

San Diego/Irvine/San Francisco/Chicago/New York

**THE PRIMARY IMPORTANCE OF SECONDARY MEANING:
ATTACKING LACK OF SECONDARY MEANING ON SUMMARY JUDGMENT**

*Jeffrey T. Petersen, Esq.
Partner, Shustak & Partners, P.C.*



“To establish secondary meaning, a manufacturer must show that, in the minds of the public, the *primary* significance of [the] term is to identify the source of the product rather than the product itself.”

Inwood Labs, Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n. 11 (1982) (emphasis supplied).

A trademark that is classified as “descriptive” must have secondary meaning in order to be protectable. *i.e.*, consumers must have come to associate the mark with the source of plaintiff’s goods or services. The fact-dependent nature of the secondary meaning inquiry (*i.e.*, the length of use of the mark, advertising and sales levels of goods and services exhibiting the mark, etc.) may make it seem that there is only a remote chance of obtaining summary judgment on the ground that a descriptive mark is not legally protectable due to the absence of secondary meaning.

But the summary judgment case law in this area shows defendants have had a degree of success with this argument, as the courts have maintained that, in the appropriate circumstances, the *plaintiff* must satisfy “vigorous evidentiary requirements” to raise a question of fact on the existence of secondary meaning in a summary judgment proceeding. Thus, in a number of cases, even when a plaintiff’s mark has been used for years, with significant advertising and sales, the courts have held still granted summary judgment on the ground that secondary meaning could not be established.¹

A. The Rule: Descriptive Marks Must Have Secondary Meaning to be Protectable

¹ Note that in these cases, the marks being challenged had not been deemed incontestable under 15 U.S.C. § 1065 (mark deemed incontestable under certain circumstances if used continuously for five years after registration); this preliminary issue should be examined before moving for summary judgment.

The purpose of a trademark is to designate the source of the product or service being disseminated. Protectable trademarks fall in one of four categories, ordered here from strongest to weakest: (1) fanciful, (2) arbitrary, (3) suggestive or (4) descriptive. A descriptive mark is the weakest of the protectable marks because it does not, standing alone, serve a trademark function; it merely describes a product or its features rather than inherently identifying a particular source.

Since a descriptive mark is not inherently distinctive, and prohibiting the use of similarly descriptive words would necessarily impinge competition by making it more difficult for others to describe their own goods and services, a descriptive mark must have secondary meaning in order to be protectable. *Sullivan v. CBS Corp.*, 385 F.3d 772, 776 (7th Cir. 2004); 15 U.S.C. § 1052(e), (f). Secondary meaning arises for a mark which, "although not 'inherently distinctive,' has become distinctive, in that, as a result of its use, prospective purchasers have come to perceive it as a designation that identifies goods, services, businesses, or members..." Restatement 3d of Unfair Competition, § 13; 15 U.S.C. § 1052(f).

B. The First Step: Establishing that the Mark is Descriptive

The threshold hurdle that must be met in moving for summary judgment is to establish that the mark is descriptive. A mark is descriptive if it describes the product (or service) itself, the product category or one of its features. *Sullivan, supra*, 385 F.3d at 776. Thus, the court will analyze the mark in conjunction with the goods or services with which it is utilized, and the mark will be held descriptive if it refers to a characteristic of the product without necessarily depicting the product itself.

A full-fledged analysis of the issues in determining whether a mark is descriptive would comprise its own article, but there are some helpful general rules. First and foremost, courts generally recognize that the categorization of a mark is a question of fact on summary judgment. *G. Heileman Brewing Co. v. Anheuser-Busch*, 873 F.2d 985, 992 (7th Cir. 1989). Therefore, the more imposing hurdle in moving for summary judgment may well be establishing descriptiveness in the first instance. But the courts have found marks to be descriptive on summary judgment in a broad range of circumstances,² and a lawyer who is being intellectually honest will recognize whether there is a reasonable likelihood of establishing descriptiveness.

Second, registration of the mark confers a presumption that the mark is distinctive, *i.e.*, not merely descriptive. 15 U.S.C. § 1115(a). Thus, if the mark is registered, the defendant has the burden to show the mark is not valid. If the mark is not registered, however, the burden of proof is on the *plaintiff* to establish the validity of the mark, including secondary meaning.

² See, e.g. *Custom Vehicles, Inc. v. Forest River, Inc.*, 476 F.3d 481, 483 (7th Cir. 2007) (WOK-N-PLAY mark descriptive of custom vans); *Unleashed Doggie Day Care, LLC v. Petco Animal Supply Stores, Inc.*, 2011 WL 6812642 (D. Mass. Dec. 28, 2011) (term "Unleashed" descriptive in conjunction with pet business).

Platinum Home Mortgage Corp. v. Platinum Financial Group, Inc., 149 F. 3d 722, 727 (7th Cir. 1998). One could theoretically move for summary judgment on the grounds that the unregistered mark is descriptive and lacks secondary meaning without bringing forth evidence of the latter, forcing the plaintiff to marshal evidence of secondary meaning, though typically the wiser course would be to make an affirmative showing that the factors for secondary meaning are not present.

And even when the mark has been registered, the presumption of validity can be overcome in an appropriate case. *See, e.g. Liquid Controls Corp. v. Liquid Control Corp.*, 802 F.2d 934, 937 (7th Cir 1986). Indeed, one Circuit Court has stated that "the presumption of validity that registration creates is easily rebuttable, since it merely shifts the burden of production to the alleged infringer." *Custom Vehicles, Inc.*, 476 F.3d at483.

C. The Next Step: "Showing" an Absence of Secondary Meaning

After establishing that the mark is descriptive, a defendant should show that the plaintiff cannot establish any basis for secondary meaning in the mark. Due to the broad-based nature of this inquiry, an attorney will need to have addressed this evidentiary terrain in discovery to make the requisite showing.

The most common factors for determining whether a mark has attained secondary meaning are:

1. direct consumer testimony on the issue of secondary meaning or consumer confusion;
2. consumer surveys on the existence of secondary meaning and/or consumer confusion;
3. length and manner of use;
4. the level of advertising;
5. sales volume; and
6. proof of intentional copying.

Gimix, Inc. v. JS&A Group, Inc., 699 F.2d 901, 907 (7th Cir. 1993); *Spraying Systems Co. v. Delavan, Inc.*, 975 F. 2d 387, 393 (7th Cir. 1992).

Consumer testimony and consumer surveys are considered by some courts to be the only "direct evidence" of secondary meaning – the remaining items are all circumstantial evidence that a descriptive mark has acquired distinctiveness. There are two chief implications of this dichotomy. First, the courts are quite exacting with regard to foundational requirements for direct evidence like consumer surveys. Therefore, the mark holder will have to carefully prepare such materials in order to provide admissible evidence to withstand summary judgment. Failing to do so will give a defendant a significant opportunity to have the evidence stricken.

Second, the remaining factors are considered to be circumstantial evidence so a mark holder must make a significant showing there to establish an issue of material fact on the existence of secondary meaning. Thus, courts give the more quantitative and easily compiled data for the mark holder less weight on summary judgment. *See, e.g. Spraying Systems, supra*, 975 F. 2d at 393.

1. Direct Evidence

The failure to submit direct evidence of secondary meaning such as consumer surveys and testimony "weighs against" a mark holder in opposing summary judgment. *See, e.g. Platinum Home, supra*, 149 F. 3d at 728. In many of the cases where a defendant attained summary judgment, the plaintiff failed to provide admissible direct evidence of secondary meaning in the form of consumer surveys or consumer testimony.

And even if the plaintiff provides direct evidence, that is no guarantee that they have established a genuine issue of material fact. Courts generally find that a 50% ratio of consumer recognition of secondary meaning is sufficient to indicate such meaning exists. *Spraying Systems Co. v. Delavan, Inc.*, 975 F.2d at 394. A ratio in the 30% range is considered more marginal, and may be insufficient to raise a triable issue of fact on summary judgment. *Id.* If the percentage is below 30%, a defendant is in a tenable position to argue that no triable issue of fact exists. And that defendant can always argue that flaws in the survey methodology, even should they not warrant exclusion, are such that the percentages obtained should be discounted.

2. Circumstantial Evidence: Advertising, Sales, etc.

Discovery into the plaintiff's sales, advertising, etc. of the mark is necessary to show a court that the paucity of trademark usage precludes plaintiff from meeting the "vigorous evidentiary requirement" for showing that the mark attained secondary meaning.

Length of Use of the Mark

The courts have taken the "vigorous" nature of this examination to heart: with regard to length of use of the mark, the courts have found use between three and five years in length to be insignificant. *Platinum Home, supra*, 149 F.3d at 728; *but see* 15 U.S.C. § 1052(f) (for registration purposes, 5 years of use can be *prima facie* evidence that the mark has become distinctive.)

Advertising

The advertisement of a purported mark must be significant for a court to find that factor favorable for secondary meaning. Not only must there be a significant expenditure for advertising, but that advertising must exhibit some sort of emphasis on the mark in order for a court to conclude that such advertising is indicative of secondary meaning. *Platinum Home, supra*, 149 F. 3d at 728. Indeed, in a case where a mark holder spent millions of dollars advertising its stores, the court concluded that the emphasis on the company name rather than the mark dictated that the advertising weighed *against* finding secondary meaning. *Genovese Drug Stores, Inc. v. TGC Stores, Inc.*, 939 F. Supp. 340, 347 (D. N.J. 1996) (denial of preliminary injunction); *see also Minemyer v. B-Roc Representatives, Inc.*, 678 F. Supp. 2d 691, 708 (N.D. Ill. 2009) (magazine advertisement which failed to emphasize mark did not assist in establishing secondary meaning).

Sales

As for volume of sales, although one cannot define the precise range necessary to establish secondary meaning, in most cases a significant amount of sales is needed for a court to make such a finding. *See, e.g. The Black & Decker Corp.*, 944 F. Supp. at 227 (listing cases). And even sales of up to \$30 million in one year have been found insufficient to establish secondary meaning when there is an insufficient connection between those sales and the mark.

Spraying Systems, supra, 975 F. 2d at 390, 393 (sales of over \$20 and \$30 million per year not persuasive when they do not reflect recognition of the mark).

As with advertising, the courts do not look robotically at the level of sales to determine whether or not secondary meaning has been achieved. Instead the mark holder must demonstrate how the sales volume shows that consumers identify the product or features thereof with the mark. *Spraying Systems, supra*, 975 F. 2d at 393; *Keystone Camera Products Corp. v. Ansco Photo-Optical Products Corp.*, 667 F. Supp. 1221, 1231 (N.D. Ill. 1987) (evidence of ten million dollars in sales not persuasive without context).

Copying

Finally, although categorized as "circumstantial", evidence that a defendant intentionally copied the plaintiff's mark can be strong evidence on summary judgment as to the existence of secondary meaning, because a competitor would not engage in copying unless the senior mark was recognized. In general, however, one should not rely on evidence of copying alone to establish secondary meaning. *See AcademyONE, Inc. v. CollegeSOURCE, Inc.*, 2009 WL 5184491, *16 (E.D. Penn. 2009) (granting summary judgment for defendant on trademark infringement claim and stating "there is ample and more persuasive authority supporting the...position...that intentional copying alone is not sufficient to prove a secondary meaning....")

D. Conclusion

Though attaining summary judgment is never an easy task, the fact-intensive analysis underlying a secondary meaning determination should not dissuade defense counsel from filing for summary judgment in an appropriate case. Not only does the plaintiff have a high threshold for proving secondary meaning to a descriptive mark, the plaintiff will have to marshal its most important evidence on liability to combat the motion, giving defense counsel an opportunity to have that evidence stricken at an early stage. One thing the judiciary has made clear from its decisions in this area is that a mark holder cannot speculate with descriptive marks in an effort to hold well-recognized words and phrases hostage from the rest of the competitive market. In order to remove such descriptive words and phrases from the market, a trademark holder will have to show substantial evidence that the mark has been used to such an extent that consumers recognize it as denoting the source of a product or service.