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## Good news for Converse as Federal Circuit vacates ITC finding that Chuck Taylor mark is invalid

United States of America - [Alston & Bird LLP](#)

- Converse accused several companies of infringing its Chuck Taylor mark prior to mark being registered
- ITC determined that Converse's mark was invalid
- Federal Circuit found that ITC had erred in assessing whether mark had acquired secondary meaning

In [Converse Inc v International Trade Commission](#) (2016-2497, 30 October 2018), the Federal Circuit has vacated the International Trade Commission (ITC)'s determination that Converse's trademark in the midsole design of its Chuck Taylor All Star shoe was invalid.

The trademark, described as "the design of the two stripes on the midsole of the shoe, the design of the toe cap, the design of the multi-layered toe bumper featuring diamonds and line patterns, and the relative position of these elements to each other", was federally registered by Converse on 10 September 2013. However, of the 32 original respondents in the ITC proceeding brought by Converse, the only parties remaining and participating in the ITC proceeding were Skechers USA Inc, Wal-mart Stores Inc, HU Liquidations LLC and New Balance Athletics Inc (the 'intervenor'), all of whom were accused of infringing the midsole mark prior to the mark being issued a registration.

With regard to these alleged acts of infringement, Converse could not rely on the presumption of validity of the mark based on the subsequent registration. Instead, the court held:

*Converse's registration confers a presumption of secondary meaning beginning only as of the date of registration and confers no presumption of secondary meaning before the date of registration.*

Thus, with regard to the intervenors' alleged infringement, Converse must rely on common law rights. It must show that its common law mark had acquired secondary meaning before the first alleged infringing use by each alleged infringer. The court provided the following guidance when making the secondary meaning determination on remand. The court clarified that the following six factors are to be assessed in determining whether the mark had acquired secondary meaning:

- association of the trade dress with a particular source by actual purchasers (typically measured by customer surveys);
- length, degree and exclusivity of use;
- amount and manner of advertising;
- amount of sales and number of customers;
- intentional copying; and
- unsolicited media coverage of the product embodying the mark.

All six factors are to be weighed together to determine the existence of secondary meaning.

The secondary meaning analysis primarily seeks what is in the minds of consumers as of the trademark owner's and third parties' use in the recent period before first use or infringement. The court concluded that the ITC relied too heavily on prior uses long predating the first infringing uses and the date of registration. Based on language in the Lanham Act, the court directed that the analysis should be focused on the five years prior to the claim of distinctiveness and infringement. Thus, the court directed the ITC to only consider relevant uses older than five years if there was evidence that such uses were likely to have impacted consumers' perceptions as of the relevant dates. Such evidence should be re-evaluated on remand.

The evidence of exclusivity of use should also be re-evaluated on remand because the court believed that the ITC considered marks that were not substantially similar to the asserted mark when making this determination. The court held as follows:

*The ITC made no determination as to which of the prior uses were substantially similar... [to the registered mark] and relied on at least some that were not. On remand, the ITC must constrain its analysis of both Converse's use and the use by its competitors to marks substantially similar to Converse's registered mark.*

Finally, the court directed that, on remand, the ITC must reconsider the weight given to a survey relied upon with regard to secondary meaning. The court questioned its probative value based on the fact that it was taken in 2015, yet the intervenors' first infringing uses occurred five to 10 years before the survey was conducted. In addition, while the court did not have an issue with a determination that the survey did not establish secondary meaning, it questioned the validity of a holding that it affirmatively established a lack of secondary meaning.

*Unless the survey affirmatively shows a lack of secondary meaning, there is simply a lack of survey evidence of secondary meaning - which is a neutral factor favouring neither party.*

With regard to the infringement analysis, the court instructed that on remand, the ITC should reassess the accused products to determine whether they are substantially similar to Converse's product. The court noted that the ITC had found a likelihood of confusion with regard to some accused products that lacked one or more of the elements of the alleged mark, but not others. The stated explanation was merely that "the differences in these shoe models are not drastic enough to overcome the similarities."

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