



November 20, 2009



Motorcycle Apparel Company's Efforts to "Tack" Prior Use of "O" Mark Not Sufficient, Ninth Circuit Rules

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"We venture into the world of motocross racing to determine whether federal trademark law protects a motorcycle apparel company's use of a stylized 'O' on its products."

So begins the Ninth Circuit's August 24, 2009, opinion in *One Industries, LLC v. O'Neal Distributing, Inc.*, 2009 U.S. App. LEXIS 18967 (9th Cir. August 24, 2009), in which the Court would answer this question in the negative. This case is significant for two reasons: (1) it serves as an example of how issues of "tacking" – the act of trying to prove earlier use of a mark in order to achieve priority over an intervening user – can play a crucial role early in a case before discovery has commenced; and (2) it reminds trademark owners of the high standard that courts apply when considering issues of tacking, and of the risks associated with such issues.

In 1991, motocross apparel company Jim O'Neal Distributing, Inc. ("O'Neal"), began using a mark consisting of a stylized "O" followed by an apostrophe. From 1991 to 2003, O'Neal adopted several different versions of its "O" mark, eventually adopting in 2003 an "angular 'O' mark." Following is a graphical timeline of O'Neal's various "O" marks:



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In 1997, One Industries, LLC, emerged on the motocross scene, originally offering stickers and decals, and then, later, clothing. In 1999, One Industries began using its “One Icon” mark:



In 2003, One Industries and O’Neal became direct competitors when One Industries began offering helmets. Three years later, in 2006, O’Neal accused One Industries of infringing O’Neal’s angular “O” mark based on One Industries’ use of its “One Icon” mark on motocross helmets. O’Neal claimed that each iteration of its “O” mark constituted a continuation of the same mark such that it had rights dating back to the early ’90s. Thereafter, One Industries sought declaratory relief in the U.S. District Court for the Southern District of California. O’Neal counterclaimed for, among other things, trademark infringement, claiming priority as far back as the early ’90s.

Prior to discovery, One Industries sought clarification of O’Neal’s counterclaims, claiming that O’Neal had not specified which version of its “O” mark was being infringed. The district court granted One Industries’ motion, thereby forcing O’Neal to abandon its “tacking” argument. Because O’Neal could no longer “tack” its 2003 angular “O” mark to one of its earlier marks and thereby leapfrog One Industries’ 1999 “One Icon” mark, O’Neal was forced to rely solely on the 1997 version of its “O” mark. O’Neal’s 1997 mark predated, and, of all of O’Neal’s pre-1999 marks, was the most similar of O’Neal’s pre-1999 marks to, One Industries’ “One Icon” mark.

One Industries then successfully moved for summary judgment, establishing that its “One Icon” mark was not likely to be confused with, and thus did not infringe, the 1997 version of O’Neal’s “O” mark. The marks at issue in the summary judgment motion were:



On appeal, O’Neal claimed that the district court erred by effectively deciding the fact-intensive “tacking” issue on the motion for a more definite statement instead of in the subsequent motion for summary judgment. While the Ninth Circuit sympathized with O’Neal, it noted that O’Neal did not ask to postpone the ruling until after discovery or move for reconsideration. Having seemingly acquiesced in the district court’s decision, O’Neal could not subsequently complain that the court should have acted differently.

The next issue addressed was whether O’Neal could “tack” the 1997 version of its “O” mark to its 2003 angular “O” mark. These marks appear as follows:



The Court began by stating that “[t]he standard for ‘tacking’ . . . is exceedingly strict: [t]he marks must create the *same, continuing commercial impression*, and the latter mark should not materially differ from or alter the character of the mark attempted to be tacked”. The Court also noted that “tacking” should only be allowed in narrow circumstances. The Court then identified “material differences” between O’Neal’s respective “O” marks (in the apostrophe, the width of the lines, and the marks’ design), and found that this was not one of those exceptional cases in which tacking should be permitted.

The next issue considered was whether the district court erred in finding no likelihood of confusion between One Industries’ “One Icon” mark and the 1997 version of O’Neal’s “O” mark. To make this determination, the Court applied the eight *Sleekcraft* factors. One of the factors that weighed against likelihood of confusion was the dissimilarity of the marks, including the fact that the marks appeared in entirely different locations on the helmets and were surrounded by different designs. Another factor that weighed against O’Neal was its failure to produce any evidence of actual confusion between One Industries’ “One Icon” mark and the 1997 version of O’Neal’s “O” mark. (Even though O’Neal provided evidence of actual confusion with its 2003 angular “O” mark, the Court disregarded this evidence because it postdated the marks at issue.) Ultimately, the Ninth Circuit held that the hypothetical motocross racer shopping for helmets was not likely to be confused.

This case is important for at least two reasons. First, by not finding that the district court erred in ruling on the “tacking” issue in the context of a motion for a more definite statement, the Ninth Circuit left open the possibility for would-be defendants to adopt this strategy against unsuspecting plaintiffs in the future. The Court also suggested that a plaintiff who does not address the issue early risks waiving it on appeal.

Second, this case serves as a good reminder of the exceedingly high standard that courts apply when considering issues of “tacking,” as well as of the relative consequences. Here, O’Neal’s inability to prevail on its “tacking” argument forced it to rely on the arguably less similar 1997 version of its “O” mark. This result also caused the Court to disregard O’Neal’s evidence of actual confusion between its 2003 angular “O” mark and that of One Industries – usually a very persuasive factor – leaving O’Neal with no such evidence on which to rely. Trademark owners who are considering altering their marks should be aware that their ability to “tack” an earlier mark to a subsequent mark is by no means guaranteed.

Rarely do the worlds of trademark law and motocross meet. Even rarer is when such a fortuitous meeting results in an important judicial opinion. This case is one such occasion. Trademark owners would be well-advised to take note.

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