

## Bowflex obtains a Bull's Eye on its Preliminary Injunction Motion against Crossbow By Brian E. Banner \*

The Court of Appeals for the Federal Circuit (CAFC) was asked recently to review the grant of a preliminary injunction in *the Nautilus Group, Inc., v. Icon Health And Fitness, Inc.*, (CAFC, June 21, 2004). In this case, plaintiff, Nautilus owns the registered and commercially successful "Bowflex" brand for its patented vertical rod resistance exercise machine. It registered "Bowflex" in 1986 and since 1992 has spent \$233 million in promoting the machine resulting in sales of 780,000 units.

In 2002, Defendant ICON introduces its horizontally bending rod resistance exercise machine under the trademark "Crossbow." ICON claims that the "Crossbow" brand is derived from the resemblance its inverted U-shape machine takes while in use to a medieval crossbow weapon. Nautilus sues ICON for trademark infringement.

Under Ninth Circuit law, a district court may grant a preliminary injunction in a trademark case when the plaintiff demonstrates "either (1) a combination of probable success on the merits' and 'the possibility of irreparable injury' or (2) the existence of 'serious questions going to the merits' and 'that the balance of hardships tips sharply in his favor.'" Probable success on the merits requires a showing that the similarity of the marks, among other factors, has created a likelihood of confusion as to the source or origin of the goods. If a likelihood of confusion is found, irreparable injury to the plaintiff may be presumed.

On plaintiff's motion for a preliminary injunction, the district court grants the motion. The district court bases its decision on its application of the Ninth Circuit's law in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) for measuring likelihood of confusion using (1) the similarity of the marks, (2) the relatedness or proximity of the two companies' products or services, (3) the strength of the registered mark, (4) the marketing channels used, (5) the degree of care likely to be exercised by the purchaser in selecting goods, (6) the accused infringers' intent in selecting the mark, (7) evidence of actual confusion, and (8) the likelihood of expansion in product lines and for a preliminary injunction. The district court concludes that the two marks are somewhat similar, but not necessarily confusing and that there is some evidence of actual confusion. It further finds that ICON might have intentionally created potential confusion by adopting "Crossbow" in an attempt to unfairly capitalize on plaintiff's successful marketing of "bow" in the exercise equipment market. Its analysis of these factors favors Nautilus and demonstrates probable success on the merits.

ICON disagrees and requests a stay of the preliminary injunction pending the outcome of an appeal to the CAFC.

On appeal, ICON makes three arguments namely, 1) the district court's failure to make a specific finding on whether any resulting likelihood of confusion was directly caused by the similarity of the marks amounts to reversible error; 2) setting aside the marks' shared component, "bow," the remainder of the marks, "flex" and "cross," are entirely dissimilar so a claim of trademark infringement must fail; and 3) if any likelihood of confusion does exist, it stems from (i) the similarity of the machines functional appearance (bending rods for resistance) that can not be protected by trademark law and/or (ii) Nautilus's

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\* Brian Banner is a partner and registered trademark attorney with Banner & Witcoff, Ltd., in Washington, DC. The views expressed herein are solely those of the author and should not be attributed to the firm or its clients. For further information please contact Brian Banner at (202) 824-3000 or by e-mail at [bbanner@bannerwitcoff.com](mailto:bbanner@bannerwitcoff.com). (6/29/2004)

longstanding dominance in this particular industry—not from any closeness of the "Crossbow" and "Bowflex" marks.

In affirming the district court, the CAFC held that ICON's first argument is without support in the law. As to the second argument, the CAFC holds that marks must not be compared in parts but in their entirety. As to ICON's final argument, the CAFC holds that a diminished standard of similarity is applied when comparing the marks of closely related goods, as in this case. There is no legal error in the district court's analysis that requires reversal. The selection of a trademark by a junior user that incorporates a word from a direct competitor's commercially successful established trademark may lead to the preliminary injunction of the junior user's new mark.