

# NEWSLETTER

*A quarterly update on intellectual property topics.*

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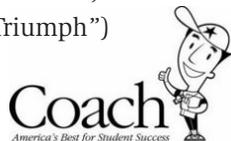
April 2012

## BEING FAMOUS VS. PROVING FAME: Evidentiary Pitfalls Revealed by *Coach v. Triumph Learning*

Proving fame for trademark dilution purposes requires satisfying a heavy burden. A plaintiff alleging fame must establish that its mark is “widely recognized by the general consuming public of the United States.” 15 U.S.C. § 1125(c)(2). This is a higher standard than proving fame for likelihood of confusion purposes, where the fame of the prior mark is one among the familiar *du Pont* factors. See *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973). Fame is a prerequisite to dilution protection and, unlike the spectrum of fame recognized in the likelihood of confusion analysis, fame in the dilution context is a binary proposition. A negative ruling on fame can be a severe setback to a trademark owner’s enforcement position. The stakes in alleging dilution and setting out to prove fame, therefore, are high. The Federal Circuit’s recent decision in *Coach Services, Inc. v. Triumph Learning LLC*, 668 F.3d 1356 (Fed. Cir. 2012) (“*Fed. Cir. Decision*”), illustrates this and reveals significant evidentiary pitfalls that can prevent a mark – even one that is a very familiar brand name – from satisfying this precondition for dilution.

### Background

Coach Services, Inc. (“Coach”), the well-known global maker of luxury handbags, luggage, wallets, clothing, and other personal accessories under the mark COACH, opposed Triumph Learning LLC’s (“Triumph”) applications to register the word mark COACH and the design:



Triumph’s applications covered computer software and printed materials used to assist students in preparing for standardized tests. Coach opposed Triumph’s applications on the grounds of likelihood of confusion, likelihood of dilution, and descriptiveness. After an *inter partes* trial and hearing, the Trademark Trial and Appeal Board (the “Board”) dismissed Coach’s opposition,

finding that Triumph’s COACH marks did not create a likelihood of confusion or dilution with Coach’s mark and that Triumph’s marks were descriptive but had acquired distinctiveness. *Coach Services, Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d 1600 (T.T.A.B. 2010) (“*Board Decision*”). In reaching this conclusion, the Board determined that Coach’s COACH marks were famous for purposes of confusion but not dilution. Coach appealed.

### Coach’s Evidence

The Lanham Act’s anti-dilution provisions direct courts to consider “all relevant factors” in determining fame, including the following non-exhaustive factors: (i) “the duration, extent, and geographic reach of advertising and publicity” of the plaintiff’s mark; (ii) “the amount, volume, and geographic extent of sales of goods or services offered under the mark”; (iii) the extent of actual recognition of the mark”; and (iv) whether the mark was registered on the principal register. 15 U.S.C. § 1125(c)(2)(A). Unfortunately for Coach, the Board found – and the Federal Circuit affirmed – Coach’s evidence insufficient to prove the COACH mark is famous.

In support of the first factor – the duration and extent of Coach’s advertising and publicity – Coach submitted hundreds of unsolicited media references to its COACH mark and products, as well as evidence of Coach’s joint marketing efforts to promote COACH products with other well-known brands, such as LEXUS and CANON. The Board found the media references insufficient because the “vast majority” referred to COACH as one of several brands

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and because too few of the articles spoke specifically to the renown of the COACH mark. *Board Decision*, 96 U.S.P.Q.2d at 1611. The Federal Circuit affirmed on this point, and noted that, although Coach's mark certainly has "achieved a substantial degree of recognition," many of the articles Coach submitted were published subsequent to the filing of Triumph's applications. Because "an owner of an allegedly famous mark must establish that its mark had become famous prior to the filing date of the trademark application" it opposes, the Federal Circuit disregarded all of Coach's media references dated after Triumph's December 2004 filings. *Fed. Cir. Decision*, 668 F.3d at 1375 (quoting *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d 1164, 1174 (T.T.A.B. 2001)). The Federal Circuit agreed that Coach's evidence of joint marketing under the COACH mark also failed to satisfy this fame factor because Coach did not submit any evidence showing the success or effect of its marketing efforts with consumers. *Id.* As a result, the Federal Circuit affirmed the Board's negative findings with regard to this factor.

In attempting to prove the second fame factor – the amount and volume of sales and advertising under the mark – Coach submitted by notice of reliance its annual reports from 2000 to 2008, which showed extensive sales and advertising of COACH-branded products dating back to years before Triumph's applications. The Board, however, rejected this evidence on the ground that Coach did not authenticate the annual reports and that Coach could not introduce them merely by notice of reliance as a printed publication pursuant to Trademark Rule 2.122(e), 37 C.F.R. § 2.122(e). Historically, the Board did not permit parties to enter annual reports into evidence by notice of notice of reliance; however, in 2010 in *Safer Inc. v. OMS Investments Inc.*, 94 U.S.P.Q.2d 1031, 1039 (T.T.A.B. 2010), the Board expanded the scope of documents admissible as printed publications to accept documents printed from the Internet when those documents had the proper indicia or authenticity and public accessibility (*e.g.*, website URL and date accessed). Here, the Federal Circuit affirmed the Board's evidentiary decision to reject Coach's annual reports, finding that the reports were not admissible as printed publications under the Board's pre-*Safer* rules. *Fed. Cir. Decision*, 668 F.3d at 1363-64. The court similarly rejected Coach's argument that the Board should have accepted the reports under *Safer* because they were publicly available online, explaining that the documents Coach submitted were not taken from the Internet and nonetheless did not include the indicia of authenticity *Safer* required for Internet documents. *Id.* Thus, Coach's only evidence of sales

and advertising expenditures was the testimony of Coach's former General Counsel, who testified only about Coach's 2008 figures. Although the amounts were large, they were insufficient evidence of fame because they corresponded to dates well after Triumph's filings.

Next, the Federal Circuit affirmed the Board's finding that Coach's internal brand awareness study was "of dubious probative value" on the issue of fame. *Fed. Cir. Decision*, 668 F.3d at 1375 (quoting *Board Decision*, 96 U.S.P.Q.2d at 1611). The 2007 study surveyed women between the ages of 18 and 24, finding 96% aided awareness of the COACH brand. Although this is a high figure, the Board and Federal Circuit both noted that Coach conducted the survey years after Triumph filed its applications. Furthermore, the survey did not evidence any recognition by women in other age groups or by men. For a mark to be famous, the dilution statute requires that it be "widely recognized by the general consuming public of the United States." 15 U.S.C. § 1125(c)(2)(A). This 2006 revision to the statute foreclosed the possibility of niche market fame, which was all Coach's survey demonstrated.

The Federal Circuit accepted Coach's evidence of its sixteen COACH registrations as relevant to the fame analysis, but found they could not be *conclusive* evidence of fame. *Fed. Cir. Decision*, 668 F.3d at 1374.

Coach also referred the Board to two Second Circuit decisions, decided in 1991 and 2002, which noted consumers' recognition of Coach as evidence of the fame of its COACH mark. The Board did not specifically address those cases, but the Federal Circuit agreed with Triumph that they were irrelevant and not probative of fame because the 1991 case did not involve a dilution claim and both cases focused on the hangtag features of Coach's products rather than the COACH mark alone. *Id.* at 1375-76.

Upon analyzing Coach's evidence of fame, the Federal Circuit affirmed the Board's finding that, based on the evidentiary record, Coach had failed to prove the fame of its COACH mark, which was dispositive of Coach's dilution claim.

### **Lessons Learned**

There are many differences between the federal rules and the Board's rules for introducing evidence into the record. There also are many difficulties in carrying the heavy burden of proving fame for a winning dilution claim. Faced with these challenges, it is not uncommon for litigants in Board proceedings to propound evidence that is held to be defective, insufficient, or unpersuasive. The case could be

## APPOINTMENTS

**Ashly Iacullo Boesche** has been slated as Secretary and Treasurer of the Young Lawyers Section of the Chicago Bar Association.

**Bradley L. Cohn** has been appointed to the Board of Directors of the Illinois Institute of Continuing Legal Education.

**Daniel Hwang** has been appointed to the INTA Saul Lefkowitz Moot Court Competition Committee. **Daniel** has also been slated as a Director of the Young Lawyers Section of the Chicago Bar Association.

**Jonathan S. Jennings** has been nominated for membership on the Board of Managers for the Chicago Bar Association. He will serve a two-year term beginning in June 2012. **Jonathan** also was appointed a Project Team Chair for the INTA Pro Bono Committee. Earlier this year, **Jonathan** served on INTA's Pattishall Medal Project Team.

**Janet A. Marvel** has been nominated to the Board of Managers of the Intellectual Property Law Association of Chicago (IPLAC).

**Alexis E. Payne** has been reappointed by the American Bar Association to serve as the Vice Chair of the ABA Committee on Promotions and Marketing Law for another year.

**Belinda J. Scrimenti** was re-elected to a second two-year term as a Director of the Women's Bar Association of Illinois, commencing July 2012. **Belinda** has also been appointed to the INTA 2012-13 Emerging Issues Committee.

## PRESENTATIONS

**Phillip Barenolts** spoke on "The Stop Online Piracy Act (SOPA): What happens next?" on an IPLAC panel at the DePaul University College of Law on April 11, 2012. As Chair of the IPLAC Copyright Committee, **Phil** also organized a panel discussion on "Copyrighting Trademarks: Misuse or Fair Use in Commerce?" on April 18, 2012.

**Ashly Iacullo Boesche** moderated a panel discussion at the Chicago Bar Association on "Assessing Damages in IP Cases" on April 3, 2012.

**Jasmine R. Davis** spoke at the CBA YLS Intellectual Property Committee Meeting on March 7, 2012, on the topic "Is That Bag Prada or Prado?: Protecting the Fashion Industry's IP."

**Jonathan S. Jennings** spoke on "Building and Protecting a Brand" at Northwestern University School of Law's 7<sup>th</sup> Annual Entrepreneurship Law Conference entitled "INC. to Empire: The Legal Growth of Your Business" on March 3, 2012.

**Alexis E. Payne**, on behalf of the ABA Committee on Promotions and Marketing Law, will moderate a roundtable on "Emerging Technology and The Impact on Marketing and Promotions" on June 6, 2012. On June 21, 2012, **Lexy** will conduct a webinar for the Promotions Marketing Association on "How to Ensure Compliance with the Federal Trade Commission's Revised Endorsement and Testimonial Guides."

**Belinda J. Scrimenti** spoke on a panel on "The Rise and Fall of Aesthetic Functionality" at the ABA Section of IP Law's 27th Annual Intellectual Property Conference in Washington, DC, on March 30th, 2012, and presented a paper entitled "A Legal Kaleidoscope – Single Color Trademarks From pre-Owens-Corning Pink Insulation to Louboutin Red-Soled Shoes."

**Joseph N. Welch II** will present an "Overview of 2011-2012 Federal Court, TTAB and UDRP Decisions" at the Practising Law Institute's Advanced Trademark Law Annual Review 2012 in New York, on May 1, 2012.

made that COACH actually is a famous mark that should enjoy dilution protection; however, the Board and Federal Circuit found otherwise in *Coach v. Triumph* based on the evidence of record.

Future litigants should avoid the pitfalls that plagued Coach's evidence. First, as the Federal Circuit noted, "Although the Board's requirements for admission of evidence via a notice of reliance are specific, and do not mirror the Federal Rules of Evidence, they can be readily learned and easily satisfied." *Fed. Cir. Decision*, 668 F.3d at 1365. Parties asserting fame must either follow the Board's rules for submitting notices of reliance carefully – for instance, by satisfying the requirements for admitting documents as printed publications – or enter such evidence into the record with proper authenticating testimony, either through trial depositions or, if available by stipulation, by declaration. Typically, the Board grants parties wide latitude to adjust the rules for entering evidence by agreement, as in its Accelerated Case Resolution ("ACR") procedure. Regardless, the Board tends to enforce its rules and any agreed upon modifications to the tee. Therefore, parties must be cognizant of the Board's specific evidentiary requirements to avoid exclusion of potent evidence – here, annual reports showing hundreds of millions of dollars worth of relevant sales and advertising expenditures.

Proving fame for dilution purposes requires very specific evidence. Because fame for dilution is a yea or nay prerequisite to any viable dilution claim, the stakes for entering sufficient and persuasive evidence are high, especially in Board proceedings where evidentiary objections only are decided *after* the completion of all trial briefing. Parties must also take care to show that their marks became famous *before* their opponents' applications were filed, and should cultivate evidence accordingly. Similarly, parties should make sure that any surveys, polls, or recognition studies encompass a sample broad enough to pass for the general U.S. consuming public if they are going to be used to prove fame. Finally, evidence of advertising alone may not satisfy the Board; rather, parties should endeavor to prove the fruits of their marketing, either through timely brand awareness surveys (preferably showing unaided consumer recognition of the mark) or by other means. With this evidence in the record, the owner of a mark that is famous in the marketplace is in the best position to secure a finding of fame from the Board.

– Ian J. Block

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# FIRM UPDATE & ANNOUNCEMENTS

## PUBLICATIONS

**Ashly Iacullo Boesche** was featured in the Q&A section of the April issue of *Chicago Lawyer Magazine*.

LexisNexis has published the Ninth Edition of the law school coursebook *Trademarks and Unfair Competition* by **David C. Hilliard**, **Joseph Nye Welch II**, and **Uli Widmaier**. The coursebook is used in more than fifty law school courses nationally.

**Jonathan S. Jennings** wrote the Illinois chapter for *INTA's State Trademark and Unfair Competition Law* book to be published in the Summer of 2012. **Jonathan** was assisted by **David M. Beeman** and **Jessica Eckhoff**. **Jonathan** was quoted by the Associated Press, on February 16, 2012, in articles on ESPN.com and SportsIllustrated.com, entitled "Judge deals blow to Jordan's lawsuit" and "Federal judge deals blow to Jordan in suit over supermarket's ad." He commented on a decision by Judge Feinerman in the District Court for the Northern District of Illinois in a right of publicity dispute between former basketball star Michael Jordan and a grocery store chain.

**Uli Widmaier's** article, "From Metatags to Sponsored Ads," originally published in the January/February 2012 volume of *Landslide Magazine*, was selected by the The ABA General Practice, Solo and Small Firm Division as one of "The Best [recent articles] of ABA Sections" and republished in the May/June 2012 issue of *GPSolo* magazine. **Uli** will also publish an article in *IP Today* on the Fourth Circuit's recent decision on keyword advertising in *Rosetta Stone v. Google*. Finally, **Uli** will record a video presentation on the *Rosetta Stone* decision for the BNA Intellectual Property Resource Center.

## HONORS AND AWARDS

**David C. Hilliard**, **Robert W. Sacoff** and **Joseph N. Welch II** have been recognized in the International Who's Who of Business Lawyers 2012.

**Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP** has won *Managing Intellectual Property Magazine's* 2012 North American Award for Firm of the Year in the Copyright category. **Pattishall, McAuliffe** has also been rated a "2012 Top Ranked Law Firm" by Martindale-Hubbell, as published in the December 2011 special issue of Fortune Magazine.

**Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP** is one of the top ranking firms in World Trademark Review 1000 for 2012. Specifically mentioned were **Raymond I. Geraldson, Jr.**, described as "a dean of the Illinois trademark Bar," **Joseph N. Welch II**, who is "respected for his encyclopaedic knowledge of trademark law," and **Janet A. Marvel**, who is acclaimed for her "great understanding of trademark protection."

## NOTEWORTHY

The 2012 **Pattishall Medal for Teaching Excellence** has been awarded to David Vaver, Emeritus Fellow of St Peter's College and former Director of the Oxford Intellectual Property Research Centre. He was a member of the UK Intellectual Property Advisory Committee, and chaired the University's IP Advisory Group until he retired at the end of 2007. Professor Vaver will be recognized at the INTA Gala, in Washington, DC, on May 5, 2012. The **Pattishall Medal** was established in tribute to our partner, Beverly W. Pattishall, to recognize educators for excellence in the trademark and trade identity field. Funding for the Pattishall Medal is provided by our firm.

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