

## Structuring Trademark Clearance Opinions

Assessing Search Results to Identify Infringements, Overcoming Clearance Challenges,  
Preparing Opinions to Reduce Legal Risks

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TUESDAY, NOVEMBER 9, 2021

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# ANALYZING SEARCH REPORTS, OVERCOMING CLEARANCE CHALLENGES

November 9, 2021



Karen Lim

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# WHY SEARCH?

To find out:

- Can the mark be used?
- Can the mark be registered?
- How strong is the mark?

Benefits of searching:

- Identify risks
- Inform strategy
  - Modify mark
  - Determine when and where to file and for what
  - Develop guidelines for use
  - Take pre-emptive action
- Reduce costs
  - Avoid rebranding and litigation

# WHEN TO SEARCH?

- Adopting a new mark
- Enforcing an existing mark
- Expanding goods/services
- Expanding geographically
- Business transactions
  - Licensing
  - Mergers and acquisitions

# PRE-SEARCH QUESTIONS

- What is the mark?
  - Word, stylized, design, composite
  - Meaning
- How will it be used?
- Where will it be used/registered?
- What are the goods/services?
- Who is the target consumer?
- What is the budget?
- When is the deadline?

# TYPES OF SEARCHES

- Preliminary search
  - Trademark database
  - Internet
- Full search
  - Industry specific “add-ons” e.g. alcohol label, music media
- Design search
  - Federal design search
  - Image recognition search
- Pharmaceutical search
- Multi-country Screening Search (“MCSS”)

# EVALUATING SEARCH RESULTS

-  **Red flag:**
  - Identical mark + identical/closely related goods/services
-  **Yellow flag:**
  - Similar mark + identical/closely related goods/services
  - Identical mark + goods/services in “zone of expansion”
-  **Blue flag:**
  - Similar mark + goods/services in “zone of expansion”
  - Identical mark + different goods/services
- Conflicts

# COMMON LAW REFERENCES

- Multiple references  $\neq$  co-existence
  - The Internet is not the USPTO
- Is the use in the U.S.?
- Is the use current?
- Investigate, but how many and which ones?

# DOMAIN NAME REFERENCES

- A domain name with no relevant content is not a problem
  - Except your client may not be able to obtain the desired domain name
- Check out the sites independently
  - Sometimes the site is down when the report is prepared

# REVERSE CONFUSION

- Little guys, large damages
- Any sales, even on a small, local level, will suffice to maintain trademark rights
- Best strategy for a dead hit
  - Buy out owner
  - Obtain co-existence agreement

# ASSESSING RISK: THEM

- How strong is the mark?
  - Famous
  - Unusual or coined
  - Family of marks
  - Common or diluted
  - Disclaimers or 2(f) claims
- Federal registration or state registration/common law
- Trade channels
- Sophistication of relevant consumers
- Geographic scope of prior user
- How aggressive is the owner?

# ASSESSING RISK: US

- Is use imminent?
  - If not, can take a wait-and-see approach
- How long will the mark be used?
  - Use for a limited time allows for greater risk taking
- Where will the mark be used?
  - Limited geographic distribution allows for greater risk taking
- How will the mark be used?
  - Will use be on the product, packaging, promotional materials, point-of-sale display?
- Consider use without registration

# ASSESSING RISK: MARKET FACTORS

- Major companies may trade consents for worldwide co-existence
  - International trademark database search - who has priority and where?
- Pharmaceutical companies file for many marks
  - But may only pursue a handful
- Cosmetics companies tend not to enforce shade names
  - Same for fashion companies and style names
- Similar marks for computer software in different fields or for different purposes can co-exist
- Very similar slogans can co-exist, even in the same field
- If ancillary goods/services, risk may be lower

# FEDERAL REGISTER: VULNERABLE?

- “Zombie” registrations
  - Send them to [TMFeedback@uspto.gov](mailto:TMFeedback@uspto.gov)
- Is the registration due for maintenance or renewal?
  - If in the grace period, action on pending applications must be suspended (TMEP §716.02(e))
- Is there helpful Internet information?
  - Is there still use?
  - Is the scope of use limited?
  - Are the customers/trade channels different?
- Look at the prosecution history
  - Were there refusals based on 2(d)?
  - Did the registrant make helpful admissions?

# FEDERAL REGISTER: OVERBROAD CLAIMS

- Is the entire list of goods/services plausible?
- Use-based applications:
  - Mark must be used at filing date for all goods/services claimed
- Intent-to-use, Section 44, Madrid applications:
  - Applicant must have bona fide intent at filing date to use mark in the U.S. for all goods/services claimed
- Section 8:
  - Mark must be used in the U.S. for all goods/services when declaration is filed

# FEDERAL REGISTER: OVERBROAD CLAIMS

## ENAMORADA

[translates into English as “woman who is in love”]

Perfumes; fragrances for personal use; toilet waters; colognes; skin care preparations, namely, lotions, hand creams, moisturizers, toners and body oils; shave gel; non-medicated lip balms; hair care products, namely, shampoos, conditioners, spray and sculpting gels, hair coloring preparations and waving lotions; makeup, namely, lipstick, lip gloss, eye shadow, foundation cream, blushes, face powder, eye pencils, lip pencils, nail polishes, nail polish removers and mascara; **fabric softener; detergent for laundry, household and institutional use**; beauty bar soap; deodorant and antiperspirant, sun care preparations, namely, sunscreen and sun block preparations

Basis: 1(a)

# FEDERAL REGISTER: SPECIMENS

- May provide clues as to nature and scope of use
- May show distributor's name or website address for additional clues
- May be a fake

# FEDERAL REGISTER: SPECIMENS



Impression Reg. No. 3553000

# FEDERAL REGISTER: SPECIMENS

TimeleX



TimeleX

Serial No. 86962288

Abandoned

# FEDERAL REGISTER: SPECIMENS



InstaMarket Serial No. 87355377 – Abandoned

# FEDERAL REGISTER: SPECIMENS



# FEDERAL REGISTER: SPECIMENS

## GOGYMI – Response to Office Action Referenced Amazon Listing:

prime now Save up to 30% on Apple products Shop now  
FREE 2-hour delivery

Professional Folding Walking Canes Lightweight Adjustable Canes and Walking Sticks for Men and Women  
by GOGYMI  
Be the first to review this item

Price: **\$60.99** & FREE Shipping  
Note: Not eligible for Amazon Prime.  
Only 1 left in stock - order soon. Ships from and sold by Hopemate.

Arrives: Aug 6 - 27  
Fastest delivery: Fri, Jul 19

Deliver to Tamar - New York 10028

Qty: 1 Turn on 1-click ordering

Add to Cart  
Buy Now  
Add to List

Celebrate Prime Day with 25¢ Cheetos  
Start your FREE trial today Shop Fresh

same photo as specimen

### About the product

- Easy and smooth folding the walking canes into convenient parts/snap out automatically
- Anodized aluminium body provides maximum safety to handle up to 250 lbs
- handle has an ergonomic design to fit the shape of the palm and relieve pressure from the wrist
- rubber tip at the bottom with some traction so that the cane does not slip in if you are on wet
- This walking sticks is convenient storage and usage with carrying bag, ideal gift for the elderly and strengthens the structure.

# FEDERAL REGISTER: SPECIMENS



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# INVESTIGATIONS

- How much can/should you investigate on your own?
- Use a private investigator:
  - ITU or foreign marks
  - For more reliable or detailed information
  - If testimony will be needed
  - To anonymously acquire a mark or domain name, or negotiate a co-existence agreement
- Beware – even with investigation, you can be surprised

# NEXT STEPS

- Sit tight and see if an application or registration lapses
- File a Letter of Protest
- File a petition to cancel
  - New procedures under Trademark Modernization Act (2020)
- File a petition for partial cancellation
- Negotiate an assignment or co-existence agreement
  - Contact company directly or its attorney?
  - Reveal who the client is or approach anonymously using an investigator?
  - If the answer is “no,” walk away

# THANK YOU. QUESTIONS?

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# TRADEMARK CLEARANCE OPINIONS



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# WHY SEEK AN OPINION?



- Identify Risks, Inform Strategy and Reduce Costs
- Clearly convey important information & **competent** legal advice
- Intended for business to **reasonably rely** on opinion of counsel
  - Desire to objectively neutralize intent factor in likelihood of confusion analysis
  - Insulate against charge of bad faith & willful infringement

# NO LEGAL DUTY TO OBTAIN OPINION

“Nabisco had no legal duty to obtain an attorney's opinion. It was free under law to obtain an opinion or not. The law affording the attorney-client privilege was designed to encourage Nabisco to opt in favor of seeking legal advice. But the imposition of the sanction will undermine that objective. We believe the district court erred in drawing an adverse inference against Nabisco by reason of its invocation of the attorney-client privilege.”

*Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 226 (2d Cir. 1999)



# BUT, AN OBLIGATION TO AVOID CONFUSION

“[A] new entrant presenting a new mark for registration has an **obligation** to avoid confusion with established marks in the same market.”

Bridgestone Americas Tire Operations, LLC v. Federal Corp., 673 F.3d 1330, 1333 (Fed. Cir. 2012)



# AN OPPORTUNITY AND OBLIGATION



“This court resolves doubts about the likelihood of confusion against the newcomer because the newcomer has the **opportunity and the obligation** to avoid confusion with existing marks.”

Hewlett-Packard Co. v. Packard Press, Inc., 281 F.3d 1261, 1265 (Fed. Cir. 2002)

# IGNORANCE IS NO EXCUSE



“Both the first user and the public may be as readily wounded by the ostrich as the fox.” *V.J. Doyle Plumbing Co. v. Doyle*, 120 Ariz. 130, 133 (Ariz. Ct. App. 1978).

# CLEARANCE GONE WRONG

adidas Superstar



Payless Imitation



*Adidas America, Inc. v. Payless Shoesource, Inc.,*  
529 F. Supp. 2d 1215 (D. Or. 2007)

# A PARTY CANNOT RELY ON ADVICE THAT IT DID NOT SEEK OR OBTAIN



# HOW TO FAIL AT CLEARANCE

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1. Make little or no effort to determine whether use of the proposed mark actually causes consumer confusion with another mark.
2. Don't consider the fact that the proposed mark is "inspired" by another's mark — that is, the client's intent.
3. Don't consider the degree of care exercised by the average purchaser.
4. Don't consider the relatedness of the parties' goods, the similarity of the marks, or the similarity of the trade or marketing channels of the respective products.
5. In other words, don't consider any of the likelihood of confusion factors.

# HOW TO FAIL AT OPINIONS

- Be conclusory and superficial.
- As "detailed" advice offer a single phrase or sentence:
  - Low to moderate on side view. No comment on s.p. heel or toe
  - Low-Mod;
  - Breaches Adidas Settlement. Mod. hi. Sole piece too close. Use opposing facing teeth.
  - low-moderate
  - low moderate
  - Shoe in dispute, more you buy harder than dispute. Low to moderate risk, but will be in dispute. Change inside and outside away from parallel
  - No [trademark] issues noted
  - Mod [trade dress] risk based on similarity of overall design elements (heel, # of toe ridges, etc.
  - Too close. Mod+ risk. . . . Already shipped.

# DIFFERENT SHOES

Without question, a defendant's state of mind may have a bearing on what relief a plaintiff should receive. An innocent trademark violator often stands in **very different shoes** than an intentional one.

*Romag Fasteners, Inc. v. Fossil, Inc.*, No. 18-1233, at \*3 (Apr. 23, 2020)



# INTENT - Relevancy to other issues

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- Intent may create a presumption of likelihood of confusion, or merely an evidentiary inference.
- Intent is relevant evidence on the issue of awarding profits and damages, and the amount thereof.
- Intent has been used by a few courts as evidence of, or a substitute for, secondary meaning.
- Intent is highly relevant to damages and injunctive relief.
- Intent is relevant to the recovery of attorney's fees

# 3 STAGES WHERE “OPINIONS” ARE VALUABLE AND COMMON

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- Knockout Search
- Full Search
- Strength Analysis

# KNOCKOUT SEARCH

- Rule out obviously unavailable marks
- Determine what potential roadblocks require further investigation
- Decide whether a comprehensive search is necessary
- Done in-house or through vendor



# FULL SEARCH

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- Evaluate complete landscape of marks
- Make final decision about whether, and under what circumstances, use and registration are possible



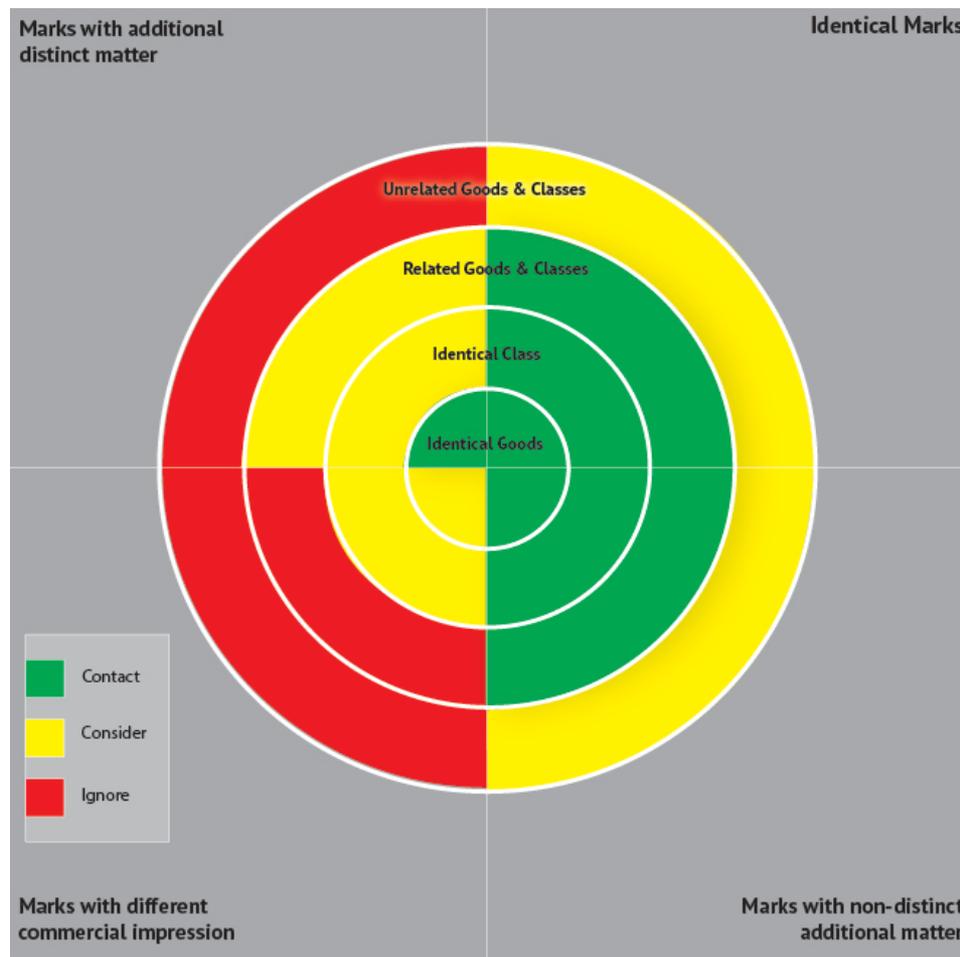
# STRENGTH ANALYSIS

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- Knowledge is Power
- Identify elements of a mark that may be especially distinct
- Evaluate the strength of a mark for enforcement purposes
- Prevent encroachment



# SAMPLE ENFORCEMENT TARGET (BASED ON STRENGTH ANALYSIS)



# BEST PRACTICES FOR OPINIONS

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- Written
- Structured
- Thorough
- Accurate
- Disclaimer
- Marked Attorney-Client Privileged and Confidential

# STRUCTURING A TRADEMARK OPINION

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1. Background Information
2. Executive Summary
3. References
4. Analysis
5. Recommendations

# 1. BACKGROUND INFORMATION

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The Background Information section sets forth the context for the opinion by identifying:

- The candidate mark
- The proposed goods or services
- The date of the search report
- The scope of the search report
- Disclaimers, by reference to attachment

## 2. EXECUTIVE SUMMARY

The Executive Summary section provides a simple conclusion in one sentence or a short paragraph:

- MARK 1 appears available for use with a low risk of any infringement claim. There may be obstacles to obtaining registration based on some relevant references, although it appears likely that such obstacles could be overcome.
- MARK 2 has a moderate risk of an infringement claim and at least one obstacle to obtaining registration that we believe is more likely than not to be a blocking obstacle, based on what we know at this time. We recommend further discussion and investigation of the potential obstacle.
- MARK 3 appears available for use with a low risk of any infringement claim and should be registrable, although the field of similar marks is crowded and your rights would be very narrow with respect to this mark, absent any changes to the crowded field.

# 3. RELEVANT REFERENCES

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Following the Background Section and/or Executive Summary Section, the relevant references should be provided in one or more tables, listing the following:

- Mark
- Goods or Services
- Serial No. or Registration No. (if applicable)
- Filing Date and Registration Date (if applicable)
- Owner

Also include relevant state registrations, common law marks, company names, and domain names.

# REFERENCES – EXAMPLE

MARK	SER. OR REG. NUMBER	GOODS AND/OR SERVICES	FILING DATE/REGISTRATION DATE	OWNER
ACME TECH	3256641	Software	12/02/2013 02/24/2015	AT, LLC
ACME	5259123	Cameras	02/16/2005 01/15/2008	SMITH, JOHN ADAM
HELMUT ACME	4876302	CDs	05/16/2010 01/15/2014	BEIJING, LTD.
ACNE	3381547	Electronic Widgets	04/16/2018 06/15/2019	ACUME CORP.

# 4. ANALYSIS

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Following the References, an analysis should follow, covering the following:

- Most relevant likelihood of confusion factors
- Legal standards, i.e., applicable law and similar cases
- Full examination of coexistence/dilution, if applicable
- Review file history and Google search relevant marks to confirm use, establish scope of use, and identify strength of relevant marks
- In depth review and summary of other material information about use, prosecution history, etc. learned during full investigation

# LIKELIHOOD OF CONFUSION

DU PONT	POLAROID
1. SIMILARITY OF MARKS	1. STRENGTH OF MARK
2. SIMILARITY OF GOODS OR SERVICES	2. SIMILARITY OF MARKS
3. SIMILARITY OF TRADE CHANNELS	3. PROXIMITY OF GOODS AND SERVICES
4. CONDITIONS OF PURCHASE	4. BRIDGING THE GAP
5. FAME (STRENGTH) OF MARK	5. ACTUAL CONFUSION
6. NUMBER AND NATURE OF SIMILAR MARKS ON SIMILAR GOODS	6. BAD FAITH
7. ACTUAL CONFUSION	7. QUALITY OF D's GOODS AND SERVICES
8. CONCURRENT USE W/O ACTUAL CONFUSION	8. CONSUMER SOPHISTICATION
9. SCOPE OF USE	
10. MARKET INTERFACE BETWEEN PARTIES	
11. EXTENT OF RIGHT TO EXCLUDE OTHERS	
12. EXTENT OF POTENTIAL CONFUSION	
13. ANY OTHER FACT PROBATIVE OF USE	

# HOW CLOSE IS TOO CLOSE?



“It seems both logical and obvious to us that where a party chooses a trademark which is inherently weak, he will not enjoy the wide latitude of protection afforded the owners of strong trademarks. Where a party uses a weak mark, his competitors may come closer to his mark than would be the case with a strong mark without violating his rights.”

*Sure-Fit Products Co. v. Saltzson Drapery*, 254 F.2d 158, 160 (C.C.P.A. 1958)

# STRONG MARKS CAST A LONG SHADOW

“A strong mark . . . casts a long shadow which competitors must avoid.”

*Kenner Parker Toys v. Rose Art Industries*, 963 F.2d 350, 353 (Fed. Cir. 1992)

**But wouldn't fame heighten the public's awareness of variances in the marks?**



# 5. RECOMMENDATIONS

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- Some attorneys provide a “percentage chance” what does that really mean?
- Understand the client’s risk tolerance and budget and provide decisive recommendations
- Analysis should explain why the recommendation is reasonable and what could change it
- Always ask for “any additional material facts that might affect the analysis and recommendations”

# DR. NO AND THE PARADE OF HORRIBLES

“[Dr. No] describes a certain brand of intellectual property lawyer . . . . The underlying personal brand promise for this lawyer is to say “no,” early and often, believing an enormous hourly rate is still justified by citing a multitude of technical and valid legal reasons in support of the unhelpful answer.

Steve Baird, *Dr. No and the Parade of Horribles*, DuetsBlog.com (March 5, 2009)



# THANK YOU!

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