

IN THE COURT OF APPEALS OF IOWA

No. 1-107 / 10-1376
Filed April 27, 2011

THE IOWA ENTREPRENEUR, L.L.C.,
Plaintiff-Appellant,

vs.

CLEAR CHANNEL OUTDOOR, INC.,
Defendant-Appellee.

Appeal from the Iowa District Court for Polk County, Douglas F. Staskal,
Judge.

A plaintiff appeals a district court's ruling granting the defendant's motion
for summary judgment. **AFFIRMED.**

Eric Parrish of Parrish, Kruidenier, Dunn, Boles, Gribble, Parrish, Gentry &
Fisher, L.L.P., Des Moines, for appellant.

Steven P. Wandro and Shayla L. McCormally of Wandro & McCarthy,
P.C., Des Moines, for appellee.

Heard by Vogel, P.J., Vaitheswaran, J., and Mahan, S.J.*

*Senior judge assigned by order pursuant to Iowa Code section 602.9206 (2011).

VAITHESWARAN, J.

A company known as The Iowa Entrepreneur, L.L.C. (“TIE”) applied to register the phrase “Go Green” with the Iowa Secretary of State. TIE claimed the phrase would be attached to “the service of a retail store.” The secretary of state granted the application, registering the mark for a period of five years beginning on October 24, 2007.

After the mark was registered, TIE sued a company known as Clear Channel Outdoors (“CCO”) for statutory trademark infringement and unfair competition. TIE claimed CCO used the “Go Green” phrase in its advertising campaigns. CCO counterclaimed for cancellation of the mark and fraudulent registration of the mark. It subsequently moved for partial summary judgment on TIE’s claims and its first counterclaim. The district court granted the motion, concluding TIE did not use the phrase before registration, abandoned the phrase after registration, and could not establish as a matter of law that there was any confusion between CCO’s use of the phrase and TIE’s use of the phrase.¹

On appeal, TIE contends genuine issues of material fact precluded summary judgment. See *Virden v. Betts & Beer Constr. Co.*, 656 N.W.2d 805, 806 (Iowa 2003) (setting forth standards of review).

I. Infringement Claim

TIE’s first claim alleged trademark infringement pursuant to Iowa Code section 548.112(1) (2009). That provision defines infringement as:

Use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under

¹ The second counterclaim for fraudulent registration of the mark was held over for trial.

this chapter in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake, or to deceive as to the source of origin of such goods or services.

Iowa Code § 548.112(1). Both parties focus on whether there was a likelihood of “confusion” by virtue of CCO’s use of the phrase “Go Green.”² As the term is not defined by statute, the parties direct us to common law. See *Harvey v. Care Initiatives, Inc.*, 634 N.W.2d 681, 685 (Iowa 2001) (using common law to find meaning in a statute). Based on that common law, TIE argues there was (1) “a likelihood of confusion,” see *Cnty. State Bank, Nat’l Ass’n v. Cnty. State Bank*, 758 N.W.2d 520, 527 (Iowa 2008), or alternately, (2) “reverse confusion,” see *Freedom Card, Inc. v. JPMorgan Chase & Co.*, 432 F.3d 463, 473 (3d Cir. 2005).

Six factors bear on the “likelihood of confusion” argument:

- (1) the strength of the trademark;
- (2) similarity between the trademark and the defendant’s mark;
- (3) competitive proximity of the products on which the respective marks are placed;
- (4) intent of the alleged infringer to pass off its goods as those of the trademark holder;
- (5) incidents of actual confusion; and
- (6) degree of care likely to be exercised by potential customers of the trademark holder.

Cnty. State Bank, 758 N.W.2d at 527 (quoting Restatement (Third) of Unfair Competition § 20 (1995)). The district court first found there was nothing in the summary judgment record to establish actual confusion. The court then applied the *Community State Bank* factors as follows:

There is no direct evidence in the record regarding the sophistication of TIE’s potential customers. However, the extreme

² The district court gave TIE the benefit of the doubt on the question of whether CCO used that precise phrase. Given our obligation to view the facts in a light most favorable to the non-moving party, we will do the same. See *Virden*, 656 N.W.2d at 806.

weakness of TIE's mark coupled with the diversity of the services and products of the two businesses and the very limited way in which CCO used the mark, makes it highly unlikely, as a matter of common sense, that even the most unsophisticated customers would be led to an interest in CCO's outdoor advertising because of a belief that it was actually TIE's service or product. In fact, the evidence, including the evidence submitted by TIE itself, makes it clear that no customer or potential customer of any business would judge the nature or source of origin of a product by the seller's use of the words "Go Green."

Application of the confusion factors justifies the conclusion that there is no genuine issue that precludes the ultimate conclusion that CCO did not infringe TIE's mark.

No useful purpose would be served by summarizing the relevant facts in greater detail. Suffice it to say that we discern no error in the court's analysis. As a matter of law, TIE failed to show a likelihood of confusion between CCO's use of the "Go Green" phrase and TIE's use of the phrase.

We turn to TIE's "reverse confusion" argument. The district court correctly noted that this theory has not been adopted by the Iowa Supreme Court. The court nonetheless addressed the theory on the merits and concluded there was no reverse confusion. We do the same.

A key component of the reverse confusion theory is the strength of the mark. *Freedom Card*, 432 F.3d at 473. Like the plaintiff in *Freedom Card*, TIE "failed to produce any evidence of the commercial strength of its mark." *Id.* at 477. Nor did TIE show that CCO "saturate[d] the market with a similar trademark and overwhelm[ed] [TIE]." *Id.* at 471.

TIE also had to show actual confusion. *Id.* at 473. It did not. The weight given the "actual confusion" factor may vary with the circumstances. *See id.* at 474. The circumstances, as reflected by applying the remaining factors, do not indicate the presence of reverse confusion. As we find no genuine issue of

material fact with respect to any of the factors listed in *Freedom Card*, see *id.* at 471, the reverse confusion argument necessarily fails.

We conclude the district court appropriately granted summary judgment in favor of CCO on the statutory infringement claim.

II. Unfair Competition

The district court granted summary judgment on TIE's common law unfair competition claim. TIE contends this was error.

Trademark infringement is one form of unfair competition. *Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank*, 592 N.W.2d 321, 327 (Iowa 1999). There are other forms. See *Cemen Tech, Inc. v. Three D Indus., L.L.C.*, 753 N.W.2d 1, 12 (Iowa 2008). TIE does not allege other forms. It simply asserts:

Defendant's acts constitute unfair competition in violation of Iowa common law, as its acts effectively precludes Plaintiff from the benefits of its own trademark and prevents expanded use of its trademark based on Plaintiff's extensive and far-reaching use to date in a variety of advertising campaigns.

This claim is indistinguishable from the statutory infringement claim. For that reason, the district court did not err in also granting summary judgment in favor of CCO on this claim.

III. Cancellation of the Mark

The district court granted CCO summary judgment on its counterclaim for cancellation of TIE's registered "Go Green" mark. The court reasoned in part that TIE abandoned the mark. TIE claims this was error.

Under Iowa Code section 548.109(3)(a), the secretary of state shall cancel the registration of a mark that has been abandoned. A mark is deemed "abandoned" when:

a. The use of the mark has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Non-use for two consecutive years shall constitute prima facie evidence of abandonment.

b. A course of conduct of the owner of the mark, including acts of omission as well as commission, causes the mark to lose its significance as a mark.

Iowa Code § 548.101(1).

The district court concluded that TIE abandoned the mark under both subsection (a) and subsection (b). We agree with the court that abandonment was established as a matter of law under subsection (b).

TIE's application for registration of the "Go Green" mark asserted the mark would be used as "a slogan to market the service of a retail store of the Iowa Entrepreneur LLC named 'Cornfuel.'" Assuming the phrase "Go Green" had significance in marketing the services of this retail store at the time of registration, the summary judgment record does not reveal its significance after registration. TIE used the phrase "Go Green" on its Cornfuel website, but nowhere established a nexus between that term and the undefined services of the Cornfuel store. Indeed, the "Go Green" phrase on the website was bracketed with standard recycling symbols, suggesting the phrase was used in its generic, commonly-understood sense. As the district court stated,

Frankly, reviewing the examples TIE produced of its use of the phrase, the most prominent association it has created is also the most common one, that is, the association between the phrase "Go Green" and environmentally friendly behavior, particularly recycling.

For this reason, we conclude TIE abandoned the mark by causing the mark to lose its significance. Accordingly, the district court did not err in granting CCO's motion for summary judgment on its counterclaim for cancellation of the mark.

We affirm the district court's grant of CCO's motion for partial summary judgment.

AFFIRMED.