EXHIBIT A

Practising Law Institute

Intellectual Property Law Library

Kane on Trademark Law

A Practitioner's Guide

Fifth Edition

Siegrun D. Kane

Chapter 4

Searching a Trademark

§ 4:1 Purpose of Search

Once a proposed mark is selected, it is prudent practice to run a trademark search. A search helps to ferret out potential conflicts (that is, prior use or intent-to-use claimants to a similar mark).

A search also gives you an idea of the protectability of the mark. If there are numerous references to similar marks for similar goods, the proposed mark may be considered "weak" and the scope of protection narrow.[1]

---

[1] See chapter 8, "Protecting a Trademark from Infringement," for discussion of "weak" versus "strong" marks.

Forgoing a search can be risky business. Defendant's failure to make a search may constitute "carelessness" and weigh in favor of plaintiff's right to injunctive relief.[2] Defendant's conduct of a search may also be evidence of good faith when it is sued by a prior user who was not disclosed in the search.[3]

On the other hand, a less than complete search may get defendant into trouble. In the *Tommy Hilfiger* case, the Second Circuit criticized defendant for performing a search "limited solely to registered or applied-for *federal* trademarks; despite its attorneys' advice that a wider search be conducted, Hilfiger did not do one until after ISCYRA filed its suit."[4]

§ 4:2 How and What to Search

§ 4:2.1 Scope of Search

The scope of the search varies widely. It can include one or all of the following:

- U.S. Trademark Register;
- U.S. pending trademark applications;
- state registrations;
- market directories;
- telephone directory listings;
- domain names;
- online databases and industry publications directed to the goods or services being searched;
- trade name listings;
- reported decisions; and
- Internet websites.

---

[2] Chips 'N Twigs, Inc. v. Chip-Chip, Ltd., 414 F. Supp. 1003, 1015 (E.D. Pa. 1976); *cf.* Pizzazz Pizza & Rest. v. Taco Bell Corp., 642 F. Supp. 88, 94 (N.D. Ohio 1986) ("no duty to conduct trademark search"). For further discussion and case law regarding the duty to conduct a search, see chapter 8, section 8:1.3[E] and notes 88–90.

[3] Vitarroz Corp. v. Borden, Inc., 644 F.2d 960, 963 (2d Cir. 1981).

[4] Int'l Star Class Yacht Racing Ass'n v. Tommy Hilfiger, U.S.A., Inc., 80 F.3d 749, 753 (2d Cir. 1996), *aff'd*, 205 F.3d 1323 (2d Cir.), *cert. denied*, 531 U.S. 873 (2000). For later developments in the *Hilfiger* case, see chapter 8, note 89.

§ 16:7.3 The Hiring and Care of Expert Witnesses

If you think your case will benefit from expert testimony, it is a good idea to get your expert early on. For one thing, skilled trademark experts are in demand, and you would do well to get your expert in place before he is hired by the other side. For another, the presence of a highly regarded expert may foster settlement. Early guidance by the expert, for example, as to general theories, can also help in case preparation. And even if the expert's report is excluded, it may be helpful to educate the court as to your position.

How do you find an expert? Authors of trademark texts and professors are generally a good bet. Their experience and writings should qualify them as experts and provide impressive credentials. Well-regarded practitioners in the field are also used as experts.

If you plan to use an expert who has written extensively about trademarks, be sure to check his treatment of subjects pertinent to your case. You can expect that this material will be reviewed by your adversary.

You should also check the cases where the expert has previously testified. This information will have to be furnished as part of the expert's report, and you should be alert to any positions taken by the expert that might seem inconsistent with his position in your case.[100]

---

used incorrect definition of "descriptive mark"); Charter Nat'l Bank v. Charter One Fin., Inc., 65 U.S.P.Q.2d 1684, 1685 (N.D. Ill. 2001) (motion to disqualify law professor as expert on trademark law granted under *Daubert* where professor has no practical experience in trademark law, none of his published work involves trademarks, and trademark law comprises only small subset of topics that he teaches); Edina Realty, Inc. v. TheMLSonline.com, 80 U.S.P.Q.2d 1039, 1041 (D. Minn. 2006) (testimony by consumer behavior expert admitted based on consumer focus groups, plaintiff's marketing budgets, empirical studies on general Internet usage, and statistics tracking consumer use of defendant's sponsored link); WWP Inc. v. Wounded Warriors Family Support Inc., 97 U.S.P.Q.2d 1688 (8th Cir. 2011) (simplicity of expert's mathematical calculation is not basis for exclusion of testimony under FED. R. EVID. 702).

[98] [Reserved.]

[99] [Reserved.]

[100] Infinity Broad. Corp. v. Greater Boston Radio II, 32 U.S.P.Q.2d 1925, 1930 (D. Mass. 1994) (court finds expert's testimony unpersuasive when difficult to reconcile with opinion expert previously expressed in published articles).

And by all means get in touch with the attorneys involved in an expert's past cases. Attorneys for both sides are a useful source of information as to the expert's performance under fire.

§ 16:8 Expert Discovery

§ 16:8.1 *Identification of Experts*

Federal Rule 26(a)(2) provides that the testifying expert must be identified at least ninety days before the trial date or the date the case is to be ready for trial.[101] If expert testimony is to be used to rebut evidence on the same subject matter, the rebuttal expert's report must be disclosed within thirty days after disclosure by the other party.[102]

Expert consultants who will not be called as witnesses need not be disclosed.[103] However, the testifying expert may be required to disclose facts or data prepared by the expert when previously acting as a consultant.[103.1] If the material can be reasonably viewed as germane to the testifying expert's opinion, then it must be disclosed.[103.2] In addition, where a party designates an expert as a testifying witness and later decides not to call the expert, the expert may be called to testify by the opposing party.[103.3] Failure to list a witness will ordinarily lead to exclusion of that witness at trial.[104]

---

[101] Disclosing witness pursuant to initial disclosure requirement of FED. R. CIV. P. 26(a)(1)(A) does not satisfy the expert disclosure requirements of FED. R. CIV. P. 26(a)(2). Musser v. Gentiva Health Servs., 356 F.3d 751, 757 (7th Cir. 2004). Compliance with FED. R. CIV. P. 26(a)(2)(B)'s expert report requirement is necessary despite an expert being employed by the party. McCulloch v. Hartford Life & Accident Ins. Co., 223 F.R.D. 26, 28 (D. Conn. 2004).

[102] FED. R. CIV. P. 26(a)(2)(C).

[103] FED. R. CIV. P. 26(b)(4)(D). When a testifying expert is subsequently redesignated as a nontestifying expert, taking the expert's deposition requires a showing of "exceptional circumstances." Estate of Manship v. United States, 240 F.R.D. 229 (M.D. La. 2006).

[103.1] Employees Committed for Justice v. Eastman Kodak Co., 251 F.R.D. 101 (W.D.N.Y. 2008).

[103.2] *In re* Commercial Money Ctr., Inc., Equip. Lease Litig., 248 F.R.D. 532 (N.D. Ohio 2008).

[103.3] Penn Nat'l Ins. Co. v. HNI Corp., 245 F.R.D. 190 (M.D. Pa. 2007).

[104] FED. R. CIV. P. 37(c)(1).

Goodwill must be assigned with the trademark in order to protect consumers from deception and confusion:

> [A] transfer of goodwill is required in order for an assignment of a mark to be effective. The cases all seek to protect customers from deception and confusion.[6]

§ 21:3.2 The Indicia of Goodwill

It may not be enough to recite the transfer of goodwill in an assignment document[7] (although this magic language should by all means be used). In deciding whether goodwill has in fact accompanied the mark, a useful touchstone is whether the assignee has obtained what he needs to carry on the business of the assignor.[8] Evidence on this point includes:

- the transfer of tangible assets, for example, machinery, secret formulae, and customer lists;
- the substantial similarity of the assignee's goods to the assignor's goods; and
- the business status of the assignor after the assignment.

[A] The Transfer of Tangible Assets

Where an entire business, that is, machinery, formula, customer lists, etc., is purchased, it is easy to conclude that goodwill was transferred.[9] This principle extends to the stock sale of an entire company, which implies the transfer of company name and trademark.[10]

This is not to say, however, that failure to transfer tangible assets means goodwill was not transferred. The importance of the assets to the continuity of the business must be examined. Where the

---

[6] Money Store v. Harriscorp Fin., Inc., 689 F.2d 666, 678 (7th Cir. 1982).

[7] *Id.*

[8] Merry Hull & Co. v. Hi-Line Co., 243 F. Supp. 45, 51–52 (S.D.N.Y. 1965).

[9] Okla. Beverage Co. v. Dr. Pepper Love Bottling Co., 565 F.2d 629, 632 (10th Cir. 1977).

[10] Ferrellgas Partners, Inc. v. Barrow, 80 U.S.P.Q.2d 1097 (M.D. Ga. 2006) (continued use of original trademark by new owners also supports transfer of goodwill).

product is the result of a secret formula, the formula is critical to the goodwill symbolized by the mark.[11] However, where the assignee is able to duplicate the product formula and knows who the customers are, there is no need for the assignor's written formula or customer list to be transferred to the assignee.[12]

An assignment without tangible assets may be valid if the mark is used on goods with substantially similar characteristics.[13]

[B] The Similarity Between the Assignor's and Assignee's Goods

In deciding if goodwill has been transferred, courts focus on the similarities of the assignee's product to the assignor's:

> Inherent in the rules involving the assignment of a trademark is the recognition of protection against consumer deception. Basic to this concept is the proposition that any assignment of a trademark and its goodwill . . . requires that the mark itself be used by the assignee on a product having substantially the same characteristics.[14]

The same principle applies to the assignment of a service mark:

> [T]he transfer of goodwill requires only that the services be sufficiently similar to prevent consumers of the service offered under the mark from being "misled from established associations with the mark."[15]

Product changes that were fatal to the assignment include:

- change from cola flavor syrup to pepper flavor;[16]

---

[11] Mulhens & Kropff, Inc. v. Ferd. Muelhens, Inc., 43 F.2d 937, 939 (2d Cir.), *cert. denied*, 282 U.S. 881 (1930).

[12] Sterling Brewers, Inc. v. Schenley Indus., Inc., 441 F.2d 675, 680 (C.C.P.A. 1971); Syntex Labs., Inc. v. Norwich Pharmacal Co., 315 F. Supp. 45, 55 (S.D.N.Y. 1970), *aff'd*, 437 F.2d 566 (2d Cir. 1971); *see also* Money Store v. Harriscorp Fin., Inc., 689 F.2d 666, 678 (7th Cir. 1982).

[13] Vittoria N. Am., L.L.C. v. Euro-Asia Imps., Inc., 278 F.3d 1076, 1083 (10th Cir. 2001).

[14] PepsiCo, Inc. v. Grapette Co., 416 F.2d 285, 288 (8th Cir. 1969).

[15] Visa, U.S.A., Inc. v. Birmingham Trust Nat'l Bank, 696 F.2d 1371, 1376 (Fed. Cir. 1982), *cert. denied*, 464 U.S. 826 (1983).

[16] PepsiCo, Inc. v. Grapette Co., 416 F.2d 285 (8th Cir. 1969).