Annual Update

Significant Developments in U.S. Trademark, False Advertising, and Right of Publicity Law

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Contents

Below are the selections of Covington's Intellectual Property Rights Practice Group for the "Top Ten" most significant and interesting developments in U.S. trademark, false advertising, and right of publicity law during 2016.

Second Circuit rules on nominative fair use for the first time.

This May, the Second Circuit issued its first ruling on trademark's nominative fair use doctrine, endorsing the doctrine but ruling that it is not an affirmative defense that will excuse consumer confusion.

In *International Information Systems Security Certification Consortium ("ISC"), Inc. v. Security University, LLC*, the plaintiff ISC had sued Security University for trademark infringement, false designation of origin, false advertising, and trademark dilution under the Lanham Act, and also unfair competition under Connecticut state law.

ISC issues a certification mark, "CISSP," short for "Certified Information Systems Security Professional," for information security professionals who have met certain requirements and standards of competency, including passing ISC's CISSP certification exam. Security University, founded by a CISSP-certified person, offered various information security classes, including one directed at helping people prepare for the CISSP exam. ISC specifically objected to several of Security University's advertisements that refered to an instructor as a "Master CISSP" or a "CISSP Master."

ISC sent Security University several cease and desist letters, but Security University responded that because the instructor was male, it was correct under the dictionary definition of "master" to refer to him in conjunction with the CISSP credential. (Eventually Security University stopped using the terminology.)

The district court dismissed ISC's lawsuit because the defendant had earned the CISSP certification and was entitled to make nominative use of it.

The district court had applied the general rule from other circuits, which mostly derive from the Ninth Circuit's articulation: "[1] the product or service in question must be one not readily identifiable without use of the trademark; [2] only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and [3] the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder."

The Second Circuit, however, rephrased the rule slightly, explaining that lower courts analyzing nominative fair use should consider: "(1) whether the use of the plaintiff's mark is *necessary* to describe both the plaintiff's product or service and the defendant's product or service, that is, whether the product or service is not readily identifiable without use of the mark; (2) whether the defendant uses only so much of the plaintiff's mark as is *necessary* to identify the product or service; and (3) whether the defendant did anything that would, in conjunction with the mark, suggest sponsorship or endorsement by the plaintiff holder, that is, whether the defendant's conduct or language reflects the *true or accurate* relationship between plaintiff's and defendant's products or services."

The Second Circuit's rephrasing of the rule is similar to the Ninth Circuit's, but it raises the bar on each of the three elements.

First, it necessarily requires the trademark reference instead of offering an arguably lower bar by referring to ready identifiability alone. Second, instead of inquiring whether use of the mark is *reasonably* necessary to identify the product or service, the Second Circuit only asks whether it is *necessary*. Third, the Second Circuit requires that the reference be "true or accurate," an element that does not exist in the majority rule.

The Second Circuit also rejected two other courts' analysis of where the nominative fair use test applies procedurally. In the Ninth Circuit, the nominative fair use test replaces the likelihood of confusion test. In the Third, it is an affirmative defense that must be raised and proved accordingly.

The Second Circuit rejected both of those approaches to hold that the nominative fair use factors are simply added to the usual eight *Polaroid* factors for likelihood of confusion. So, when nominative fair use is at issue, eight factors become eleven. It is already difficult to win a motion to dismiss or even a motion for summary judgment on likelihood of confusion, but now it will likely be harder with regard to nominative fair use too.

So the Second Circuit has clarified that the nominative fair use doctrine exists in some form in that jurisdiction, but the decision increases disparity among the different circuits' approaches in a way that might tee up the issue for a Supreme Court decision down the line.

No U.S. use necessary for a Lanham Act claim, Fourth Circuit holds.

The Fourth Circuit ruled in *Belmora LLC v. Bayer Consumer Care AG* that Bayer, the owner of a foreign trademark registration and foreign rights for the "Flanax" mark, could bring Lanham Act claims against Belmora LLC, which had registered and used the "Flanax" mark in the United States. The court reached this conclusion even though Bayer had *not* used that mark in the U.S.

Bayer has used the registered "Flanax" mark in Mexico and other parts of Latin America since the 1970s, on naproxen sodium pain relievers. Belmora has used the same mark, on the same type of product, in the U.S. since 2004. The two companies' packaging looks very similar. They share almost-identical color schemes, typefaces, and graphic design elements. Bayer also alleged that in Belmora's marketing materials, it referenced the long history of the "Flanax" name in Mexico and elsewhere, without making clear that in those places, Bayer owned the mark—not Belmora.

Alleging that Belmora was deliberately deceiving Mexican-American consumers into thinking they were purchasing Bayer's product, Bayer sued Belmora in federal court, for false association and false advertising under Section 43(a) of the Lanham Act. It also successfully petitioned the U.S. Trademark Trial and Appeal Board ("TTAB") to cancel Belmora's registration of the mark for deceptive use. The two cases were eventually consolidated before the district court in Virginia, which reversed the TTAB's decision and dismissed Bayer's claims.

The district court based its reversal and dismissal on one question: whether the Lanham Act allows Bayer, the owner of a foreign mark that has not been registered in the U.S., and that has not used the mark in the U.S., to assert priority claims over a mark owner that has registered and used the mark in the U.S. and elsewhere. The court found that Bayer could not.

Reversing the district court, the Fourth Circuit held that the plain language of Section 43(a) of the Lanham Act does not require use of a trademark in the U.S. in order to bring a claim for false advertising and false association. The lower court had considered non-U.S. uses outside the "zone of interests" of the Lanham Act.

But the Fourth Circuit noted that the statute itself does not include any requirement of U.S. use—it applies to "any person" who falsely associates an affiliation with another party, or who misrepresents the nature, characteristics, qualities, or geographic origins of goods or services. The Fourth Circuit also ruled that this breadth was not limited by the "zone of interests" of the Lanham Act, because the enumerated intent of the statute was clear—to protect consumers, and to prevent unfair competition—and because Bayer's injuries were tied to the conduct that the statute prohibited.

For similar reasons, the Fourth Circuit also held that the TTAB could rightfully cancel Belmora's mark. Section 14(3) of the Lanham Act allows the TTAB to cancel a mark if the registrant uses it to misrepresent the source of the designated goods or services. Again, because the intent of the Lanham Act targeted actions like Belmora's and because Bayer was purportedly harmed by those actions, the Fourth Circuit ruled that the TTAB could consider Belmora's mark for cancellation.

Although this case raises unusual facts—Belmora certainly seems to have copied Bayer's mark, for the same products, and to have conducted its marketing without clearly distinguishing its own uses—its implications may have a broader reach. Foreign companies may soon begin to seek to enforce their trademark rights in the U.S., even if they have not used or registered the marks in the U.S.

Ninth Circuit upholds extraterritorial application of Lanham Act.

The Ninth Circuit held in August that Trader Joe's federal trademark infringement claims could proceed against a man who created a store in Canada designed to mimic a Trader Joe's store.

The defendant, Michael Norman Hallatt, purchases Trader Joe's-branded goods in the US, brings them to Canada, and resells them in his store, "Pirate Joe's." Trader Joe's sued for trademark infringement and unfair competition under the Lanham Act and Washington State law.

The district court dismissed both the federal and state law claims. As to the federal claims, the court reasoned that because the allegedly infringing activity takes place in Canada, US federal courts do not have subject-matter jurisdiction. It dismissed the state law claims for similar reasons.

The Ninth Circuit panel reversed on the federal law claims, holding that extraterritorial application of the Lanham Act relates to the merits of a trademark claim, not to federal courts' subject-matter jurisdiction.

The court applied a three-part test whereby the Lanham Act applies extraterritorially if: "(1) the alleged violations . . . create some effect on American foreign commerce; (2) the effect [is] sufficiently great to present a cognizable injury to the plaintiffs under the Lanham Act; and (3) the interest of and links to American foreign commerce [are] sufficiently strong in relation to those of other nations to justify an assertion of extraterritorial authority."

Applying the test to the facts, the court concluded that Trader Joe's had alleged a "nexus between Hallatt's foreign conduct and American commerce sufficient to state a Lanham Act claim." And, further, the court concluded that the third prong of the test—the purpose of which is to prevent excessive interference with other nations' sovereignty—did not counsel against applying the Lanham Act here.

Therefore, the court held, "the Lanham Act reaches Hallatt's allegedly infringing activity, and we reverse the district court's dismissal of Trader Joe's' four Lanham Act claims." On the other hand, the court affirmed the dismissal of Trader Joe's state law claims (trademark dilution and Washington Consumer Protection Act claims) because the use of the mark and alleged deception of consumers occurred in Canada.

The panel remanded the federal claims for further proceedings.

Second Circuit issues significant false advertising decision.

In May, the Second Circuit ruled in *Apotex, Inc. v. Acorda Therapeutics, Inc.* that statements on a drug manufacturer's label were not false advertising under the Lanham Act because they were consistent with FDA guidance. Covington represented Acorda in the litigation.

Apotex and Acorda are competing drug manufacturers. They both make tizanidine, a drug for treating spasticity, which is a symptom of multiple sclerosis and Parkinson's.

Acorda obtained the rights from another drug manufacturer to market tizanidine under the name "Zanaflex." When Zanaflex was going through its FDA review in capsule (as opposed to tablet) form, the FDA concluded that the absorption of the drug was delayed when taken with food. As the court explained, the significance of this is that the faster a drug is absorbed, the more drowsy the patient may become, but that side effect may be reduced if absorption is slowed (e.g., if the patient takes the drug with food).

The FDA-approved label for these Zanaflex capsules reflected that they were not bioequivalent to tablets when the patient took the drug with food, so prescribers should be thoroughly familiar with the effects of food on tizanidine absorption and dosage administration. It also said that the mean peak amount of tizanidine in a patient's bloodstream for capsules when administered with food was about 2/3 the peak amount for tablets when administered with food.

Apotex later obtained permission from the FDA to sell generic versions of Zanaflex capsules. (It was able to do so in part because the patent underlying the drug was invalidated in a different proceeding between the two parties.)

When Apotex put its generic product on the market, Acorda responded by launching its own authorized generic version of Zanaflex capsules. Apotex sued Acorda, alleging that when Acorda marketed its drug, it misrepresented that Zanaflex capsules reduced drowsiness. According to Apotex, these statements exceeded the bounds imposed by the FDA label and were thus false and misleading under the Lanham Act.

The Lanham Act prohibits false or misleading advertising that misrepresents the nature, characteristics, qualities, or origins of goods. In the Second Circuit a plaintiff can prove a false advertising claim in two ways. First, a plaintiff can show literal falseness, which must be evaluated in the message's full context. Second, the plaintiff can show that even if the advertisement is not literally false, it is nevertheless likely to mislead or confuse consumers, in which case the court must rely on extrinsic evidence of consumer deception or confusion.

Under either theory, the plaintiff also must demonstrate that the false or misleading misrepresentation involved an "inherent or material quality of the product," meaning that it must be likely to influence purchasing decisions.

For the first time, the Second Circuit adopted the rule that representations commensurate with information in an FDA label generally cannot form the basis for Lanham Act liability.

From there, it evaluated the two factual bases of Apotex's claims; (1) that Acorda's sales representatives told doctors the Acorda Zanaflex capsules would reduce drowsiness taken with food, and (2) that Acorda's promotional materials stated that the Acorda Zanaflex capsules gave flexible control (above two images of a sun and moon, allegedly connoting wakefulness and drowsiness).

As to both claims, the thrust of the Second Circuit's reasoning was the same: Acorda's statements were consistent with the FDA label, even if some of Acorda's representations were absent from the label. That absence did not matter because it did not render Acorda's statements materially false. However, the court noted that Lanham Act liability might still arise if an advertisement uses information contained in an FDA-approved label that "does not correspond substantially to the label, or otherwise renders the advertisement literally or implicitly false."

That said, there was one aspect of Acorda's marketing materials that was arguably materially false: a graph showing mean drug concentration over time even though maximum concentration values are not time-dependent. As to that, the court held it was possible to find literal falsity, but ruled that Apotex failed to show that the specific misrepresentation was likely to influence consumers' purchasing decisions, i.e., that it was material. Apotex had only shown that the statements were unsubstantiated by "acceptable tests or other proof."

Federal Circuit holds providing service through software does not change trademark analysis.

On an appeal from a Trademark Trial and Appeal Board ("TTAB") ruling, the Federal Circuit held in *In re: Jobdiva, Inc.* that use of a mark for software provided as a service can constitute use in commerce for the business served by the software.

JobDiva provides recruiting and employment services through its software, which it hosts remotely. It had two marks at issue. The JOBDIVA service mark was specifically for "personnel placement and recruitment services" ("the '917 registration"). Another mark ("the '235 registration") was for a service mark for "personnel placement and recruitment services; computer services, namely providing databases featuring recruitment and employment . . . via a global computer network."

JobDiva had filed a petition to cancel a registration owned by Jobvite, Inc., asserting a likelihood of confusion with JobDiva's own marks. Jobvite filed a counterclaim. The TTAB cancelled the '917 registration in whole and the '235 registration in part. The TTAB required JobDiva to prove that it used its marks on more than just software because, according to the TTAB, JobDiva's software sales alone could not prove personnel and recruitment services.

The Federal Circuit vacated that decision, holding that the "proper question is whether JobDiva, through its software, performed personnel placement and recruitment services and whether consumers would associate JobDiva's registered marks with such services, regardless of whether the steps involved were performed by software."

The Federal Circuit's decision offers important guidance for the TTAB and claimants alike: providing services through software should be viewed as comparable to providing services through any other medium.

Second Circuit revives Russian government's Stolichnaya claim.

The Second Circuit ruled that the lower court had erred in finding that a Russian government entity lacked Lanham Act standing because the Russian government's assignment of the trademark rights at issue was invalid under Russian law.

The marks in *Federal Treasury Enterprise Sojuzplodoimport v. Spirits International B.V.* are the "Stolichnaya" trademarks, as used on vodka and other spirits. The plaintiff-appellant FTE is a Russian government agency, and the defendant-appellee SPI is a group of successor entitites to a former Soviet enterprise that owned the Stolichnaya marks. FTE also sued SPI's distributors, to which SPI had licensed the Stolichnaya marks over the years.

In the 1940s, the Soviet Union manufactured and sold vodka under the "Stolichnaya" mark. In 1969, a Soviet state enterprise obtained a U.S. registration for "Stolichnaya" vodka, and licensed use of that mark to various distributors. As the Soviet Union collapsed in the 1990s, many of its state entities were privatized, including the one that had licensed the "Stolichnaya" mark to those distributors. That entity became SPI.

In a prior suit, FTE had originally sued SPI and its distributors for trademark infringement, claiming that FTE owned the Stolichnaya marks. Ultimately, the Second Circuit ruled in that prior case that the Russian Federation itself owned too great an interest in the Stolichnaya marks for FTE to sue for their infringement, on its own. Following that ruling, the Russian Federation decreed that the state property management agency should transfer all Russian Federation rights in the Stolichnaya marks to FTE. After that, FTE sued SPI and its distributors again, under Section 32(1) of the Lanham Act and related theories. Covington represented SPI in both litigations.

In a series of orders, the district court ruled that the Russian Federation's assignment of the marks was invalid under Russian law, and that FTE's non-Section 32(1) claims were barred by res judicata and laches. In ruling on the assignment issue, the district court relied on expert testimony on Russian law, ultimately issuing a careful ruling in favor of the defendants, on the grounds that Russian law did not recognize the assignment—so neither could U.S. law, under the Lanham Act.

FTE appealed those orders on the grounds that a U.S. court should not be permitted to rule on the legality of the actions of a foreign sovereign, here the Russian government. The Second Circuit agreed, basing its ruling on the "act of state" doctrine, which holds that "so long as the act is the act of the foreign sovereign, it matters not how grossly the sovereign has transgressed its own laws." Further, the Second Circuit ruled that the Russian Federation's decree and assignment did not impair anyone's rights or affect the U.S. courts' jurisdiction to decide competing claims to the marks' ownership (as opposed to the validity of the assignment itself). The court also noted the significance of comity to sovereign nations, which counseled not allowing a U.S. court to determine whether a Russian government entity's decision was unlawful under Russian law.

So, the Second Circuit remanded the Section 32(1) claim to the district court. However, the court upheld the lower court's rulings that FTE's other claims were barred by res judicata and laches.

Fifth and Ninth Circuits adopt *Octane Fitness* patent rule for Lanham Act fee awards.

The Fifth Circuit in *Baker v. DeShong* adopted the Supreme Court's expansion of the standard under which a lawsuit presents an "exceptional case" meriting an attorney fee award.

The plaintiff Clark Baker provides, among other services, facilitation of legal representation for individuals accused of intentionally or recklessly infecting someone else with HIV. He called that service "HIV Innocence Group." The defendant Jeffrey DeShong launched two websites criticizing what he saw as Baker's alleged misrepresentation of the effects of HIV and AIDS, and the allegedly false research on Baker's websites. DeShong called his sites "HIV Innocence Group Truth" and "HIV Innocence Project Truth." So, the two adverse parties had websites about similar topics that used similar names.

Baker sued DeShong for trademark infringement under the Lanham Act and Texas law. The district court dismissed those claims because it found that no reasonable person would confuse the content of DeShong's websites with Baker's marks. DeShong moved for attorney's fees, and the court denied the request, ruling that DeShong had failed to show exceptional circumstances under Fifth Circuit law: clear and convincing evidence that Baker pursued the claim in bad faith.

DeShong appealed and asked the Fifth Circuit to adopt the Supreme Court's rule from *Octane Fitness, LLC v. Icon Health and Fitness, Inc.* That case involved the Patent Act, which has a fee-shifting provision similar to the Lanham Act's and allows for fee awards in "exceptional cases." The Supreme Court held that "exceptional" in the Patent Act has its ordinary meaning: uncommon, rare, or not ordinary, all of which are not so hard to prove as clear and convincing evidence of bad faith conduct.

The Fifth Circuit ruled that although *Octane Fitness* concerned the Patent Act, it guided the court's interpretation of the Lanham Act because the language of the two statutes is identical and Congress referenced the Patent Act's fee provision when passing the analogous Lanham Act provision.

The court also noted that courts already have the common law power to award attorney's fees for bad faith conduct. It reasoned from there that Congress could not have meant for a Lanham Act defendant to be entitled to fees only if the plaintiff was motivated by bad faith.

As the Fifth Circuit phrased its rule, an exceptional case is one where (1) considering both governing law and the facts of the case, the case stands out from others with respect to the substantive strength of a party's litigating position; or (2) the unsuccessful party litigated the case in an unreasonable manner. The court instructed lower courts to apply this rule case-by-case, considering the totality of the circumstances.

The Ninth Circuit later adopted the same standard in *SunEarth v. Sun Earth Solar Power*. This en banc ruling overturned an earlier panel ruling that had used the Ninth Circuit's pre-*Octane* standard, which only allowed fee awards for "malicious, fraudulent, deliberate or willful" cases.

The Third, Fourth, Fifth, Sixth, and Ninth Circuits have now adopted *Octane Fitness* for Lanham Act cases, and a decision from the Second Circuit is expected soon.

First Amendment protects Fox's *Empire* title.

A California federal district court ruled that Twentieth Century Fox Television's use of "Empire" for its television series about the music industry was protected by the First Amendment.

In *Twentieth Century Fox Television v. Empire Distribution Inc.*, Fox sought a declaratory judgment that the title of its series *Empire* did not infringe the defendant Empire Distribution's trademark rights in the same term.

Empire is a record label and distributor, founded in 2010. It has released more than 11,000 albums and singles, 6,000 music videos, and 85,000 songs.

Fox's show, which first aired in 2015, is about the heirs to a music and entertainment company called "Empire Entertainment." A unique feature of Fox's show is that it has its own musical ecosystem. Fox partners with Columbia Records to record and release songs for each episode of *Empire*, which are compiled into soundtracks at each season's close. Fox contracts with musicians to produce and release this music, which it also promotes with radio stations and live performances.

Empire sent Fox a cease and desist letter after the series debuted, claiming that the show would confuse consumers into thinking Fox and Empire were affiliated. Fox sued for a declaratory judgment of non-infringement, and Empire counterclaimed for infringement. Both parties cross-moved for summary judgment on their claims, with Fox arguing that its use of "Empire" for its show's title was protected by the First Amendment, and that consumers were unlikely to be confused.

The court decided the case exclusively on First Amendment grounds. Although trademark law protects the public's right not to be misled as to the source of a product or service, it does not allow trademark owners to stop others from using the same marks to communicate ideas or express points of view.

Thus, trademark law can only override the First Amendment if the public interest in avoiding confusion overrides the public interest in free expression. The test for this was defined in the Second Circuit's *Rogers v. Grimaldi*: an artistic use of a trademark does not violate the law unless it has no relevance to the underlying work, or unless it explicitly misleads as to the work's source or content despite having some relevance. Contrary to Empire's insistence that the court apply a different test—one geared toward confusion alone—the court affirmed that *Rogers* is the only test applicable to whether artistic uses of a mark are actionable.

Empire then contended that before applying *Rogers*, the court was required to consider whether the mark in question—"Empire"—was of such "cultural significance that it has become an integral part of the public's vocabulary." Some courts have applied this threshold requirement, but most have not. The court rejected those minority views and ruled that the only threshold question before applying *Rogers* is whether the work is expressive. The court ruled that both Fox's TV series and soundtracks are expressive.

From there, the court quickly resolved the issues in Fox's favor. First, the court ruled that "Empire" is relevant to the series because the fictional company is called "Empire Enterprises," it is set in the "Empire State," and it figuratively concerns its characters' attempts to take over an entertainment "empire."

Second, the court ruled that Fox did not explicitly mislead viewers into believing its show and soundtracks were associated with Empire Distribution. Empire contended that the test was not just whether the challenged work contained an *explicit* misstatement or claim—instead, Empire argued that the court essentially had to undertake a likelihood of confusion analysis for this part of the test. Again, that is a minority view, and the court disagreed because it found that Fox had not explicitly claimed any affiliation with Empire Distribution, even though it may have caused some consumer confusion.

District court holds that intentionally creating a confusing title can be "explicitly misleading" under *Rogers* test.

In October's *CI Games S.A. v. Destination Films Distribution Company, Inc.*, a California federal court ruled that although Sony Pictures and its codefendants could not prevail on its fact-intensive defenses at summary judgment, the plaintiff CI Games was unlikely to succeed at trial.

CI Games is a video game manufacturer. It owns several trademarks, including one for its game entitled "Sniper: Ghost Warrior." The defendants make and distribute movies. One of their movies—the sixth in the "Sniper" movie franchise—was called "Sniper: Ghost Shooter." CI claimed the defendants' movie title was confusingly similar to its video game title. The defendants (represented by Covington) moved to dismiss, arguing that their use of the title was protected by the First Amendment.

Over CI Games' arguments that other tests should apply, the court agreed with the defendants that the test from *Rogers v. Grimaldi* applies in the Ninth Circuit whenever a trademark infringement claim concerns a creative work of any type. Pursuant to this test, the title of a creative work is protected if (1) it has more than zero artistic relevance to the underlying work and (2) the trademark or other identifying material does not explicitly mislead consumers as to the work's source.

The first prong of the test is a low bar that the defendants satisfied: their movie concerned snipers who were hunted by rivals so stealthy they were as ghosts. For the second prong, the court focused on the potential for consumer confusion in cases involving confusingly similar *titles*. Because CI Games alleged enough facts that (taken as true) supported its claim that consumers would be confused between the movie and game, the court declined to rule for the defendants as a matter of law.

CI Games also cited a footnote from the original *Rogers* opinion, suggesting that the *Rogers* test does not apply to two confusingly similar *titles*. The court disagreed, but it noted that "intentionally creating a title that could be confused with the title of another expressive work would be 'explicitly misleading' for the purposes of the *Rogers* test." The rationale behind this is that doing so would “heavily tip” the balancing test in favor of preventing consumer confusion because the free expression interest in allowing parties to use a purposefully misleading title would be extremely limited. Even so, the court held that CI Games was unlikely to succeed at trial, and so denied a preliminary injunction.

EU court protects “Mc” family of trademarks.

The General Court of the European Union, the EU’s second-highest court, ruled for McDonald’s in a trademark dispute case, cancelling registration of a “MacCoffee” trademark.

Future Enterprises Pte. Ltd., a Singapore-based company that makes instant beverages, registered “MacCoffee” as an EU trademark. The EU Intellectual Property Office (EUIPO) granted the mark in 2010, but McDonald’s successfully moved to cancel the registration, and it was invalidated in 2013 on the grounds that it would take unfair advantage of the reputation of McDonald’s “Mc” family of trademarks.

Article 8(5) of Regulation No. 207/2009 resembles a trademark dilution claim in the US. It prevents the use of an EU trademark that might be detrimental to, or take unfair advantage of, a pre-existing trademark. This does not require that the marks are so similar that there is a likelihood of confusion. Instead, as the court stated, it is “sufficient for the degree of similarity between those marks to have the effect that the relevant public establishes a link between them.”

Assessing this link must be done “globally,” according to the court. McDonald’s established that although the marks were visually different, they were phonetically and conceptually similar. These similarities were enough for the public to establish a link between McDonald’s and Future’s marks.

Of note is McDonald’s argument that the trademark dilution was related to its *family* of “Mc”-prefixed marks, instead of one particular mark. The court accepted this argument and elaborated when a “family” of marks is a relevant factor in assessing trademark dilution under Article 8(5). First, the party must provide evidence of “actual use of a sufficient number of its earlier marks to constitute, having regard to their common characteristics, a ‘family’ of marks.” Second, it must be determined “whether the contested mark contains elements that connect with characteristics common to that ‘family.’”

Though it may be difficult for less-established brands to obtain protection for a “family” of trademarks under Article 8(5), this decision may signal the court’s willingness to expand protection for pre-existing families of trademarks.

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