

No. 21-

IN THE
Supreme Court of the United States

AUSTRALIAN LEATHER PTY. LTD. and
ADNAN OYGUR

Petitioners,

v.

DECKERS OUTDOOR CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

For decades, Australians have referred to a style of sheepskin boots using the generic term “ugg.” This generic term came to the United States in the 1960s and 1970s and was used by early adopters, especially in surfer communities, as a generic descriptor. Notwithstanding this generic use in Australia and the United States, the district court held on summary judgment that “ugg” could subsequently be trademarked in the United States. Applying the test for cancelling a trademark that has “become” generic, the court ruled that Petitioner Australian Leather had not shown that the “primary significance” of the term to the general shoe-buying public was generic. The court also questioned whether the doctrine of foreign equivalents, which acts to prevent the trademarking of terms that are generic in a foreign language, applies to generic terms in other English-speaking countries.

The questions presented are:

1. Whether a term that is generic in the English-speaking foreign country from which it originated is ineligible for trademark protection in the United States.
2. Whether and, if so, how the “primary significance to the relevant public” standard in 15 U.S.C. § 1064(3) for determining whether a registered trademark has “become” generic applies where a term originated as generic before registration.

PARTIES TO THE PROCEEDING

Petitioners are Australian Leather Pty. Ltd. and its owner Adnan Oygur.

Respondent is Deckers Outdoor Corporation.

CORPORATE DISCLOSURE STATEMENT

Australian Leather Pty. Ltd. has no parent corporations and no publicly held companies own 10% or more of its stock.

RELATED PROCEEDINGS

There are no cases known to be pending that are directly related to this case.

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INTRODUCTION

This case presents two important and interrelated questions regarding a company's ability to remove a generic term from the public domain. First, it provides an opportunity for this Court to clarify the contours of the doctrine of foreign equivalents, which applies when someone attempts to remove a generic term originating in a foreign country from the public domain in the United States. Application of that doctrine has split the courts of appeals and led to the unjustified conclusion that although generic terms in foreign languages cannot be trademarked, the same rule will not be applied to generic terms that originated in other English-speaking countries.

Second, this case provides an opportunity to resolve a circuit split on a question this Court left open in *United States Patent & Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298, 2304 n.3 (2020): whether and, if so, how the “primary significance” test for terms that have “become” generic applies to terms that were generic from the outset.

In the late 1960s, sheepskin boots known as “uggs” began to appear in surf shops and surfer communities in the United States. App. 9a-14a. Ugg originated in Australia, where surfers wore them to keep their feet warm after riding cold waves. App. 12a. Australians regard ugg as a type of boot, much the way loafers are a type of shoe, and early importers shared that understanding. App. 10a-13a.

Uggs remained a niche product until the late 1990s, when Deckers Outdoor Corporation began an advertising campaign to reposition ugg as a luxury item under the brand name UGG. App. 10a. This case arose after

Deckers sued Australian Leather, which manufactures and sells sheepskin boots in Australia under the generic Australian term for such footwear: ugg boots. Deckers alleged, among other things, that Australian Leather's internet sales to American purchasers infringed Deckers' registered "UGG" trademark. Australian Leather defended on the ground that the term was generic from the outset and ineligible for trademark protection in the United States.

On summary judgment, the district court conceded that surfers, surf shop owners, boot sellers, and even the original owner of the UGG brand had understood the term "ugg" to refer generically to a style of sheepskin boots. App. 10a-13a; App. 17a ("some individuals used ugg generically in the past"). The court also acknowledged that "Australian Leather has evidence that ugg is generic in Australia." App. 18a. But the court held that generic use in these communities and in the product's country of origin did not preclude trademark protection because "anyone can purchase and wear boots" and the broader shoe-buying public in the United States was not necessarily aware of that generic use. App. 17a-19a.

This decision, which was summarily affirmed by the Federal Circuit, implicates a circuit split on the doctrine of foreign equivalents. Even apart from that split, the question whether a term that is generic in its country of origin can be removed from the public domain in the United States is important and raises issues of international comity. The court's decision also conflicts with decisions from at least two circuits regarding the standard for evaluating whether a term originated as generic, an issue this Court left open in *Booking.com*.

The petition should be granted to address these important questions.

OPINIONS BELOW

The Federal Circuit's judgment (App. 1a) is unreported. The opinion and order on summary judgment of the U.S. District Court for the Northern District of Illinois (App. 3a-28a) is reported at 340 F. Supp. 3d 706.

JURISDICTION

The Federal Circuit issued its judgment on May 7, 2021. On March 19, 2020, by general order, this Court extended the time to file this petition to October 4, 2021. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTES INVOLVED

The following provision of the Lanham Act is reproduced in the appendix to this petition: 15 U.S.C. § 1064.

STATEMENT

A. Legal Framework

The Lanham Act defines a trademark as “any word, name, symbol, or device, or any combination thereof” that a person uses “to identify and distinguish his or her goods ... from those manufactured or sold by others.” 15 U.S.C. § 1127. This Court has identified five “categories of generally increasing distinctiveness” for terms sought to be trademarked: “(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Marks that are suggestive, arbitrary, or fanciful may be trademarked “because they are ‘in-

herently distinctive.” *United States Pat. & Trademark Off. v. Booking.com B. V.*, 140 S. Ct. 2298, 2302 (2020). Descriptive words “qualify for registration as trademarks only after taking on secondary meaning.” *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004). “At the lowest end of the distinctiveness scale is the ‘generic name for the goods or services,’” with such terms “ordinarily ineligible for protection as trademarks at all.” *Booking.com*, 140 S. Ct. at 2303.

This case concerns generic terms. A generic term “refers to the genus of which the particular product is a species,” *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985), and cannot be trademarked because one producer cannot monopolize the right to refer to a product by its generic name. See 2 *McCarthy on Trademarks and Unfair Competition* § 12:1 (5th ed.) (“The name of a product or service itself—what it is—is the very antithesis of a mark.”); *Hunt Masters, Inc. v. Landry’s Seafood Rest., Inc.*, 240 F.3d 251, 254 (4th Cir. 2001) (“A generic mark refers to the genus or class of which a particular product is a member, and thus can never be protected.”).

For example, the term “wine” cannot be trademarked by a vintner, see *Booking.com*, 140 S. Ct. at 2303, even if the vintner launches a successful campaign to associate the term “wine” with their product alone; wine is the genus notwithstanding such efforts. “[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification, it cannot deprive competing manufacturers of the product of the right to call an article by its name.” *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976); see also *Harley Da-*

vidson, Inc. v. Grottanelli, 164 F.3d 806, 810 (2d Cir. 1999) (“No manufacturer can take out of the language a word, even a slang term, that has generic meaning as to a category of products and appropriate it for its own trademark use.”); 2 *McCarthy on Trademarks* § 12:1 (“Clearly, one seller cannot appropriate a previously used generic name of a thing and claim exclusive rights in it as a ‘trademark’ for that thing.”).

This case focuses on a term that was generic from the outset (generic *ab initio*) and never eligible for protection. In other instances, a term may become generic over time, as has happened with once-fanciful terms such as “thermos” and “escalator.” See *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577, 579 (2d Cir. 1963); see also *Abercrombie & Fitch Co.*, 537 F.2d at 9 n.7. This process of falling into the public domain is called “genericide.” 2 *McCarthy on Trademarks* § 12:1 (“[I]f one seller develops trademark rights in a term which a majority of the relevant public then appropriates as the name of a product, the mark is a victim of ‘genericide’ and trademark rights may cease.”).

Congress has codified a mechanism for stripping a term of its trademark protection. A trademark may be canceled “[a]t any time if the registered mark becomes the generic name for the goods or services ... for which it is registered.” 15 U.S.C. § 1064(3). Congress also has established a rule of decision for evaluating whether this genericide has occurred: “The primary significance of the registered mark to the relevant public ... shall be the test for determining whether the registered mark has become the generic name of goods.” *Id.*

Congress has not, however, spoken regarding the test for determining whether a term *originated* as ge-

neric, and this Court has left the issue open. *See Booking.com*, 140 S. Ct. at 2304 n.3 (declining to address “the scope of the primary-significance test’s application.”). As discussed below, this has led to inconsistent approaches among lower courts.

B. Background And Proceedings Below

Australian Leather is an Australian corporation founded in the 1990s that manufactures and sells sheepskin boots known generically in Australia as uggs or ugg boots. App. 14a. Prior to 2014, it did not market to or sell its products in the United States. *Id.* In late 2014, Australian Leather filled a small number of internet orders for U.S. customers and began conversations with U.S. retailers about selling Australian Leather’s uggs in the United States. *Id.* Respondent Deckers Outdoor Corporation subsequently sued Australian Leather for infringement of its “UGG” trademark.

Deckers’ claim to the mark came by way of its purchase in 1995 of UGG Holdings, successor to UGG Imports. UGG Imports was founded by Brian Smith, an Australian-born entrepreneur who moved to the United States in 1978. App. 6a. While living in Australia, Smith owned a pair of sheepskin boots that he and others referred to as “ugg boots.” App. 7a. Shortly after arriving in the United States, Smith began importing ugg boots from Australia and reselling them in the United States. *Id.* Smith was not the only person with this idea; several other Australian boot-suppliers sold uggs in the United States under their generic name beginning as early as the 1960s. App. 10a-12a. At least one American surf-shop owner (who had first encountered ugg boots in Australia) likewise sold ugg boots, App. 12a, including by running ads in 1970 displaying Australian sheep-skin boots under the label “ugg boot.”

Id. In addition, other companies ran ads for ugg boots in the United States before Smith arrived from Australia and started his company. App. 12a-13a.

Smith has acknowledged that he did not coin the term “ugg,” telling an interviewer that surfers “all knew of UGG in some way before I even started” and that this existing recognition was why he had launched his business. App. 9a. Nonetheless, in early 1980 he attempted to trademark UGG in the United States. App. 8a. This application was rejected on grounds that the mark “did not ‘serve to identify and distinguish applicant’s goods.’” *Id.*

In late 1985, Smith’s company UGG Imports applied to register a logo bearing a ram with its horns entwined through the word UGG with the words “ORIGINAL UGG BOOT” above and “AUSTRALIA” below. App. 20a-21a. The attorney who prosecuted the trademark for UGG Imports told the Trademark Examining Attorney that he didn’t think the term “UGG” had any meaning in the sheepskin business in the United States but that he understood “ugg was used to identify sheepskin boots in Australia.” App. 21a. The ram logo trademark was registered in 1987 and expired in 2008. App. 21a-22a.

Shortly before Deckers bought UGG Holdings in 1995, Smith’s company filed an application that resulted in a trademark registration for the word mark UGG. C.A.J.A. 6764. This trademark was later allowed to lapse and replaced with a duplicate registration for the word mark UGG in 2006. C.A.J.A. 6728.

Soon after Deckers acquired UGG Holdings, it launched an advertising campaign to “reposition[] [UGG] as a luxury brand,” spending tens of millions of dollars to promote UGG boots and other products in-

cluding footwear, apparel, and accessories. App. 10a. The campaign undeniably was successful from a financial standpoint, with global annual sales exceeding \$1 billion by 2011 and in every year subsequent. App. 10a. The campaign was equally successful at repositioning surfer boots as luxury goods; surveys commissioned by Deckers showed that brand recognition among women in the United States between the ages of 16 and 54 increased nearly 70% from 2004 to 2017. App. 15a.

On summary judgment, Australian Leather argued that Deckers' trademark was invalid because the term "ugg" is generic for a type of sheepskin boot. Construing the evidence in the light most favorable to American Leather, the district court acknowledged that "some individuals used ugg generically in the past," particularly in the surfer community, but concluded that the applicable test was "the primary significance of the registered mark to the relevant public," which it construed as the U.S. shoe-buying market generally, and that "no reasonable factfinder could conclude that ugg is or ever was a generic word for sheepskin boots in the U.S." because Deckers' 2017 survey evidence showed high brand awareness and Deckers' experts found no generic uses of ugg in American dictionaries or databases. App. 5a, 17a-18a.

Australian Leather also argued that ugg should be treated as ineligible for trademark protection pursuant to the doctrine of foreign equivalents because it is a generic term in Australia, the country from which the boots indisputably originated. App. 5a. Casting doubt on whether the doctrine could ever apply where the country of origin spoke English, the court held that "generic usage in Australia is not enough on its own to infer generic meaning in the United States" and that therefore, "[e]ven assuming the term is generic in Aus-

tralia, no reasonable jury could conclude that it is generic in the United States.” App. 18a-19a.

Australian Leather appealed to the Court of Appeals for the Federal Circuit, which affirmed without opinion.

REASONS FOR GRANTING THE PETITION

I. THIS COURT SHOULD GRANT REVIEW TO CLARIFY THE CONTOURS OF THE FOREIGN EQUIVALENTS DOCTRINE

A. There Is A Circuit Split Regarding The Application Of The Foreign Equivalents Doctrine

For at least eighty years, American courts have recognized that the prohibition on trademarking generic terms extends to generic terms of foreign origin. *See McKesson & Robbins v. Charles H. Phillips Chem. Co.*, 53 F.2d 1011, 1011 (2d Cir. 1931) (“It has been the general practice of the Patent Office and of the courts to deny registration to any misleading term even where it only becomes misleading through the understanding of a foreign language. This is a sound rule which has long been followed.”); *Holland v. C. & A. Imp. Corp.*, 8 F. Supp. 259, 261 (S.D.N.Y. 1934) (“By the weight of authority, a word commonly used in other countries to identify a kind of product and there in the public domain as a descriptive or generic name may not be appropriated here as a trade-mark on that product”); *see also Weiss Noodle Co. v. Golden Cracknel & Specialty Co.*, 290 F.2d 845, 847 (C.C.P.A. 1961) (rejecting trademark registration where “compelled to regard the subject matter of the registration as the name, in Hungarian, of at least some of the noodle products enumerated in the registration”); *In re Sambado & Son Inc.*, 45 U.S.P.Q.2d 1312 (T.T.A.B. 1997) (“FRUTTA FRESCA plainly designates a genus of fruit which is fresh.”).

In recent decades, however, a split has emerged between the Federal Circuit and at least three other courts of appeal regarding the application of this “foreign equivalents” doctrine. This Court should grant review to resolve this split.

The Second Circuit looks to the meaning of a phrase in its place of origin to determine whether it is generic. In *Otokoyama Co. v. Wine of Japan Import, Inc.*, that court considered a dispute between two importers of Japanese sake over the use of the term “otokoyama.” 175 F.3d 266, 268 (2d Cir. 1999). Plaintiff Otokoyama Co. owned four registered trademarks for the word “otokoyama” and related pictograms and had imported sake to the United States under that name since 1984. *Id.* In 1997, defendant Wine of Japan Import began importing and selling sake in the United States under the name “Mutsu Otokoyama.” Otokoyama Co. sued Wine of Japan for trademark infringement, and the district court granted a preliminary injunction, “declin[ing] to consider any meaning the word otokoyama might have outside the United States” because such meaning would be “‘irrelevant’ to a determination of entitlement to the protection of the U.S. trademark laws.” *Id.* at 269.

The Second Circuit reversed in an opinion by Judge Leval. Describing it as “a bedrock principle of the trademark law that no trader may acquire the exclusive right to the use of a term by which the covered goods or services are designated in the language,” 175 F.3d at 270, the court extended that principle to terms of foreign origin. The court recognized that “[i]f otokoyama in Japanese signifies a type of sake, and one United States merchant were given the exclusive right to use that word to designate its brand of sake, competing merchants would be prevented from calling their

product by the word which designates that product in Japanese.” *Id.* at 272. The district court therefore must consider “otokoyama’s meaning and usage in Japan.” *Id.* Turning to customers in the United States, the Second Circuit noted that given “the diversity of the population of the United States, coupled with temporary visitors,” *id.* at 271, if “otokoyama” was a generic designation for a type of sake in Japan then U.S. customers familiar with the term “would be misled to believe that there is only one brand of otokoyama available in the United States,” *id.* at 272. *See also Orto Conservia Cameranesse Di Giacchetti Marino & C., S.N.C. v. Biconserva S.R.L. & Bella Di Cernola, Inc.*, 205 F.3d 1324 (2d Cir. 2000) (under foreign equivalents doctrine, “the relevant inquiry is ... the meaning of the term or phrase in its country of origin”).

The Seventh Circuit has endorsed this same approach. In *Donald F. Duncan, Inc. v. Royal Tops Manufacturing Co.*, that court concluded that because the term “yo-yo” “originated and was used in the Philippine Islands as the generic name of the toy,” the registration of that term as a trademark was improper. 343 F.2d 655, 662 (7th Cir. 1965).¹

The Fifth Circuit’s approach is similar. In *Enrique Bernat F., S.A. v. Guadalajara, Inc.*, 210 F.3d 439 (5th Cir. 2000), the Fifth Circuit considered a trademark dispute between two candy makers who sold lollipops in the United States under the names “Chupa Chups” and “Chupa Gurts,” respectively. *Id.* at 441-442.

¹ The Seventh Circuit in *Duncan* further buttressed its analysis by “[a]ssuming, ... contrary to what we think, that the [yo-yo] marks were properly registered” and considering whether the term had lost its source-identifying character and become generic. 343 F.2d at 662.

Agreeing that the core of the controversy was the term “chupa” and “that application of the doctrine of foreign equivalents governs the outcome,” the Fifth Circuit determined “the primary and common translation” of the term “chupa,” *Enrique Bernat F.*, 210 F.3d at 443, finding that despite literally meaning “to lick” or “to suck,” the term generically signified “lollipop” in Mexico, *id.* at 445. The term therefore could not be trademarked in the United States. The court noted that Chupa Gurts were “available in the U.S. only in ethnic ‘mom-and-pop’ stores that serve Spanish-speaking consumers,” but explained that “[e]ven a wider distribution ... will not change the fact that Spanish-speakers from Mexico and parts of South America will understand ‘chupa’ to be the generic designator of ‘lollipop.’” *Id.*

The Federal Circuit applies a different and more restrictive test. In the Federal Circuit, the foreign equivalents doctrine “applie[s] only when it is likely that the ordinary American purchaser would ‘stop and translate [the word] into its English equivalent.’” *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1377 (Fed. Cir. 2005). The term “ordinary American purchaser” includes both those who would tend to translate foreign words into English and those who would not. *See In re Spirits Int’l, N.V.*, 563 F.3d 1347, 1352 (Fed. Cir. 2009). Under the Federal Circuit’s rule, therefore, there may be situations in which a term is generic in its place of origin—and would be recognized as generic by purchasers familiar with the term—but nevertheless protectable as a trademark simply because “the ordinary American purchaser” would not first translate the word into English. *Id.*; *see also Mohegan Tribe of Indians of Connecticut v. Mohegan Tribe & Nation, Inc.*, 769 A.2d 34, 44 n.25 (Conn. 2001) (doctrine of foreign equivalents

“is not applicable in cases in which an appreciable number of members of the general public are unlikely to be conversant in the language from which the word originates”).

The difference in these approaches creates confusion and leads to divergent outcomes. As construed on summary judgment, the evidence showed that *ugg* is a generic term for sheepskin boots in Australia and that it was recognized as such in the communities in which *ugg* boots first appeared in the United States. App. 10a-13a, 17a. In some courts, this would be sufficient to establish that the term is not eligible for trademark protection. But in other courts, Australian Leather would have to demonstrate that an ordinary American purchaser would recognize “*ugg*” as a term of foreign origin and ascertain its equivalent in American English—and that is assuming courts applying a “stop and translate” approach would even allow the doctrine to apply to a term from another English-speaking country, *see infra* § I.B.2.

The Federal Circuit’s failure to specify which law it was applying only adds to the confusion. On an issue unrelated to patent law, the Federal Circuit should have applied the law of the regional circuit—here, the Seventh Circuit. But had it done so, it could not have affirmed. And regardless of this choice-of-law question, the fact remains that what should be a national standard on how to apply the doctrine of foreign equivalents has devolved into divergent approaches. This Court should take this opportunity to clarify the application of the doctrine of foreign equivalents.

B. The Application Of The Foreign Equivalents Doctrine Is An Important And Unresolved Question Of Federal Law

In addition to being the subject of a circuit split, the proper application of the doctrine of foreign equivalents is an important and unresolved question of law implicating international comity. This Court has never considered the scope of the doctrine of foreign equivalents. Establishing a uniform approach to the consideration of foreign generic terms in trademark law provides an independent and compelling basis for this Court to grant review of the first question presented.

1. The rationales for the doctrine of foreign equivalents apply to this case

At least two main rationales support the doctrine of foreign equivalents. *See 2 McCarthy on Trademarks* § 12:41. First, the doctrine protects consumers in the United States familiar with the generic name of foreign goods in another country from confusion. *See Otokoyama*, 175 F.3d at 272. The long tradition of immigration in the United States, and later the convenience of modern travel, have created a steady stream of consumers in the United States familiar with generic terms in other countries who could be confused if one company had the exclusive right to use those terms. *Id.* Although a majority of Americans might not recognize any given foreign term, these pockets of familiarity with a term have long been considered significant enough to preclude trademark protection. *See id.* at 271 (collecting cases prohibiting trademark protection for the “phonetic spelling of [the] Hungarian word for ‘egg noodles’” and the word for “coffee in Serbian and Ukrainian”); *Selchow v. Chaffee & Slechow Mfg. Co.*, 132 F. 996, 999 (S.D.N.Y. 1904) (denying trademark protec-

tion to “Parcheesi” because the term was very similar to the Hindustani word for the game and although “the foreign name is known here to but a few today,” “[t]he one who first introduces a foreign game or article under its true name cannot monopolize ... the name thereof.”).

Second, the doctrine protects international comity and competition. The United States refuses trademark protection for generic words that originated in other countries because “U.S. companies would be hamstrung in international trade if foreign countries granted trademark protection to generic English words.” *Enrique Bernat*, 210 F.3d at 443. As one commentator has noted, the United States—and American companies—expect other countries to respect the generic nature of American English terms such as “‘personal computer,’ ‘software,’ ‘laptop,’ or ‘modem,’” and would rightly be outraged if American goods bearing these terms were stopped at the border of a foreign country for trademark infringement. 2 *McCarthy on Trademarks* § 12:41. Indeed, the U.S. government protests when foreign countries grant trademark protection to terms considered generic in the United States. *See In re Le Sorbet, Inc.*, 228 U.S.P.Q. 27 (T.T.A.B. 1985). “Obviously, to permit registration here of terms in a foreign language which are generic for products sold in a foreign country would be inconsistent with the rationale supporting these international protests.” *Id.*

This case implicates both justifications for the doctrine of foreign equivalents and provides an opportunity for this Court to clarify the proper treatment of foreign generic terms. The district court discounted the generic use of “ugg” in the U.S. surfer community because it did not think anyone would be “misled into thinking that there is only one brand of ugg-style sheepskin boots available in this country.” App. 18a-

19a. But this takes an unduly narrow view of the doctrine, confusing perceptions regarding the number of suppliers in the market with the broader purpose of ensuring that “every provider may refer to his goods as what they are.” *Otokoyama*, 175 F.3d at 270.

This case also has obvious comity implications. Here, an Australian supplier making a product that originated in Australia has been barred from competing in the United States using the generic name by which the product is known in Australia and was originally known in the United States. This has understandably caused significant consternation in Australia. *See Zhuang, Australian Company Loses Ugg Trademark Battle*, NY Times (May 10, 2021) (“The Australian news media called the lawsuit a ‘David vs. Goliath’ battle, and the case hit a nerve for many Australians, who consider the footwear a national, albeit unfashionable, symbol.”). It also has implications for U.S. credibility as it fights to keep foreign markets open for American companies using generic terms that originated in American English.

2. The doctrine of foreign equivalents should apply to generic terms that originated in other English-speaking countries

The district court compounded its errors by implying that the doctrine of foreign equivalents may not apply to generic terms that originated in other English-speaking countries. Although the cases and commentary have largely focused on terms in languages other than English, the reasons for disallowing generic foreign terms from being trademarked in the United States apply with equal force to generic terms that originate in other English-speaking countries. *Montera, The Foreign Equivalents Doctrine ... In English?*,

28 Tex. Intell. Prop. L.J. 129, 155 (2019) (“The foreign equivalents doctrine should apply to words and phrases from both English and non-English-speaking countries.”).

The threat to competition and free trade is no less severe if the United Kingdom reserves the use of the term “software” to one of its domestic corporations than if Italy does so. And because over 60 countries have English as an official language, *see* Murphy, *The Prodigal Tongue: The Love-Hate Relationship Between American and British English* 290 (2018), a foreign equivalents doctrine that carves out these countries would be severely limited.

Restricting the doctrine of foreign equivalents to non-English terms also disadvantages foreign English speakers without any meaningful justification. What Americans call a toilet might be called a “tandas” in Malay or the “loo” in British English. It would be nonsensical for U.S. law to treat the former as a generic term not subject to trademark because it originated in a foreign language while allowing “loo” to be removed from the public domain because it originated in another English-speaking country. Yet the court here strongly suggested that such would be the proper result. App. 18a.

Indeed, a prominent treatise has cited the district court decision in this case in a section concluding that “[t]he generic name of a product or service as used in another English speaking nation will not, just because of that foreign usage alone, be held to also be a generic name in the United States.” 2 *McCarthy on Trademarks* § 12:43. This exception for generic terms in other English-speaking nations contrasts with a long “list of foreign words held generic in the United States,” in-

cluding fiocco (“a type of rayon yarn in Italian”), malai (“cream used in Indian cuisine”), tipo (“meaning Chianti type wine in Italian”), and vinka (“meaning ‘wine’ in Polish”). *Id.* § 12:45; *see also supra* p. 15 (additional examples).

The refusal to apply the doctrine of foreign equivalents to other English-speaking countries is out of step with the realities of how language develops. “No one is really sure who first quipped that [the United Kingdom and the United States] are ‘separated by a common language,’ but our linguistic differences have long been noted and stewed over.” *Prodigal Tongue* at 6. “If something was invented between the American Revolution and the Second World War, there is a good chance that Americans and Britons talk about it differently.” *Id.* at 82. Similarly, “[s]ince 1945 Australian English, spoken and written, has developed with fewer and fewer glances over its shoulder at the older British and American models.” McCrum et al., *The Story of English* 325 (3d ed. 2002).

This Court should grant review to clarify that the doctrine of foreign equivalents applies whenever a term is generic in its country of origin for the product sought to be trademarked, and is not limited solely to words that originated in languages other than English.

II. THIS COURT SHOULD GRANT REVIEW TO RESOLVE THE STANDARD FOR DETERMINING WHETHER A TERM ORIGINATED AS GENERIC

This case raises a second important issue that has divided the courts of appeals: whether and, if so, how the “primary significance” test codified at 15 U.S.C. § 1064(3) applies when determining whether a term is generic *ab initio*. The primary significance test looks to

“[t]he primary significance of the registered mark to the relevant public” to determine whether a word that was previously eligible for trademark protection has “become” generic. But this test is a poor fit for terms that originated as generic.

The district court found that, for purposes of summary judgment, Australian Leather had established that “ugg” originated as a generic term in Australia and was understood as a generic term by surfers, surf shop owners, and boot importers in the United States. App. 6a-14a. Applying the primary significance test, however, the court held that the term could serve as a trademark because there was insufficient evidence “to justify the conclusion that American footwear purchasers generally view ugg as a generic term.” App. 17a.

The text and history of the Lanham Act suggest that the primary significance test should apply only when determining whether a properly registered term has undergone genericide and lost its eligibility for trademark protection. Under 15 U.S.C. § 1064, “any person who believes that he is or will be damaged” by the registration of a trademark may petition to cancel the mark. In addressing generic terms, subsection (3) twice states that a trademark may be canceled if it “*becomes* the generic name for the goods or services” for which it is registered. 15 U.S.C. § 1064(3) (emphasis added). “Becomes” implies change; a term that originated as the generic name for goods or services cannot “become” generic because it began as generic and was never eligible for protection in the first place.

The legislative history of the Trademark Clarification Act of 1984 (which enacted the first version of § 1064(3)) similarly indicates that the statute was intended to “clarify the accepted test to be used in de-

termining whether or not a mark has *become* the common descriptive name of an article or service.” S. Rep. No. 98-627 (1984) (emphasis added).

Applying the test for genericide to terms that were generic *ab initio* is problematic. Whenever a generic term first enters the United States from another country, the majority of American consumers are unlikely to be familiar with the term even if early adopters of a product or service may be. But by reasoning that “anyone can purchase and wear boots” and applying the primary significance test to “American footwear purchasers generally,” the district court made it all but impossible to show that the term was generic despite acknowledging that “some individuals used ugg generically in the past.” App. 17a. This approach sharply contrasts with the many cases that focus on immigrant communities and find generic foreign terms ineligible for protection even though the average consumer would not recognize the term. *See supra* § I. The pattern of products entering the United States through particular communities is essentially the same, but it received no weight here because the court insisted on evidence regarding the “primary significance” of “uggs” to the public at large.

At least two circuits have resolved questions of generic origin without inquiry into the “primary significance” of the generic term and distinguished terms that originated as generic from terms that became generic. In *Hunt Masters, Inc. v. Landry’s Seafood Restaurant, Inc.*, 240 F.3d 251 (4th Cir. 2001), the question before the court was whether “crab house” was a registrable term. Rejecting the plaintiff’s survey evidence, the court instead parsed the term, concluding that “crab house denotes a class of restaurant that serves crabs” and therefore was generic. *Id.* at 254. With respect to

the survey evidence, the court noted the “two distinct ways in which terms may be classified as generic: (1) where the term began life as a ‘coined term’; and (2) where the term was commonly used prior to its association with the products at issue.” *Id.* at 255. Because the plaintiff “does not claim to have first coined the term,” it was “not necessary to determine whether the term has become generic through common use, rendering [plaintiff’s] customer survey irrelevant.” *Id.*

In *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 808 (2d Cir. 1999), the Second Circuit considered the use of the term “hog” as applied to motorcycles. Making no reference to the primary significance test while applying a provision of New York law that follows the “same principle” as federal law for generic terms, *id.* at 810, the Second Circuit held that evidence of generic use of “hog” prior to the term’s federal registration by Harley Davidson—including in newspapers and magazines—sufficiently established that the term had originated as generic, *id.* at 811. The court also considered and rejected the argument that the term could become removed from the public domain through strong association with the Harley brand. *Id.* While such a process might be possible where a term originated as a protectable mark, became generic, and then was reclaimed, it was not possible where “a mark ... starts out generic and is sought to be given trademark significance by a manufacturer.” *Id.* at 812.

The Second Circuit subsequently described the primary significance test as “the law of the land,” *Gene-see Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 144 (2d Cir. 1997), but acknowledged that it “suffers from a potential weakness” in situations where “a product brand with a name used by one producer constitutes its own genus.” *Id.* In such situations, “[w]hether the

term that identifies the product is generic ... depends on the competitors' need to use it." *Id.* at 145.

On the other side of the split, at least two circuits have looked to the primary significance test to evaluate whether a term originated as generic. Most broadly, the Federal Circuit has adopted "a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?" *H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986); see *Royal Crown Co. v. The Coca-Cola Co.*, 892 F.3d 1358, 1366 (Fed. Cir. 2018). The Sixth Circuit has announced a similar test. See *Nartron Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397, 404 (6th Cir. 2002) ("If a mark's primary significance is to describe a type of product rather than the producer, it is generic and is not a valid trademark.").

This Court recently reserved judgment on the question. In *United States Patent & Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298 (2020), the Court considered a challenge to the Trademark Trial and Appeal Board's denial of trademark registration for the term "Booking.com." The Patent and Trademark Office ("PTO") argued that the primary significance test "might not govern outside the context of § 1064(3), which subjects to cancellation marks previously registered that have 'become' generic." *Id.* at 2304 n.3. That case, however, did not require resolution of the question because the PTO relied on a legal argument that "when a generic term is combined with a generic top-level domain like '.com,' the resulting combination is generic" without regard to whether any consumer ever considered the term generic. *Id.* at 2305. Here, how-

ever, the district court acknowledged that the term “ugg” had generic meaning to consumers but was nonetheless registrable because the “primary significance ... to the relevant public” was associated with the brand. App. 5a. This case therefore provides this Court with the opportunity to address the question left unanswered in *Booking.com* and to provide clarity with respect to evaluating the registration of terms that originated as generic.

Should the Court address the application of the “primary significance” test to terms that originated as generic, it should consider both whether the test applies and, if so, how courts should define “relevant public” to ensure that generic terms are not removed from the public domain simply because their initial generic use does not reach all potential consumers.

III. THIS CASE IS A GOOD VEHICLE TO ADDRESS THE QUESTIONS PRESENTED

The Federal Circuit’s failure to issue any explanation for its decision is not an impediment to review. Both questions in this case were squarely presented to the Federal Circuit and are pure questions of law subject to de novo review. When a case presents this type of legal question, Federal Circuit Rule 36(a)(5) provides that the Federal Circuit can affirm without opinion when “a judgment or decision has been entered without an error of law.” The Federal Circuit’s decision is thus most naturally understood as an endorsement of the district court’s legal rulings.

To be sure, the Federal Circuit’s failure to explain its decision remains surprising. Important legal questions that have divided the courts of appeals deserve more complete consideration and explanation. But this

Court should not let the Federal Circuit's decision to forgo providing an explanation effectively insulate such questions from review. Doing so would only encourage courts of appeals to cut corners or attempt to bury important legal issues in precisely the cases where full judicial consideration is most warranted.

Moreover, the district court's detailed opinion offsets the Federal Circuit's lack of explanation. Indeed, it is presumably because the district court made the legal rulings underpinning its decision so clear that the Federal Circuit decided not to repeat that discussion.

The procedural posture of the district court's decision also favors review. Because the district court resolved these issues on summary judgment, it was required to view the record in the light most favorable to Australian Leather and refrain from entering judgment if there was a material question of fact. This meant that the decision turned on pure questions of law. Specifically, the district court acknowledged for purposes of its ruling that "Australian Leather has evidence that ugg is generic in Australia" and that in the United States "some individuals used ugg generically in the past." App. 17a-18a. But it held this did not matter based on its legal rulings. This case thus provides an ideal vehicle for reviewing those legal rulings without the complication of any factual disputes, all of which had to be resolved in Australian Leather's favor.

CONCLUSION

The petition for a writ of certiorari should be granted.

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Respectfully submitted.

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