

# Successful Defense of Infringement Claim

## Case Study

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**Intellectual Property partner Floyd Mandell and associate Julia Mazur won a crucial victory for client PepsiCo's Gatorade in a landmark federal trademark case that was named one of the top ten IP decisions of 2019 by legal periodical Law 360. The case involves the fair use doctrine and establishes an important precedent for future trademark disputes.**

In a classic case of David versus Goliath, the case pitted a small, plaintiff business against a large global company. Plaintiff SportFuel, Inc., a sports nutrition consulting firm, claimed reverse confusion and sought a substantial monetary judgment, alleging Gatorade's use of the slogan, "Gatorade the Sports Fuel Company" was trademark infringement.

PepsiCo faced the potential of a large monetary verdict should the judgment go against them, as well as the additional cost of having to create a new slogan to replace existing marketing and advertising materials. The team was aware that small business owners often present a sympathetic image to juries, who may be inclined to rule in their favor against large, established companies. Moreover, Floyd and Julia sought to avoid the protracted litigation to which these cases often lead. From the outset they adopted a strategy designed to obtain a favorable verdict in the most efficient and decisive way possible, aiming for a summary judgment in the district court, and thereby avoiding the risks and costs of a jury trial.

Arguing that the use of the slogan met the standards of the fair use doctrine and so was not trademark infringement, the team noted that (1) the words "sports fuel" were descriptive of the product, not used as a trademark, and (2) the company did not intend to create an association with the plaintiff company in the minds of consumers. When registering its slogan, the client had been advised by the US Patent and Trademark Office that the words "sports fuel" could not, on their own, be registered, which further strengthened their argument.

Convinced that Gatorade's use met the requirements of the fair use doctrine, the district court granted Gatorade and PepsiCo summary judgment. The plaintiff appealed. Throughout the appeals process, which included participation in mandatory mediation, the parties were unable to reach a settlement. In August 2019, the Seventh Circuit Court of Appeals unanimously affirmed the district court decision. Floyd and Julia were the primary attorneys handling the matter, assisted by IP special counsel Carolyn Passen in Chicago. They were assisted on the appeals brief by attorneys in the firm's Appeals and Critical Motions practice, particularly partner Tami Kameda Sims in the Los Angeles – Century City office.

