EXHIBIT P

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Chapter
11. The Spectrum of Distinctiveness of Marks
VI. STRENGTH OF MARKS
E. ASSERTIVE ENFORCEMENT OF MARKS

References

§ 11:91. Generally

West's Key Number Digest

West's Key Number Digest, Trademarks 1333

Trademarks are weak when they are merely one of a similar crowd of marks. How does that happen? The only way a trademark owner can prevent the market from becoming crowded with similar marks is to undertake an assertive program of policing adjacent "territory" and suing those who edge too close. Judge Neaher observed that:

> [S]trength is primarily a question of degree, an amorphous concept with little shape or substance when divorced from the mark's commercial context, including an appraisal of the owner's policing efforts to ensure that whatever distinctiveness or exclusivity has been achieved is not lost through neglect, inattention or consent to infringing use.[1]

It has been observed that an active program of prosecution of infringers, resulting in elimination of others' uses of similar marks, enhances the distinctiveness and strength of a mark: "since no one else uses a similar sounding name, plaintiff's name looks and sounds all the more unique."[2] As the Second Circuit observed, curbing infringers strengthens a mark because "the successful policing of a mark adds to its strength to the extent that it prevents weakening of the mark's distinctiveness in the relevant market."[3]

The Fifth Circuit said that lack of vigilant enforcement of the mark DOMINO for sugar resulted in a narrowing of protection to only the sugar field: "A trademark owner that strongly believed its customers were being deceived would hardly have remained idle for such an extensive period of time."[4]

Author's Comment: The law imposes on **trademark** owners the **duty** to be pro-active and to police the relevant market for infringers. If the trademark owner is quiescent and tolerates the encroachment of infringers, it will find that its trademark asset has "eroded" and "shrunken" because the strength of its mark as a distinctive and distinguishing symbol has been diminished by the presence of similar marks. The owner of a commercial building housing valuable assets must plan its budget to provide upkeep to pay to fix holes in the roof, lest the important assets inside be damaged by rain and the elements. Similarly, the trademark owner must anticipate constant "maintenance" of its trademark property by policing and enforcing the exclusivity of its trademark symbol in its marketplace. Thus, the corporate owners of **trademarks** have a **duty** to protect and preserve the corporation's trademark assets though vigilant policing and appropriate acts of enforcement. Inaction will inevitably lead to erosion of those key corporate assets: the marks that identify and distinguish the corporation's goods and services.

Some trademark owners are reluctant to be assertive in suing infringers because of fear of an antitrust charge that they were overly aggressive in suing. But this is a largely overblown fear. As a court said when faced with a suit for infringement of the BEEFEATER gin trademark:

> In view of the strength of the mark and the very substantial goodwill attaching to it, plaintiffs can be expected to be, and are entitled to be, aggressive in asserting their rights against others. Any coercion involved, or monopolization effected, is no more than plaintiffs are entitled to exert and effect under the law.[5]

It is not necessary for a trademark owner to object to *all* unauthorized uses that *might* conflict. As the Trademark Board observed: "[I]t is entirely reasonable for the [trademark owner] to object to the use of certain marks in use on some goods which it believes would conflict with the use of its marks … while not objecting to use of a similar mark on other goods which it does not believe would conflict with its own use."[6] A trademark owner is not required to act against every infringing use no matter how inconsequential at risk of losing rights in the mark.[7]

The key to an informed and balanced trademark enforcement program is to avoid the extremes: the program should be neither overly aggressive nor overly lax. Both extremes carry their own risks of injury to the reputation and strength of the mark.[7.50]

Even when the plaintiff fights hard and loses its trademark suit, this does not mean that there was bad faith enforcement. When Procter & Gamble lost a trademark suit, Judge Leval noted that:

> Procter & Gamble cannot be faulted for zealously protecting [its] trademark interest. Indeed, the trademark law not only encourages but requires one to be vigilant on pain of losing exclusive rights. … [I]n going to war … P & G was entitled to use all the ammunition it had.[8]

The ultimate significance of nonenforcement must not be lost sight of. The question is not how often the trademark owner has sued or not sued, but what has been the marketplace loss of distinctiveness, if any, resulting from failure to sue. The real question is public perception of plaintiff's mark, not a battle count of how often it has sued others.[9]

[FN1] E. I. Du Pont de Nemours & Co. v. Yoshida International, Inc., 393 F. Supp. 502, 185 U.S.P.Q. 597 (E.D.N.Y. 1975). *Accord* Bachellerie v. Z. Cavaricci, Inc., 762 F. Supp. 1070, 20 U.S.P.Q.2d 1282 (S.D.N.Y. 1991) (failure of plaintiff to enforce its mark against third party users "diminishes the strength of the mark").

[FN2] Dictaphone Corp. v. Dictamatic Corp., 199 U.S.P.Q. 437 (D. Or. 1978).

[FN3] Morningside Group Ltd. v. Morningside Capital Group, L.L.C., 182 F.3d 133, 51 U.S.P.Q.2d 1183 (2d Cir. 1999).

[FN4] Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 205 U.S.P.Q. 969 (5th Cir. 1980), cert. denied, 449 U.S. 899, 66 L. Ed. 2d 129, 101 S. Ct. 268, 208 U.S.P.Q. 464 (1980). *See* La Maur, Inc. v. Bagwells Enterprises, Inc., 199 U.S.P.Q. 601 (T.T.A.B. 1978) (lack of enforcement in one field).

[FN5] James Burrough, Ltd. v. Lesher, 309 F. Supp. 1154, 163 U.S.P.Q. 208 (S.D. Ind. 1969). *See* Coca-Cola

Co. v. Overland, Inc., 692 F.2d 1250, 216 U.S.P.Q. 579 (9th Cir. 1982) (antitrust counterclaim and unclean hands defense rejected); §§ 31:93 to 31:107.

[FN6] McDonald's Corp. v. McKinley, 13 U.S.P.Q.2d 1895 (T.T.A.B. 1989). *Accord* Cullman Ventures, Inc. v. Columbian Art Works, Inc., 717 F. Supp. 96, 13 U.S.P.Q.2d 1257 (S.D.N.Y. 1989) (to maintain the strength of a mark, it is not necessary that the trademark owner act against every infringing use).

[FN7] Elizabeth Taylor Cosmetics Co. v. Annick Goutal, S.A.R.L., 673 F. Supp. 1238, 5 U.S.P.Q.2d 1305 (S.D.N.Y. 1987), supplemental op., 677 F. Supp. 144, 6 U.S.P.Q.2d 1571 (S.D.N.Y. 1987).

[FN7.50] *See* discussion of a balanced enforcement program at § 31:101.

[FN8] Procter & Gamble Co. v. Johnson & Johnson, Inc., 485 F. Supp. 1185, 205 U.S.P.Q. 697 (S.D.N.Y. 1979), aff'd without op., 636 F.2d 1203 (2d Cir. 1980).

[FN9] *See* § 17:17.

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