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## Distributor not vicariously liable for trademark infringement

In *Optimum Technologies Inc v Henkel Consumer Adhesives Inc* (496 F3d 1231, August 22 2007), the US Court of Appeals for the Eleventh Circuit has affirmed a district court decision holding that the unauthorized use of a trademark by a retailer was not attributable to the distributor of the product.

[Optimum Technologies Inc](#) manufactures a two-sided adhesive product to prevent slippage of rugs and mats on various surfaces. Optimum owns the trademark LOK-LIFT in connection with the product. Henkel Consumer Adhesives Inc distributes a number of consumer goods to various retailers, such as Home Depot and Lowe's. The parties agreed that Henkel would distribute Optimum's Lok-Lift product to its retailers.

The parties' relationship was uneventful between 1994 and 1998, but Henkel began developing its own adhesive carpet tape called 'Hold-It'. In 2002, without informing Optimum, Henkel began replacing the Lok-Lift product at its retailers with its new Hold-It product. Henkel used similar packaging for its replacement product and continued to feature the Lok-Lift product on its website. Many of the retailers believed that the Hold-It product was simply a new version of the Lok-Lift product. Thus, in many instances, retailers placed Henkel's Hold-It product on shelves labelled for the Lok-Lift product. Optimum contended that this created a likelihood of confusion attributable to Henkel under 15 USC § 1114(1)(a).

The Eleventh Circuit held that the "pivotal question" was whether the retailers' confusing uses were attributable to Henkel, the distributor. The court affirmed the district court's ruling that Henkel did not use Optimum's mark at the retail level; therefore, the plaintiff had failed to support the 'use' requirement of a trademark infringement claim under § 1114(1)(a) or an unfair competition claim under § 1125(a). The court determined that Henkel never used Optimum's mark, since the retailers were the only users of the product. The court held that "[a]ny alleged confusion in this case, even if present, was not directly attributable to Henkel, the alleged infringer".

The court also declined to consider Optimum's belated allegation of contributory infringement, since it was not brought in time and "there is no separate statutory provision for contributory trademark infringement".

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