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Spring 4-21-2020

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### Recommended Citation

Angela Tam, *Scuffed Chucks: Converse's Scuffle, the Federal Circuit's Overstep, and the Court's Stance on Trademark Infringement*, 40 Loy. L.A. Ent. L. Rev. 203 (2020).

Available at: <https://digitalcommons.lmu.edu/elr/vol40/iss2/2>

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# SCUFFED CHUCKS: CONVERSE'S SCUFFLE, THE FEDERAL CIRCUIT'S OVERSTEP, AND THE COURT'S STANCE ON TRADEMARK INFRINGEMENT

*Angela P. Tam*\*

The multi-billion-dollar footwear industry accounts for an enormous portion of the United States economy. Among the top brands, an iconic pair of shoes is the Converse All-Star Chuck Taylor. The rubber shoe company generated a global revenue of nearly \$2 billion in 2019 alone. The consistent popularity of the Chuck Taylors over the last decades has prompted many copycats to try to mimic the company's leading look.

The Federal Circuit recently ruled in a trademark infringement case, *Converse Inc. v. International Trade Commission*. The case followed Converse's complaint against various footwear products, including brands such as Sketchers and New Balance, for the importation and sale of shoes that infringe on its trademark—its classic All-Star shoes design. The Federal Circuit rejected the International Trade Commission's balancing test for finding secondary meaning and reversed the International Trade Commission's holding. In doing so, the Federal Circuit gave its own set of factors for the balancing test for the first time, amidst the numerous tests developed by circuit courts over the years.

Although there should be uniformity across the circuit courts in finding secondary meaning, the Federal Circuit's test should not be followed. The Federal Circuit's ruling comes with implications that can affect the apparel industry and possible resolutions for future controversy. Instead, this Comment proposes a new multi-factor test after exploring the differences between the Federal Circuit's test and the various circuit courts' tests.

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\* J.D. Candidate at Loyola Law School, Los Angeles, 2020. The author would like to thank Professor Shannon Treviño and the *Loyola of Los Angeles Entertainment Law Review*'s staff and editors for their time and assistance in publishing this Comment. Specifically, the author would like to thank Satenik Kirakosyan and Hasmik Hmayakyan for their encouragement throughout the writing process, and Christopher Netniss and Nima Zargari for their dedication and feedback during the production cycle. Additionally, the author would like to give a special thank you to her parents, Schuman and May Tam, for their constant love and support.

In the end, [Chuck] Taylor’s talent for basketball may be less memorable than his talent for sales. After all, the marketing techniques used by today’s athletic-apparel companies . . . were pioneered by Converse, and by Chuck Taylor himself. That may explain why “Chucks” remain a hot-selling shoe . . . “Like Levi’s and Ford Mustangs, Chucks are iconic—they’ll always be cool.”<sup>1</sup>

## I. INTRODUCTION

Searching for that classic streetwear look? Converse’s All-Star Chuck Taylor shoes have provided that look for multiple generations of consumers. From the 1980’s shoppers looking to channel their inner Ally Sheedy in “The Breakfast Club” or Michael J. Fox in “Back to the Future,” to millennial and gen-z shoppers influenced by “Forever Chuck” campaigns that are endorsed by “Stranger Things” actress Millie Bobby Brown.<sup>2</sup> This pair of shoes has promulgated its way through mainstream media enough to have a website dedicated to tracking its appearances on the big screen.<sup>3</sup> Converse even caters to shoppers looking for a “newer” version of the classic Chuck Taylors

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1. Scott Freeman, *The Shoes Make the Man*, INDIANAPOLIS MONTHLY, Apr. 2006, at 1, 32 (quoting ABRAHAM AAMIDOR, CHUCK TAYLOR, ALL STAR: THE TRUE STORY OF THE MAN BEHIND THE MOST FAMOUS ATHLETIC SHOE IN HISTORY (2017)).

2. See Ann-Christine Diaz, *Converse’s Dramatic ‘Forever Chuck’ Finale Passes Baton to New Army of Cultural Heroes*, ADAGE (Mar. 9, 2017), <https://adage.com/creativity/work/forever-chuck-finale/51221> [<https://perma.cc/M33U-8XQH>]; *Stranger Things’ Millie Bobby Brown Explores the History of Chuck Taylors in Film*, COMPLEX (Feb. 13, 2017), <https://www.complex.com/sneakers/2017/02/stranger-things-eleven-millie-bobby-brown-chucks-in-film-converse-chuck-taylor> [<https://perma.cc/V755-SXEX>].

3. *The Chuck Taylor in Films*, THE CHUCKS CONNECTION, <https://www.chucksconnection.com/films.html#S> [<https://perma.cc/7UJQ-YB44>].

by releasing revamped models, including the Converse Renew series,<sup>4</sup> the Converse Chuck Taylor 100 Logo Embroidery,<sup>5</sup> and the All-Star Pro BB.<sup>6</sup>

Today, shoppers looking for that classic streetwear look will discover that Chuck Taylors are not the only shoes that surface on the Internet or fill up shelf space in stores: shoppers can stumble upon Skechers' Bobs Lo-Topia<sup>7</sup> or Utopio-Jet Set.<sup>8</sup> The look of these Skechers shoes are reminiscent of Converse and are cheaper to boost,<sup>9</sup> which makes Skechers an appealing alternative purchase to Converse. As shoppers continue to search for footwear embodying the classic basketball shoes, familiar silhouettes made by other companies can turn up.<sup>10</sup> Next thing Converse knows, it has to fight to protect its iconic look from designs that can claim to be "inspired" by the Chuck Taylors.

This scenario is a familiar issue the apparel industry constantly faces. Trademark<sup>11</sup> protection and the strategy for finding infringement has played an important role in the apparel business, as well as many other businesses. Apparel industry brands try to keep themselves recognizable while balancing

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4. Nick Compton, *Converse's new Trainers are made from 11 Plastic Bottles per pair*, WIRED (June 26, 2019), <https://www.wired.co.uk/article/recycled-converse-renew-chuck-taylor-all-star> [<https://perma.cc/8MHJ-EXUE>].

5. Ross Dwyer, *Converse Adds Giant Script Logos Onto The Chuck Taylor*, SNEAKER NEWS (September 1, 2019), <https://sneakernews.com/2019/09/01/converse-chuck-taylor-script-logo-release-info/> [<https://perma.cc/A9TN-6KY7>].

6. Cam Wolf, *How Converse Used its History to Create the Basketball Shoe of the Future*, GQ (April 17, 2019), <https://www.gq.com/story/converse-all-star-pro-bb> [<https://perma.cc/77ND-G6FE>].

7. *Skechers Bobs Lo-Topia*, SKECHERS, <https://www.skechers.com/en-us/style/33916/skechers-bobs-lo-topia/nvy> [<https://perma.cc/R59H-UNTH>].

8. *Skechers Utopia*, SKECHERS, <https://www.skechers.com/en-us/style/767/utopia-jet-set/wh#> [<https://perma.cc/EG9Z-7RWE>].

9. *Compare Skechers Bobs Lo-Topia, supra note 7, with Chuck Taylor All Star*, CONVERSE, <https://www.converse.com/shop/chuck-taylor-all-star-shoes> [<https://perma.cc/7SNM-J35A>].

10. Gavin Yeung, *10 Sneakers Inspired by the Converse Chuck Taylor All-Stars*, HYPEBEAST (August 5, 2015), <https://hypebeast.com/2015/8/10-sneakers-inspired-by-the-converse-chuck-taylor-all-stars> [<https://perma.cc/CPD8-3K37>].

11. 15 U.S.C. § 1127 (2019) (defining a trademark as "any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.").

to keep up with trends. These brands do so to remain relevant and marketable. This can especially be true with apparel involving footwear, where styles can overlap. Trademarks for shoes “represent the goodwill and reputation of the shoe as a product and its source,” the brand.<sup>12</sup> For example, Nike owns a registered trademark of the “Nike swoosh,”<sup>13</sup> and Christian Louboutin has trade dress<sup>14</sup> rights on its specific red-colored soles, both of which prevent others from using those trademarks.<sup>15</sup> Trademark rights allow business owners and designers to have time to market new designs, increase popularity, and sell products as proprietors.<sup>16</sup> At the same time, trademark rights help keep competition apart.<sup>17</sup> Additionally, with long-term exclusivity in that trademark, trademark rights allow for iconic designs to survive the short-term trends.<sup>18</sup>

This Comment addresses the Federal Circuit’s recent ruling in *Converse, Inc. v. International Trade Commission* (“*Converse*”) regarding trademark infringement of Converse’s Chuck Taylors shoes.<sup>19</sup> First, this Comment identifies concerns with the Court’s assessment of the factors weighed to determine the existence of secondary meaning.<sup>20</sup> Second, this Comment

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12. Jonathan Hyman et al., *If the IP Fits, Wear It: IP Protection for Footwear - A U.S. Perspective*, 108 TRADEMARK REP. 645, 658 (2018).

13. SWOOSH DESIGN, Registration No. 1,323,343.

14. A trade dress is a subcategory of a trademark. It refers to packaging designs or the design of a good that has gained secondary meaning in the marketplace, identifying the design to a particular source and not merely an ornamental aspect of the good. *See* Wal-Mart Stores v. Samara Brothers, Inc., 529 U.S. 205, 209–14 (2000); Abercrombie & Fitch Stores v. American Eagle Outfitters, 280 F.3d 619, 629 (6th Cir. 2002).

15. Hyman et al., *supra* note 12, at 648, 659.

16. *Id.* at 649.

17. *Id.* at 649, 658.

18. *Id.*

19. *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110 (Fed. Cir. 2018).

20. A mark acquires secondary meaning when it is recognized by consumers in connection with the producer or manufacturer of the product. *Parks LLC v. Tyson Foods, Inc.*, 863 F.3d 220, 231 (3d Cir. 2017) (citation omitted) (noting that secondary meaning is generally “established through extensive advertising which creates in the minds of consumers an association between the mark and the provider of the [products or] services advertised under the mark.”); *see also* Test Masters Educ. Servs., Inc. v. Robin Singh Educ. Servs., Inc., 799 F.3d 437, 445 (5th Cir. 2015)

discusses the problems associated with federal jurisdiction over trademark claims. Currently, “the Federal Circuit has appellate jurisdiction over [certain] trademark issues,” but it defers to regional circuits on ancillary trademark claims.<sup>21</sup> Absent exclusive jurisdiction, deferring to regional circuits produces different standards, which leads to increasing inconsistencies between the circuits regarding trademark law claims.<sup>22</sup>

This Comment argues for a set standard to find trademark infringement. The proposed standard would (1) strengthen consumer protection to balance out the increase in trademark-holder protection, and (2) encourage fair competition, which would concurrently lend more certainty to businesses and their brands. Additionally, in contrast to the Federal Circuit’s ruling, this Comment argues for courts to continue distinguishing between priority use under common law and the validity of a registered mark.<sup>23</sup> Moreover, when determining priority of use, before courts require a mark user to show that an allegedly infringing mark has secondary meaning, courts should consider when the use of the mark began.

Part II of this Comment discusses the current standards required to establish trademark infringement with an emphasis on how distinctiveness and priority of use come into play. This Part also briefly explains theories of consumer-protection and trademark-holder-protection within trademark law. Part III looks at the *Converse*<sup>24</sup> case and focuses on the United States International Trade Commission’s (ITC) evaluation and the Federal Circuit’s ruling, as well as the significance of the dissent. Next, Part IV discusses the

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(citation omitted) (explaining that “[s]econdary meaning occurs when, in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.”). See *infra* Part II, Section A(1).

21. These issues include: “(1) appeals from the Trademark Trials and Appeal Board (TTAB), (2) appeals from the ITC in cases that deal with imported goods that allegedly infringe a trademark, and (3) appeals with ancillary jurisdiction of a trademark claim that arises from a patent claim.” Gilbert T. Smolenski and Matthew M. Welch, *Comment: The Call for Consistency—the Case for the Federal Circuit to Have Exclusive Jurisdiction for Trademark Matters*, 19 U.C. DAVIS BUS. L.J. 95, 101–02 (2018).

22. *Id.* at 103.

23. Generally, a first in time principle is used to determine which mark user has “priority of use.” This principle looks to who first used the mark to determine who had priority use. See *Bell v. Streetwise Records, Ltd.*, 640 F. Supp. 575, 579–80 (D. Mass. 1986). See *infra* Part II, Section A(2).

24. *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110 (Fed. Cir. 2018).

varying multi-factored tests across the circuit courts, and the Federal Circuit's divergence from the existing tests to find secondary meaning. Part V confronts the implications of the Federal Circuit's decision in *Converse*, what improvements could be made to determine secondary meaning, and the impact of how the Federal Circuit addressed priority of use of a common law trade dress. Finally, Part VI discusses the potential impact on the footwear industry and possibly even the apparel industry.

## II. ESTABLISHING A TRADEMARK INFRINGEMENT CLAIM

A trademark is “any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”<sup>25</sup> For shoes, trade dress—a subcategory of trademarks—can refer to shoe packaging designs or shoe designs, including components or elements of a shoe's design, that gain secondary meaning in the marketplace.<sup>26</sup> Secondary meaning in the marketplace occurs when a shoe packaging design or shoe design identifies that design to a particular source, and is not merely ornamental.<sup>27</sup> For example, and in addition to the previously mentioned Nike and Louboutin trade dresses, in *PUMA SE v. Forever 21, Inc.*,<sup>28</sup> Puma accused Forever 21 of trade dress infringement based on Puma's three Fenty-collaboration shoe designs.<sup>29</sup> The court in *PUMA SE* found that Puma's trade dress was sufficiently particular enough in identifying the source to Puma's Fenty Shoes, and had thus gained secondary meaning in the marketplace.<sup>30</sup>

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25. 15 U.S.C. § 1127 (2019).

26. See *infra* Part II, Section A(1). See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 211–14, (2000); see also *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619, 637 (6th Cir. 2002).

27. See *infra* Part II, Section A(1). See *Wal-Mart Stores, Inc.*, 529 U.S. at 211–14; *Abercrombie & Fitch Stores, Inc.*, 280 F.3d at 643–44.

28. *Puma SE v. Forever 21, Inc.*, No. CV17-2523 PSG Ex, 2017 WL 4771004 (C.D. Cal. June 29, 2017).

29. *Puma*, 2017 WL 4771004 at \*1; Jessica Cohen-Nowak, *Puma SE v. Forever 21, Inc.: Puma's Fenty Slides May Not Have the Traction for the Uphill Battle against Forever 21*, 107 TRADEMARK REP. 1238, 1242–46 (2017) (describing the “Creep Sneaker,” the “Fur Slide,” and the “Bow Slide”).

30. *Puma*, 2017 WL 4771004 at \*5. The Puma court ultimately dismissed the trade dress cause of action because Puma failed to adequately plead the nonfunctional prong of finding trade

The Trademark Act of 1946, commonly referred to as the Lanham Act, provides trademark owners of a registered or unregistered mark a right of civil action for infringement.<sup>31</sup> In other words, trademark protection can come through a federally registered mark or through common law. It is not mandatory for a mark to get federal registration under the United States Patent & Trademark Office (USPTO).<sup>32</sup> However, if a mark is federally registered, it is presumed to be valid, and the registrant is presumed to have the exclusive right to use the trademark throughout the United States.<sup>33</sup> A registered mark also allows for: 1) notice to the public of that ownership because the registered mark is readily revealed in trademark clearance searches; 2) exclusive right to use that mark in connection with the goods and/or services listed in the registration; 3) blocks on confusingly similar marks from registering; and 4) registration with Customs and Border Patrol to help block the importation of counterfeit goods.<sup>34</sup>

Owners who have an unregistered mark, on the other hand, have common law rights only in areas of commerce which are known by consumers.<sup>35</sup> An unregistered mark provides limited protection compared to a federally registered mark. Consider the following illustration: a junior user in a remote region used the mark after the first use by a senior user, and adopted the mark

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dress infringement; however, Puma's amended complaint does seem to adequately plead both prongs needed. *See Puma v. Forever 21, Inc.*, No. 2:17-cv-02523-PSG-E, 2017 WL 6817592 (C.D. Cal. July 12, 2017).

31. 15 U.S.C. § 1125(a) (2019).

32. U.S. PATENT & TRADEMARK OFFICE, PROTECTING YOUR TRADEMARK 10 (2019), <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf> [<https://perma.cc/74K9-4LJJ>].

33. 15 U.S.C. § 1115(a) (2019) (“Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b), which might have been asserted if such mark had not been registered.”).

34. *See* 15 U.S.C. § 1057(c)(1) (2019); 15 U.S.C. § 1115; *Trademark Basics*, USPTO, <https://www.uspto.gov/trademarks-getting-started/trademark-basics><https://www.uspto.gov/trademarks-getting-started/trademark-basics> [<https://perma.cc/ZC4B-RSZZ>]; Hyman et al., *supra* note 12, at 659.

35. 15 U.S.C. § 1125(a).



in good faith.<sup>36</sup> In such a case, the senior user would not be able to claim priority in that remote region, and it would be difficult for the senior user to claim the other user infringed on their mark.<sup>37</sup>

*A. Finding Trademark Validity and Infringement before Converse, Inc. v. International Trade Commission*

In the United States, “use in commerce” helps establish trademark rights.<sup>38</sup> Under common law, use of the mark in the marketplace helps establish protection for unregistered marks, but the mark “may be limited only to those geographic areas where [it] is used.”<sup>39</sup> In addition to use in commerce, the distinctiveness of the mark can also help determine the mark’s protectability.<sup>40</sup> In certain cases, such as with smaller brands, a company may consider only establishing common law rights instead of federal registration. This may be because they do not have the economic resources to go through the application process and then continue to maintain their registration after filing.

To find trademark infringement on another user’s mark, there must be a valid, protectable mark and likelihood of confusion.<sup>41</sup> In addition, with respect to trade dress infringement, the mark must also be nonfunctional.<sup>42</sup> Under the Lanham Act:

Any person who shall . . . use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale . . . , distribution or advertising of any

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36. Katherine Hunziker, *The Good Faith, the Bad Faith and the Ugly*, 100 J. PAT. & TRADEMARK OFF. SOC’Y 671, 678 (2019) (citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1918)).

37. *Id.*

38. Hyman et al., *supra* note 12, at 659.

39. *Id.*

40. *Id.* at 662.

41. 15 U.S.C. §1114 (2019).

42. U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURES § 1202.02(a)(v) (Oct. 2018); Sabrina Rodrigues, *Say “Yes” To The [Trade] Dress: A Comment On Trade Dress Protection For The “Look And Feel” Of Lifestyle Blogs*, 53 WAKE FOREST L. REV. 1005, 1020 (2018).

goods or services on or in connection with such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in civil action . . . .<sup>43</sup>

In plain terms, key requirements for an infringement claim include: 1) the complainant has a valid and protectable mark, as previously described; 2) the complainant owns the mark; and 3) the use must be likely to cause confusion, mistake or to deceive as to source, sponsorship or affiliation.<sup>44</sup> The issues in this comment specifically focus on distinctiveness and priority use.

### 1. Distinctiveness and Secondary Meaning

Unlike word marks and product-packaging trade dress, product-design trade dress are not inherently distinctive.<sup>45</sup> Instead, for a mark to be capable of being a protectable trade dress, the user must show that the mark acquired secondary meaning.<sup>46</sup> Secondary meaning occurs when, “in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.”<sup>47</sup> For example, in *Qualitex Co. v. Jacobson Prod. Co.*, customers identified Qualitex as the source of green-gold colored press pads, and the Supreme Court held the green-gold color as a symbol that had secondary meaning.<sup>48</sup>

Over the years, courts have developed varying multi-factor tests, which will be discussed in greater depth in Part IV.<sup>49</sup> Whether a claimed mark has

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43. 15 U.S.C. §1114.

44. *Id.*

45. *Igloo Products Corp. v. Brantex, Inc.*, 202 F.3d 814, 816 (5th Cir. 2000).

46. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 210–11, 216 (2000).

47. *Id.* at 211 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

48. *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159, 166 (1995).

49. *Igloo Products Corp.*, 202 F.3d at 817–18; see *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 20 (1st Cir. 2004); *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 226 (2d Cir. 2012); *Parks LLC v. Tyson Foods, Inc.*, 863 F.3d 220, 231 (3d Cir. 2017); *Scott Paper Co. v. Scott’s Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978); *Grayson O Co. v. Agadir Int’l LLC*, 856 F.3d 307, 316 (4th Cir. 2017); *Test Masters Educ. Servs., Inc. v. Robin Singh Educ. Servs., Inc.*, 799 F.3d 437, 445 (5th Cir. 2015); *Marketing Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 937 (6th Cir. 1999); *Gen. Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 418 (6th Cir. 2006); *Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1085 (7th Cir. 1988) (citation omitted); *Platinum Home Mortg. Corp. v. Platinum Fin. Grp., Inc.*, 149 F.3d

obtained a secondary meaning is a question of fact to be determined by a jury.<sup>50</sup>

## 2. Priority of Use in Common Law Versus Validity of a Registered Mark

Under common law, the general principle is a first in time principle—this looks at who first used the mark in order to determine which user had priority use.<sup>51</sup> Use of a mark must rise to the level of use in commerce in order for the owner to assert a protectable interest in the trademark.<sup>52</sup> “Use in commerce” would be the using of a mark in the “ordinary course of trade, and not made merely to reserve a right in a mark.”<sup>53</sup> The Lanham Act deems a mark to be in use in commerce on goods when:

[I]t is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods on their sale, and . . . the goods are sold or transported in commerce . . . .<sup>54</sup>

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722, 728, 732 (7th Cir. 1998); *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 991 (9th Cir. 2006); *Forney Indus., Inc. v. Daco of Mo., Inc.*, 835 F.3d 1238, 1253 (10th Cir. 2016); *FN Herstal SA v. Clyde Armory, Inc.*, 838 F.3d 1071, 1083–84 (11th Cir. 2016).

50. *Igloo Products Corp.*, 202 F.3d at 818.

51. *Bell v. Streetwise Records, Ltd.*, 640 F. Supp. 575, 579–80 (D. Mass. 1986).

52. 15 U.S.C. § 1127 (2019) (defining commerce and stating “the intent of this chapter is to regulate commerce within the control of Congress . . . .”); Danielle Crinnion, *Get Your Own Street Cred: An Argument for Trademark Protection for Street Art*, 58 B.C. L. REV. 257, 267 (2019) (stating that under the Lanham Act, “use is established through the sale or transportation of goods or services,” and “commerce” refers to activities regulated under the Commerce Clause). *But see* *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265 (5th Cir. 1975) (noting uses such as internal transactions—for example, focus groups or beta versions—to test out sales do not constitute use in commerce).

53. 15 U.S.C. § 1127 (2019); *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 1198 (11th Cir. 2001) (noting that what constitutes “ordinary course of trade” varies from each industry—the frequency and extent of trade sufficient to establish use is based on a particular industry’s customary practices).

54. 15 U.S.C. § 1127.

If a mark is adopted by a user in a region, without knowledge of the registered user's prior use, and this junior user shows that he or she continuously used the mark since a date prior to the issuance of the senior user's registration, then the junior user can continue to use the mark.<sup>55</sup>

This differs from the concept of priority for a registered mark. A federal trademark registration gives a legal presumption of ownership on the mark.<sup>56</sup> Additionally, a registered trademark gives nationwide priority and rights, a set priority date, incontestability, notice to potential infringers, and from that, evidentiary advantages and protection against counterfeiting, as well as import blocking.<sup>57</sup> Although an owner registering their mark submits a set date, priority use of the owner or another owner in dispute could come before or after that.<sup>58</sup> If priority use was before the set date, it would consist of having used the mark before registration. If priority use was after the set date, it would consist of the registering owner not using the mark despite having registered it for a long period of time.<sup>59</sup>

### *B. Protection for Consumers Versus Trademark-Holders within Trademark Law*

The purpose of enacting the Lanham Act, as considered and agreed to by Congress, was to create “remedies for brand owners suffering from trademark infringement” and to help “consumers by reducing confusingly similar products in the marketplace.”<sup>60</sup> Another goal that can be interpreted from the report is to provide recourse for bad faith actions while leaving room for marketplace competition.<sup>61</sup>

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55. 15 U.S.C. § 1115(b)(5) (2012); *Thrifty Rent-A-Car Sys., Inc. v. Thrift Cars, Inc.*, 831 F.2d 1177, 1182–83 (1st Cir. 1987).

56. PROTECTING YOUR TRADEMARK, *supra* note 32, at 11.

57. *Id.* at 11, 14.

58. William Jay Gross, *The Territorial Scope of Trademark Rights*, 44 U. MIAMI L. REV. 1075, 1077 n.14 (1990).

59. *See id.*; *see also* PROTECTING YOUR TRADEMARK, *supra* note 32, at 14; *see also* M.Z. Berger & Co. v. Swatch AG, 787 F.3d 1368, 1372 (Fed. Cir. 2015).

60. S. Res. 542, 114th Cong. (2016) (enacted).

61. *See id.*

Scholars have long deliberated over who should get the benefits from a protected mark—the consumer or the trademark holder.<sup>62</sup> Standards to determine trademark infringement have typically tipped the scale in favor of one or the other.<sup>63</sup> Protecting consumers from confusion can include assuring consistent, quality products and reducing consumer search costs.<sup>64</sup> A consumer protection focus emphasizes that trademark laws and the law of unfair competition are concerned with not only the protection of property rights existing in an individual, but also the protection of the public from fraud and deceit.<sup>65</sup>

On the opposing end, a trademark holder notes that Congress's purpose in enacting the Lanham Act section 43(a) was to create a limited unfair competition remedy, virtually without regard for the interests of consumers, and almost certainly without any consideration of consumer rights of action in particular.<sup>66</sup> As defined in section 45, the Lanham Act's purpose is to exclusively protect the interests of a purely commercial class against unscrupulous commercial conduct.<sup>67</sup> Having a standard focused on the trademark holders would incentivize them to go into business, protect their profit, protect them from free-riders, and protect their goodwill.<sup>68</sup>

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62. See, e.g., Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1844–49 (2007) (discussing the development of various theories).

63. See *supra* Part V.

64. William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 268–70 (1987); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 466–67 (2005).

65. McKenna, *supra* note 62, at 1847–48, 1858–63.

66. *Id.* at 1869.

67. 15 U.S.C. § 1127 (2019) (“The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.”).

68. See generally McKenna, *supra* note 62, at 1845 n.13, 1846 n.14, 1855, 1859–60.

### C. *Theory Behind Consumer Protection and Trademark Holder Protection*

The Trademark Act of 1946 was enacted to provide federal courts with a statutory framework to address disputes on trademark infringement and unfair competition.<sup>69</sup> The Trademark Act was later amended in 1988 to update it to present-day business practices.<sup>70</sup>

When the Trademark Act of 1946 was enacted, Congress continued to use the scope and limitations of the common law prior to 1946 and did not take on trademark protections as it has expanded to today.<sup>71</sup> Before and after 1946, courts “expanded the subject matter and scope of trademark protection by systematically overturning Congress’s . . . judgment on the proper scope and limits of trademark protection.”<sup>72</sup> As a result, the circuit courts’ “judicial expansion in trademark protection hurts consumers and reduces social welfare.”<sup>73</sup> Social welfare consists of the welfare of producers and consumers in the marketplace; when producers and consumers have a maximized aggregate surplus of welfare, then social welfare is maximized.<sup>74</sup> The level of competition in a market shifts the surplus between consumers and producers.<sup>75</sup> A higher level of competition maximizes consumer surplus, which maximizes social welfare.<sup>76</sup> On the other hand, monopolies reduce consumer

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69. See, e.g., *Joshua Meier Co. v. Albany Novelty Mfg. Co.*, 236 F.2d 144, 147 (2d Cir. 1956); *Chamberlain v. Columbia Pictures Corp.*, 186 F.2d 923, 924 (9th Cir. 1951).

70. See Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 1883, 102 Stat. 3935 (1988); see also *Hearing on S. 1883 Before the S. Subcomm. on Patents, Copyrights, and Trademarks of the Comm. on the Judiciary*, 100th Cong. 1–2 (1988) (statement of Sen. Hon. Dennis DeConcini, Chairman of the S. Subcomm. on Patents, Copyrights, and Trademarks, Comm. on the Judiciary).

71. Glynn S. Lunney, Jr., *Trademark’s Judicial De-Evolution: Why Courts Get Trademark Cases Wrong Repeatedly*, 106 CALIF. L. REV. 1195, 1207 (2018).

72. *Id.* at 1207–08.

73. *Id.* at 1222.

74. See, e.g., JEAN TIROLE, *THE THEORY OF INDUSTRIAL ORGANIZATION* 11, 67 (1998); Lunney, *supra* note 71, at 1222–23.

75. See, e.g., TIROLE, *supra* note 74, at 65–76; Lunney, *supra* note 71, at 1222–23.

76. See, e.g., TIROLE, *supra* note 74, at 65–76; Lunney, *supra* note 71, at 1222–23.

surplus and thus reduce social welfare.<sup>77</sup> A trademark decision can affect competition in the marketplace, and in turn, court decisions will affect social welfare.<sup>78</sup> Courts striving to maximize social welfare should, therefore, not expand trademark protection and instead loosen the standard for infringement. This would increase competition and thus increase the protection of consumers.<sup>79</sup>

### III. THE CONVERSE CONTROVERSY

On September 10, 2013, Converse was issued a registered trademark for the trade dress of the three design elements that were configured on Converse's All Star shoes.<sup>80</sup> "The mark consists of the design of the two stripes on the midsole of the shoe, the design of the toe cap, the design of the multi-layered toe bumper featuring diamonds and line patterns, and the relative

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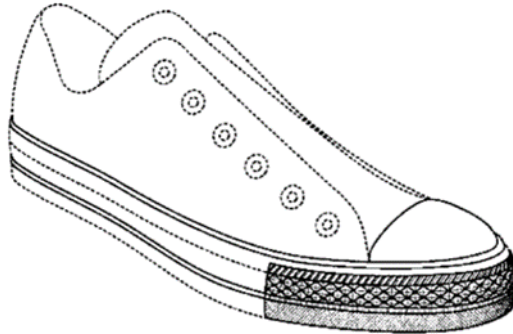
77. See, e.g., TIROLE, *supra* note 74, at 65–76; Lunney, *supra* note 71, at 1222–23.

78. See Lunney, *supra* note 71, at 1222–23.

79. See, e.g., *id.* at 1222–23 (explaining that "[i]n the marketplace, social welfare is the aggregate welfare of the market participants. Thus, social welfare is maximized when the sum of producer and consumer welfare in that marketplace is maximized. If we use producer and consumer 'surplus'-defined as the economic benefit captured in excess of marginal cost—as a measure of that welfare, then social welfare is maximized when the total surplus to the producers and consumers in a given market is maximized. In a perfectly competitive market, competition drives prices down to the marginal cost of production. In such a competitive market, producers that are more efficient than the marginal producer earn some surplus, but consumers capture the vast majority of the available surplus. By restricting competition, policy makers can increase prices in the market and thereby shift some of the surplus from consumers to producers. But shifting surplus from consumers to producers does not merely redistribute wealth. To shift surplus from consumers to producers requires raising prices, and raising prices inevitably imposes some degree of deadweight loss, as some consumers will be unable to afford the higher prices. As a result, to increase producer surplus by any given amount, we must transfer at least that much surplus from consumers *and* reduce consumer surplus yet further as a result of the deadweight losses higher prices impose. Moreover, when the prospect of producer surplus appears, producers may spend real resources competing to capture it. Such rent-seeking expenditures can convert what would have been surplus into cost. For that reason, maximizing total surplus in a market requires maximizing consumer surplus in the market.").

80. CONVERSE TRADE DRESS, Registration No. 4,398,753; see also Certain Footwear Products, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936, 10–11 (Nov. 17, 2015).

position of these elements to each other.”<sup>81</sup> Figure 1 depicts the registered mark.<sup>82</sup>



**Figure 1.** Converse’s Registered Mark.

Converse filed a complaint to the ITC<sup>83</sup> on October 14, 2014, alleging that various footwear products violated Section 337 of the Tariff Act of 1930 (“Section 337”).<sup>84</sup> Converse claimed a Section 337 violation by “the importation into the United States, the sale for importation, and the sale within the United States after importation of shoes that infringe its trademark.”<sup>85</sup> It further alleged violations based on “unfair competition . . . , common law trademark infringement and unfair competition, and trademark dilution, the threat or effect of which is to destroy or substantially injure an industry in

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81. CONVERSE TRADE DRESS, *supra* note 80.

82. *Id.*







83. A federal agency that has authority under Section 337 of the Tariff Act of 1930 to issue “exclusion orders,” which prevent the importation of products that are infringing United States IP rights, and can also be used to prevent importation of products that are found to result in unfair competition such as misappropriation of trade secrets, common law trademark infringement, trade dress infringement, or other business torts. 19 U.S.C. § 1337 (2006).

84. *Id.*

85. *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1114 (Fed. Cir. 2018).












the United States.”<sup>86</sup> Figures 2–5 depict the active respondents’ contested footwear products at issue.<sup>87</sup>

Shoe Model Name	Image of Shoe	Shoe Model Name	Image of Shoe
Bob’s Utopia Low		Twinkle Toes Shuffles Wild Spark	
Bob’s Utopia Skyline High		Hydee Hytop – Gimme Starry Skies	
Twinkle Toes Shuffles Street-foot (Blue)		Daddy’S Money – Gimme Lone Star	









**Figure 2.** Skechers U.S.A., Inc.’s Allegedly Infringing Footwear Products.

86. Certain Footwear Products, Notice of a Commission Decision to Remand, USITC Inv. No. 338-TA-936, 1 (Apr. 9, 2019).






87. Certain Footwear Products, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936, 5–8 (Nov. 17, 2015).

Shoe Model Name	Image of Shoe	Shoe Model Name	Image of Shoe
Faded Glory – Men’s Stinson		Faded Glory – Boy’s Captop Lace-Up Sneaker	
Faded Glory – Fire Truck		Boy’s Canvas Lace Up Classic Sneaker	
Faded Glory – Girls Star Daze		Garanimals Toddler Boy’s Canvas Sneaker	
Faded Glory – Girl’s Canvas Toe Cap Sneaker		US Polo Assn Paddock Le Mens Canvas SneakerShoes	
Garanimals Toddler Girl’s Canvas Sneaker with Toe Cap		Airspeed Girl’s High Top Skate Sneaker	

**Figure 3.** Walmart Stores, Inc.’s Allegedly Infringing Footwear Products.

Shoe Model Name	Image of Shoe	Shoe Model Name	Image of Shoe
Fanta		Vicky	
Ginger		Virgo	
Venus		Volcan	
Veronbis		Volt	

**Figure 4.** Highline United LLC’s Allegedly Infringing Footwear Products.

Shoe Model Name	Image of Shoe	Shoe Model Name	Image of Shoe
Center Hi		Bob Cousy Lo	
Center Lo		Sum Fun Hi	
Bob Cousy Hi			

**Figure 5.** New Balance Athletic Shoe, Inc.’s Allegedly Infringing Footwear Products.

Converse claimed validity of the mark through its registration.<sup>88</sup> The company also claimed trade dress protection through common law rights before registration because of its use of the design since 1932.<sup>89</sup> Converse asserted its early use of the design allowed the mark to acquire secondary meaning.<sup>90</sup> Respondents disputed this, claiming Converse’s use was not substantially exclusive, as shown by a survey that concluded “consumers did not associate the Converse mark with a single source.”<sup>91</sup>

88. *Converse, Inc.*, 909 F.3d at 1118.

89. *Id.* at 1114; Trademark/Trade Dress Infringement, 31 BUS. TORTS REP. 66, 67 (2019).

90. *Converse, Inc.*, 909 F.3d at 1114.

91. *Id.*

### A. *The ITC's Determination*

On November 17, 2014, the ITC began its investigation.<sup>92</sup> The ITC administrative law judge (“ALJ”) issued a final initial determination on November 17, 2015.<sup>93</sup> During the investigation, several “respondents settled, were found in default, or were terminated from the investigation.”<sup>94</sup> By the time of the issuance of the initial determination, twenty-three respondents settled with Converse or moved to terminate, leaving only nine of the total thirty-two respondents in the case (five of which had defaulted).<sup>95</sup> Active respondents, or those who had intervened before the ALJ’s final initial determination included Skechers U.S.A., Inc., Walmart Stores, Inc., HU Liquidation, LLC, f.k.a. Highline United LLC, and New Balance Athletics, Inc, f.k.a. New Balance Athletic Shoe, Inc.<sup>96</sup>

The ITC and the ALJ treated the claim as two separate marks at issue: a common law mark and a registered mark.<sup>97</sup> The ALJ found a violation of Section 337 as to the registered trademark, but not as to the asserted common law trademark because the ALJ determined that secondary meaning was not acquired.<sup>98</sup> In the assessment of secondary meaning, the ITC considered direct and circumstantial evidence including:

- (1) the degree and manner of use; (2) the exclusivity of use; (3) the length of use; (4) the degree and manner of sales, advertising and promotional activities; (5) the effectiveness of the effort to create secondary meaning; (6) the evidence of deliberate copying;

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92. Certain Footwear Products, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936, 1 (Nov. 17, 2015).

93. *Id.*

94. *Id.*

95. *Id.*; *Converse, Inc.*, 909 F.3d at 1130.

96. Certain Footwear Products, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936, 5–8 (Nov. 17, 2015).

97. Certain Footwear Prod. Notice; Issuance of Gen. Exclusion Order; Termination of the Investigation, USITC Inv. No. 337-TA-936 (June 23, 2016).

98. Certain Footwear Products, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936, 130–32 (Nov. 17, 2015).

and (7) the evidence that actual purchasers associate the trade dress with a particular source.<sup>99</sup>

The ALJ weighed the factors and “found that four of them weighed in favor of secondary meaning, one factor weighed against, and two were neutral.”<sup>100</sup> The one that weighed against finding secondary meaning was “the evidence that actual purchasers associate the trade dress with a particular source,” which uses survey evidence that the ITC considers to be the “strongest and most relevant” evidence.<sup>101</sup> By relying on the presumption of secondary meaning afforded to a registered mark, the ALJ found the registered mark was not invalid.<sup>102</sup> On the other hand, the ALJ found that the common law mark had not established secondary meaning because Converse could not overcome the factor for providing “evidence that actual purchasers associate the trade dress with a particular source,” but acknowledged that the mark could have been infringed if it acquired secondary meaning or was a valid and protectable trademark.<sup>103</sup>

On June 23, 2016, the ITC reversed the ALJ’s finding that the registered mark was valid.<sup>104</sup> The ITC found that the registered mark was invalid

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99. *Id.* at 15.

100. *Id.* at 16, 56 (stating that the “Commission relies upon eight factors in determining the credibility and reliability of surveys” as evidence of actual purchasers associating the trade dress with a particular source: “(1) Examination of the proper universe; (2) a representative sample drawn from the proper universe; (3) a correct mode of questioning interviewees; (4) recognized experts conducting the survey; (5) accurate reporting of data gathered; (6) sample design, questionnaire, and interviewing in accordance with generally accepted standards of objective procedures and statistics in the field of surveys; (7) sample design and interviews conducted independently of the attorneys; and (8) the interviewers, trained in this field, have no knowledge of the litigation or the purpose for which the survey is to be used.”).

101. *Id.* at 16–36, 56–57 (stating that the ITC used only Butler’s survey because it found issues with the other studies submitted; the survey provided that twenty-one-point-five percent of consumers associated the design with the brand, which the ALJ determined is insufficient to establish secondary meaning).

102. *Id.* at 56–57; *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1114 (Fed. Cir. 2018).

103. *Certain Footwear Prod., Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, USITC Inv. No. 337-TA-936*, 36, 56–57 (Nov. 17, 2015).

104. *Certain Footwear Prod. Notice; Issuance of Gen. Exclusion Order; Termination of the Investigation, USITC Inv. No. 337-TA-936*, 42379 (June 23, 2016); *Converse, Inc.*, 909 F.3d at 1114–15.

because it failed to acquire secondary meaning when the factors in the balancing test weighed against finding secondary meaning.<sup>105</sup> However, the ITC affirmed the ALJ's finding that the common law mark had not acquired secondary meaning; it noted that if either trademark had been found to be valid or protectable, then the mark would have been infringed.<sup>106</sup>

### *B. Vacated and Remanded by the Federal Circuit*

Converse timely appealed after the ITC's June 2016 determination, urging the United States Court of Appeals for the Federal Circuit to reverse the ITC's determination.<sup>107</sup> Converse argued that if the Federal Circuit did not reverse, that determination would "destroy an iconic American brand and reward copiers."<sup>108</sup> On October 30, 2018, the Federal Circuit court found that the ITC erred in its legal standard for review in the following ways.<sup>109</sup>

First, the Federal Circuit found that the ITC should have distinguished between those who allegedly infringed on Converse's mark before Converse's registration and those who allegedly began infringing after the registration.<sup>110</sup> The Federal Circuit also determined that the ITC erred by referring to a registered mark and a common law mark separately.<sup>111</sup> Instead, the Federal Circuit determined the existence of only one single mark, which

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105. Certain Footwear Prod. Notice; Issuance of Gen. Exclusion Order; Termination of the Investigation, USITC Inv. No. 337-TA-936, 42379 (June 23, 2016); *Converse, Inc.*, 909 F.3d at 1114–15.

106. Certain Footwear Prod. Notice; Issuance of Gen. Exclusion Order; Termination of the Investigation, USITC Inv. No. 337-TA-936, 42379 (June 23, 2016); *Converse, Inc.*, 909 F.3d at 1114–15.

107. *Converse, Inc.*, 909 F.3d. at 1115.

108. Corrected Brief for Appellant at 17, *Converse, Inc. v. Int'l Trade Comm'n*, No. 16-2497 (Fed. Cir. Feb. 1, 2017), Doc. No. 78.

109. *Converse, Inc.*, 909 F.3d. at 1119.

110. *Converse, Inc.*, 909 F.3d. at 1115; *see, e.g., In re Int'l Flavors & Fragrances Inc.*, 183 F.3d 1361, 1366 (Fed. Cir. 1999) ("The federal registration of a trademark does not create an exclusive property right in the mark. The owner of the mark already has the property right established by prior use." "However, those trademark owners who register their marks with the [Patent and Trademark Office] PTO are afforded additional protection not provided by the common law.").

111. *Converse, Inc.*, 909 F.3d at 1115.

would receive “different rights from the common law and from federal registration.”<sup>112</sup> The ITC did not determine a “relevant date for assessing the existence of secondary meaning,” which, according to the Federal Circuit, was necessary since Converse had to establish that its mark acquired secondary meaning before the first infringing use by each alleged infringer.<sup>113</sup> The Federal Circuit explained that although registered marks were presumed to be valid,<sup>114</sup> this presumption did not apply to alleged acts of infringement that took place prior to registration.<sup>115</sup> Further, the USPTO did not factually determine that secondary meaning existed for the mark at an earlier point in time.<sup>116</sup> The Federal Circuit pointed out that in the current case, the multi-year gap between infringement and registration meant that registration could not even be probative of secondary meaning at the time of infringement.<sup>117</sup>

Second, the Federal Circuit provided its own multi-factor test for assessing secondary meaning despite not having done so in the past.<sup>118</sup> In construing its test, the Federal Circuit acknowledged the differing approach by the circuit courts.<sup>119</sup> The ITC had treated “length, degree, and exclusivity of use as separate factors,” but the Federal Circuit felt that these factors should be evaluated together because of the substantial interrelation.<sup>120</sup> The Federal Circuit determined the six factors, to be weighed together, as:

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112. *Id.*; see, e.g., *In re Int'l Flavors & Fragrances Inc.*, 183 F.3d at 1366 (“The federal registration of a trademark does not create an exclusive property right in the mark. The owner of the mark already has the property right established by prior use.” “However, those trademark owners who register their marks with the [Patent and Trademark Office] PTO are afforded additional protection not provided by the common law.”).

113. *Converse, Inc.*, 909 F.3d at 1116.

114. *Id.* at 1117–18; 15 U.S.C. § 1115 (2019).

115. *Converse, Inc.*, 909 F.3d at 1117.

116. Trademark/Trade Dress Infringement, *supra* note 89, at 68.

117. *Converse, Inc.*, 909 F.3d at 1118.

118. *Id.* at 1119–20 (while the Federal Circuit has discussed certain factors for analysis in the past, it has not actually presented out a set list of factors until the *Converse* case).

119. *Id.* at 1119.

120. *Id.* at 1120.

(1) association of the trade dress with a particular source by actual purchasers (typically measured by customer surveys); (2) length, degree, and exclusivity of use; (3) amount and manner of advertising; (4) amount of sales and number of customers; (5) intentional copying; and (6) unsolicited media coverage of the product embodying the mark.<sup>121</sup>

Under the second factor, with respect to the trademark owner's and third parties' prior uses of the mark, the court found that the ITC relied too strongly on long-ago prior uses and the registration date.<sup>122</sup> The court stated that "[b]ecause secondary meaning related to what was in the minds of consumers at the relevant point in time, the analysis of this factor needed to take the timing into consideration."<sup>123</sup> The evidence of use in the recent period (i.e., the last five years) before the first use date or date of infringement was the most relevant part of the timing consideration.<sup>124</sup> With respect to the ITC's evaluation of survey evidence, the court noted that there was minimal relevance between ITC's primary reliance on the Butler survey<sup>125</sup> and finding secondary meaning for the intervening respondents.<sup>126</sup> The reason for this was that the survey was conducted two years after the date of registration, whereas the ITC considered the existence of secondary meaning as of each first infringing use by each intervenor, the latest of which was probably more than five years before the survey.<sup>127</sup>

Finally, the Federal Circuit continued to evaluate the ITC's assessment on trademark infringement and provided its own analysis.<sup>128</sup> The appeals court agreed with the intervening active respondents that the ITC erred in finding a likelihood of confusion with respect to accused products that lacked

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121. *Id.*

122. *Id.*

123. *Id.*

124. *Id.* at 1121.

125. *Id.* at 1123 ("The intervenors' expert, Sarah Butler, surveyed respondents in the spring of 2015 to determine whether they associated the '753 trademark with a single source.").

126. *Id.* at 1122–23.

127. *Id.*

128. *Converse, Inc.*, 909 F.3d at 1123–24.



one or more elements of Converse's registered trademark.<sup>129</sup> The appeals court held that accused products that are not "substantially similar" cannot infringe on a trademark.<sup>130</sup> It further noted, "We have applied an analogous requirement in the design-patent context, where infringement cannot be found unless an ordinary observer would perceive that the 'two designs are substantially the same.'"<sup>131</sup> On remand, the appeals court stated that the ITC must now analyze whether the accused product is "substantially similar" to the protected trade dress instead of just "similar."<sup>132</sup>

### C. *Dissenting Opinion within the Federal Circuit's Ruling*

Judge O'Malley of the Federal Circuit disagreed with certain reasonings for the majority's decision to remand; this included "the validity of the registered mark for further consideration and its decision to address questions of infringement."<sup>133</sup> She provided four concerns she had about the majority's opinion:

[T]he majority (1) misperceived the scope of the ITC's authority to invalidate duly issued intellectual property rights when it addressed the issues of the validity of a registered mark;<sup>134</sup> (2) blurred the line between the concepts of priority of use under common law and the validity of a registered mark; (3) gave unnecessary opinions on the weight of certain survey evidence

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129. *Id.*

130. *Id.* at 1124; see *Versa Prods. Co. v. Bifold Co. (Mfg.)*, 50 F.3d 189, 202 (3d Cir. 1995) ("[S]ubstantial similarity of appearance is necessarily a prerequisite to a finding of likelihood of confusion in product configuration cases.").

131. *Converse, Inc.*, 909 F.3d at 1124 (quoting *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 670 (Fed. Cir. 2008)).

132. *Converse, Inc.*, 909 F.3d at 1124.

133. *Id.* at 1127 (O'Malley, C.J., concurring in part and dissenting in part).

134. *Id.* at 1127, 1129 (O'Malley found that because the remaining intervening respondents' first uses began before registration, the question of validity of the registered mark was irrelevant to the question of who has priority of use of a common law trade dress).

and the question of infringement; and (4) ignored the ITC's statutory obligation to enter remedies against defaulting parties.<sup>135</sup>

This comment agrees with O'Malley's second and third concerns, and further discusses and expands on these issues in Part V.

#### IV. UNCERTAINTY FOR SECONDARY MEANING

Circuit courts throughout the United States have developed varying factors to test whether secondary meaning exists in a trademark, each placing different weight on certain factors.<sup>136</sup> Depending on where a case is heard, different outcomes may result for finding infringement of a trademark despite a similar set of facts.<sup>137</sup> There are certain factors that overlap between the circuit courts. This Comment focuses on the different approaches by circuit courts and highlight the distinctions, as well as show how the Federal Circuit's factors are distinguished from them.<sup>138</sup> The Appendix at the end of this Comment summarizes the factors.

##### A. *Short and Succinct*

In *Flynn v. AK Peters*, the First Circuit determined that a plaintiff can meet the burden of showing a product has acquired secondary meaning through either direct evidence, such as consumer surveys or testimony, or through circumstantial evidence.<sup>139</sup> This can be presented through: “(1) the length and manner of its use, (2) the nature and extent of advertising and

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135. *Converse, Inc.*, 909 F.3d at 1127–28.

136. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1582–83 (2006).

137. *See id.* at 1597 (comparing the proportion of the Second Circuit plaintiff win rate to the Ninth Circuit win rate: the Second Circuit has a much lower win rate at 37% compared to all other circuits at 51%, whereas the Ninth Circuit has a much higher win rate at 64% compared to all other circuits at 43%).

138. Even the Restatement of the Law has its own set of factors to find a likelihood of confusion: (a) “a consideration of all the circumstances involved in the marketing of the respective goods or services or in the operation of the respective businesses”; (b) the intent of the actor; and (c) evidence of actual confusion. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21-23 (AM. LAW INST. 1995).

139. *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 20 (1st Cir. 2004).

promotion of the mark[,] and (3) the efforts made in the direction of promoting a conscious connection, in the public's mind, between the name or mark and a particular product or venture."<sup>140</sup> The third factor<sup>141</sup> is not a factor included by the Federal Circuit in its clarification.

To acquire a secondary meaning in the minds of the buying public, a labelled product, when shown to a prospective customer, must prompt the reaction, 'That is the product I want because I know that all products with that label come from a single source and have the same level of quality.' In other words, the article must proclaim its identity of source and quality, and not serve simply to stimulate further enquiry about it.<sup>142</sup>

In *Flynn*, a textbook author sued her publisher for accepting book revisions from her co-author without her consent and then giving a third party co-authorship credit.<sup>143</sup> Plaintiff did not offer any direct evidence, so the court focused on circumstantial evidence.<sup>144</sup> The court held that the circumstantial evidence was lacking because the claim Plaintiff brought ignored the "stringent requirements for secondary meaning."<sup>145</sup> Plaintiff only provided testimony that she had an "esteemed reputation and a well-recognized name."<sup>146</sup> The court did not find that the author's publisher infringed on the purported use of the author's name as a trademark.<sup>147</sup>

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140. *Id.* (citation omitted); *see also* *Tonawanda St. Corp. v. Fay's Drug Co.*, 842 F.2d 643, 648 (2d Cir. 1988) (identifying other factors that may be considered to prove secondary meaning, such as "advertising expenditures, consumer surveys, media coverage, attempts to copy the mark, and length and exclusivity of use.").

141. *Flynn*, 377 F.3d at 20 (citation omitted) (stating the third factor of the First Circuit secondary meaning test as: efforts made to promote a conscious connection).

142. *Id.* at 20 (quoting 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 15:11 (4th ed. 2017)).

143. *Id.* at 15–17.

144. *Id.* at 20.

145. *Id.* at 20–21.

146. *Id.* (citation omitted).

147. *Id.* at 20–22.

### B. *Small but Important Differences in Detail*

The Second, Fourth, and Tenth Circuits generally focus on the same following factors used in *Christian Louboutin v. Yves Saint Laurent* (“*Christian Louboutin*”): (1) advertising expenditures; (2) consumer studies linking the mark to a source; (3) unsolicited media coverage of the product; (4) sales success; (5) attempts to plagiarize the mark; and (6) length and exclusivity of the mark’s use.<sup>148</sup> In *Christian Louboutin*, Christian Louboutin asserted that its red-soled shoes trade dress was infringed by the Yves Saint Laurent all red shoe.<sup>149</sup> The Second Circuit held that the color red for the sole of a Christian Louboutin shoe can and did qualify for trade dress protection because Louboutin established secondary meaning in its red soles.<sup>150</sup> The court found that there was extensive evidence of Louboutin’s “advertising expenditures, media coverage, and sales success,” and that Louboutin had clearly commercialized the use of the lacquered red color for over twenty years.<sup>151</sup>

The Federal Circuit in *Converse* supported the above factors,<sup>152</sup> although the following are distinguishing language that should be noted. The Federal Circuit’s “intentional copying” factor<sup>153</sup> differs from the Seventh, Fourth, and Tenth Circuits’ factor of “attempts to plagiarize the mark.”<sup>154</sup> The Federal Circuit also uses “amount of sales and number of customers”<sup>155</sup> instead of “sales success” as a factor. Nevertheless, none of the circuits provide guidance as to when sales success (from a particular number of sales or a particular number of customers) would be satisfied.

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148. *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 226 (2d Cir. 2012) (quoting *Centaur Commc’ns, Ltd. v. A/S/M Commc’ns, Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1987)); *Grayson O Co. v. Agadir Int’l LLC*, 856 F.3d 307, 316 (4th Cir. 2017); *Forney Indus., Inc. v. Daco of Mo., Inc.*, 835 F.3d 1238, 1253 (10th Cir. 2016) (citations omitted) (quoting *Savant Homes, Inc. v. Collins*, 809 F.3d 1133, 1148 (10th Cir. 2016)).

149. *Christian Louboutin S.A.*, 696 F.3d at 212–13.

150. *Id.* at 225.

151. *Id.* at 226.

152. *See supra* Part III, Section B.

153. *Id.*

154. *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 20–21 (1st Cir. 2004).

155. *Id.*

Additionally, in place of the Second and Fourth Circuits' third factor, "unsolicited media coverage of the product,"<sup>156</sup> the Tenth Circuit looks at "efforts made in the direction of promoting a conscious connection, in the public's mind, between the trade dress and a particular product or venture."<sup>157</sup> In *Forney Indus., Inc. v. Daco of Missouri, Inc.*, Forney manufactured and sold a variety of product lines, one of which used certain packaging colors and flame motifs that Forney alleged Daco infringed upon.<sup>158</sup> The Tenth Circuit affirmed that Forney's trade dress did not acquire secondary meaning because Forney's advertising "utterly fail[ed] to mention the Color Mark, or to emphasize it in any fashion[.]" and its sales volume gave no indication of how those sales related to the color mark.<sup>159</sup>

The Federal Circuit uses "unsolicited media coverage of the product embodying the mark" as a factor<sup>160</sup> instead of the Tenth Circuit's which looks at "efforts made in the direction of promoting a conscious connection, in the public's mind, between the trade dress and a particular product or venture."<sup>161</sup> The former is narrower than the latter. The Federal Circuit's factor requires the user to show precise media coverage, and that the media coverage must embody the mark. On the other hand, the Tenth Circuit's factor only needs to show that the user made efforts to connect the mark with the user's product, which can be easier to prove.

### C. Distinguishing Consumer Surveys and Testimonies

In *Test Masters Education Services v. Robin Singh Education Services*, the Fifth Circuit used similar factors to the Second and Fourth Circuit,<sup>162</sup> but

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156. *Christian Louboutin S.A.*, 696 F.3d at 226; *Grayson O Co. v. Agadir Int'l LLC*, 856 F.3d 307, 316 (4th Cir. 2017).

157. *Forney Indus., Inc. v. Daco of Mo., Inc.*, 835 F.3d 1238, 1253 (10th Cir. 2016) (quoting *Savant Homes, Inc. v. Collins*, 809 F.3d 1133, 1148 (10th Cir. 2016)).

158. *Id.* at 1241–43.

159. *Id.* at 1254–55 (citation omitted).

160. *See supra* Part III, Section B.

161. *Forney Indus., Inc.*, 835 F.3d at 1253.

162. *See supra* Part IV, Section B.

instead analyzed consumer-survey evidence and direct consumer testimony as two separate, specific factors.<sup>163</sup> The factors the Fifth Circuit uses are:

- (1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the [mark].<sup>164</sup>

In *Test Masters Education Services*, both parties were in the test preparation business, and the issue surrounded both parties' use of courses named "TESTMASTERS."<sup>165</sup> One party was "Test Masters," while the other was "Testmasters," both contesting the use of "TESTMASTERS" as a mark, among similar names "Testmasters," "TestMasters," and "Test Masters."<sup>166</sup> To satisfy the consumer-survey evidence factor, Test Masters submitted survey evidence of 300 people who recently took or planned to take engineering exams, and as little as 50% of the individuals surveyed associated "Testmasters" with one company.<sup>167</sup> The Fifth Circuit found issue with the survey not identifying which company the respondents associated the name with and with half the survey being polled in Texas where Test Masters had exclusivity.<sup>168</sup> To satisfy the direct consumer testimony factor, Test Masters submitted evidence of thousands of customer satisfaction correspondence, individuals' statements that they only identify the mark with Test Masters, customer evaluation forms, and former students' receipts of referral fees.<sup>169</sup> Singh, the defendant, also submitted evidence showing people believing they were registering for Singh's course when registering for Test Masters' course.<sup>170</sup> The

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163. *Test Masters Educ. Servs., Inc. v. Robin Singh Educ. Servs., Inc.*, 799 F.3d 437, 445 (5th Cir. 2015).

164. *Id.*

165. *Id.* at 442.

166. *Id.* n.1.

167. *Id.* at 446.

168. *Id.* at 446–47.

169. *Id.* at 447.

170. *Id.*

Fifth Circuit affirmed that this factor was unpersuasive for Test Masters as the evidence suggests some consumer confusion.<sup>171</sup>

The Federal Circuit does not distinguish between consumer-survey evidence and direct consumer testimony in the same way the Fifth Circuit does. The Federal Circuit only provides consumer surveys as an example of a measurement for the association of the trade dress with a particular source by actual purchasers.<sup>172</sup>

Additionally, it is important to note that similar to the Second Circuit approach in Section B, the Fifth Circuit also places emphasis on “attempts to plagiarize,” but their application seems to be opposing this.<sup>173</sup> While the Second Circuit noted this factor as “largely irrelevant,”<sup>174</sup> the Fifth Circuit held the factor as “critical.”<sup>175</sup>

#### *D. Missing Crucial Factors to Consider*

The Third Circuit has generally looked towards factors from *Scott Paper Co. v. Scott's Liquid Gold, Inc.* (“*Scott Paper Co.*”):

(1) the degree of similarity between the owner’s trademark and the alleged infringing mark; (2) the strength of the owner’s mark; (3) the price of the products or services and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the products or services, though not competing, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties’ sales efforts are the same; (9) the relationship of the products or services in the minds of consumers because of the similarity of function; [and] (10) other facts

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171. *Id.*

172. *Converse, Inc. v. Int’l Trade Comm’n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1120 (Fed. Cir. 2018).

173. *Smolenski & Welch, supra* note 21, at 109.

174. *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986).

175. *Amstar Corp. v. Domino’s Pizza, Inc.*, 615 F.2d 252, 263 (5th Cir. 1980).

suggesting that the consuming public might expect the prior owner to manufacture a product or provide a service in the defendant's market, or that he is likely to expand into that market.<sup>176</sup>

In *Scott Paper Co.*, the plaintiff alleged infringement of its "Scott" name registered marks on plastic and paper personal and household products by defendant's "Scott's Liquid Gold" registered mark on household cleaners.<sup>177</sup> The Federal Circuit did not include the factors indicative of the care and attention expected of consumers when making a purchase, such as size of the company and actual confusion,<sup>178</sup> but both are important considerations.

The Sixth Circuit applies the eight-factor test, as used in *Marketing Displays v. Traffix Devices*: (1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.<sup>179</sup> *Marketing Displays* had utility patents for a "dual-spring base" mechanism that keeps road signs upright under windy conditions.<sup>180</sup> After those patents expired, *Traffix* began marketing sign stands that copied the mechanism, which *Marketing Displays* brought a claim against.<sup>181</sup> The Federal Circuit does not include "likelihood of expansion of the product lines" as a factor,<sup>182</sup> which (similar to the size of the company) can be an important consideration.

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176. *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978) (alterations given to original); *see also Parks LLC v. Tyson Foods, Inc.*, 863 F.3d 220, 231 (3d Cir. 2017).

177. *Scott Paper Co.*, 589 F.2d at 1227.

178. *See supra* Part III, Section B.

179. *Marketing Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 933 (6th Cir. 1999); *see also Gen. Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 412 (6th Cir. 2006).

180. *Marketing Displays, Inc.*, 200 F.3d at 932.

181. *Id.* at 932–33.

182. *See supra* Part III, Section B.



### *E. Closest to the Federal Circuit's Clarified Factors*

The Seventh, Ninth, and Eleventh Circuits are the few Circuit Courts to use factors that come closest to what the Federal Circuit has implemented. The Ninth and Eleventh Circuits look to: (1) whether actual purchasers of the product bearing the mark associate the mark with the producer; (2) the degree and manner of advertising under the mark; (3) the length and manner of use of the mark; and (4) whether use of the mark has been exclusive in determining if secondary meaning has been acquired.<sup>183</sup> The Seventh Circuit considers: (1) the amount and manner of advertising; (2) the sales volume; (3) the length and manner of use; (4) consumer testimony; and (5) consumer surveys.<sup>184</sup> The Plaintiff in *Int'l Kennel Club* showed that it did not just have advertising in Chicago, but throughout the nation—and that they had sales from 20,000–30,000 people coming from 36 states.<sup>185</sup> Additionally, Plaintiff had consumer testimony through letters and calls displaying consumer confusion.<sup>186</sup> Here, the Seventh Circuit found for the Plaintiff.<sup>187</sup> Although consumer testimony was shown to be helpful in determining secondary meaning here, sales volume was not addressed enough with regard to how many people associating with the source would be considered a significant number in order to acquire secondary meaning.<sup>188</sup>

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183. *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 991 (9th Cir. 2006); *FN Herstal SA v. Clyde Armory, Inc.*, 838 F.3d 1071, 1083–84 (11th Cir. 2016).

184. *See Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1085 (7th Cir. 1988).

185. *Id.* at 1080–81.

186. *Id.* at 1082.

187. *Id.* at 1086 (noting that the Plaintiff was not required to show evidence of consumer surveys as it was in the preliminary judgment stage at that moment).

188. *Id.* at 1095 (Cudahy, C.J., dissenting).

## V. IMPLICATIONS OF THE FEDERAL CIRCUIT'S DECISION

There has always been debate about whether the more worn-down a Converse is, the better it looks. The same can be said about whether the Federal Circuit's decision in *Converse* turned a better "look" for trademark law or not. Although the Federal Circuit in *Converse* is correct in ruling that the ITC determination was in error and should be vacated, the Federal Circuit should have stopped after clarifying where the ITC's legal standard erred. "It does too much by directing the ITC to further address the validity and infringement of the registered mark, even though the statute requires that the ITC presume that Converse's infringement allegations against the defaulting parties are true and that its registered mark is valid."<sup>189</sup> As the dissent addresses, the Court's analysis on Converse's trademark validity drove priority use under common law and the validity of a registered mark into further confusion.<sup>190</sup>

### A. *Incomplete Method for Acquiring Secondary Meaning*

Prior to *Converse*, the Federal Circuit discussed certain factors relevant to analyzing whether secondary meaning had been acquired.<sup>191</sup> The Federal Circuit in *Converse* clarified which considerations need to be assessed.<sup>192</sup> The six factors that are weighed together are: "(1) association of the trade dress with a particular source by actual purchasers (typically measured by customer surveys), (2) length, degree, and exclusivity of use, (3) amount and manner of advertising, (4) amount of sales and number of customers, (5) intentional copying, and (6) unsolicited media coverage of the product embodying the mark."<sup>193</sup> The Federal Circuit left on remand for the ITC to apply these factors.<sup>194</sup>

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189. *Converse, Inc. v. Int'l Trade Comm'n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1133 (Fed. Cir. 2018) (O'Malley, C.J., concurring in part and dissenting in part).

190. *Id.* at 1127–28.

191. *Id.* at 1120 (majority opinion).

192. *Id.*

193. *Id.*

194. *Id.* at 1118, 1124.

## 1. Proposal for Alternative Set Standard

The Federal Circuit's second, third, and fifth factors are acceptable, but additional factors and changes to the rest should be made. This Comment argues for a uniform standard for finding trademark infringement that would strengthen consumer protection while encouraging fair competition. The following is a proposed standard that would encompass the balance discussed above and would combine certain important factors from other circuit tests: (1) consumer survey evidence with a soft threshold, (2) direct consumer testimony, (3) length, degree, and exclusivity of use, (4) amount and manner of advertising, (5) amount of sales and number of customers as in relation to the sixth factor, (6) size of the company or established place in the market, (7) attempts to plagiarize the mark, and (8) efforts made to promote a conscious connection in the public's mind, between the trade dress and a particular product or venture. Factors (1), (2), (6), (7), and (8) coincide with the *Converse* factors.

### a. Proposed Factors (1) and (2): Consumer Survey Evidence and Direct Consumer Testimony

“Consumer testimony” and “direct consumer survey” should each be factors instead of the Federal Circuit's “association of the trade dress with a particular source by actual purchasers.”<sup>195</sup> The Fifth Circuit's factors distinguish between consumer-survey evidence and direct consumer testimony.<sup>196</sup> The Federal Circuit, however, provides only consumer surveys as an example of a measurement for the association of the trade dress with a particular source by actual purchasers.<sup>197</sup>

Distinguishing between survey evidence and testimony has its benefits and risks. To include the Federal Circuit's factor without distinguishing between consumer-survey evidence and direct consumer testimony could open up additional possibilities of evidence of use, such as data tracking on Google, or other search engines, searches and subsequent clicks on links, or data tracking consumers' online retail shopping. The additional possibilities could be beneficial because it could provide more evidence of consumer confusion in the modern age. At the same time, the additional possibilities could

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195. See *supra* Part III, Section B.

196. See *supra* Part IV, Section C.

197. See *supra* Part III, Section B.

have inaccuracies in determining the consumer thought process and association since these forms of data tracking are relatively new and might be unrelated to genuine consumer use (e.g., ad bots).

A narrower approach that distinguishes survey evidence and testimony would place less risk on likelihood of confusion and would give consumers more protection. Distinguishing between the two increases consumer protection because surveys provide statistical evidence that “connect . . . [a] mark to the source of the product, rather than the product itself[,]” and “narrow the scope of inquiry to the relevant consumer base.”<sup>198</sup> In contrast, consumer testimony gives direct evidence of consumer experiences of confusion. Some may also argue that consumer surveys and direct consumer testimony offer sturdier reliance, because parties can directly reach out to consumers and ask whether they associate the mark with the product.<sup>199</sup>

Additionally, the direct consumer survey factor should have a soft threshold of when it is probative of secondary meaning.<sup>200</sup> Circuit courts are already divided on what percentage of positive responses on surveys is probative of secondary meaning; this split can result in forum shopping and economic inefficiency.<sup>201</sup> Trademark holders could be inclined to select jurisdictions favorable to their case, which makes case outcomes unpredictable and could decrease consumer protection in certain jurisdictions.

For the Federal Circuit factor to show only “an association,”<sup>202</sup> on the other hand, could potentially give way to trademark holders bringing in less reliable evidence. Furthermore, circuit courts that decide to adopt the Federal Circuit’s standard could continue perpetuating forum shopping and economic inefficiency because showing only “an association” would be an easier factor for trademark holders to satisfy.

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198. Dominic A. Azzopardi, *Disarray Among the Circuits: When Are Consumer Surveys Persuasive?*, 104 IOWA L. REV. 829, 839 (2019).

199. *Id.* at 839–40; *Amazing Spaces, Inc. v. Metro Mini Storage*, 608 F.3d 225, 248 (5th Cir. 2010) (citation omitted) (“While survey evidence is not required to establish secondary meaning, it is ‘the most direct and persuasive way of establishing secondary meaning.’”).

200. This Comment does not argue for a specific soft threshold, but it does suggest a threshold such as the one offered in Azzopardo, *supra* note 198, at 848–51 (discussing and offering a guidepost on how judges can analyze consumer survey evidence).

201. See generally Kimberly A. Moore, *Forum Shopping in Patent Cases: Does Geographic Choice Affect Innovation?*, 83 N.C. L. REV. 889, 932 (2001) (describing how circuit splits make case outcomes unpredictable, causing litigants to settle less often).

202. See *supra* Part III, Section B.

b. Proposed Factor (6): Size of the Company or Established Place in the Market

The “size of the company” or “established place in the market” should be included when considering the proposed fifth factor, which is the amount of sales and number of customers. Both factors would further strengthen consumer protection by encouraging fair competition. This would place the balance back between consumer protection and trademark-holder protection.

Unlike the Third Circuit, the Federal Circuit does not include the size of the company and actual confusion as factors.<sup>203</sup> Similarly, unlike the Sixth Circuit, the Federal Circuit does not include “likelihood of expansion of the product lines” as a factor,<sup>204</sup> which is an important consideration to determine where the mark is established in the market. A factor on the size of the company or an established place in the market could help supplement the evaluation of the amount of sales and number of customers factor. As previously discussed, the circuit courts have not indicated what the tipping point would be to have the amount of sales or number of customers satisfied and potentially find likelihood of confusion.<sup>205</sup> It could help place the facts in context for courts to determine the existence of secondary meaning if a court specified an amount in proportion to a company’s size or how established a brand may be in the market or the possibility for future brand expansion.

c. Proposed Factor (7): Attempts to Plagiarize the Mark

The Federal Circuit’s “intentional copying” factor differs from the Seventh, Fourth, and Tenth Circuit factor of “attempts to plagiarize the mark.”<sup>206</sup> The “intent” to copy means to have mind, attention, or will concentrated on that purpose of copying, while an “attempt” would be the actual act of trying to do something.<sup>207</sup> Finding an intent to copy could be easier for a plaintiff than finding an attempt to plagiarize because the former requires proving the

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203. *See supra* Part IV, Section D.

204. *See supra* Part IV, Section D.

205. *See supra* Part IV, Section D.

206. *See supra* Part IV, Section B.

207. *Definition of Intent*, MERRIAM-WEBSTER.COM, <https://www.merriam-webster.com/dictionary/intent> [<https://perma.cc/2NSV-3UG6>]; *Definition of Attempt*, MERRIAM-WEBSTER.COM, <https://www.merriam-webster.com/dictionary/attempt> [<https://perma.cc/T6VC-XCM7>].

defendant's state of mind, while the latter requires proving an act. An "attempt to plagiarize" factor would assist consumers because it increases competition by making it more or less easy for trademark holders to find infringement.

d. Proposed Factor (8): Efforts Made to Promote a Conscious Connection in the Public Mind

The last proposed factor is "efforts made to promote a conscious connection," such as unsolicited media coverage of the product that embodies the mark. This factor, provided by the First Circuit,<sup>208</sup> is absent from the Federal Circuit's factors.<sup>209</sup> As the First Circuit noted, to determine whether secondary meaning has attached, the mindset of average consumers of the books are considered, specifically a broad class of consumers like those "from 'high school age to Ph.D. level researchers[.]'" and not a select subset of academic "insiders."<sup>210</sup> This factor will further increase consumer protection because it would make the standard more lenient for trademark holders, thereby increasing competition.

The Federal Circuit uses "unsolicited media coverage of the product embodying the mark" as a factor<sup>211</sup> instead of the Tenth Circuit's "efforts made in the direction of promoting a conscious connection, in the public's mind, between the trade dress and a particular product or venture."<sup>212</sup> The former is narrower than the latter. As the Tenth Circuit noted, "advertising alone is typically unhelpful to prove secondary meaning when it is not directed at highlighting the trade dress."<sup>213</sup> The Tenth Circuit's factor would favor consumer protection more because its broadness encompasses the Federal Circuit's factor as well. This broader factor could make it more difficult

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208. *Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 20 (1st Cir. 2004).

209. *See supra* Part III, Section B.

210. *Flynn*, 377 F.3d at 21.

211. *See supra* Part III, Section B.

212. *See supra* Part IV, Section B.

213. *Forney Indus., Inc. v. Daco of Missouri, Inc.*, 835 F.3d 1238, 1254 (10th Cir. 2016); *Art Attacks Ink, LLC v. MGA Entm't Inc.*, 581 F.3d 1138, 1146 (9th Cir. 2009) ("To demonstrate secondary meaning based on advertising, the advertising must be of a nature and extent to create an association [of the trade dress] with the advertiser's goods." (internal quotation marks omitted)).

for trademark holders to satisfy the factor and find infringement, and therefore increase both market competition and consumer protection.

## 2. Setting a Uniform Standard

To resolve potential future controversy, the Supreme Court should set forth a uniform standard such as the one proposed in this Comment. However, because precedent shows that this is unlikely,<sup>214</sup> the Federal Circuit will likely not be granted trademark appellate jurisdiction in the near future.<sup>215</sup> The Supreme Court should not give such a grant to the Federal Circuit, since certain factors should be adjusted to prevent the limitations that the Federal Circuits' factors set forth. Another possible method to resolve the controversy of non-uniformity among the circuits would be for Congress to actually amend the Lanham Act to incorporate a uniform test, as proposed above.<sup>216</sup> However, the likelihood of Congress amending the Lanham Act is very low given the sparse legislative history and amendments surrounding the Act.<sup>217</sup> Trademark holders and consumers can only hope that perhaps one day there will be consistency among the courts on how to find trademark infringement.

### *B. Blurring the Line between Priority of Use and Validity of a Registered Mark*

“The majority goes on to assess the validity of the registered mark even though no respondents remain for whom the registered mark is relevant.”<sup>218</sup> The Federal Circuit found that a registered trade dress “and its accompanying presumption of secondary meaning operate only prospectively from the date

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214. See J. Thomas McCarthy & Dina Roumiantseva, *Commentary, Divert All Trademark Appeals to the Federal Circuit? We Think Not*, 105 TRADEMARK REP. 1275, 1275 (2015); Paul M. Janicke, *To Be or Not to Be: The Long Gestation of the U.S. Court of Appeals for the Federal Circuit*, 69 ANTITRUST L.J. 645, 657–58 (2002).

215. Smolenski & Welch, *supra* note 21, at 109.

216. *Id.*

217. 1 CHARLES E. MCKENNEY AND GEORGE F. LONG III, FEDERAL UNFAIR COMPETITION: LANHAM ACT 43A § 1:2 (West 2019).

218. *Converse, Inc. v. Int'l Trade Comm'n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1131 (Fed. Cir. 2018) (O'Malley, C.J., concurring in part and dissenting in part).

of registration . . . .”<sup>219</sup> Prior to that, the mark holder must show they acquired secondary meaning before the first infringing use of each accused infringer.<sup>220</sup> This contradicts the Federal Circuit’s precedent in *Braun v. Dynamic Corp. of Am.*, where the Federal Circuit stated that “[a] claim of trade dress infringement fails if secondary meaning did not exist before the infringement began.”<sup>221</sup> The majority’s decision to assess the validity of the registered mark in *Converse* implied that “a later-obtained registration is somehow relevant to establishing priority of use at an earlier date.”<sup>222</sup>

Courts should keep the distinction between priority use and registration as it has in the past and continue to look at when the use was before having to show secondary meaning. “A party with priority of use may continue to use a mark without infringing even if the mark later acquires distinctiveness—demonstrated through registration or otherwise.”<sup>223</sup>

## VI. IMPACT ON THE FOOTWEAR, AND POTENTIALLY EVEN THE APPAREL, INDUSTRIES

Footwear is a major product category in the United States economy, accounting for nearly 80 billion dollars in sales in 2017.<sup>224</sup> Consequently, footwear is also a large target for counterfeiters. According to the 2017 seizure statistics by the United States Customs and Border Protection (“Customs”), footwear is a top category of counterfeit goods entering the United States market, accounting for twelve percent of all seizures.<sup>225</sup> Customs

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219. *Id.* at 1117 (majority opinion).

220. *Id.* at 1118.

221. *Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 826 (Fed. Cir. 1992).

222. *Converse Inc.*, 909 F.3d at 1131 (O’Malley, C.J., concurring in part and dissenting in part).

223. *Id.*

224. See Liam O’Connell, *U.S. Footwear Market - Statistics & Facts*, STATISTA (Jan. 15, 2019), <https://www.statista.com/topics/4704/us-footwear-market/> [<https://perma.cc/SQ3T-6Y78>].

225. Hyman et al., *supra* note 12, at 647; see U.S. CUSTOMS AND BORDER PROTECTION OFFICE OF TRADE, INTELLECTUAL PROPERTY RIGHTS 1 (2017), [https://www.cbp.gov/sites/default/files/assets/documents/2018-Jan/FY2016%20IPR%20Seizure%20Statistics%20Book%20%28PDF%20Formatting%29\\_OT.pdf](https://www.cbp.gov/sites/default/files/assets/documents/2018-Jan/FY2016%20IPR%20Seizure%20Statistics%20Book%20%28PDF%20Formatting%29_OT.pdf) [<https://perma.cc/GUP6-WJJ7>].



seized nearly \$42 million worth of footwear in 2017, and this value is projected to grow as shoe brands and designs continue to increase in recognition and in the resulting counterfeiting.<sup>226</sup>

With the addition of the Federal Circuit's standard to all the different multi-factored tests, and with varying weights placed on different factors, judicial analysis of trademark infringement becomes "less uniform and less predictable."<sup>227</sup> The Supreme Court has on numerous occasions passed on the opportunity to set forth a uniform standard for a test in determining secondary meaning,<sup>228</sup> which means that the Federal Circuit has not been granted exclusive trademark appellate jurisdiction.<sup>229</sup> However, because the Federal Circuit was created to prevent forum shopping and to provide uniformity in patent law, other circuits including the Ninth and Eleventh Circuits, which are already very similar, could potentially now look towards the Federal Circuit's clarification as a test to follow since it could help in solving similar problems in trademark law. Circuits, such as the First and Third Circuits, whose tests vary significantly may place more scrutiny on the Federal Circuit's test.

The widening use of the Federal Circuit's standard could have a significant impact on the footwear industry in the foreseeable future. This would consequently leave a heavy effect on the United States economy. Because the Federal Circuit held that the ITC erred in the factors that it applied, the ITC will be using those new factors to assess any claims that are brought through the ITC in violation of section 337 of the Tariff Act of 1930. This expansion on trademark protection could give more market power to brands, which would lower competition and hurt consumers and social welfare. This might, in the immediate future, benefit footwear industry brands to not have their designs infringed upon. But in the long term, because of the continued negative effect on consumers, this could have a subsequent negative effect on trademark holders as the market potentially goes down. Simultaneously, it could be argued that the broader protection for trademark holders decreases

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226. See U.S. CUSTOMS AND BORDER PROTECTION OFFICE OF TRADE, *supra* note 225, at 23; see *supra* Part III, Section B(1) for more on Customs recordation.

227. Beebe, *supra* note 136, at 1646.

228. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961); *Frisch's Rests. v. Elby's Big Boy*, 670 F.2d 642 (6th Cir. 1982), *cert. denied*, 459 U.S. 916 (1982); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325 (7th Cir. 1977), *cert. denied*, 434 U.S. 1070 (1978).

229. Smolenski & Welch, *supra* note 21, at 109.

consumer likelihood of confusion, which is the primary protection that trademark law affords consumers, and that this protection is enough to keep the marketplace going.

## VII. CONCLUSION

Trademark rights are necessary not only for business owners like footwear brands, but also for consumers who feed into that market. The evolution and change of finding secondary meaning for trademark infringement has been given different standards throughout the courts, but there is a need for a uniform standard that strengthens consumer protection while encouraging fair competition among trademark holders. The standard that courts apply will affect how businesses and markets run and would effectively impact the nationwide economy.

Courts should also keep in mind that the Federal Circuit's stance on the ITC's infringement analysis is dicta and no more than an advisory opinion.<sup>230</sup> This Comment recommends courts to continue to distinguish between priority of use in common law from a registered mark validity. Additionally, courts should not be obligated to follow the balancing test for finding secondary meaning set forth by the Federal Circuit. Instead, courts can look to other circuits and consider adding and/or adjusting factors to strengthen their own tests. In consideration of which factors to add or adjust, courts should do so in an effort to balance the scale between consumer protection and trademark holder protection.

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230. *Converse, Inc. v. Int'l Trade Comm'n Skechers U.S.A., Inc.*, 909 F.3d 1110, 1132 (Fed. Cir. 2018) (O'Malley, C.J., concurring in part and dissenting in part).

*Appendix: Summary of Factors to Determine Secondary Meaning*

	<b>Consumer Connection</b>	<b>Use/Strength of Mark</b>	<b>Advertising</b>
<b>Federal Circuit</b>	Association of the trade dress with a particular source by actual purchasers	Length, degree, and exclusivity of use	Amount and manner of advertising
<b>First Circuit</b>	Efforts made in the direction of promoting a conscious connection, in the public's mind, between the name or mark and a particular product or venture	Length and manner of its use	-
<b>Second, Fourth, Fifth, and Tenth Circuits</b>	Consumer studies linking the mark to a source Fifth Circuit only: consumer surveys and consumer testimony	Length and exclusivity of the mark's use	Advertising expenditures
<b>Third Circuit</b>	Customer surveys and customer testimony	Length of use, exclusivity of use, and degree of similarity/strength of owner's mark	Extent to target sales efforts
<b>Sixth Circuit</b>	Evidence of actual confusion and likely degree of purchaser care	Strength of plaintiff's mark	Marketing channels used
<b>Seventh Circuit</b>	Consumer testimony and consumer surveys	Length and manner of use	Amount and manner of advertising
<b>Ninth and Eleventh Circuits</b>	Whether actual purchasers of the product bearing the mark associate the mark with the producer	Length and manner of use and whether use has been exclusive in determining if secondary meaning has been acquired	Degree and manner of advertising under the mark

<b>Sales</b>	<b>Copying</b>	<b>Media</b>	<b>Miscellaneous</b>
Amount of sales and number of customers	Intentional copying	Unsolicited media coverage of the product embodying the mark	-
-	-	Nature and extent of advertising and promotion of the mark	-
Sales success	Attempts to plagiarize the mark	Unsolicited media coverage of the product	Tenth Circuit only: efforts made in the direction of promoting a conscious connection, in the public's mind, between the trade dress and a particular product or venture
Factors indicative of consumer care and attention: size of the company, number of sales, and number of customers	Intent in adopting	-	Use of the mark in trade and actual confusion
-	Intent in selecting mark, similarity of the marks, relatedness of the goods	-	Likelihood of expansion of product lines
Sales volume	-	-	-
-	-	-	-