US: TRADE MARKS

Design marks: comparing and tacking

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In the case *Jack Wolfskin Ausrustung Fur Draussen GmbH & Co KGAA v New Millennium Sports, SLU*, the US Court of Appeals for the Federal Circuit issued an instructive decision overturning a Trademark Trial and Appeal Board (TTAB) finding of a likelihood of confusion between two design marks.

Jack Wolfskin had filed a trade mark application for a design mark consisting of an angled paw print. New Millennium opposed the application based on a claim of a likelihood of confusion with its own registered mark consisting of the stylized word "Kelme" in conjunction with a paw print mark. In response, Jack Wolfskin filed a counterclaim for cancellation of New Millennium's trade mark registration alleging that its design mark had been abandoned. The TTAB rejected the counterclaim and sustained the opposition, after which Jack Wolfskin took appeal to the Federal Circuit.

The first issue for the Court to consider was whether New Millennium had abandoned its registered design mark. Jack Wolfskin's claim of abandonment was based on the fact that New Millennium had ceased using the registered version of its design mark and had switched to a new, modified version of that mark. The Court held that when a trade mark owner transitions to a modified version of its registered design mark, it may avoid abandonment of the original mark and retain the benefits of its use of the earlier format only if the modified version "creates the same, continuous commercial impression" as the original. In the context of a priority dispute, the Court noted that if the old form of the design mark and the new form are "legal equivalents", the legal attack will fail. Applying this standard, the Court determined that the minor adjustments made to the font of New Millennium's design mark were not sufficient to warrant a finding that the marks created a different commercial impression. Accordingly, the Court agreed with the TTAB's finding that the registered design mark was not abandoned.

Having determined that New Millennium did not abandon its mark, the Court next turned to reviewing the TTAB's finding of a likelihood of confusion between the marks at issue. The TTAB had taken the position that the marks were confusingly similar even though New Millennium's mark contained the word "Kelme", reaching a broad conclusion that "companies that use marks consisting of a word plus a logo often display their logos alone, unaccompanied by the literal portions of their trademarks". The Court held that the TTAB's finding "essentially disregarded the verbal portion of New Millennium's mark" and did not consider the marks as a whole, an issue exacerbated by the wealth of evidence of third-party design marks comprised of paw prints submitted by Jack Wolfskin. While the TTAB could place greater emphasis on a design element under certain circumstances, the Court indicated that a rational reason for doing so was required, something that the TTAB did not provide.

This decision is instructive in that it provides guidance on the issue of tacking (namely, the ability to rely on an earlier form of a design mark when switching to a modified version) and on the factors considered when comparing two design marks for purposes of a likelihood of confusion analysis.