

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SOUTHERN SNOW MANUFACTURING CO.

CIVIL ACTION

VERSUS

NO. 06-9170 c/w 09-
3394, 10-791
[REF: ALL CASES]

SNOW WIZARD HOLDINGS, INC., ET AL.

SECTION "A"(1)

ORDER AND REASONS

Before the Court is a **Motion for Partial Summary Judgment on the Remaining Counterclaims (Rec. Doc. 207)** filed by plaintiffs/counter-defendants Southern Snow Manufacturing Co., Inc., Parasol Flavors, LLC, and Simeon, Inc. Defendant and plaintiff-in-counterclaim, SnowWizard, Inc., opposes the motion. The motion, set for hearing on January 19, 2011, is before the Court on the briefs without oral argument. For the reasons that follow, the motion is GRANTED IN PART AND DENIED IN PART.

I. BACKGROUND

Plaintiff Southern Snow and defendant SnowWizard are both engaged in the business of manufacturing ice-shaving machines and flavoring concentrates, and selling these products to vendors of "snowball" flavored ice confections. (Amend. Pet. ¶ 3). SnowWizard successfully registered a federal trademark for the snowball flavor ORCHID CREAM VANILLA. SnowWizard then sent

Southern Snow a cease and desist letter asserting that Southern Snow was infringing the trademark. In response Southern Snow filed suit claiming that SnoWizard had obtained the trademark for ORCHID CREAM VANILLA by providing false information to the trademark registering authority. (Amend. Pet. ¶ 4). Southern Snow also included unfair competition claims for flavors ORCHID CREAM VANILLA and WHITE CHOCOLATE & CHIPS, and the term SNOBALL. Southern Snow separately brought an administrative cancellation action against ORCHID CREAM VANILLA in the U.S. Patent and Trademark Office ("USPTO"). SnoWizard asserted counterclaims for ORCHID CREAM VANILLA and WHITE CHOCOLATE & CHIPS. In January 2008, Civil Action 06-9170 was stayed pending action on ORCHID CREAM VANILLA by the USPTO Trademark Trial and Appeal Board ("TTAB"). In December 2009 the TTAB rendered its decision cancelling the registration for ORCHID CREAM VANILLA after finding the term to be merely descriptive.

In 2009, plaintiff Parasol Flavors, LLC filed Civil Action 09-3394 after SnoWizard sent it a cease and desist letter. This lawsuit involved trademarks pertaining to flavors SNOSWEET, HURRICANE, PRALINE, KING CAKE, BUTTERED POPCORN, MUDSLIDE, GEORGIA PEACH, DILL PICKLE, CAKE BATTER, and BUTTER CREAM. SnoWizard filed counterclaims in that action and the parties filed cross motions for summary judgment. Judge Lemmon was

assigned the case at the time and she dismissed all of SnoWizard counterclaims as to HURRICANE, PRALINE, KING CAKE, BUTTERED POPCORN, MUDSLIDE, GEORGIA PEACH, DILL PICKLE, CAKE BATTER, and BUTTER CREAM. SNOSWEET was not part of the ruling. (09-3394, Rec. Doc. 56). Judge Lemmon later transferred Civil Action 09-3394 to this Section for consolidation with 06-9170.

In March 2010, Southern Snow and Simeon, Inc. filed Civil Action 10-791 against SnoWizard for infringement of SOUTHERN SNOW and FLAVOR SNOW and against trademarks CAJUN RED HOT, CHAI LATTEA, COOKIE DOUGH, MOUNTAIN MAPLE, SNOFREE, SNOSOUR, SNOBALLS (design), SWISS ALMOND COCO, TIRAMISU, and ZEPHYR. SnoWizard filed counterclaims in that action for cancellation of SOUTHERN SNOW and FLAVOR SNOW and for infringement of MOUNTAIN MAPLE, CAJUN RED HOT, and GEORGIA PEACH.

SnoWizard also filed counterclaims in each of the actions for attorney's fees for groundless, bad-faith, and harassing main claims. Civil Action 10-791 was consolidated with 06-9170 and 09-3394.

Via in the instant motion for partial summary judgment, Plaintiffs are challenging the viability of all of SnoWizard's remaining counterclaims in the consolidated cases. Trial in this matter is set for Monday, July 18, 2011.

II. DISCUSSION

Summary judgment is appropriate only if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any," when viewed in the light most favorable to the non-movant, "show that there is no genuine issue as to any material fact." TIG Ins. Co. v. Sedgwick James, 276 F.3d 754, 759 (5th Cir. 2002) (citing Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249-50 (1986)). A dispute about a material fact is "genuine" if the evidence is such that a reasonable jury could return a verdict for the non-moving party. Id. (citing Anderson, 477 U.S. at 248). The court must draw all justifiable inferences in favor of the non-moving party. Id. (citing Anderson, 477 U.S. at 255). Once the moving party has initially shown "that there is an absence of evidence to support the non-moving party's cause," Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986), the non-movant must come forward with "specific facts" showing a genuine factual issue for trial. Id. (citing Fed. R. Civ. P. 56(e); Matsushita Elec. Indus. Co. v. Zenith Radio, 475 U.S. 574, 587 (1986)). Conclusional allegations and denials, speculation, improbable inferences, unsubstantiated assertions, and legalistic argumentation do not adequately substitute for specific facts showing a genuine issue for trial. Id. (citing SEC v. Recile, 10 F.3d 1093, 1097 (5th Cir. 1993)).

1. Civil Action 06-9170

ORCHID CREAM VANILLA

On November 9, 2004, the USPTO issued Certificate of Registration No. 2901592 to SnowWizard for the trademark ORCHID CREAM VANILLA for use on and in connection with "[f]lavoring concentrate for non-nutritional purposes, namely, flavoring concentrate for shaved ice confections." (Rec. Doc. 107 ¶ 12). Southern Snow filed a petition to cancel that registration and in December 2009 the TTAB issued an 18 page opinion in which it concluded that the mark ORCHID CREAM VANILLA is merely descriptive and that SnowWizard's registration should be cancelled.

SnowWizard's counterclaims with respect to ORCHID CREAM VANILLA are two fold. First, SnowWizard has filed a judicial review action pursuant to 15 U.S.C. § 1071(b) challenging the TTAB's final decision to cancel its registration of the ORCHID CREAM VANILLA mark. Second, SnowWizard has counterclaimed against Southern Snow and Parasol for infringement, unfair competition, and dilution. The counterclaims include a claim for attorney's fees for groundless, bad-faith, and harassing main claims.

Plaintiffs now move for summary judgment on the § 1071(b) review claim for ORCHID CREAM VANILLA. Plaintiffs urge the Court to recognize that the TTAB judges are well-versed in trademark

matters and that their opinion is well-reasoned. Plaintiffs point out that SnoWizard has yet to produce any new evidence from that presented before the TTAB and that only questions of law remain leaving nothing for a jury to decide.¹ Plaintiffs contend that SnoWizard did not allege the specific errors in the TTAB's decision and they challenge SnoWizard to do so in opposition to their motion.

In opposition, SnoWizard responds that it is only required to produce in discovery what is requested and Plaintiffs have never requested evidence pertinent to judicial review of the ORCHID CREAM VANILLA cancellation. Defendants explain that they will present their new evidence at trial. Defendants contend that § 1071 is an appeal of a previous ruling that gives them the right to simply ask the Court to review the TTAB decision without presenting any new evidence if it declines to do so. SnoWizard contends that it is not obligated to produce unrequested new evidence to avoid dismissal simply because it elected to challenge the TTAB decision via a civil action as opposed to an appeal in the Federal Circuit. Defendants assert that they need not argue the errors of the TTAB decision in their current

¹ On June 7, 2010, SnoWizard filed a memorandum in support of its contention that its judicial review action should be tried to a jury. (Rec. Doc. 131). Plaintiffs did not oppose the jury request.

memorandum in opposition, instead such argument will be included in their trial memorandum. Finally, Snowizard argues that it is entitled to de novo review of the TTAB's factual assumptions, many of which were erroneous.

Any party who is dissatisfied with a decision of the TTAB can appeal to the United States Court of Appeal for the Federal Circuit, or alternatively, "may . . . have remedy by a civil action." 15 U.S.C.A. § 1071(a), (b) (West 2009). In such a civil action, the court has the authority to adjudge that an applicant is entitled to registration, that a registration should be cancelled, "or such other matter as the issues in the proceeding require, as the facts in the case may appear." Id. § (b)(1). In a civil action brought under § 1071(b), the record in the USPTO shall be admitted upon motion of any party,² without prejudice of the right of any party to take further testimony. Id. § (b)(3). Thus, unlike an appeal brought to the Federal Circuit, aggrieved parties who choose to file a civil action in district court may submit new evidence and even add new claims. For this reason, proceedings in the district court are referred to as "de novo."

² The TTAB record for ORCHID CREAM VANILLA was filed into this Court's record on motion of Plaintiffs on June 14, 2010. (Rec. Docs. 135 & 136).

A threshold question that arises in judicial review actions of TTAB decisions is the appropriate amount of deference to be given to the TTAB's findings. Although a federal court is not bound by the findings of the TTAB, the Fifth Circuit has employed the "thorough conviction" standard, which is also used in many other jurisdictions. See, e.g., Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co., 494 F.2d 3, 9-10 (5th Cir. 1974); Aloe Creme Labs., Inc. v. Tex. Pharm. Co., 335 F.2d 7274 (5th Cir. 1964). In American Heritage the Fifth Circuit explained that a § 1071(b) action is *in the nature of* a trial de novo, and while immunizing doctrines such as res judicata or collateral estoppel do not apply, USPTO determinations are entitled to great weight. 494 F.3d at 9-10. Notwithstanding that the case is heard de novo in the district court, the findings of the USPTO are accepted by the federal court unless the contrary is established by evidence which carries "thorough conviction." Id. at 10. Even in jurisdictions where courts stress that the findings of the TTAB are not binding because review is de novo, those courts nevertheless recognize that the TTAB's findings are entitled to some weight. Hope Hamilton, Parsing the Standard of Review Puzzle: How Much Deference Should Federal District Courts Afford Trademark Trial and Appeal Board Decisions?, 12 Fed. Cir. B.J.

489 (2003).³

Thus, while the de novo aspect of a § 1071(b) civil action allows for the admission of new evidence and the addition of claims, i.e., the parties are not strictly limited to the TTAB record as is the case in a traditional appeal to the Federal Circuit, de novo review in district court vis à vis a § 1071(b) claim does not necessarily mean that the parties start all over again painting on a clean canvass. And because the TTAB decided against SnoWizard on ORCHID CREAM VANILLA, and because SnoWizard now seeks review of that decision in district court, SnoWizard has the burden of submitting to the Court evidence or argument to counter the decision of the TTAB. Material Supply Int'l, Inc. v. Sunmatch Indus. Co., 146 F.3d 983, 49-50 (D.C. Cir. 1998). Thus, it is clear that Plaintiffs can offer the TTAB decision itself, which while not binding may be accorded some weight, in support of their burden on summary judgment.

Moreover, it is also clear that § 1071(b) claims do not constitute a special class of claims that are immune to attack on summary judgment. When challenged on summary judgment with a

³ The author of this work also noted that no district court had ever held that an appeal pursuant to § 1071(b) should be *absolute* de novo because even those courts that came close to such a conclusion always agreed that the agency's findings were entitled to *some* weight. Hamilton, supra at 515.

TTAB decision that the moving party posits is well-reasoned and ostensibly supported by the law and facts,⁴ the opposing party cannot avoid summary judgment by explaining that it will save its arguments and evidence for another day. Again, SnoWizard has the burden of submitting to the Court evidence or argument to counter the decision of the TTAB, and whether Plaintiffs requested such evidence in discovery is immaterial. And while SnoWizard is correct in that it need not produce new evidence in support of its § 1071 claim, it nonetheless must demonstrate to the Court that there remains some issue to be tried to the jury or at the very least it must point out the TTAB's specific errors so as to enervate the otherwise persuasive weight that the mover hopes to garner on summary judgment from a favorable TTAB decision. Judicial review under § 1071(b) is not a type of plain error review that the district court performs on the USPTO administrative record.

With these legal precepts in mind the Court turns its

⁴ Surely, the question of whether a decision of the TTAB is well-reasoned and supported by the law and facts is going to vary on a case by case basis. And a decision that is substantively deficient in some manner is going to be entitled to less weight, and depending on the graveness of the deficiency, may be entitled to no weight at all. Of course, a decision that is so substantively deficient so as to be entitled to little or no weight could not form the basis of a well-supported motion for summary judgment.

attention to the TTAB's decision as to ORCHID CREAM VANILLA. The TTAB concluded that ORCHID CREAM VANILLA is "primarily merely descriptive" of its product. The TTAB noted that competitors in the snowball flavoring industry usually use descriptive indicators for both color and flavor (e.g., black cherry or clear grape). The terms "cream" and "vanilla" are clearly descriptive as to flavoring or ingredients and the TTAB noted that those two terms together would not be protectable. The TTAB then examined the effect of appending the term "Orchid" to precede "cream vanilla" and whether this addition renders the term protectable.⁵ The TTAB noted that color-wise "orchid" is defined as a mauve or purple color, which happens to be the color of the product produced by ORCHID CREAM VANILLA flavoring. The TTAB noted the evidence of record that demonstrated that a snowball flavor named "orchid cream vanilla" had been sold in the New Orleans area for years, having originated in the 1940's with the Williams' Plum Street snowball stand--clearly well before Snowizard started offering its own orchid cream vanilla flavor concentrate in 1998. In prior years Snowizard had even offered recipes to its

⁵ Even where individual terms are not protectable standing alone, those same terms used in combination may attain protectable trademark status. Tex. Pig Stands, Inc. v. Hard Rock Café Int'l, Inc., 951 F.2d 684, 692 (5th Cir. 1992) (citing Ass'n of Co-op Memos., Inc. v. Farmland Indus., Inc., 684 F.2d 1134, 1140 (5th Cir. 1982)).

customers so that they could concoct their own orchid cream vanilla syrup in order to sell this flavor that Plum Street Snowballs had made popular. Through the years an unchanging component in each recipe was the equal parts of blue and red food coloring that led to a purple or mauve-colored syrup.

The TTAB opinion is 18 pages long and the Court finds it to be well-reasoned and the factual conclusions to be well-supported. The TTAB clearly explained the evidence upon which it relied, the legal standards it was using, and the findings are not conclusory or without explanation. See Am. Heritage, 494 F.2d at 10 n.4. Although the decision is surely not binding on this Court, the decision is nonetheless very persuasive and entitled to *some* weight. At the very least, the Court is persuaded that the TTAB decision as to ORCHID CREAM VANILLA is sufficient evidence for Plaintiffs to meet their initial burden on summary judgment thereby triggering Defendant's obligation to create an issue of triable fact.

In its opposition, SnoWizard contends that one factual inaccuracy contained in the TTAB decision is the conclusion that the parties' largest market is in New Orleans thereby making the relevant consumer base the New Orleans area. SnoWizard contends that its largest market is actually Texas and that one of Southern Snow's largest markets is also Texas. SnoWizard

contends that the TTAB ignored consumer perception evidence for the remainder of Louisiana, Texas, and the United States as a whole. According to SnoWizard a material issue of fact exists as to the parties' relevant market thereby precluding summary affirmance of the TTAB's decision.

The question of whether the terms orchid/cream/vanilla used in combination are descriptive of a certain snowball flavor, one that has been sold in New Orleans since the 1940s, does not turn on whether SnoWizard's largest sales market is in Louisiana or Texas. SnoWizard does not suggest that its largest market for the specific flavor of ORCHID CREAM VANILLA is in Texas or anywhere else for that matter. The term is descriptive because orchid cream vanilla merely identifies characteristics or qualities of the flavoring product, such as its color or flavoring. The issue of where SnoWizard generates the most sales revenue overall for its company is not material.

Of course the issue of geography is pertinent to whether a descriptive mark has attained secondary meaning, which may render an otherwise descriptive mark protectable. Secondary meaning is used generally to indicate that a mark "has come through use to be uniquely associated with a specific source." Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 766 n.4 (1992) (quoting Restatement (Third) of Unfair Competition § 13, Cmt. e (Tent.

Draft No. 2, Mar. 23, 1990)). To establish secondary meaning "a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." Id. (quoting Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 851 n.11 (1982)). Secondary meaning turns entirely upon "the primary significance of the term in the minds of the consuming public" of the relevant geographic market. Tex. Pig Stands, 951 F.2d at 692-93. Thus, the question in this case would be whether ORCHID CREAM VANILLA has a secondary meaning which the public⁶ associates with SnoWizard--the vendor--as opposed to a purple vanilla cream snowball that customers at least in this area have come to enjoy as a local favorite.⁷

SnoWizard does not address secondary meaning in its

⁶ The appropriate "public" in this case would be the snowball suppliers and snowball vendors who purchase flavoring concentrates. Plaintiffs and SnoWizard do not sell flavoring concentrates directly to the public for consumption.

⁷ SnoWizard also refers the Court to the declaration of its principal, Ronald R. Sciortino, executed in conjunction with Southern Snow's prior motion for summary judgment as to ORCHID CREAM VANILLA. SnoWizard asserts that this declaration is replete with facts not record in the TTAB proceeding that refute the conclusion that ORCHID CREAM VANILLA is descriptive.

Mr. Sciortino's declaration is fourteen pages long and it is also replete with inappropriate and superfluous legal argument. SnoWizard makes no attempt to direct the Court to the specific factual contentions that SnoWizard claims will counter the TTAB's conclusion as to descriptiveness.

memorandum so the Court is aware of no evidence to create an issue of fact as to secondary meaning. But some of the evidence otherwise discussed only serves to weaken SnowWizard's position. For instance, Donna Black, who owned and operated Plum Street Snowballs for 26 years, attests that the stand has been in business for 62 years. (Rec. Doc. 63-6). When she and her husband purchased the business they acquired the recipe for ORCHID CREAM VANILLA "that was a popular flavor sold under that name for many years" prior to the time that she purchased the business. Plum Street Snowballs has sold snowballs under the name ORCHID CREAM VANILLA since the business was purchased 26 years earlier. (Id.). This assertion is consistent with the fact that the prior owners of the Plum Street Snowball stand, who coincidentally used SnowWizard as a supplier, created the ORCHID CREAM VANILLA flavor. (Per SnowWizard: "Last year we released a new flavor named Orchid Cream Vanilla. This flavor was created and made popular by one of SnowWizard's first customers back in the early 1940's and has been popular in New Orleans since then." Rec. Doc. 63-7 at 2). It was after these creative former owners made the flavor popular that SnowWizard began to offer recipe suggestions to some of its other customers in order to imitate the creation. The Court recognizes that the relevant "public" for purposes of determining secondary meaning would be snowball

vendors who purchase flavor concentrates for preparing snowball syrup, but the record provides no basis upon which to conclude that snowball stand owners and operators would associate ORCHID CREAM VANILLA with SnoWizard as being the unique, single source of this flavor--certainly not before SnoWizard trademarked the term for itself and started threatening legal action against competitors who also tried to market this popular New Orleans favorite to customers. In other words, there is no suggestion that in the minds of snowball vendors the primary significance of the term ORCHID CREAM VANILLA is to identify the source as SnoWizard as opposed to simply identifying the product itself. The Court is left with far less than a "thorough conviction" that the TTAB decision is erroneous and that any issue remains to submit to a jury.

For the foregoing reasons the Court is persuaded that the TTAB reached the correct decision as to ORCHID CREAM VANILLA and that the registration was properly ordered cancelled. Accordingly, Plaintiffs' summary judgment motion is also granted as to the counterclaims for infringement, dilution, and unfair competition arising out of Plaintiffs' use of ORCHID CREAM VANILLA because all are premised on SnoWizard owning a protectable mark in ORCHID CREAM VANILLA. Clearly, the associated claim for attorney's fees is likewise dismissed.

WHITE CHOCOLATE & CHIPS

Plaintiffs challenge the infringement counterclaims as to WHITE CHOCOLATE & CHIPS on two fronts. First, Plaintiffs contend that SnoWizard cannot produce proof of damages, as evidenced by its reticence when responding to discovery requesting such proof. Second, Plaintiffs contend that there is no likelihood of confusion because their White Chocolate & Chips flavor is sold with its company name clearly displayed on the label.

The Court assumes for purposes of this motion that WHITE CHOCOLATE & CHIPS is a protectable mark. The motion is nonetheless denied as to WHITE CHOCOLATE & CHIPS. The damages issue that Plaintiffs are arguing is not dispositive of SnoWizard's claims because 15 U.S.C. § 1117 recognizes various forms of remedies and relief aside from actual damages, including as SnoWizard points out, the infringer's profits.⁸

Further, the product labeling upon which Plaintiffs rely to dispel any likelihood of confusion is not conclusive. It is true

⁸ The Court notes that SnoWizard has argued in opposition to the damages issue that it has produced everything that Plaintiffs have asked for in discovery. As the Court explained in conjunction with its ruling on ORCHID CREAM VANILLA, the question of whether Plaintiffs asked for some piece of evidence in discovery is immaterial when SnoWizard bears the burden of proof on an issue such as its own damages. SnoWizard cannot meet its burden in opposing a properly supported motion for summary judgment by arguing its position as to discovery rulings and requests.

that the presence of a source name on the product goes far to eliminate confusion as to origin. Sno-Wizard Manuf., Inc. v. Eisemann Prods. Co., 791 F.2d 423, 429 (5th Cir. 1986) (quoting Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304, 309 (2nd Cir. 1972)). But labeling of a product will not always negate a likelihood of confusion. Id. The labeling exhibits establish only that if two bottles of competing product are sitting side-by-side then the customer will know which one is the Southern Snow product because of the labeling. The Court assumes, however, that snowball stand vendors who buy the parties' flavorings do not shop grocery-store-style when ordering snow ball flavoring products. The Court is unwilling to conclude that likelihood of confusion cannot be proven based on the showing made. The motion for summary judgment is denied as to the counterclaims based on this flavor.

2. Civil Action 09-3394

SNOSWEET

For the reasons given in denying summary judgment as to WHITE CHOCOLATE & CHIPS, the motion for summary judgment is denied as to SNOSWEET.

Further, the associated claims for attorney's fees brought in conjunction with the marks HURRICANE, PRALINE, KING CAKE, BUTTERED POPCORN, GEORGIA PEACH, DILL PICKLE, and BUTTER CREAM

are dismissed in light of the ruling issued by Judge Lemmon on February 25, 2010 (Rec. Doc. 56).

3. *Civil Action 10-791*

MOUNTAIN MAPLE

For the reasons given in denying summary judgment as to WHITE CHOCOLATE & CHIPS, the motion for summary judgment is denied as to MOUNTAIN MAPLE.

CAJUN RED HOT

For the reasons given in denying summary judgment as to WHITE CHOCOLATE & CHIPS, the motion for summary judgment is denied as to CAJUN RED HOT.

GEORGIA PEACH

The motion is GRANTED as to GEORGIA PEACH for the reasons given in Judge Lemmon's February 25, 2010, Order and Reasons entered in Civil Action 99-3394 (Rec. Doc. 56), in which she concluded that GEORGIA PEACH is not protectable. The associated claim for attorney's fees brought in conjunction with this mark is also dismissed.

SOUTHERN SNOW and FLAVOR SNOW

Plaintiff Simeon, Inc. owns federally-registered trademarks in SOUTHERN SNOW and FLAVOR SNOW. SOUTHERN SNOW was registered in April 2006 and FLAVOR SNOW was registered in July 2007. (Est.

Mat. Facts 1 & 2). Both marks are for concentrates and syrups used to flavor shaved ice confections. (Rec. Doc. 207-5). SnowWizard has counterclaimed against Simeon for cancellation of these registered marks alleging that SOUTHERN SNOW is incapable of serving as a trademark because it is geographically descriptive and that FLAVOR SNOW is generic and/or descriptive of flavorings poured onto shaved ice without having acquired distinctiveness so as to warrant trademark protection. (Rec. Doc. 168 ¶¶ 141-146).

Simeon argues in support of its motion for summary judgment that as federally registered trademarks SOUTHERN SNOW and FLAVOR SNOW enjoy a rebuttable presumption of validity and that SnowWizard cannot produce any evidence to support its allegations as to descriptiveness. Simeon contends that the marks have been used exclusively in commerce for long enough to preserve their validity and that SnowWizard has no need to use the marks.

In opposition, SnowWizard contends that the marks are either facially generic or descriptive as a matter of law. SnowWizard points out that the term "snow" in the snowball industry pertains to shaved ice thus rendering this term clearly descriptive. The term "southern" is merely a geographic descriptive term which is not protectable as a matter of law. Simeon, the owner of the marks, sells flavors for "snow." Thus, according to SnowWizard,

the marks SOUTHERN SNOW and FLAVOR SNOW are descriptive terms that are not protectable, and Simeon is simply trying to register marks that describe its business as a whole, not just an individual product or service.

A statutory presumption of validity is accorded to marks registered under the Lanham Act. Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 119 (5th Cir. 1979). The presumption is rebuttable and may be overcome by establishing the genericness or descriptive nature of the mark. Id. (citing Flexitized, Inc. v. Nat'l Flexitized Corp., 335 F.2d 774, 779 (2nd Cir. 1964)). The party challenging the trademark must produce sufficient evidence to rebut the presumption of validity.⁹ KMMentor, LLC v. Knowledge Mgt. Prof. Soc., Inc., 712 F. Supp. 2d 1222, 1242 (D. Kan. 2010). This presumption of validity has a "burden-shifting

⁹ The district judge in KMMentor noted that the way in which a trademark is registered with the USPTO may determine the type of presumption to which the owner is entitled. If the applicant was required to prove secondary meaning prior to registration, then the owner is entitled to a presumption that the mark has acquired distinctiveness ("secondary meaning") rather than inherent distinctiveness. KMMentor, 712 F. Supp. 2d at 1241-42. In this circumstance, the challenger would surely be required to rebut the presumption as to secondary meaning. If the applicant was not required to prove secondary meaning in order to obtain registration, then the owner is entitled to a presumption that the trademark is inherently distinctive (i.e., suggestive, arbitrary, or fanciful), as opposed to merely descriptive, and the alleged infringer may defend a suit on the ground that the mark is merely descriptive. Id.

effect" that requires the party challenging a registered mark to produce sufficient evidence to establish that the mark is either generic, or merely descriptive without secondary meaning. Id. (citing Retail Servs., Inc. v. Freebies Publ'g, 364 F.3d 535, 542 (4th Cir. 2004)). If sufficient evidence is produced then the presumption of validity drops from the case. Id. (citing Retail Servs., 364 F.3d at 543). Marks are not incontestible until they are registered for over five years. See Meineke Discount Muffler v. Jaynes, 999 F.2d 120, 125 (5th Cir. 1993) (citing 15 U.S.C. §§ 1064-65).

Turning to the case at hand, neither SOUTHERN SNOW nor FLAVOR SNOW were registered for five years when challenged so the marks are not incontestible.¹⁰ The marks are entitled to a presumption of validity, although the nuances of the presumption are not clear from the record. See note 9 supra. The Court will assume that Simeon did not prove secondary meaning in order to obtain registration at the USPTO which means that SOUTHERN SNOW and FLAVOR SNOW are only entitled to a presumption of inherent distinctiveness. SnoWizard has the burden of rebutting the

¹⁰ SnoWizard filed its cancellation counterclaims for SOUTHERN SNOW and FLAVOR SNOW on September 10, 2010, in response to infringement claims brought by Plaintiffs. (Rec. Doc. 168). SOUTHERN SNOW has been registered since April 18, 2006, and FLAVOR SNOW has been registered since July 3, 2007. (Rec. Doc. 207-5, Exhs. CCD-2 & CCD-3).

presumption of validity that attaches to SOUTHERN SNOW and FLAVOR SNOW, but because the presumption is only as to inherent distinctiveness, SnowWizard can meet its burden by establishing that the marks are merely descriptive. Once SnowWizard establishes that the marks are descriptive then the burden will shift to Simeon to establish secondary meaning and this burden is not a light one. Test Masters Educ. Servs., Inc. v. Singh, 428 F.3d 559, 567 (5th Cir. 2005) (citing Vision Ctr. v. Opticks, Inc., 596 F.2d 111, 119 (5th Cir. 1979)).

The Court is not persuaded that SOUTHERN SNOW is merely descriptive. The Lanham Act does not ipso facto foreclose registration of a trademark that uses a geographic designation. The Fifth Circuit has previously parsed the language of § 1052(e) in reaching that conclusion. World Carpets, Inc. v. Dick Littrell's New World Carpets, 438 F.2d 482, 486 (5th Cir. 1971) ("[T]he wording of the statute makes it plain that not all terms which are geographically suggestive are unregistrable."). And even if the terms "southern" and "snow" standing alone are each descriptive, the Fifth Circuit has previously recognized that generic or descriptive terms may in combination attain protectable status. Tex. Pig Stands, 951 F.2d at 692 (citing Ass'n of Co-op Mem., 684 F.2d at 1140). Thus, the presumption of distinctiveness cannot be overcome merely by pointing to the

potentially descriptive or generic nature of the constituent terms. In fact, the Court perceives the term SOUTHERN SNOW as rather fanciful given the somewhat paradoxical nature of the two terms being used together. In sum, SnowWizard has not rebutted the presumption of validity that attaches to SOUTHERN SNOW. The motion for summary judgment is granted as to SOUTHERN SNOW and the associated claim for attorney's fees brought in conjunction with this mark.

FLAVOR SNOW, on the other hand, presents a more difficult situation because not only are the two terms that comprise the mark individually descriptive or even perhaps generic, but in combination the terms are also highly descriptive of the very product being sold, i.e., flavorings for snow a/k/a shaved ice. The Court is persuaded that SnowWizard has rebutted the presumption of validity as to FLAVOR SNOW merely by attacking it facially because the mark is clearly descriptive. The burden shifts to Simeon to establish that FLAVOR SNOW has acquired secondary meaning.

The current record does not establish secondary meaning so as to entitle Simeon to summary judgment vis à vis FLAVOR SNOW. Simeon points out the even if the mark is descriptive it has been used in commerce long enough to have acquired secondary meaning. Simeon may ultimately establish that fact, and because FLAVOR

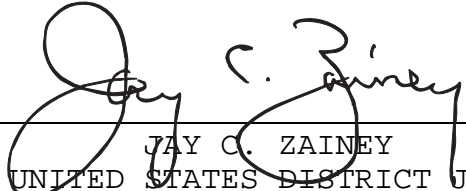
SNOW is a "house brand" Simeon may very well be able to prove secondary meaning, but on the current record the Court is not persuaded that Simeon has met its burden as a matter of law.

For the foregoing reasons, the motion for summary judgment is granted as to SOUTHERN SNOW and denied as to FLAVOR SNOW.

Accordingly, and for the foregoing reasons;

IT IS ORDERED that the **Motion for Partial Summary Judgment on the Remaining Counterclaims (Rec. Doc. 207)** filed by plaintiffs/counter-defendants Southern Snow Manufacturing Co., Inc., Parasol Flavors, LLC, and Simeon, Inc. is **GRANTED IN PART AND DENIED IN PART** as explained above.

March 22, 2011



JAY C. ZAINY
UNITED STATES DISTRICT JUDGE