

## **The *Coach Services, Inc. v. Triumph Learning, LLC* Case: What it Means for a Trademark to Be “Famous” for Trademark Dilution Purposes**

A holder of a “famous” trademark has the right to prevent dilution of its mark—that is, to stop uses of the mark by others that are likely to blur or tarnish the famous mark even in the absence of potential customer confusion.<sup>1</sup> However, the Federal Circuit’s decision in *Coach Services, Inc. v. Triumph Learning LLC*<sup>2</sup> clarified the high burden that trademark owners have in demonstrating that its mark is famous in order to support a dilution claim. Coach Services, Inc. (“CSI”), the producer of well-known luxury handbags and accessories, learned that its famous COACH trademark is not so famous after all.

In its recent decision, the U.S. Court of Appeals for the Federal Circuit affirmed, in large part, Triumph Learning’s (“Triumph”) victory against CSI, holding that the Trademark Trial and Appeal Board (“TTAB” or “Board”) of the U.S. Patent and Trademark Office did not err in finding that (i) that there was no likelihood of confusion between CSI’s use of its COACH mark for luxury products and Triumph’s use of the COACH mark in connection with educational products, and (ii) that CSI had failed to introduce sufficient evidence to establish that its COACH mark was famous for dilution purposes.<sup>3</sup> The Federal Circuit, however, ruled that the Board made evidentiary errors on its analysis of whether Triumph’s COACH marks had acquired secondary meaning and remanded the case for further proceedings on that issue instead of affirming the TTAB’s decision to dismiss CSI’s opposition outright.<sup>4</sup> This decision highlights the different standards for showing that a mark is famous for likelihood of confusion and dilution and reaffirms earlier Federal Circuit precedent finding that fame, while important, may be insufficient standing alone to establish a likelihood of confusion where other factors set forth in *In re E.I. DuPont DeNemours & Co.*<sup>5</sup> weigh heavily against finding a likelihood of confusion.

### **Facts**

Triumph is a test preparation company that publishes books and software for standardized test preparation.<sup>6</sup> The company claims that it had used its COACH mark since at least 1986.<sup>7</sup> In December 2004, Triumph filed three use-based trademark applications for the COACH mark.<sup>8</sup>

In March 2006, CSI filed notices of opposition with the TTAB, opposing Triumph’s registration of all three COACH marks, claiming priority of use and the likelihood of confusion, dilution, and that Triumph’s COACH marks are “merely descriptive when used on goods in the educational and test preparation industries.”<sup>9</sup> In support of its bases for opposing Triumph’s registration, CSI claimed that it had been using the COACH mark with its luxury products since at least December 1961; that it made over \$10 billion in sales during 2000-2008; that its sales reached \$3.5 billion in 2008; and that it spent \$30-60 million a year on advertising in fashion magazines such as Elle, Vogue, Mademoiselle, and Vanity Fair.<sup>10</sup> CSI also claimed that it had joint marketing efforts with other well-known brands such as LEXUS and CANON; that it received unsolicited media attention referring to the mark; that its 2007 internal market study showed that 96% of women between the ages of 18-24



recognized the COACH brand; and that it had taken steps to stop past infringement of its COACH mark.<sup>11</sup> It has also filed 16 trademark registrations for the COACH mark, including 15 in which the mark was issued before December 2004.<sup>12</sup> CSI is not in the standardized test preparation business, does not compete with Triumph, and presented no evidence of actual confusion from Triumph's use of the COACH mark for educational products.<sup>13</sup>

The TTAB dismissed CSI's oppositions, holding that CSI's likelihood of confusion and dilution claims failed.<sup>14</sup> The TTAB also dismissed CSI's argument that Triumph's COACH mark was merely descriptive, finding that Triumph sufficiently demonstrated acquired distinctiveness.<sup>15</sup> While the Board found that the COACH mark was famous for the purposes of determining likelihood of confusion, the Board concluded that CSI did not provide sufficient evidence of widespread fame of its COACH mark for dilution purposes.<sup>16</sup>

### **A Trademark's Fame, Standing Alone, Is Not Determinative of the Likelihood of Confusion Analysis**

With respect to CSI's likelihood of confusion claim, CSI argued that the TTAB improperly applied the *DuPont* factors in determining that that people would not confuse Triumph's goods with CSI's.<sup>17</sup> The Federal Circuit reviewed the TTAB's findings with respect to certain *DuPont* factors: (1) the strength or fame of CSI's COACH mark; (2) the similarity of the parties' goods; (3) channels of trade; (4) the classes of consumers; and (5) the similarity of the marks.<sup>18</sup> In reviewing the TTAB's decision, the Federal Circuit concluded that the TTAB's ruling was supported by substantial evidence, despite CSI's showing that its mark was famous through evidence of use and promotion of the mark.<sup>19</sup> The Federal Circuit agreed with the TTAB that:

[D]espite their undisputed similarity, the marks have different meanings and create distinct commercial impressions. This is particularly true given that the word 'coach' is a common English word that has many different definitions in different contexts.

. . . Triumph's COACH mark, when applied to educational materials, brings to mind someone who instructs students, while CSI's COACH mark, when used in connection with luxury leather goods, including handbags, suitcases, and other travel items, brings to mind traveling by carriage.<sup>20</sup>

The Federal Circuit noted that "these distinct commercial impressions outweigh the similarities in sound and appearance, particularly since . . . the parties' goods are unrelated."<sup>21</sup>

While the Federal Circuit acknowledged that there was some potential for overlap in the classes of purchasers for the parties' products (age 18-25 females), the Federal Circuit agreed with the TTAB that purchasers are smart enough not to be confused in thinking that CSI, a seller of handbags, had entered the field of preparing educational materials for standardized tests.<sup>22</sup>



The Federal Circuit acknowledged that CSI's COACH mark had acquired fame, noting evidence that \$30-\$60 million a year was spent on advertising and evidence of CSI's use of the mark since 1961, but Federal Circuit held that CSI's establishment of the fame factor for its COACH mark, standing alone, is insufficient to outweigh the other applicable *DuPont* factors and establish a likelihood of confusion.<sup>23</sup> The Court reasoned that the fame of CSI's mark was outweighed by evidence that the respective goods were unrelated, that the marks had different meanings and distinct commercial impressions with respect to the goods, and that the channels of trade were different.<sup>24</sup>

### **Sufficient Evidence of Widespread Recognition of a Mark by the General Public Is Needed to Support a Dilution Claim**

With respect to the issue of the likelihood of dilution, CSI argued that since the TTAB found that CSI's COACH trademark was famous in making its likelihood of confusion analysis, the Board could not refuse to find that its famous mark was being diluted.<sup>25</sup> The Federal Circuit disagreed, siding with the Board's ruling that CSI failed to establish with sufficient evidence that its COACH mark was famous for dilution purposes and further declining to address the likelihood of dilution by blurring factors.<sup>26</sup> The Federal Circuit noted that fame for dilution purposes has a higher burden of proof than fame for likelihood of confusion.<sup>27</sup> According to the Federal Circuit, a mark is considered famous for dilution purposes when 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."<sup>28</sup> The question of whether a mark is "famous" is determined by considering four non-exclusive factors: (1) duration, extent, and geographical reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (2) 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; and (4) whether the mark was registered on the Principal Register.<sup>29</sup>

While the Federal Circuit acknowledged that CSI had established that its mark was famous for likelihood of confusion purposes, the Court declined to declare that CSI's COACH mark had achieved fame for the purposes of a trademark dilution analysis, noting that CSI's evidence fell short of establishing widespread recognition of its mark by the general population.<sup>30</sup>

The Federal Circuit acknowledged that fame for dilution purposes is difficult to prove particularly in a case where the mark is a common English word with multiple meanings in different context.<sup>31</sup> In this instance, while CSI had demonstrated that the mark had achieved a substantial degree of recognition, it failed to demonstrate that its use of COACH mark had "eclipsed" the other uses of the term and has become a "household name" when encountered by the general public.<sup>32</sup> The Court observed that many of the published articles that CSI relied on for supporting dilution fame were published after Triumph filed its trademark applications and CSI was required to show that its mark was famous prior to Triumph's filing dates.<sup>33</sup> The Federal Circuit ultimately concluded that evidence was insufficient to support the dilution claim.<sup>34</sup>

In reaching its decision concerning likelihood of dilution, the Federal Circuit acknowledged that “[w]e do not hold that CSI could never establish the requisite level of fame for dilution purposes. We hold only that, on the record presented to it, the Board had substantial support for its conclusion that CSI’s evidentiary showing was just too weak to do so here.”<sup>35</sup>

## Conclusions

The decision in *Coach Services Inc. v. Triumph Learning LLC* emphasized two key points: (1) that there is a higher burden for showing that a mark is famous for dilution purposes than likelihood of confusion purposes; and (2) that a mark famous for likelihood of confusion purposes does not automatically establish that the mark is famous for dilution purposes.<sup>36</sup> Though CSI could likely prove widespread recognition of its COACH brand among women, it may be more difficult to demonstrate the “household name” level of recognition of the brand among men. The Federal Circuit acknowledged that while the burden to demonstrate fame in the dilution context is high, it is “not insurmountable,” giving CSI and other well-known brand owners hope that widespread fame can be established in other situations with stronger evidence.

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## Endnotes

1. *E.g.*, Trademark Dilution Revision Act of 2006, 15 U.S.C. § 1125(c)(1) (2006) (“Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”); *Enterprises Rent-A-Car Co. v. Advantage Rent-A-Car, Inc.*, 330 F.3d 1333, 1334 (Fed. Cir. 2003) (“[T]he owner of a famous mark can oppose the registration of a diluting mark without establishing likelihood of confusion.”); *Ameritech, Inc. v. American Information Technologies Corp.*, 811 F.2d 960, 965 (6th Cir. 1987) (“Under [the] theory [of dilution], an infringement can occur even where the products are non-competing and no confusion is possible.”).
2. 668 F.3d 1356 (Fed. Cir. 2012).
3. *Id.* at 1360.
4. One error was “the Board’s failure to consider all pre-decision [non-Triumph] use of the term ‘coach’ for educational materials.” *Id.* at 1380. A second error was the Board’s consideration of non-authenticated advertising materials in its secondary meaning analysis. *Id.*
5. 476 F.2d 1357, 1360 (C.C.P.A. 1973).
6. *Coach Services*, 668 F.3d at 1360.
7. *Id.*
8. *Id.*
9. *Id.* at 1362.
10. *Id.* at 1361, 1367.
11. *Id.* at 1362, 1367, 1374-1375.



12. *Id.* at 1373.
13. *Id.* at 1362.
14. *Id.*
15. *Id.*
16. *Id.*
17. In *DuPont*, the Court of Customs and Patent Appeals held that, “[i]n testing for likelihood of confusion under Sec. 2(d) . . . the following, when of record, must be considered:”
  - (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
  - (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
  - (3) The similarity or dissimilarity of established, likely-to-continue trade channels.
  - (4) The conditions under which and buyers to whom sales are made, *i.e.*, “impulse” vs. careful, sophisticated purchasing.
  - (5) The fame of the prior mark (sales, advertising, length of use).
  - (6) The number and nature of similar marks in use on similar goods.
  - (7) The nature and extent of any actual confusion.
  - (8) The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
  - (9) The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark).
  - (10) The market interface between applicant and the owner of a prior mark: (a) a mere “consent” to register or use. (b) agreement provisions designed to preclude confusion, *i.e.*, limitations on continued use of the marks by each party. (c) assignment of mark, application, registration and good will of the related business. (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
  - (11) The extent to which applicant has a right to exclude others from use of its mark on its goods.
  - (12) The extent of potential confusion, *i.e.*, whether *de minimis* or substantial.
  - (13) Any other established fact probative of the effect of use. In *re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). The Federal Circuit reviews the Board’s legal conclusions *de novo* and its factual findings for substantial evidence. In *re Coors Brewing Co.*, 343 F.3d 1340, 1343 (Fed. Cir. 2003).
18. *Coach Services*, 668 F.3d at 1366-71.
19. The Federal Circuit spent a considerable portion of its opinion discussing mistakes made by CSI and Triumph in their attempts to put evidence of into the record of the opposition proceedings. *Coach Services*, 668 F.3d at 1363-65.
20. *Id.* at 1369.
21. *Id.*
22. *Id.* at 1370-71. For example, the Federal Circuit did not disturb the Board’s finding that “educational professionals are likely to exercise a high level of care in making purchasing decisions, which would minimize likelihood of confusion.” *Id.* at 1371.
23. Some earlier cases, particularly those from the TTAB, found that while fame is an important factor in a likelihood of confusion analysis, fame alone does not outweigh other *DuPont* factors, particularly those factors that weigh heavily against finding a likelihood of confusion. *E.g.*, *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 1374 (Fed. Cir. 1983); *Christian Broadcasting Network, Inc. v. ABS-CBN Int’l*, 84 U.S.P.Q.2d (BNA) 1560 (T.T.A.B. July 31, 2007); *Blue Man Productions, Inc. v. Tarmann*, 75 U.S.P.Q.2d (BNA) 1811 (T.T.A.B. Aug. 18, 2005); *Burns Philp Food, Inc. v. Modern Products, Inc.*, 1 F.3d 1252 (Fed. Cir. 1993) (unpublished opinion); and *Hormel Foods Corp. v. Spam Arrest, LLC*, 2007 WL 4287254 (T.T.A.B. Nov. 21, 2007). However, most cases decided by the Federal Circuit prior to *Coach Services, Inc. v. Triumph Learning, LLC* emphasized that fame was the dominant factor in balancing the *DuPont* factors. *E.g.*, *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1374 (Fed. Cir. 2005); *Bose Corp. v. QSC Audio Products, Inc.*, 293 F.3d 1367, 1371 (Fed. Cir. 2002); *Recot, Inc. v. Becton*, 214 F.3d 1322, 1328 (Fed. Cir. 2000); and *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352 (Fed. Cir. 1992).
24. *Coach Services*, 668 F.3d at 1366-71.
25. *Id.* at 1373.
26. *Id.* at 1373-76.
27. *Id.* at 1372 (“Fame for likelihood of confusion and fame for dilution are distinct concepts, and dilution fame requires a more stringent showing.”); *Id.* at 1376 (“[T]he burden to show fame in the dilution context is high—and higher than that for likelihood of confusion purposes.”). Moreover, fame for dilution “is an either/or proposition—it either exists or does not,” while “fame for likelihood of confusion is a matter of degree along a continuum.” *Id.* at 1373.
28. *Id.* at 1372 (citing 15 U.S.C. § 1125(c)(2)(A) (2006)). The Court noted the requirements to establish fame for dilatation as follows: To establish the requisite level of fame, the mark’s owner must demonstrate that the common or proper noun uses of the term and third-party uses of the mark are now eclipsed by the owner’s use of the mark. An opposer must show that, when the general public encounters the mark in almost any context, it associates the term, at least initially, with the mark’s owner. *Id.* at 1373 (internal citations and quotations omitted) (quoting *Toro Co. v. ToroHead Inc.*, 61 U.S.P.Q.2d (BNA) 1164, 1180 (T.T.A.B. Dec. 12, 2001)).
29. *Id.* at 1372-73; 15 U.S.C. § 1125(c)(2)(A) (i)-(iv).
30. *Id.* at 1373-76.
31. *Id.* at 1373.



32. *Id.* at 1373 (quoting *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1011 (9th Cir. 2004) (“In other words, a famous mark is one that has become a ‘household name.’”); *Toro*, 61 U.S.P.Q.2d at 1180); *see also supra* note 28.
33. *Id.* at 1375.
34. *Id.* at 1373-76.
35. *Id.* at 1376.
36. The decision reminds trademark owners that the failure to observe the differences in evidentiary requirements under the TTAB and the Federal Rules of Evidence could lead to the exclusion of evidence needed to support claims.