

Registering Trademarks Shows Secondary Meaning

SoClean, Inc. v. Sunset Healthcare Sols., Inc., No. 2021-2311 (Fed. Cir. Nov. 9, 2022)

By: Joseph Saltiel & Ariel Katz | November 21, 2022

On November 9, 2022, the Federal Circuit (CAFC) affirmed a preliminary injunction in favor of SoClean, Inc. (“SoClean”) against Sunset Healthcare Solutions, Inc. (“Sunset”). SoClean sued Sunset for trademark infringement of its registered mark for replacement filters. Although the district believed that SoClean was likely to prevail on the merits, it determined that enjoining all of Sunset’s sales was unnecessary. Instead, the district court crafted a narrow injunction that prohibited Sunset from engaging in marketing practices that would result in consumer confusion such as marketing its filters using images of the filter cartridges alone and failing to prominently displaying its brand name on any images.

On appeal, Sunset argued that the district court abused its discretion by not adopting its argument that SoClean’s trade dress lacked secondary meaning because the district court afforded too much weight to the presumption of validity of SoClean’s registered trademark. Instead, Sunset argued that the district court should have reviewed what evidence the PTO considered during review of SoClean’s trademark application because the district court has the right to cancel registrations, and, thus, the ability to review the application as opposed to the registered mark itself.

The CAFC rejected Sunset’s argument. The CAFC first noted that because SoClean’s trademark is a product configuration trade dress for its filters, it is only protectable upon a showing of secondary meaning. Federal registration of a trade dress, however, is prima facie evidence of a mark’s validity. “The presumption of validity is not conditional; the statute provides that a certificate of registration “shall” result in the presumption, without specifying any exceptions. See 15 U.S.C. § 1057(b).” Sunset failed to identify any statutory or legal basis to withhold this presumption from a registration.

Because SoClean’s mark was registered, Sunset had the burden to introduce sufficient evidence to rebut the presumption of SoClean’s right to exclusive use. Although the district court applied the wrong evidentiary standard, the CAFC found it to be harmless error because Sunset did not provide any evidence that the trade dress lacked secondary meaning. Therefore, the district court acted within its discretion rejecting Sunset’s lack of secondary meaning argument.

This opinion demonstrates why it is important to register trademarks as a registered trademark shifts the burden away from the plaintiff toward the defendant to rebut a presumption of validity. Trademark registration is also beneficial because it provides nationwide notice to competitors so if they infringe on the trademark, they cannot claim adoption of the mark was used in “good faith.” Also, having a registered trademark can lead to the award of more damages for the registrant if someone infringes.