

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

STARBUCKS CORPORATION, a Washington  
corporation; and STARBUCKS U.S. BRANDS  
L.L.C., a Nevada Corporation,

Plaintiffs,

-v-

No. 01 Civ. 5981 (LTS)(THK)

WOLFE'S BOROUGH COFFEE, INC., a New  
Hampshire corporation d/b/a BLACK BEAR  
MICRO ROASTERY,

Defendant.

-----X

**OPINION AND ORDER**

In this action, Plaintiffs Starbucks Corporation and Starbucks U.S. Brands LLC (collectively "Plaintiff"), seek injunctive relief against Defendant Wolfe's Borough Coffee, Inc., d/b/a Black Bear Micro Roastery ("Defendant" or "Black Bear"), on their federal trademark infringement and unfair competition claims brought pursuant to the Lanham Act, 15 U.S.C. §§ 1114(1), 1125(a); federal and state trademark dilution claims brought pursuant to the newly-amended Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. §§ 1125(c) and 1127, and New York Gen. Bus. Law § 360-l, respectively; and their common-law unfair competition claim. The Court has jurisdiction of the federal claims in this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1332(a). The Court has supplemental jurisdiction of Plaintiff's state statutory and common law claims pursuant to 28 U.S.C. §§ 1367 and 1338(b).

PROCEDURAL HISTORY AND FACTUAL BACKGROUND

The case was tried to the Court over two days on March 15 and March 17, 2005. The Court considered the stipulated facts, trial testimony and evidence carefully, while also observing the demeanor of the witnesses, and considered thoroughly all of the written and oral submissions of counsel. In its December 23, 2005, Opinion and Order<sup>1</sup> (the “December 2005 Decision”), the Court found that Plaintiff had failed to carry its burden of demonstrating its entitlement to relief and ordered that judgment be entered in Defendant’s favor with respect to all of Plaintiff’s claims; Plaintiff appealed.

Under the FDTA as in effect at the time this Court rendered its December 2005 Decision, a showing of actual dilution was required to demonstrate entitlement to injunctive relief. Moseley v. V. Secret Catalogue, Inc., 537 U.S. 418, 433 (2003). Signed into law on October 6, 2006, the Trademark Dilution Revision Act of 2006 (“TDRA”) amended the FTDA to provide, inter alia, that the owner of a famous, distinctive mark is entitled to an injunction against the user of a mark that is likely to cause dilution of the famous mark. 15 U.S.C. § 1125(c)(1). In light of the enactment of the TDRA, the Second Circuit vacated the earlier judgment and remanded the case for further proceedings. In its remand decision, the Second Circuit noted that this Court had already considered “likelihood of trademark dilution” in connection with New York state law, but ordered reconsideration nevertheless because “it is not clear that [the New York] statute is coextensive with the amended [federal] statute [and] the district court’s treatment of the New York statute does not permit a review of whether the analysis conforms with the

---

<sup>1</sup> Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., No. 01 Civ. 5981 (LTS)(THK), 2005 WL 3527126 (S.D.N.Y. Dec. 23, 2005).

amended statute.” Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 477 F.3d 765, 766 (2d Cir. 2007). Accordingly, the Court has reconsidered Plaintiff’s claim for injunctive relief in light of the TDRA’s amendment to the FTDA.

The parties submitted briefs following the remand, and agreed that no further evidentiary proceedings were required. Having considered thoroughly all of the arguments by counsel on remand, and for the following reasons, the Court finds that Plaintiff has failed to carry its burden of demonstrating its entitlement to relief under the FTDA, as amended. For substantially the reasons detailed in the December 2005 Decision and as explained below, the Court finds that Plaintiff has also failed to demonstrate its entitlement to relief on its: (1) federal trademark infringement and unfair competition claims brought pursuant to the Lanham Act; (2) state trademark dilution claims brought pursuant to New York Gen. Bus. Law § 360-1; and (3) unfair competition claim under the common law. The December 2005 Decision, which is hereby incorporated by reference insofar as it addresses the relevant facts and Plaintiff’s non-FTDA claims, and this Opinion and Order, constitute the Court’s findings of fact and conclusions of law in accordance with Rule 52 of the Federal Rules of Civil Procedure.

The Court’s findings as to the material background facts of this matter are detailed in the December 2005 Decision.

### DISCUSSION

The principal issue for examination on remand is whether, in light of the 2006 amendment to the FTDA, Plaintiff is entitled to injunctive relief based on the likelihood that Defendant’s challenged activities will dilute Plaintiff’s rights in its Starbucks trademarks. To

obtain such relief, Plaintiff must demonstrate that Defendant's use of its "Mr. Charbucks" and "Mister Charbucks" marks for one of its coffee blend products creates associations arising from similarity to the Starbucks marks that are likely to impair the distinctiveness of the Starbucks mark or tarnish that mark by harming its reputation. In the December 2005 Decision, the Court found the record insufficient to demonstrate the actual dilution that was required under then-current law.

The TDRA made a number of significant changes to the FTDA, three of which are relevant to the instant matter.<sup>2</sup> First and foremost, a plaintiff must merely show a "likelihood of

---

<sup>2</sup> The amended FTDA reads in relevant part as follows:

(c) Dilution by blurring; dilution by tarnishment.

(1) Injunctive relief. Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions.

\* \* \*

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

dilution” rather than actual dilution. 15 U.S.C. § 1125(c)(1). Second, the amended statute explicitly recognizes two types of dilution: dilution by blurring and dilution by tarnishment. 15 U.S.C. § 1125(c)(2). Third, the amended statute defines both blurring and tarnishment, setting forth six non-exclusive factors for courts to consider in assessing the likelihood of dilution by blurring. 15 U.S.C. § 1125(c)(2)(B).

### Dilution by Blurring Claims

#### FTDA Claim

“In previous cases, blurring has typically involved ‘the whittling away of an established trademark's selling power through its unauthorized use by others upon dissimilar products.’ Thus, dilution by ‘blurring’ may occur where the defendant uses or modifies the

- 
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
  - (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
  - (iv) The degree of recognition of the famous mark.
  - (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
  - (vi) Any actual association between the mark or trade name and the famous mark.
- (C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

15 U.S.C.A. § 1125(c) (West Supp. 2008).

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.