

**2790 TRADE NAME INFRINGEMENT**

(Plaintiff) alleges that (defendant) has infringed (plaintiff)’s trade name. Trade names are entitled to protection from infringement to protect the reputation and goodwill of the trade name owner.

A trade name is a word or designation (symbol), or a combination of words or designations, that is used in a manner that identifies a business and distinguishes it from the business or enterprise of others.

To find infringement in this case, you must find first that (plaintiff)’s use of the name “\_\_\_\_\_” is a trade name; and, second, that the use of the name “\_\_\_\_\_” by (defendant) creates a likelihood of confusion among the consuming public with (plaintiff)’s trade name, “\_\_\_\_\_.”

A designation is protectable as a trade name only if the designation is distinctive. Designations can be either inherently distinctive or can acquire distinctiveness, through secondary meaning. Inherently distinctive designations are designations that are likely to be perceived by prospective purchasers as symbols that indicate an association with a particular source. Secondary meaning describes the function of identifying goods or services with a particular or single source. A name that is inherently distinctive does not require secondary meaning to be protectable. A name that is not inherently distinctive requires secondary meaning to be protectable. Secondary meaning occurs when the

consuming public has come to recognize the trade name as one that identifies the business. The consuming public must recognize the trade name as identifying and distinguishing a (plaintiff)'s goods or services. Secondary meaning can be established through: direct evidence, such as consumer testimony or consumer surveys, or through circumstantial evidence, such as evidence of exclusivity, length and manner of the trade name's use, the amount and manner of advertising, amount of sales, market share, and number of customers.

To constitute an infringement, it is not necessary that every word of the trade name be appropriated. It is sufficient that enough be taken to deceive the public. If one word of the trade name is the prominent portion, it may be given greater weight than surrounding words.

(Plaintiff) and (defendant) do not have to be in direct competition for you to find infringement.

[A designation that is understood by prospective customers to denominate the general category of services or business with which it is used is a generic designation. The user of a generic designation, for example, barber shop, lumber company, hospital, or plumber, can never acquire rights in the generic designation as a trade name.]

Once (plaintiff) has established that the designation it seeks to protect is distinctive, either inherently or through secondary meaning, it must prove that (defendant)'s use of a similar designation will cause a likelihood of confusion. In determining whether there is

or was a likelihood of confusion between (plaintiff)’s [trade] name and (defendant)’s use of “\_\_\_\_\_” you may draw on your common experience as citizens of the community.

The factors you may consider in determining likelihood of confusion are:

- the degree of similarity between the names
- the similarity of the products and overlap of marketing channels
- the area and manner of concurrent use
- the degree of care likely to be used by consumers in selecting the (goods) (services)
- the strength and distinctiveness of (plaintiff)’s name
- evidence of actual confusion, and (defendant)’s intent when selecting the name.

No one factor or consideration is conclusive. Each aspect should be weighed in light of the total evidence presented at the trial. However, while actual confusion or deception is not essential to a finding of trade name infringement, this evidence is entitled to substantial weight.

### **SPECIAL VERDICT**

Question 1: Did (plaintiff) establish that its use of the name “\_\_\_\_\_” is a trade name?

ANSWER: \_\_\_\_\_

Yes or No

If you answered “yes” to question 1, then answer the following question.

Question 2: Does (defendant)’s use of the name “ \_\_\_\_\_ ” infringe (plaintiff)’s trade name?

If you answered “yes” to question 2, then answer the following question.

Question 3: Was (defendant)’s infringement a cause of damages to (plaintiff)?

ANSWER: \_\_\_\_\_

Yes or No

If you answered “yes” to question 3, then answer the following question.

Question 4: What sum of money, if any, do you award against (defendant) as damages for the trade name infringement?

\$ \_\_\_\_\_

#### COMMENT

This instruction and comment were approved in 2009. The comment was updated in 2020. This revision was approved by the Committee in September 2021; it updated the comment.

In Ritter v. Farrow, 2021 WI 14, 395 Wis.2d 787, 955 N.W.2d 122, the Wisconsin Supreme Court provided a brief primer on trademarks and trade names. The Court concluded that while Wisconsin law has long recognized a common law and statutory cause of action for trademark and trade name infringement, “the state’s jurisprudence on trademark law is ‘undeveloped.’” Id. at ¶25. Therefore, the Court provided that it “look to federal law for guidance and key principles, as well as to treatises” when interpreting such infringement matters. Id. at ¶25. See also First Wis. Nat’l Bank of Milwaukee v. Wichman, 85 Wis.2d 54, 63, 270 N.W.2d 168 (1978), Koepsell’s Olde Popcorn Wagons, Inc. v. Koepsell’s Festival Popcorn Wagons, Ltd., 2004 WI App 129, ¶34, 275 Wis.2d 397, 685 N.W.2d 853.

**Trade Name.** The Wisconsin Supreme Court defined trade name in First Wisconsin National Bank of Milwaukee v. Wichman, 85 Wis.2d 54, 270 N.W.2d 168 (1978), in which the court adopted the rationale of Restatement (Second) of Torts, Tentative Draft No. 8 as the common law in Wisconsin. The court said:

Restatement (Second) of Torts capsulizes this trend of the courts to bring the definitions of trade names and trademarks in harmony with their function. Tentative Draft No. 8 (1963), sec. 715, defines both trademarks and trade names which have acquired a secondary meaning as trademarks. The term, “trade name,” standing alone, refers to a business name. Sec. 716, supra. Sec. 715 defines trademark:

“A trademark is a word, name, symbol, device, letter, numeral, or picture, or any combination of any of them in any form or arrangement, which is used by a person on or in connection with his goods or services in a manner which identifies them as his and distinguishes them from those of others, provided such use is not prohibited by legislative enactment or by an otherwise defined public policy.”

“[i]f a trade name has acquired distinctiveness, or secondary meaning, and thus identifies a particular business entity, the user of such trade name is entitled to protection against infringement of that trade name in the same manner and to the same extent as the user of a trademark which has acquired a secondary meaning, that is, to protect the user of the trade name in his business and to protect the public against confusion and deception. The mere fact of the use of a trade name, however, is not sufficient to entitle the user to enjoin all other uses. It is necessary to show that the effect of the use has been to identify the particular business entity and to distinguish it from others and that the actor’s use of likely to cause confusion and deception.” 85 Wis.2d 54, at p. 62-63; Sec. 717, supra, comment a.

**Infringement Claims; Jury Instructions.** In D. L. Anderson, 2008 WI 126, 314 Wis.2d 560, 757 N.W.2d 803, the Wisconsin Supreme Court discussed the elements, proof, damages, and jury instructions for trade infringement cases.

The supreme court approved the Wichman analysis of trade name infringement for use in jury instructions, in D. L. Anderson’s Lakeside Leisure Co., Inc. v. Anderson:

“¶42 The trade name infringement jury instructions given by the circuit court were based directly on language in Wisconsin case law.[fn15] In First Wisconsin National Bank of Milwaukee v. Wichman, 85 Wis.2d 54, 270 N.W.2d 168 (1978), this court adopted the approach enunciated in the Restatement (Second) of Torts §§ 715, 716, 717 (Tentative Draft No. 8, 1963). There this court said, “[T]he user of [a] trade name is entitled to protection against infringement of that trade name.” Wichman, Page 1985 Wis.2d at 62-63. Spheeris Sporting Goods, Inc. v. Spheeris on Capitol, 157 Wis.2d 298, 459 N.W.2d 581 (Ct. App. 1990), which like this case dealt with a trade name in connection with the purchase of a business appears to be the source of the sections in the jury instructions on trade names that include family names: “Ordinarily, a party has a right to do business under his or her own name. The right may, however, be voluntarily limited by contract. . . . [W]hen a family name is part of a trade name, the family name may be transferred to the purchaser the same as any other asset of the business.” Id. at 308 (citations omitted).

**Elements.** The plaintiff must prove two elements to establish infringement: First, that the plaintiff’s trade name has acquired a secondary meaning, and, second, that there is a likelihood of confusion between plaintiff’s name and the one the defendant is using.

Anderson approved the trial court’s instructions on secondary meaning and likelihood of confusion as

follows:

¶ 50 Next we proceed to the question of whether the evidence was sufficient to support the jury's verdict. The jury was instructed as follows regarding trade name infringement:

When a trade name has acquired a secondary meaning, the name is entitled to protection from unfair competition based on trade name infringement. . . . If you find that plaintiff's trade name has acquired secondary meaning, you must then determine whether there is a likelihood of confusion between plaintiff's trade name, "D. L. Anderson Co." and defendant's name, "Anderson Marine" . . . . It is not necessary to constitute an infringement that every word of the trade name be appropriated. It is sufficient that enough be taken to deceive the public. If one word of the trade name is the salient portion, it may be given greater weight than surrounding words.

¶ 51 The jury instructions thus lay out the two elements a plaintiff must establish to prevail on a trade name infringement Page 23 claim: that the name had secondary meaning and that a second party's use created a likelihood of confusion.

¶ 52 Secondary meaning "describes the function of identifying goods or services with a particular or single source. . . . Key to establishing secondary meaning for a trade name is evidence that the relevant target group mentally identifies the trade name as the single source for the product." Spheeris, 157 Wis.2d at 312 (citations omitted). . .

**Damages for Infringement.** Anderson approved the use of the tort damage instruction, modified Wis JI-Civil 1700. On this point, the supreme court reversed the court of appeals, and clarified that a damage verdict for trade name infringement does not require precise mathematical evidence:

¶ 62 As we noted, the jury was instructed here that the party claiming damages must "satisfy [the jury] by the greater weight of the credible evidence, to a reasonable certainty, that the person sustained damages . . . and the amount of the damages." Wis JI-Civil 1700.

¶ 63 In evaluating the sufficiency of the evidence on a damage award in tort, there is thus a two-step analysis: the fact of damages and the amount.

¶ 64 "[T]he fact of damage need only be proved with reasonable, not absolute, certainty. And once the fact of damage is established with reasonable certainty, the amount of damages need only be shown with as much certainty as the nature of the tort and the circumstances of the case permit." 4 Rudolf Callmann, Callmann on Unfair Competition, Trademarks and Monopolies § 23:55 (4th ed. 2003).

**Infringement claims in connection with the purchase of a business.** In Ritter v. Farrow, *supra*, the Wisconsin Supreme Court, citing McCarthy on Trademarks and Unfair Competition § 18:37 (5th ed. 2019), provided that "It is an 'old and clear rule, universally followed' that when a business is sold, 'trademarks and the good will of the business that the trademarks symbolize are presumed to pass with the sale of the business.'" 2021 WI 14 at ¶27. Therefore, when a business sells the entirety of its assets, the trade name is presumably included, and passes to the buyer.

**Reverse trademark confusion.** For a decision discussing the theory of reverse trademark confusion, see Fabick, Inc. v. JFTCO, Inc., 944 F.3d 649, (7th Cir. 2019).

