

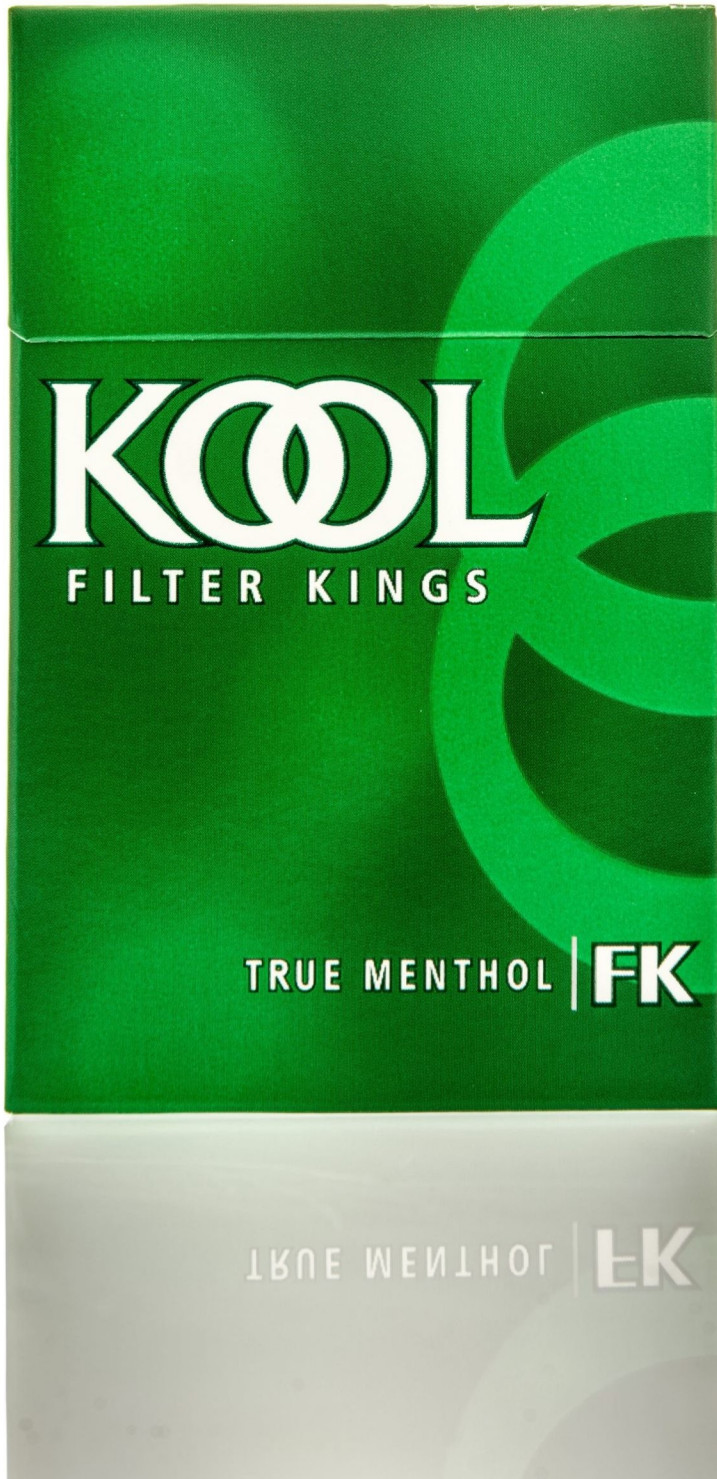
That's Still a KOOL Mark, BLOOM – KOOL Cigarettes Smokes Out the Interlocking OOs in BLOOM Cannabis Products

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Related Capabilities

- Trademark, Copyright + Advertising
- Intellectual Property Litigation



Like me, Judge Otis D. Wright of the Central District of California remembers KOOL. A once leading menthol cigarette label, KOOL brands and its owner ITG Brands, LLC sued Capna Intellectual claiming Capna's Bloom Brands' use of interlocking "OO"s in its marketing of packaged cannabis products infringes on and dilutes the KOOL marks.

After a June 7 hearing in which Judge Wright urged the parties to come to an agreement regarding an appropriate preliminary injunction, on June 21 Judge Wright signed ITG's revised proposed preliminary injunction, which was more limited and prohibited Bloom from using interlocking "OO"s and/or circles in its marketing and promotional materials. This ultimately led to a settlement and stipulated permanent injunction issued earlier this month. While the preliminary and stipulated permanent injunctions are relatively standard form, and are perhaps not noteworthy, a couple points from the parties' briefing on the preliminary injunction and the hearing are interesting to consider.

Based on my own review of the briefing and application of the *Sleekcraft* likelihood of confusion factors, this case was a close call, and I perhaps would *not* have issued a preliminary injunction.

Bloom Brands' most interesting argument did not fit neatly into any one of the eight *Sleekcraft* factors. Bloom Brands juxtaposed the fall of menthol cigarettes as a product, and the consequent falls of brands affiliated with that product, including KOOL, against the mass legalization and rise of cannabis products and brands across the majority of the United States. For example, Bloom argued that KOOL brands and its interlocking "OO"s may have had "a worldwide reputation for quality and authenticity" in the 1930s, but Bloom claimed that in 2021, KOOL's "reputation is for peddling toxic addictive carcinogens to minorities." Bloom also argued that on April 29, 2021 the FDA announced that it would ban menthol cigarettes nationwide. By contrast, Bloom claimed that much of the nation has moved toward legalization of cannabis. In short, Bloom made a persuasive argument that KOOL brands' star had fallen, while Bloom Brands' star was rising such that any confusion was not only unintentional (a *Sleekcraft* factor), but would actually hurt Bloom's image (and benefit KOOL's). This argument is persuasive and arguably spans numerous of the *Sleekcraft* factors, as it goes to the strength of marks, actual confusion, defendant's intent in selecting the mark and likelihood of expansion into other markets. Perhaps KOOL's best retort fits within the eighth *Sleekcraft* factor—likelihood of expansion into other markets—because even assuming menthol cigarettes are forever on their way out, after 88 years, KOOL should have the right to expand its use of the interlocking "OO"s to cannabis if it decides to do so in the future. Judge Wright picked up on a corollary to this potential retort during the June 7 hearing when he questioned whether ITG's "goodwill could be harmed for the straight-laced among us who might now feel that KOOL has gone into the cannabis market and find that objectionable even in California?"

From a purely theoretical standpoint, I would have liked to see how this dispute played out. Among geriatric Millennials and Generation X, KOOL is a strong mark and there is good reason to believe a strong likelihood of confusion exists. And as previewed by Judge Wright, that same demographic might be offended if it mistakenly believed KOOL had ventured into cannabis, which could damage KOOL's goodwill. On the other hand, Bloom is not wrong that among the younger demographic, KOOL has very little, if any, brand strength largely as a result of the strict limitations placed on cigarette advertising since the late 1990s. And the so-called "straight-laced" from this younger demographic is also more likely to view menthol cigarettes as the evil, and cannabis as the good, such

that any actual consumer confusion could actually benefit KOOL, and harm Bloom, among that demographic.

One also cannot help but wonder whether an unwritten, ninth, non-*Sleekcraft* factor would have tipped the scale in favor of KOOL and against Bloom here. While the majority of the states have legalized cannabis in one form or another, the federal government has not. If he had been forced to decide whether to issue a preliminary injunction against Bloom on the original papers alone, curious whether Judge Wright would have leaned toward issuing the injunction simply because Bloom sells a federally illegal product.

Regardless, Judge Wright did the parties a huge favor by forcing them to confer and find a business solution to share the pain equally, which ultimately led to a settlement. Judge Wright even commented that he was tired after every hearing of half of the people “going away pissed off,” and after he apprised the parties that if either side acted unreasonably he’d decide against the unreasonable party, he sent them off to figure it out and gave them time to do it. And they did. Both sides benefited from Judge Wright’s pragmatic approach, and, in the end, “*cooler*” heads prevailed. Kudos to all.