

INTELLECTUAL PROPERTY

PLAINTIFF'S VERDICT

New Jersey novelty company (Ad Magic, Inc.) brings declaratory judgment action after defendant California novelty company (Advertising Magic, Inc.), serves cease and desist letter alleging trademark infringement.

U.S. District - Newark County, NJ

This case involved companies from New Jersey and California whose business is related to the sale of novelty items, including coffee mugs and key rings with customers' logos imprinted. The California company had served a cease and desist letter on the plaintiff New Jersey company, citing the fact that it had obtained a federal trademark in 1993 and arguing that the similarity in names created a likelihood of confusion. The plaintiff company then brought a declaratory judgment action in New Jersey and the liability portion of the case was tried before a New Jersey Federal Court jury.

The plaintiff contended that the defendant's position should be rejected, pointing out the record in the case provided ample evidence supporting the absence of confusion on many grounds. At the core, though, was the fact that Advertising Magic is a conceptually weak mark (with the term "advertising" being generic and with the term "magic" being a

descriptive or suggestive term, widely used in various advertising contexts) which deserved little protection. Additionally, the plaintiff contended that there was a clear fundamental lack of actual confusion along with a lack of any evidence of bad faith on the part of Ad Magic which made confusion unlikely.

The defendant, moreover, proffered no survey evidence, actual customer testimony or other evidence to support its position. Furthermore, the plaintiff pointed out that although some 90% of its business involved selling customized playing cards and poker chips, only approximately one percent of the defendant's sales related to such items. The plaintiff, who since 2005 has owned the domain name "admagic.com," also pointed out that some five years earlier, the defendant turned down an offer to purchase the admagic.com domain name for \$5,000 from a third party.

The jury found for the New Jersey company. The plaintiff has moved for \$138,000 in costs and attorney fees under Sec. 35 of the Lanham Act.

REFERENCE

Ad Magic vs. Advertising Magic. Docket no. 2:06-cv-05775-SRC-MAS; Judge Stanley Chesser, 01-20-10.

Attorney for plaintiff: Mark J. Ingber of Ingber & Gelber in Millburn, NJ.