Eighth Circuit Trademark Opinions

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Abstract
The Eighth Circuit Court of Appeals’ trademark jurisprudence has been truly fair and balanced since the 1946 passage of the Lanham Act. The court has created this fair and balanced jurisprudence by creating firm standards and sticking to them. Although not the most popular circuit in which to find a trademark case, the Eighth Circuit has kept a constant vigil to assure that trademark plaintiffs do not dominate over trademark defendants. This balanced approach to trademark law is consistent with the Minnesota Supreme Court, which recently held that “advertising injury” included trademark infringement, and therefore the defendant’s insurance carrier had to defend a trademark infringement lawsuit against it. The Eighth Circuit appears mindful of the need to maintain an even playing field so that trademark owners’ rights can be respected but trademark defendants’ ability to compete is not unduly burdened. This conclusion is supported by the heightened scrutiny of secondary meaning, the improbability of finding a trademark diluted, the strict standard on infringement, the consistent application of the incontestability doctrine, and by the data regarding reported success rates of trademark infringement cases. In the end, this article concludes that the Eighth Circuit’s trademark jurisprudence will lead to further and faster economic recovery than other circuits because the courts protect legitimate trademark rights but not at the expense of competition.

Keywords
8th circuit, trademark law, secondary meaning jurisprudence, intellectual property, trademark dilution, incontestability, infringement

Disciplines
Intellectual Property Law | Jurisprudence
I. INTRODUCTION

The Eighth Circuit Court of Appeals’ trademark jurisprudence has been truly fair and balanced since the 1946 passage of the Lanham Act. The court has created this fair and balanced jurisprudence by creating firm standards and sticking to them. Although not the most popular circuit in which to find a trademark case, the Eighth Circuit has kept a constant vigil to assure that trademark plaintiffs do not dominate over trademark defendants. This balanced approach to trademark law is consistent with the Minnesota Supreme Court, which recently held that “advertising injury” included trademark infringement, and therefore the defendant’s insurance carrier had to defend a trademark infringement lawsuit against it.

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2. Al Franken, Lies (And The Lying Liars Who Tell Them): A Fair and Balanced Look at the Right (2003). (Pun intended. I teach at a law school in Minnesota. Al Franken is now a United States Senator from Minnesota. Minnesota is in the Eighth Circuit. I argue here that the Eighth Circuit has a balanced view of trademark law. Maybe any pun you have to explain is not worth making.)


Eighth Circuit appears mindful of the need to maintain an even playing field so that trademark owners’ rights can be respected but trademark defendants’ ability to compete is not unduly burdened. This conclusion is supported by the heightened scrutiny of secondary meaning, the improbability of finding a trademark diluted, the strict standard on infringement, the consistent application of the incontestability doctrine, and by the data regarding reported success rates of trademark infringement cases.

In the end, this article concludes that the Eighth Circuit’s trademark jurisprudence will lead to further and faster economic recovery than other circuits because the courts protect legitimate trademark rights but not at the expense of competition.  

II. SECONDARY MEANING

The Eighth Circuit’s most significant role, perhaps, has been in secondary meaning jurisprudence. The Eighth Circuit has a relatively narrow view of this topic. Secondary meaning is an extremely important concept in trademark law. Some marks are said to be inherently distinctive. Examples of inherently distinctive trademarks include marks that are coined (Kodak or Sony), or marks that use an existing English language word in a unique and arbitrary manner (Apple). Such marks are distinctive from the date of conception.

Most marks are not so lucky. Most marks consist of an existing English word that over time comes to indicate source, but still possesses the original English meaning. When such words have two meanings, the source denoting meaning and the original meaning, they are said to have secondary meaning. Words with secondary

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5. See infra Part VII.
7. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992) (holding that marks that are found to be “suggestive,” “arbitrary,” or “fanciful” are inherently distinctive because they naturally “serve[] to identify a particular source of a product”).
8. Id.
9. See Viacom, Inc. v. Ingram Enters., 141 F.3d 886, 891–92 (8th Cir. 1998) (noting that the word “BLOCKBUSTER” may indicate source as a trademark, but it also possesses multiple meanings in the English language).
10. See 74 AM. JUR. 2D Trademarks and Tradenames § 58 (Supp. 2009).
meaning are appropriate for protection in the United States as trademarks.11

Each circuit has adopted its own test for secondary meaning. Although similar, they are not entirely consistent. In the Eighth Circuit, direct testimony from consumers or survey evidence is important, but other factors include “the exclusivity, length and manner of use of the mark; the amount and manner of advertising; the amount of sales and number of customers; the plaintiff’s established place in the market; and the existence of intentional copying.”12

Sometimes this inconsistency creates dispositive results, as it did in litigation regarding the ubiquitous (in Wisconsin) cheesehead hat.13 Ralph Bruno, creator of the so-called “cheesehead hat,” sued a competitor in the Eastern District of Wisconsin for making a very similar hat out of foam in the shape of a wedge of orange cheese.14 This was precisely what Bruno had created.

The product had been remarkably successful for Bruno.15 Significant evidence existed in the record to conclude that the product had been successful.16 However, the district court found that product success alone was not “useful in establishing secondary meaning.”17 For this proposition, the court relied on Aromatique, Inc. v. Gold Seal,18 a case from the Eighth Circuit. For this narrow proposition on secondary meaning, the court—which is located in the Seventh Circuit19—reached out to Eighth Circuit precedent to find the hat lacked secondary meaning,20 even though the relevant precedent in

11. See generally 1-2 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 2.09 (2009).
14. Id. at 682.
15. Id. at 688. To anyone familiar with the rabid devotion of Green Bay Packers fans, this should come as little surprise.
16. Id. (the hats were ubiquitous in video evidence presented of Green Bay Packers home games, in high demand at the site of the 1997 Super Bowl in which the Packers competed, and allegedly received extensive media attention).
17. Id. at 688–89 (quoting Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 873 (8th Cir. 1994)).
18. 28 F.3d 863, 873 (8th Cir. 1994).
20. Foamation, 970 F.Supp. at 688 (holding that evidence of the success of a product cannot “provide the basis for an inference of secondary meaning because something other than the secondary meaning of the trade dress may have been responsible for the success of the product”).
the Seventh Circuit would have required a different result.\textsuperscript{21} That is, product success could be dispositive for establishing secondary meaning in the Seventh Circuit.\textsuperscript{22} This is just one example of many where a court relies on an Eighth Circuit case to restrict extending trademark rights too far.

III. INFRINGEMENT

In American trademark jurisprudence, a trademark is infringed when a second comer uses a mark that is likely to cause confusion with the senior user’s mark.\textsuperscript{23} Each circuit court uses a different normative test for finding a likelihood of confusion. Although all circuits’ tests are similar, distinctions remain.\textsuperscript{24}

The primary case in the Eighth Circuit regarding infringement is \textit{SquirtCo v. Seven-Up}.\textsuperscript{25} Even though this case has only been cited once by the United States Supreme Court,\textsuperscript{26} \textit{SquirtCo} has had the effect—at least in the Eighth Circuit—of restraining and resisting the wholesale expansion of trademark rights that one finds in other circuits.\textsuperscript{27}

\textit{SquirtCo} is not a remarkable case. In \textit{SquirtCo}, the court applied six factors to conclude that QUIRST as used on lemonade by the Seven-Up Company infringed SQUIRT for soft drinks used by SquirtCo. The factors were as follows: (1) the strength of the trademark, (2) the similarity between the trademark and the defendant’s mark, (3) the competitive proximity of the products on which the respective marks are placed, (4) the intent of the alleged infringer to pass off his goods as those of the trademark holder, (5) the incidents of actual confusion, and (6) the degree of care likely to be exercised by potential customers of the trademark holder.\textsuperscript{28}

\textsuperscript{21} See, e.g., Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079, 1085 (7th Cir. 1988) (stating that secondary meaning is achieved if “most consumers” have associated it with a product).
\textsuperscript{22} See id.
\textsuperscript{23} 5-5 Anne Gilson Lalonde, Gilson on Trademarks § 5.01 (2009).
\textsuperscript{24} For an analysis of these distinctions, see Michael B. Landau, Problems Arising Out of the Use of WWW.TRADEMARK.COM: The Application of Principles of Trademark Law to Internet Domain Name Disputes, 13 GA. ST. U. L. REV. 455, 520 n.71 (1997).
\textsuperscript{25} 628 F.2d 1086 (8th Cir. 1980).
\textsuperscript{26} Elby’s Big Boy of Steubenville, Inc. v. Frisch’s Rest., Inc., 459 U.S. 916, 917 (1982) (No. 81-2012) (White, J., dissenting from the denial of cert.).
\textsuperscript{28} \textit{SquirtCo}, 628 F.2d at 1091.
What makes the *SquirtCo* case remarkable is that its application has resulted in an inherently rational infringement jurisprudence in the Eighth Circuit, where examples abound.

In 1987, just seven years after *SquirtCo*, the Eighth Circuit decided against Kellogg in its attempt to enjoin General Mills’ use of OATMEAL RAISIN CRISP. Kellogg had first used and registered APPLE RAISIN CRISP. Obviously, the “raisin crisp” parts of the marks are identical. Obviously, the parties are in close competition. However, in coming up with its rational result, the Eighth Circuit concluded that the mark APPLE RAISIN CRISP was a weak mark. As such, it deserved little protection. The Eighth Circuit showed intellectual acumen when it also concluded that when the defendant’s mark is very similar or even identical, it does not mean that it automatically infringes the plaintiff’s mark. The court teaches that the overall look and feel of the mark should be analyzed to determine if one mark infringes another.

In this case, the lettering, the relative color schemes, and the box designs all differed. Therefore, the Eighth Circuit agreed with the district court that relevant consumers could easily discern the difference between the two marks and found that no infringement occurred.

As a further example of how the Eighth Circuit reaches a balance in the APPLE RAISIN CRISP case, the court never refers to the trademark as “property.” Rather, the court explains, the trademark “represents intangible assets such as reputation and goodwill.” The court never uses the rhetoric of property that some courts use to support the conclusion that the plaintiff has been harmed somehow, even if that somehow might be rather nebulous. Many courts consider the trademark to be property and, therefore, cast the net far

30. *Id.* at 624 (Kellogg began marketing the product in 1983, and obtained federal registration for the APPLE RAISIN CRISP mark in 1986).  
31. *Id.* at 626 (holding that a mark is weak where “consumer confusion has been found unlikely because the mark’s components are so widely used that the public can easily distinguish slight differences in the marks, even if the goods are related”).  
32. *Id.* at 627.  
33. *Id.*  
34. *Id.*  
35. *Id.* at 628.  
36. *Id.* at 625.  
more broadly when explaining their justification for an injunction.\textsuperscript{38} The defendant, they argue, has trespassed on the property of the plaintiff and, therefore, must cease.\textsuperscript{39} In the Eighth Circuit, this analysis is appropriately narrower. If the right of exclusion has been damaged, then an injunction should issue. Here, OATMEAL RAISIN CRISP does not interfere with Kellogg’s ability (or inability) to exclude others from using APPLE RAISIN CRISP and, therefore, the injunction is inappropriate. All courts should be so rational.

The Eighth Circuit has not always balanced this correctly. In the MUTANT OF OMAHA case,\textsuperscript{40} the court found MUTANT OF OMAHA (as used on t-shirts) to infringe the insurance company, Mutual of Omaha.\textsuperscript{41} In a case that is clear parody and, as Judge Heaney argues in his dissent, “a significant intrusion upon the defendant’s first amendment rights,”\textsuperscript{42} the majority seems to use the property rationale mentioned above to enjoin the use of the mark on the defendant’s t-shirts.\textsuperscript{43}

Judge Heaney is very articulate in establishing precisely why the property rationale should not be used to justify an injunction in trademark cases.\textsuperscript{44} According to Judge Heaney in his dissent, trademarks play a far different role in our society than real property.\textsuperscript{45} Both sides in this case look to the so-called shopping mall cases, which allow the restriction of free speech on the personal property of another.\textsuperscript{46} The majority relies on this favorably.\textsuperscript{47} Judge Heaney

\textsuperscript{38} See Bishop v. Equinox Int’l Corp., 154 F.3d 1220, 1223 (10th Cir. 1998) (arguing that a trademark is a protectable property right); see also New Kids on the Block v. News Am. Pub’l’g, Inc., 971 F.2d 302, 306 (9th Cir. 1992) (arguing that a trademark is a “limited property right in a particular word, phrase or symbol”).

\textsuperscript{39} Layton Pure Food Co. v. Church & Dwight Co., 182 F. 24, 33 (8th Cir. 1910).

\textsuperscript{40} Mut. of Omaha Ins. Co. v. Novak, 836 F.2d 397 (8th Cir. 1987).

\textsuperscript{41} Id. (applying the SquirtCo analysis).

\textsuperscript{42} Id. at 406 (Heaney, J., dissenting).

\textsuperscript{43} Id. at 402 (majority opinion) (holding that a “failure to protect Mutual’s trademark rights would amount to an ‘unwarranted infringement of property rights,’ for it would ‘diminish [those] rights without significantly enhancing the asserted right of free speech’” (quoting Lloyd Corp. v. Tanner, 407 U.S. 551, 567 (1972))).

\textsuperscript{44} Id. at 405 (Heaney, J., dissenting) (arguing that extending the definition of “property damages” to trademark damages claims, particularly when those claims involve “sativic appropriation,” only serves to “stifle[] creativity without protecting any legally recognized rights” (citing H. Dorsen, Satiric Appropriation and the Law of Libel, Trademark, and Copyright: Remedies Without Wrongs, 65 B.U. L. Rev. 923, 964 (1985))).

\textsuperscript{45} Id. at 405–06.

\textsuperscript{46} Id. at 402 (majority opinion) (citing Lloyd Corp, 407 U.S. at 567; Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 413 (1916); Hamilton-Brown Shoe Co. v. Wolf Bros., 240 U.S. 251, 259 (1916); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 206 (2d Cir. 1979)); id. at 405 (Heaney, J., dissenting).
correctly points out that a trademark is not property. A trademark itself is speech. When the majority states that, like the shopping mall cases, it is acceptable to restrict speech as long as there is an alternative forum available to the defendant when the subject is a trademark, this analogy breaks down because, by definition, there is no alternative available to the trademark as the trademark itself is the speech being regulated. This line of analysis has been rather influential in other “trademark as parody” cases around the country.

Many successful infringement cases in the Eighth Circuit are more similar to the Kemp case. In Kemp, there was expert testimony that LOUIS KEMP, as used on frozen wild rice meals, was confusingly similar to LOUIS KEMP, as used on artificial crab products using surimi. The court actually reversed the judgment of the district court, which found no infringement. In this Eighth Circuit opinion, the court found that “[w]hen, as here, it is shown by an alleged infringer’s own salesman that even sophisticated professional buyers experienced actual confusion, such evidence supports a finding that confusion is likely.”

Most significantly for the question of balance of trademark rights, the Eighth Circuit has determined that trademark infringement—the “likelihood of infringement” question—is a question of fact, whereas many other circuits consider it to be a question of law.

47. Id. at 402 (majority opinion) (arguing that precedent supports the position that the “property right” in the trademark must be protected, and should not yield to Novak’s right to expression under the First Amendment).

48. Id. at 405 (Heaney, J., dissenting).

49. Id. at 405–06 (citing Robert J. Shaughnessy, Trademark Parody: A Fair Use and First Amendment Analysis, 72 VA. L. REV. 1079, 1111–12 (1986)).

50. See, e.g., Cardtoons, L.C. v. Major League Baseball Players Ass’n, 95 F.3d 959, 971 (10th Cir. 1996) (explaining that because trademarks are comprised of words, sounds, and images used to communicate, forbidding the use of particular words runs a substantial risk of suppressing ideas); Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989) (holding that the Lanham Act should apply “to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression”).


52. Id. at 1053.

53. Id. at 1058.

54. Id.

55. SquirtCo v. Seven-Up Co., 628 F. 2d 1086, 1091 (8th Cir. 1980) (holding that any likelihood of confusion is a factual question); see also Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass’n, 651 F.2d 311, 314–15 (5th Cir. 1981) (applying the “clearly erroneous” standard); Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 377 (1st Cir. 1980) (also applying the “clearly erroneous” standard).

56. Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc., 616 F.2d 440, 443–44 (9th Cir. 1980) (finding likelihood of confusion to be a “legal test” reviewed de
distinction has very meaningful practical and theoretical effects.

Practically, treating the likelihood of confusion as a question of fact means the jury’s determination on the issue will be disturbed only if there is clear and convincing evidence that the trial court made an error. Consequently, fewer appeals will succeed in overturning a district court opinion. In the Eighth Circuit, therefore, the jury’s verdict is taken more seriously than in some other circuits.

Theoretically, this approach is significant because it is a comment on the larger and more normative role of the jury in federal trademark cases. The jury will have a larger role in trademark infringement causes of action in the Eighth Circuit than in other circuits because the ultimate conclusion on infringement is a question of fact, not a question of law. In circuits where the likelihood of infringement is a question of law, the jury’s role is minimized to finding facts that establish, or do not establish, each individual element of the infringement analysis. In the Eighth Circuit, the jury actually weighs the six SquirtCo factors in determining whether or not there has been an infringement. As such, the role of the jury in the Eighth Circuit is broader than in places such as the Second and Ninth circuits, where infringement is a question of law.

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58.  See, e.g., Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C., 393 F.3d 755, 760 (8th Cir. 2005) (arguing that a detailed analysis of the jury verdict with respect to each SquirtCo factor was unnecessary, as the issue is “particularly amenable to resolution by a jury . . . which represents a cross-section of consumers [and] is well-suited to evaluating whether an ‘ordinary consumer’ would likely be confused” (quoting Anheuser-Busch, Inc. v. L & L Wings, Inc., 962 F.2d 316, 318 (4th Cir. 1992))).
59. In patent law, for example, the Markman case greatly restricted juries from having input on claim construction. See Markman v. Westview Instruments, Inc., 517 U.S. 370, 391 (1996). In the patent context, I am not commenting on whether this is a good development or a bad development. In the trademark context, the exclusion of juries from what is an important societal and contextual issue (trademark infringement) is dangerous.
60.  See Estee Lauder, Inc. v. The Gap, Inc., 108 F.3d 1503, 1509–12 (2d Cir. 1997) (finding that while the trial court’s finding of likelihood of the confusion is one of fact, the court reviews the ultimate weighing of each factor de novo).
61.  Everest Capital Ltd., 393 F.3d at 759–60.
62. The issue of what is the appropriate standard of review remains contentious. One commentator points out that even the legislative history of the Lanham Act is not clear on this point. See Burton Jay Rubin, The Role of the Clearly Erroneous Standard of Federal Rule of Civil Procedure 52(a) in Reviewing Trial Court Determinations of Likelihood (observing that the appellate court is “entitled to make [its] own assessment of the likelihood of confusion”).

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Blue Bell, Inc. v. Jaymar-Ruby, Inc., 497 F.2d 433, 435 n.2 (2d Cir. 1974) (observing that the appellate court is “entitled to make [its] own assessment of the likelihood of confusion”).
For these reasons, SquirtCo has had a meaningful and lasting legacy on the law of trademark infringement, both in the Eighth Circuit and beyond.

IV. Dilution

The concept of trademark dilution has a tortured existence and justification in the United States. Trademark infringement, by definition, only happens when parties are in competition. However, what happens when the parties are not in competition, as with, for example, Kodak brand pianos or Buick brand aspirin?

Trademark dilution stems from the facts of a trademark case in England in which the court found that KODAK branded bicycles lessened the distinctive capacity of Kodak on photographic supplies. Commentators rely upon this case to simply and easily crystallize the apparent problem that dilutive conduct raises. In a version of this idea, KODAK brand pianos was even used in the legislative history of the United States Federal Trademark Dilution Act of 1996. One theory is that these uses need to be enjoined to maintain the distinctiveness of the famous mark. To the extent there are KODAK brand products available that are not related to camera equipment and film, Kodak’s mark suffers.

or No Likelihood of Confusion, 74 TRADEMARK REP. 20, 35 (1984) (arguing that the standard of review should be a question of law based on factual determinations). For a more detailed discussion of the split among the circuits, see 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:73 (4th ed. 2009).

63. See generally David Welkowitz, Reexamining Trademark Dilution, 44 VAND. L. REV. 531, 533 (1991) (arguing that antidilution statutes are an “overly broad mechanism” for protecting trademark rights and grant “protection to those in least need of it”).

64. See Milton W. Handler, Are the State Antidilution Laws Compatible with the National Protection of Trademarks?, 75 TRADEMARK REP. 269, 271 (1985) (explaining how trademark protection was based on unfair competition law, and was developed in response to product sellers seeking to divert customers away from their competitors by using the same or similar mark on their products).


On the other hand, the Lanham Act is considered constitutional because it is based on Article I, section 8, clause 3 of the Constitution—the Commerce Clause. Hence, there needs to be interstate commerce before there is commerce that Congress can regulate. There are no property rights in gross in a trademark. There is only the right to exclude to the extent the senior uses the mark and for as long as the senior uses the mark. Dilution upsets this balance of rights and creates a property right in the mark itself. As such, the notion of dilution is arguably unconstitutional.

Since there are only five reported Eighth Circuit cases regarding federal trademark dilution, the data set is small. Some preliminary conclusions, however, are possible. The conclusions that are available fit the theme of this article. The Eighth Circuit has a very balanced approach to trademark dilution rights. The best example of this may be a single quotation from *Luigino's, Inc. v. Stouffer Corp.:

Trademark law does not give Stouffer the exclusive right to use a mark that consumers associate with tasty, low-fat frozen entrees, however. To succeed on its claim, Stouffer was required to offer evidence that the “Michelina’s Lean ’N Tasty” mark causes consumers to associate the “Lean Cuisine” mark with something other than Stouffer’s frozen entrees. Because Stouffer did not do this, its trademark dilution claim must fail.

Stouffer’s had argued that the word “cuisine” means that a food product tastes good. Therefore, when comparing the sound, meaning, and appearance of the marks, LEAN ’N TASTY means the same thing as LEAN CUISINE. Therefore, Stouffer argued, the marks are synonymous for dilution purposes. The Eighth Circuit rejected that argument.


69. See Kristan Friday, *Does Dilution Make Trademarks Into Unconstitutional Patents?*, 12 J. Contemp. Legal Issues 180 (2001) (arguing that dilution protection regimes are unconstitutional).

70. Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C., 395 F.3d 755 (8th Cir. 2005); Frostop Treats, Inc. v. Sony Computer Entm’t Am., Inc., 426 F.3d 1001 (8th Cir. 2005); Luigino’s, Inc. v. Stouffer Corp., 170 F.3d 827 (8th Cir. 1999); Viacom Inc. v. Ingram Enters., Inc., 141 F.3d 886 (8th Cir. 1998); Minn. Mining & Mfg. Co. v. Rauh Rubber, Inc., 130 F.3d 1305 (8th Cir. 1997).

71. Luigino’s, 170 F.3d. at 833.

72. Id. at 830.

73. Id. at 830–31.

74. Id. at 832.
The court is clearly concerned about granting any rights to the word “lean” in gross. The court expressly rejected this by calling the term “lean” descriptive. However, a descriptive word with as much secondary meaning as LEAN CUISINE obviously possesses is appropriately protected as a strong trademark in the United States.\footnote{See id. at 830.} Simply because “lean” also has a descriptive meaning, that should not lessen the mark’s protection.\footnote{Id.} Luigino’s conceded, as they must, that LEAN CUISINE was famous.\footnote{Id. at 832.} Therefore, whether the mark is descriptive or strong should not have been an issue for this court. By referring to the term “lean” pejoratively as a descriptive mark, the court shows its true feelings about dilution. This court will be very careful about expanding the trademark right to include dilution.

Of all the trademark dilution cases the court could have relied upon, this court chose to rely on \textit{Mead Data v. Toyota}\footnote{Mead Data v. Toyota, 875 F.2d 1026 (2d Cir. 1989).} from the Second Circuit. This is strange because \textit{Mead Data} is the best example of a court shying away from applying the clear language of a state dilution statute to a situation that was clearly dilutive.\footnote{See, e.g., Port, \textit{The “Unnatural” Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?}, supra note 68, at 449–54 (discussing the Second Circuit’s “extremely hostile” treatment of the concept of dilution in \textit{Mead Data v. Toyota}).} There, Toyota adopted the LEXUS mark in clear contradiction to Mead Data’s LEXIS mark.\footnote{See \textit{Mead Data}, 875 F.2d 1026.} The court made the implausible conclusion that those two words were not similar enough to apply the New York State dilution statute.\footnote{Id. at 1028–32.} That is, when the Eighth Circuit cited as authority a case that came to an implausible outcome to avoid applying the dilution statute, one might wonder why. What is it about dilution that gives the Eighth Circuit so much concern that they reach to the Second Circuit applying the State of New York’s dilution law (not the Federal Trademark Dilution Act) in an unbelievable manner? I suggest that the Eighth Circuit shares the Second Circuit’s concern about dilution as expressed in the \textit{Mead Data} case. It simply goes too far as written, and to keep balance in Eighth Circuit trademark jurisprudence, dilution will be narrowly circumscribed.

It appears that the logic of \textit{Stouffer} is stretched in a similar manner as it was stretched in \textit{Mead Data} to avoid applying the dilution statute. To conclude that no rights can be obtained to the descriptive...
word “lean” after the parties stipulated to the famous nature of that mark is disingenuous.

Stouffer teaches that trademark dilution will not be openly received by the Eighth Circuit. It illustrates that dilution will be closely scrutinized because the Eighth Circuit is concerned about extending the trademark right too far. Granting Stouffer a right in gross to the word “lean,” as the dilution doctrine would have us do—descriptive or not—seems to go too far for the Eighth Circuit and its sense of balance and fair play.

An even better example of the Eighth Circuit’s focus on fairness is Viacom Inc. v. Ingram Enterprises. Viacom concerned Ingram’s use of the word BLOCKBUSTER on fireworks. Viacom claimed this use diluted its trademark BLOCKBUSTER for use on movie rental services. The conduct complained of began before passage of the Federal Trademark Dilution Act in 1996. The district court had dismissed the case on ground that application of the FTDA in this case would be impermissibly retroactive.

The Eighth Circuit agreed that the case should be dismissed, but expounded on the significance of fairness in our trademark system. The Eighth Circuit pointed out that the conduct complained of by Viacom was legal when it occurred. As such, Ingram, for two years, engaged in legal conduct and even created “property” in and to the BLOCKBUSTER mark as used on fireworks. That fact must be properly balanced, the court determined, when considering the retroactive application of the FTDA. The Eighth Circuit was not convinced that the court could adequately balance those rights and dismissed the case. Therefore, the dilution cases of the Eighth Circuit also point to a very balanced trademark jurisprudence.

V. INCONTESTABILITY

Subject to some exceptions, a registered trademark is incontest-
able when two factors are met. First, the registrant must have continuously used its mark with the goods for which the mark was registered for five continuous years after the date of registration. Second, within one year after the end of any such five-year period, the registrant must have filed an affidavit attesting to such five years of continuous use as well as to current use. A mark’s attainment of incontestable status, or incontestability, is “conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce.”

Incontestability in trademark jurisprudence differs from circuit to circuit. The Eighth Circuit agrees with the Seventh Circuit in that incontestability confers important rights on and to the trademark holder, but this has no bearing on the strength of the mark analysis for purposes of whether a mark is infringed.

All circuits recognize the clear language of section 33 of the Lanham Act. That is, all circuits find incontestability to mean that the registration is conclusive evidence of the holder’s exclusive rights to use the mark on the identified goods. The circuits are split on whether incontestable status affects the strength of the mark analysis. In the Eleventh Circuit, an incontestable mark is presumed strong for purposes of infringement analysis. In the Eighth Circuit, incontestable status is important, but is less significant than in the Eleventh Circuit.

One example of its importance is an interesting procedural advantage in obtaining incontestable status. One panel in the Eighth Circuit has held that filing a Section 15 Affidavit with the United States Patent and Trademark Office (PTO) and changing the status of

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93. Id.
94. Id.
95. Id. § 33(b), 15 U.S.C. § 1115(b).
97. Id. at 551 (citing Munters Corp. v. Matsui Am., Inc. 909 F.2d 250 (7th Cir. 1990)).
98. Under section 33, incontestable status is “conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce,” Lanham Act § 33(b), 15 U.S.C. § 1115(b) (2008).
99. See id.
the mark from a contestable to an incontestable mark is such a significant change of circumstances that issue preclusion would not bar a plaintiff from suing a defendant twice for the same conduct.\(^{101}\) In this case, the plaintiff had sued and lost a trademark infringement cause of action because its mark, SEALTITE, was determined to be merely descriptive.\(^{102}\) Subsequent to that decision, the plaintiff’s mark became incontestable and it sued the defendant a second time for the same use. The Eighth Circuit held:

Here, we are not concerned with the mere passage of time. Instead, we are faced with a question of whether a change in a mark’s validity from contestable to incontestable bars application of collateral estoppel. We hold that this constitutes a significant intervening factual change, and, therefore, application of collateral estoppel is inappropriate.\(^{103}\)

It is not clear from the case that the Eighth Circuit is aware of how simple it is to obtain incontestable status with the PTO. One merely files a Section 15 Affidavit.\(^{104}\) It is not substantively reviewed.\(^{105}\) The claim of continued use is presumed to be accurate.\(^{106}\) In this case, the defendant had conceded that the mark was incontestable.\(^{107}\) The Eighth Circuit’s opinion gives holders of contestable marks who face a determination that their mark is descriptive and unenforceable two bites at the apple.\(^{108}\) Such a trademark holder is allowed to sue the same defendant for the same conduct: once before the mark has become incontestable and once after. All this based on a very simple

\(^{101}\) B&B Hardware, Inc. v. Hargis Indus., Inc., 569 F.3d 383, 388 (8th Cir. 2009).

\(^{102}\) B&B Hardware, Inc. v. Hargis Indus., Inc., 252 F.3d 1010, 1012 (8th Cir. 2001).

\(^{103}\) B&B Hardware, 569 F.3d at 388.


\(^{105}\) See id.

\(^{106}\) Id.

\(^{107}\) B&B Hardware, 569 F.3d at 389.

\(^{108}\) By merely filing a Section 15 Affidavit with the PTO, the registrant can claim incontestability. U.S. DEP’T OF COMMERCE, U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1605 (6th ed. 2009), available at http://tess2.uspto.gov/tmdb/tmep/. The PTO does not accept the filing or the claim to incontestable status. Id. The filing merely perfects the right to later claim the mark is incontestable before a court of law. Id. Therefore, there is no procedure that a prevailing defendant can take to object to the Section 15 Affidavit while under review by the PTO. The only time to object is during subsequent litigation that would be allowed under the court’s ruling in the B&B Hardware case. That is, the case, once brought by the non-prevailing plaintiff, would have to be defended against a second time. The prevailing defendant could not rely on collateral estoppel to ward off a second lawsuit.
filing of one form with the PTO and paying one fee of $200.\textsuperscript{109}

This is an amazing advantage for a mere $200. Giving a plaintiff two bites at the apple and casting aside the venerable notion of collateral estoppel because of such a simple filing is an example of the Eighth Circuit forgetting its otherwise balanced trademark jurisprudence.

VI. DATA

The available data supports the conclusion that the Eighth Circuit is a balanced venue to review trademark decisions.

Graph A depicts an interesting trend that was recognized in the early 1980s in the United States in general.\textsuperscript{110} In the 1980s, there was a remarkable rise in incidents of trademark disputes.\textsuperscript{111} The rise appears in Graph A as the peak of trademark cases before the Eighth Circuit reached six in 1987. The rise is followed by a slow decline in incidents of trademark litigation. This downward trend is also reflected in national data.\textsuperscript{112} Most importantly, Graph A shows that on

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{GraphA.png}
\caption{Graph A: Total Number of Reported Cases Per Year}
\end{figure}

\textsuperscript{109} 37 C.F.R. § 2.6(a)(13) (2008).
\textsuperscript{110} See KENNETH L. PORT, Graph A: Total Number of Reported Cases Per Year, in MITCHELL STUDY ON TRADEMARK LITIGATION (2009), http://www.wmitchell.edu/intellectual-property/files/WMTMStudy-GraphA.pdf (graphically illustrating data based on the Mitchell Study on Trademark Litigation’s data on all terminally-adjudicated, reported trademark decisions since July 5, 1947).
\textsuperscript{111} See id.
\textsuperscript{112} See id.
average, approximately one trademark case a year is heard by the Eighth Circuit. Just as the national trend indicated,113 nearly 70% of all reported cases in the Eighth Circuit occurred after 1980 (forty-three of sixty-three cases).

Graph B shows that the defendant prevails 62% of the time in the Eighth Circuit. The national average is that the defendant prevails only 50% of the time.114 Therefore, a defendant has a far greater chance of success in the Eighth Circuit than the nation at large.

Graph C shows in very clear detail that trademark litigation in the Eighth Circuit spiked after 1980. For the thirty-three years the Lanham Act was in effect prior to this spike, the number of cases was rather constant.115 After 1980, the total number of cases heard by the

Graph B: Total Infringement Claims Established/Not Established

Graph C: Infringement Claims Established/Not Established by Decade

113. See id.
115. See Port, *Graph A: Total Number of Reported Cases Per Year, supra note 110.*
Eighth Circuit rose at an astonishing rate. By decade, in the early years of the Lanham Act, the Eighth Circuit would hear five, eight, or seven cases. After 1980, by decade, the court heard eighteen and seventeen cases respectively. This is more than a 200% increase in ten years.

Also telling is that prior to 1980, trademark plaintiffs won most of the time. After 1980, trademark plaintiffs lost most of the time. In the 1980s, trademark plaintiffs lost twice as often as they won; in the 1990s, trademark plaintiffs lost more than three times more often than they won. There is only data available through 2007, but this decade and 2010 are also on track for plaintiffs losing more than three times more often than they win.

Until 1980, trademark plaintiffs prevailed more than 50% of the time. Since 1980, trademark plaintiffs have prevailed 24% of the time. That is, the number of incidents of trademark cases being reviewed by the Eighth Circuit went up significantly after 1980, but the numbers of times the plaintiffs prevailed did not.

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Graph E establishes this trend by year rather than by decade. Until the 1980s, there was relative symmetry in the win/lose ratio. After 1980, the data becomes significantly skewed in favor of trademark plaintiffs losing.
Graph F shows that trademark plaintiffs who demand an injunction succeed more often than trademark plaintiffs who claim infringement. Forty-one percent of trademark plaintiffs receive their injunction when reviewed by the Eighth Circuit compared to 24% of trademark infringement plaintiffs. Graph G depicts this trend by decade. Once again, we see, just as in the trademark infringement data, that the number of demands increased post-1980, but the number of times the trademark plaintiff prevailed in obtaining the injunction did not. Graph H depicts this by year. Once again, there is a huge spike in the number of claims in the 1980s and a precipitous drop off of claims in recent years. In fact, since 2000, not a single reported trademark case demanded an injunction.

Graph J shows that there have been only three cases where damages have been received in the sixty-year history of the Lanham Act in the Eighth Circuit. Even though a mere 4.9% of all cases reported are in the Eighth Circuit, this percentage is very close to the national
average of all cases. Graph J also shows that a significant award of damages is truly rare. In 1981, one reported case affirmed a finding of over $3 million in damages. The other two awards were for $7500 and $250,000. Therefore, significant damage awards in the Eighth Circuit seem to be truly rare.

From an overall perspective, several conclusions seem possible regarding the data of trademark litigation in the Eighth Circuit. First, and most obviously, the Eighth Circuit is perfectly normal compared to the nation regarding both the frequency of damage awards and the amount of damage awards. Second, the Eighth Circuit is also on par with the nation when it reflects a large increase in both trademark infringement claims and demands for injunctions post-1980. Third, compared to the entire nation, trademark plaintiffs prevail far less frequently in the Eighth Circuit. In the entire nation, trademark plaintiffs prevail fifty percent of the time. In the Eighth Circuit, they prevail only twenty-four percent of the time. Therefore, trademark plaintiffs prevail less frequently in the Eighth Circuit than in other circuits, but when they do prevail they obtain damage awards at the same rate as any trademark plaintiff in other circuits.

See Kenneth L. Port, Mitchell Study on Trademark Litigation Data Spreadsheet, in Mitchell Study on Trademark Litigation (2009), http://www.wmitchell.edu/intellectual-property/files/Mitchell-Study-on-Trademark-Litigation-data.xls (containing 145 cases out of 2762 total cases with damages awarded).
Graph H: Total Number of Claims for an Injunction Per Year

Graph J: Total Damages Awarded Per Year (Inflation-Adjusted to 2007 Dollars)
VII. ECONOMIC RECOVERY

The Eighth Circuit’s trademark jurisprudence is measured and rational. It is far more difficult to find a trademark infringed in the Eighth Circuit than in the United States generally. Although the Eighth Circuit does provide a remarkable procedural advantage to trademark incontestability, it openly addresses fairness when refusing to enjoin allegedly dilutive conduct. This leads one to the conclusion that the trademark right in the Eighth Circuit is not dominated by large corporations. This is a circuit where large corporations do not prevail merely because they are large corporations. Rather, the defendant’s rights, whether a large corporation or not, are fairly balanced against the plaintiff’s rights. This has a positive effect on competition.

Competition is, obviously, the cornerstone to the American economy. It is precisely this competition that will lead the United States out of recession and back into growth. This competition is facilitated by the Eighth Circuit when it resists attempts to make the trademark system by, for, and with large corporate players. Instead, in the Eighth Circuit, the legitimate trademark rights are maintained. However, extensions of the trademark right are not encouraged. Therefore, although the data is limited, trademark dilution seems to have had a hard time getting traction in the Eighth Circuit where judges seem to be very hesitant to apply the dilution statute as written. One has to wonder why. Especially when the Eighth Circuit cites the extreme case of Lexis not diluting Lexus because the marks are not

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117. See B&B Hardware, Inc. v. Hargis Indus., Inc., 569 F.3d 383, 388 (8th Cir. 2009) (holding that attaining incontestable status is a significant event such that issue preclusion does not bar a plaintiff from filing suit twice against same allegedly-infringing conduct). See generally supra Part V (discussing incontestability in the Eighth Circuit and other circuits).

118. See generally supra Part IV (discussing the Eighth Circuit’s treated of dilution claims).

119. See, e.g., Kenneth M. Davidson, Creating Effective Competition Institutions: Ideas for Transitional Economies, 6 ASIAN-PAC. L. & POL’Y J. 71 (2005) (discussing America’s long and diverse experience with competition law, and competition in general, within a greater discussion of how competition laws may benefit transitional economies). In particular, “as the country with the longest and probably widest experience with competition law, America’s successes and failures provide lessons for any competition law.” Id. at 74.

120. Lee E. Ohanian, Good Policies Can Save the Economy, WALL ST. J., Oct. 8, 2008, at A17 (“Will we duck a depression? We will if the principles of economic growth—increasing the incentives to work and save, promoting competition, and fostering economic openness—are maintained. This is the most important lesson we learned, the hard way, from the 1930s.”).
similar enough,\textsuperscript{121} the point becomes a bit more conspicuous. The Eighth Circuit will not expand trademark rights that will interfere with basic notions of competition.

In \textit{Luigino’s, Inc. v. Stouffer Corp.},\textsuperscript{122} when the court holds that Stouffer does not have a monopoly right in the word “lean,”\textsuperscript{123} it is saying precisely this. To allow Stouffer to monopolize “lean” would provide an unnecessary competitive advantage to Stouffer. Trademark rights, according to the Eighth Circuit, are important tools for trademark holders and those attempting to compete fairly. To give Stouffer such a broad monopoly to the word “lean” would give them more than they need to compete fairly. Trademarks, after all, should be awarded to the entity that first uses them in commerce and which consumers come to associate with that source or origin.\textsuperscript{124} More is not needed. To give more would upset the fine line between exclusion and monopoly.\textsuperscript{125} The Eighth Circuit seems to understand this. As such, the circuit has pursued a very fair and balanced trademark jurisprudence in the last sixty years.

\begin{itemize}
\item \textsuperscript{121} Luigino’s, Inc. v. Stouffer Corp., 170 F.3d 827, 832 (8th Cir. 1999) (citing Mead Data v. Toyota, 875 F.2d 1026, 1029 (2d Cir. 1989)).
\item \textsuperscript{122} 170 F.3d 827 (8th Cir. 1999).
\item \textsuperscript{123} See id. at 833.
\item \textsuperscript{125} See generally Port, \textit{The Unnatural Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?}, supra note 68 (concluding that the then-proposed dilution statute, now codified at 15 U.S.C. § 1125(c), would upset this fine line). “[B]ecause there is no serious philosophical grounding for dilution and because of the practical problems presented by section 43(c), a federal dilution statute is not only unnecessary but also counter-productive to clear, rational consideration of legitimate trademark concerns.” \textit{Id.} at 436.
\end{itemize}