

## Blog Post

# APOGEE at its Nadir for Louis Vuitton at Federal Circuit

July 16, 2019

The Federal Circuit recently sustained the Trademark Trial and Appeal Board’s (TTAB or the Board) refusal to register Louis Vuitton Malletier’s (LVM) trademark APOGÉE for perfumes, a decision that will concern trademark prosecution attorneys who seek to distinguish trademarks in United States Patent & Trademark Office (USPTO) likelihood of confusion refusals.

The appeal concerned LVM’s application to register the mark APOGÉE, which originally claimed perfumes, cosmetics, and skin care products. The Examining Attorney cited two prior registrations against LVM’s application – APHOGEE for “hair care lotions; hair conditioners; hair creams; hair mousse; hair oils; hair shampoo; hair sprays; hair styling preparations; non-medicated hair treatment preparations for cosmetic skin, hair and scalp; hair moisturizers,” and ApHOGEE for “hair conditioner for professional use only.”

After a series of revisions and rejections, LVM limited its identification of goods of its APOGÉE mark to: perfumery; perfumery products, namely, oils for perfumes and scents, perfumes; toilet water; eaux de parfum; eaux de cologne; all of the foregoing for non-professional use and sold only within Louis Vuitton Malletier stores, on Louis Vuitton Malletier’s website and within Louis Vuitton Malletier’s store-within-store partnerships with high-end retail stores

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within Louis Vuitton Malletier's exclusive distributor network. The Examining Attorney maintained the refusal, and LVM appealed. The TTAB affirmed the Examining Attorney's decision. LVM appealed to the Federal Circuit.

The Circuit Court agreed with the Board's decision, determining that there was substantial evidence of likelihood of confusion using the controlling *du Pont* factors. *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357 (CCPA 1973).

First, the Court compared the appearance, sound, meaning, and overall commercial impression of the marks. LVM argued that consumers would view APOGÉE as inherently French, suggesting that the product reflects the height of continental chic, while a consumer would interpret the "PH" in APHOGÉE as having primary significance both in terms of look and feel generally, and commercial impression more specifically. The Court disagreed, noting that the marks are almost identical except for one letter, and one of the cited marks does not particularly stress that letter. The Court further disagreed that the marks would be pronounced differently, relying on the well-established principle that "there is no correct pronunciation of a trademark" and that "consumers may pronounce a mark differently than intended by the brand owner."

Finally, the Court declined to afford the "PH" portion of the cited mark much significance as an indicator of acidity or alkalinity, as LVM urged, particularly since one of the cited marks was in standard character format, meaning that the letter combination "PH" could be used in any format, including all upper case, which is not consistent with the chemical abbreviation.

Second, the Court compared the relevant goods and found that perfume and hair care products are related because they are complimentary products which often emanate from the same source.

The heart of the case was the comparison of the respective marks' channels of trade and conditions of sale, particularly in light of the significant restrictions LVM put in its identification of goods. The Court found substantial evidence supported the Board's determination that the channels of trade are similar. The cited marks claim solely the goods without any trade channel restrictions; so theoretically, the cited goods can be sold anywhere, in any store, at any price point. LVM's mark, on the other hand, provided for sales in its own stores and within "store within store" partnerships with high-end retail stores within the company's own distributor network. Still, "store within store" was left undefined, so the Court interpreted it to mean any type of store, which allowed the Court to reason that the cited goods could travel in those channels. Despite the characterization of that term as undefined, LVM's definition was in fact fairly specific in its description of goods: store-within-store partnerships with *high-end retail stores within Louis Vuitton Malletier's exclusive distributor network*.

Finally, the Court found the conditions of sale factor to be neutral. LVM perfume retails for \$240 per 100ml bottle and \$350 per 200ml bottle, while the cited marks' hair products retail for around \$11 per 16oz bottle. Given the price differential, it seems unlikely that a consumer would mistakenly associate LVM's perfume with the cited products. But because the APHOGÉE registration and APOGÉE application do not restrict purchasers or pricing, nothing prevents LVM from developing a low-cost version of its product or the cited registrant from developing a high-end version of its product.

Thus, weighing all the relevant factors, the Court held that there was substantial evidence to support the TTAB's finding that potential consumers for APHOGÉE hair care products could experience source confusion with LVM's APOGÉE mark for "perfumery; perfumery products, namely, oils for perfumes and scents, perfumes; toilet water; eaux de

parfum; eaux de cologne; all of the foregoing for non-professional use and sold only within Louis Vuitton Malletier stores, on Louis Vuitton Malletier's website and within Louis Vuitton Malletier's store-within-store partnerships with high-end retail stores within Louis Vuitton Malletier's exclusive distributor network."

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This case should give pause to trademark owners and practitioners who attempt to distinguish their marks by drafting narrow descriptions of goods with numerous restrictions on the channels of trade. The Board ignored those restrictions here, despite the restrictions being present in the proposed mark's description of goods. In the Board's view, affirmed by the Federal Circuit, despite those restrictions, the junior products could seep into the applicant's trade channels, or the same consumer could shop in both channels.

That said, it is difficult to see how, in the marketplace, customers of the cited APHOGEE hair care products would really experience source confusion when viewing LVM's APOGÉE perfume at the LVM counter at Bloomingdales. One must wonder whether this same result would have accrued in a different circuit.

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