

A SPEEDY GUIDE TO TRADEMARK LAW AND *MEENAXI ENTER V. COCA-COLA CO.*
(TERRITORIALITY AND THE LANHAM ACT)
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Executive Summary: Trademark law enables businesses to build brand reputation and recognition by affording legal protection to marks that are distinctive, non-functional, and used in commerce. Federal trademark protection is codified in the Lanham Act, which additionally protects trade dress—features of a product’s design or packaging. As opposed to patents, which protect useful designs, trademark protection exclusively extends to features that are deemed to be non-functional. The value of trademark protection is aimed at removing consumer confusion and upholding a company’s goodwill in the marketplace. The extent to which territoriality applies under the Lanham Act is central in the recent Federal Circuit Court of Appeals case Meenaxi Enter v. Coca-Cola Co., which is summarized below.

I. BACKGROUND OF TRADEMARK LAW

Trademark law is the protection and enforcement of brand names used to sell goods and services.¹ Companies like Apple, Nike, and Disney use their brand names to create reputations that have their own value separate from the companies’ products and services. Companies rely on the value of their reputation, or goodwill,² to compete in the global marketplace. In addition to protecting companies’ goodwill from other entities’ exploitation and illegal use, trademark law also prevents consumer confusion by ensuring that consumers do not purchase goods from one company when they intended to purchase goods from another company (for example, buying “6 Hour Power” when you really wanted “5 Hour Energy”).³

Unlike copyright law and patent law, which protect intellectual property for a limited duration before forcing it to enter the public domain, trademark rights last indefinitely—as long as the mark’s owner is continuously using the mark in commerce.⁴ This is because United States trademark law is enabled under the Commerce Clause of the U.S. Constitution and confers rights based on a company’s use of a mark; whereas, copyright and patent law—enabled by Article 1, Section 8 of the U.S. Constitution⁵—incentivize creativity and invention by providing a period of exclusive rights.⁶

As discussed below, the United States Patent and Trademark Office (USPTO) grants federal registrations to parties whose trademarks meet the federal requirements for protectability. Federal registration confers several important rights under the Lanham Act,⁷ the federal codification of trademark law. However, trademark rights have their basis in common law: mark owners may enforce their rights using the federal Lanham Act, state

¹ Marks used in connection with services are often called “service marks.” This memo will use the term “trademark” to refer to both trademarks and service marks.

² Goodwill is a term of art that refers to a business’s reputational value. J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.17 (5th ed. 2020).

³ Innovation Ventures, LLC v. N.V.E. Inc., 694 F.3d 723, 726–27, 731 (6th Cir. 2012).

⁴ “Use in commerce” refers to a “sale or transportation of the trademarked goods in United States interstate or international commerce. McCarthy, *supra* note 2, at § 19:117.

⁵ U.S. CONST. art. I, § 8.

⁶ MCCARTHY, *supra* note 2, at § 6.3.

⁷ 15 U.S.C. §§ 1051 et seq. (2018).

common law, and trademark statutes (often called unfair competition statutes) to sue other mark owners for infringement, dilution, false advertising, right of publicity, and other unfair competition claims.⁸ Only parties whose own marks or likenesses have been exploited can sue under the Lanham Act, as the Lanham Act does not give disinterested consumers a right of action. If consumers wish to report a party for false advertising or for using a mark confusingly similar to another party's mark, they may file a complaint with the Federal Trade Commission.⁹

II. WHAT IS A TRADEMARK?

While trademarks are commonly thought of as words or logos, trademark law also protects “trade dress,”¹⁰ colors, designs, sounds, scents, and textures.¹¹ In the United States, a trademark is a protectable (and thus enforceable) property right only if it is (1) distinctive of source, (2) non-functional, and (3) used in commerce.¹²

To be source distinctive a mark must instantly communicate to the consumer the source of a good or service.¹³ In a landmark case, the Second Circuit created a spectrum of distinctiveness from least distinctive (generic) to most distinctive (fanciful).¹⁴ At the least distinctive end of the spectrum are *generic* marks, which are never enforceable.¹⁵ Generic marks name the actual type of good or service and do not serve any source-identifying function.¹⁶ Recently, the court held the mark “Pretzel Crisps” to be generic and unprotectable

⁸ Trademark common law dates back to medieval brandings used by merchants to distinguish their goods from one another. See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1849–50 (2007).

⁹ See *What We Do*, FED. TRADE COMM'N, <https://www.ftc.gov/about-ftc/what-we-do> (last visited Sept. 18, 2020).

¹⁰ Trade dress is a product's packaging or configuration and must be nonfunctional. MCCARTHY, *supra* note 2, at § 8.4.

¹¹ For example, NBC's peacock logo and three-note chime are registered marks. The mark consists of a stylized representation of a peacock, Registration No. 1,931,255; The mark comprises a sequence of chime-like musical notes which are in the key of C and sound the notes G, E, C, the "G" being the one just below middle C, the "E" the one just above middle C, and the "C" being middle C, thereby to identify applicant's broadcasting service, Registration No. 0,916,522.

¹² BARTON BEEBE, *TRADEMARK LAW: AN OPEN-SOURCE CASEBOOK* 33 (6th ed. 2019).

¹³ Note that “source” does not mean the literal factory where goods were manufactured, but rather the entity that provides the goods to consumers. A trademark cannot describe the goods or services—it must designate who a product comes from, and not what the product is. Additionally, a mark may be either *inherently* distinctive, or may have *acquired* distinctiveness if consumers have come to recognize the mark as referring to a particular source of goods even though the mark itself merely describes the goods. McCarthy, *supra* note 2, at § 4.14 (“secondary meaning”).

¹⁴ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). The Supreme Court endorsed Judge Friendly's spectrum as the appropriate test for determining whether a mark is sufficiently distinctive in *Two Pesos, Inc. v. Taco Cabana, Inc.* 505 U.S. 763, 768 (1992). However, this spectrum is difficult to apply to non-word marks. See *generally* *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000) (discussing the *Abercrombie* spectrum applicability to trade dress). For a helpful chart depicting the spectrum, see *Is Your Brand “Distinctive” Enough to be Trademarked?*, PATROLA LAW (Oct. 10, 2019), <http://patrolalaw.com/is-your-brand-distinctive-enough-to-be-trademarked>.

¹⁵ See MCCARTHY, *supra* note 2, at § 12.1 (citing “a generic name of a product can never function as a trademark to indicate origin”).

¹⁶ Examples include “Hotels.com” for making hotel reservations and “Serial” for an ongoing investigative reporting podcast. See *In re Hotels.com*, 573 F.3d 1300, 1304 (Fed. Cir. 2009); *In re Serial Podcast, LLC*, 126 U.S.P.Q.2d 1061, 1072 (T.T.A.B. 2018) (holding, that Serial's logos had acquired distinctiveness and were allowed to be registered).

for “pretzel crackers” after twelve years of litigation.¹⁷ Next on the distinctiveness spectrum are *descriptive* marks, which merely describe qualities or characteristics of the good or service without serving as an immediate source-identifier.¹⁸ Descriptive marks are not enforceable unless they have acquired secondary meaning.¹⁹ The next category of marks are *suggestive* marks, which are distinctive enough to be enforceable without a showing of secondary meaning.²⁰ A suggestive mark “requires imagination, thought and perception to reach a conclusion as to the nature of the goods,” therefore acting as an indicator of source rather than as a description of the goods themselves.²¹ Finally, the most distinctive marks—*arbitrary* and *fanciful*—are unrelated to the actual goods or services (ex. Apple for computers), or are completely made-up words (ex. Pepsi for soda), respectively.²² Arbitrary and fanciful marks instantly refer to the source of the goods or services without describing the characteristics of the goods or services and the strongest marks conferring the greatest scope of protection.²³

Trademarks also cannot be functional. For trade dress in particular, the source-identifying purpose of the good (e.g., Coca-Cola’s recognizable glass bottle shape) must outweigh the functional purpose of the good (e.g., the flat bottom allowing the bottle to remain upright).²⁴ Finally, trademarks must be used in commerce.²⁵ This means that the mark must be used to advertise, sell, or otherwise conduct commercial business regarding goods or services in the United States or between the United States and a foreign nation.²⁶

III. HOW ARE TRADEMARKS OBTAINED, CHALLENGED, AND ENFORCED?

¹⁷ *Snyder’s Lance, Inc. v. Frito-Lay North America, Inc.*, No. 317CV00652KDBDSC, 2021 WL 2322931 (W.D.N.C. June 7, 2021).

¹⁸ Examples include “Fish-Fry” for batter mixes to fry fish and “Supreme” for vodka. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 793 (5th Cir. 1983); *Supreme Wine Co. v. Am. Distilling Co.*, 310 F.2d 888, 889 (2d Cir. 1962).

¹⁹ See *supra* note 13.

²⁰ *Innovation Ventures, LLC*, 694 F.3d at 730.

²¹ *Stix Prods., Inc. v. United Merchs. & Mfrs., Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968). Examples include “Tide” for laundry detergent and “Streetwise” for street marks. *Wal-Mart Stores*, 529 U.S. at 210–11; *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 744 (2d Cir. 1998).

²² Examples of arbitrary marks include “Gap” for apparel and “Omega” for watches (these terms have nothing to do with the actual goods and services). See *Gap, Inc. v. G.A.P. Adventures Inc.*, No. 07-cv-9614 (AKH), 2011 WL 2946384, at *13 (S.D.N.Y. June 24, 2011); *Omega S.A. v. Omega Eng’g, Inc.*, 228 F. Supp. 2d 112, 123 (D. Conn. 2002). Examples of fanciful marks include “Hobbit” for a character in books and movies and “Viagra” for an erectile dysfunction drug (these terms were coined for the sole purpose of identifying the source of the goods and services). See *Warner Bros. Entm’t v. Global Asylum, Inc.*, No. CV 12–9547 PSG (CWx), 2012 WL 6951315, at *5 (C.D. Cal. Dec. 10, 2012), *aff’d*, 544 Fed. Appx. 683 (9th Cir. 2013); *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 520 (S.D.N.Y. 2009).

²³ *Two Pesos, Inc.*, 505 U.S. at 786 (Thomas, J., concurring).

²⁴ See *generally In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982) (creating a four-factor test to determine whether trade dress is functional). Note that the United States Court of Customs and Patent Appeals (C.C.P.A.) has since become the Court of Appeals for the Federal Circuit.

²⁵ This contrasts with many other countries that grant trademark registrations without evidence that the mark is used in commerce. See MCCARTHY, *supra* note 2, at § 16:1:50. See also Tara M. Aaron & Axel Nordemann, *The Concepts of Use of a Trademark under European Union and United States Trademark Law*, 104 T.M.R. 1186, 1189 (2014) (noting parties seeking trademark registration in the European Union do not have to prove use or intent to use).

²⁶ See *Couture v. Playdom, Inc.*, 778 F.3d 1379, 1382 (Fed. Cir. 2015) (establishing that a company must actually render service using the mark to constitute use in commerce).

Trademark owners have several means to enforce their rights, including federal registration, *ex parte* and *inter partes* actions at the Trademark Trial and Appeal Board (TTAB), and federal district court litigation.

A. Federal Registration

One of the most important steps in securing broad trademark rights is to secure a federal trademark registration. There are numerous benefits to obtaining a federal registration, including nationwide priority as of the application date, constructive use and notice to potential competitors, presumption of validity, basis for obtaining registration in foreign countries, right to request the U.S. Custom and Border Patrol to prevent infringing imports, statutory remedies, and right to use ®.²⁷

The USPTO, an executive office within the Department of Commerce, is responsible for granting or refusing federal registration.²⁸ Individuals and businesses seeking to register a new trademark may apply through the USPTO's online portal independently or through a licensed attorney.²⁹ Once a party submits an application, the USPTO assigns an Examining Attorney to review the application for compliance with USPTO regulations and the Lanham Act.³⁰

If a mark is approved by the USPTO, it is published in The Trademark Official Gazette and open to challenge for thirty days by “any person who believes that he would be damaged by the registration of a mark.”³¹ The grounds for opposing a mark vary, but usually the petitioner asserts that there is a likelihood of confusion between its mark and the opposed mark.³² If no opposition (or extension) is filed, the mark proceeds to allowance and ultimately to registration, once use has been demonstrated.³³ The term of registration is ten years, with the ability to renew indefinitely, provided compliance with the USPTO post-registration and maintenance requirements.³⁴ If the USPTO refuses to register an applicant's mark, the applicant can appeal the refusal as an *ex parte* action³⁵ to the Trademark Trial and Appeal Board (TTAB).³⁶

B. Trademark Trial and Appeal Board (TTAB) Proceedings and Appeals

The TTAB is a neutral body of administrative trademark judges responsible for

²⁷ BARTON BEEBE, TRADEMARK LAW: AN OPEN-SOURCE CASEBOOK 261–63 (8th ed. 2021).

²⁸ The USPTO may refuse registration on several grounds, including a likelihood of confusion with any third-party mark, being deceptively misdescriptive, and being primarily geographically descriptive. 15 U.S.C. § 1052.

²⁹ U.S. PAT. & TRADEMARK OFF., TRADEMARK PROCESS, <https://www.uspto.gov/trademarks/basics/trademark-process> (last modified Sep. 22, 2021).

³⁰ *Id.*

³¹ 15 U.S.C. § 1062(a).

³² Likelihood of confusion is also the test for whether a party has engaged in trademark infringement against another's mark and is decided by a multi-factor test. The TTAB and Federal Circuit use the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973), but each circuit has its own multi-factor test.

³³ BEEBE, *supra* note 27, at 273.

³⁴ Lanham Act §§ 8 & 9, 15 U.S.C. §§ 1058 & 1059.

³⁵ This is an “*ex parte*” action because there is no claim of action between opposing parties—just a disagreement between an applicant and the PTO about whether a mark is registrable.

³⁶ Note that all *ex parte* TTAB and appellate hearings decide only whether a mark is registrable, not whether a party's use of a mark infringes upon another party's mark.

adjudicating trademark disputes in the first instance.³⁷ The TTAB is not authorized to determine whether applicants may legally use a trademark, but it is allowed to determine whether applicants have the right to register trademarks with the federal government.³⁸ The TTAB is authorized to handle five types of cases, but the three that it most commonly deals with are (1) *ex parte* appeals, (2) oppositions, and (3) cancellations.³⁹ First, in an *ex parte* appeal, the applicant may challenge the USPTO Examining Attorney’s decision to refuse trademark registration.⁴⁰ Second, a party may initiate an opposition proceeding to challenge the registration of a trademark as published in The Trademark Official Gazette.⁴¹ Finally, a party may initiate a cancellation proceeding with the TTAB in an attempt to invalidate and remove from the register the existing trademark registration of another party.⁴²

If a party is unsatisfied with the TTAB’s decision in an appeal, opposition, or cancellation proceeding, the party can either (1) appeal to the Federal Circuit—the Article III court with appellate jurisdiction over TTAB decisions—or (2) appeal to any federal district court.⁴³ There are two advantages of the district court route. First, the record in the case may be supplemented with additional evidence. Second, the district court’s rulings may be appealed to its reviewing appellate court, thus making it possible to forum shop and avoid the Federal Circuit.⁴⁴

C. Federal Litigation

Parties can also enforce their trademark rights by bringing suit in district court, alleging trademark infringement, dilution, or any other cause of action enabled by the Lanham Act or common law.⁴⁵ Parties with a federal trademark registration can bring trademark causes of action in any federal district court with jurisdiction; appeals are heard by the respective circuit court. Nationally-famous trademarks are protected from unauthorized uses that are likely to blur their distinctiveness, whether or not there is a likelihood of consumer confusion.⁴⁶ Likely dilution by blurring is actionable under federal law where there is an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”⁴⁷

IV. THE TRADEMARK MODERNIZATION ACT OF 2020

Enacted in December 2020,⁴⁸ the Trademark Modernization Act of 2020 (TMA)

³⁷ U.S. PAT. & TRADEMARK OFF., ABOUT THE TRADEMARK TRIAL AND APPEAL BOARD, <https://www.uspto.gov/trademarks/laws/trademark-trial-and-appeal-board> (last modified Feb. 21, 2019).

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

⁴³ Lanham Act § 21, 15 U.S.C. § 1071.

⁴⁴ BEEBE, *supra* note 27, at 273.

⁴⁵ Note that the Lanham Act confers upon both federally registered and unregistered trademarks the right to sue for infringement. 15 U.S.C. §§ 1114, 1125.

⁴⁶ Anne Gilson LaLonde, 1 Gilson on Trademarks § 1.03 Source Identification and Distinctiveness (Matthew Bender 2022).

⁴⁷ 15 U.S.C. § 1125(c)(2)(B).

⁴⁸ Changes to Implement Provisions of the Trademark Modernization Act of 2020, 86 Fed. Reg. 26,862, 26,863

amended the Lanham Act in three important respects.⁴⁹ First, the TMA created two new *ex parte* procedures: expungement and reexamination.⁵⁰ In an expungement proceeding, third parties may challenge a trademark registration by submitting evidence amounting to a *prima facie* showing that the mark has never been used in commerce on or in connection with some or all the goods or services recited in the registration.⁵¹ In a reexamination proceeding, third parties may challenge a trademark registration by submitting evidence amounting to a *prima facie* showing that the mark was not in use in commerce on or in connection with some or all the goods or services as of the alleged use date.⁵²

Second, the TMA changes the application process by allowing trademark examiners to alter the response deadlines for applicants.⁵³ Finally, the TMA clarifies the appropriate standard of proof for trademark litigation.⁵⁴ For a court to grant injunctive relief in a trademark case, courts must find that a plaintiff would suffer “irreparable injury” if an injunction is not ordered.⁵⁵ Historically, federal courts held that the “irreparable injury” element is satisfied when the alleged trademark infringement is likely to cause customer confusion, but federal courts have recently weakened this requirement by holding that customer confusion does not automatically create an assumption of irreparable injury.⁵⁶ The TMA addresses this issue by reestablishing the traditional principle that a showing of customer confusion is dispositive of the plaintiff’s irreparable injury.⁵⁷

V. TRADE DRESS

In addition to protecting traditional trademarks, the Lanham Act also protects trade dress,⁵⁸ which is the “appearance of a product when that appearance is used to identify a producer.”⁵⁹ Trade dress may include a product’s size, shape, color, graphics, or configuration.⁶⁰ The purpose of trade dress law is to prevent confusion about the source of a product.⁶¹ There are two principal categories of trade dress: product design and product packaging.⁶² Product packaging (ex. restaurant layout) may be inherently distinctive and therefore eligible for trade dress protection without a showing of secondary meaning.⁶³ On the other hand, product design (ex. shape of Coca-Cola bottle) cannot be inherently distinctive, so the applicant or trademark holder must show that the design has acquired

(May 18, 2021).

⁴⁹ David T. Azrin, *The Trademark Modernization Act: New Procedures and Rules That Will Benefit Trademark Owners*, 31 INTELL. PROP. LITIG. 17, 17 (2021).

⁵⁰ *Id.* at 17–18.

⁵¹ *Id.* at 18.

⁵² *Id.*

⁵³ *Id.* This provision has not yet gone into effect.

⁵⁴ *Id.* at 18–19.

⁵⁵ 15 U.S.C. § 1116(d)(4)(B)(iv).

⁵⁶ Azrin, *supra* note 47, at 18–19.

⁵⁷ Azrin, *supra* note 47, at 19.

⁵⁸ *Wal-Mart Stores*, 529 U.S. at 209.

⁵⁹ *Publications Int’l, LTD. v. Landoll, Inc.*, 164 F.3d 337 (7th Cir. 1998).

⁶⁰ Paula Mays, *Trade Dress*, 88 J. PAT. & TRADEMARK OFF. SOC’Y 392, 392 (2006).

⁶¹ Jeff Resnick, *Trade Dress Law: The Conflicts Between Product Design and Product Packaging*, 24 WHITTIER L. REV. 253, 256 (2002).

⁶² *Id.*

⁶³ *See Two Pesos, Inc.*, 505 U.S. at 767 (holding that trade dress can be inherently distinctive); *see also Wal-Mart*, 529 U.S. at 215 (explaining that the trade dress examined in *Two Pesos* qualifies as product packaging).

secondary meaning in order to receive trade dress protection.⁶⁴

VI. THE FUNCTIONALITY DOCTRINE

Non-functionality is one of three requirements a trademark must satisfy to qualify for protection⁶⁵—the Lanham Act explicitly states that a trademark must be refused registration when it “comprises any matter that, as a whole, is functional.”⁶⁶ The functionality doctrine operates to maintain separation between patent and trademark protections.⁶⁷ Whereas patents are specifically designed to protect useful inventions, trademark law protects non-functional branding features.⁶⁸

“Functionality” within trademark law can refer to either utilitarian functionality or aesthetic functionality.⁶⁹ Under the utilitarian approach to functionality, “a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”⁷⁰ The existence of a utility patent for a feature, although not dispositive, creates a strong presumption of the feature’s utility.⁷¹ The doctrine of aesthetic functionality “looks to whether the [trade] dress makes [a product] more appealing to the public by aesthetic means.”⁷² Aesthetic features are functional when they are necessary for a product to compete in its market.⁷³ Even when a plaintiff successfully presents a *prima facie* case for trademark infringement, the defendant is not liable if it can prove either utilitarian or aesthetic functionality.⁷⁴

VII. MEENAXI V. COCA-COLA CO.⁷⁵

This dispute arises out of the American registration of two soft drink trademarks by Meenaxi, THUMS UP and LIMCA, and Coca-Cola’s foreign registration of the same marks in India.⁷⁶ The company Parle (Exports), Limited of Bombay, India (“Parle”) introduced two soft drinks to the Indian market.⁷⁷ Thums Up cola entered the market in 1977 and Limca lemon-lime soft drink entered in 1971.⁷⁸ Coca-Cola began operating in India in 1950 through Parle, and in 1993 acquired Parle’s Indian registrations of the THUMS UP and LIMCA marks. Coca-Cola’s beverages are available in over 2.6 million retail outlets in India and sold in several Asian and Middle Eastern countries.⁷⁹ The Indian High Court of Delhi found in 2014 that the THUMS UP mark was “famous” and “well known,” and previously found that LIMCA was

⁶⁴ *Wal-Mart Stores*, 529 U.S. at 216.

⁶⁵ *See supra* text accompanying note 12.

⁶⁶ 15 U.S.C. § 1052(e)(5).

⁶⁷ *Ezaki Glico Kabushki Kaisha v. Lotte Int’l Am. Corp.*, 986 F.3d 250, 256 (3d Cir. 2021).

⁶⁸ *Id.* at 255.

⁶⁹ *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1338 n.1 (1982).

⁷⁰ *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1981).

⁷¹ *Traffix Devices v. Marketing Displays*, 532 U.S. 23, 29 (2001).

⁷² Spencer Davczyk, *Aesthetic Functionality in Trade Dress: Post-Secondary Aesthetic Functionality Proposed*, 105 COM. L.J. 309, 315 (2000).

⁷³ *Id.*

⁷⁴ *Wallace Int’l Silversmith v. Godinger Silver Art Co.*, 916 F.2d 76, 79 (2nd Cir. 1990).

⁷⁵ 38 F.4th 1067 (Fed. Cir. 2022).

⁷⁶ *Id.* at 1069.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

similarly “well known” in India.⁸⁰

Meenaxi has been selling beverages to Indian grocers in the United States since 2008, using the THUMS UP and LIMCA marks.⁸¹ Meenaxi registered its trademarks with the U.S. Patent and Trademark Office (“USPTO”) in 2012, after its USPTO search revealed that an application for the THUMS UP mark was abandoned in 1987 and a registration for the LIMCA mark expired in 1996.⁸² The Board granted Registration No. 4,205,597 (“597 Registration”) for the LIMCA standard character mark and Registration No. 4,205,598 (“598 Registration”) for the THUMS UP standard character mark.⁸³

In 2016, Coca-Cola brought a claim to the Board under § 14(3) of the Lanham Act to cancel Meenaxi's registrations for misrepresentation of source.⁸⁴ The Board found for Coca-Cola and cancelled both trademarks, finding that Coca-Cola was statutorily entitled to bring a cancellation claim and that Meenaxi attempted to dupe consumers in the United States by confusing consumers familiar with Coca-Cola’s brands from India.⁸⁵

On appeal, the Federal Circuit Court of Appeals again considered whether Coca-Cola was statutorily entitled to a claim under the Lanham Act.⁸⁶ The Federal Circuit Court of Appeals applied the same Lanham Act test as the Board, which requires a claimant to establish it believes that it is, or will be, damaged by the registration.⁸⁷ Under the Supreme Court’s decision in Lexmark International, Inc. v. Static Control Components, Inc.,⁸⁸ entitlement to a statutory cause of action under the Lanham Act requires demonstrating (1) an interest falling within the zone of interests protected by the Lanham Act, and (2) an injury proximately caused by a violation of the Act.⁸⁹

The court reasoned that the first prong did not clearly entitle Coca-Cola to a claim because of the territoriality doctrine.⁹⁰ Under the territoriality doctrine, a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark.⁹¹ Embedded in this issue is the extent to which the territoriality doctrine applies to § 14(3) and § 43(a) of the Lanham Act.⁹² These provisions are some of the few within the Lanham Act that go beyond trademark protection and extend to improper use of marks that cause commercial injury even if the injured party is not itself a trademark holder.⁹³ The Fourth Circuit clarified in Belmora Ltd. Liab. Co. v. Bayer Consumer Care AG⁹⁴ that neither § 14(3) nor § 43(a) require a plaintiff to possess or have used a trademark in U.S. commerce as an element of the cause of action.⁹⁵ But the territoriality principle as applied within the Federal Circuit Court of Appeals held that reliance on foreign use could not support a priority trademark claim because foreign use had no effect on U.S.

⁸⁰ *Id.*

⁸¹ *Id.* at 1070.

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.* at 1071.

⁸⁶ *Id.* at 1072.

⁸⁷ *Id.* at 1070.

⁸⁸ 572 U.S. 118 (2014).

⁸⁹ *Id.* at 129, 132.

⁹⁰ Meenaxi, 38 F.4th at 1075.

⁹¹ *Id.* at 1073 (quoting McCarthy on Trademarks § 29:1).

⁹² *Id.* at 1075.

⁹³ *Id.*

⁹⁴ 819 F.3d 697 (4th Cir. 2016).

⁹⁵ *Id.* at 706.

commerce, and thus could not form the basis of forming priority in this country.⁹⁶

The court also reasoned that Coca-Cola failed to substantiate injury proximately caused by Meenaxi.⁹⁷ Coca-Cola presented de minimis third-party sales, relied on unsubstantiated affidavits, and provided nebulous future plans to sell their popular Indian beverages in America, thus failed to substantiate loss of sales.⁹⁸ Finally, the court found no injury to Coca-Cola's reputation because Coca-Cola could not substantiate its theory for reputational injury.⁹⁹ Coca-Cola did not rely on the famous-marks exception and only argued that members of the Indian-American community were aware of their Indian brands and Meenaxi traded on Coca-Cola's goodwill with Indian-American consumers who would be misled into thinking Meenaxi beverages were the same as those sold by Coca-Cola.¹⁰⁰ Failing to support their position, Coca-Cola provided no substantial evidence to support the assumption that the Indian-American community was aware of the THUMS UP and LIMCA brands.¹⁰¹ Coca-Cola presented no survey data and the limited sales did not sway the court.¹⁰² Furthermore, Coca-Cola could not point to copying their mark as proof of awareness because copying a U.S. mark has been held to support a finding of secondary meaning or likelihood of confusion, but never evidence of awareness.¹⁰³ Thus, substantial evidence did not support the Board's finding that the reputations of Coca-Cola's THUMS UP and LIMCA marks in India extend to the United States.¹⁰⁴ Without such evidence, Coca-Cola failed to establish both an economic and reputational injury and the court denied entitlement to a cause of action under § 14(3) of the Lanham Act.¹⁰⁵

VIII. TRADEMARK LAW IN THE NEWS

SATANIC SHOES: In March 2021, rapper Lil Nas X, in collaboration with MSCHF Product Studio, made headlines when he released modified Nike Air Max 97 shoes containing a drop of human blood in the soles that displayed Nike's logo alongside satanic iconography.¹⁰⁶ Nike filed suit, alleging trademark infringement and dilution by tarnishment.¹⁰⁷ MSCHF appeared ready to defend its shoes by arguing that they are protected by the First Amendment, but the parties ultimately settled after a court ordered MSCHF to stop selling the shoes.¹⁰⁸

WEED AND TRADEMARK LAW: Despite the rapid growth of the marijuana industry in states that respectively allow for its recreational consumption, the USPTO found in 2019 that affording federal trademark protection to marijuana violates federal law.¹⁰⁹ Cannabis

⁹⁶ Meenaxi, 38 F.4th at 1074 (quoting *Persons Co. v. Christman*, 900 F.2d 1565, 1571-72 (Fed. Cir. 1990)).

⁹⁷ *Id.* at 1076.

⁹⁸ *Id.*

⁹⁹ *Id.* at 1077.

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 1079.

¹⁰⁶ Kyle Jahner, *Lil Nas X, Nike Deal Ducks Tension Between Speech, Trademark*, BLOOMBERG LAW (Apr. 30, 2021, 5:50 AM), <https://news.bloomberglaw.com/ip-law/satan-shoes-deal-leaves-hazy-line-between-brand-artist-rights>.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ Will Rava et al., *How Cannabis Companies Can Protect Their Trademarks*, BLOOMBERG LAW (Oct. 29, 2020, 4:01 AM) <https://news.bloomberglaw.com/ip-law/how-cannabis-companies-can-protect-their-trademarks>.

companies' need to protect their branding as the industry expands has led businesses to explore three options to protect cannabis brands: utilizing state trademark law, attempting to federally register trademark for related services, and adopting contractual provisions that establish the companies' ownership over a certain mark.¹¹⁰

DISPUTES IN THE METAVERSE: Brand protection is becoming increasingly necessary for long-established designers like Hermès and other luxury fashion designers.¹¹¹ The introduction of non-fungible tokens ("NFTs") that mimic popular physical commodities to the digital marketplace has begged questions surrounding whether a brand can be famous enough to extend trademark protection against infringing meta uses.¹¹² In 2021, Hermès sued digital artist Mason Rothschild over his MetaBirkin line of digital handbags that modify the traditional Birkin with fur accents and playful colors.¹¹³ While the final opinion has yet to be released, brands must strategize how best to protect their marks in forthcoming NFT suits, whether this be through false advertising, misappropriation, or other common law trademark solutions.¹¹⁴

¹¹⁰ *Id.*

¹¹¹ Kathryn Park, *Trademarks in the Metaverse*, World Intellectual Property Organization (Mar. 2022), https://www.wipo.int/wipo_magazine/en/2022/01/article_0006.html.

¹¹² *Id.*

¹¹³ *Hermès International et al. v. Rothschild*, No. 22-cv-384, (S.D.N.Y. May 18, 2022).

¹¹⁴ Park, *supra* note 123.