

SUPREME COURT OF NORTH DAKOTA

Burris Carpet Plus, Inc. v. Jerrod Burris, Derek Burris, and Dan Burris, 2010 ND 118

785 N.W.2d 164 (N.D. 2010) · No. No. 20090104 · Decided June 30, 2010

SUMMARY

The Supreme Court of North Dakota affirmed summary judgment dismissing Burris Carpet Plus, Inc.'s trademark infringement, trade-name infringement, false designation of origin, and unfair competition claims against related defendants. The court held that Burris Carpet Plus did not establish ownership or secondary meaning in the surname "Burris," lacked a registered trade name, and could not pursue the statutory corporate-name claim against noncorporate defendants. The court also held that state courts have concurrent jurisdiction over Lanham Act claims but concluded those claims failed because the plaintiff had no prior right to the mark.

CASE DETAILS

COURT	Supreme Court of North Dakota
WRITING FOR THE COURT	Vande Walle, Chief Justice; Dale V. Sandstrom, Justice; Daniel J. Crothers, Justice; Mary Muehlen Maring, Justice; Carol Ronning Kapsner, Justice
JURISDICTION	North Dakota
DECIDED	June 30, 2010
DOCKET	No. 20090104
DISPOSITION	affirmed
PROCEDURAL POSTURE	Burris Carpet Plus, Inc. appealed from a district court order and judgment granting the defendants' motions for summary judgment and dismissing its claims. It also appealed an order partially granting its motion to compel discovery. The defendants cross-appealed the denial of their requests for costs and attorney's fees.
STANDARD OF REVIEW	Summary judgment is reviewed de novo on the record. Discovery rulings and decisions on costs and attorney's fees are reviewed for abuse of discretion.
PRECEDENTIAL VALUE	Published North Dakota Supreme Court opinion; precedential
PARTIES	Burris Carpet Plus, Inc. v. Jerrod Burris, Derek Burris, Dan Burris

TOPICS

trademark law

trademark infringement

summary judgment

discovery dispute

appellate procedure

PRACTICE AREAS

intellectual property

trademark law

commercial litigation

civil procedure

QUESTIONS PRESENTED

1. Whether the district court properly granted summary judgment against Burris Carpet Plus's common-law and statutory trademark-infringement claims.
2. Whether Burris Carpet Plus owned a protectable trademark in the surname "Burris" and whether its registration should be cancelled.
3. Whether Burris Carpet Plus could pursue registered business-name or registered trade-name infringement claims.
4. Whether the state district court had concurrent jurisdiction over Burris Carpet Plus's Lanham Act false-designation and unfair-competition claims.
5. Whether the false-designation, unfair-competition, and civil-conspiracy claims failed because Burris Carpet Plus lacked a valid, protectable mark or an actionable underlying tort.
6. Whether the district court abused its discretion in limiting or dismissing discovery issues as moot.
7. Whether the defendants were entitled to costs and attorney's fees in the district court or on appeal.

HOLDINGS

1. Burris Carpet Plus did not establish ownership of a valid, protectable trademark in the word "Burris" because it did not show use of the word alone in connection with its goods or services or that the surname had acquired secondary meaning.
2. The district court properly ordered cancellation of Burris Carpet Plus's registration for "Burris (the word)."
3. The registered-business-name claim was properly dismissed because the statutory remedy applies to a corporation using the same or deceptively similar name, and none of the defendants was a corporation.
4. The registered-trade-name claim was properly dismissed because Burris Carpet Plus had not registered "Burris Carpet Plus, Inc." or "Burris Carpet Plus" as a trade name.
5. The district court erred in concluding that it lacked jurisdiction over the federal false-designation and unfair-competition claims because state courts have concurrent jurisdiction over Lanham Act claims.
6. The false-designation and unfair-competition claims failed because they were based on Burris Carpet Plus's alleged ownership of the word "Burris," but Burris Carpet Plus did not own a valid protectable mark in that word.
7. The civil-conspiracy claim failed because Burris Carpet Plus established no underlying tort, and alleged failure to register trade names was not an actionable tort.

8. The district court did not abuse its discretion by dismissing the outstanding discovery issues as moot.
9. The defendants were not entitled to costs or attorney's fees because Burris Carpet Plus's claims and appeal were not frivolous.

KEY QUOTATIONS

"The use of a corporate name is not "use" of each word in the name for trademark purposes." (785 N.W.2d at 173)

"The federal courts do not have exclusive jurisdiction, and state courts have concurrent jurisdiction." (785 N.W.2d at 177)

"Generally, the underlying act itself must be actionable as a tort claim to support a claim for civil conspiracy." (785 N.W.2d at 179)

FACTUAL BACKGROUND

Burris Carpet Plus operated a flooring-sales business under the name "Burris Carpet Plus." The defendants, who were relatives of the corporation's president and sole shareholder, had long operated carpet-cleaning and flooring-installation businesses using various business names containing the surname "Burris," including before Burris Carpet Plus was incorporated. Burris Carpet Plus obtained a North Dakota trademark registration for the word "Burris," but presented no evidence that it used "Burris" alone in connection with its goods or services or that the public associated the word with a single source.

PROCEDURAL HISTORY

Burris Carpet Plus sued the Burrises for trademark infringement, false designation of origin, unfair competition, registered business-name and trade-name infringement, and civil conspiracy. The district court partially granted Burris Carpet Plus's motion to compel discovery, later granted the defendants' motions for summary judgment, dismissed all claims, and ordered cancellation of Burris Carpet Plus's trademark registration. The Supreme Court of North Dakota affirmed the judgment and denied the defendants' requests for appellate costs and attorney's fees.

DISPOSITION

affirmed

CASES CITED

- In re Estate of Dionne, 2009 ND 172, 772 N.W.2d 891
- KAT Video Prod., Inc. v. KKCT-FM Radio, 1997 ND 21, 560 N.W.2d 203
- Larson v. Baer, 418 N.W.2d 282 (N.D. 1988)
- Abdullah v. State, 2009 ND 148, 771 N.W.2d 246
- Fish v. Dockter, 2003 ND 185, 671 N.W.2d 819
- Brennan's, Inc. v. Brennan's Restaurant, L.L.C., 360 F.3d 125 (2d Cir. 2004)

- B & B Hardware, Inc. v. Hargis Indus., Inc., 569 F.3d 383 (8th Cir. 2009)
- American Steel Foundries v. Robertson, 269 U.S. 372 (1926)
- Mars Musical Adventures, Inc. v. Mars, Inc., 159 F. Supp. 2d 1146 (D. Minn. 2001)
- Minnesota Mining & Mfg. Co. v. Minnesota Linseed Oil Paint Co., 229 F.2d 448 (C.C.P.A. 1956)
- First Bank v. First Bank System, Inc., 84 F.3d 1040 (8th Cir. 1996)
- Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)
- Frosty Treats, Inc. v. Sony Computer Entm't America, Inc., 426 F.3d 1001 (8th Cir. 2005)
- Chase Fed. Sav. & Loan Ass'n v. Chase Manhattan Fin. Servs. Inc., 681 F. Supp. 771 (S.D. Fla. 1987)
- Verizon Commc'n, Inc. v. Inverizon Int'l, Inc., 295 F.3d 870 (8th Cir. 2002)
- Aquatherm Indus., Inc. v. Florida Power & Light Co., 84 F.3d 1388 (11th Cir. 1996)
- Duggan's Funeral Serv., Inc. v. Duggan's Serra Mortuary, Inc., 80 Cal. App. 4th 151, 95 Cal. Rptr. 2d 253 (2000)
- Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003)
- Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188 (11th Cir. 2001)
- In re Estate of Conley, 2008 ND 148, 753 N.W.2d 384
- Tarpo v. Bowman Pub. Sch. Dist., 232 N.W.2d 67 (N.D. 1975)
- Natural Answers, Inc. v. SmithKline Beecham Corp., 529 F.3d 1325 (11th Cir. 2008)
- Lamparello v. Falwell, 420 F.3d 309 (4th Cir. 2005)
- Donchez v. Coors Brewing Co., 392 F.3d 1211 (10th Cir. 2004)
- Peterson v. North Dakota Univ. Sys., 2004 ND 82, 678 N.W.2d 163
- Hurt v. Freeland, 1999 ND 12, 589 N.W.2d 551
- Estate of Wenzel-Mosset v. Nickels, 1998 ND 16, 575 N.W.2d 425
- Arthur W. Tifford, PA v. Tandem Energy Corp., 562 F.3d 699 (5th Cir. 2009)
- In re North Dakota Personal Injury Asbestos Litigation No. 1, 737 F. Supp. 1087 (D.N.D. 1990)
- Martin v. Trinity Hosp., 2008 ND 176, 755 N.W.2d 900
- Nesvig v. Nesvig, 2006 ND 66, 712 N.W.2d 299
- Deacon's Dev., LLP v. Lamb, 2006 ND 172, 719 N.W.2d 379
- Strand v. Cass County, 2008 ND 149, 753 N.W.2d 872
- Soentgen v. Quain & Ramstad Clinic, P.C., 467 N.W.2d 73 (N.D. 1991)
- In re O.F., 2009 ND 177, 773 N.W.2d 206
- Lucas v. Porter, 2008 ND 160, 755 N.W.2d 88
- Witzke v. City of Bismarck, 2006 ND 160, 718 N.W.2d 586