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Thuy Michelle Nguyen
Loyola Law School, Los Angeles

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MULTI-TIME MACHINE V. AMAZON: CONFUSION IN THE LIKELIHOOD OF CONFUSION ANALYSIS

Thuy Michelle Nguyen∗

I. INTRODUCTION

It is no surprise that in today's world of e-commerce and online shopping, approximately seventy-nine percent of Americans are online shoppers.[1] In 2016, Amazon.com's ("Amazon") total sales reached nearly eighty billion dollars, making it the largest online retailer in the world.[2] Despite starting off as an online bookstore, Amazon has become an online retail giant and now sells a vast variety of products including apparel, electronics, home goods, and groceries.[3] However, one particular item that cannot be purchased on Amazon is a Multi Time Machine Special Ops Watch.[4]

In 2011, Multi Time Machine ("MTM"), an American manufacturer and seller of high-end watches, filed a lawsuit against Amazon for trademark infringement.[5] The complaint revolved around Amazon's search results page.[6] MTM alleged that when consumers tried to search for MTM watches on Amazon, Amazon's search results

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1. Aaron Smith & Monica Anderson, *Online Shopping and E-commerce*, PEW RES. CTR. (Dec. 19, 2016), http://www.pewinternet.org/2016/12/19/online-shopping-and-e-commerce.

2. Arthur Zaczkiewicz, *Amazon, Wal-mart Lead Top 25 E-commerce Retail List*, WWD (Mar. 7, 2016), http://wwd.com/business-news/financial/amazon-walmart-top-ecommerce-retailers-10383750.

3. Makeda Easter & Paresh Dave, *Remember When Amazon Only Sold Books?*, L.A. TIMES (June 18, 2017), http://www.latimes.com/business/la-fi-amazon-history-20170618-htmlstory.html.

4. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 933 (9th Cir. 2015).

5. MULTI TIME MACHINE, http://www.multitimemachine.com (lasted visited Jan. 24, 2018); Complaint at 1–2, Multi Time Mach., Inc. v. Amazon.com, Inc., 926 F. Supp. 2d 1130 (C.D. Cal. 2011) (No. 2:11-CV-0976).

6. Complaint, *supra* note 5, at 5–6.

page confused consumers into thinking that Amazon sells MTM watches when, in reality, it does not.[7] The series of three cases involved in the resulting dispute between MTM and Amazon over Amazon's search results page illustrates how courts have struggled with applying federal trademark law to the complex world of the Internet and online marketing.[8]

In Part I, this Comment briefly reviews the basic history of the Lanham Act. Part II provides an overview of the case *Multi Time Machine*, beginning with the District Court's decision, followed by the Ninth Circuit's first opinion, and finally the Ninth Circuit's superseding opinion. Part III critiques the Ninth Circuit's superseding opinion, arguing that the Ninth Circuit applied the wrong standard in its analysis.

II. THE LANHAM ACT

In 1946, nearly eight years after Congressman Fritz G. Lanham first introduced his trademark bill, President Truman signed the Lanham Trademark Act ("Act") into law.[9] It states that "any person who shall, without the consent of the [registration owner] . . . [who] use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with . . . which such use is likely to cause confusion . . . shall be liable in a civil action . . . ."[10] The Act marked the first time that Congress passed a law that created both substantive and procedural rights with regard to trademarks and unfair competition.[11]

Prior to enactment, proponents of the Act argued that its passage would benefit society as a whole by facilitating competition and allowing consumers to distinguish between competing products and make a purposeful choice between them.[12] Further, the Act would encourage companies to maintain the quality of their products and allow them to reap the benefits of their reputation.[13] Lastly, above all,

7. *See id.*

8. In 2016, MTM filed a petition for a writ of certiorari, which was subsequently denied by the Supreme Court. Multi Time Mach., Inc. v. Amazon.com, Inc., 136 S. Ct. 1231, 1232 (2016).

9. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:4 (5th ed. 2017).

10. 15 U.S.C. § 1114 (2005).

11. McCarthy, *supra* note 9.

12. Sondra Levine, *The Origins of the Lanham Act*, 19 J. CONTEMP. LEGAL ISSUES 22, 26 (2010).

13. *Id.*

the Act would protect the public from deceit.[14]

III. CASE OVERVIEW

A. Background

Based in Los Angeles, California, MTM is a watch manufacturer and seller that boasts three different lines of watches, which it refers to as "divisions."[15] One division is the Multi Time Machine Special Ops Watch, which consists of what MTM describes as "exclusive military watch models, representing the most durable and innovative watches ever created."[16] In an effort to maintain its image as a luxury brand, MTM only sells its watches to consumers directly through its own website or through selected retailers, which does not include Amazon.[17] While Amazon customers cannot purchase MTM watches on Amazon's website, they can purchase other brands of military-style watches, such as Luminox and Chase-Durer.[18]

When a consumer visits Amazon's website and searches "mtm special ops," the search results display those exact search terms twice on the page—once in the search box and once below the search box.[19] The display below the search box provides a trail for the consumer, so that if the consumer engages in more searches, he or she may follow back to the original search if needed.[20] The search results page also displays a list of similar watches manufactured by other brands that *can* be purchased through Amazon.[21] This list of products is made available because of the ability of Amazon's search function to provide consumers with relevant results that would otherwise be overlooked.[22] None of the watches listed on Amazon's search results page are MTM watches since Amazon does not sell them.[23]

In 2011, MTM filed a complaint against Amazon for trademark infringement under the Lanham Act.[24] MTM alleged that Amazon was

14. *Id.*
15. MULTI TIME MACHINE, http://www.multitimemachine.com (lasted visited Jan. 24, 2018).
16. MULTI SPECIAL OPS, https://www.specialopswatch.com (last visited Jan. 24, 2018).
17. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 933 (9th Cir. 2015).
18. *Id.* at 932.
19. *Id.* at 933.
20. *Id.*
21. *Id.*
22. *Id.*
23. *Id.*
24. Complaint, *supra* note 5, at 1–2.

"infringing [MTM]'s trademarks by substituting a competing brand of goods when [MTM]'s brand [wa]s ordered through the website amazon.com."[25] Subsequently, Amazon filed a motion for summary judgment and argued that MTM could not succeed on its trademark infringement claim for two reasons: 1) Amazon was not using MTM's mark in commerce and 2) no reasonable fact finder could conclude that a consumer is likely to be confused over the source of the products listed on Amazon's search results page.[26]

B. The District Court's Opinion

Judge Pregerson of the United States District Court for the Central District of California granted Amazon's motion for summary judgment, finding that there was no likelihood of confusion in Amazon's use of MTM's trademarks in Amazon's search engine or display of search results.[27] To determine whether there was a likelihood of confusion, the Court applied the *Sleekcraft* factors, the standard test for trademark infringement cases as established by the Ninth Circuit in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).[28]

Following an earlier Ninth Circuit opinion, *Network Automation, Inc. v. Advanced System Concepts, Inc.*,[29] the District Court chose to apply only the factors that it felt were most relevant to the likelihood of confusion analysis.[30] These factors are: 1) the strength of the mark, 2) the evidence of actual confusion, 3) the type of goods and degree of care likely to be exercised by the purchaser, and 4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page.[31]

First, regarding the strength of the mark, the Court concluded that this factor weighed in favor of Amazon since Amazon presented evidence that MTM's mark was conceptually weak, and neither side presented evidence of the mark's commercial strength.[32] Second, for

25. *Id.* at 4.

26. Motion for Summary Judgement for Defendant at 10, Multi Time Mach., Inc. v. Amazon.com, Inc., 926 F. Supp. 2d 1130 (C.D. Cal. 2013) (No. CV11-09076).

27. Multi Time Mach., Inc. v. Amazon.com, Inc., 926 F. Supp. 2d 1130, 1142 (C.D. Cal. 2013).

28. *Id.* at 1136–37.

29. 638 F.3d 1137 (9th Cir. 2011).

30. *Multi Time Mach.*, 926 F. Supp. 2d at 1137.

31. *Id.*

32. *Id.* at 1140.

evidence of actual confusion, the Court deemed the testimony of MTM's president—that he had knowledge of actual confusion—too vague to provide any real value.[33] Third, regarding the type of goods and degree of care factor, the Court determined that the relatively high price of the watches, in conjunction with the increased degree of care used by consumers who make purchases online, made it likely that the consumers here would exercise a high degree of care.[34] As for the fourth factor, labeling and context, the Court concluded that MTM had not done its part in proving that consumers were likely to be confused by Amazon's search results page.[35] Finally, the Court noted, because it found that there was no likelihood of confusion, it did not need to address the first issue of use in commerce, or in other words, whether Amazon was using MTM's trademark in connection with the sale of goods.[36] For those reasons, the Court granted summary judgement in favor of Amazon.[37]

C. The Ninth Circuit's Preceding Opinion

After the District Court's decision, MTM appealed to the Ninth Circuit, which granted de novo review.[38] The Ninth Circuit found Amazon's arguments less convincing, and reversed the District Court's grant of summary judgment.[39]

The Ninth Circuit began with a brief discussion of the initial interest confusion doctrine.[40] Initial interest confusion, the Court explained, "occurs not where a customer is confused about the source of a product at the *time* of purchase, but *earlier* in the shopping process."[41] The Court stated that even if that confusion is dispelled before an actual sale occurs, initial interest confusion is still trademark infringement since it "impermissibly capitalizes on the goodwill associated with a mark . . . ."[42]

33. *Id.* at 1141.
34. *Id.*
35. *Id.* at 1142.
36. *Id.* at 1136.
37. *Id.* at 1142.
38. Brief for Appellant at 1, Multi Time Mach., Inc. v. Amazon.com, Inc., 792 F.3d 1070 (9th Cir. 2015) (No. 13-55575); Multi Time Mach., Inc. v. Amazon.com, Inc., 792 F.3d 1070, 1073 (9th Cir. 2015).
39. *Multi Time Mach.*, 792 F.3d at 1080.
40. *Id.* at 1074.
41. *Id.* (emphasis added).
42. *Id.*

Before turning to its analysis of the *Sleekcraft* factors, the Court elected to consider the labeling of the products on the search results page as a separate factor, reasoning that its relevance in the context of advertisements justified doing so.[43] As far as labeling, the Court agreed with the District Court's conclusion that the products on Amazon's search results page were clearly labeled.[44] However, it stated that the clarity of the search results page was open for dispute.[45] The Ninth Circuit reasoned that a jury could potentially infer that the labeling of the search results, in addition to Amazon's failure to specifically tell customers that it does not carry MTM watches, could cause initial interest confusion.[46]

The Court went on to consider five of the *Sleekcraft* factors.[47] It ultimately found three factors weighing in favor of a finding of likelihood of confusion.[48] First, regarding the strength of the mark, the Court noted that there are two categories of trademark strengths: commercial and conceptual.[49] However, since neither party presented evidence of MTM's commercial strength, the Court only considered conceptual strength.[50] Conceptual strength refers to the connection between the mark and the good that it refers to.[51] The Court reasoned that since the phrase "MTM special ops" requires "a mental leap from the mark to the product," but yet still invokes the idea of elite military forces—which suggests goods such as protective gear or watches—a jury could either find that the mark is conceptually strong or not as conceptually strong, or in other words, merely descriptive.[52] For that reason, the Court determined that there was a genuine issue of fact as to the conceptual strength of the mark.[53]

Second, for similarity of the goods, the Court came to a similar conclusion in finding that this factor weighed in favor of MTM.[54] MTM sells specialized military watches and Amazon sells similar

43. *Id.* at 1075.
44. *Id.* at 1076.
45. *Id.*
46. *Id.*
47. *Id.* at 1076–77.
48. *Id.* at 1077.
49. *Id.*
50. *Id.*
51. *Id.* (citing Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., 618 F.3d 1025, 1032–33 (9th Cir. 2010)).
52. *Id.*
53. *Id.*
54. *Id.* at 1079.

goods.[55] Further, because a consumer who searches for "MTM special ops" on Amazon may be confused, even if the confusion "may be dispelled before an actual sale occurs, initial interest confusion impermissibly capitalizes on the goodwill associated with a mark and is therefore actionable trademark infringement."[56] For that reason, the Court determined that a jury should decide just how much this factor weighed in favor of MTM.[57]

The third factor the Court considered, one that the District Court had elected to ignore, was the defendant's intent.[58] Citing *Playboy*, the Court stated that failure to alleviate confusion may provide some evidence of an intent to confuse consumers.[59] Here, Amazon did not take any action to address complaints from vendors and customers who complained about receiving "non-responsive" search results when they searched for items that were unavailable on Amazon.[60] For that reason, the Court determined that a jury could infer Amazon had the intent to confuse its customers.[61]

As for the fourth factor, evidence of actual confusion, the Court agreed with the District Court and found that the lack of evidence of actual confusion—though not necessary to a finding of likelihood of confusion—tipped this factor in favor of Amazon.[62] Finally, regarding the degree of care exercised by consumers, while the Court agreed with the District Court's reasoning that consumers tend to exercise a greater degree of care when purchasing expensive products, the Ninth Circuit indicated that this was ultimately a matter for a jury to decide.[63]

After weighing these factors and determining that there were still unresolved genuine issues of material fact, the Ninth Circuit reversed the District Court's grant of summary judgement in favor of Amazon.[64]

55. *Id.* at 1078.
56. *Id.* (citing Playboy Enters., Inc. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1025 (9th Cir. 2004)).
57. *Id.* at 1079.
58. *Id.*
59. *Id.* (citing *Playboy*, 354 F.3d at 1029).
60. *Id.*
61. *Id.*
62. *Id.*
63. *Id.* at 1080.
64. *Id.*

IV. NINTH CIRCUIT'S SUPERSEDING OPINION

In an interesting turn of events, the Ninth Circuit—just a few short months after its first opinion—granted a rehearing, withdrew its previous opinion, and filed a new opinion, this time *affirming* the District Court's decision.[65]

In the superseding opinion, the Ninth Circuit decided to take a different approach in its analysis, this time dismissing the *Sleekcraft* factors almost entirely.[66] While the Court acknowledged that the *Sleekcraft* factors were typically used to analyze likelihood of confusion, it declared that they were not relevant in this case.[67] It reasoned that the *Sleekcraft* factors were intended as tools to analyze whether two competing brands' marks are sufficiently similar to cause consumer confusion.[68] However, in this case, the question was whether Amazon's search results page created a likelihood of confusion.[69] In other words, MTM did not allege that the marks of other brands were similar to its own, but that the way in which Amazon presented its search results caused confusion.[70] With that, the Court went on to focus its entire analysis instead on the reasonably prudent consumer standard.[71]

In its analysis, the Court first identified the relevant reasonable consumer.[72] The Court began by recognizing that consumers often exercise more caution when purchasing more expensive items.[73] Since MTM watches are expensive,[74] the Court reasoned, consumers seeking to purchase such a product would be likely to exercise care and precision in their purchases.[75] For that reason, the Court identified the relevant reasonable consumer as a reasonably prudent consumer accustomed to shopping online.[76]

Next, the Court determined what the relevant reasonable

65. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 940 (9th Cir. 2015).
66. *Id.* at 936–37.
67. *Id.* at 937.
68. *Id.* at 936.
69. *Id.* at 937.
70. *Id.*
71. *Id.*
72. *Id.*
73. *Id.*
74. A Multi Time Machine Special Ops watch can range anywhere from $795 up to $1525. MTM SPECIAL OPS, https://www.specialopswatch.com (last visited Jan. 24, 2018).
75. *Multi Time Mach.*, 804 F.3d at 937.
76. *Id.*

consumer would reasonably believe based on what he saw on the search results page.[77] Reiterating its statement in *Playboy*, the Court stated that clear labeling can eliminate the likelihood of initial interest confusion in cases involving Internet search terms.[78] For that reason, the "clear" labeling of the products on Amazon's search results page was determinative on the issue of whether there was a likelihood of confusion, since clear labeling can eliminate any likelihood of confusion.[79] Furthermore, the Court reasoned that since the products on Amazon's page were clearly labeled, it would be unreasonable to believe that a reasonably prudent consumer accustomed to shopping online would be confused as to the source of the goods.[80]

The Court also rejected MTM's argument that Amazon should be forced to alter its search results to tell customers that no MTM watches are available for purchase on Amazon.[81] In the Court's opinion, Amazon's search results page "makes clear to anyone who can read English that Amazon carries only the brands that are clearly and explicitly listed on the web page."[82] Finally, the Court concluded by going through a lackluster analysis of three of the *Sleekcraft* factors, with the disclaimer that had these factors been relevant in its analysis, its conclusion would have nonetheless remained the same.[83]

For those reasons, the Court ultimately held that no rational trier of fact could find that a reasonably prudent consumer accustomed to shopping online would likely be confused by Amazon's search results page, and affirmed the District Court's grant of summary judgement in favor of Amazon.[84]

In a dissenting opinion, Judge Bea argued that the majority wrongfully took the question of likelihood of confusion away from the jury and essentially created new trademark law.[85] Judge Bea stated that by purporting to consider the *Sleekcraft* factors, yet simply concluding that the factors were irrelevant, the majority failed to resolve any underlying factual questions.[86] Overall, Judge Bea

77. *Id.* at 937–38.
78. *Id.* at 937.
79. *Id.* at 937–38.
80. *Id.* at 938.
81. *Id.*
82. *Id.*
83. *Id.* at 939.
84. *Id.* at 940.
85. *Id.* at 941 (Bea, J., dissenting).
86. *Id.* at 944.

concluded that while it was unclear whether MTM would have won its case had the District Court's decision been reversed, the case ultimately should have been left for a jury to decide.[87]

V. ANALYSIS

Considering that the *Sleekcraft* factors served as the standard test for trademark infringement for the past thirty years, Judge Bea's critiques of the Ninth Circuit's majority opinion are not without justification. This Comment argues that the Ninth Circuit in *Multi Time Machine* should have applied the *Sleekcraft* factors to determine whether Amazon's search results page created a likelihood of confusion.

In 1979, the Ninth Circuit identified eight factors in *Sleekcraft*, establishing what would become lasting precedent in the world of trademark infringement.[88] In *Sleekcraft*, the defendant adopted a trade name that was extremely similar to the plaintiff's registered trademark, leading the plaintiff to file an action for trademark infringement.[89] The plaintiff alleged that customers were likely to be confused by the similarity of the marks.[90] To determine whether there was a likelihood of confusion the Court considered the following factors: 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.[91]

While the Ninth Circuit was correct to point out the differences between *Sleekcraft* and *Multi Time Machine*, the Court's abrupt dismissal of the *Sleekcraft* factors seems entirely uncalled for. In *Sleekcraft*, the question was whether it was likely that consumers would be confused by one party's use of a mark that resembled the mark of another.[92] In *Multi Time Machine*, the basis of the action shifted to whether consumers were likely to be confused by Amazon's search results page, however, the ultimate question remained the same—whether consumers were likely to be confused as to the source

87. *Id.* at 946.
88. AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979).
89. *Id.* at 346.
90. *Id.*
91. *Id.* at 348–49.
92. *Id.* at 346.

of certain products.[93] For that reason, the Ninth Circuit in *Multi Time Machine* wrongfully dismissed the *Sleekcraft* factors in its superseding opinion.

In *Network Automation*, the Ninth Circuit reaffirmed that the *Sleekcraft* factors were the starting point for any trademark infringement analysis in its jurisdiction, even in cases where the dispute did not revolve around the use of similar competing marks.[94] In *Network Automation*, the Ninth Circuit applied *Sleekcraft* to a case where one party advertised its products by purchasing keywords, including its competitor's trademarked name, so that customers who searched the keyword would be directed to a results page that listed the party's own website and products instead of its competitor's.[95] Before delving into its analysis, the Court made a very important point, stating that "in determining the proper inquiry for this particular trademark infringement claim, we adhere to two long stated principles: the *Sleekcraft* factors (1) are non-exhaustive, and (2) should be applied flexibly, particularly in the context of Internet commerce."[96]

In its opinion, the Court in *Network Automation* criticized the lower court for failing to weigh the *Sleekcraft* factors flexibly, thereby failing to properly consider the question of likelihood of confusion, which the Court referred to as the "linchpin" of trademark infringement.[97] Ultimately, the case served as a reminder that likelihood of confusion is the core issue in trademark infringement cases.[98]

In dismissing the *Sleekcraft* factors altogether, the Ninth Circuit in *Multi Time Machine* seems to have forgotten what made the *Sleekcraft* test work so well for so many years: its customizability and adaptability. The Ninth Circuit has made clear that the relevance of each *Sleekcraft* factor depends on the specific circumstances of the

93. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 937 (9th Cir. 2015).

94. *See* Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137, 1145 (9th Cir. 2011).

95. *Id*. at 1143.

96. *Id*. at 1149.

97. *Id*. at 1154.

98. Jeffrey A. Simmons, *Ninth Circuit Provides Important Guidance for Analyzing Internet Keyword Trademark Infringement*, LEXISNEXIS LEGAL NEWS ROOM (June 21, 2011, 9:06 PM), https://www.lexisnexis.com/legalnewsroom/intellectual-property/b/copyright-trademark-law-blog/archive/2011/06/21/ninth-circuit-provides-important-guidance-for-analyzing-internet-keyword-trademark-infringement.aspx.

case.[99] In other words, each *Sleekcraft* factor may not always be relevant in every trademark infringement case.[100] For that reason, it is clear that it would have been inappropriate for the Ninth Circuit in *Multi Time Machine* to apply every single one of the *Sleekcraft* factors to the case. In the superseding opinion of *Multi Time Machine*, the Court warned of the dangers of applying the *Sleekcraft* factors rigidly and emphasized that they were intended as an "adaptable proxy for consumer confusion."[101] Yet, for the Court to conclude that the eight-factor test was "not particularly apt"[102] is, at the very least, confusing.

Further, had the Court considered the relevant *Sleekcraft* factors, the argument can be made that there was still a genuine issue of material fact regarding whether there was a likelihood of confusion. Therefore, the Court should not have affirmed the District Court's grant of summary judgement in favor of Amazon. Instead, the Court should have reversed the District Court's decision and remanded the case for a trial.

A. Critique of the Ninth Circuit's Analysis

Near the end of its opinion, the Court stated that, even if it chose to apply the *Sleekcraft* factors, its conclusion would remain the same since the factors were either "neutral or unimportant."[103] It then proceeded to breeze through an analysis of three of the *Sleekcraft* factors and ultimately concluded that each factor weighed in favor of Amazon.[104] The three factors were: 1) actual confusion, 2) defendant's intent, and 3) strength of the mark.[105] This Comment argues that, not only did the Court reach the wrong conclusion in its overall analysis of these three *Sleekcraft* factors, but also that the Court failed to consider at least one other *Sleekcraft* factor that was relevant to its analysis: the proximity of the goods. Each factor will be discussed separately below.

99. Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1054 (9th Cir. 1999).

100. *See id.*

101. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 936 (9th Cir. 2015) (citing *Network Automation*, 638 F.3d at 1145).

102. *Id.*

103. *Id.* at 939.

104. *Id.* at 939–40.

105. *Id.*

1. Actual Confusion

First, the Ninth Circuit, in its superseding opinion, correctly decided that the factor concerning evidence of actual confusion weighed in favor of Amazon. Although proof of actual confusion is not necessary to find a likelihood of confusion,[106] it can strongly support a finding of likelihood of confusion.[107] This is because courts have stated that evidence of actual confusion is persuasive in showing that future confusion is likely.[108] Simply put, MTM's failure to provide any concrete evidence that consumers were confused by Amazon's search results page supports the Court's finding that this factor weighed in favor of Amazon. While this factor alone is not determinative, it is one that goes against MTM's claim.

2. Defendant's Intent

In its superseding opinion, the Ninth Circuit stated that because Amazon clearly labeled each of its products with the product's name and manufacturer, it alleviated any possible confusion about the source of the products.[109] Therefore, the Court concluded that this factor weighed in Amazon's favor.[110] The biggest problem with this analysis is that the Court concluded that labeling was entirely indicative of Amazon's intent.

In *Playboy*, the Ninth Circuit stated that "a defendant's intent to confuse constitutes probative evidence of likely confusion: Courts assume that the defendant's intentions were carried out successfully."[111] When the defendant did nothing to alleviate confusion regarding its click-through advertisements despite requests from advertisers, the Court in *Playboy* stated that the defendant's conduct suggested some evidence of intent to confuse on the part of the defendant.[112]

In *Multi Time Machine*, while it is true that each item on Amazon's search results page is labeled, Amazon has refused to take

106. Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1050 (9th Cir. 1999).

107. *See* Playboy Enters., Inc. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1026 (9th Cir. 2004).

108. Acad. of Motion Picture Arts & Scis. v. Creative House Promotions, Inc., 944 F.2d 1446, 1456 (9th Cir. 1991).

109. *Multi Time Mach.*, 804 F.3d at 940.

110. *Id.*

111. *Playboy*, 354 F.3d at 1028.

112. *Id.* at 1029.

any action to alleviate potential confusion.[113] Judge Bea presented a helpful hypothetical in his dissenting opinion.[114] In his hypothetical, a sister wishes to purchase a Multi Time Machine Special Ops watch for her brother.[115] If she goes on Overstock's site and searches "MTM special ops," the site responds with "Sorry, your search: 'mtm special ops' returned no results."[116] However, if she conducted the same search on Amazon, there would be no such response and she would instead be met with a list of similar style watches.[117] Additionally, Judge Bea points out that MTM submitted evidence showing that Amazon vendors and customers have complained about receiving "non-responsive" search results when they search for products on Amazon that are not carried by Amazon.[118] Based on this evidence, a rational trier of fact could infer that Amazon had the intent to confuse consumers.

3. Strength of the Mark

The third and final *Sleekcraft* factor the Court briefly mentioned in its superseding opinion was strength of the mark.[119] The Court simply stated that this factor was unimportant because of the circumstances of the case.[120] Further, even if MTM's mark had been one of the strongest marks in the world, comparable to Apple, Coke, Disney, or McDonalds, the Court stated there would still be no likelihood of confusion because Amazon clearly labels all of the products that it sells on its website.[121]

The biggest problem with the Court's consideration of this factor is that the Court largely fails to truly analyze it at all. As Judge Bea states in his dissenting opinion, by simply restating its conclusion, the Court "ignores the factor and the fact-intensive analysis it entails."[122]

As a general matter, the more likely a mark is to be remembered and the more likely the public will associate the mark with its owner,

113. *Multi Time Mach.*, 804 F.3d at 945.
114. *Id.* at 941 (Bea, J., dissenting).
115. *Id.*
116. *Id.*
117. *Id.*
118. *Id.* at 945.
119. *Id.* at 940 (majority opinion).
120. *Id.*
121. *Id.*
122. *Id.* at 944 (Bea, J., dissenting).

the more protection the mark is given by trademark law.[123] The Ninth Circuit has indicated that the strength of a mark can be classified along a spectrum.[124] This spectrum consists of five categories of varying levels of "strength."[125] A mark may be categorized as generic, descriptive, suggestive, arbitrary, or fanciful.[126] The strongest category along the spectrum is "fanciful," and the weakest is "generic."[127]

In his dissent, Judge Bea argued a jury could conclude that MTM's mark is either descriptive or suggestive.[128] Further, he noted that this distinction between whether the mark is descriptive or suggestive is important because a finding that the mark is suggestive makes it more likely that this factor favors MTM.[129] A descriptive mark is one that describes the qualities or characteristics of a good or service.[130] On the other hand, a suggestive mark requires the consumer "to use imagination or any type of multistage reasoning to understand the mark's significance."[131]

Here, a jury could conclude that MTM's mark is suggestive because "MTM special ops" does not actually refer to watches, and as Judge Bea puts it, requires a "mental leap."[132] However, a jury could also conclude that the mark is descriptive and, therefore, not as strong because the term "special ops" can be viewed as describing the military-like characteristics of the watches. Either way, Judge Bea makes a strong argument that there remains a genuine issue of fact as to the strength of MTM's mark.[133] As the Ninth Circuit has stated, the determination of whether a mark is descriptive or suggestive is a question of fact,[134] which in this case should have been left to a jury

123. GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1207 (9th Cir. 2000).

124. *See* Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1058 (9th Cir. 1999).

125. *Id.*

126. *GoTo.com*, 202 F.3d at 1207.

127. *Id.*

128. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 945 (9th Cir. 2015) (Bea, J., dissenting).

129. *Id.* at 944–45.

130. Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., 618 F.3d 1025, 1033 (9th Cir. 2010) (citing Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 194 (1985)).

131. *Id.* (citing Zobmondo Entm't, LLC v. Falls Media, LLC, 602 F.3d 1108, 1114 (9th Cir. 2010)).

132. *Multi Time Mach.*, 804 F.3d at 945 (Bea, J., dissenting).

133. *Id.*

134. *Fortune*, 618 F.3d at 1034.

to decide. In *Fortune*, where the Court determined that the plaintiff's mark could be categorized as descriptive or suggestive, the Court clearly stated that this was a question for the jury.[135]

Here, by not addressing the strength of MTM's mark at all, and instead labeling the entire factor irrelevant, the Court in the superseding majority opinion not only fails to properly give this factor the consideration it requires, but also wrongfully takes the question of whether there was a likelihood of confusion away from the jury.

4. Proximity of the Goods

The last factor this Comment will discuss is the proximity or relatedness of the goods. In its superseding opinion, the Court excluded the remaining *Sleekcraft* factors altogether, including the factor concerning proximity of the goods.[136] It justified this exclusion by claiming that the remaining factors are unimportant in a case involving Internet search terms where the products concerned are clearly labeled and the consumer was likely to exercise a high degree of care.[137] But precisely the opposite is true. The Internet aspect involved in this case makes proximity of the goods one of the most relevant factors. Accordingly, the Court should have considered it.

In *GoTo.com*, the Ninth Circuit stated that, particularly in the context of the Internet, one of the most important *Sleekcraft* factors is the relatedness of the goods or services.[138] As a general matter, related goods are more likely to cause confusion than unrelated goods.[139] *GoTo.com* considered whether the use of two similar logos on the Internet were likely to cause confusion.[140] The Court in *GoTo.com* determined that the two services offered by the parties were very similar; both parties operated search engines.[141] Ultimately, the Court affirmed the lower court's finding that the two marks were likely to cause confusion.[142]

Although the facts in the present case differ from those in *GoTo.com*, the cases share several very important similarities. First,

135. *Id.* at 1035.
136. *Multi Time Mach.*, 804 F.3d at 940.
137. *Id.*
138. GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1205 (9th Cir. 2000).
139. *Id.* at 1206 (citing Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1055 (9th Cir. 1999)).
140. *Id.* at 1203.
141. *Id.* at 1207.
142. *Id.* at 1211.

while MTM alleged that Amazon's search results page, not its use of a mark, was likely to cause confusion, the ultimate question was still whether consumers are likely to be confused.[143] The only difference here was that MTM alleged that Amazon's search results page, not use of a mark, would cause confusion as to the source of the goods.[144] Second, both cases were presented in the Internet context.[145] In *GoTo.com*, both parties operated Internet search engines.[146] Here, both parties sell products on the Internet.[147] For these reasons, the factor considering the proximity of the goods is just as important and relevant in this case involving MTM and Amazon as it was in *GoTo.com*.

Here, in *Multi Time Machine*, the goods at the center of the case are in very close proximity to one another. MTM offers its own brand of military style watches.[148] Amazon does not offer MTM watches, but watches of similar competing brands such as Luminox and Chase-Durer.[149] Because the two categories of goods are very much related, this factor arguably weighs in favor of MTM and against Amazon. While the argument could be made that the "clear labeling" of Amazon's products clears up any likelihood of confusion, the Court's dismissal of this factor altogether in *Multi Time Machine* leaves the discussion incomplete and unresolved.

Overall, had the Court properly considered the precedent set by *Sleekcraft* in its analysis, there is evidence to suggest that at least three of the relevant *Sleekcraft* factors weighed in MTM's favor. Accordingly, Amazon should not have been granted summary judgement and the case ultimately should have been left to a jury to decide.

B. The Ninth's Circuit Superseding Opinion Has Some Merit

After the Ninth Circuit filed its preceding opinion, Amazon filed a petition for rehearing en banc.[150] In its brief, Amazon argued that the

143. Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930, 933 (9th Cir. 2015).
144. *Id.*
145. *Id.* at 932; *GoTo.com*, 202 F.3d at 1203.
146. *GoTo.com*, 202 F.3d at 1207.
147. *Multi Time Mach.*, 804 F.3d at 934.
148. *Id.* at 933.
149. *Id.* at 932.
150. Petition for Rehearing En Banc for Appellee at 1, Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930 (9th Cir. 2015) (No. 13-55575).

majority opinion had completely rejected the reasonably prudent consumer standard, which had been established by circuit precedent.[151] Specifically, Amazon argued that the majority opinion had wrongly viewed Amazon's search results page from the perspective of "an inexperienced internet consumer" as opposed to a "reasonably prudent consumer in the marketplace."[152]

In its reply brief, MTM argued just the opposite, stating that the majority did not reject the reasonably prudent consumer standard because it had analyzed the likelihood of confusion with a "frequent Amazon shopper" in mind.[153] Further, MTM argued that Amazon had taken the Court's language describing different types of consumers out of context to support the "false assertion that the Court [had] rejected the reasonably prudent consumer" standard.[154]

Whether the Ninth Circuit's preceding opinion properly considered the reasonably prudent consumer is not an issue that will be addressed by this Comment. Instead, this Comment accepts the notion that the reasonably prudent consumer standard is a relevant standard in cases involving trademark infringement and the likelihood of confusion analysis. Therefore, while the Ninth Circuit's superseding opinion can be criticized for its failure to consider the *Sleekcraft* factors, the same cannot be said of its consideration of the reasonably prudent consumer standard. However, while the reasonably prudent consumer standard is important, the Court's extremely narrow focus on whether the products were "clearly labeled," and its abandonment of the *Sleekcraft* factors, leaves its likelihood of confusion analysis feeling incomplete. Although the reasonably prudent consumer standard adequately considers certain aspects of a trademark infringement dispute, such as who is the relevant consumer, it fails to address other important aspects, such as the defendant's intent or whether there is evidence of actual confusion. Arguably, if the Court had combined the two standards in some form of hybrid test and considered the likelihood of confusion and *Sleekcraft* factors through the eyes of a reasonably prudent consumer, its analysis would have been more understandable.

151. *Id.* at 6–8.

152. *Id.* at 8.

153. Answering Brief to Petition for Rehearing En Banc for Appellant at 1–2, Multi Time Mach., Inc. v. Amazon.com, Inc., 804 F.3d 930 (9th Cir. 2015) (No. 13-55575).

154. *Id.* at 7.

VI. CONCLUSION

Overall, in the case of *Multi Time Machine*, the Ninth Circuit, in its superseding opinion, should not have disregarded the multi-factor *Sleekcraft* test. Instead, the Court should have taken the *Sleekcraft* factors and altered its application of the factors as was appropriate for the case at hand, just as it had done in earlier similar trademark infringement cases. However, by failing to do so and essentially replacing the test altogether, the Court threw away any chance it had of maintaining any sort of consistency in this field of case law. Further, had the Court applied the *Sleekcraft* factors, it would have reached the conclusion that at least some of the factors strongly weighed in favor of MTM. For that reason, the Ninth Circuit should not have affirmed the District Court's grant of summary judgement in favor of Amazon. Instead, it should have reversed the District Court's decision and remanded the case for a jury trial.

With the ongoing advancement of the Internet, it will be interesting to see how courts deal with trademark infringement cases in the future. The *Sleekcraft* factors were one way in which courts, at least for some time, were able to provide some sort of uniformity in the complex array of trademark and Internet cases. However, with the outcome of *Multi Time Machine*, any sort of predictability has been lost, and only time will tell how courts in the Ninth Circuit deal with the aftermath.