**ANNOTATIONS AND COMMENTS**

These instructions should be given only in cases in which the Plaintiff seeks to protect an unregistered trademark. Although the Supreme Court suggested in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S. Ct. 2753, 120 L. Ed. 2d 615 (1992), that there is no reason to apply differing rules to conventional word marks and trade dresses, these instructions use the term “trademark” only to refer to conventional word marks. Separate jury instructions relating to trade dress are contained in these Annotations and Comments to implement the Supreme Court’s later qualifications *Two Pesos* in *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 120 S. Ct. 1339, 146 L. Ed. 2d 182 (2000), and *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164, 115 S. Ct. 1300, 1304, 131 L. Ed. 2d 248 (1995). Additionally, the instruction may be modified if the trademark at issue is a service mark, certification mark, a collective mark, or a trade dress. *See* the Annotations and Comments to the Counterclaims for Cancellation of a Registered Trademark, *supra*, for additional discussion.

The three prerequisites for a trademark’s validity, namely, use in commerce, distinctiveness, and nonfunctionality, are well-established under Eleventh Circuit law. *See, e.g.*, *Epic Metals Corp. v. Souliere*, 99 F.3d 1034, 1038-39 (11th Cir. 1996); *Univ. of Fla. v. KPB, Inc.*, 89 F.3d 773, 776-77 (11th Cir. 1996); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1170 (11th Cir. 1991) (per curiam); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1535 (11th Cir. 1986). Claimed verbal trademarks have been found to be functional in rare cases outside of the Eleventh Circuit, *see, e.g.*, *Autodesk, Inc. v. Dassault Systemès Solidworks Corp.*, 685 F. Supp. 2d 1023, 1028 (N.D. Cal. 2009), but the nonfunctionality/functionality distinction typically comes into play only in disputes over the validity of claimed trade dresses. As a practical matter, a jury hearing an action involving the claimed rights to a conventional trademark, service mark, collective mark, or certification mark will not ordinarily be required to determine whether that claimed trademark is functional or nonfunctional.

**Use in Commerce**

The definitions of use in commerce set forth in this instruction are drawn from the statutory definition of use in commerce found in Section 45 of the Lanham Act, *id*. § 1127, as well as from the U.S. Patent and Trademark Office’s internal operating guidelines. *See* United States Patent & Trademark Office, *Trademark Manual of Examining Procedure*, §§ 1303.01, 1306.01-03, 1304.08-.09 (2010); Restatement (Third) of Unfair Competition §§ 10-11 (1995). Eleventh Circuit opinions addressing the issue have done so in the context of the extent of use in commerce necessary to create common-law rights, but the underlying principles are the same. *See, e.g.*, *Planetary Motion, Inc. v. Techplosion, Inc.*, 261 F.3d 1188, 1193-2000 (11th Cir. 2001) (applying statutory definition of use in commerce and holding that nonmonetary transactions can create protectable rights); *Leigh v. Warner Bros.*, 212 F.3d 1210, 1217 (11th Cir. 2000) (requiring claimed trademark to be used in a manner recognizable as a trademark); *Geovision, Inc. v. Geovision Corp.*, 928 F.2d 387, 388-89 (11th Cir. 1991) (“[A] mere contract of sale without a product or mark is not within the statutory meaning of a sale.”); *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1267 (5th Cir. 1975) (shipments of goods made only to create or to preserve trademark rights do not qualify as bona-fide uses in commerce).

The instruction departs from the express statutory definition of trademark use in commerce to the extent that that definition fails to require use in interstate commerce or in commerce with a foreign country. *See* 15 U.S.C. § 1127. That requirement is incorporated into the instruction to maintain consistency with the requirements of trademark use in connection with services.

Section 5 of the Lanham Act, 15 U.S.C. § 1055 (2012), expressly recognizes the ability of a plaintiff to qualify for registration through the properly licensed use of registered trademark, and this principle has long been recognized by the law of the Circuit as well. *See generally Turner v. H M H Publ’g Co.*, 380 F.2d 224, 229 (5th Cir. 1967) (affirming validity of licensed service mark); *see also Planetary Motion*, 261 F.3d at 1198 (same); *Mini Maid Servs. Co. v. Maid Brigade Sys., Inc.*, 967 F.2d 1516, 1519 (11th Cir. 1992) (same); *Prof’l Golfers Ass’nof Am. v. Bankers Life & Cas. Co.*, 514 F.2d 665, 688 (5th Cir. 1975) (affirming validity of licensed collective mark).

The principles underlying this instruction’s treatment of geographic rights are drawn from *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98, 39 S. Ct. 48, 51 (1918), *Hanover Star Milling Co. v. D.D. Metcalf Co.*, 240 U.S. 403, 419-20, 36 S. Ct. 357, 363 (1916), *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1027 (11th Cir. 1989), *Ky. Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977), *Am. Foods, Inc. v. Golden Flake, Inc.*, 312 F.2d 619, 626 (5th Cir. 1963), *Persha v. Armour & Co.*, 239 F.2d 628, 630 (5th Cir. 1957), *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 364 (2d Cir. 1954), and *El Chico, Inc. v. El Chico Cafe*, 214 F.2d 721, 725-26 (5th Cir. 1954).

*Carnival Brand Seafood Co. v. Carnival Brands, Inc.*, 187 F.3d 1307, 1312-13 (11th Cir. 1999), suggests that the zone of natural expansion applies to goods and services as well as to geographic areas. *Planetary Motion*, 261 F.3d at 1201 n.23, however, criticizes this methodology as conflating the use-in-commerce prerequisite for protectable rights with the likelihood-of-confusion test for infringement.

**Distinctiveness of Word Marks**

The principles set forth in this instruction’s treatment of distinctiveness are applicable to conventional word marks are generally drawn from *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769, 112 S. Ct. 2753, 2758, 120 L. Ed. 2d 615 (1992), *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 120 S. Ct. 1339, 146 L. Ed. 2d 182 (2000), *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 115 S. Ct. 1300, 131 L. Ed. 2d 248 (1995), *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-46, 40 S. Ct. 414, 416-18, 64 L. Ed. 705 (1920), *Frehling Enters. v. Int’l Select Grp.*, 192 F.3d 1330, 1335-36 (11th Cir. 1999), *Lone Star Steakhouse & Saloon, Inc. v. Longhorn Steaks, Inc.*, 106 F.3d 355, 362 (11th Cir.), *modified on other grounds*, 122 F.3d 1379 (1997); and *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1190 (5th Cir. 1980).

The spectrum of distinctiveness applicable to trademarks, service marks, collective marks, and certification marks is most commonly applied in cases involving conventional word marks. *See, e.g.*, *Two Pesos*, 505 U.S. at 768, 112 S. Ct. at 2757, 120 L. Ed. 2d 615; *Dieter v. B & H Indus. of Sw. Fla., Inc.*, 880 F.2d 322, 327-28 (11th Cir. 1989); *Am. Television & Commc’ns Corp. v. Am. Commc’ns & Television, Inc.*, 810 F.2d 1546, 1548 (11th Cir. 1987); *Freedom Sav. & Loan v. Way*, 757 F.2d 1176, 1182 n.5 (11th Cir. 1985). Nevertheless, it also has been invoked in evaluations of the potential inherent distinctiveness of design marks. *See Univ. of Ga. Athletic Ass’n v. Laite*, 756 F.2d 1535, 1540 (1985).

A finding that a claimed trademark is generic means that the mark cannot be protected *as* a trademark, *see Two Pesos*, 505 U.S. at 768, 112 S. Ct. at 2757, and a jury finding that a claimed trademark is generic therefore should not evaluate whether the plaintiff has proven valid rights to the claimed trademark independent of the registration. *See Soweco*, 617 F.2d at 1183 (“A generic term can *never* become a trademark, [and] if a registered mark *at any time* becomes generic with respect to a particular article, the Lanham Act provides for the cancellation of that mark’s registration.” (footnote omitted) (citation omitted)). Under limited circumstances, however, a defendant’s use of a former trademark that has become generic can lead to liability for the tort of passing off. *See, e.g.*, *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 120, 59 S. Ct. 109, 114, 83 L. Ed. 2d 73 (1938) (use of a generic designation by a defendant must “be done in a manner which reasonably distinguishes its product from that of a plaintiff”).

This instruction adopts the test for genericness set forth in Section 14 of the Lanham Act, 15 U.S.C. § 1064 (2012). Eleventh Circuit cases bearing on the issue include *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1358, 1359 n.4 (11th Cir. 2007), *Investacorp, Inc. v. Arabian Inv. Banking Corp. (Investcorp) E.C.*, 931 F.2d 1519, 1522 (11th Cir. 1991), and *Vision Ctr. v. Opticks, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979).

In addition to trademarks falling within the scope of the definition in this instruction, “[n]ames – both surnames and first names – are regarded as descriptive terms and therefore one who claims federal trademark rights in a name must prove that the name has acquired secondary meaning.” *Tana*, 611 F.3d at 774 (citation omitted.) “The policy reasons for requiring secondary meaning for the use of a personal or surname as a mark extend equally to the use of full names.” *Id*. at 776. Other types of trademarks that are considered descriptive include individual colors, *see Qualitex*, 514 U.S. at 163, 115 S. Ct. at 1303, geographically descriptive terms, *see Elgin Nat’l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 673, 65 S. Ct. 270, 273, 45 L. Ed. 365 (1901), and noninherently distinctive trade dress. *See Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 716 F.2d 854, 857-58 (11th Cir. 1983). In affirming a finding of no secondary meaning, one panel of the Eleventh Circuit has held that “[a]lthough we believe that proof of intentional copying is probative evidence on the secondary meaning issue, we cannot agree with Plaintiff that proof of intentional copying conclusively establishes that plaintiff’s trademark or trade dress has acquired secondary meaning.” *Brooks Shoe*, 716 F.2d at 860; *see also CPG Prods. Corp. v. Pegasus Luggage, Inc.*, 776 F.2d 1007, 1012 (Fed. Cir. 1985) (concluding, in application of Eleventh Circuit law, that “[e]vidence of intentional copying in this case, also supports a finding of secondary meaning”). Because the court has not addressed the precise role played by intentional copying in the secondary meaning inquiry, these instructions adopt the four-factor test most commonly applied by the court.

A registered trademark that has achieved incontestable status under 15 U.S.C. § 1065 cannot be challenged on the grounds that it is descriptive and lacks secondary meaning. *Park ‘N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 224, 105 S. Ct. 658, 83, 582 L. Ed. 2d (1985); *Wilhelm Pudenz, GmbH v. Littlefuse, Inc.*, 177 F.3d 1204, 1209 (11th Cir. 1999); *Soweco*, 617 F.2d at 1184-85. Nevertheless, even though the registration covering a trademark may have achieved incontestable status, there are still a variety of defenses that may be made as to incontestability. *See* 15 U.S.C. § 1115.

Representative circuit case law bearing on the definition of suggestive trademarks includes *Am. Television & Commc’ns Corp. v. Am. Commc’ns & Television, Inc.*, 810 F.2d 1546, 1549 (11th Cir. 1987), *Citibank, N.A. v. Citibanc Grp.*, 724 F.2d 1540, 1545 (11th Cir. 1984), and *Soweco*, 617 F.2d at 1184.

Representative circuit case law bearing on the definition of fanciful or arbitrary and coined trademarks includes *Carnival Brand Seafood Co. v. Carnival Brands, Inc.*, 187 F.3d 1307, 1312 (11th Cir. 1999), *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1182 n.3 (11th Cir. 1985), and *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 260 (5th Cir. 1980).

**Distinctiveness of Trade Dress**

Most unregistered trademarks found or held to be protectable under Section 43 are conventional verbal marks. *See, e.g.*, *Conagra, Inc. v. Singleton*, 743 F.2d 1508 (11th Cir. 1984) (verbal trademark); *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833 (11th Cir. 1983) (verbal service mark). Nevertheless, Section 43 had been held to protect nonverbal trademarks, or “trade dress,” such as restaurant interiors. *See, e.g.*, *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S. Ct. 2753, 120 L. Ed. 2d 615 (1992); *Univ. of Ga. Athletic Ass’n v. Laite*, 756 F.2d 1535 (11th Cir. 1985) (collegiate mascots); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986) (product packaging); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991) (per curiam) (product configurations); and *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821 (11th Cir. 1982) (business techniques).

For clarity, the instructions do not include specific instructions relating to trade dress infringement. The test for distinguishing between inherently distinctive and non-inherently distinctive trade dress is taken from *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 716 F.2d 854, 857-58 (11th Cir. 1983), and has its origin in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977). In *AmBrit, Inc.*, the court declined to disturb the district court’s reliance on the *Seabrook* factors in finding a claimed trade dress to be inherently distinctive, although the court also invoked the four-tiered spectrum of distinctiveness this instruction proposes for conventional trademarks, service marks, collective marks, and certification marks. *See* 812 F.2d at 1347; *see also Univ. of Fla. v. KPB, Inc.*, 89 F.3d 773, 776 n.4 (11th Cir. 1996) (noting use of both tests in prior case law). Because there is no necessary inconsistency between the two tests, this instruction is not intended to foreclose application of the spectrum-of-distinctiveness test in actions to protect claimed trade dresses.

In affirming a finding of no secondary meaning, one panel of the Eleventh Circuit has held that “[a]lthough we believe that proof of intentional copying is probative evidence on the secondary meaning issue, we cannot agree with Plaintiff that proof of intentional copying conclusively establishes that plaintiff’s trademark or trade dress has acquired secondary meaning.” *Brooks Shoe*, 716 F.2d at 860; *see also CPG Prods. Corp. v. Pegasus Luggage, Inc.,* 776 F.2d 1007, 1012 (Fed. Cir. 1985) (concluding, in application of Eleventh Circuit law, that “[e]vidence of intentional copying in this case, also supports a finding of secondary meaning”). Because the court has not addressed the precise role played by intentional copying in the secondary meaning inquiry, these instructions adopt the four-factor test most commonly applied by the court. Instructions for consideration in the acquired distinctiveness, or “secondary meaning,” inquiry are drawn from *Tartell v. S. Fla. Sinus & Allergy Ctr.*, 790 F.3d 1253, 1257 (11th Cir. 2015), *Knights Armament,* 654 F.3d at 1189, *Am. Television & Commc’ns Corp.,* 810 F.2d at 1549, *Conagra*, 743 F.2d at 1513, and *Brooks Shoe*, 716 F.2d at 860.

**Nonfunctionality of Trade Dress**

A finding that a claimed trademark is functional means that the trademark cannot be protected *as* a trademark. *See Dippin’ Dots, Inc. v. Frosty Bites Distrib., LLC*, 369 F.3d 1197, 1206-07 (11th Cir. 2004). Under limited circumstances, however, a defendant’s use of a functional designation can lead to liability for the tort of passing off. *See, e.g.*, *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 121, 59 S. Ct. 109, 114-15, 83 L. Ed. 2d 73 (1938).

The functionality doctrine prevents trademark law, which seeks to promote competition, from instead inhibiting legitimate competition. *See TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32-33, 121 S. Ct. 1255, 1261-62, 149 L. Ed. 2d 164 (2001); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 115 S. Ct. 1300, 1304, 131 L. Ed. 2d 248 (1995); *Dippin’ Dots*, 369 F.3d at 1202-03; *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1579-80 (Fed. Cir. 1995) (applying Eleventh Circuit law); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1538 (11th Cir. 1986).

The requirement that a trademark be nonfunctional in the utilitarian sense is often regarded as necessary to maintain the distinction between possibly perpetual trademark protection and the temporally limited protection available under federal utility patent law. *See TrafFix Devices*, 532 U.S. at 34, 121 S. Ct. at 1262, 149 L. Ed. 2d 164 (“The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.”).

At least some Circuit case law, however, suggests that the requirement has constitutional dimensions. *See, e.g.*, *Wilhelm Pudenz, GmbH v. Littlefuse, Inc.*, 177 F.3d 1204, 1208 (11th Cir. 1999) (“[W]hen the operation of the Lanham Act would upset the balance struck by the Patent Act, the Lanham Act must yield. The functionality doctrine serves this purpose by eliminating the possibility of a perpetual exclusive right to the utilitarian features of a product under trademark law, which would be impossible (as well as unconstitutional) under the Patent Act.”); *cf. B.H. Bunn Co. v. AAA Replacement Parts Co.*, 451 F.2d 1254, 1254, 1258-59 (5th Cir. 1971) (“It runs counter to federal purposes, and perhaps borders on the unconstitutional, for a state to prolong or to create any trade monopoly, to an originator [of a useful article] by forbidding the production of copies under the rubric of unfair competition.”).

**Infringement**

**General Introductory Charge**

The statutory basis for the federal tort of infringement of unregistered trademarks is Section 43 of the Lanham Act, 15 U.S.C. § 1125, which proscribes the use in commerce “by any person” of:

any word, term, symbol, or device, or any combination thereof, … which 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.

15 U.S.C. § 1125 (2012). This language has long been recognized as creating a cause of action against the violation of rights to unregistered trademarks substantively equivalent to the federal infringement cause of action under Section 32 of the Act, *id*. § 1114, which is reserved to owners of trademarks that have been federally registered on the U.S. Patent and Trademark Office’s Principal Register.

In keeping with conventional practice, these instructions refer to unfair competition grounded in the alleged misappropriation of a trademark as “infringement.” Assuming that a protectable trademark exists, the “touchstone” of a finding of infringement “is not simply whether there is an unauthorized use of a protected trademark, but whether such use is likely to cause customer confusion.” *Custom Mfg. & Eng’g, Inc. v. Midway Servs., Inc.*, 508 F.3d 641, 647 (11th Cir. 2009); *see also Angel Flight of Ga., Inc. v. Angel Flight Am., Inc.*, 522 F.3d 1200. 1205 (11th Cir. 2007); *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 839 (11th Cir. 1983) (test for service mark infringement is whether or not the offending service mark is “likely to cause confusion”).

The infringement analysis in these charges is the same for word marks, logos and trade dress. This is meant to promote a more consistent approach to the analysis and is believed by the drafters of this charge to be more consistent with the case authority. This approach varies from other jury charge sources. *See, e.g.*, American Bar Association Section of Litigation, *Model Jury Instructions: Copyright, Trademark and Trade Dress Litigation* (2008).

**Likelihood of Confusion: Seven-Factor Test**

This is the test most commonly applied for direct infringement, in which the defendant is using an allegedly confusingly similar trademark in connection with its own goods. There are many Eleventh Circuit and former Fifth Circuit cases applying the seven-factor test set forth in these instructions. *See, e.g.*, *Frehling Enters. v. Int’l Select Grp.*, 192 F.3d 1330, 1335 (11th Cir. 1999); *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1027 (11th Cir. 1989), *Dieter v. B&H Indus. of Sw. Fla., Inc.*, 880 F.2d 322, 326 (11th Cir. 1989); *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1182 (11th Cir. 1985); *Univ. of Ga. Athletic Ass’n v. Laite*, 756 F.2d 1535, 1542-43 (11th Cir. 1985); *E. Remy Martin & Co. v. Shaw-Ross, Int’l Imps.*, 756 F.2d 1525, 1530 (11th Cir. 1985); *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488 (11th Cir. 1984); *Roto-Rooter Corp. v. O’Neal*, 513 F.2d 44, 45-46 (5th Cir. 1975). Nevertheless, the Eleventh Circuit has allowed the consideration of other factors where appropriate. *See, e.g., Tana v. Dantanna’s*, 611 F.3d 767, 780 (11th Cir. 2010) (“Our circuit has recognized that new factors may merit consideration in determining whether there is a likelihood of confusion.” (internal quotation marks omitted)); *accord Swatch Watch, S.A. v. Taxor, Inc*, 785 F.2d 956, 958 (11th Cir. 1986). Examples of those additional factors include the degree of care exercised by purchasers of the parties’ goods and services, *see Armstrong Cork Co. v. World Carpets, Inc.*, 597 F.2d 496, 504 n.10 (5th Cir. 1979), a prior affiliation between the parties, *see Prof’l Golfers Ass’n v. Bankers Life & Cas. Co.*, 514 F.2d 665, 670 (5th Cir. 1975), the defendant’s infringement of multiple trademarks owned by the plaintiff, *see Volkswagenwerk AG v. Rickard*, 492 F.2d 474, 479 (5th Cir. 1974), the geographic proximity between the parties, *see Tana*, 611 F.3d at 780-81, and, in cases involving product design trade dress, the prominence of any house trademarks used by the parties. *See Bauer Lamp v. Shaffer*, 941 F.2d 1165, 1171 (11th Cir. 1991) (per curiam).

Whatever the factors used, the test for likely confusion is not applied by simply using a mathematical approach, that is, adding up how many factors have been proven or not proven. Rather, as the Eleventh Circuit has explained, “[a] district court should not determine whether a likelihood of confusion exists merely by computing whether a majority of the subsidiary factors indicate that such a likelihood exists. Rather, the district court must evaluate the weight to be accorded the individual subsidiary facts and make the ultimate fact decision.” *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 840 n.17 (11th Cir. 1983).

**Types and Strength of Trademarks**

Eleventh Circuit doctrine governing the categories of trademarks, namely, “generic,” “descriptive,” “suggestive,” and “arbitrary” or “coined and “fanciful,” is discussed above.

The Eleventh Circuit’s treatment of the considerations properly taken into account in the trademark strength inquiry has been inconsistent. On the one hand, the court has suggested that suggestive, arbitrary, and coined trademarks, as well as those covered by incontestable registrations, are strong as a matter of law. *See, e.g.*, *Frehling Enters. v. Int’l Select Grp.*, 192 F.3d 1330, 1335-36 (11th Cir. 1999) (“Arbitrary marks are the strongest of the four categories.”); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1539 (11th Cir. 1986) (“[T]he scope of protection increases as the [trademark] moves toward the arbitrary end of the spectrum.”); *Sun Banks, Inc. v. Sun Fed. Sav. & Loan Ass’n*, 651 F.2d 311, 315 (5th Cir. 1981) (“A strong mark is usually fictitious, arbitrary or fanciful and is generally inherently distinctive.”); *see also Caliber Auto. Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC*, 605 F.3d 931, 938 (11th Cir. 2010) (holding plaintiff’s incontestably registered service mark strong as a matter of law); *Dieter v. B & H Indus. of Sw. Fla., Inc.*, 880 F.2d 322, 329 (11th Cir. 1989) (same).

On the other hand, however, a number of the court’s decisions have departed from these bright-line rules in favor of an examination of the marketplace strength of the trademark sought to be protected. *See, e.g.*, *Citibank, N.A. v. Citibanc Grp.*, 724 F.2d 1540, 1547 (11th Cir. 1984) (“The presumption of validity afforded plaintiff’s [registered] mark under the Lanham Act is not material to [whether confusion is likely].”); *see also John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 974-75 n.13 (11th Cir. 1983) (“Of course, even if [the plaintiff’s mark] initially was weak, it may have subsequently acquired strength through [the plaintiff’s] promotional efforts.”). In particular, those opinions have often focused on the extent of third-party use of arguably similar marks. *See, e.g.*, *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1183 (11th Cir. 1985) (finding plaintiff’s suggestive mark weak as a matter of law on appeal based in part on evidence of third-party use); *John H. HarlandCo.*, 711 F.2d at 974-75 n.13 (“Of course, even if [the plaintiff’s mark] initially was weak, it may have subsequently acquired strength through [the plaintiff’s] promotional efforts.”); *Exxon Corp. v. Tex. Motor Exch.*, 628 F.2d 500, 504 (5th Cir. 1980) (affirming finding of trademark strength based on absence of evidence of third-party use); *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 260 (5th Cir. 1980) (finding plaintiff’s arbitrary mark weak as a matter of law on appeal based in part on evidence of third-party use). These instructions therefore adopt a dual approach that focuses on both the conceptual strength of the plaintiff’s trademark, as reflected in the trademark’s placement on the spectrum of distinctiveness, and its commercial strength, as reflected in these other considerations.

**Similarity or Dissimilarity of the Parties’ Trademarks**

Representative circuit case law applying this factor includes *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1361 (11th Cir. 2007), *Dippin’ Dots, Inc. v. Frosty Bites, Distrib., LLC*, 369 F.3d 1197, 1207-09 (11th Cir. 2004), *Frehling Enters. v. Int’l Select Grp.*, 192 F.3d 1330, 1337-38 (11th Cir. 1999), *Exxon Corp. v. Tex. Motor Exch.*, 628 F.2d 500, 504-05 (5th Cir. 1980), and *Eskay Drugs, Inc. v. Smith Kline & French Labs.*, 188 F.2d 430, 431-32 (5th Cir. 1951).

**Similarity or Dissimilarity of the Parties’ Goods**

Representative circuit case law applying this factor includes *Tana v. Dantanna’s*, 611 F.3d 767, 777-78 (11th Cir. 2010), *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1541 (11th Cir. 1986), *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 842 (11th Cir. 1983), *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 832 (11th Cir. 1982), and *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1166 (11th Cir. 1982).

**Similarity or Dissimilarity of the Parties’ Retail Outlets and Purchasers**

Representative circuit case law applying this factor includes *Carnival Brands Seafood v. Carnival Brands, Inc.*, 187 F.3d 1307, 1313-14 (11th Cir. 1999), *John H. Harland Co. v. Clarke Checks Inc.*, 711 F.2d 966, 976 (11th Cir. 1983), *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 262 (5th Cir. 1980), *Exxon Corp. v. Texas Motor Exch.*, 628 F.2d 500, 505 (5th Cir. 1980), and *Pure Foods, Inc. v. Minute Maid Corp.*, 214 F.2d 792, 797 (5th Cir. 1954).

**Similarity or Dissimilarity of the Parties’ Advertising Media**

Representative circuit case law applying this factor includes *Tana v. Dantanna’s*, 611 F.3d 767, 776-77 (11th Cir. 2010), *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 967-77 (11th Cir. 1983), *Exxon Corp. v. Tex. Motor Exch.*, 628 F.2d 500, 506 (5th Cir. 1980), and *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474, 478 (5th Cir. 1974).

**Actual Confusion**

Under Eleventh Circuit law:

There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion. Moreover, reason tells us that while very little proof of actual confusion would be necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.

*World Carpets, Inc. v. Dick Littrell’s New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971) (footnote omitted).

Nevertheless, the Eleventh Circuit has held that “there is no absolute scale as to how many instances of actual confusion establish the existence of that factor.” *See AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1543 (11th Cir. 1986). The sufficiency of “actual confusion” evidence depends on the circumstances. These circumstances can include the amount of actual confusion in the context of the case. *Compare Tana v. Dantanna’s*, 611 F.3d 767, 779 (11th Cir. 2010) (affirming finding of no infringement based in part on testimony of only two instances of actual confusion), *and Sun Banks v. Sun Fed. Sav. & Loan*, 651 F.2d 311, 319 (5th Cir. 1981) (nineteen reports of actual confusion over a three-year period was insufficient to establish a finding of actual confusion under the circumstances in that case), *with Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 844 (11th Cir. 1983) (testimony of three witnesses sufficient to support a finding of actual confusion), *and* *Roto-Rooter Corp. v. O’Neal*, 513 F.2d 44, 46 (5th Cir. 1975) (reversing trial court for applying a test of “statistically significant” confusion and finding confusion likely as a matter of law based on testimony of four instances of actual confusion). They can also include the type of person who was allegedly confused. *Compare Frehling Enters. v. Int’l Select Grp.*, 192 F.3d 1330, 1341 (11th Cir. 1999) (reversing finding of no likelihood of confusion based in part on evidence of confusion by plaintiff’s professional buyer), *and* *Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1510 n.10 (11th Cir. 1984) (affirming finding of likely confusion based on actual confusion among customers), *with Am. Television & Commc’ns Corp. v. Am. Commc’ns & Television, Inc.*, 810 F.2d 1546, 1550 (11th Cir. 1987) (according testimony of confusion among nonconsumers little weight), and *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1185 (11th Cir. 1985) (same).

**The Defendant’s Intent**

Representative circuit case law applying this factor includes *Bauer Lamp v. Shaffer*, 941 F.2d 1165, 1172 (11th Cir. 1991) (per curiam), *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1164 n.4 (11th Cir. 1982), *Sun Banks v. Sun Fed. Sav. & Loan Ass’n*, 651 F.2d 311, 318-19 (5th Cir. 1981), and *Aetna Cas. & Surety Co. v. Aetna Auto Fin., Inc.*, 123 F.2d 582, 584 (5th Cir. 1941).

**Likelihood of Confusion: Resale of new genuine goods bearing the Plaintiff’s mark**

Under ordinary circumstances, the infringement cause of action is unavailable to trademark owners that already have sold their goods and are seeking to prevent subsequent sales by downstream purchasers. Specifically, the “genuine” nature of the goods will preclude confusion as to their source. *See generally Davidoff & CIE, S.A. v. PLD Int’l Corp.*, 263 F.3d 1297, 1301 (11th Cir. 2001) (“The resale of genuine trademarked goods generally does not constitute infringement… Therefore, even though a subsequent sale is without a trademark owner’s consent, the resale of a genuine good does not violate the [Lanham] Act.”). The protection afforded by the “first sale” doctrine does not apply, however, when the good or the packaging has been materially altered. *See id*. at 1301 (“This [first sale] doctrine does not hold true when an alleged infringer sells trademarked goods that are materially different than those sold by the trademark owner.”). When an infringement claim is grounded in the resale of goods bearing a plaintiff’s trademark that are genuine but that are materially different from their authorized counterparts, the inquiry should focus on whether material differences exist and not the seven-factor test set forth above.

**Likelihood of Confusion: Resale of used or reconditioned goods bearing the Plaintiff’s mark**

The sale of used or reconditioned goods bearing a plaintiff’s trademark without adequate disclosure of the goods’ status can constitute actionable infringement. *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 67 S. Ct. 1136, 91 L. Ed. 1386 (1947) is the seminal case on this theory of relief. In *Champion*, the Supreme Court held that used goods can be sold under the trademark owner’s trademark in a way that does not confuse the public. The public’s expectations for used goods are different than for new goods. *See also Nitro Leisure Prods., L.L.C. v. Acushnet Co.*, 341 F.3d 1356, 1359-60, 1367 (Fed. Cir. 2003) (applying Eleventh Circuit law to hold that the “material differences” test for the resale of new goods has not replaced the statutory “likelihood of confusion” test in the resale of used or reconditioned trademarked goods). When an infringement claim is grounded in the resale of used or refurbished genuine goods bearing a plaintiff’s trademark, the inquiry should focus on whether material differences exist and not the seven-factor test set forth above.

**Contributory Infringement**

The test for liability for infringement set forth above is one for direct infringement. Liability for contributory trademark infringement is governed by the standard set forth in *Inwood Labs v. Ives Labs*, 456 U.S. 844, 853-54, 102 S. Ct. 2182, 2188, 72 L. Ed. 2d 606 (1982) (“Thus, if a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer is contributorily responsible for any harm done as a result of the deceit.”).

**Monetary Relief**

The statutory basis for monetary relief is Section 35 of the Lanham Act, 15 U.S.C. § 1117, which provides that:

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office,… shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of [15 U.S.C. §§ 1111, 1114], and subject to the principles of equity, to recover defendant’s profits, any damages sustained by the plaintiff, and the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

**Award of the Plaintiff’s Actual Damages**

To be entitled to the legal remedy of an award of actual damages, the plaintiff must demonstrate that it suffered actual monetary losses. *Babbit Elecs., Inc. v. DynaScan Corp.*, 38 F.3d 1161, 1182 (11th Cir. 1994). (“[T]he Plaintiff must prove both lost sales and that the loss was caused by the Defendant’s actions.”). Actual damages are not “speculative” if they are supported by a preponderance of the evidence. *See, e.g.*, *Ramada Inns, Inc. v. Gadsden Motel Co.*, 804 F.2d 1562, 1565 (11th Cir. 1986) (affirming award of actual damages supported by unrebutted expert testimony).

It is “inappropriate” under Eleventh Circuit authority to award a trademark holder the “profit [it] would have made on sales to the defendant.” *St. Charles Mfg. Co. v. Mercer*, 737 F.2d 891, 893 (11th Cir. 1983) (“While Plaintiffs in Lanham Act cases often receive profits from lost sales, these sales are sales made by Defendants to purchasers who sought to buy plaintiffs’ products and instead received defendants’.”) Nonetheless, franchise fees and lost royalties during the infringement period are recoverable. *See Ramada Inns*, 804 F.2d at 1565. An award of actual damages also may be based on findings that the defendant’s infringement has diverted sales from the plaintiff or that the poor quality of the defendant’s goods has harmed the plaintiff’s business reputation. *See Boston Prof’l Hockey Ass’n v. Dallas Cap Mfg.,* 597 F.2d 71, 75 (5th Cir. 1979).

The Eleventh Circuit will not allow liquidated damages in addition to actual damages if it represents a “double recovery.” *Ramada Inns*, 804 F.2d at 1566. Under appropriate circumstances, however, the Eleventh Circuit will allow for both trademark and liquidated damages in the same case. *Id*. at 1566 (liquidated damages and actual damages upheld even though they were “calculated in almost the same manner” because each damage calculation was meant to “compensate for separate wrongs”). Likewise, in a franchise “hold over” case, infringement damages as well as expenditures necessary to establish a new franchisee are recoverable. *Id*.

**Accounting of the Defendant’s Profits**

A split exists outside of the Eleventh Circuit on the issue of whether the equitable remedy of an accounting of a defendant’s profits is a matter properly delegated to a jury or, alternatively, whether it is within the province of the court. In *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 82 S. Ct. 894, 8 L. Ed. 2d 44 (1962), the Supreme Court held that a former franchisee from which a disgorgement of profits was sought was entitled to a jury trial. Based on this outcome, some courts have concluded that a plaintiff’s prayer for an accounting creates a right to a jury trial because “[t]his type of remedy is fundamentally compensatory and legal in nature.” *Alcan Int’l Ltd. v. S.A. Day Mfg. Co.*, 48 U.S.P.Q.2d 1151, 1154 (W.D.N.Y. 1998); *see also Ideal World Mktg., Inc. v. Duracell, Inc.*, 997 F. Supp. 334, 337-39 (E.D.N.Y. 1998); *Oxford Indus. v. Hartmarx Corp.*, 15 U.S.P.Q.2d 1648, 1653 (N.D. Ill. 1990). Others, however, have denied requests for jury trials on the ground that “the *Dairy Queen* Court based its decision on the fact that the predominant claim was for breach of contract and not for equitable relief.” *G.A. Modefine S.A. v. Burlington Coat Factory Warehouse Corp.*, 888 F. Supp. 44, 46 (S.D.N.Y. 1995); *see also Am. Cyanamid Co. v. Sterling Drug, Inc.*, 649 F. Supp. 784, 789 (D.N.J. 1986). In the absence of controlling circuit authority, this instruction does not purport to resolve that issue; rather, it is intended to provide guidance to the extent that the accounting remedy is referred to a jury.

In an accounting under 15 U.S.C. § 1117 (2012), “[a] plaintiff need not demonstrate actual damage to obtain an accounting of the infringer’s profits under section 35 of the Lanham Act.” It is enough that the Plaintiff proves the infringer’s sales. The burden then shifts to the Defendant, which must prove its expenses and other deductions from gross sales.” *Wesco Mfg., Inc. v. Tropical Attractions of Palm Beach, Inc.*, 833 F.2d 1484, 1487-88 (11th Cir. 1987) (citations omitted).

An award of profits based on unjust enrichment or deterrence does not require a “higher showing of culpability on the part of the defendant.” *Burger King Corp. v. Mason*, 855 F.2d 779, 781 (11th Cir. 1988); *see also Optimum Techs., Inc. v. Home Depot U.S.A., Inc.*, 217 F. App’x 899 (11th Cir. 2007) (holding that willful and deliberate infringement, unjust enrichment and deterrence are appropriate circumstances for an accounting of profits, as well as setting forth definitions of willful infringement and unjust enrichment). Likewise, “the law of this Circuit is well settled that a plaintiff need not demonstrate actual damage to obtain an award reflecting an infringer’s profits under Section 35 of the Lanham Act.” *Burger King Corp. v. Weaver*, 169 F.3d 1310, 1321 (11th Cir. 1999)); *see also id*. (accounting of defendant’s profits may be appropriate even in absence of direct competition between the parties. *Babbit Elecs., Inc. v. DynaScan Corp.*, 38 F.3d 1161, 1182 (11th Cir. 1994).

**Punitive Damages**

Section 35 of the Lanham Act does not authorize awards of punitive damages, and, indeed, it provides that any monetary relief made under it be compensation and not a penalty. 15 U.S.C. § 1117 (2012). Nevertheless, the Lanham Act does not preempt awards of punitive damages under state law. *See generally* 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 30:96 (4th ed.) (citing state law cases).