

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

----oo0oo----

CYTOSPORT, INC.
Plaintiff,
v.
VITAL PHARMACEUTICALS, INC.,
Defendant.

NO. CIV. S-08-2632 FCD/GGH
MEMORANDUM AND ORDER

----oo0oo----

Plaintiff CytoSport, Inc. ("plaintiff" or "CS") brings this action against Vital Pharmaceuticals, Inc. ("defendant" or "VPX") for trademark and trade dress infringement, unfair competition and false advertising under federal and state law. (Second Am. Compl., filed Mar. 19, 2009.) This matter is before the court on plaintiff's motion for preliminary injunction, enjoining VPX from marketing, selling, advertising or promoting a liquid protein-based nutritional supplement using the name MUSCLE POWER® or any other trademark confusingly similar to plaintiff's MUSCLE MILK® trademark. Plaintiff also seeks to enjoin VPX, in conjunction with these activities, from using a trade dress that is

1 confusingly similar to the trade dress associated with MUSCLE
2 MILK. VPX opposes the motion, arguing its registered MUSCLE
3 POWER® trademark does not infringe plaintiff's MUSCLE MILK®
4 trademark, which is a weak, descriptive mark, and VPX's MUSCLE
5 POWER trade dress does not infringe plaintiff's MUSCLE MILK trade
6 dress since the two trade dresses have numerous, specific
7 differences in both color and layout, and VPX has been using its
8 dress trade consistently across all its product lines for almost
9 ten years.

10 The court heard oral argument on the motion on May 1, 2009.
11 By this order, it now renders its decision on the motion. For
12 the reasons set forth below, plaintiff's motion for preliminary
13 injunction is GRANTED. Plaintiff has demonstrated a reasonable
14 likelihood of success in demonstrating that defendant's use of
15 its MUSCLE POWER® trademark and trade dress infringes plaintiff's
16 MUSCLE MILK® trademark and trade dress, that plaintiff is likely
17 to sustain irreparable harm to its reputation and customer
18 goodwill absent preliminary relief, the balance of equities tips
19 in plaintiff's favor in light of its longstanding reputation in
20 the community and use of the MUSCLE MILK® trademark, and the
21 public is served by issuance of the requested injunction which
22 seeks to avoid customer confusion in the marketplace and permits
23 plaintiff to control its products' reputation.

24 **BACKGROUND**

25 This is a trademark and trade dress infringement action in
26 which plaintiff seeks to enjoin defendant from further marketing
27 and selling a nutritional supplement beverage due to defendant's
28 alleged infringement of plaintiff's trademark and trade dress.

1 Plaintiff is in the business of manufacturing and marketing
2 various nutritional and dietary supplement products. (Pl.'s Mem.
3 of P. & A. in Supp. of PI Motion ["PI"], filed March 2, 2009,
4 ¶ 1; Declaration of Roberta White ["White Decl."], filed March
5 13, 2009, ¶ 4.) In addition to a powdered nutritional supplement
6 designed to be mixed in beverages, plaintiff offers a premixed,
7 ready-to-drink ("RTD") liquid protein product sold in connection
8 with the MUSCLE MILK® trademark. (PI, ¶ 2.) Plaintiff
9 distributes its MUSCLE MILK® products through specialty health
10 and nutrition stores, grocery chains, convenience stores, and
11 warehouse outlet stores, and plaintiff maintains its RTD
12 nutritional product is the best-selling RTD nutritional beverage
13 on the market. (Id. at ¶¶ 3-4; White Decl., ¶ 7.) Plaintiff
14 holds three trademark rights to the mark MUSCLE MILK®, including
15 (1) use of the mark in connection with "powdered nutritional
16 supplement[s] containing milk derived ingredients for adding to
17 food and drink," (2) use of the mark in connection with "meal
18 replacement drinks; meal replacement and dietary supplement drink
19 mixes; protein based, nutrient-dense meal replacement bars; and
20 pre-mixed nutritionally fortified beverages," and (3) use of the
21 mark in connection with "nutritional supplements." (PI, ¶¶ 5-7.)
22 Defendant was founded over fifteen years ago and is also in
23 the business of manufacturing and marketing various nutritional
24 and dietary supplement products. (Declaration of John Owoc
25 ["Owoc Decl."], filed *under seal* April 16, 2009, ¶ 3.) Similar
26 to many companies in the nutritional supplement market, defendant
27 produces and sells an RTD nutritional product. (Id. at ¶¶ 4-5.)
28 Both plaintiff's and defendant's products are sold in liquid

1 form, are used as nutritional supplements, and promote themselves
2 as lactose free and capable of producing lean muscle. (PI,
3 ¶¶ 25-26.) Defendant asserts it designed its RTD product as the
4 most nutritious on the market and has gone to great lengths to
5 distinguish its formula from that of its competitors. (Owoc
6 Decl., ¶¶ 6-7.)

7 Defendant designated its RTD nutritional product MUSCLE
8 POWER, which was approved and registered in December 2008 without
9 objection by the Patent and Trademark Office ("PTO") and without
10 opposition by third parties. (Id. at ¶ 9.) Defendant had to
11 disclaim any rights to the word "Muscle," as defendant asserts
12 there are currently forty-two nutritional supplement products, as
13 well as eleven nutritional supplement companies, that employ the
14 word "Muscle" in their name. (Id. at ¶ 10.)

15 Since at least November 2004, plaintiff's RTD nutritional
16 product has been sold in packaging manufactured and designed by
17 Tetra Pak in an octagonal shape. (PI, ¶ 8.) Its Tetra Pak RTD
18 nutritional product is generally sold in seventeen fluid ounce
19 servings and retails from between \$3.00 and \$5.00. (Id.)
20 Plaintiff's RTD nutritional product is also sold in an hourglass-
21 shaped plastic bottle in fourteen fluid ounce servings and
22 retails from between \$3.00 and \$5.00. (Id. at ¶ 9.)

23 Plaintiff has used a consistent look and feel in the
24 promotion and sale of all of its MUSCLE MILK® products, including
25 its MUSCLE MILK® RTD nutritional product, MUSCLE MILK® powder,
26 MUSCLE MILK® Light, MUSCLE MILK® Pudding, and MUSCLE MILK® Bars,
27 which plaintiff asserts has resulted in significant trade dress
28 rights associated with the MUSCLE MILK® mark. (Id. at ¶ 10;

1 White Decl., ¶ 14.) As a result of its consistent and exclusive
2 use of its trade dress for MUSCLE MILK® products, plaintiff
3 contends its customers have come to recognize plaintiff's trade
4 dress as a source identifier of Muscle Milk products. (PI,
5 ¶ 11; Declaration of Jerry Reda ["Reda Decl."], filed March 13,
6 2009, ¶ 6.)

7 Over the course of the last several years, plaintiff has
8 spent well over \$100 million dollars promoting the MUSCLE MILK®
9 brand in general, including tens of millions of dollars
10 specifically promoting its RTD nutritional product. (PI, ¶ 14;
11 White Decl., ¶ 23.) Plaintiff promotes and advertises its
12 products through a variety of channels, including over the
13 Internet, through magazines and trade publications, at trade
14 shows, sporting events, bodybuilding competitions, retail store
15 promotional displays and other media outlets. (PI, ¶ 16; White
16 Decl., ¶ 24.) Further, plaintiff's MUSCLE MILK® product is
17 endorsed by a wide variety of well-known athletes, including
18 Jerry Rice. (PI, ¶ 17.) Typical consumers of MUSCLE MILK
19 products include bodybuilders, athletes, and others generally
20 interested in physical fitness, health, and nutrition. (Id. at
21 ¶ 18.)

22 Plaintiff's trade dress for its Tetra Pak RTD nutritional
23 product contains a number of distinctive components, including:
24 (1) the package is visually divided into three sections: top,
25 middle, and bottom; (2) on the middle portion of the package, the
26 word MUSCLE is prominently displayed above the word MILK in
27 capital letters in a bold, block-letter, white font on a dark
28 background; (3) on the lower portion of the package there is a

1 colored swirl that reflects the flavor of the liquid in the
2 package; (4) on the top portion of the package the flavor of the
3 product is identified; and (5) on the side of the package, the
4 words MUSCLE MILK are printed in bold, block-letter font and
5 oriented from top to bottom. (Id. at ¶ 12; White Decl., ¶ 22.)
6 Plaintiff's RTD nutritional product manufactured in the
7 hourglass-shaped plastic bottle contains all of the above
8 elements, as well as two more identifying features: (1) on the
9 front of the hourglass bottle, the words MUSCLE MILK are tapered
10 in the shape of the hourglass; and (2) the hourglass bottle
11 includes a rippled design in the plastic of the bottle. (PI,
12 ¶ 13; White Decl., ¶ 22.)

13 Defendant's RTD nutritional product is also sold in Tetra
14 Pak packaging designed in an octagonal shape. (Owoc Decl.,
15 ¶ 12.) However, defendant notes that many of its competitors in
16 the nutritional supplement industry manufacture their RTD
17 products in the Tetra Pak packaging. (Id. at ¶ 11.) Defendant
18 contends that companies do not choose the Tetra Pak packaging
19 simply to copy one another, but because few types of packaging
20 have been approved for RTD nutritional products by the Food and
21 Drug Administration ("FDA"). (Id. at ¶¶ 11-12.) The pre-
22 approved packaging choices for RTD nutritional products include a
23 plastic "snowman" bottle, a plastic "milk-shaped" bottle, the
24 Tetra Pak package, and aluminum cans. (Id. at ¶ 12.) Due to
25 market conditions, defendant could not manufacture its RTD
26 product in the "snowman" or "milk-shaped" plastic bottles, and
27 due to defendant's dislike of aluminum cans, it decided to use
28 the Tetra Pak package. (Id.) Presently, defendant only uses the

1 Tetra Pak package for its MUSCLE POWER® RTD nutritional product.

2 (Id.)

3 Since 1999, defendant asserts it has spent tens of millions
4 of dollars advertising its nutritional supplement products with
5 its trade dress. (Id. at ¶ 16.) However, defendant maintains
6 that the Tetra Pak package does not leave many creative options
7 as to the placement of graphics, product name, company logo, etc.
8 (Id. at ¶ 20.) While there is only a three-inch horizontal space
9 in which to display the entire logo on the Tetra Pak packaging,
10 defendant has made a point to use the same trade dress on its RTD
11 nutritional product as it uses on its other supplement products.
12 (Id. at ¶¶ 20-21.) Specifically, defendant's RTD nutritional
13 product contains a cobalt blue label and packaging; the words
14 MUSCLE POWER in bold, white block letters, which are outlined in
15 red with a black offset drop shadow around that outline; a
16 splash, which is colored to depict the flavor of the liquid; the
17 product name MUSCLE POWER on the side of the package in block
18 lettering; and the amount of protein contained in the package
19 written in bold, white block letters. (Id. at ¶ 23.)

20 Plaintiff contends that defendant's RTD nutritional product
21 contains a number of components that are strikingly similar to
22 plaintiff's product, including (1) the package is visually
23 divided into three sections: top, middle, and bottom; (2) on the
24 middle portion of the package, the word MUSCLE is prominently
25 displayed above the word POWER in capital letters in bold, block-
26 letter, white font on a dark background; (3) on the lower portion
27 of the package there is a colored swirl that reflects the color
28 and flavor of the liquid in the package; (4) on the top portion

1 of the package the flavor of the product is identified; and (5)
2 on the side of the package, the words MUSCLE POWER are printed in
3 bold, block-letter font and oriented from top to bottom. (PI,
4 ¶ 29.) Further, plaintiff emphasizes that although defendant
5 previously labeled many of its various supplement products with
6 vertical writing, defendant departed from this practice and
7 employed horizontal block lettering, similar to plaintiff, for
8 its RTD nutritional product. (Bettilyon Declaration ["Bettilyon
9 Decl."], filed *under seal* April 27, 2009, Exhibit T.) Moreover,
10 plaintiff alleges that although there are numerous design options
11 a company can employ in the design of their Tetra Pak package,
12 defendant chose to use the same basic design as plaintiff for
13 their RTD nutritional product. (Id. at Exs. H-I; White Decl.,
14 Ex. I.)

15 However, defendant asserts that product names, throughout
16 all industries, are commonly printed in block letter font in a
17 dark or light color against a contrasting background, which makes
18 the product name prominent and easy to read. (Owoc Decl., ¶ 24.)
19 Likewise, defendant contends that it is common in the nutritional
20 supplement industry to use a color to reflect the flavor of the
21 product and to print the product name on the side of the package
22 in bold, block letter font. (Id. at ¶¶ 25-26.)

23 Plaintiff's and defendant's RTD products are sold to an
24 identical class of consumers and through similar channels of
25 trade, including over the Internet, through gyms, and through
26 health and convenience stores. (PI, ¶ 33.) In many instances,
27 plaintiff's and defendant's RTD products are likely displayed
28

1 side-by-side on the Internet and on store shelves. (Id. at
2 ¶ 34.)

3 Due to the similarity of defendant's RTD product, plaintiff
4 indicates that customers have contacted plaintiff with questions
5 and comments evidencing customer confusion in the marketplace.
6 (Id. at ¶ 35; Declaration of Christopher Maun ["Maun Decl."],
7 filed March 13, 2009, ¶¶ 3-6.) For example, one customer
8 contacted plaintiff to complain that he did not like the new
9 formula for plaintiff's RTD product; however, the customer had
10 actually purchased defendant's RTD product and mistaken it for
11 plaintiff's product. (PI, ¶ 36; Maun Decl., ¶¶ 3-6.) Plaintiff
12 also explains that Jerry Reda, an experienced beverage
13 distributor, believed that defendant's RTD product was
14 manufactured by plaintiff. (PI, ¶¶ 37-39; Reda Decl., ¶ 6.)
15 Additionally, plaintiff emphasizes that during a recent beverage
16 trade show, several owners of 7-Eleven stores expressed confusion
17 regarding the origin and source of the MUSCLE POWER product.
18 (Bettilyon Decl., Ex. C [White Dep.] at 28:19-25.) Plaintiff
19 also asserts that one of its employees encountered a customer in
20 a 7-Eleven store who confused defendant's product with that of
21 plaintiff's. (Bettilyon Decl., Ex. D [Blair Decl.] at ¶¶ 4-19.)
22 Finally, plaintiff submits an email it received from a customer,
23 complaining that defendant's packaging is confusingly similar to
24 plaintiff's and expressing that he found the taste of MUSCLE
25 POWER's product "horrible." (Pl.'s Not. of After-Acquired Evid.,
26 filed Apr. 30, 2009.) Moreover, plaintiff commissioned a
27 customer survey which concluded that one in four individuals were
28 at risk of being confused between plaintiff's and defendant's RTD

1 products. (PI, ¶¶ 40-43; Declaration of Hal Poret ["Poret
2 Decl."], filed March 13, 2009.)

3 Defendant contends, to the contrary, that customers of RTD
4 nutritional products are health and fitness enthusiasts willing
5 to pay premium amounts for a healthy drink, and thus are able to
6 distinguish between plaintiff's and defendant's products. (Owoc
7 Decl., ¶¶ 29-30.) Further, defendant asserts that due to
8 circumstances regarding distribution of plaintiff's and
9 defendant's RTD nutritional products, customers are unlikely to
10 be confused between the two products. (Id. at ¶¶ 32-37.)

11 Defendant explains that RTD nutritional products are distributed
12 through one of three means: (1) through direct store delivery
13 ("DSD") to convenience stores, gas stations, grocery stores, and
14 other mass accounts; (2) to "specialty" retailers such as gyms
15 and health clubs that purchase through "specialty" wholesalers,
16 and (3) directly to "specialty" vitamin chain retail health
17 stores, such as GNC and Vitamin Shoppe, which purchase directly
18 from the manufacturer. (Id. at ¶ 32.) Nearly 75% of defendant's
19 Tetra Pak RTD nutritional product is sold through DSD
20 distributors. (Id. at ¶ 33.) However, defendant alleges that
21 plaintiff's Tetra Pak RTD nutritional product is sold
22 predominantly to speciality wholesalers and retailers, while
23 plaintiff's RTD nutritional product manufactured in plastic
24 bottles is sold predominantly via DSD distribution. (Id. at
25 ¶ 34.) As a result, defendant contends that confusion is
26 unlikely to result, as its Tetra Pak product is most often
27 offered for sale next to plaintiff's plastic bottle product.
28 (Id. at ¶¶ 35-37.) Plaintiff maintains, however, that its Tetra

1 Pak RTD nutritional product is frequently sold alongside
2 defendant's Tetra Pak product, and that 75% of its RTD
3 nutritional product is sold in the Tetra Pak packaging.
4 (Bettilyon Decl., Ex. E [Reda Dep.] at 78:22-79:4; Ex. C [White
5 Dep.] at 82:11-22.)

6 In July 2008, plaintiff learned that defendant filed a
7 trademark registration for the mark "Muscle Shake" for use in
8 connection with its nutritional supplements. Plaintiff's counsel
9 subsequently sent a letter to defendant inquiring as to the
10 products it intended to sell under the trademark. (PI, ¶¶ 44-
11 45.) Plaintiff received no response to its letter and learned
12 shortly thereafter that defendant intended to launch a new
13 product using the MUSCLE POWER® trademark and trade dress that
14 was similar to that used in connection with plaintiff's RTD
15 nutritional product. (Id. at ¶¶ 46-47.) On October 16, 2008,
16 plaintiff's counsel sent a letter to defendant requesting that
17 defendant cease and desist from marketing, promoting, or selling
18 any and all products, including defendant's RTD nutritional
19 product, that infringe on plaintiff's trademarks and trade dress.
20 (Id. at ¶ 47.) Defendant did not respond to this letter, and
21 plaintiff accordingly filed the current action for trademark and
22 trade dress infringement. (Id. at ¶ 48.) Despite defendant's
23 attempts to evade service of process on November 7 and 10, 2008,
24 plaintiff successfully served defendant with the current action
25 on November 12, 2008. (Id. at ¶¶ 49-50.)

26 Notwithstanding the foregoing, on October 30, 2008,
27 defendant filed a declaratory judgment action against plaintiff
28 in the Southern District of Florida, and served plaintiff with

1 the complaint on November 8, 2008. (Id. at ¶ 51.) On or about
2 December 23, 2008, plaintiff filed a motion to dismiss the
3 Florida action on the basis that defendant filed its anticipatory
4 suit in bad faith. (Id. at ¶ 52.) The parties stipulated to
5 suspend the present action pending a ruling on the motion to
6 dismiss the Florida action. (Order for Suspension [Docket #21],
7 filed Feb. 4, 2009.) The Southern District of Florida dismissed
8 defendant's action on February 9, 2009. (PI, ¶ 53.) On April
9 22, 2009, the Southern District of Florida denied defendant's
10 motion for reconsideration of its order. (Pl.'s Not. of Order
11 Denying Mot. for Reconsid. [Docket #57], filed April 23, 2009.)

12 STANDARD

13 The Ninth Circuit has recently clarified the controlling
14 standard for injunctive relief in light of the United States
15 Supreme Court's decision in Winter v. Natural Res. Def. Council,
16 129 S. Ct. 365 (2008). Am. Trucking Ass'ns, Inc. v. City of Los
17 Angeles, 559 F.3d 1049 (9th Cir. 2009). A party seeking a
18 preliminary injunction must demonstrate that it is likely to
19 succeed on the merits, that irreparable harm is likely in the
20 absence of preliminary relief, that the balance of equities tips
21 in favor of such relief, and that an injunction is in the public
22 interest. Id. at 1052.

23 Previously, in trademark cases, the Ninth Circuit had held
24 that a plaintiff was entitled to a presumption of "irreparable
25 injury . . . from a showing of likelihood of success on the
26 merits." GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1205
27 n. 4 (9th Cir. 2000). However, the governing law has changed in
28 light of Winter. Now, a plaintiff is not granted the presumption

1 of irreparable harm upon a showing of likelihood of success on
2 the merits. Am. Trucking Ass'ns, 559 F.3d at 1052-53; see also
3 Volkswagen AG v. Verdier Microbus and Camper, Inc., 2009 WL
4 928130, at *6 (N.D. Cal. Apr. 3, 2009). Indeed, in Winter, the
5 Court emphasized that to be entitled to preliminary injunctive
6 relief, a plaintiff must demonstrate that irreparable injury is
7 "*likely* in the absence of an injunction." 129 S. Ct. at 375-76
8 (emphasis in original) (recognizing that issuing a preliminary
9 injunction based only a "possibility" of irreparable harm is
10 "inconsistent with [the Court's] characterization of injunctive
11 relief as an extraordinary remedy that may only be awarded upon a
12 clear showing that the plaintiff is entitled to such relief").
13 Ultimately, because a preliminary injunction is an extraordinary
14 remedy, in each case, the court must "balance the competing
15 claims of injury and must consider the effect on each party of
16 the granting or withholding of the requested relief." Id. at
17 376.

18 ANALYSIS

19 I. Likelihood of Success on the Merits

20 A. Trademark Infringement

21 Plaintiff moves for a preliminary injunction, arguing it is
22 likely to succeed on the merits of its trademark and trade dress
23 infringement claims under the Lanham Act. 15 U.S.C. §§ 1114,
24 1116, 1125(a). The court considers these issues separately
25 below. First, to prevail on a trademark infringement claim under
26 the Lanham Act, a plaintiff must establish that the defendant is
27 "using a mark confusingly similar to a valid, protectable
28 trademark" of the plaintiff's. Brookfield Communications, Inc.

1 v. West Coast Entertainment, 174 F.3d 1036, 1046 (9th Cir. 1999).
2 Or, as the court in Brookfield clarified: “[m]ore precisely,
3 because we are at the preliminary injunction stage, [the
4 plaintiff] must establish that it is likely to be able to show .
5 . . a likelihood of confusion.” Id. at 1052 n. 15. As to the
6 threshold component, here, plaintiff submits registration
7 certificates for its MUSCLE MILK® trademark. These registrations
8 constitute *prima facie* evidence that plaintiff owns a valid and
9 protectable mark and has the exclusive right to use the
10 registered mark in commerce on or in connection with the goods or
11 services specified in the registrations. 15 U.S.C. § 1115(a);
12 Applied Info. Sciences Corp. v. eBay, Inc., 511 F.3d 966, 970
13 (9th Cir. 2007).

14 While maintenance of a valid and protectable mark is a
15 prerequisite to bringing a trademark claim, the likelihood of
16 confusion is the central element of a trademark infringement
17 action. “The [core] issue can be recast as the determination of
18 whether ‘the similarity of the marks is likely to confuse
19 customers about the source of the products.’” GoTo.com, 202 F.3d
20 at 1205.¹ The Ninth Circuit has developed eight factors (the
21 so-called Sleekcraft factors) to guide the determination of
22 likelihood of confusion: (1) the similarity of the marks; (2) the
23 relatedness of the two companies’ products; (3) the marketing
24 channels used; (4) the strength of the plaintiff’s mark; (5) the

26 ¹ Likelihood of confusion is also the test for trademark
27 infringement and unfair competition under California common and
28 statutory law. See Century 21 Real Estate Corp. v. Sandlin, 846
F.2d 1175, 1180 (9th Cir. 1988). Therefore, the inquiry is the
same for plaintiff’s federal trademark infringement claim and its
state law trademark infringement and unfair competition claims.

1 defendant's intent in selecting its mark; (6) evidence of actual
2 confusion; (7) the likelihood of expansion into other markets;
3 and (8) the degree of care likely to be exercised by the
4 purchasers. AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49
5 (9th Cir. 1979). This eight-factor test is "pliant," with some
6 factors being more important than others, and the relative
7 importance of each factor being case-specific. Brookfield, 174
8 F.3d at 1054.

9 **1. Similarity of the Marks**

10 This factor has always been considered a critical question
11 in the likelihood of confusion analysis. This factor, along with
12 the second and third factors (relatedness of the products and the
13 use of a common marketing channel), constitutes part of the
14 "controlling troika in the Sleekcraft analysis." GoTo.com, 202
15 F.3d at 1205. The marks must be considered in their entirety and
16 as they appear in the marketplace. Id. at 1206. Similarity is
17 adjudged in terms of appearance, sound, and meaning, and
18 similarities are weighed more heavily than differences. Id.

19 A review of the labels of both plaintiff's and defendant's
20 products shows that this factor weighs heavily in plaintiff's
21 favor. First, however, with respect to the trademarks
22 themselves, both marks comprise a two-word composite trademark
23 beginning with the word MUSCLE wherein the composite trademark
24 conveys a similar commercial connotation to consumers. It is
25 well established that the use of two trademarks comprising
26 different terms but which convey an overall similar commercial
27 connotation may tend to confuse consumers. See e.g., Standard
28 Oil Co. v. Standard Oil Co., 252 F.2d 65, 73-74 (10th Cir. 1958)

1 (recognizing that "[t]he use of a designation which causes
2 confusion because it conveys the same idea, or stimulates the
3 same mental reaction, or has the same meaning is enjoined on the
4 same basis as where the similarity goes to the eye or the ear").²
5 Here, both marks convey impressions of strength and nutrition to
6 the consumer.

7 Contrary to defendant's suggestion, it is not pertinent to
8 the inquiry that plaintiff had to disclaim the term "muscle" for
9 one of its trademark applications for the MUSCLE MILK® mark (U.S.
10 Registration No. 2,809,666). "[I]n determining whether
11 infringement of a trademark has occurred, disclaimed material
12 forming part of a registered trademark cannot be ignored. It is
13 still part of the composite trademark which must be considered in
14 its entirety." Kelly Blue Book v. Car-Smarts, Inc., 802 F. Supp.
15 278, 291 (C.D. Cal. 1992) (internal quotations omitted). "Such
16 disclaimers are not helpful in preventing likelihood of confusion
17 in the mind of the consumer, because [the consumer] is unaware of
18 their existence." Giant Food, Inc. v. Nation's Foodservice,
19 Inc., 710 F.2d 1565, 1570 (Fed. Cir. 1983). Moreover, the
20 specific registration that pertains to the MUSCLE MILK® RTD
21 product at issue does not have a disclaimer, and thus,
22 defendant's argument is irrelevant to the matter. (White Decl.,
23

24 ² See also Synergistic Intern., LLC. v. Korman, 470 F.3d
25 162 (4th Cir. 2006) (affirming summary judgment of infringement
26 between GLASS DOCTOR and WINDSHIELD DOCTOR for windshield
27 repair); National Ass'n of Blue Shield Plans v. United Bankers
28 Life Ins. Co., 362 F.2d 374 (5th Cir. 1966) (upholding
infringement between BLUE SHIELD and RED SHIELD for health
insurance); Kraft-Phenix Cheese Corp. v. R.E. Robertson, Inc., 9
F. Supp. 125 (D. Mich. 1934) (finding infringement between
MIRACLE WHIP and WONDER MIX for salad dressing).

1 Ex. C [U.S. Registration 2,973,352 which covers "pre-mixed
2 nutritionally fortified beverages"].)

3 In addition to the marks' similar commercial connotations,
4 the similarities between the marks as they appear in the
5 marketplace, namely, through employment of their respective
6 product dresses, are extremely telling. The similarities between
7 marks must be examined as they are encountered in the
8 marketplace. AMF, Inc., 599 F.2d at 351. That is, "[t]he
9 comparison should be made in light of what occurs in the
10 marketplace, taking into account the circumstances surrounding
11 the purchase of goods." Walt Disney Productions v. Air Pirates,
12 581 F.2d 751, 759 (9th Cir. 1978). In this case, the
13 similarities between the marks are significantly accentuated by
14 VPX's near identical incorporation of CS's trade dress into its
15 own product. Indeed, "with a single glance at the two images,
16 one is immediately struck by their similarity." GoTo.com, 202
17 F.3d at 1206.

18 The features of CS's trade dress which have been employed by
19 VPX include the following: (1) the package front of the MUSCLE
20 POWER product is visually divided into three sections, top,
21 middle, and bottom; (2) on the middle portion of the package, the
22 word MUSCLE is prominently displayed above the second word of the
23 composite mark in all capital letters in a bold, block-letter,
24 white-colored font on a dark background; (3) on the lower portion
25 of the package a depiction of a swirled colored liquid appears
26 reflecting the color of the product in the package, *i.e.*, brown
27 for chocolate, red for strawberries and cream, etc.; (4) on the
28 top portion of the package, an identification of the flavor in

1 words and a picture appears; (5) on the side of the package, the
2 MUSCLE POWER mark is printed in bold, block-letter font and
3 oriented so the consumer can read the words from the bottom to
4 the top of the package; and (6) VPX uses the Tetra-Pak packages
5 which are created by printing a label directly on to a flat piece
6 of packaging material that is subsequently folded into a
7 three-dimensional carton that can be filled with the product.

8 (White Decl., ¶¶ 29, 39.)

9 Defendant's efforts to expose trivial distinctions between
10 the two marks are unimpressive. VPX points to only subtle
11 differences between the way the marks are used, such as the red
12 outline around its brand name, as opposed to plaintiff's black
13 outline, and the "splash" on the bottom of its package instead of
14 plaintiff's "swirl." These minor differences are "trivial
15 distinctions" especially when viewing the products in full, as
16 they appear in the marketplace. Abercrombie v. Fitch Co. v.
17 Moose Creek, Inc., 486 F.3d 629, 636 (9th Cir. 2007). Seen in
18 that light, the marks are glaringly similar. Phat Fashions, LLC
19 v. Phat Game Athletic Apparel, Inc., 2002 WL 570681, at *8 (E.D.
20 Cal. March 20, 2002) ("Put plainly, the combination of features
21 as a whole rather than a difference in some details must
22 determine whether the competing product is likely to cause
23 confusion in the minds of the public.")

24 Additionally, VPX's use of its logo in conjunction with its
25 MUSCLE POWER mark is inconsequential. VPX's logo is
26 comparatively small and only noticeable upon close inspection.
27 The clear emphasis on the packaging is on the MUSCLE POWER® mark.
28 In this respect, this case is akin to Sleekcraft. There, the

1 court noted that while the defendant used a house mark in
2 connection with the infringing product, its use was in a smaller,
3 skewed lettering leaving the emphasis on the primary mark. AMF,
4 Inc., 599 F.2d at 351. Like in Sleekcraft, defendant's use of
5 its VPX logo is not sufficiently prominent or distinctive to
6 mitigate any likelihood of confusion between MUSCLE POWER® and
7 MUSCLE MILK®.

8 Moreover, the fact that the PTO did not find the two marks
9 confusingly similar is not dispositive. The PTO makes its
10 determination based upon the mark as it is presented for
11 registration, regardless of how the mark may be used in the
12 marketplace. See Amsted Industries, Inc. v. West Coast Wire Rope
13 & Rigging Inc., 2 U.S.P.Q.2d 1755, 1758-59 (T.T.A.B. 1992);
14 Carter-Wallace, Inc. v. Procter & Gamble Co., 434 F.2d 794, 801-
15 02 (9th Cir. 1970) (recognizing that the finding by the trademark
16 examining attorney "must be regarded as inconclusive since [it
17 is] made at [the] lowest administrative level" and that the
18 ultimate determination by the PTO "is rendered less persuasive
19 still by the fact that the [PTO] did not have before it the great
20 mass of evidence which the parties [subsequently present]").
21 Here, the PTO was unaware that the MUSCLE POWER product is
22 virtually identical to MUSCLE MILK, sold through identical
23 channels of trade, to an identical class of consumer, in
24 identical packaging and with virtually identical labeling
25 schemes.

26 An example similar to this case may be found in Classic
27 Foods International Corp. v. Kettle Foods, Inc. Finding striking
28 similarity between the marks KETTLE CLASSICS and KETTLE CHIPS,

1 the court in Classic Foods noted that the first word of the mark
2 appeared directly above the second word, both words were centered
3 on the packaging, both marks were written in thick block capital
4 letters, and in the same style and font. Classic Foods
5 International Corp., v. Kettle Foods, Inc., 2006 WL 5187497, at
6 *10 (C.D. Cal. Mar. 2, 2006) (noting that “[e]ven the most
7 cursory glance at the two products’ packaging reveals a striking
8 similarity”); see also Abercrombie, 486 F.3d at 636 (noting that
9 the differences in the marks there were a “trivial distinction
10 with no effect on our observation that with a single glance at
11 the two images, one is immediately struck by their similarity”).
12 Much like the Classic Foods case, the similarity between the
13 MUSCLE MILK® and MUSCLE POWER® marks is significantly enhanced by
14 consideration of the trade dress employed by VPX for its
15 products. As noted above, VPX has chosen an identical font, in
16 an identical color, on an identically shaped package, and placed
17 the mark on the package in an identical location. (White Decl.,
18 ¶ 38, 39.) While one must acknowledge that there are some
19 dissimilarities between the MUSCLE POWER® and MUSCLE MILK® marks,
20 like in Abercrombie, with even a cursory glance at the two
21 products as they appear in the marketplace, “one is immediately
22 struck by their similarity.” Abercrombie, 486 F.3d at 636. When
23 the marks are viewed as a whole with each product’s respective
24 trade dress, the court has no difficulty concluding that the two
25 marks are overwhelming similar.

26 **2. Relatedness of the Products**

27 The products offered by VPX using its MUSCLE POWER® mark and
28 trade dress, and the goods offered by plaintiff using the MUSCLE

1 MILK® mark and trade dress are substitute products; in the eyes
2 of the consumer, one product could be substituted for the other.
3 VPX does not dispute this fact.

4 It is well established that the greater the similarity
5 between the products or services, the greater the likelihood of
6 confusion. The court in Sleekcraft succinctly explained this
7 doctrine:

8 For related goods, the danger presented is that the
9 public will mistakenly assume there is an association
10 between the producers of the related goods, though no such
11 association exists. The more likely the public is to make
12 such an association, the less similarity in the marks is
13 requisite to a finding of likelihood of confusion. Thus,
14 less similarity between marks will suffice when the goods
15 are complementary, the products are sold to the same
16 class of purchasers, or the goods are similar in use and
17 function.

18 AMF, Inc., 599 F.2d at 350 (internal quotations and citations
19 omitted). In the present case, the similarities between the
20 products are clear. Both products promote themselves as high
21 protein supplements and come in a ready-to-drink form. Further,
22 both products claim to be lactose free and claim to increase lean
23 muscle. (White Decl., ¶¶ 30, 34, 35.) In fact, VPX's own
24 promotional materials promote the MUSCLE POWER product as having
25 more protein than MUSCLE MILK. (Id. at ¶ 31.) The products are
26 in direct competition with one another and compete for the same
27 purchaser. (Id. at ¶ 32.) Based on the substitute nature of the
28 products, this factor strongly favors a finding of likelihood of
confusion.

29 3. Marketing Channels Used

30 The Ninth Circuit has repeatedly recognized that
31 "[c]onvergent marketing channels increase the likelihood of

1 confusion." AMF, Inc., 599 F.2d at 353. Here, both CS and VPX
2 sell their products through nearly identical retail outlets,
3 using substantially the same methods, and compete for exactly the
4 same customers. More specifically, CS markets its products to
5 consumers through a network of retail outlets comprising
6 specialty health and nutrition stores, grocery chains,
7 convenience stores, and warehouse outlet stores. (White Decl.,
8 ¶ 9.) VPX sells their products through many of the same retail
9 outlets. (Id. at ¶ 41.) VPX contends, however, that fact is not
10 determinative of the likelihood of confusion between the
11 products; according to VPX, the realities of the marketplace are
12 such that due to certain, specific distribution channels employed
13 by CS and VPX, VPX's MUSCLE POWER, in the Tetra Pak packaging, is
14 most often offered for sale next to or near CS's MUSCLE MILK
15 plastic bottles, thus decreasing any chance of a likelihood of
16 confusion. (Owoc Decl., ¶ 37.)

17 Plaintiff offers compelling evidence to the contrary. While
18 plaintiff's MUSCLE MILK® RTD product in plastic containers has
19 become more widely distributed since February 2008, when
20 plaintiff entered a new distribution agreement with Pepsi
21 Bottlers, the vast majority of MUSCLE MILK® RTD products continue
22 to be distributed in a Tetra Pak. CS estimates that
23 approximately 75% of its MUSCLE MILK RTD products are sold in
24 Tetra Paks. (Bettilyon Decl., Ex. C [White Dep.] at 82:11-22.)
25 Moreover, plaintiff provides evidence of multiple instances where
26 MUSCLE POWER® and MUSCLE MILK® are sold side-by-side in the Tetra
27 Pak. (Id. at Ex. E [Reda Dep.] at 78:22-79:16.) Indeed, in
28 discovery in this case, VPX produced a picture showing Tetra Paks

1 of MUSCLE MILK® and MUSCLE POWER® being sold in the same
2 refrigerated cooler. (Id. at Ex. F)

3 In addition to using similar retail outlets, CS and VPX
4 employ similar methods of advertising for their products. CS
5 advertises and promotes its products through printed
6 publications, paid professional endorsements, trade shows,
7 billboards, athletic events, and over the Internet. (White
8 Decl., ¶¶ 24, 25, 41.) While VPX may not employ all of CS's
9 advertising methods, VPX does advertize in print publications,
10 trade shows, and over the Internet.

11 Finally, VPX markets and sells its products to those same
12 consumers targeted by CS's marketing efforts, *i.e.*, persons
13 interested in bodybuilding and overall health and nutrition.
14 (Owoc Decl., ¶¶ 29-30.)

15 In sum, because CS and VPX sell their products through
16 nearly identical retail outlets, using largely identical methods,
17 and compete for exactly the same customers, this factor also
18 strongly favors a finding of likelihood of confusion.

19 **4. Strength of Plaintiff's Mark**

20 The more likely a mark is to be remembered and associated in
21 the public's mind with the mark's owner, the greater protection
22 the mark is accorded by trademark laws. GoTo.com, 202 F.3d at
23 1207. The "strength" of the trademark is evaluated in terms of
24 its conceptual strength and commercial strength. Id. More
25 specifically, "[t]he strength of a mark is determined by its
26 placement on a continuum of marks from generic, afforded no
27 protection; through descriptive or suggestive, given moderate
28 protection; to arbitrary or fanciful awarded maximum protection."

1 E. & J. Gallo Winery v. Gallo Cattle, 967 F.2d 1280, 1291 (9th
2 Cir. 1992). While defendant argues that, at most, plaintiff's
3 MUSCLE MILK® trademark is a descriptive mark entitled to minimal
4 protection, the court is satisfied that plaintiff has produced
5 sufficient evidence to demonstrate a likelihood of success in
6 showing that the mark is, at least, a suggestive mark.

7 Suggestive terms suggest characteristics of the underlying
8 goods and require an effort of the imagination by the consumer to
9 ascertain the type of product. The "imagination test" focuses on
10 the amount of imagination required for a consumer to associate a
11 given mark with the goods or services it identifies. If a
12 consumer must use more than a small amount of imagination to make
13 the association, the mark is suggestive and not descriptive.

14 Rodeo Collection, Ltd. v. West Seventh, 812 F.2d 1215, 1218 (9th
15 Cir. 1987). Here, the composite term MUSCLE MILK® does not
16 describe a quality or characteristic of the underlying
17 nutritional supplement. In fact, the product is not "milk" as
18 that term is used in the dairy industry (the product is lactose-
19 free), and the term "muscle" is used frequently by many different
20 entities in a variety of ways such that a consumer would not
21 automatically jump to the conclusion that the product is a
22 nutritional product. See e.g., Dreamwerks Production Group, Inc.
23 v. SKG Studio, 142 F.3d 1127, 1130-31 (9th Cir. 1998) (noting
24 term "dream is used in too many different ways to suggest any
25 particular meaning to the reasonable consumer."). As such, the
26 MUSCLE MILK® mark, at a minimum, requires significant imagination
27 on the part of the consumer to guess the underlying goods and
28

1 services associated with the mark.³

2 Once a determination regarding the position of a mark and
3 dress on the relevant spectrum of trademarks and trade dress has
4 been made, the court must then consider the marketplace strength
5 of the mark and dress. GoTo.com, 202 F.3d at 1207. The more
6 extensively advertised and readily identifiable a mark and dress
7 are in the relevant market, the stronger the mark and dress.
8 Brookfield, 174 F.3d at 1058; see also Golden Door, Inc. v.
9 Odisho, 646 F.2d 347, 350-51 (9th Cir. 1980) (evidence of
10 extensive media coverage supported determination that mark had
11 acquired national recognition); M2 Software, Inc. v. Madacy
12 Entertainment, 421 F.3d 1073, 1081 (9th Cir. 2005) (noting
13 strength of relatively non-distinct mark is bolstered by evidence
14 of commercial success).

15 Here, CS proffers evidence that its MUSCLE MILK® trademark
16 and trade dress have been used extensively in connection with
17 advertising its MUSCLE MILK® RTD protein products in publications
18 across the United States, on the Internet, in magazines, and
19 other trade publications. (White Decl., ¶ 24.) CS has spent
20 tens of millions of dollars advertising its MUSCLE MILK® RTD
21 products and has spent hundreds of millions of dollars

22
23 ³ The court separately discusses below plaintiff's claim
24 of trade dress infringement. The majority of this discussion of
25 likelihood of confusion equally pertains to that claim.
26 GoTo.com, 202 F.3d at 1205 (noting that analyses between
27 trademark and trade dress infringement are "practically
28 identical"). However, certain specific findings are necessary
under some of the Sleekcraft factors. On the issue of strength
of plaintiff's trade dress, because there is no natural
connection between the features of CS's trade dress and a protein
supplement, CS's trade dress when used in connection with a
protein supplement is arbitrary, and therefore, is conceptually
strong.

1 advertising the MUSCLE MILK® brand and its associated trade dress
2 generally. (Id. at ¶ 23.) CS specifically promotes its MUSCLE
3 MILK® RTD products through magazine ads, promotions at athletic
4 events, celebrity endorsements, trade shows, Internet videos, and
5 other media outlets. (Id. at ¶ 24.) Moreover, since at least as
6 early as 1998, CS has consistently used similar trade dress
7 features on all of its products bearing the MUSCLE MILK® mark.
8 (Id. at ¶ 14.) These facts serve to strengthen the MUSCLE MILK®
9 mark and related trade dress.

10 Finally, “[t]he less that third parties use the mark, the
11 stronger it is, and the more protection it deserves.” Corp. v.
12 Texas Motor Exchange of Houston, Inc., 628 F.2d 500, 504 (5th
13 Cir. 1980) (“A strong trademark is one that is rarely used by the
14 parties other than the owner of the trademark.”) CS submits
15 evidence to show that no party has adopted the term MUSCLE MILK
16 for use in connection with any products or services, much less
17 for use in connection with a RTD protein beverage. (White Decl.,
18 ¶ 26.) Moreover, plaintiff provides evidence that no companies
19 have previously used CS’s trade dress or something significantly
20 similar in conjunction with a RTD protein drink. That is, no one
21 has adopted the entire selling image CS employs with its MUSCLE
22 MILK® products. (See Bettilyon Decl., Ex. Q.)

23 Defendant’s rebuttal evidence is not compelling. VPX argues
24 that the marketplace is crowded with products employing the term
25 “muscle.” However, of the sixty-six trademark registrations
26 cited by VPX in the nutritional supplement category that
27 incorporate the term “muscle,” only seven registrations
28 (excluding those at issue in this case) include a claim for any

1 type of beverage in the registration. Further, in spite of what
2 these seven registrations claim to cover, defendant offers no
3 evidence that any of these seven companies sell protein drinks.
4 Additionally, of the eleven companies cited by defendant which
5 use "muscle" in their company name, defendant has not shown that
6 any of these companies sell competing products to plaintiff's.⁴
7 Thus, plaintiff's evidence showing the lack of third parties' use
8 of similar marks on similar products serves to strengthen the
9 MUSCLE MILK® mark and associated trade dress.

10 Based on the above, the court finds that plaintiff has shown
11 a likelihood of success in demonstrating that MUSCLE MILK® is a
12 strong mark and uses a strong trade dress which should be
13 afforded broad protection. As such, this factor heavily favors a
14 finding of likelihood of confusion.

15 **5. Defendant's Intent in Selecting its Mark**

16 An intent to copy is strong evidence of likelihood of
17 confusion. AMF, Inc., 599 F.2d at 354. In Sleekcraft, the Ninth
18 Circuit noted that "[w]hen the alleged infringer knowingly adopts
19 a mark similar to another's, reviewing courts presume that the
20 defendant can accomplish his purpose: that is, that the public
21 will be deceived." Id. While such evidence is not required,
22 "when the evidences does show *or require the inference* that
23 another's name was adopted deliberately with a view to obtain
24

25 ⁴ Contrary to Matrix Motor Co., Inc. v. Toyota Motor
26 Corp., 290 F. Supp. 2d 1083, 1091 (C.D. Cal. 2003) (finding that
27 an arbitrary mark could be classified as weak in the face of
28 extensive third-party use of similar marks on similar goods)
relied upon by defendant, here, there has been no such showing of
extensive third-party use. Defendant's evidence demonstrates at
best, broad references to uses of the term "muscle" in connection
with other marks on other non-competing goods.

1 some advantage from the goodwill, good name, and good trade which
2 another has built up, then the inference of likelihood of
3 confusion is readily drawn, for the very act of the adopter has
4 indicated that he expects confusion and resultant profit."
5 Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149,
6 158 (9th Cir. 1963) (emphasis added).

7 Here, plaintiff submits evidence that VPX specifically
8 targeted plaintiff and its MUSCLE MILK® product when it created
9 and introduced into the market its MUSCLE POWER® brand.

10 (Bettilyon Decl., Ex. A [Beverage Spectrum March 2009 article
11 describing VPX President John Owoc's statements about plaintiff
12 and its MUSCLE MILK product].) In introducing its product, VPX
13 was certainly aware of plaintiff's MUSCLE MILK® product.

14 Additionally, evidence of VPX's intent to derive benefit
15 from CS's valuable MUSCLE MILK® brand may be found in the obvious
16 similarity between the product packaging and labeling. See e.g.,
17 K-Swiss, Inc. v. USA ASIQI Shoes, Inc., 291 F. Supp. 2d 1116,
18 1124 (C.D. Cal. 2003) (drawing inference of intent to deceive
19 based on factors including senior marks' strong reputation and
20 overall appearance of products); NEXxUS Products Co. v. Gentle
21 Concepts, Inc., 1993 WL 496824, at *7 (M.D. Fla. April 30, 1993)
22 (finding similarity between products noting that "[s]uch
23 similarity could not have been accomplished . . . without a
24 deliberate intent to copy."). The many similarities between
25 plaintiff's trade dress and the dress used by VPX in connection
26 with its MUSCLE POWER product are discussed at length above. In
27 short, some of the more salient similarities can be summarized as
28 follows: Out of the many possible options available, VPX chose

1 to market its product in packages that are identically shaped to
2 one of CS's MUSCLE MILK® RTD products and adopted a remarkably
3 similar trade dress (i.e., position of the marks on the
4 packaging, identical font, identical style, identical color,
5 etc.). (White Decl., ¶¶ 22, 39.) Plaintiff proffers evidence of
6 the many packaging shapes available to VPX for use in connection
7 with its RTD protein products, yet VPX chose the identical Tetra
8 Pak packaging used by plaintiff. (Id. at ¶ 27, Ex. H.) VPX made
9 this choice despite the fact that Tetra Pak offers at least three
10 different package containers suitable for aseptic packaging in
11 the same 17 fluid ounce size selected by MUSCLE POWER.
12 (Bettilyon Decl., Exs. G, H and I.) While some of these
13 packaging types may not be as desirable to VPX,⁵ VPX had legal
14 obligation to distinguish its MUSCLE POWER product from
15 plaintiff's. While VPX was free to choose the exact Tetra Pak
16 packaging that plaintiff's uses, once it did so, VPX had an even
17 stronger obligation to distinguish its product, which has a
18 similar trademark, with a trade dress that separated its product
19 from plaintiff's MUSCLE MILK® product.

20 In addition to the packaging shapes, plaintiff proffers
21 evidence of the numerous ways of labeling those different
22 packaging alternatives. (White Decl., ¶ 28, Ex. I.) Indeed,
23 contrary to defendant's argument that "the Tetra Pak package does
24 not leave many creative options as to the placement of graphics,
25 products, company logo, etc.," the Tetra Pak website notes "there
26

27 ⁵ In its sur-reply, defendant indicates that while
28 plaintiff and other competitors use some of the other packaging
referenced by plaintiff, VPX "dislikes" it and thus chose not to
use it. (Docket #68 at Ex. C.)

1 are more than a thousand ways to configure a Tetra Brik package
2 [the specific Tetra Pak package used here]." (Bettilyon Decl.,
3 Ex. P.) Other companies utilizing Tetra Pak's technology prove
4 that point; a wide variety of companies using Tetra Pak use an
5 array of trade dress that is not remotely similar to CS's trade
6 dress. (Id. at Ex. H and I.) Moreover, contrary to defendant's
7 claims, none of the major competitors selling RTD protein drinks
8 use trade dress similar to that of MUSCLE MILK. (Id. at Ex. Q.)
9 MUSCLE POWER is the only product to employ virtually every aspect
10 of MUSCLE MILK's unique trade dress. Id. Such copying is strong
11 evidence of a desire to confuse the marketplace and trade on CS's
12 goodwill and brand name.

13 Additionally, in choosing a trade dress for its MUSCLE POWER
14 product, VPX made a marked departure from its trade dress on
15 similar products. (Id. at Ex. T.) The hallmark of VPX's
16 marketing appears to be vertical lettering against a solid
17 background which is often, but not always, blue. In stark
18 contrast to the MUSCLE POWER trade dress, these other VPX
19 products do not divide the package into three portions, do not
20 use horizontal lettering, do not use a "splash" at the bottom to
21 depict the flavor, and otherwise look very different from the
22 trade dress selected for MUSCLE POWER. If defendant truly sought
23 to distinguish itself from MUSCLE MILK and not trade on MUSCLE
24 MILK's goodwill and reputation, VPX could have easily used a
25 trade dress more consistent with its other RTD products, e.g.,
26 Redline, Black Pearl and Pump 7. The marked departure from these
27 other trade dress styles, coupled with the near exact copy of
28 MUSCLE MILK's trade dress, is strong evidence of an intent to

1 deceive. This factor weighs in favor of plaintiff and a finding
2 of likelihood of confusion.

3 **6. Evidence of Actual Confusion**

4 Evidence that the use of the two marks has already led to
5 confusion is "persuasive proof that future confusion is likely."
6 AMF, Inc., 599 F.2d at 352. Here, the similarity between the
7 MUSCLE MILK® mark and trade dress and the MUSCLE POWER® mark and
8 trade dress, and the resulting likelihood of confusion, is
9 buttressed by strong evidence of actual confusion.

10 Courts in the Ninth Circuit often rely on at least three
11 types of evidence to show actual consumer confusion: "(1)
12 evidence of actual instances of confusion; (2) survey evidence;
13 and (3) inferences arising from judicial comparison of the
14 conflicting marks and the context of their use in the
15 marketplace." Classic Foods, 2006 WL 5187497 at *14. In this
16 case, CS has significant evidence in each of these categories.

17 First, CS has proffered evidence of actual confusion in the
18 marketplace. For example, one customer contacted plaintiff to
19 complain that he did not like the new formula for plaintiff's RTD
20 product; however, the customer had actually purchased defendant's
21 RTD product and mistaken it for plaintiff's product. (PI, ¶ 36;
22 Maun Decl., ¶¶ 3-6.) Plaintiff also submits a declaration from
23 Jerry Reda, an experienced beverage distributor, who believed
24 that defendant's RTD product was manufactured by plaintiff. (PI,
25 ¶¶ 37-39; Reda Decl., ¶ 6.) Additionally, plaintiff proffers
26 evidence that during a recent beverage trade show, several owners
27 of 7-Eleven stores expressed confusion regarding the source or
28 origin of the MUSCLE POWER product. (Bettilyon Decl., Ex. C

1 [White Dep.] at 28:19-25.) Plaintiff also submits evidence that
2 one of its employees encountered a customer in a 7-Eleven store
3 who confused defendant's MUSCLE POWER® product with that of
4 plaintiff's. (Bettilyon Decl., Ex. D [Blair Decl.] at ¶¶ 4-19.)
5 Finally, plaintiff submits an email it received from a customer,
6 complaining that defendant's packaging is confusingly similar to
7 plaintiff's and expressing that he found the taste of MUSCLE
8 POWER's product "horrible." (Pl.'s Not. of After-Acquired Evid.,
9 filed Apr. 30, 2009.)

10 Defendant objects to the above evidence on hearsay grounds,⁶
11 arguing plaintiff's employees cannot proffer this evidence of
12 customer confusion. (See Def.'s Objs. to Evid., filed April 17,
13 2009.) Defendant's objection is unavailing. The Ninth Circuit
14 has not specifically addressed the issue, and the circuit courts
15 are split with respect to whether employee testimony regarding
16 consumer confusion is hearsay. However, the majority opinion is
17 that such testimony is not hearsay. "Although at least one
18 circuit court has held that such evidence is inadmissible
19 hearsay, the majority of circuit courts that have considered this
20 issue have . . . found that such evidence is admissible."
21 Conversive, Inc. v. Conversagent, Inc., 433 F. Supp. 2d 1079,
22 1091 (C.D. Cal. 2006). Specifically, only the Eighth Circuit has
23 held such testimony to be inadmissible. Duluth News-Tribune v.
24 Mesabi Pub. Co., 84 F.3d 1093, 1098 (8th Cir. 1996). In

26 ⁶ Clearly, defendant's hearsay objection is not properly
27 asserted against the testimony of distributor Jerry Reda or the
28 consumer, Adam McGee, who emailed plaintiff, as they provide
direct testimony based on their own personal experiences and
observations.

1 contrast, the Second, Third, Fourth, and Fifth Circuits have all
2 held that such evidence is admissible. Fun-Damental Too, Ltd. v.
3 Germany Indus. Corp., 111 F.3d 993, 1003-04 (2d Cir. 1997)
4 (statements regarding consumer confusion were not offered to show
5 the truth of the matter asserted and were offered to show the
6 state of mind of the declarant consumers); Armco Co., Inc. v.
7 Armco Burglar Alarm Co., Inc., 693 F.2d 1155, 1160 n.10 (5th Cir.
8 1982) (same); Citizens Financial Group, Inc. v. Citizens Nat.
9 Bank of Evans City, 383 F.3d 110, 133 (3d Cir. 2004) (same);
10 Lyons Partnership, L.P. v. Morris Costumes, Inc., 243 F.3d 789,
11 804 (4th Cir. 2001) (same).

12 Typically, courts agreeing with the majority opinion
13 conclude that employee testimony regarding consumer confusion is
14 not being offered for the truth of the matter asserted by the
15 confused consumer (the out-of-court declarant), but rather for
16 the fact that the confusing statement was observed by the
17 employee. "If the significance of an offered statement lies
18 solely in the fact that it was made, no issue is raised as to the
19 truth of the matter asserted, and the statement is not hearsay."
20 Mustang Motels, Inc. v. Patel, 1985 WL 72659 (C.D. Cal. Mar. 1,
21 1985). Additionally and/or alternatively, some courts hold that
22 an employee's testimony of confused consumers is evidence of the
23 consumers' then-existing state of mind (confusion), which also is
24 not hearsay. See e.g., Fun-Damental Too, Ltd. v. Gemmy Indus.
25 Corp., 111 F.3d at 993 (hearsay admissible under Fed. R. Evid.

1 803(3)).⁷

2 Similarly here, the consumer and dealer statements,
3 described, for example, in the declarations of Chris Maun, Chad
4 Blair and John Blair, are not being offered for the truth of the
5 matter asserted by the consumers, but rather for the truth
6 regarding these witnesses' perception of the consumers' confused
7 state of mind. For example, Mr. Maun's testimony is not being
8 offered as proof that the consumer "did not like Muscle Milk's
9 'new formula,'" but rather as evidence of Mr. Maun's objective
10 assessment of the customer's confusion--the customer's
11 then-existing state of mind. Accordingly, the proffered
12 testimony is not offered for the truth of the matter asserted and
13 is offered as evidence of a then-existing state of mind and,
14 therefore, is not hearsay.⁸

15 In addition to the declarations and deposition testimony
16 cited above, CS submits a consumer survey which it commissioned
17 with respect to the likelihood of confusion between the MUSCLE
18 POWER® and MUSCLE MILK® marks. The consumer survey comprised a
19 mall intercept survey of 419 respondents at 12 mall research
20

21 ⁷ Defendant contends nonetheless that while these courts
22 have overruled hearsay objections to similar evidence, they have
23 required that the evidence be corroborated in writing, specific
24 and that there are other indicators of reliability. The court
25 does not agree that these cases, as a whole, have required this
26 further showing; however, even if such a showing were required,
27 the court finds plaintiff's evidence, described above,
28 sufficiently documented, specific and reliable.

26 ⁸ Moreover, the court notes that even if CS's
27 declarations included inadmissible hearsay, it is well
28 established that "[i]t is within the discretion of the district
29 court to accept . . . hearsay for purposes of deciding whether to
30 issue [a] preliminary injunction." Republic of the Philippines
31 v. Marcos, 862 F.2d 1355 (9th Cir. 1988).

1 facilities across the country. 208 respondents were assigned at
2 random to a Test Group, and the other 211 respondents were
3 assigned to a Control Group. According to the consumer survey,
4 approximately 51.9% of those surveyed answered that the MUSCLE
5 POWER® product was made by the same company that makes MUSCLE
6 MILK® or is connected or affiliated with the same company.
7 Within the Control Group, 26.5% of those surveyed responded that
8 the control product was made by the same company that makes
9 MUSCLE MILK® or is connected or affiliated with MUSCLE MILK.
10 Subtracting the Control Group from the Test Group resulted in a
11 net confusion level of 25.4% between the MUSCLE POWER product and
12 the MUSCLE MILK® product. (Poret Decl., ¶ 5-8.)

13 Defendant vigorously contests the merits of this study, both
14 the procedures employed and the results reached,⁹ and has offered
15 rebuttal expert testimony, which plaintiff has responded to
16 extensively in its reply.¹⁰ However, for purposes of this
17 motion, the court need not resolve the parties' disputes on this
18 issue. To obtain a preliminary injunction, plaintiff need only
19 demonstrate a likelihood of success in showing consumer
20

21 ⁹ Defendant contends CS's survey should not be given any
22 weight for the following reasons: (1) the proper universe of
23 consumers was not polled, (2) without the proper universe there
24 cannot be a proper representative sample, (3) the survey is
25 flawed insofar as the stimuli used was improper, (4) the survey
is flawed insofar as the research design does not consider the
realities of the marketplace, and (5) there were execution errors
in the survey.

26 ¹⁰ Notably, while defendant submits a declaration by an
27 expert who criticizes plaintiff's survey, defendant did not
conduct its own survey, despite adequate time to do so. At oral
28 argument, remarkably, defendant's counsel admitted that he and
his client made a conscious choice to not perform a competing
survey as *they* believed the motion was baseless and a survey was
thus, unnecessary.

1 confusion, considering *all* the Sleekcraft factors. GoTo.com, 202
2 F.3d at 1208 (declining to evaluate dueling customer confusion
3 surveys because even if the plaintiff's study was "pure fantasy
4 and . . . no one was actually confused, it would . . . [not]
5 refute a [finding of] likelihood of confusion" considering, on
6 balance, all the Sleekcraft factors). It is sufficient for a
7 preliminary injunction motion that plaintiff has proffered survey
8 evidence as *some* evidence of actual confusion. In fact, this
9 court as well as other circuit courts have accepted survey
10 results well below the 25% net confusion, reported by plaintiff
11 here, to support a finding of likelihood of confusion. See CSC
12 Brands LP v. Herdez Corp, 191 F. Supp. 2d 1145, 1151-52 (E.D.
13 Cal. 2001) (survey showing 15% of respondents were confused about
14 products at issue); Exxon Corp. v. Texas Motor Exchange of
15 Houston, Inc., 628 F.2d 500, 507 (5th Cir. 1980) (15% found
16 confusion regarding the two marks at issue and 23% found
17 confusion regarding the two products at issue); RJR Foods, Inc.
18 v. White Rock Corp., 603 F.2d 1058, 1059 (2nd Cir. 1979) (survey
19 showing 15-20% confusion rate accepted as part of evidence of
20 likelihood of confusion); James Burrough, Ltd. v. Sign of
21 Beefeater, Inc., 540 F.2d 266, 277-78 (7th Cir. 1976) (15%
22 confusion rate found to be dispositive of likelihood of
23 confusion).

24 Finally, for the reasons set forth above, due to the glaring
25 similarity between plaintiff's and defendant's marks and trade
26 dresses, the court can also properly infer likely instances of
27 actual customer confusion. See Classic Foods, 2006 WL 5187497 at
28 *14 (recognizing that actual confusion may be found on the basis

1 of "inferences arising from judicial comparison of the
2 conflicting marks and the context of their use in the
3 marketplace").

4 Based on all of the above evidence of actual confusion, this
5 factor clearly weighs in favor of a finding of likelihood of
6 confusion and strongly supports CS's probable success on the
7 merits of its infringement claims.

8 **7. Likelihood of Expansion into Other Markets**

9 "A strong likelihood that either party may expand his
10 business to compete with the other favors a finding of
11 infringement." Official Airline Guides, Inc. v. Goss, 6 F.3d
12 1385, 1394 (9th Cir. 1993). However, when parties "already sell
13 directly competing products," this factor does not weigh in
14 either party's favor. Sutter Home Winery, Inc. v. Madrona
15 Vineyards, LP, 2005 WL 701599, at *13 (N.D. Cal. March 23, 2005).
16 In this instance, the products offered under the respective marks
17 are identical, substitute products. As such, this factor does
18 not favor either party.

19 **8. Degree of Care Likely to be Exercised by the** 20 **Purchasers**

21 Where products are relatively inexpensive, there is a higher
22 likelihood that consumers will be confused because they are
23 likely to use less care while shopping. Classic Foods, 2006 WL
24 5187497 at *14. "In assessing the likelihood of confusion to the
25 public, the standard used by the courts is the typical buyer
26 exercising ordinary caution. Although the wholly indifferent may
27 be excluded, the standard includes the ignorant and the
28 credulous." AMF, Inc., 599 F.2d at 353 (internal citations

1 omitted).

2 In this case, the RTD protein products at issue are
3 inexpensive items in which consumers are less likely to use
4 particular care in selecting a specific protein drink. As such,
5 there is a higher risk of consumer confusion. A single-serve RTD
6 MUSCLE MILK® product retails on average between \$3.00 and \$5.00.
7 (White Decl. ¶¶ 17, 20.) The MUSCLE POWER product retails for a
8 similar price. (Id. at ¶ 33.) In other cases, courts have found
9 that consumer products in similar, or even slightly greater,
10 price ranges are inexpensive items that do not cause consumers to
11 exercise a great degree of care. See Classic Foods International
12 Corp., 2006 WL 5187497 at *14 (degree of care weighed in favor of
13 likelihood of confusion where large bag of chips ranged from
14 \$3.50 to \$7.00); CSC Brands LP, 191 F. Supp. 2d at 1152 ("Given
15 that these beverages are sold in supermarkets and are low cost,
16 the degree of care likely to be exercised by purchasers is
17 minimal."); K-Swiss, Inc., 291 F. Supp. 2d at 1125 (reasonable
18 consumer unlikely to exercise high degree of care in selecting
19 tennis shoes).¹¹ As such, this final factor also favors a
20 finding of likelihood of confusion.

21
22
23 ¹¹ Defendant's argument to the contrary is unavailing.
24 Even assuming defendant is correct that the consumers of its
25 products are particularly sophisticated consumers who are very
26 health conscious and careful about what they consume, the
27 products themselves still remain comparatively inexpensive as
28 consumer purchases. This fact is reflected in the above cases.
Indeed, even the case relied upon by defendant, Adidas-America,
Inc. v. Playless Shoesource, Inc., 546 F. Supp. 2d 1029, 1059 (D.
Or. 2008), recognized that courts have found that "purchasers of
relatively inexpensive athletic and sportswear are not likely to
exercise a great deal of care in distinguishing between
trademarks when purchasing the goods."

1 In sum, the court finds that, on balance, application of the
2 Sleekcraft factors demonstrates that plaintiff is likely to be
3 able to show that VPX is using a confusingly similar mark.
4 Accordingly, plaintiff has demonstrated a likelihood of success
5 on the merits of its trademark infringement claim.

6 **B. Trade Dress Infringement**

7 "A seller's adoption of a trade dress confusingly similar to
8 a competitor's constitutes unfair competition that is actionable
9 under section 43(a) of the Lanham Act." Vision Sports, Inc. v.
10 Melville, Corp., 888 F.2d 609, 613 (9th Cir. 1989). "Trade dress
11 protection is broader in scope than trademark protection, both
12 because it protects aspects of packaging and product design that
13 cannot be registered for trademark protection and because
14 evaluation of trade dress infringement claims requires the court
15 to focus on the plaintiff's entire selling image, rather than the
16 narrower single facet of trademark." Id. More specifically,
17 "[t]rade dress refers generally to the total image, design, and
18 appearance of a product and 'may include features such as size,
19 shape, color, color combinations, texture or graphics.'" Clicks
20 Billiards v. Sixshooters Inc., 251 F.3d 1252, 1257 (9th Cir.
21 2001) (quoting Int'l Jensen, Inc. v. Metrosound U.S.A., Inc., 4
22 F.3d 819, 822 (9th Cir. 1993)).

23 To sustain a claim for trade dress infringement, a plaintiff
24 must prove: "(1) that its claimed dress is nonfunctional; (2)
25 that its claimed dress serves a source-identifying role either
26 because it is inherently distinctive or has acquired secondary
27
28

1 meaning;¹² and (3) that the defendant's product or service
2 creates a likelihood of consumer confusion." Clicks, 251 F.3d at
3 1258 (internal footnotes omitted).

4 **1. Functionality**

5 Trade dress protection extends only to design features that
6 are nonfunctional. As the Supreme Court explained, "A product
7 feature is functional and cannot serve as a trademark if the
8 product feature is essential to the use or purpose of the article
9 or if it affects the cost or quality of the article, that is, if
10 exclusive use of the feature would put competitors at a
11 significant, non-reputation-related disadvantage." Qualitex Co.
12 v. Jacobson Prods. Co., Inc., 514 U.S. 159, 165 (1995). "The
13 fact that individual elements of the trade dress may be
14 functional does not mean that the trade dress as a *whole* is
15 functional; rather, 'functional elements that are separately
16 unprotectable can be protected together as part of a trade
17 dress." Clicks, 251 F.3d at 1259 (quoting Fuddrucker's, Inc. v.
18 Doc's B.R. Others, Inc., 826 F.2d 837, 842 (9th Cir. 1987))

19
20 ¹² In Wal-Mart Stores, Inc. v. Samara Bros., Inc., the
21 United States Supreme Court held that where the plaintiff is
22 claiming infringement of trade dress for product packaging, the
23 plaintiff may show that the packaging is either inherently
24 distinctive or has acquired a secondary meaning. 529 U.S. 205,
25 214-15 (2000). However, the Court stated that where the
26 plaintiff is claiming infringement of trade dress for product
27 design, the plaintiff *must* show that the design has acquired
28 secondary meaning. Id. at 215. The Court acknowledged that it
is not easy to differentiate between product design and product
packaging trade dress, however, it held that "the frequency and
difficulty of having to distinguish between product design and
product packaging will be much less than the frequency and the
difficulty of having to decide when a product design is
inherently distinctive. To the extent there are close cases, we
believe that courts should err on the side of caution and
classify ambiguous trade dress as product design, thereby
requiring [a showing of] secondary meaning." Id.

1 (emphasis in original). "Trade dress is the composite tapestry
2 of visual effects. Courts have repeatedly cautioned that, in
3 trademark-and especially trade dress-cases, the mark must be
4 examined as a whole, not by its individual constituent parts."
5 Clicks, 251 F.3d at 1259; see also 1 J. Thomas McCarthy, McCarthy
6 on Trademarks and Unfair Competition § 8.2 (4th ed. 2000) ("[T]he
7 issue is not whether the defendant's package or trade dress is
8 identical to the plaintiff's in each and every particular.
9 Rather, it is the similarity of the *total* overall impression that
10 is to be tested . . .") (emphasis in original).

11 To determine whether a product's feature is functional, the
12 court considers several factors: "(1) whether the design yields a
13 utilitarian advantage, (2) whether alternative designs are
14 available, (3) whether advertising touts the utilitarian
15 advantages of the design, and (4) whether the particular design
16 results from a comparatively simple or inexpensive method of
17 manufacture." Disc Golf Ass'n, Inc. v. Champion Discs, Inc., 158
18 F.3d 1002, 1006 (9th Cir. 1998).

19 Plaintiff sufficiently establishes, for purposes of a
20 preliminary injunction motion, that the trade dress of its MUSCLE
21 MILK® RTD nutritional product, examined in its entirety, is non-
22 functional. Defendant argues that plaintiff's packaging is
23 functional because there are limited types of packaging that have
24 been approved by the FDA for RTD nutritional products. While
25 plaintiff cannot claim a monopoly in use of the Tetra Pak
26 packaging or "snowman"-shaped plastic bottles, it can, however,
27 "claim as its [trade dress] the particular combination and
28 arrangement of design elements that distinguish it from others

1 using the same" packaging. Id. (internal quotations omitted).

2 Considering the first of the Disc Golf factors, the court
3 finds that plaintiff's design does not yield utilitarian
4 advantages. While RTD nutritional products are commonly packaged
5 in Tetra Pak packaging, the specific design elements of
6 plaintiff's trade dress do not "affect the cost or quality of the
7 article." Qualitex Co., 514 U.S. at 165. For example, the font
8 and size of plaintiff's lettering, the strategic placement of the
9 colored swirl, and the use of the term MUSCLE MILK® is not
10 essential to the use or purpose of RTD nutritional products in
11 general. Second, alternative designs are available, as is
12 apparent from a cursory glance at the RTD nutritional products
13 offered by competitors within the industry. Promax®, EAS®, and
14 MRI® all offer RTD nutritional products that, while manufactured
15 in the Tetra Pak packaging, contain unique names and design
16 elements that distinguish their products from that designed by
17 plaintiff. (White Decl., Ex. I; Owoc Decl., ¶ 27.) Third,
18 plaintiff's advertising does not tout the utilitarian advantages
19 of plaintiff's design. Fourth, plaintiff's design is the result
20 of a comparatively simple and inexpensive method of manufacture.
21 To produce the Tetra Pak packaging, a company provides artwork to
22 the packaging company, which in turn prints the artwork on the
23 outside of a continuous roll of Prisma material, which is used to
24 create the packaging/labels. (Owoc Decl., ¶ 14.) Further,
25 plaintiff and defendant both sell their RTD nutritional products
26 for between \$3.00 and \$5.00, and thus the design cannot be the
27 result of an expensive method of manufacture. (PI, ¶ 8; Owoc
28 Decl., ¶ 30.)

1 Taking all of these factors into consideration, it does not
2 appear that plaintiff's design of the packaging in which its RTD
3 nutritional product is sold is functional. Although the
4 individual design elements of plaintiff's trade dress may serve
5 as functional elements (such as the Tetra Pak packaging and the
6 colored swirl identifying the flavor of the product), the focus
7 of the functionality inquiry is upon "the overall visual
8 impression that the combination and arrangement of those elements
9 create." Clicks, 251 F.3d at 1259. Considering plaintiff's
10 Tetra Pak RTD nutritional product in whole, the court finds that
11 plaintiff has sufficiently shown that its product's design is
12 non-functional.

13 2. Secondary Meaning

14 "The trade dress of a product or service attains secondary
15 meaning when the purchasing public associates the dress with a
16 particular source." Fuddruckers, 826 F.2d at 843. "[T]he
17 elements making up the alleged trade dress must have been used in
18 such a manner as to denote product source. Thus, a product
19 feature whose only impact is decorative and aesthetic, with no
20 source-identifying role, cannot be given exclusive rights under
21 trade dress law.'" Clicks, 251 F.3d at 1262 (quoting 1 McCarthy
22 § 8:1). Prima facie evidence of the development of secondary
23 meaning is established where a mark has been continuously and
24 exclusively used for a period of five years. Secular Org. For
25 Sobriety Inc., v. Ulrich, 213 F.3d 1125, 1130 (9th Cir. 2000)
26 (citing 15 U.S.C. § 1052(f)); see also Levi Strauss & Co. v. Blue
27 Bell, Inc., 778 F.2d 1352, 1358 (9th Cir. 1985) (holding that the
28 plaintiff bears the burden of showing that its design obtained

1 secondary meaning before the defendant commenced its allegedly
2 infringing activities).

3 "A plaintiff may establish secondary meaning through direct
4 and circumstantial evidence." Continental Lab. Products, Inc. v.
5 Medax Intern., Inc., 114 F. Supp. 2d 992, 999 (9th Cir. 2000).
6 "Direct evidence, such as consumer surveys and direct consumer
7 testimony, often provides the strongest evidence of secondary
8 meaning." Levi Strauss, 778 F.2d at 1358. Secondary meaning may
9 also be established through circumstantial evidence such as
10 "exclusivity, manner, and length of use, amount and manner of
11 advertising, amount of sales and the number of customers, and
12 plaintiff's established place in the market." Continental Lab.,
13 114 F. Supp. 2d at 1000 (citing Filipino Yellow Pages v. Asian
14 Journal Publications, 198 F.3d 1143, 1151 (9th Cir. 1999)).

15 Even if the court were to disregard, as defendant requests,
16 plaintiff's evidence of actual customer confusion,¹³ the court
17 would nonetheless find that plaintiff has adequately shown that
18 its trade dress has acquired secondary meaning. Plaintiff has
19 exclusively marketed its Tetra Pak RTD nutritional product, with
20 its corresponding trade dress, since November 2004.¹⁴ (PI, ¶ 8.)
21 Further, plaintiff submits evidence that it has spent tens of
22 millions of dollars promoting and advertising the MUSCLE MILK®
23 RTD nutritional product, as well as over \$100 million promoting
24

25 ¹³ However, for the reasons set forth above, the court
26 does not exclude this evidence, and it provides further evidence
27 of secondary meaning. See 1 J. Thomas McCarthy, McCarthy on
28 Trademarks and Unfair Competition § 15.11 (4th ed. 2000)

¹⁴ In its reply to defendant's opposition, however,
plaintiff states that it introduced its Tetra Pak RTD nutritional
product into the market in the first quarter of 2004.

1 the MUSCLE MILK® brand in general. (Id. at ¶ 14.) Plaintiff
2 also proffers evidence that the MUSCLE MILK® products have been
3 financially successful, with sales growing significantly since
4 introduction, and that plaintiff's MUSCLE MILK® RTD nutritional
5 product is the best selling RTD liquid protein nutritional
6 supplement on the market. (PI, ¶ 3; White Decl., ¶¶ 6-7.) In
7 light of the significant circumstantial evidence presented by
8 plaintiff, the court finds that plaintiff is likely to succeed in
9 showing that the public associates plaintiff's trade dress with
10 the MUSCLE MILK® brand. Accordingly, the court finds that
11 plaintiff has sufficiently shown a likelihood of demonstrating
12 that the trade dress of its MUSCLE MILK® RTD nutritional product
13 has attained a secondary meaning.¹⁵

14 3. Likelihood of Consumer Confusion

15 For the same reasons as discussed above under plaintiff's
16 trademark infringement claim, the court likewise finds that CS
17 has demonstrated a likelihood of confusion with respect to VPX's
18 use of a trade dress confusingly similar to plaintiff's.

19 In sum, for all of the above reasons, plaintiff has also
20 shown a likelihood of success in proving its trade dress
21 infringement claim.

24 ¹⁵ In light of the Supreme Court's ruling in Wal Mart, 529
25 U.S. at 215, out of an abundance of caution, this court
26 interpreted plaintiff's trade dress infringement action as a
27 dispute regarding plaintiff's product design, rather than product
28 packaging. Since plaintiff must show under Wal Mart that its
product design has acquired a secondary meaning (which it has
sufficiently established), rather than any type of inherent
distinctiveness, the court need not address the issue of whether
plaintiff's trade dress is inherently distinctive.

1 **II. Irreparable Harm**

2 To be entitled to injunctive relief, it is not sufficient
3 that plaintiff demonstrate a likelihood of success on the merits
4 of its claims. Plaintiff must also demonstrate a likelihood that
5 absent the injunction, it will be irreparably harmed by
6 defendant's alleged infringing conduct. Winter, 129 S. Ct. at
7 375-76; Volkswagen AG, 2009 WL 928130 at *6 (recognizing that the
8 standard under Winter requires that a plaintiff "demonstrate, by
9 the introduction of admissible evidence and with a clear
10 likelihood of success that the harm is real, imminent and
11 significant, not just speculative or potential"). In trademark
12 cases, courts have found irreparable harm in the loss of control
13 of a business' reputation, a loss of trade and loss of goodwill.
14 Opticians Ass'n of Am. v. Indep. Opticians of Am., 920 F.2d 187,
15 195 (3rd Cir. 1990). Trademarks serve as the identity of their
16 owners and in them resides the reputation and goodwill of their
17 owners. Thus, if another person infringes the marks, that person
18 borrows the owner's reputation, whose quality no longer lies
19 within the owner's control. Id. A trademark owner's loss of the
20 ability to control its marks, thus, creates the potential for
21 damage to its reputation. Id. at 196. "Potential damage to
22 reputation constitutes irreparable injury for the purpose of
23 granting a preliminary injunction in a trademark case." Id.; see
24 also Apple Computer, Inc. v. Formula Int'l Inc., 725 F.2d 521,
25 526 (9th Cir. 1984) (finding irreparable injury where "district
26 court could reasonably have concluded that continuing
27 infringement would result in loss of control over Apple's
28 reputation and loss of good will").

1 Here, plaintiff submits evidence to establish a likelihood
2 that if VPX continues to flood the marketplace with its MUSCLE
3 POWER® products and advertising, it will cause CS irreparable
4 harm because these activities prevent CS from controlling the
5 reputation of its highly recognizable and valuable MUSCLE MILK®
6 brand. Moreover, CS has established a strong likelihood that if
7 VPX's products are allowed to remain in the marketplace, it will
8 be extremely difficult for CS to maintain and restore its
9 goodwill among customers, some of whom are already being confused
10 by defendant's products. (White Decl., ¶ 44.)

11 The court finds that CS has shown that VPX's MUSCLE POWER®
12 mark and trade dress so closely resemble the MUSCLE MILK® mark
13 and trade dress, especially when viewed in the marketplace, that
14 CS has likely lost some control over its reputation in the
15 market. As a result, VPX's ongoing use of its MUSCLE POWER® mark
16 and trade dress is likely to confuse consumers, thereby causing
17 CS substantial and irreparable harm. Accordingly, plaintiff has
18 also established this required element for injunctive relief.

19 **III. Balance of Equities**

20 As set forth above, the damage CS will suffer if VPX is
21 allowed to continue making unauthorized use of a mark and trade
22 dress that are confusingly similar to CS's MUSCLE MILK® trademark
23 and trade dress is significant and irreparable. While the court
24 acknowledges that VPX will sustain some appreciable damage upon
25 issuance of the requested injunction, in that it will have to
26 pull and dispose of its current inventory which cannot be
27 repackaged due to FDA regulations and it will take at least six
28 months for VPX to get a new label and packaging for its RTD

1 protein product (see Owoc Decl., ¶ 38), the damage to CS is more
2 substantial. Ultimately, the requested injunction does not
3 preclude VPX from engaging in its normal business activities,
4 including manufacturing, promoting and selling a competing RTD
5 protein product. Rather, the injunction only asks that VPX
6 refrain from using a mark and trade dress for its products which
7 is confusingly similar to CS's trademark and trade dress.

8 **IV. Public Interest**

9 Contrary to defendant's protestations, there is no strong
10 public interest that weighs against the proposed injunctive
11 relief. In the trademark context, courts often define the public
12 interest at stake as the right of the public not to be deceived
13 or confused. See e.g. Moroccanoil, Inc. V. Moroccan Gold, LLC,
14 590 F. Supp. 2d 1271, 1282 (C.D. Cal. 2009); Davidoff v. CIE,
15 S.A. v. PLD Int'l Corp., 263 F.3d 1297, 1304 (11th Cir. 2001)
16 (noting the public interest is served by avoiding confusion in
17 the marketplace). "When a trademark is said to have been
18 infringed, what is actually infringed is the right of the public
19 to be free of confusion and the synonymous right of the trademark
20 owner to control his products' reputation." Bellsouth
21 Advertising & Publishing Corp. v. The Real Color Pages, Inc., 792
22 F. Supp. 775, 785 (M.D. Fla. 1991). In light of the court's
23 findings on likelihood of confusion above, the court concludes
24 that the public interest also weighs in favor of granting an
25 injunction in this case.

26 **v. Bond**

27 Federal Rule of Civil Procedure 65©) provides, in pertinent
28 part: "The court may issue a preliminary injunction . . . only if

1 the movant gives security in an amount that the court considers
2 proper to pay the costs and damages sustained by any party found
3 to have been wrongfully enjoined or restrained." Defendant
4 requests the court require plaintiff to post a bond in the amount
5 of \$5 million dollars. However, defendant offers no financial
6 analysis or documentary evidence to support a bond in this
7 amount. Indeed, other than its President and CEO's statement
8 that issuance of an injunction will require VPX to "destroy over
9 one hundred thousand dollars in packaging/labels and product in
10 our inventory" (see Owoc Decl., ¶ 39), VPX does not provide any
11 specific evidence of the financial losses it will sustain if the
12 injunction is ultimately found to have been erroneously entered.
13 As a result, plaintiff asks the court to impose only a nominal
14 bond of \$50,000.00.

15 However, considering that VPX will be forced to pull its
16 current inventory and dispose of it, as the product cannot be re-
17 packaged due to FDA regulations, and that it will take at least
18 six months for VPX to get its product on the market with a new
19 mark and packaging (see id. at ¶ 38), the court, in its
20 discretion, orders a bond of \$500,000.00.

21 **CONCLUSION**

22 Having reviewed the motion, supporting and opposing
23 memoranda and supporting affidavits and exhibits submitted by the
24 parties, and the oral argument of counsel, the court finds and
25 concludes as follows:

- 26 1. Plaintiff is likely to succeed on the merits of its
27 trademark and trade dress infringement claims against
28 VPX.

1 2. There is a strong likelihood that plaintiff will suffer
2 irreparable harm if the preliminary injunction is not
3 issued. Given the actual and likely confusion between
4 plaintiff's MUSCLE MILK® product and VPX's MUSCLE
5 POWER® product, plaintiff is likely to be irreparably
6 harmed through loss of goodwill and reputation.

7 3. Moreover, VPX has many other options for trademarks and
8 trade dress of its product, the product has been on the
9 market for a relatively short period, and VPX could
10 make changes to the product name and packaging to
11 prevent consumer confusion. Accordingly, it would be
12 less of a hardship on VPX to change its product name
13 and packaging than plaintiff would suffer if the court
14 were to deny the motion.

15 4. After consideration, the court believes that a
16 corporate bond in the amount of \$500,000.00 will be
17 sufficient security in the event that the preliminary
18 injunction is ultimately determined to have been
19 entered wrongfully.

20 Based upon these findings of the court, pursuant to Rule 65
21 of the Federal Rules of Civil Procedure, and good cause
22 appearing, IT IS HEREBY ORDERED as follows:

23 1. That VPX and its officers, agents, servants, employees
24 and attorneys, and anyone acting in concert or
25 participation with them, are PRELIMINARILY ENJOINED
26 from marketing, selling, advertising, or promoting a
27 liquid protein-based nutritional supplement using the
28 name MUSCLE POWER.

1 2. That VPX and its officers, agents, servants, employees
2 and attorneys, and anyone acting in concert or
3 participation with them, are PRELIMINARILY ENJOINED
4 from marketing, selling, advertising, or promoting a
5 liquid protein-based nutritional supplement using any
6 trademark confusingly similar to the MUSCLE MILK®
7 trademark in connection with any of the following
8 features:

9 a. An octagonal-shaped Tetra Pak package wherein:

10 I. The package front is visually divided into
11 three sections, top, middle, and bottom.

12 ii. On the middle portion of the package, the
13 word MUSCLE is prominently displayed above
14 the word POWER in all capital letters in a
15 bold, block-letter, white-colored font on a
16 dark background.

17 iii. On the lower portion of the package a
18 depiction of a swirled colored liquid appears
19 reflecting the color of the product in the
20 package, i.e., brown for chocolate, red for
21 strawberries and cream, etc.

22 iv. On the top portion of the package, an
23 identification of the flavor in words and a
24 picture.

25 v. On the side of the package, the words MUSCLE
26 POWER printed in bold, block-letter font and
27 oriented so the consumer can read the words
28 from the bottom to the top of the package.

1 3. That VPX and its officers, agents, servants, employees
2 and attorneys, and anyone acting in concert or
3 participation with them, are PRELIMINARILY ENJOINED
4 from marketing, selling, advertising, or promoting a
5 liquid protein-based nutritional supplement using any
6 name or mark other than MUSCLE POWER that is
7 confusingly similar to the name MUSCLE MILK.

8 4. That VPX and its officers, agents, servants, employees
9 and attorneys, and anyone acting in concert or
10 participation with them, are PRELIMINARILY ENJOINED
11 from marketing, selling, advertising, or promoting a
12 liquid protein-based nutritional supplement using trade
13 dress that is confusingly similar to the trade dress
14 associated with MUSCLE MILK.

15 a. The MUSCLE MILK trade dress includes an octagonal
16 Tetra Pak package with the following features:

17 I. The package front is visually divided into
18 three sections, top, middle, and bottom.

19 ii. On the middle portion of the package, the
20 word MUSCLE is prominently displayed above
21 the word MILK in all capital letters in a
22 bold, block-letter, white-colored font on a
23 dark background.

24 iii. On the lower portion of the package a
25 depiction of a swirled colored liquid appears
26 reflecting the color of the product in the
27 package, i.e., brown for chocolate, red for
28 strawberries and cream, etc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

iv. On the top portion of the package, the flavor of the product is identified.

v. On the side of the package, the words MUSCLE MILK® are printed in bold, block-letter font and oriented so the consumer can read the words from the bottom to the top of the package.

5. Plaintiff shall post a corporate bond in the amount of \$500,000.00 within 5 business days of the date of this order.

IT IS SO ORDERED.

DATED: May 6, 2009



FRANK C. DAMRELL, JR.
UNITED STATES DISTRICT JUDGE