

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

WASHINGTON, SC

SUPERIOR COURT

(Filed: January 18, 2012)

**THE GREATER WESTERLY-
PAWCATUCK AREA CHAMBER
OF COMMERCE; NARRAGANSETT
CHAMBER OF COMMERCE;
CHARLESTOWN CHAMBER OF
COMMERCE, INC.; and NORTH
KINGSTOWN CHAMBER OF
COMMERCE, INC., Plaintiffs,**

v.

**SOUTH KINGSTOWN
CHAMBER OF COMMERCE, INC.,
Defendant**

C.A. No. WB-11-0741

DECISION

Stern, J. On December 13, 2011, this Court entertained the Greater Westerly-Pawcatuck Area Chamber of Commerce, Narragansett Chamber of Commerce, Charlestown Chamber of Commerce, and North Kingstown Chamber of Commerce’s (collectively hereafter referred to as the “Plaintiffs”) Motion for Preliminary Injunction. The Plaintiffs sought to enjoin the South Kingstown Chamber of Commerce (hereafter referred to as “Defendant”) from using the fictitious business name of the Southern Rhode Island Chamber of Commerce. Jurisdiction is pursuant to G.L. 1956 § 8-2-13.

I.

Facts and Travel

This action arises from a dispute between the Plaintiffs and the Defendant’s registering with the Secretary of State and use of the fictitious business name Southern Rhode Island

Chamber of Commerce. The Defendant is a nonprofit organization that derives its income from members paying dues. The members consist of local businesses, such as restaurants, hotels, and local attractions. In return for the dues paid, the Defendant will promote the members' businesses when visitors or local citizens seek the Defendant out for such information.¹ The Defendant was founded in 1933. Since 2006, the Defendant has had a mission statement of "support[ing] and enhanc[ing] the business community of Southern Rhode Island. . . ." (Aff. of Clay Johnson at ¶ 4.) Also, reflected in that mission statement is the Defendant's desire to "advance the general welfare and prosperity" of Washington County and surrounding areas. *Id.* at ¶ 5. Based on the Defendant's regional outlook, the decision was made to change its name to the Southern Rhode Island Chamber of Commerce. The Defendant contends that the decision to change its name was based on legitimate business reasons. *Id.* at ¶ 15.

On July 25, 2011, Defendant registered the fictitious business name,² Southern Rhode Island Chamber of Commerce, with the Secretary of State. The Defendant contends that the decision to register this name and to ultimately use this new name was part of a long-standing business plan to expand business beyond South Kingstown. After the name was registered, the Plaintiffs became dissatisfied with Defendant's attempt to use its new name. Plaintiffs alleged that the new name would affect Plaintiffs' business operations, as they are located in the southern portion of the state. Thereafter, Plaintiffs filed this suit alleging violations of 15 U.S.C. § 1125 (a), also known as the Lanham Act, and the common law claim of unfair competition.

¹ The Plaintiffs similarly operate as nonprofit entities. *See* Compl. ¶ 2.

² Section 7-1.2-402 of the Rhode Island General Laws empowers "[a]ny corporation organized and existing under the laws of this state or authorized to transact business in this state may transact business in this state under a fictitious name, provided that it files a fictitious business name statement in accordance with this section prior to the time it commences to transact the business under the fictitious name and the fictitious name satisfied the requirements of subdivision 7-1.2-401(a)(2)." G.L. 1956 § 7-1.2-402.

II.

Standard of Review³

The moving party seeking a preliminary injunction bears the burden of proof. The moving party must demonstrate a reasonable likelihood of succeeding on the merits of its claim at trial. See Pawtucket Teachers Alliance Local No. 920, AFT, AFL-CIO v. Brady, 556 A.2d 556, 557 (R.I. 1989). Our Supreme Court has also stated the showing of reasonable likelihood of success need not rise to the level of a certainty of success. Coolbeth v. Berberian, 112 R.I. 558, 566, 313 A.2d 656, 660 (1974). Instead, the movant is only required to make out a prima facie case. Id. at 564, 313 A.2d at 660. Next, the moving party must show that it stands to suffer some irreparable harm that is presently threatened or imminent and for which no adequate legal remedy exists to restore the moving party to its rightful position. See Brown v. Amaral, 460 A.2d 7, 10 (R.I. 1983). Finally, the trial justice should next consider the equities of the case by examining the hardship to the moving party if the injunction is denied, the hardship to the opposing party if the injunction is granted, and the public interest in denying or granting the requested relief. In re State Employees' Unions, 587 A.2d 919, 925 (R.I. 1991).

In considering the equities, the [trial] justice should bear in mind that

“the office of a preliminary injunction is not ordinarily to achieve a final and formal determination of the rights of the parties or of the merits of the controversy, but is merely to hold matters approximately in status quo, and in the meantime to prevent the

³ There is some dispute as to what type of relief the Plaintiffs are seeking in this matter. It is the Defendant's contention that the Plaintiffs are seeking a mandatory injunction. Thus, a heightened evidentiary standard is required for this proceeding. This Court agrees with the Plaintiffs' contention that a traditional preliminary injunction is being sought to maintain the status quo. See Compl. Plaintiffs are requesting that the Defendant be enjoined from using the name Southern Rhode Island Chamber of Commerce pending a final outcome of these proceedings. The relief sought is temporary and not meant to bind the parties in the event the Defendant were to receive a favorable outcome after a trial on the merits. Thus, the standard governing a preliminary injunction will be used for this proceeding.

doing of any acts whereby the rights in question may be irreparably injured or endangered.” Fund for Community Progress v. United Way of Southeastern New England, 695 A.2d 517, 521 (R.I. 1997) (quoting Coolbeth, 112 R.I. at 564, 313 A.2d at 659).

Finally, a petition for temporary injunctive relief is left “to a trial justice’s sound discretion.” Id., 313 A.2d at 660.

III.

Analysis

The law of unfair competition has its roots in the common-law tort of deceit—its general concern is with protecting consumers from confusion as to the source of a good and/or service. Bonito Boats Inc. v. Thunder Craft Boats Inc., 489 U.S. 141, 157 (1989). Unfair competition has long been recognized in tort law. However, it was later codified into federal law when Congress passed the Lanham Act. Rhode Island, like most jurisdictions, still recognizes the common law tort of unfair competition, in addition to the Lanham Act.

A. Lanham Act

The Lanham Act⁴ prohibits uses of trademarks, trade names, and trade dress that are likely to cause confusion about the source of a product or service. See 15 U.S.C. 1125(a)(1)(A). Prior to the adoption of the Lanham Act, the purpose behind unfair competition was to protect

⁴ The Lanham Act states, in relevant part, that:

“(a) . . . (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.” 15 U.S.C. § 1125.

consumers. As stated in Crescent Tool Co. v. Kilborn & Bishop Co., 247 F. 299, 301 (2d Cir. 1917):

“[T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy plaintiff’s goods slavishly down to the minutest detail: but he may not represent himself as the plaintiff in their sale.”

However, the Lanham Act provided for protection to not just consumers, but to manufacturers and entities offering services as well. Section 43(a) of the Lanham Act created a “distinct federal statutory tort,” Franklin Mint, Inc. v. Franklin Mint Ltd., 331 F. Supp. 827, 831 (E.D. Pa. 1971), “designed to afford broad protection against various forms of unfair competition and false advertising. . . .” John Wright, Inc. v. Casper Corp., 419 F. Supp. 292, 324-25 (E.D. Pa. 1976), aff’d in part, rev’d and remanded in part. Donsco Inc. v. Casper Corp., 587 F.2d 602 (3rd Cir. 1978). “One of the main purposes of Section 43 of the Lanham Act is to protect persons engaged in interstate commerce against unfair competition caused by false or misleading representations or advertising about goods, services, or commercial activities.” College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 131 F.3d 353, 357 (3d Cir. 1997). The law protects consumers from being misled by the use of infringing marks and also protects producers from unfair practices by an “imitating competitor.” Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 163-164 (1995). Congress’ intent in passing the Lanham Act was “to protect persons engaged in [interstate] commerce against unfair competition.” See 15 U.S.C. § 1127.

The Lanham Act protects names used by entities that place goods or services into interstate commerce. The term, ‘trademark,’ includes “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods

and distinguish them from those manufactured or sold by others.” 15 U.S.C. § 1127; Inwood Laboratories Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 847 (1982). A service mark is used in commerce when, among other things, “it is used or displayed in the sale or advertising of services and the services are rendered in commerce,” where “commerce” includes “all commerce which may lawfully be regulated by Congress.” See 15 U.S.C. § 1127.

In support of its claims, Plaintiffs allege that Defendant has engaged in unfair competition and false advertising under the Lanham Act. For the unfair competition claim, Plaintiffs contend that Defendant’s use of the name Southern Rhode Island Chamber of Commerce implies that the Plaintiffs are subsidiaries or are affiliated with the Defendant. Plaintiffs also contend that the name change implies that the Defendant is the exclusive or sole chamber of commerce in Southern Rhode Island.

To prevail on an unfair competition claim, Plaintiffs must prove that Defendant used a name or misleading description, and Defendant’s use was likely to cause confusion as to affiliation with Defendant and Plaintiffs. See 90 Am. Jur. Proof of Facts 3d Establishing Liability for Unfair Competition 95, 158. The ultimate test is whether there is a likelihood of confusion. Id. In a claim for false advertising, Plaintiff must show that actual false statements were made or Defendant made statements, while true, were likely to mislead and confuse the public. Id.; see also American Council of Certified Podiatric Physicians and Surgeons v. American Board of Podiatric Surgery, Inc., 185 F.3d 606 (6th Cir. 1999) (A plaintiff seeking injunctive relief for false advertising faces a lower standard of “showing only that the defendant’s representations about its product have a tendency to deceive consumers.”) (quoting Max Daetwyler Corp. v. Input Graphics, Inc., 608 F. Supp. 1549, 1551 (E.D. Pa. 1985)) (internal

quotations omitted). Thus, under both theories of liability, the Plaintiffs must prove a likelihood of confusion.

B. Unfair Competition

As stated above, unfair competition has its roots in the common law. The tort has long been recognized in Rhode Island. See Yellow Cab Co. of R. I. v. Anastasi, 46 R.I. 49, 124 A. 735 (1924). As our Supreme Court has aptly stated, “[t]he test of unfair competition seems to be whether the device or means employed would be likely to confuse and mislead the public generally to purchase the product or patronize the shop of one person when the actual intention was to purchase the product or patronize the shop of another.” Merlino v. Schmetz, 66 R.I. 425, 20 A.2d 266, 267 (1941). This test was later defined with more certainty in Bostitch Inc. v. King Fastener Co., 87 R.I. 274, 288, 140 A.2d 274, 282 (1958), wherein the Court stated that “[t]he real test is not whether the evidence shows actual confusion, but whether confusion and deceptions are likely to occur as a result of the actions of the [defendant].” Injunctive relief is an appropriate remedy in unfair-competition cases. Id. at 289, 140 A.2d at 283.

Under both the Lanham Act and the tort of unfair competition, the dispositive issue to be decided by this Court is the likelihood of confusion. See RPF Holding Corp. v. Bedrooms Plus, 1988 WL 145361, *4 (D.N.J. 1988). For purposes of this proceeding, the Plaintiffs bear the burden of demonstrating a likelihood of success on the merits, which require them to present evidence that there exists a likelihood of confusion regarding the name used by the Defendant. The theories for relief under the Lanham Act and common-law unfair competition are essentially the same and require the same legal analysis: some facts must be presented which indicate a likelihood of consumer confusion as to source or sponsorship. See SK & F Co. v. Premo Pharmaceutical Laboratories, Inc., 625 F.2d 1055, 1067 (3rd Cir. 1980); see also Falcon Rice

Mill v. Community Rice Mill, 725 F.2d 336 (5th Cir. 1984) (Likelihood of confusion is the essential ingredient for claims of unfair competition under both the Lanham Act and the Louisiana statute.); 1 Rudolf Callman, Callman on Unfair Competition, Trademarks and Monopolies 4th Ed., § 2:7, 2003 (“The substantive law of trade identity infringement and unfair competition is substantially the same under Section 43(a) of the Lanham Act as it is under state common law. . . .”). Because likelihood of confusion is the dispositive issue to be decided under the Plaintiffs’ theories of liability, the Court will present the analysis of both claims together.

1. Likelihood of Success—Prima Facie Case

In order to establish a prima facie case, the Plaintiffs are not required to introduce evidence as to the amount of its damages; rather, they are required to show some likelihood of consumer confusion arising from a false representation made by the Defendant. Hesmer Foods Inc. v. Campbell Soup Co., 346 F.2d 356, 359 (7th Cir. 1965). Consumer confusion has been described as a patron intending to visit or purchase from one shop, but instead visiting or purchasing from another based on misleading misrepresentations. See Merlino, 20 A.2d at 267. Consumer confusion can also occur when “consumers . . . believe that the products or services offered by the parties are affiliated in some way,” Homeowners Group Inc. v. Home Mktg. Specialists Inc., 931 F.2d 1100, 1107 (6th Cir. 1991), or “when consumers make an incorrect mental association between the involved commercial products or their producers. . . .” Cardtoons L.C. v. Major League Baseball Players Association, 95 F.3d 959 (10th Cir. 1996) (quoting San Francisco Arts & Athletics Inc. v. United States Olympic Comm., 483 U.S. 522, 564, (1987) (Brennan, J., dissenting)).

However, a “likelihood” of confusion means a “probability” rather than a “possibility” of confusion. See Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 193 (5th Cir. 1998); Wynn

Oil Co. v. Thomas, 839 F.2d 1183, 1189 (6th Cir. 1988) (finding a “clear likelihood of confusion” because it was “highly probable” that a purchaser would believe a car wax was affiliated with another manufacturer); 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 23:3 (4th ed. 2002). But cf. Daddy’s Junky Music Stores Inc. v. Big Daddy’s Family Music Ctr., 109 F.3d 275, 284 (6th Cir. 1997) (noting that a plaintiff need only show “a sufficient potential of confusion, not actual confusion”). “[I]njunctive relief is available under § 43(a) of the Lanham Act on a showing of mere likelihood of confusion or deception. . . . The same is true in false advertising cases arising under § 43(a).” Callman at § 2:7.

At the hearing for the preliminary injunction, the Plaintiffs submitted into evidence the affidavit of Lisa Konicki (hereinafter “Konicki”). Konicki is the Executive Director of The Greater Westerly-Pawcatuck Area Chamber of Commerce. At the hearing, Konicki provided live testimony as well, during which she was subject to cross-examination by the Defendant. Konicki’s affidavit states that Defendant’s name change “is likely to confuse the public. . . .” (Aff. of Konicki ¶ 3.) Konicki also stated that the “name change will confuse the public in two primary ways: (1) confusion as to affiliation and/or subordination; and (2) confusion as to exclusivity.” Id. at ¶ 4. It was Konicki’s contention that the name change might result in public confusion, in that it might give the public the impression that Plaintiffs were a subordinate chamber of commerce to the Defendant, which is not the case. Id. at ¶ 5. Moreover, Konicki stated that the name change would create confusion to the public by assuming that Defendant was the “only option for chamber services in Southern Rhode Island.” Id. at ¶ 6. Konicki supported that contention with the fact that Defendant had used the word “The” in front of the name Southern Rhode Island Chamber of Commerce. See id. at ¶¶ 19-22; see also Def.’s Ex. 4, 5. According to Konicki, the use of the word “The” in front of Defendant’s new name created

the connotation that Defendant was purporting itself to be the only chamber of commerce for southern Rhode Island.

Plaintiffs also submitted into evidence the affidavit of Debra Kelso (hereinafter “Kelso”) to support its claims. Kelso is the Executive Director of the Narragansett Chamber of Commerce. She also presented live testimony, in addition to her affidavit, and was similarly subjected to cross-examination. Kelso expressed the same concerns about the potential for confusion as did Konicki. (Aff. of Kelso at ¶¶ 3-5.) In addition, Kelso also testified to two separate instances of actual confusion. Kelso’s first example of confusion occurred when she approached a local restaurateur about joining the Narragansett Chamber of Commerce. The restaurateur told Kelso that he was already approached by a member of the Narragansett Chamber of Commerce.⁵ Id. at ¶ 9. Kelso stated that the restaurateur was “confused as to which chamber [she] was affiliated, and as to which chamber of commerce was his local chamber.” Id. Kelso outlined a similar situation with a new member of the Narragansett Chamber of Commerce being approached by a representative of the Defendant soliciting membership. Thereafter, Kelso spoke with the member to explain the situation to the new member, which alleviated the confusion. Id. at ¶ 11-12.

Here, the Plaintiffs have submitted the affidavits of Konicki and Kelso, which both state that there is a likelihood of confusion. These affidavits, standing alone, cannot form the sole basis for this Court’s issuing of a preliminary injunction. See Central Manufacturing Inc. v. Brett, 492 F.3d 876 (7th Cir. 2007) (The Plaintiff proffered only self-serving deposition testimony, which was held to be insufficient evidence for purposes of summary judgment.).

⁵ Kelso maintains that the person who approached the restaurateur was a representative of the Defendant. (Aff. of Kelso at ¶ 9.)

The Plaintiffs bear the burden of demonstrating that there is a probability that the public will be confused by the Defendant's name change. See Apple Corps. Limited v. A.D.R.P., Inc., 843 F. Supp 342 (M.D. Tenn. 1993) (court determined that the issue was whether the public would be confused, thus rejecting the plaintiff's speculative assertion of confusion).

The affidavits of Konicki and Kelso also state that the name change will give the public the impression that the Plaintiffs are subordinates of the Defendant. However, the plaintiffs have provided no other admissible evidence to support such a contention. See, e.g., Wells Fargo & Co., v. Wells Fargo Construction Co., 619 F. Supp. 710 (D. Ariz. 1985) (Plaintiff claimed likelihood of confusion would result giving the public the false impression that defendant was a subsidiary of the plaintiff. In granting the preliminary injunction, the court looked at the similarity between the names and evidence presented demonstrating actual confusion.) Although Konicki and Kelso are both experienced in their work, and both strongly believe in their testimony, their affidavit, with regard to the evidentiary value for this proceeding, amounts only to conjecture and speculation, which at a trial on the merits, would amount to objectionable testimony. See Rhode Island R. Ev. 602 (a witness must have personal knowledge of the matter testified). Moreover, the Plaintiffs have not provided any evidence to support their contention that the name change will create the impression of exclusivity as Defendant is the sole chamber of commerce in the Washington County area.

Also, the two instances of actual confusion that Kelso testified to in her affidavit are given limited weight for this proceeding. The instances that Kelso testified to are riddled with hearsay that was never substantiated before the Court. See Rhode Island R. Ev. 801 (c) (hearsay is an out of court statement made by a declarant offered in court for the truth of the matter asserted). The Plaintiffs never had the witnesses—the alleged confused business owners—testify

as to their actual level of confusion regarding their own personal interactions with the Defendant. Before this Court can grant any weight to these instances of confusion, the witnesses would need to be subjected to cross-examination. Instead, this Court is left to glean from Kelso's affidavit the extent of the confusion of the business owners that Kelso herself characterized as such. See Herman Miller Inc. v. Palazzetti Imports and Exports Inc., 270 F.3d 298 (6th Cir. 2001) (the court held that two letters from customers indicating that they were confused was insufficient evidence). While actual confusion is not required for these proceedings, it is "patently the best evidence of likelihood of confusion." Falcon Rice Mill Inc. v. Community Rice Mill Inc., 725 F.2d 336, 345 (5th Cir. 1984) (quoting Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 704 (5th Cir. 1981)).

Having given the affidavits minimal weight, this Court is left to examine the instances where the Defendant used the article, "The," in front of its new name Southern Rhode Island Chamber of Commerce. See Pl.'s Ex. 3, 4. The question now becomes whether using the word "The" in front of Southern Rhode Island Chamber of Commerce creates a likelihood of confusion. Essentially, the Plaintiffs contend that the Defendant's use of the word "The" implies exclusivity and that Defendant is the only chamber of commerce in the area. This Court cannot adopt such a finding. Using the word "The" before Southern Rhode Island Chamber of Commerce cannot be seen as an attempt by the Defendant to monopolize the area. The word "The" does not connote that Southern Rhode Island Chamber of Commerce is the only one for the area; it simply means that they represent a particular area of Rhode Island. Additionally, Plaintiffs have not presented any evidence that the use of the word "The" on a few occasions was meant to act as the Defendant's intention to be the exclusive chamber of commerce for the entire area. There was no evidence the Defendant either used any marking in its advertising for the

purpose of deceiving the public or that there was any mark or advertising that would cause any real or substantial confusion between the services offered by the several parties. See Procter & Gamble v. Amway Corp., 242 F.3d 539 (5th Cir. 2001) (“The focus of the Lanham Act is on commercial interests that have been harmed by a competitor’s false advertising, and [on] securing to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.”). Instead, the Plaintiffs urge this Court to adopt their interpretation of the Defendant’s name without any evidence or acknowledgement that the name could have an alternative meaning.

Plaintiffs also contend that the universal membership program⁶ offered by the Defendant will create confusion for the public. However, the very fact that a potential member could be a member to two chambers of commerce undermines any confusion argument advanced by the Plaintiffs. Upon being offered membership with the Defendant, any member of the Plaintiffs’ chamber of commerce would automatically realize that there are two chambers. Any confusion that would result from such a transaction is speculative and was not supported by any evidence presented by the Plaintiffs. Plaintiffs have not shown that there is a probability of confusion by the universal membership program. See Elvis Presley Enters. Inc., 141 F.3d 188, 193 (5th Cir. 1998).

It is also important to note that the Plaintiffs’ lack of evidence does not preclude them from succeeding at a trial on the merits. The Plaintiffs could at a later date further develop their theory of the case and produce sufficient evidence to succeed at a trial on the merits. This Court simply holds that at the present time the evidence presented before it does not indicate a

⁶ This program allows members of other chambers of commerce, including Plaintiffs’ members, to join the Defendant’s chamber at a reduced rate.

likelihood of confusion. Therefore, the evidence presented leads this Court to the conclusion that the evidence is insufficient to issue a preliminary injunction. Furthermore, this Court notes that more evidence would need to be produced at a trial on the merits in order for the Plaintiffs to be successful.

In support of its contention that Defendant's name creates a likelihood of confusion, Plaintiffs direct this Court to two of our high court's opinions. First, Plaintiffs cite United Way of Southeastern New England, wherein our Supreme Court upheld a trial justice's ruling that a preliminary injunction should issue in plaintiff's unfair competition claim. In United Way of Southeastern New England, the plaintiff was a nonprofit charity collecting money and distributing it to various charities. 695 A.2d 519. The defendant was a similarly situated nonprofit charity. Id. The defendant would solicit contributions by mailing forms to the public, and the donor could select the charity it wished to donate. Id. Without the plaintiff's permission, the defendant used the plaintiff's name and logo on the mailing forms and other information distributed by the defendant. Id. The plaintiff objected to the defendant's use of its name and logo without its permission. Thereafter, the plaintiff filed suit seeking a preliminary injunction. Id. at 520.

The facts of United Way of Southeastern New England are clearly distinguishable from the facts of the instant matter. First, and most importantly, there is no evidence presented that the Defendant has taken a name or logo from any of the Plaintiffs. In United Way of Southeastern New England, the defendant was actively using the name and logo of the plaintiff—giving the public the impression that the two groups were working together. Here, there is no contention or evidence that the Defendant is taking any name or logo that was already in use by any one of the Plaintiffs. To the contrary, the Defendant registered a fictitious business

name that was not registered by any entity and was available. Similarly, the name registered by the Defendant does not, on its face, imply any relationship with the Plaintiffs as was the case in United Way of Southeastern New England.

Furthermore, in the United Way of Southeastern New England, the defendant “ha[d] effectively foreclosed any chance the [plaintiff] might have had to compete in certain marketplaces.” Id. at 521. Here, there is no evidence presented that the Defendant has foreclosed the Plaintiffs from competing in their own marketplace. On the other hand, the Plaintiffs are well-entrenched in their respective marketplaces. Each of the Plaintiffs has been operating its business for years in the regions each serves. The only thing the Defendant has created is competition in the Plaintiffs’ marketplaces.

Finally, in the United Way of Southeastern New England, the plaintiff presented independent witnesses to corroborate confusion. Id. at 520. The Plaintiffs have not presented sufficient evidence to this Court that there exists a similar likelihood of confusion. The Plaintiffs presented self-serving evidence that was based on opinion and hearsay. There was no evidence presented that even tended to show that the public would be confused by the Defendant’s name change to Southern Rhode Island Chamber of Commerce and that name change would lead the public to believe the Defendant and the Plaintiffs were in some way connected. See Processed Plastic Co. v. Warner Communications, Inc., 675 F.2d 852, 856 (7th Cir. 1982) (Court held that the plaintiff must bring forth evidence to show that the public, because of the name, or mark, assumes that the product comes from a single source); see also Brooks Shoe Mfg. Co., Inc. v. Suave Shoe Corp., 533 F. Supp. 75 (S.D. Fla. 1981); Sterling Products Co. v. Crest Manufacturing Co., 314 F. Supp. 204 (E.D. Mich. 1970).

Plaintiffs also cite National Lumber & Building Materials Co. v. Langevin, 798 A.2d 429 (R.I. 2002). There, the plaintiff, National Lumber & Building Materials Co., sought injunctive relief against the defendant, National Lumber Company of Massachusetts. Id. at 430-431. Our Supreme Court upheld the issuance of an injunction because of the likelihood of confusion that would result from the two businesses using similar fictitious business names. Id. at 434. The obvious and most distinguishable fact from National Lumber is the similarity between the business names, compared to the case at bar in which there is no such similarity. In National Lumber, it could be said just from a cursory glance at the names that confusion would result. Here, there is insufficient evidence to determine whether or not confusion will ever occur.

The Plaintiffs have failed to present competent evidence demonstrating that confusion is likely to occur. Importantly, this Court does not find on the evidence before it that confusion will even occur from the face of the names used in the case at bar, as was the case in National Lumber. The Plaintiffs' names identify themselves to a very specific geographic area, while the Defendant's name simply represents a larger geographic area. The public will undoubtedly be aware that the Plaintiffs and the Defendant each represent an area, thus eliminating any possible confusion. Furthermore, each name does not tend to indicate that there is any relationship between the Plaintiffs and the Defendant, thus, eliminating any possibility of confusion as to the source of services provided. But see VMG Enterprises, Inc. v. F. Quesada & Franco, Inc., 788 F. Supp. 648 (D.P.R. 1992) (court held the consumer confusion—a relationship existed between the parties—was likely to occur because of the similarity between the two names). Each of the Plaintiffs' names suggest that they represent certain geographic areas. The Defendant's name suggests the same, albeit for a much larger area. See Processed Plastic Co. v. Warner Communications, Inc., 675 F.2d 852 (7th Cir. 1982) (To be successful in an unfair competition

claim, the plaintiff must show that the public believes that there is a single source of a service or product.).

The Lanham Act creates a cause of action against “[a]ny person who . . . uses in commerce . . . any false designation of origin . . ., which is likely to cause confusion, or to cause mistake, or to deceive as to . . . the origin . . . of . . . goods, services, or commercial activities by another person.” 15 U.S.C. § 1125(a)(1)(A). In order to be successful in any claim under the Lanham Act or the common law tort of unfair competition, some evidence must be presented demonstrating a likelihood of confusion. The “fundamental issue is whether the ordinary person in the marketplace is likely to be confused.” VMG Enterprises, Inc., 788 F. Supp. at 660.

Here, the Court is left to examine self-serving affidavits that are supported by hearsay and are in the form of opinion. Conversely, evidence was presented demonstrating that there exists no confusion, and any confusion there might be is purely speculative. Karla Driscoll (hereinafter “Driscoll”) gave deposition testimony on behalf of the North Kingstown Chamber of Commerce. Driscoll testified that she could not identify any persons that were confused or misled about the Defendant’s name change. (Dep. of Driscoll 53:24-54:4.) Similarly, Heather Paliotta testified, on behalf of the Charlestown Chamber of Commerce, to the same effect. (Dep. of Paliotta 23:7-11.) Driscoll could only identify the possibility of confusion that “such confusion does, in fact, exist.” (Dep. of Driscoll 37:1-4.) Likewise, Paliotta testified that she did not have facts tending to show there was a likelihood of confusion. (Dep. of Paliotta 23:12-14; 25:6-18.) Driscoll also stated that the Defendant’s website with the name Southern Rhode Island Chamber of Commerce was not confusing or misleading. (Dep. of Driscoll 19:1-3.)

The name at issue does not indicate any confusion. The Defendant had a mission statement to serve the area of Southern Rhode Island, and was serving that area before the name

was changed. The Defendant had the opportunity to register the name at issue and did so. The name, on its face, is an accurate statement. The Plaintiffs have failed to present any evidence that the name gives the public the impression that the Plaintiffs are somehow subordinate to the Defendant or that the Defendant is the only chamber of commerce in the area. Instead, the Defendant took steps to limit any confusion. Its new logo was similar to that of the old logo. (Ex. C, D of Clay Johnson Aff.) The Defendant planned to unveil the new name and business model over a two-year period. (Aff. of Clay Johnson at ¶ 31.) The Plaintiffs have not shown that there is a probability of confusion on the part of the public by any competent evidence. See United Way of Southeastern New England, 695 A.2d 519. Simply stated, the Plaintiffs have failed to carry their burden in this all important respect.

It is important to note that this failure is not a death knell for the Plaintiffs in their lawsuit moving forward. As of now, the Plaintiffs have failed to carry their burden of proof. At some later date, more evidence might be produced that would allow the Plaintiffs to be successful on their claims. However, at this time, the Plaintiffs have failed to carry their initial burden of showing to this Court a likelihood of success on the merits.

2. Irreparable Harm

“A party seeking injunctive relief ‘must demonstrate that it stands to suffer some irreparable harm that is presently threatened or imminent and for which no adequate legal remedy exists to restore that plaintiff to its rightful position.’” National Lumber & Building Materials Co., 798 A.2d at 434 (quoting United Way of Southeastern New England, 695 A.2d at 521). “Irreparable injury must be either ‘presently threatened’ or ‘imminent’; injuries that are prospective only and might never occur cannot form the basis of a permanent injunction.” Id. (quoting Rhode Island Turnpike & Bridge Authority v. Cohen, 433 A.2d 179, 182 (R.I. 1981));

see also Am. Jur. Injunctions § 35 (Irreparable harm must be likely and not merely possible, and must be substantial harm.). “Irreparable harm is measured in terms of the harm arising during the interim between the request for an injunction and the final disposition of the case on the merits.” Id.

A litigant who demonstrates a likelihood of confusion will in turn have formed a strong basis as to irreparable injury. See, e.g., Playboy Enterprises Inc. v. Chuckleberry Publishing, Inc., 486 F. Supp. 414, 429 (S.D.N.Y. 1980); see also Philip Morris USA Inc. v. Cowboy Cigarette Inc., 70 U.S.P.Q.2d (BNA) 1092, 2003 WL 22852243 (S.D. N.Y. 2003) (Likelihood of confusion between manufacturer’s product and competitor’s created a presumption of irreparable harm for purposes of manufacturer’s prayer for injunctive relief on its trade dress infringement claim). “This results because [a] plaintiff who has demonstrated service mark infringement and unfair competition faces the probability of lost trade and appropriation of its good will. The damages in such a case are by their very nature irreparable and not susceptible of adequate measurement.” Presley’s Estate v. Russen, 513 F. Supp. 1339, 1380 (D.N.J. 1981); (citing Tefal S.A. v. Products International Co., 186 U.S.P.Q. 545, 548 (D.N.J. 1975)).

The Plaintiffs correctly assert that there exists no adequate remedy at law, as monetary damages would be insufficient to cure any harm suffered. However, as this Court has found, Plaintiffs have failed to carry their initial burden of likelihood of confusion. Thus, a showing of irreparable harm is not aided by this lack of evidence.

To show irreparable harm, a party seeking injunctive relief must demonstrate some danger of recurrent violations of his or her legal rights. Am. Jur. Injunctions § 35. Any injury the Plaintiffs would suffer is purely speculative at this point. See Pl.’s Br. at 17 n.10; see also National Lumber & Building Materials Co., 798 A.2d at 434 (the harm must be either presently

threatened or imminent). Plaintiffs have failed to show how their businesses will also be injured because of the Defendant's decision to use this new name. It is possible that someone seeking information about Westerly will seek out the assistance of both the Defendant and the Greater Westerly-Pawcatuck Area Chamber of Commerce. Plaintiffs offer only vague and speculative claims about the harm they will suffer because of Defendant's name change. Such speculative assertions fall short of demonstrating irreparable harm.

Plaintiffs also contend that they are now forced to educate the public about distinctions between the separate chambers of commerce. Such efforts cannot be deemed as irreparable harm, but instead are the result of advertising to remain competitive in a now competitive marketplace. The harm the Plaintiffs complain of is nothing more than typical business competition Defendant has presented to the Plaintiffs. Without any competent evidence to demonstrate a likelihood of confusion, the Plaintiffs are at an extreme disadvantage in showing they will suffer harm by Defendant using the name Southern Rhode Island Chamber of Commerce.

3. Balance of the Equities

In balancing the equities, this Court must first weigh the hardship to the moving party if the injunction is denied, and then the hardship to the nonmoving party if the injunction is granted. See In re State Employees' Unions, 587 A.2d at 925. Finally, the Court must weigh the public interest in denying or granting the requested relief. See In re Employees' Unions, 587 A.2d 925. The purpose of an injunction is to maintain the status quo and protect the interests of the parties. See Sterling Drug Inc. v. Bayer AG, 14 F.3d 733, 747 (2d Cir. 1994) ("In fashioning the injunction, the Court should balanc[e] . . . the equities to reach an appropriate result protective of the interests of both parties.").

If the injunction is denied, the Plaintiffs will be forced to spend more money to compete with the Defendant to obtain new memberships and retain old memberships. On the other hand, if the injunction is granted, the Defendant will also suffer harm. The Defendant has already engaged in new marketing campaigns with its new name. It has also expended time and money producing materials with its new name, Southern Rhode Island Chamber of Commerce. (Aff. of Clay Johnson ¶¶ 30-31.) Also, Defendant has been working on implementing this name change for the past several years. *Id.* at ¶¶ 4-7. Issuing an injunction would only inhibit the work that the Defendant has already completed with its transition. Both parties will suffer some form of hardship as a result of this decision; the exact measurement of the hardship to each is difficult to quantify. Thus, neither party presents an overwhelming showing of harm, and the potential harm suffered will affect each party in some way.

The public interest requirement in cases of unfair competition generally favors preliminary injunctions if the moving party has demonstrated a likelihood of success. The reasoning behind that is “the public is . . . interested in fair competitive practices and clearly opposed to being deceived in the marketplace.” See *SK & F Co.*, 625 F.2d at 1067 (quoting *McNeil Laboratories, Inc. v. American Home Products Corporation*, 416 F. Supp. 804, 809 (D.N.J. 1976)).

Here, there is scant admissible evidence that indicates that the Defendant has engaged in deceptive or unfair business practices. In the absence of such evidence, it would thus appear that the Defendant is merely engaging in competition. There is no law against establishing a competitive business. In fact, this is one of the core principles that Chambers of Commerce help to foster. What is clear is that the Plaintiffs, and the Defendant for that matter, have operated as separate and small “fiefdoms” in their respective localities for decades. All the while, each

chamber has had the option to expand its business as countless other businesses do each year throughout this state and country. This is because there is no statutory limit proscribing the number of Chambers of Commerce that can operate in each city, town or region, nor is the Chamber of Commerce part of a franchise under which an exclusive area is granted through a contractual agreement.

In expanding a business, there could come a time where a name change would also be needed to more adequately reflect the area the business serves. In Rhode Island, if the fictitious business name comports with Section 7-1.2-401 of the Rhode Island General Laws, then it can be registered with the Secretary of State.⁷ Defendant properly registered the fictitious business name because it was expanding its business operations beyond the borders of South Kingstown. In recent years, Defendant has held several different events outside of South Kingstown: such events have taken place in Narragansett, North Kingstown, Charlestown, and Warwick. (Aff. of Clay Johnson ¶ 6.) Additionally, approximately one-third of the Defendant’s members operate businesses outside of South Kingstown. *Id.* at 15. Defendant has also engaged in a reciprocal membership program with the Narragansett Chamber of Commerce, a Plaintiff in this case, whereby a member of one chamber receives a reduced membership at the other chamber—in addition to the universal membership program discussed above.

The Plaintiffs seek from this Court an order which would essentially inhibit business in this State. Yet, the whole purpose of Plaintiffs’ existence is to promote business. Inhibiting business would not serve to promote the public interest; legal and fair competition, however,

⁷ Section 7-1.2-401 states, in pertinent part, that any fictitious business name “[s]hall be distinguishable upon the records of the secretary of state from the name of any entity on file with the secretary of state or a name the exclusive right to which is, at the time filed, reserved or registered in the manner provided in this chapter, or the name of a corporation, whether business or nonprofit, limited partnership, limited liability partnership or limited liability company which has in effect a registration of its name as provided in this title. . . .”

does. Competition is what keeps businesses sharp. It is what drives businesses to stay on the cutting edge of technology and to stay in front of the industry that any business represents. “It is only because individual entrepreneurs have had the freedom to attempt what the more ‘sensible’ among us would never have attempted that economic development has been possible.” James L. Doti & Dwight R. Lee, The Market Economy 15 (Roxbury Publishing Co. 1990). Competition is what provides consumers greater selection of products and services. No competition creates monopolies, which are disfavored in the law.

However, absolute freedom in the marketplace is frowned upon. The Lanham Act and the common law tort of unfair competition exist to constrain businesses. These legal principles do not apply in the present case. The Defendant is simply trying to expand its business into surrounding marketplaces. See Grosjean v. Panther-Panco Rubber Co., 113 F.2d 252, 259 (1st Cir. 1940) (“Sharing in the goodwill of an article unprotected by patent or trade-mark is the exercise of a right possessed by all and in the free exercise of which the consuming public is deeply interested.”). The public interest is better served by allowing competition in the marketplace. The competition presented in this case does not stray into the realm of illegal or unfair activity, and therefore does not trigger the Lanham Act or common law tort principles. Sound business policy and basic principles of capitalism must control this dispute.

4. Public Policy and Practical Considerations

This Court would be remiss if it did not raise an additional public policy issue. During the hearing, it became evident to this Court that there has been an underlying animosity between the Plaintiffs and Defendant, which in turn has caused the parties to lose sight of their priorities, and therefore their duties to the communities they purport to serve. This is understandable in that each Chamber is an independent business entity, each with a long, rich history that has been

funded, respectively, by their dues-paying members. However, these businesses are willing to pay such dues and to become members of the Chambers in order to establish new relationships and to make new contacts, all towards the ultimate goal of procuring new and additional business. Services that the Chambers provide may include referring potential customers to their members (*i.e.*, real estate brokers, electricians, financial professionals and retail stores).

When more than one Chamber of Commerce services a particular city or town, some Chambers may see an increase in their influence and membership, while others may experience a decline. While the defense of one's business model is completely appropriate under our legal system, the determination of what constitutes a better model is, in this case, for the business members to determine, and not the Courts. However, in this case, the reaction of Plaintiffs is to attempt to defend the status quo by making any threat to that status quo a Sisyphean task.⁸

On the other hand, it may not be in the best interests of the business community to have their not-for-profit Chambers of Commerce, who should be all working towards the same agenda, at odds or even unwilling to work together. It is not the province of this Court to decide for each of the Chambers of Commerce whether it is better to fight or work through their issues. However, in a region currently mired with high unemployment, foreclosure and receivership, it may be helpful for some respected members of the communities involved to try to work out this "tsuris."⁹ While the Plaintiffs would be well advised to reflect on this, the Defendant should also

⁸ Sisyphus, known as the most cunning of men, ruled the City of Corinth. Yet, he was also selfish and unpleasant and was punished for his crimes by Zeus. After his death, Sisyphus was to push a heavy boulder up a steep hill only for the boulder to roll down once it reached the hilltop, forcing Sisyphus to begin again. This torture was to continue for all eternity. Homer, *The Odyssey* (Robert Fagles trans., New York, USA, Penguin 1999).

⁹ "tsuris" Troubles and worries; problems. Joyce Eisenberg & Ellen Scolnic, *Dictionary of Jewish Words* 175 (Philadelphia, USA 2001).

be reminded that while it may be tempting to declare victory after this battle, the war may continue, if this case proceeds to trial, in which case the Plaintiffs will have the opportunity to present admissible evidence. This is an opportunity for all parties to take a step back and to reassess how this dispute affects their members' overall welfare, economic prosperity, and new business ventures.

Those who hold the keys to the Chambers should no more waste their time tasking others with the pushing of boulders up steep inclines, but rather should take their inspiration from another mythological figure. In dire economic times such as the ones we live in now, the Chambers have before them a sheer Herculean task; that is to ensure the prosperity of their members. While this task may not be quite as daunting as the cleaning of the Augean Stables,¹⁰ for example, it nevertheless cannot be completed by slinging mud at each other. This Court strongly encourages the parties to find a way to accomplish their not-for-profit mission.

IV.

Conclusion

Plaintiffs have failed to demonstrate to this Court a likelihood of success on the merits for both their claims under the Lanham Act and for the common law claim of unfair competition. The evidence presented to support their claims is speculative and does not rise to the level of a likelihood of confusion. As a result, Plaintiffs have failed to show any irreparable harm that will result or has resulted from the Defendant's use of the name Southern Rhode Island Chamber of Commerce. Finally, in balancing the equities, this Court finds that the public interest does not

¹⁰ The cleaning of the Augean stables was the fifth labor of Hercules. Augeas, king of Elis, had a prodigious amount of cattle. However, he did not have enough men to clean his stables, thus the manure was piled high. Hercules promised that he would clean the stables in one day in exchange for one tenth of the cows. Hercules did so by cutting a channel in the two nearby rivers, Alpheus and Peneus, washing the filth away. Apollodorus. *The Library of Greek Mythology*. (Robin Hard, trans., Oxford, England, Oxford University Press, 1997).

weigh in favor of an injunction. Therefore, this Court denies Plaintiffs' Motion for Preliminary Injunction. Counsel shall submit an appropriate order for entry.