

Likelihood of “Initial Interest” Confusion Powers The University of Houston to Preliminary Injunction Win in Law School Name Battle

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by Thomas Vitt and Tiana Towns



On June 22, 2016, the South Texas College of Law announced that it was changing its name to Houston College of Law. This seems like a natural choice, as the school is based in Houston and is a stand-alone institution not affiliated with a university. But the name change immediately raised the ire of the school's much-larger and more famous competitor, the University of Houston ("UH"), which filed a trademark infringement lawsuit the very next day. UH alleged that

HOUSTON COLLEGE OF LAW infringed its trademarks the UNIVERSITY OF HOUSTON and UNIVERSITY OF HOUSTON LAW CENTER, and asked the court to issue a preliminary injunction.

On October 14, the federal court for the Southern District of Texas granted the motion, finding that UH had demonstrated that the defendant's use of the name "HOUSTON COLLEGE OF LAW" was likely to cause confusion with UH's trademarks and to result in significant irreparable harm. *The Board of Regents of the University of Houston System on behalf of the University of Houston System and its Member Institutions et al. v. Houston College of Law, Inc., formerly known as South Texas College of Law* ([S.D. Texas October 14, 2016](#)). The decision is primarily a straightforward, albeit unusually thorough, application of the 5th Circuit's likelihood of confusion factors: the strength of the plaintiff's mark, the similarity of the marks, the similarity of the services, the identity of retail outlets and purchasers, the similarity of advertising media used, the defendant's intent, the evidence of actual confusion, and the degree of care exercised by potential purchasers. The court's analysis of the issue of initial interest confusion, however, is worthy of note.

The likelihood of confusion factors posed some obvious problems for the defendant. UH's mark, while descriptive, had some strength based on UH's extensive advertising and long history of use. UH and the defendant offer the same services through the same media channels to the same prospective purchasers in the same city. But the defendant

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thought it had an ace up its sleeve: the potential purchasers are sophisticated, and the notion of a prospective law student committing to pay the significant cost of a legal education due to confusion over the names seems preposterous. That is, “point of sale” confusion seems impossible, so why not allow the defendant to use its Houston location as part of its name?

The federal court was not persuaded by these arguments. Judge Ellison found that defendant’s use of HOUSTON COLLEGE OF LAW would be likely to create significant “initial interest” confusion, and to permit the defendant to use that name would allow it to trade on UH’s significant goodwill.

Judge Ellison relied on the discussion of “initial interest” confusion in the case of *Elvis Presley Enterprises, Inc. v. Capece*, 141 F.3d 188, 204 (5th Cir. 1998). That case involved the unauthorized use of the King’s famous name by a nightclub (complete with a menu and décor full of Elvis images and references). The court held that a trademark infringement claim “can be based upon confusion that creates initial consumer interest. . . even though no actual sale is finally completed as a result of the confusion.” The concern is that “initial interest confusion gives the junior user credibility during the early stages of a transaction,” which “can possibly bar the senior user from consideration down the road.” *Id.*

In analyzing UH’s claim, Judge Ellison held that the initial interest confusion doctrine applies to situations involving careful and extended purchasing decisions, just as it applies to walking in to the wrong tavern by mistake. He reasoned that otherwise “sellers of goods and services that involve extended purchasing processes would be effectively outside the ambit of the Lanham Act’s protection, leaving competitors free to appropriate the senior user’s goodwill with impunity, and allowing them to gain ‘credibility during the early stages of a transaction.’”

In this case, Judge Ellison was persuaded by evidence suggesting that:

[P]rospective students are likely to further investigate Houston College of Law not necessarily because of their initial interest in the law school, as Defendant suggests, but rather because the mark seemingly bears the imprimatur of UH’s well-known brand-in other words, because of initial interest *confusion*. And not only is Defendant benefiting from the goodwill of a stronger brand, the stronger brand is that of a direct competitor.

The lesson of this case is that “initial interest” confusion can support a trademark infringement claim, even in cases where the confusion seems likely to dissipate early in the selling process and even where ultimate point of sale confusion is effectively impossible.

Trademark practitioners should be careful not to rely on this case as a pure test of that proposition, however. Here, UH was able to present evidence suggesting that Defendant may have intended to benefit from even a fleeting association with UH’s more famous

brand, as Defendant changed its colors to come very close to UH's well-known red and white color scheme. The court ultimately didn't rely on a finding of bad intent, finding that to be a neutral factor in the analysis.