

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Arcona, Inc. v. Farmacy Beauty, LLC

No. 19-55586, United States Court of Appeals for the Ninth Circuit (October 1, 2020)

SUMMARY

The Ninth Circuit held that a trademark counterfeiting claim under the Lanham Act (15 U.S.C. § 1114) requires a showing of likelihood of confusion, rejecting the argument that counterfeiting lacks this element. The court affirmed summary judgment for the defendant because the parties' "EYE DEW" skincare products, when viewed as a whole, had dissimilar packaging, housemarks, and designs, creating no genuine dispute of material fact on consumer confusion. The court declined to presume confusion because the products were not identical, and it properly considered the entire product rather than focusing solely on the identical mark.

CASE DETAILS

COURT	United States Court of Appeals for the Ninth Circuit
WRITING FOR THE COURT	Kenneth K. Lee; Patrick J. Bumatay; Donald W. Molloy
JURISDICTION	Federal
DECIDED	October 1, 2020
DOCKET	19-55586
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States District Court for the Central District of California, Otis D. Wright II, District Judge, Presiding. Grant of summary judgment on counterfeiting claim.
STANDARD OF REVIEW	We review a district court's grant of summary judgment de novo. The moving party is entitled to summary judgment upon a showing that no genuine issue of material fact exists and that the moving party is entitled to judgment as a matter of law. We view the facts and inferences drawn from the facts in the nonmovant's favor. We may affirm summary judgment on any grounds supported by the record.
PRECEDENTIAL VALUE	Published
PARTIES	Arcona, Inc. v. Farmacy Beauty, LLC; David C. Chung; Mark Veeder

TOPICS

trademark infringement

summary judgment

appellate procedure

statutory interpretation

plain meaning rule

PRACTICE AREAS

Trademark Law

Appellate Procedure

QUESTIONS PRESENTED

1. Whether a trademark counterfeiting claim under the Lanham Act requires a likelihood of confusion.
2. Whether the district court properly granted summary judgment on the counterfeiting claim by comparing the products as a whole rather than focusing solely on the identical marks.

HOLDINGS

1. The plain language of 15 U.S.C. § 1114(1)(a) requires a likelihood of confusion for a trademark counterfeiting claim.
2. Summary judgment was proper because there is no genuine dispute of material fact about the likelihood of consumer confusion. The court properly compared the products as a whole, including packaging, shape, colors, and housemarks, rather than limiting analysis to the identical marks.

KEY QUOTATIONS

“The plain language of the statute thus shows that “likely to cause confusion” is a requirement for a counterfeiting claim.” (at 7)

“We thus hold that a counterfeit claim requires a showing of likelihood of confusion under Section 1114.” (at 10)

“In sum, the district court properly found that there is no genuine issue of material fact that Farmacy's use of the “EYE DEW” mark would not likely cause consumer confusion.” (at 14)

FACTUAL BACKGROUND

Arcona registered the trademark 'EYE DEW' for its skincare products in 2015. Arcona's EYE DEW product is an eye cream in a tall, cylindrical, silver bottle encased in a slim, cardboard outer box. Farmacy Beauty began developing a line of skincare products in 2014, including an eye cream named 'EYE DEW' after a copywriter said the name was likely available. Farmacy's EYE DEW product comes in a short, wide, white jar with a squarish outer box. The products both feature the phrase 'EYE DEW' but have different packaging, shapes, colors, and housemarks. Arcona sent a cease-and-desist letter in 2016. The parties could not resolve the matter.

PROCEDURAL HISTORY

Arcona sued Farmacy in the Central District of California alleging trademark counterfeiting, trademark infringement, unfair competition under federal and state law. At Arcona's request, the district court dismissed with prejudice the trademark infringement and unfair competition claims. The district court granted partial summary judgment for Farmacy on the counterfeiting claim. Arcona appealed.

DISPOSITION

affirmed

CASES CITED

- Consumer Prod. Safety Comm'n v. GTE Sylvania, Inc., 447 U.S. 102 (1980)
- Sturgeon v. Frost, 136 S. Ct. 1061 (2016)
- Stone Creek, Inc. v. Omnia Italian Design, Inc., 875 F.3d 426 (9th Cir. 2017)
- Westinghouse Elec. Corp. v. Gen. Circuit Breaker & Elec. Supply, Inc., 106 F.3d 894 (9th Cir. 1997)
- Levi Strauss & Co. v. Shilon, 121 F.3d 1309 (9th Cir. 1997)
- Idaho Potato Comm'n v. G & T Terminal Packaging, Inc., 425 F.3d 708 (9th Cir. 2005)
- Springboards to Educ., Inc. v. Houston Indep. Sch. Dist., 912 F.3d 805 (5th Cir. 2019)
- Kelly-Brown v. Winfrey, 717 F.3d 295 (2d Cir. 2013)
- Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999)
- AMF Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979)
- Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482 (1st Cir. 1981)
- M2 Software, Inc., v. Madacy Entm't, 421 F.3d 1073 (9th Cir. 2005)
- Devereaux v. Abbey, 263 F.3d 1070 (9th Cir. 2001) (en banc)
- T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass'n, 809 F.2d 626 (9th Cir. 1987)
- Gemtel Corp. v. Cmty. Redevelopment Agency, 23 F.3d 1542 (9th Cir. 1994)
- Gibson Brands, Inc. v. John Hornby Skewes & Co., 14-CV-00609 (DDP), 2016 WL 7479317 (C.D. Cal. Dec. 29, 2016)
- Mattel, Inc. v. Walking Mtn. Prods., 353 F.3d 792 (9th Cir. 2003)