

No.

In the Supreme Court of the United States

RISEANDSHINE CORPORATION, DBA RISE BREWING,

Petitioner,

v.

PEPSICO, INC.,

Respondent.

*On Petition for a Writ of Certiorari to the United States
Court of Appeals for the Second Circuit*

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Courts in every circuit consider several factors in determining whether an alleged trademark infringer's use "is likely to cause confusion" under 15 U.S.C. § 1114. Chief among those factors is the trademark's strength, that is, its level of distinctiveness. Twelve circuits consider trademark strength an issue of fact. The Second Circuit stands alone in considering it a question of law.

The question presented is:

Whether trademark strength is a question of fact in a likelihood-of-confusion analysis under 15 U.S.C. § 1114.

PARTIES TO THE PROCEEDINGS BELOW

Petitioner RiseandShine Corporation, DBA Rise Brewing is the sole plaintiff in the district court and the sole appellant in the court of appeals. Respondent PepsiCo, Inc. is the sole defendant in the district court and the sole appellee in the court of appeals.

CORPORATE DISCLOSURE STATEMENT

Pursuant to this Court's Rule 29.6, Petitioner RiseandShine Corporation, DBA Rise Brewing states that it has no parent corporation and that no publicly held company owns 10% or more of its stock.

STATEMENT OF RELATED PROCEEDINGS

The following proceedings are directly related to this case within the meaning of Rule 14.1(b)(iii):

- *RiseandShine Corporation, DBA Rise Brewing v. PepsiCo, Inc.* No. 23-1176 (2d Cir.), judgment entered on December 19, 2024;
- *RiseandShine Corporation, DBA Rise Brewing v. PepsiCo, Inc.* No. 21-6324-LGS (S.D.N.Y.), judgment entered on August 2, 2023;
- *RiseandShine Corporation, DBA Rise Brewing v. PepsiCo, Inc.* No. 21-1176 (2d Cir.), judgment entered on July 22, 2022; and
- *RiseandShine Corporation, DBA Rise Brewing v. PepsiCo, Inc.* No. 21-6324-LGS (S.D.N.Y.), judgment entered on November 4, 2021.

TABLE OF CONTENTS

QUESTION PRESENTED.....	i
PARTIES TO THE PROCEEDINGS BELOW	ii
CORPORATE DISCLOSURE STATEMENT	iii
STATEMENT OF RELATED PROCEEDINGS.....	iv
TABLE OF CONTENTS	v
TABLE OF AUTHORITIES.....	vii
INTRODUCTION.....	1
OPINIONS BELOW	3
STATEMENT OF JURISDICTION	3
STATUTORY PROVISION INVOLVED.....	3
STATEMENT	4
I. Factual Background.....	4
II. Proceedings Below.....	5
A. The District Court Enters a Preliminary Injunction.....	5
B. The Second Circuit Vacates the Preliminary Injunction.....	7
C. The District Court Enters Summary Judgment in Pepsi’s Favor.....	8
D. The Second Circuit Again Holds That Strength of Mark Is a Question of Law	9
REASONS FOR GRANTING THE PETITION	10
I. The Second Circuit Has Created a Circuit Split as to Whether Strength of the Mark Is a Question of Fact	10

TABLE OF CONTENTS—Continued

II. Treating Strength of Mark as an Issue of Law Contravenes This Court’s Precedent.....	13
III.This Issue Is Critically Important.....	16
CONCLUSION	18
Appendix A — Opinion of the United States Court of Appeals for the Second Circuit, Filed December 19, 2024	1a
Appendix B — Opinion and Order of the United States District Court for the Southern District of New York, Filed August 2, 2023	15a
Appendix C — Opinion of the United States Court of Appeals for the Second Circuit, Filed July 22, 2017	45a
Appendix D — Amended Opinion Of The United States District Court for the Southern District of New York, Filed November 1, 2021	64a

TABLE OF AUTHORITIES

CASES	PAGE(S)
<i>Anheuser-Busch Inc. v. Stroh Brewery Co.</i> , 750 F.2d 631 (8th Cir. 1984).....	12
<i>Car-Freshner Corp. v. Am. Covers, LLC</i> , 980 F.3d 314 (2d Cir. 2020)	15
<i>Christianson v. Colt Indus. Operating Corp.</i> , 486 U.S. 800 (1988).....	17
<i>DC Comics, Inc. v. Reel Fantasy</i> , 696 F.2d 24 (2d Cir. 1982)	12, 13
<i>Donchez v. Coors Brewing Co.</i> , 392 F.3d 1211 (10th Cir. 2004).....	12
<i>E.T. Browne Drug Co. v. Cococare Prods., Inc.</i> , 538 F.3d 185 (3d Cir. 2008)	11
<i>Forum Corp. of N. Am. v. Forum, Ltd.</i> , 903 F.2d 434 (7th Cir. 1990).....	12
<i>Hana Fin., Inc. v. Hana Bank</i> , 574 U.S. 418 (2015).....	1, 2, 13, 15
<i>In re North Carolina Lottery</i> , 866 F.3d 1363 (Fed. Cir. 2017)	12
<i>Ironhawk Techs., Inc. v. Dropbox, Inc.</i> , 2 F.4th 1150 (9th Cir. 2021)	12
<i>Lane Cap. Mgmt., Inc. v. Lane Cap. Mgmt., Inc.</i> , 192 F.3d 337 (2d Cir. 1999)	12
<i>Moke Am. LLC v. Moke Int’l Ltd.</i> , 126 F.4th 263 (4th Cir. 2025)	11
<i>Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. de C.V.</i> , 743 F. App’x 457 (D.C. Cir. 2018)	12

TABLE OF AUTHORITIES—Continued

CASES	PAGE(S)
<i>Parklane Hosiery Co. v. Shore</i> , 439 U.S. 322 (1979)	17
<i>Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.</i> , 317 F.3d 209 (2d Cir. 2003)	15
<i>Peoples Fed. Sav. Bank v. People’s United Bank</i> , 672 F.3d 1 (1st Cir. 2013)	11
<i>Polaroid Corp. v. Polarad Elecs. Corp.</i> , 287 F.2d 492 (2d Cir. 1961)	5
<i>Progressive Distrib. Servs., Inc. v. United Parcel Serv., Inc.</i> , 856 F.3d 416 (6th Cir. 2017)	11
<i>Railroad Co. v. Stout</i> , 84 U.S. 657 (1874)	14
<i>Relford v. Commandant</i> , 401 U.S. 355 (1971)	16
<i>Soweco, Inc. v. Shell Oil Co.</i> , 617 F.2d 1178 (5th Cir. 1980)	11
<i>Tiffany & Co. v. Costco Wholesale Corp.</i> , 971 F.3d 74 (2d Cir. 2020)	15
<i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992)	10, 11
<i>United States PTO v. Booking.com B.V.</i> , 591 U.S. 549 (2020)	1, 2, 14, 15
<i>United States v. Gaudin</i> , 515 U.S. 506 (1995)	2
<i>Vidal v. Elster</i> , 602 U.S. 286 (2024)	16

TABLE OF AUTHORITIES—Continued

CASES	PAGE(S)
<i>Welding Servs., Inc. v. Forman</i> , 509 F.3d 1351 (11th Cir. 2007).....	11
STATUTES	
15 U.S.C. § 1114(1).....	i, 1, 3, 10
28 U.S.C. § 1254(1).....	3
RULES	
Sup. Ct. R. 13.....	3
Fed. R. Civ. P. 52(a).....	12
OTHER AUTHORITIES	
2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 17:26 (5th ed. 2025)	2
2021 Year-End Report on the Federal Judiciary (Dec. 31, 2021).....	17

INTRODUCTION

The Lanham Act prohibits competitors from marking their goods in a way that “is likely to cause confusion” or “mistake” with another’s trademark. 15 U.S.C. § 1114. To determine whether a use is likely to cause confusion or mistake, all thirteen circuit courts have developed largely similar “likelihood of confusion” tests that consider various factors. As part of their analyses, the circuit courts uniformly consider a trademark’s conceptual strength—sometimes referred to as its inherent strength—together with the trademark’s acquired strength. With a single exception, the circuit courts consider a trademark’s conceptual and acquired strength as factual questions. The Second Circuit stands alone in considering it a legal question to be decided by the judge.

Not only is the Second Circuit’s approach out of step with that of its sister circuits, but it is also incompatible with this Court’s precedent. In *United States PTO v. Booking.com B.V.*, this Court explained that the “character” of a trademark—whether it is “generic (or not generic)” —“depends on its meaning to consumers,” which considers how “consumers in fact perceive the term” in the marketplace. 591 U.S. 549, 550 (2020). And this Court has consistently held that the “[a]pplication of a test that relies upon an ordinary consumer’s understanding of the impression that a mark conveys falls comfortably within the ken of a jury.” *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 422 (2015). In other words, a trademark’s conceptual strength is squarely a factual question.

The Second Circuit erred in treating conceptual strength as a legal question, and that error resolved the likelihood-of-confusion analysis in this case. The

trademarks here at issue are Rise Brewing’s “RISE” marks for canned, nitro-brewed coffee. The district court awarded Rise Brewing a preliminary injunction against Pepsi’s competing caffeinated beverages bearing the Mtn Dew RISE mark. In granting the preliminary injunction, the district court considered the conceptual strength of the “RISE” trademarks and determined it supported a likelihood of confusion. Pet.App. 82a–84a. On an appeal by Pepsi, the Second Circuit reversed, determining that the “RISE” trademarks were conceptually weak *as a matter of law*. Pet.App. 54a–55a. The Second Circuit’s ruling afforded the RISE trademarks scant protection, vacated the preliminary injunction, and crumpled Rise Brewing’s claim on remand.

The Second Circuit’s decision rested on what it viewed as a *legal conclusion* that there were “strong logical associations between [the word] ‘Rise’ and coffee.” Pet.App. 55a. But analyzing how strong or weak the association is between a trademark (“RISE”) and a product (coffee) is the type of fact-intensive issue involving consumer perception reserved for the trier of fact. *See, e.g., United States v. Gaudin*, 515 U.S. 506, 512 (1995) (recognizing that “delicate assessments of the inferences a reasonable decisionmaker would draw . . . are peculiarly ones for the trier of fact”) (cleaned up); 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 17:26 (5th ed. 2025) (“[L]ike most issues in trademark law * * * commercial impression is * * * a question of fact to be determined from the perspective of the ordinary purchaser.”).

Resolving this circuit split is crucial for many of the same reasons this Court granted *certiorari* in both *Booking.com* and *Hana Financial*: legal conclusions

cannot replace factual determinations, and the same standard for trademark infringement should apply across all circuits.

OPINIONS BELOW

The district court’s preliminary injunction opinion (Pet.App. 64a–97a) is unreported. The court of appeals’ preliminary injunction opinion (Pet.App. 45a–63a) is reported at 41 F.4th 112. The district court’s summary judgment opinion on remand (Pet.App. 15a–44a) is unreported. The court of appeals’ opinion affirming summary judgment (Pet.App. 1a–14a) is unreported.

STATEMENT OF JURISDICTION

The Second Circuit entered judgment on December 19, 2024 (Pet.App. 1a–14a). This petition is thus timely until March 19, 2025, under Sup. Ct. R. 13 as it is filed within 90 days after entry of judgment. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Section 1114 of Title 15 of the United States Code states: “Any person who shall, without the consent of the registrant— (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive * * * shall be liable in a civil action by the registrant for the remedies hereinafter provided.” 15 U.S.C. § 1114.

STATEMENT

I. Factual Background

1. Petitioner RiseandShine Corp. (“Rise Brewing”) was founded in 2014 and sells canned nitro-brewed coffee nationwide in retailers including Walmart, Publix, Kroger, and Whole Foods. Pet.App. 46a. Rise Brewing uses “RISE” to mark its products and has registered “RISE BREWING CO.” as a word mark, Reg. No. 5,168,377, and its RISE BREWING CO. logo (shown below on its cans) as a design mark, Reg. No. 5,333,635 (together, the “RISE marks”).



Pet.App. 17a, 46a.

Rise Brewing spent years building its brand. It invested approximately \$17.5 million in advertising its RISE drinks (Pet.App. 82a.); collaborated with well-known sports franchises (*id.* at 9a); and won many industry and consumer awards, including People Magazine’s 2019 award for “Best Canned Coffee” (*id.* at 82a).

2. At the same time, Respondent PepsiCo, Inc. (“Pepsi”) was looking to enter the market for a morning caffeinated beverage. Pepsi executives were

aware of Rise Brewing's product and believed that Rise Brewing was an attractive acquisition target (Pet.App. 39a).

Rather than acquire or form a partnership with Rise Brewing, Pepsi launched a competing morning caffeine drink, using the word RISE in large, bright capital letters printed on a light-colored upper third of the can, just as in Rise Brewing's product:



Pet.App. 17a.

Pepsi's approach led to actual consumer confusion, with customers placing orders for Rise Brewing's coffee and instead receiving Pepsi's product. Pet.App. 72a–73a. Witness testimony confirmed that customer confusion occurred between the two marks at such a rate that it was the “norm * * * not the exception.” Pet.App. 17a, 72a–73a.

II. Proceedings Below

A. The District Court Enters a Preliminary Injunction

Rise Brewing sued Pepsi and sought a preliminary injunction to end further consumer confusion. Pet.App. 64a–65a. In deciding Rise Brewing's preliminary injunction motion, the district court evaluated the likelihood of confusion under the Second Circuit's traditional eight-factor balancing test set forth in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961).

The district court first considered the strength of the RISE marks based on “(1) the degree to which” the marks are “inherently distinctive”; and “(2) the degree to which” they are “distinctive in the marketplace.” Pet.App. 81a. As to inherent distinctiveness (i.e., conceptual strength), the district court placed the RISE marks in the “suggestive” category, finding that they are “not directly descriptive, but evoke images of morning, which suggests a quality or qualities of the product through the use of imagination, thought and perception.” Pet.App. 82a (cleaned up).

As to marketplace distinctiveness (i.e., acquired distinctiveness), the district court found that the RISE marks had acquired distinctiveness in the marketplace based on how long Rise Brewing’s products had been sold in the marketplace, the millions of dollars Rise Brewing had spent on advertising its RISE marks, the number of awards it had received, and its “exclusive use[] of the principal term RISE to identify” canned caffeinated beverages before Pepsi launched its competing product. Pet.App. 82a–83a. Taken together, the district court found that the conceptual and acquired strength of the RISE marks supported Rise Brewing. *Ibid.*

The district court next found that the similarity between the RISE marks and the use of RISE on Pepsi’s cans “tips strongly” in Rise Brewing’s favor, as their common usage of the word RISE in bold, capital letters made the products “confusingly similar in appearance.” Pet.App. 85a–86a.

The district court also found that the proximity of the products, the evidence of actual confusion, and the quality of the products all favored Rise Brewing, while the remaining factors (bridging the gap, bad faith, and buyer sophistication) were inapplicable, favored

neither party, or were inconclusive. Pet.App. 87a–90a.

The district court issued a preliminary injunction prohibiting Pepsi from displaying any mark confusingly similar to Rise Brewing’s RISE marks. Pet.App. 94a–97a.

B. The Second Circuit Vacates the Preliminary Injunction

Pepsi appealed the preliminary injunction. Considering likelihood of confusion under the same *Polaroid* factors, the Second Circuit held that the district court committed “legal error” “in its evaluation of what is often the most important factor—strength of Plaintiff’s mark—as well as in its finding of similarity in the appearance of the products.” Pet.App. 50a, 55a.

Starting with the strength of the mark, the Second Circuit considered de novo where the RISE marks fall along the spectrum of inherent distinctiveness. Pet.App. 55a. The Second Circuit considered this categorization as a matter of law, explaining that there is “an undeniable legal element in determining how much strength a given mark commands.” *Ibid.* The Second Circuit then determined it was “legal error” for the district court to conclude that the conceptual strength of the suggestive RISE marks favored Rise Brewing. *Ibid.* The Second Circuit based its ruling of “legal error” on the “strong logical associations between “Rise” and coffee.” *Id.* at 55a–56a. The Second Circuit also held that Rise Brewing’s evidence of acquired marketplace distinctiveness was insufficient “to counterbalance the inherent weakness of its mark.” *Id.* at 61a.

Next, on reviewing the same images of the parties’ cans the district court had considered, the Second

Circuit ruled that the district court committed “clear error” in finding that Pepsi’s mark was confusingly similar to the RISE marks. *Ibid.*

Based on these two determinations, the Second Circuit vacated the preliminary injunction and remanded. *Id.* at 63a.

C. The District Court Enters Summary Judgment in Pepsi’s Favor

After further discovery on remand, Pepsi moved for summary judgment of no trademark infringement. Rigorously abiding by the Second Circuit’s legal determinations in its preliminary injunction decision, the district court entered summary judgment for Pepsi. Pet.App. 44a. The district court held that the RISE marks are “inherently weak as a matter of law per the Second Circuit’s binding conclusion.” *Id.* at 28a. The court also explained that the “Circuit’s decision compels a finding that, even in the absence of third-party uses, the mark is inherently weak as a matter of law.” *Id.* at 29a.

As to acquired distinctiveness, the district court determined that, given the Second Circuit’s decision, the same evidence of acquired meaning it had reviewed at the preliminary injunction stage (in addition to other evidence Rise Brewing adduced on remand) was not enough to “overcome the inherent weakness of the mark.” *Id.* at 34a. Thus, the district court concluded that the strength-of-mark factor now “strongly favors” Pepsi. *Ibid.*

Turning to the similarity factor, where the record was unchanged from the preliminary injunction phase, the district court held that the Second Circuit’s preliminary injunction decision “controls” and compels a determination that the similarity “factor

weighs strongly against [Rise Brewing].” Pet.App. 35a.

Lastly, the district court again found that the remaining six *Polaroid* factors—proximity, bridging the gap, actual consumer confusion, Pepsi’s bad faith in copying the mark, respective quality, and the sophistication of the consumer base—either favored Rise Brewing or were neutral or inapplicable. *Id.* at 35a–41a. None of these factors favored Pepsi. Weighing the factors, the district court thus entered summary judgment for Pepsi on Rise Brewing’s trademark infringement claim. *Id.* at 44a.

D. The Second Circuit Again Holds That Strength of Mark Is a Question of Law

Rise Brewing appealed, arguing that the Second Circuit could not have decided strength of the mark as a question of law because strength is a question of fact. Pet.App. 6a. The Second Circuit disagreed and affirmed. The court doubled down on its holding that the inherent strength of a mark is a question of law, stating “in no uncertain terms that a mark’s inherent strength is a legal question.” Pet.App. 6a (brackets and quotation omitted). The Second Circuit explained that it “remain[ed] bound by the holding” in its earlier preliminary injunction decision “regarding the inherent weakness of the ‘RISE’ mark[s].” *Id.* at 8a.

Thus, the Second Circuit again held that Rise Brewing’s evidence of acquired marketplace distinctiveness was not enough to overcome the legal determination of the “mark’s inherent weakness,” and so the court affirmed the district court’s grant of summary judgment. Pet.App. 9a–10a.

REASONS FOR GRANTING THE PETITION

I. The Second Circuit Has Created a Circuit Split as to Whether Strength of the Mark Is a Question of Fact

This case arises under a federal statute that should be applied consistently throughout the United States. Yet the question presented in this petition is answered differently depending on where in the United States a plaintiff files suit. Twelve circuits agree that, in determining the likelihood of confusion under 15 U.S.C. § 1114, the conceptual strength of a plaintiff's trademark should be determined as a question of fact—typically by a jury. Only the Second Circuit holds that the issue is a legal question for a judge. Without this Court's definitive guidance on this question, the circuits will remain divided, and federal law will remain uneven based purely on geography.

The conceptual strength of a trademark, also referred to as its inherent strength, is one of the factors that every circuit considers in its likelihood of confusion analyses. *Infra*, at 11–12. The strength-of-mark factor requires deciding how distinctive a particular mark is to consumers. *Ibid*. The spectrum for distinctiveness ranges from generic on the weakest end to arbitrary and fanciful on the strongest end. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). A generic mark is generally ineligible for trademark protection, while fanciful or arbitrary marks are the most likely to be distinctive and are often the strongest marks. *Ibid*. In between these extremes are two categories: (1) suggestive marks, which can vary in strength depending on how distinctive the marks are; and (2) descriptive marks, which are generally the weakest category eligible for protection and require evidence of acquired

marketplace distinctiveness to be eligible for protection. *Id.* at 769.

Just earlier this year, the Fourth Circuit held that “[t]he genericness or distinctiveness of a mark is a question of fact that we generally review for clear error.” *Moke Am. LLC v. Moke Int’l Ltd.*, 126 F.4th 263, 286 (4th Cir. 2025). And the Eleventh Circuit has made clear that this question of fact extends to both inherent distinctiveness and acquired distinctiveness. *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1357 (11th Cir. 2007) (“Distinctiveness is a question of fact, whether the question is inherent distinctiveness or acquired distinctiveness.”).

The Fourth and Eleventh Circuits typify the majority view. Indeed, every circuit in the nation—other than the Second—treats the conceptual strength of a trademark as a question of fact. *See, e.g., Peoples Fed. Sav. Bank v. People’s United Bank*, 672 F.3d 1, 15 (1st Cir. 2013) (“[T]he district court’s determination as to whether a term is generic, descriptive, or inherently distinctive is a question of fact.”); *E.T. Browne Drug Co. v. Cococare Prods., Inc.*, 538 F.3d 185, 192 (3d Cir. 2008) (“Whether [a trademark] is generic or descriptive, and whether that term has acquired secondary meaning, are questions of fact.”); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1183, n.12 (5th Cir. 1980) (“Any given term’s correct categorization [between generic, descriptive, suggestive, and arbitrary or fanciful] is a factual issue.”); *Progressive Distrib. Servs., Inc. v. United Parcel Serv., Inc.*, 856 F.3d 416, 427 (6th Cir. 2017) (“Any dispute about the evidence that pertains to the eight factors presents a factual issue.”) (“If the facts relevant to the applicable factors are contested, factual findings must be made with respect to each of

these factors.”); *Forum Corp. of N. Am. v. Forum, Ltd.*, 903 F.2d 434, 438 (7th Cir. 1990) (“The standard of review of a district court’s classification of a term along the spectrum of trademark protection—that is, as generic, descriptive, suggestive or arbitrary—is also clearly erroneous * * *.”); *Anheuser-Busch Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 635 (8th Cir. 1984) (“As we have held previously, the categorization of a term for which trademark protection is claimed is considered to be a factual issue, and thus is to be reviewed under the clearly erroneous standard of Fed. R. Civ. P. 52(a).”) (internal citations omitted); *Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1162 (9th Cir. 2021) (“Importantly, the line between descriptive and suggestive marks is elusive, and which category a mark belongs in is a question of fact.”) (internal citations and quotations omitted); *Donchez v. Coors Brewing Co.*, 392 F.3d 1211, 1216 (10th Cir. 2004) (“The categorization of a mark is a factual question.”); *Paleteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. de C.V.*, 743 F. App’x 457, 464 (D.C. Cir. 2018) (“Whether a mark is distinctive—and how distinctive it is—are questions of fact.”); *In re North Carolina Lottery*, 866 F.3d 1363, 1368 (Fed. Cir. 2017) (“Placement of a term on the continuum of distinctiveness is a question of fact.”).

The Second Circuit has not always been the sole outlier, for it too used to evaluate the conceptual strength of a trademark (and acquired distinctiveness) as questions of fact. *See Lane Cap. Mgmt., Inc. v. Lane Cap. Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999) (“The classification of a mark is a factual question.”); *DC Comics, Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24, 26 (2d Cir. 1982) (“determination” of likelihood of confusion “depends upon a number of

factual variables such as ‘(1) the strength of the plaintiff’s mark’’).

The Second Circuit’s shift to treating strength of mark as a “legal” question developed relatively recently. Even then, the Second Circuit acknowledged “the tension on this issue.” Pet.App. 7a. Still, the appeals court unambiguously cemented its current approach in this case by treating the conceptual strength of the RISE trademarks as a question of law. *Ibid.* (holding the RISE marks “weak” “as a matter of law”). The Second Circuit thus applies a different standard for federal trademark law than everywhere else in the country. This should not be, and the divide calls for this Court’s attention.

II. Treating Strength of Mark as an Issue of Law Contravenes This Court’s Precedent

The Second Circuit’s approach is not only unique among the circuit courts, but it also flouts this Court’s precedent on legal tests that hinge on the perceptions of ordinary consumers. This Court treats such tests as questions of fact. *Hana Fin., Inc.*, 574 U.S. at 422. In *Hana Financial*, this Court considered whether “tacking” in the trademark context is a question of fact for the jury to decide, or a question of law for the judge. 574 U.S. 418, 420 (2015). The key question for this Court’s tacking analysis was whether “the original and revised marks are ‘legal equivalents’ in that they create the same, continuing commercial impression.” *Ibid.* This Court left no doubt as to the standard: “Because the tacking inquiry operates from the perspective of an ordinary purchaser or consumer, we hold that a jury should make this determination.” *Ibid.*

The question of a trademark’s conceptual strength (whether generic, descriptive, suggestive, arbitrary, or fanciful) is likewise made from the perspective of ordinary consumers. Applied here, whether there are inherent connections between a word (“RISE”) and a product (coffee), and the strength of those connections, are fact-intensive questions suited for a jury. They fall squarely within the ken of an ordinary consumer. See *Railroad Co. v. Stout*, 84 U.S. 657, 17 Wall. 657, 664 (1874) (“It is assumed that twelve men know more of the common affairs of life than does one man, that they can draw wiser and safer conclusions from admitted facts thus occurring than can a single judge.”).

Treating the strength-of-mark consideration as a question of fact also aligns with this Court’s decision in *Booking.com*. There the U.S. Patent and Trademark Office (“PTO”) had argued for a *per se* rule that any mark that includes a generic term combined with a generic top-level domain like “.com” is generic as a matter of law without inquiry into how consumers view the mark. *Booking.com*, 591 U.S. at 557. This Court rejected the PTO’s legal rule “that ‘generic.com’ terms are generic names,” but at the same time did not “embrace a rule automatically classifying such terms as nongeneric.” *Id.* at 560. This Court instead held that the strength of a mark—its “generic (or nongeneric) character”—is a question of fact that turns on the perception of consumers: “Whether any given ‘generic.com’ term is generic, we hold, depends on *whether consumers in fact perceive* that term as the name of a class or, instead, as a term capable of distinguishing among members of the class.” *Id.* at

550, 560–61 (emphasis added).

Thus, both *Hana Financial* and *Booking.com* treat issues made from the perspective of ordinary purchasers or consumers as factual issues for resolution by a jury. But here the Second Circuit held fast to its own path—a novel path fashioned in 2003¹ despite having consistently applied the majority rule at all times prior.

The Second Circuit’s error disposed of the likelihood-of-confusion question below. At the preliminary injunction stage, the district court had found that the strength of the RISE marks favored Rise Brewing. Pet.App. 80a–84a. But once the Second Circuit issued its opinion vacating the injunction, the district court was compelled to conclude that the RISE marks are “inherently weak as a matter of law per the Second Circuit’s binding conclusion.” Pet.App. 28a; *id.* at 29a (the “Circuit’s decision compels a finding that, even in the absence of third-party uses, the mark is inherently weak as a matter of law”). And so the district court awarded summary judgment to Pepsi, precluding any jury consideration of the strength of the RISE marks.

¹ The genesis of the Second Circuit’s shift occurred in dicta in 2003. See *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216 (2d Cir. 2003) (noting that “there is a considerable component of law in the determination whether a mark has the degree of strength necessary to weigh in favor of the party claiming infringement”). The appeals court later quoted the dicta in a footnote. See *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 86 n.7 (2d Cir. 2020). It snowballed from there. See, e.g., *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 328 (2d Cir. 2020) (citing *Tiffany’s* footnote 7 for the proposition that “there is a considerable component of law” in the strength of mark analysis).

When Rise Brewing appealed the summary judgment determination, it presented this very issue to the Second Circuit and asked the court to return to its original view, but the court “declined to do so” despite noting the “tension on this issue” caused by its prior decisions. Pet.App. 7a. Had the Second Circuit applied the correct standard—one where likelihood of confusion is a question of fact—the district court would have been free to deny summary judgment and allow a jury to consider whether the RISE marks are conceptually strong enough to support infringement.

Indeed, because the Second Circuit views the strength-of-mark factor as “often the most important factor,” the district court would have been especially free to deny summary judgment. Such an outcome was no longshot, for the court had determined that the majority of the remaining likelihood-of-confusion factors favored Rise Brewing. 35a–41a. The posture here makes this case a particularly suitable vehicle. *See Relford v. Commandant*, 401 U.S. 355, 370 (1971) (a question presented is “better resolved in [a] litigation where * * * it would be solely dispositive of the case”).

III. This Issue Is Critically Important

Our nation’s federal trademark system protects businesses’ ability to uniquely identify their products and services to prevent consumer confusion. *See Vidal v. Elster*, 602 U.S. 286, 300 (2024). The system creates a fair and even playing field for small businesses like Rise Brewing among an ever-growing field of large corporations like Pepsi. But this fairness extends only so far when one part of the nation applies a different standard than the rest.

This Court has recognized that, most notably in

the patent law arena, forum-shopping has been a long-standing concern. *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 820 (1988) (Stevens, J., concurring) (explaining that the “lack of uniformity in the federal appellate construction of the patent laws and the forum-shopping that such divergent views had generated” led to the creation of the Federal Circuit). The Chief Justice recently reiterated a need for additional change. *C.f.* Roberts, C.J., 2021 Year-End Report on the Federal Judiciary (Dec. 31, 2021) (discussing the concern that case assignment procedures may allow parties to select a particular judge for patent cases in certain districts). With the Second Circuit applying a unique, incorrect standard in the trademark arena—on “what is often the most important factor” (Pet.App. 50a) no less—the same forum-shopping concerns are bound to arise.

As it stands, the Second Circuit’s solitary approach favors parties that want to avoid juries. But our nation’s founders “considered the right of trial by jury in civil cases an important bulwark against tyranny and corruption, a safeguard too precious to be left to the whim of the sovereign, or, it might be added, to that of the judiciary.” *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 343 (1979) (Rehnquist, J., dissenting). The “concerns for the institution of jury trial” that led to the “Seventh Amendment were not animated by a belief that use of juries would lead to more efficient judicial administration.” *Ibid.* Instead, “[t]rial by a jury of laymen rather than by the sovereign’s judges was important to the founders because juries represent the layman’s common sense, the ‘passional elements in our nature,’ and thus keep the administration of law in accord with the wishes and feelings of the community.” *Id.* at 343–44. The misguided incentives underlying the Second Circuit’s

approach can—and should—be avoided by unifying the standard for analyzing the strength of a trademark.

CONCLUSION

For the foregoing reasons, this Court should grant this petition for a writ of certiorari.

Respectfully submitted,

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March 19, 2025

APPENDIX

TABLE OF APPENDICES

	<i>Page</i>
APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT, FILED DECEMBER 19, 2024	1a
APPENDIX B — OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FILED AUGUST 2, 2023.....	15a
APPENDIX C — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT, FILED JULY 22, 2022.....	45a
APPENDIX D — AMENDED OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, FILED NOVEMBER 4, 2021	64a

**APPENDIX A — OPINION OF THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT,
FILED DECEMBER 19, 2024**

**UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO A SUMMARY ORDER FILED ON OR AFTER JANUARY 1, 2007 IS PERMITTED AND IS GOVERNED BY FEDERAL RULE OF APPELLATE PROCEDURE 32.1 AND THIS COURT’S LOCAL RULE 32.1.1. WHEN CITING A SUMMARY ORDER IN A DOCUMENT FILED WITH THIS COURT, A PARTY MUST CITE EITHER THE FEDERAL APPENDIX OR AN ELECTRONIC DATABASE (WITH THE NOTATION “SUMMARY ORDER”). A PARTY CITING TO A SUMMARY ORDER MUST SERVE A COPY OF IT ON ANY PARTY NOT REPRESENTED BY COUNSEL.

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 19th day of December, two thousand twenty-four.

PRESENT:

**JOSEPH F. BIANCO,
STEVEN J. MENASHI,
EUNICE C. LEE,**
Circuit Judges.

2a

Appendix A

23-1176-cv

RISEANDSHINE CORPORATION,
DBA RISE BREWING,

Plaintiff-Appellant,

v.

PEPSICO, INC.,

Defendant-Appellee.

SUMMARY ORDER

Appeal from a judgment of the United States District Court for the Southern District of New York (Lorna G. Schofield, *Judge*).

UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the judgment of the district court, entered on August 2, 2023, is **AFFIRMED**.

Plaintiff-Appellant RiseandShine Corporation (“RiseandShine”) appeals from the district court’s grant of summary judgment in favor of Defendant-Appellee PepsiCo, Inc. (“PepsiCo”) on RiseandShine’s trademark infringement and unfair competition claims brought under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and its New York common law claims for trademark infringement, unfair competition, and unjust enrichment. The claims

Appendix A

asserted by RiseandShine, which sells nitro-brewed canned coffee drinks under the name “RISE,” relate to PepsiCo’s marketing of a canned energy drink under the mark “MTN DEW RISE ENERGY.” On appeal, RiseandShine argues that the district court erred in granting summary judgment by: (1) analyzing the strength of RiseandShine’s trademark as a question of law and ruling against it on that question; and (2) treating the likelihood of confusion test as a legal question and concluding, after balancing the factors under that test, that PepsiCo was entitled to summary judgment. We assume the parties’ familiarity with the underlying facts, procedural history, and issues on appeal, to which we refer only as necessary to explain our decision to affirm.

This is not the first time these parties are before us. After the district court granted RiseandShine’s motion for a preliminary injunction, *see generally RiseandShine Corp. v. PepsiCo, Inc.*, No. 21-cv-6324 (LGS), 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862 (S.D.N.Y. Nov. 4, 2021) (“*RiseandShine I*”), we reversed and vacated that order, *see generally RiseandShine Corp. v. PepsiCo, Inc.*, 41 F.4th 112 (2d Cir. 2022) (“*RiseandShine II*”). In doing so, we explained that, although RiseandShine’s mark, “RISE,” was suggestive, it was inherently weak because the word “rise” has “strong logical associations” with coffee.¹ *Id.* at 121. After acknowledging that RiseandShine had presented some evidence of acquired distinctiveness, we nonetheless decided that RiseandShine

1. We also noted that the caffeinated beverage sector was well saturated with products branded with the term “Rise.” *RiseandShine II*, 41 F.4th at 122-23.

Appendix A

had not shown, at that juncture, “that its RISE mark ha[d] achieved sufficient acquired strength to counterbalance the inherent weakness of its mark.” *Id.* at 124. We also held that the district court clearly erred in finding that RiseandShine’s mark was similar to PepsiCo’s “MTN DEW RISE ENERGY” mark. *Id.* at 124-25. On remand, and after discovery, the district court granted PepsiCo’s motion for summary judgment on all claims. *See generally RiseandShine Corp. v. PepsiCo*, No. 21-cv-06324 (LGS), 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000 (S.D.N.Y. Aug. 2, 2023) (“*RiseandShine III*”). This appeal followed.

We review *de novo* both a district court’s grant of summary judgment and determination of the likelihood of confusion in trademark infringement cases. *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 326 (2d Cir. 2020). When reviewing summary judgment determinations, we “resolv[e] all ambiguities and draw[] all permissible inferences in favor of the nonmoving party.” *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 83 (2d Cir. 2020).

To prevail on a federal trademark infringement or unfair competition claim, RiseandShine must show that: (1) its mark is protectable and (2) PepsiCo’s product is likely to cause consumer confusion with that mark. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 114 (2d Cir. 2009). Because we have already determined that RiseandShine’s mark is protectable, *RiseandShine II*, 41 F.4th at 121-22, the inquiry turns on whether PepsiCo’s use of the word “Rise” on its product is likely to cause consumer confusion in the marketplace. In evaluating

Appendix A

claims of consumer confusion, we look to the *Polaroid* factors:

(1) the strength of the trademark; (2) the degree of similarity between the plaintiff's mark and the defendant's allegedly imitative use; (3) the proximity of the products and their competitiveness with each other; (4) the likelihood that the plaintiff will "bridge the gap" by developing a product for sale in the defendant's market; (5) evidence of actual consumer confusion; (6) evidence that the defendant adopted the imitative term in bad faith; (7) the respective quality of the products; and (8) the sophistication of the relevant population of consumers.

Tiffany & Co., 971 F.3d at 84-85 (citing *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)). When weighing these factors, "[n]o single factor is dispositive." *Souza v. Exotic Island Enters., Inc.*, 68 F.4th 99, 110 (2d Cir. 2023). The process is not a mere counting exercise "where the party with the greatest number of factors weighing in its favor wins." *Tiffany & Co.*, 971 F.3d at 85 (internal quotation marks and citation omitted). Instead, the inquiry focuses "on the ultimate question of whether consumers are likely to be confused." *Id.* (internal quotation marks and citation omitted). "As in any other area of law . . . if a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue

Appendix A

on summary judgment.” *Id.* at 86 (alteration adopted) (internal quotation marks and citation omitted).

I. Strength of the Mark

The district court concluded that the strength-of-mark factor strongly favored PepsiCo. *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *8. RiseandShine argues that the district court came to that conclusion by impermissibly analyzing the strength-of-mark factor as a question of law and disregarding material facts regarding the mark’s acquired strength. We find both arguments unpersuasive.

The strength-of-mark factor is divided into two inquiries: inherent (or “conceptual”) strength and acquired strength. *RiseandShine II*, 41 F.4th at 120. RiseandShine first argues that the inherent strength is a question of fact. We disagree.

For more than two decades, this Court has recognized that there is “a considerable component of law in the determination whether a mark has the degree of strength necessary to weigh in favor of the party claiming infringement.” *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216 (2d Cir. 2003), *abrogated in part on other grounds by 4 Pillar Dynasty LLC v. N.Y. & Co.*, 933 F.3d 202 (2d Cir. 2019); *see Car-Freshner*, 980 F.3d at 329-30; *Tiffany & Co.*, 971 F.3d at 86. Earlier this year, we reiterated in no uncertain terms that “[a] mark[’s] inherent strength is a legal question.” *City of New York by and through FDNY v. Henriquez*, 98 F.4th

Appendix A

402, 413 (2d Cir. 2024) (citing *Tiffany & Co.*, 971 F.3d at 86 n.7). RiseandShine urges us to disregard our recent precedent in favor of other decisions by this Court, which have suggested that inherent strength is a question of fact. *See, e.g., Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1041 (2d Cir. 1992); *DC Comics, Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24, 26-27 (2d Cir. 1982); *see also Star Indus., Inc. v. Bacardi & Co., Ltd.*, 412 F.3d 373, 384 (2d Cir. 2005) (“A district court’s findings that a mark is not protectable as inherently distinctive is a finding of fact that we generally review for clear error.”). We decline to do so. Indeed, in *RiseandShine II*, we noted the tension on this issue in our prior decisions. *See* 41 F.4th at 121 (“While this Court has said, at times, that the classification of a mark is a factual matter, we have also stated that there is an undeniable legal element in the determination of how much strength a given mark commands.” (citations omitted)). However, as the panels did in *Car-Freshner* and *Tiffany & Co.*, and even more recently in *Henriquez*, the *RiseandShine II* panel adhered to “the most recent statement[s] on the matter,” *Playtex Prods., Inc. v. Ga.-Pac. Corp.* 390 F.3d 158, 162 n.2 (2d Cir. 2004), concluding that the inherent strength of the mark was a legal determination and that the district court committed “legal error” in failing to recognize the inherent weakness of RiseandShine’s mark, *RiseandShine II*, 41 F.4th at 121. Thus, the district court in *RiseandShine III* correctly concluded that it was bound by the previous panel’s determination that “RISE” was, as a matter of law, an inherently weak mark for a coffee product because of the mark’s logical association with the product. *RiseandShine III*, 2023 U.S. Dist. LEXIS

Appendix A

134180, 2023 WL 4936000, at *6 (citing *RiseandShine II*, 41 F.4th at 121-22). We conclude that RiseandShine’s newly proffered dictionary definitions of the word “rise” do not undermine the prior panel’s legal determination in *RiseandShine II*, and we remain bound by the holding in that case regarding the inherent weakness of the “RISE” mark. *See Jones v. Coughlin*, 45 F.3d 677, 679 (2d Cir. 1995) (“A decision of a panel of this Court is binding unless and until it is overruled by the Court *en banc* or by the Supreme Court.”).

RiseandShine next argues that it has raised triable issues of fact regarding the acquired strength of its mark. We disagree. In evaluating whether a mark has acquired distinctiveness, or secondary meaning, we consider “advertising expenditures, consumer studies linking the mark to a source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and the length and exclusivity of the mark’s use.” *Car-Freshner*, 980 F.3d at 329. “The fundamental question, however, is whether the *primary* significance of the term in the minds of the consuming public is not the product but the producer.” *Bristol-Myers Squibb Co.*, 973 F.2d at 1041 (emphasis in original) (internal quotation marks and citation omitted).

We agree with the district court that, on this record, no reasonable jury could find that the primary significance of the mark “RISE” is to identify RiseandShine as the source of the product. *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *6. Although we held in *RiseandShine II* that RiseandShine “ha[d] not

Appendix A

shown that its RISE mark has achieved sufficient acquired strength to counterbalance the inherent weakness of its mark,” 41 F.4th at 124, the district court correctly noted that it was not bound by this decision because “it was made on a somewhat lesser factual record and under a different legal standard,” *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *6. The district court nevertheless determined that the discussion in *RiseandShine II* on the issue had “strong persuasive force” given the “similarity between the record before the Circuit and the record on summary judgment.” 2023 U.S. Dist. LEXIS 134180, at *7. Indeed, much of the evidence on which RiseandShine relies—including, *inter alia*, the \$17.5 million spent on advertising, collaborations with sports teams, the various awards its product received, and anecdotal evidence of confusion—was already before this Court on the prior appeal. We agree that the minimal additional evidence RiseandShine put forth on summary judgment is insufficient to move the analytical needle, especially in the absence of any consumer studies that link the “RISE” mark to RiseandShine. To be sure, consumer surveys are not the only way to establish secondary meaning. *See Centaur Communs., Ltd. v. A/S/M Communs., Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1987), *overruled on other grounds by Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 996 F.2d 577, 585 (2d Cir. 1993). However, as the district court noted, “the absence of survey evidence is probative, especially now at the conclusion of all discovery when evidence of acquired distinctiveness is hardly overwhelming.” *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *7 (internal quotation marks and citation omitted). In

Appendix A

short, when analyzed in the context of the mark’s inherent weakness, RiseandShine’s evidence of secondary meaning is insufficient to create a triable issue of fact on that question, and the district court correctly decided that the strength-of-mark factor strongly favors PepsiCo.

II. Likelihood of Confusion

We similarly reject RiseandShine’s argument that the district court erred in treating the likelihood of confusion question as a matter of law. This Court has long held that the balancing of the *Polaroid* factors is a question of law. *See, e.g., Tiffany & Co.*, 971 F.3d at 86; *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1004-05 (2d Cir. 1983). RiseandShine claims that a Supreme Court decision from nine years ago, *Hana Financial, Inc. v. Hana Bank*, 574 U.S. 418, 135 S. Ct. 907, 190 L. Ed. 2d 800 (2015), effectively overruled Second Circuit precedent holding that the likelihood of confusion test is a legal question. However, since *Hana Financial*, we have continued to hold that the likelihood of confusion test is a question of law. *See, e.g., Souza*, 68 F.4th at 109; *Car-Freshner*, 980 F.3d at 326; *Tiffany & Co.*, 971 F.3d at 86. Indeed, in *Car-Freshner*, we specifically considered and foreclosed the precise argument made by RiseandShine regarding *Hana Financial*. 980 F.3d at 326 n.4. In particular, we noted that while “[i]t is arguable that the Supreme Court’s decision in *Hana Financial* . . . casts doubt on our view” that the likelihood of confusion is a question of law, we nevertheless “continued to adhere to the view that the determination

Appendix A

of whether a given set of foundational facts establishes a likelihood of confusion is a legal conclusion . . . in light of our own recent decision in *Tiffany*” and a similar decision of the Sixth Circuit. *Id.* (internal quotation marks and citation omitted). That determination in *Car-Freshner* is binding here. *See Jones*, 45 F.3d at 679.²

To the extent RiseandShine challenges the district court’s weighing of the *Polaroid* factors, we agree with the district court’s determination that there was not a likelihood that consumers would be confused by PepsiCo’s use of the term “Rise.” *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *11. While “[n]o

2. In *Hana Financial*, the Supreme Court decided that “when a jury trial has been requested and when the facts do not warrant entry of summary judgment or judgment as a matter of law, the question whether tacking is warranted must be decided by a jury.” 574 U.S. at 423. The Court did not hold that the tacking determination is a factual question but rather that the determination “involves the application of a legal standard,” *id.*, and that “the application-of-legal-standard-to-fact sort of question . . . has typically been resolved by juries,” *id.* at 423-24 (quoting *United States v. Gaudin*, 515 U.S. 506, 512, 115 S. Ct. 2310, 132 L. Ed. 2d 444 (1995)). The likelihood of confusion analysis similarly involves the application of a legal standard, and it could be submitted to a jury if there were enough evidence for a reasonable jury to make the predicate findings to establish a likelihood of confusion. In this case, however, the district court properly decided the evidence was insufficient to proceed to trial. *See RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *11; *Hana Financial*, 574 U.S. at 423 (“If the facts warrant it, a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law.”).

Appendix A

single [*Polaroid*] factor is dispositive,” *Souza*, 68 F.4th at 110, the strength of the mark and similarity of the marks are among the most important ones, *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987) (identifying the first three *Polaroid* factors as “perhaps the most significant”). Thus, we have found the similarity-of-marks factor dispositive at the summary judgment stage when the marks are sufficiently dissimilar. *See, e.g., Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46-48 (2d Cir. 2000) (determining that the parties’ marks were “so dissimilar as to require judgment” for the defendant); *see also RiseandShine II*, 41 F.4th at 124 (emphasizing that “weak marks are entitled to only an extremely narrow scope of protection, unless a convincing combination of other *Polaroid* factors militates strongly in favor of likelihood of confusion” (internal quotation marks and citation omitted)). As discussed *supra*, RiseandShine’s mark is inherently weak and thus entitled to “an extremely narrow scope of protection.” *RiseandShine II*, 41 F.4th at 124. As the prior panel concluded, RiseandShine’s “RISE” mark also does not resemble PepsiCo’s mark. *Id.* at 124-25. Thus, on this record, the remaining *Polaroid* factors, which included some limited evidence of actual confusion and bad faith, do not produce a sufficiently “convincing combination” to militate in favor of RiseandShine.³ *Id.* at

3. We note that RiseandShine’s anecdotal evidence of actual confusion, which is largely centered on the perceptions of industry professionals, does little to show likelihood of *consumer* confusion. As noted *supra*, during discovery, RiseandShine could have provided consumer surveys to demonstrate that consumers were

Appendix A

124 (internal quotation marks and citation omitted). In sum, when viewing the *Polaroid* factors in the aggregate, the district court correctly found that there is no likelihood of confusion and thus summary judgment was warranted in PepsiCo’s favor on the Lanham Act claims.⁴

* * *

confused by PepsiCo’s mark, but they failed to do so. *See The Sports Auth., Inc. v. Prime Hosp. Corp.*, 89 F.3d 955, 964 (2d Cir. 1996) (noting that “the absence of surveys is evidence that actual confusion cannot be shown”). Thus, the district court correctly held that actual confusion *only slightly* favored RiseandShine. *RiseandShine III*, 2023 U.S. Dist. LEXIS 134180, 2023 WL 4936000, at *9. Similarly, the evidence of bad faith—namely, that RiseandShine sought a “partnership” with PepsiCo, which PepsiCo declined—does not overcome (individually or in combination with anecdotal evidence of actual confusion) the other *Polaroid* factors favoring PepsiCo, including the dissimilarity between the marks.

4. Because RiseandShine’s state law claims for infringement and unfair competition also turned on the likelihood of confusion, we also uphold the district court’s grant of summary judgment on those claims. *See Fireman’s Ass’n of the State of N.Y. v. French Am. Sch. of N.Y.*, 41 A.D.3d 925, 839 N.Y.S.2d 238, 241 (3d Dep’t 2007); *Bristol-Myers Squibb Co.*, 973 F.2d at 1048 (“In order to prevail under New York law, a plaintiff must demonstrate a likelihood of confusion between the two products.”). Similarly, we affirm the district court’s grant of summary judgment on RiseandShine’s unjust enrichment claim because it flowed from RiseandShine’s claim that PepsiCo misappropriated the “RISE” mark, and RiseandShine does not contest the district court’s determination of that claim on appeal. *See FTC v. Verity Int’l, Ltd.*, 443 F.3d 48, 65 (2d Cir. 2006) (finding that the appellants “waived their right to contest” the district court’s determination “by not raising it as an issue on appeal”).

14a

Appendix A

We have considered RiseandShine's remaining arguments and find them to be without merit. Accordingly, we **AFFIRM** the judgment of the district court.

FOR THE COURT:

Catherine O'Hagan Wolfe, Clerk of Court

/s/ Catherine O'Hagan Wolfe

**APPENDIX B — OPINION AND ORDER OF THE
UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK,
FILED AUGUST 2, 2023**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

21 Civ. 6324 (LGS)

RISEANDSHINE CORPORATION
d/b/a RISE BREWING,

Plaintiff,

-against-

PEPSICO INC.,

Defendant.

Filed August 2, 2023

OPINION AND ORDER

LORNA G. SCHOFIELD, District Judge:

Plaintiff RiseandShine Corporation d/b/a Rise Brewing (“Rise Brewing”) brings this trademark infringement suit against Defendant Pepsico Inc. (“PepsiCo”). Plaintiff owns certain registered marks that it uses on its canned coffee-based and tea-based drinks. Plaintiff alleges Defendant infringed on Plaintiff’s marks with its canned energy drink “MTN DEW RISE ENERGY” (or “Mtn Dew Rise”). Plaintiff asserts five claims in the First Amended Complaint (“FAC”): trademark infringement, unfair competition and false designation of origin under federal

Appendix B

law; and trademark infringement, unfair competition and unjust enrichment under New York law. Following the close of fact and expert discovery, Defendant moves for summary judgment on all claims. For the reasons below, Defendant's motion is granted.

I. BACKGROUND

The following facts are drawn from the parties' Rule 56.1 statements and other submissions on this motion. The facts are undisputed or based on record evidence drawing all reasonable inferences in favor of Plaintiff as the non-moving party. *See N.Y. State Teamsters Conf. Pension & Ret. Fund v. C&S Wholesale Grocers, Inc.*, 24 F.4th 163, 170 (2d Cir. 2022).

Rise Brewing holds federal trademark No. 5,168,377 for the word mark "Rise Brewing Co." and No. 5,333,635 for the design mark "Rise Brewing Co." depicted to the right. Rise Brewing uses these marks, and other word marks containing the word "rise" in connection with its coffee-based and tea-based drinks. It first used these marks on its products beginning in May 2015. Rise Brewing distributes its products nationally. Between 2015 and 2021, it spent approximately \$17.5 million in advertising, all of which featured some form of the marks.



Appendix B

Mtn Dew Rise is a fruit-flavored caffeinated energy drink sold by Defendant, launched in 2021. The packaging for both products is depicted below, with certain of Plaintiff's products on the left and Mtn Dew Rise on the right:



In January 2021, Plaintiff learned of the forthcoming launch of Mtn Dew Rise and sent Defendant a cease-and-desist letter. In March 2021, Defendant began selling Mtn Dew Rise. Shortly after the launch of Mtn Dew Rise, industry and personal contacts began contacting Rise Brewing employees, making inquiries or statements that suggested a perceived partnership between Rise Brewing and PepsiCo. Defendant's customer service center also received an inquiry asking if Mtn Dew Rise was associated with Plaintiff. Employees of stores that sold both products reported that they believed the products were connected.

On June 15, 2021, Plaintiff commenced this lawsuit in the Northern District of Illinois, alleging federal and state trademark infringement. Plaintiff then moved for a preliminary injunction. The case was transferred to the Southern District of New York. In November 2021, Plaintiff's motion for a preliminary injunction was granted, and Defendant was enjoined from using the "Mtn Dew Rise Energy" mark in connection with canned

Appendix B

energy beverages. *See RiseandShine Corp. v. PepsiCo, Inc.*, No. 21 Civ. 6324, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *11-12 (S.D.N.Y. Nov. 4, 2021). On July 22, 2022, following briefing and oral argument, the Second Circuit vacated the preliminary injunction. *See RiseandShine Corp. v. PepsiCo, Inc.*, 41 F.4th 112, 125 (2d Cir. 2022) (“*RiseandShine II*”). Defendant now moves for summary judgment.

II. STANDARD**A. Summary Judgment**

Summary judgment is appropriate where the record establishes that “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). “An issue of fact is genuine if the evidence is such that a reasonable jury could return a verdict for a nonmoving party.” *Frost v. N.Y.C. Police Dep’t*, 980 F.3d 231, 242 (2d Cir. 2020) (quoting *SCR Joint Venture L.P. v. Warshawsky*, 559 F.3d 133, 137 (2d Cir. 2009)).¹ “Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment.” *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986); accord *Saleem v. Corp. Transp. Grp.*, 854 F.3d 131, 148 (2d Cir. 2017). In evaluating a motion for summary judgment, a court must “construe the record

1. Unless otherwise indicated, in quoting cases, all internal quotation marks, alterations, emphases, footnotes and citations are omitted.

Appendix B

evidence in the light most favorable to the non-moving party and draw all reasonable inferences in its favor.” *Torcivia v. Suffolk Cnty.*, 17 F.4th 342, 354 (2d Cir. 2021).

B. Trademark Disputes

“To prevail on a [federal] trademark infringement and unfair competition claim . . . in addition to demonstrating that the plaintiff’s mark is protected, the plaintiff must prove that the defendant’s use of the allegedly infringing mark would likely cause confusion as to the origin or sponsorship of the defendant’s goods with plaintiff’s goods.” *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 114 (2d Cir. 2009); *accord Gayle v. Allee*, No. 18 Civ. 3774, 2021 U.S. Dist. LEXIS 6756, 2021 WL 120063, at *3 (S.D.N.Y. Jan. 13, 2021). The analysis regarding Plaintiff’s state law trademark and unfair competition claims mirrors this standard. *See Capri Sun GmbH v. Am. Bev. Corp.*, 595 F. Supp. 3d 83, 145 (S.D.N.Y. 2022) (“For a trademark infringement claim under New York common law, it is well-established that its elements mirror the Lanham Act claim’s.”); *Gayle v. HBO, Inc.*, No. 17 Civ. 5867, 2018 U.S. Dist. LEXIS 73254, 2018 WL 2059657, at *4 (S.D.N.Y. May 1, 2018) (“[T]here are no material differences between the standards that apply to Lanham Act claims and the standards that apply to New York trademark and unfair competition claims.”).

“To determine whether there is a likelihood of consumer confusion, [courts in the Second Circuit] look to . . . eight . . . *Polaroid* factors.” *Souza v. Exotic Island Enters., Inc.*, 68 F.4th 99, 110 (2d Cir. 2023) (citing

Appendix B

Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961)). Those non-exclusive factors are:

(1) strength of the trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may bridge the gap by developing a product for sale in the market of the alleged infringer's product; (5) evidence of actual consumer confusion; (6) evidence that the imitative mark was adopted in bad faith; (7) respective quality of the products; and (8) sophistication of consumers in the relevant market.

Id. “[T]he modern test of infringement is whether the defendant’s use is likely to cause confusion not just as to source, but also as to sponsorship, affiliation or connection.” *Int’l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 161 (2d Cir. 2016). Here, Plaintiff relies on a theory of “reverse confusion” – that when Defendant, the junior user and much larger company, uses the same mark as Plaintiff, the senior user, “consumers might believe that the senior user’s success in promoting its brand had led the larger junior user to acquire the senior.” *RiseandShine II*, 41 F.4th at 124.

The Second Circuit recently has acknowledged ambiguity in its trademark jurisprudence regarding questions of law versus questions of fact. *See Souza*, 68 F.4th at 108-09; *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 328 n.11 (2d Cir. 2020); *Kelly-Brown v.*

Appendix B

Winfrey, 659 F. App'x 55, 58 n.3 (2d Cir. 2016) (summary order). Distinguishing questions of law from questions of fact (or mixed questions of law and fact) is particularly important at summary judgment when questions of fact may not be resolved by the court, while questions of law must be. *See* Fed. R. Civ. P. 56(a) (“The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.”). The Circuit has emphasized that this familiar principle governs equally in trademark disputes. *See Souza*, 68 F.4th at 109 (“[P]ast cases hinting at deference to the district court should not be read to suggest that a district court deciding a motion for summary judgment in a trademark infringement case has greater discretion than it would have in a non-trademark case.”). “As in any other area of law, then, if a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary judgment.” *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 86 (2d Cir. 2020). Traditionally, mixed questions of law and fact are submitted to and decided by the jury but are reviewed on appeal “either *de novo* or under the clearly erroneous standard, depending on whether the question is predominantly legal or predominantly factual.” *United States v. Skys*, 637 F.3d 146, 152 (2d Cir. 2011); *accord Nat’l Union Fire Ins. Co. of Pittsburgh v. Garpo Marine Servs., Inc.*, 773 F. App'x 22, 24 (2d Cir. 2019) (summary order). These distinctions, which determine who decides what, are particularly important in this case because the Second Circuit’s legal conclusions in *RiseandShine II* are binding for purposes of Defendant’s present motion.

Appendix B

Application of the *Polaroid* factors involves several levels of analysis involving questions of law and fact. These include (1) the review of evidence as to a particular factor, (2) the determination of whether those facts weigh in favor of one party or another and to what degree and (3) the final weighing of all of the factors together to determine the likelihood of consumer confusion.

As to each individual *Polaroid* factor, any evidentiary disputes about foundational facts raise questions of fact. For purposes of analyzing consumer confusion on summary judgment, these disputes are resolved in favor of the non-moving party. *See, e.g., Tiffany*, 971 F.3d at 85 (“[Circuit precedent] should not be read to suggest that a district court deciding a motion for summary judgment in a trademark infringement case has greater discretion than it would have in a non-trademark case to resolve disputed issues of fact or draw inferences against the non-moving party.”).

Having construed disputed facts in favor of the non-moving party, the next question is whether a particular factor favors one party or another and, if so, to what degree. Recently the Second Circuit has treated this inquiry as, at least at times, a question of law. *Tiffany*, 971 F.3d at 86 (“[I]nsofar as the determination of whether one of the *Polaroid* factors favors one party or another involves a legal judgment – which it often does – we must review that determination *de novo* [as a question of law].”). When following this approach, the Circuit has declined to speak in terms of what a reasonable jury could find as to each factor and instead treats the determination of an

Appendix B

individual *Polaroid* factor as a legal conclusion to be made by the court, on the basis of the record with all factual issues resolved and all permissible inferences drawn in favor of the non-moving party. *See, e.g., Souza*, 68 F.4th at 110-15; *Car-Freshner*, 980 F.3d at 328, 333 (for each factor, “set[ting] out the District Court’s rulings, and then our own assessment of the factor” and giving “conclusions with respect to each factor” on *de novo* review); *Saxon Glass Techs, Inc. v. Apple Inc.*, 824 F. App’x 75, 79-80 (2d Cir. 2020) (summary order) (affirming a grant of summary judgment after determining which party each factor favored, viewing the evidence for each factor in favor of the non-moving party). *But see Guthrie Healthcare Sys. v. ContextMedia, Inc.*, 826 F.3d 27, 37-38 (2d Cir. 2016) (“We generally review determinations as to individual *Polaroid* factors [following a bench trial] for clear error, at least to the extent they involve factual determinations[.]”); *Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 384 (2d Cir. 2005) (“The district court’s resolution of each separate factor [at a bench trial] is treated as a finding of fact which we review for clear error.”); *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1043 (2d Cir. 1992) (“In this Circuit, a district court’s determination of the individual *Polaroid* factors are subject to review as findings of fact, subject to review only if clearly erroneous[.]”).

Having evaluated each *Polaroid* factor individually, the final step of the analysis is to balance the various factors to answer the ultimate question of whether consumers are likely to be confused. This determination is a question of law. *See Car-Freshner*, 980 F.3d at 326

Appendix B

(stating that the ultimate question of “whether the plaintiff has shown a likelihood of confusion . . . [is] a question of law”); *Souza*, 68 F.4th at 109 (“[W]e have always held that the district court’s balancing of those factors should be reviewed *de novo* [i.e., as a question of law]”).²

As necessary to adjudicate Defendant’s motion, this decision applies the Circuit’s recent decisions regarding the *Polaroid* factor analysis at summary judgment as follows: (1) as to each *Polaroid* factor, when there is disputed evidence, construe the facts and draw inferences in favor of the non-moving party, *see Souza*, 68 F.4th at 109, understanding that the court has no greater latitude in a trademark case than in any other “to resolve disputed issues of fact or draw inferences against the non-moving party,” *Tiffany*, 971 F.3d at 85; (2) determine as a matter

2. The Second Circuit acknowledged in *Car-Freshner* that, “[a]t an earlier time, we considered likelihood of confusion to be a question of fact. Now, however, we are one of three circuits, along with the Sixth and Federal Circuits, that consider likelihood of confusion to be a question of law.” *Car-Freshner*, 980 F.3d at 326 n.4; *see also Merriam-Webster, Inc. v. Random House, Inc.*, 35 F.3d 65, 70 (2d Cir. 1994) (“Whether likelihood of confusion exists is a matter of mixed fact and law reviewed *de novo*.”). The court in *Car-Freshner* also noted that *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 135 S. Ct. 907, 190 L. Ed. 2d 800 (2015), may cast doubt on treating consumer confusion as a question of law. *Hana* held that whether two trademarks are to be considered “legal equivalents[,] in that they create the same, continuing commercial impression” from “the perspective of an ordinary purchaser or consumer,” is a question of fact. *Id.* at 420. Notwithstanding *Hana*, the Second Circuit treats the “determination of whether a given set of foundational facts establishes a likelihood of confusion [a]s a legal conclusion.” *Car-Freshner*, 980 F.3d at 326 n.4.

Appendix B

of law which party each *Polaroid* factor favors and how strongly it favors that party, *see, e.g., Car-Freshner*, 980 F.3d at 333-34, (stating its conclusions with respect to each *Polaroid* factor, including that certain factors “strongly favor[]” or “barely favor[]” a party); *Saxon Glass Techs.*, 824 F. App’x at 79-80 (similar); (3) weigh these factors and any other relevant facts, *Souza*, 68 F.4th at 110 (“Th[e] [*Polaroid*] factors are neither exhaustive nor applied mechanically. No single factor is dispositive; rather, each is evaluated in the context of how it bears on the ultimate question of likelihood of confusion as to the source of the product.”); *Saxon Glass Techs.*, 824 F. App’x at 80 (reiterating that “no one factor should be treated as dispositive” and a court is to “look[] at the products in their totality”); and (4) determine, as a matter of law, whether a jury could reasonably conclude that there is a likelihood of consumer confusion, *see Car-Freshner*, 980 F.3d at 326-27 (applying *de novo* review to “determin[e] whether the requisite likelihood of confusion has been shown (or, more precisely, on review of the summary judgment ruling, whether a genuine issue exists as to such likelihood)”); *Tiffany*, 971 F.3d at 91 (“We conclude that Costco’s evidence has, when considered in the aggregate, created a genuine question as to the likelihood of customer confusion. . . . [A] jury could reasonably conclude that”). If a genuine issue exists as to the likelihood of confusion, the court should deny summary judgment.

C. Effect of the Preliminary Injunction Decision

A threshold question is the effect of *RiseandShine II* on Defendant’s motion. There, the Second Circuit

Appendix B

concluded that Plaintiff had not demonstrated a likelihood of success on the merits. 41 F.4th at 125. Under Second Circuit law, “[w]hen an appellate court has once decided an issue, the trial court, at a later stage in the litigation, is under a duty to follow the appellate court’s ruling on that issue.” *United States v. Uccio*, 940 F.2d 753, 757 (2d Cir. 1991); accord *In re Aluminum Warehousing Antitrust Litig.*, 520 F. Supp. 3d 455, 482 (S.D.N.Y. 2021) (“The law-of-the-case doctrine has two branches. The first requires a trial court to follow an appellate court’s previous ruling on an issue in the same case. This is the so-called mandate rule.”). “The mandate rule . . . forecloses relitigation of issues expressly or impliedly decided by the appellate court.” *Serby v. First Alert, Inc.*, 783 F. App’x 38, 40 (2d Cir. 2019) (summary order).

Even so, “ordinarily, findings of fact and conclusions of law made in a preliminary injunction proceeding do not preclude reexamination of the merits at a subsequent trial.” *Cayuga Indian Nation of N.Y. v. Seneca Cnty.*, 978 F.3d 829, 834 (2d Cir. 2020) (quoting *Irish Lesbian & Gay Org. v. Giuliani*, 143 F.3d 638, 644 (2d Cir. 1998)); see also *DiLaura v. Power Auth.*, 982 F.2d 73, 77 (2d Cir. 1992) (“[T]he decision of both the trial and appellate court on whether to grant or deny a temporary injunction does not preclude the parties in any way from litigating the merits of the case.”). This is because a preliminary injunction order is “by its very nature, tentative,” and “it would be anomalous in most cases . . . to regard the initial preliminary injunction ruling as foreclosing the subsequent, more thorough consideration of the merits that the preliminary injunction expressly envisions.” *Cayuga Indian Nation*, 978 F.3d at 834.

Appendix B

The words “ordinarily” and “in most cases,” signify that the room left for reexamination is not without exception. *See id.* Other circuit courts have described more fully when a court’s holding at the preliminary injunction stage becomes the law of the case – specifically, when the holding is not tentative, is based on a fully developed record or is entirely a conclusion of law. *See, e.g., Daunt v. Benson*, 999 F.3d 299, 308 (6th Cir. 2021) (“[W]e must ask whether the appellate panel considering the preliminary injunction has issued a fully considered appellate ruling on an issue of law. If so, then that opinion becomes the law of the case.”); *Comcast of Me./N.H., Inc. v. Mills*, 988 F.3d 607, 612 (1st Cir. 2021) (“Under the law of the case doctrine, a panel decision on a preliminary injunction motion constitutes binding precedent, at least when the record before the panel was sufficiently developed and the facts necessary to shape the proper legal matrix were sufficiently clear.”); *Fish v. Schwab*, 957 F.3d 1105, 1140-41 (10th Cir. 2020) (“[O]ur sister circuits and a leading treatise agree that a fully considered appellate ruling on an issue of law made on a preliminary injunction appeal becomes the law of the case for further proceedings in the trial court on remand and in any subsequent appeal.” (quoting 18B Charles Alan Wright et al., *Federal Practice & Procedure* § 4478.5 n.6 (2d ed., database updated 2020))); *Rodriguez v. Robbins*, 804 F.3d 1060, 1080 (9th Cir. 2015) (“Because preliminary injunction decisions are often made hastily and on less than a full record, they may provide little guidance as to the appropriate disposition on the merits. However, there is an exception to the general rule for conclusions on pure issues of law.”), *rev’d on other grounds by Jennings v. Rodriguez*, 583 U.S. 281, 138 S.Ct. 830, 200 L. Ed. 2d

Appendix B

122 (2018); *Sherley v. Sebelius*, 689 F.3d 776, 782, 402 U.S. App. D.C. 178 (D.C. Cir. 2012) (“[W]here the earlier ruling, though on preliminary-injunction review, was established in a definitive, fully considered legal decision based on a fully developed factual record and a decisionmaking process that included full briefing and argument without unusual time constraints, why should we not follow the usual law-of-the-case jurisprudence?”). As discussed below, this decision treats as binding the conclusions of law in *RiseandShine II* based on a substantially similar factual record.

III. DISCUSSION

Defendant’s motion for summary judgment on all claims is granted for the reasons set out below.

A. *Polaroid* Factors

1. Strength of the Trademark

The strength of a mark “is analyzed based on two components: (1) the degree to which the mark is inherently distinctive; and (2) the degree to which it is distinctive in the marketplace.” *Car-Freshner*, 980 F.3d at 329.

a. Inherent Distinctiveness

Plaintiff’s mark is inherently weak as a matter of law per the Second Circuit’s binding conclusion in *RiseandShine II*. Discussing the first *Polaroid* factor – the strength of the trademark – the Circuit held that

Appendix B

“the strong logical associations between ‘Rise’ and coffee represent weakness and place the mark at the low end of the spectrum of suggestive marks.” *Id.* at 121. This holding was a conclusion of law. *Id.* at 121 & 122 n.1 (on *de novo* review, stating that to conclude otherwise was “legal error” and that “the discretion allowed to a factfinder in finding inherent strength is minimal at best”); *Tiffany*, 971 F.3d at 86 n.7 (finding “a considerable component of law in the determination whether a mark has the degree of strength necessary to weigh in favor of the party claiming infringement”); *Guthrie Healthcare Sys.*, 826 F.3d at 38 (“[A]ssessment of some of the *Polaroid* factors may involve issues of law . . . particularly so for determinations as to whether the senior user’s mark is . . . a strong mark, or in contrast, . . . [is] unenforceable or weak.”).

The Circuit’s holding was based on the nature of the mark and not on extrinsic evidence. The Circuit relied on the nature of the word “rise” and its logical associations to find that the mark “is inherently weak and commands a narrow scope of protection.” *Id.* at 122. Plaintiff argues that the Circuit relied “in large part” on hearsay evidence of third-party uses, which may be considered on a motion for a preliminary injunction, but not one for summary judgment. However, this ignores that the Circuit characterized the mark as “inherently” and “decidedly” weak before continuing, “[a] survey of the use of the term ‘Rise’ in the beverage market *further underlines* the weakness of the mark.” *Id.* (emphasis added). The Circuit’s decision compels a finding that, even in the absence of third-party uses, the mark is inherently weak as a matter of law.

*Appendix B***b. Acquired Distinctiveness**

RiseandShine II found that Plaintiff “has not shown that its RISE mark has achieved sufficient acquired strength to counterbalance the inherent weakness of its mark.” 41 F.4th at 124. This finding is not binding here because it was made on a somewhat lesser factual record and under a different legal standard – i.e., what a reasonable jury was *likely* to find (i.e., likelihood of success on the merits), rather than the standard here, what a reasonable jury *could* find.

“Acquired distinctiveness, sometimes called secondary meaning, is determined by analyzing six factors: advertising expenditures, consumer studies linking the mark to a source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and the length and exclusivity of the mark’s use.” *Car-Freshner*, 980 F.3d at 329. While Plaintiff has proffered some evidence of acquired strength, no reasonable jury could conclude “that the mark’s primary significance to relevant consumers is to identify the trademark holder as the source of the product.” *See Cross Com. Media, Inc. v. Collective, Inc.*, 841 F.3d 155, 160 (2d Cir. 2016) (discussing acquired strength in the context of whether a mark is entitled to protection).

Plaintiff offers evidence that it spent \$17.5 million in advertising, but provides no context to determine whether this amount is significant in the relevant market. *See Capri Sun GmbH*, 595 F. Supp. 3d at 150 (“[M]erely showing that a certain amount was spent on advertising

Appendix B

provides little support for secondary meaning.”). Plaintiff also offers evidence of various awards for its products. Of the five awards Plaintiff cites, three are from industry publications, limiting their probative value as to consumer perceptions, and one award post-dates the introduction of Defendant’s product. Plaintiff also submitted evidence showing the fastest year-over-year growth compared to certain competitors. But this evidence in the aggregate is insufficient to show acquired distinctiveness. *See E.A. Sween Co., v. A&M Deli Express, Inc.*, 787 F. App’x 780, 786 (2d Cir. 2019) (summary order) (affirming dismissal of a trademark dilution claim after analyzing the six factors, one of which is “the degree of inherent or acquired distinctiveness,” when a plaintiff “did not allege that the . . . brand was widely recognized beyond the fact that it won industry awards and had ‘significant’ sales”). Plaintiff also offers evidence that certain of Defendant’s employees were unaware of other beverages using “Rise” beyond Plaintiff’s products and Mtn Dew Rise. But this is not evidence of consumer recognition, much less widespread consumer recognition.

Finally, Plaintiff offers no “consumer studies linking the mark to the source.” *Car-Freshner*, 980 F.3d at 329. Plaintiff offers two surveys that seek to profile its consumers, but this evidence is not probative of secondary meaning. Under Second Circuit law, survey evidence is not required to establish secondary meaning. *See, e.g., Car-Freshner Corp.*, 980 F.3d at 329 & n.15 (finding evidence of unsolicited news and social media coverage and in popular culture sufficient to allow “a reasonable juror [to] interpret the record evidence as a whole to indicate

Appendix B

widespread recognition”). But the absence of survey evidence is probative, especially now at the conclusion of all discovery when evidence of acquired distinctiveness is “hardly overwhelming.” *Capri Sun GmbH*, 595 F. Supp. 3d at 154 (“Although failure to undertake a consumer survey concerning recognition of its mark is not by itself fatal to a plaintiff’s assertion of secondary meaning, where the other evidence of consumer recognition is hardly overwhelming, the absence of survey evidence weighs heavily against plaintiff’s position.”).

Although *RiseandShine II*’s discussion with respect to acquired meaning is not binding, the similarity between the record before the Circuit and the record on summary judgment gives that discussion strong persuasive force. Plaintiff still relies principally on evidence of advertising spending and product awards, as well as a declaration of its CEO previously filed to support the preliminary injunction motion. That Plaintiff offers no survey evidence in support of acquired meaning, despite having the opportunity to do so, and the relative lack of other evidence support the conclusion that Plaintiff’s mark has not achieved a secondary meaning linking the Rise mark to Plaintiff’s product.

c. Strength of the Mark and Reverse Confusion

Plaintiff’s theory of liability is reverse confusion. “Reverse confusion occurs when consumers believe, erroneously, that the goods marketed by the prior user are produced by the subsequent user.” *RiseandShine*

Appendix B

II, 41 F.4th at 119. Plaintiff argues that, in a reverse confusion case, a reasonable jury could find a likelihood of confusion despite a weak mark, because a plaintiff with a commercially weak mark (i.e., a mark without a strong secondary meaning; a mark that consumers do not strongly associate with the plaintiff) is more likely to be able to show reverse confusion claim against a junior user with a far stronger mark. In effect, Plaintiff argues that in a reverse confusion case, a weak mark should not weigh strongly against a Plaintiff in determining the likelihood of consumer confusion.

This argument is only half right. The basic premise in a strong reverse confusion case, as reflected in Plaintiff's cited cases, is that a mark that is inherently strong, but not strongly associated with the plaintiff (i.e., one that has not acquired a secondary meaning), is both deserving of protection and is likely to be the subject of consumer confusion.³ In such a case, the first *Polaroid* factor tips

3. See *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 232 (3d Cir. 2000) (warning of the "perverse result that less imaginative marks would be more likely to win reverse confusion claims than arbitrary or fanciful ones"); *Flushing Bank v. Green Dot Corp.*, 138 F. Supp. 3d 561, 586 (S.D.N.Y. 2015) ("In a reverse confusion case such as this, strength of mark favors the senior user when the senior user's mark is inherently distinctive and where the junior user is apt to drown out the moderate success of the senior user."); *First Natl Bank of Omaha, Inc. v. MasterCard Int'l, Inc.*, No. 02 Civ. 3691, 2004 U.S. Dist. LEXIS 13162, 2004 WL 1575396, at *12 (S.D.N.Y. July 15, 2004) ("For both forward and reverse confusion claims, a plaintiff with a conceptually weak mark is less likely to prevail. A plaintiff with a mark that is commercially weak, however, is more likely to succeed

Appendix B

strongly in favor of a plaintiff who holds such a mark. However, this argument does not help Plaintiff, because its mark is inherently weak, as discussed above, and therefore less deserving of trademark protection. *See RiseandShine II*, 41 F.4th at 122, 124 (calling the mark “decidedly weak” and finding “[w]eak marks are entitled to only an extremely narrow scope of protection”).

* * *

In sum, Plaintiff’s mark is inherently weak. Although Plaintiff offers some evidence of acquired distinctiveness, the record as a whole with respect to acquired meaning, construed in favor of Plaintiff, does not overcome the inherent weakness of the mark. Accordingly, this factor strongly favors Defendant.

2. Similarity

The second Polaroid factor, similarity of the marks, favors Defendant based on *RiseandShine II*. The Circuit “[c]ompar[ed] the two products . . . in size, proportion, style, color, and artwork” and “overall appearances of the cans” to find that “the differences appear far more notable than the similarities.” *Id.* at 125.

The Circuit in *RiseandShine II* implied that this factor presents a factual question by stating that it was “clear error” to find the products similar. However, there

in establishing reverse confusion, particularly against a defendant with a far stronger mark.”).

Appendix B

is no dispute about how the respective products look – what size, what font, what color, etc. The question is whether, in the aggregate, these characteristics warrant describing the products as similar or not. This inquiry can be viewed in two ways – either as calling for a factual inference (mindful that all reasonable inferences must be drawn in favor of Plaintiff as the non-movant) or as a legal inquiry into the extent to which the resemblance between the parties’ products warrants weighing this factor in favor of Plaintiff or Defendant. *See Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141, 149 (2d. Cir. 2003) (concluding that district court erred in its finding on similarity, because visual dissimilarities were legally irrelevant to marks communicated over radio and through word of mouth, and finding that the factor “favored the plaintiff as a matter of law”). Under the first approach, the record has not changed since the Second Circuit’s decision, and under the second, the inquiry is a question of law. Either way, *RiseandShine II* controls. This factor weighs strongly against Plaintiff.

3. Proximity

Construing the evidence and drawing all reasonable inferences in favor of Plaintiff, the proximity factor weighs in favor of Plaintiff. “The proximity factor . . . depends on the logical proposition that the public is less likely to draw an inference of relatedness from similar marks when the marks’ users are in dissimilar areas of commerce[.]” *Guthrie Healthcare Sys.*, 826 F.3d at 39. The parties’ products are canned caffeinated beverages, distributed nationally in grocery stores and online.

Appendix B

Defendant notes that *RiseandShine II* remarks that, in contrast to Plaintiff's coffee and tea drinks, Defendant sells "a product that is distinct from coffee." 41 F.4th at 123. However, Plaintiff offers evidence that consumers treat coffee-based and tea-based beverages and energy drinks as alternatives. A reasonable jury could find this evidence sufficient to resolve the proximity factor in favor of Plaintiff.

4. Bridging the Gap

Because the proximity factor weighs in favor of Plaintiff, the "bridging the gap" factor is irrelevant. This factor speaks to whether the senior user may develop a product for sale in the market of the alleged infringer's product. *See Star Indus., Inc.*, 412 F.3d at 387. When the parties directly compete, "there is no competitive gap to be bridged," and this factor does not apply. *Starbucks Corp.*, 588 F.3d at 115.

5. Actual Consumer Confusion

Construing the evidence and drawing all reasonable inferences in favor of Plaintiff, the actual confusion factor weakly favors Plaintiff. "[F]or the fifth *Polaroid* factor to weigh in its favor, [a party alleging infringement] must show instances of actual consumer confusion that could inflict commercial injury . . . in the form of either a diversion of sales, damage to goodwill, or loss of control over reputation." *Reply All Corp. v. Gimlet Media, LLC*, 843 F. App'x 392, 397 (2d Cir. 2021) (summary order). Actual confusion can be shown "through survey evidence or anecdotal examples." *Id.*

Appendix B

Plaintiff does not submit its own survey evidence but does offer expert testimony criticizing Defendant's survey evidence that tends to show lack of actual confusion. *Cf. Tiffany*, 971 F.3d at 87 (in reversing summary judgment for plaintiff, holding that defendant had raised a question of fact merely by attacking the sufficiency of plaintiff's anecdotal and survey evidence of confusion where plaintiff had the burden of showing confusion). While Plaintiff's failure to provide survey evidence "is not fatal," *Car-Freshner*, 980 F.3d at 332, the lack of such evidence is probative of lack of confusion, *Reply All Corp.*, 843 F. App'x at 397 ("[T]he absence of surveys is evidence that actual confusion cannot be shown."); *Star Indus., Inc.*, 412 F.3d at 387-88 ("[Defendant] . . . submitted consumer surveys tending to rebut charges of actual consumer confusion. [Plaintiff] points out, and the district court noted, various flaws with these surveys. But . . . [Plaintiff's] failure to present its own consumer survey weighs against a finding of consumer confusion.").

Plaintiff offers evidence of actual confusion in the form of seventeen anecdotes of confusion, as well as testimony of the existence of confusion generally during business pitches and from participants in product tastings. Although the record is not clear, around half of these reports come from industry contacts and retail employees. Defendant argues that Plaintiff's anecdotal evidence of confusion by non-consumers is wholly legally irrelevant. This argument is misplaced, because Plaintiff also offers testimony from disinterested consumers sufficient to create an issue of fact on this factor. Further, it is reasonable to infer some level of consumer confusion from testimony of confusion

Appendix B

from those who may be more knowledgeable about the beverage market, such as industry insiders and retail employees.

Defendant also frames some of the anecdotes of actual confusion as inquiries, arguing that under Circuit law any inquiries tend to disprove, rather than prove, confusion. *See Nora Bevs., Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 124 (2d Cir. 2001) (“Inquiries about the relationship between an owner of a mark and an alleged infringer do not amount to actual confusion. Indeed, such inquiries are arguably premised upon a lack of confusion between the products such as to inspire the inquiry itself.”). However, more recently, the Circuit has referred to “evidence of actual confusion . . . as where [a senior user] receives inquiries from the public about the junior user’s products.” *Guthrie Healthcare Sys.*, 826 F.3d at 44. In any event, it would not be unreasonable to construe “WHATS UP WITH THIS” as a statement of confusion, rather than an inquiry reflecting a consumer’s ability to differentiate between the marks. *See Car-Freshner*, 980 F.3d at 332 (describing “an inquiry posted on Amazon.com” as evidence of a customer being “arguably confused”).

If credited, Plaintiff’s evidence is sufficient to find that the actual confusion factor favors Plaintiff, albeit weakly. *See Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 218 (2d Cir. 2003) (“In view of the limited time that the Defendants were selling their sauce and the small number of their sales, these few instances of reverse confusion adequately support the District Court’s weighing the actual confusion factor in favor of Patsy’s

Appendix B

Brand.”), *abrogated in part on other grounds by 4 Pillar Dynasty LLC v. N.Y. & Co.*, 933 F.3d 202 (2d Cir. 2019). As a reasonable jury could find consumer confusion on the basis of Plaintiff’s evidence, this factor weighs in favor of Plaintiff, though only slightly, given the nature and quantum of evidence.

6. Bad Faith

Plaintiff has proffered evidence from which a reasonable jury could find that Defendant acted in bad faith. Construing the evidence and drawing all reasonable inferences in favor of Plaintiff, this factor weighs in favor of Plaintiff.

Plaintiff proffers evidence that before Defendant’s release of its own product, Defendant was aware of Plaintiff’s product and considered acquiring it. Defendant decided not to acquire it and released its own caffeinated, canned drink including “Rise” prominently in its name and packaging. A reasonable jury could conclude from this circumstantial evidence that Defendant’s conduct was not entirely coincidental and unwitting, even in the absence of direct evidence of intentional copying. *See Car-Freshner*, 980 F.3d at 333 (“Rarely does an infringement case reveal such explicit evidence of bad faith.”); *Star Indus., Inc.*, 412 F.3d at 389 (“Bad faith may be inferred from the junior user’s actual or constructive knowledge of the senior user’s mark.”); *see also Tiffany*, 971 F.3d at 88 (“[A]s we have consistently observed, subjective issues such as good faith are singularly inappropriate for determination on summary judgment.”). Although

Appendix B

the junior user's intent may be uninformative about the likelihood of consumer confusion, *see Virgin Enters. Ltd.*, 335 F.3d at 151, it can be probative because an intent to mirror the appearance of an existing product may result in the products being confusingly similar. *See Car-Freshner*, 980 F.3d at 332 ("The emails from the Handstands employees as they choose names for their new products are highly probative of their intent to mislead consumers – which, in turn, is probative of whether such efforts would succeed."). Particularly since "subjective issues such as good faith are singularly inappropriate for determination on summary judgment," *Tiffany*, 971 F.3d at 88, and drawing reasonable inferences in favor of Plaintiff, this factor weighs in favor of Plaintiff.

7. Respective Quality

As relevant for the likelihood of confusion inquiry, the product quality factor is neutral. This factor may be relevant for two reasons: on the one hand, "[if] defendant's products or services are inferior to plaintiff's, [they] thereby tarnish[] plaintiff's reputation if consumers confuse the two," while on the other, "[p]roducts of equal quality may tend to create confusion as to source because of that very similarity of quality." *Morningside Grp. Ltd. v. Morningside Cap. Grp., L.L.C.*, 182 F.3d 133, 142 (2d Cir. 1999); *accord Jackpocket, Inc. v. Lottomatrix NY LLC*, No. 22 Civ. 5772, 645 F. Supp. 3d 185, 2022 U.S. Dist. LEXIS 226464, 2022 WL 17733156, at *51 (S.D.N.Y. Dec. 7, 2022). Plaintiff cites evidence that the parties both promoted their respective products with "better-for-you attributes like less sugar, real juice, and similarity to coffee." Crediting Plaintiff's evidence, "the products

Appendix B

are similar in quality, which favors neither party.” *Car-Freshner*, 980 F.3d at 334.

8. Sophistication of Consumer Base

Finally, the sophistication factor favors Plaintiff. “In general, the more sophisticated the purchaser, the less likely he or she will be confused by the presence of similar marks in the marketplace. Likewise, the greater the value of an article, the more careful the typical consumer can be expected to be.” *Tiffany*, 971 F.3d at 90. Plaintiff notes the similar, low price point for both Plaintiff’s products and Mtn Dew Rise and the fact that Plaintiff’s internal surveys indicate its consumers are “driven by the perception of value.” Such “ordinary consumers of inexpensive retail products” are treated as unsophisticated for purposes of the *Polaroid* factors and trademark law, increasing the likelihood of confusion between products. *See Patsy’s Brand, Inc.*, 317 F.3d at 219; *City of New York v. Henriquez*, No. 22 Civ. 3190, 2023 U.S. Dist. LEXIS 30418, 2023 WL 2186340, at *23 (E.D.N.Y. Feb. 23, 2023) (“[C]onsumers of relatively inexpensive goods and consumers who make impulsive purchases are generally considered unsophisticated.”). This factor favors Plaintiff.

9. Weighing the *Polaroid* Factors

“[T]he evaluation of the *Polaroid* factors is not a mechanical process where the party with the greatest number of factors weighing in its favor wins.” *Souza*, 68 F.4th at 117 (quoting *RiseandShine II*, 41 F.4th at 124). In weighing the *Polaroid* factors, a court should

Appendix B

“consider[] in the aggregate” the evidence proffered by the non-moving party and “should focus on the ultimate question of whether consumers are likely to be confused.” *Tiffany*, 971 F.3d at 85, 91. As discussed, the balancing of the *Polaroid* factors and ultimate question of consumer confusion (or more precisely, whether a reasonable jury could find consumer confusion) is a question of law. *See Souza*, 68 F.4th at 109; *Car-Freshner*, 980 F.3d at 326.

RiseandShine II provides the legal framework for balancing the *Polaroid* factors applicable to this case, beginning with the Circuit’s holding that the strength of the mark – “what is often the most important factor,” 41 F.4th at 119 – weighs against Plaintiff. “Weak marks are entitled to only an extremely narrow scope of protection, unless a convincing combination of other *Polaroid* factors militates strongly in favor of likelihood of confusion.” *Id.* at 124. In addition to the weakness of the mark, a lack of similarity between the parties’ products can be grounds for summary judgment in and of itself. *See Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 166-67 (2d Cir. 2004) (“In an appropriate case, the similarity-of-marks factor may alone be dispositive.”), *superseded on other grounds as recognized in Starbucks Corp.*, 588 F.3d at 107-08.

Given this framework, the Circuit’s finding as a matter of law that Plaintiff’s mark is weak, its conclusion that it is “clear error” to find that the parties’ products are similar and its statement that “[t]o the extent that Defendant’s use of its marks caused any likelihood of confusion, this was because Plaintiff chose a weak mark in a crowded field,” summary judgment is granted to Defendant, as a matter of law. *RiseandShine II*, 41

Appendix B

F.4th at 121, 124-25. Crediting Plaintiff's evidence as to proximity and customer sophistication – i.e., assuming the parties' products are sold side-by-side and purchased by an unsophisticated consumer base – does not change this result. Nor do Plaintiff's anecdotes of actual confusion between the products. The issue of Defendant's bad faith is not "of high relevance to the issue of likelihood of confusion." *Virgin Enters. Ltd.*, 335 F.3d at 151. The remaining *Polaroid* factors are insufficient to overcome the weakness of the mark and the Circuit's finding of dissimilarity. In short, there is no genuine question of fact to be put to a jury on the likelihood of consumer confusion. Defendant is therefore entitled to summary judgment on Plaintiff's federal and state trademark and unfair competition claims, all of which incorporate the *Polaroid* factor analysis.

B. Unjust Enrichment

Summary judgment is granted to Defendant on Plaintiff's unjust enrichment claim. "[T]he theory of unjust enrichment lies as a quasi-contract claim and contemplates an obligation imposed by equity to prevent injustice, in the absence of an actual agreement between the parties." *Georgia Malone & Co. v. Rieder*, 19 N.Y.3d 511, 973 N.E.2d 743, 746, 950 N.Y.S.2d 333 (N.Y. 2012). As pleaded in the FAC, the gravamen of Plaintiff's unjust enrichment claim is Defendant's infringing use of Plaintiff's marks. As discussed, Plaintiff's trademark claims under federal and New York law fail as a matter of law. Accordingly, there is no basis to conclude that "it is against equity and good conscience" to allow Defendant to retain any profits from the sales of its products. *Id.*

Appendix B

In opposition to the motion, Plaintiff also argues that Defendant “used its meetings with [Plaintiff] – under the guise of interest in acquisition – to procure Rise’s know-how on nitro.” However, neither this theory nor its underlying facts appear in the FAC and cannot be raised for the first time in a party’s briefing on summary judgment. *See Soules v. Conn., Dep’t of Emergency Servs. & Pub. Prot.*, 882 F.3d 52, 56 (2d Cir. 2018) (“[A] party is not entitled to amend its complaint through statements made in motion papers”).

For the foregoing reasons, Defendant’s motion for summary judgment is **GRANTED**. In connection with Defendant’s motion, Plaintiff moved to strike portions of the Declaration of Thomas Britven, Defendant’s expert on damages, and Defendant moved to strike or exclude the Declaration of Grant Gyesky, Plaintiff’s CEO. Both motions are **DENIED** as moot.

The Clerk of Court is respectfully directed to close the motions at Dkt. Nos. 378, 393, 394, 422 and 424 and to terminate the case.

Dated: August 2, 2023
New York, New York

/s/ Lorna G. Schofield
LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE

45a

**APPENDIX C — OPINION OF THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT,
FILED JULY 22, 2022**

**UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

August Term, 2021

Docket No. 21-2786

RISEANDSHINE CORPORATION,
DBA RISE BREWING,

Plaintiff-Appellee,

v.

PEPSICO, INC.,

Defendant-Appellant,

Before:

LEVAL, CHIN, and MENASHI, *Circuit Judges.*

LEVAL, *Circuit Judge:*

In a trademark dispute under the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and New York’s law of trademark and unfair competition, PepsiCo, Inc., the Defendant, which marketed a canned energy drink under the mark “MTN DEW RISE ENERGY,” appeals from a preliminary injunction imposed on it by the United States District

Appendix C

Court for the Southern District of New York (Lorna Schofield, *J.*) at the instance of the Plaintiff, RiseandShine Corporation, d/b/a Rise Brewing (“Rise Brewing”), which sells nitro-brewed canned coffee (and also canned tea) under the name RISE. It is undisputed that Plaintiff began using the RISE mark prior to Defendant’s use of its mark. The district court concluded that Defendant’s conduct in using RISE caused a likelihood of confusion and that Plaintiff was likely to succeed on the merits.

We find that the grant of a preliminary injunction was premised on two significant errors. We therefore vacate the preliminary injunction.

BACKGROUND

Founded in 2014, Plaintiff launched its first cans of nitro-brewed coffee in 2016. It now sells these canned beverages nationwide in major stores, such as Walmart, Publix, and Kroger. Plaintiff uses “RISE” as a mark referring to its product and has registered “RISE BREWING CO.” as a word mark, Reg. No. 5,168,377, and its RISE BREWING CO. logo as a design mark, Reg. No. 5,333,635, shown below.



Appendix C

Plaintiff displays this design mark on every can. The mark consists of the word “RISE” in large, red, regular capital letters in simple, unadorned, sans-serif font on a horizontal line, set against a light background with thin yellow lines radiating from the word “RISE,” mimicking rays of sunshine. The words “Brewing Co.” appear below “RISE” in a much smaller, similar, simple font on a horizontal line. [A-212]. This design takes up approximately the top third of the 7-ounce can, as shown below. The lower part of the can is in a uniform color, with “NITRO COLD BREW COFFEE” in the same simple typeface on a horizontal line.



In January 2021, Plaintiff learned that Defendant planned to launch a fruit-flavored canned energy drink under the mark MTN DEW RISE ENERGY. Plaintiff sent a demand letter, asking Defendant to “abandon any intent to use the RISE mark, or any confusingly similar RISE mark, in connection with any canned or caffeinated beverage.” App’x at 356. Defendant’s counsel sent a reply, stating that they did not see “any merit” to Plaintiff’s claims. App’x at 368. The parties were unable to arrive at a resolution.

Appendix C

In March 2021, Defendant launched its MTN DEW RISE ENERGY product. MTN DEW RISE ENERGY came in a variety of sweet, fruity flavors, such as Pomegranate Blue Burst, Tropical Sunrise, and Strawberry Melon Spark. The 16-ounce cans were sold in over 170,000 retailers across the country, including convenience stores, gas stations, and drug stores.

Defendant's packaging, as depicted below, features a variety of bright colors corresponding to its various flavors. The word "RISE" appears on the top third of the cans in a large, stylized jagged font in ornate letters displayed in an arc, followed by the word "ENERGY" running vertically up its side in a much smaller font. The MTN DEW house mark, consisting of the words "MTN DEW," slants diagonally toward the upper right above the word "RISE." Below "RISE" is a stylized lion logo composed of geometric shards.



Plaintiff brought this suit in the U.S. District Court for the Northern District of Illinois. On motion of Defendant, the suit was transferred to the U.S. District Court for the Southern District of New York. Plaintiff moved for, and the district court granted, a preliminary injunction, enjoining Defendant from using or displaying the challenged mark in the market, pending trial.

*Appendix C***DISCUSSION****I. Preliminary Injunction**

A party seeking a preliminary injunction must show “(1) irreparable harm; (2) either a likelihood of success on the merits or both serious questions on the merits and a balance of hardships decidedly favoring the moving party; and (3) that a preliminary injunction is in the public interest.” *N. Am. Soccer League, LLC v. United States Soccer Fed’n, Inc.*, 883 F.3d 32, 37 (2d Cir. 2018). Where a mark warrants protection under the Lanham Act, “both the likelihood of success on the merits and the potential for irreparable harm in the absence of preliminary relief may be demonstrated by a showing that a significant number of consumers are likely to be misled or confused as to the source of the products in question.” *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1038 (2d Cir. 1992).

II. Likelihood of Confusion

To prevail in a federal trademark infringement claim, a plaintiff “must demonstrate that . . . the defendant’s actions are likely to cause confusion with [that] mark.” *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 84 (2d Cir. 2020) (internal quotation marks omitted). Here, Plaintiff argues that Defendant’s use of the word “Rise” created a likelihood of *reverse* confusion. Reverse confusion occurs when consumers “believe, erroneously, that the goods marketed by the prior user are produced by the subsequent user.” *Lang v. Ret. Living Pub. Co.*, 949 F.2d 576, 583 (2d Cir. 1991).

Appendix C

Plaintiff contends that Defendant's use of the word "Rise" was likely to result in consumers mistakenly concluding that Plaintiff's coffee drink was a Mountain Dew product, thus creating consumer confusion in the marketplace. To evaluate claims of consumer confusion, this court employs the eight factors set out in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961): "[T]he strength of [the plaintiff's] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the [plaintiff] will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers." *Id.* at 495.

In general, this court reviews the grant of a preliminary injunction for an abuse of discretion. *Bristol-Myers Squibb*, 973 F.2d at 1038. "Applying legal standards incorrectly or relying upon clearly erroneous findings of fact may constitute an abuse of discretion." *Id.* Where "the determination of whether one of the *Polaroid* factors favors one party or another involves a legal judgment—which it often does—we must review that determination *de novo*." *Tiffany & Co.*, 971 F.3d at 86.

Having considered these eight factors, the district court found that Plaintiff had met its burden of showing a sufficient likelihood of success on the merits to warrant a preliminary injunction. We disagree and find that the district court erred in its evaluation of what is often the most important factor—the strength of Plaintiff's mark—as well as in its finding of similarity in the appearance of the products.

*Appendix C***A. Strength of the Mark**

In considering the first factor, the strength of the plaintiff's mark, the district court found that it slightly favored Plaintiff. *RiseandShine Corp. v. PepsiCo, Inc.*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *7 (S.D.N.Y. Nov. 4, 2021). We disagree. The district court failed to recognize the inherent weakness of Plaintiff's mark. Its determination that this factor favored Plaintiff was affected by that failure, as was its ultimate conclusion that Plaintiff was likely to succeed on the merits.

“[T]he strength of a mark depends ultimately on its distinctiveness, or its ‘origin-indicating’ quality, in the eyes of the purchasing public.” *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131-32 (2d Cir. 1979), *superseded on other grounds by* Fed. R. Civ. P. 52(a). The strength of a trademark is assessed based on either or both of two components: (1) the degree to which it is inherently distinctive; and (2) the degree to which it has achieved public recognition in the marketplace, sometimes called acquired strength. *W.W.W. Pharm. Co., Inc. v. Gillette Co.*, 984 F.2d 567, 572 (2d Cir. 1993).

We turn first to inherent strength. Inherent strength or weakness of a mark is frequently an important factor because strong marks command a wider scope of protection than weak marks. The trademark law allows every marketer to identify itself as a product's source by use of a distinctive mark, which will allow the public to recognize it as the source of the product, rewarding the marketer if it has earned a good public reputation

Appendix C

and punishing it if the public's prior experience has been disappointing. In this manner, the trademark law serves the purposes of both marketers and the consuming public. So long as marketers select words or signs that have no logical relationship to the products or services on which they are used, there will never be a shortage of marks. Trademark law favors the use of marks that are arbitrary or fanciful in relation to the products on which they are used. This is because such distinctive marks make it easier for the public to avoid confusion and because allowing the owner a broad exclusivity for such a mark detracts little from free expression, as other marketers of similar products have no justified interest in using such words to identify their products. *See discussion at* Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 194 (2004). In contrast, trademark law offers a much narrower scope of protection to marketers who seek to bar others from using words that describe or suggest the products or the virtues of their products. *See Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141, 147-48 (2d Cir. 2003) (“[A]s a matter of policy, the trademark law accords broader protection to marks that serve exclusively as identifiers and lesser protection where a grant of exclusiveness would tend to diminish the access of others to the full range of discourse relating to their goods.”).

To describe different degrees of inherent distinctiveness, the trademark law utilizes four categories. In order of ascending strength, they are: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful.

Appendix C

A generic mark is a common name, such as automobile or aspirin, that identifies a kind of product. *Gruner + Jahr USA Pub., a Div. of Gruner + Jahr Printing & Pub. Co. v. Meredith Corp.*, 991 F.2d 1072, 1075 (2d Cir. 1993). A mark that consists of a generic identifier of the product receives no protection from the law of trademark, even if the mark has acquired public recognition as identifying the source of the product. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). Neither prior use, nor public recognition as a source identifier can justify denying others the right to refer to their product as what it is.

One rung above the unprotectable generic marks are descriptive marks. These are marks that “tell[] something about a product, its qualities, ingredients or characteristics.” *Gruner*, 991 F.2d at 1076. Descriptive marks are presumptively unprotectable, but can acquire a degree of protection if they have acquired secondary meaning, *i.e.* an acquired public recognition as a mark identifying the source. *Id.*

Suggestive marks occupy the next higher rung. Suggestive marks suggest (rather than directly describe) the product on which they are employed, or its attributes, sometimes requiring imagination to grasp the linkage. *Id.* They are the weakest marks that are protectable without need to show acquired secondary meaning. They receive a narrower scope of protection than the protection accorded to arbitrary or fanciful marks—those at the top of the ladder. *Id.* at 1075

Appendix C

Arbitrary and fanciful marks – *i.e.*, those that make no logical reference to the product or service on which they are used, such as Google for a search engine, Kodak for cameras, or Quilted Giraffe for a restaurant, receive the strongest protection. *Id.* This is because other marketers of the same products or services have no justification or cognizable interest in using the same terms in referring to their own market offerings.

The district court determined that Plaintiff's mark was "suggestive," noting that the word "Rise" "evokes images of morning, which 'suggest[s] a quality or qualities of the product through the use of imagination, thought, and perception.'" *RiseandShine*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *7 (quoting *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 385 (2d Cir. 2005)). We find no error in the district court's determination that Rise Brewing's mark is "suggestive." But labeling a mark as "suggestive" is not the end of the inquiry. *See Lang*, 949 F.2d at 581 ("[S]uggestiveness is not necessarily dispositive of the issue of the strength of the mark.").

"[A] finding of suggestiveness does not guarantee a determination that the mark is a strong one." *W.W.W. Pharm. Co.*, 984 F.2d at 572. Because suggestive marks, by their nature, seek to suggest the qualities of the product, it can be difficult to distinguish weak suggestive marks from descriptive ones. Like descriptive marks, instead of focusing on the favored goal of source identification, suggestive marks aim to secure the exclusive right to an advertising message that is built into the trademark. *See Leval, Trademark: Champion of Free Speech* at

Appendix C

193. The district court failed to note that the strong logical associations between “Rise” and coffee represent weakness and place the mark at the low end of the spectrum of suggestive marks. *See, e.g., Star Indus.*, 412 F.3d at 385 (“Star’s mark is suggestive, but just barely.”).

This mistake constituted legal error. While this Court has said, at times, that the classification of a mark is a factual matter, *Bristol-Myers Squibb*, 973 F.2d at 1039-40, we have also stated that there is an undeniable legal element in the determination of how much strength a given mark commands, *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216 (2d Cir. 2003) (“[T]here is a considerable component of law in the determination whether a mark has the degree of strength necessary to weigh in favor of the party claiming infringement.”), *abrogated on other grounds by 4 Pillar Dynasty LLC v. New York & Co., Inc.*, 933 F.3d 202 (2d Cir. 2019).¹

1. If a marketer chose “Toothpaste” as a mark for a toothpaste and sought to prevent other toothpaste makers from use of the word “toothpaste,” the factfinder would not have discretion to find that the plaintiff’s mark was anything other than generic and unprotected. By the same token, if the marketer took the mark “Green Hippopotamus” for its toothpaste, factfinders would not be at liberty to find that such a mark was anything other than arbitrary or fanciful, belonging in the highest rung entitled to the strongest protection. Between descriptive and suggestive marks, there may be some room for difference of opinion; nonetheless, the discretion allowed to a factfinder in finding inherent strength is minimal at best. *See Cross Com. Media, Inc. v. Collective, Inc.*, 841 F.3d 155, 162 (2d Cir. 2016) (holding that the district court’s classifying of a mark as descriptive as opposed to suggestive was clear error and error as a matter of law). If the toothpaste mark

Appendix C

In its ordinary usage, “Rise” suggests waking up and “rising” from bed. Rising is generally associated with the morning, a time when many crave a cup of coffee, relying on its caffeine to jumpstart their energy for the day. The intended and achieved reference of the RISE mark is illustrated by Plaintiff’s company name—RiseandShine—something that a morning cup of coffee helps us to do. The proposition that one isn’t fully awake until one has had one’s morning coffee is a cliché.

The word “Rise” may also refer directly to energy itself; after consuming caffeine, one’s energy levels can be expected to “rise.” The trademark law does not favor giving one marketer an exclusive right to prevent others from using such valuable marketing terms in their own marketing campaigns. When a mark so clearly evokes the claimed virtues of the product it references, that mark, although perhaps muscular as a marketing tool, is weak under the trademark law. *See Star Indus.*, 412 F.3d at 385; *see also Procter & Gamble Co. v. Johnson & Johnson Inc.*, 485 F. Supp. 1185, 1196-97 (S.D.N.Y. 1979) (finding that a word used as a mark “to convey, through that word’s primary meaning, a quality of the product or of a promised consumer reaction to its use,” “lack[ed] originality and uniqueness.”), *aff’d*, 636 F.2d 1203, 661 F.2d 914 (2d Cir. 1980). The close associations between the word “Rise” and coffee constituted a weakness of the mark under the trademark law, which reduced, rather than advanced,

was “Pure White” or “Fresh Breath,” the descriptive or suggestive relationship of such marks to the product are so clear that it would be error for the factfinder to place such marks in either the highest (arbitrary or fanciful) category or the lowest generic category.

Appendix C

Plaintiff's likelihood of success on the merits. Because the word "Rise" is so tightly linked with the perceived virtues of coffee, the mark is inherently weak and commands a narrow scope of protection.

Although the suggestive category is higher than the descriptive category because a descriptive association between mark and product is more direct than a suggestive association, it does not necessarily follow that every suggestive mark is stronger than every descriptive mark. If the suggestion conveyed by a suggestive mark conjures up an essential or important aspect of the product, while the description conveyed by a descriptive mark refers to a relatively trivial or insignificant aspect of the product, the particular suggestive mark could be deemed weaker than the descriptive. Coffee's capacity to wake one up and lift one's energy, which is what the "RISE" mark suggests, is such an important part of the perceived virtue of coffee in the eyes of the consuming public as to render this suggestive mark decidedly weak.

A survey of the use of the term "Rise" in the beverage market further underlines the weakness of the mark. Extensive third-party usage of a mark in related products generally weighs against a finding that a trademark is strong. *See, e.g., Lang*, 949 F.2d at 581. "[I]n a 'crowded' field of similar marks, each member of the crowd, is relatively 'weak' in its ability to prevent use by others in a crowd." J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:85, at 11-163 (4th ed. 2001). This is especially true where both the plaintiff's product and the other products use the word to signify the same

Appendix C

ordinary meaning. *See, e.g., Plus Prod. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1005 (2d Cir. 1983); *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 744 (2d Cir. 1998).

Although, as the district court points out, Plaintiff appears to have been “the exclusive user of the principal term ‘RISE’ to identify a single-serving, canned caffeinated beverage,” *RiseandShine*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *7, there were already a number of marks using “Rise” on coffee drinks and other similar products when Plaintiff began to use its mark. Defendant presented evidence of over 100 uses of the term “Rise” in connection with coffee, tea, bottled beverages, energy drinks, soft drinks, drinkable health supplements, cafes, yogurts, and granolas. App’x at 334-345. Many of these products use “Rise” in the same way as Plaintiff does—to allude to increased energy, particularly in the morning hours.

Plaintiff itself acknowledged this crowded field in its application to the United States Patent and Trademark Office (“PTO”). It initially attempted to register the mark “RISE COFFEE CO.” but was rejected by the PTO on the basis that there was a likelihood of confusion between “RISE COFFEE CO.” and prior registrations that also used the word “Rise” for coffee, such as “Rise Up Coffee Roasters” and “Rise Up Organic Coffee.” Plaintiff objected to the PTO’s determination, arguing that the presence of multiple marks using the word “Rise” indicated the mark’s weakness: “[M]any entities have used the word ‘Rise’ in relation to the Applicant’s goods,

Appendix C

making it unlikely that consumers would give significant weight to this term in ascertaining the source of such goods.” App’x at 349. Plaintiff further elaborated, “The fact that there are multiple Rise-formulated coffee marks owned by different registrants peacefully coexisting without confusion shows that there is room for another Rise-formulated mark. . . .” *Id.* After Plaintiff modified its application to register “RISE BREWING CO.” rather than “RISE COFFEE CO.,” the PTO agreed to register the mark.

Now, having registered its trademark, Plaintiff argues that there is no such room for multiple “Rise” marks to coexist peacefully, even outside the coffee sector. That is not persuasive. If there was room for Plaintiff’s use of “Rise” in the already crowded coffee field, there would also be room for Defendant’s, especially on a product that is distinct from coffee.² Trademark law does not offer robust protection to those who demand the exclusive right to use words that describe or suggest a product or its virtues. Given the inherent weakness of “Rise” for coffee, the first factor does not favor Plaintiff.

2. The district court discounted the weight of the statements Plaintiff made to the PTO on the basis that “courts do not bind parties to their statements made or positions taken in ex parte application proceedings in front of the PTO.” *RiseandShine*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *7 (quoting *Alpha Media Grp., Inc. v. Corad Healthcare, Inc.*, No. 13 Civ. 5438, 2013 U.S. Dist. LEXIS 157771, 2013 WL 5912227, at *3 (S.D.N.Y. Nov. 4, 2013)). In our view the question is not whether Plaintiff is bound by its previous position. If the RISE mark for coffee was sufficiently weak for the PTO to allow Plaintiff to enter as a new user in spite of numerous prior users, it is also sufficiently weak to now allow Defendant as still another user.

Appendix C

Finally, as a factor supporting acquired strength in Plaintiff's mark, the district court noted that Plaintiff "ha[d] invested more than \$17.5 million in promoting its 'RISE' marks." *RiseandShine*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *7. The holders of senior marks that are not inherently strong but have achieved a measure of consumer recognition through longevity of use or through publicity often reasonably point to that acquired public recognition as fostering a likelihood that customers will believe, to the senior user's detriment, that a product sold by an allegedly infringing junior user under a similar mark came from the plaintiff. Defendant argues, however, that where a plaintiff claims it will be the victim of reverse confusion—in that consumers will believe that its product comes from the junior user—a plaintiff's showing of acquired strength of its mark does not support its claim.

We see some merit in Defendant's argument. Just as, in cases of forward confusion, increased consumer awareness of a plaintiff as the source of the plaintiff's products bearing its mark tends to increase the likelihood that consumers will believe that another product bearing a confusingly similar mark also comes from the plaintiff, in cases of reverse confusion that same consumer awareness of a plaintiff as the source of its products bearing its mark tends to diminish the likelihood that consumers, on seeing another product bearing a similar mark, will believe that the plaintiff's products come from the source of the other product. On the other hand, where, as here, the junior user is a much larger company, consumers might believe that the senior user's success in promoting its brand had led the larger junior user to acquire the senior.

Appendix C

We are aware of no court decisions on the question, and we need not resolve it for this case. Notwithstanding Plaintiff's expenditure of \$17.5 million in publicity, Plaintiff has not shown that its RISE mark has achieved sufficient acquired strength to counterbalance the inherent weakness of its mark.

Although we “generally do not treat any one *Polaroid* factor as dispositive in the likelihood of confusion inquiry,” *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46 (2d Cir. 2000), “the evaluation of the *Polaroid* factors is not a mechanical process where the party with the greatest number of factors weighing in its favor wins,” *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 584 (2d Cir. 1993) (internal quotation marks omitted). Weak marks are entitled to only an “extremely narrow scope” of protection, “unless a convincing combination of other *Polaroid* factors militates strongly in favor of likelihood of confusion.” *Plus Prod.*, 722 F.2d at 1006 (2d Cir. 1983). No such circumstances exist here.

B. Similarity of the Marks

The district court further found that the general appearance of Defendant's mark and trade dress on its canned energy drink was “confusingly similar” to Plaintiff's cans. *RiseandShine*, 2021 U.S. Dist. LEXIS 213902, 2021 WL 5173862, at *8. We believe that finding was clear error. The district court noted that, on both of the parties' products, the word “RISE” was printed in “large typeface, in all-capital letters, in a bright color against a light background and [was] the dominant feature

Appendix C

occupying the top third of the can.” *Id.* While these observations are accurate, they are so general that they likely also describe many other products in the canned beverage market.

The only notable similarity is the shared use of the term “Rise” in large bold letters. However, as explained above, the word “Rise” in this context is not distinctive. Therefore, without more striking visual similarities, the shared use of this ordinary word, used to signify a virtue of the product, is not enough to render the two products “confusingly similar.” *See, e.g., Nabisco*, 220 F.3d at 47 (holding that the shared use of the word “Ice” was unlikely to cause confusion given the differences in the overall appearance of the products). Nor is there anything distinctive about the use of large bold letters to present a drink’s brand name.

Comparing the two products, the differences appear far more notable than the similarities. The two cans are different in size, proportion, style, color, and artwork. Even the word “RISE” is presented in very different manners. On Plaintiff’s can, it appears in a simple sans-serif font—its “R” and “S” evenly curved. Defendant’s can, in contrast, uses an angular and jagged font. Furthermore, while “RISE” on Plaintiff’s can is written on a horizontal line, the letters on Defendant’s can are arranged in an arc.

Beyond the presentations of the shared word, the overall appearances of the cans are very dissimilar. Plaintiff’s seven-ounce can is less than half the size of Defendant’s sixteen-ounce can. Plaintiff’s can features

Appendix C

warm or neutral colors, in stark contrast to the bright, bold colors of Defendant's cans. The word "RISE" on Defendant's can is partially covered at the top by Defendant's prominently displayed house mark, "MTN DEW." And perhaps most plainly, while the lower half of Plaintiff's can shows simple, regular, white writing against a calm, uniform background, the lower half of Defendant's can depicts a large, stylized lion's head, composed of jagged shards that complement the can's angular font. There is little about the appearance of the two cans that would suggest to a consumer that they come from the same source.

The district court granted Plaintiff a preliminary injunction based in part on the conclusion that Plaintiff was likely to succeed on the merits. This rested in substantial part on the court's conclusion that Plaintiff's mark was strong—both in inherent and acquired strength—as well as its determination that the two products were "confusingly similar." To the extent that Defendant's use of its marks caused any likelihood of confusion, this was because Plaintiff chose a weak mark in a crowded field. For this reason, the balance of hardships did not favor Plaintiff. Plaintiff did not demonstrate a likelihood of success on the merits, and we must overturn the grant of the preliminary injunction.

CONCLUSION

For the foregoing reasons, the grant of the preliminary injunction is VACATED.

**APPENDIX D — AMENDED OPINION AND ORDER
OF THE UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK,
FILED NOVEMBER 4, 2021**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

21 Civ. 6324 (LGS)

RISEANDSHINE CORPORATION
d/b/a RISE BREWING,

Plaintiff,

-against-

PEPSICO INC.,

Defendant.

Filed November 4, 2021

AMENDED OPINION AND ORDER

LORNA G. SCHOFIELD, District Judge:

Plaintiff RiseandShine Corporation d/b/a Rise Brewing (“Rise Brewing”) brings this trademark infringement action against Defendant PepsiCo, Inc. (“PepsiCo”). Plaintiff is the owner of certain registered “RISE” marks that it uses with its canned caffeine drinks. Plaintiff alleges that Defendant’s recently launched, canned caffeinated drink called “MTN DEW RISE

Appendix D

ENERGY” infringes on Plaintiff’s marks. Plaintiff alleges that Defendant’s infringement is causing actual confusion in the market, has destroyed Plaintiff’s reputation and goodwill and has impeded Plaintiff’s ability to raise capital from outside investors. The First Amended Complaint alleges violations of the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and New York trademark and competition law and asserts a claim of unjust enrichment. Plaintiff moves for a preliminary injunction to enjoin Defendant from using the RISE mark while this case proceeds. For the following reasons, Plaintiff’s motion for a preliminary injunction is granted.

I. BACKGROUND

Founded in 2014, Plaintiff sells ready-to-drink, canned coffee and tea-based beverages that are marketed and sold as RISE. Plaintiff displays its “RISE BREWING CO.” mark on each can, with RISE in large, red capital letters against a light background on the top third of the can, as shown in the image below, with the words “Brewing Co.” appearing in a much smaller font immediately below RISE. Plaintiff registered that mark with the U.S. Patent & Trademark Office (“PTO”) in November 2017, and also owns other RISE registered marks.

In 2017, Plaintiff’s CEO, Grant Gyesky, met with members of Defendant’s Innovation team to discuss a potential partnership opportunity. Two more meetings between Plaintiff and Defendant followed, first on May 10, 2018, and again on January 24, 2019. Those discussions did not result in a business relationship.

Appendix D

In January 2021, Plaintiff learned that Defendant intended to launch a fruit-flavored caffeinated canned beverage under the mark MTN DEW RISE ENERGY. Plaintiff's counsel wrote Defendant's counsel, asking Defendant to "abandon any intent" to use the mark "MTN DEW RISE ENERGY" due to potential confusion with Plaintiff's products. The parties failed to reach agreement. Defendant's product launched in March 2021. As shown below, the MTN DEW RISE ENERGY mark appears prominently in the top portion of the can, with the RISE portion of the logo in all-capital, brightly colored letters against a light background on the top third of the can, and MTN DEW in a smaller font immediately above RISE. This action followed.



II. PROCEDURAL HISTORY & EVIDENTIARY HEARING

Plaintiff commenced this action in the U.S. District Court for the Northern District of Illinois on June 15, 2021. Defendant moved to transfer the case to this Court on June 28, 2021. Plaintiff moved for a preliminary injunction on June 29, 2021, with the following seven declarations in support of the motion:

- Corey Guidi – Plaintiff's Area Sales Manager for Northern California, described

Appendix D

placement of Plaintiff's and Defendant's products in Walmart, Safeway and Raley's stores. Mr. Guidi stated that, "[i]n all of [his] international chain accounts, PepsiCo's RISE is stocked on the same aisle as [Plaintiff's] RISE products, so consumers encounter them as alternative caffeinated beverage options."

- Grant Gyesky – CEO and Co-Founder of Rise Brewing, described the company's founding, trademarks and products, including the company's target market and current distribution. Mr. Gyesky also described communications between the parties in 2017, as well as Plaintiff's efforts to contact Defendant regarding the launch of its RISE drink between January and April 2021.
- Melissa Kalimov – Plaintiff's COO, described an incident on April 30, 2021, when an industry contact was confused by an in-store promotional display for *Defendant's* product and asked her, "I see coffee on here and Rise. Is this new?"
- Nia Kaye – Plaintiff's Regional Sales Manager for the Southeast, described an incident on May 20, 2021, when she visited a Publix grocery store in Florida and asked the manager on duty to check if there was more "RISE" in the backroom because

Appendix D

there was not much of Plaintiff's product on the shelves. In response, the manager asked if she meant "Mountain Dew RISE."

- Jarrett McGovern – co-founder and current Chief Creative Officer of Rise Brewing, described the circumstances leading up to and including the May 2018 and January 2019 meetings with Defendant's Innovation team, and provided related emails from before and after those meetings.
- Rachel Ratliff – Plaintiff's Senior Regional Sales Manager for the Midwest, described an incident on March 3, 2021, when a Mariano's grocery store employee texted her, saying that Rise Energy had been selected for a promotional opportunity only to learn later that the promotion was not for Plaintiff's product but instead for "a new line of energy drinks by Pepsi called RISE."
- Emily Welch – one of the outside lawyers representing Plaintiff, provided information and documents from the PTO regarding Plaintiff's various trademark applications and registrations, as well as copies of articles, press releases and tweets regarding Defendant's product and its launch.

Defendant opposed and sought a stay of Plaintiff's preliminary injunction motion pending a decision on

Appendix D

Defendant's motion to transfer. Plaintiff opposed any stay and, on July 8, 2021, filed a cross-motion for expedited discovery and briefing for its preliminary injunction motion. On July 22, 2021, the District Court in Illinois granted Defendant's motion to transfer.

Following the transfer to this Court, on July 26, 2021, Plaintiff filed an amended complaint (the "Complaint") and renewed its motion for a preliminary injunction (the "Motion"). A hearing was scheduled for August 13, 2021, following Defendant's response. Defendant filed its answer on August 9, 2021, and its opposition to the Motion the next day, with the following five declarations:

- Fabiola Torres – Chief Marketing Officer, Senior Vice President of Energy Category at PepsiCo, described the development, launch and marketing of MTN DEW RISE ENERGY, including selection of the mark.
- Kathryn Walker – Vice President of Commercial Planning for Energy, a division within PepsiCo, described retailers' marketing of Defendant's product, the extent of Defendant's sales of its product, and harm to PepsiCo if an injunction were entered.
- Philip Johnson – a retained expert who conducted a consumer survey to measure reverse confusion between the parties' respective products and prepared a written report dated August 9, 2021.

Appendix D

- Melissa Pittaoulis – a retained expert who conducted a survey to evaluate the likelihood of forward consumer confusion between the parties’ respective products and prepared a written report dated August 9, 2021.
- Emily Pyclik – one of the outside lawyers representing Defendant, provided information and documents from the PTO regarding various trademark applications and registrations of non-parties incorporating the word “RISE” or variants in connection with goods and services, and related information; Plaintiff’s May 24, 2016, Office Action Response regarding its application to register RISE COFFEE CO. & Design; a side-by-side photo of the parties’ respective products; and correspondence between the parties.

Upon receipt of Defendant’s submissions, Plaintiff was ordered to file a reply, and the hearing was adjourned to September 9, 2021. On August 25, 2021, Plaintiff filed a reply with declarations from Allison Schmidt, Alex Tanev, Leon Kaplan, and Holly Hawkins Saporito. On August 26, 2021, Plaintiff filed a letter motion for leave to file these additional declarations, which the Court denied on August 27, 2021. On September 9, 2021, the Court heard oral argument on the Motion.

Appendix D

Following oral argument, on September 17, 2021, Defendant filed a motion for an evidentiary hearing, claiming that Plaintiff had made arguments without evidentiary support and relied on the declarations filed with Plaintiff's reply. Defendant asked for "the chance to demonstrate why these declarations do not support [Plaintiff's] claims" and present evidence to assist in fashioning any injunction. The Court granted Defendant's request on September 21, 2021. On September 27, 2021, the parties filed a joint letter apprising the Court of the names of any witnesses to be called and the proposed topics to be discussed. In that letter, Defendant objected to Plaintiff's calling Allison Schmidt, Steve Salzinger or Leon Kaplan as witnesses at the hearing, which the Court overruled on September 28, 2021. On September 29, 2021, Defendant filed a motion for reconsideration or, in the alternative, asked to supplement its witness list to "respond to Plaintiff's new witnesses." Plaintiff responded the next day, countering that Defendant renewed its request for an evidentiary hearing specifically to have the opportunity "to cross-examine witnesses on the issues it alleged were raised for the first time at the [September 9, 2021], hearing," including Plaintiff's difficulties securing investments, newly obtained actual confusion evidence and Dr. Kaplan's expert report. Plaintiff also objected to Defendant's request to supplement its witness list. On September 30, 2021, the Court denied Defendant's motion for reconsideration and granted Defendant's motion to supplement its witness list.

Due to the COVID-19 pandemic, the evidentiary hearing was held via video conference on October 8, 2021. Plaintiff offered credible evidence on incidents of actual confusion, the likelihood of confusion and irreparable

Appendix D

harm. Specifically, Plaintiff called four lay witnesses and one expert witness:

- Grant Gyesky testified about the history and current status of Plaintiff's business and trademarks; past dealings with Defendant; Plaintiff's financial position; actual confusion in the marketplace and the harm that Defendant's product has caused Plaintiff.
- Steve Salzinger is a professional investor in early-stage companies. Mr. Salzinger testified that, although he has participated in six of seven rounds of Plaintiff's financing, he has decided to withhold further investment in the company due to the marketing and sale of Defendant's product and the resulting consumer confusion.
- Rachel Ratliff testified about the sale of Plaintiff's products, product placement in stores and actual confusion in the marketplace between the parties' respective products. Ms. Ratliff also testified about the March 3, 2021, incident involving a Mariano's assistant store manager who mistakenly informed Ms. Ratliff that Plaintiff had been chosen for a promotion – when the promotion was for Defendant's product.
- Allison Schmidt is one of Plaintiff's brand ambassadors. Ms. Schmidt testified about

Appendix D

instances of confusion in product ordering, product placements in stores, Plaintiff's proposed sponsorship of certain athletic events, and at regular consumer tastings in the Cincinnati area. Ms. Schmidt described confusion in stores and at product tastings as the "norm . . . not the exception at this point" and that she is regularly asked if Plaintiff's product is the new coffee version of Mountain Dew. Ms. Schmidt's declaration, which had been filed with Plaintiff's reply, also was admitted into evidence at the hearing.

- Leon Kaplan, Plaintiff's expert witness, testified briefly to rebut Defendant's survey experts and their respective reports. Mr. Kaplan's rebuttal report also was admitted into evidence at the hearing.

In response, Defendant relied on the previously filed report of its survey expert and called three lay witnesses:

- Jim Lee, Chief Strategy and Transformation Officer and SVP, PepsiCo Beverages North America, testified about different product categories within the industry and the absence of any effect on Plaintiff from the launch and sales of Defendant's product. Mr. Lee testified that Defendant's product had been developed independently and that his team had "never looked" at Plaintiff because of Defendant's twenty-five-year joint venture with Starbucks.

Appendix D

- Greg Lyons, Chief Marketing Officer, PepsiCo Beverages North America, testified about the circumstances leading to the development of Defendant's product. Mr. Lyons testified that the company had been interested in getting into the energy drink segment following the company's acquisition of Rockstar and chose the name "Rise" for its product because it connotes "morning" and also had "an emotional meaning" that encourages consumers to "g[e]t their day started right." In addition, Mr. Lyons testified on the harm to Defendant if a preliminary injunction were issued.
- Bryan Santee, Vice President Sales – National Accounts, PepsiCo Beverages North America, testified about the distribution and marketing of Defendant's product, including placement in stores. In addition, Mr. Santee testified about the harm Defendant would suffer if the Motion were granted, including the timeline and cost associated with changing product packaging.

Following the evidentiary hearing, on October 11, 2021, the parties filed several exhibits admitted into evidence at the hearing.¹ The same day, Defendant also objected

1. Immediately after the evidentiary hearing, on October 8, 2021, Defendant filed a motion requesting the Court to take judicial notice of the complaint filed in *RiseandShine Corp. v. Hendricks*, No. 21 Civ. 232 (W.D.N.C. Aug. 1, 2021). The Court has reviewed

Appendix D

to “one-sided record supplementation” at the hearing and requested three weeks of “targeted, expedited discovery” on issues related to store layouts, investor concerns, internet search results and Ms. Schmidt’s testimony on instances of actual confusion. Plaintiff responded on October 14, 2021. The objections were overruled and the application for discovery on the preliminary injunction motion denied.

III. LEGAL STANDARD

Plaintiff seeks an order preliminarily enjoining Defendant from continuing to manufacture or sell its infringing RISE products. “A party seeking a preliminary injunction must show (1) irreparable harm; (2) either a likelihood of success on the merits or both serious questions on the merits and a balance of hardships decidedly favoring the moving party; and (3) that a preliminary injunction is in the public interest.” *N. Am. Soccer League, LLC v. U.S. Soccer Fed’n, Inc.*, 883 F.3d 32, 37 (2d Cir. 2018) (citing *New York ex rel. Schneiderman v. Actavis PLC*, 787 F.3d 638, 650 (2d Cir. 2015)).² The Second Circuit has consistently applied this standard in

that complaint and, to the extent relevant, considers it alongside the parties’ other submissions.

2. The Second Circuit has articulated two versions of this standard. Compare *N. Am. Soccer League, LLC v. U.S. Soccer Fed’n, Inc.*, 883 F.3d 32, 37 (2d Cir. 2018) (three-factor test), with *Benihana, Inc. v. Benihana of Tokyo, LLC*, 784 F.3d 887, 895 (2d Cir. 2015) (four-factor test weighing balance of hardships separately from merits issues). Any difference between these standards is immaterial here because Plaintiff has demonstrated that the balance of hardships tips in its favor.

Appendix D

trademark cases.³ See, e.g., *Woodstock Ventures, LC v. Woodstock Roots LLC*, 837 F. App'x 837, 838 (2d Cir. 2021) (summary order); *Benihana, Inc. v. Benihana of Tokyo, LLC*, 784 F.3d 887, 895 (2d Cir. 2015); *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 215 (2d Cir. 2012).

IV. DISCUSSION

Plaintiff is entitled to a preliminary injunction because Plaintiff has demonstrated irreparable harm, a likelihood

3. Courts refer to preliminary injunctions as prohibitory or mandatory. Prohibitory injunctions maintain the status quo pending resolution of the case; mandatory injunctions alter it.” *N. Am. Soccer League, LLC*, 883 F.3d at 36. “Because mandatory injunctions disrupt the status quo,” they are subject to “a heightened legal standard by showing a clear or substantial likelihood of success on the merits.” *Id.* at 37 (internal quotation marks omitted). In deciding whether a preliminary injunction is mandatory or prohibitory, the Second Circuit has defined “status quo” as “the last actual, peaceable uncontested status which preceded the pending controversy.” *Id.* (internal quotation marks omitted). Because Plaintiff seeks to restore the status quo prior to Defendant’s alleged infringement, the heightened standard for mandatory injunctions does not apply. See *Two Hands IP LLC v. Two Hands Am., Inc.*, No. 21 Civ. 3855, 2021 U.S. Dist. LEXIS 186969, 2021 WL 4437975, at *2 n.2 (S.D.N.Y. Sept. 28, 2021) (“[T]he plaintiff seeks to halt the alleged infringement of its marks. Such an injunction is generally considered to be prohibitory, rather than mandatory.” (citing *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 114 (2d Cir. 2006))). Even if the heightened standard applies here, it is satisfied because Plaintiff has shown, not only a likelihood of success on the merits as discussed in the text, but also a clear or substantial likelihood of success on the merits.

Appendix D

of success on the merits of the federal trademark claim and that the public interest weighs in favor of granting the injunction.

A. Likelihood of Success on the Merits

Plaintiff has shown a likelihood of success on the two elements of a federal trademark claim – (1) that Plaintiff “has a valid mark that is entitled to protection” and (2) that “the defendant’s ‘actions are likely to cause confusion with [that] mark.’” *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 84 (2d Cir. 2020) (alteration in original) (quoting *Sports Auth., Inc. v. Prime Hosp. Corp.*, 89 F.3d 955, 960 (2d Cir. 1996)).

1. Protectability of the Marks

The mark central to this case, depicted here, (the “Mark”) was registered in November 2017 (Reg. No. 5,333,635).



Appendix D

Because it is registered, the Mark is presumptively valid subject to any legal or equitable defense. 15 U.S.C. § 1115(a). Defendant does not contest the validity of Plaintiff's various registered RISE marks. Plaintiff is thus likely to prevail on the first element of its federal trademark claim – showing the validity and protectability of its Mark.

2. Likelihood of Confusion

To prevail on the second element of a federal trademark infringement claim, a plaintiff “must demonstrate that . . . the defendant’s ‘actions are likely to cause confusion with [that] mark.’” *Tiffany*, 971 F.3d at 84 (quoting *Sports Auth., Inc.*, 89 F.3d at 960). But the “mere possibility” of confusion is not enough; rather, a plaintiff must prove “a *probability* of confusion . . . affecting numerous ordinary prudent purchasers.” *Id.* (quoting *Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 383 (2d Cir. 2005)).

Plaintiff brings this infringement action under a “reverse confusion” theory. “Reverse confusion” exists where a junior user “selects a trademark that is likely to cause consumers to believe, erroneously, that the goods marketed by the [senior] user are produced by the [junior] user.” *Lang v. Ret. Living Pub. Co.*, 949 F.2d 576, 583 (2d Cir. 1991); accord *Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 490 (2d Cir. 1988). “The reverse confusion theory protects the mark of a [senior] user from being overwhelmed by a [junior] user, typically where the [junior] user is larger and better known and consumers might conclude that the senior user is the infringer.” *LVL*

Appendix D

XIII Brands, Inc. v. Louis Vuitton Malletier S.A., 209 F. Supp. 3d 612, 666 (S.D.N.Y. 2016) (internal quotation marks omitted).

In determining whether there is a likelihood of reverse confusion, courts in the Second Circuit apply the eight-factor balancing test set forth in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961) (“*Polaroid*”). They are:

(1) the strength of the trademark; (2) the degree of similarity between the plaintiff’s mark and the defendant’s allegedly imitative use; (3) the proximity of the products and their competitiveness with each other; (4) the likelihood that the plaintiff will “bridge the gap” by developing a product for sale in the defendant’s market; (5) evidence of actual consumer confusion; (6) evidence that the defendant adopted the imitative term in bad faith; (7) the respective quality of the products; and (8) the sophistication of the relevant population of consumers.

Tiffany & Co., 971 F.3d at 84-85 (citing *Polaroid*, 287 F.2d at 495; *Starbucks Corp. v. Wolf’s Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir. 2009)). Six of these factors – the strength of the mark, the similarity of defendant’s mark to plaintiff’s; the proximity of the products sold under defendant’s mark to those under plaintiff’s; where the products are different, the likelihood that plaintiff will bridge the gap; the existence of actual confusion; and

Appendix D

the sophistication of consumers – directly relate to the likelihood of confusion. *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 146-47 (2d Cir. 2003). The other two – good faith and the quality of defendant’s products – are more pertinent to other issues, such as harm to plaintiff’s reputation and choice of remedy. *Id.* at 147.

The principal question in this case is whether Defendant’s use of the term “RISE” on its caffeinated drink is likely to cause confusion with Plaintiff’s Mark. Plaintiff has shown that it is likely to prevail on that question particularly because of the similarity between the two marks, the proximity of Defendant’s area of commerce to Plaintiff’s and the credible testimony at the October 8, 2021, hearing from Mr. Gyesky, Ms. Ratliff and Ms. Schmidt on instances of actual confusion.

i. *Strength of the Mark (Factor 1)*

The first factor is strength of the mark. Plaintiff primarily relies on the word “RISE” in the Mark to establish confusion. As explained below, this factor tilts slightly in Plaintiff’s favor.

“The first pertinence of the strength of a mark has to do with likelihood of public confusion. The more unusual and distinctive a particular mark, the more likely the consumer will assume, upon seeing it essentially replicated, that the newly observed user is the same as, or affiliated with, the originally observed user.” *Guthrie Healthcare Sys. v. ContextMedia, Inc.*, 826 F.3d 27, 41 (2d Cir. 2016); *see also Star Indus., Inc.*, 412 F.3d at 384

Appendix D

(“The strength of a mark is determined by its tendency to uniquely identify the source of the product.”). A mark’s “strength” is “crucial to the likelihood of confusion analysis” in a reverse confusion case because a plaintiff’s well-known association with the claimed mark “makes it much more likely that consumers will assume wrongly that [the plaintiff] is somehow associated with [the defendant’s product] or has authorized the use of its mark.” *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 873 (2d Cir. 1986); accord *LVL XIII Brands, Inc.*, 209 F. Supp. 3d at 668.

The strength of a trademark “is analyzed based on two components: (1) the degree to which [the mark] is inherently distinctive; and (2) the degree to which it is distinctive in the marketplace.” *Car-Freshner Corp. v. Am. Covers, LLC*, 980 F.3d 314, 329 (2d Cir. 2020) (internal quotation marks omitted). Inherent distinctiveness is assessed using four categories of marks that indicate increasing distinctiveness and protectability: (1) generic; (2) descriptive; (3) suggestive; and (4) arbitrary or fanciful. See *id.*; accord *Two Hands IP LLC v. Two Hands Am., Inc.*, No. 21 Civ. 3855, 2021 U.S. Dist. LEXIS 186969, 2021 WL 4437975, at *6 (S.D.N.Y. Sept. 28, 2021). A descriptive mark is “one that tells something about a product, its qualities, ingredients or characteristics.” *Gruner + Jahr USA Pub., a Div. of Gruner + Jahr Printing & Pub. Co. v. Meredith Corp.*, 991 F.2d 1072, 1076 (2d Cir. 1993). A suggestive mark suggests the product, though it may take imagination to grasp its nature. *Id.* An arbitrary mark has an actual dictionary meaning, but that meaning does not describe the product, and a fanciful mark is a made-up name. See *id.* at 1075- 76.

Appendix D

Plaintiff's Mark is suggestive because the word "RISE" is "not directly descriptive," but evokes images of morning, which "suggest[s] a quality or qualities of the product through the use of imagination, thought and perception." *Star Indus., Inc.*, 412 F.3d at 385 (internal citation and quotation marks omitted). Suggestive marks are considered inherently distinctive. *Id.*

"However, suggestive marks are not necessarily distinct in the marketplace." *Two Hands IP LLC*, 2021 U.S. Dist. LEXIS 186969, 2021 WL 4437975, at *7. Market distinctiveness "is determined by analyzing six factors: advertising expenditures, consumer studies linking the mark to a source, unsolicited media coverage of the product, sales success, attempts to plagiarize the mark, and the length and exclusivity of the mark's use." *Car-Freshner Corp.*, 980 F.3d at 329 (citing *Centaur Commc'ns, Ltd. v. A/S/M Commc'ns, Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1987)).

Taken together, these factors tilt slightly in favor of Plaintiff. This assessment takes into consideration the procedural posture and present inquiry – i.e., whether Plaintiff has shown a sufficient likelihood of future success on the merits to warrant injunctive relief now. Plaintiff's CEO testified that the company was founded in 2014, has invested more than \$17.5 million in promoting its "RISE" marks, and has received a number of awards for its products, including winning "Best New Product" in 2017 from *BevNet* for its nitro cold brew coffee; "Beverage Innovation of the Year" in 2018 from *Beverage Industry* magazine; "2018 NEXTY Best New Organic Beverage

Appendix D

Award” from New Hope Network; and “Best Canned Coffee” in 2019 from People Magazine for its canned nitro cold brew product. At this early stage of the litigation, Plaintiff has not provided any consumer studies linking “RISE” to its business or any evidence of attempts to plagiarize its marks. As for exclusivity, Plaintiff appears to have been the exclusive user of the principal term “RISE” to identify a single-serving, canned caffeinated beverage (until the launch of Defendant’s product), although there are other commercial uses of the term “RISE” among morning beverages.⁴

Defendant counters that Plaintiff acknowledged the generic nature of the “RISE” mark before the PTO in 2015, writing “[t]he records of the Patent and Trademark Office demonstrate that many entities have used the word ‘Rise’ in relation to the Applicant’s goods, making it unlikely that consumers would give significant weight to this term in ascertaining the source of such goods.” “In general, courts do not bind parties to their statements made or positions taken in ex parte application proceedings in front of the PTO.” *Alpha Media Grp., Inc. v. Corad Healthcare, Inc.*, No. 13 Civ. 5438, 2013 U.S. Dist. LEXIS 157771, 2013 WL 5912227, at *3 (S.D.N.Y. Nov. 4, 2013) (noting, at most, such statements can be

4. Defendant filed a motion asking this Court to take judicial notice of a case currently pending in the Western District of North Carolina involving Plaintiff and the alleged producers of a canned, caffeinated beverage called “RIZE.” The parties in that case appear to dispute when the “RIZE” drink became available for sale and whether it is still on the market. Complaint, *RiseandShine Corp. v. Hendricks*, No. 21 Civ. 232 (W.D.N.C. Aug. 1, 2021).

Appendix D

“considered as evidence, albeit not conclusive evidence, of the truth of the assertions”). Defendant’s argument also is undercut by testimony from its own witness, Mr. Lyons, who testified that Defendant chose to name its product “RISE” following surveys that found the term had “an emotional meaning” that appealed to consumers. In addition, the Mark consists of more than the word “RISE” taken alone and out of context, but includes “the stylized logo of that name including the unusual form and shape of the letters comprising the word.” *Gruner + Jahr USA Publ’g Div. of Gruner + Jahr Printing & Publ’g Co.*, 991 F.2d at 1077-78 (“In analyzing the strength of the mark for likelihood of confusion purposes, we observe again that the actual trademark registration in this case protects not the name or the word “parents,” but rather the stylized logo of that name including the unusual form and shape of the letters comprising the word.”). Accordingly, this factor tilts slightly in Plaintiff’s favor.

ii. *Similarity of the Marks (Factor 2)*

The second factor is the similarity of the marks. This inquiry involves looking at “how [the marks] are presented in the marketplace.” *Sports Auth., Inc.*, 89 F.3d at 962. “In assessing similarity, courts look to the overall impression created by the logos and the context in which they are found and consider the totality of factors that could cause confusion among prospective purchasers.” *Gruner + Jahr USA Publ’g, a Div. of Gruner + Jahr Printing & Publ’g Co.*, 991 F.2d at 1078; accord *Flushing Bank v. Green Dot Corp.*, 138 F. Supp. 3d 561, 587 (S.D.N.Y. 2015) (“In evaluating similarity, a court looks at how a mark as a

Appendix D

whole sounds, looks and feels – reviewing the size of a mark, design of a logo, the typeface, how a word sounds when spoken.”).

Here, the two marks are confusingly similar in appearance. Both highlight the single word “RISE.” *See Virgin Enters. Ltd.*, 335 F.3d at 149 (reversing district court’s denial of preliminary injunction where plaintiff’s and defendants’ marks “both consisted of the same word, ‘virgin’”). On both of the parties’ respective products, “RISE” is printed on a beverage can, in large typeface, in all-capital letters, in a bright color against a light background and is the dominant feature occupying the top third of the can. The other terms, the parties’ respective house marks – i.e., “Brewing Co.” and “Mtn. Dew” – appear in much smaller lettering. *See Flushing Bank*, 138 F. Supp. 3d at 587 (“Factors which courts consider in this regard include mode of presentation, typeface, inclusion of additional words, dress colors, and associated tie- ins, such as a mascot.”).

Defendant argues that the appearance of the parties’ products that bear the marks are not confusingly similar because the cans themselves are different sizes, the logos are in different fonts and Defendant’s use of the house mark “MTN DEW” mitigates against any confusion. To support this argument, Defendant relies heavily on *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 47-48 (2d Cir. 2000). In *Nabisco*, the Court of Appeals affirmed summary judgment for the defendant and relied on, among other things, the defendant’s use of the house mark “DENTYNE” to conclude that the mark “DENTYNE

Appendix D

ICE” was not confusingly similar to the plaintiff’s mark “ICE BREAKERS.” But the *Nabisco* case dealt with forward confusion – not reverse confusion as Plaintiff claims here. In a reverse confusion context, that a junior user employed a house mark does not necessarily resolve alleged confusion because the “essence” of a reverse confusion claim “is that the junior user overpowers the senior user’s mark.” *Gameologist Grp., LLC v. Sci. Games Int’l, Inc.*, 838 F. Supp. 2d 141, 160 n.8 (S.D.N.Y. 2011) (collecting cases), *aff’d*, 508 F. App’x 31 (2d Cir. 2013); *see also* McCarthy on Trademarks and Unfair Competition § 23.10 (5th ed. Sept. 2021) (“In a reverse confusion situation, rather than trying to profit from the senior user’s mark, the junior user saturates the market and overwhelms the senior user. The result is that the senior user loses the value of the trademark, its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.”) (internal quotation marks omitted).

Defendant’s other arguments fail because they do not consider the parties’ respective marks holistically. The Second Circuit has made clear that, “[w]hen evaluating the similarity of marks, courts consider the overall impression created by a mark. Each mark must be compared against the other as a whole; juxtaposing fragments of each mark does not aid in deciding whether the compared marks are confusingly similar.” *Brennan’s, Inc. v. Brennan’s Rest., LLC*, 360 F.3d 125, 133 (2d Cir. 2004). For the reasons discussed, the similarity of the marks tips strongly in Plaintiff’s favor.

*Appendix D***iii. Proximity of the Products (Factor 3)**

The third factor is the proximity of the products and their competitiveness with each other. “The proximity factor can apply to both the subject matter of the commerce in which the two parties engage and the geographic areas in which they operate.” *Guthrie*, 826 F.3d at 39. Here, the proximity factor tips decidedly in favor of Plaintiff. The products at issue are both canned, caffeinated drinks. Plaintiff sells coffee and tea drinks, while Defendant sells fruit- flavored energy drinks. The products are sold through the same trade channels – grocery stores and convenience stores. Both products are sold nationally.

The parties dispute, and offer conflicting evidence of, whether their respective products are likely to be placed in close physical proximity in grocery stores. This evidence misses the point. The premise of the proximity factor is that “the public is less likely to draw an inference of relatedness from similar marks when the marks’ users are in *dissimilar areas of commerce* The more likely it appears that an enterprise in one party’s area of commerce might also engage in the other party’s area of commerce, the greater the likelihood that the public will infer an affiliation from the similarity of the marks.” *Guthrie*, 826 F.3d at 39 (emphasis added) (providing the example for proximity analysis that similar trademarks used for a coffee shop and antivirus computer software are less likely to be confusing than similar trademarks both used for coffee shops in two different but not distant locations). Particularly in this reverse confusion case, the question is whether the products are in sufficiently similar

Appendix D

areas of commerce that a consumer may erroneously believe that the goods marketed by Plaintiff, the senior user, are produced by or affiliated by the junior user, Defendant, which sells MTN DEW RISE ENERGY. The focus is not on physical proximity on the grocery shelf, but on whether the products are in similar or dissimilar areas of commerce. Here the two canned and caffeinated drinks indisputably are.

iv. *Bridging the Gap (Factor 4)*

The fourth factor is the likelihood that the plaintiff will “bridge the gap” by developing a product for sale in the defendant’s market. This factor is inapplicable here. Where the parties’ products are already in competitive proximity, as in this case, there is “no gap to bridge, and this factor is irrelevant to the *Polaroid* analysis.” *Star Indus.*, 412 F.3d at 387 (treating this factor as neutral where both parties used marks on liquor bottle labels); *accord Guthrie*, 826 F.3d at 45.

v. *Actual Confusion (Factor 5)*

The fifth factor is actual confusion, and it weighs in favor of Plaintiff. “[I]t is black letter law that actual confusion need not be shown to prevail under the Lanham Act, since actual confusion is very difficult to prove and the Act requires only a likelihood of confusion as to source.” *Guthrie*, 826 F.3d at 45 (finding a likelihood of confusion and broadening the scope of the District Court’s permanent injunction despite no evidence of actual confusion); *accord Reply All Corp. v. Gimlet Media, LLC*, 843 F. App’x 392, 397 (2d Cir. 2021) (summary order).

Appendix D

Nevertheless, “[i]nstances of actual confusion resulting from a junior user’s use of a mark similar to a senior user’s can be powerful evidence supporting a likelihood of confusion.” *Guthrie*, 826 F.3d at 44. Plaintiff presented the credible testimony of Mr. Gyesky, Ms. Ratliff and Ms. Schmidt describing multiple instances of actual confusion since Defendant’s product launched in March 2021. Although Defendant presented contrary survey evidence showing no confusion, Plaintiff proffered its own expert testimony critiquing the survey results. In the context of this case, survey results may be particularly unreliable. As the Court in *Guthrie* observed, “[T]he absence of evidence of actual confusion does not necessarily prove anything, especially when there has been neither long nor significant experience of the two trademarks operating side-by-side in the same market.” *Id.*

vi. *Bad Faith (Factor 6)*

The sixth factor is the defendant’s bad faith in adopting the imitative term. This factor, along with the quality of the products, is not “of high relevance to the issue of likelihood of confusion.” *Virgin Enters. Ltd.*, 335 F.3d at 151. Rather, “[a] finding that a party acted in bad faith can affect the court’s choice of remedy or can tip the balance where questions are close.” *Id.* Here, Plaintiff asserts that Defendant adopted its mark in bad faith after meetings between the parties failed to produce a partnership. At this stage prior to any discovery, the record is too thin to support a finding of bad faith. This factor therefore favors neither party.

*Appendix D***vii. *Quality of the Products (Factor 7)***

The seventh factor is the quality of the respective products. This factor primarily affects the issue of harm to the senior user's reputation and is less pertinent to the likelihood of confusion. *Virgin Enters. Ltd.*, 335 F.3d at 151. Plaintiff's products are marketed as being made with organic ingredients. Defendant's products are not organic and could tarnish Plaintiff's reputation as a provider of healthy or organic products. *See Guthrie*, 826 F.3d at 44 n.6 ("[I]n some circumstances, the *Polaroid* factor that ordinarily focuses on the quality of the junior user's commerce can also be affected by the nature or subject matter of the junior user's commerce when those are objectionable for whatever reason to the senior user's customers."). This factor weighs in favor of finding a likelihood of success on the merits.

viii. *Buyers' Sophistication (Factor 8)*

The eighth factor is the buyers' sophistication. Plaintiff relies on the products' low price point as indicative of low customer sophistication. *See Starbucks Corp.*, 588 F.3d 97, 119 (2d Cir. 2009). But "price alone is not determinative of the care a consumer will take in making purchases, and our touchstone remains the general impression that is left with the ordinary consumer." *Id.* (internal citations omitted). This factor is inconclusive on this record because a purchaser of *organic* caffeinated drinks might well be more discriminating than a purchaser of caffeinated canned beverages, and Plaintiff has offered no evidence to show low buyer sophistication.

*Appendix D***ix. Overall Likelihood of Confusion**

In sum, given the degree of similarity between Plaintiff's and Defendant's marks, the proximity of their areas of commerce, and credible testimony of actual confusion, Plaintiff has met its burden of showing a sufficient likelihood of success on the merits to warrant a preliminary injunction, regardless of whether the relevant standard is a clear or substantial likelihood, a simple likelihood, or serious questions on the merits. *See generally Guthrie*, 826 F.3d at 46; *Virgin Enters. Ltd.*, 335 F.3d at 142. Plaintiff has shown that the risk of reverse confusion is probable – i.e., that without an injunction, Plaintiff is at risk of “being overwhelmed by a subsequent user [PepsiCo], where the subsequent user is larger and better known.” *LVL XIII Brands, Inc.*, 209 F. Supp. 3d at 666.

B. Irreparable Harm

Plaintiff has sustained its burden of showing irreparable harm. Because Plaintiff has shown a likelihood success on the merits of its federal trademark claim, Plaintiff is entitled to a presumption of irreparable harm, *see* 15 U.S.C. § 1116(a), which Defendant has not rebutted.

Defendant argues that Plaintiff's five-month delay in bringing the Motion rebuts the statutory presumption of irreparable harm. This argument is unpersuasive because, according to Mr. Gyesky's testimony, Plaintiff's prior counsel sent Defendant a cease-and-desist letter in January 2021, before the March launch of Defendant's

Appendix D

RISE product and the parties' counsel communicated between January and April regarding a "licensing deal" that would have avoided litigation. Plaintiff first brought a preliminary injunction motion on June 29, 2021. These circumstances – i.e., the parties' ongoing discussions – do not support the inference that Plaintiff delayed, not perceiving any immediate or irreparable harm from the launch of Defendant's RISE product. *See Goat Fashion Ltd. v. 1661, Inc.*, No. 19 Civ. 11045, 2020 U.S. Dist. LEXIS 178636, 2020 WL 5758917, at *6 (S.D.N.Y. Sept. 28, 2020) (four-month delay did not rebut presumption of irreparable harm given settlement discussions); *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 333-34 (S.D.N.Y. 2011) (sixteen-month delay did not vitiate finding of irreparable harm where parties had settlement discussions); *Polar Corp. v. PepsiCo, Inc.*, 789 F. Supp. 2d 219, 239 (D. Mass. 2011) (rejecting PepsiCo's argument that a seven-month delay was unreasonable, and finding irreparable harm).

C. Balance of Hardship

Defendant contends that it would incur substantial rebranding costs, lost sales and harm to its goodwill if this Court issues a preliminary injunction. These costs must be balanced against the harm to Plaintiff if an injunction does not issue. *See Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 24, 129 S. Ct. 365, 172 L. Ed. 2d 249 (2008) ("In each case, courts must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief.") (internal quotation marks omitted); *Benihana, Inc.*, 784 F.3d at 897 (balancing hardships).

Appendix D

Plaintiff has submitted credible evidence that it faces an existential threat from Defendant's infringement. For example, at the October 8, 2021, hearing, Plaintiff elicited testimony that Defendant's product has dissuaded at least one investor from re-upping his investment, and additional testimony makes clear that Plaintiff's corporate identity is at risk if Defendant continues to saturate the market.

The Court also is unpersuaded that the harm facing Defendant is not of its own making. "[I]t is 'axiomatic that an infringer . . . cannot complain about the loss of ability to offer its infringing product.'" *Off-White, LLC v. Alins*, No. 19 Civ. 9593, 2021 U.S. Dist. LEXIS 195286, 2021 WL 4710785, at *5 (S.D.N.Y. Oct. 8, 2021) (quoting *WPIX, Inc. v. ivi, Inc.*, 691 F.3d 275, 287 (2d Cir. 2012)). The record makes clear that Plaintiff made efforts to contact Defendant about its product in January 2021, approximately two months before Defendant's product launched, when its former counsel sent Defendant a cease-and-desist letter. Defendant then apparently continued to invest heavily in its product while it seemingly prolonged the adjudication of this motion, which Plaintiff first filed in June 2021. Defendant first sought a stay pending a motion to transfer the action from the Northern District of Illinois. Later, following oral argument on the Motion, Defendant filed a motion for an evidentiary hearing, and then used the hearing to re-hash arguments raised at the September 9, 2021, hearing, before filing a motion "to conduct expedited discovery . . . , with supplemental briefs to be filed within four weeks."

*Appendix D***D. Public Interest**

Plaintiff also has met its burden of demonstrating that “the public interest would not be disserved by the grant of a preliminary injunction.” *WPIX, Inc.*, 691 F.3d at 287. The public “has a protectable interest in being free from confusion, deception and mistake[.]” *Goat Fashion Ltd.*, 2020 U.S. Dist. LEXIS 178636, 2020 WL 5758917, at *16; *see also Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193, 105 S. Ct. 658, 83 L. Ed. 2d 582 (1985) (“[A] sound public policy requires that trademarks should receive nationally the greatest protection that can be given them.”); *see also Benihana, Inc.*, 784 F.3d at 897 (“[T]o the extent it is implicated, the public interest here is served by the enforcement of the parties’ lawful [licensing] agreement.”).

V. CONCLUSION

Having considered the parties’ written submissions and the evidence and argument presented at the September 9, 2021, oral argument and October 8, 2021, evidentiary hearing, for the foregoing reasons, the Court GRANTS Plaintiff’s motion for a preliminary injunction.

Defendant is hereby preliminarily restrained and enjoined as follows:

1. For the purposes of this Preliminary Injunction Order, the following definitions shall apply:

Appendix D

- a. The “Challenged Mark” shall mean the following mark: MTN DEW RISE ENERGY.
 - b. The “Market” shall mean the United States.
 - c. “Advertisement” shall mean any advertisement, flyer, brochure, billboard, display, television commercial, radio commercial, Internet commercial or similar communication of marketing, advertising, sale or promotional information or materials directed to the general public or segments of the general public.
2. Subject to paragraph 7 below, Defendant shall not use or display the Challenged Mark in the Market in connection with the promotion, sale or distribution of single-use, canned energy beverages.
 3. Subject to paragraph 7 below, Defendant shall not use or display in the Market any mark that is confusingly similar to Plaintiff’s Mark in connection with the promotion, sale or distribution of single-use, canned energy beverages.
 4. Subject to paragraph 7 below, Defendant shall not use or display the Challenged

Appendix D

Mark in any Advertisement that will be or is intended to be circulated, displayed or broadcast in the Market.

5. Defendant shall not assist, aid or abet any other person or business entity in engaging in any of the activities prohibited by this Order.
6. This Order is binding upon Defendant and its agents, servants and employees, and upon all persons in active concert or participation with it or them (but not any third-party retailers over whom Defendant has no control) who receive actual notice of this Order by personal service or otherwise. Subject to paragraph 7 below, Defendant shall provide such actual notice.
7. Defendant shall comply with this Order within seven days of its effective date.
8. This Order shall take effect upon the posting of a bond as set forth below, and shall remain in effect until the conclusion of the trial of this matter; provided, however, that this Order may be dissolved or modified upon appropriate motion and a showing of good cause to this Court.
9. Plaintiff shall post a bond in the amount of \$250,000 as soon as reasonably practicable

Appendix D

after entry of this Order, but in any event no later than one week from the date of this Order.

10. Within eight days of the effective date of this Order, Defendant shall file a report with the Court, setting forth in detail the manner in which Defendant has complied with this Order.
11. The parties may jointly propose any modification to this Order, but only to the extent that they both agree.

The Clerk of Court is respectfully directed to close the motion at Dkt. Nos. 81 and 133. The Clerk of Court is respectfully directed to strike Dkt. No. 148.

Dated: November 4, 2021
New York, New York

/s/ Lorna G. Schofield
LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE