

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
Dallas Division**

M3Girl Designs, LLC	§	
Plaintiff,	§	
	§	
vs.	§	CIVIL ACTION NO. 3-09cv2390-F
	§	
Blue Brownies, LLC	§	
Charlotte Liles,	§	
Krista Dudte, and	§	
Robert Dudte	§	
Defendants.	§	

**PLAINTIFF’S MOTION FOR PARTIAL SUMMARY JUDGMENT ON
TRADE DRESS LIABILITY ISSUES BASED ON THE UNDISPUTED USE OF
PLAINTIFF’S TRADE DRESS BY DEFENDANTS**

Comes Now Plaintiff M3 Girl Designs to file this Motion for Partial Summary Judgment on the Trade Dress Liability Issues Based on the Undisputed Use of Plaintiff’s Trade Dress by Defendants as follows:

I. INTRODUCTION

The Plaintiff’s trade dress, which has been defined by this Court as arbitrary and non-functional (DE 133, Amended Order, March 9, 2012), is used identically by the Defendants – the Defendants do not dispute identical use of the Plaintiff’s trade dress. Given the strength of the Plaintiff’s trade dress and the Defendants’ admitted use of the Plaintiff’s trade dress, a partial summary judgment is proper as to the trade dress liability issues.

The trade dress liability issues center around the likelihood of confusion determination, and a ruling from the Court on this issue is proper in the context of the present case (where the parties do not dispute use of trade dress) as shown in *Marathon Mfg. Co. v. Enerlite Prods. Corp.*, 767 F. 2d 214 (5th Cir. 1985). Granting the requested partial summary judgment will substantially narrow the issues remaining to be tried before a jury at the trial setting of June 18,

2012 – leaving only damages and a couple disputed issues relating to state law dilution and/or tarnishment to be decided by the jury. Because the Court’s determination on this issue will significantly improve the posture of this case for a trial, the Plaintiff respectfully requests that this Motion for Partial Summary Judgment be granted and that this Court find likelihood of confusion as between the Plaintiff’s and Defendants’ trade dress.

II. FACTUAL BACKGROUND

A. Defendants’ Identical Trade Dress

The Plaintiff’s trade dress has been defined by the Court to be “the overall design of its bottlecap jewelry.” *Amended Order, DE 133, March 9, 2012, p. 5.*¹ Using this Court’s definition of the Plaintiff’s trade dress, the Court has found that the Plaintiff’s bottlecap jewelry trade dress was “primarily arbitrary, incidental and ornamental,” and that the Plaintiff’s trade dress is not functional as a matter of law.² The Plaintiff’s trade dress is shown below.



¹ The Plaintiff has also defined its trade dress using a word definition having five elements, which include a slim choker necklace (colored/white fabric), an attachment having a metallic sheen tied in a knot at the front of the choker necklace, a bottlecap with outwardly projecting ridges and internal surface exposed (e.g., showing internal artwork) and a raised projection on the top surface of the bottle cap. *Id.* M3 Girl Designs is not claiming trade dress protection to the interchangeable or magnetic functionality of the jewelry. *Id.*

² *Id.* at p. 6-7 (not functional), p. 7 (inclusion of bottlecaps on M3 Girl’s jewelry is primarily “arbitrary, incidental, or ornamental”).

And, the Defendants' identical use of the Plaintiff's trade dress is admitted in their Motion for Summary Judgment pleadings (*Mtn. Summ. Jdt., DE 82, Aug. 8, 2011, p. 6-7*) as follows:

Despite the verbosity of the trade dress claims, their simplicity is shown in the following photos of Defendants' products that show (1) decorated bottle cap with a pink glitter background and silver crown, (2) the back side of a decorated bottle cap with the magnet visible, (3) a peace sign bottle cap attached to a black elastic choker necklace and (4) a pink elastic choker necklace connect to a fender washer and stuck the back of a bottle cap magnet. Except for the decorative designs inside the bottle caps, all [Defendants'] bottle cap jewelry is the same.



B. Defendants' Identical Trade/Distribution Channels

The Plaintiff sells its products on the Internet and in retail outlet stores, which is the identical channel of distribution and trade used by the Defendants. The Defendants have never disputed, contested or rebutted their use of the Internet or retail store outlets to sell their products.

C. Plaintiff's Unrebutted Showing of Distinctiveness

The Plaintiff has conducted a consumer survey to show secondary meaning and distinctiveness, which demonstrated a recognition rate of over 33% of the respondents between the Plaintiff and their displayed trade dress and a recognition rate of over 50% with companies

having the name M3 Girl Designs or similar sounding alphanumeric company names. *See Exhibit 1, Morgan Ward Report.*

The Plaintiff's trade dress has received tremendous recognition and media exposure, which supports the survey evidence showing consumer's recognition of the Plaintiff with the Plaintiff's trade dress. This media exposure includes appearances on the "The View" (interviewed by Ms. Barbara Walters), "The Shark Tank," "Nate Burkus Show," "Teen Choice Awards." *Id. at p. 5-7; see also, Exhibit 2 (publicity, media exposure).* Moreover, the Plaintiff has contacted over thirty companies and individuals to have them cease and desist their infringing activities (all have ceased their activities, one continuing with their business using a modified design), and concluded several cases with Consent Decrees and Stipulated Injunctions. *Exhibit 3 and 4, Stipulated Injunctions (Trendy and Lucky II).* Among these stipulated injunctions is one with the Blue Brownies' founder and co-defendant, Charlotte Liles, who acknowledged the validity and viability of the Plaintiff's trade dress claims against Blue Brownies. *Exhibit 5, Liles Stipulated Injunction.*

The Defendants did not conduct any survey in this case, and they have no affirmative evidence to rebut a showing of trade dress distinctiveness.

D. Actual Confusion and Bad Faith

The Plaintiff has evidence of actual confusion among its retailer and distributors, but the Defendants contend that they are not associated with the actual confusion activities. With respect to bad faith, the Plaintiff believes that the Defendants are taking actions to affirmatively "ride on their coat-tails" as shown in generic Google searches for the Plaintiff's name, "M3 Girl Designs" or "www.m3girldesigns.com."

When that search request is provided to Google, the Google search engine returns ten top choices that all relate to “M3 Girl Designs,” and then identifies Defendant Blue Brownies consistently as the first option for competitors under “Pages similar to www.m3girldesigns.com” as follows.

[Pages similar to www.m3girldesigns.com](#) 
[Bottlecap Necklaces by blue brownies](#)  - Blue Brownies offers ... - bluebrownies.com

Exhibit 6, Google Search Results, page 1.

The consistent appearance of Defendant Blue Brownies as the first competitor under “similar pages” designation is not happenstance or coincidence – the Defendants do not dispute, rebut or disagree with their consistent identification as the first competitor to M3 Girl Designs on the Google “similar page” results. Plaintiff believes that the Defendants’ identification as the first “similar page” competitor on the Google search results is achieved through affirmative actions taken by the Defendants to draw a direct association and connection between the Plaintiff and Defendant’s businesses, which directly relates to prohibited acts under §43(a) of the Lanham Act. The Defendants have not explained why they consistently appear as the first competitor in such searches, and the Defendants have not disputed the fact that affirmative actions on their part achieve this result.

III. ARGUMENT

After updating the case law to address recent legal developments, Plaintiff’s Motion for Partial Summary Judgment largely adopts the analysis for trade dress infringement set forth in “Defining the Elements of Trade Dress Infringement Under Section 43(a) of the Lanham Act,” *Texas Intellectual Property Law Journal*, Winter 1994 (Reese, Joel), *see Exhibit 7*.

"Likelihood of confusion" is the applicable test for determining the existence *vel non* of infringement in trade dress litigation.

Though "likelihood of confusion" is treated as a finding of fact in this circuit, *Holiday Inns, Inc. v. Holiday Out in America*, 481 F.2d 445 (5th Cir. 1973), and a conclusion of law in the Ninth Circuit, *U.S. Jaycees v. San Francisco Chamber of Commerce*, 354 F. Supp. 61 (N.D. Calif. 1972), *aff'd*, 513 F.2d 1226 (9th Cir. 1975), courts in the Fifth Circuit have also found the likelihood of confusion issue to be a mixed question since the determination carries its own legal effect. *See T.G.I. Friday's, Inc. v. Int'l Rest. Group, Inc.*, 465 F.Supp. 698, 706 (M.D. La. 1975).

Key considerations in determining whether a likelihood of confusion exists include the following: (1) the strength of the mark; (2) the degree of similarity between the two marks; (3) the proximity of the products; (4) the likelihood that the senior user of the mark will bridge the gap; (5) evidence of actual confusion; (6) the junior user's bad faith intent in adopting the mark; (7) the quality of the junior user's product; and (8) the sophistication of the relevant consumer group.³

Application of the likelihood of confusion factors involves a weighted balancing conditioned upon the facts of the infringement suit. *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 214-16 (2d Cir. 1985). In theory, no one factor can conclusively establish a likelihood of confusion, nor can any one factor determine the outcome of the case without proper analysis of the other factors. *Id.*

³ *Taco Cabana I*, 932 F.2d at 1122 n.9 (listing the seven factors used by the Fifth Circuit); *Esercizio*, 944 F.2d at 1241-42; *Perini*, 915 F.2d at 127; *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 937 (7th Cir. 1989); *Centaur Comms. v. A/S/M Comm., Inc.*, 830 F.2d 1217, 1225 (2nd Cir. 1987); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 925 (10th Cir. 1986)(listing the factors used by the Tenth Circuit).

A. Trade Dress Strength

The strength of a trademark or trade dress is "its tendency to identify the goods sold as emanating from a particular source, even when the source is unknown to the consumer." *Centaur Comms. v. A/S/M Comm., Inc.*, 830 F.2d 1217, 1225 (2nd Cir. 1987)(citing *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979)); see also *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1044 (2d Cir. 1992) ("The strength of a particular mark or dress is measured by its distinctiveness or the degree to which it indicates the source or origin of the product.").

Trademarks are grouped into five separate types of marks: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary or (5) fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); see generally, *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 790-92 (5th Cir. 1983). Each classification reflects the strength and distinctiveness of a given mark and determines the level of protection that a particular trademark enjoys.⁴ As a general rule, the strength of the trade dress determines the scope of its protection. As the trade dress becomes stronger, it receives more protection. *Ambrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1539 (11th Cir. 1986). This rule is based on the premise that as the trade dress becomes weaker, it is less likely that consumers will view the trade dress as an indication of source. *Plus Prods. v. Plus Discount Food, Inc.*, 722 F.2d 999, 1006 (2nd Cir. 1983); *Lever Bros. v. American Bakeries Co.*, 693 F.2d 251, 256 (2nd Cir. 1982); *Sun Banks of Florida, Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 315-16 (5th Cir. 1981).

⁴ *Amstar Corporation v. Domino's Pizza, Inc.*, 615 F.2d 252, 259 (5th Cir.), cert. denied, 449 U.S. 899 (1980); *Lawfinders Assocs. v. Legal Research Ctr., Inc.*, 65 F. Supp. 2d 414, 425 (N.D. Tex. 1998), aff'd, 193 F.3d 517 (5th Cir. 1999).

Using this Court's definition of the Plaintiff's trade dress, the Court has found that the Plaintiff's trade dress is "primarily arbitrary, incidental and ornamental," and that the Plaintiff's trade dress is not functional as a matter of law because it is not essential to the purpose or use of the jewelry designs.⁵

B. Degree of Similarity

The degree of similarity, also referred to as similarity of design, involves simply a visual, side-by-side comparison of the two trade dresses. *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 432 (5th Cir. 1984). The degree of similarity factor has been described as "really nothing more than a subjective eyeball test." *Ambrit*, 812 F.2d at 1540. As with all trade dress analysis, the comparison should focus on a combination of all the features which comprise the trade dress, rather than similarities in individual features. *See, e.g., Thompson Medical*, 753 F.2d at 218; *LeSportsac, Inc. v. Kmart Corp.*, 754 F.2d 71, 79 (2nd Cir. 1985); *Sicilia di R. Biebow*, 732 F.2d at 432.

In the present case, the Defendants' products possess the identical trade dress shown in the Plaintiff's overall product trade dress designs. There is no dispute about this fact, and the Defendants have never disputed this fact.

C. Proximity of the Products

The proximity of the products factor considers whether the two products compete with each other. *See, e.g., W.W.W. Pharm. v. Gillette Co.*, 984 F.2d 567, 573 (2nd Cir. 1993). Under this factor, the likelihood of confusion increases to the extent that the products "serve the same purpose, fall within the same general class, or are used together." *Lang v. Retirement Living Publishing Co.*, 949 F.2d 576, 582 (2d Cir. 1991).

⁵ *Id.* at p. 6-7 (not functional), p. 7 (inclusion of bottlecaps on M3 Girl's jewelry is primarily "arbitrary, incidental, or ornamental").

In the present case, the Defendants' products compete directly with the Plaintiff's products. The Defendants have never disputed this fact. There is no dispute about this fact, and the "bridging the gap" factor is not relevant in the present case because the Defendants occupy the same market exactly compared to the Plaintiff.

D. Evidence of Actual Confusion, Bad Faith

Although evidence of actual confusion is not necessary to prove a likelihood of confusion, *Centaur Communications*, 830 F.2d at 1227, some courts have placed particular emphasis on the existence of actual confusion.

In the present case, the Plaintiff has evidence of actual confusion among its retailer and distributors. The Defendants contend that the identified actual confusion has nothing to do with the Defendants' activities. With respect to bad faith, the Plaintiff believes that the Defendants are taking affirmative actions to "ride on their coat-tails." As shown in generic Google searches for the Plaintiff's name, "M3 Girl Designs" or "www.m3girldesigns.com," there is a consistent presence of the Defendants Blue Brownies as a first named competitor on the "Similar Pages" Google search results. All the Plaintiff's evidence regarding actual confusion and bad faith appears to weigh in favor of a likelihood of confusion finding.

E. Sophistication of Relevant Market

As a general rule, the more sophisticated the average consumer of the product at issue is, the less likely the consumer will be confused as to the source or sponsorship of the product. *Bristol-Myers*, 973 F.2d at 1046. One court has stated that sophistication of the consumers could possibly increase the likelihood of confusion, depending on the circumstances of the market and the products. *Centaur Communications*, 830 F.2d at 1228.

In the present case, the market relates to pre-teenage and early teenage girls jewelry, which implies a less sophisticated consumer. This factor weighs in favor of a finding of likelihood of confusion.

F. Channels of Distribution/Market

If the junior user's and senior user's products are distributed or marketed through the same channels, a greater likelihood of confusion exists. *See Ambrit*, 812 F.2d at 1541-42. The channels of distribution and marketing factor is actually a combination of two factors: (1) whether the products are distributed through the same retail outlets or to the same purchasers; and (2) whether the products are marketed through the same channels or through similar advertising. *See Blue Bell Bio-Medical v. Cin-Bad, Inc.*, 864 F.2d 1253, 1259 n.7 (5th Cir. 1989)(including similarity of advertising and similarity of retail outlets and purchasers as two separate factors); *Ambrit*, 812 F.2d at 1538 (same); *Frisch's Rest. v. Elby's Big Boy*, 670 F.2d 642, 648 (6th Cir. 1982)(including marketing channels used as a factor); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378,1384 n.6 (9th Cir. 1987)(same).

In the present case, the Defendants' products are sold, distributed and marketed on the Internet and sold through retail outlet stores. This is identical to the Plaintiff's channels of distribution, marketing, and sale. There is no dispute about this fact, and the Defendants have never disputed this fact.

IV. CONCLUSION

For the foregoing reasons, the Plaintiff respectfully requests that the Plaintiff's Motion for Partial Summary Judgment should be granted and that this Court make a finding that there is a likelihood of confusion on the trade dress infringement issue.

Respectfully submitted,

Date: May 15, 2012

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CERTIFICATE OF SERVICE

I certify that the foregoing was served on Defendants' counsel by Electronic Mail (ECF-Pacer) this day May 15, 2012.

/s/ D. Scott Hemingway