**10.2 Trademark Infringement – Unregistered Trademark**

[Name of plaintiff] claims that [name of defendant] has infringed [his/her/its] trademark. To prove [his/her/its] claim, [name of plaintiff] must prove the following facts by a preponderance of the evidence:

1: [Name of plaintiff] owns a trademark that is entitled to protection; and

2: [Name of defendant] is using a trademark that infringes [name of plaintiff]’s trademark.

Validity

You must first find that [name of plaintiff] owns protectable rights to a trademark. [Name of plaintiff] must prove by a preponderance of the evidence that the trademark is:

1: Used in commerce;

2: Distinctive; and

3: Nonfunctional

Used in Commerce

The right to a particular trademark grows out of the trademark’s use. Use is sufficient to establish rights if it is public enough that it identifies the goods in question as those of the person using the trademark. It is sufficient to establish valid rights if the trademark is used in genuine transactions in commerce and the use is consistent and continuous. Mere “token use” of the trademark – use made solely to reserve rights in the trademark – is not enough to establish valid rights. Wide public recognition of the trademark is not required, but secret or undisclosed use is not adequate.

A trademark is used in commerce and in connection with goods when it is placed on:

 the goods or their containers or the associated displays,

 the tags or labels affixed to the goods or their containers, or

 the documents associated with the goods or their sale, and

 the goods are sold or transported in commerce in more than one state, or in the United States and a foreign country.

[The following instruction should be given in cases in which plaintiff asserts rights to a trademark through use in commerce by a licensee:

[Name of plaintiff] may acquire rights to a trademark through another party’s use of the trademark, even if [name of plaintiff] did not use the trademark. [Name of plaintiff] may enter into an agreement that permits another person to use the trademark. This agreement is called a license; [name of plaintiff] is the licensor and the party permitted to use the trademark is the licensee. An exclusive license may include the right to prevent others from using the same or a similar trademark that, in the marketplace, is likely to cause confusion. A license does not have to be in writing.

For a license to be valid, the licensor must retain adequate control over the quality of goods sold under the trademark. A licensee acquires no ownership interest in the licensed trademark. Instead, the licensee acquires only those rights granted by the license.]

[The following instruction should be given in cases in which the parties claim prior rights in particular geographic areas:

[Name of plaintiff]’s rights are ordinarily limited to the places that [he/she/it] actually uses the trademark. Therefore, it is possible for another party to gain rights to the same or a similar trademark in a different geographic area.

There are two exceptions to this rule. First, [name of plaintiff]’s rights may reach beyond the geographic areas where [he/she/it] uses the trademark into [his/her/its] zone of natural expansion. In other words, [name of plaintiff]’s trademark rights can extend to places where it is probable that [name of plaintiff] would have expanded use of the trademark.

Second, [name of plaintiff]’s rights may extend to places where [he/she/it] does not use the trademark, but where [name of defendant] adopted and used the trademark with a bad-faith intent to violate [name of plaintiff]’s rights. Mere knowledge of [name of plaintiff]’s rights is insufficient to trigger this exception. [Name of defendant] must have intended to violate [name of plaintiff]’s rights.]

Distinctiveness

For [name of plaintiff] to have a protectable trademark, the trademark must be distinctive. In other words, the trademark must be recognized in its market as a trademark.

To be distinctive, a trademark can either:

 Be inherently distinctive; or

 Have acquired distinctiveness.

You must look at the trademark as a whole when evaluating the distinctiveness or lack of distinctiveness.

Acquired Distinctiveness

A trademark is protectable if it has “acquired distinctiveness,” also known as “secondary meaning.” A claimed trademark has acquired secondary meaning if the primary significance of the trademark in the minds of the consuming public is not the associated good itself, but instead the source or producer of the good.

There are four factors you may use in determining secondary meaning:

 The length and nature of the trademark’s use;

 The nature and extent of advertising and promotion of the trademark;

 The efforts of the trademark’s owner to promote a conscious connection between the trademark and its business; and

 The degree to which the public recognizes the good by the trademark.

Inherent Distinctiveness

A trademark also is protectable if it is inherently distinctive. To determine whether a claimed trademark is inherently distinctive, you must first place it into one of four “types” or categories. Trademarks come in different “types” or categories, namely: “generic,” “descriptive,” “suggestive,” “arbitrary,” and “fanciful” or “coined.” The type of trademark is relevant to the trademark’s strength.

I will now describe each type of trademark in the order of their general relative strength:

 Generic:

A claimed trademark is generic if it is the word, name, symbol, or device, or any combination thereof, by which the good is known. An example of a generic trademark is “escalator” for moving stairs.

Whether a claimed trademark is generic does not depend on the term itself, but on use of the term. A word may be generic of some things but not of others. For example, “ivory” is generic for elephant tusks, but it is not generic for soap.

Whether a claimed trademark is generic is viewed from the perspective of a member of the relevant public evaluating the trademark.

Claimed marks that are generic are not protected and cannot be registered with the U.S. Patent and Trademark Office.

 Descriptive:

A claimed trademark is “descriptive” if it merely describes an ingredient, quality, characteristic, function, feature, purpose, or use of the good. An example of a descriptive trademark would be Vision Center for an eyeglasses store.

Descriptive trademarks are eligible for protection if they have acquired “secondary meaning.” I previously instructed you on how to determine if a claimed trademark has acquired secondary meaning.

 Suggestive:

A “suggestive” trademark suggests, rather than describes, qualities of the underlying good. If a consumer’s imagination is necessary to make the connection between the trademark and the goods, then the trademark suggests the features of the goods. An example of a suggestive trademark is Iceberg for a refrigerator. Suggestive trademarks are eligible for protection without proof of secondary meaning.

 Arbitrary and Fanciful or Coined:

An “arbitrary” trademark is a trademark that is a real word but has no logical relationship to the underlying goods. An example of an arbitrary trademark is Domino for sugar.

A “fanciful” or “coined” trademark is a trademark created solely to function as a trademark but which has no meaning beyond the trademark itself. An example of a fanciful or coined trademark is Exxon for gasoline.

Arbitrary and fanciful or coined trademarks are eligible for protection without proof of secondary meaning.

Nonfunctionality

The third element that [name of plaintiff] must prove is that the trademark is primarily nonfunctional. A claimed trademark is functional if it is essential to the use or purpose of the good, or if it affects the good’s cost or quality. In other words, if allowing [name of plaintiff] to have exclusive use of the trademark would put competitors at a disadvantage that does not relate to [name of plaintiff]’s reputation, then the trademark may be functional. For example, a trademark for the color of ice cream – such as white for vanilla, pink for strawberry, and brown for chocolate – would be functional if the color identifies the flavor of the ice cream.

In evaluating nonfunctionality, you must keep in mind that a claimed trademark may be primarily nonfunctional even if it serves a practical purpose. The fact that individual components of a claimed trademark are functional does not prevent the overall combination of those elements from being primarily nonfunctional. Nevertheless, individually functional elements are not valid merely because they are part of an overall nonfunctional trademark.

INFRINGEMENT

Introductory Infringement Jury Charge

If you have determined that [name of plaintiff]’s trademark is entitled to protection, you must next consider whether [name of defendant] infringed [name of plaintiff]’s trademark. The test for infringement is whether [name of defendant]’s trademark is “likely to cause confusion” with [name of plaintiff]’s trademark.

That is, you must determine if [name of defendant], without [name of plaintiff]’s consent, used the same or a similar trademark in connection with the sale of, or the offer to sell, goods in a manner that is likely to cause confusion among consumers as to the source, affiliation, approval, or sponsorship of the goods. “Source,” “origin,” “affiliation,” “approval,” or “sponsorship” means that the public believes that [name of defendant]’s goods come from, are affiliated with, are approved by, or sponsored by [name of plaintiff].

It is not necessary that the trademark used by [name of defendant] be an exact copy of [name of plaintiff]’s trademark. Rather, [name of plaintiff] must demonstrate, by a preponderance of the evidence, that [name of defendant]’s use of [his/her/its] trademark is, when viewed in its entirety, likely to cause confusion as to the source, origin, affiliation, approval, or sponsorship of the goods in question.

Infringement

[Name of plaintiff] claims that [name of defendant] has infringed [his/her/its] trademark. For [name of plaintiff] to succeed on this claim you must find by a preponderance of the evidence that [name of defendant]:

1: Used the trademark in connection with the sale or offer to sell goods;

2: Used the trademark in commerce; and

3: Used the trademark in a manner that is likely to:

a. cause confusion, mistake, or deception as to

b. the source, origin, affiliation, approval, or sponsorship of [name of defendant]’s goods.

Infringement: Likelihood of Confusion (Seven-Factor Test)

There are seven factors you can use to determine whether a likelihood of confusion exists. No single factor or consideration controls, and [name of plaintiff] is not required to prove that all, or even most, of the factors are present in any particular case. You also may use factors other than these seven. You should weigh all of the relevant evidence in determining whether a likelihood of confusion exists.

 Type and Strength of [Name of Plaintiff]’s Trademark

The first factor is the “type and strength” of the trademark. Some trademarks are stronger than others. The “stronger” the trademark, the more protection should be given to it.

I previously have instructed you as to the four “types” or categories of trademarks, namely, “generic,” “descriptive,” “suggestive,” “descriptive,” “arbitrary,” and “fanciful” or “coined.” The type of a claimed trademark is relevant to the trademark’s strength. When evaluating the strength of [name of plaintiff]’s trademark, you also may consider the extent of any use by third parties of similar trademarks, [name of plaintiff]’s promotional expenditures, and the volume of [name of plaintiff]’s sales under [his/her/its] trademark.

 Similarity of the Parties’ Trademarks

In evaluating whether trademarks are similar, you may consider the “overall impression” that [name of plaintiff]’s and [name of defendant]’s trademarks create, including the sound, appearance, and manner in which they are used. You may look at the trademarks as a whole rather than simply comparing their individual features.

 Similarity of the Parties’ Goods

This factor considers not only whether the consuming public can readily distinguish between the parties’ goods, but also whether the goods at issue are of a kind that the public attributes to a single source.

 Similarity of the Parties’ Sales Channels, Distribution, and Customers

This factor considers where, how, and to whom the parties’ goods are sold. Similarities increase the possibility of consumer confusion, mistake, or deception.

 Similarity of the Parties’ Advertising Media

This factor looks to each party’s method of advertising. It is not a requirement that [name of plaintiff] and [name of defendant] advertise in the same magazines, publications, or other advertising outlets. The issue is whether the parties use the same forums and media outlets to advertise, leading to possible confusion.

 [Name of Defendant]’s Intent

You also may consider whether [name of defendant] intended to infringe on [name of plaintiff]’s trademark. That is, did [name of defendant] adopt [his/her/its] trademark with the intention of deriving a benefit from [name of plaintiff]’s reputation? If you determine that [name of defendant] intentionally ignored potential infringement, you may impute to [name of defendant] an intent to infringe.

 Actual Confusion

Because the presence of actual confusion usually is difficult to show, a finding of actual confusion is not required to find trademark infringement. Alternatively, the absence of actual confusion does not necessarily mean [name of defendant] is not liable for trademark infringement.

The evidence of actual confusion of trademarks should be reasonably significant. You should weigh the alleged actual confusion using the following factors:

 The amount and duration of the confusion;

 The degree of familiarity the customer has with the goods;

 The type of person complaining of the alleged actual confusion (for example, whether that person is a customer or a noncustomer); and

 The alleged number of people who are actually confused (for example, whether the confused person is an actual customer or someone else).

If you find that [name of defendant] has infringed [name of plaintiff]’s trademark, you must next consider [name of defendant]’s affirmative defenses. [*See* Defense Interrogatories at 10.3]

[The following instruction should be given in cases in which plaintiff claims third party “contributory infringement” for an underlying claim of infringement:

[Name of plaintiff] claims that [name of defendant] is liable for the “contributory infringement” of [name of plaintiff]’s trademark. “Contributory infringement” occurs when a defendant intentionally induces or causes another party to infringe a plaintiff’s trademark. If this occurs, [name of defendant] can be held liable for other party’s infringement.]

Remedies

If you find that [name of plaintiff]’s trademark is valid, that [name of defendant] has infringed it, and [name of defendant] does not have a defense to the infringement, you must determine whether, and to what extent, money damages should be awarded.

Plaintiff’s Actual Monetary Damages

You may award actual damages [name of plaintiff] has sustained. [Name of plaintiff] may recover the economic injury to [his/her/its] business proximately resulting from [name of defendant]’s wrongful acts. You are not required to calculate actual damages with absolute exactness – you may make reasonable approximations. However, any award of actual damages to [name of plaintiff] must be just and reasonable, based on facts, and proved by [name of plaintiff] by a preponderance of the evidence.

Defendant’s Profits and Calculation of Profits

In addition to [name of plaintiff]’s actual damages, you may also make an award based on an accounting of [name of defendant]’s profits if you find that:

* [Name of defendant]’s conduct was willful and deliberate;
* [Name of defendant] was unjustly enriched; or
* An award of [name of defendant]’s profits is necessary to deter [name of defendant]’s future conduct.

A defendant commits a “willful violation” of a trademark when that defendant knowingly and purposefully capitalizes on and appropriates for [himself/herself/itself] the goodwill of a plaintiff.

“Unjust enrichment” occurs if [name of defendant] receives a benefit to which [he/she/it] is not entitled.

In determining [name of defendant]’s profits, [name of plaintiff] only is required to prove [name of defendant]’s gross sales. [Name of defendant] may then prove the amount of sales made for reasons other than the infringement. [Name of defendant] also may prove [his/her/its] costs or other deductions which [he/she/it] claims should be subtracted from the amount of [his/her/its] sales to determine [his/her/its] profits on such sales. Any costs or deductions that [name of defendant] proves by a preponderance of the evidence are required to be subtracted from the sales attributable to the infringement and the difference is the amount that may be awarded to [name of plaintiff].

Nominal Damages

If you find that [name of defendant] infringed [name of plaintiff]’s trademark, but you do not find that [name of plaintiff] sustained any actual damages or damages based on [name of defendant]’s profits, you may return a verdict for [name of plaintiff] and award what are called “nominal” damages. By “nominal” I mean a small amount of damages that you, in your discretion, determine.

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Infringement of an Unregistered Trademark

**Special Interrogatories to the Jury**

**Do you find by a preponderance of the evidence that:**

Validity

 [Name of plaintiff] owns a trademark that is entitled to protection?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to either Question No. 2 or 5, as appropriate. If your answer is “No,” you should sign and date this form.

**[Use these special interrogatories where the parties claim prior rights in particular geographic areas:**

 [Name of plaintiff] used [his/her/its] trademark in commerce prior to the date of first use of [name of defendant]’s trademark in the geographic area in which the plaintiff claims prior rights dispute?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” then go to Question No. 5. If your answer is “No,” go on to Question No. 3.

 The geographic area in which [name of defendant], uses [his/her/its] trademark lies within [name of plaintiff]’s zone of natural expansion?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” then go to Question No. 5. If your answer is “No,” go on to Question No. 4.

 [Name of defendant] adopted [his/her/its] trademark with a bad-faith intent to violate [name of plaintiff]’s rights in [his/her/its] trademark?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to Question No. 5. If your answer is “No,” then your foreperson should sign and date the last page of this verdict form.]

 [Name of plaintiff]’s trademark was distinctive prior to the date of first use of [name of defendant]’s trademark, either because [name of plaintiff]’s trademark was inherently distinctive or because it had acquired distinctiveness?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” then go to Question No. 6. If your answer is “No,” then your foreperson should sign and date the last page of this verdict form.

 [Name of plaintiff]’s trademark is nonfunctional?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to Question No. 7. If your answer is “No,” then your foreperson should sign and date the last page of this verdict form.

**Infringement**

 [Name of defendant]’s use of [his/her/its] trademark causes a likelihood of confusion with [name of plaintiff]’s trademark?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to Question No. 8. If your answer is “No, then your foreperson should sign and date the last page of this verdict form.

**[Use these special interrogatories if plaintiff is claiming contributory infringement:**

 A party, other than [name of defendant], has infringed [name of plaintiff]’s trademark and [name of defendant] knew that the other party would be engaging in trademark infringement if [he/she/it] undertook the challenged activity?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to Question No. 9. If your answer is “No, then go to Question No. 11.

 [Name of defendant] intentionally induced the other party to engage in the infringing activity?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” go to Question No. 10. If your answer is “No,” then go to Question No. 11.

 [Name of defendant] is liable for contributory infringement?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” then go to question number 11.]

**Remedies**

**These interrogatories should be given if plaintiff seeks actual damages for infringement:**

 [Name of plaintiff] has suffered actual damages?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” in what amount?

$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**[These interrogatories should be given if plaintiff seeks an award of defendant’s profits:**

 [Name of defendant]’s conduct was willful and deliberate, [name of defendant] was unjustly enriched, or such an award is necessary to deter future conduct?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” then go to Question No. 13. If your answer is “No, then go to Question No. 14.

 [Name of plaintiff] is awarded [name of defendant]’s profits?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” in what amount?

$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 Even though [name of plaintiff] has not been awarded any actual monetary damages or [name of defendant]’s profits, [name of plaintiff] is awarded nominal damages?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “Yes,” in what amount?

$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

So Say We All.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foreperson’s Signature

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_