

The Plaintiff has the burden of proving that Skydive Arizona has acquired a secondary meaning.

The mere fact that the Plaintiff is using Skydive Arizona, or that the Plaintiff began using it before the Defendants, does not mean that the trademark has acquired secondary meaning. There is no particular length of time that a trademark must be used before it acquires a secondary meaning.

Trademark Ownership

The law entitles the trademark owner to exclude others from using that trademark. A person acquires the right to exclude others from using a trademark by being the first to use it in the marketplace. The legal standard you must apply is determined by your answer concerning the Instruction titled "Unregistered Mark Distinctiveness."

If you find Skydive Arizona to be a valid trademark, that is, inherently distinctive, you must consider whether the Plaintiff used Skydive Arizona as a trademark for Plaintiff's skydiving and instructional services before the Defendants began to use Skydive Arizona or similar phrases to market its skydiving services in the area where the Plaintiff sells its skydiving and instructional services.

If you find that Skydive Arizona is not inherently distinctive, but the Plaintiff has shown that the trademark is descriptive and that the trademark has acquired secondary meaning, the Plaintiff has the burden of showing by a preponderance of the evidence that Skydive Arizona had gained secondary meaning before the Defendants first began to use it or similar phrases.

A trademark is "used" for purposes of this instruction when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

If you find by a preponderance of the evidence that the plaintiff has not shown that the Plaintiff used Skydive Arizona before the Defendants' use of the mark, then you cannot conclude that the Plaintiff is the owner of the trademark.

Likelihood of Confusion

You must consider whether the Defendants' use of the trademark is likely to cause confusion about the source of the Plaintiff's or the Defendants' services.

I will suggest some factors you should consider in deciding this. The presence or absence of any particular factor that I suggest should not necessarily resolve whether there was a likelihood of confusion, because you must consider all relevant evidence in determining this. As you consider the likelihood of confusion you should examine the following:

1. **Strength or Weakness of the Plaintiff's Mark.** The more the consuming public recognizes the Plaintiff's trademark as an indication of origin of the Plaintiff's goods or services, the more likely it is that consumers would be confused about the source of the Defendants' goods or services if the Defendant uses a similar mark.
2. **Defendants' Use of the Mark.** If the Defendants and Plaintiff use their trademarks on the same, related, or complementary kinds of goods or services there may be a greater likelihood of confusion about the source of the goods or services than otherwise.
3. **Similarity of Plaintiff's and Defendants' Marks.** If the overall impression created by the Plaintiff's trademark in the marketplace is similar to that created by the Defendants' trademark in appearance, sound, or meaning, there is a greater chance that consumers are likely to be confused by Defendants' use of a mark. Similarities in appearance, sound or meaning weigh more heavily than differences in finding the marks are similar.

4. **Actual Confusion.** If use by the Defendants of the Plaintiff's trademark has led to instances of actual confusion, this strongly suggests a likelihood of confusion. However actual confusion is not required for a finding of likelihood of confusion. Even if actual confusion did not occur, the Defendants' use of the trademark may still be likely to cause confusion. As you consider whether the trademark used by the Defendants creates for consumers a likelihood of confusion with the Plaintiff's trademark, you should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there is a very large volume of sales, but only a few isolated instances of actual confusion you may find that there has not been substantial actual confusion.
5. **Defendants' Intent.** Knowing use by Defendants of the Plaintiff's trademark to identify similar goods or services may strongly show an intent to derive benefit from the reputation of the Plaintiff's mark, suggesting an intent to cause a likelihood of confusion. On the other hand, even in the absence of proof that the Defendants acted knowingly, the use of Plaintiff's trademark to identify similar goods or services may indicate a likelihood of confusion.
6. **Marketing/Advertising Channels.** If the Plaintiff's and Defendants' services are likely to be sold in the same or similar stores or outlets, or advertised in similar media, this may increase the likelihood of confusion.

7. **Purchaser's Degree of Care.** The more sophisticated the potential buyers of the goods or services the more costly the goods or services, the more careful and discriminating the reasonably prudent purchaser exercising ordinary caution may be. They may be less likely to be confused by similarities in the Plaintiff's and Defendants' trademarks.

Internet Cases and Likelihood of Confusion

In an Internet case, such as this one, the law considers three of the eight factors listed in the previous instruction on “Likelihood of Confusion” to be of greatest importance: (i) Similarity of Plaintiff's and Defendants’ mark; (ii) Defendants’ use of the Mark; and (iii) Marketing/Advertising Channels. Therefore, if you find that all three of these factors weigh in favor of the Plaintiff, then you should find that the Plaintiff has proven there is a likelihood of confusion, unless you find that the remaining factors weigh strongly in the Defendants’ favor.

Strength as a Likelihood of Confusion Factor

How strongly or distinctively a trademark indicates that a good or service comes from a particular source even if unknown is an important factor to consider when determining whether the trademark used by the Defendants creates for consumers a likelihood of confusion with the Plaintiff's mark.

The Plaintiff asserts Skydive Arizona is a trademark for its skydiving and instructional services. The Plaintiff contends the Defendants' use of Skydive Arizona and similar phrases in connection with the Defendants' skydiving business infringes Plaintiff's trademark and is likely to cause confusion about the origin of services associated with that trademark.

The legal standard for determining strength or weakness for the purposes of the likelihood of confusion test is the same one you were asked to apply in Instruction "Unregistered Mark Distinctiveness." Accordingly, you have already received the instructions concerning mark strength and weakness that follow. Please read it again, however, to ensure you properly apply the test in this instance.

Spectrum of Marks

Trademark law provides protection to distinctive or strong trademarks. Conversely, trademarks that are not as distinctive or strong are called "weak" trademarks and receive less protection from infringing uses. Trademarks that are not distinctive are not entitled to any trademark protection. For deciding trademark protectability you must consider whether a trademark is inherently distinctive. Trademarks are grouped into four categories according to their relative strength or distinctiveness. These four categories are, in order of strength or distinctiveness: arbitrary (which is inherently distinctive),

suggestive (which also is inherently distinctive), descriptive (which is protected only if it acquires in consumers' minds a "secondary meaning" which I explain in Instruction "Secondary Meaning" and generic trademarks (which are entitled to no protection).

Arbitrary Trademarks. The first category is "inherently distinctive" trademarks. They are considered strong marks and are clearly protectable. They involve the arbitrary, fanciful or fictitious use of a word to designate the source of a service. Such a trademark is a word that in no way describes or has any relevance to the particular service it is meant to identify. It may be a common word used in an unfamiliar way. It may be a newly created (coined) word or parts of common words which are applied in a fanciful, fictitious or unfamiliar way, solely as a trademark.

For instance, the common word "apple" became a strong and inherently distinctive trademark when used by a company to identify the personal computers that company sold. The company's use of the word "apple" was arbitrary or fanciful because "apple" did not describe and was not related to what the computer was, its components, ingredients, quality, or characteristics. "Apple" was being used in an arbitrary way to designate for consumers that the computer comes from a particular manufacturer or source.

Suggestive Trademarks. The next category of marks is suggestive trademarks. These trademarks are also inherently distinctive but are considered weaker than arbitrary trademarks. Unlike arbitrary trademarks, which are in no way related to what the product or service is or its components, quality, or characteristics, suggestive trademarks imply some characteristic or quality of the product or service to which they are attached. If the consumer must use imagination or any type of multi-stage reasoning to understand the trademark's significance, then the trademark does not describe the product's features, but suggests them.

A suggestive use of a word involves consumers associating the qualities the word suggests to the product or service to which the word is attached. For example, when “apple” is used not to indicate a certain company’s computers, but rather “Apple–A–Day” Vitamins, it is being used as a suggestive trademark. “Apple” does not describe what the vitamins are. However, consumers may come to associate the healthfulness of “an apple a day keeping the doctor away” with the supposed benefits of taking “Apple–A–Day” Vitamins.

Descriptive Trademarks. The third category of marks is descriptive trademarks. These trademarks directly identify or describe some aspect, characteristic, or quality of the product or service to which they are affixed in a straightforward way that requires no exercise of imagination to be understood.

For instance, the word “apple” is descriptive when used in the trademark “CranApple” to designate a cranberry-apple juice. It directly describes ingredients of the juice. Other common types of descriptive trademarks identify where a product or service comes from, or the name of the person who makes or sells the product or service. Thus, the words “Apple Valley Juice” affixed to cider from the California town of Apple Valley is a descriptive trademark because it geographically describes where the cider comes from. Similarly, a descriptive trademark can be the personal name of the person who makes or sells the product. So, if a farmer in Apple Valley, Judy Brown, sold her cider under the label “Judy’s Juice” (rather than Cran Apple) she is making a descriptive use of her personal name to indicate and describe who produced the apple cider and she is using her first name as a descriptive trademark.

Generic Trademarks. The fourth category of trademarks is entitled to no protection at all. They are called generic trademarks and they give the general name of

the product or service of the Plaintiff. They are part of our common language which we need to identify all such similar services. They are the common name for the product or service to which they are affixed. It is the general name for which the particular product or service is an example.

It is generic if the term answers the question "what is the product or service being sold?" If the average relevant consumer would identify the term with all such similar services, regardless of the provider, the term is generic and not entitled to protection as a trademark.

Clearly, the word apple can be used in a generic way and not be entitled to any trademark protection. This occurs when the word is used to identify the fleshy, red fruit from any apple tree. The computer maker who uses that same word to identify the personal computer, or the vitamin maker who uses that word on vitamins, has no claim for trademark infringement against the grocer who used that same word to indicate the fruit sold in a store. As used by the grocer, the word is generic and does not indicate any particular source of the product. As applied to the fruit, "apple" is simply the common name for what is being sold.

Secondary Meaning and Mark Strength

If you determine that Skydive Arizona is weak—that is suggestive or descriptive, you must consider the recognition that the mark has among prospective purchasers. This market recognition is called the trademark's "secondary meaning."

A word, symbol, or term acquires a secondary meaning when it has been used in such a way that its primary significance in the minds of the prospective purchasers is not the product itself, but the identification of the product with a single source, regardless of

whether consumers know who or what that source is. You must find that the preponderance of the evidence shows that a significant number of the consuming public associates the Skydive Arizona with a single source, in order to find that it has acquired secondary meaning.

You may consider the following factors when you determine whether Skydive Arizona has acquired a secondary meaning:

1. **Purchaser Perception.** Whether the people who purchase the skydiving or instructional services that bear the claimed trademark associate the trademark with the owner;
2. **Advertisement.** To what degree and in what manner the owner may have advertised under the claimed trademark;
3. **Demonstrated Utility.** Whether the owner successfully used this trademark to increase the sales of its services;
4. **Extent of Use.** The length of time and manner in which the owner used the claimed trademark;
5. **Exclusivity.** Whether the owner's use of the claimed trademark was exclusive;
6. **Copying.** Whether the Defendant intentionally copied the owner's trademark; and
7. **Actual Confusion.** Whether the Defendants' use of the Plaintiff's trademark has led to actual confusion.

If a suggestive trademark has such secondary meaning, it becomes stronger. If it has developed no secondary meaning, it remains a weak trademark.

On the other hand, descriptive trademarks are protectable only to the extent you find they acquired distinctiveness through secondary meaning by the public coming to associate the mark with the owner of the mark a particular source. Descriptive trademarks are entitled to a protection only as broad as the secondary meaning they have acquired, if any. If they have acquired no secondary meaning, they are entitled to no protection.

Initial Interest Confusion

You must consider whether the Defendants' use of Plaintiff's "Skydive Arizona" trademark caused initial interest confusion. Initial interest confusion occurs where a defendant uses a plaintiff's trademark in a manner calculated to capture initial consumer attention, regardless of whether an actual sale may be completed as a result of the confusion. Under this doctrine, a defendant may not include in its metatags the plaintiff's trademark or any term confusingly similar to the plaintiff's trademark.

Defense of Fair Use

The owner of a trademark cannot exclude others from making a fair use of that trademark. A defendant makes fair use of a mark when the defendant uses it as other than a trademark, to accurately describe the geographic location of the defendant's own services. The fair-use defense is only available to the defendant if the plaintiff has demonstrated there is a likelihood of confusion or initial interest confusion by a preponderance of the evidence.

The Defendants contend that they fairly used the trademark to describe the Defendants' service. The Defendants have the burden of proving their fair use of the mark by a preponderance of the evidence.

A defendant makes fair use of a trademark when the defendant:

1. used the mark other than as a trademark or other than to distinguish the defendant's or services from the plaintiff's and to indicate the source of the defendant's goods or services;
2. used the mark fairly and in good faith; and
3. used the mark only to describe the defendant's goods or services or their geographic location as those of the defendant's and not at all to describe the plaintiff's product.

Good Faith as a Fair-Use Factor

In considering the second element of the fair-use defense, that the Defendants used the mark fairly and in good faith, you may consider as relevant factors:

1. the degree of likely confusion;
2. the strength of the trademark Skydive Arizona;
3. the descriptive nature of the terms for the skydiving and instructional services being offered by Plaintiff and the availability of alternate descriptive terms;
4. any differences among the times and contexts in which Plaintiff has used the terms.

Derivative Liability: Inducing Infringement

A Defendant is liable for trademark infringement by another if that Defendant intentionally induced another to infringe the trademark.

The Plaintiff has the burden of proving each of the following by a preponderance of the evidence:

1. CASC, Inc., IGOVincent, Inc., or USSO, LLC infringed the Plaintiff's trademark;
2. Ben Butler or Cary Quattrocchi intentionally induced any or all of the Defendants named in step "1." above to infringe Plaintiff's trademark; and
3. the Plaintiff was damaged by the infringement.

If you find that each of the elements on which the Plaintiff has the burden of proof has been proved, your verdict should be for the Plaintiff. If, on the other hand, the Plaintiff has failed to prove any of these elements, your verdict should be for the Defendant on this issue.

Aiding and Abetting

You must determine whether Defendants Ben Butler, Cary Quattrocchi, and Atlanta SC, Inc. aided and abetted Defendants CASC, Inc., IGOVincent, Inc., or USSO, LLC in conduct for which they are liable to Plaintiff. On this claim Plaintiff must prove:

1. CASC, Inc., IGOVincent, Inc., or USSO, LLC engaged in conduct for which it is liable to Skydive Arizona;
2. Ben Butler, Cary Quattrocchi, or Atlanta SC, Inc. was aware that CASC, Inc., IGOVincent, Inc., or USSO, LLC was going to engage or was engaging in such conduct; and
3. Ben Butler, Cary Quattrocchi, or Atlanta SC, Inc. provided substantial assistance or encouragement to CASC, Inc., IGOVincent, Inc., or USSO, LLC with the intent of promoting the wrongful conduct.

Plaintiff's Actual Damages

If you find for the Plaintiff on the Plaintiff's trademark infringement claim you must determine the Plaintiff's actual damages.

The Plaintiff has the burden of proving actual damages by a preponderance of the evidence. Damages means the amount of money which will reasonably and fairly compensate the Plaintiff for any injury you find was caused by the Defendants' infringement of the Plaintiff's registered trademark.

You should consider the following:

1. The injury to the Plaintiff's reputation;
2. The injury to or loss of Plaintiff's goodwill, including injury to the Plaintiff's general business reputation;
3. The lost profits that the Plaintiff would have earned but for the Defendants' infringement. Profit is determined by deducting all expenses from gross revenue;
4. The expense of preventing customers from being deceived; and
5. The cost of future corrective advertising reasonably required to correct any public confusion caused by the infringement.

When considering prospective costs (e.g., cost of future advertising, expense of preventing customers from being deceived), you must not overcompensate. Accordingly, your award of such future costs should not exceed the actual damage to the value of the Plaintiff's mark at the time of the infringement by the Defendants.

The fact that Defendants did not profit from the infringement, if proven, does not preclude an award of damages.

Defendants' Profits

In addition to actual damages, the Plaintiff is entitled to any profits earned by the Defendants that are attributable to their infringement of Skydive Arizona, which the Plaintiff proves by a preponderance of the evidence. You may not, however, include in any award of profits any amount that you took into account in determining actual damages.

Profit is determined by deducting all expenses from gross revenue.

The Plaintiff has the burden of proving a Defendants' gross revenue attributable to the infringement of Skydive Arizona by a preponderance of the evidence. Gross revenue is all of Defendants' receipts from using the trademark in the sale of services.

Expenses are all operating and production costs incurred in producing the gross revenue. The Defendants have the burden of proving the expenses that should be deducted from their gross revenue by a preponderance of the evidence. Defendants also have the burden of proving the portion of the profit attributable to factors other than use of the infringed trademark

Unless you find that a portion of the profit from the sale of the 1-800-Skyride reservations and gift certificates using the trademark is attributable to factors other than use of the trademark, you shall find that the total profit is attributable to the infringement.

Calculating Profits: Deductions for Expenses

As stated in the previous instruction, the Defendants have the burden of proving by a preponderance of the evidence the expenses that should be deducted from their gross revenues attributable to their infringement of Skydive Arizona. The following types of expenses may not be deducted from their gross revenues:

1. Attorney's fees and costs incurred in defending against the claims of trademark infringement that are the subject of this lawsuit.
2. Expenses related to the correction or rectification of the infringing conduct
3. Incomes taxes paid during the period of years in question.

Calculating Profits: Set-Off Losses

In determining the Defendants' profits, any business losses sustained by the Defendants in one year may not be deducted or set off from profits attributable to their infringement of Skydive Arizona earned in other years.

Willful Infringement

If you find that the Defendants infringed the Plaintiff's trademark, you must also determine whether the Defendants used the trademark wilfully, knowing it was an infringement.

Elements: Unfair Competition (Cybersquatting)

On the Plaintiff's claim for unfair competition (cybersquatting) under Section 43(d) of the Lanham Act, the Plaintiff has the burden of proving each of the following elements by a preponderance of the evidence:

1. Skydive Arizona is a valid trademark entitled to protection because it is distinctive or has acquired secondary meaning;
3. Defendants' domain name(s) is identical or confusingly similar to Plaintiff's "Skydive Arizona" trademark;
4. Defendants used, registered, or trafficked in the domain name(s); and
5. with a bad faith intent to profit.

A person "traffics" in a domain name if the person engages in a transaction including, but not limited to sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer of the domain name at issue for consideration or receipt in exchange for consideration.

For the purposes of this instruction, a Defendant has not "used" a domain name, unless you find that the Defendant is the registrant of the domain name or the registrant's authorized licensee.

Bad Faith Intent to Profit

In determining whether Defendants had a bad faith intent to profit from Plaintiff's Skydive Arizona trademark, you may consider the following factors. You may decide that not every factor applies to this case, and you are not limited to only these factors.

1. the trademark rights or other intellectual property rights of a Defendant, if any, in the domain name;
2. a Defendant's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
3. a Defendant's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
4. a Defendant's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
5. a Defendant's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
6. a Defendant's provision of material and misleading false contact information when applying for the registration of the domain name, the

person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

7. a Defendant's registration or acquisition of multiple domain names which the person or company knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and
8. the extent to which the mark incorporated in a Defendant's domain name registration is or is not distinctive.

Bad faith intent shall not be found in any case in which you determine that a Defendant believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

Statutory Damages: Unfair Competition (Cybersquatting)

If you find that Defendants committed acts of unfair competition (cybersquatting), Plaintiff is entitled to receive statutory damages. Statutory damages, as opposed to actual damages, are set by law (statute). You may award Statutory damages for each violation of Section 43(d) of the Lanham Act (cybersquatting) of not less than \$1,000 and not more than \$100,000 per infringing domain name.

The amount of statutory damages awarded is independent of any award of actual damages or profits you may decide to award to compensate Plaintiff based on its trademark violation or false advertising claim.

False Advertising

You must determine whether Defendants acted willfully with regards to Plaintiff's claim for false designation of origin and unfair competition under the Lanham Act § 43(a) (false advertising). Defendants acted willfully if their actions were intended to deceive, cause confusion, or cause mistake amongst the public. Plaintiff has the burden of proving Defendants' willfulness by clear and convincing evidence.

Duty to Deliberate

When you begin your deliberations, you should elect one member of the jury as your presiding juror. That person will preside over the deliberations and speak for you here in court.

You will then discuss the case with your fellow jurors to reach agreement if you can do so. Your verdict must be unanimous.

Each of you must decide the case for yourself, but you should do so only after you have considered all of the evidence, discussed it fully with the other jurors, and listened to the views of your fellow jurors.

Do not hesitate to change your opinion if the discussion persuades you that you should. Do not come to a decision simply because other jurors think it is right.

It is important that you attempt to reach a unanimous verdict but, of course, only if each of you can do so after having made your own conscientious decision. Do not change an honest belief about the weight and effect of the evidence simply to reach a verdict.

Use of Notes

Whether or not you took notes, you should rely on your own memory of the evidence. Notes are only to assist your memory. You should not be overly influenced by your notes or those of your fellow jurors.

Communication with the Court

If it becomes necessary during your deliberations to communicate with me, you may send a note through my courtroom deputy or one of my law clerks, signed by your presiding juror or by one or more members of the jury. No member of the jury should ever attempt to communicate with me except by a signed writing; I will communicate with any member of the jury on anything concerning the case only in writing, or here in open court.

If you send out a question, I will consult with the parties before answering it, which may take some time. You may continue your deliberations while waiting for the answer to any question. Remember that you are not to tell anyone—including me—how the jury stands, numerically or otherwise, until after you have reached a unanimous verdict or have been discharged. Do not disclose any vote count in any note to the court.

Return of Verdict

A verdict form has been prepared for you.

This verdict form asks you to consider and make a decision about each of the parties' claims. When considering each claim, first determine whether the party pursuing that claim met its burden of proof, based on the instructions that I have given you. If you find that the party met its burden of proof, then proceed to award damages on that claim, using the instructions that I have given you.

After you have reached unanimous agreement on a verdict, your presiding juror will fill in the form that has been given to you, sign and date it, and advise the court that you are ready to return to the courtroom.