Levi Strauss & Co. v. Blue Bell, Inc.: Limiting the Protection of Inherently Nondistinctive Trademarks

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LEVI STRAUSS & CO. V. BLUE BELL, INC.: LIMITING THE PROTECTION OF INHERENTLY NONDISTINCTIVE TRADEMARKS

The Lanham Trademark Act of 1946 provides protection for any word, name, symbol, or device used by a manufacturer or merchant to identify his goods and to distinguish them from goods manufactured and sold by others. Registration of a trademark is prima facie evidence of the registrant's exclusive right to use that mark in commerce. Thus, the owner of a registered trademark may enjoin other producers from using a deceptively similar mark on any goods where such use is likely to cause confusion. The Act protects the trademark owner from use of its trademark not only by competing goods, but also by noncompeting goods.

4. The Trademark Act of 1905 (33 Stat. 724) provided that a right of action to suppress an infringement of a registered trademark arose only if the infringement was used on "goods of the same descriptive properties" as those set forth in registration. However, the Lanham Trademark Act of 1946 made clear that infringement could be found even though the registered mark was used upon goods having different descriptive properties than those set forth in registration, and even though there was no actual competition between the parties. See Fleischman Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 151 (9th Cir.), cert. denied, 374 U.S. 830 (1963). See also Baker v. Simmons Co., 307 F.2d 458, 462 (1st Cir. 1962) (protection given trademark owner is not limited to goods upon which it is or has been used, "but extends to product which would be reasonably thought by the buying public to come from the same source if sold under the same mark").

The Lanham Trademark Act, 15 U.S.C. § 1114, provides in part:

(1) Any person who shall, without the consent of the registrant:
   a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant . . . .
5. See infra note 104; see also Professional Golfers Ass'n of Am. v. Bankers Life & Casualty Co., 514 F.2d 665, 669 (5th Cir. 1975) ("direct competition is not the sine qua non of trademark infringement"); Ball v. American Trial Lawyers Ass'n, 14 Cal. App. 3d 289, 92 Cal. Rptr. 228 (2d Dist. 1971) (California Court of Appeals stated: "Although the appellation 'unfair competition' is still used to denominate the equitable doctrine and rules operative in the field of disputes over tradenames, direct competition between the parties is not a prerequisite to relief. Emphasis is now placed upon the word 'unfair' rather than upon 'competition.'"); First Wis. Nat'l Bank of Milwaukee v. Wichman, 85 Wis. 2d 54, 67, 270 N.W.2d 168, 174 (1978) ("confusion as to sponsorship does not require competition").
The "likelihood of confusion" issue is central to trademark infringement actions. It involves both the public's right to be free from confusion concerning the manufacturer of a particular good, and the producer's right to benefit from the goodwill and reputation it has earned through its products. The circuits are split on whether to review the likelihood of confusion issue as a question of fact or question of law. The Ninth Circuit determined in *Levi Strauss & Co. v. Blue Bell, Inc.*, that the likelihood of confusion was a question of fact subject to the clearly erroneous standard of review under Federal Rule of Civil Procedure 52(a). Several other federal circuits have followed the Ninth Circuit's view in theory. Yet, the standard of review that courts actually apply is not always consistent with the standard mandated by Federal Rule 52(a). Instead, the appellate courts may find either that a unique factual situation requires an exception to the rule or that the rule is simply inapplicable to the particular issues at hand. Consequently, uncertainty remains regarding the standard of review applicable to the likelihood of confusion issue despite some attempts to reach uniformity.

This Note examines the various approaches taken by the circuits in reviewing the trial court's likelihood of confusion findings. Next, it considers the limited guidance provided in this area by the United States Supreme Court.

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6. See 2 J. McCarthy, *Trademarks and Unfair Competition* § 23:1, at 44 (2d ed. 1984) (while issues of priority, secondary meaning, assignment, and the like, may be present in some cases, the likelihood of confusion test is the touchstone of trademark infringement as well as unfair competition); *see also* Safeway Stores, Inc. v. Safeway Props., Inc., 307 F.2d 495, 497 (2d Cir. 1962) (keystone in that portion of unfair competition law that relates to trademark is avoidance of confusion in minds of buying public); Charcoal Steak House, Inc. v. Staley, 263 N.C. 199, 139 S.E.2d 185 (1964) ("unfair competition is the child of confusion").

7. See James Burrough, Ltd. v. Sign of the Beefeater, Inc., 540 F.2d 266, 274 (7th Cir. 1976) (what is at stake is the public's right to be free from confusion and the concomitant right of a trademark owner to control his product's reputation); A. E. Staley Mfg. Co. v. Staley Milling Co., 253 F.2d 269, 275 (7th Cir. 1958) (social values that influence trademark law include the public's ability to know that it will get the products it asks for and the protection of the trademark owner's investment from misappropriation by pirates).


9. 778 F.2d 1352 (9th Cir. 1985) (en banc), aff'g, 208 U.S.P.Q. 473 (N.D. Cal. 1980), reh'g, 732 F.2d 676 (9th Cir. 1984).

10. Federal Rule of Civil Procedure 52(a) provides in pertinent part: "Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses." Fed. R. Civ. P. 52(a).

11. The Fourth, Eighth and Eleventh Circuits view the issue as a question of fact reviewable under the clearly erroneous standard. However, the Seventh, Fifth and Second Circuits apply the clearly erroneous standard to the issue of likelihood of confusion only in certain cases. See *infra* note 41.

12. See *infra* notes 40-41 and accompanying text.

13. The Ninth Circuit in *Blue Bell II* adopted the clearly erroneous standard of Federal Rule of Civil Procedure 52(a), "for the sake of accuracy, uniformity, and consistency with the predominant view among the circuits." 778 F.2d at 1356.
In trademark infringement actions, a plaintiff must establish two elements to receive injunctive relief. First, the plaintiff must show that its trademark is either inherently distinctive or has become distinctive of its products. Second, the plaintiff must show that the use of its mark on the infringer's products is likely to cause confusion as to the source of that product. When the plaintiff's and defendant's products are in direct competition, confusion may result from the similarity of their trademarks. However, when the parties are not in direct competition, confusion usually results from the "relatedness" of the goods.

A. Secondary Meaning

The "strength" of a trademark generally refers to its tendency to identify the goods sold under the mark as emanating from a particular source. The strength of the mark, therefore, determines whether the mark deserves trademark protection, and the parameters of that protection. A trademark's strength is generally defined as either generic, descriptive, suggestive, or arbitrary.
or fanciful. A generic term or symbol cannot be registered as a valid trademark because it can never indicate a particular source. A descriptive term or symbol is not inherently distinctive, yet it may receive federal trademark protection if it has become distinctive of the applicant’s goods in commerce by acquiring a secondary meaning. In the case of a suggestive or fanciful mark, courts assume that the mark and the source are connected because of the very nature of the mark. Therefore, the mark receives trademark protection even without proof of secondary meaning.

goods themselves, rather than producer of such goods, motivate buyer to purchase them).

19. See Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 374 n.8 (1st Cir. 1980) (descriptive term “merely describes a characteristic or ingredient of the article to which it refers and can become a valid trademark only if consumers come to associate the term with a particular producer’s goods”). Courts sometimes categorize descriptive marks as either “merely descriptive” or “commonly descriptive”, the latter being identical to a generic term with respect to the protection it is entitled. See Anti-Monopoly Inc. v. General Mills Fun Group, 684 F.2d 1316 (9th Cir. 1982) (term monopoly was “generic” because it was common term describing purpose of game). A merely descriptive mark, therefore, may retain validity as a trademark if it has acquired secondary meaning, but a common descriptive name may never acquire statutory protection.

20. A suggestive term differs from a descriptive term in that the suggestive term requires an added degree of inventiveness or imagination to associate a description of the product with the term. “Thus while a descriptive term directly and clearly conveys information about the ingredients, qualities or characteristics of the product or service, the ‘suggestive’ term only indirectly suggests these things.” 2 J. McCarthy, supra note 6, § 11:21, at 491. See also Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 11 (2d Cir. 1976) (suggestive term requires observer or listener to use imagination and perception to determine nature of goods).

21. A fanciful term bears no logical or suggestive relation to the actual characteristics of the goods. See Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 10 (2d Cir. 1976); see also 2 J. McCarthy, supra note 6, § 11:2, at 436 (fanciful mark may be distinguished from an arbitrary mark in that the former mark is coined for the express purpose of functioning as a trademark, whereas the latter is arbitrarily applied to the goods in question).

22. Miller Brewing Co. v. Falstaff Brewing Corp., 655 F.2d 5 (1st Cir. 1981) (a generic term, being one which is commonly used as the name or description of a kind of goods, can never acquire a secondary meaning). In Miller Brewing, the court reasoned that to allow trademark protection for generic terms, even when these have been identified with a first user, “would be to grant the owner of the mark a monopoly since a competitor could not describe his goods as what they are.” Id. at 8 (quoting CES Publishing Corp. v. St Regis Publications, Inc., 531 F.2d 11, 13 (2d Cir. 1975)).

23. See Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366 (1st Cir. 1980).

24. Suggestive and fanciful marks are by nature inherently distinctive. Thus, such terms need no proof of secondary meaning to prove “distinctiveness”. But see 2 J. McCarthy, supra note 6, § 11:33, at 438-39. McCarthy states that fanciful marks are not always exempt from secondary meaning requirements. “There is a legal danger inherent in the use of a fanciful mark, if used on a new and unfamiliar product. The danger is that buyers will take the mark and use it as the generic name of the new product itself. Thus such fanciful marks as ASPRIN, CELLOPHANE AND ESCALATOR have entered the public domain as generic designations for products.” Id.
Secondary meaning inheres in a trademark when the mark identifies the producer's goods and distinguishes them from other goods and producers. The primary element of secondary meaning is a mental association in the minds of consumers between a trademark and a single source of a product. Therefore, a mark that is not inherently distinctive may acquire secondary meaning and become distinctive of one producer. In determining whether a mark has acquired secondary meaning, courts generally consider the extent of the use, advertising, and promotion of the mark in conjunction with the producer's goods. If the mark is a label or symbol as opposed to a name or term, courts usually require proof of the additional factor of "nonfunctionality" before awarding trademark protection.

B. Likelihood of Confusion and the Related Goods Test

If a manufacturer or producer registers a trademark distinctive of its goods in commerce, it may protect its reputation and goodwill by precluding others

25. See Carter-Wallace, Inc. v. Procter & Gamble Co., 434 F.2d 794 (9th Cir. 1970). In Carter-Wallace, the Ninth Circuit stated that "the chief inquiry" in the secondary meaning test "is directed towards the consumer's attitude about the mark in question: does it denote to him a single thing coming from a single source?" Id. at 802 (citing Aloe Cream Labs., Inc. v. Milsan, Inc., 423 F.2d 845, 849-50 (5th Cir. 1970)). See also Kellogg Co. v. National Biscuit Co. 305 U.S. 111, 118 (1938) (plaintiff must "show that the primary significance of the term in the minds of the consuming public is not the product but the producer"); Levi Strauss & Co. v. Blue Bell, Inc., 632 F.2d 817 (9th Cir. 1980) (secondary meaning is a "mental recognition" that products marked with the same symbol emanate from or are associated with the same source).

26. The factors courts traditionally consider in determining whether a mark has acquired secondary meaning are the following: 1) the length and manner of use; 2) the nature and extent of advertising and promotion of the mark; and 3) the efforts made in the direction of promoting a conscious connection in the minds of the consuming public between the name or mark and a particular product or venture. R. Callmann, supra note 6, § 77.3, at 349. But see Carter-Wallace, Inc. v. Procter & Gamble Co., 434 F.2d 794 (9th Cir. 1970) (Ninth Circuit Court of Appeals held that evidence of advertising expenditures, though a factor to be considered, is not dispositive of secondary meaning). The court instead focused on "the effectiveness of the effort to create it and the chief inquiry is directed towards the consumer's attitude about the mark in question: does it denote to him a single thing coming from a single source?" Id. at 802 (emphasis added).

27. A label or symbol attached to a product may be part of a product's trade-dress and thus may serve a "functional" purpose if it is "an important ingredient in the commercial success of the product." Paglieri v. Wallace China Co., 198 F.2d 339, 343 (9th Cir. 1952). But see Vuitton et Fils, S.A. v. Young Enters., Inc., 644 F.2d 769, 773 (9th Cir. 1984) (holding that the Paglieri definition is applicable to those designs adopted solely for their aesthetic appeal, and inapplicable to designs adopted for the purpose of distinguishing the source of the plaintiff's product); see also Comment, The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act, 82 Colum. L. Rev. 77, 77-90 (1982) (suggesting that the primary focus in trade-dress infringement cases should be the likelihood of source confusion by reason of the challenged imitation and that functionality has no bearing on whether source confusion is likely, thus it should be considered only in the context of the scope of injunctive relief).
from using a similar mark in conjunction with their goods in commerce. The crucial issue in such cases is whether an appreciable number of ordinary prudent purchasers are likely to be confused as to the source of the goods in question. Thus, trademark protection may extend to noncompeting goods if the use of the similar mark is likely to cause confusion under this objective test. Confusion typically results from the use of similar marks on noncompeting goods only if the goods are somehow related. The degree of relatedness of noncompeting goods usually depends on whether the goods are distributed in the same channels of trade, or whether the goods are "complimentary" in the sense that they may be used together.

The Trademark Act of 1905 extended trademark protection only to goods having the "same descriptive properties as those set forth in registration." In Yale Electric Corp. v. Robertson, however, the Second Circuit found a likelihood of confusion between the mark YALE for flashlights and YALE locks and keys, even though the products were not in competition. Judge Learned Hand rejected the "same descriptive properties" wording of the 1905 Trademark Act and held that infringement and injury could occur when using the mark on related, but noncompeting goods. In recent cases

28. See McGregor-Doniger, Inc. v. Drizzle, Inc., 599 F.2d 1126, 1130 (2d Cir. 1979) ("an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods"); Scarves by Vera, Inc. v. Todo Imports, Ltd., 544 F.2d 1167, 1175 (2d Cir. 1976) (the trademark need not mislead all customers, instead it need only be likely to mislead many customers).

29. See supra note 4.

30. See 2 J. McCarthy, supra note 6, § 24:6, at 183 ("goods are related, not because of any inherent common quality of the respective goods, but related in the sense that buyers are likely to believe that such goods, similarly marked, come from the same source, or are somehow connected with or sponsored by a common company""); see also Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 159 (9th Cir.) (focused on whether the uses are related so that they are likely to be connected in the mind of a prospective purchaser), cert. denied, 374 U.S. 830 (1963).

31. Factors to consider in determining whether the products are distributed in the same channels of trade are the following: whether the respective products are sold in the same outlets by the same methods; whether they reach the same class of purchasers; whether they are sold in the same price range; and whether a buyer is likely to see them both sold in the same store. 2 J. McCarthy, supra note 6 § 24:6, at 185-86.

32. Id. at 186. In Aunt Jemima Mills Co. v. Rigney & Co., 247 F. 407 (2d Cir. 1917), cert. denied, 245 U.S. 672 (1917), the Second Circuit Court of Appeals held that the Aunt Jemima mark on defendant's pancake syrup and plaintiff's pancake butter was likely to cause confusion as to the source or origin of the products. As that time, a trademark could be appropriated by one in any market for goods not in competition with those of the registered owner of the mark. However, the Second Circuit found that the goods were "so related as to fall within the mischief of equity." Id. at 409-10. The court also found that syrup and flour were both food products commonly used together and that the public, seeing the trademark on syrup would conclude that it was made by the plaintiff. Id. at 410.

33. 33 Stat. 724 (1905).

34. 26 F.2d 972 (2d Cir. 1928).

35. Judge Hand stated in one of his most often quoted opinions:
involving related but noncompeting goods, courts have applied a separate related goods test to determine the likelihood of confusion. For example, in *Polaroid Corp. v. Polrad Electronics Corp.*, the Second Circuit set forth eight factors to consider in determining whether consumers are likely to be confused by the use of similar marks on related goods. Other circuits have applied a similar multi-factor test in cases involving noncompeting goods. In *AMF v. Sleekcraft Boats*, the Ninth Circuit indicated that the relevant factors in determining the likelihood of confusion include the following: 1) the comparative strength or weakness of the marks; 2) the similarity in appearance, sound, and meaning of the marks; 3) the class of goods in question; 4) the marketing channels used; 5) the evidence of actual confusion; and 6) the defendant's intent.

C. Appellate Review of the Likelihood of Confusion Issue

Although likelihood of confusion is the most important issue in trademark infringement actions, the appropriate standard of review remains unclear. The circuits are inconsistent in their treatment of the likelihood of confusion, and the Supreme Court has provided very little guidance on this.

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His mark is his authentic seal; by it he vouches for the goods which bear it; it changes his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful.

*Id.* at 974.

36. 287 F.2d 492 (2d Cir. 1961).

37. The variables include the strength of the plaintiff's mark; the degree of similarity between the two marks; the proximity of the products; the likelihood that the prior owner will bridge the gap; actual confusion; the defendant's good faith in adopting its own mark; the quality of defendant's product; and the sophistication of the buyers. *Id.* at 495.

38. See *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983); *Armco, Inc. v. Armco Burglar Alarm Co.*, 693 F.2d 1155 (5th Cir. 1982); *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160 (11th Cir. 1982); *Squirt Co. v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980); *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225 (3rd Cir. 1978); *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir. 1976).

39. 599 F.2d 341, 348-49 (9th Cir. 1979).

40. See *supra* note 11.

41. See 2 J. *McCarthy*, *supra* note 6, § 23:22, at 113-14. The First, Fourth, Eighth and Eleventh Circuits view the issue as a question of fact reviewable under the clearly erroneous standard. The Second and Seventh Circuits view the issue as a question of fact reviewable under the clearly erroneous standard of review except when confusion depends on the similarity of the marks in which case the issue is reviewable de novo. The Fifth Circuit views the issue as a question of fact, however the clearly erroneous standard does not apply when the lower court has applied an incorrect legal standard. The Third and Sixth Circuits view the issue as a mixed question of fact and law with the inferences drawn from the basic facts not subject to the clearly erroneous standard.
Classification of an issue as one of fact or law is important because it determines the appropriate standard for appellate courts to apply in reviewing the trial court’s determinations. If likelihood of confusion is a legal issue, then the appellate court can review de novo the lower court’s findings regarding that issue. On the other hand, if likelihood of confusion is treated as an issue of fact, then the appellate court is bound by Federal Rule of Civil Procedure 52(a) and cannot reverse the lower court’s determination unless it is found to be clearly erroneous.

The clearly erroneous standard can be difficult to satisfy. For example, in United States v. United States Gypsum Co., the Supreme Court held that “[a] finding is clearly erroneous when, although there is evidence to support it, the reviewing court is left with the definite and firm conviction that a mistake has been committed.”

Few circuits view the issue of likelihood of confusion as a question of law, or one of mixed fact and law. Of the circuits that view the issue as one of fact, three apply the clearly erroneous standard on a conditional basis. For example, while the Fifth Circuit views likelihood of confusion as an issue of fact, it recognizes governing legal standards that it must consider in making its final determinations. In Kentucky Fried Chicken Corp. v. Diversified Packaging Corp., the Fifth Circuit held that “when a district court finds a likelihood of confusion, a subsequent appeal can be brought as a mixed question of law and fact, subject to the clearly erroneous standard of review.”

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42. In Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 855 (1982), the Supreme Court ruled that the clearly erroneous standard of review is the appropriate standard of review of the lower court’s findings in trademark infringement actions. However, the Court never discussed the issue of likelihood of confusion. See supra notes 37-40 and accompanying text. See also Elby's Big Boy v. Frisch's Restaurants, Inc., 459 U.S. 916 (1982) (White, J., dissenting), in which Justice White, dissenting from a denial of certiorari, cited examples of conflicting court of appeals decisions and stated that a hearing was necessary to resolve the question of whether likelihood of confusion was reviewable under the clearly erroneous standard as a question of fact or reviewable de novo as a legal conclusion.


44. See 2 J. McCarthy, supra note 6, § 23.2, at 109 (stating that many federal courts of appeal have categorized the likelihood of confusion issue as one of law to enable the appellate court to reverse an erroneous legal conclusion, rather than being bound by the “clearly erroneous” rule for fact finding).

45. See, e.g., Levitt Corp. v. Levitt, 593 F.2d 463, 467 n.7 (2d Cir. 1979) (trial court's findings of fact in action brought to enjoin trademark infringement, including findings on the question of actual confusion, are not subject to reversal unless clearly erroneous); Fleetwood Co. v. Hazel Bishop, Inc., 352 F.2d 841, 844 (7th Cir. 1965) (scope of review of district court’s findings of fact in trademark and other actions is limited to determination of whether such findings are clearly erroneous).


47. Id. at 395.

48. See supra note 41.

49. See generally Comment, Appellate Review, supra note 8 (misapplication of one crucial legal standard can lead to de novo review of all factors of the likelihood of confusion analysis).

50. 549 F.2d 368 (5th Cir. 1977).
court labors under a misapprehension of the governing legal norms, the clearly erroneous standard no longer circumscribes appellate review."

However, in *Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Association,* the Fifth Circuit stated that the comments in *Kentucky Fried Chicken* concerning the appropriate standard of review in situations where a district court "governs under a misapprehension of the governing legal norms" was not to be taken as an erosion of the standard of review applicable to a finding of likelihood of confusion. Nevertheless, in *Fuji Photo Film v. Shinohara Shoji Kabushiki Kaisha,* the Fifth Circuit again held that the clearly erroneous standard did not apply because the trial court grounded its finding of likelihood of confusion primarily on the sophistication of purchasers of defendant's product. The appellate court determined that the trial court also erred in focusing on actual confusion as discounting likelihood of confusion and in considering good faith as a defense to trademark infringement.

Both the Second and Seventh Circuits have adhered to a conditional application of the clearly erroneous standard of review. In *Union Carbide Corp. v. Ever-Ready, Inc.*, the Seventh Circuit held that likelihood of confusion was a question of fact reviewable under the clearly erroneous standard. However, the court also found that to the extent that the determination is predicated upon the similarity of the marks, the appellate court "is in as good a position as the trial judge" to determine the possibility of confusion. In *Spring Mills, Inc. v. Ultracashmere House Ltd.*, the Second

51. *Id.* at 384. The case considered the question of whether the district court properly included the fact that defendant used Kentucky Fried Chicken (KFC) trademarks on the supplies it sold to KFC franchises. Defendant asserted its right to use the mark on its packaging supplies even though it was not an approved source of KFC's products. The court held that the question whether a particular digit (finding of fact) can be taken into account was a question of law. Thus, the court reviewed the issue de novo, finding that the surviving digits still added up to unfair competition. Similarly, in *Chevron Chem. Co. v. Voluntary Purch. Groups, Inc.,* 659 F.2d 695 (5th Cir. 1981), the Fifth Circuit held that a de novo review of the factors of the likelihood of confusion analysis was necessary because the district court erred in considering the differences in specific details rather than the "overall" similarity of plaintiff's and defendant's trade dress. Furthermore, the court found that the trial court erred in holding that the absence of actual confusion demonstrated an absence of likelihood of confusion. *Id.* at 705.

52. 651 F.2d 311 (5th Cir. 1981).

53. *Id.* at 314. The court rejected appellant's offered distinction between "likelihood of confusion as a question of fact in the appellate review crucible" and "factors of precedential magnitude" that must be considered in determining whether confusion is likely.

54. 754 F.2d 591 (5th Cir. 1985).

55. *Id.* at 595-97.


57. 531 F.2d 366 (7th Cir. 1976).

58. *Id.* at 383. In *McGregor-Doniger, Inc. v. Drizzle, Inc.,* 599 F.2d 1126 (2d Cir. 1979), the Second Circuit also asserted its right to consider de novo the lower court's determinations regarding the similarity of the marks.

59. 689 F.2d 1127 (2d Cir. 1982).
Circuit extended the similarity of the marks exception to include a de novo review of the evidence of the different "settings" in which the trademark is advertised when such evidence is crucial to the similarity analysis.  

Prior to its decision in Blue Bell II, the Ninth Circuit treated the likelihood of confusion issue as a mixed question of fact and law. When the lower court's determinations involved undisputed facts, the court applied a de novo review to the issue of likelihood of confusion. Where the facts were in dispute, however, the court applied a two-tier test applying the clearly erroneous standard to the underlying "foundational" facts and giving a de novo review to the "legal conclusion" of likelihood of confusion.

In 1982, the United States Supreme Court reaffirmed the appellate court's obligation to adhere to the clearly erroneous standard in reviewing the trial court's factual determinations. In Inwood Laboratories v. Ives Laboratories, a drug manufacturer brought suit after discovering that some pharmacists dispensed generic substitutes for its product and distributed them in bottles that were labeled with the manufacturer's trademark. The Court focused on the issue of contributory trade dress infringement that arose from the manufacture of "look alike capsules" and the distribution of catalogue entries that revealed the similarities in price and color of the plaintiff's drugs to defendant's generic product. Because there was sufficient evidence of mislabeling to establish infringement, the Court never reached the issue of likelihood of confusion. Nevertheless, the Court found that the appellate court erred in reviewing the district court's findings of mislabeling de novo, without holding that they were clearly erroneous. The Court concluded

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60. Id. at 1129-30. The court considered evidence concerning the way the tags containing the trademarks were presented to the prospective purchasers.

61. The court stated that "an inquiry into the degree of similarity between two marks does not end with a comparison of the marks themselves . . . the 'setting in which a designation is used affects its appearance and colors the impression conveyed by it.' " Id. (quoting Restatement (Second) of Torts § 729 comment (b), at 593 (1938)).

62. See, e.g., AMF Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979).

63. Id. at 346-47. Since the Supreme Court's decision in Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844 (1982), see infra notes 64-67 and accompanying text, the Ninth Circuit has eliminated the distinction between the disputed facts versus undisputed facts distinction and applied the two level test in all cases. See, e.g., Lindy Pen Co. v. Bic Pen Corp., 725 F.2d 1240, 1243-44 (9th Cir. 1984) (likelihood of confusion was conclusion of law based upon a consideration of "foundation facts"), cert. denied, 105 S. Ct. 955 (1985). Though the Ninth Circuit continued to view the likelihood of confusion issue as a mixed question of fact and law, in United States v. McConney, 728 F.2d 1195 (9th Cir. 1984) (en banc), cert. denied, 469 U.S. 824 (1984), the court determined that the issue was predominantly one of fact.

64. 456 U.S. 844 (1982).

65. Id. at 854. The Court stated that "it is undisputed that those pharmacists who mislabeled generic drugs with Ives registered trademark violated § 32."

66. The Supreme Court stated: "By rejecting the District Court's findings simply because it would have given more weight to evidence of mislabeling than did the trial court, the Court of Appeals
that the Second Circuit's failure to abide by the clearly erroneous standard of review was reversible.\textsuperscript{67}

II. THE BLUE BELL CASE

In \textit{Levi Strauss & Co. v. Blue Bell, Inc. (Blue Bell I)},\textsuperscript{68} Levi Strauss sued Blue Bell, alleging that Blue Bell infringed Levi's trademark rights in the right rear pants pocket tab by using a similar tab on the right rear pocket of its pants. The district court held that Levi's pants pocket tab had become distinctive of the goods of Levi Strauss and that Blue Bell's use of the pocket tab on the rear pocket of its pants was likely to cause confusion as to the source of the Blue Bell pants.\textsuperscript{69} Accordingly, the court enjoined Blue Bell from using the mark on its pants. The Ninth Circuit affirmed,\textsuperscript{70} finding that the evidence of secondary meaning was "strong" and that the Levi mark was entitled to a "broad scope of protection."\textsuperscript{71}

In \textit{Blue Bell II},\textsuperscript{72} Levi again brought suit in district court to enjoin Blue Bell from using tabs similar to Levi's pants tab on the pocket of its shirts. Levi motioned for partial summary judgment on the ground that Blue Bell was barred by the doctrine of estoppel from litigating the issues that were decided by the trial court in \textit{Blue Bell I}.\textsuperscript{73} The district court found that \textit{Blue Bell I} and \textit{Blue Bell II} involved different products,\textsuperscript{74} different consumers,\textsuperscript{75} and different markets.\textsuperscript{76} Therefore, the court denied Levi's motion, and held

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  \item the weight and credibility of the evidence is the special province of the trier of fact. Because the trial court's findings concerning the significance of the instances of mislabeling were not clearly erroneous they should have not been disturbed. An appellate court cannot substitute an interpretation of the evidence for that of the trial court simply because the reviewing court might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent. \textit{Id.} at 856-58 (quoting United States v. National Ass'n of Real Estate Bds., 399 U.S. 485 (1980)).
  \item 456 U.S. at 856.
  \item 200 U.S.P.Q. 434 (N.D. Cal. 1978).
  \item \textit{Id.} at 445.
  \item 632 F.2d 817, 208 U.S.P.Q. 713 (9th Cir. 1980).
  \item \textit{Id.} at 821, 208 U.S.P.Q. at 717.
  \item 208 U.S.P.Q. 473 (N.D. Cal 1980).
  \item \textit{Id.} at 475-78. Levi Strauss sought to eliminate the following issues at trial: 1) the functionality of the pocket tab trademark; 2) the decorative nature of the pocket tab; 3) the fraud upon the Trademark Office; 4) the abandonment of the pocket tab; 5) the secondary meaning of the pocket tab; 6) the likelihood of confusion; and 7) the effect of Blue Bell's use of its own trademark.
  \item 477-78 (jeans versus children's shirts).
  \item \textit{Id.} (wearers versus mothers of children).
  \item \textit{Id.} The court stated that with respect to the different markets the district court had noted:
\end{itemize}

[1]nsofar as the jeans market is concerned, Levi Strauss and Blue Bell are the
that the doctrine of estoppel was inapplicable.\textsuperscript{77} The Ninth Circuit affirmed with one judge dissenting.\textsuperscript{78} However, the Ninth Circuit later withdrew the case and ordered a rehearing en banc.\textsuperscript{79}

In \textit{Blue Bell II},\textsuperscript{80} the Ninth Circuit held that the clearly erroneous standard of review under Federal Rule of Civil Procedure \textsuperscript{52(a)} was the appropriate standard for reviewing the trial court’s findings regarding likelihood of confusion.\textsuperscript{81} Accordingly, the court affirmed the district court’s determination that the trademark protection afforded Levi’s pants pocket tab did not extend to the shirt market. Since there was sufficient testimonial evidence at the trial level to indicate that consumers treat pants and shirts differently, the court concluded that the factual issues involved in \textit{Blue Bell II} were different from those litigated in \textit{Blue Bell I}.

Therefore, the court’s finding in \textit{Blue Bell I} that the Levi’s pants pocket tab had acquired secondary meaning did not have collateral estoppel effect upon a finding of secondary meaning for the shirt tab.\textsuperscript{83}

The majority determined that even absent evidence that pants and shirts are treated differently, the trademark protection extended to the pants tab would not necessarily inhere in the shirt tab since the pants tab was registered as a “location specific” mark.\textsuperscript{84} The majority further determined that there was no need to undertake a separate related goods test to determine whether confusion was likely to result from Blue Bell’s use of the shirt tab. The related goods test, the majority found, “served largely to define the scope of secondary meaning,”\textsuperscript{85} and the district court had already determined that the shirt tab had not acquired secondary meaning. Accordingly, the majority concluded that the district court’s finding, that the absence of secondary meaning in the shirt precluded a finding of likelihood of confusion, was not clearly erroneous.\textsuperscript{86}

\textsuperscript{77} 208 U.S.P.Q. at 479. The court denied Levi’s motion as to the issues of functionality, decorativeness, abandonment, secondary meaning, likelihood of confusion, and the effect of Blue Bell’s use of its own trademark. With respect to the issue of fraud on the Trademark Office, the court granted the motion as to the fraud in the maintenance issue and denied the motion as to the fraud in the procurement issue.

\textsuperscript{78} 221 U.S.P.Q. 525 (9th Cir. 1984).

\textsuperscript{79} 734 F.2d 409 (9th Cir. 1984).

\textsuperscript{80} 778 F.2d 1352 (9th Cir. 1985) (en banc).

\textsuperscript{81} \textit{Id.} at 1356. The court stated: “For the sake of accuracy, uniformity, and consistency with the predominate view in other circuits, we will hereafter review findings of likelihood of confusion under the clearly erroneous standard.”

\textsuperscript{82} \textit{Id.} at 1357.

\textsuperscript{83} \textit{Id.} at 1356.

\textsuperscript{84} \textit{Id.} at 1359.

\textsuperscript{85} \textit{Id.} at 1359-60.

\textsuperscript{86} \textit{Id.} at 1361.
The dissent agreed with the majority that *Blue Bell* I did not have collateral estoppel effect upon a finding of secondary meaning in the shirt tab.\(^{87}\) However, the dissent disagreed with the majority's conclusion that the lack of secondary meaning in the shirt tab precluded a finding of likelihood of confusion. The dissent concluded that the district court erred by failing to apply the related goods doctrine since it determined that pants and shirts are clearly related goods.\(^{88}\)

Like the majority, the dissent reasoned that the clearly erroneous standard of review should apply to the trial court's determination of likelihood of confusion.\(^{89}\) However, under the dissent's view, the appropriate degree of deference was conditioned upon whether the district court properly applied the correct legal standard.\(^{90}\) The dissent concluded that the district court's failure to apply the related goods test to Levi's pants tab and Blue Bell's shirt tab as well as to Levi's pants tab and Blue Bell's shirt tab were errors of law.\(^{91}\) Therefore, it determined that remand was necessary for further factual determinations on the basis of the correct legal standard.\(^{92}\)

### III. Analysis and Criticism

The majority's reasoning is inconsistent with previous decisions involving the use of a protected trademark on related, noncompeting goods. Under previous decisions, once a mark earned trademark protection, either through inherent distinctiveness or by acquiring secondary meaning, courts applied a related goods test to determine whether the strength of that mark warranted protection against its use on noncompeting goods. Thus if the majority had analyzed the facts in light of the *Sleekcraft* decision,\(^{93}\) it would have focused on the strength of the trademark in the pants market rather than on whether the mark had acquired secondary meaning in the shirt market.

The majority provided three reasons for ruling on the issue of likelihood of confusion without the aid of a multi-factor test. First, the majority determined that the consumer perceptions of shirts and pants were "different."\(^{94}\) Second, the majority reasoned that a secondary meaning could not inhere in the shirt tab because the Levi Strauss tab was registered as a location specific mark.\(^{95}\) Finally, the majority found that application of the related goods test was unnecessary given the district court finding that the mark had not acquired secondary meaning in the shirt market.\(^{96}\) None of

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87. *Id.* at 1364 (Nelson, J., dissenting).
88. *Id.* at 1362.
89. *Id.* at 1364.
90. *Id.*
91. *Id.* at 1364-65.
92. *Id.* at 1365.
93. See *supra* note 62 and accompanying text.
94. 778 F.2d at 1357.
95. *Id.* at 1356.
96. *Id.* at 1360.
the court’s rationales provide a clear legal basis for disregarding the related goods test.

The fact that pants and shirts are "different" signifies only that they are not directly competing goods. Yet in recent years courts have not limited trademark protection to directly competing goods. Since the enactment of the Lanham Trademark Act, courts have broadened the scope of protection to any goods "with which the use of the mark is likely to cause confusion." Consumer perception of pants and shirts as being different does not of itself imply that a related goods test would be inappropriate. If the majority had utilized the relatedness factors, it would have recognized that the Levi Strauss and Blue Bell products are distributed in the "same channels of trade." Moreover, they are sold in the same outlets by the same methods; reach the same class of purchasers; are sold in the same price range; and are likely to be sold in the same store. Even if Levi Strauss was seeking protection of its trademark rights in the tab on garments generally, there is authority recognizing that all items of wearing apparel are related.

The majority rationalized the lower court's determination that there was no likelihood of confusion by focusing on the expression "location specific." Nevertheless, the court failed to adequately define location specific. Moreover, the majority failed to support its conclusion that a location specific mark deserved only limited protection. In Blue Bell I, the Ninth Circuit held that evidence of secondary meaning in the tab was strong, and that the tab was entitled to a broad scope of protection. At the time of registration, the evidence may have supported only secondary meaning in the tab as applied to pants. However, this fact alone should not imply that the tab has not acquired secondary meaning in other items of wearing apparel since the time of registration. In Blue Bell I, the Ninth Circuit specifically left open

99. See supra note 31 and accompanying text.
100. See, e.g., In re Duofold Inc., 184 U.S.P.Q. 638 (T.T.& A. Bd. 1974) (holding that purchasers have come to expect many items within the clothing field sold under the same or a similar mark to have a common origin); In re Sox Unlimited, 169 U.S.P.Q. 682, 683 (T.T.& A. Bd. 1971) (holding that "identical or substantially identical marks applied to items of wearing apparel, no matter how different they may be, are likely to cause confusion in trade as to source").
101. The expression could mean that the mark was registered only in conjunction with pants. However, the Lanham Act does not limit trademark protection to goods specified in the certificate of registration. See supra note 4. The expression could also mean that, at the time of registration, Strauss only provided evidence that supported proof of secondary meaning in the pants. In Blue Bell I, however, the Ninth Circuit left open the question whether secondary meaning inhered in any other item with which the tab had been sold. See 632 F.2d 817, 821 n.7, in which the Ninth Circuit stated: "The parties have argued toward general definitions of Strauss's trademark rights under various hypothetical circumstances. Such definitions must await presentation of an actual case or controversy involving established facts."
102. 632 F.2d 817, 821, 208 U.S.P.Q. 713, 717 (9th Cir. 1980).
the question whether secondary meaning inhered in any other item on which the tab had been sold. 103

The majority found that a separate related goods test was unnecessary because the district court concluded that the shirt tab had not acquired secondary meaning. Other courts, however, have not required proof of secondary meaning in the defendant's market as the only method of establishing trademark protection. 104 Such proof would require evidence of advertising and promotion of the mark as applied to goods in the defendant's market. 105 However, courts may find a trademark infringement even if the owner never manufactured goods in the defendant's market. 106 The Lanham Act provides protection against another's use of a mark on any goods with which such use is likely to cause confusion. 107 Levi Strauss had already proven in Blue Bell I that secondary meaning inhered in the pants tab and that the pants tab was a validly registered mark. Traditionally, courts apply a related goods test to determine whether consumers are likely to be confused by the use of plaintiff's protected trademark on the defendant's goods.

The inconsistency of the majority's reasoning may be due to its recent adoption of the clearly erroneous standard of review under Federal Rule of Civil Procedure 52(a). 108 In treating likelihood of confusion as a question of fact, the reviewing court gives great deference to the trial court in determining which factors to consider and how much weight each factor should be given.

103. Id.

104. But see Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225 (3rd Cir. 1978) (Third Circuit Court of Appeals held that plaintiff had not satisfied its burden of proving secondary meaning in defendant's noncompeting market; even though the district court found a likelihood of confusion from the use of plaintiff's mark on defendant's noncompeting goods). The Scott Paper court found that the district court, in its application of the related goods analysis, focused primarily upon likelihood of confusion rather than secondary meaning. The appellate court held that likelihood of confusion was an "analytically distinct, albeit closely related element of the case." Id. at 1229. However, in Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3rd Cir. 1983), the Third Circuit held that the ten factor analysis was sufficient to determine secondary meaning in cases where the trademark owner had not entered defendant's market. The Court held that the district court erred in reading Scott Paper to hold that "likelihood of confusion, standing alone, [was] not sufficient to trigger injunctive relief," and that a further showing of secondary meaning was required. Id. at 464. The court concluded that the purpose of the related goods analysis was "to determine secondary meaning in exactly those cases where the trademark owner has not entered defendant's market." Id. at 465.

105. In determining whether a mark has acquired secondary meaning, courts generally consider the length and manner of the use of the mark as well as the nature and extent of advertising and promotion of the mark in conjunction with a particular producer's goods. See supra note 26.

106. See Scott Paper Co., 589 F.2d at 1228 (stating that under certain circumstances, "a trademark can develop a secondary meaning as to goods or services to which the mark has not been applied").

107. See supra note 4.

108. See supra note 10 and accompanying text.
For example, in *Blue Bell II*, the district court gave substantial weight to evidence of actual confusion,\(^{109}\) one factor of the related goods test.\(^{110}\) Rather than weigh each element of the multi-factor test separately, the district court concluded that the absence of actual confusion implied no likelihood of confusion. Yet, other courts have repeatedly held that no single factor of the related goods test is determinative of likelihood of confusion.\(^{111}\) In addition, the Ninth Circuit has often held that absence of actual confusion does not demonstrate an absence of likelihood of confusion.\(^{112}\)

Even if likelihood of confusion is a question of fact, the Ninth Circuit’s deference to the trial court may have exceeded the deference required under the "clearly erroneous" rule. The Supreme Court has stated that determinations regarding the "weight and credibility of the evidence" under the clearly erroneous standard is the "special province of the trier of fact."\(^{113}\) In *Blue Bell II*, however, the Ninth Circuit suggested that the district court should determine which factors it will consider as well as the weight each factor should be given.\(^{114}\)

The Ninth Circuit’s strict application of the clearly erroneous standard places what other circuits often label as the controlling "legal standards," which do not fall under Federal Rule 52(a), under the broad rubric of "factual evidence" subject to the clearly erroneous rule. For example, the dissent in *Blue Bell II* stated that likelihood of confusion determinations were subject to the clearly erroneous standard of review. However, it also concluded that the district court’s failure to apply the related goods test with respect to the Levi’s pants tab and Blue Bell’s shirt tab were errors of law.\(^{115}\) The dissent’s position is consistent with the approach taken by other circuits.

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\(^{109}\) 778 F.2d at 1360. The court acknowledged that the district court focused primarily on survey evidence and retailer testimony and that such evidence was relevant to the existence of actual confusion.

\(^{110}\) Id. The court also recognized that actual confusion was "merely one element of the multifactor test." Id.

\(^{111}\) See Polaroid Corp. v. Polrad Elecs. Corp., 287 F.2d 492, 495 (2d Cir.), cert. denied, 368 U.S. 820 (1961); see also Golden Door, Inc. v. Odisho, 646 F.2d 347 (9th Cir. 1980) (no single factor is determinative of the ultimate legal issue).

\(^{112}\) J.B. Williams Co. v. Le Conte Cosmetics, Inc., 523 F.2d 187, 191 n.5 (9th Cir. 1975) (fact that trial court found no evidence of actual confusion did not preclude conclusion of likelihood of confusion, as actual confusion was merely one factor to be considered in making final determination). See also Shakey’s, Inc. v. Covalt, 704 F.2d 426, 432 (9th Cir. 1983) (if evidence of actual confusion is inconclusive it should be accorded little weight).

\(^{113}\) Ives Labs., 456 U.S. at 856.

\(^{114}\) The Ninth Circuit refused to disturb the district court’s conclusion regarding the likelihood of confusion issue even though the conclusion was based solely on the evidence of actual confusion rather than the eight factors of the related goods analysis. The appellate court conceded that the absence of evidence of actual confusion need not give rise to an inference of likelihood of confusion and that such evidence is but one facet of the related goods test. Nevertheless, the appellate court regarded the reliance on actual confusion as the "prerogative of the district court." 778 F.2d at 1360 n.10.

\(^{115}\) 778 F.2d at 1364.
that view the issue of likelihood of confusion as a question of fact.\textsuperscript{116} Under the Supreme Court’s statement of the clearly erroneous standard,\textsuperscript{117} appellate courts can give the appropriate deference to the trial court’s factual findings while recognizing certain factors of “precedential magnitude” in determining whether confusion is likely.

Courts often rely on the Supreme Court’s statement of the clearly erroneous standard to justify a reversal of the district court’s factual findings when there has been a misapplication of a governing legal standard. For example, in \textit{Fuji Photo Film v. Shinohara Shoji Kabushiki Kaisha},\textsuperscript{118} the Fifth Circuit held that the “clearly erroneous” rule did not apply to determinations reached under an incorrect legal standard.\textsuperscript{119} However, the court found that the conclusion would be no different even if the appellate court was bound by the clearly erroneous standard.\textsuperscript{120} The court held that a review of the evidence on which the trial court grounded its finding left the court “with the definite and firm conviction that a mistake had been committed.”\textsuperscript{121}

Similarly, the Eleventh Circuit, in \textit{Safeway Stores, Inc. v. Safeway Discount Drugs},\textsuperscript{122} held that the clearly erroneous standard applied even though the district court’s analysis regarding the finding of likelihood of confusion was incomplete.\textsuperscript{123} Nevertheless, the court found that the district court erred in laboring under a theory\textsuperscript{124} that “limited the factors relevant to a finding of likelihood of confusion.”\textsuperscript{125} Since the district court failed to properly apply the related goods test, the appellate court found that the district court’s

\textsuperscript{116} See, e.g., \textit{Fuji Photo Film}, 754 F.2d 591 (5th Cir. 1985) (Fifth Circuit held that trial court had committed errors of law in focusing on actual confusion as discounting likelihood of confusion and in considering good faith as defense to trademark infringement); \textit{Safeway Stores Inc. v. Safeway Discount Drugs}, 675 F.2d 1160 (11th Cir. 1982) (Eleventh Circuit held that district court erred in failing to apply the related goods test in determining whether the name “Safeway” as applied to stores was likely to be confused with “Safeway” as applied to discount drugs).

\textsuperscript{117} \textit{Ives Labs.}, 333 U.S. 64 (1948).

\textsuperscript{118} 754 F.2d 591 (5th Cir. 1985).

\textsuperscript{119} See supra note 52 and accompanying text.

\textsuperscript{120} 754 F.2d at 597.

\textsuperscript{121} Id.

\textsuperscript{122} 675 F.2d 1160 (11th Cir. 1982).

\textsuperscript{123} Id. at 1163 n.3. The Eleventh Circuit recognized the Fifth Circuit as its governing body of precedent. However, in \textit{Safeway Stores}, the court relied on the statement made in \textit{Sun Banks}, 651 F.2d 311, 314 (5th Cir. 1981), that the rationale in \textit{Kentucky Fried Chicken}, 549 F.2d 368, 384 (5th Cir 1977), \textit{see text accompanying note 44}, “should not be taken as an erosion of the standard of review applicable to a finding of likelihood of confusion.”

\textsuperscript{124} The district court relied on a statement made in \textit{John R. Thompson v. Holloway}, 366 F.2d 108, 114 (5th Cir. 1966): “Where the unauthorized use of a conflicting mark is confined to a distinct and geographically separate market, there may be no present likelihood of public confusion.”

\textsuperscript{125} 675 F.2d at 1164. The court stated that “the district court held that because Safeway had no stores in Florida and no advertising penetration in the state, there was no likelihood of confusion.” Id.
determinations regarding likelihood of confusion were clearly erroneous.\textsuperscript{126}

By treating likelihood of confusion as a question of fact, the Ninth Circuit effectively eliminated the distinction between secondary meaning and likelihood of confusion. While the two issues may be interchangeable in competing goods cases, courts rarely equate them with respect to noncompeting goods.\textsuperscript{127} Traditionally, courts have relied on the related goods test to determine the likelihood of confusion because secondary meaning was not enough to determine the existence of confusion arising from the use of the mark on a noncompeting good.\textsuperscript{128} The court in \textit{Blue Bell II}, however, found that the related goods test serves merely to define the scope of secondary meaning where the plaintiff has not entered defendant's market.\textsuperscript{129} Therefore, since Levi Strauss had entered the shirt market, the court could determine the scope of trademark protection without the aid of a related goods test.

The Ninth Circuit's approach is inconsistent in that the strict application of the clearly erroneous standard could result in a more limited standard once the plaintiff has entered defendant's market. For example, in \textit{Blue Bell II}, the Levi Strauss tab had acquired strong secondary meaning in the pants market. Additionally, the plaintiff advertised and promoted the tab in the shirt market. Yet the majority's conclusion suggests that the trademark protection is narrower once the plaintiff has expanded his product line into the defendant's market. Under the court's reasoning, the strength of the trademark on the principal goods is no longer relevant in determining the amount of trademark protection afforded to that mark on the new product. Accordingly, the plaintiff must reestablish recognition in his mark through sales, advertising and promotion of the trademark in conjunction with the new product. However, if plaintiff had not entered defendant's market at all, he may have obtained protection against the use of his mark on defendant's product by the mere fact that the goods are sufficiently related. In the former case, the burden of establishing trademark protection is far greater. Not only must the plaintiff spend great amounts of time and money adver-

\begin{footnotesize}
\textsuperscript{126} Id.
\textsuperscript{127} But see Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 465 (3rd Cir. 1983) (Third Circuit recognized a "formal" distinction between likelihood of confusion and secondary meaning but held that "proof of one is proof of the other").
\textsuperscript{128} See, e.g., Perfect Fit Industries, Inc. v. Acme Quilting Co., 646 F.2d 800 (2d Cir. 1981) (Second Circuit implied that likelihood of confusion could exist without proof of secondary meaning when noncompeting goods are involved). In \textit{Perfect Fit}, the court stated: "Under New York law Perfect Fit was not required to prove secondary meaning in order to obtain relief from Acme's infringing trade dress ... Perfect Fit [has] made a sufficient showing of likelihood of customer confusion to warrant the granting of injunctive relief." \textit{Id.} at 803. See also Dallas Cowboys Cheerleader, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 22 (2d Cir. 1979) (public's belief that the mark owner sponsored or otherwise approved the uses of the trademark satisfies the confusion requirement).
\textsuperscript{129} 778 F.2d at 1359.
\end{footnotesize}
tising and promoting the trademark, but he must do so before a potential infringer enters the market.\textsuperscript{130}

IV. IMPACT

The Ninth Circuit's analysis in \textit{Blue Bell II} could have a significant impact on future trademark infringement actions concerning noncompeting goods. The secondary meaning test is a more precise measure of determining the appropriate scope of protection where the plaintiff has already extended its product line into defendant's market. Evidence of secondary meaning shows not only the extent of advertising and promotion, but also the effectiveness of those promotion efforts in creating an association in the minds of the consumers between the mark and the producer.

Though the Ninth Circuit's analysis reflects a departure from established precedent, its conclusion is a reasonable one considering the unique factual situation involved in \textit{Blue Bell II}. The case presents a situation in which the protection of a registrant's mark should not extend to noncompeting goods merely because they are "related." The Levi Strauss tab in \textit{Blue Bell II} was not inherently distinctive. Therefore, Levi Strauss could only obtain trademark protection by showing that the tab had acquired secondary meaning. To show secondary meaning, Levi Strauss was required to establish only that consumers associated the mark with a particular producer of pants. Under the related goods analysis, Levi could receive protection in the mark with respect to any related market even though consumers might not necessarily associate the mark with Levi Strauss or any one producer.

The appropriate scope of trademark protection is further complicated by the possibility that the strength of a mark may decrease over time. For example, the use of labels and symbols attached to shirts and pants has become a popular trade gimmick in recent years.\textsuperscript{131} Consequently, the strength of the Levi Strauss tab, in the sense of its source indicating quality, has probably diminished since its initial registration as a valid, protectable trademark.\textsuperscript{132} Thus, it might be preferable to allow a certain amount of confusion

\begin{enumerate}
\item \textsuperscript{130} See Scott Paper Co. v. Scott's Liquid Gold, Inc., 589 F.2d 1225, 1232 (3rd Cir. 1978) (relief only available if Scott Paper could prove that secondary meaning in "Scott" existed for household cleaners before Scott's Liquid Gold began using its mark).
\item \textsuperscript{132} See Brooks Shoe Mfg. Co., Inc. v. Suave Shoe Corp., 716 F.2d 854 (11th Cir. 1983) (the design on the side of Brooks shoes, resembling a "V" on its side, had not acquired secondary meaning because the design was neither "unusual" nor "unique" in the field of athletic shoes); see also Puma-Sportssshuhfabriken Rudolf/Kassler D.G. v. Roller Derby Skate Co., 206 U.S.P.Q. 255 (T.T.& A. Bd. 1980), in which the Trademark Trial and Appeal Board
with respect to the Levi Strauss label on shirts where the relevant market has become saturated with similar labels and symbols functioning as trademarks.133

Strict application of the clearly erroneous rule may be necessary to resolve the continuing split among the circuits regarding the appropriate standard of review of likelihood of confusion. The Fifth Circuit's conditional application of the clearly erroneous standard suggests that the likelihood of confusion remains an issue of law at least in part. The Second and Seventh Circuit's de novo review of the district court's determination of the similarity of the marks may also imply that, in some circumstances, the appellate court is in a better position than the trial court to determine whether confusion is likely. The Ninth Circuit's approach provides a bright line rule that, in all cases, regardless of the form of the record, the appellate court views the likelihood of confusion as a question of fact and will not disturb the lower court's determinations unless they are clearly erroneous.

The related goods test is not as conducive to a factual analysis of the likelihood of confusion issue. It is not clear whether certain factors, for example, the comparative strength of the trademarks and similarity and proximity of the products, may be supported by survey evidence or testimony.134 As long as the majority of the circuits continue to view likelihood of confusion as a question of fact, courts should consider only "determinations based on observations of witnesses, assessments of credibility and nuances of testimony."135

refused registration of defendant's stripe design on the side of its shoe because of its confusing similarity to Puma's stripe. The Appeal Board recognized that the Puma stripe had acquired secondary meaning due to Puma's extensive advertising and promotion of the mark. Nevertheless, the Board expressed serious doubts about the capacity of such stripe design to function as a trademark because of the common practice among manufacturers of athletic shoes to place various stripes and bar designs on the sides of their shoes.

133. See In re Lucky Co., 209 U.S.P.Q. 422, 423 (T.T. & A. Bd. 1980), in which the Appeal Board reversed a refusal of registration of a three parallel stripe design that resembled a competing manufacturer's stripe design mark. The Board held that the common practice among athletic shoe manufacturers of using various stripe designs on the sides of shoes leaves all other manufacturers of athletic shoes engaging in such practice with marks that are "extremely weak" and entitled to only a "very narrow and limited scope of protection." The Board concluded that "competitors in this field could come closer to such weak marks without violating owner's rights therein than would be the case with a stronger mark."

134. See Rubin, The Role of the Clearly Erroneous Standard of Federal Rule of Civil Procedure 52(a) in Reviewing Trial Court Determinations of Likelihood or No Likelihood of Confusion, 74 TRADEMARK REP. 20, 35 (THE UNITED STATES TRADEMARK ASSOCIATION) (1984). Rubin states that "this may account for the Fifth Circuit's formulation that application of the clearly erroneous standard to the facts may justify reversal, and the more widespread observation that where the trial court bases its determination solely on a comparison of the marks, the appellate court is in as good a position as the trial court to make the determination."

135. Id. at 35-36. The overriding purpose of Rule 52(a) is that the determinations of a trier of fact based on observation of witnesses, assessments of credibility, and nuances of testimony should not be overturned unless they are clearly erroneous.
V. Conclusion

The Ninth Circuit adopted a novel approach to determine the scope of trademark protection. The Ninth Circuit found in *Blue Bell II* that an inherently nondistinctive mark, which had acquired secondary meaning with respect to the registrant's principal goods, could not serve the same source indicating function with respect to related, though noncompeting goods. Rather than base its conclusion on the related goods analysis, the court examined whether the mark had obtained secondary meaning in the defendant's market. While the Ninth Circuit's analysis reflects a departure from established precedent, its conclusion is reasonable considering the unique factual situation involved in *Blue Bell II*. To the extent that the result is due to the Ninth Circuit's strict adherence to the clearly erroneous standard of review, that result is not only reasonable but necessary. Considering the variety of approaches adopted by the circuits, the appellate courts are in need of a bright line rule under which to review the likelihood of confusion issue. Moreover, because the majority of the circuits are willing to view likelihood of confusion as a question of fact, the *Blue Bell II* court's approach in considering only "factual" evidence is the most logical means of reaching uniformity and consistency among the circuits.

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