

An All-Star Decision: Federal Circuit Increases Predictability in Trademark Enforcement

November 2, 2018

On October 30, 2018, the United States Court of Appeals for the Federal Circuit reversed and remanded a decision of the International Trade Commission (“ITC”) that had held invalid Converse’s trademark for the iconic design of the midsole of the Chuck Taylor All-Star sneaker. The legal principles stated by the Federal Circuit confirm protections for trademark and trade dress owners that were threatened by the ITC’s decision. In particular, the court made clear that consumer perceptions of secondary meaning

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should be assessed as of the relevant date – meaning, where validity of an initial registration is challenged, the time of registration. Consumer surveys done years later deserve little weight.

Converse filed multiple lawsuits and an action with the ITC, seeking to halt the sale and importation by many companies of Chuck Taylor All-Star knockoffs. Although most of those lawsuits settled, the ITC action proceeded as to certain companies. In June 2016, the ITC held that Converse, despite holding a federal trademark registration, lacked trade dress rights in the famous midsole design: 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 position of these elements to each other.” The ITC said the design had not acquired secondary meaning.

Converse appealed to the Federal Circuit, arguing that the ITC had applied the wrong legal standard - ignoring the presumption of validity conferred by a federal trademark registration, and threatening to leave innumerable companies unable to adequately invest in their brands because they could not predictably enforce their trademark rights.

The Federal Circuit agreed with Converse that the ITC had “appl[ied] the wrong standard in aspects of both its invalidity and infringement determinations.” The court explained that the ITC should have applied a six factor test to determine whether a mark has acquired secondary meaning: “(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.” The ITC’s test in the Converse matter did not appropriately weigh these various factors in determining secondary meaning.

The Federal Circuit also underscored the importance of assessing the impact of prior use on consumers as of the *relevant* date – here, the date of registration. Under Section 2(f) of the Lanham Act, the panel said, uses older than five years should only be considered relevant if there is evidence such uses impacted consumers’ perceptions as of the relevant date. The ITC had considered evidence far prior to the relevant timeframe, with no consideration of impact on consumers’ perceptions as of the relevant date.

In reversing, the Federal Circuit cited an [amicus brief](#) filed by our firm on behalf of a group of prominent trademark owners. Quoting the brief, the court noted: “We agree with amici that surveys are sometimes difficult to use as evidence of historic secondary meaning... This is because the relevant consumer population for assessing consumer attitudes at a point in the past is a group of consumers at that point in the past ... and a contemporaneous survey commissioned for litigation obviously cannot access such a pool of respondents.”

The amicus brief was authored by Debevoise IP litigation partners David H. Bernstein and Jeremy Feigelson, then-associate Charles Baxter, and associate René Garrick. In the brief, our amicus clients argued that reversal was needed to correct “doctrinal errors with commercial consequences... [that] would deprive mark owners and consumers of the benefit that—as a matter of law and sound policy—the presumption of validity is supposed to give them.” Trademark owners should be encouraged by the Federal Circuit’s decision, which reinforces the principle that brand owners need not challenge every potential third-party use of every registered mark, however remote or dissimilar, and may continue challenging only those infringements that create a commercial risk, without danger of losing trademark protection.

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Please do not hesitate to contact us with any questions.

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