

IN THE COURT OF APPEALS
TWELFTH APPELLATE DISTRICT OF OHIO
BUTLER COUNTY

E.I. DU PONT DE NEMOURS AND COMPANY,	:	
Plaintiff-Appellant,	:	CASE NO. CA2008-12-307
	:	<u>OPINION</u>
	:	4/12/2010
- vs -	:	
	:	
CINCINNATI PRINTERS CO., INC., et al.,	:	
Defendants-Appellees.	:	

CIVIL APPEAL FROM BUTLER COUNTY COURT OF COMMON PLEAS
Case No. CV06-10-3641

Gonzales, Saggio & Harlan, LLP, Robert R. Furnier, Rasheed A. Simmonds, One Financial Way, Suite 312, Cincinnati, OH 45242, for plaintiff-appellant

Stephen C. Lane, 8055 Cincinnati-Dayton Road, Suite B, West Chester, OH 45069, for defendants-appellees, Cincinnati Printers Co., Inc., Clear Packaging Films Corp. and The Yockey Group

YOUNG, P.J.

{¶1} Plaintiff-appellant, E.I. du Pont de Nemours and Company (DuPont), appeals a decision regarding its claims of trademark infringement by defendants-appellees, Cincinnati Printers Company, Inc., Clear Packaging Films Corporation, and The Yockey Group (collectively Cincinnati Printers). We reverse and remand.

{12} DuPont and Cincinnati Printers entered into a requirements contract from August 1, 2004 to December 31, 2007, whereby Cincinnati Printers agreed to purchase Surlyn[®] ionomer resin exclusively from DuPont. DuPont also extended a \$250,000 line of credit which Cincinnati Printers quickly exhausted. In 2005, Cincinnati Printers began purchasing an ionomer resin from one of DuPont's competitors, but continued to advertise that their products contained Surlyn[®]. On April 18, 2006, DuPont wrote Cincinnati Printers advising them it intended to seek damages for breach of the requirements contract. DuPont also demanded that Cincinnati Printers cease and desist use of the Surlyn[®] name, refrain from any further representations that Cincinnati Printers' products contained Surlyn[®], and pay for all Surlyn[®] purchases. Cincinnati printers declined to pay the outstanding purchase balance and continued to use DuPont's Surlyn[®] trademark.

{13} On October 12, 2006, DuPont filed a complaint alleging breach of contract, trademark infringement, false advertising, and tortious interference with prospective contractual relations. DuPont's complaint requested compensatory damages, punitive relief, profit disgorgement, attorney fees, costs, and injunctive relief to prohibit Cincinnati Printers from using the Surlyn[®] trademark. The trial court subsequently granted summary judgment to DuPont on its breach of contract claim for the outstanding contract balance. The court also granted injunctive relief, finding Cincinnati Printers violated the Ohio Deceptive Trade Practices Act (ODTPA), R.C. Chapter 4165, because they caused a likelihood of confusion by using the Surlyn[®] name.¹ The trial court also granted DuPont a permanent injunction and awarded

1. The trial court cited the following sections of the ODTPA in its summary judgment decision: "(A) A person engages in a deceptive trade practice when, in the course of the person's business, vocation,

attorney fees for prosecution of its injunctive relief claim.

{114} DuPont waived a jury trial and submitted its remaining claims to the trial court based on "stipulations, depositions, and other evidentiary materials as well as written closing arguments." On November 25, 2008, the trial court issued a final judgment in which it denied DuPont's request under ODTPA for damages and attorney fees, and also denied DuPont's request under the Trademark Act of 1946 (Lanham Act) for Cincinnati Printers' profits. See Chapter 22, Title 15, U.S.Code. The trial court found DuPont failed to prove it had suffered "actual damages" necessary to recover under ODTPA, and also failed to prove the "buying public was actually deceived" in order to recover "statutory damages" under the Lanham Act. The trial court did not address whether an award of attorney fees was warranted under the Lanham Act. DuPont appealed, raising a single assignment or error.

{115} "THE TRIAL COURT ERRED AS A MATTER OF LAW BY FAILING TO ORDER CINCINNATI PRINTERS TO DISGORGE ITS PROFITS AND TO AWARD DUPONT ITS ATTORNEY[] FEES."

{116} In its sole assignment of error, DuPont argues the trial court should have awarded it attorney fees and Cincinnati Printers' profits pursuant to Section 1117(a), Title 15, U.S.Code.

{117} Cincinnati Printers maintain DuPont is not entitled to the requested relief because it failed to give them notice of a Lanham Act violation. Therefore,

or occupation, the person does any of the following: * * * (2) Causes likelihood of confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services; (3) Causes likelihood of confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another; * * * (7) Represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have; * * *." R.C. 4165.02.

before addressing DuPont's assignment of error, we first determine whether DuPont failed to plead a violation of the Lanham Act.

{¶8} "Civ.R. 8(A) requires only that a pleading contain a short and plain statement of the circumstances entitling the party to relief." *Illinois Controls, Inc. v. Langham*, 70 Ohio St.3d 512, 526, 1994-Ohio-99. "The purpose of Civ.R. 8(A) is to give the defendant fair notice of the claim and an opportunity to respond." *Leichliter v. Natl. City Bank of Columbus* (1999), 134 Ohio App.3d 26, 31, citing *Fancher v. Fancher* (1982), 8 Ohio App.3d 79, 82-83. "A party is not required to plead the legal theory of recovery or the consequences which naturally flow by operation of law from the legal relationships of the parties." *Illinois Controls* at 526. Moreover, "[t]he rules make clear that a pleader is not bound by any particular theory of a claim but that the facts of the claim as developed by the proof establish the right to relief." *Id.*, quoting McCormac, *Ohio Civil Rules Practice* (2 Ed.1992) 102, Section 5.01. Lastly, "Civ.R. 8(F) requires that pleadings shall be 'construed as to do substantial justice,' and to that end, pleadings must be construed liberally to serve the substantive merits of the action." *Morris v. Children's Hosp. Med. Ctr.* (1991), 73 Ohio App.3d 437, 443, citing *MacDonald v. Bernard* (1982), 1 Ohio St.3d 85, 86.

{¶9} DuPont did not make any specific statutory references to the Lanham Act in its complaint. However, paragraph six of the complaint stated: "DuPont intends to pursue all claims arising from the allegations of this complaint even if it has not labeled or identified every cause of action." In paragraphs eight and nine, DuPont mentioned "profits earned" by Cincinnati Printers "which rightfully belong to DuPont" because of "infringement of the Surlyn[®] trademark" and deception by false advertising. Furthermore, in its demand for judgment, DuPont requested an order

directing Cincinnati Printers to disgorge and pay DuPont all profits from the August 1, 2004 to December 31, 2007 sale of products containing ionomer resins other than Surlyn[®].²

{¶10} Although preferable to include a specific reference to the Lanham Act within the complaint, "the claims in the complaint are not dependent on whether technical forms or terms were used to describe the claims." *Samonas v. St. Elizabeth Health Center*, Mahoning App. No. 05 MA 83, 2006-Ohio-671, ¶17, citing *Illinois Controls* at 526. Also, we must look to the "actual nature or subject matter pleaded in the complaint," rather than "labels" used to identify a particular cause of action.³ *Funk v. Rent-All Mart, Inc.*, 91 Ohio St.3d 78, 91, 2001-Ohio-270. Therefore, although DuPont never used "Lanham Act" in its complaint, we find that the complaint provided fair notice of the Lanham Act claims. See *Leichliter* at 31.

{¶11} We note that in subsequent filings such as its summary judgment motion and trial brief, DuPont raised arguments regarding recovery and injunctive relief pursuant to the Lanham Act. Moreover, in their responses to these filings, Cincinnati Printers made specific arguments against DuPont's Lanham Act claims.

{¶12} Having found the complaint filed by DuPont provided fair notice of Lanham Act claims, we now turn to DuPont's assignment of error. DuPont argues that the trial court applied the wrong analysis in denying its request for Cincinnati Printers' profits. Instead of requiring "actual deception," DuPont contends that under the Lanham Act it need only show the infringement created a likelihood of confusion or deception. Relying on the fact that the trial court, in granting summary judgment,

2. DuPont also sought reasonable attorney fees and litigation costs in its request for relief.

3. We also observe that "profits" are not a remedy under ODTPA, but are a remedy under the Lanham Act. DuPont included profits in its claims and request for judgment.

found infringement based on Cincinnati Printers creating a "likelihood of confusion," DuPont believes it is entitled to recover under the Lanham Act, even though it concedes the summary judgment decision focused on a violation of ODTPA.

{¶13} "The Lanham Act was intended to make 'actionable the deceptive and misleading use of marks,' and 'to protect persons engaged in . . . commerce against unfair competition.'" *Dastar Corp. v. Twentieth Century Fox Film Corp.* (2003), 539 U.S. 23, 28, 123 S.Ct. 2041, quoting Section 1127, Title 15, U.S.Code. The Lanham Act also provides for compensatory recovery which is "measured by the profits that accrued to the defendant by virtue of his infringement, the costs of the action, and damages which may be trebled in appropriate circumstances." *Fleischmann Distilling Corp. v. Maier Brewing Co.* (1967), 386 U.S. 714, 719, 87 S.Ct. 1404, citing Section 1117(a), Title 15, U.S.Code. In addition, "court[s] in exceptional cases may award reasonable attorney fees to the prevailing party." Section 1117(a), Title 15, U.S.Code.

{¶14} Nevertheless, before a trial court may order profits and/or attorney fees, the court must first determine that "a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title" has been established.⁴ Section 1117(a), Title 15, U.S.Code.

4. Infringement claims under Section 1114(1) and 1125(a) are essentially subject to the same test. *Wynn Oil Co. v. American Way Serv. Corp.* (C.A.6, 1991), 943 F.2d 595, 604. "In order to establish a case of trademark infringement, a plaintiff must be able to show: (a) the mark is valid and owned by the plaintiff; (b) that the defendant is using the same or similar mark; and (c) the use of the mark by the defendant is likely to cause confusion." *Pita Delight, Inc. v. Salami* (E.D.Mich. 1998), 24 F.Supp.2d 795, 799, citing *Star Financial Services, Inc. v. Aastar Mortgage Corp.* (C.A.1, 1996), 89 F.3d 5, 9. "The touchstone of liability * * * is whether the defendant's use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties." *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Ctr.* (C.A.6, 1997), 109 F.3d 275, 280.

{¶15} Although the trial court expressly determined in its December 27, 2007 summary judgment decision that Cincinnati Printers had violated ODTPA, the court rendered no opinion as to whether Cincinnati Printers violated a provision of the Lanham Act. Indeed, a careful reading of the trial court's November 25, 2008 decision offers no further insight on whether Cincinnati Printers actually violated the Lanham Act. Therefore, the trial court should not have offered an opinion on damages or profits without first determining whether a Lanham Act violation occurred. DuPont's assignment of error is sustained and this case is remanded to the trial court to determine whether Cincinnati Printers violated a provision of the Lanham Act. If the trial court finds a Lanham Act violation, it may then determine whether DuPont is entitled to recover profits and/or attorney fees pursuant to the requirements of Section 1117(a), Title 15, U.S.Code.⁵

{¶16} Judgment reversed and remanded.

RINGLAND and HENDRICKSON, JJ., concur.

5. Because "[t]he trial court's primary function is to make violations of the Lanham Act unprofitable to the infringing party[,] [o]ther than general equitable considerations, there is no express requirement that the parties be in direct competition or that the infringer willfully infringe * * * to justify an award of profits. Profits are awarded under different rationales including unjust enrichment, deterrence, and compensation." *Wynn Oil* at 606, quoting *Roulo v. Russ Berrie & Co.* (C.A.7, 1989), 886 F.2d 931, 941 (internal quotations omitted).