

# Exhibit 4

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United States District Court,  
N.D. Texas, Dallas Division.

IRONCLAD, L.P., and Ironclad, Inc., Plaintiff,  
v.  
POLY-AMERICA, INC., Defendant.

No. Civ.A. 3:98-CV-2600. | July 28, 2000.

## Opinion

### MEMORANDUM OPINION AND ORDER

SOLIS, J.

\*1 Now before the Court for consideration are:

- (1) Poly-America's Motion for Judgment on the Verdict as a Matter of Law filed December 23, 1999;
- (2) Ironclad's Response to Motion for Judgment on the Verdict as a Matter of Law, Cross-Motion to Disregard July Finding or, in the Alternative, New Trial and Brief in Support filed January 6, 2000;
- (3) Poly-America's Consolidated Reply to Ironclad's Response to Motion for Judgment, Reply to Ironclad's Response to Motion for Attorneys' Fees, and Response to Ironclad's Cross-Motion to Disregard Jury Finding, or in the Alternative, New Trial, and Brief in Support filed January 19, 2000;
- (4) Ironclad's Post-Trial Motion for Inclusion of Injunctive Relief in Judgment and Brief in Support filed December 1, 1999;
- (5) Poly-America's Response to Ironclad's Motion for Injunctive Relief and Supporting Brief filed December 23, 1999;
- (6) Ironclad's Reply in Support of Injunctive Relief filed January 6, 2000;
- (7) Poly-America's Motion for Attorneys' Fees and Supporting Brief filed December 23, 2000;
- (8) Ironclad's Response to Motion for Attorneys' Fees filed January 6, 2000;
- (9) Poly-America's Motion for Protective Order Sealing Certain Trial Exhibits and Testimony and Supporting Brief filed December 16, 1999;
- (10) Plaintiff's Response to Poly-America, Inc.'s Motion for Order Sealing Certain Trial Exhibits and Testimony filed December 27, 1999; and
- (11) Poly-America, Inc.'s Reply to Plaintiffs' Response to Motion for Order Sealing Certain Trial Exhibits and Testimony filed December 30, 1999.

After reviewing all of the motions, briefs, and evidence presented at trial, the Court hereby DENIES Defendant's Motion for Judgment on the Verdict as a Matter of Law; DENIES Plaintiff's Cross-Motion to Disregard Jury Verdict; DENIES Plaintiff's Motion for New Trial; GRANTS Plaintiff's Motion for Injunctive Relief; DENIES Defendant's Motion for Attorney Fees; and GRANTS Defendant's Motion for Protective Order.

### BACKGROUND

Ironclad, L.P. and Ironclad, Inc. ("Plaintiffs" or "Ironclad") and Poly-America, Inc. ("Defendant" or "Poly-America") are both makers of trash bags. *See* Mem. Op. & Ord., Oct. 14, 1999 (giving a full recitation of the history between these parties). Plaintiffs sued defendant for trademark infringement under the Lanham Act, 15 U.S.C. § 1051, *et seq.*, for defendant's use of the mark Ironman® in association with its trash bags. Parties proceeded to a jury trial, and the jury returned a verdict finding a likelihood of confusion between defendant's use of the Ironman® mark and plaintiffs' marks, but awarding no monetary damages.<sup>1</sup> The Court previously determined that any equitable issues relating to injunctive relief would be determined by the Court at the trial's conclusion. *See* Mem. Op. & Order, Oct. 14, 1999, at 15. Prior to reaching plaintiffs' claim for equitable relief, the Court will first address parties' motions for judgment as a matter of law.

### I. Poly-America's Motion for Judgment on the Verdict and as a Matter of Law.

\*2 In the first question submitted to the jury, the jury found Poly–America created a likelihood of confusion by using the Ironman® mark in the sale of trash bags. Poly–America moves this Court to reverse that finding. Initially, Poly–America argues that because only equitable issues remain to be resolved, the jury's finding operates as a mere advisory opinion to the Court. Poly–America moves this Court to disregard the jury's advisory finding of a likelihood of confusion.<sup>2</sup> As an alternative, Poly–America moves the Court to grant judgment as a matter of law in favor of Poly–America by finding that its use of the Ironman® mark does not create a likelihood of confusion with Ironclad's other marks, namely Iron Sak®.

#### A. Advisory Nature of Jury Findings

As stated briefly above, Poly–America moves the court to consider the jury's finding of a likelihood of confusion between the use of the Ironman® and Ironclad® marks merely advisory. Defendant argues that where there are no damages or monetary awards pending and only equitable issues remain, a district court may make findings and conclusions contrary to the jury verdict. (Def's Mot. for J. at 11). Ironclad did not respond to this argument.

In the Fifth Circuit, the right to a trial by jury is determined by the issues rather than by the pleadings. *Armco, Inc. v. Armco Burglar Alarm Co., Inc.*, 693 F.2d 1155, 1158 (5<sup>th</sup> Cir.1982). The issues currently before the court involve Plaintiff's motion for injunctive relief and an accounting for profits, and Defendant's equitable defenses. Both Plaintiff's requested injunctive relief and Defendant's defenses to the injunction are obviously equitable issues to be determined by the court. *Sheila's Shine Products, Inc. v. Sheila Sine, Inc.*, 486 F.2d 114, 122 (5<sup>th</sup> Cir.1973) (stating injunctive relief relating to trademark infringement is equitable in nature). Therefore, the court will evaluate only whether Plaintiff's claim seeking an accounting for profits renders the jury's verdict binding rather than advisory in that regard.

In *Sheila's Shine*, the district court ignored the jury verdict finding a likelihood of confusion where the jury awarded no damages. 468 F.2d at 121–22. As the only remaining issues for the district court were equitable, the court ignored the jury finding and issued its own contrary conclusions. *Id.*; see also *Armco, Inc.*, 693 F.2d at 1158 (treating jury verdict as advisory where court effectively dismissed legal claim for damages so that only equitable issues remained). The Fifth Circuit affirmed the district court's actions. *Sheila's Shine*,

468 F.2d at 122; *Armco, Inc.*, 693 F.2d at 1158. Poly–America argues that the theory of *Sheila Shine* applies to the current action because once again, the jury awarded no damages despite finding a likelihood of confusion. However, this case differs from *Sheila Shine* in that plaintiff there did not appeal the damages ruling. 468 F.2d at 122. Here, Ironclad moves for judgment as a matter of law as to the monetary award. Therefore, the court must determine the nature of Plaintiff's requested monetary relief.

\*3 As evidenced by the nature of the jury questions, Ironclad sought an accounting of Poly–America's profits attributable to its use of the Ironman® name. See *supra* n. 1. An accounting of profits is historically an equitable remedy. See *Swofford v. B & W, Inc.*, 34 F.R.D. 15, 19 (S.D.Tex.1963) (“An accounting for profits is traditionally equitable.”); see also *A & H Sportwear, Inc. v. Victoria's Secret Stores, Inc.*, 166 F.3d 197 (3<sup>rd</sup> Cir.1999) (classifying an accounting for profits as a form of equitable relief). The Lanham Act provides an accounting of the infringer's profits as a remedy subject to principles of equity. 15 U.S.C. § 1117(a)(1998). This provision serves as an equitable calculation of damages under a theory of unjust enrichment. *Babbit Electronics, Inc. v. Dynascan Corp.*, 38 F.3d 1161 (11<sup>th</sup> Cir.1994). As all of Ironclad's requested remedies are equitable in nature, the court may treat the jury verdict as advisory.<sup>3</sup> In doing so, the court must assess the evidence regarding the alleged likelihood of confusion created by the contested use of the mark.

#### B. Poly–America's Use of the Ironman® Mark Creates a Likelihood of Confusion with Ironclad's Incontestable Mark

Liability for trademark infringement hinges upon whether likelihood of confusion exists between the marks at issue. In order to prevail, the plaintiff must demonstrate a probability, not merely a possibility, of confusion. *Elvis Presley Enter., Inc. v. Capece*, 141 F.3d 188, 193 (5<sup>th</sup> Cir.1998). In determining whether a likelihood of confusion exists, courts should consider (1) the type of trademark allegedly infringed; (2) the similarity between the two marks; (3) the similarity of the products; (4) the identity of the outlets selling the products; (5) the identity of advertising media used to market the products; (6) the defendant's intent; and (7) any evidence of actual confusion. *Elvis Presley Enter., Inc.*, 141 F.3d at 194. Finding a likelihood of confusion does not require the support of a majority of these factors. *Armco, Inc.*, 693 F.2d at 1159.

**i) Strength of the Mark**

Parties agreed Iron Sak® is suggestive, which means neither strong nor weak. (Jury Instr. at 16). Defendant seeks to weaken the mark by pointing to the co-existence of IRONCLAD, IRONSAK, and IRON-HOLD marks within the marketplace for many years without any problems. However, the evidence demonstrates that Ironclad purchased the Ironclad® mark from North American Plastics Corporation (“NAPCO”) in 1987. As part of the purchase, NAPCO retained the right to continue using its previously registered mark, Iron-Hold®, but not other “Iron” marks. Ironclad subsequently registered the Ironclad® and Iron Sak® marks. This limited third-party use of these marks does not substantially weaken the marks at issue. The use of these marks have all been pursuant to agreement. This factor does not weigh strongly in favor of either party.

**ii) Similarity of Design**

\*4 This factor weighs in favor of finding a likelihood of confusion. The similarity of the marks is determined by comparing the marks' appearance, sound and meaning. *Elvis Presley Enter., Inc.*, 141 F.3d at 201. As Poly-America points out, a side-by-side comparison of word marks is not the appropriate test. Rather, to determine likelihood of confusion, the entire package as it appears in the marketplace to the consumer at the time of the sale must be considered. *See North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514, 521 (5<sup>th</sup> Cir.1983). Yet, Poly-America attempts to distinguish the design of the two marks on the minute details on the box. Both marks use large, block style capital letters for the name. *See* IC Doc. # 1341, 1342. The Defendant's use of all large capital letters, as opposed to the large and small capital letter style use by Plaintiff, does not render the marks dissimilar. Both boxes use bright colors and use special areas on the box to designate certain strengths about their product. Moreover, both marks focus on the word “Iron”, which heightens the possibility of confusion. *See Elvis Presley Enter., Inc.*, 141 F.3d at 202 (giving greater weight to the dominant portion of the mark in evaluating the similarity of design). The suffix differences do not, as argued by Poly-America, significantly change the meaning or connotation of the marks. Both marks connote strength and durability in their products.

**iii) Similarity of Product and Retail Outlet**

Not only are the designs similar, but the products are identical. “The greater the similarity between products and services, the

greater the likelihood of confusion.” *Exxon Corp. v. Texas Motor Exch. of Houston, Inc.*, 628 F.2d 500, 505 (5<sup>th</sup> Cir.1980). Even though Poly-America attempts to distinguish the products by describing Ironman® as “no gimmicks, no bells, no whistles” while focusing on Ironclad's “bells, whistles and gimmicks,” in the end, both marks represent high quality, durable trash bags. (Def's Mot. for J. at 15). Moreover, the retail outlets for the products are identical. Although the bags did not necessarily appear on the shelves during the same period of time, the Ironman® bags replaced the Ironsack® bags in many of the Sam's stores. When Ironman® first appeared on the market, the retail outlets and purchasers of the products were identical.

**iv) Defendant's Intent**

A review of Poly-America's intent does not weigh in favor of either party in analyzing the likelihood of confusion. While proof of intent to confuse the public is not necessary to a finding of a likelihood of confusion, the lack of guilt is immaterial to the evaluation. *Elvis Presley Enter., Inc.*, 141 F.3d at 203 (citing *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 597 (5<sup>th</sup> Cir.1985)). If a defendant acts in good faith, then this digit of confusion becomes a non-factor in the likelihood of confusion analysis. *Elvis Presley Enter., Inc.*, 141 F.3d at 203. “However, an innocent intent in adopting a mark does not immunize an intent to confuse in the actual use of the mark.” *Id.*

\*5 The evidence provided great detail regarding the origins of the Ironman® name for the line of trash bags at Sam's. Poly-America applied to the Patent and Trademark Office for the mark. (Joint Pre-Trial Order Stipulations 12–13). It developed a program with Sam's for a line of trash bags to be sold exclusively at Sam's. It then submitted a list of proposed names to Sam's, who eventually chose the Ironman® name. (Pl's Exh. 34). From this evidence, the jury found, and the Court agrees, that Ironclad failed to prove Poly-America willfully infringed on its mark. Moreover, the Court cannot find Poly-America intended to confuse consumers by its use of the Ironman® mark.

**v) Actual Confusion**

“Evidence of actual confusion is not necessary to a finding of a likelihood of confusion, but it is nevertheless the best evidence of likelihood of confusion.” *Elvis Presley Enter., Inc.*, 141 F.3d at 203 (internal quotations omitted). An absence of, or minimal confusion over an extended period

of time, weighs against finding a likelihood of confusion. *Id.* Ironclad points to three separate varieties of evidence as proving consumers' actual confusion between the Ironman® and the Iron Sak® bags. First, Ironclad continued to receive rebate forms for the Iron Sak® bags years after those Ironman® had replaced those bags in Sam's stores. (Pl's Exh. 13). Second, Ironclad received complaints from purchasers of the Ironman® bag long after Ironclad ended its participation in the Ironman® program (Pl's Exh. 14). Third, Ironclad presented testimony from Sam's customer Mary Ruder.

The misdirected rebate forms provide very little probative evidence of actual confusion. Ironclad could not produce any of the forms for analysis by the court or the jury. The Court does not attribute the inability to produce these forms to any bad faith on the part of the Plaintiff. Linda Desko, marketing manager for Ironclad, testified that the rebate forms were disposed of during the normal course of business. (Tr. Transcript, Nov. 8, 1999, at 196–97). She also testified that when Sam's switched to Ironman® from Iron Sak®, Ironclad continued to get a lot of rebate forms returned through the mail, even a year or two after Ironclad ended all of its business with Sam's. *Id.* at 195. Along with the rebate forms, the customers would send an Ironman® UPC. *Id.* According to her, this indicates that customers thought Iron Sak® and Ironman® were still the same product. *Id.* The court has been unable to inspect the forms to evaluate their relevance and probative value to the issue of actual confusion. It could be that the customers knew Ironclad was one of the manufacturers of the Ironman® bags. Without being able to see the forms or hear from some of the customers, the court must consider the rebate forms relatively weak evidence of actual confusion.

The second type of evidence, customer complaints to Ironclad's toll free line, also fails to establish actual confusion. The complaints recite the different UPC codes of all three Ironman® manufacturers—Poly–America, Ironclad, and NAPCO. (Pl's Exh. 14). The evidence does not support the theory that these customers called Ironclad because they specifically assumed that Ironclad had made the Ironman® bags. Rather, after hearing the testimony of Linda Desko and reviewing the letter included in the same exhibit as the customer complaints, it seems more likely that when Ironclad sold its surplus packaging material to the other manufacturers, both Poly–America and NAPCO failed to place a sticker over Ironclad's toll free number. (Tr. Transcript, Nov. 8, 1999, at 191–95). Therefore, the customers did not appear to be confused about the source of the product. Rather, they seem

to have dialed the number that appeared on the bottom of the box. As such, the complaints do not indicate any appreciable level of actual confusion.

\*6 The last evidence, Ms. Ruder's testimony, confirms this theory concerning the misdirected complaints to Ironclad's toll free line. Ms. Ruder testified that when she called Ironclad's toll free number complaining about the quality of the Ironman® trash bags, she called the number printed on the box. (Tr. Transcript, Nov. 15, 1999, at 255). Her testimony did not indicate a belief that the Ironman® bags were the same as the Iron Sak® bags she had become accustomed to purchasing.<sup>4</sup> Although this testimony, along with the evidence about the rebate forms and the telephone complaints, might allow for an inference of actual confusion, the evidence is not sufficient to persuade this court to enter a finding of actual confusion.

#### vi) Other Indicia of Confusion

As evidence of a likelihood of confusion, Plaintiff presented the survey results and testimony of Edward. A. Stone. Mr. Stone's report found that 58% of the people polled believed the Ironman® and Iron Sak® bags shown were made by the same company. (Pl's Exh. 3). Defendant objects to Mr. Stone's testimony on the following bases: (1) Mr. Stone failed to survey the proper universe; (2) the packages were purposely chosen to prompt confusion; (3) the packages were impermissibly altered; (4) the questions were biased and leading; and (5) the survey failed to include an appropriate control. (Def's Mot. for J. at 19). Defendant argues that any one of these flaws renders the survey unreliable and inadmissible. The Court disagrees.

Parties often use survey evidence to demonstrate a likelihood of confusion in trademark infringement cases. *See Exxon Corp. v. Texas Motor Exch. of Houston*, 628 F.2d 500, 506 (5<sup>th</sup> Cir.1980). The Fifth Circuit looks to the validity and technical deficiencies of the survey in order to determine the exact weight to give the survey results. *Id.*; *see also Jellibeans, Inc. v. Skating Clubs of Georgia, Inc.*, 716 F.2d 833, 846 n. 24 (11<sup>th</sup> Cir.1983) (stating technical deficiencies of survey affect the weight rather than admissibility of the results).

Defendant objects to the survey as using an improper universe because the researchers did not eliminate participants who are not members of Sam's. To be probative, surveys must rely upon responses by potential consumers of

the particular product in questions. See *Weight Watchers Int'l, Inc. v. Stouffer Corp.*, 744 F.Supp. 1259, 1273 (S.D.N.Y.1990)(rejecting survey evidence where universe too broadly included those consumers who purchased frozen foods as opposed to those who purchased frozen diet foods). Therefore, “the appropriate universe should include a fair sampling of those purchasers most likely to partake of the alleged infringer's goods or services.” *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 264 (5<sup>th</sup> Cir1980). Taking these cases into consideration, the Court finds the survey consisted of those who were potential consumers of the relevant product.<sup>5</sup> Neither party demonstrated that the trash bag market at Sam's differs tremendously from the general trash bag market. Therefore, limiting the participants to those people who have recently purchased trash bags provides a pool of people accustomed to making distinctions within the relevant market of trash bags. Accordingly, the survey analyzed an appropriate universe.

\*7 The Court also finds no fatal error in the presentation of the trash bags or the alteration of the boxes for the purpose of the survey. Mr. Stone testified that he removed the size designation of 33 and 39 gallons from both the Iron Sak® and Ironman® boxes. He also removed a promotional offer from the Iron Sak® box. According to his testimony, he removed these items in order to direct the consumer's attention to the product names and prevent them from being distracted by the advertising minutia. (Tr. Transcript, Nov. 9, 1999, at 89–90). The slight alterations, including the removal of the bags' sizes, would not necessarily have significantly altered the results of the survey. Poly–America complains that Ironclad chose to compare two different sized bags, a 33 gallon bag and a 39 gallon bag, because their packaging was the same color and the most similar. Poly–America contends the choice was made in an effort to maximize the chance of confusion. This case is not a trade dress action. Both parties use red, green, and yellow in their packaging, presumably because the bright colors catch the consumer's eye. Using different colors for different sizes would not remove the probability of confusion associated with the two names. These changes do not render the survey unreliable.

Defendant also complains that the questions were biased and leading. Besides the demographic questions, the survey contained nine substantive questions. (Pl's Exh. 3). Initially, the participants were shown first one package and then the other in alternating sequence. The first four questions asked whether the participant had ever seen either of the products

before, and if so, where they had seen the package. These questions followed:

Question 5: What brand name or brand names were on the two packages you just saw?

Question 6: Now, thinking about the two brand names you have just seen, IronSak and

Ironman, do you think that the two brands are ...

Manufactured by the same company, or

Manufactured by different companies.

Question 7: And why did you give that answer?

Question 8: Do you think there is a *business relationship* between the manufacturers of

IronSak and Ironman?

Question 9: And why did you give that answer?

(Pl's Exh. 3 (emphasis in original)). During the survey, the participants were not given the survey, and only on question number 6 were they given multiple choice answers. (Tr. Transcript, Nov. 9, 1999, at 98). On the other questions, they were allowed the opportunity to respond “I don't know.” Moreover, the person conducting the survey recorded verbatim responses to indicate each participant's reason for thinking that the bags were manufactured by the same company or that there either was or was not a business relationship between the two manufacturers. Defendant has continually objected to directing the focus of this suit to the name of the products, and presumably, objects that these questions focus the participant's attention to the product names. (Tr. Transcript, Nov. 9, 1999, at 95) In truth, this case is about confusion of trademarks, not tradedress. Therefore, it was not inappropriate for Mr. Stone to direct the participant's attention to the product names. Although the questions are somewhat leading, the questions do not indicate the appropriate answer or tend to lead the participant to answer one way over another. For all of these reasons, Defendant failed to demonstrate that Mr. Stone's questionnaire was either biased or sufficiently leading to discredit the results.

\*8 The most significant challenge to the survey evidence is to the lack of a control. There is often general background noise in survey figures representing those people who are “bored, hurried, or just plain contrary.” 2 J. McCarthy, *Trademarks and Unfair Competition* § 32:54, at 784. Many

courts have required control questions in order to filter out these responses. In a case similar to this one, the court stated “a control question would have involved using a control product, that is, a product that is a non-infringing product which is similar to the products at issue.” *Conagra, Inc. v. Hormel & Co.*, 784 F.Supp. 700, 728 (D. Neb. 1992). In his testimony, Mr. Stone admitted the survey lacked a control question or control product. Some courts have found this failure fatal to the reliability of the survey. See *National Football League Properties, Inc. v. Prostyle, Inc.*, 57 F.Supp.2d 665, 668 (E.D.Wis.1999) (“The main problem with the survey ... is that it essentially asks only one question ... without further probing ... and without showing any ‘control’ shirt to any survey respondents or asking any control questions.”); *Major League Baseball Properties Inc. v. Sed Non Olet Denarius Ltd.*, 817 F.Supp. 1103, 1123–24 (S.D. N.Y.1993) (holding that “both surveys contain a complete lack of controls rendering the data meaningless and having no evidentiary value”), *vacated pursuant to settlement agreement*, 859 F.Supp. 80 (S.D.N.Y.1994). However, the Court need not exclude the survey due to the lack of control, as generally, technical deficiencies go to the weight rather than admissibility. In light of the deficiency, the Court discounts the weight of the survey yet still gives Mr. Stone’s results some consideration.

### vii) Weighing the Factors

The above factors indicate a strong similarity in the design of the mark, an identical product and identical retail outlet. In addition, the same types of people would be the consumers of both products, and both companies marketed their products through the same channels on the floor of the Sam’s stores. While Plaintiff did not prove actual confusion or an intent to trade off the goodwill of the Iron Sak® mark, the survey provides at least some indication of confusion. Weighing all of these considerations, the Court finds a likelihood of confusion between the Ironman® and the Iron Sak® marks. Defendant’s Motion for Judgment on this issue is DENIED.

## II. Ironclad’s Cross–Motion to Disregard Jury Findings/ Motion for New Trial.

Ironclad moves for judgment as a matter of law and, alternatively, for a new trial, with respect to the jury finding of no willful infringement and no profits.<sup>6</sup> In doing so, Ironclad focuses great attention on Poly–America’s alleged change in position. (Pl’s Resp. to Mot. for J at 1). At trial, Poly–America argued there was no goodwill associated with the Iron Sak® name. Defendant emphasized this argument by declaring

Sam’s and Poly–America would have chosen a different name if Ironclad had objected and by Defendant’s running theme that the name of the new trash bag line was truly insignificant. (Tr. Transcript, November 16, 1999, at 41). This argument rested in large part upon the theory that Sam’s customers, as club members, rely upon the price, quantity, and quality of the product rather than the name in making their purchasing decisions. In its post-trial briefs, Poly–America now argues it has established goodwill in the Ironman® name so that granting injunctive relief would impose a serious hardship and significant losses upon Defendant. (Def’s Resp. to Pl’s Mot. for Inj. at 21). Ironclad contends that had Poly–America admitted to the jury that the use of a name a Sam’s could create goodwill, the jury would have rendered a verdict finding willful infringement and awarding profits. (Pl’s Resp. to Mot. for J. at 3).

\*9 Ironclad did not cite a rule nor a theory in support of its motion for new trial. Plaintiff did, however, cite one case which addressed a motion for a new trial pursuant to [Federal Rule of Civil Procedure 60\(b\)\(3\)](#). See *Rozier v. Ford Motor Co.*, 573 F.2d 1332 (5<sup>th</sup> Cir.1978). This rule reads in pertinent part: “On motion and upon such terms as are just, the court may relieve a party or a party’s legal representative from a final judgment, order, or proceeding for ... (3) fraud (whether heretofore denominated intrinsic or extrinsic), misrepresentation, or other misconduct of an adverse party.” In order to prevail on a [Rule 60\(b\)\(3\)](#) motion, “the conduct complained of must be such as prevented the losing party from fully and fairly presenting his case or defense.” *Rozier*, 573 F.2d at 1339 (citing *Toledo Scales Co. v. Computing Scale Co.*, 261 U.S. 399, 421 (1923)). The moving party must demonstrate by clear and convincing evidence both the fraud or misconduct and the inability to fully and fairly litigate the case. See *Washington v. Patlis*, 916 F.2d 1036, 1039 (5<sup>th</sup> Cir.1990).

Poly–America argues it has not altered its position. (Def’s Reply to Mot. for J. at 2). It claims to have established goodwill in its name even though Ironclad never managed to establish itself well enough to have created a similar type of goodwill. Whether or not Poly–America’s argument represents an altered position, its behavior is not of the kind to warrant a new trial. The jury had to determine whether Poly–America intended to trade off of the goodwill of Ironclad. Essentially, the jury determined that Poly–America did not intend to trade off of or profit from Ironclad’s goodwill, [Rule 60\(b\)\(3\)](#) is not meant to remedy factually incorrect judgments. See *Rozier*, 573 F.2d at 1339. Rather, it should be

reserved for those extraordinary cases constituting true fraud upon the court. Plaintiff was not deprived of any information from which it could uncover relevant material about the case. Cf. *Montgomery v. Hall*, 592 F.2d 278, 278–79 (5<sup>th</sup> Cir.1979) (stating misconduct may arise under Fed.R.Civ.P. 60(b)(3) where counsel withholds information called for in discovery). Except for Poly–America's alleged “admission,” Ironclad possessed all of the information relevant to whether Iron Sak® had attained goodwill in association with its name. For these reasons, the Court DENIES Plaintiff's Motion for a New Trial.

Ironclad similarly fails to meet its burden for this court to enter judgment as a matter of law. A motion for judgment as a matter of law is granted “only if the facts and inferences point so strongly and overwhelmingly in favor of one party that the Court believes that reasonable men could not arrive at a contrary verdict.” *Nichols v. Lewis Grocer*, 138 F.3d 563, 565 (5<sup>th</sup> Cir.1998) (quoting *Boeing Co. v. Shipman*, 411 F.2d 365, 374 (5<sup>th</sup> Cir.1969) (en banc), overruled on other grounds, *Gautreaux v. Scurlock Marine, Inc.*, 107 F.3d 331 (5<sup>th</sup> Cir.1997) (en banc)). The Court must consider all of the evidence and reasonable inferences in the light most favorable to the non-moving party. *Murray v. Red Kap Indus., Inc.*, 124 F.3d 695, 697 (5<sup>th</sup> Cir.1997). The Court may not, however, reevaluate the weight of the evidence or the credibility of the witnesses. *Aetna v. Pendleton Detectives of Miss.*, 182 F.3d 376, 378 (5<sup>th</sup> Cir.1999). A reasonable jury could find one product at Sam's had attained goodwill in association with its name while not so finding for a different product. A reasonable jury could also determine that Ironclad had established goodwill in its product, but that Poly–America's profits were not attributable to that goodwill. Poly–America's attempt to establish its own goodwill does not necessarily indicate its intent to trade off the goodwill of Iron Sak®. Nor does it demonstrate that some of Poly–America's profits are attributable to use of the infringing trademark. As such, the Court must DENY Plaintiff's Motion for Judgment as a Matter of Law.

### III. Motion for Injunction/Equitable Defenses

\*10 At trial, the Court reserved for determination all equitable relief, including Plaintiff's requested injunctive relief, until after the jury had returned a verdict. Now that the jury has returned a verdict finding trademark infringement, Ironclad moves for injunctive relief under 15 U.S.C. § 1116(a)(1998). Poly–America raises equitable defenses in

opposition to the requested relief. Specifically, Poly–America asserts that Ironclad is not entitled to an injunction because of Ironclad's unreasonable delay in enforcing its right to the mark and because Ironclad acquiesced to Poly–America's use of the mark. Ironclad argues that even were these two assertions true, injunctive relief would still be proper for two reasons: (1) equitable defenses cannot defeat injunction as a remedy for incontestable marks;<sup>7</sup> and (2) Poly–America cannot demonstrate substantial prejudice would result from the injunction.

#### A. Injunction as Appropriate Remedy Subject to Principles of Equity

Section 34 of the Lanham Act provides courts with the power to enter injunctive relief for trademark infringement. 15 U.S.C. § 1116(a)(1998).<sup>8</sup> Courts will ordinarily award injunctive relief once a party has been found liable for trademark infringement. See *Restatement (Third) of Unfair Competition § 35(1)(b)*. Although courts routinely grant injunctive relief in trademark infringement actions, courts are free to balance the interests of the parties and the particular circumstances of the case when determining the appropriateness of the requested remedy. See *Restatement (Third) of Unfair Competition § 35* cmt. b.

The good faith nature of a defendant's actions will not insulate the defendant from an injunction. See *Texas Pig Stands, Inc. v. Hard Rock Cafe Int'l, Inc.*, 951 F.2d 684, 696 (5<sup>th</sup> Cir.1992) (upholding permanent injunction against good faith violator of trademark). Misconduct by the plaintiff, such as laches or acquiescence, may justify a court's denial of injunctive relief. See *Restatement (Third) of Unfair Competition § 35* cmt. b; see also *Westinghouse Elec. Corp. v. General Circuit Breaker & Elec. Supply Inc.*, 106 F.3d 894, 902–03 (9<sup>th</sup> Cir.1997) (holding defendants' equitable defenses alone sufficient to justify district court's refusal to enter a permanent injunction). These equitable defenses also apply to marks deemed incontestable under the Lanham Act.<sup>9</sup> In fact, both laches and acquiescence are explicitly listed as statutory defenses to infringement of incontestable marks. 15 U.S.C. § 1115(b)(8)(1998).

Accordingly, Ironclad's request for injunctive relief is appropriate under the circumstances of this case. However, despite the incontestable status of Plaintiff's mark, this court may deny injunctive relief if Defendant prevails in demonstrating its equitable defenses.

## B. Laches

“Laches is founded on the notion that equity aids the vigilant and not those who slumber on their rights.” *National Assoc. of Gov. Employees v. City Public Serv. Bd.*, 40 F.3d 698, 708 (5<sup>th</sup> Cir.1994) (quoting *NAACP v. NAACP Legal Defense and Educational Fund, Inc.*, 753 F.2d 131, 137 (D.C.Cir.1985)). Courts commonly define laches as an inexcusable delay that results in prejudice to the defendant. See *Conan Properties, Inc. v. Conans Pizza, Inc.*, 752 F.2d 145 (5<sup>th</sup> Cir.1985). The laches defense consists of three elements: (1) a delay by the plaintiff in bringing the suit; (2) that is not excused; and (3) results in undue prejudice to the defendant. See *Elvis Presley Ent., Inc. v. Capece*, 141 F.3d 188, 205 (5<sup>th</sup> Cir.1998). As an affirmative defense, the burden of proof for laches falls upon the Defendant. See 4 Callman Unfair Competition § 22.21, at 139 (1995 main volume).

### 1. Delay

\*11 The parties do not dispute that Ironclad first learned of Poly-America's use of the Ironman® mark no later than March or April 1994. Ironclad participated in the Ironman® program at Sam's until July 1995. In April 1996, Ironclad filed suit against its former law firm, Hubbard, Thurman, Tucker & Harris, L.L.P. (hereinafter “Thurman firm”), for malpractice and trademark infringement in connection with Poly-America's use of the Ironman® mark. The litigation between Ironclad and the Thurman firm concluded in February 1998. Three months later, Ironclad filed this action against Poly-America. At no time prior to filing this lawsuit did Ironclad make either a written or verbal demand upon Poly-America to cease and desist its use of the Ironman® mark.

The parties strongly contest the length of Plaintiff's delay in bringing the suit. Courts measure the delay beginning from the time when plaintiff knew or should have known of the infringing use and ending once the plaintiff notifies the defendant of the objections to use of the mark. *Armco, Inc. v. Armco Burglar Alarm Co., Inc.*, 693 F.2d 1155, 1161 (5<sup>th</sup> Cir.1982). Ironclad urges the Court to find its delay ended in April 1996 when it filed suit against the Thurman firm. From the filing of the first lawsuit, Ironclad contends Poly-America had knowledge of the infringement claims and knew of Ironclad's objection to the use of the Ironman® mark. See *Studiengesellschaft Kohle v. Eastman Kodak Co.*, 616 F.2d 1315, 1328 (5<sup>th</sup> Cir.1980) (finding other litigation relevant

for avoiding laches defense in a patent infringement case where plaintiff sent letter to infringer putting it on notice of intent to pursue rights). In fact, Poly-America became involved in the first litigation by way of paying for Sam's legal defense. Poly-America argues that the previous litigation does not automatically end Plaintiff's delay and that it was not put on notice of Ironclad's objections until the filing of this lawsuit. As quoted by Poly-America, “whether other lawsuits were prosecuted is not the question. Rather, the Court must inquire whether the Plaintiff gave the Defendant notice of its intention to file the lawsuit in which the question of laches is raised.” *Standard Oil Co. v. Rohm & Hass Co.*, 589 F.Supp. 264, 268 (S.D.Tex.1984).

Restatement (Third) of Unfair Competition § 31 cmt. c states,

[i]n some circumstances, the existence of other litigation involving the plaintiff's mark may justify a delay in commencing an action against the defendant, particularly when the issues in the litigation are relevant to the claim against the defendant and the plaintiff has notified the defendant of an intent to institute legal action at the conclusion of the other litigation.

Poly-America correctly notes that it must receive notice of Plaintiff's objections to its use of the Ironman® mark in order for the delay to end. The Fifth Circuit has found adequate notice when the plaintiff informed a defendant of other pending litigation enforcing the same patent and warned that it would fully pursue further actions to protect its patent against other possible infringers. See *Studiengesellschaft Kohle*, 616 F.2d at 1330; see also *Electronic Communications, Inc. v. Electronic Components for Indus. Co.*, 443 F.2d 487, 490 (8<sup>th</sup> Cir.1971) (finding no laches where plaintiff was involved in other litigation involving the same mark and sent letter to defendants notifying them of registration of the mark). However, cases have refused to excuse a delay on the basis of other pending litigation where plaintiff failed to send a simple cease and desist letter. *Standard Oil*, 589 F.Supp. at 267–68; *Tandy Corp. v. Malone & Hyde*, 581 F.Supp. 1124, 1128–29 (M.D.Tenn.1984) rev'd on other grounds 769 F.2d 362 (6<sup>th</sup> Cir.1985).

\*12 Under the guidance of this case law, the Court must determine whether Ironclad gave Poly–America sufficient notice of its intent to prosecute its claim to the “Iron” trademarks during the pendency of the litigation against the Thurman firm so as to end its delay. In the lawsuit against the Thurman firm, Ironclad accused its former law firm of soliciting the business of its competitor, conspiring to unfairly compete with Ironclad, infringing Ironclad's trademarks, and trading off of Ironclad's goodwill. (PA's App. Mot. for Sum. J at 341). Trademark infringement was Ironclad's first count against the Thurman firm, and Ironclad stated:

Poly–America's use of the mark “IRONMAN” is without the consent of Ironclad. Poly–America's use of the mark “IRONMAN” in connection with the sale of plastic trash bags constitutes the use of an imitation of Ironclad's registered trademark that is likely to cause confusion or to cause mistake or to deceive. Poly–America knowingly used the mark “IRONMAN” in connection with the sale of plastic trash bags with the intention of causing confusion, mistake or deception.

(PA's App. Mot. for Sum. J. at 345).

Sam's became involved in the Thurman firm lawsuit on March 6, 1997, by way of a third party complaint and filed its answer on May 16, 1997. At that point, Defendant became involved in the lawsuit by providing Sam's with legal representation. Plaintiff provided no evidence that Defendant was served with a copy of the pleadings in the Thurman firm lawsuit or was otherwise made aware of the allegations in the suit prior to becoming involved with Sam's defense. However, once Defendant did become involved in the suit, simply reading the complaint should have put Poly–America on notice of Plaintiff's objection to its use of the Ironman® mark. Although Plaintiff did not send a formal letter notifying Poly–America of the alleged infringement, the Court finds Poly–America became aware of Plaintiff's allegations of the wrongful use of the Ironman® mark once Poly–America became involved in the lawsuit.

Laches is an equitable remedy and requires the Court to review all of the circumstances of the particular case to make

its determination. As an equitable doctrine, the Court will not rest its application on technicalities. At least one treatise disclaims the need for an express or written notice of an intent to sue a prospective defendant over the use of a trademark 4 Callman Unfair Competition § 22.23, at 155 (1995 main volume). Rather than giving express notice, a plaintiff can avoid any further delay by demonstrating the defendant had reason to believe it was likely to be sued upon completion of the previously instituted litigation. *Id.* Defendant knew of Plaintiff's objection to its use of the Ironman® mark once it became involved in the Thurman lawsuit. Therefore, the delay period is almost three years—from April 1994 to March 6, 1997.

## 2. Delay was Inexcusable

Ironclad urges the Court to excuse the first few months of delay because Ironclad lost its long-time trademark counsel. If this were a true hurdle to Ironclad's assertion of its rights, the impediment would have lasted no longer than May 1994, when Ironclad approached another law firm, Baker & Botts, about the situation. At that point, Ironclad had access to advice from a very reputable and capable firm and lost its excuse for delay. Moreover, Ironclad had litigated several trademark disputes in the past and had an established goal of protecting all of the “Iron” marks. As a business, Ironclad possessed a great deal of sophistication in trademark matters so that the loss of counsel would not continue to excuse its delay in making a complaint to Poly–America.

\*13 Ironclad explains its silence over the next few months resulted from the fear of losing Sam's business should it voice any complaint to the use of the Ironman® mark. It may very well be the case that Ironclad had a legitimate, reasonable fear of losing Sam's business Plaintiff has not, however, presented the Court with any case law to support its theory that a “business necessity” can justify a delay so as to avoid a laches defense. The Court notes that even after Sam's excluded Ironclad from participating in the program altogether, Ironclad still did not notify Poly–America of its objections and waited months before bringing any action to enforce its rights. The Court does not find Plaintiff's argument persuasive and will not excuse this time from the delay calculation.

Finally, Ironclad seeks to excuse its delay from April 1996 to March 1997 due to the pending litigation against the Thurman law firm. The existence of a separate litigation over the same mark does not excuse Ironclad from sending a simple cease and desist letter to Poly–America to make it aware of

Ironclad's objection to the Ironman® mark. Therefore, this period of time is not excused.

### 3. Prejudice to Defendant

As an affirmative defense, a defendant must demonstrate how it will be prejudiced by the plaintiff's delay in order to defeat injunctive relief. "Whether phrased as 'reliance' or 'prejudice', the effect is the same – the defendant has done something it otherwise would not have done absent the plaintiff's conduct." *Conan Properties*, 752 F.2d at 153. Poly-America cites the disruption of its ongoing business that has been built up during the three years of consent and delay as prejudice. Ironclad knew of the Ironman® name prior to Poly-America's national rollout. The testimony indicates that changing the name at that point would not have caused a significant disruption. After Plaintiff's three-year delay and failure to object to the use of the mark, Poly-America has placed a significant amount of money into manufacturing and developing this product. See *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813 (7<sup>th</sup> Cir.1999) (finding prejudice to the defendant who undertook expensive advertising and developing while plaintiff sat idle for several years without objection and even tried to break into the same market).

In *Conan*, the court found reliance where plaintiff's conduct gave implied consent to the defendant to use plaintiff's mark and the defendant then built up its business under the assumption that it could use that name so that it would be unjust to allow plaintiff to force defendant to stop using the name. *Conan Properties*, 752 F.2d at 152 n. 3. However, the testimony of Sam's employee, Johnson, indicates that in late 1997, Sam's planned to change the Ironman® program name. At that point, Sam's foresaw no lull in business, only the added costs of the name change. It is at that point from which the Court must determine prejudice. See *Conan Properties*, 752 F.2d at 152 (limiting defendant's prejudice to the period prior to notice of another party's objection and noting after that time, the infringer acts "at its own peril, without the defenses of laches and acquiescence"). After a review of all the evidence, the Court determines Plaintiff's delay did not cause Defendant prejudice.

### C. Acquiescence

\*14 Acquiescence is an implicit or explicit assurance given by the plaintiff to the defendant which induced reliance by the defendant. *Elvis Presley Enter., Inc.*, 141 F.3d at 206; *Conan Properties*, 752 F.2d at 153.

Words, conduct, or inaction can be effective as a manifestation of consent even if the trademark owner does not in fact intend to consent to the use if a reasonable person in the position of the other party would understand the owner's conduct to indicate consent and it is in fact so interpreted by the other.

Restatement (Third) of Unfair Competition § 29, cmt. a.

### 1. Assurances

Defendant points to several of Ironclad's actions as evidence of Ironclad's consent to the use of the Ironman® mark. Ironclad paid \$20,000 to Poly-America as a contribution to the advertising development for Ironman®. Ironclad participated in the Ironman® program for a year without ever objecting to use of the Ironman® name. Once Sam's excluded Ironclad from further participation in the Ironman® program, Ironclad sold its remaining Ironman® products and packaging to North America and Poly-America.

In *Conan*, the court ruled that a letter from the trademark owner to the infringer wishing him luck and success in his venture constituted acquiescence. See *Conan Properties*, 752 F.2d at 152. Under the current circumstances, it is certainly reasonable to conclude Ironclad acquiesced in Poly-America's use of the Ironman® mark based upon Ironclad's participation in the program and failure to voice opposition to the name. In fact, the evidence demonstrates Ironclad voluntarily participated in the Ironman® program and enjoyed the profits of the program for a year. Poly-America could have reasonably interpreted these actions as assurances that Ironclad consented to the use of the Ironman® mark.

### 2. Reliance

For the same reasons stated *supra* Section III.B.3, the Court does not find undue prejudice will result to Defendant from Ironclad's apparent consent to its use of the Ironman® mark.

### D. Waiver

Defendant also seeks to establish Plaintiff waived its right to assert trademark infringement for Poly-America's use of the Ironman® mark. Waiver is the intentional relinquishment

of a known right. See *Matador Petro. Corp. v. St. Paul Surplus Lines Ins. Co.*, 174 F.3d 653, 660 (5<sup>th</sup> Cir.1999). Waiver turns on the subjective intent of the of the plaintiff, so that a defendant must demonstrate plaintiff's actual intent to relinquish the right. See *First Interstate Bank of Arizona, N.A. v. Interfund Corp.*, 924 F.2d 588, 595 (5<sup>th</sup> Cir.1991). The intent of the plaintiff is a question of fact for the jury. *Id.* Poly-America did not seek to have the question of waiver submitted to the jury. Even if Ironclad's intent were for the Court to decide, Poly-America failed to demonstrate Ironclad's subjective intent to relinquish its rights to the Ironman® mark. Ironclad's participation in the Ironman® program may have led Poly-America to reasonably believe Ironclad had consented to the use of the mark, but it does not "manifest an unequivocal intention to no longer assert the right." *Id.* (quoting *Weibart & Co. v. First Nat'l Bank of Dalhart*, 568 F.2d 391 (5<sup>th</sup> Cir.1978)).

#### IV. Attorneys' Fees

\*15 In "exceptional cases," the Lanham Act provides for an award of attorneys' fees to the prevailing party. 15 U.S.C. § 1117(a)(1999). Pursuant to this statute, Poly-America moves for an award of attorneys' fees due to Ironclad's unclean hands. Poly-America accuses Ironclad of bringing this lawsuit as a harassment device and of deliberately misleading its survey expert, the survey participants, and this Court and jury by altering the Iron Sak® and Ironman® packages. (Poly-America's Mot. for Att. Fees at 2). A case is exceptional under the terms of the statute when the defeated party's actions were malicious, fraudulent, deliberate or willful. *Pebble Beach Co. v. Tour 18 I. Ltd.*, 155 F.3d 526, 555 (5<sup>th</sup> Cir.1998). The prevailing party must prove the exceptional nature of the case by clear and convincing evidence. *Id.* Regardless of whether Poly-America may be considered the prevailing party in this matter, Poly-America did not prove that Ironclad's action was so unclean in merit as to be exceptional under the statute. In fact, this argument is very specious and borders on frivolous considering the jury's finding a likelihood of confusion. Poly-America's Motion for Attorneys' Fees is hereby DENIED.

#### V. Motion for Protective Order

Immediately prior to trial, Poly-America delivered to Ironclad a report on its cost structure and financial information for the purposes of determining Poly-America's profits from the Ironman® program. Poly-America filed a motion for protective order at the time it delivered the

materials; however, Defendant never received a ruling on the motion. Poly-America now seeks to have the Court seal all documents and all testimony relating to Poly-America's cost structure and financial information.

Upon a showing of good cause, a court may enter a protective order limiting the use of a trade secret or other confidential information. Fed.R.Civ.P. 26(c)(7). Generally, the public has a right of access to discovery materials, especially when the subject matter of the litigation is of special public interest. See *In re "Agent Orange"*, 821 F.2d 139, 145-46 (2<sup>nd</sup> Cir.1987). The financial information Poly-America seeks to have sealed contains sensitive cost structure analysis. The only relevance of this information to the trademark infringement was to demonstrate Poly-America's profits from the sale of the Ironman® trash bags. See *Gelb v. AT & T Co.*, 813 F.Supp. 1022, 1035 (S.D.N.Y.1993) (sealing exhibits containing internal financial operations which was relevant, but not central, to plaintiff's claims).

Ironclad objects to sealing this information for a number of reasons. Ironclad objects that the information was revealed in open court to members of the public over whom Ironclad has no control. As Poly-America pointed out, there were few, if any, unaccounted for individuals in the courtroom during this trial. Ironclad also objects that because the order was not entered when the documents were initially delivered, it did not take precautions to "prevent the information from being disseminated widely to persons in the company." However, prior to trial, Poly-America had moved for a protective order, putting Ironclad on notice of the sensitive nature of this material. In light of that motion, it would not have been prudent for Ironclad to have widely disseminated the material to persons throughout its company. Certainly now, it can recall any copies of the report that was circulated through the company. Furthermore, it will not place a significant burden on Ironclad to ensure that its employees use the financial information only for the purposes of litigating the Ironman® trademark. Accordingly, the Court GRANTS Poly-America's Motion for Protective Order. The protective order will be separately entered.

#### CONCLUSION

\*16 For the reasons state herein, the Court refuses to disturb the jury's finding regarding either infringement or damages. Therefore, the Court DENIES both Poly-America's Motion for Judgment on the Verdict as well as Ironclad's Cross-

Motion to Disregard Jury Finding. Moreover, the Court does not find either laches or acquiescence prevents the imposition of an injunction for Poly–America's infringing use of the Ironman® mark. The Court GRANTS Ironclad's Motion for Inclusion of Injunctive Relief in Judgment. The Court also found no impediment to the protective order sought by Poly–America and GRANTS Poly–America's Motion for Order Sealing Certain Trial Exhibits and Testimony.

The Court directs counsel for both parties to meet and discuss both the protective order and the injunctive relief. To the extent they are able to agree, they shall submit the agreed language of the orders no later than August 14, 2000. If parties are unable to agree upon either the protective order or the injunction, each party shall submit their proposed orders no later than August 14, 2000.

#### Footnotes

- 1 The following includes the questions submitted to the jury along with its returned answers:
  - Question No. 1: Do you find that Poly–America used the Ironman® name in a manner likely to cause confusion about the source or sponsorship of its trash bags among consumers using ordinary care and prudence in the purchase of trash bags? Answer: Yes
  - Question No. 2: Do you find by a preponderance evidence that Poly–America's use of the Ironman® mark amounts to willful infringement? Answer: No
  - Question No. 3: What do you find to be Poly–America's profits attributable to its use of the Ironman® mark on trash bags sold to Sam's Clubs from the inception of Sam's control label program through June 30, 1995, the end of Ironclad's participation in the program? Answer: None
  - Question No. 4: What do you find to be Poly–America's profits attributable to its use of the Ironman® mark on trash bags sold to Sam's Clubs from the end of Ironclad's participation in the program through May 12, 1998? Answer: None
  - Question No. 5: What do you find to be Poly–America's profits attributable to its use of the Ironman® mark on trash bags sold to Sam's Clubs from May 12, 1998 through today? Answer: None
- 2 A court of appeals reviews a court's decision following an advisory jury verdict subject to the clearly erroneous standard. *Sheila's Shine Products, Inc. v. Sheila Sine, Inc.*, 468 F.2d 114, 122 (5<sup>th</sup> Cir.1973).
- 3 For the reasons stated *infra* Section I.B., the outcome of the motion would remain the same under the much more limited review of [Federal Rule of Civil Procedure 50\(b\)](#). A motion for judgment as a matter of law is granted “only if the facts and inferences point so strongly and overwhelmingly in favor of one party that the Court believes that reasonable men could not arrive at a contrary verdict.” *Nichols v. Lewis Grocer*, 138 F.3d 563, 565 (5<sup>th</sup> Cir.1998) (quoting *Boeing Co. v. Shipman*, 411 F.2d 365, 374 (5<sup>th</sup> Cir.1969) (en banc), overruled on other grounds, *Gautreaux v. Scurlock Marine, Inc.*, 107 F.3d 331 (5<sup>th</sup> Cir.1997) (en banc)). The Court must consider all of the evidence and reasonable inferences in the light most favorable to the non-moving party. *Murray v. Red Kap Indus., Inc.*, 124 F.3d 695, 697 (5<sup>th</sup> Cir.1997). The Court may not, however, reevaluate the weight of the evidence or the credibility of the witnesses. *Aetna v. Pendleton Detectives of Miss.*, 182 F.3d 376, 378 (5<sup>th</sup> Cir.1999). A court of appeals reviews the district court's judgment as a matter of law de novo. *Murray*, 124 F.2d at 697. The evidence cited in Section I.B. is sufficient to support the jury's finding of a likelihood of confusion, meaning that Poly–America failed to meet the burden for obtaining judgment as a matter of law. Accordingly, even if the court's treatment of the jury's findings as advisory is improper, the ruling would remain the same.
- 4 In fact, she did not really pay any attention to the names of the bags because she mainly focused on price and quantity. (Tr. Transcript, Nov. 15, 1999, at 225).
- 5 Mr. Stone also testified that in his judgment, it was more important to use category consumers rather than Sam's customers. (Tr. Transcript, Nov. 9, 1999, at 77).
- 6 Under [15 U.S.C. 1117\(a\)](#), a court may alter the award of profits if it finds the amount of recovery based on profits either inadequate or excessive. See also *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1127 (5<sup>th</sup> Cir.1991) (citing the court's considerable discretion in fashioning an appropriate remedy under the Lanham Act). However, Plaintiff did not move for an alteration of the award based upon equitable principles
- 7 The Court previously found Iron Sak® is an incontestable mark under [15 U.S.C. § 1065](#). See Memorandum Op. & Ord., Oct. 14, 1999, at 10.
- 8 Section 34(a) of the Lanham Act provides in pertinent part:
  - The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any

right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under section 1125(a) of this title.

15 U.S.C. § 1116(a).

- 9 Plaintiff cites *American Automobile Assoc. v. AAA Ins. Agency*, 618 F.Supp. 787, 795 (W.D.Tex.1985) for the proposition that equitable defenses cannot be raised against incontestable marks. (Pl's Mot. for Inj. Relief at 7–8). The district court in that case relied upon the omission of these defenses from the statutory list of defenses available to incontestable marks. However, the statute has been amended and now provides for both laches and acquiescence as a defense to incontestable marks. See Trademark Law Revision Act of 1988, Pub.L. 100–667, § 128(b)(5)-(6), 15 U.S.C. 1115(b)(8) (as amended 1988).

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