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Kellogg Company v. Exxon Corporation: Was Kellogg Sleeping on Its Trademark Rights?

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KELLOGG COMPANY V. EXXON CORPORATION[1]: WAS KELLOGG SLEEPING ON ITS TRADEMARK RIGHTS?

INTRODUCTION

After over thirty years of peaceful coexistence, a cat fight has begun between Kellogg Company's "Tony the Tiger" and Exxon Corporation's "Whimsical Tiger." Kellogg Company, a Battle Creek, Michigan-based breakfast cereal maker ("Kellogg") wants Exxon Corporation, the Irving, Texas-based global energy company ("Exxon") to stop using Exxon's "Whimsical Tiger" cartoon and turn over all promotional items that bear the "Whimsical Tiger" image.[2] The Exxon Corporation uses the "Whimsical Tiger" with its slogan "Put a Tiger in Your Tank" and "Tony the Tiger" is Kellogg's Frosted Flakes animated mascot.[3]

On October 7, 1996 Kellogg filed a lawsuit against Exxon in federal court for the Western District of Tennessee for Exxon's use of the "Whimsical Tiger" image alleging various claims of trademark infringement. Kellogg's complaint included: federal trademark infringement; false designation of origin and false representation; and federal trademark dilution.[4] State claims included state unfair competition; palming off; and state trademark infringement and dilution.[5] Kellogg also sought declaratory relief pursuant to 28 U.S.C. §§ 2201, 2202, claiming the Exxon abandoned the "Whimsical Tiger" trademark.[6] In addition, Kellogg sought injunctive relief to prohibit Exxon from continued

1. Kellogg Company v. Exxon Corporation, No. 96-3070 G/A at 9 (W.D.Tenn. Aug. 28, 1998).

2. Associated Press, *Kellogg and Exxon In a Cat Fight Over Their Tigers; Cereal Maker Sues, Alleging Infringement On Its Trademark*, BALT. SUN, Oct. 1, 1998, at 3C.

3. Francis A. McMorris, *Kellogg Sues Exxon Over Tiger; Judge Declares, "You'rrrrr Late!"*, WALL ST. J., Sept. 25, 1998 at B1.

4. Kellogg Company v. Exxon Corporation, No. 96-3070 G/A at 9 (W.D.Tenn. Aug. 28, 1998).

5. T.C.A. § 47-18-101 *et seq.* ("Tennessee Consumer Protection Act").

6. *Id.* at 10.

use of its cartoon tiger and requested that all Exxon items that bear the "Whimsical Tiger" image be delivered to Kellogg and destroyed.[7] Finally, Kellogg prayed for attorneys' fees and any other relief the court deemed appropriate.[8]

This case note will address the facts of this case[9], the parties respective arguments, the court's analysis, and finally it will conclude with a comment in light of the *Kellogg v. Exxon* decision.

KELLOGG COMPANY V. EXXON CORPORATION

I. Facts

In 1952, Kellogg registered and began to use the cartoon tiger, "Tony the Tiger" in connection with the sale of Kellogg's Frosted Flakes Cereal.[10] In 1959, Exxon created a cartoon tiger known as the "Whimsical Tiger"[11] to promote petroleum products in a national advertising campaign known as "Put a Tiger in Your Tank."[12] Kellogg admits that it was aware of the existence and use of Exxon's "Whimsical Tiger" during the 1960's.[13] Exxon obtained a trademark for their tiger without opposition.[14] From the mid-1970's to the early 1980's, Exxon used their cartoon tiger on its premium grade gasoline pumps at Exxon stations across the nation.[15] The "Whimsical Tiger" has been used extensively by Exxon in general advertising since the 1960's.[16]

In 1968, Kellogg requested that Exxon not oppose Kellogg's application for a German trademark.[17] In 1972, Exxon used its

7. *Id.*
8. *Id.*
9. The judge in this case granted Exxon's motion for summary judgment on laches and acquiescence in addition to granting Exxon's motion for partial summary judgment on Kellogg's claim of abandonment. The order resolved other pending motions as well. As a result, the scope of this case note will deal ultimately with the issues as they relate to laches and acquiescence.
10. *Kellogg*, No. 96-3070 G/A at 2.
11. *Id.*
12. *Id.* at 3.
13. *Id.*
14. *Id.*
15. *Id.*
16. *Id.*
17. *Kellogg*, No. 96-3070 G/A at 4.

cartoon tiger for another national advertising campaign that was designed to promote Exxon's change in name from Esso to Exxon.[18] In the latter portion of the 1970's, Exxon continued to use its cartoon tiger in its national campaign entitled "Energy for a Strong America."[19]

On May 22, 1972, Kellogg expressed a strong concern about Exxon's use of the tiger in a commercial format that was similar to a Kellogg advertisement featuring "Tony the Tiger" which aired at the same time as Exxon's commercial.[20] Kellogg generally objected to Exxon's use of their cartoon tiger.[21]

During the 1980's, Exxon's advertising agency, McCann-Erickson, recommended that Exxon introduce a live tiger in connection with its point-of-sale advertisements and general motor fuel sales.[22] Exxon followed McCann-Erickson's advice and temporarily discontinued its use of their cartoon tiger in advertisements for its petroleum and related products; all point-of-sale advertising; and its company publications in order to enhance the impact of the new live tiger.[23] In 1981, Exxon began to modernize and redesign its service stations.[24] Exxon phased out older gasoline pumps which contained "pump skirts" and gasoline dispensers featuring the "Whimsical Tiger."[25] The new replacement pumps did not have the cartoon tiger on them.[26]

In 1986, Exxon circulated internal memoranda suggesting ways by which Exxon should secure the "Whimsical Tiger" trademark in light of the Company's new focus on the live tiger.[27] One such memorandum requested Exxon dealers feature the cartoon tiger on the tops of pumps for 120 days.[28] Exxon continued to use the

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18. *Id.*
19. *Id.*
20. *Id.*
21. *Id.*
22. *Kellogg*, No. 96-3070 G/A at 4-5.
23. *Id.* at 5.
24. *Id.*
25. *Id.*
26. *Id.*
27. *Kellogg*, No. 96-3070 G/A at 6.
28. *Id.*

"Whimsical Tiger" on a limited basis by utilizing it in print advertising, maps and during the 1992 Republican National Convention in Houston, Texas.[29] Throughout the 1980's, Exxon used the cartoon tiger in such local events as the Texas and California State fairs.[30] The "Whimsical Tiger" was also used in a "Color To Win" promotional campaign that was launched in about 300 Exxon stations in the Northeast in 1989, and then again from 1993-1995.[31] A total of 1.3 million dollars was spent by Exxon on cartoon tiger promotions in the West Coast and southern interior of the United States.[32] Exxon retailers continued between 1982 and 1985 to use the "Whimsical Tiger" to promote the sale of car accessories.[33]

In 1991, Exxon launched additional campaigns entitled "Win With the Tiger" and "Save With the Tiger" in which Exxon's cartoon tiger spokesperson would appear in television commercials, on merchandise at Exxon locations, and related scratch-off game cards.[34] Kellogg did not object to the use of the tiger in such campaigns.[35] According to the record, Kellogg did not object to Exxon's continued use of the cartoon tiger until it entered into litigation with Exxon in Argentina and Canada in 1992.[36]

In the mid-1980's, Exxon expanded into the convenience store market.[37] In 1986, Exxon began to distribute "Whimsical Tiger" decals and feature the slogan "Welcome to Tiger Mart" for display in Exxon's convenience stores.[38] Sometime around 1991, Exxon decided that all of its future convenience stores would be called "Tiger Marts."[39] Prior to 1991, Exxon never used the cartoon tiger

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29. *Id.*
30. *Id.*
31. *Id.*
32. *Kellogg*, No. 96-3070 G/A at 7.
33. *Id.*
34. *Id.*
35. *Id.*
36. *Id.* at 4.
37. *Kellogg*, No. 96-3070 G/A at 7.
38. *Id.*
39. *Id.* at 8.

in connection with the sale of food or food related items.[40] In 1992, Exxon began to use the "Whimsical Tiger" decal with the name "Tiger Mart" on exterior signs at a location in Houston, Texas.[41] Shortly thereafter, six additional "Tiger Mart" stores displaying the cartoon tiger on exterior signs opened up in cities including Houston, Memphis, New York, Atlanta and Richmond.[42] As a promotional technique, the Exxon stores distributed "Thirst Tamer" cups that featured the cartoon tiger.[43] Convenience marts opened up in 1993 in the Baltimore/Washington D.C. area, San Antonio and Austin, which brought the national count of "Tiger Marts" to greater than sixty.[44] By 1996, Exxon Corporation had opened approximately two hundred "Tiger Mart" stores.[45]

II. Exxon's Argument

The arguments addressed in this section will be the arguments analyzed by the court in adjudicating Exxon's motion for summary judgment on laches and acquiescence and Exxon's motion for summary judgment on Kellogg's abandonment claim, since the court in this case ultimately dismissed the case by granting Exxon's motions.[46] Exxon's other motions for summary judgment were found to be moot.[47]

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40. *Id.*

41. *Id.*

42. *Kellogg*, No. 96-3070 G/A at 8.

43. *Id.*

44. *Kellogg*, No. 96-3070 G/A at 9.

45. *Id.*

46. As mentioned, Kellogg alleged federal law claims of trademark infringement, false designation of origin and false representation, and trademark dilution. Also, Kellogg alleged under Tennessee law, unfair competition by "palming off", unfair competition in violation of the Tennessee Consumer Protection Act, and trademark infringement and dilution. In addition, Kellogg sought declaratory relief claiming that Exxon abandoned its cartoon tiger and Kellogg sought injunctive relief to prohibit Exxon from continued use of the cartoon tiger and turn over promotional items bearing the cartoon tiger. Finally, Kellogg sought recovery of attorneys' fees and costs and any other relief the court found appropriate.

47. Exxon made several motions for summary judgment on the various Kellogg claims and issues involved in this case. Such motions on the part of Exxon included a motion summary judgment on Kellogg's claim for actual and

A. Laches

Exxon moved for summary judgment dismissing all of Kellogg's claims due to acquiescence and subsequent laches.[48] Acquiescence is established if the evidence shows that the plaintiff was in fact aware of the defendant's use of the trademark, and the plaintiff made a deliberate decision not to challenge the use of the trademark.[49] Exxon argues acquiescence may be based on evidence that the plaintiff was aware of defendant's use and engaged in acts which suggested that the plaintiff did not object to that use.[50]

Exxon argues laches does require proof of intentional delay, but it is enough if the plaintiff has negligently failed to assert its trademark rights against the defendant.[51] Exxon notes laches consists of unreasonable delay.[52]

1. Length of Delay

For laches purposes, delay is calculated from the time plaintiff first knew, or should have known of a potentially infringing mark.[53] Exxon admits although laches is generally premised on a plaintiff's negligent delay in asserting its rights, some courts have held that delay alone may not be sufficient to bar all relief in

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punitive damages, a summary judgment motion dismissing Kellogg's federal dilution claim, a summary judgment motion on the issue of bad faith, a motion for summary judgment dismissing Kellogg's tarnishment claims, and a summary judgment motion on Kellogg's state dilution claim.

48. Exxon's Memorandum of Law In Support of Its Motion For Summary Judgment of Acquiescence and Laches at 1, Kellogg Company v. Exxon Corporation, No. 96-3070 G/A (W.D.Tenn. Aug. 31, 1998)

49. Defendant's Memorandum at 5, *Kellogg*, No. 96-3070 G/A.

50. *Id.* Exxon cites Elvis Presley Int'l Memorial Found v. Cromwell, 733 S.W.2d 89, 100-01 (Tenn. Ct. App. 1987) for the above proposition. This case involved a not-for-profit corporation that used Elvis Presley's name in its corporate name that brought action to dissolve another not-for-profit corporation using Presley's name in its corporate name and also to prevent that corporation from using Presley's name.

51. *Defendant's Memorandum* at 5, *Kellogg*, No. 96-3070 G/A.

52. *Id.* at 5-6.

53. *Id.* at 6.

trademark cases.[54] However, where a defendant relied to his own detriment as a result of the plaintiff's delay, laches provides a complete defense.[55] Exxon's examples of detrimental reliance include continuing to invest time and money to build good will in a trademark.[56] Exxon argues that as a result of Kellogg's unreasonable delay in bringing this action, Kellogg's acts and statements led Exxon to rely on Kellogg's inaction and prejudiced Exxon, alleging therefore, that "Kellogg is guilty of both laches and acquiescence."[57]

Exxon further claims there is a strong presumption of laches in this case because Kellogg unreasonably delayed more than three years before bringing this lawsuit.[58] The Sixth Circuit found a presumption that laches will parallel the analogous state statute of limitations in *Tandy Corp. v. Malone & Hyde, Inc.*[59] The *Tandy* court held the statute of limitations applicable to analogous actions at law is used to create a presumption of laches and this principle presumes that an action is barred if not brought within the period of the statute of limitations and is alive if brought within that period.[60] The statute of limitations in Tennessee is three years.[61] Exxon notes that a presumption of laches is not easily overcome, and the presumption may be rebutted only by pointing to "extraordinary circumstances or unusual conditions" that justify a plaintiff's delay.[62]

Exxon argues the *Tandy* decision is dispositive in this case because Kellogg delayed well beyond the three years necessary to create a strong presumption of laches, without giving any compelling reasons to rebut the presumption of laches.[63] Exxon

54. *Id.*

55. *Id.*

56. *Defendant's Memorandum* at 6, *Kellogg*, No. 96-3070 G/A.

57. *Id.*

58. *Id.*

59. *Id. See* Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362 (6th. Cir. 1985) (Defendant in a trademark infringement action moved for summary judgment on the basis of the equitable defense of laches.)

60. *Tandy*, 769 F.2d at 365-66.

61. *Defendant's Memorandum* at 7, *Kellogg*, No. 96-3070 G/A.

62. *Id.*

63. *Id.*

insists the *Tandy* rule places the burden on Kellogg to explain why they grossly delayed in bringing the lawsuit, and unless Kellogg can overcome this presumption, the court does not need to evaluate the other issues presented by Exxon's motion such as the prejudice to Exxon and Kellogg's acquiescence.[64]

Exxon argues that that Kellogg's delay should be measured from the 1960's when Kellogg admits that it was first aware of Exxon's use of the cartoon tiger at that point in time.[65] Kellogg also had constructive knowledge of Exxon's 1965 trademark registration and the renewal of the registration in 1985.[66] As a result, Exxon claims that the delay in this case was over thirty years.[67] Exxon asserts that even if Kellogg's delay is only measured from November of 1992, when Exxon sent Kellogg the example of uses of its cartoon tiger in the United States, the *Tandy* presumption would still control.[68] Kellogg made a conscious "tactical legal decision" to delay from November 1992 to October 1996, and they cannot overcome the strong presumption of laches which resulted.[69] In fact, Exxon asserts since Kellogg deliberately decided to delay for almost four years with knowledge of Exxon's substantial use of the cartoon tiger trademark, it constitutes a compelling reason to apply the *Tandy* presumption.[70]

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64. *Id.* Exxon cites Construction Tech v. Lockformer Co., 704 F. Supp. 1212, 1221 (S.D.N.Y. 1989) which holds that an action was dismissed because the plaintiff delayed longer than the statute of limitations period and also did not offer any evidence that the defendants were not prejudiced by the intolerable delay. Construction Tech involved a situation where a automated heating system process designer sued competitors for unfair competition, false advertising, deceptive practices, misappropriation of technology, inducing breach of contract, interference with advantageous business relations, conspiracy, and violations of Racketeer Influenced and Corrupt Organizations Act.

65. *Defendant's Memorandum* at 8 *Kellogg*, No. 96-3070 G/A.

66. *Id.*

67. *Id.*

68. *Id.*

69. *Id.*

70. *Defendant's Memorandum* at 8, *Kellogg*, No. 96-3070 G/A.

2. Kellogg's Knowledge

Exxon argues the *Tandy* presumption of laches also arises due to Kellogg's knowledge that Exxon used its cartoon tiger in connection with convenience stores, because Kellogg knew or should have known of Exxon's use the cartoon tiger in such a manner more than three year before this suit was filed.[71] Exxon claims Kellogg knew of its use of the cartoon tiger in connection with convenience stores.[72] The knowledge of Kellogg's sales force is imputed to Kellogg, because Kellogg expected its sales force to report trademark infringement problems back to Kellogg's legal department.[73] Exxon believes the evidence shows some of Kellogg's sales representatives were aware of Exxon's use of its cartoon tiger at Exxon's convenience stores because during the period from 1991-1993, these representatives bought gas at Exxon stations.[74]

Exxon argues Kellogg should be charged with knowledge of Exxon's use of the "Whimsical Tiger" in connection with convenient stores because such use would have been easy to discover prior to October 1993 because Kellogg was aware of sufficient facts by that time to put them on inquiry notice.[75] A reasonable party would have investigated Exxon's use of the cartoon tiger based on the information known to Kellogg prior to 1993 and Kellogg was also aware of numerous uses of Exxon's cartoon tiger in the United States as a result of Exxon's 1992 letter.[76] In addition, Exxon states that Kellogg knew Exxon had convenience stores in the United States prior to October 1993 and even Kellogg's in-house trademark counsel knew Exxon affiliates in Canada and Argentina were using the cartoon tiger in connection with convenience stores.[77] Exxon argues that these facts adequate to put Kellogg on notice prior to 1993 because any reasonable investigation by that time would have shown Exxon's substantial

71. *Id.*
72. *Id.*
73. *Id.*
74. *Id.* at 8-9.
75. *Defendant's Memorandum* at 9, *Kellogg*, No. 96-3070 G/A.
76. *Id.*
77. *Id.*

use of its cartoon tiger in connection with convenience stores.[78] Therefore, Kellogg at least had constructive knowledge of such use.[79]

3. Prejudice

Exxon also argued Kellogg's delay in bringing a trademark infringement claim, either from 1964 or 1992, has caused enormous prejudice to Exxon.[80] During Kellogg's delay, Exxon continued to heavily invest time and money in its efforts to build public recognition and goodwill in its cartoon tiger mark.[81] If Kellogg were granted injunctive relief prohibiting Exxon from using its cartoon tiger, Exxon will lose the goodwill it has worked so hard to develop.[82] Exxon will not only lose over thirty years of time that could have been spent developing and promoting a new trademark, but Exxon would also lose its entire investment of resources in its cartoon tiger.[83] Exxon cites *NAACP v. NAACP Legal Defense & Education Fund*,[84] which recognized that lost goodwill developed during the plaintiff's delay constitutes prejudice that can be significant enough to bar all relief.[85] Exxon asserts that is has developed substantial goodwill in its cartoon tiger trademark during the thirty-two years Kellogg waited to bring this suit.[86]

Exxon argues its use of the cartoon tiger since 1991 has been extensive and widespread.[87] Exxon submitted into evidence a multitude of newspaper and magazine articles that demonstrate their cartoon tiger has become strongly identified with the Exxon

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78. *Id.*
79. *Id.* at 10.
80. *Defendant's Memorandum* at 10, *Kellogg*, No. 96-3070 G/A at 10.
81. *Id.*
82. *Id.*
83. *Id.*
84. NAACP v. NAACP Legal Defense & Education Fund, 753 F.2d 131 (D.C. Cir. 1985). In this case, a civil rights organization brought action the legal defense fund, a former affiliate, seeking an injunction preventing the legal fund from using the initials NAACP of the organization as part of its title.
85. *Defendant's Memorandum* at 10-11, *Kellogg*, No. 96-3070 G/A.
86. *Id.* at 11.
87. *Id.* at 12.

name.[88] Exxon lists examples of its use of the cartoon tiger since 1991: "Win With The Tiger" and "Save With The Tiger" promotions in the summer of 1991;[89] promotions in point-of-sale materials; a quarterly newsletter called Tiger Talk distributed to approximately $3,000,000 Exxon credit card holders nationwide; regional and national promotions since 1991; exterior signs at Tiger Mart convenience stores displaying the cartoon tiger[90]; fountain cups with the display of the cartoon tiger; and canopies and roofs at many Exxon stations displaying the cartoon tiger.[91] If the court were to grant the injunctive relief that Kellogg seeks, Exxon would have to change the various uses of the cartoon tiger resulting in extreme prejudice caused by Kellogg's delay.[92] Not only would such steps be costly and burdensome, but would greatly add to the severe prejudice resulting from the lost goodwill in Exxon's tiger mark.[93] Exxon also contends that important evidence has been lost as a result of Kellogg's delay.[94]

B. Acquiescence

In addition to laches, Exxon argues that Kellogg's conduct constitutes acquiescence.[95] That is, Kellogg's delay in bringing this suit was intentional and deliberate because Kellogg was indeed aware of Exxon's use of its cartoon tiger in the "Put a Tiger in

88. *Kellogg*, No. 96-3070 G/A at 3-4.

89. These promotions were supported by a 3-week television campaign, newspaper adds, and point-of-sale materials. In addition, Exxon spent over $2,000,000 airing television ads and commercials and over $80,000 on newspaper ads for these promotions. *Defendant's Memorandum* at 12, *Kellogg*, No. 96-3070 G/A.

90. Exxon had opened at least 74 Tiger Mart convenience stores prior to October 1993, and by the time Kellogg filed this lawsuit in October 1996, 270 convenient stores were opened. *Defendant's Memorandum* at 8, *Kellogg*, No. 96-3070 G/A.

91. *Defendant's Memorandum* at 12-13, *Kellogg*, No. 96-3070 G/A.

92. *Id.* at 13-14.

93. *Id.*

94. Exxon cites Jabbar-El v. Sullivan, 811 F. Supp. 265, 272 (E.D. Mich. 1992) the "unavailability of the witnesses, the destruction of records, and the absence of contemporaneous evidence are clearly prejudicial.

95. *Defendant's Memorandum* at 8, *Kellogg*, No. 96-3070 G/A.

Your Tank" campaign during the 1960's and Kellogg took no steps whatsoever to challenge that use.[96]

In August, 1968, Kellogg acknowledged that Kellogg's Tony the Tiger peacefully existed with the Exxon tiger for many years in the United States.[97] Kellogg's letter was written to persuade Exxon not to oppose Kellogg's application to register Tony the Tiger in Germany.[98] Exxon did not oppose the application for registration, and argues that Kellogg should be estopped from changing its position now.[99] Also, in 1972 Kellogg indicated to Exxon that it was not prepared to dispute an Exxon commercial featuring Exxon's tiger in a format similar to a Kellogg Tony the Tiger commercial.[100] Exxon relied on this representation as an assurance that Kellogg would not assert any trademark rights against Exxon.[101] In essence, reasonably concluding Kellogg's position of acquiescence.[102] Exxon contends that at no time did Kellogg object to any of Exxon's uses of its cartoon tiger, and when Kellogg received examples of Exxon's numerous uses of the "Whimsical Tiger", Kellogg waited almost four years before filing suit.[103] Kellogg admitted in a deposition that the delay was a "tactical legal decision."[104] Intentional delay constitutes acquiescence which should bar Kellogg's claims for relief.[105]

Exxon is confident that Kellogg's laches alone should bar all relief in this case.[106] However, some decisions have suggested that laches alone may not be sufficient to bar injunctive relief in a trademark case.[107] Regardless of these suggestions, Exxon asserts Kellogg has committed sufficient affirmative acts of acquiescence

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96. *Id.* at 14.
97. *Id.*
98. *Id.*
99. *Id.*
100. *Defendant's Memorandum* at 14, *Kellogg*, No. 96-3070 G/A.
101. *Id.*
102. *Id.*
103. *Id.*
104. *Id.*
105. *Defendant's Memorandum* at 14, *Kellogg*, No. 96-3070 G/A.
106. *Id.* at 15.
107. *Id.* at 18.

to bar all relief.[108] Therefore, whether the court relies on Exxon's laches defense or its acquiescence defense, Kellogg's claims should be barred.[109]

III. Kellogg's Arguments

A. Laches

Kellogg asserts mere laches will not bar Kellogg's claim for injunctive relief.[110] Kellogg argues the Sixth Circuit is clear on the issue that proof of laches is not sufficient to bar a party in a trademark action from seeking an injunction.[111] Kellogg indicates under *Tandy*, in order to deny injunctive relief in trademark litigation, some affirmative conduct in the nature of an estoppel or conduct amounting to virtual abandonment is necessary.[112]

Alternatively, Kellogg argues summary judgment on Exxon's laches defense should be denied on the merits.[113] Kellogg argues Exxon's initial use of the cartoon tiger was for motor fuels only and that during the period from 1964-1968, Exxon advertised and promoted its high octane gasoline with the cartoon tiger and the slogan "Put A Tiger In Your Tank."[114] Kellogg contends that with little impetus to expand gasoline consumption during the energy shortage years of the seventies and early eighties, Exxon's tiger saw little usage and in 1982, Exxon abandoned the cartoon tiger and replaced it with a live tiger.[115] Kellogg maintains that in 1991, Exxon resumed use and for the first time expanded use of the cartoon tiger on a very limited basis to convenience food stores and food/beverage products.[116]

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108. *Id.*

109. *Id.*

110. Kellogg Company's Memorandum of Facts and Law in Opposition To Exxon's Motion For Summary Judgment of Acquiescence and Laches, at 3, Kellogg Company v. Exxon Corporation, No. 96-3070 G/A (W.D. Tenn. Aug. 31, 1998).

111. *Id.*

112. *Plaintiff's Memorandum* at 3-4, *Kellogg*, No. 96-3070 G/A.

113. *Id.* at 4.

114. *Id.* at 5.

115. *Id.*

116. *Plaintiff's Memorandum* at 5, *Kellogg*, No. 96-3070 G/A.

1. Length Of Delay

Kellogg argues that triable issues of fact exist as to Exxon's expanded use of the cartoon tiger for convenience food stores and food and beverage products.[117] Kellogg cites *SCI Systems, Inc. v. Solidstate Controls, Inc.*[118] to support the rule that laches requires proof of an unreasonable delay in enforcing one's rights which materially prejudices the alleged infringer.[119] Kellogg claims that under certain circumstances, the laches period is subject to equitable tolling, and thus if Kellogg brought action on a claim within three years, plus any tolling period, of the date of the claim matured, then the claim is presumptively not barred by laches.[120]

Kellogg claims laches should not necessarily be measured from defendant's very first use of the contested mark, but from the date the defendant's acts have first significantly impacted on plaintiff's goodwill and business reputation.[121] Kellogg cites *Johanna Farms, Inc. v. Citrus Bowl, Inc.*,[122] to assert a party cannot be guilty of laches until his or her right "ripens into one entitled to protection."[123] Kellogg states this concept is known as "progressive encroachment" and is applied in the Sixth Circuit.[124]

Kellogg indicates that Exxon argues it has been using its cartoon tiger since 1964, but Kellogg argues its use was is connection with motor fuels and the "Whimsical Tiger" used in connection with motor fuels, was a cartoon tiger of a different personality and image.[125] Kellogg's complaint challenges Exxon's expansion of the cartoon tiger use to convenience food stores and food/beverage products.[126] Kellogg maintains that this distinct use of the cartoon

117. *Id.* at 6.

118. SCI Systems, Inc. v. Solidstate Controls, Inc., 748 F. Supp. 1257, 1261 (S.D. Ohio 1990). In this case, a trademark owner brought trademark infringement action of the trademark "SCI."

119. *Plaintiff's Memorandum* at 5, *Kellogg*, No. 96-3070 G/A.

120. *Id.* at 6-7.

121. *Plaintiff's Memorandum* at 7, *Kellogg*, No. 96-3070 G/A.

122. Johanna Farms, Inc. v. Citrus Bowl, Inc., 468 F. Supp. 866, 881 (E.D.N.Y. 1978).

123. *Plaintiff's Memorandum* at 7, *Kellogg*, No. 96-3070 G/A.

124. *Id.* at 7.

125. *Id.* at 7-8.

126. *Id.* at 8.

tiger, which is closer in category to Kellogg's Tony the Tiger mark, is more likely to result in consumer confusion, and is not barred by laches even if Exxon establishes continuous use of their cartoon tiger for motor fuels and other products.[127]

In *Sara Lee Corp. v. Kayser-Roth Corp.*,[128] the court held the plaintiff's delay in filing suit of up to twelve years did not result in laches because the defendant recently moved its mark from upscale department stores into the plaintiff's market of food, drug, and mass merchandiser stores.[129] Kellogg argues that even if laches affected their challenge to Exxon's use of the "Whimsical Tiger" for motor fuels and other products, this would have no impact on Kellogg's challenge to Exxon's expansion of the use of the cartoon tiger to convenience stores, food, and beverage products.[130]

2. Kellogg's Knowledge

Exxon points to various alleged uses of the cartoon tiger that should have put Kellogg on notice that Exxon's mark was being expanded to use in conjunction with convenience food stores.[131] Kellogg finds Exxon's examples: decals on convenience stores; use on fountain cups; use in 1992 "Save With The Tiger" promotion; a joint promotion with Subway stores; and certain uses in Tiger Mart stores that commenced in 1991 to be without merit.[132] Kellogg asserts that none of the above uses were disclosed to Kellogg's counsel when it discussed infringing uses of the cartoon tiger with Exxon's counsel in November 1992.[133] Each will be discussed in turn below.

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127. *Id.*

128. Sara Lee Corp. v. Kayser-Roth Corp, 81 F.3d 455, 461-62 (4th Cir. 1996). In this case, the manufacturer of hosiery bearing "L'eggs" trademark brought an action against competitor which marketed "Leg Looks" brand of hoisery alleging trademark infringement and other state related claims.

129. *Plaintiff's Memorandum* at 8, *Kellogg*, No. 96-3070 G/A.

130. *Plaintiff's Memorandum* at 8-9, *Kellogg*, No. 96-3070 G/A.

131. *Id.* at 9.

132. *Id.*

133. *Id.*

a. Decals

The decals contained a small depiction of the cartoon tiger on approximately 19 of its Exxon Shop convenience stores.[134] Kellogg contends this minimal use of the mark does not constitute bona fide commercial use in connection with convenience food stores for several reasons including, the decal was only seven inches in height, the record reflects it was posted at 19 convenience stores (primarily in the Baton Rouge and Nashville areas) and it was not used as a source identifier.[135]

b. Fountain Cup

Kellogg maintains that Exxon's documentation of this cartoon tiger use on fountain cups is questionable for several reasons.[136] First, Kellogg argues Exxon has not provided any documents which corroborate its sale of found cups bearing the cartoon tiger decal; second, there exists no indication of the use of the cartoon tiger on cups or any related point-of-sale materials in Exxon's catalogs of advertising and promotional materials for this time period; third, there is nothing in the record as to the extent of sales under these cups or even the geographic distribution of sales.[137]

c. Save With The Tiger

Kellogg indicates that Exxon alleges the use of the cartoon tiger in connection with a Save With The Tiger promotion in 1992.[138] Kellogg maintains however, the promotion was for "Phase IV Gasoline" and not directly for food/beverage products.[139]

d. Subway Joint Promotion

Kellogg argues Exxon's use of its cartoon tiger in conjunction with a joint promotion with "Subway" Sandwich shops in 1992, was minimal.[140] The promotion ran for a limited period of time at

134. *Plaintiff's Memorandum* at 10, *Kellogg*, No. 96-3070 G/A.
135. *Id.*
136. *Id.*
137. *Id.*
138. *Id.*
139. *Plaintiff's Memorandum* at 11, *Kellogg*, No. 96-3070 G/A.
140. *Id.*

only 40-50 Exxon stations limited to Phoenix, Arizona.[141] Therefore, the cartoon tiger was not used as a source identifier for the sandwich.[142]

e. Tiger Mart Uses

Kellogg claims Exxon failed to include examples of Tiger Mart uses of the cartoon tiger when it provided Kellogg with current uses of the cartoon tiger in November of 1992.[143] In fact, Kellogg alleges Exxon did not provide Kellogg with current uses of the cartoon tiger in November 1992.[144]

f. The 1992 Communications

On November 3, 1992, Kellogg objected to Exxon's new uses of the cartoon tiger in Canada and Argentina.[145] During a telephone conversation, Exxon's counsel allegedly told Kellogg Exxon was using the cartoon tiger in the United States, and Kellogg challenged this allegation.[146] Instead, Kellogg maintains there was no mention by Exxon that the cartoon tiger was used with respect to convenience food stores or related food/beverage products.[147] At the end of the conversation, Kellogg asserts that Exxon's counsel agreed to provide Kellogg with examples of current uses of the cartoon tiger in the United States.[148] Exxon responded in a letter dated November 20, 1992 with examples of current uses of the cartoon tiger.[149] Bob Rippe, Exxon's counsel mentioned in the letter he was "mystified" about Kellogg's concern in light of the "different goods and services with which the party's marks are used."[150] Kellogg argues Mr. Rippe failed to include examples of the tiger's current uses in connection with Tiger Mart convenience food stores, or related food/beverage items.[151] Kellogg asserts

141. *Id.*
142. *Id.*
143. *Id.* at 12.
144. *Plaintiff's Memorandum* at 10-12, *Kellogg*, No. 96-3070 G/A.
145. *Id.* at 12.
146. *Id.*
147. *Id.*
148. *Id.*
149. *Plaintiff's Memorandum* at 12, *Kellogg*, No. 96-3070 G/A.
150. *Id.*
151. *Id.* at 12-13.

Exxon's new area of use for their mark, is closely related to Kellogg's use of the "Tony the Tiger" design, and Exxon knew if it disclosed such use of its cartoon tiger in connection with convenience food stores, and related food/beverage items, Kellogg would have immediately filed an action.[152]

3. Unclean Hands

Kellogg further argues Exxon never corrected the calculated omissions it committed in 1992 in any subsequent interactions with Kellogg and Exxon engaged in additional promotions using the cartoon tiger for convenience food stores before October 1993.[153] Therefore, Exxon should not be allowed to benefit from intentionally misleading omissions.[154] Kellogg argues the laches defense can only be raised by one who comes into equity with clean hands.[155] In response to Exxon's prejudice argument, Kellogg asserts had Exxon informed Kellogg of their actual and intended use of the cartoon tiger for convenience stores and food/beverage products in November 1992, then Kellogg would have filed suit before Exxon opened 270 stores.[156] Due to Exxon's intentionally misleading omissions, Kellogg was not aware of their usage until 1995 and was not aware the widespread extent of such convenient store use of the cartoon tiger until after the lawsuit was filed.[157] Also, Kellogg argues that on March 26, 1996, Exxon's application to register its cartoon tiger for food, restaurant, and convenience store services at gasoline stations was published for opposition.[158]

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152. *Id.* at 13.

153. *Id.*

154. *Plaintiff's Memorandum* at 13, *Kellogg*, No. 96-3070 G/A.A party claiming the benefit of an equitable estoppel must have proceeded with the utmost good faith. Elvis Presley Enterprises, Inc. v. Elvisly Yours. Inc., 936 F.2d 889, 895 (6th Cir. 1991). In this case, suit was brought alleging trademark infringement and violations of Tennessee common law and statutory rights of publicity.

155. United States v. Weintraub, 613 F.2d 612, 619 (6th Cir. 1979).

156. *Plaintiff's Memorandum* at 14, *Kellogg*, No. 96-3070 G/A.

157. *Id.*

158. *Id.* at 14-15.

Kellogg urges the court to find Exxon's progressive encroachment into convenience food stores and food/beverage products matured well after October 7, 1993, and the publication for opposition of Exxon's trademark application to register the cartoon tiger for convenience food stores in 1996, was the culminating event in Exxon's progressive encroachment.[159] Kellogg's opposition to Exxon's application was sufficiently timely, and this suit filed promptly.[160] Kellogg asserts its challenge to Exxon's expansion to convenience food stores and food/beverage products is valid, and Exxon has failed to meet its burden to support summary judgment of its laches defense.[161]

If the court is not persuaded that there is a material issue of fact as to whether Exxon's progressive encroachment matured within the laches safehaven, then the court must determine the date of Kellogg's knowledge of Exxon's uses of the "Whimsical Tiger" for convenience food stores and food/beverage products.[162] Kellogg finds Exxon's case authority in support of its contention that delay for the purposes of laches is measured from the time Kellogg "knew or should have known" of Exxon's use if its cartoon tiger, is unpersuasive.[163] Exxon cites three cases in support of its "should have known" proposition.[164]

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159. *Id.*at 15.

160. *Id.*

161. *Plaintiff's Memorandum* at 15, *Kellogg*, No. 96-3070 G/A. Kellogg also argues alternatively that triable issues exist as to whether Kellogg had actual or constructive notice of Exxon's use of the cartoon tiger prior to 1995.

162. *Id.*

163. *Id.* at 15-16.

164. Kellogg argues in Armco, Inc. v. Armco Burglar Alarm Co., Inc., 693 F.2d 1155, 1161-62 (5th Cir. 1982) the court found the plaintiff should have known of the defendant's use of a similar mark because the plaintiff admitted it was aware of the defendant's use in the local phone pages. *Plaintiff's Memorandum* at 16, *Kellogg*, No. 96-3070 G/A. In Piper Aircraft Corp. v. Wag-Aero, Inc., 741 F.2d 925, 927-28 (7th Cir. 1984), the defendant started an aircraft parts business in 1960, and started selling airplane kits with the infringing mark in 1973. The defendant first wrote to the plaintiff in 1974 about his intent to build a replica of the plaintiff's product wrote again in 1975 to communicate it would be building a replica of the plaintiff's aircraft with the infringing mark. *Plaintiff's Memorandum* at 16, *Kellogg*, No. 96-3070 G/A. The court did not inquire into what the plaintiff should have known of the

Kellogg claims Exxon's attempted application of the "should have known" standard with its motion for summary judgment stretches the doctrine well beyond its limits.[165] Kellogg continues to argue that two facts weigh heavily against Exxon's reliance on such assumed knowledge here.[166] First, the primary manner in which trademark holders put others on notice of their assertion of rights is through an application to register the mark at issue, which is then published for opposition.[167] In this situation, Exxon explicitly considered filing for service mark registration when it resumed use of the cartoon tiger, but then ultimately decided against such action because presumably Exxon had recognized that such an application would have been opposed by Kellogg.[168] Kellogg further maintains that when Exxon finally did seek to register the mark for the expanded use, Kellogg filed a timely opposition and then filed suit.[169]

Second, Kellogg asserts Exxon affirmatively misled Kellogg in November 1992, regarding Exxon's use of the cartoon tiger in connection with convenience food stores and food and beverage products.[170] To imply knowledge where Exxon had ample opportunity to put Kellogg on actual notice and chose not to do so, would create a substantial injustice.[171] Kellogg does not have a close relationship with Exxon which would result in constructive knowledge of Exxon's expanded use of its cartoon tiger into

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defendant's activities in a small, related market from 1960 until October 1974. *Id.* Kellogg points out that the *Piper Aircraft* court down played the early correspondence and held that the early letters "arguably did not demonstrate the extent of defendant's objectionable activities." *Id.* Finally, in response to McDonald v. Robertson, 104 F.2d 945 (6th Cir. 1939) which involved an embezzlement claim on behalf of an employer, against an employee, in a small business is different than the present trademark dispute between two large companies, because they are not in the same close relationship. *Plaintiff's Memorandum* at 16, *Kellogg*, No. 96-3070 G/A.

165. *Plaintiff's Memorandum* at 16, *Kellogg*, No. 96-3070 G/A.

166. *Id.* at 16-17.

167. *Id.* at 17.

168. *Id.*

169. *Id.* at 17.

170. *Plaintiff's Memorandum* at 17, *Kellogg*, No. 96-3070 G/A.

171. *Id.*

convenience food marts and Exxon only engaged in limited uses of the cartoon tiger for convenience food stores and food/beverage products before October 1993.[172]

Kellogg claims it was not actually aware of Exxon's expanded use of the "Whimsical Tiger" into convenience stores until 1995 when David Herdman, Kellogg's trademark attorney, learned of the expanded use.[173] Kellogg explains that after the communications in November 1992, Mr. Herdman was under the impression that Exxon was not using the cartoon tiger for convenience food stores or food/beverage products in the United States.[174] Furthermore, when Mr. Herdman contacted Kellogg's sales force worldwide to request examples of current uses of the cartoon tiger, no samples of the use in connection with convenience food stores in the United States were provided.[175] Kellogg asserts the court should deny Exxon's motion for summary judgment of its laches because Kellogg did not have knowledge of Exxon's expanded use until 1995, within the three-year limitations period.[176]

In response to Exxon's contention that Kellogg is charged with the knowledge of its sales force, Kellogg replies that in the trademark context, courts generally hold that a large corporation is not charged with the knowledge of its lower echelon employees.[177] A large corporation with many employees who have no role in trademark enforcement is not charged with the employees' knowledge of the defendant's trademark infringement, even if the defendant's products were observed at industry trade shows or in brochures.[178] Kellogg's sales force was not responsible for enforcing its trademarks or even reporting potential trademark

172. *Id.*
173. *Id.*
174. *Id.*
175. *Plaintiff's Memorandum* at 18, *Kellogg*, No. 96-3070 G/A.
176. *Id.*
177. *Id.* at 18-19.
178. Plasticolor Molded Products v. Ford Motor Co., 698 F. Supp. 199, 203 (C.D. Cal. 1988). In this case, an automobile accessories manufacturer sought declaratory judgment concerning rights to use an the automobile manufacturer's trademarks.

infringements.[179] In addition, Kellogg contends their sales force did not make sales calls to Exxon's convenience food stores which displayed the cartoon tiger during the relevant time period.[180] Members of Kellogg's sales force were deposed by Exxon and had only vague recollections of Exxon's use of the mark, often could not identify whether they saw it before October 7, 1993, and could not even recall visiting any of Exxon's convenient food stores.[181] Kellogg explains these limited recollections of the sales force, which were not reported to Kellogg's headquarters or anyone in charge of trademarks, should not be imputed to Kellogg on the issue of laches.[182] Kellogg argues that at the very least, there are no genuine issues as to the material facts related to this issue.[183]

4. Delay

Kellogg claims any laches period tolled until the filing of this suit.[184] Kellogg filed its complaint on October 7, 1996, and for the purposes of Exxon's motion for summary judgment, Exxon claims that the relevant laches starting date is October 7, 1993.[185] Kellogg asserts two factors belie this contention.[186] First, the "delay in filing suit for infringement will not count towards laches if during that time the parties engaged in good faith settlement negotiations."[187] Kellogg attempted to achieve a "global settlement" with Exxon in its discussions of the Canadian action which included Exxon's use of the cartoon tiger in the United States.[188] Kellogg argues that settlement discussions before and after the filing of that suit went on for twenty-six months and should not be counted toward the laches period.[189] Secondly,

179. *Plaintiff's Memorandum* at 20-21, *Kellogg*, No. 96-3070 G/A.
180. *Id.* at 21.
181. *Id.*
182. *Id.*
183. *Id.*
184. *Plaintiff's Memorandum* at 21, *Kellogg*, No. 96-3070 G/A.
185. *Id.*
186. *Id.*
187. *Id.* Kellogg cites *Piper Aircraft*, 741 F.2d at 932, which holds that three and a half years of settlement negotiations are not counted toward laches period.
188. *Id.* at 22.
189. *Plaintiff's Memorandum* at 22, *Kellogg*, No. 96-3070 G/A.

Kellogg argues that opposition to the registration of a mark tolls the laches period.[190] In sum, the laches period should be tolled for at least thirty-one months and as a result, the laches safehaven extends back to March of 1991.[191]

Kellogg concludes its argument against Exxon's motion for summary judgment on laches by arguing that as it relates to Exxon's expanded use of the cartoon tiger for convenience food stores and food/beverage products, the court has mentioned independent bases for denying the motion.[192]

5. Prejudice

Kellogg contends Exxon failed to demonstrate any substantial prejudice flowing from Kellogg's alleged delay.[193] Kellogg asserted that apart from the "Put A Tiger In Your Tank" campaign from 1964-1966 and the Exxon name change campaign from 1972-1973, Exxon's advertising and promotion of the cartoon tiger from 1967-179 was minimal, and from 1980-1991 it was non-existent.[194] Kellogg argues Exxon provides no information on its expenditures related to the cartoon tiger for any given time period, and nowhere on the record can the court determine the extent of the Exxon's expenditures since 1991 for either motor fuel use or in connection with convenience food stores.[195] Kellogg asserts that whatever the amount spent by Exxon is dwarfed by over $100 billion dollars in annual sales that Exxon obtains.[196] Expenditures promoting the infringing mark will not be considered prejudice, particularly where the defendant has been put on notice of the plaintiff's objection.[197] In this case Kellogg's objection indisputably occurred

190. Kellogg cites Tonka Corp. v. Rose Art Indus, 836 F. Supp. 200, 220 (D.N.J. 1993) for support.

191. *Plaintiff's Memorandum* at 23, *Kellogg*, No. 96-3070 G/A. It should also be noted that Kellogg explains that the laches safehaven extends back to March of 1991 because of the 36 month Tandy presumption plus 31 month tolling.

192. *Id.*

193. *Id.* at 28.

194. *Id.*

195. *Id.* at 29.

196. *Plaintiff's Memorandum* at 29, *Kellogg*, No. 96-3070 G/A.

197. *Id.*

here in November 1992, and followed with the Canadian proceedings and attempts at a global settlement.[198]

Kellogg replies to Exxon's allegation that prejudice also occurred due to the loss of evidence (i.e. loss of recollection by witnesses and destruction of a small number of documents).[199] Exxon points to events occurring in 1972, but does not assert such evidence was lost during the period of Kellogg's delay between November 1992 and October of 1996, when this suit was filed.[200] Kellogg also asserts evidence which points to various facts relating to Exxon's laches defense such as failure of Kellogg sales representatives to remember whether they drove past Tiger Mart stores during 1991-1993, is irrelevant because it cannot be imputed to Kellogg.[201]

As to Exxon's allegation that valuable documents were destroyed such as its own destruction of photographs showing cartoon tiger use on pump panels, Kellogg argues this evidence was destroyed after Kellogg put Exxon on notice it believed that the cartoon tiger had been abandoned in November 1992.[202] Also, Kellogg asserts the lost evidence referred to by Exxon is tangential to the case and largely redundant, so in balancing the laches harm, the court should find there is a material issue of fact as to whether Exxon suffered harm as a result of Kellogg's alleged delay.[203]

B. Acquiescence

Kellogg argues that triable issues exist as to Exxon's acquiescence defense.[204] Kellogg maintains that mere silence is not sufficient to support Exxon's affirmative defense of acquiescence and in this case, Exxon has not alleged or provided factual support for an allegation of bad faith silence.[205] Even if Kellogg was found to be silent in light of Exxon's use, the facts presented are not

198. *Id.*
199. *Id.* at 29.
200. *Id.* at 30.
201. *Plaintiff's Memorandum* at 30, *Kellogg*, No. 96-3070 G/A.
202. *Id.*
203. *Id.*
204. *Id.*
205. *Id.*

sufficient to support a verdict for Exxon.[206] Kellogg contends acquiescence is an intentional act. It requires proof of affirmative conduct by Kellogg indicating it would not challenge Exxon's other uses of the cartoon tiger in the United States, and that Kellogg did not represent to Exxon that it would not enforce its "Tony The Tiger" mark.[207] Therefore, the undisputed facts do not support Exxon's affirmative defense of acquiescence.[208]

According to Kellogg, Exxon has failed to show that Kellogg said it would not challenge expansion of use of the cartoon tiger for convenience food stores and food/beverage products.[209] When Exxon first expanded its use of the cartoon tiger on a very limited basis to convenience food stores in 1991, Kellogg did not engage in any affirmative acts indicating it would not challenge Exxon's expanded use, and Exxon has not alleged otherwise.[210] Kellogg argues neither of the incidents which Exxon relies upon relate in any manner to acquiescence on the part of Kellogg to Exxon's expansion of the cartoon tiger use to convenience stores.[211] As a result, the court should deny Exxon's motion for summary judgment of its acquiescence defense as it relates to Kellogg's challenge to Exxon's expanded use of the cartoon tiger in the convenience store arena.[212] Exxon claims to have numerous uses of the cartoon tiger in connection with its convenience stores, but Exxon failed to mention such uses in its communication to Kellogg of current uses.[213] Kellogg argues, given Exxon's intentionally misleading omissions, Exxon should be barred from asserting equitable defenses in any respect.[214] Kellogg cites *Thropp v. Bache Halsey Stuart Shields, Inc.*,[215] where the court found a defendant

206. *Plaintiff's Memorandum* at 31, *Kellogg*, No. 96-3070 G/A.
207. *Id.*
208. *Id.*
209. *Id.* at 33.
210. *Id.*
211. *Plaintiff's Memorandum* at 33, *Kellogg*, No. 96-3070 G/A.
212. *Id.*
213. *Id.* at 34
214. *Id.* at 34.
215. Thropp v. Bache Halsey Stuart Shields, Inc., 650 F.2d 817, 823 (6th Cir. 1981).

"cannot claim the plaintiff's delay was unreasonable in light of the defendant's own evasion."[216]

Kellogg also argues when they first learned of Exxon's expanded use of the cartoon tiger in 1995, they began an investigation of the expanded use of the mark[217], and at no time did Kellogg represent to Exxon it would not oppose the use of the cartoon tiger in connection with convenience stores.[218]

In Kellogg's last portion of its brief, Kellogg argues it did not indicate it would not object to Exxon's future use of the cartoon tiger in 1972 when Exxon's advertising agency submitted a proposed commercial using the cartoon tiger to Kellogg for Kellogg's approval, and Kellogg objected to such use.[219] Kellogg responded in a letter to Exxon as follows:

> "Kellogg Company has been on record for many years as objecting to your clients use of the Esso[220] Tiger, because of its similarity to 'Tony the Tiger.' We still find the use of the Esso Tiger objectionable, and feel that its use in a commercial which is virtually identical to a Kellogg commercial presently on the air would be particularly confusing to the public.
>
> We naturally have no basis for objection to your use of the format of this particular commercial, as we believe the format to be in the public domain. We do find the use of the Esso Tiger character objectionable, however."[221]

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216. *Plaintiff's Memorandum* at 34, *Kellogg*, No. 96-3070 G/A.

217. Also, as mentioned in 1996, Exxon's application to register the cartoon tiger for convenience food store services came up for opposition, and Kellogg in fact filed a timely opposition and then promptly filed this suit. *Plaintiff's Memorandum* at 35, *Kellogg*, No. 96-3070 G/A.

218. *Id.* at 35.

219. *Id.*

220. In 1972, Exxon changed its name from "Esso" to Exxon.

221. *Plaintiff's Memorandum* at 38, *Kellogg*, No. 96-3070 G/A.

Kellogg asserts that the above information was directly communicated to Exxon.[222] In response to Exxon's allegation that during the time Kellogg objected to the commercial, it was not prepared to go to court, the facts as presented by Exxon do not amount to an affirmative representation that Kellogg would not enforce its mark in the future.[223] Kellogg asserts that Exxon's contention is contradicted by the fact the after the 1972 letter, Exxon never aired the commercial at issue, presumably in response to Kellogg's objections.[224] Kellogg further argues Exxon indicated to Kellogg that had they known about Kellogg's objection to the commercial earlier, Exxon would have pulled the commercial earlier as a courtesy to Kellogg.[225] Kellogg argues there is at minimum, a material issue of fact as to acquiescence.[226]

IV. Court's Analysis

The court granted Exxon's motion for summary judgment based on acquiescence.[227] Exxon's remaining motions for summary judgment were found to be moot by the court.[228] In its opinion, the court examined Exxon's affirmative defenses of laches and acquiescence and then turned to Kellogg's claims of abandonment[229] and progressive encroachment.[230] The court explains that summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure is appropriate if the pleadings,

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222. *Id.*

223. *Id. at* 38-39.

224. *Id.* at 39.

225. *Id.*

226. *Plaintiff's Memorandum* at 39, *Kellogg*, No. 96-3070 G/A.

227. *Kellogg*, No. 96-3070 G/A at 27. The court also granted partial summary judgment based on a finding that Exxon did not abandon its of the cartoon tiger.

228. *Id.* at 28. The dismissal of Kellogg's action render the following motions moot: Exxon's motion for partial summary judgment on Kellogg's state dilution claim; Exxon's motion for partial summary judgment on Kellogg's dilution by tarnishment claims; Exxon's motion for partial summary judgment on the issue of bad faith; and Exxon's motion for summary judgment on Kellogg's federal dilution claim.

229. This note does not focus on the issue of abandonment, however, part IV will briefly discuss Kellogg's abandonment claim.

230. *Kellogg*, No. 96-3070 G/A at 12.

depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.[231]

The law provides a plaintiff should bring suit as soon as the plaintiff knows or reasonably should have known of the alleged trademark infringement.[232] Exxon invokes the doctrines of laches and acquiescence to prohibit Kellogg's trademark infringement claims against Exxon for its use of the "Whimsical Tiger" generally, and in connection with Exxon's Tiger Mart and Tiger Express stores.[233] The court cites *Induct-o-matic Corp. v. Inductotherm Corp.*[234] stating both laches and acquiescence require proof that the party enforcing its trademark rights has unreasonably delayed in pursuing the litigation, and the alleged infringer has been materially prejudiced by such delay.[235] The court explains that the doctrines differ in that acquiescence is the intentional relinquishment of a party's trademark rights, whereas laches constitutes a negligent and unintentional failure to protect trademark rights.[236] The court initially noted that laches, as utilized by the Sixth Circuit, precludes a plaintiff from recovering damages for trademark infringement that occurs prior to the filing of an action, but it will not bar injunctive relief. Under *Tandy*[237] "to deny injunctive relief in trademark litigation, however, some affirmative conduct in the nature of estoppel, or conduct amounting to 'virtual abandonment' is necessary."[238] Therefore as

231. *Id.* Fed. R. Civ. 56(c). Also, the court explains that the movant bears the burden of clearly and convincingly establishing the nonexistence of any genuine issue of material fact, and the evidence as well as all the inferences drawn therefrom must be read in a light most favorable to the party opposing the motion. *Id.* at 12.

232. *Kellogg*, No. 96-3070 G/A at 13.

233. *Id.* at 13-14.

234. Induct-o-matic Corp. v. Inductotherm Corp., 747 F.2d 358, 367 (6th Cir. 1984) (*quoting* United States v. Weintraub, 613 F.2d 612, 619 (6th Cir. 1979)).

235. *Kellogg*, No. 96-3070 G/A at 14.

236. *Id.*

237. *Tandy*, 769 F.2d at 366 n.2.

238. *Kellogg*, No. 96-3070 G/A at 15.

a result of Kellogg withdrawing its claim for actual and punitive damages, Exxon's affirmative defense of laches is inapplicable here.[239] However, as to Kellogg's remaining claim for injunctive relief, the evidence introduced by Exxon is compelling to support its assertion of acquiescence by Kellogg.[240]

The court states acquiescence embraces several of the elements of estoppel by requiring a finding of conduct on the plaintiff's part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against the defendant.'[241] The court relies on the well-established holding in *SCI*[242], where the court held the foreclosure of injunctive relief demands a showing of more than mere silence on the part of a plaintiff, but also the defendant must show that it had been mislead by plaintiff through actual misrepresentations; affirmative acts of misconduct, intentional misleading silence, or conduct amounting to virtual abandonment of the trademark.[243] However, if a plaintiff remains silent and refuses to facilitate the protection of its trademark for a grossly extended period of time, this plaintiff's silence may give rise to a finding that the plaintiff abandoned its exclusive rights to that trademark.[244]

> If the owner of a tradename acquiesces so long in the use of that name or in a name strikingly similar thereto that the public has in general become aware of the other's appropriation of that name and is therefore not deceived, such owner may in a proper case be treated as having abandoned his one-time property right in that name.[245]

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239. *Id.*
240. *Id.*
241. *Id.*
242. *SCI*, 748 F. Supp. at 1262.
243. *Kellogg*, No. 96-3070 G/A at 16.
244. *Id.*
245. Anheuser-Busch, Inc. v. Du Bois Brewing Co., 175 F.2d 370, 374 (3rd Cir. 1949).

The court addresses Exxon's acquiescence argument regarding the fact that Kellogg has only voiced concerns about the "Whimsical Tiger" on two occasions, both occurring in the 1970's.[246] The court found Kellogg did not oppose Exxon's registration of the "Whimsical Tiger" in connection with the sale of motor fuel, nor did Kellogg, until recently, demand that Exxon stop its use of the cartoon tiger.[247]

> While a successful opposition only acts to prevent registration and not use, as a practical matter, it puts the defendant on notice that, at the least, the plaintiff is not going to sleep on its rights, and indeed, in our view, goes even further and puts defendant on notice that the opposer also protests its use of the confusingly similar mark.[248]

In other words, the court explains Kellogg has provided no evidence to indicate that Exxon was put on notice of Kellogg's strong disapproval of its general use of its cartoon tiger.[249] Although Kellogg concedes that it did voice its concerns to Exxon in a conversation with Exxon's legal department in 1992, and brought its trademark infringement actions against Exxon in Canada and Argentina, these concerns fail to excuse the prior absence of opposition to Exxon's use of the "Whimsical Tiger" in the United States during the past three decades.[250] The court recognizes inexcusable delay alone is insufficient for acquiescence, but Kellogg was "grossly remiss" in failing to assert its rights.[251] As to the second prong of the acquiescence defense,[252] Exxon argues it has been prejudiced by Kellogg's delay in filing this present action.[253] The court found Exxon acted in reliance on

246. *Kellogg*, No. 96-3070 G/A at 17.
247. *Id.*
248. *Kellogg*, No. 96-3070 G/A at 17.
249. *Id.*
250. *Id.* at 17-18.
251. *Id.* at 18.
252. The second prong of acquiescence is "prejudice" to the defending party.
253. *Kellogg*, No. 96-3070 G/A at 18. Specifically, Exxon contends that it has lost important documents and testimonial evidence essential to the

Kellogg's minimal and infrequent opposition to Exxon's use of the cartoon tiger by spending millions of dollars promoting the image and good will of its cartoon tiger.[254] In addition to the depth of Exxon's investment in its cartoon tiger, magazine articles and advertisement clippings and commercials featuring the cartoon tiger that have spanned three decades, illustrate the strong public connection between the Exxon name and the "Whimsical Tiger"[255]

The court finds Exxon's reliance on Kellogg's long periods of silence resulted in clear prejudice to Exxon in Exxon's inability to defend itself in this lawsuit and in connection to the financial investments made in the cartoon tiger campaign.[256] Therefore, in a light most favorable to Kellogg[257] on this motion for summary judgment on the issue of acquiescence, Exxon has met its dual burden of showing unreasonable delay and prejudice caused by Kellogg and its failure to bring a suit in a timely manner, to such an extent a reasonable trier of fact could not return a verdict for Kellogg on this issue.[258] In rejecting Kellogg's abandonment claim, the court held Exxon introduced evidence sufficient to show a continuous bona fide use of its cartoon tiger from 1964 to the present day and Kellogg cannot establish the nonuse element of the abandonment claim as a matter of law.[259] As a result, the court granted Exxon's motion for partial summary judgment on Kellogg's abandonment claim.[260]

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disposition of the case. For example, Exxon assets that is has been unable to provide photographic evidence of its use of the cartoon tiger in connection with the sale of petroleum and other related products during the 1980's because the photographic records of its Exxon's stations were destroyed in 1994. In addition, certain important Exxon witnesses have retired.

254. *Kellogg*, No. 96-3070 G/A at 19.

255. *Id.*

256. *Id.*

257. The non-moving party.

258. *Kellogg*, No. 96-3070 G/A at 16.

259. *Id.* at 23.

260. *Kellogg*, No. 96-3070 G/A at 23. The court indicated Kellogg has asserted Exxon abandoned its cartoon tiger because Exxon failed to use it in a bona fide manner such as for the sale of motor fuels during the 1970's and 1980's. However, the court reasons that Exxon has introduced ample evidence that at the very least Exxon maintained fairly continuous use of the cartoon tiger in connection with the sale of petroleum and related products. In addition,

The court also addressed Kellogg's assertion of Exxon's progressive encroachment. A finding for Kellogg on the issue of progressive encroachment will prevent Exxon from its continued use of the cartoon tiger in connection with its convenience food stores.[261] The court states the doctrine of progressive encroachment precludes the application of acquiescence because "a course of progressive encroachment does not tend to arouse hostile action until fully developed."[262] Kellogg argues Exxon has changed its cartoon tiger's personality and image over time and only recently expanded into the convenience food store market, therefore Kellogg did not become fully aware of Exxon's infringement until March of 1996.[263] The court analyzes *SCI Systems, Inc. v. Solidstate Controls, Inc.*[264] decision cited by Kellogg. In *SCI*, the court explained, the plaintiff claimed although it had been aware of the defendant's trademark infringement since 1969, the defendant had only recently departed from the business practices which had allowed the parties to co-

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Kellogg has admitted that they were aware of Exxon use of the cartoon tiger with the Exxon name change campaign in the early 1970's and also Exxon has submitted evidence that it featured the "Whimsical Tiger" in its national "Energy for a Strong America" campaign in the late 1970's. Exxon's cartoon tiger was used throughout the 70's and 80's prior to and during the modernization program of Exxon's gasoline pumps as well as throughout the 80's the cartoon tiger was featured in various local and national advertising campaigns, state fairs, promotional games, and a political convention. The court finally states that in order to establish "nonuse" in satisfaction of an abandonment claim, Kellogg must demonstrate that Exxon did not utilize the trademark in a manner "sufficient to maintain the public's identification of the mark with the proprietor." *Kellogg*, No. 96-3070 G/A at 21. The court cites Warner-Lambert Co. v. Schick U.S.A., Inc., 935 F. Supp. 130, 143 (D. Conn. 1996). Finally, the court indicates that the use must be bona fide, as opposed to a sham use instituted soley for the purposes of maintaining trademark rights.

261. *Kellogg*, No. 96-3070 G/A at 16 n.12.

262. *Id.* at 24; SCI Systems, Inc. v. Solidstate Controls, Inc., 748 F. Supp. 1257, 1263 (S.D. Ohio 1990).

263. *Kellogg*, No. 96-3070 G/A at 23. The court also reiterates Kellogg's claim that Exxon's entrance into the convenience food store industry places Exxon's "Whimsical Tiger" in a venue where the threat of harm to Kellogg's "Tony the Tiger" trademark and the likelihood of confusion between the two cartoon tigers is substantially increased. *Id.* at 23-24.

264. *SCI*, 748 F. Supp. at 1257.

exist peaceably for many years, and that defendant only recently encroached on plaintiff's rights.[265] The court notes, the plaintiff did not perceive a trademark violation until the defendant had registered a trademark bearing the same mark as the plaintiff and entered into the data processing market of which only the plaintiff had been a several-year member.[266] The *SCI* court determined a defense of laches can be defeated if changes in a mark over the years and recent entry into the same marketing are occur.[267] However, the judge held since Exxon does not compete directly with or has not entered the same market area as Kellogg, Kellogg is not in a position to claim progressive encroachment to defeat Exxon's acquiescence claim.[268]

Kellogg's situation can be distinguished from *SCI*, where the plaintiff was required to show not only a change in the defendant's mark over time, but also that the defendant had recently entered into the marketing area of the plaintiff.[269] Furthermore, in *Prudential Ins. Co. v. Gibralter Fin. Corp*,[270] the 9th Circuit held a plaintiff could not claim progressive encroachment where the defendant did not move into direct competition with the plaintiff and the parties did not offer the same services to any substantial extent or where there is no evidence that actual confusion of their services had occurred.[271] The court explicitly states that it is critical that the similarity of the parties' product and use of the same channels and markets to sell the product is established for a finding of progressive encroachment.[272]

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265. *Kellogg*, No. 96-3070 G/A at 24. The parties in *SCI* were engaged initially in related businesses; the plaintiff sold electrical supplies and related products, and the defendant was a manufacturer and seller of electrical power control equipment.

266. *Kellogg*, No. 96-3070 G/A at 25.

267. *Id.*

268. *Id.*

269. *Id.*

270. Prudential Ins. Co. v. Gibralter Fin. Corp., 694 F.2d 1150 (9th Cir. 1982).

271. *Kellogg*, No. 96-3070 G/A at 25-26.

272. *Id.* at 26. Kellogg claims that Exxon's departure from the use of the cartoon tiger in connection with motor fuel sales and eventual entrance into the convenience food stored industry poses a new and unforeseen threat to Kellogg.

Kellogg asserts that Exxon's convenience stores sell food and beverage items, therefore Exxon has moved into direct competition with Kellogg.[273] In response, the court reasoned that Kellogg is traditionally and primarily a manufacturer of cereals, and although Exxon has entered the convenience food market, Exxon has not become a manufacturer or distributor of food items.[274] Furthermore, Exxon is a retail convenience store in the business of selling food on the premises of gasoline stations, whereas Kellogg's product is cereal.[275] Even though Exxon may sell Kellogg's cereal products in their convenience food stores, this fact alone does not establish that the parties are competitors in the same or even a related market.[276] The court recognizes if there is actual confusion between Kellogg's and Exxon's cartoon tigers, the connection between the products and marketing channels for the sale of their products is too attenuated to support Kellogg in their claim of progressive encroachment.[277] In sum, the court finds Kellogg has failed to submit sufficient evidence of fact regarding progressive encroachment to overcome the court's previous holding of acquiescence as a matter of law.[278]

IMPACT

It is truly a shame that after three decades of peaceful coexistence between Kellogg's "Tony the Tiger" and Exxon's "Whimsical Tiger" that an alleged trademark infringement claim has arisen. Certainly, both the legal community and society respects and acknowledges the right to be free from others infringing on valid trademark holders rights. Obviously, the whole premise of holding and acquiring a trademark is to prevent such infringements. I would imagine that the multitude of trademark holders take solace in the fact that if a party's trademark is truly infringed upon, the law will not tolerate or stand for such infringement. However, we as members of society are provided

273. *Id.*
274. *Kellogg*, No. 96-3070 G/A at 26-27.
275. *Id.* at 27.
276. *Id.*
277. *Id.*
278. *Id.*

many rights, but these rights must be asserted in a timely fashion, because for those that delay an unreasonably long period of time, may relinquish that very right they were entitled to. After reviewing all the essential facts and relevant case law in the area of trademark infringement, the court in Kellogg Company v. Exxon Corporation was correct in dismissing Kellogg's claim for trademark infringement.

A. The Court Was Correct In Granting Exxon's Motion For Summary Judgment Based On Acquiescence.

The court was correct in finding that since Kellogg had only voiced its concerns about the shared use of the cartoon tiger on two occasions occurring in the 1970's and Kellogg did not oppose Exxon's registration of their cartoon tiger in connection with motor fuel, because Exxon was not on notice of Kellogg's disapproval of Exxon using its cartoon tiger. In fact, it was not until recently that Kellogg demanded Exxon cease use of their cartoon tiger. The court was correct in determining Kellogg acquiesced. In *Anheuser-Busch, Inc. v. Du Bois Brewing Co.*[279], the court found the plaintiff's failure to voice its disapproval of the defendant's tradename over a thirty-one year period to be grossly remiss and the plaintiff was estopped from asserting its trademark rights. Similarly, the court was correct in dismissing Kellogg's claim after thirty years. The court was also correct in deciding that Kellogg's untimely expressions of concern in the 1990's and the legal actions brought in 1992 for trademark infringement against Exxon in Canada and Argentina fails to excuse Kellogg's prior absence of opposition to the use of the "Whimsical Tiger" in the United States. In *United States Playing Card Company v. The Bicycle Club*,[280] The United States Playing Card Company ("USPC") which sold "Bicycle" brand playing cards, brought suit against a card casino called "The Bicycle Club" to enjoin the casino's use of its name on grounds of trademark dilution. USPC failed to bring suit for nearly three years after the opening of the casino on

279. Anheuser-Busch, Inc. v. Du Bois Brewing Co., 175 F.2d 370, 374 (3rd Cir. 1949).

280. United States Playing Card Company v. The Bicycle Club., 119 Ohio App.3d 597, 695 N.E.2d 1197.

November 30, 1984.[281] In fact, USPC knew about the casino before it even opened up, but never complained about its name until the filing of the lawsuit on October 7, 1987.[282] The court held that USPC was estopped by laches and acquiescence.[283]

Just as USPC was estopped by laches and acquiescence from bringing suit, the court in Kellogg correctly granted Exxon's motion for summary judgment on acquiescence. The *USPC* court found USPC's inaction was well beyond the analogous statute of limitations, and constituted an unreasonable delay. When comparing *USPC* to *Kellogg*, it can be seen that Kellogg unreasonably delayed for more than three years as well. Kellogg's unreasonable delay of more than three years occurred regardless if measured from the 1960's or November of 1992. An unreasonable delay has occurred since the evidence suggests Kellogg made a "tactical legal decision" to delay from November of 1992 until October of 1996 when this suit was filed.

In *Sara Lee Corporation v. Kayser-Roth Corporation*,[284] the plaintiff, was a manufacturer of hosiery bearing "L'eggs" trademark, who brought action against a competitor which marketed "Leg Looks" brand of hoisery. The defendant recently moved its mark from upscale department stores into plaintiff's market of food, drug, and mass merchandising stores.[285] The court held, Sara Lee Corporation did not acquiesce in the competitor's use "Leg Looks" mark in food, drug, and mass merchandising outlets.[286] This case can be distinguished however from the situation here in Kellogg. In *Sara Lee*, the court found the 1991 settlement agreement between the parties was intended only to govern Sara Lee's future actions in marketing its lingerie "Looks" brand and nothing in the agreement can reasonably be construed to immunize the defendant from liability for all future infringing

281. *United States Playing Card Co.*, 119 Ohio.App.3d at 604.

282. *Id.*

283. *Id.*

284. Sara Lee Corporation v. Kayser-Roth Corp., 81 F.3d 455 (4th Cir. 1996).

285. *Sara Lee Corp.*, 81 F. 3d at 461-462.

286. *Id.* at 455.

uses.[287] In this case, Kellogg affirmatively acquiesced when Kellogg did not object to Exxon's 1991 promotional campaigns such as "Win With The Tiger" and "Save With The Tiger."[288] Certainly, it is not unreasonable for Exxon to expect that if Kellogg had any objections to the "Whimsical Tiger," such objection would have been an appropriate time to announce an objection. It was reasonable for Exxon to believe Kellogg was actively consenting to its use of the cartoon tiger.

In *Harley-Davidson, Inc., v. Estate of Daniel K. O'Connell, J.*,[289] a seller of motorcycles under "Harley-Davidson" trademark brought action against alleged infringers who used the name "Harley Rendezvous" to refer to their motorcycle related events. The court found among other things, the plaintiff's justifications[290] for delay in filing suit could not excuse the full extent of the delay.[291] As far as Exxon's expansion into the convenience store market is concerned, Kellogg had both substantial actual and constructive knowledge of such expansion as to nullify and reasons or excuses for unreasonable delay on the part of Kellogg. The court in Kellogg was correct in refuting Kellogg's argument that the examples of use of the "Whimsical Tiger" that Exxon provided Exxon in 1992 were not sufficient to put Kellogg on notice of

287. *Id.* at 463.

288. Articles dealing with these promotional campaigns appeared in the magazine *AdWeek.* Kellogg representatives and Kellogg's advertising agency, Leo Burnett Company, subscribed to "AdWeek" in 1991.

289. Harley-Davidson, Inc., v. Estate of Daniel K. O'Connell, 1998 WL 344271 (N.D.N.Y.).

290. The plaintiff, Harley-Davidson's proffered justifications for delay included:

> 1. Harley-Davidson had expressed some concern over confusion of the respective marks by asking the defendant to note in their advertising that the defendant had no connection to Harley-Davidson. 1998 WL 344271, 7 (N.D.N.Y.).
>
> 2. Harley-Davidson's attempt to negotiate a settlement.
>
> 3. Harley-Davidson's belief that the defendant's were no longer a going concern was reasonable.
>
> 4. During the relevant period, the defendant Harley Rendezvous, was involved in bankruptcy disputes, and that it stood at the brink of financial ruin.

291. *Harley-Davidson*, 1998 WL 344271 at 7.

expansion into the convenient food store market is not a viable excuse and reason for the unreasonable delay. If the court in *Harley-Davidson* found the proffered justifications to be insufficient to provide a viable excuse for delay, then Kellogg's justification has no significant merit as well. The court in *United States Playing Card Co.* indicated actual or constructive knowledge on the part of the plaintiff is a requirement of the equitable doctrine of laches.[292] Exxon's use of the "Whimsical Tiger" in connection with convenience food stores was significantly prevalent to impute both actual and constructive knowledge on to Kellogg. As a result of Kellogg having both actual and constructive knowledge, the court was correct in finding that Kellogg unreasonably delayed in bringing the trademark infringement action against Exxon.

The facts of this case also show Exxon was indeed prejudiced by Kellogg's unreasonable delay in the filing of this present action. The rule on acquiescence is quite clear that delay alone will not by itself bar a plaintiff's suit, but also that the defendant has been prejudiced by the plaintiff's delay.[293] From the facts, there exists no doubt the Exxon was most certainly prejudiced by Kellogg's delay. The court is to be applauded for finding Exxon's prejudice. Exxon has suffered serious economic prejudice by spending and investing millions of dollars in promoting the "Whimsical Tiger" over the last three decades. Just as the court in *NAACP v. NAACP Legal Defense & Education Fund*[294] recognized, lost goodwill developed during the plaintiff's delay constituted prejudice significant enough to bar all relief, the court in Kellogg was correct in deciding that economic prejudice has occurred from the millions Exxon spent in promoting the goodwill of the "Whimsical Tiger" in magazine articles and advertisements (both commercials and clippings). Certainly, over the last three decades, Exxon's investment in its cartoon tiger illustrates the overwhelming public

292. *United States Playing Card Co.*, 119 Ohio.App.3d at 603, 695 N.E.2d at 1201.

293. *See Harley-Davidson*, 1998 WL 344271 at 9; *United States Playing Card Co.*, 119 Ohio.App.3d at 604, 695 N.E.2d at 1201.

294. NAACP v. NAACP Legal Defense & Education Fund, 753 F.2d 131 (D.C. Cir. 1985).

connection between Exxon and the "Whimsical Tiger." In light of existing case law, the court was also correct in holding Exxon suffered prejudice through its inability to defend itself in this lawsuit as a result of Kellogg's unreasonable delay. Relevant document's and witnesses are no longer available to Exxon to use in preparing a defense to this trademark infringement lawsuit. Notions of justice require a defendant be allowed to prepare a valid defense to a legal action, but this would be impossible for Exxon because of destroyed documents and unavailable witnesses. Had Kellogg filed their claim in a timely manner without unreasonable delay, it appears this prejudice would most certainly have been avoided.

Just as the court in *Jabbar-El v. Sullivan*,[295] found the unavailability of witnesses, the destruction of records, and the absence of contemporaneous evidence was clearly prejudicial, Exxon suffered such prejudice in addition to the economic investment building the goodwill of the "Whimsical Tiger." In *Jabbar-El*, the court found an investigating officer on a shooting incident who was no longer employed by a relevant party in the case and was not residing in the state where the action was transpiring, was prejudicial. Exxon's relevant documents and witnesses would also be prejudicial to the extent that Exxon could not prepare an adequate defense to a trademark infringement lawsuit.

In *Harley-Davidson*, it was determined a deceased witness did not prejudice the defendants because the unavailability of the witness did not appear to decrease the ability of the defendant's to vindicate themselves.[296] However, unlike *Harley-Davidson*, Exxon's unavailability of witnesses would have a detrimental

295. Jabbar-El v. Sullivan, 811 F. Supp. 265, 272 (E.D. Mich. 1992). This case involved an inmate who brought a civil rights action against a prison guard, alleging his Eighth Amendment rights were violated when the guard fired a shot during a prison disturbance that nearly struck the inmate.

296. *Harley-Davidson*, 1998 WL 344271 at 10. The relevant issues in dispute involved defendant's intent and the nature and result of the parties negotiations during a time period where another witness would be available to testify to those issues.

effect on Exxon's ability to defend itself, because the relevant time period at issue is over three decades.

B. The Court Was Correct In Deciding that Kellogg Is Not In a Position to Claim Progressive Encroachment to Defeat Exxon's Acquiescence Claim.

Kellogg's claim that Kellogg did not become fully aware of Exxon's alleged infringement until March of 1996 just seems implausible. At the time of the filing of this suit, Exxon had been using its "Whimsical Tiger" in connection with convenience food stores for nearly ten years. Granted, the number of Exxon Tiger Mart Stores increased in number from the period from 1986-1996, but the "Whimsical Tiger" was used to its fullest extent in connection with the Exxon convenience stores already in existence beginning in 1986.[297] In other words, though a fewer number of Exxon convenient stores existed, the use of the "Whimsical Tiger" was used equally throughout these existent stores.[298]

The next main flaw in Kellogg's argument lies in the *SCI* decision where the court held that the plaintiff did not perceive a trademark violation until the defendant had registered a trademark bearing the same mark as the plaintiff and entered into the data processing market of which only the plaintiff was a member for several years. Kellogg was incorrect in using this case as support for its progressive encroachment argument.[299] The court in Kellogg was correct in holding that since the *SCI* court found a defense of laches can be defeated if changes in a mark over years and recent entry into the same market occur, the *SCI* case does not support Kellogg's position because Exxon does not compete directly with or has entered into the same market area as Kellogg.

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297. As mentioned, in 1986 Exxon distributed "Whimsical Tiger" decals and featured the slogan "Welcome to Tiger Mart" for display in Exxon's convenience stores. *Kellogg*, No. 96-3070 G/A at 7.

298. It was not the case for example that one convenience store had a 30% use of the cartoon tiger while another convenience store had a 80% use of the cartoon tiger. All of the stores made full and equal use of the cartoon tiger in connection with Exxon's convenience stores.

299. *Kellogg*, No. 96-3070 G/A at 25.

From a legal standpoint, the court is most certainly correct in holding that Exxon did not encroach upon Kellogg's "Tony the Tiger" mark.[300] Exxon is without a doubt known most primarily for its sale of gasoline, and not its convenience stores. Exxon's Tiger Mart stores obviously sell food (including Kellogg's cereal products), but this point is crucial. Exxon convenience stores are retailers of various food items, not producers. Perhaps if Exxon decided to produce a cereal called "Flakey Frosts" and used its "Whimsical Tiger" in the promotion and sale of such cereal by having a picture of the "Whimsical Tiger" on the box with the words "They're Excellent!", then the court would be correct in allowing a case for alleged trademark violation to go to trail, but those are not the facts. Since Kellogg lacks any significant and viable evidence to support a claim of progressive encroachment, the court in *Kellogg* was correct in its previous holding of acquiescence as a matter of law.

CONCLUSION

The court in *Kellogg Company v. Exxon Corporation* was correct in dismissing Kellogg's claim for trademark infringement. The essential facts and case law support are significantly in favor of the Exxon Corporation on the issue of laches and acquiescence. Due to Kellogg's unreasonable delay and resulting prejudice to Exxon, the court was correct in holding a reasonable trier of fact could not return a verdict for Kellogg on the issue of acquiescence. In addition, Kellogg's progressive encroachment argument lacked sufficient evidence to overcome the holding of acquiescence as a matter of law. Had the facts not pointed to acquiescence on the part of Kellogg, after applying the Polaroid balancing test[301], it is

300. See Prudential Ins. Co. v. Gibralter Financial Corp., 694 F.2d 1150 (9th Cir. 1992) for the proposition that a plaintiff cannot claim progressive encroachment where the defendant did not move into direct competition with the plaintiff and the parties did not offer the same services to any substantial extent, and also that there is no actual confusion of their services had occurred.

301. The *Polaroid* balancing test lists eight factors used by a court in determining the likelihood of confusion in a trademark infringement claim:

1. Strength of the mark;
2. The degree of similarity between the two marks;

possible that genuine issues as of material fact may have existed regarding a possible trademark infringement claim by Kellogg. However, the present issue is left unresolved because of the court's correct holding for summary judgment in favor of Exxon on the issue of acquiescence.

Jack Parrino

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3. The proximity of the products;
4. The likelihood that the plaintiff will bridge the gap between the two products;
5. Actual confusion between the two marks;
6. Defendant's good faith in adopting the masrk;
7. The quality of the defendant's product;
8. The sophistication of buyers.

Jordache Enterprises, Inc., v. Levi Strauss & Co., 841 F. Supp. 506, 515 (S.D.N.Y. 1993).