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IP LITIGATORS WIN TRADEMARK DISPUTE IN SUMMARY JUDGMENT AND ON APPEAL

Intellectual Property Litigation partner <u>Richard Brophy</u> and associate Jessica Mendez secured a victory on summary judgment that was recently affirmed on appeal before the Eighth Circuit.

In 2014, plaintiff ZW USA Inc. (ZW) sued defendant PWD Systems, LLC (PWD) alleging infringement of ZW's ONEPUL mark for dog waste disposal bags that dispense with one pull. ZW had recently secured registration of its ONEPUL mark without being required to demonstrate distinctiveness in market. When client PWD entered the market under the trade name BagSpot, it used the phrase "one-pull" to describe bags that dispense with one pull. After ZW sued for infringement of its ONEPUL mark based on this use, PWD counterclaimed to invalidate the mark. The District Court found the ONEPUL mark valid, but granted summary judgment in PWD's favor because use of the term "one-pull" to describe bags that dispense with one pull was not likely to cause consumer confusion with the ONEPUL mark. ZW appealed the judgment of noninfringement and PWD cross-appealed on validity.

Reviewing the judgment of noninfringement *de novo*, the Eighth Circuit affirmed. The Eighth Circuit found that ONEPUL was conceptually weak as little more than a misspelling of the phrase "one-pull." PWD's use of the descriptive term "one-pull" in plain text adjacent to PWD's BAGSPOT trademark did not support a likelihood of confusion. Weighing the likelihood of confusion factors, the Eighth Circuit found the only factor favoring ZW was the degree of competition between the parties. While direct competition may increase the likelihood of confusion theoretically, evidence of direct competition cannot, by itself, overcome insufficient evidence of every other factor. PWD's use of the term "one-pull" to describe competing bags that dispense with one pull was not enough to raise genuine issues of material fact. Therefore, the District Court's grant of summary judgment of noninfringement was affirmed.

Considering validity, the Eighth Circuit reversed the District Court decision, finding there was a factual dispute as to whether the ONEPUL mark was generic or merely descriptive without secondary meaning. In this case, the Trademark Office had issued a registration for the ONEPUL mark without proof that the

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mark was distinctive. The District Court relied on the presumption of validity afforded to owners of federally registered trademarks. However, PWD submitted evidence to overcome that presumption. PWD presented examples from several websites demonstrating use of the phrase "one pull" to describe dog-waste disposal bags offered by competitors in the market. As a variant of this commonly used phrase, the mark ONEPUL merely identifies a type of bag by describing the manner in which the bags are dispensed. The Eighth Circuit found PWD's evidence both admissible and sufficient to overcome ZW's presumption of validity. In light of this evidence, the only way to grant ZW summary judgment would be to weigh the evidence and find ZW's evidence stronger or more credible than PWD's evidence. The weight of this evidence presented a question of material fact for the jury. The finding of validity was therefore reversed and remanded, resulting in a total victory for PWD.

Brophy has a proven track record of trying and winning complex intellectual property cases across the United States. His practice encompasses many areas of complex civil litigation, but he focuses primarily on disputes involving patents, trademarks, copyrights and antitrust violations. Drawing on his expansive background as an aerospace engineer and computer scientist, Richard provides strategic defense to clients who become litigation targets, and has also demonstrated a talent for accomplishing the challenging task of enforcing his clients' intellectual property.

Mendez represents clients of all sizes in management, protection, and enforcement of intellectual property. She litigates a wide range of disputes involving infringement of patents, copyrights, trademarks and trade secrets pending in state, federal, and appellate courts throughout the United States. She also assists in the development, maintenance, and protection of both foreign and domestic trademark portfolios. Mendez counsels brand owners on trademark selection, clearance, registration, and enforcement and has extensive experience before the Trademark Trial and Appeal Board.