

Trademark Board Finds CRACKBERRY Infringing and Not a Parody of BLACKBERRY

by Timothy J. Lockhart



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A recent decision of the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trademark Office (USPTO) is one of the relatively few decisions involving a successful trademark dilution claim. In *Research in Motion Ltd. v. Defining Presence Marketing Group, Inc. & Axel Ltd. Co.*¹ the TTAB held that the proposed uses of the trademark CRACKBERRY would blur and therefore impermissibly dilute the distinctiveness of the famous BLACKBERRY mark. The TTAB also held that most of the proposed uses of CRACKBERRY would be likely to cause confusion with BLACKBERRY. Accordingly, the TTAB sustained the opposition of Research in Motion (RIM) to the trademark applications in question.

In December 2006 and May 2007, Defining Presence Marketing Group filed four intent-to-use applications to register CRACKBERRY with the USPTO for clothing items and for marketing, computer, and communications services.² Axel Ltd. Co. obtained the applications by assignment in September and December 2007, and after RIM filed three Notices of Opposition to the applications in August, September, and December 2007, the TTAB joined Axel as a defendant.

RIM claimed that the CRACKBERRY mark would be likely to cause confusion with its several marks consisting of or including the word BLACKBERRY (in block or stylized lettering and with and without design elements) and its mark

CLOUDBERRY³ as used and registered for “handheld devices including smart phones and related goods and services as well as promotional and collateral goods.”⁴ RIM also claimed that CRACKBERRY would dilute, by blurring, the distinctive quality of its allegedly famous BLACKBERRY mark.

The TTAB found that the USPTO records RIM submitted in the case proved its BLACKBERRY and CLOUDBERRY registrations were valid and subsisting, thereby establishing RIM’s standing to bring the opposition proceedings. The TTAB also found that RIM had priority over the defendants with respect to RIM’s goods in International Classes 9 and 16 and its services in International Classes 38 and 41.

In their answers the defendants argued, among other things, that their CRACKBERRY mark was a parody of the BLACKBERRY mark. The TTAB acknowledged that some court cases indicate that “a successful parody seems to make confusion less likely.”⁵ For example, the TTAB cited the case of *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, in which the court held that the Henson company’s use of the term “Spa’am” on merchandise for its movie *Muppet Treasure Island* was a successful parody of, and therefore not likely to cause confusion with, Hormel’s SPAM mark as used with luncheon meat.⁶

The TTAB also noted that when courts deal with alleged trademark infringement, the First Amendment’s “protective penumbra of free speech” applies.⁷ According to the TTAB, the right of free speech “may well support the premise that members of the public have a right to use words in the English language to interest and amuse other persons,” thereby making a finding of infringement less likely.⁸

In contrast, the question of an applicant’s right to obtain a trademark registration under Section 2(d) of the Lanham Act⁹ is a “narrower” one, said the TTAB, and in that context “the First Amendment claim is not as strong as with issues

of restraint on use.”¹⁰ Thus, if the *du Pont* factors used in the likelihood-of-confusion test for trademark infringement¹¹ point to a similarity between parties’ respective goods or services and the relevant channels of trade such that consumers might believe those goods or services have a common source, “the likelihood of confusion will usually trump any First Amendment concerns.”¹²

Before applying the *du Pont* factors, the TTAB considered whether BLACKBERRY is a famous mark. The TTAB noted that, according to documents RIM submitted in the case, RIM has sold billions of dollars’ worth of BLACKBERRY-brand products to millions of consumers and spent tens of millions of dollars advertising and promoting its BLACKBERRY marks. The TTAB also noted that RIM’s documents show that the media have extensively covered the BLACKBERRY brand and that BLACKBERRY consistently appears on the lists of the most famous and valuable trademarks in the world. Thus, the TTAB concluded, based on the evidence RIM made of record, BLACKBERRY is a famous mark and therefore is entitled to “the wide latitude of legal protection” that such a mark receives.¹³

Given the marks’ obvious similarities in sight and sound and the significant fact that the public began using the nickname “Crackberry” to refer to “addictive” BLACKBERRY devices before the defendants applied to register CRACKBERRY,¹⁴ the TTAB readily found that the *du Pont* factors point toward a likelihood of confusion. The TTAB also found that the *du Pont* factors supported RIM’s position that its goods and services and the defendants’ services are “quite closely related.”¹⁵ The defendants argued that because their CRACKBERRY-brand goods and services were intended to be offered online as opposed to in retail stores, there was “no overlap between the goods and services of the parties.”¹⁶ But the TTAB noted that “it is not necessary that the goods and services overlap in order to be found related in such a way that confusion is likely.”¹⁷

The TTAB did find a “large overlap” in the parties’ channels of trade, given that “applicants’ prospective customers are by design substantially all *prior* customers of [RIM].”¹⁸ Accordingly, the TTAB found a likelihood of confusion with respect to the applicants’ three applications to register the CRACKBERRY mark for services.¹⁹ Because of a lack of relevant evidence of record, however, the TTAB did not agree with RIM that its alleged common-law rights in the mark BLACKBERRY supported its position regarding the defendants’ application for clothing.²⁰

Turning to the issue of dilution under Section 43(c) of the Lanham Act,²¹ the TTAB found that the BLACKBERRY mark is sufficiently famous to meet the higher standard for fame required in the dilution context (as opposed to the lower standard in the likelihood-of-confusion context).²² The TTAB also found that BLACKBERRY became famous before the filing dates of any of the four applications at issue.

The TTAB then considered whether, under the six relevant statutory factors,²³ CRACKBERRY was likely to dilute, by blurring, the distinctiveness of the BLACKBERRY mark. A major factor in such an analysis is the degree of similarity between the famous mark and the junior mark. The TTAB said that in this context the marks need not be “substantially identical,” only “highly similar.”²⁴ Noting that in their parody defense the applicants had conceded some similarity between the marks, the TTAB found “a high degree of similarity.”²⁵

The TTAB also found that BLACKBERRY is a distinctive and widely recognized mark and that RIM was engaged in substantially exclusive use of the mark. Finally, the TTAB found that the applicants intended to, and did, choose a mark that the public would actually associate with the BLACKBERRY mark. Thus, the TTAB concluded, all six statutory factors supported RIM’s contention that CRACKBERRY was likely to dilute BLACKBERRY by blurring the distinctiveness of RIM’s famous mark.²⁶

The TTAB considered at some length whether the defendants were, as they claimed, entitled to the statutory “fair-use” defense of parody under Section 43(c)(3)(A).²⁷ The TTAB observed that, as Professor J. Thomas McCarthy has said, the “safe harbor” that the dilution

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statute affords to parody “is obviously intended to accommodate the interests of using famous marks in free speech and expression,” not to permit the use of parodies as trademarks.²⁸ Nevertheless, as some cases have held, under certain narrow circumstances the use of a parody of a famous mark may be permissible in a trademark context.

For trademark purposes “[a] ‘parody’ is defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner.”²⁹ To be a parody, a mark “must convey two simultaneous — and contradictory — messages: that it is the original, but also that it is *not* the original and is instead a parody.”³⁰ A parody of a trademark must “communicate some articulable element of satire, ridicule, joking or amusement”³¹ and therefore “relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect.”³²

In support of that position the defendants relied heavily on the Virginia case of *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*.³³ In that case the court held that Haute Diggity Dog’s CHEWY VUITON mark for inexpensive pet chew toys was clearly a joking reference to the plaintiff’s expensive LOUIS VUITTON handbags. The court said that given the rhyming nature of the parties’ respective marks, the defendant’s parody of the plaintiff’s trade dress as well as of its word mark, and other factors, consumers were not likely to be confused into thinking that CHEWY VUITON pet toys came from the same source as LOUIS VUITTON handbags.³⁴

The CRACKBERRY defendants claimed that in view of the *Louis Vuitton Malletier* case, the TTAB should impose on RIM an “‘increased burden’ to demonstrate that the distinctiveness of its famous mark is likely to be impaired” by the defendants’ parody.³⁵ The TTAB disagreed, stating that, per the express language of the federal dilution statute,³⁶ the “safe harbor” is available to an entity only if its parody does not designate the source of that entity’s goods or services.³⁷

In that case the court held that Haute Diggity Dog’s CHEWY VUITON mark for inexpensive pet chew toys was clearly a joking reference to the plaintiff’s expensive LOUIS VUITTON handbags.

The TTAB noted, however, that the foregoing observation “does not end the inquiry,” and that, like the Fourth Circuit, the TTAB would “assess the alleged parody as part of the circumstances to be considered for determining whether [RIM] has made out a claim for dilution by blurring.”³⁸ In

other words, using a parody as a trademark may, depending on the circumstances, sometimes be permissible even if such use does not fall within the safe harbor provided by the dilution statute. But in *Research in Motion Ltd.* the TTAB held that “the alleged parody does not . . . insulate the [defendants] from the claim of dilution.”³⁹

The TTAB listed two key reasons for its ruling. First, the public, not the defendants, had adopted “Crackberry” as a nickname for BLACKBERRY-brand devices. Second, the defendants’ applied-for services were, for the most part, closely related to RIM’s goods and services. According to the TTAB, those facts served to distinguish the claimed parody of CRACKBERRY from the actual parody of CHEWY VUITON, where the parody mark identified an inexpensive toy to be chewed by a dog in sharp contrast to the original mark’s identification of an expensive handbag that must not be chewed by a dog.⁴⁰ Accordingly, the TTAB sustained RIM’s opposition to all four CRACKBERRY applications on the grounds of dilution.⁴¹

The CRACKBERRY decision shows that owners of arguably famous marks should consider alleging dilution when opposing the registration of identical or highly similar marks used or intended for use with non-competitive goods or services. (Such owners can allege a likelihood of confusion as well as dilution if the defendants’ goods or services are competitive with those of the plaintiffs.) The decision also suggests the sorts of facts such owners will need to make of record to prove that their marks are actually famous and the sorts of defenses the owners are likely to face in making a case for dilution as well as for a likelihood of confusion. Finally, the decision shows that, given relevant statutory and case law, the TTAB is not likely to be sympathetic to applicants that claim their marks are permissible parodies of famous marks.

Endnotes:

- 1 Opposition Nos. 91178668, 91179490, & 91181076 (February 27, 2012) [precedential]. The TTAB’s decision is available online at <http://ttabvue.uspto.gov/ttabvue/v?pno=91178668&pty=OPP&eno=65>.
- 2 The four applications are: (1) No. 77059205, filed on December 7, 2006, for marketing services, namely providing informational web pages designed to generate sales traffic via hyperlinks to other websites; online retail store services featuring downloadable ring tones; online retail store services featuring consumer electronics and telecommunication products and accessories; providing online directory information services also

- featuring hyperlinks to other websites, in International Class 35; (2) No. 77059214, filed on December 7, 2006, for computer services, namely, creating an online community for registered users to participate in competitions, showcase their skills, get feedback from their peers, form virtual communities, engage in social networking and improve their talent; computer services, namely, redirecting electronic mail to changed personal electronic address, in International Class 42; (3) No. 77059232, filed on December 7, 2006, for providing online chat rooms and electronic bulletin boards for transmission of messages among users in the field of general interest; providing online chat rooms for transmission of messages among computer users concerning telecommunications, mobile telephony, email, mobile phones, PDAs and wireless communications; providing general and non-consumer information online in the field of telecommunications, mobile telephony, e-mail, mobile phones, PDAs and wireless communications, in International Class 38; and (4) No. 77179267, filed on May 11, 2007, for headgear, namely, hats and caps; jackets; coats; dress shirts; polo shirts; shirts; shirts for suits; sport shirts; sweat shirts; t-shirts; denims; pants; sweat pants; board shorts; boxer shorts; shorts; sweat shorts; skirt suits; skirts and dresses; bathing suits; body suits; dress suits; jogging suits; boxer briefs; lingerie; socks; beach shoes; canvas shoes; shoes; gym shorts, in International Class 25.
- 3 Exhibit A to each of the three Notices of Opposition lists 12 RIM registrations for various forms of BLACKBERRY marks and 1 RIM registration for the mark CLOUDBERRY. RIM obtained its first U.S. registration (No. 2402763) for a BLACKBERRY mark on November 7, 2000, based on a claimed date of first use in commerce of January 19, 1999.
- 4 *Research in Motion Ltd.* at 3 (quoting from RIM's pleadings).
- 5 *Research in Motion Ltd.* at 8.
- 6 *Id.* (citing *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497 (2d Cir. 1996)). The Muppet character Spa'am—whose name is mentioned only once in the entire movie—is the high priest of a tribe of wild boars that worships Miss Piggy as “Queen Sha Ka La Ka La.” *Hormel Foods Corp.*, 73 F.3d at 501.
- 7 *Id.* at 9.
- 8 *Id.* Interestingly, the TTAB did not cite any cases to support this assertion.
- 9 15 U.S.C. §1052(d).
- 10 *Research in Motion Ltd.* at 9.
- 11 *See In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973).
- 12 *Research in Motion Ltd.* at 9 (citing *Starbucks U.S. Brands, LLC & Starbucks Corp. D.B.A. Starbucks Coffee Co. v. Marshall S. Ruben*, 78 U.S.P.Q.2d 1741 (T.T.A.B. 2006) (STARBUCKS versus LESSBUCKS for coffee); *Columbia Pictures Indus., Inc. v. Miller*, 211 U.S.P.Q. 816 (T.T.A.B. 1981) (CLOSE ENCOUNTERS OF THE THIRD KIND for t-shirts versus CLOTHES ENCOUNTERS for items of clothing)).
- 13 *Research in Motion Ltd.* at 11-12.
- 14 *Research in Motion Ltd.* at 15-16. For example, the TTAB noted that the “Crackberry” moniker for BLACKBERRY brand devices was selected as “Word of the Year” in 2006, the year in which the defendants filed their first intent-to-use applications for the CRACKBERRY mark. *Id.*
- 15 *Research in Motion Ltd.* at 18.
- 16 *Id.*
- 17 *Id.*
- 18 *Id.* at 22-23 (emphasis in original).
- 19 *Id.* at 23.
- 20 *Id.* at 21, 24.
- 21 15 U.S.C. § 1125(c).
- 22 *Research in Motion Ltd.* at 25 (citing *Toro Co. v. ToroHead, Inc.*, 61 U.S.P.Q.2d 1164 (T.T.A.B. 2001)).
- 23 Those factors are: (1) the degree of similarity between the mark or trade name and the famous mark, (2) the degree of inherent or acquired distinctiveness of the famous mark, (3) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, (4) the degree of recognition of the famous mark, (5) whether the user of the mark or trade name intended to create an association with the famous mark, and (6) any actual association between the mark or trade name and the famous mark. 15 U.S.C. § 1125(c)(2)(B)(i)-(vi).
- 24 *Id.* at 28 (citing *UMG Recordings Inc. v. Mattel Inc.*, 100 U.S.P.Q.2d 1868 (T.T.A.B. 2011) (MOTOWN versus MOTOWN METAL); *Nike Inc. v. Mahar*, 100 U.S.P.Q.2d 1018 (T.T.A.B. 2011) (JUST DO IT versus JUST JESU IT)).
- 25 *Id.* at 29.
- 26 *Id.* at 34.
- 27 15 U.S.C. § 1125(c)(3)(A).
- 28 *Research in Motion Ltd.* at 35 (citing J.T. McCarthy, 4 *McCarthy on Trademarks and Unfair Competition* § 24:126 (2010)).
- 29 *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001) (internal quotation marks omitted).
- 30 *Id.* (internal quotation marks and citation omitted).
- 31 *Louis Vuitton Malletier S.A. v. Haute Diggity Dog*, 507 F.3d 252, 260 (4th Cir. 2007).
- 32 *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (LARDASHE jeans for larger women a successful and permissible parody of JORDACHE jeans).
- 33 507 F.3d 252, 84 U.S.P.Q.2d 1969 (4th Cir. 2007).
- 34 *Id.* Although it followed *Louis Vuitton Malletier*, the TTAB noted that the case “has on occasion come under criticism.” *Research in Motion Ltd.* at fn. 33 (citing Anthony L. Fletcher, “The Product with the Parody Trademark: What’s Wrong with CHEWY VUITON?” 100 *Trademark Reporter* 1091 at 1142-45 (September-October 2010)).

Parody continued on page 32

Parody continued from page 27

- 35 *Research in Motion Ltd.* at 36.
- 36 15 U.S.C. § 1125(c)(3)(A) (fair use does not include a person's use of a parody "as a designation of source for the person's own goods or services").
- 37 *Research in Motion Ltd.* at 36 (citing *Louis Vuitton Malletier*, 507 F.3d at 266-67, 84 U.S.P.Q.2d 1969, 1978; also citing *Am. Express Marketing & Dev. Corp. v. Gilad Dev. Corp.*, 94 U.S.P.Q.2d 1294 (T.T.A.B. 2010)).
- 38 *Id.* at 36-37 (citing *Louis Vuitton Malletier* at 507 F.3d at 266, 84 U.S.P.Q.2d at 1978).
- 39 *Id.* at 37.
- 40 *Id.* (citing *Louis Vuitton Malletier*, 507 F.3d at 261, 84 U.S.P.Q.2d at 1974).
- 41 *Id.* at 38.