

Trademark Law

Case 18:
Catalog
Fight

Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters

Trademark Infringement and Trade Dress Protections

OBJECTIVE

To understand the basics of trademark infringement in the area of “trade dress” between two high profile competitors in business.

TOPICS COVERED

- Intentional Tort
- Trademark
- Trademark Infringement
- Trade Dress

CASE: 18

Abercrombie & Fitch Stores, Inc.

v. American Eagle Outfitters

Trademark Infringement and Trade Dress Protections

BACKGROUND

- The following case focuses on two very well-known clothiers: Abercrombie & Fitch and American Eagle. Abercrombie & Fitch is an old established company stemming back over 100 years, and American Eagle is a relatively new company that began doing business in 1994.
- Abercrombie & Fitch claimed that American Eagle intentionally infringed on its trademark by copying, among other things, its designs of certain articles of clothing, in-store advertising displays, and its catalog. We will be focusing on the catalog portion of this case—which will be known as trade dress.
- Abercrombie & Fitch believed that American Eagle was trying to take advantage of its long-standing name and advertising dollars to confuse consumers into purchasing American Eagle products over Abercrombie & Fitch products.

BEFORE YOU BEGIN

What is an intentional tort?

An intentional tort describes a civil action resulting from an intentional and wrongful act on the part of the Defendant against another, such as intentionally stealing another person's or company's trademark.

What is a trademark?

A trademark is a unique word, phrase, or symbol that distinguishes a company. The essential function of a trademark is to exclusively identify the commercial source or origin of products—in other words, the manufacturer—like the Nike “swoosh” symbol.

What is trademark infringement?

Trademark infringement occurs when a party uses another's trademark without the authorization of the owner. If the respective marks or products are not identical, the courts will assess the similarity based upon the “likelihood of confusion” by consumers as to the origination (owner) of the products or services.

What is trade dress?

Trade dress refers to characteristics of the visual appearance of a product or its packaging that may be registered and protected from being used by competitors in the manner of a trademark. These characteristics involve the total image of a product and may include features such as size, shape, color combinations, textures, graphics, or even a particular sales technique.

ISSUE BEFORE THE COURT

Whether the two catalogs by major clothing companies are sufficiently distinct from each other so that a reasonably prudent consumer can differentiate between the two companies depicted in each catalog?

THE FACTS

This case pits an old hand against the new kid on the block: Abercrombie & Fitch sued American Eagle claiming that American Eagle infringed on what Abercrombie & Fitch describes as its unregistered “trade dress.”


Abercrombie & Fitch was founded in 1892 and is a retailer of casual clothing and accessories appealing to college-age consumers. In 1988, The Limited, Inc. acquired Abercrombie & Fitch and rejuvenated the brand, selling billions of dollars in merchandise and spending over \$26 million on marketing, including advertisements in national and fashion magazines. Abercrombie & Fitch products are sold nationwide through 157 retail stores and a mail order catalog under the registered trademarks and service marks ABERCROMBIE & FITCH, A & F CO, A & F, and variations thereof.

American Eagle Outfitters sells essentially the same variety of clothing and products in its 300 stores nationwide under the trademarks and service marks AMERICAN EAGLE OUTFITTERS and AE, generating approximately \$300 million in annual sales. American Eagle has been a retailer since at least 1994, although many of its products describe the company’s vintage as 1977.

Abercrombie & Fitch accused American Eagle of selling similar products and marketing them in a similar way, which confused the consumer as to which products belonged to each company.

Specifically, Abercrombie & Fitch asserted that American Eagle copied its premiere issue of *The Quarterly*, an Abercrombie & Fitch catalog that advertises Abercrombie & Fitch products in a way to depict a certain lifestyle. First, Abercrombie & Fitch alleged that American Eagle’s catalog featured the same products, colors, designs, fabrics, and names (i.e., “vintage” sweatshirts and “field jerseys”) as *The Quarterly*.

Second, Abercrombie & Fitch claimed that the paper, page layouts, lifestyle editorial content, manner of displaying merchandise, and typeface in American Eagle’s catalog were identical or confusingly



Revenue for
Abercrombie &
Fitch in 2009 was
\$3,540,000,000.

similar to *The Quarterly*.

To support its contention, Abercrombie & Fitch introduced evidence of an American Eagle directive to its marketing executives that stated: “Attention store managers - we need you to tell us what Abercrombie & Fitch is marketing!!!” American Eagle managers were instructed to inspect the windows, lead table, and signs in Abercrombie & Fitch stores every week and report on Abercrombie & Fitch’s presentation.

When comparing *The Quarterly* with American Eagle’s catalogs of the same year, the following facts were revealed:

- 1) **FORMAT:** Like Abercrombie & Fitch, American Eagle used the clothesline (or cutout) format to display its goods—the garments appeared on the page as if hanging from a clothesline, not on a model.
- 2) **DISPLAY:** American Eagle used colorbars and design bars underneath almost all its garments, while Abercrombie & Fitch did so only occasionally.
- 3) **PHOTOGRAPHS:** Throughout *The Quarterly*, Abercrombie & Fitch made extensive use of grainy photographs depicting apparently in-shape college-aged models in often romantic poses. American Eagle’s photographs were clear and presented a “wholesome image,” with models of various ages in non-suggestive, often family-oriented situations.
- 4) **ARTICLE CONTENT:** American Eagle concentrated on family subjects with slogans such as “After all the gifts are opened and the decorations packed away, there is really one thing that lasts through the holidays—the spirit of giving.” Abercrombie & Fitch articles included titles like “I’ll have a brew Christmas,” “7 ways to survive a holiday gathering with your relatives,” “Drinking 101” which included recipes and a device for playing drinking games.
- 5) **TRADEMARK:** Abercrombie & Fitch displayed its trademarks throughout *The Quarterly* on nearly every page. The American Eagle catalog also prominently displayed their marks. While both companies liberally using their trademarks throughout their catalogs was a similarity, the court found that it was also a difference, because each used its own trademark and trademarks as an indication of a product’s origin.

Revenue for American Eagle Outfitters in 2009 was \$2,990,000,000.

Sources

The case briefing above contains excerpts and direct extractions from the sources noted below that have been combined with the author’s own expert legal input. The case has been condensed and formatted from its original content for purposes of this workbook.

Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc., 280 F.3d 619 (6th Cir. 2002). United States Court of Appeals, Sixth Circuit February 15, 2002. Opinion written by the Honorable Justice Danny Julian Boggs.

Review the Case

After reading Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, answer the following:

1. Identify the Plaintiff(s) in the case.

2. Identify the Defendant(s) in the case.

3. What was one of Abercrombie & Fitch's main claims against American Eagle?

4. When did Abercrombie & Fitch start its business?

5. When did American Eagle start its business?

6. What specific actions by American Eagle does Abercrombie & Fitch argue violate its trademark rights?

7. What did American Eagle instruct its employees to do regarding the Abercrombie & Fitch brand?

Review the Case (continued)

8. What is the “clothesline method” of displaying clothes in a catalog? Did American Eagle and/or Abercrombie & Fitch use this method?

9. Each company used the photographs to portray a certain image of its products. Explain the content of the photographs for Abercrombie & Fitch and American Eagle and the message each portrayed to consumers. Are the messages different?

10. List the “editorial comments” in the two magazines. Compare the way lifestyle is portrayed in the two magazines.

11. Does the Abercrombie & Fitch logo appear in its catalog? Does American Eagle use its logo in its catalog? Does the court regard the printing of the logos by American Eagle as a similarity between the two catalogs or a difference?

Make the Argument

In order for the judge or jury to render a decision, the following are some of the questions that must be considered:

1. Can the Abercrombie & Fitch catalog and its design within the catalog be considered “trade dress” as defined herein? Explain.

2. Is the catalog sufficiently distinct from the Abercrombie & Fitch catalog in its design?

3. Is the American Eagle catalog so similar to Abercrombie & Fitch’s, *The Quarterly*, that the catalogs will cause confusion among members of the general public as to which products belong to which company? In other words, are the catalogs confusingly similar? Explain.

NAME _____

DATE _____

You Be the Judge

Having reviewed the case and considered the questions involved, decide the case for either the **Plaintiff** or the **Defendant**:

Decision for the Plaintiff



Decision for the Defendant

Abercrombie & Fitch Stores, Inc.

American Eagle Outfitters

Contract Law

Case 6: The
Tumbled
Cheerleader

Sharon v. City of Newton

Contracts Not to Sue

OBJECTIVE

To understand the use of a release to limit a party's liability for injuries caused by its own alleged negligent acts.

TOPICS COVERED

- Contract Not to Sue
- Capacity of a Minor Child to Enter into a Contract
- Validity of Release as Condition to Participation in Extra-curricular Activities
- Parental Consent

Sharon v. City of Newton

Contracts Not to Sue

BACKGROUND

- Merav Sharon, a high school junior, had been a cheerleader for her school's football and basketball teams since her freshman year.
- During her junior year, while still a minor, the high school she attended required all students and at least one parent/guardian to sign a release in the event a student was injured during a voluntary extra-curricular activity.
- Merav and her father signed the release.
- Merav fell from a teammate's shoulders while rehearsing a pyramid formation cheer and sustained a severe injury to her left arm ultimately resulting in surgery.
- Merav alleged that the high school was negligent in its failure to train and supervise the cheerleaders.
- The school argued that since Merav and her father signed a parental consent release, the school was not responsible for her injuries.

BEFORE YOU BEGIN

What is a contract?

A contract is an agreement between two or more competent parties to perform or to refrain from performing some legal act. If one party breaches the contract, the other party can attempt to enforce their contractual rights in a court of law.

What is a parental consent release?

In the absence of fraud, a person, or parent/guardian on behalf of a minor, may enter into a contract with another party which releases the party (school) from any liability caused by its own alleged negligent acts.

Can a minor enter into a contract?

A contract cannot be entered into by a minor (a person 17 or younger). If a minor signs a contract, that contract will not be enforceable against the minor unless a parent or guardian represented the minor at the time of the contract formation. A parent/guardian acting in the best interest of the child has a fundamental right to make decisions regarding the minor's health and safety.

Is a release valid as a condition to participate in extra-curricular activities?

Yes, releases are widely used by educational institutions to protect the school from lawsuits by students who are injured during participation in these activities.

ISSUE BEFORE THE COURT

Whether a release signed by the parent of a minor child for the purpose of permitting the child to engage in public school extra-curricular sports activities is a valid way to protect the school from liability where a student gets injured while engaged in the activities.

THE FACTS

On November 8, 1995, 16-year-old Merav Sharon was injured while participating in cheerleading practice at Newton North High School in Massachusetts. Merav fell from a teammate's shoulders while rehearsing a pyramid formation cheer and sustained a serious compound fracture to her left arm that required surgery. At the time of her injury, Merav had four seasons of cheerleading experience at the high school level.

On November 5, 1998, having reached the age of majority (18 years old), Merav filed a lawsuit against the City of Newton, alleging negligence and the negligent hiring and retention of the cheerleading coach. Merav sued for money damages resulting from her injury.

In late October 1999, the city produced a document entitled "Parental Consent Release from Liability and Indemnity Agreement" signed by Merav and her father in August 1995, three months prior to the injury. The relevant part of the release read as follows:

"I, the undersigned [father of] . . . Merav Sharon, a minor, do hereby consent to [her] participation in voluntary athletic programs and do forever RELEASE, acquit, discharge, and covenant to hold harmless the City of Newton . . . from any and all actions, causes of action, [and] claims . . . [for] personal injuries or property damage which [I] may now or hereafter have as the parent . . . of said minor, and also all claims or right of action for damages which said minor has or hereafter may acquire, either before or after [she] has reached [her] majority resulting . . . from [her] participation in the Newton Public Schools Physical Education Department's athletic programs. . ."

Merav argued that neither she nor her father realized that by signing the release they were waiving their future claims against the school.

A covenant not to sue is an agreement entered into by a person who may have a legal claim against another in the future, but agrees not to pursue the claim.

Merav and her father both signed the front of the release, which they indicated was for the sport of cheerleading. In addition, they filled out the back of the release that called for information regarding Merav's address, date of birth, health insurance provider, and emergency contacts, and provided the opportunity for them to purchase student accidental insurance through the school (an option which they explicitly declined on the form). Merav's father signed the back of the release giving parental consent to a physical examination of Merav prior to her participation in the cheerleading program.

The City of Newton argued that the release was a clearly labeled, two-sided document, which Merav brought home from school for her parents to review. As such, both Merav and her father had ample time to read and understand the release before signing it, and they should be deemed to have understood the release was a waiver of liability against the school.

Studies have shown that cheerleading is the number one cause of catastrophic injuries among high school and college athletes.

Sources

The case briefing above contains excerpts and direct extractions from the sources noted below that have been combined with the author's own expert legal input. The case has been condensed and formatted from its original content for purposes of this workbook.

Sharon v. City of Newton, 437 Mass. 99, 769 N.E.2d 738 (Mass. 2002).

Supreme Judicial Court of Massachusetts, Middlesex

June 10, 2002. Opinion written by the Honorable Justice Robert J. Cordy.

You Be the Judge!

NAME

DATE

Review the Case

After reading Sharon v. City of Newton, answer the following:

1. Identify the Plaintiff(s) in the case.

2. Identify the Defendant(s) in the case.

3. Is the Plaintiff seeking money for her injuries?

4. Describe the incident in which Merav was injured.

5. Describe Merav's injuries from her fall.

6. What was Merav's cheerleading experience at the time of her injury?

7. What is a parental consent release form?

NAME _____

DATE _____

Review the Case (continued)

8. Explain the City of Newton's reason(s) for asking the court to enforce the parental consent release.

9. List the facts that support the school's argument that Merav and her father understood the terms of the parental consent release.

10. Did Merav voluntarily assume any risks associated with cheerleading?

11. BONUS: What is your school's policy on extracurricular activities? Are parents/guardians required to sign a release prior to participation? Explain.

NAME

DATE

Make the Argument

In order for the judge or jury to render a decision, the following are some of the questions that must be considered:

1. Did the Plaintiff and one of her parents sign a parental consent release?

2. Did the Plaintiff and at least one of her parents understand the parental consent release?

3. Should the school be permitted to protect itself against lawsuits by having parents/guardians sign parental consent release forms?
