

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

<b>T. MARZETTI COMPANY,</b>	:	
	:	
<b>Plaintiff,</b>	:	<b>Case No. 2:09-CV-584</b>
	:	
<b>v.</b>	:	<b>JUDGE ALGENON L. MARBLEY</b>
	:	<b>MAGISTRATE JUDGE KING</b>
<b>ROSKAM BAKING COMPANY,</b>	:	
	:	
<b>Defendant.</b>	:	

**JUDGMENT**

**I. INTRODUCTION**

Plaintiff, T. Marzetti Company (“Marzetti”) brought suit against Roskam Baking Company (“Roskam”), alleging violations of various trademark laws. Roskam counterclaimed, seeking The Court held a bench trial on the issues of liability and, for the reasons set forth below, the Court finds in favor of Roskam.

**II. PROCEDURAL HISTORY**

On July 8, 2009, Marzetti initiated the current action seeking damages, injunctive relief, and other relief this Court deemed appropriate and just. In its Complaint, Marzetti alleges five causes of action: (1) violation of section 43(A) of the Lanham Act; (2) violation of the Ohio Uniform Deceptive Trade Practices Act; (3) a common law trademark infringement claim (4) a common law unfair competition claim; and (5) a common law dilution claim. (See Pl. Compl. Doc 2 pp. 5-7.)

On October 30, 2009, Roskam filed its Amended Answer to Marzetti’s Complaint with Roskam’s Counterclaims. In its Counterclaim, Roskam seeks: (1) a declaratory judgment of non-violation of section 43(A) of the Lanham Act; (2) a declaratory judgment of non-violation of

the Ohio Uniform Deceptive Trade Practices Act; (3) a declaratory judgment of non-infringement of common law trademark; (4) a declaratory judgment of non-violation under common law unfair competition; (5) a declaratory judgment of non-dilution under the common law; and (6) an order finding Marzetti in violation of common law unfair competition with an award for damages and other relief. (See Def. Am. Answer and Counterclaim Doc. 24 pp. 8-13.)

On September 15, 2009, Marzetti filed a Motion for a Preliminary Injunction. Marzetti and Roskam consulted and later advised this Court of the parties' desire to consolidate the hearing on the Motion for Preliminary Injunction with a trial on the merits. In two Orders dated September 25, 2009, this Court: (1) held the Motion for a Preliminary Injunction in Abeyance pending trial to allow Roskam to respond; and (2) set a trial date and other deadlines, and referred the case to mediation.

On November 23, 2009, Roskam filed a Motion for Summary Judgment. On January 19, 2010, Marzetti filed a Partial Motion for Summary Judgment. On March 3, 2010, after holding oral argument on the summary judgment motions, this Court entered an Order, which denied Roskam's Motion for Summary Judgment and Marzetti's Motion for Partial Summary Judgment (Doc. 88 Order.) This Court held that a genuine issue of material fact existed as to the meaning of the words "Texas Toast" in this case, which made summary judgment inappropriate

This Court held a four day bench trial on the issues of liability in this case beginning on March 15, 2010.<sup>1</sup> On April 2, 2010, the parties submitted post-trial briefs along with proposed findings of fact and conclusions of law. On April 9, 2010, the parties submitted post-trial reply

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<sup>1</sup>On February 22, 2010, Roskam filed a Motion to Separate Trial on Liability from Trial on Monetary Recovery. (Doc. 53.) On March 11, 2010, this Court entered an Order granting Roskam's Motion. (Doc. 115.)

briefs. Pursuant to Federal Rule of Civil Procedure 52, this Court makes the following findings of fact and conclusions of law.

### **III. FINDINGS OF FACT**

Marzetti is a corporation organized under the laws of Ohio with its principle place of business in Columbus, Ohio. Marzetti sells salad dressings, frozen garlic bread, noodles, vegetable dips, apple dips, mustard and croutons. (Tr. 10-13.)

Roskam is a corporation organized under the laws of Michigan with its principle place of business in Grand Rapids, Michigan. Roskam sells breads, caramel corn, candy bars, chocolate bars, doughnuts, and croutons. (Tr. 419-22.)

Both Marzetti and Roskam sell packaged croutons to retail stores who then sell them to consumers. (Tr. 12-15.) Marzetti and Roskam market their croutons to the same consumers, to the same stores, and in the same manner. In some instances, however, Marzetti and Roskam sell their croutons in stores where the other is not present. (Tr. 318, 668.) Packaged croutons are generally sold in the Produce or Grocery sections of retail stores. (Tr. 16-17.) Packaged croutons are relatively inexpensive items, and customers do not spend a lot of time making crouton purchasing decisions. (Tr. 119, 668-69.)

#### **A. Texas Toast Bread**

Texas Toast bread is traditionally a square, thickly sliced loaf of sandwich bread, referred to as a “Pullman” style loaf, where the dough is baked with a lid on the top of the pan to create the square shape and sliced twice the thickness of normal sandwich bread. (Tr. 550, 602-03, 754-55.) Interstate Bakeries and Oroweat are among the companies that have made Texas

Toast bread. (Tr. 755; Lang Tr. 15-16.) Today, Texas toast is commonly understood as a thicker piece of bread. (Tr. 148.)

Marzetti and other third parties, including Wal-Mart, Meijer, and Pepperidge Farm, currently offer frozen, thickly sliced garlic bread that is sold in the freezer section of retail stores. (Tr. 37-41, 52-53, 164, 177, 206-11; Ex. P4, P5, P6, P7, P8.) Marzetti first began selling its frozen garlic bread in 1995 and never sought either to register Texas Toast or The Original Texas Toast as trademarks or to take legal action against competitors in the frozen garlic bread market. (Tr. 140.) Marzetti uses “New York Brand the Original Texas Toast” in the same manner on its frozen garlic bread and on its packages of croutons. (Ex. D2, D3, D9, D10.) Marzetti believes that everyone using the words Texas Toast is trading off of Marzetti’s goodwill in the category that it created for frozen garlic bread, though the other companies have not been using Texas Toast as a brand. (Tr. 175, 181.)

### **B. Marzetti’s Texas Toast Crouton Development**

In February 2007, Marzetti first began selling Texas Toast croutons. (Tr. ) Marzetti wanted to tie its New York Brand The Original Texas Toast Frozen Garlic Bread to its New York Brand The Original Texas Toast Croutons. (Tr. 193; Ex. D46.) Marzetti currently sells five different varieties of croutons labeled either as Texas Toast or The Original Texas Toast: Cheese & Garlic, Caesar, Sea Salt & Pepper, Seasoned, and Garlic & Butter. (Tr. 98, 372-73, 708-10; Ex. P3, D150, D151, D152, D153.) In developing its Texas Toast croutons, Marzetti used a new blade positioning (Tr. 90-91, 325-26, 700-01). Marzetti’s Texas Toast croutons are not any larger than the croutons sold under the Cardini’s or Marzetti brands (Tr. 94-95; Ex. P158.) Marzetti’s Texas Toast crouton packages, however, use only the largest two sizes of

croutons. (Tr. 22-24, 64, 93-95.) Marzetti's Texas Toast croutons are made up of 77% of croutons sized at 1" x 1" x 3/4" and 23% of the croutons sized 1" x 1/2" x 3/4". (Tr. 22-24, 64, 93-95; Ex. P158.) Additionally, only for its Texas Toast croutons does Marzetti apply a second round of surface seasoning after baking the crouton a second time. (Tr. 65-67.)

### **C. Marzetti's Texas Toast Crouton Packaging**

The purpose of Marzetti's New York Brand The Original Texas Toast crouton packaging is to attract a customer's attention and explain the product. (Tr. 699.) Marzetti uses the packaging to communicate to the customer desirable features about the characteristics of the product contained within the package. (Tr. 699.) On the back of its Texas Toast crouton packages, Marzetti uses language, known as romance language or romance copy, to provide information about the croutons inside the package and the overall experience eating these croutons. (Tr. 88-97, 699-700, 722; Ex. P3, D150, D151, D152, D153.) Marzetti hopes that consumers will read the romance copy on the back of its packaging. (Tr. 146-47.) The words "Texas Toast cut" on the package of Marzetti's New York Brand The Original Texas Toast croutons convey an alleged larger cut crouton. (Tr. 836, 837.) Marzetti represents that its New York Brand The Original Texas Toast croutons are a large cut (Ex. D17.) Marzetti also represents that its New York Brand The Original Texas Toast croutons are "bigger bites" and that it cuts loaves into "**Texas-sized** bites" (Ex. D9, D10) (emphasis in original). These words convey the expectation of a larger than normal crouton. (Tr. 217, 202; Rolcik Tr. 210-211.) A big Texas-sized bite is a play on the state of Texas. (Tr. 705-06.)

### **D. Marzetti's Trademark Applications**

It was not until 2009 that Marzetti added a trademark indicia to its packaging (Tr. 195; Ex. D9, D10.) Indeed, Marzetti's policy is not to put a TM symbol next to a phrase unless and until a federal trademark application is filed. (Tr. 111.) On February 19, 2009, Marzetti filed a trademark application, Serial No. 77/672578, with the United States Patent and Trademark Office ("PTO") to register Texas Toast for use on croutons and tortilla strips. (Tr. 347-48; Ex P155A.) Also on February 19, 2009, Marzetti filed a trademark application, Serial No. 77/672576, with the PTO to register The Original Texas Toast in connection with croutons and tortilla strips. (Ex. P157A.) On May 18, 2009, the PTO issued an Office Action against both of Marzetti's trademark applications for a potential likelihood of confusion with the mark TextToast for "bakery goods." (Tr. 349-56; Ex. P155A.) Marzetti was also required to disclaim the words "The Original," and argued that although those words may be entitled to less weight, they certainly "cannot be ignored." (Ex. P157A) On November 17, 2009, Marzetti submitted responses to the Office Actions filed against both trademark applications. On November 17, 2009, and on November 19, 2009, the PTO Examiner withdrew her refusals to Marzetti's The Original Texas Toast trademark application and the Texas Toast Trademark application, respectively. (Tr. 354-55; Ex. P155A, P157A.) Both applications were also subject to a quality review examination (Tr. 342-43, 358; Ex. P155A, P157A.) On February 5, 2010, the PTO completed its final review of the Texas Toast trademark application and The Original Texas Toast trademark application and approved them for publication. (Tr. 358-59; Ex. P155A, P157A.) Both the Texas Toast mark and The Original Texas Toast mark have been found by the

PTO to be, at a minimum, suggestive and both marks were published for opposition on March 16, 2010. (Tr. 344-45, 364-65; Ex. P155A, P157A.)

### **E. Rothbury Farms Texas Toast Crouton Development**

The Rothbury Farms Texas Toast crouton was developed from a prototype product that Roskam had been working on in its Research and Development laboratory. (Tr. 429.) The prototype was based on a bruschetta bread piece. Id. In 2007, Cameron Roskam, who works in management at his family's company, first noticed Marzetti's Texas Toast croutons on a grocery store shelf (Tr. 440-41.) In January 2009, the Roskam family, including Robert, Cameron, and Rochelle Roskam, met to discuss business and made the decision to use Texas Toast on its new crouton product. (Tr. 440-41.) Also in January 2009, Roskam made a presentation to Wal-Mart where Roskam presented crouton packaging with the words "Texas Toast." (Tr. 439.) The croutons that Roskam presented at the meeting with Wal-Mart were similar to the Grandpa's Oven Bakery Cut crouton that had been previously sold at Wal-Mart, but the new croutons featured different seasoning and flavor. (Tr. 438.) Roskam's goal is to have 100% of its croutons be 1 1/2" x 1 1/2" x 1/2" (Tr. 436-37, 516.)

### **F. Roskam Texas Toast Crouton Packaging**

Rothbury Farms is the only retail crouton brand under which Roskam currently markets croutons. (Tr. 423.) Roskam currently offers eight different types of croutons: Rothbury Farms Cheese Garlic, Rothbury Farms Italian Style, Rothbury Farms Buttery Garlic, Rothbury Farms Fat-Free, Rothbury Farms Organic, Rothbury Farms Texas Toast Seasoned, and Rothbury Farms Texas Toast Cheese Garlic. (Tr. 426; Ex. D157, D206.) Roskam uses its Rothbury Farms logo in the same size and same gold-colored font on all eight packages. (Ex. D157.) The words "Texas

Toast” are used by Roskam in the same manner as the words “Italian Style,” “Buttery Garlic,” “Cheese Garlic,” “Fat Free,” “Organic,” and “Seasoned.” (Tr. 505; Ex. D14, D15, D157, D291-296.) Roskam’s packaging for its Texas Toast croutons is very similar to its other packaging for the other croutons it sells. (Ex. P52, P54, P65.) The font style for the words “Texas Toast” is similar to the font being used by Roskam to describe its other types of croutons. (Tr. 507.)

Roskam uses a substantially different font for the for the words “Texas Toast” than Marzetti uses for the words The Original Texas Toast. (Tr. 16.) By using Texas Toast on its croutons, Roskam hopes the consumer will form an association between the words and the size of the crouton. (Tr. 38, 52.) The words Texas Toast are meant to tell consumers that the croutons in Rothbury Farms Texas Toast packaging were big croutons (Tr. 27.) The words Texas Toast are not being used as a brand on the Rothbury Farms package (Rolcik Tr. 99.) There is also an obvious color difference between the packaging for the New York Brand The Original Texas Toast croutons and the Rothbury Farms Texas Toast croutons.<sup>2</sup> (Tr. 290.)





### **G. Marzetti's Brand Awareness Study**

In October 2007, approximately eight months after the launch of the New York Brand The Original Texas Toast croutons, Marzetti conducted a consumer awareness survey. (Tr. 257-59; Ex. D26) The survey had a total sample size of 675 individuals. (Tr. 708; Ex. D26, D196.) The survey results showed that none of the 675 people surveyed had unaided awareness, meaning they did not identify New York Brand The Original Texas Toast croutons when prompted to identify brands of croutons of which they were aware. (Tr. 259-60, 707-08, 709-11, 712; Ex. D26.) Some eleven percent (11%) of those surveyed had aided awareness: they indicated they had heard of New York Brand The Original Texas Toast croutons when asked about whether they had heard of any of the brands listed. (Tr. 559, 708; Ex. D26.) This survey is the only data Marzetti has measuring consumer awareness of New York Brand The Original Texas Toast croutons. (Tr. 261, 270, 713.) In 2008 and 2009, Marzetti used and relied upon the data gathered from the consumer awareness survey. (Tr. 262, 263, 264, 265, 269, 713; Ex. D27, D40, D47, D48, D49.) Rothbury Farms had one percent (1%) unaided consumer awareness and ten percent aided awareness in the consumer awareness survey. (Tr. 261; Ex. D26.)

### **H. Marzetti's Alleged Mark**

Marzetti has referred to its New York Brand The Original Texas Toast croutons internally as simply the New York croutons. (Tr. 275, 276.) In its fiscal 2008 annual report, dated June 20, 2008, Marzetti indicates that the New York brand is one of its brands, and that "Texas Toast croutons" are one of its products. (Tr. 311-313.) Marzetti contends the entire mark to be New York Brand The Original Texas Toast (Tr. 198-99.) On Marzetti's products the words "Texas Toast" or "The Original Texas Toast" always appear together with New York

Brand. (Tr. 202-03, 211.) Marzetti is not aware of any instance of actual confusion between any of the New York Brand The Original Texas Toast croutons and Rothbury Farms Texas Toast croutons. (Tr. 231.)

### **I. Texas Toast Croutons**

Restaurants utilize the words “Texas Toast croutons” in a generic sense to identify the type of croutons used in salads. (Ex. D139, D140, D142, D143, D144, D145, D146, D197, D198.) “Texas Toast croutons” are a type of crouton. (Tr. 538, 539, 548-49, 813.) The words “Texas Toast” are generic for a type or style of crouton and convey a larger than normal crouton. (Tr. 538, 539, 541, 552, 790, 803-04.) Consumers have an idea of what a Texas Toast sized crouton would be as a result of Texas Toast bread. (Lang Tr. 56.)

### **IV. CONCLUSIONS OF LAW**

All of the claims at issue in this case are subject to analysis under the federal trademark and unfair competition statutes. *Audi AG v. D’Amato*, 469 F.3d 534, 542 (6th Cir. 2006) (“Under the Lanham Act, 15 U.S.C. § 1051 *et seq.*, we use the same test to decide whether there has been trademark infringement, unfair competition, or false designation of origin: the likelihood of confusion between the two marks.”) *Victoria’s Secret Stores v. Artco Equipment Co., Inc.*, 194 F. Supp. 2d 704, 724 n. 8 (S.D. Ohio 2002) (finding analysis under federal law “applies to trademark infringement, unfair competition, Ohio common law, and Ohio's deceptive trade practices statutes”).

#### **A. The Lanham Act**

Section 43(A) of the Lanham Act provides a federal cause of action for infringement for marks and trade dress that have not obtained federal registration. 15 U.S.C. § 1125(a);

*Tumblebus Inc. v. Cranmer*, 399 F.3d 754, 760-61 (6th Cir. 2005). To evaluate a claim under the Lanham Act, “courts must determine whether the mark is protectable, and if so, whether there is a likelihood of confusion as a result of the would-be infringer’s use of the mark.” *Id.* at 761.

### **1. Texas Toast is Generic**

Whether a mark qualifies for trademark protection is determined by where it “falls along the established spectrum of distinctiveness.” *DeGidio v. West Group Corp.*, 191 F.3d 506, 510 (6th Cir. 2004) (internal citations omitted). Marks may be: “(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or fanciful.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (2002) (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (C.A.N.Y. 1976)).

Generic marks are the weakest and can never be trademarks. *Champions Golf Club, Inc. v. The Champions Golf Club*, 78 F. 3d 1111, 1116-17 (6th Cir. 1996). A “generic term is one that is commonly used as the name of a kind of goods. Unlike a trademark, which identifies the source of a product, a generic term merely identifies the genus of which a particular product is a species.” *Tumblebus, Inc.*, 399 F.3d at 762 n. 10. If a mark is primarily associated with a type of product rather than with the producer, it is generic. *Natron Crop v. STMicroelectronics, Inc.*, 305 F.3d 397, 404 (6th Cir. 2002). “Whether a name is generic is a question of fact.” *Bath & Body Works, Inc. v. Luzier Personalized Cosmetics, Inc.*, 76 F.3d 743, 748 (C.A.6 (Ohio),1996) (citing 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12.02(7)(b)). Where the mark at issue is not registered and the defendant argues that the alleged trademark is generic, then the plaintiff has the burden to prove the mark is not generic. *Id.*

In this case “Texas Toast” is generic. Texas Toast is commonly used as the name of a kind of good. Texas Toast has come to mean a bread product that is larger than normal,

including sliced bread, frozen garlic bread, or croutons. Companies have been making and selling Texas Toast for many years, since before 1995 when Marzetti started offering frozen, thickly sliced garlic bread in the freezer sections of grocery stores.

Indeed, Marzetti acknowledges that other companies selling Texas Toast frozen garlic bread have not been using Texas Toast as a brand. Further, Marzetti relies upon the common understanding that Texas Toast means bigger than normal on the back of its crouton packages, referring to “bigger bites” and “Texas-sized bites” and representing that Texas Toast croutons are a large cut. In manufacturing and marketing Texas Toast styled croutons, both Marzetti and Roskam rely upon the primary association of the public that Texas Toast conveys something about size.

Marzetti has not met the burden to prove that the mark is not generic. Although Marzetti submitted trademark applications to the PTO to register Texas Toast and The Original Texas Toast, Marzetti’s own use of these terms convey an expectation of a larger than normal crouton. That use is consistent with the generic meaning of the words. Further, while Marzetti argues that Texas Toast and The Original Texas Toast are brands, the company’s own internal documents make references to New York croutons. Marzetti’s annual report references Texas Toast croutons as one of the company’s products. Marzetti’s own consumer awareness study shows that none of the respondents identified, independent of any assistance, New York Brand The Original Texas Toast croutons as a product.

## **2. Likelihood of Confusion**

The Sixth Circuit has adopted an eight-factor test for determining likelihood of confusion: “(1) strength of the plaintiff’s mark; (2) relatedness of the goods; (3) similarity of the

marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; [and] (8) likelihood of expansion of the product lines.” *Frisch's Rests., Inc. v. Elby's Big Boy of Steubenville, Inc.*, 670 F. 2d 642, 648 (6th Cir. 1982) (*Frisch's I*) (quoting *Toho Co., Ltd. v. Sears, Roebuck & Co.*, 645 F. 2d 788 (9th Cir. 1981)).

Determining whether there is a likelihood of confusion requires the court to examine the facts of a particular case. *Champions Golf Club, Inc.*, 78 F. 3d at 1116 (6th Cir. 1996). In conducting this analysis a court should remember that:

These factors imply no mathematical precision, but are simply a guide to help determine whether confusion is likely. They are also interrelated in effect. Each case presents its own complex set of circumstances and not all of these factors may be particularly helpful in any given case. But a thorough and analytical treatment must nevertheless be attempted. The ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated in some way.

*Homeowners Group, Inc.*, 931 F.2d at 1107 (6th Cir. 1991). “[A] plaintiff need not show that all, or even most, of the factors are present in any particular case to be successful.” *Wynn Oil*, 839 F.2d at 1186.

#### ***a. Strength of the Plaintiff's Mark***

“The more distinctive a mark, the more likely is the confusion resulting from its infringement, and therefore, the more protection is due.” *Frisch's II*, 759 F.2d at 1264 Here, as discussed above, Marzetti's mark is generic. Generic marks are the weakest and can never be trademarks. *Champions Golf Club, Inc. v. The Champions Golf Club*, 78 F. 3d at 1116-17. Marzetti's mark is relatively weak. This factor does not weigh in favor of finding a likelihood of

confusion between Marzetti's New York Brand The Original Texas Toast and Roskam's Rothbury Farms Texas Toast croutons.

***b. Relatedness of the Goods***

The Sixth Circuit has established “three benchmarks regarding the relatedness of parties’ goods and services.” *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 624 (6th Cir. 2003).

First, if the parties compete directly by offering their goods or services, confusion is likely if the marks are sufficiently similar; second, if the goods or services are somewhat related but not competitive, the likelihood of confusion will turn on other factors; third, if the goods or services are totally unrelated, confusion is unlikely.

*Daddy's Junky Music Stores*, 109 F.3d at 282. Services and goods “are ‘related’ not because they coexist in the same broad industry, but are ‘related’ if the services are marketed and consumed such that buyers are likely to believe that the services, similarly marked, come from the same source, or are somehow connected with or sponsored by a common company.”

*Homeowners Group*, 931 F.2d at 1109.

Here, the goods are related since both Marzetti and Roskam market Texas Toast style croutons. This factor weighs in favor of finding a likelihood of confusion between Marzetti's New York Brand The Original Texas Toast and Roskam's Rothbury Farms Texas Toast croutons.

***c. Similarity of the Marks***

The “[s]imilarity of the marks is a factor of considerable weight.” *Daddy's Junky Music Stores*, 109 F.3d at 283. In evaluating this factor courts should consider “pronunciation, appearance, and verbal translation of conflicting marks.” *Champions Golf Club*, 78 F.3d at 1118 (internal quotation marks and citations omitted). Examining the marks side-by-side in the

courtroom “does not accurately portray market conditions.” *Daddy’s Junky Music Stores*, 109 F.3d at 283. And alleged marks must be reviewed in terms of what actually occurs in the marketplace. *Worthington Foods, Inc. v. Kellogg Co.*, 732 F. Supp. 1417, 1440 (S.D. Ohio 1990)

Here, because the products are typically sold on adjoining vertical shelves, it is appropriate to conduct a side-by-side comparison of the packages. See 2 J. Thomas McCarthy, *On Trademarks and Unfair Competition* 23:59 (4th ed. 2009) (“However, if the goods are sold side-by-side, as are some items in a supermarket, then it is reasonable to compare the marks in this way, since buyers do not have to rely upon recall.”) Courts should also consider whether a mark, when viewed alone, would confuse the public. *Id.* (“sufficiently similar marks may confuse consumers who do not have both marks before them but who may have a general, vague or even hazy, impression or recollection of the other party’s mark.”). Additionally, the focus should not be on the prominent features of the alleged mark, “but on the mark in its totality.” *Jet, Inc. V. Sewage Aeration Sys.*, 165 F.3d 419, 423.

A “side-by-side” comparison of the packaging of Marzetti’s New York Brand The Original Texas Toast croutons and Roskam’s Rothbury Farms Texas Toast croutons shows significant distinctions. There is an obvious color difference in the packaging. Roskam uses substantially different font for the words Texas Toast than Marzetti’s uses for the words The Original Texas Toast. This factor does not weigh in favor of finding a likelihood of confusion between Marzetti’s New York Brand The Original Texas Toast and Roskam’s Rothbury Farms Texas Toast croutons.

***d. Evidence of Actual Confusion***

Though “[e]vidence of actual confusion is undoubtedly the best evidence of likelihood of confusion...it does not follow that lack of evidence of actual confusion should be a significant factor.” *Wynn Oil*, 839 F.2d 1183, 1188 (6th Cir. 1988); *see also Daddy’s Junky Music Stores*, 109 F. 3d at 284 (“[D]ue to the difficulty of securing evidence of actual confusion, a lack of such evidence is rarely significant.”).

There is no evidence of actual confusion here. Marzetti is not aware of any instance of actual confusion between any of the New York Brand the Original Texas Toast croutons and Rothbury Farms Texas Toast croutons. This factor does not weigh in favor of not finding a likelihood of confusion between Marzetti’s New York Brand The Original Texas Toast and Roskam’s Rothbury Farms Texas Toast croutons.

***e. Marketing Channels Used***

The marketing channels used factor “requires a court to consider the similarities or differences between the predominant customers of the parties’ respective goods or services. Further, a court must determine whether the marketing approaches employed by each party resemble each other.” *Daddy’s Junky Music Stores*, 109 F.3d at 285 (internal citation omitted).

Though, in some instances, Marzetti and Roskam sell their croutons in stores where the other is not present, in general Marzetti and Roskam market their croutons to the same consumers, to the same stores, and in the same manner. This factor weighs in favor of finding a likelihood of confusion between Marzetti’s New York Brand The Original Texas Toast and Roskam’s Rothbury Farms Texas Toast croutons.



***f. Likely Degree of Purchaser Care***

While this factor is part of the analysis, “[t]he ultimate significance of a given degree of care...will often depend upon its relationship with the other seven factors.” *Daddy’s Junky Music Stores*, 109 F.3d at 285. In assessing the likely degree of purchaser care, the court uses the standard of a typical buyer exercising ordinary caution. *Homeowners Group*, 931 F.2d at 1111; *Little Caesar Enters., Inc.*, 834 F.2d at 571 (“The normal consumer is the ‘reasonably prudent buyer.’”). Where products are relatively inexpensive, purchasers will be less careful in their buying decisions. *Worthington Foods, Inc.*, 732 F. Supp. at 1448.

As stated above, packaged croutons are relatively inexpensive items, and customers do not spend a lot of time making crouton purchasing decisions. This factor weighs in favor of finding a likelihood of confusion between Marzetti’s New York Brand The Original Texas Toast and Roskam’s Rothbury Farms Texas Toast croutons.

***g. Defendant’s Intent in Selecting the Mark***

“If a party chooses a mark with the intent of causing confusion, that fact alone may be sufficient to justify an inference of confusing similarity.” *Homeowners Group*, 931 F.2d at 1111. A plaintiff need not provide direct evidence that a defendant intentionally copied a mark; establishing instead that the defendant used the mark with knowledge of the mark’s protection can be sufficient to support a finding of intentional copying. *Id.* In addition, knowledge can be presumed upon proof of “extensive advertising and long-term use of a protected mark.” *Id.* See also, *Champions Golf Club*, 78 F.3d at 1121 (“[U]se of a mark with knowledge of another’s prior use of the mark supports an inference of intentional infringement.”).

Roskam admits that it first saw Texas Toast croutons in the form of Marzetti's New York Brand The Original Texas Toast croutons on the shelf at a grocery store. In using Texas Toast on Rothbury Farms crouton packages, Roskam wanted the consumer to form an association between the words and the size of the crouton. This is consistent with the generic meaning of the words Texas Toast. Roskam was not trying to confuse consumers regarding the various Texas Toast crouton products in the marketplace. This factor does not weigh in favor of finding a likelihood of confusion between Marzetti's New York Brand The Original Texas Toast and Roskam's Rothbury Farms Texas Toast croutons.

#### ***h. Likelihood of Expansion of Product Lines***

Where the parties already use the marks in question on identical goods, the likelihood of expansion of the product lines is irrelevant. *Victoria's Secret Stores*, 194 F.Supp.2d at 789; *Barrios*, 712 F.Supp. At 619. Here, because Marzetti and Roskam already use the marks in question on identical goods, this factor is irrelevant to the likelihood of confusion analysis.

On balance, the eight factors that this Court must consider weigh in favor of finding against a likelihood of confusion here between Marzetti's and Roskam's products. It is particularly significant that Texas Toast is being used in a generic manner to denote the size of the croutons.

#### **B. Ohio Deceptive Trade Practices Act**

Under Ohio law prevents parties from engaging deceptive trade practices. Ohio Rev. Code 4165.02. Alleged violations of the Ohio Deceptive Trade Practices Act are subject to the same likelihood of confusion analysis used above. *Victoria's Secret Stores*, 194 at 724 n. 8. This Court holds that there is no likelihood of confusion between Marzetti's New York Brand

The Original Texas Toast croutons and Roskam's Rothbury Farms Texas Toast croutons. Accordingly, there has not been a violation of the Ohio Deceptive Trade Practices Act and Roskam is entitled to a declaratory judgment of non-violation of the Ohio Uniform Deceptive Trade Practices Act.

### **C. Common Law Trademark Infringement**

Common law trademark infringement claims are subject to the same likelihood of confusion analysis used above. *Victoria's Secret Stores*, 194 at 724 n. 8. Since this Court holds that there is no likelihood of confusion between Marzetti's New York Brand The Original Texas Toast croutons and Roskam's Rothbury Farms Texas Toast croutons, Roskam has not committed common law trademark infringement. Therefore, Roskam is entitled to a declaratory judgment of non-violation of common law trademark infringement.

### **D. Common Law Unfair Competition**

Common law unfair competition claims are subject to the same likelihood of confusion analysis used above. *Victoria's Secret Stores*, 194 at 724 n. 8. Since this Court holds that there is no likelihood of confusion between Marzetti's New York Brand The Original Texas Toast croutons and Roskam's Rothbury Farms Texas Toast croutons, Roskam has not committed common law unfair competition. Therefore, Roskam is entitled to a declaratory judgment of non-violation of common law unfair competition.

Roskam alleges that it is entitled to succeed on its claim for common law unfair competition because Marzetti was malicious in litigating its trademark infringement claim. Common law unfair competition can also include malicious prosecution. This Court, however,

has not found that Marzetti acted maliciously in initiating this lawsuit. Therefore, Roskam is not entitled to judgment against Marzetti for common law unfair competition.

### **E. Common Law Dilution**

Common law unfair competition claims are subject to the same likelihood of confusion analysis used above. *Victoria's Secret Stores*, 194 at 724 n. 8. Prior to the bench trial in this case, Marzetti dropped its common law dilution claim. At trial, Roskam agreed not to go forward on its claim for a declaratory judgment of non-violation of common law dilution.

### **F. Permanent Injunction**

A party seeking a permanent injunction must establish each of the following four elements: “(1) actual success on the merits; (2) a substantial threat that it will suffer irreparable injury without the relief requested; (3) that the threatened injury outweighs any damage that the injunction may cause to others; and (4) that the injunction will serve the public interest.”

*Citizens for Community Values, Inc. v. Upper Arlington Public Library Bd. of Trustees*, No. 2008 WL 3843579, 16 (S.D. Ohio 2008); *Amoco Prod. Co. v. Village of Gambell*, 480 U.S. 531, 546 n. 12 (1987) (stating that the standard for granting a permanent injunction is “essentially the same,” as that for a preliminary injunction, except that a plaintiff must demonstrate actual success on the merits rather than a mere likelihood of success); *see also Chabad of S. Ohio & Congregation Lubavitch v. City of Cincinnati*, 363 F.3d 427, 432 (6th Cir. 2004) (outlining the standard for a preliminary injunction).

Here, Marzetti has not succeeded on the merits and thus failed to establish the first element required for a permanent injunction. Marzetti has failed to establish that it will suffer irreparable injury without an injunction to prevent Roskam from using the words Texas Toast on

its crouton packaging. Marzetti has not shown that their injury will outweigh any damage an injunction would cause to others. Nor has Marzetti proven that the injunction will serve the public interest. Therefore, this Court will not enter a permanent injunction in this case.

### **G. Attorneys' Fees and Costs**

Pursuant to federal law, this Court “in exceptional cases may award reasonable attorneys fees to the prevailing party.” 15 U.S.C. 1117(a). Though Congress has not further defined “exceptional” in the context of the statute, the legislative history of the Act suggests that exceptional cases are those where the infringing party acts in a “malicious,” “fraudulent,” “deliberate,” or “willful” manner. H.R.Rep. No. 93-524, 93rd Cong., 1st Sess. (1974), reprinted in 1974 U.S.C.C.A.N. 7132, 7133. Thus, under the Lanham Act, an award of attorney’s fees is within the discretion of the district court. *See Stephen W. Boney, Inc. v. Boney Services, Inc.*, 127 F.3d 821, 825 (9th Cir. 1997); *Burger King Corp. v. Pilgrim's Pride Corp.*, 15 F.3d 166, 168 (11th Cir.1994) (trial court has discretion to grant or deny attorney's fees under Lanham Act). Courts have held that a prevailing defendant need not show bad faith on the part of the plaintiff in order to prove that a case is "exceptional" under the Act. *Scotch Whisky Ass'n v. Majestic Distilling Co., Inc.*, 958 F.2d 594, 599 (4th Cir.1992) (holding that prevailing defendant may receive attorney's fees on showing of “[s]omething less than bad faith”); *Noxell Corp. v. Firehouse No. 1 Bar-B-Que Restaurant*, 771 F.2d 521, 526 (D.C.Cir.1985) ( “Something less than ‘bad faith’ ... suffices to mark a case as ‘exceptional.’”). Here, this Court has not found Marzetti’s conduct in bringing this lawsuit to be malicious, fraudulent, deliberate, or willfull. Nor has the Court found that Marzetti acted in bad faith in bringing its claims for trademark infringement under the Lanham Act. Therefore, this Court finds that this is not an exceptional

case within the meaning of the statute. As such, Roskam will not be awarded attorneys fees and costs.

## **V. CONCLUSION**

For the reasons set forth above, this Court enters judgment in favor of Roskam and finds the company is entitled to the following relief: (1) a declaratory judgment of non-violation of section 43(A) of the Lanham Act; (2) a declaratory judgment of non-violation of the Ohio Uniform Deceptive Trade Practices Act; (3) a declaratory judgment of non-infringement of common law trademark; (4) a declaratory judgment of non-violation under common law unfair competition. This Court holds that Marzetti has not violated the common law of unfair competition. This Court further holds that Roskam is not entitled to damages and other relief.

This Court previously bifurcated trial on the issue of liability from the issue of damages. Having now concluded that Roskam is not liable and that Roskam is not entitled to fees and costs, trial on the issue of damages is not necessary.

**IT IS SO ORDERED.**

s/Algenon L. Marbley  
**ALGENON L. MARBLEY**  
**UNITED STATES DISTRICT COURT**

**Dated: May 27, 2010**