

**No. 21-4029**

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**IN THE UNITED STATES COURT OF APPEALS  
FOR THE TENTH CIRCUIT**

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ALFWEAR, INC.,

Plaintiff/Appellant,

v.

MAST-JAEGERMEISTER US, INC.,

Defendant/Appellee.

**REPLY BRIEF OF  
APPELLANT ALFWEAR, INC.**

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On Appeal from the United States District Court for the District of Utah  
CASE No. 2:17-cv-00936-TC-DBP  
Judge Tena Campbell  
Magistrate Judge Dustin B. Pead

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**PUBLIC VERSION**

**ORAL ARGUMENT IS REQUESTED**

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## TABLE OF CONTENTS

|  |    |
|--|----|
| INTRODUCTION .....   | 1  |
| ARGUMENT.....  | 2  |
| THE DISTRICT COURT ERRONEOUSLY GRANTED SUMMARY<br>JUDGMENT IN MJUS’S FAVOR AS TO LIKELIHOOD OF<br>CONFUSION. ....                                      | 2  |
| A.    Alfwear’s Mark Is Easily Strong Enough to Cause Confusion<br>When Used by Another. ....  | 2  |
| B.    There Is a Sufficient Relationship Between Alfwear’s<br>Products and MJUS’s Liqueur to Breed Confusion as to<br>Affiliation or Association. .... | 6  |
| 1.    MJUS Fails to Rebut Alfwear’s Extensive Evidence of<br>Product Similarity. ....  | 8  |
| 2.    MJUS Also Fails to Rebut Extensive Evidence<br>Regarding Its Far-Reaching and Overlapping<br>Marketing Channels. ....                            | 11 |
| C.    The Little Care Exercised by Those Encountering MJUS’s<br>Use of KÜHL Compounds the Likelihood of Confusion. ....                                | 13 |
| D.    MJUS’s Use of KÜHL Essentially Clones Alfwear’s KÜHL<br>Marks, Maximizing the Likelihood of Confusion. ....                                      | 15 |
| E.    Contextual Differences in MJUS’s Use of KÜHL Do Not<br>Alleviate Any Likelihood of Confusion as a <i>Matter of Law</i> . ....                    | 16 |
| F.    Actual Confusion Caused by MJUS’s Use of KÜHL<br>Confirms Confusion Is Likely. ....  | 19 |
| G.    Whether MJUS’s Use of KÜHL Creates a Likelihood of<br>Confusion Is Thus a Fact Question to Be Resolved by a Jury. ....                           | 22 |
| CONCLUSION .....   | 22 |

## TABLE OF AUTHORITIES

### Cases

|  |           |
|--|-----------|
| <i>1-800 Contacts, Inc. v. Lens.com, Inc.</i> ,<br>722 F.3d 1229 (10th Cir. 2013) .....                  | 6         |
| <i>Affliction Holdings, LLC v. Utah Vap or Smoke, LLC</i> ,<br>935 F.3d 1112 (10th Cir. 2019) .....      | 9, 10, 11 |
| <i>Australian Gold, Inc. v. Hatfield</i> ,<br>436 F.3d 1228 (10th Cir. 2006) .....                       | 5         |
| <i>Beer Nuts, Inc. v. Clover Club Foods Co.</i> ,<br>805 F.2d 920 (10th Cir. 1986) .....                 | 20        |
| <i>Bose Corp. v. QSC Audio Prod., Inc.</i> ,<br>293 F.3d 1367 (Fed. Cir. 2002) .....                     | 5         |
| <i>E. &amp; J. Gallo Winery v. Consorzio del Gallo Nero</i> ,<br>782 F. Supp. 457 (N.D. Cal. 1991) ..... | 15        |
| <i>Eclipse Assocs. Ltd. v. Data Gen. Corp.</i> ,<br>894 F.2d 1114 (9th Cir. 1990) .....                  | 20        |
| <i>First Sav. Bank, F.S.B. v. First Bank Sys., Inc.</i> ,<br>101 F.3d 645 (10th Cir. 1996) .....         | 4         |
| <i>Heartsprings, Inc. v. Heartspring, Inc.</i> ,<br>143 F.3d 550 (10th Cir. 1998) .....                  | 12        |
| <i>In re Chatam Int'l Inc.</i> ,<br>380 F.3d 1340 (Fed. Cir. 2004) .....                                 | 18        |
| <i>In Re Missako Franchising, S.A.</i> ,<br>No. 78254972, 2006 WL 558568 (TTAB Feb. 21, 2006) .....      | 18        |
| <i>In re Ntd Apparel, Inc.</i> ,<br>No. 76/261,476, 2003 WL 21457688 (TTAB June 12, 2003) .....          | 8, 10     |
| <i>Jordache Enters., Inc. v. Hogg Wyld, Ltd.</i> ,<br>828 F.2d 1482 (10th Cir. 1987) .....               | 21        |
| <i>King of the Mountain Sports, Inc. v. Chrysler Corp.</i> ,<br>185 F.3d 1084 (10th Cir. 1999) .....     | 12        |

|  |        |
|--|--------|
| <i>Select Comfort Corp. v. Baxter</i> ,<br>996 F.3d 925 (8th Cir. 2021) .....                          | 17, 18 |
| <i>Starr v. Pearle Vision, Inc.</i> ,<br>54 F.3d 1548 (10th Cir. 1995) .....                           | 21     |
| <i>Team Tires Plus, Ltd. v. Tires Plus, Inc.</i> ,<br>394 F.3d 831 (10th Cir. 2005) .....              | 6      |
| <i>Two Roads Brewing Co. LLC</i> ,<br>2021 WL 1221484 (TTAB Mar. 29, 2021) .....                       | 10     |
| <i>Universal Money Ctrs., Inc. v. Am. Tel. &amp; Tel. Co.</i> ,<br>22 F.3d 1527 (10th Cir. 1994) ..... | 4      |
| <i>Venture Tape Corp. v. McGills Glass Warehouse</i> ,<br>540 F.3d 56 (1st Cir. 2008).....             | 19     |
| <i>Visible Systems Corp. v. Unisys Corp.</i> ,<br>551 F.3d 65 (1st Cir. 2008).....                     | 18     |
| <i>Volkswagenwerk Aktiengesellschaft v. Wheeler</i> ,<br>814 F.2d 812 (1st Cir. 1987).....             | 18     |
| <i>Water Pik, Inc. v. Med-Sys., Inc.</i> ,<br>726 F.3d 1136 (10th Cir. 2013) .....                     | 5, 6   |
| <i>Wendt v. Host Int’l, Inc.</i> ,<br>125 F.3d 806 (9th Cir. 1997) .....                               | 11     |
| <b>Statutes</b>  |        |
| 15 U.S.C. § 1114 .....   | 17     |
| <b>Other Authorities</b>   |        |
| 2 McCarthy on Trademarks and Unfair Competition § 11:83 (5th ed.).....                                 | 5      |
| Restatement (First) of Torts § 731 (1938).....   | 11     |
| <b>Rules</b>   |        |
| Fed. R. Evid. 801 .....  | 21     |

## INTRODUCTION

MJUS disseminated Alfwear’s KÜHL marks in an enormous advertising campaign promoting MJUS’s herbal liqueur. Attempting to avoid liability for that infringing conduct, MJUS seeks to rewrite the law pertaining to the confusion it caused. In its defense, MJUS offers three incorrect assumptions, claiming Alfwear cannot demonstrate a likelihood of confusion unless (1) Alfwear’s mark is “famous,” (2) the parties sell precisely the same goods, and (3) those goods are sold in precisely the same way. None of those assertions is an accurate statement of trademark infringement law. And in advocating incorrect, bright-line rules, MJUS fails to meaningfully engage with the issues presented here.

Federal trademark protection is significantly broader than MJUS portrays. It extends to all marks recognized in their relevant communities, to all goods or services those marks identify, and to all other goods or services consumers may associate therewith, such that a likelihood of confusion may occur. That confusion may cause mistakes as to the source of a good or service. But it may also arise as uncertainty as to association, affiliation, or other connection with respect to the registered mark. While Alfwear argued all “permutations of infringement” in the district court, as MJUS observes, Aple. Br. at 4, Alfwear properly narrows its argument on appeal to the specific errors the district court made.

In evaluating the evidence, the district court failed to fully consider whether MJUS’s advertising caused a likelihood of confusion as to affiliation, association, or other connection with Alfwear. The court’s analysis also rested on several incorrect

premises, as reflected in the erroneous bright-line rules MJUS advocates. This combination of errors led the court to improperly conclude no genuine issue of material fact exists as to likelihood of confusion. On appeal, MJUS fails to rebut the extensive evidence and authority Alfwear set forth demonstrating the district court's error.

The district court erroneously concluded MJUS's use of Alfwear's KÜHL marks did not create a likelihood of confusion, as a matter of law. Alfwear thus respectfully requests that this Court reverse the district court's summary judgment ruling and remand for further proceedings.

## **ARGUMENT**

### **THE DISTRICT COURT ERRONEOUSLY GRANTED SUMMARY JUDGMENT IN MJUS'S FAVOR AS TO LIKELIHOOD OF CONFUSION.**

#### **A. Alfwear's Mark Is Easily Strong Enough to Cause Confusion When Used by Another.**

As set forth in Alfwear's principal brief, likelihood of confusion rests in part on the strength or weakness of the plaintiff's mark. Aplt. Br. at 33. The strength or weakness of a mark turns on its conceptual and commercial strength. *Id.* Here, it is undisputed that Alfwear's mark is conceptually strong—the district court so concluded, *id.*, and MJUS does not assert otherwise on appeal, *see* Aple. Br. at 24–28. Accordingly, the issue here is whether the district court erred in concluding, as a matter of law, that although Alfwear's “KÜHL [mark] is conceptually strong, Alfwear cannot show sufficient commercial strength to tilt this factor in its favor.” Aplt. Appx. vol. 13 at 2940.

As Alfwear previously demonstrated, the court's conclusion was erroneous. Aplt. Br. at 33–36. Alfwear established hundreds of millions of dollars in sales under its KÜHL

marks as well as extensive marketing efforts and expenditures in connection therewith. *Id.* Moreover, Alfwear coupled its sales and marketing data with evidence demonstrating consumer recognition of its marks and even recognition in mainstream media. *Id.* at 6–7, 33–36. In other words, Alfwear showed that its KÜHL marks are strong, recognized, and highly regarded. *Id.* (citing Aplt. Appx. vol. 20 at 4928–73; *id.* vol. 21 at 4974–81).<sup>1</sup>

As detailed in Alfwear’s principal brief, this Court has repeatedly held that similar or lesser evidence supports a conclusion of commercial strength. *Id.* at 35 (citing cases). Alfwear’s evidence thus plainly checks all the “commercial strength” boxes, and the district court erred in concluding otherwise. MJUS disagrees but fails to address *any* of this Court’s decisions holding that similar or lesser evidence supports a conclusion of commercial strength. *See* Aple. Br. at 24–28. Nor does MJUS dispute that at least one of Alfwear’s marks has become incontestable and is thus presumed to have acquired secondary meaning, identifying to consumers the product’s source. Aplt. Br. at 35–36.

Instead, MJUS turns to its mantra that Alfwear’s claim must fail unless Alfwear’s mark is famous, suggesting this Court limit trademark protection to marks of international renown. *See* Aple. Br. at 24–28. But that is not the law. “Fame” is not the yardstick. And a plaintiff’s sales and advertising figures need not, as MJUS incorrectly

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<sup>1</sup> Consumers familiar with Alfwear’s KÜHL marks are not shy about their affection for the brand. Actor Matthew McConaughey recommended KÜHL pants to People Magazine for its Father’s Day Gift Guide. Aplt. Appx. vol. 16 at 3660. A writer for the Huffington Post, discussing “Essentials for a Successful Camping Trip,” opined that “Kuhl is by far my favorite clothing line for camping ....” *Id.* vol. 20 at 4951. And in a 2018 “Hiking Gear Guide,” a writer for Forbes remarked, “Every time I see the legendary Kuhl ‘shield’ ..., my gear-envy alerts start flashing.” *Id.* vol. 20 at 4935. Alfwear’s evidence before the district court was replete with these and other examples of the strong following Alfwear has generated around its KÜHL-branded products.

claims, match those of its industries' largest players. As Alfwear demonstrated in its principal brief, trademark protection is not limited to mega-sized entities; it extends to companies of all sizes whose marks are recognized by consumers in the communities they serve. *See* Aplt. Br. at 29–31, 33–36. The relevant inquiry is thus whether, given the strength or weakness of the plaintiff's mark, a community of persons likely associates the mark with the plaintiff's goods, in a strong enough manner that confusion may occur. *Id.* at 33. As set forth above, Alfwear put forth more than sufficient evidence in that regard.

In opposition, MJUS makes two additional, mistaken claims. First, MJUS asserts “KÜHL” is so widely used it cannot be considered commercially strong. Aple. Br. at 24. Yet, searching the country for any business, of any size, in any industry, MJUS can point to only a few uses of “KÜHL” or “KUHL” by anyone other than Alfwear. *See id.* at 24–25. That meager evidence confirms what common sense already suggests: unlike ubiquitous terms such as “national,” “universal,” “first,” etc., which consumers regularly encounter in a wide range of commercial settings, “KÜHL” stands out. And none of MJUS's cited case law suggests it lacks commercial strength.<sup>2</sup>

Second, MJUS erroneously contends Alfwear cannot rely on an “inference” of commercial strength, based on the evidence Alfwear presented. *Id.* at 26. As MJUS puts

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<sup>2</sup> *See, e.g., First Sav. Bank, F.S.B. v. First Bank Sys., Inc.*, 101 F.3d 645, 654 (10th Cir. 1996) (addressing the relative weakness of a “first bank” mark, given widespread use of those terms, demonstrating “that banks are wont to refer to themselves as” “‘first’”); *Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co.*, 22 F.3d 1527, 1533–34 (10th Cir. 1994) (noting a mark's “relative weakness” where uncontroverted evidence showed “the term ‘Universal’ is widely used,” including by “six [other] financial institutions,” “two credit card companies,” and “over 200 active businesses”).



it, “An inference is not evidence.” *Id.* Yet on summary judgment a district court must “consider the evidence and *all reasonable inferences drawn therefrom* in the light most favorable to the nonmoving party.” *Aplt. Br.* at 32 (emphasis added) (citation omitted). As noted above, this Court has held, numerous times, that evidence similar to (or lesser than) Alfwear’s supports an inference of commercial strength.<sup>3</sup> *Id.* at 35.

MJUS also turns to this Court’s decision in *Water Pik, Inc. v. Med-Sys., Inc.*, 726 F.3d 1136 (10th Cir. 2013), which holds that if a plaintiff provides evidence of sales, but produces “no evidence of the amount of funds and effort expended ... to acquire consumer recognition,” no evidence of “the nature of any such advertising,” and no

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<sup>3</sup> MJUS rests its argument on inapplicable case law and incorrect assumptions. For example, in *Australian Gold, Inc. v. Hatfield*, which MJUS cites, this Court appears to infer commercial strength based solely on evidence of substantial sales. 436 F.3d 1228, 1240 (10th Cir. 2006). In addition, in *Bose Corp. v. QSC Audio Products, Inc.*, on which MJUS also relies, the Federal Circuit discusses whether evidence supports an inference of “fame,” as opposed to commercial strength. 293 F.3d 1367, 1375 (Fed. Cir. 2002). Moreover, *Bose* indicates Alfwear’s evidence is appropriately contextual, as it demonstrates not only total sales and advertising expenditures, but also details Alfwear’s advertising efforts and demonstrates brand recognition. *See id.* at 1375–76. Additionally, the treatise MJUS cites, 2 McCarthy on Trademarks and Unfair Competition § 11:83 (5th ed.), appears no longer to be in place, with the section now “reserved.”

MJUS also points to a fame study produced by its expert, Krista Holt, but the district court did not discuss or rely upon that study, and in any event, it would not establish lack of commercial strength as a matter of law. At best, the study is some evidence a jury might consider alongside Alfwear’s evidence, in determining the strength or weakness of Alfwear’s marks. Moreover, given Alfwear’s evidence of extensive sales, market penetration, and consumer recognition, jurors may well reject as worthless the Holt study’s claims.

Finally, MJUS incorrectly asserts Alfwear’s KÜHL marks cannot be “commercially strong” unless Alfwear’s products are sold at discount mass-merchants such as Walmart. That argument is belied by Alfwear’s success as well as the success of every other high-end brand that has adopted a distribution approach similar to Alfwear’s.

evidence regarding “the effect of [those] actions,” a court may not infer, based on sales data alone, that the sales were generated by the mark or that the mark is commercially strong. *Id.* at 1155 (emphasis added). As set forth above, that evidentiary gap is not present here. MJUS’s, and the district court’s, reliance on *Water Pik* is misplaced. Alfwear’s evidence easily merits an inference of commercial strength.<sup>4</sup>

**B. There Is a Sufficient Relationship Between Alfwear’s Products and MJUS’s Liqueur to Breed Confusion as to Affiliation or Association.**

When addressing likelihood of confusion, courts also consider the similarity of the parties’ products and marketing channels. Aplt. Br. at 36. The general rule is that the greater the similarities, the greater the likelihood of confusion. *Id.* But differences in goods or marketing channels will not necessarily keep confusion at bay. *Id.* Accordingly, “federal courts have long since expanded trademark rights to protect against the use of a mark on non-competing but ‘related’ goods—that is, any good related in the minds of consumers.” *Team Tires Plus, Ltd. v. Tires Plus, Inc.*, 394 F.3d 831, 833–34 (10th Cir. 2005) (brackets, citation, and internal quotation marks omitted). In other words, courts do not simply ask whether parties sell precisely the same goods in precisely the same way.

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<sup>4</sup> Alfwear asserted three U.S. Trademark Registrations as the basis for its claims of trademark infringement. Aplt. Br. at 10–11, 22–23; Aplt. Appx. vol. 1 at 20–30. The USPTO recently cancelled one of those registrations—No. 3,916,866—for failure to file a declaration. Alfwear filed a petition for reinstatement, which is currently pending. Alfwear informs the Court of the cancellation, in the interest of candor, but it does not affect the issues presented on appeal. As noted above, Alfwear asserted trademark infringement based on two additional registrations. Additionally, Alfwear asserted federal unfair competition claims with respect to all three marks. Federal unfair competition actions exist for “infringement of unregistered as well as registered marks,” *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1237 (10th Cir. 2013), and those claims require the same likelihood of confusion analysis, *see Water Pik*, 726 F.3d at 1144. The claims are thus unaffected by the current cancellation.

Instead, they inquire whether a relationship between the parties' goods, and the marketing channels used, may give rise to a likelihood of confusion. *See id.*; Aplt. Br. at 37–38.

As Alfwear demonstrated in its principal brief, that relationship exists here. Aplt. Br. at 36–40. Both parties sell and/or promotionally distribute alcohol and apparel. *Id.* at 36–37. Moreover, alcohol and apparel are sufficiently related that consumers may reasonably associate the same company with both goods. *Id.* at 37. Consumers also anticipate natural expansion of product lines; Alfwear has a long history of expansion, including to beverages; and Alfwear's largest competitor sells alcohol. *Id.* at 37–38. Association of Alfwear's mark with alcohol thus presents ample opportunity for confusion.

The marketing channels at issue here also create ample opportunity for confusion. As Alfwear established in its principal brief, given how widely MJUS's advertising was disseminated, its marketing channels created *numerous* opportunities for persons generally familiar with Alfwear's marks to encounter and be confused by MJUS's marketing. *Id.* at 39–40. Moreover, as Alfwear pointed out and MJUS does not contest, MJUS's marketing specifically targeted persons searching for KÜHL online, as Alfwear does, enhancing the likelihood that confusion would occur. *Id.* at 36. Both parties' products also retail in close proximity to one another in some respects, including at ski resorts. *Id.* at 6, 21, 36, 39.

### **1. MJUS Fails to Rebut Alfwear’s Extensive Evidence of Product Similarity.**

MJUS fails to persuasively address *any* of the above. *See* Aple. Br. at 28–36. With respect to product similarity, for example, MJUS does not address the relationship in the minds of consumers between alcohol and apparel. *See id.* Instead, MJUS simply doubles down on its claim that confusion requires the parties’ products to be precisely the same. *See id.* As set forth above, however, “sameness” is not required. It is the *relationship* between the products at issue that governs this inquiry. Aplt. Br. at 36–39; *see also In re Ntd Apparel, Inc.*, No. 76/261,476, 2003 WL 21457688, at \*4 (TTAB June 12, 2003) (“[I]t is sufficient [if] the goods are related in some manner” or the marketing circumstances are “such that they would ... likely ... be encountered by the same persons in situations that would give rise ... to a mistaken belief ... [of] association or connection ....”). MJUS takes no aim at this principle or Alfwear’s showing that consumers perceive alcohol and apparel as related goods.<sup>5</sup> Aplt. Br. at 37.

MJUS also overlooks the degree to which the parties’ products overlap, given MJUS’s distribution and sale of apparel, and Alfwear’s distribution of alcohol. As

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<sup>5</sup> Indeed, MJUS seems to misunderstand the “relatedness” inquiry. For example, MJUS mistakenly contends “relatedness” must be determined by looking solely at the alcohol it sells and the products identified by Alfwear in the trademarks at issue. *See* Aple. Br. at 12. But other products MJUS sells or distributes are highly probative on the question of relatedness; they show the types of products consumers would relate with MJUS’s liqueur. Those products currently include clothing, coffee, and beer. Aplt. Br. at 21. Likewise, other products Alfwear sells or distributes are also highly probative, for the same reason. Those products include a broad range of non-apparel goods, including beverages. *Id.* at 8–9. That alcohol is sold by Alfwear’s competitor, Patagonia, further cements the association in consumers’ minds between alcohol and outdoor lifestyle apparel. *Id.* at 9.

Alfwear noted in its principal brief, *id.* at 9 n.1, and as MJUS observes, Aple. Br. at 11, evidence of Alfwear’s *sale* or *manufacture* of alcohol was not before the district court on summary judgment. But the summary judgment record *did* indicate Alfwear’s *promotional* distribution of alcohol, in the form of KÜHL Beer.<sup>6</sup> Aplt. Br. at 8–9.

The evidence also indicated Alfwear’s efforts to protect its existing and likely expanding use of its KÜHL marks in connection with alcohol. As the district court acknowledged in its summary judgment order, “Alfwear acquired by assignment a federal trademark registration for KÜHL for use in connection with wine” and “has an active federal trademark application for KÜHL for use in connection with beer.” Aplt. Appx. vol. 13 at 2927. MJUS is thus incorrect that there is no connection between Alfwear’s KÜHL marks and alcohol for purposes of this appeal. Aple. Br. at 11–12.

Moreover, with respect to the authority Alfwear cites, MJUS draws inapt distinctions. *Affliction Holdings, LLC v. Utah Vap or Smoke, LLC*, for example, holds that when a plaintiff primarily sells apparel, and a defendant sells promotional apparel, a likelihood of confusion may occur. 935 F.3d 1112, 1115 (10th Cir. 2019). MJUS responds that *Affliction Holdings* concerns initial-interest and post-sale confusion. Aple. Br. at 32. But that distinction makes no difference, in terms of whether the parties’ products and marketing channels were sufficiently similar that confusion could occur.

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<sup>6</sup> The statement by one Alfwear executive, as to his lack of awareness of Alfwear’s use of its marks in connection with alcohol, *see* Aple. Br. at 11 (citing Aplt. Appx. vol. 2 at 529–30), does not nullify evidence provided by persons familiar with and demonstrating that use, *see* Aplt. Br. at 8–9, 11. Indeed, it was Alfwear’s use of its marks in connection with alcohol that led Alfwear to submit its trademark application for use of KÜHL in connection with beer. Aplt. Appx. vol. 15 at 3254.

Indeed, as *Affliction Holdings* demonstrates, a little overlap goes a long way, particularly on summary judgment. Infringement does not require overlap of *primary* products; it may occur whenever the contested use is likely to be encountered by persons familiar with the plaintiff's mark. And that includes when a California apparel company registers its mark and a Utah e-cigarette company affixes an allegedly infringing mark on its promotional apparel. *Affliction Holdings*, 935 F.3d at 1115.

MJUS also addresses *Two Roads Brewing Co. LLC*, 2021 WL 1221484 (TTAB Mar. 29, 2021), but it is unclear what distinction MJUS is attempting to make. *See* Aple. Br. at 33–34. In *Two Roads*, the TTAB concluded that where one party's goods were “sportswear clothing,” and the other party primarily sold beer but also had ancillary clothing sales, the parties' goods were “in-part identical” and “presumed to travel in the same channels ... to the same class of purchasers.” 2021 WL 1221484, at \*7. The TTAB also identified sportswear clothing and beer as “commercially related”—i.e., “goods that may emanate from the same source under the same mark.” *Id.* at \*8. Accordingly, the TTAB found a likelihood of confusion, due in large part to the goods' “relatedness.” *Id.* at \*9. MJUS makes no argument contesting that principle or the basis provided for it.

Likewise, MJUS mentions *In re Ntd Apparel, Inc.*, in which the TTAB examined potential confusion between alcohol and soft drinks. No. 76/261,476, 2003 WL 21457688, at \*5 (TTAB June 12, 2003). As MJUS observes, Aple. Br. at 32, the TTAB stated that both products might be encountered by the same persons in the same stores, but the decision *also* points out how easily consumers may associate alcohol with other products and how frequently other products, “travelling in their respective channels of

trade,” may “come to the attention of the millions of adults” who also consume alcohol. 2003 WL 21457688, at \*4–5. To these points, MJUS offers no response.

Finally, MJUS addresses *Wendt v. Host Int’l, Inc.*, in which the Ninth Circuit employs a Restatement principle and concludes that “a ‘strong possibility’ that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing.” 125 F.3d 806, 813–14 (9th Cir. 1997) (citation omitted); *see also* Restatement (First) of Torts § 731 (1938). This “likelihood of expansion” factor is not present in this Court’s six-factor test, as MJUS observes, *Aple. Br.* at 34 n.7; but this Court’s list of factors is also “non-exhaustive,” *Affliction Holdings*, 935 F.3d at 1114. Anticipated expansion into a new product line strongly indicates product relatedness; and MJUS offers no basis for concluding that Patagonia’s expansion into alcohol, and Alfwear’s distribution of KÜHL Beer and current and pending trademark registrations with respect to alcohol, are of no consequence here. MJUS thus fails to rebut Alfwear’s evidence and authority demonstrating similarity in the parties’ products.

## **2. MJUS Also Fails to Rebut Extensive Evidence Regarding Its Far-Reaching and Overlapping Marketing Channels.**

With respect to marketing channels, MJUS’s opposition is equally unpersuasive. MJUS does not assert, given the lack of any reasonable contention, that its widespread advertising campaign did not create *numerous* opportunities for persons generally familiar with Alfwear’s marks to encounter and be confused by MJUS’s marketing. *See Aple. Br.* at 28–36. Instead, ignoring its sweeping billboard and television campaigns, as

well as its extensive marketing on popular online platforms, MJUS takes aim at a few of its other marketing channels and contends they are not precisely the same as Alfwear's. Yet even these limited responses by MJUS are misplaced.

For example, MJUS asserts, with respect to retail outlets, that its products are not sold alongside Alfwear's apparel. *Id.* at 29–31. This argument overlooks significant areas of overlap, as both parties' products are sold at ski resorts and other locations where alcohol is sold. *Aplt. Br.* at 36, 39. Moreover, this argument is of little value under the circumstances present here. Alfwear demonstrated that MJUS's advertising was so pervasive, viewed by [REDACTED] upon [REDACTED] of consumers, in numerous different environments and in nearly every conceivable form of media, it would undoubtedly have been encountered by consumers familiar with Alfwear's marks. *Aplt. Br.* at 39–40.

Thus, in a case like this one, it matters little whether the parties' products retail in close proximity; on the other hand, it matters a great deal whether MJUS's advertising reached consumers familiar with Alfwear's marks. *See King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1090 (10th Cir. 1999); *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550, 557, 558 (10th Cir. 1998) (rejecting likelihood of confusion claim where the parties generally reached “very different people in their marketing efforts”). To the wealth of evidence Alfwear presented on this point, again, MJUS offers no response.

MJUS also tries, but fails, to discredit specific evidence that its online marketing would have reached consumers familiar with Alfwear's marks. *Aple. Br.* at 30–31. MJUS asserts that general use of online resources does not suggest marketing similarity, *id.*, but



Alfwear’s evidence was not so generic. As noted above, Alfwear demonstrated that both parties targeted online consumers with their use of KÜHL, creating specific opportunities for confusion to occur. Aplt. Br. at 36. The district court thus erred in concluding that similarities in the parties’ products and marketing channels did not support a likelihood of confusion in this case.

**C. The Little Care Exercised by Those Encountering MJUS’s Use of KÜHL Compounds the Likelihood of Confusion.**

The degree of care exercised by consumers also affects how likely consumers are to be confused. Aplt. Br. at 40–41. As Alfwear established in its principal brief, there is likely little care exercised here. *Id.* Even assuming consumers exercise care when purchasing Alfwear’s clothing, there is no reason to believe those consumers would exercise *any* degree of care in determining whether an advertisement for *alcohol* is associated with Alfwear. *Id.* Moreover, to the extent point-of-purchase care is relevant in this case, there is no reason to believe consumers exercise care when it comes to purchasing MJUS’s liqueur. *Id.* MJUS’s use of KÜHL in a marketing campaign, with respect to alcohol, thus minimizes consumers’ level of care and maximizes the potential for confusion. *Id.*

Contesting this conclusion, MJUS simply holds to its claim that consumers exercise a high degree of care when purchasing Alfwear’s clothing. *See* Aple. Br. at 36–39. But as noted above, consumers are nevertheless likely to exercise very little care when encountering MJUS’s use of KÜHL. MJUS also incorrectly labels Alfwear’s argument a “change[] [of] course ... on appeal” because Alfwear now argues “that the

impulse purchasers of alcohol should be analyzed for likelihood of confusion.” *Id.* at 37–38. But Alfwear made that same point in the district court. Aplt. Appx. vol. 14 at 3205 (“[I]t is undisputed that [MJUS] conducted a ... marketing campaign ... aimed at impulse purchasers....”). Moreover, any “change of course” argument is unimpactful. This Court is not bound by the parties’ framing of an issue below or even by the interpretations of law put forward by the parties on appeal. When presented with a preserved issue, this Court identifies the correct law and properly applies it. Alfwear’s argument on appeal simply identifies and applies the correct framework to the question presented.

MJUS’s remaining responses are equally unpersuasive. First, MJUS incorrectly represents the testimony of Kevin Boyle, Alfwear’s founder. Boyle was asked, “Do you agree that consumers of alcoholic beverages are sophisticated and able to differentiate alternative sources of beer and wine even with similar marks?” and responded, “*No. I think that creates confusion.*” Aplt. Appx. vol. 15 at 3256 (emphasis added). When asked whether Alfwear had previously expressed such a view, Boyle acknowledged the statement but clarified the circumstances. *Id.* Boyle differentiated between situations in which consumers might encounter dissimilar presentations of a term on wine labels, and those present in this case, where MJUS’s advertising flooded the country with a visually identical use of Alfwear’s KÜHL marks.<sup>7</sup> *See id.* at 3256–57 (“If you look at ... the mark

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<sup>7</sup> MJUS also repeatedly cites the testimony of Evan Shapiro on the issue of consumer sophistication. Aple. Br. at 13, 17. But Shapiro expressly stated he did *not* “*know* if people that buy KÜHL think it’s made by [MJUS] or not,” observing that if he “had to assume,” he “would say they do know it’s not.” Aplt. Appx. vol. 4 at 1195 (emphasis added). That “assumption” belies personal knowledge. And in any event, the question is

on wine, it doesn't look anything like the mark that [MJUS] used ... all over the United States.'").

Second, MJUS asserts additional evidence is needed to conclude consumers exercise little care when purchasing MJUS's liqueur. Aple. Br. at 39. But, as Alfwear noted in its principal brief, Aplt. Br. at 16, 41, [REDACTED] [REDACTED] see Aplt. Appx. vol. 18 at 4391, and [REDACTED] [REDACTED], *id.* vol. 17 at 3928–29.

Moreover, contrary to MJUS's assertion, Aple. Br. at 39, Alfwear did not misstate any language in *E. & J. Gallo Winery v. Consorzio del Gallo Nero*, 782 F. Supp. 457 (N.D. Cal. 1991), on this issue. The opinion observes that "[w]ine has been deemed an 'impulse' product, and certainly so with respect to the average consumer," which the defendant's employees confirmed, "testif[ying] that the average American consumer is unlearned in the selection of wine." *Id.* at 465 (citation and internal quotation marks omitted). Likewise here, consumers encountering MJUS's use of KÜHL are likely exercising little care, creating ample opportunity for confusion to occur.

**D. MJUS's Use of KÜHL Essentially Clones Alfwear's KÜHL Marks, Maximizing the Likelihood of Confusion.**

MJUS further amplified the likelihood of confusion by adopting a use of KÜHL that is nearly *identical* to Alfwear's marks. As Alfwear demonstrated in its principal

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not whether consumers think MJUS manufactures Alfwear's clothing, but whether consumers associate MJUS's advertising of its liqueur with Alfwear's marks.

brief, degree of similarity is the most important factor. Aplt. Br. at 42. It is assessed based on sight, sound, and meaning; and similarities are weighed more heavily than differences. *Id.* A consumer's recollection tends to be only a general impression, focusing on the word(s) used. *Id.* at 42, 45. Use of the primary word in a mark may therefore readily confuse. *Id.*

As Alfwear previously demonstrated, MJUS's use of KÜHL clones Alfwear's, in sight and sound, and there is significant overlap with respect to meaning. *Id.* at 42. To this, MJUS hardly responds. Aple. Br. at 39–43. Indeed, in terms of sight or sound, there is little argument to be made. And with respect to meaning, while MJUS claims it used KÜHL to refer to “the cold or cool temperature at which [its] liqueur is best served,” *id.* at 41, MJUS does not address, much less refute, Alfwear's extensive evidence demonstrating MJUS's use of KÜHL to convey hip or stylish, Aplt. Br. at 4, 14–15, 42.

**E. Contextual Differences in MJUS's Use of KÜHL Do Not Alleviate Any Likelihood of Confusion as a *Matter of Law*.**

As the above factors demonstrate, Alfwear has established the evidentiary foundation for its likelihood of confusion claim. The remaining question—whether contextual differences in MJUS's use of KÜHL alleviate any likelihood of confusion—presents a genuine issue of material fact, particularly well suited for a jury to resolve. MJUS argues otherwise, but simply restates its three themes: confusion requires a famous mark, the mark must be used on precisely the same products, and the mark must be used in precisely the same way. *See* Aple Br. at 39–46. As set forth above, however, MJUS's

“fame” argument is of no consequence, and the parties’ goods need not be identical but only related. The remaining differences MJUS asserts are ones for a jury to evaluate.

For example, MJUS contends that its advertising generally included “images of the Jägermeister bottle or ... logo” alongside its use of KÜHL. Aple. Br. at 40–41. But MJUS does not explain how those images eliminated any likelihood of confusion as a matter of law. As Alfwear previously demonstrated, consumers may be confused by use of a similar word or phrase, despite the presence of a defendant’s graphics or logo. Aplt. Br. at 43–46. Moreover, such confusion is particularly likely to occur with respect to affiliation, association, or other connection with the infringed mark. *See id.*

MJUS also observes that Alfwear uses KÜHL as a brand name, primarily for apparel, often alongside Alfwear’s logo, while MJUS uses KÜHL primarily in expressive phrases, in marketing, and does not place the word on its product. Aple. Br. at 40–41. Again, MJUS offers no basis for concluding these differences preclude confusion *as a matter of law*. Indeed, the differences MJUS highlights—that MJUS used Alfwear’s marks in advertising phrases rather than on a product label—could be true of *any* infringement via advertising. MJUS would essentially render advertising infringement unactionable, even though trademark infringement is defined as use of a registered mark, or colorable imitation thereof, “in connection with the ... *advertising* of any good[.]” 15 U.S.C. § 1114(1)(a) (emphasis added).

Indeed, MJUS fails to persuasively address Alfwear’s authority, which demonstrates that use of the same term may easily confuse, in advertising, in phrases, or both. For example, *Select Comfort Corp. v. Baxter*, 996 F.3d 925 (8th Cir. 2021), and

*Visible Systems Corp. v. Unisys Corp.*, 551 F.3d 65 (1st Cir. 2008), hold that likelihood of confusion may result from use of words or phrases identical to, similar to, or constituting the dominant portion of, the plaintiff's mark. *Select Comfort*, 996 F.3d at 930; *Visible Sys.*, 551 F.3d at 70, 74. MJUS overstates the factual differences between these cases and this litigation, Aple Br. at 44, none of which alter the principle underlying those decisions—that use of a mark's key word or words in advertising may result in confusion.

Likewise, *In re Chatam Int'l Inc.*, 380 F.3d 1340 (Fed. Cir. 2004), and *Volkswagenwerk Aktiengesellschaft v. Wheeler*, 814 F.2d 812 (1st Cir. 1987), reinforce that use of a mark's key word may cause a likelihood of confusion. *In re Chatam*, 380 F.3d at 1343; *Volkswagenwerk Aktiengesellschaft*, 814 F.2d at 817, 819; *see also In Re Missako Franchising, S.A.*, No. 78254972, 2006 WL 558568, at \*4 (TTAB Feb. 21, 2006) (same). Again, MJUS alleges factual differences between these cases and this litigation, but MJUS does not counter the general principle underlying them—that use of the dominant portion of a registered mark may readily confuse.

MJUS also makes one last attempt to diminish Alfwear's claim by again asserting Alfwear's marks are not famous. Aple. Br. at 46. But as Alfwear previously established, Aplt. Br. at 29–31, fame is not required. A local mom-and-pop shop, known in its relevant community, has as much right to protect against trademark infringement as any behemoth company, such as Amazon or Google. *Id.* That right comes from use and registration of a trademark, and it grows broader as consumers come to recognize it.

Alfwear has registered its KÜHL trademarks and has spent decades successfully developing an association between those marks and the products it sells. As Alfwear previously established, its marks are strong, known, and highly regarded. Thus, when the community of persons generally familiar with Alfwear's marks encounters MJUS's advertising for its liqueur, those persons are likely to be confused as to affiliation, association, or other connection with Alfwear. At minimum, that is a question for a jury to decide. Alfwear thus respectfully requests that the district court's ruling be reversed.

**F. Actual Confusion Caused by MJUS's Use of KÜHL Confirms Confusion Is Likely.**

When considering likelihood of confusion, courts also consider whether there is evidence of actual confusion. *Aplt. Br.* at 46. As Alfwear previously explained, such evidence is not required.<sup>8</sup> *Id.* Moreover, even a single inquiry demonstrating actual confusion can be persuasive, particularly if prompted by the defendant's use of the mark, under circumstances suggesting confusion is unlikely to be reported. *Id.* at 46–48. Here, consumers encountering MJUS's advertising for its liqueur are likely acting with little care and are thus unlikely to inquire as to any association with Alfwear. *Id.* Evidence of any such inquiries, while not required, would thus be particularly probative. *Id.*

The inquiry of the magazine editor, who was familiar with Alfwear's KÜHL mark and whose inquiry came directly in response to MJUS's marketing campaign, is a strong indication that consumers are likely to be confused. *Id.* at 47–48. Additionally, Boyle

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<sup>8</sup> See also *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56, 61–62 (1st Cir. 2008) (“[P]roof of actual confusion is not essential to finding likelihood of confusion.” (citing cases) (brackets, citation, and internal quotation marks omitted)).

recalled inquiries by several acquaintances as to association between Alfwear and MJUS, further demonstrating consumers are likely to be confused. *Id.* And Alfwear presented the Belch survey, finding that roughly one-third of participants were confused. *Id.* at 49. This evidence, while unnecessary, further buttressed Alfwear's claim.

In response, MJUS cites decisions from this Circuit holding limited instances of actual confusion to be de minimis and not probative as to likelihood of confusion. Aple. Br. at 46–47 (citing cases). Alfwear does not dispute that, under many circumstances, limited evidence of actual confusion may not be probative. Where MJUS errs, however, is in assuming that in *all* cases, limited instance of actual confusion will constitute de minimis evidence. As set forth in Alfwear's principal brief, that is not the case. Aplt. Br. at 46–48. Whether evidence is probative or de minimis depends on the type of evidence presented and the attendant circumstances. *Id.*

In that respect, MJUS makes no effort to explain how, *under these circumstances*, large scale numbers of confused consumer inquiries might be expected to occur and to be gathered and presented by Alfwear. *See Eclipse Assocs. Ltd. v. Data Gen. Corp.*, 894 F.2d 1114, 1118 (9th Cir. 1990) (upholding district court's conclusion that "it is not incumbent upon defendant ... to show actual confusion because of the difficulty of gathering such evidence"); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 928 (10th Cir. 1986) ("Purchasers are unlikely to bother to inform the trademark owner when they are confused about an inexpensive product."). Nor does MJUS dispute the factual circumstances surrounding the inquiry made by the magazine editor, which indicate that



even a well-informed individual would be confused by MJUS's advertising. Accordingly, given the attendant circumstances, this single instance of actual confusion is probative.

MJUS also contests the additional instances of confusion Boyle recalled, arguing that Boyle's statements constitute inadmissible hearsay. Aple. Br. at 48. But Boyle's statements are "not offered for the truth of the matter, but instead for the mere fact that" the confused inquiries were "uttered." *See Starr v. Pearle Vision, Inc.*, 54 F.3d 1548, 1556 (10th Cir. 1995) (citing Fed. R. Evid. 801(c)). The testimony is both "admissible and relevant." *See Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1487 (10th Cir. 1987) (citation and internal quotation marks omitted). Thus, whether Boyle's recollection of those inquiries is vague or imprecise is for a jury to evaluate, in determining how much probative weight those statements merit.<sup>9</sup> Aplt. Br. at 47–49.

The same is true for the expert witness surveys the parties offered. The district court, taking into account the points MJUS raises on appeal, and viewing the evidence in the light most favorable to Alfwear, correctly concluded the Belch survey "show[s] some evidence of actual confusion." Aplt. Appx. vol. 13 at 2936. The survey offered by MJUS's expert, Krista Holt, is also "some evidence," to be considered by a jury, on the issue of whether confusion is likely.<sup>10</sup> As the district court thus properly concluded, the "actual confusion" factor tilts in Alfwear's favor. *Id.*

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<sup>9</sup> While such testimony might not carry the "actual confusion" burden on its own, *see Jordache Enters.*, 828 F.2d at 1487, it was presented alongside other evidence here, and given the circumstances, the evidence is probative of actual confusion, Aplt. Br. at 47.

<sup>10</sup> There is no ruling for this Court to consider as to the probative value of the Holt study, which the district court did not mention or rely upon in its ruling. Moreover, the survey is

**G. Whether MJUS’s Use of KÜHL Creates a Likelihood of Confusion Is Thus a Fact Question to Be Resolved by a Jury.**

The factors relevant to a likelihood of confusion analysis thus favor Alfwear in nearly every respect. Likelihood of confusion is generally a fact question. And the question of fact presented here is genuine, material, and particularly appropriate for resolution by a jury. Alfwear thus respectfully requests that the district court’s order be reversed.

**CONCLUSION**

For the foregoing reasons, Alfwear respectfully requests that the district court’s ruling and order granting summary judgment in favor of MJUS be reversed and the case be remanded for further proceedings.

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subject to significant critiques, which await development below. The Holt study “improperly attempts to investigate,” not “net confusion,” but “reverse net confusion.” Aplt. Appx. vol. 14 at 3193. It also [REDACTED]

[REDACTED] *Id.* The survey will, at best, be some evidence for a jury to consider, along with Alfwear’s arguments contesting the study’s probative weight and interpretation.

DATED this 6th day of October, 2021.

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**CERTIFICATE OF COMPLIANCE**

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 6<sup>th</sup> day of October 2021, I served a copy of the foregoing **REPLY BRIEF OF APPELLANT ALFWEAR, INC. – PUBLIC VERSION** on counsel for Mast-Jaegermeister US, Inc. via the CM/ECF electronically filing system:

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