

Legal Writing Sample

Condensed

Memorandum analyzing the success of a claim for trademark infringement under the likelihood of confusion test. Sample includes the first prong analysis. The statement of facts and discussion of remaining portion of the analysis are omitted. Exhibits are abbreviated.

Full memo is available upon request.

Katrina Brundage

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MEMORANDUM

TO: Senior Attorney
FROM: Katrina Brundage
RE: Lamborghini – Likelihood of Confusion Claim

QUESTION PRESENTED

The question is whether, under the likelihood of confusion test for trademark infringement, an automobile manufacturer can demonstrate that a specialty parts manufacturer's use of a junior mark creates consumer confusion, when the senior mark is arguably suggestive in nature, the goods are related but not competitive, and the marks have similar components, but distinct overall impressions.

****Brief Answer and Statement of Facts Omitted****

DISCUSSION

Under the likelihood of confusion test for trademark infringement, can Lamborghini demonstrate that AEV's use of the American bison mark creates consumer confusion for the Lamborghini Spanish fighting bull, when the bull is arguably suggestive of Lamborghini vehicles and similar marks have common third party use; the goods are in related industries, but not competitive; and the marks have similar components, but distinct overall impressions.

In a trademark infringement suit, the likelihood of confusion test is used to determine if use of a junior mark is likely to create consumer confusion for the senior mark holder. This test uses eight prongs to measure likely confusion: (1) strength of plaintiff's mark, (2) relatedness of the goods/services, (3) similarity of the marks, (4) evidence of actual confusion, (5) marketing channels used, (6) likely degree of purchaser care, (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Champions Golf Club, Inc. v. Champions Golf Club, Inc.*, 78 F.3d 1111, 1116 (6th Cir. 1996).

In a trademark infringement suit between Lamborghini and AEV, prongs four through eight are not likely to be disputed. For prong four, the two phone calls presented by Lamborghini

as do not create significant evidence of customer confusion. Prong five is not at issue since the two companies use different marketing channels. For prong six, due to the high price of both products, both sets of consumers have a high degree of purchaser care. Prong seven is not contested because AEV chose the American bison as its mark because the bison is native to Montana, so AEV selected the mark in good faith. Finally, for prong eight, Lamborghini's proposed SUV for hard surface driving will not compete with AEV's all-terrain vehicles. Prongs one, two, and three present issues of dispute to analyze further.

Lamborghini's trademark infringement suit against AEV is not likely to succeed. First, while the bull mark's suggestiveness of the desired strength and power of the Lamborghini luxury car creates some strength, the mark is weakened by limited consumer recognition and common third-party use of similar bovine marks. Next, both Lamborghini and AEV are in automobile industry, but they serve non-competitive sub-markets with distinct consumer sets. Finally, the marks are stylistically different and displayed with other components including each company's brand name creating distinct overall impressions.

1. Lamborghini Mark Has Some Strength Because Of Its Suggestive Qualities But is Weakened By Limited Consumer Recognition and Third-Party Use of Similar Marks

The issue is whether the Lamborghini Spanish fighting bull is a strong mark under prong one of the "likelihood of confusion" test for trademark infringement, given the suggestiveness of a powerful bull of the power of a Lamborghini, the Lamborghini's elite market recognition, and common third-party use of similar marks across industries. Courts have held that a mark is strong when it has arbitrary or suggestive measures of a mark's distinctiveness and strong secondary meaning measured by widespread market recognition; however, a mark could be weakened by common third-party uses of similar marks. *See AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 793-94 (6th Cir. 2004); *Champions Golf Club, Inc. v. Champions Golf Club, Inc.*, 78 F.3d 1111,

1117 (6th Cir. 1996); *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1108 (6th Cir. 1991); *Big Time Worldwide Concert & Sport Club at Town Ctr., L.L.C. v. Marriott Int'l, Inc.*, 236 F. Supp. 2d 791, 799 (E.D. Mich. 2003).

Prong one, strength of the mark, a “determination of the mark’s distinctiveness and degree of recognition in the marketplace,” has two main parts: categorization of arbitrariness and prevalence of third party use of similar marks. *Homeowners*, 931 F.2d at 1107-08. Trademarks are classified as generic, descriptive, suggestive, or arbitrary or fanciful. *Champions*, 78 F.3d at 1117. The weakest marks are generic, those commonly associated with a product or service, and merely descriptive, which describe a characteristic of the product or service. *Id.* Suggestive marks, such as “Greyhound” which would suggest speed of the bus, require imagination to identify the product and the desired quality. *Id.* The strongest marks are fanciful, marks with no meaning other than that which is associated with the product or service such as Toyota, or arbitrary, marks unrelated to the specific product or service such as Target. *Id.* Widespread consumer recognition, known as secondary meaning, adds to the mark’s strength. *Id.*

In *Homeowners*, Homeowners, a real estate service provider, sued Home Marketing Specialists for infringement of the “HMS” mark. 931 F.2d at 1103. The court found that limited market recognition weakened the mark’s strength and cited widespread third-party uses of “HMS” marks, many of which were in the real estate industry. *Id.* at 1108. Therefore, the court found the “HMS” mark to be “arbitrary and distinctive” and recognizable within the real estate broker industry, but weakened by extensive third-party use and lack of general consumer recognition. *Id.* at 1107-08. In *Champions*, a Texas golf club named for the champion status of its owners sued a Kentucky golf club for using the “Champions” mark. 78 F.3d at 1115-16. The court found the “Champions” mark to have significance and relation to golfing services. *Id.* at

1117. The court held that the mark was not arbitrary; rather the mark was suggestive or merely descriptive, secondary meaning was influential to the mark's strength. *Id.* at 1118.

In *Big Time*, Big Time Worldwide, a Michigan online sporting event ticket sales retailer, sued Marriott's subsidiary Big Time Tickets. 236 F. Supp. 2d at 795-96. The court found the "Big Time Worldwide" mark had little relation to ticket sales, giving the mark an arbitrary nature. *Id.* at 799. However, 'Big Time' was commonly used by third parties. *Id.* at 800. This extensive use weakened the arbitrary mark, leading the court to conclude that the plaintiff's mark was not strong. *Id.* In *AutoZone*, a trademark infringement suit between AutoZone and RadioShack, the court held AutoZone's mark was suggestive or descriptive with no significant third-party use. 373 F.3d at 794-795. The mark gained strength from strong secondary meaning from extensive advertising. *Id.* at 795. The court struck down Radio Shack's rebuttal that the word "Zone" is widely used by third parties, holding that the mark must be evaluated as a whole and the "AutoZone" composite mark was not widely used, so the mark remained strong. *Id.*

a. Court Will Likely Find the Lamborghini Mark to Have Some Strength Because the Mark Suggests the Desired Power Of a Sports Car

A court will likely hold that the Lamborghini mark is suggestive because the Spanish fighting bull is suggestive of the desired power and strength of a super car. Lamborghini will argue, however, that the mark is arbitrary because a bull is not related to automobiles. In *Big Time* and *Homeowners*, the court found the "Big Time Worldwide" and "HMS" marks to be arbitrary because the marks had no relation to sporting event tickets and real estate services. Similarly, the Lamborghini mark, which depicts a Spanish fighting bull on a shield below the Lamborghini name, has no relation to the automobile industry, especially a racing car such as a Lamborghini. A fighting bull is blocky, unattractive, and clumsy; weighs over 1300 pounds; and

moves slowly, compared to other animals, at about forty miles per hour.¹ (Ex. A1.) Meanwhile, a Lamborghini car has a sleek, fashionable, aerodynamic body built for racing at speeds of 217 miles per hour with precision and comfort. (Ex. A2.) This stark contrast between an ugly bull and a trendy Lamborghini calls for an arbitrary classification of the mark.

Conversely, AEV should argue that the Lamborghini mark is suggestive rather than arbitrary. In *AutoZone*, the court held the “AutoZone” mark was “a suggestive or a descriptive mark because it either suggests some quality of the AutoZone chain (‘Fulfill all your automotive needs here!’) or describes the AutoZone stores (‘Enter a Zone filled with all things auto!’).” 373 F.3d at 794. The Spanish fighting bull in the Lamborghini mark is displayed in a menacing stance ready to charge out the gate to begin the fight. (Ex. A3.) Using imagination, a powerful, muscular, and strong bull fiercely charging its target is like a powerful sports car revving its engine at the starting line and racing down the track, accelerating from zero to sixty in three seconds. In addition, the Spanish bull fight is a significant cultural spectacle and tradition where the matadors wear colorful and ornate costumes. AEV can argue that Lamborghinis similarly function as a spectacle, cultural icon, and “eye candy” for car enthusiasts and the general public. The aggressiveness, power, and strength of a fighting bull suggest qualities desirable of the Lamborghini luxury sports car and describe the fierce competitiveness of a race car. So, like *Champions* and *AutoZone*, the court will likely find the Lamborghini mark to be suggestive.

i. Secondary Meaning of the Lamborghini Mark Adds Little Strength Because Consumer Recognition Has Limited Scope

Lamborghini will counter AEV’s argument that the Lamborghini mark is suggestive or descriptive, rather than arbitrary, by demonstrating the important secondary meanings of the

¹ *Bull vs. Bear*, Wild Animal Fights (Jan. 19, 2009, 10:16 PM), <http://www.wildanimalfightclub.com/lion-fight-tiger-vs-gorilla-attacks/?Tag=Bull%20fight>; *Fighting Bull*, Embryo Plus, http://www.embryoplus.com/cattle_fighting_bull.html (last visited Sept. 21, 2013).

Lamborghini mark, which add to the mark's strength. In *AutoZone*, secondary meaning, derived from hundreds of millions of dollars spent in advertising and the success of the AutoZone chain, strengthened the "AutoZone" mark. Similarly, the Lamborghini mark will be bolstered by influential secondary meaning. Lamborghinis are seen in specialty magazine ads, sponsored races, and as cultural icons in the movies and driven by celebrities, such as singers Kanye West and Chris Brown and NFL player Chad Ochocinco.² In addition, sales of these luxury and high performance vehicles have risen significantly over the last few years with sales of 2083 vehicles, with 25% sold in the United States, and revenues of €469 million in 2012.³ Together, these factors create consumer recognition for the Lamborghini product.

However, AEV should argue that Lamborghini's consumer recognition is limited to an elite market. In *Homeowners*, Homeowners spent over \$7 million in advertising, but demonstrated little evidence for market recognition beyond the community of real estate brokers. Lamborghini's limited advertising targets wealthy markets in publications such as *DuPont Registry Magazine*, a publication of high-end homes, cars, and boats. AEV should argue Lamborghini's elite nature and high cost, starting at \$171,000, limits the market recognition of the Lamborghini mark because the average consumer could never afford a Lamborghini. Lamborghini only has twenty-eight dealerships in the United States all of which are located in wealthy areas of major cities such as Beverly Hills, California, and Troy, Michigan,⁴ areas with median annual incomes of over \$77,000,⁵ compared to a national median income of \$51,371.⁶

While the Lamborghini name is well known, the average consumer, especially those outside of

² Tony Markovich, *Twenty-five Celebrities & their Lamborghinis*, Complex Rides (Nov. 30, 2012), <http://www.complex.com/rides/2012/11/25-celebrities-and-their-lamborghinis>.

³ *Automobili Lamborghini – 2012 full year figures*, Automotive World (Mar. 12, 2013), <http://www.automotiveworld.com/news-releases/automobili-lamborghini-2012-full-year-figures>.

⁴ *Dealer Locator*, Lamborghini, <http://www.lamborghini.com/en/dealer-locator/> (last visited Sept. 21, 2013).

⁵ *Beverly Hills, CA*, City-Data.com, <http://www.city-data.com/city/Beverly-Hills-California.html> (last visited Oct. 6, 2013); *Troy, MI*, City-Data.com, <http://www.city-data.com/city/Troy-Michigan.html> (last visited Oct. 6, 2013).

⁶ *US Household Income*, Department of Numbers, www.deptofnumbers.com/income/us (last visited Oct. 11, 2013).

such wealthy communities, rarely, if ever, sees a Lamborghini vehicle and would most likely not be able to identify the Lamborghini bull mark if the Lamborghini name were not present.

Lamborghini will likely argue that the cultural recognition built by use of Lamborghinis in prominent movies such as *Dumb and Dumber*, *Gone in 60 Seconds*, and *Rain Man* creates significant consumer recognition. AEV should argue this pop culture creates recognition of the car, not the bull mark.⁷ Therefore, while the product has some consumer recognition, the secondary meaning of the mark is limited to the upper-class echelon Lamborghini serves, adding little to no strength to the mark.

b. Court Will Likely Hold Third-Party Bovine Marks Use Weakens the Strength

The court will likely find third-party use of similar bovine marks weakens the mark's strength because similar bovine marks are commonly used across many industries, including the automotive industry. Like *Big Time* and *Homeowners*, where the plaintiff's mark was significantly weakened by findings of similar marks in the same industry and across other industries, AEV should argue an analysis of third-party use of marks similar to the Lamborghini bull also weakens the mark's strength. In *Big Time*, the court cited twenty-one uses of the phrase 'Big Time' in registered marks in various industries including toys, foods, products, and even potentially competing entertainment industries such as basketball camps or golf clubs.

Bovines are very common trademark images. A design code search of the United States Patent and Trademark Office ("USPTO") database for "cattle, oxen, cows, calves, bulls, and steers" results in over 2300 live marks, many of which are quite similar in appearance to the Lamborghini Spanish bull.⁸ (Ex. B.) For example, the Telju Fitness mark depicts a bull on a

⁷ *Lamborghini Movie Cars*, International Lamborghini Registry, <http://www.lamborghiniregistry.com/Forums/MovieCars.php> (last visited Sept. 20, 2013).

⁸ *Trademark Electronic Search System*, United States Patent & Trademark Office (Sept. 21, 2013, 3:10 AM), <http://www.uspto.gov/trademarks/index.jsp>.

shield with the company name at the top (Ex. C1), and the Utah State University Aggies mascot logo is a bull in a very similar stance as the Lamborghini bull (Ex. C2). In the automobile industry, there are nineteen live bovine marks (Ex. D), including AEV's bison mark (Ex. D1), Bullstone's bull on a shield (Ex. D2), and Bumper Bully's abstract bull on top of the words 'BumperBully' (Ex. D3), which all resemble Lamborghini's bull. The abundance of third-party uses of bull marks in the consumer market and the automotive industry would likely greatly weaken the Lamborghini mark's strength.

Lamborghini will counter AEV's argument saying third-party use of similar marks does not diminish the strength of the Lamborghini mark. In *Homeowners*, the court stated that actual third-party use in the marketplace must be shown in addition to existence of registered marks. Lamborghini will argue that Lamborghini is the only automobile manufacturer with a bull mark since AEV makes vehicle components and customizes vehicles, Bumper Bully sells vehicle accessories, and Bullstone manufactures automotive fluids. AEV can counter this argument by describing the ways third-party users use the bull to imply power and strength. For example, Telju Fitness's bull describes the strength needed to engage in physical activities such as lifting weights, and the Aggie mascot demonstrates the strength of the Utah State athletic teams. However, the prevalence of third-party uses outside and inside the automobile industry displays a strong case for weakening the Lamborghini mark.

Given the court's likely conclusion that the Lamborghini mark is suggestive rather than arbitrary, the bull mark's limited realm of market recognition, and the presence of common third-party usage of similar marks, a court is most likely to rule that the Lamborghini Spanish bull mark is not strong, decreasing the likelihood of confusion.

Discussion of Prongs 2 and 3 and Conclusion Omitted

Exhibit A














A1: Spanish Fighting Bull⁹	A2: Lamborghini Car¹⁰	A3: Lamborghini Mark¹¹
		

Exhibit B

Bull and Other Bovine Animal Marks¹²

Contained a sample of 100 of 2306 images from the Trademark Electronic Search System

 86059792	 86044567	 86058527	 86016712	 86057991
 86056882	 86055568	 86055606	 86052254	 86051883

⁹ *Bull vs Bear*, Wild Animal Fight Club (Jan. 19, 2009, 10:16 P.M.), <http://www.wildanimalfightclub.com/lion-fight-tiger-vs-gorilla-attacks/?Tag=Bull%20fight>.

¹⁰ *Gallardo LP 550-2 Configurator*, Lamborghini, <http://www.lamborghini.com/en/models/gallardo-lp-550-2/configurator/> (last visited Sept. 21, 2013).

¹¹ *Trademark Electronic Search System*, United States Patent & Trademark Office (Sept. 21, 2013, 3:10 AM), <http://www.uspto.gov/trademarks/index.jsp>.

¹² *Id.*

Exhibit C










C1: Telju Fitness¹³	C2: Utah State University¹⁴
	

Exhibit D

Bovine Marks in Automobile Industry¹⁵

Contained 19 marks and their registered descriptions

<p>D1</p>  <p><u>AEV</u> Automobiles and structural parts</p>	<p>D2</p>  <p><u>BULLSONE CO., LTD.</u> Chemical additives for automotive</p>	<p>D3</p>  <p><u>BUMPER BULLY</u> Protective cover for vehicle bumpers</p>
  <p><u>LAMBORGHINI</u> Automobiles</p>	<p><u>TATRA</u> Motors, engines, and other automobile parts</p> 	<p><u>JUVENTUS</u> Automobile carpet; car insurance; toy cars</p> 

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*