Exam No. _____

Trademarks & Deceptive Trade Practices
Final Examination Fall 2010
Professor Hennessey

General Instructions

This is a three-hour open-book exam, based upon two hypothetical sets of facts. Directions are in italics. You may consult any printed materials used in this course (casebook, supplement, and notes but not treatises, etc.) You may cite specific authorities in the readings if you feel them helpful to your argument. Activity on the problem outside the exam room, access to online materials, and discussion with anyone during the exam period are prohibited. The total is 100 points. Do not give answers for questions that are not asked! Put your exam number on each item you submit to be graded. If you write in a bluebook, write on only one side of the page and observe margins. Organize your answer before you begin to write and try to keep your answers to the point. There are no page limits. Note to MIP and LLM students: do not write "MIP student" or "LLM student" or put any marks on your exam answers which would indicate that you are a graduate student.

PART I - FACTS

Are pheromones a secret weapon for dating? Scientists discovered some fifty years ago that pheromones are naturally occurring chemical substances released by animals that have definite behavioral or physiological effects on other individuals of the same species. Odorless pheromones have long been known by endocrinologists (scientists who study the effects of hormones) to be secreted by certain animals to attract mates. Although some endocrinologists have expressed skepticism about the existence of human pheromones, others claim to have actually synthesized human pheromones in the laboratory. They have been marketed to consumers in potions to increase sexual attractiveness. They have even been called the "chemical equivalent of text messages." "Maybe just the idea of knowing that you're wearing the stuff will work," says Dr. Stuart Firestein, a biologist at Columbia University who studies the science of olfaction (the sense of smell.) "There's certainly always going to be a very strong placebo effect in these sorts of things."

Cherie Glass is the daughter of a very successful Hollywood television producer, who was raised in a 50-room mansion in Bel Air, California, and is an aspiring "actress." [Her name, "Cherie" is pronounced "sherry," like the alcoholic beverage.] Formerly an unknown, she earned a great deal of national notoriety for a short film she made in 2002 with her boyfriend, Ace Morlock (a back-up guitarist at the Hollywood night club “Froggy Bottom”) that "accidentally" went viral on the Internet. She has landed a few minor and supporting roles in Hollywood since then. But Glass's career in film has never really taken off because of her narrow range of talents and "sub-par for a star" looks. In mid-2007, she managed to get a cameo appearance in the movie "Ocean's 13." In the film, Matt Damon's character, Linus, applies a pheromone-laced patch to his neck. [In the pheromone patch scene of the movie, Matt opens the door to a "hot" older woman, Abigail Spondor (called a “cougar” and played by the actress, Ellen Barkin.) Viewers can see the pheromone scent as it finds its way to Abigail’s nose. She takes a whiff. She immediately begins

to act very confused. She tries to fight her powerful attraction to Matt. Later, after they have a drink, she is unable to resist his advances. (Fade…)]

After that role, an ambitious flash of light glimmered through Cherie's head. With her TV and film career faltering badly and now pushing the elder age of 30, but aided by her love&money-struck beau, Morlock (and significant financial support from her mother), Glass decided to set up what she called the "Athena Institute, Inc." to manufacture and market women's perfume and men's cologne. She intends to market her fragrances on her "celebrity" website (www.cherieglass.com). Glass's site will say that the fragrances "worked" for 75 percent of users who had tried her products. (She has a wide circle of male and female "friends.") She will sell her perfume for about $100 for 1/6 of an ounce and cologne for about $59 for a 4-ounce bottle. "Our 'pheromone effect' fragrances are surefire sexual attractants. They do make the wearers feel sexually attractive," she claims on her website. The website also says of the perfume:

> "The sparkling signature of this scent personifies its creator, Cherie Glass. Chic enough to be worn to the hottest clubs, it also possesses a feminine, flirtatious charm. And for those who want to leave nothing to chance, a "secret" ingredient has been blended into this magic potion - one that's guaranteed to enhance the wearer's allure."

The website and bottles also say that the fragrance ingredients include "Frozen Apple, Peach Nectar, Wet Ozone, Sparkling Muguet, Freesia, Mimosa, Jasmine, Tuberose, Skin Musk, Sandalwood, Ylang Ylang, Oakmoss, Pheromone."

Based on a referral from her mother's yoga partner, Kiki Kardashian, Glass contacted the Los Angeles law firm of Scalito and Soutermayor ("S&S") in October, 2008 to discuss her marketing plans, including her proposal to market the women's perfume under her own name, CHERIE GLASS, and a men's cologne under the label SUREFIRE. The products were launched at a personal appearance at Grauman's Chinese Theater in Hollywood on "Black Friday" [the day after Thanksgiving when everybody goes shopping] in late November, 2008, at which Glass showed up in a skimpy Santa Claus suit and (after fierce pressure on the movie studios from her father) finally had her star placed in the "Walk of Fame" of celebrities on Hollywood Boulevard. The "cherieglass.com" website went live at the exact moment that Glass jumped out of a fake fireplace in red and white lace at the launch party.

Question 1 (35 points-one hour) Assume it is mid-December, 2008. You are an associate at S&S and will be sitting in at the client meeting between Glass and Sonya Scalito, a senior attorney in the firm, who is not an experienced trademark attorney. Scalito asks you to prepare a list of questions in advance for Glass concerning registration of the marks "CHERIE GLASS" and "SUREFIRE" by her company. You then visited Glass's website and read it carefully. A trademark search you conducted in preparation for the meeting indicates that the mark "Surefire" is registered in the USPTO for bass fishing lures and medical equipment, and has been used in commerce for tanning lotion.

What questions do you have for the client and what possible answers to those questions do you foresee she might give? Depending on the answers you may receive to those questions and any other concerns you may have, what advice will you be prepared to give her about issues that may be encountered in registering the two proposed marks and the correct strategies to deal with such issues, in order to seek the strongest and broadest possible federal trademark registration for them? What else, if anything, do you need to check?

Part II - FACTS

(Assume for the purposes of the following questions only that the trademark registration of "Surefire" for men's cologne issued in June, 2009 and the registration of "Cherie Glass" for women's perfume issued in January 2010, both on the Principal Register.)

Sales boomed during the 2008 Christmas and 2009 Valentine's Day seasons, but faltered seriously as the economic recession deepened. By January, 2010, with the country still in somber economic times, a lackluster late 2009 holiday shopping season just passed, and shopping malls devoid of consumers, sales of neither Cherie's "Surefire®" men's cologne nor the "Cherie Glass®" perfume had recovered, despite product placements in high-end anchor department stores and Sam's Club. Once a fixture on the red carpet and a staple of the daily news cycle, "Cherie Glass" was about to become invisible in American culture, a sad symbol of everything tinsel in the now-fading Second Gilded Age. Yet, according to one Hollywood tabloid:

> "Cherie Glass invented it all -- the whole famous-for-being-famous act," said Jared Shapiro, executive editor of Life & Style magazine. "And since then others may have taken up the torch. But it's not like she's done. She knows she hit oversaturation and she's taking a breather, developing some TV. I still firmly believe she's one of the more famous people in 'Celebrity-ville.' The minute she pulls some stunt outrageous enough to reappear front-page in the tabloids and on the paparazzi priority watch list, she and her celebrity fragrances are sure to pique major interest again–especially in flyover country during the winter, when everybody's suffering from cabin fever."

Sure enough, in February 2010 Glass managed to get "caught" in a drive-by photo taken on a mobile phone (by one of her publicists), emerging from a Vancouver aromatherapy spa and resort with former "Total Dudes" boy band star, Jason Limberwood, who is still at the top of the A-list for Hollywood celebrity media and gossip outlets, and who has been linked romantically to dozens of starlets younger and more attractive than Cherie. Since that sighting, Limberwood has studiously avoided answering any questions about the incident (or about whether he was paid for his "cameo" appearance). But Glass and her gabby publicists will talk to anyone who will listen to them. On the celebrity blog "CeleBlog", Cherie is quoted as saying:

> "Ha, Ha! Who did you expect me to be seen with? Some sideman? That's why I wear Cherie Glass® scents. They are surefire attractants. I can get who I want, when I want. Hard-wired, you might say."

After extensive coverage on “Entertainment Tonight”, sales of "Surefire® Cologne" and "Cherie Glass® Perfume" renewed their meteoric climb among demographically younger fans of Limberwood, for many of whom texting is losing its allure.

Back in Bel Air, Glass told Ace Morlock their relationship was over. "You need to move out. Daddy needs your room back.” Deprived of his meal ticket, and newly leading "the simple life" in a dumpy apartment in West Hollywood, Morlock has not gone quietly, however. In June, 2010, he registered www.sherryglass.com as a website. The site includes the hidden metatags "Cherie Glass " and "Surefire Cologne." Morlock also purchased the words "surefire" and "cherie glass" on Google Adwords, directing traffic to his own site. The wallpaper on the website is a series of "metaphorical" glasses of ruby-colored sherry. Adopting a playfully irreverent line from the Disney movie *Kungfu Pand",* Morlock's page begins with a huge banner headline: "THE SECRET IS THERE'S NO SECRET! Cherie Glass's perfumes and colognes contain no pheromones! They're as fake as her nose, among other things."

The site includes a gallery of unflattering photos of Cherie Glass before and after her first rhinoplasty operation ("nose-job") with no make-up on and looking haggard. The celebrity gossip websites and movie tabloids are now gleefully covering Morlock's well-trafficked site, which offers for sale a line of bobblehead "Sherry dolls" with Pinocchio-like noses people can buy online and place in their car’s rear window. To add insult to injury, the website hotlinks to a cartoon featuring a simulated "Sherry Glass" robot evocative of Cherie Glass's "identity" hawking Morlock’s own men's cologne, called "IceBreaker." "IceBreaker's not like me; it's the real thing!" quacks the robot. Morlock's "Sherry Glass" video ad has gone viral on YouTube…. At the top of the website is a tiny disclaimer stating that "This website is a satire. The owner of this site has no connection to any person who goes by the name Cherie Glass."

Glass has returned to S&S to find a way to put a stop to Ace Morlock's bad behavior and "shut down" his website. In your presence, Sonya asks her whether her fragrances do indeed contain pheromones and she responds, "Well, not in so many words, but the "survey" we did was accurate that they have a "pheromone placebo effect" for three quarters of the people we asked." You think to yourself, "Why didn't she tell us about that in the first place…?" In a phone message follow-up to the meeting, Cherie also tells you she heard from her friends at Morlock's club that he's been bragging that "IceBreaker Cologne" is actually just re-bottled Surefire® Cologne.

Question 2 (65 points-two hours) Based upon the above facts and reasonable inferences from them, what claims (causes of action) covered in this course might Glass as Plaintiff assert against Morlock? (Do not address the issue of cyber-squatting under Lanham Act Section 43(d).) Which such causes of action, if any, might run the risk of dismissal for failure to state a claim, and why? What defenses might Morlock raise against the asserted claims? Upon which claim or claims, if any, is Glass most likely to prevail in getting a preliminary injunction, and what scope of injunction should she seek? What additional information might help support such a motion? What, if any, “unintended consequences” of bringing legal action might arise?