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English Company Loses to Magic Kingdom

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English Company THOIP asserted its rights to a family of unregistered trademarks in a children's book series involving cartoon characters called "Mr. Men" and "Little Miss" by suing the king of the cartoon characters—Walt Disney Company (and related companies). The products at the center of the dispute are t-shirts. You may have seen Britney Spears sporting Little Miss THOIP's t-shirts in the celebrity magazines or on the celebrity websites, or perhaps, read about the filing in 2009 from DuetsBlogger Sharon Armstrong.

In August 2010, the United States District Court for the Southern District of New York (the New York Court) granted the Walt Disney Company's motion for summary judgment on the issue of "forward confusion." The remaining dispute involved whether "reverse confusion" had occurred. One of THOIP's likely concerns is that consumers will think that THOIP is copying Disney's brand and may not look favorably on THOIP.

You may recall DuetsBlog has run posts about the reverse confusion doctrine in the past. I posted "David and Goliath"relating to Texas pizzerias taking on Dominos and Steve Baird posted on the topic in connection with Lion's Tap and McDonald's, here and here. This doctrine basically protects smaller, lesser known, trademark owners whose trademarks are infringed upon by large multi-national companies with gigantic advertising budgets. The Walt Disney Company certainly fits this bill. When I walk through the Mall of America with my 6 1/2 year-old niece, Olivia, it is relatively impossible to escape the pull of the Disney Store. You may have experienced a similar phenomenon. Most, if not all, children have something at their house associated with the Walt Disney Company, be it a stuffed animal or DVD.

If my niece and I ventured to Magic Kingdom in Florida, we would likely see the Miss Disney or Little Miss Disney t-shirts. Per Wikipedia, Magic Kingdom has often also been used as an unofficial nickname for Disneyland Park before Walt Disney World was built in Florida. However, the official tagline for Disneyland is "The Happiest Place On Earth," while the tagline for Walt Disney World's Magic Kingdom is "The Most Magical Place On Earth."

Despite the similarities, the Florida park's tickets have always included the official name of Magic Kingdom. In 1994, in order to differentiate it from Disneyland, the Florida theme park was officially renamed to “Magic Kingdom Park,” but as Olivia and most youngsters know, it is most often called Magic Kingdom. I digress. According to the New York Court’s opinion, the Miss Disney and Little Miss Disney t-shirts can be purchased at the Magic Kingdom or Disneyland theme parks (the only other place to purchase them is the World of Disney Store in New York, which is now defunct). From my quick search on Google, it appears that you may also purchase some of the t-shirts on the Internet.

By way of background, following the August 2010 ruling, the New York Court had reopened discovery to allow THOIP to submit evidence of actual confusion. Unfortunately for THOIP, a couple of weeks ago, the New York Court excluded the survey evidence THOIP had submitted. In doing so, it explained that the “survey failed to replicate actual marketplace conditions, lacked a proper control, improperly counted certain responses as indicating confusion, and suffered from demand effects.” This was a fatal blow to THOIP. In looking at the likelihood of confusion factors (a/k/a the *Polaroid* factors – named after the famous case), the New York Court explained that had THOIP submitted strong admissible survey evidence it would have allowed the case to proceed on the reverse confusion issue. As THOIP had not done so, the New York Court granted summary judgment in favor of the Walt Disney Company.

Although THOIP did not prevail, reverse confusion remains a weapon in the arsenal of smaller trademark owners. The take-away is that survey evidence is often important to prevail in such cases.

Is anyone aware of any other potential reverse confusion claims that have been or that should be brought?