

2025

SAUL LEFKOWITZ
MOOT
COURT
COMPETITION

OFFICIAL PROBLEM



International
Trademark
Association

Please note:

- A. The Facts in this Opinion are fictional. The parties' names, their businesses, and their trademarks and registrations are not intended, and should not be understood, to refer to or reference any individual (living or dead) or any institution, extant or defunct. Any resemblance to any real person, organization, product or situation is purely coincidental.

The Opinion below of the U.S. District Court for the Southern District of Utopia is imaginary. Conclusions of law within the Opinion do not represent the opinion of the International Trademark Association ("INTA") or any of its members. No inference should be drawn about any actual person, organization, product, or situation on the basis of any facts or conclusions of law in this Opinion. The Opinion was drafted without knowledge of any person's claims with respect to any trademarks or other claims of rights that are the same as or similar to those mentioned in the Opinion, and INTA takes no position with respect to any person's ownership of, or rights to, such trademarks or other claims of rights.

- B. Frequently, issues in a case that conceivably could be appealed are not. This Circuit, like most, will not entertain arguments that are not fairly comprehended within the formal "Issues on Appeal," which in this case are:

ISSUE NO. 1:

Did the district court err in finding that Crunchy Planet had a bona fide use in commerce of its SOL MATES trademark in the United States?

ISSUE NO. 2:

Did the district court err in finding that Earthy Vibes' SOUL BUDDIES trademark infringed Crunchy Planet's SOL MATES trademark?

ISSUE NO. 3:

Did the district court err in limiting Crunchy Planet's recovery to its and Earthy Vibes' minimal sales in the United States?

- C. While the parties both filed motions for summary judgment in the lower district court and are each appealing at least one issue, for purposes of this appeal, Defendant, Earthy Vibes, Inc. shall be considered the Appellant, and therefore under our Competition Rules the only party entitled to reserve time for rebuttal when presenting oral arguments. Plaintiff, Crunchy Planet, Inc., while also a cross-appellant, shall be considered the Appellee.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF UTOPIA

CRUNCHY PLANET, INC. :
 :
Plaintiff :
 :
vs. : *Civ. Dkt. 24-0707*
EARTHY VIBES, INC. :
 :
Defendant. :
 :

Plaintiff Crunchy Planet, Inc. (“Plaintiff” or “Crunchy Planet”) filed suit against Defendant Earthy Vibes, Inc. (“Defendant” or “Earthy Vibes”) claiming trademark infringement based on likelihood of confusion between the trademarks SOL MATES and SOUL BUDDIES, used in connection with shoe soles and shoes, respectively. Crunchy Planet seeks money damages and disgorgement of Earthy Vibes’ profits.

Earthy Vibes denies the trademark infringement claim. Earthy Vibes also argues that Crunchy Planet never used its SOL MATES mark in United States commerce and that, in the event there was use of that mark in the United States and the Court finds infringement of the SOL MATES trademark in the United States, any money damages to which Crunchy Planet would be entitled would relate only to Earthy Vibes’ United States sales. The parties now both move for summary judgment. In the District of Utopia, a court may grant summary judgment only if it concludes that the moving party has demonstrated that there is no genuine issue of material fact and that, based on the undisputed facts, the moving party is entitled to judgment as a matter of law. All evidence must be viewed in the light most favorable to the non-moving party.

For the reasons set forth hereafter, the Court rules that Earthy Vibes did infringe Crunchy Planet’s SOL MATES trademark. However, the Court also finds that Crunchy Planet did not incur any actual damages as a result of Earthy Vibes’ conduct and that Earthy Vibes did not profit from its infringement in the United States. The Court therefore declines to award any monetary damages to Plaintiff Crunchy Planet and grants only injunctive relief.

FINDINGS OF FACT

THE PARTIES

1. Plaintiff Crunchy Planet, Inc. is a company organized in Brussels, Belgium. It transacts business within the State of Utopia.
2. Defendant Earthy Vibes, Inc. is organized in the State of Utopia in the United States.

PLAINTIFF CRUNCHY PLANET, INC.

3. Violet Valentine (“Valentine”) is the current CEO of Crunchy Planet, Inc. Ms. Valentine began her career working in various outdoor clothing stores in Brussels, Belgium. She is a heliophile, outdoor lover, music enthusiast, and environmentalist. In her spare time, she travels the world, always seeking new trails to hike and places to camp, looking for the best sun salutation spots, and following her favorite jam band, Sheesh. Wherever Sheesh was playing, Valentine would attend. Since it was a jam band, Sheesh’s concerts were long, typically lasting 4-5 hours. While attending the concerts, Valentine would find that her feet hurt after standing for hours on end. To remedy this, she began to wear her cork-bed sandals to the concerts, which alleviated her foot pain due to their malleable properties.
4. Due to high demand, cork trees are in danger of becoming extinct and as an environmentalist, this bothered Valentine. Moreover, while she loved working in retail, she was finding that it did not provide the financial support she needed to travel the world and

follow Sheesh. Airfare had become increasingly expensive and ticket prices for a Sheesh show were exorbitant given the band's popularity and the need to rely on ticket resale websites charging more than double face value.

5. In early 2021, with her cork-bed sandals wearing increasingly thin, Valentine decided to create her own material for footwear soles. Toiling tirelessly in her studio apartment in Brussels, she experimented with various materials, finally settling on a bamboo blend. Bamboo trees were abundant, and Valentine found that bamboo, when mixed with other materials (which she kept secret), provided a superior cushion and malleability to cork.
6. Later in 2021, Valentine formed Crunchy Planet and began to sell her proprietary bamboo blend footwear soles, which she called SOL MATES, to various footwear manufacturers, an image of which is shown in Exhibit 1 hereto. Her first buyers were local, in an around Brussels, and her sales soon extended across Belgium. Crunchy Planet immediately received favorable feedback from customers and partner brands, and quickly gained recognition in the footwear market. Within a year, the blend became so popular that Crunchy Planet could no longer meet demand. With the influx of funds, Crunchy Planet purchased an abandoned manufacturing plant on the outskirts of Brussels and hired staff. Production increased dramatically, as did Crunchy Planet's success.
7. As her business grew, Valentine thought it prudent to protect her intellectual property. After spending significant resources on developing her proprietary bamboo blended material, Valentine wanted to focus on her trademark. To protect the goodwill Crunchy Planet had built in the SOL MATES brand, the company obtained a trademark registration in Belgium for the mark SOL MATES for "shoe soles".

8. In the winter of 2021, Valentine had a huge break—a popular health and beauty influencer in the United States focused on environmentally sustainable products gave SOL MATES a shout-out on her popular blog, Doop. The influencer purchased shoes featuring the SOL MATES bamboo soles as well as a number of pairs of standalone SOL MATES shoe inserts (about \$25.00 USD each at the then current exchange rate) while filming a streaming special in Belgium and noted that she bought several pairs to take home for herself and her friends since they weren't available in her home state of California.
9. Seeking to take the SOL MATES brand international and riding off the heightened interest following the Doop review, Valentine considered the United States as a natural area of expansion. In early 2022, her trademark attorney filed an application with the U.S. Patent and Trademark Office to register SOL MATES, based on Crunchy Planet's intent to use the trademark in the United States under Section 1(b) of the Lanham Act as well as under Section 44(e) of the Act, relying on Crunchy Planet's Belgium registration for the mark.
10. During the course of examination, Crunchy Planet later dropped the intent-to-use basis, and the application proceeded to registration under Section 44(e). As such, Crunchy Planet was not required to attest that the SOL MATES mark was used in commerce in the United States or provide a date of first use in commerce. The details of Crunchy Planet's U.S. trademark registration are:

| | |
|--------------------------------|------------------------------------|
| Mark: | SOL MATES |
| Owner: | Crunchy Planet, Inc. |
| Class/Goods: | International Class 25: Shoe soles |
| Registration No.: | 8,432,765 |
| Registration Date: | June 4, 2023 |
| Application Filing Date: | February 1, 2022 |
| Filing Basis: | Lanham Act § 44(e) |
| Date of First Use: | N/A |
| Date of First Use in Commerce: | N/A |
| Register: | Principal |

DEFENDANT EARTHY VIBES, INC.

11. In 2023, Trey Thompson (“Trey”), an outdoor apparel marketing professional from Utopia, vacationed in Brussels. After walking miles around town, Trey’s feet were screaming in agony and his 5-year-old thin-soled hemp slip-ons were not improving matters. He therefore popped into a footwear shop and began to browse. After trying on several styles, he tried on a pair of sandals with the SOL MATES soles embedded into them. His feet were in heaven.

12. Trey returned to the United States and, continuing to be pleased and intrigued with how comfortable the soles of his new kicks were, he sought out a second pair. Unfortunately, he could not find them anywhere and ultimately concluded that no shoes bearing the SOL MATES soles were available in the United States, and certainly not in Utopia. In fact, he came across a review of the SOL MATES soles on the popular website Doop and noted that the influencer could not find them outside of Belgium either. Trey saw a solution to leave his humdrum marketing job and began to work on his own shoe soles formulation. After several rounds of trial and error, he could not create a blend that he found comfortable. He therefore settled on the creation of a sandal that came in various colors with an insert consisting of pliable thermoplastic. His plan was to market them to people just like him—middle aged corporate executives looking for some foot comfort that are comfortable at a moderate-high price point. His price point was in the range of \$175.00-\$225.00 USD and price depended on color (higher for trendy colors like lime green, tropical orange, and monstera green, lower for basic colors like red and blue). He debated what to call them and since he was a big fan of the Crunchy Planet SOL MATES soles,

and wanted something reminiscent but also different and not confusing, he chose the brand name SOUL BUDDIES.

13. In July 2023, with a loan from his uncle Earl, Trey launched Earthy Vibes to manufacture and sell the SOUL BUDDIES sandals, an image of which is shown in Exhibit 2 hereto. Despite being able to manufacture millions of shoes, Earthy Vibes' sales in the United States were lackluster. So, Trey started to look around for ways to better market the sandals and meet people in the footwear industry.

14. At a footwear tradeshow in Utopia, Trey successfully pitched a deal to the Imperial Footwear Imports Corporation ("Imperial Footwear"), a leading footwear retailer located in Utopia and a few other places, including Brussels, with retail outlets across the European Union. As Trey was not having any real success in the U.S. market, the deal struck between Imperial Footwear and Earthy Vibes was that Earthy Vibes would open a small manufacturing plant near Brussels from which it would make the SOUL BUDDIES sandals to be sold by Imperial Footwear in its footwear retail stores across Europe. Imperial Footwear stores sold numerous brands of shoes and orthopedic products, including Crunchy Planets' SOL MATES shoe soles.

15. Luckily, the SOUL BUDDIES sandals turned out to be quite a hit across Europe and Earthy Vibes saw a marked increase in sales and profit. Its relationship with Imperial Footwear blossomed and Earthy Vibes started rolling out more and more SOUL BUDDIES sandal designs in new, fun, and trendy colors. Also, numerous individuals from the United States who purchased SOUL BUDDIES sandals while shopping at Imperial Footwear stores in Europe extolled their quality, often on social media, upon returning to the United States, leading to a further increase in sales. In fact, the same influencer who raved about her SOL

MATES soles just a year and a half before published a post on her Doop blog saying she was “ditching her SOL MATES for a more SOUL BUDDIES solution” and went on to say that Earthy Vibes’ sandals were more comfortable than any shoe with Crunchy Planet’s soles. Upon the influencer’s request, Trey appeared on her podcast to talk about the SOUL BUDDIES sandals and spoke at length about how the proprietary thermoplastic he created was far better for the environment than “other brands that deplete the supply of natural materials like bamboo, which pandas need to eat more than we need on our feet.” Many viewed the interview as a dig at Valentine and the SOL MATES brand. The exposure only furthered the popularity of the SOUL BUDDIES sandals.

16. However, due to a national labor strike in Belgium caused by the country’s unions, there was a major disruption on the workforce including on public transportation. Earthy Vibes soon found that a majority of its workers were on strike and those who weren’t could not get to work due to the limitations on and unreliability of public transport. The costs of manufacturing in Belgium simultaneously increased dramatically, cutting into Earthy Vibes’ profits. To offset this, Earthy Vibes opened a manufacturing plant in Poland, where costs were much lower. Earthy Vibes shipped manufacturing materials to its plant in Poland, where they would be assembled into the finished product, branded with the SOUL BUDDIES trademark, and then shipped to retailers all over the world, including Imperial Footwear, which continued to advertise and sell SOUL BUDDIES sandals, and a few stores scattered around the United States.

17. All of this had an impact on Crunchy Planet too, which started to struggle with labor costs and saw sales of its bamboo-blend SOL MATES footwear inserts decline. Given lackluster sales, Imperial Footwear informed Valentine that it would soon start to decrease its order

size from Crunchy Planet. But Valentine knew that Imperial Footwear was continuing to have success with the SOUL BUDDIES shoes and couldn't help but wonder if that success was at her own expense.

18. Valentine was apoplectic. Not only was she losing a business partner in Imperial Footwear, but Crunchy Planet's sales of her SOL MATES shoe inserts were also flagging. So, Valentine focused the company's efforts on a new and improved social media marketing campaign that would focus on the U.S. market. Crunchy Planet hired an agency in California that employed AI algorithms and social listening tools to track customers and increase followers on the social media network SPEEDYGRAM. While spending hours and hours on her phone reading all of the comments and product reviews from her thousands of new followers, she noticed that many of them also followed and liked Earthy Vibes' SOUL BUDDIES footwear. Endeavoring to take over the U.S. market and claim it as her own, Valentine moved to Utopia in September 2023. Crunchy Planet did not yet have a distribution partner for the U.S., but Valentine was actively looking for one. In the meantime, Valentine had hundreds of Crunchy Planet's shoe inserts shipped from Brussels to her new home in Utopia and began to take orders for the SOL MATES shoe inserts through the website <solmatesinserts.com>.

19. As a further effort to gain U.S. marketplace dominance, Crunchy Planet decided that it should not have to coexist in the U.S. marketplace with Earthy Vibes' SOUL BUDDIES shoes as she did in the EU. Valentine had long thought that the SOUL BUDDIES trademark Earthy Vibes was using was a bit too similar to her own trademark SOL MATES and assumed that her decrease in sales was the result of consumer confusion between the two

brands. She decided that it was time to stand up for herself and the company she worked so hard to create.

PROCEDURAL HISTORY

20. On January 2, 2024, Crunchy Planet filed a complaint in the United States District Court for the Southern District of Utopia alleging trademark infringement against Earthy Vibes based on likelihood of confusion under Section 32 of the Lanham Act and seeking an award of its damages and Earthy Vibes' profits from Earthy Vibes' sales of SOUL BUDDIES sandals. Crunchy Planet's Complaint alleged infringement in the United States and Europe based on Earthy Vibes' sales and distribution of SOUL BUDDIES sandals in these territories including to Imperial Footwear and from its Brussels and Poland manufacturing plants.
21. Earthy Vibes filed an Answer denying all of Crunchy Planet's allegations. The parties participated in discovery, and both Crunchy Planet and Earthy Vibes filed cross motions for summary judgment on Crunchy Planet's infringement claim.
22. In its summary judgment brief, Earthy Vibes argues that Crunchy Planet's use of its SOL MATES mark in Utopia was not a bona fide use in commerce under the Lanham Act, and that Crunchy Planet only commenced use in order to sue Earthy Vibes. Thus, Earthy Vibes claims, Crunchy Planet does not have standing to sue. Earthy Vibes also asks the Court to find that its SOUL BUDDIES mark does not infringe Crunchy Planet's SOL MATES mark, as the marks and products differ, and because there is no evidence of actual consumer confusion. Earthy Vibes also argues that even if the Court does find bona fide use in commerce by Crunchy Planet, Earthy Vibes should not be liable for trademark infringement in this court because nearly all of its allegedly infringing sales happened in

Europe. This case, Earthy Vibes argues, is an impermissible extraterritorial application of the Lanham Act. Further, if it is liable for trademark infringement of the SOL MATES mark, it should not have to pay Crunchy Planet any money because (i) Crunchy Planet was not damaged by any action of Earthy Vibes and (ii) Earthy Vibes made no profits from United States sales. Any monetary relief should be limited to sales that constitute a “use in commerce” within the United States only, Earthy Vibes argues.

23. Crunchy Planet opposed the motion, arguing that use in commerce under the Lanham Act is a low bar and any of its use of SOL MATES qualifies as use in interstate commerce. Crunchy Planet did not argue any sort of well-known doctrine because it did not have strong sales in Belgium, let alone in the United States.

24. Crunchy Planet also filed its own motion for summary judgment, in which it argues that there is likelihood of confusion between the marks. Crunchy Planet seeks injunctive relief, and argues that it is entitled to actual damages and disgorgement of Earthy Vibes’ profits from both its domestic and foreign sales.

CONCLUSIONS OF LAW

JURISDICTION AND VENUE

A. This action is brought pursuant to 15 U.S.C. §§ 1114 (Section 32). Jurisdiction arises under 28 U.S.C. §§ 1331 and 1338(a). Venue is appropriate under 28 U.S.C. § 1391(b)(1).

LIKELIHOOD OF CONFUSION

B. Under longstanding and precedential Utopian law, the pertinent factors in evaluating whether there is a likelihood of confusion are: (i) the resemblance of the two marks in terms of sight, sound, and meaning; (ii) the relationship between the goods or services of the parties; (iii) the relationship between the parties’ trade channels; (iv) the strength, both

inherent and acquired, of the Plaintiff's mark; (v) any evidence of actual confusion, or valid surveys indicative of such confusion; (vi) an intent by the newcomer to derive benefit from the original mark's success; and (vii) any other factor recognized by this, or any other Utopian court, as probative of likelihood of confusion. The Court discusses each of these factors in order.

- (i) *The similarity of the marks:* The court finds that the parties' respective marks are similar. Both marks are two words. The first words SOL and SOUL of both marks sound identical, and the second words MATES and BUDDIES of both marks have similar meanings. Accordingly, this factor favors Plaintiff.
- (ii) *The relationship between the goods or services of the parties:* Both parties' goods are or are related to footwear. Accordingly, this factor favors Plaintiff.
- (iii) *The relationship between the parties' trade channels:* The parties have overlapping consumers and the goods are purchased in overlapping channels. Accordingly, this factor favors Plaintiff.
- (iv) *The strength, both inherent and acquired, of the Plaintiff's mark:* Crunchy Planet's mark is inherently distinctive and therefore, this factor favors Plaintiff.
- (v) *Any evidence of actual confusion, or valid surveys indicative of such confusion:* None.
- (vi) *An intent by the newcomer to derive benefit from the original mark's success:* The Court finds that there is no evidence that Defendant chose

its trademark to derive benefit from Plaintiff. While Defendant had knowledge of Plaintiff's product, Plaintiff was unable to show any willful intent by Defendant rather than to simply compete in the footwear market. This factor favors Defendant.

(vii) *Any other factor recognized by this, or any other Utopian court, as probative of likelihood of confusion: None.*

C. After a review of all the likelihood of confusion factors, the Court finds that the marks *are* confusingly similar and therefore denies summary judgment to Defendant, and grants summary judgment to Plaintiff on the trademark infringement claim.

USE IN COMMERCE

D. Section 45 of the Trademark Act, 15 U.S.C. §1127, defines "commerce" as "all commerce which may lawfully be regulated by Congress." Section 45 defines "use in commerce" as follows:

- a. The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce:
 - i. on goods when – (a) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (b) the goods are sold or transported in commerce, and
 - ii. on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are

rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

- E. The definition of use in commerce was amended by the Trademark Law Revision Act of 1988 (TLRA), Public Law 100-667, 102 Stat. 3935, to add the phrase ‘the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.’ The primary purpose of the amendment was to eliminate the practice of “token use,” or use made solely to reserve rights in a mark.
- F. Earthy Vibes argues that Crunchy Planet had no U.S. sales leading up to this lawsuit.
- G. The Court finds that Crunchy Planet had the requisite amount of use in interstate commerce of shoe inserts under the SOL MATES mark in the United States. Defendant’s motion for summary judgment on this issue is denied.

DAMAGES – AWARD OF INFRINGER’S PROFITS

- H. To account for the profits subject to disgorgement, §1117(a) institutes a burden-shifting scheme under which the plaintiff bears the initial burden to prove the defendant’s sales, before the burden shifts to the defendant, who must then prove which portion of the sales are not attributable to the infringing goods. 15 U.S.C. § 1117(a). Above all, the plaintiff needs to show *some connection* between the identified ‘sales’ and the alleged infringement. Said differently, the plaintiff must show that the defendant’s sales were “proximately caused” by the infringement.

- I. In light of these legal standards, any monetary relief that Plaintiff receives must share a causal nexus with Defendant's domestic conduct that infringed Plaintiff's trademarks in U.S. commerce.
- J. Plaintiff argues that all of the Defendant's sales—sales in the U.S. and outside of the U.S.—resulted from its infringing domestic activity in the U.S. In other words, that Defendant's domestic-sales profits and foreign-sales profits flowed directly from its infringement of Plaintiff's mark in the United States.
- K. The Court does not agree and limits its award of defendant's profits to only the sales by Defendant within the United States. Defendant's motion for summary judgment on this issue is granted.

WHEREFORE, this Court hereby finds that:

- A. Crunchy Planet had the requisite bona fide use in commerce of the SOL MATES mark in the United States.
- B. Earthy Vibes infringed Crunchy Planet's SOL MATES trademark.
- C. Earthy Vibes should be enjoined from using the SOUL BUDDIES mark.
- D. Crunchy Planet's lost profits award is limited to sales made by Earthy Vibes under the SOUL BUDDIES trademark in the United States. Because Defendant had minimal sales and made no profits in the U.S., no actual damages are to be awarded to Plaintiff, and likewise there are no profits to be disgorged.

SO ORDERED.

EXHIBITS

Exhibit 1

CRUNCHY
PLANET



Exhibit 2

