

IN THE COURT OF APPEALS OF THE STATE OF WASHINGTON

DIVISION I

3M COMPANY,)	NO. 56911-2-I
)	
Respondent,)	
)	
v.)	UNPUBLISHED OPINION
)	
STONGARD, INC.,)	
)	
Appellant.)	FILED: JANUARY 16, 2007

BECKER, J. – The issue presented in a bench trial was whether 3M Company infringed on appellant Stongard, Inc.’s unregistered common law trademark by using a confusingly similar mark for its paint protection film. The court made findings that are supported by substantial evidence and properly concluded there was no infringement.

3M and Stongard, Inc. began a mutually beneficial business relationship in 1991. 3M manufactures a product called paint protection film. Stongard purchased the film and cut it with precision to create kits adapted to specific vehicle types. Stongard marketed the kits to installers and consumers using a

trademarked logo, "STÖNGÄRD." 3M did not sell the film directly to consumers. 3M created a website listing contact information for all of its distributors, including Stongard, in 2002.

The business relationship soured when Stongard failed to meet its financial obligations. 3M terminated Stongard's status as a preferred film distributor at the beginning of 2003. 3M removed Stongard's contact information from the visible portion of the 3M website, but inadvertently failed to delete "stongard" from the website's metatags. If a consumer typed the word "stongard" in certain search engines, 3M's website would appear among the list of results even though Stongard was no longer a distributor.

3M changed the name of its paint protection film from "Scotchcal" to "Scotchgard" in the fall of 2003. Scotchgard is a familiar brand name, but 3M had not previously used the name in conjunction with paint protection film. Already displeased with 3M for terminating Stongard's distributorship, Stongard interpreted the change as a deliberate attempt at trademark infringement. Stongard promptly filed suit against 3M, alleging that "Scotchgard" looks and sounds confusingly similar to "Stongard".

At trial, 3M took the position that Stongard's registered trademark rights obtained in March of 1997 extended only to the stylized STÖNGÄRD logo, the only format included in Stongard's application to register the mark. Stongard argued that the protection obtained through the registration encompassed the

use of other forms of the word “Stongard” apart from the stylized logo. The parties proceeded with a six-day bench trial that included four fact witnesses, two expert witnesses, and over 80 exhibits. The court, after entering detailed findings of fact and conclusions of law, determined that the protection Stongard had obtained through federal registration extended only to a pink and blue logo in a stylized font, and not to words such as “Stongard” and “STÖNGÄRD”. Accordingly, the court rejected Stongard’s claim of trademark infringement.

Stongard appeals. Stongard essentially contends that the evidence presented below supports only one valid conclusion: Stongard holds protectable trademarks that 3M infringed upon by using the term Scotchgard in reference to paint protection film.

When the trial court has weighed the evidence, our review is limited to determining whether substantial evidence supports the findings and, if so, whether the findings in turn support the trial court's conclusions of law and judgment. Ridgeview Props. v. Starbuck, 96 Wn.2d 716, 719, 638 P.2d 1231 (1982). “The substantial evidence standard is deferential and requires the appellate court to view all evidence and inferences in the light most favorable to the prevailing party.” Lewis v. State, 157 Wn.2d 446, 468, 139 P.3d 1078 (2006). Substantial evidence exists when the evidence is in "sufficient quantum to persuade a fair-minded person of the truth of the declared premise." Ridgeview Props., 96 Wn.2d at 719. This court reviews questions of law de

novo. Mountain Park Homeowners Ass'n, Inc. v. Tydings, 125 Wn.2d 337, 341, 883 P.2d 1383 (1994).

3M initially responds that Stongard failed to preserve the right to appeal the trial court's findings because Stongard did not object to them below. We reject this argument. There is no requirement that a party object below to the court's findings of fact in order to challenge them on appeal. CR 52(b).

But 3M is correct in arguing that Stongard has failed to preserve error properly. The trial court entered a 24-page set of 56 findings and 29 conclusions, comprehensively summarizing the evidence, resolving factual disputes, and setting forth the legal analysis used. Stongard's brief cites liberally to the Report of Proceedings, but rarely if ever refers to any particular finding or conclusion entered by the court. Stongard does not assign error to any of the court's specific findings or conclusions as required by RAP 10.3(a)(3), and instead takes the approach of assigning error to perceived flaws in the court's analysis. Consequently Stongard appears to be attempting to use the appellate process as a way to retry the case without affording any deference to the factual findings of the trial court and without identifying any specific legal ruling alleged to be unsound.

Although assignments of error are not required in every jurisdiction, they have been a traditional part of appellate practice in Washington since statehood. An appellant must present argument to the court why specific findings of fact are

not supported by the evidence and must cite to the record to support that argument. Inland Foundry Co., Inc. v. Department of Labor and Indus., 106 Wn. App. 333, 340, 24 P.3d 424 (2001). Where the State failed to provide a separate assignment of error for each contested finding of fact, the Court of Appeals did not err in refusing to consider the State's factual challenges. State v. Kindsvogel, 149 Wn.2d 477, 481, 69 P.3d 870 (2003). Accord, Yousoufian v. King County Executive, 152 Wn.2d 421, 440, 98 P.3d 463 (2004) (Court of Appeals correctly refused to consider a challenge to the findings where the respondent failed to assign error to the finding at issue). Findings unchallenged on appeal are considered verities, Hagemann v. Worth, 56 Wn. App. 85, 89, 782 P.2d 1072 (1989), and because Stongard has not shown any of the factual findings to be unsupported by the evidence, the findings cannot be disturbed.

Stongard responds that the findings and conclusions, which were prepared by 3M, are unsatisfactory because they do not systematically track and respond to each argument and each piece of evidence presented. But rejection of Stongard's arguments and evidence is implicit in the findings and conclusions, which favored 3M. The rules of procedure do not require entry of findings explaining why certain arguments did not prevail and certain evidence was not deemed persuasive. Nor is there anything necessarily amiss when a trial judge adopts findings and conclusions prepared by the prevailing party; indeed, this is a fairly common practice in superior court.

We have considered the possibility of rejecting Stongard's appeal solely on the basis that the violations of the Rules of Appellate Procedure make Stongard's argument too difficult to follow. But we have elected to conduct review on the merits because it appears that Stongard's argument is primarily legal rather than factual, and we believe we have been able to discern the crux of it notwithstanding the opacity of the presentation.

The critical ruling to which Stongard's argument is directed is found in Conclusion of law 6: "Because the term "stongard" is generic, or descriptive without secondary meaning, it is not protectable as a trademark. Thus, Stongard owns no valid trademark rights in the mark STÖNGÄRD."

Stongard contends that the trial court improperly invalidated the company's federally protected trademark. "The lower court erred as a matter of law when it invalidated Stongard's incontestable federal trademark registration for STÖNGÄRD on the basis of genericism and/or descriptiveness." (Stongard's Assignment of Error 1). This statement by Stongard does not accurately describe the effect of the trial court's decision. The court did not even consider invalidating Stongard's federally protected logo. The validity of Stongard's rights in its registered logo was not challenged by 3M. The issue at trial was whether Stongard had common law rights in any form of the word "Stongard" when used apart from its stylized pink and blue logo. That was the issue the trial court decided against Stongard.

Stongard had to prove that it held a protectable mark and if so, that 3M's imitating mark was similar enough to "cause confusion, or to cause mistake, or to deceive." Survivor Media, Inc. v. Survivor Productions, 406 F.3d 625, 630 (9th Cir. 2005). At trial, Stongard concentrated on the second part of this test in an effort to prove that the words "Scotchgard" and "Stongard" were confusingly similar in sight and sound. But Stongard failed to satisfy the first part of the test – to demonstrate a protectable interest in the word "Stongard" as a common law trademark or wordmark.

Common law trademarks are unregistered marks that may receive protection if the mark meets certain criteria. The Lanham Act governs all claims of trademark infringement, and its protection encompasses common law trademarks if the user can demonstrate that the mark has acquired secondary meaning. 15 U.S.C. § 1114. Stongard argued that its use of the non-stylized forms of "Stongard" should receive protection as a common law mark that had acquired secondary meaning through constant use.

Secondary meaning refers to consumer association between the mark and the producer. Survivor Media, 406 F.3d at 632. Whether a product has acquired a secondary meaning is a question of fact. American Scientific Chemical, Inc. v. American Hospital Supply Corp., 690 F.2d 791, 793 (9th Cir. 1982). To demonstrate secondary meaning, a plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the

product but the producer.” American Scientific Chemical, 690 F.2d at 792 (quoting Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118, 59 S. Ct. 109, 113, 83 L. Ed. 73 (1938)).

Various types of evidence can demonstrate secondary meaning, such as customer surveys, customer testimony, the use of the mark in trade journals, the size of the company, number of sales, geographical scope of advertising, the period of time during which the mark has been used, the number of customers, and actual consumer confusion. American Scientific Chemical, Inc., 690 F.2d at 793. For example, the term “Committee for Idaho’s High Desert” acquired secondary meaning as shown by a significant amount of advertising and the entity’s use of the name continuously and exclusively for 12 years. Committee for Idaho’s High Desert v. Yost, 92 F.3d 814, 822 (9th Cir. 1996). The fact that a rival group knowingly and deliberately adopted the name within 24 hours of the Committee forfeiting its corporate charter demonstrated that the name commanded public recognition. Committee for Idaho’s High Desert, 92 F.3d at 822-823.

Stongard did not present substantial evidence that consumers recognized the mark “stongard”. Stongard presented evidence that employees had used the mark in business communications whenever it was impractical to use the logo. This evidence was not so strong as to compel a finding that the common law mark had acquired secondary meaning.

Under the Lanham Act, use of a common law mark for five or more years gives rise to a legal presumption that the mark has achieved a secondary meaning. Stongard attempted to benefit from this presumption but it is applicable only where the holder submits “proof of substantially exclusive and continuous use” for a period of five years. 15 U.S.C. §1052(f). Based on substantial evidence presented by 3M, the trial court found that due to third-party use of terms similar to “stongard”, Stongard’s use of that term was not exclusive:

The term “stōngård” (and its phonetic equivalent “stone guard”) is a generic term. These terms are used generically by the public and in the identifications of goods in third-party trademark registrations to refer to products that guard automobiles from damage by stones.

. . . .
There are numerous third-party uses and registrations of “stone guard” and similar terms incorporating “guard” or “gard” for vehicle protection products,

Findings of fact 28 and 34 in part. Because Stongard did not show exclusive and continuous use, Stongard was not entitled to the presumption of secondary meaning.

3M also argued below that the unregistered forms of “stongard” were merely descriptive. A descriptive mark defines a particular characteristic of the product in a way that does not require any exercise of the imagination, such as “Honey Roasted” for nuts roasted with honey. Survivor, 406 F.3d at 632. Descriptive marks do not receive trademark protection unless they acquire

sufficient “secondary meaning”. Survivor, 406 F.3d at 632. The trial court found that the term “Stongard” was highly descriptive of the company’s products, “the purpose of which is to protect vehicles from damage by stones.” Finding of fact 29.

Ultimately the court found squarely against Stongard’s contention that the term had acquired a secondary meaning: “Stongard has failed to establish that the descriptive word ‘stōngård’ has acquired a secondary meaning in the mind of the consuming public.” Finding of fact 30. Because the trial court’s unchallenged findings establish that Stongard’s common law marks had not acquired secondary meaning, the court properly concluded they were not entitled to protection.

Another legal issue raised by Stongard’s brief relates to findings made by the trial court with respect to the second step of a trademark infringement claim, i.e., whether 3M’s allegedly imitating mark – “Scotchgard” - was similar enough to cause confusion. (Stongard’s Assignment of Error 3.) Since Stongard’s only protectable mark was its logo, the court properly limited the second step infringement analysis to a comparison between 3M’s logo and Stongard’s logo. The court used the likelihood of confusion test set forth in AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979). Stongard claims that the trial court erred as a matter of law by failing to analyze each of the Sleekcraft factors.

Courts use the Sleekcraft factors to determine whether confusion between

related goods is likely. The following factors are relevant: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. Sleekcraft, 599 F.2d at 348-349. Here, the trial court entered detailed findings favoring 3M after considering five of the factors, and stated that the other three factors merited only cursory analysis. "None of the other Sleekcraft factors (relatedness of goods, marketing channels, and likelihood of expansion) weighs strongly in favor of a likelihood of confusion." Finding of fact 52, in part.

The Ninth Circuit has rejected the notion that trial courts should apply the Sleekcraft factors in a rigid and mechanical fashion:

A word of caution: this eight-factor test for likelihood of confusion is pliant. Some factors are much more important than others, and the relative importance of each individual factor will be case-specific. Although some factors – such as the similarity of the marks and whether the two companies are direct competitors – will always be important, it is often possible to reach a conclusion with respect to likelihood of confusion after considering only a subset of factors.

Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1054 (9th Cir. 1999). Stongard has failed to show error in the trial court's Sleekcraft analysis. We affirm the court's determination that "3M's use of the mark SCOTCHGARD for its PPF products is not likely to cause confusion."

Finding of fact 56.

Stongard's remaining issue arises from its claim that 3M infringed by using the word "stongard" in the metatags on the 3M website after 3M's business relationship with Stongard had ended. Stongard contends the trial court erred as a matter of law in its analysis of this claim. (Stongard's Assignment of Error 2). This contention need not be addressed. 3M's use was not infringement since "stongard" was not entitled to protection.

3M has moved to supplement the record on appeal. Stongard has responded, and has moved to extend time for filing its response. Stongard's motion to extend time is granted. 3M's motion to supplement the record is denied.

The judgment is affirmed.

Becker, J.

WE CONCUR:

Eschenfor, J. Columan, J.