1347, 1354 (11th Cir. 1987) (noting that court had previously used the same likelihood of confusion factors in actions under both civil sections of the Lanham Act); *Univ. of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1541-42 (11th Cir. 1985) (applying same likelihood of confusion multifactor test previously used in § 1114(a) action in § 1125(a)(1) action); *Standard & Poor's Corp. v. Commodity Exch., Inc.*, 683 F.2d 704, 708 (2d Cir. 1982) (same standard applies under § 1114(a) action in § 1125(a)(1) action); see also Restatement, *supra* note 4, § 4 cmt. d (under current standards, liability for "passing off" is "determined by an evaluation of the probable consequences of the actor's conduct and does not depend upon the actor's subjective intent").

Act federal courts have uniformly considered fraudulent intent to be relevant to—even if not a required element for—actions under both substantive sections of the Lanham Act²³ and in administrative trademark registration proceedings.²⁴

Thus, although courts today consistently consider intent relevant to a likelihood of confusion determination, they are not consistent as to *how* intent should inform that determination.²⁵ At one end of the spectrum, several decisions have stated that a finding of culpable intent creates a “presumption” that confusion is likely.²⁶ Other courts hold that intent creates an “inference” that consumers are likely to be confused.²⁷ Still others maintain that a

23. See decisions cited *supra* note 2, ¶ 1; but see Timothy R.M. Bryant, Comment, *Trademark Infringement: The Irrelevance of Evidence of Copying to Secondary Meaning*, 83 Nw. U. L. Rev. 473, 497 (1989) (“[T]he Lanham Act is not concerned with the infringer’s intent. Congress focused on the plaintiff’s injury when it enacted the Lanham Act to protect the public from deception.”); cf. John M. Murphy, *The (Unfortunate) Significance of Intent in TTAB Proceedings under Section 2(d) of the Lanham Act*, 34 AIPLA Q.J. 177, 178 (2006) (“Nothing in [Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d)] requires consideration of a defendant’s intent in determining likelihood of confusion.”).

24. See, e.g., *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 1374 (Fed. Cir. 1983); *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d 1009, 1013 (C.C.P.A. 1979).

25. See 4 McCarthy, *supra* note 5, § 23:111; Andrew Corydon Finch, Comment, *When Imitation is the Sincerest Form of Flattery: Private Label Products and the Role of Intention in Determining Trade Dress Infringement*, 63 U. Chic. L. Rev. 1243, 1249-62 (1996) (noting the confused state of the law and analyzing the different ways the various circuits treat evidence of bad intent).

26. At least four circuits (2d, 4th, 9th, and 11th) have used this language. See, e.g., *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987) (“Intentional copying gives rise to a presumption of a likelihood of confusion.”) (citation omitted); cf. *Spring Mills, Inc. v. Ultracashmere House, Ltd.*, 689 F.2d 1127, 1135-36 (2d Cir. 1982) (calling it a “powerful inference,” but treating it as a burden-shifting presumption putting “on the alleged infringer the burden of going forward with proof” that confusion is unlikely) (citation omitted); *Osem Food Indus. Ltd. v. Sherwood Foods, Inc.*, 917 F.2d 161, 165 (4th Cir. 1990) (“from such intentional copying arises a presumption that the newcomer is successful and that there is a likelihood of confusion”); *M2 Software, Inc. v. Madacy Entm’t*, 421 F.3d 1073 (9th Cir. 2005) (“When the alleged infringer knowingly adopts a mark similar to another’s, we must presume that the public will be deceived.”) (citation omitted); *Babbitt Elecs., Inc. v. Dynascan Corp.*, 38 F.3d 1161 (11th Cir. 1994) (“Intent to copy in itself creates a rebuttable presumption of likelihood of confusion.”).

27. Several circuits (5th, 6th, 8th, and 10th) use this formulation, and—interestingly—the 9th Circuit has used in some cases despite other cases using the “presumption” formulation. See, e.g., *Am. Rice, Inc. v. Producers Rice Mill, Inc.*, 518 F.3d 321, 332 (5th Cir. 2008) (“the intent of defendants in adopting (their mark) is a critical factor, since if the mark was adopted with the intent of deriving benefit from the reputation of (the plaintiff) that fact alone may be sufficient to justify the inference that there is confusing similarity”) (citation omitted); *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1111 (6th Cir. 1991) (“If a party chooses a mark with the intent of causing confusion, that fact alone may be sufficient to justify an inference of confusing similarity.”) (citation omitted); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1385 (9th Cir. 1987) (“Intent of a defendant in adopting his trade dress is a critical factor, since if the trade dress were adopted with the intent of depriving [sic] benefit from the reputation of the plaintiff, that fact alone may be sufficient to justify the inference that there is a confusing similarity.”) (citation omitted); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941

finding of culpable intent permits a court to “assume” confusion is likely.²⁸ And while still others view it as, in some way, stronger evidence than many other factors,²⁹ some say it is simply a factor to be considered.³⁰

What is a litigant to make of all these different formulations? The differences among them are very real. For example, a presumption arises automatically and remains unless evidence to the contrary is introduced; it therefore has the effect of shifting the burden of production. The drawing of an inference, on the other hand, is permissive: a fact may or may not be inferred from other facts, as long as the inference is reasonable.³¹ While the Lanham Act provides for inferences and presumptions with respect to other issues, it does not provide that intent gives rise to a presumption of likelihood of confusion or that intent evidence has any particular evidentiary weight at all.³²

Regardless of what courts may say about how intent factors into the confusion calculus or the technical legal effect of presumptions and inferences, experienced practitioners are well aware that intent remains one of the most—if not the single

(10th Cir. 1983) (“Intent on the part of the alleged infringer to pass off its goods as the product of another raises an inference of likelihood of confusion”) (quoting *Squirtco v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980)); *see also* Restatement, *supra* note 4, § 22 (“A likelihood of confusion may be inferred from proof that the actor used a designation resembling another’s trademark . . . with the intent to cause confusion or to deceive.”).

28. Again, the 9th Circuit, among other circuits, uses this formulation as well. *See, e.g.*, *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020 (9th Cir. 2004) (“A defendant’s intent to confuse constitutes probative evidence of likely confusion: Courts assume that the defendant’s intentions were carried out successfully.”) (footnote omitted).

29. *See, e.g.*, *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 465 (7th Cir. 2000) (“[A] defendant’s intent is an important factor, and can even be weighed more heavily than other factors.”) (citations and internal quotation marks omitted).

30. *See, e.g.*, *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1219 (9th Cir. 1987) (“Evidence of wrongful intent, when present, has some bearing on the likelihood of confusion.”).

31. *See, e.g.*, *First Dakota Nat’l Bank v. St. Paul Fire & Marine Ins.*, 2 F.3d 801, 813 (8th Cir. 1993) (“A mandatory presumption instructs the jury that it must infer the presumed fact if one party proves certain predicate facts. A permissive inference however permits but does not require the jury to draw a particular conclusion.”) (citations omitted); *Sewell v. United States*, 406 F.2d 1289, 1294 (8th Cir. 1969) (“A ‘presumption’ and an ‘inference’ are not the same thing, a presumption being a deduction which the law requires a trier of facts to make, an inference being a deduction which the trier may or may not make, according to his own conclusions; a presumption is mandatory, an inference, permissible.”) (citations omitted).

32. *See, e.g.*, 15 U.S.C. § 1052(f) (substantially exclusive use for five consecutive years can constitute “prima facie evidence that the mark has become distinctive”); 15 U.S.C. § 1115(a) (providing that a registration on the Principal Register is “prima facie” evidence of validity, ownership, and exclusive right to use); 15 U.S.C. § 1117(e) (providing for a rebuttable presumption of willfulness for purposes of determining relief if the violator knowingly provided false information to a domain name registrar); 15 U.S.C. § 1127 (nonuse for three consecutive years is “prima facie evidence of abandonment”).

most—critical of the confusion factors.³³ This article posits that there is no justifiable legal basis for inquiring into a defendant's intent, examines the practical effects of intent remaining a relevant factor, and proposes its elimination from the liability phase of trademark proceedings. Nevertheless, it is useful to ask why intent continues to enrapture judges, juries, and trademark lawyers. Several reasons have been suggested. Some have noted that determining the state of mind of one person (who is frequently a witness in the court proceedings) is easier than determining the state of mind of a hypothetical consumer in a marketplace existing outside the courtroom.³⁴ It has also been suggested that courts are acting on their desire to enforce commercial morality and to punish intentional wrongdoers,³⁵ or that predictability of results is improved when intent is factored in.³⁶ Whether it is because they recognize that having a "bad actor" appeals to judges' and juries' desire to enforce commercial morality and punish intentional wrongdoers or because they know that a showing of wrongful intent can "stampede" other factors against the intentional wrongdoer,³⁷ trial lawyers love to ferret out, and use at trial with

33. See, e.g., Pattishall, *supra* note 4, at 579 (observing that the best predictor of the outcome of trade identity cases is "not the classic and statutory [question] whether likelihood of confusion is demonstrable, but whether the court may be convinced of the presence of an actual intention to misappropriate"); *id.* at 579-80 (positing that "the crucial and compelling consideration of the courts . . . has not been the conviction with which the statutory . . . test of likelihood of confusion has been proved" but rather "their level of conviction as to the accused party's dubious commercial ethics"). One leading commentator, while acknowledging that wrongful intent may not be required to prove liability for infringement under the Lanham Act, colorfully noted: "But it sure does help!" Siegrun D. Kane, Trademark Law—A Practitioner's Guide § 8:1.3[E] (PLI 5th ed. 2010). While these apparently anecdotal characterizations are consistent with the author's experience and observations, one commentator actually undertook an empirical analysis of the impact that the various likelihood of confusion factors had in federal court trademark infringement cases. He determined not only that there was a strong correlation between a finding of wrongful intent and a conclusion that a defendant infringed, but, more significantly, that a finding of wrongful intent tended, more than any other confusion factor, to drive the courts' analysis *on the other factors* toward a conclusion of infringement, a phenomenon that the author of the article called "stampeding." See Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. L. Rev. 1581, 1600, 1620-21 (2006).

34. See, e.g., 4 McCarthy, *supra* note 5, § 23:110; *id.* § 23:124; see also Bryant, *supra* note 23, at 497-98 ("Courts may have created this inference because in a judicial setting it is easier to determine the state of mind of one person—the defendant—than of the consumer group as a whole.") (citing McCarthy, *supra* note 5); Murphy, *supra* note 23, at 184 ("The fact that the state of mind of the defendant is easier to discern than the state of mind of the consuming public does not make the defendant's state of mind any more relevant.").

35. See, e.g., 4 McCarthy, *supra* note 5, § 23:110 ("courts sometimes engage in the traditional rhetoric that accompanies punishing the evildoer"); Pattishall, *supra* note 4, at 579-80, 587 (opining that courts may be motivated to bar any wrongful intent or elevate the prevailing standards of business ethics); Murphy, *supra* note 23, at 184 (suggesting "the desire to do justice, which means, at the most basic level, rewarding the good and punishing the bad").

36. See Pattishall, *supra* note 4, at 579-80.

37. See *supra* note 33.

dramatic flourish, the opponent's wrongful intent.³⁸ Regardless of these possible justifications or motivations, I posit that evidence of wrongful intent is not helpful to the underlying empirical inquiry, namely, whether consumer confusion is likely.

III. THE (IR)RELEVANCE OF INTENT TO THE ISSUE OF LIKELIHOOD OF CONFUSION AND THE (IN)ADMISSIBILITY OF EVIDENCE THEREOF

A. The (Occasionally Admitted) Conceptual Disconnect Between Defendant's Intent and Consumer Reaction

There is universal agreement that, for infringement to be found, the junior user's accused designation must be shown to cause a likelihood of confusion among consumers or the trade that his business, goods, or services are those of the senior user, or are sponsored by, approved by, or otherwise connected with, the senior user.³⁹ The Restatement's comments explain that likelihood of confusion relates to "the likelihood of a present or future state of mind" among relevant consumers.⁴⁰ It further states that, in the absence of evidence of actual confusion, "conclusions must instead be drawn about *the understanding of hypothetical purchasers operating in the market context* in which the designations are used."⁴¹ Section 21 elaborates that likelihood of confusion "is determined by a consideration of all the circumstances involved in the marketing of the respective goods or services or in the operation of the respective businesses."⁴² Section 21 thus sets forth a number of "market factors" relevant to consumer perception and therefore likelihood of confusion.⁴³ A comment to that section explains that "any factor likely to influence the impression conveyed to prospective purchasers by the actor's use of the designation is relevant in assessing the likelihood of confusion."⁴⁴ Another comment explains that "[i]ntent differs, however, from the market factors listed in § 21, which relate to the market context in which the designations are used."⁴⁵

So what does what does one person's intent in adopting a mark have to do with "the impression conveyed to prospective

38. See Murphy, *supra* note 23, at 184.

39. See, e.g., Restatement, *supra* note 4, § 20.

40. *Id.* § 20, cmt. g.

41. *Id.* (emphasis added).

42. *Id.* § 21; see also William E. Gallagher and Ronald C. Goodstein, *Inference Versus Speculation in Trademark Infringement Litigation: Abandoning the Fiction of the Vulcan Mind Meld*, 94 TMR 1229, 1238 (2004).

43. See Restatement, *supra* note 4, § 21.

44. *Id.* § 21 cmt. a.

45. *Id.* § 22 cmt. b.

purchasers by the actor's use of the designation" or what is going on in the marketplace? The comments to the Restatement are clear—and frank—on this point: *nothing*. They state:

The similarity of the competing marks, the methods by which the goods or services are marketed, the distinctiveness of the prior user's mark, the care likely to be exercised by purchasers, and the relationship of the parties' goods or services all contribute to the manner in which the subsequent user's mark is likely to be perceived by prospective purchasers. *The subsequent user's intent, on the other hand, does not itself affect the impression created by the use of the designation since the user's intent is generally unknown to prospective purchasers.*⁴⁶

Other comments repeat this concept, acknowledging that "the actor's intent does not affect the perceptions of prospective purchasers."⁴⁷

It is not just the Restatement that has conceded that an accused infringer's intent has no impact on consumer perception. Over the years, more than one court has—in a moment of unguarded clarity—acknowledged the same thing.⁴⁸ Others have

46. *Id.* § 22 cmt. b (emphasis added); see also *id.* § 20 cmt. c ("The likelihood of confusion standard focuses on the consequences of the defendant's conduct, not on the defendant's motives."); Gallagher & Goodstein, *supra* note 42, at 1266 (treating a defendant's intent as relevant to likelihood of confusion "is curious because the defendant's subjective state of mind is not likely to be known to consumers and, therefore, could have no effect on whether consumers who encounter the defendant's products are likely to be confused").

47. Restatement, *supra* note 4, § 22 cmt. c.

48. See, e.g., *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 151 (2d Cir. 2003) (Intent is not "of high relevance to the issue of likelihood of confusion. . . . It does not bear directly on whether consumers are likely to be confused."); *Chrysler Corp. v. Silva*, 118 F.3d 56, 59 n.3 (1st Cir. 1997) ("Strictly, intent, or lack thereof, does not affect the eyes of the viewer. *Proof of bad intent may, psychologically, hurt as an admission*. Proof of good intent does not change appearance.") (citation omitted; emphasis added); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986) ("[I]ntent is largely irrelevant in determining if consumers likely will be confused as to source. The history of advertising suggests that consumer reactions usually are unrelated to manufacturer intentions."); see also 4 McCarthy, *supra* note 5, § 23:124 ("the focus of the law of trademark and unfair competition is to prevent deception of customers" and *not* "to punish evil motives"); Rogers, *supra* note 4, at 543-44 ("The essence of the wrong is . . . the sale of one man's goods as another's. The existence of these consequences does not necessarily depend upon the question whether fraud or an evil intent does or does not exist. The *quo animo* therefore would seem to be an immaterial inquiry. . . . It seems absurd to hold that one trader who uses a label or name by means of which his goods are sold as another's, fraudulently intending this result, commits an actionable trespass, while another who uses the same label or name with the same result though accidentally or in an honest belief that he has a right, does not. The injury is the same in either case and the remedy ought to be. The better reasoned cases make no distinction and hold the essential thing to be the result of the act and not the purpose which may have induced it.") Perhaps the most memorable statement about the irrelevancy of intent was that of Judge Jerome Frank in an early Lanham Act case: "[O]rdinarily, an intention, no matter how evil, to harm another is a damp squib if the

taken a more waffling position, suggesting that intent is irrelevant in the context of cases where the other (market-based) factors independently support a finding that confusion is likely.⁴⁹ Several courts have also noted the uncontroversial notion that intent can be relevant to equitable remedies if infringement is found.⁵⁰

Yet Section 22 of the Restatement—like every federal court of appeals—states that a defendant's intent is relevant to the likelihood of confusion inquiry. Moreover, it permits the inference of likely confusion from an accused infringer's use of a similar mark with intent to deceive or confuse, providing that "likelihood of confusion may be inferred from proof that the actor used a designation resembling another's trademark . . . with the intent to cause confusion or to deceive."⁵¹ And as noted earlier, several

means for effectuating it are completely wanting." *Triangle Publ'ns, Inc. v. Rohrlich*, 167 F.2d 969, 979 (2d Cir. 1948) (Frank, J., dissenting).

49. See, e.g., *Taubman Co. v. Webfeats*, 319 F.3d 770, 775 (6th Cir. 2003) ("[T]he proper inquiry is not one of intent. In that sense, the Lanham Act is a strict liability statute. If consumers are confused by an infringing mark, the offender's motives are largely irrelevant.") (citations omitted); *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1189 (6th Cir. 1988) ("Also, intent is largely irrelevant in determining if consumers likely will be confused as to source. While in this Circuit we do consider intention to be relevant when a plaintiff shows that a defendant knowingly copied the contested trademark, we agree completely with the Second Circuit that absent such a showing, intentions are irrelevant.") (citing *Lois Sportswear*, 799 F.2d at 875); *Kann v. Diamond Steel Co.*, 89 F. 706, 712-13 (8th Cir. 1898) ("The intention on the part of the alleged infringer to induce purchasers, through the use of a simulated trade-mark, to buy his goods under the belief that they are another's, furnishes no ground for relief, unless the similarity between the two trade-marks is of a character to convey a false impression to the public mind, and to mislead and deceive the ordinary purchaser.") (citations omitted). Of course, this observation could be said of *any* of the likelihood of confusion factors when the other factors, in the aggregate, demonstrate that confusion is likely even without considering that particular factor. The Third Circuit was particularly self-contradictory on intent in one decision. See *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 187, 190 (3d Cir. 2010) (noting that intent "weighs heavily in favor of finding a likelihood of confusion" while later stating that "intent is largely irrelevant in determining if consumers likely will be confused as to source.") (the latter statement quoting *Lois Sportswear*, 799 F.2d at 875).

50. See, e.g., *Virgin Enters.*, 335 F.3d at 151 ("A finding that a party acted in bad faith can affect the court's choice of remedy or can tip the balance where questions are close."); see also *TCPIP Holding Co., Inc. v. Haar Commc'ns, Inc.*, 244 F.3d 88, 102 (2d Cir. 2001) ("Bad faith on the part of a party can influence the court in at least two ways. First, where a substantive issue such as irreparable harm or likelihood of confusion is a close question that could reasonably be called either way, a party's bad faith could cause it to lose the benefit of the doubt. Second, if prospective entitlement to relief has been established, the good or bad faith with which the parties had conducted themselves could influence the court in the fashioning of appropriate equitable relief, or even cause it to deny equitable relief to a party that had conducted itself without clean hands.") As suggested later in this article, see *infra*, at notes 108-112 and accompanying text, the acknowledged relevance of a defendant's ill motives to equitable remedies does not necessarily mean that intent needs to be tried in the liability phase of a trademark infringement trial. Instead, issues of intent could be postponed until after a jury verdict (or bench ruling) in plaintiff's favor at a later hearing on remedies.

51. Restatement, *supra* note 4, § 22.

courts of appeals have gone even further, stating that intent *alone* can create such an inference.⁵²

Notwithstanding its acknowledgement that intent has no bearing on consumer perception, the Restatement justifies its position that evidence of wrongful intent supports an inference that confusion is likely by stating that “it may be appropriate to assume that an actor who intends to cause confusion will be successful in doing so.”⁵³ Professor McCarthy takes a similar position. While noting the “inherent tension as to the junior user’s state of mind to the ultimate issue of the state of mind of consumers,” he opines that “it is not often that a business person intentionally sets out to divert sales from a competitor by confusing customers, yet is so inept that it fails to achieve its goal.”⁵⁴ Judge Learned Hand’s 1934 decision in *My-T-Fine Corp. v. Samuels*⁵⁵ is frequently cited as one of the seminal decisions setting forth this rationale. In *My-T-Fine*, a trade dress case, Judge Hand believed that evidence of deliberate copying turned a case of non-infringement into one of infringement, reasoning:

The plaintiff has proved no more than that the boxes look a good deal alike, and that confusion may well arise; and *were it not for the evidence of the defendants’ intent to deceive and so to secure the plaintiff’s customers, we should scarcely feel justified in interfering at this stage of the cause.* We need not say whether that intent is always a necessary element in such causes of suit; probably it originally was in federal courts. *But when it appears, we think that it has an important procedural result; a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile.* Prima facie the court will treat his opinion so disclosed as expert and will not assume that it was erroneous.⁵⁶

52. See, e.g., *Am. Rice, Inc. v. Producers Rice Mill, Inc.*, 518 F. 3d 321, 332 (5th Cir. 2008) (“the intent of defendants in adopting [their mark] is a critical factor, since if the mark was adopted with the intent of deriving benefit from the reputation of [the plaintiff,] *that fact alone* may be sufficient to justify the inference that there is confusing similarity”) (citation omitted; emphasis added); *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1111 (6th Cir. 1991) (“If a party chooses a mark with the intent of causing confusion, *that fact alone* may be sufficient to justify an inference of confusing similarity.”) (citation omitted; emphasis added); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1385 (9th Cir. 1987) (“Intent of a defendant in adopting his trade dress is a critical factor, since if the trade dress were adopted with the intent of depriving [sic] benefit from the reputation of the plaintiff, *that fact alone* may be sufficient to justify the inference that there is confusing similarity.”) (citation omitted; emphasis added).

53. Restatement, *supra* note 4, § 22 cmt. c.

54. 4 McCarthy, *supra* note 5, § 23:124; accord *Finch*, *supra* note 25, at 1258.

55. 69 F.2d 76 (2d Cir. 1934).

56. *Id.* at 77 (citations omitted; emphasis added). There are two concepts here: the substantive assumption that someone with intent to confuse will confuse; and the procedural presumption that once such intent is proved, it creates a large hole the

To summarize:

1. likelihood of confusion is based on consumer perceptions;
2. consumer perceptions are based on what is taking place in the marketplace;
3. intent differs from marketplace factors because consumers are not aware of it;
4. but intent is nevertheless considered relevant to whether confusion is likely because courts will assume that businesspeople usually succeed when they want to trick people into buying their goods.

B. The Legal Problems With the “Assumption” that Businesspeople Who Intend to Confuse Inevitably Succeed

There are several problems with the substantive assumption that wrongful intent renders confusion more likely. Some are best categorized as “common sense” or logical issues, while others are

defendant must climb out of. As to the assumption, many courts seem to credit the assumption with no citation to any supporting proof. *See, e.g.,* Nat'l Ass'n of Blue Shield Plans v. United Bankers Life Ins. Co., 362 F.2d 374, 377-78 (5th Cir. 1966) (“If he adopts his designation with the intent of deriving benefit from the reputation of the other, however, his intent may be sufficient to justify the inference that confusion is likely. Since he was and is intimately concerned with the probable reaction of prospective purchasers in the market, his judgment manifested prior to the controversy is highly persuasive. His denial that his conduct will achieve the result intended by him will ordinarily carry little weight.”); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 465 (7th Cir. 2000) (“[T]he fact that one actively pursues an objective greatly increases the chances that the objective will be achieved.”); *Little Caesar Enters., Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 572 (6th Cir. 1987) (a defendant intending to deceive consumers “thinks there is at least a possibility that he can divert some business from the senior user—and the defendant ought to know at least as much about the likelihood of confusion as the trier of fact”); *Wesson v. Galef*, 286 F. 621, 625 (S.D.N.Y. 1922) (Hand, J.) (“We are accustomed to speak of a deliberate imitation of this sort as a fraud, and indeed the earlier cases thought fraud an essential of the case. Whatever other legal result fraud may have, at least it relieves the injured party from the need of showing that the imitator was successful. He may take him at his own belief, and assume that, if he thought some buyers would be careless enough not to notice the distinguishing marks, he was right.”) (emphasis added); *Coffin*, *supra* note 17, at 289 (“The intent to deceive on the part of the defendant, once proved, is equivalent to an admission by him that the means he has adopted are likely to deceive. . . .”).

As noted earlier, as a procedural matter, the Second Circuit continues to follow Judge Hand’s “bad intent → presumption” framework, as do the Fourth, Ninth, and Eleventh Circuits. *See supra* note 26. Less frequently, however, is it acknowledged that—at least in theory—a defendant saddled with this adverse presumption is actually permitted to try to overcome it and prove that his intended confusion did not materialize (or could not have done so), and therefore be exonerated of liability. *See, e.g.,* *B. H. Bunn Co., Inc. v. AAA Replacement Parts Co.*, 451 F.2d 1254, 1264 (5th Cir. 1971) (“If it is defendant’s intent to ensnare buyers by use of a similar mark, he may be unsuccessful enough at his simulation to be free of liability under the trademark laws.”); *accord* Restatement, *supra* note 4, § 22, cmt. c (“the inference can be overcome by other evidence indicating that, notwithstanding such an intent, consumers are unlikely to be . . . confused”). The reality, however, is actually quite different. *See Beebe, supra* note 33, at 1628 (“The data . . . suggest that a finding of bad faith creates, if not in doctrine, then at least in practice, a nearly un-rebuttable presumption of a likelihood of confusion.”) (emphasis added).

more formal, evidentiary issues. The assumption creates several practical problems as well.

1. Common Sense and Logical Issues

First, the assumption is based on no empirical data whatsoever: no direct evidence; no marketing studies; no psychological testing. From an empirical standpoint, then, this assumption is no more valid than the opposite conclusion, *i.e.*, that wrongful intent makes confusion *less* likely. Indeed, one commentator has noted that “most marketing efforts end in failure,” and thus posited that it may be equally valid to assume that “defendants that lack the imagination necessary to invent an original trademark are less likely than honest businesspeople to accomplish their marketing objectives.”⁵⁷ Further, if courts are going to engage in such assumptions, why do they restrict it to a one-way assumption?⁵⁸ As a concurring judge in one early decision grappling with this unsupported notion pointed out:

If [intent to confuse is to be considered evidence of likely confusion], then the converse of the proposition will have to be taken into account. If a party can succeed in convincing the court that he has no motive to confuse, then it must be inferred that he has no opinion that it would confuse, or, if he had knowledge of the opposing mark at all, that it is his opinion that it would *not* confuse. Shall that negative opinion be a factor in shaping the opinion of the court? How can the opinion of either party be in any way an essential or proper factor in the equation? Will the quality of the motive of the parties render a mark confusing which is not otherwise so, or vice versa? It seems to me that this court, in performing the duty which Congress has seen fit to commit to it, in registration cases arising under the statute, has only to deal with marks, not motives.⁵⁹

Several courts and commentators have also pointed out that evidence of intent to confuse is immaterial unless consumers are

57. Murphy, *supra* note 23, at 183.

58. See, e.g., *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1208 (9th Cir. 2000) (even if the defendant “was innocent as a fawn . . . , it would prove nothing”); *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998) (“If the defendant acted in good faith, then this digit of confusion becomes a nonfactor in the likelihood-of-confusion analysis . . .”) (citations omitted); *Daddy’s Junky Music Stores, Inc. v. Daddy’s Family Music Center*, 109 F.3d 275, 287 (6th Cir. 1997) (“[T]he presence of intent can constitute strong evidence of confusion. . . . The converse of this proposition, however, is not true; the lack of intent by a defendant is largely irrelevant. . . .”) (citations and internal quotations omitted).

59. *Lever Bros. Co. v. Riodela Chem. Co.*, 41 F.2d 408, 413 (C.C.P.A. 1930) (Garrett, J., specially concurring).

indeed likely to be confused.⁶⁰ Logically, then, if consumers are indeed likely to be confused, intent remains immaterial. In an arguably similar context—involving the issue of whether an alleged prior trademark user has provided sufficient proof of secondary meaning to achieve priority—the Federal Circuit has been clear that intent to do something is not an adequate substitute for proof that the senior user actually achieved his goal: “The user’s intent, no matter how clearly established, cannot suffice in lieu of proof of the necessary prior public identification” of the mark with the alleged prior owner.⁶¹ There is no logical or empirical reason that intent should be treated any differently in the context of a likelihood of confusion analysis.

But beyond—and possibly more important than—these common sense or logical criticisms, there appear to be several legal and evidentiary problems with the notion that a defendant’s intent is relevant as to whether the ordinary consumer is likely to be confused.

2. Why Treat Trademark Infringement Differently from Other Torts that Require a Determination of the Perceptions of Hypothetical Ordinary Persons?

It is useful to compare the role intent plays in determining liability for trademark infringement with other torts where, like trademark infringement cases: (1) intent plays a role; and (2) a required element of the tort is discerning the perception or understanding of a hypothetical ordinary member of the public. It is also useful to compare it to design patent infringement, which, like trademark infringement, focuses on the reaction of hypothetical consumers. In these other torts, an actor’s intent plays no role in determining the public reaction.

a. Fraud

Perhaps the most illuminating example is the tort of fraud (f/k/a “deceit,” which, as discussed earlier, was the forerunner of

60. See, e.g., *Triangle Publ’ns, Inc. v. Rohrlich*, 167 F.2d 969, 979 (2d Cir. 1948) (Frank, J., dissenting); *Kann v. Diamond Steel Co.*, 89 F. 706, 712-13 (8th Cir. 1898) (“A wrong done or threatened, and consequent injury or probable injury to the complainant, are indispensable elements of every cause of action. The intention to injure another, if no injury is done, and none ever will be done, constitutes no ground for relief. The intention on the part of the alleged infringer to induce purchasers, through the use of a simulated trademark, to buy his goods under the belief that they are another’s, furnishes no ground for relief, unless the similarity between the two trade-marks is of a character to convey a false impression to the public mind, and to mislead and deceive the ordinary purchaser.”) (citations omitted); Lane, *supra* note 13, at 576 (positing that intent “should not form a determining element in a case of unfair competition” because the true test is “if the average reasonable man would be deceived by the simulated appearance of the defendant’s good”).

61. See *T.A.B. Sys. v. PacTel Teletrac*, 77 F.3d 1372, 1376 (Fed. Cir. 1996).

modern trademark infringement litigation⁶²). Proof of the actor's intent to deceive (sometimes called "scienter") is a required element of the tort of fraud. So is materiality.⁶³ Materiality deals with the effect of the tort on third parties, and is therefore an *objective* inquiry into the effect the misrepresentation would have on the reasonable person.⁶⁴ This is similar to the ultimate issue of likelihood of confusion in trademark infringement cases, which also seeks to determine the effect of *objective* marketplace facts on a *hypothetical reasonable person*.⁶⁵ In contrast, an inquiry into the accused wrongdoer's intent is a subjective inquiry into a specific person's state of mind.⁶⁶ Thus, in fraud cases, an inquiry into the actor's state of mind is separate from the inquiry into whether the misrepresentation was material to hypothetical listeners.⁶⁷

b. Defamation

The same separation between what a defendant intends and how the public perceives the defendant's activities exists in the tort of defamation.⁶⁸ When a public issue is involved and a public figure is the allegedly injured party, malice on the part of the

62. See *supra* notes 4-8 and accompanying text.

63. See generally W. Page Keeton et al., *Prosser and Keeton on Torts* § 105, at 728 (5th ed. 1984); *id.* § 108, at 753. In fraud cases, a "misrepresentation is material if it has a natural tendency to influence, or was capable of influencing, the decision of the decisionmaking body to which it was addressed." *Kungys v. United States*, 485 U.S. 759, 770, 108 S. Ct. 1537 (1988) (citations omitted).

64. See, e.g., *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 445, 96 S. Ct. 2126, 2130-31 (1976) ("The question of materiality, it is universally agreed, is an *objective* one, involving the significance of an omitted or misrepresented fact to a reasonable [person].") (emphasis added).

65. See *supra* note 41 and accompanying text.

66. See, e.g., *Gebhart v. SEC*, 595 F.3d 1034, 1042 (9th Cir. 2010) ("Scienter, however, is a subjective inquiry. It turns on the defendant's actual state of mind.") (citation omitted); *In re Jeffrey Bigelow Design Grp., Inc.*, 956 F.2d 479, 484 (4th Cir. 1992) ("actual fraudulent intent requires a subjective evaluation of the debtor's motive"). Although scienter remains fundamentally a subjective issue, it can be proven by circumstantial evidence and does not require direct testimony from the actor about his state of mind. See, e.g., *Taltech Ltd. v. Esquel Enters. Ltd.*, 604 F.3d 1324, 1331 (Fed. Cir. 2010) ("Proving intent does not require direct evidence; it can be inferred from indirect and circumstantial evidence.") (citation omitted); *Morris v. Union Pac. R.R.*, 373 F.3d 896, 901 (8th Cir. 2004) ("Intent rarely is proved by direct evidence, and a district court has substantial leeway to determine intent through consideration of circumstantial evidence, witness credibility, motives of the witnesses in a particular case, and other factors.").

67. I could find no federal authority holding that evidence of a fraud defendant's intent was relevant to whether the alleged misrepresentation was material.

68. See, e.g., *New Times, Inc. v. Isaacks*, 146 S.W.3d 144, 154 (Tex. 2004) ("We have long held that an allegedly defamatory publication should be construed as a whole in light of the surrounding circumstances based upon how a person of ordinary intelligence would perceive it.") (citations omitted).

defendant is a required element.⁶⁹ But the public's perception determines whether the statement at issue is defamatory—a separate element—and that is an objective inquiry.⁷⁰ Thus, a defendant's malicious intent has no bearing on the public's perception of whether a statement is defamatory.⁷¹

c. Design Patent Infringement

Although design patent infringement, unlike fraud and defamation, does not require a showing of intent, it provides a useful comparison with trademark infringement because the two causes of action both focus on whether consumers will be confused. Indeed, *McLean v. Fleming* (the earliest Supreme Court trademark decision dealing with trademark infringement and adopting the likelihood of confusion standard) cited to an early decision it had rendered in a *design patent* dispute to explain what constituted trademark infringement.⁷² Quoting the *Gorham Co. v. White* decision, the *McLean* Court stated: “Two trademarks are substantially the same in legal contemplation, if the resemblance is such as to deceive an ordinary purchaser giving such attention to the same as such a purchaser usually gives, and to cause him to purchase the one supposing it to be the other.”⁷³ *Gorham*, while a design patent decision, held that infringement occurs “if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other. . . .”⁷⁴ Thus, the standards for trademark and design patent infringement—at least as far as the Supreme Court understands them—are very similar: they both look to the hypothetical ordinary consumer. However, intent has *never* been part of the determination of whether a design patent is infringed, because “[p]atent infringement is a strict liability offense.”⁷⁵ In theory, at least, trademark infringement has also been characterized as a strict liability

69. See, e.g., *New York Times Co. v. Sullivan*, 376 U.S. 254, 279-81, 84 S. Ct. 710, 725-27 (1964).

70. See *Isaacks*, 146 S.W.3d at 157 (“The appropriate inquiry is objective, not subjective. Thus, the question is not whether some actual readers were mislead [sic], as they inevitably will be, but whether the hypothetical reasonable reader could be.”) (citations omitted).

71. See, e.g., *Embrey v. Holly*, 48 Md. App. 571, 581, 429 A.2d 251, 259 (1981) (“It is of no importance that the joke was intended to be humorous because the test is not intention, but how it was reasonably understood by a third person.”) (citations omitted).

72. See *McLean v. Fleming*, 96 U.S. (6 Otto) 245, 253, 255, 21 S. Ct. 7 (1877).

73. *Id.* at 256 (citing *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511 (1871)).

74. *Gorham*, 81 U.S. (14 Wall.) at 528.

75. See, e.g., *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed Cir. 2007).

offense,⁷⁶ so it is illogical for these two causes of action, which both assess whether the hypothetical ordinary purchaser would be confused, to treat the role of intent differently.

3. Applying the Federal Rules of Evidence to Intent

Beyond the flawed assumptions underlying the use of intent in determining liability for trademark infringement, and beyond the contention above that no other tort uses the subjective intent of an alleged wrongdoer in determining the perception of a hypothetical member of the public, the use of evidence of intent in trademark infringement cases also raises evidentiary issues that have not been thoroughly examined by the courts.

a. FRE 403—Prejudicial Value Substantially Outweighs Probative Value

Given the irrelevance of intent to the likelihood of confusion inquiry (grudgingly admitted by several courts), and its high potential to dominate a trademark infringement case, evidence of intent implicates the provisions of Federal Rule of Evidence 403. Rule 403 provides, in part: “Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury. . . .” Cases applying Rule 403 agree that the rule requires that a court balance the probative value of the evidence with its prejudicial value.⁷⁷ Courts further agree that only evidence that creates “unfair prejudice” can be excluded under this rule, and that “[e]vidence is unfairly prejudicial if it appeals to the jury’s sympathies, arouses its sense of horror, *provokes its instinct to punish*, or otherwise may cause a jury to base its decision on something other than the established propositions in the case.”⁷⁸

Putting aside for purposes of argument the fact that each federal circuit recites intent as a relevant factor in the likelihood of confusion analysis, it is doubtful that, were the issue analyzed

76. See, e.g., *Lorillard Tobacco Co. v. Amouri’s Grand Foods, Inc.*, 453 F.3d 377, 381 (6th Cir. 2006); *Hard Rock Café Licensing Corp. v. Concession Servs., Inc.*, 955 F.2d 1143, 1152 n.6 (7th Cir. 1992).

77. See, e.g., *United States v. Cook*, 454 F.3d 938, 941 (8th Cir. 2006); *Faigin v. Kelly*, 184 F.3d 67, 80 (1st Cir. 1999); *United States v. Shepherd*, 739 F.2d 510, 512 (10th Cir. 1984).

78. *United States v. Thompson*, 359 F.3d 470, 479 (7th Cir. 2004) (citations and internal quotations omitted; emphasis added); *Lesko v. Owens*, 881 F.2d 44, 55 (3d Cir. 1989) (same); see also *United States v. Blackstone*, 56 F.3d 1143, 1146 (9th Cir. 1995) (“‘Unfair prejudice’ in the context of balancing evidence means an undue tendency to suggest decision on an improper basis, commonly, though not necessarily, an emotional one. Evidence is prejudicial if it appeals to the jury’s sympathies, arouses its sense of horror, provokes its instincts to punish, or triggers other mainsprings of human action.”) (citations and internal quotations omitted).

afresh under Rule 403, such evidence would be admissible at all. First, a defendant's intent is not mentioned in either Section 1114(1) or 1125(a)(1) of the Lanham Act,⁷⁹ and many courts and commentators (and the Restatement) have noted that intent is imperceptible to the ordinary consumer, and, therefore has no bearing on what that consumer perceives in the marketplace and whether he or she is likely to be confused.⁸⁰ Moreover, admission of evidence of wrongful intent would be unduly prejudicial, because, notwithstanding that the subjective intent of the accused infringer has no impact on what consumers actually perceive (and therefore does not inform whether they are likely to be confused), both anecdotal observations and empirical evidence suggest that a finding of wrongful intent not only strongly correlates with an ultimate finding of infringement,⁸¹ but actually "stampedes" fact finders into finding that the other independent factors weigh in favor of that result.⁸² And commentators have speculated that the reason behind this fact is likely the natural human tendency to want to punish evildoers.⁸³ If this nonmarket, nonstatutory factor—unperceived by consumers—is viewed as the most important predictor of the outcome of trademark cases as a result of this natural human tendency, how can that *not* be viewed as unduly prejudicial under a test that specifically hinges on whether

79. See 15 U.S.C. § 1114(1)(a) ("Any person who shall, without the consent of the registrant use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided"); 15 U.S.C. § 1125(a)(1) ("Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.").

80. See *supra* notes 46-47 and accompanying text.

81. As one prominent trademark commentator has noted: "The body of decided cases reveals . . . that in an astonishingly high percentage of trade identity decisions in which relief was granted, the defendant was found guilty, either directly or circumstantially, of intended poaching if not outright fraud." See Pattishall, *supra* note 4, at 576; see also *id.* at 579 ("As for predictability, the primary question for the practitioner of trade identity law must be recognized as comprising *not* the classic and statutory one of whether likelihood of confusion is demonstrable, *but whether the court may be convinced of the presence of an actual intention to misappropriate.*") (emphasis added); Handler & Pickett, *supra* note 18, at 777 ("It is always advantageous to prove fraud. . .").

82. See Beebe, *supra* note 33, at 1600, 1620-21. Professor Beebe noted that this "stampeding" effect was all the more remarkable because his data set "*excluded counterfeiting cases, in which the defendant's bad faith intent is typically quite clear.*" *Id.* n.178 (emphasis added).

83. See *supra* notes 35-37 and accompanying text.

the evidence “appeals to the jury’s sympathies, . . . provokes its instincts to punish,” or otherwise evokes an emotional reaction?⁸⁴ It therefore appears likely that, were it not for precedent expressly permitting consideration of intent, evidence of bad intent would, in typical trademark infringement cases, be held inadmissible under Rule 403 as to liability.

***b. FRE 701-703: A Defendant’s Bad Intent
Is Inadmissible as “Opinion Testimony”***

Some judges—the most prominent of which was Learned Hand, in his seminal formulation of the issue—have referred to a defendant’s intent to deceive as a sort of “expert opinion.”⁸⁵ Putting aside for the moment the irrelevance of intent, this notion is subject to an independent criticism. What if the defendant is an inexperienced rather than an experienced businessperson? The new entrepreneur who opens a “Starcups” coffee shop is no more or less likely to cause confusion with the STARBUCKS mark than a person who, as a result of his experience in the coffee service industry, is well aware of STARBUCKS, yet, like the neophyte, chooses “Starcups” as well.

Further, while it is unlikely that Judge Hand was using the term “expert” in the legal sense of expert opinion testimony,⁸⁶ the comment raises a further issue for the modern practitioner, whose trial evidence needs to satisfy the requirements of the Federal Rules of Evidence (specifically, Fed. R. Evid. 702), which were enacted after Judge Hand’s time. Rule 702’s requirements are that: “(1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles or methods, and (3) the witness has applied the principles and methods reliably to the facts of the case.”⁸⁷ Thus, even if a defendant’s intent were relevant, and even if the Lanham Act could be construed to permit

84. See, e.g., *United States v. Figueroa*, 618 F.2d 934, 943 (2d Cir. 1980) (“The prejudicial effect may be created by the tendency of the evidence to prove some adverse fact not properly in issue or unfairly to excite emotions against the defendant.”).

85. See *My-T-Fine Corp. v. Samuels*, 69 F.2d 76, 77 (2d Cir. 1934) (where there is evidence of “the defendants’ intent to deceive and so to secure the plaintiff’s customers, courts will “treat his opinion . . . as ‘expert’”), quoted in *Sterling Drug Inc. v. Lincoln Labs., Inc.*, 322 F.2d 968, 971-72 (7th Cir. 1963); see also *N.K. Fairbank Co. v. R.W. Bell Mfg. Co.*, 77 F. 869, 877 (2d Cir. 1896) (“The actions of defendant’s own officers are to our minds strong evidence that, in their *opinion as experts*, their new black and yellow package was one likely to become confused in the minds of the public with the existing well-known package of complainant.”).

86. If Judge Hand meant, by use of the term “expert,” instead to characterize such testimony as an admission against interest, such an admission would still need to be on a relevant fact. See *infra* notes 90-95 and accompanying text.

87. See *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 149 (1999) (trial court’s gatekeeping function under Rule 702 (Fed. R. Evid. 702) applies to all types of expert opinion testimony).

the burden to be shifted to a defendant to disprove likelihood of confusion,⁸⁸ it could not be admitted as “expert testimony” for the purpose of shifting the burden of proof unless the defendant truly qualified as an expert whose predictions of consumer reactions were demonstrably reliable. Further, surely a defendant accused of intentional infringement would not only deny such intent but would also explain why confusion was unlikely. In such a circumstance, his true stated “opinion” is that confusion is unlikely, and the plaintiff’s evidence of intent to deceive really amounts to no more than an attempt to discredit that opinion on cross-examination.

In sum, given the practical and legal impediments to labeling a finding of wrongful intent as an “expert opinion,” it probably is more accurate to view courts’ use of the term “expert” as a rhetorical flourish than as a true categorization of the defendant as a marketing expert in the relevant market.⁸⁹ Either way, the label cannot justify its admission.

c. Intent as an Admission

Putting aside the rarity of obtaining such evidence, direct evidence from a defendant of his intent to deceive may not be admissible in relation to likelihood of confusion. The burden-shifting effect and/or greater weight that many courts give to evidence of intent cannot be justified under the principles governing admissions. At the threshold, any admission must be properly analyzed for its evidentiary effect. There are two basic categories of admissible admissions: judicial and evidentiary. “A judicial admission is a formal concession in the pleadings or stipulations by a party or counsel that is binding on the party making them [sic]. Although a judicial admission is not itself evidence, it has the effect of withdrawing a fact from contention.”⁹⁰ An admission of intent to deceive consumers does not serve as a judicial admission on the issue of likelihood of confusion. If it did,

88. In this regard, it is noteworthy that Judge Hand’s 1934 decision in *My-T-Fine* predates the passage of the Lanham Act by more than a decade.

89. It would also appear unlikely that a defendant’s intent to deceive consumers could be considered the opinion of a lay witness (admission of which is subject to the requirements of Fed. R. Evid. 701). The courts that imbue the opinion of the defendant, as an experienced businessperson, with substantial weight do so because his or her opinion is the opinion of one with allegedly (or assumedly) specialized knowledge and/or experience in a particular market. But, as a consequence, the very thing that makes it weighty to such courts disqualifies it from admission as “lay opinion” under Rule 701(c). *See, e.g., United States v. Rigas*, 490 F.3d 208, 224 (2d Cir. 2007) (an expert whose opinion is based on specialized knowledge or expertise cannot testify as a lay witness under Rule 701 but instead must qualify to testify as an expert and have his or her opinion tested under the requirements of Rule 702).

90. *See Martinez v. Bally’s La., Inc.*, 244 F.3d 474, 476 (5th Cir. 2001); *see also Keller v. United States*, 58 F.3d 1194, 1198 n.8 (7th Cir. 1995).

each trademark infringement case with an admission of intent would automatically result in judgment for the plaintiff, which no court has actually gone so far as to hold.⁹¹ So an admission of intent must serve as an evidentiary admission, which is defined as “merely a statement of assertion or concession made for some independent purpose” that may be “controverted or explained by the party who made it.”⁹² But an admission of wrongful intent must also be relevant, and because trademark infringement is strict liability tort,⁹³ its status as an admission does not automatically justify its reception into evidence (especially in those jurisdictions where courts have conceded that intent has nothing to do with consumer perception).⁹⁴ The practical effect of recognizing an out-of-court statement as an admission against interest is merely that such statement is not objectionable on hearsay grounds when offered in third-party testimony or contained in a document.⁹⁵ An admission by a company president to the company’s supplier that he cheated on his wife would be an admission against interest and hence within the hearsay exception of Rule 804(b)(3), but it is irrelevant in a breach of contract case against that supplier and, as such, would be inadmissible. Thus, that a defendant’s statement of intent to deceive could be characterized as a sort of admission against interest and might not run afoul of the evidentiary rules regarding hearsay does not *ipso facto* make it relevant to, and therefore admissible on, the issue of consumer perception/likelihood of confusion.

IV. PRACTICAL EFFECTS

Beyond the legal impediments to the relevance and weight courts ascribe to wrongful intent, it is important to consider the several practical effects of having intent continue in its current

91. In addition, judicial admissions are in the nature of a waiver, and therefore are binding only in the lawsuit in which they are made. *See, e.g., Higgins v. Mississippi*, 217 F.3d 951, 954 (7th Cir. 2000). Thus, alleged admissions of wrongful intent that predate the filing of the lawsuit would seem unlikely to clear this additional hurdle. An admission of intent made after a lawsuit has been filed *could* plausibly be characterized as a judicial admission on the more limited issue of intent to deceive, but that begs the fundamental question of intent’s relevance to likelihood of confusion.

92. *See Martinez*, 244 F.3d at 476-77; *accord Keller*, 58 F.3d at 1198 n.8.

93. *See supra* note 76 and accompanying text.

94. *See supra* note 48 and accompanying text.

95. *See* Fed. R. Evid. 402 (“Evidence which is not relevant is not admissible.”); *see also* *United States v. Sanchez-Lopez*, 879 F.2d 541, 554 (9th Cir. 1989) (“Because the witness’ statement was not offered to prove that Antonio Martinez-Ortega was at Brijido’s house, it was not hearsay. However, it was only admissible if it was relevant.”) (citation omitted); *United States v. Detrich*, 865 F.2d 17, 21 (2d Cir. 1988) (“Having determined that the statement was not hearsay is not alone sufficient. To be admissible it must also be relevant.”) (citation omitted); *Prather v. Prather*, 650 F.2d 88, 90 (5th Cir. Unit A July 1981) (evidence falling within a hearsay exception must also be relevant to be admissible).

role as a relevant and powerful factor as to liability for infringement. First, consideration of the defendant's intent distracts the jury (or judge) from what all agree is the true issue in the liability analysis: the factors likely to influence what consumers perceive and think in the marketplace. As explained earlier, a defendant's intent—by the admission of various courts, commentators, and even the Restatement—has no bearing on what consumers perceive, and therefore no bearing on whether what they perceive is likely to confuse them. But when it appears, intent is the most prejudicial part of the case, a riveting inquiry into business ethics, personal morality, and the unseemly side of human behavior.⁹⁶

Second, the prejudicial and inherently interesting nature of the evidence means that plaintiffs' lawyers frequently spend substantial time and effort on discovery designed to ferret out facts that can be used to support an assertion of wrongful intent. Because wrongful intent is usually denied, there are not only wasteful document discovery and multiple depositions designed to discredit the denial,⁹⁷ but also preemptive attempts by defendants to neutralize the intent issue by disclosing opinions of counsel, which in turn raise sometimes complicated and extensive disputes concerning waiver of privilege issues.⁹⁸ Further, the courts' general agreement that intent issues are uniquely unsuited for summary judgment⁹⁹ means that the continued inclusion of intent in

96. See *supra* notes 35-38 and accompanying text.

97. Indeed, one commentator, based on his long experience observing the importance of wrongful intent in the outcome of trademark cases, has urged plaintiffs to do all they can to find and use such evidence. See Pattishall, *supra* note 4, at 578 ("It is anomalously certain that a plaintiff should offer all possible proof to support a claim of defendant's wrongful intent, regardless of whether the issue may be a requisite element of his case.") (emphasis added). Indeed, Pattishall not only urges aggressive use of discovery to try to uncover wrongful intent, he provides specific advice to plaintiffs on how to go about doing so:

All persons, especially those of the so-called "creative" function, who had any contact with the selection, origination or adoption of the mark or device at issue, and all marketing or product managers so involved should be queried and deposed. Most productive for the proponent's discovery examination are usually such witnesses as had some collateral involvement in the matter such as outside consultants, account executives, artists or designers.

Id. at 581. Some might even characterize this advice as advocating tactics that tend toward what is pejoratively known as "scorched earth," "hardball," or "no stone left unturned" discovery. Cf. Murphy, *supra* note 23, at 193 (urging practitioners in litigation before the TTAB to focus less on intent because, while an interesting issue to pursue, intent seems as a practical matter to play a smaller role in registration disputes than in court litigation).

98. See, e.g., *Minn. Specialty Crops, Inc. v. Minn. Wild Hockey Club, L.P.*, 210 F.R.D. 673 (D. Minn. 2002); *Dorr-Oliver Inc. v. Fluid-Quip, Inc.*, 834 F. Supp. 1008 (N.D. Ill. 1993), *rev'd on other grounds*, 94 F.3d 376 (7th Cir. 1996); *Coleco Indus., Inc. v. Universal City Studios, Inc.*, 110 F.R.D. 688 (S.D.N.Y. 1986).

99. See, e.g., *Pinnacle Pizza Co. v. Little Caesar Enters., Inc.*, 598 F.3d 970, 980 (8th Cir. 2010); *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1024 (3d Cir. 2008); *Topps Co. v. Cadbury Stani S.A.I.C.*, 526 F.3d 63, 70-71 (2d Cir. 2008); *Copelands' Enters., Inc. v. CNV, Inc.*, 945 F.2d 1563, 1567 (Fed. Cir. 1991); *Chanel, Inc. v. Italian Activewear of Fla., Inc.*,

determining liability will continue to produce delay and additional expense to many trademark disputes. All this makes trademark cases more expensive for the sake of a fact that is irrelevant to liability.

Third, it is quite possible that intent's role in trademark cases actually results in *more* trademark cases being filed than would be filed were intent irrelevant to liability. Specifically, intent provides a one-way ratchet that helps trademark plaintiffs *only*. In the vast majority of cases, trademark plaintiffs file suit without knowing if they will stumble onto evidence of wrongful intent in discovery. But their trademark lawyers may advise them that such uncertainty is to their benefit because the absence of wrongful intent does not weigh against a finding of likelihood of confusion.¹⁰⁰ The possibility, however slim, that discovery will reveal evidence of wrongful intent that can bolster a finding of likelihood of confusion, coupled with the fact that a failure to prove wrongful intent will not cut against the plaintiff,¹⁰¹ provides an incentive for plaintiffs to file cases that otherwise would not have been filed.

Fourth, although one commentator has suggested that the facts revealing the intent of the defendant increase "predictability,"¹⁰² I contend that the inclusion of intent in the liability inquiry, in fact, has the exact *opposite* effect—at least as to the prediction that matters most. Predictability helps potential litigants most when predictions can be made *before* initiating a dispute. But in the vast majority of cases, intent can be discerned only after a lawsuit is filed and, more importantly, after expensive discovery is well under way. Thus, intent usually plays no role in this important pre-dispute predictive process. Rather, intent can help predict the outcome of a dispute only after an action is well under way and sufficient resources have been expended to permit the plaintiff to decide whether a suitable narrative for those facts can be fashioned. Although litigants surely find it useful to reassess the merits of a case and the possibility of settlement after discovery is substantially completed, it would be far more useful to be able to make such an assessment *before* significant time and money is spent in an expensive and disruptive lawsuit. As to these important pre-dispute predictions, having intent play a central role in liability actually hurts, because the parties (particularly the plaintiff) generally do not know what discovery will reveal about intent (by contrast, similarity of marks, goods, channels of trade, and relevant consumers is generally known up front), the plaintiff

931 F.2d 1472, 1476-77 (11th Cir. 1991); *McGraw-Edison Co. v. Walt Disney Prods.*, 787 F.2d 1163, 1173 (7th Cir. 1986).

100. See *supra* authorities cited in note 58.

101. See *supra* notes 35-38 and accompanying text.

102. See Pattishall, *supra* note 4, at 579-80.

might bring an otherwise questionable suit in the hope of finding a "smoking gun" of wrongful intent.

Consider this hypothetical. The senior user uses SILEX as a mark for organic dried fruit. Years later, the junior user adopts SĒL-IX for reusable containers for freezer and microwave use. Although the parties both sell to a few of the same big supermarket chains, SILEX organic dried fruit's main market is high-end stores like Whole Foods and Dean & DeLuca, where SĒL-IX containers are not typically sold. Though the parties have co-existed for three years, there are no known instances of actual confusion. Both parties have Internet websites and advertise in print media, and SILEX organic fruit is advertised on television also. If the issue is whether consumers, upon encountering SĒL-IX containers in the marketplace, will likely be confused as to whether there is any connection between them or their producer and SILEX fruit, why should liability depend on whether the defendant's CEO, who was involved in the choice of the mark, regularly snacked on SILEX fruit at the time? (It should not.) And how does having the outcome turn on this evidence of intent help future litigants predict the outcomes of their potential disputes, *before they are initiated*, in otherwise similar circumstances? (It does not.) Will the possibility of finding some useful intent evidence sway an otherwise ambivalent plaintiff to file suit? (It might.) How much time and attorneys' fees will be expended to discover facts related to intent and to brief, argue, and try the issue? (Probably a lot.)

V. CONCLUSION: A PROPOSAL TO LIMIT CONSIDERATION OF INTENT TO EQUITABLE ISSUES

In this article, I have argued:

(1) Wrongful intent is irrelevant to Lanham Act trademark infringement liability as a legal matter.¹⁰³ Its place in the modern likelihood of confusion calculus is vestigial, dating back to when there was no such thing as a claim for trademark infringement and any complaint about stealing sales and goodwill through use of confusing marks could be asserted only as an action for deceit, a tort for which wrongful intent was a separate, required element. Trademark infringement as it exists today, however, is a strict liability tort. It is telling, moreover, that many courts and even the Restatement itself acknowledge intent's lack of predictive value on the issue of whether a particular mark is likely to confuse the

103. See *supra* notes 39-76 and accompanying text. Of course, many courts have held that issues of intent are relevant to the issue of whether a descriptive mark has acquired the "secondary meaning" necessary to make it a protectable trademark. See, e.g., Bryant, *supra* note 23, at 487-95 (1989). There are good arguments, however, why intent is irrelevant and equally problematic in the secondary meaning context as well, see *id. passim*, but setting forth those arguments in any detail is beyond the scope of this article.

public. No other civil cause of action that depends on public reaction assesses an accused's intent to determine the reaction of the public;

(2) Evidence of wrongful intent is inevitably highly influential to fact finders and is unduly prejudicial.¹⁰⁴ It is both anecdotally acknowledged and empirically shown to have undue influence on outcomes of trademark infringement cases. This impedes the truth-seeking process and subverts the main goal of trademark law (the prevention of public confusion), instead rendering cases mere exercises in enforcing one view of commercial morality, albeit one not inherent in the modern concept of trademark infringement, via punitive means;

(3) Having wrongful intent be part of the liability inquiry makes trademark infringement lawsuits longer and more expensive,¹⁰⁵ and its current role as part of the liability inquiry encourages the filing of trademark infringement lawsuits that might not otherwise be filed;¹⁰⁶ and

(4) Including intent as part of the liability inquiry makes it harder for potential trademark litigants and their counsel to predict the range of possible outcomes of potential suits.¹⁰⁷

In light of these circumstances, I propose that intent be excised from the likelihood of confusion calculus. Although issues of a defendant's wrongful intent are certainly relevant to certain "equitable" issues, they can be separated from the liability issues that a jury is permitted to decide. For example, intent remains relevant to whether an injunction is issued and, if issued, to the scope of that injunction.¹⁰⁸ Intent remains relevant to whether the equitable remedy of an accounting and disgorgement of a defendant's profits is available.¹⁰⁹ A defendant's intent is relevant

104. See *supra* notes 77-84 and accompanying text.

105. See *supra* notes 97-99 and accompanying text.

106. See *supra* text accompanying notes 100-101.

107. See *supra* note 102 and accompanying text.

108. See, e.g., *United States v. Marine Shale Processors*, 81 F.3d 1329, 1358 (5th Cir. 1996) (referring to the rule that "a court need not balance the hardship when a defendant's conduct has been willful" as a "traditional principle[] of equity"); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1333 (7th Cir. 1977) (court gave minimal consideration to alleged damage to defendant in ordering injunction because of defendant acted with wrongful intent).

109. See, e.g., *Western Diversified Servs., Inc. v. Hyundai Motor Am., Inc.*, 427 F.3d 1269, 1272-73 (10th Cir. 2005); *Quick Techs., Inc. v. Sage Grp. PLC*, 313 F.3d 338, 349 (5th Cir. 2002); *Bambu Sales, Inc. v. Ozak Trading Inc.*, 58 F.3d 849, 854 (2d Cir. 1995). A few circuits consider wrongful intent a factor in considering whether to award the *legal* remedy of damages as well. See, e.g., *Synergistic Int'l, LLC v. Korman*, 470 F.3d 162, 175 (4th Cir. 2006); *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168, 175 (3d Cir. 2005); *Quick Techs., Inc. v. Sage Grp. PLC*, 313 F.3d 338, 349 (5th Cir. 2002). Although a detailed assessment of this proposition is beyond the scope of this article, it appears subject to criticism. The Restatement states that "[a]n award of damages is designed to compensate the plaintiff for proven pecuniary loss" and the burden is on the plaintiff to establish the fact and amount of

to whether a defendant may assert an equitable defense such as laches or acquiescence.¹¹⁰ A judge may properly consider intent in deciding whether to enhance the profits or damages awarded in a case, or whether to declare that a case is exceptional and award attorneys' fees.¹¹¹ But all of these equitable, judge-directed issues come into play either separate from the liability issue (in the case of the defenses of laches and acquiescence) or after liability attaches (equitable remedial issues), and therefore can be addressed by the judge, in his equitable capacity, at the appropriate time.¹¹²

Notwithstanding the theoretical soundness of excising intent from the liability determination and the existence of settled procedural mechanisms to carve intent out of the legal aspects of a trademark case, there remains a substantial, and possibly insurmountable, practical hurdle to achieving this goal. Specifically, the notion that intent is part of the confusion calculus is so widely, deeply, and unthinkingly ingrained in the federal circuit courts that any attempt to dislodge it via the courts would be extraordinarily difficult, requiring a confluence of unlikely factors.¹¹³ A defendant with deep pockets, risk tolerance, and the

such loss." Restatement, *supra* note 4, § 36, cmt. c. It also takes the position that the question whether to award damages is "properly influenced" by intent, citing the same assumption underlying its position on the role of intent in determining liability: that a party who intends to deceive is likely to succeed in doing so. *Id.* § 36, cmt. j. But, if anything, this rationale is even *more* attenuated in the context of damages than in the context of liability, for even when there exists a likelihood of confusion, that circumstance says nothing about whether the likely confusion has resulted in "proven pecuniary loss." As to the remedy of an accounting of the defendant's profits, however, that remedy is more properly considered (and historically *was* considered) an *equitable* remedy (see, e.g., *Reebok Int'l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992); *Ferrari S.p.A. Esercizio Fabbriche Automobili e Corse v. Roberts*, 944 F.2d 1235, 1248 (6th Cir. 1991) (accounting an equitable remedy to which the right to a jury trial does not attach); see also Mark A. Thurmon, *Ending the Seventh Amendment Confusion: A Critical Analysis of the Right to a Jury Trial in Trademark Cases*, 11 Tex. Intell. Prop. L.J. 1, 91-101 (2002)), there is little or no dispute that intent is relevant to the equities inherent in deciding whether to award an accounting profits and, if so, in what amount.

110. See, e.g., *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 38-39, 21 S. Ct. 7, 14-15 (1900); *Bd. of Supervisors for La. State Univ. Agric. and Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 489-90 (5th Cir. 2008).

111. See, e.g., *Shields v. Zuccarini*, 254 F.3d 476, 487 (3d Cir. 2001); *Gracie v. Gracie*, 217 F.3d 1060, 1068 (9th Cir. 2000).

112. See generally *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 508-11, 79 S. Ct. 948, 955-57 (1959) (equitable issues should generally be decided after a jury has rendered its verdict on legal issues). A court inclined to excise intent from jury consideration through bifurcation may or may not think it appropriate to also bifurcate discovery on intent as well. Courts usually deal with such procedural considerations on a case-by-case basis in the exercise of their discretion as to how to maximize efficiency and fairness. See, e.g., *Shum v. Intel Corp.*, 499 F.3d 1272, 1282 (Fed. Cir. 2007); *Hangarter v. Provident Life and Accident Ins. Co.*, 373 F.3d 998, 1021 (9th Cir. 2004); see generally Fed. R. Civ. P. 42(b).

113. In cases involving claims of both infringement and dilution under federal law, Congress also may have made it even more difficult by enacting the Trademark Dilution Revision Act (TDRA) in the wake of the Supreme Court's decision in *Moseley v. V Secret*

ideological fortitude to forego settlement is required. This defendant must be willing to preserve the issue both at the trial level and on appeal, knowing the argument is futile based on *stare decisis*,¹¹⁴ and *then* to convince an *en banc* circuit or the Supreme Court to exercise its discretionary review power to revisit the issue.

A legislative solution is equally unlikely. In order to convince Congress to amend the Lanham Act to overrule decades of settled case law, there would have to be a case in which, but for the finding of wrongful intent, likelihood of confusion would almost certainly not have been found.¹¹⁵ Moreover, such a case would require a sympathetic defendant, which is nearly unimaginable given that such defendant would necessarily have been shown to have sought, however unsuccessfully, an unfair commercial advantage.

Aside from the initial uncertainty that goes along with any substantial change in the law, removing intent from the liability portion of trademark infringement matters would be likely to have certain foreseeable effects. Trial of the liability phase of the case would be a less appealing prospect to a plaintiff's lawyers, who generally relish the more human aspects of litigating intent, perhaps due in part to its outsized ability to sway the fact finder.¹¹⁶ The plaintiff's counsel could take at least some comfort that, if his

Catalogue, Inc., 537 U.S. 418, 123 S. Ct. 1115 (2003). Before *Moseley*, the federal dilution statute did not mention intent as a factor relevant to dilution. *Moseley* held that the original act made only actual dilution, not likelihood of dilution, actionable. Congress responded by amending the act to make clear that likelihood of dilution was indeed actionable. But in so doing, it also explicitly (and inexplicably) added defendant's intent as a factor relevant to the determination of dilution. See 15 U.S.C. § 1125(c)(2)(B)(v). So in a case in which a both a dilution and an infringement claim are tried, it is now probably impossible to avoid dealing with evidence of intent during the liability portion of the trial. An assessment of whether intent should play any role in dilution is beyond the scope of this article. That intent is now statutorily enshrined by Congress in the dilution analysis, however, would seem to make it even less likely that Congress will explicitly exclude intent from any future amendments to clarify or alter the infringement standards embodied in 15 U.S.C. §§ 1114(1) & 1125(a).

114. See, e.g., *United States v. Rodriguez*, 311 F.3d 435, 438-39 (1st Cir. 2002); *Zervos v. Verizon N.Y., Inc.*, 252 F.3d 163, 171-72 (2d Cir. 2001); *In re Continental Airlines*, 134 F.3d 536, 542 (3d Cir. 1998); *MLC Auto., LLC v. Town of Southern Pines*, 532 F.3d 269, 278 (4th Cir. 2008); *United States v. Treft*, 447 F.3d 421, 425 (5th Cir. 2006); *Sam & Ali, Inc. v. Ohio Dep't of Liquor Control*, 158 F.3d 397, 405 (6th Cir. 1998); *United States v. Mosby*, 101 F.3d 1278, 1279 n.3 (8th Cir. 1996); *Miranda B. v. Kitzhaber*, 328 F.3d 1181, 1185 (9th Cir. 2003); *United States v. Meyers*, 200 F.3d 715, 720-21 (10th Cir. 2000); *United States v. Steele*, 147 F.3d 1316, 1317-18 (11th Cir. 1998); cf. 7th Cir. Rule 40(e) ("A proposed opinion approved by a panel of this court adopting a position which would overrule a prior decision of this court . . . shall not be published unless it is first circulated among the active members of this court and a majority of them do not vote to rehear en banc the issue of whether the position should be adopted.").

115. See also note 113.

116. See *supra* note 33 and accompanying text.

or her client were to prevail on liability, intent would remain relevant to any equitable issues in the case.¹¹⁷

One could not say for certain that removing wrongful intent from the equation will reduce the overall cost of litigation, as plaintiffs will seek other ways to gain advantage in the case, such as obtaining and proffering a survey. Although a properly conducted survey directly measures the likelihood of confusion and therefore can be highly probative,¹¹⁸ surveys make a case significantly more expensive both for the party commissioning the survey and for its adversary, which may be forced to retain an expert to critique the survey and/or to conduct its own survey.

On the plus side, however, elimination of intent from the liability calculus would reduce overall litigation costs. Eliminating this significant and frequently case-determinative unknown—leaving only largely identifiable, objective market factors—would lead to greater consistency in decided cases and greater predictability for trademark owners and their counsel at the time they need predictability most: *before* initiating litigation.¹¹⁹ Thus, the disappearance of intent as a one-way ratchet favoring only plaintiffs may result in a decrease in trademark litigation.¹²⁰ While instituting such a change may be difficult, the author believes that the long-term benefits outweigh any drawbacks.

117. See *supra* notes 108-112 and accompanying text.

118. See, e.g., Robert H. Thornburg, *Trademark Survey Evidence: Review of Current Trends in the Ninth Circuit*, 21 Santa Clara Computer & High Tech. L.J. 715 (“Surveys represent the most scientific means of measuring relevant consumers’ subjective mental associations by attempting to recreate the potential purchasing environment in which a purported trademark or trade dress is found within a given market.”) (citation omitted); see also *Conopco, Inc. v. May Dep’t Stores Co.*, 46 F.3d 1556, 1564 (Fed. Cir. 1994); *PPX Enters. v. Audiofidelity Enters.*, 818 F.2d 266, 271 (2d Cir. 1987); *Zatarian’s, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 793 n.4 (5th Cir. 1983) (“Survey evidence is often critically important in the field of trademark law.”)

119. See *supra* note 102 and accompanying text.

120. See *id.*