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District court decision reversed as genuine issue of material fact remained

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In an appeal from a decision of the Central District of California, *Zobmondo Entertainment LLC v Falls Media LLC* (Case 08-56831, April 26 2010), the US Court of Appeals for the Ninth Circuit has reversed a grant of summary judgment in favour of an accused trademark infringer, holding that questions of fact existed as to whether the trademark WOULD YOU RATHER...? as applied to board games was suggestive or merely descriptive.

Falls Media LLC and Zobmondo Entertainment LLC both incorporate the mark WOULD YOU RATHER...? on books and board games based around the idea of posing humorous, bizarre or undesirable choices. For example, one question from Zobmondo asks: “would you rather have your grandmother’s first name or her haircut?”.

Falls Media filed an 'intent to use' application for the WOULD YOU RATHER...? mark in July 1997 for books and board games. It released books incorporating the mark in 1997 and 1999, and a board game in 2004. The 'intent to use' application was allowed in 2002 and, following the submission of a statement of use in commerce, the US Patent and Trademark Office (USPTO) issued a registration for WOULD YOU RATHER...? in July 2005.

Zobmondo’s founder filed an 'intent to use' application for the mark WOULD YOU RATHER in September 1997. Falls Media's mark was cited against Zobmondo and the application was subsequently abandoned. Regardless, beginning in 1998, Zobmondo went on to produce multiple games based around humorous 'would you rather'-style questions, and in 2002 released its first game featuring the WOULD YOU RATHER...? mark.

In 2006, following the registration of Falls Media’s mark, Zobmondo filed suit against Falls Media in the Central District of California alleging among other things, trade dress infringement, copyright infringement and unfair competition. Falls Media responded by filing its own suit in the Southern District of New York claiming, among other things, trademark infringement and unfair competition. Zobmondo counterclaimed for cancellation of the WOULD YOU RATHER...? mark. The New York action was transferred to California and the two cases were consolidated.

Both parties filed motions for summary judgment. The court granted Zobmondo’s motion on several claims, including Zobmondo’s counterclaim for cancellation of Falls Media's mark. In short, the court found, as a matter of law, that:

- l the WOULD YOU RATHER...? mark was merely descriptive; and
- l no rational juror could find that the mark had acquired secondary meaning by 2002, when Zobmondo first released a game prominently featuring the mark.

Falls Media appealed to the Ninth Circuit.

The district court had turned to several tests to determine that the WOULD YOU RATHER...? mark was merely descriptive. First, it applied the 'imagination' test, asking whether imagination or a mental leap was required in order to reach a conclusion as to the nature of the product referenced. Second, it applied the 'competitors’ needs' test to determine the extent to which the mark is needed by competitors for their goods and services. Finally, it utilized the 'extent of use' test, which evaluates the extent to which others have used the mark on similar merchandise. The court determined that both the 'imagination' and 'extent of use' tests indicated that the mark was descriptive, while the 'competitors’ need' test was difficult to apply. It buttressed its opinion with evidence in the form of statements by persons related to Falls Media suggesting that they believed that the mark was merely descriptive.

The Ninth Circuit found several flaws with the district court’s ruling. First, a proper application of the 'imagination' test would have found that, without comprehensive consumer surveys, there was no way to conclude that consumers necessarily viewed the mark as merely descriptive of a game involving bizarre or humorous choices. Second, the court found that the 'competitors’ needs' test indicated that the mark was suggestive, given that Zobmondo debated 135 possible names for its games during development, and successfully sold its

games for several years without use of the WOULD YOU RATHER...? mark. The circuit court declined to apply the 'extent of use' test, which is not a controlling measure of trademark validity in the Ninth Circuit.

As to the additional evidence cited by the district court, the Ninth Circuit ruled that, while probative, the statements suggested only that Falls Media believed that the mark was descriptive, and did not indicate that consumers would reach the same conclusion. The Ninth Circuit also believed that the district court had improperly discounted expert testimony that the mark had never been used as the title of a board game before Zobmondo entered the market, as that suggested that competitors did not find the mark useful in describing their products. Finally, the Ninth Circuit noted that Zobmondo's attempt to register a similar mark supports the inference that, at one time, it believed that the mark was inherently distinctive.

The core of the Ninth Circuit's determinations was that the district court had misapplied the summary judgment standard as it relates to trademarks. A registered trademark enjoys a strong presumption of validity and where, as here, the USPTO does not require evidence of secondary meaning, the mark is entitled to a presumption that it is inherently distinctive as well. Trademark validity is also an intensely factual issue, and summary judgment is disfavoured in trademark claims generally. Given this, and the normal summary judgment standard requirement that all reasonable inference be drawn in favour of the nonmoving party, the Ninth Circuit simply could not conclude, based on incomplete and conflicting evidence, that there was no issue of fact as to whether WOULD YOU RATHER...? was suggestive or merely descriptive.