

THE LEGAL DEPARTMENT

'See' The Line, Or Risk Crossing It

ONE IS A CLASSIC TOY and one is an educational workbook. At first blush they sound like unrelated products. Maybe, but they were the central players in a recent trademark dispute that resulted in an award of millions of dollars. What could lead a judge and jury to conclude that two such apparently different products resulted in a trademark violation?

Most folks who know something about trademarks are familiar with the idea that two trademarks do not have to be identical for there to be a violation. They just need to be close enough to cause a "likelihood of confusion" or a "likelihood of dilution." But it's not only the similarity of the marks themselves that is considered under the law. There are many other factors, including the similarity of the types of goods the marks are used on, how the products are advertised, how "strong" the marks are and the intent or knowledge of the parties involved.

'Similar enough' to get stung

Super Duper v. Mattel is an example of how difficult it is to apply these factors and to predict where to draw the line when choosing a name for a product. Mattel asserted its well-known "See 'N Say" trademark against several trademarks from Super Duper, including "See It! Say It!" Super Duper focused on the differences in the goods involved. But Super Duper's argument didn't carry the day. The jury found Super Duper's educational workbooks were similar enough to Mattel's educational toy, under the circumstances, to rule infringement.

Besides the fact that both companies sold educational products for children that used "See" and "Say" in their names, the fame of the Mattel toy played a significant role in the case. Numerous ver-

sions of the toy have been in the market for more than 40 years, with hundreds of millions of dollars in sales. With such tremendous exposure, Mattel's mark was afforded broad legal protection.

Standing in contrast to the exposure of the mark was the testimony from Super Duper's CEO that he did not become aware of Mattel's decades-old See 'N Say trademark until about 2004. Mattel argued that there was evidence that he was, in fact, aware of Mattel's mark significantly earlier, but was denying that in an effort to hide what might be considered an intentional violation. These factors ultimately led the jury to award Mattel \$400,000 after finding Super Duper had intentionally diluted Mattel's mark.

But that wasn't the end of the story. In March, the Court concluded that these same circumstances warranted increasing the damages award to \$999,000, and requiring Super Duper to pay an additional \$2.6 million for Mattel's attorneys' fees. The Court agreed with the jury that Super Duper's actions had been intentional, and further commented that Super Duper had an "apparent proclivity in generously borrowing" the ideas of others.

Make sure that you don't risk such a scenario. When choosing your trademarks, work with counsel you trust and don't come too close to others' marks. You never know where the line will ultimately be drawn between yours and theirs.

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