

UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

Custom Manufacturing & Engineering, Inc. v. Midway Services, Inc.

508 F.3d 641 (11th Cir. 2007) · No. No. 05-12906 · Decided November 21, 2007

SUMMARY

The Eleventh Circuit affirmed summary judgment for the defendants in a trademark infringement and Florida unfair-trade-practices action arising from a water meter reading system contract dispute. The court held that Custom Manufacturing failed to establish a likelihood of consumer confusion from its trade name appearing on concealed printed circuit boards, and that this failure also defeated its related Florida claim.

CASE DETAILS

COURT	United States Court of Appeals for the Eleventh Circuit
WRITING FOR THE COURT	Tjoflat, Circuit Judge; Tjoflat; Barkett; Hill
JURISDICTION	Federal
DECIDED	November 21, 2007
DOCKET	No. 05-12906
DISPOSITION	affirmed
PROCEDURAL POSTURE	Custom appealed summary judgments against its Lanham Act and Florida Deceptive and Unfair Trade Practices Act claims, as well as the denial of its motion to compel discovery concerning Midway's customers. It did not appeal the judgment on its tortious-interference claim or the Rule 11 sanctions.
STANDARD OF REVIEW	The court reviewed summary judgment de novo, applying the same legal standards as the district court, and reviewed the discovery ruling for abuse of discretion.
PRECEDENTIAL VALUE	Published Eleventh Circuit opinion; precedential
PARTIES	Custom Manufacturing & Engineering, Inc. v. Midway Services, Inc., Automated Engineering Corporation, MDCO, Inc., NTU Electronics, Inc., Sheets, Stosic, Genium, Inc.

TOPICS

- trademark infringement
- trademark law
- summary judgment
- discovery dispute
- civil procedure

PRACTICE AREAS

intellectual property

trademark law

commercial litigation

civil procedure

QUESTIONS PRESENTED

1. Whether summary judgment was proper on Custom's Lanham Act false-designation-of-origin claim where the record did not establish a likelihood of consumer confusion.
2. Whether the failure of the Lanham Act claim required summary judgment on Custom's Florida Deceptive and Unfair Trade Practices Act claim.
3. Whether the district court abused its discretion by adopting the magistrate judge's denial of Custom's motion to compel customer information.

HOLDINGS

1. Summary judgment for defendants was proper because Custom failed to present sufficient evidence that consumers were likely to be confused by the trade-name legend on the enclosed circuit boards.
2. Summary judgment for defendants was proper on the FDUTPA claim because Custom's failure to establish a Lanham Act infringement claim extinguished its derivative Florida unfair-competition claim.
3. The district court did not abuse its discretion by adopting the magistrate judge's denial of Custom's motion to compel information concerning Midway's customers.

KEY QUOTATIONS

"Because the bottom line is the likelihood of consumer confusion, application of the Frehling factors entails more than the mechanistic summation of the number of factors on each side; it involves an evaluation of the 'overall balance.'" (649-650)

"Like the proverbial tree falling in a forest, the unauthorized use of a trademark that is never perceived by anyone cannot be said to create a likelihood of consumer confusion." (652)

"recovery under the Lanham Act requires, at a minimum, 'that confusion, mistake, or deception be 'likely,' not merely 'possible.'" (651)

FACTUAL BACKGROUND

Custom designed and manufactured a remotely operated water-meter-reading system for Midway and specified that the system's printed circuit boards bear the legend "MFG by Custom Manufacturing and Engineering, Inc., for Midway Services, Inc." After Midway terminated the contract and hired other manufacturers, approximately 6,000 to 7,000 replacement circuit boards retained the legend, although the boards were enclosed in opaque plastic housings and installed in attics, roofs, or exterior walls. Custom sued, alleging that the retained trade name was likely to confuse consumers about the boards' origin.

PROCEDURAL HISTORY

Custom sued Midway and related defendants in the Middle District of Florida after discovering that circuit boards used in Midway's water-meter-reading system retained a legend containing Custom's trade name. The

district court granted summary judgment to defendants on Custom's Lanham Act and FDUTPA claims, granted summary judgment on the tortious-interference claim, imposed Rule 11 sanctions on Custom's counsel, and denied a motion to compel. Custom timely appealed only the judgments on Counts 1 and 2 and the discovery ruling. The Eleventh Circuit affirmed in all respects.

DISPOSITION

affirmed

CASES CITED

- University of Florida v. KPBC, Inc., 89 F.3d 773, 775-76 (11th Cir. 1996) (per curiam)
- B.H. Bunn Co. v. AAA Replacement Parts Co., 451 F.2d 1254, 1258-59 (5th Cir. 1971)
- B & L Sales Associates v. H. Daroff & Sons, Inc., 421 F.2d 352, 353 (2d Cir. 1970)
- Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 28 n. 1, 123 S. Ct. 2041, 2045, 156 L. Ed. 2d 18 (2003)
- Lone Star Steakhouse & Saloon, Inc. v. Longhorn Steaks, Inc., 106 F.3d 355, 358 (11th Cir. 1997)
- SunAmerica Corp. v. Sun Life Assurance Co. of Canada, 77 F.3d 1325, 1334 (11th Cir. 1996)
- Frehling Enterprises, Inc. v. International Select Group, Inc., 192 F.3d 1330, 1335-42 (11th Cir. 1999)
- Jellibeans, Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 840 n. 17, 841 n. 19 (11th Cir. 1983)
- Hi-Tech Pharmaceuticals, Inc. v. Herbal Health Products, Inc., 132 F. App'x 348, 350 (11th Cir. 2005) (per curiam)
- Homeowners Group, Inc. v. Home Marketing Specialists, Inc., 931 F.2d 1100, 1106-07 (6th Cir. 1991)
- United States v. Torkington, 812 F.2d 1347, 1352 (11th Cir. 1987)
- Sears Roebuck & Co. v. All States Life Insurance Co., 246 F.2d 161, 168 (5th Cir. 1957)
- New Sensor Corp. v. CE Distribution LLC, 303 F. Supp. 2d 304, 310-11 (E.D.N.Y. 2004)
- We Media Inc. v. General Electric Co., 218 F. Supp. 2d 463, 479 (S.D.N.Y. 2002)
- Dieter v. B & H Industries of Southwest Florida, 880 F.2d 322, 326 n. 3, 327-28 (11th Cir. 1989)
- Montgomery v. Noga, 168 F.3d 1282, 1301-02 & n. 33 (11th Cir. 1999)
- Parks v. City of Warner Robins, 43 F.3d 609, 613 (11th Cir. 1995)
- Gift of Learning Foundation, Inc. v. TGC, Inc., 2001 WL 34718642, at *30 (S.D. Fla. Oct. 31, 2001), aff'd, 329 F.3d 792 (11th Cir. 2003) (per curiam)
- Investacorp, Inc. v. Arabian Investment Banking Corp., 931 F.2d 1519, 1521 (11th Cir. 1991)
- Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188, 1193 n. 4 (11th Cir. 2001)
- Marco's Franchising, LLC v. Marco's Italian Express, Inc., 2007 WL 2028845, at *3 (M.D. Fla. July 9, 2007)
- AutoZone, Inc. v. Tandy Corp., 373 F.3d 786, 790-91, 796 (6th Cir. 2004)
- Conagra, Inc. v. Singleton, 743 F.2d 1508, 1513 (11th Cir. 1984)
- In re Steelbuilding.com, 415 F.3d 1293, 1299-1301 (Fed. Cir. 2005)
- Vision Center v. Opticks, 596 F.2d 111, 115 (5th Cir. 1979)

- Bonner v. City of Prichard, 661 F.2d 1206, 1209 (11th Cir. 1981) (en banc)

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