

Kristine Hubbert

PLEG 135 -Law Research and Writing

Portofolio Project- Final Submission

08/11/2023

Portfolio Project:

Part One- Office Memo

Part 2- Midterm

part 3- Predictive Memo

Part 4- Final Exam



HOWARD & MILLS
LAW FIRM

Memo

To: Lisa Howard, Attorney

From: Kristine Hubbert, Paralegal

Re: Sweet Lorraine Trademark Infringement case

07/14/2023

Dear Ms. Howard,

I have received your email requesting my assistance regarding the trademark issue with our client Christine Donnelly, owner of Sweet Lorraine's Bakery, LLC who recently received an email from Mr. Greg Sawyer, owner of Sweet Lorraine's Café and Bar, in Detroit Michigan upset claiming a potential trademark infringement with the phrase "Sweet Lorraine's". Mr. Sawyer has a trademark on the phrase "Sweet Lorraine's" for all restaurants, catering, and baking services in the United States. The trademark has been confirmed with the United States Patent and Trademark Office (USPTO). He has threatened legal action against our client unless she changes the name of her business or ceases the use of the trademark phrase.

Sweet Lorraine's Bakery, LLC ("SLB") is a family-owned business located in Charlotte, North Carolina. They specialize in French and Italian-inspired pastries, cakes, cookies, and artisan breads. SLB operates a store location and has a website, Facebook page, and Twitter account for advertising purposes.

Mr. Sawyer and his wife are also venturing into franchising macaroni and cheese establishments called "Sweet Lorraine's Mac n' Cheez Kitchen." They currently have two locations in Detroit suburbs and have received interest from an individual in North Carolina about extending their franchise into that state.

The client is seeking advice on the merit of Mr. Sawyer's claim of trademark infringement, the potential damages SLB might face if sued and found liable, and whether they should change the name of their business or stand firm.

Jurisdiction: If litigation occurs, it is likely to take place in the State of Michigan, where Mr. Sawyer's business is located. The federal district courts in Michigan

Client's questions:

- Whether Mr. Sawyer would be likely to succeed in his claim of trademark infringement.
- What type of damages might the client face if Mr. Sawyer sues and wins.
- Whether the client should change the name of her business or stand firm.

List of vocabulary words I anticipate using:

- **Factual Vocabulary List:** Refers to words and terms that relate to the facts or specific details about the case.
 - Trademark owner
 - Trademark renewal
 - Trademark cease and desist letter
 - Trademark coexistence agreement:
 - Trademark infringement evidence
 - Trademark monitoring
 - Licensing agreement
- **Legal Vocabulary:** Legal vocabulary consists of words and phrases that are specifically related to the legal field and have legal significance. These terms are associated with legal concepts, principles, rules, and regulations.
 - Trademark
 - Trademark infringement

- Intellectual property
- Likelihood of confusion
- Unfair competition
- Consumer perception
- Lanham Act
- United States Patent and Trademark Office (USPTO)
- Federal district court
- United States Court of Appeals
- Michigan Civil Courts

While legal vocabulary focuses on the legal concepts and principles surrounding the case, factual vocabulary focuses on the specific factual details and information. Both types of vocabulary are essential in conducting thorough research, analyzing legal issues, and building a comprehensive understanding of the case from both legal and factual perspectives.

Issues:

- **Trademark Infringement:** Trademark infringement occurs when a party uses a trademark that is confusingly similar to an existing trademark, causing a likelihood of confusion among consumers. In this case, Mr. Sawyer claims that SLB's use of the name "Sweet Lorraine's" infringes upon his trademark rights.
- **Trademark Protection:** Trademarks are protected under federal law in the United States. The Lanham Act (15 U.S.C. Section 1051 et seq.) governs federal trademark registration and provides remedies for trademark infringement.
- **Priority of Use:** Trademark rights are generally established through the priority of use. The party that first uses a mark in commerce for specific goods or services usually has priority over others who subsequently adopt similar marks.

- **Likelihood of Confusion:** A key factor in determining trademark infringement is the likelihood of confusion between the marks. Courts consider various factors, such as the similarity of the marks, the similarity of the goods or services, the channels of trade, the sophistication of consumers, and evidence of actual confusion.
- **Descriptive and Generic Marks:** Trademarks that are descriptive or generic may have limited protection. Descriptive marks describe the qualities or characteristics of the goods or services, while generic marks refer to the common name of the goods or services. Distinctive marks are typically afforded stronger protection.
- **Consumer Perception and Secondary Meaning:** Even if a mark is descriptive or suggestive, it may acquire "secondary meaning" over time, indicating that consumers associate the mark with a particular source of goods or services. Secondary meaning strengthens the protection of the mark.
- **United States Patent and Trademark Office (USPTO):** The USPTO is the federal agency responsible for reviewing and granting trademark registrations. It maintains a database of registered trademarks and examines applications for trademark registration based on specific criteria.

Sources I plan to use in my research:

Primary:

- Federal Statutes
- Case law
- dockets
- Federal case law reporters

Secondary:

- Treatises
- Journals
- Legal encyclopedias
- articles

Estimated Research Time: Given the complexity of the legal issues involved and the need to thoroughly analyze the information, I estimate that the research for this project will take approximately 15-20 hours. This includes time for locating and reviewing primary and secondary sources, analyzing relevant case law, and preparing a comprehensive memorandum summarizing the findings.

This research plan should give the client an idea of how long this will take me. I included the factual and legal vocabulary search words, legal issues, primary and secondary sources I plan to use, as well as the estimated time that I will need to research all of this. Please let me know if you require any further information or if there are any specific instructions or guidelines, I should follow in conducting this research.

Sincerely,

Kristine Hybbert
— PARALEGAL —

Kristine Hubbert
Pleg 135 Week 4
Mid Term

Kristine HUBbert

PLeg 135- Legal Research & Writing

Week4- Midterm

07/21/2023



Memo

To: Lisa Howard

From: Kristine Hubbert

Date: 07/21/2023

Re: Sweet Lorraine's Bakery, LLC – Research Summary

Ms. Howard,

I completed the research on the case of client Christine Donnelly. I included the information you requested on the Lanham Act as well as one Supreme Court case, two Sixth Circuit Cases, and a district court case from Michigan. These cases all have to do with Trademark Infringement, that I think will be helpful for the case. I included the elements that you needed. If you have any questions or concerns, please reach out to me.

Sweet Lorraine's Bakery, LLC , Possible Trademark Infringement:

Facts on the case: Client Christine Donnelly, owner of Sweet Lorraine's Bakery, LLC who recently received an email from Mr. Greg Sawyer, owner of Sweet Lorraine's Café and Bar, in Detroit Michigan upset claiming a potential trademark infringement with the phrase "Sweet Lorraine's". Mr. Sawyer has a trademark on the phrase "Sweet Lorraine's" for all restaurants, catering, and baking services in the United States. The trademark has been confirmed with the United States Patent and Trademark Office (USPTO).

He has threatened legal action against our client unless she changes the name of her business or ceases the use of the trademark phrase. Sweet Lorraine's Bakery, LLC ("SLB") is a family-owned business located in Charlotte, North Carolina. They specialize in French and Italian-inspired pastries, cakes, cookies, and artisan breads. SLB operates a store location and has a website, Facebook page, and Twitter account for advertising purposes. Mr. Sawyer and his wife are also venturing into franchising macaroni and cheese establishments called "Sweet Lorraine's Mac n' Cheez Kitchen." They currently have two locations in Detroit suburbs and have received interest from an individual in North Carolina about extending their franchise into that state. The client is seeking advice on the merit of Mr. Sawyer's claim of trademark infringement, the potential damages SLB might face if sued and found liable, and whether they should change the name of the name or stand firm.

For this case I reviewed **The Lanham Trademark Act** of 1946, a federal law in the United States that defines a trademark as "any word, name, symbol, or device or any combination thereof" used to identify and distinguish goods from those of others. To gain trademark rights under the Lanham Act (15 U.S.C. s. 1114), you must satisfy two conditions. First, you must use the mark in commerce, Second, the trademark must be distinctive. This means that the use of a trademark identifies the source of the goods or service. The relevant sections of the Act that I relied on for this case were section 32 and Section 43(a). Section 32 addresses trademark infringement, while Section 43(a) deals with false designation of origin. These sections are primary sources of law as they are part of the federal statute governing trademarks and are mandatory authority and binding in federal courts.

- **Section 32** of The Lanham Act prohibits the use of a registered trademark in connection with goods or services that are likely to cause confusion, mistakes, or deception among consumers. Which pertains to our case.
- **Section 43(a)** of The Lanham Act addresses the broader concept of unfair competition, which includes false or misleading representations in commerce. This section might be relevant in the case if the defendant's claim goes beyond trademark infringement.

Also, 15 USCS § 1125 (c)(2)(A) states: a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- The duration, extent, and geographic reach of advertising and publicity of the
- mark, whether advertised or publicized by the owner or third parties.
- The amount, volume, and geographic extent of sales of goods or services offered
- under the mark.
- 3. The extent of actual recognition of the mark.
- 4. Whether the mark was registered under the Act of March 3, 1881, or the Act of
- February 20, 1905, or on the principal register

The plaintiff must prove:

- It owns the trademark
- It has priority if use over the defendant
- The defendant used the trademark in connection with any goods or services
- The defendant's mark is likely to cause confusion, mistake or deception in connection to the plaintiff's trademark.
- The defendants use occurred in commerce
- The defendants use harm the plaintiff

A successful plaintiff must show that the alleged infringer *used* the registered trademark. Such use includes the use of a mark on a product's label, using the design on a website, or using a similar mark or infringing mark on a product. Second, the plaintiff must show that the defendant's use occurred *in commerce*. Such use occurs in commerce when:

- The defendant advertises in multiple states or across marketing channels

- The goods move interstate from one part of the supply chain to another, such as from manufacturer to seller
- A product is sent from one state to another to register a trademark
- The defendant advertises in print or online media with an interstate distribution.
- Defendant's use must cause a likelihood of confusion. This is usually the primary focus of a trademark infringement claim.

Below I included:

One Supreme Court case:

- KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.

Two Sixth Circuit Cases:

- K'Arzan Corp. v Christian Dior Perfumes, Inc., 1998
- Hensley Mfg. v. ProPride, Inc., 579 F.3d 603 (2009)

District Court Case:

- Aero-Motive Co. v. U.S. Aeromotive, 922 F. Supp. 29 (1996):

Supreme Court case:

KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.

United States Supreme Court

543 U.S. 111 (2004)

Facts: In January 2000, KP Permanent Make-Up, Inc. ("KP") got in a trademark dispute after using the term "micro colors" on its products and brochures. The conflict arose when Lasting Impression I, Inc., and its distributor, MCN International, Inc. (collectively referred to as "Lasting"), sent KP a cease-and-desist letter, demanding that they immediately discontinue the use of the term "micro colors." In response to this legal notice, KP took proactive action and filed a lawsuit seeking declaratory relief against Lasting. In the lawsuit, KP asserted that Lasting did not have the exclusive right to use the term "micro colors" and claimed that the term was generic, lacking the distinctiveness required for trademark protection. On the

other hand, Lasting responded with a counterclaim, alleging that KP's use of "micro colors" constituted trademark infringement and violated Lasting's registered trademark, which they claimed to be incontestable. As the legal battle unfolded, both parties filed cross motions for summary judgment and summary adjudication, requesting the court to rule on the matter based on undisputed facts and applicable law without proceeding to a full trial. At the heart of the case lies the pivotal question of whether KP's use of "micro colors" infringes on Lasting's trademark rights and whether Lasting's mark is indeed valid and entitled to exclusive protection.

Additionally, the court will evaluate whether the term "micro colors" is truly generic and incapable of receiving trademark protection or if it has acquired secondary meaning over time, potentially making it eligible for limited protection. With the relevant legal principles and trademark laws in consideration, the court will undertake a thorough analysis of the evidence and arguments presented by both parties to arrive at a conclusive ruling. The outcome of this case will have significant implications for the respective parties' rights over the term "micro colors" and may determine the future use of the term in the marketplace.

Issue: Does KP's use of the term "micro colors" infringe on Lasting's registered trademark?

Is Lasting's registered mark valid and entitled to protection?

Is the term "micro colors" generic and incapable of receiving trademark protection?

Rules:

- **The Lanham Act**, which is the federal statute that governs trademarks, service marks, and unfair competition. Specifically, sections 15 U.S.C. §1051, which provides for the registration of trademarks; 15 U.S.C. §1065, which establishes the conditions for incontestability of a registered mark; 15 U.S.C. §1114, which defines trademark infringement; and 15 U.S.C. §1115 (b) (4), which creates the statutory affirmative defense of fair use¹²³⁴⁵.

- The Supreme Court case of **Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)**, which held that a plaintiff in a trademark infringement action must prove that the defendant's use of the mark is likely to cause confusion among consumers about the origin of the goods or services¹².
- The Ninth Circuit case of **New Kids on the Block v. News America Publishing, Inc., 971 F.2d 302 (9th Cir. 1992)**, which recognized a nominative fair use defense that allows a defendant to use a trademark to refer to the plaintiff's product or service, as long as the use is not misleading and does not suggest sponsorship or endorsement by the trademark holder¹².

Analysis: The Court held that under the Lanham Act, the burden of proving likelihood of confusion falls on the party alleging infringement, not the party claiming fair use. Congress did not include the likelihood of confusion as an element of the fair use defense. Lasting's argument that requiring a showing of no confusion would protect consumers and mark holders was rejected. The Court emphasized the importance of allowing the public to use descriptive terms for their goods. The Court acknowledged that some confusion is expected when a mark is descriptive, and that mark holders assume this risk. The likelihood of confusion is not irrelevant to fair use. If the confusion leads to an objectively unfair use, the courts may consider it as infringement. It is not the plaintiff's responsibility to provide evidence that confusion is unlikely, as that burden falls on the defendant. The Supreme Court has emphasized that the mere existence of a risk of confusion does not negate a fair use defense, and the plaintiff cannot rely solely on this to overcome the defense or meet its burden of proof. Therefore, a defendant claiming fair use must independently prove the elements of fair use.

The Court also distinguished *New Kids on the Block* and *Cosmetically Sealed* as cases involving nominative fair use, which is a different defense from classic fair use as they involved the defense of nominative fair use, which is distinct from classic fair use. Nominative fair use may involve an assessment of likelihood of confusion, whereas the likelihood of confusion is not irrelevant to fair use, as it may be considered infringement if it leads to an objectively unfair use. The plaintiff is not responsible for proving that confusion is unlikely, as that burden falls on the defendant. The mere existence of a risk

of confusion does not negate a fair use defense, and the plaintiff cannot rely solely on this to overcome the defense or meet its burden of proof. A defendant claiming fair use must independently prove the elements of fair use.

Conclusion: The Supreme Court reversed the Ninth Circuit's decision and sent the case back for more legal proceedings. The Court ruled that a defendant claiming fair use does not need to prove there is no confusion, and that the burden of proving likelihood of confusion still falls on the plaintiff.

Two Sixth Circuit Cases:

K'Arsan Corp. v. Christian Dior Perfumes, Inc.

United States Court of Appeals for the Sixth Circuit

October 21, 1998, Filed

No. 97-1867

(1.) **K'Arsan Corp. v Christian Dior Perfumes, Inc.,** 1998 is a primary source of law as it includes a court decision and has mandatory authority when used in court.

Facts: K'Arsan, a local cosmetic company, brought a lawsuit against Christian Dior Perfumes Inc., alleging various claims, including federal and common law trademark infringement, dilution, and unfair competition. K'Arsan had registered the mark "K'Arsan Sun Powder" on October 21, 1986, and primarily sold its products through Michigan drug and boutique stores, with net sales of \$44,806.30 in 1995. On the other hand, in 1989, Christian Dior Perfumes Inc. planned to introduce a tanning agent in the American market under the descriptor "Terra Bella poudre de Soleli Sun Powder" and obtained registration for the mark "Terra Bella" on January 8, 1991. Defendant began sales in August of 1990. In the winter of 1995, K'Arsan's president discovered Defendant's "Terra Bella" cosmetic in a department store and claimed that Defendant's packaging risked confusing consumers. The District Court granted Defendant's motion for summary judgment, and Plaintiff appealed.

Issue: Whether there was a likelihood of confusion between the two products based on the similarity of their names, appearance, packaging, price, distribution channels, intended uses, and evidence of actual confusion or bad faith.

Rule: The verdict of *K'Arzan Corp. v. Christian Dior Perfumes, Inc.* was based on the precedent cases that established the factors for determining the likelihood of confusion between two trademarks or trade names. Some of these cases are:

- **Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976):** This case classified trademarks into four categories of strength: generic, descriptive, suggestive, and arbitrary or fanciful. The stronger the mark, the more protection it receives from infringement.
- **Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc., 670 F.2d 642 (6th Cir. 1982):** This case listed eight factors to consider in assessing the likelihood of confusion: (1) strength of the plaintiff's mark; (2) relatedness of the goods; (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.
- **Wynn Oil Co. v. Thomas, 839 F.2d 1183 (6th Cir. 1988):** This case clarified that the factors for likelihood of confusion are not exhaustive or exclusive, and that no one factor is determinative. The court must weigh the relevant factors in each case according to the facts and circumstances presented.
- **Homeowners Group, Inc. v. Home Marketing Specialists, Inc., 931 F.2d 1100 (6th Cir. 1991):** This case emphasized that the similarity of the marks is a key factor in the likelihood of confusion analysis, and that the marks must be compared in their entirety, considering their appearance, sound, and meaning.

Analysis: The court found no likelihood of confusion between *K'Arzan SUN Powder* and *Dune Sun*. The word "sun" was weak for both products as it was descriptive and commonly used in cosmetics. The marks

had different prefixes and logos, making them dissimilar in appearance and sound. The packaging and price were also different, with K'Arasan SUN Powder being sold in a plastic jar with a yellow label for \$12.95, while Dune Sun was sold in a glass bottle with a blue label for \$45. The products were sold in different channels of trade and to different classes of consumers. K'Arasan SUN Powder was mainly sold through mail order catalogs and specialty stores, while Dune Sun was mainly sold through department stores and upscale boutiques. Furthermore, the products had different intended uses and functions. K'Arasan SUN Powder was a cosmetic product for a sun-kissed look, while Dune Sun was a fragrance product evoking a beach-like scent. There was no evidence of actual confusion or bad faith by Christian Dior, as K'Arasan did not present any surveys, testimonials, or instances of mistaken purchases, and Christian Dior did not intend to capitalize on K'Arasan's goodwill or reputation.

Conclusion: The court affirmed the district court's grant of summary judgment in favor of Christian D

Hensley Mfg. v. ProPride, Inc.

United States Court of Appeals for the Sixth Circuit

June 19, 2009, Argued; September 3, 2009, Decided; September 3, 2009, Filed

Hensley Mfg. v. ProPride, Inc., 579 F.3d 603 (2009) is a primary source of law as it includes a court decision and has mandatory authority when used in court

Facts: In the case of Hensley Mfg., Inc. v. Propride, Inc., the United States Court of Appeals for the Sixth Circuit ruled on September 3, 2009. The case citation is 579 F.3d 603 (6th Cir. 2009). Plaintiff Hensley Manufacturing, Inc., a Michigan corporation, manufactures and sells the "Hensley Arrow" trailer hitch under the trademark "Hensley." Defendant James Hensley, the former designer of the "Hensley Arrow," sold his rights to the design and his name to the plaintiff in 1992. Defendant Propride, Inc., a Michigan corporation founded by defendant Shawn Woodruff, a former employee of the plaintiff, manufactures and

sells the "ProPride 3P" trailer hitch under the trade name "ProPride." The "ProPride 3P" hitch was also designed by defendant James Hensley, who licensed his name to defendant Propride for advertising purposes. Plaintiff sued defendants for various claims, including trademark infringement, false designation of origin, dilution of trade name, unfair competition, breach of contract, misappropriation of trade secrets, and tortious interference with a business relationship. Plaintiff argued that defendants' use of James Hensley's name in their advertising material was likely to confuse consumers and infringe upon plaintiff's trademark rights. However, the district court dismissed plaintiff's complaint, stating that defendants' use of James Hensley's name fell under the fair use exception to trademark infringement claims.

Issue: Whether defendants' use of James Hensley's name in their advertising material constitutes trademark infringement, false designation of origin, dilution of trade name, or unfair competition under federal or state law.

Rules:

- **Cairns v. Franklin Mint Co.**, 292 F.3d 1139 (9th Cir. 2002): This case established the three-part test for fair use of a trademark under 15 U.S.C. § 1115(b)(4), which requires that the use be descriptive, fair and in good faith, and only to describe the goods or services of the party.
- **KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.**, 543 U.S. 111 (2004): This case clarified that a defendant asserting fair use of a trademark does not have to negate the likelihood of confusion as an element of the defense, but rather the burden is on the plaintiff to show that the use is likely to confuse consumers.
- **Zatarains, Inc. v. Oak Grove Smokehouse, Inc.**, 698 F.2d 786 (5th Cir. 1983): This case discussed the factors for determining whether a term is descriptive or suggestive of a product, and whether it has acquired secondary meaning as a trademark.

Analysis: The court affirmed the district court's dismissal of the plaintiff's complaint, finding that defendants' use of James Hensley's name was a non-infringing fair use under 15 U.S.C. § 1115(b)(4). The court applied the three-part test from *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002), and determined that defendants' use of James Hensley's name was fair use. The court found that defendants' use of James Hensley's name was descriptive of their product, fair and in good faith, and only used to describe their product. Therefore, the court concluded that defendants' use of James Hensley's name did not violate plaintiff's trademark rights. The court also rejected plaintiff's claims for dilution of trade name and unfair competition, and dismissed claims for breach of contract, misappropriation of trade secrets, and tortious interference with a business relationship, finding them either preempted by federal law or unsupported by factual allegations.

Conclusion: The court affirmed the district court's dismissal of plaintiff's complaint with prejudice.

District Court Case:

Aero-Motive Co. v. U.S. Aeromotive

United States District Court for the Western District of Michigan, Southern Division

Case No. 4:94-CV-175

Aero-Motive Co. v. U.S. Aeromotive, 922 F. Supp. 29 (1996) is a primary source of law as it includes a court decision and has mandatory authority when used in court

Facts: Plaintiff Aero-Motive Co., a Michigan corporation established in 1939, specializes in manufacturing and selling cord reels, cable reels, hose reels, and other products under the trademark "Aero-Motive." Defendant U.S. Aeromotive, Inc., also a Michigan corporation, has been providing aircraft maintenance and repair services under the trade name "U.S. Aeromotive" since 1992. The plaintiff filed a lawsuit against the defendant, alleging trademark infringement, false designation of origin, dilution of trade name, and unfair competition. The plaintiff claimed that the defendant's use of "Aero-Motive" or "Aeromotive" in its name and advertising caused confusion among consumers and diluted the plaintiff's distinctive mark. The defendant, however, denied liability and argued that its use of "Aero-Motive" or "Aeromotive" was fair and descriptive of its services. The defendant further contended that there was no likelihood of confusion or dilution since the parties operated in different markets and offered different products and services.

Issue: Whether defendant's use of "Aero-Motive" or "Aeromotive" in its name and advertising constitutes trademark infringement, false designation of origin, dilution of trade name, or unfair competition under federal or state law.

Rules: Some of the cases that helped determine this case are:

- **Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc.**, 670 F.2d 642 (6th Cir.), cert. denied, 459 U.S. 916 (1982): This case established the eight-factor test for likelihood of confusion in trademark infringement cases in the Sixth Circuit.
- **Hair Assoc. v. National Hair Replacement Services**, 987 F.2d 1481 (6th Cir. 1993): This case discussed the factors for determining the inherent distinctiveness of a mark and the burden of proof for trademark dilution claims.
- **Whirlpool Properties, Inc. v. LG Electronics U.S.A., Inc.**, No. 1:08-CV-650, 2010 WL 1141398 (W.D. Mich. Mar. 22, 2010): This case affirmed that the elements of state-law claim for unfair competition are identical to those of federal trademark infringement claim.

Analysis: The court applied the eight-factor test from *Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642 (6th Cir.), cert. denied, 459 U.S. 916 (1982), to determine the likelihood of confusion between plaintiff's and defendant's marks. The court found that the marks were similar in appearance, sound, and meaning; the marks were strong and distinctive; the parties' products and services were related and complementary; the parties' customers were likely to overlap or encounter each other; the parties' marketing channels were similar; there was evidence of actual confusion among consumers; defendant intended to benefit from plaintiff's goodwill and reputation; and defendant failed to exercise due care in selecting its mark. Based on these factors, the court concluded that defendant's use of "Aero-Motive" or "Aeromotive" created a substantial likelihood of confusion among consumers as to the source or affiliation of defendant's services, and thus infringed plaintiff's trademark rights under 15 U.S.C. § 1114(1) and § 1125(a). The court also found that defendant's use of "Aero-Motive" or "Aeromotive" diluted plaintiff's trade name by lessening its capacity to identify and distinguish plaintiff's products and services, and thus violated plaintiff's rights under 15 U.S.C. § 1125(c) and Michigan common law. Finally, the court found that defendant's use of "Aero-Motive" or "Aeromotive" constituted unfair competition under Michigan common law by creating a false impression that defendant was affiliated with or sponsored by plaintiff, and by diverting potential customers from plaintiff to defendant.

Conclusion: The court granted plaintiff's motion for summary judgment on all counts and enjoined defendant from using "Aero-Motive" or "Aeromotive" in its name or advertising. The court also ordered defendant to pay plaintiff's costs and attorney fees.

The purpose of this research is to analyze the merit of Mr. Sawyer's claim, assess potential damages SLB might face if sued and found liable, and provide guidance on whether SLB should consider changing the name of their business or stand firm. This research should help regarding the potential outcomes, risks, and recommended courses of action for our client.

Howard and Mills P.C

Memo

To: Lisa Howard, Attorney

From: Kristine Hubbert, Paralegal

Date: 08/05/2023

Re: Sweet Lorraine's Bakery, LLC – Predictive Memo

Statement of Facts:

Our Client Christine Donnelly is concerned with a potential trademark infringement lawsuit that she has been threatened with. Mrs. Donnelly owns Sweet Lorraine's Bakery (SLB) a family-owned business located in Charlotte, North Carolina that specializes in French and Italian-inspired pastries, cakes, cookies and artisan breads. They operate one physical store location and have a website for informational purposes, but no online business operations. Advertising primarily occurs through the bakery's website, Facebook page, Twitter account, and word of mouth.

Recently, the client received an email from Greg Sawyer who along with his wife, operates Sweet Lorraine's Café and Bar in Detroit, specializing in American fare and featuring some baked goods. Sweet Lorraine's Café and Bar has a website through which they sell salad dressings and apparel items nationally. The Sawyers also own "Sweet Lorraine's Mac n' Cheez Kitchen," establishments with two locations in Detroit suburbs. They are looking into extending that franchise into North Carolina, no location has been determined.

Mr. Sawyer has contacted SLB regarding their usage of the name "Sweet Lorraine's," He claims that SLB's use of the name infringes upon his trademark for restaurants, catering, and baking services.

Mr. Sawyer has threatened legal action against SLB if they do not change their business name. They possess a trademark for the phrase "Sweet Lorraine's" for restaurants, catering, and baking services across the United States, verified by the United States Patent and Trademark Office.

The client has asked for our assistance in whether Mr. Sawyer would be likely to succeed on his claim of trademark infringement; what type of damages the client might face if Mr. Sawyer sues and wins, and whether, the client should change the name of her business or stand firm.

Questions Presented:

1. How likely would it be for Mr. Sawyer to succeed in his claim of trademark infringement?
2. What type of damages would our client face if Mr. Sawyer sues and wins?
3. Whether the client should change the name of her business or stand firm?

Short Answer:

1. No, Greg Sawyer would not be successful in his claim.
2. If Mr. Sawyer was successful in his claims against Ms. Donnelly under Section 35 of the Lanham Act, then he could recover these three types of compensatory damages: profits; any damages that were sustained by the trademark owner; and the cost of the action.
3. No, Ms. Donnelly should not have to change the name of her business.

Analysis:

Based on the geographic distance between Mr. Sawyer in Detroit, Michigan and our client's bakery in Charlotte, North Carolina, it is unlikely that Mr. Sawyer would succeed in his claim of trademark infringement for his restaurant "Sweet Lorraine's Mac n' Cheez Kitchen" in North Carolina. The duration, extent, and geographic reach of advertising and publicity of the mark would need to be examined to determine the recognition of a famous mark under 15 USCS § 1125 (c)(2)(A).

In the case where Sawyer is accusing our client of trademark infringement and claiming that our client's use of "Sweet Lorraine's Bakery, LLC" will cause consumer confusion. To prove his case, Mr. Sawyer would need to establish a likelihood of confusion between Sweet Lorraine's Bakery and Sweet Lorraine's Mac n' Cheez Kitchen. In the 1998 case of *K'Arsan Corp. v. Christian Dior Perfumes, Inc.*, the court considered eight factors relevant to the likelihood of confusion: the strength of the plaintiff's mark, the relatedness of the goods, the similarity of the goods, evidence of actual confusion, the marketing channels used, the likely degree of purchaser care, the defendant's intent in selecting the mark, and the likelihood of product expansion. In this case, the plaintiff, K'Arsan was claiming that the products produced by Christian Dior caused confusion with their product, the case was dismissed. When applying the eight factors to this case, the plaintiff's claim was unsuccessful in proving the likelihood of confusion. With our client, one clear distinction is Mr. Sawyer's business produces American Goods, while Ms. Donnelly's bakery provides French and Italian pastries. Therefore, the likelihood of confusion would not be successful.

Another case In *Joseph Schlitz Brewing Co. v. Houston Ice & Brewing Co.*, 250 U.S. 28 (1919), both parties had similar beer bottles, both having a brown bottle, brown label, and an inscription. Joseph Schlitz brewing Co. sued for trademark infringement because they thought the inscriptions were similar enough, but the court found the inscriptions were unlikely to deceive consumers. Which I believe would

be the same case for “Sweet Lorraine’s Bakery, LLC” and “Sweet Lorraine’s Mac n’ Cheez Kitchen. They are not similar enough to deceive consumers.

In the case of *Burns v. Schotz*, 343 Mich. 153, the plaintiffs, Irma Conway and James Burns, who owned and operated the Doghouse, disputed with the defendant Otto Schotz, who owns the Dog Supply House. The plaintiffs believed that the defendant's use of a similar name was intended to benefit from their business name and cause confusion among customers. However, the record showed that the defendant primarily sold their products through mail order, while the plaintiffs did not engage in mail-order sales. The plaintiffs' claim of likelihood of confusion was unsuccessful. Our client advertises on Facebook and has a distinct business presence. Mr. Sawyer does have a website, but he does not conduct online sales. However, research shows that he does conduct business through his company website. Despite the similarities in the name there wouldn't be any reason that consumers would confuse the two,

Currently, there is no evidence of any publicity for Mr. Sawyer's mark in North Carolina. While the Sawyers have a larger company, there is no proof that the mark is "famous". Sweet Lorraine's Bakery, LLC, only sells within North Carolina and relies on word of mouth and social media advertising. The products produced by each establishment are highly unlikely to be confused. Mr. Sawyer's businesses include Sweet Lorraine's Mac n' Cheez Kitchen and Sweet Lorraine's Café and Bar, both of which produce American foods, while Sweet Lorraine's Bakery specializes in baked goods. Even if Mr. Sawyer does open an establishment in North Carolina, I believe they still would not have a winning case. In the case *Passalacqua Corp. v. Restaurant Management II*, 885 F. Supp. 154, the action that was pled [**2] a state law claim of common law is unfair competition. They argued that the defendant, "East Side Mario's," was harming their business and reputation by confusing consumers about the relationship between the two competitors. To prove their case, the plaintiff needed to demonstrate either specific instances of actual competition or the natural tendency of the defendant's actions. Despite the similarity in the name "Sweet Lorraine's," it is very unlikely that Mr. Sawyer would be able to prove that there is any competition between the two.

Conclusion:

Based on my research, it appears that Mr. Sawyer would not be likely to succeed on his claim of trademark infringement because there is no likelihood of confusion between SLB's products and those sold by Sweet Lorraine's Café and Bar. The two businesses are located in different states and offer different types of food products. Therefore, there is no likelihood that consumers would confuse SLB's products with those sold by Sweet Lorraine's Café and Bar.

References

15 U.S.C.S. § 1125 (LexisNexis, Lexis Advance through Public Law 118-12, approved July 28, 2023)

Burns v. Schotz, 343 Mich. 153, 72 N.W.2d 149 (1955)

Joseph Schlitz Brewing Co. v. House. Ice & Brewing Co., 250 U.S. 28, 39 S. Ct. 401 (1919)

K'Arsan Corp. v. Christian Dior Perfumes, Inc., No. 97-1867, 1998 U.S. App. LEXIS 27658 (6th Cir. Oct. 21, 1998)

Passalacqua Corp. v. Rest. Mgmt. II, 885 F. Supp. 154 (E.D. Mich. 1995)

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08/08/2023

Dear Ms. Donnelly,

I hope you are doing well. First, I want to thank you for trusting Attorney Lisa Howard, and her team here at Howard and Mills law firm with your case, I know there are a lot of law firms to choose from so we appreciate you picking us! We understand you have put all your time, money, and resources into Sweet Lorraine's, so we can imagine how stressful this situation has been for you. I wanted to provide you with an overview of the research I conducted involving the recent trademark infringement claim that Mr. Sawyer contacted you about. I also want to address your specific concerns and offer the following actions based on the conclusion of my research.

Outline of my initial Research:

- **Geographic Distance and Likelihood of Success:**
 - The geographic distance between Mr. Sawyer's business in Detroit, Michigan, and your bakery in Charlotte, North Carolina, suggests that the potential for confusion between "Sweet Lorraine's Bakery, LLC" and "Sweet Lorraine's Mac n' Cheez Kitchen" is minimal. As trademark infringement claims often require a likelihood of confusion, this factor weighs in favor of your case.
- **Recognition of a Famous Mark:**
 - Analysis of the recognition of a famous mark under § 1125(c)(2)(A) of the Lanham Act requires consideration of various factors, including the duration, extent, and geographic reach of

advertising and publicity. However, there is currently no evidence to indicate that Mr. Sawyer's mark is widely recognized in North Carolina, further weakening his claim.

- **Likelihood of Confusion and Eight Factors:**
 - The likelihood of confusion, a pivotal element in trademark infringement claims, would need to be proven by Mr. Sawyer. Based on the eight factors outlined in *K'Arzan Corp. v. Christian Dior Perfumes, Inc.*, it is apparent that the distinct goods produced by each establishment, coupled with the differentiation in marketing channels and consumer care, significantly reduce the likelihood of confusion.
- **Clear Distinction and Unlikelihood of Competition:**
 - The substantial distinction between the type of goods offered by Sweet Lorraine's Bakery, LLC, and Sweet Lorraine's Mac n' Cheez Kitchen diminishes any potential for consumer confusion or competition. Precedent cases, such as *Burns v. Schotz*, emphasize the importance of distinct product offerings in determining the likelihood of confusion.
- **Client's Advertising and Business Presence:**
 - Your strong presence on social media platforms, such as Facebook, along with your distinct business model, contrasts with Mr. Sawyer's limited online sales. This further supports the argument that the two businesses are unlikely to be confused.
- **Absence of Competition and Lack of "Famous" Mark:**
 - A critical factor in proving trademark infringement is demonstrating competition between the parties. However, there is no substantial evidence to indicate any competition between "Sweet Lorraine's Bakery, LLC" and "Sweet Lorraine's Mac n' Cheez Kitchen." Additionally, the lack of proof of Mr. Sawyer's mark being considered "famous" is a significant factor in your favor.

Based on this analysis, it is my professional opinion that Mr. Greg Sawyer's claim of trademark infringement is unlikely to succeed. The unique distinctions between the products offered by both establishments, coupled with the absence of substantial evidence of competition or confusion, strongly support your case.

You specifically wanted to know

- 1) 1. How likely would it be for Mr. Sawyer to succeed in his claim of trademark infringement?
 - ⊘ Based on the research I was able to find as of now, Mr. Sawyer would have a hard time proving his claim of trademark infringement.
- 2) What type of damages would our client face if Mr. Sawyer sues and wins?
 - ⊘ **The disgorgement of the infringer's profit** -to calculate damages under the Lanham Act is by looking at the infringer's profits. This can be done in two ways: taking away the profits they have unfairly earned or using their profits to measure the plaintiff's own loss. This is known as the proxy theory.
 - ⊘ **Actual Damages**- This typically requires proof of actual confusion that caused an economic loss, which can be presented through evidence of diverted sales or consumer survey evidence. Economic loss must be demonstrated through lost profit
 - ⊘ **Reasonable royalty**- can be done by determining the reasonable value of a trademark license that the infringer should have paid. Depending on the circuit, actual damages may be calculated based on a reasonable royalty with an existing licensing relationship or through a hypothetical negotiation between a willing trademark owner and licensee on the date of infringement. In the latter case, courts typically use the Georgia-Pacific factors to determine a reasonable royalty.

These factors include the nature and scope of the licensee's use, the special value to the infringer, the willingness of a reasonable licensee to pay, the profitability of the infringing use, the lack of viable alternatives for calculating damages, and expert opinions.

⊘ **Attorneys' fees** –In exceptional cases a plaintiff may recover attorneys' fees. However, what constitutes an "exceptional case" is not clearly defined by the Act. Courts have determined that a plaintiff may recover attorneys' fees if they can prove that the infringement was done with malicious, fraudulent, deliberate, or willful intent. On the other hand, defendants have been able to recover attorneys' fees if the plaintiff's conduct lacked merit, showed signs of an abuse of process, or needlessly increased the costs of the lawsuit.

3) Should you change the name of your business or stand firm?

⊘ As of now you should not change the name of your bakery. You have dedicated considerable amount of time and resources to building your business, and we are confident that we have compelling grounds to advise against altering your business name. Despite any potential expansion of Mr. Sawyer's bakery business into North Carolina, we believe it is in your best interest to stand firm. Our exhaustive research has yielded no evidence of Trademark Infringement under the Lanham Act.

Based on my research, Mr. Sawyer is not likely to succeed in his claim of trademark infringement because there is no likelihood of confusion between SLB's products and those sold by Sweet Lorraine's Café and Bar. The two businesses are in different states and offer different types of food products. Therefore, there is no likelihood that consumers would confuse SLB's products with those sold by Sweet Lorraine's Café and Bar. If he sends another threatening message, do not respond to him, and reach out to us immediately and we will send him a letter and take the necessary steps when that time comes. If you have any questions or concerns, please reach out to us. Thank you again for trusting us with this concern.

Sincerely,

Kristine Hubbert, Paralegal

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Kristine Hubbert

PLEG 135 Legal Research and Writing

08/12/2023

Portfolio Project- Reflection

This Portfolio Project gave invaluable insights and skills and will relate to my future workplace. The assignments have equipped me with tools that I am confident will contribute significantly to my professional success. The combination of a research plan, research summary, predictive memo, and client letter provides a comprehensive set of skills and tools that help a paralegal in their role. These components contribute to effective communication, informed decision-making, efficient case management, and positive client interactions.

The Intra-Office Memorandum (Research Plan): Knowing how to create a research plan is a valuable skill for a paralegal, as it plays a crucial role in supporting attorneys and legal teams in their work. It helps you outline your approach to gathering information on legal issues, cases, or statutes. As a paralegal, you often assist attorneys in conducting legal research to build cases, prepare for trials, or provide advice to clients. Having a structured research plan enables you to systematically gather relevant information, saving time and ensuring that you do not miss critical details, research plan helps you define the scope of your research and identify the key areas to focus on. This ensures that your research efforts are targeted and aligned with the specific legal issues at hand. The ability to create a research plan is an asset for a paralegal. It helps you conduct focused and thorough legal research, manage your time and resources effectively,

communicate with your team, and contribute to the success of legal cases. This skill not only enhances your professional capabilities but also shows your commitment to delivering high-quality support to attorneys and clients.

The Research Summary (Midterm Exam): Creating a research summary requires you to condense extensive research findings into clear and succinct language, making it easier for others to understand the key points and implications of your research. Attorneys rely on paralegals to provide well-organized and summarized information to help in decision-making. A research summary enables attorneys to quickly grasp the main arguments, relevant case law, statutes, and precedents related to a particular legal issue. This helps attorneys make informed decisions about case strategy, settlement options, or potential legal actions. A research summary serves as a valuable tool that enables paralegals to distill extensive research into an accessible format, supporting attorneys, in making informed decisions, effectively communicating legal concepts, and efficiently managing cases.

The Predictive Memo: is a valuable tool for a paralegal that involves analyzing legal issues, predicting potential outcomes, and providing recommendations based on research and legal analysis. It assists attorneys in formulating effective case strategies. By analyzing legal precedents, statutes, and relevant case law, a paralegal can provide insights into the potential strengths and weaknesses of a case. This information informs attorneys' decisions on whether to proceed with litigation, negotiate a settlement, or pursue alternative dispute resolution methods. Predictive memos help paralegals and

attorneys predict the opposing party's arguments and potential negotiation points. This preparation enhances negotiation strategies and positions during settlement discussions, leading to more favorable outcomes for clients. The process of creating a predictive memo enhances a paralegal's critical thinking and analytical skills. It requires evaluating complex legal issues from multiple angles and predicting potential outcomes based on sound legal reasoning. These skills contribute to a paralegal's overall professional growth and effectiveness. tool that helps paralegals contribute to case development, client counseling, negotiations, and document drafting. It enables paralegals to play a proactive role in shaping legal strategies and outcomes, making them invaluable members of the legal team.

Client Letter (Final Exam): is a valuable communication tool for a paralegal that helps effective communication between legal professionals and clients. It requires translating complex legal concepts into language that clients can understand. Paralegals can use their skills to explain legal issues, procedures, and options in a clear and concise manner, helping clients make informed decisions about their cases. It also is a way of keeping clients informed about the progress of their cases, upcoming court dates, important deadlines, and any developments that may affect their legal matters. Effective communication through client letters contributes to overall client satisfaction. Satisfied clients are more likely to refer others and keep long-term relationships with the law firm, enhancing the firm's reputation and success. client letter is a versatile tool that enables paralegals to communicate, educate, support, and collaborate with clients throughout the legal process. By effectively using client letters, paralegals play a crucial role in building strong client relationships and ensuring that clients are well-informed to make

informed decisions about their legal matters.

Collectively, these components equip paralegals with the tools to conduct thorough research, analyze legal issues, predict outcomes, communicate effectively, and supply valuable assistance to attorneys and clients. The skills gained from crafting research plans, summaries, predictive memos, and client letters position paralegals as indispensable members of the legal team, contributing to successful case management, client satisfaction, and overall excellence in the field of law.