

Federal Circuit Boots Potential Circuit Split as Trademark Case Turns Ugg-ly for Australian Boot-Maker

Update

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It's hard to deny the comfort of the plush, fur-lined boots and slippers sold under the UGG® brand. But not many are aware that the word “ugg” originated in Australia as a generic term for sheepskin boots. The term, which is trademarked in the U.S., has wedged itself into controversy—what legal test should apply to foreign words that are generically used in another English-speaking country of origin?

For international companies hoping to introduce products or services into the United States, a careful analysis of potential trademarks and their foreign equivalents is crucial. As Sydney-based Australian Leather Pty. Ltd. recently learned, one must be wary of United States trademark rights for terms that are generic for a product in the country of origin. Similar concerns also exist for U.S. companies hoping to enter foreign markets with terms considered generic in the U.S., but not in prospective foreign markets.

Australian Leather has asked the U.S. Supreme Court to overturn a Federal Circuit decision affirming its trial loss to “Ugg” trademark owner, Deckers Outdoor Corp.¹ In the district court, Deckers successfully argued that Australian Leather willfully infringed on several of its “Ugg” trademarks by selling a handful of Ugg-branded boots in the U.S.²

Australian Leather points to a circuit split in the application of the doctrine of foreign equivalents, which prohibits trademark protection for generic terms of foreign origin. But that test usually only applies to words translated from a foreign language. Australian Leather specifically cites cases from the Second, Seventh, and Fifth Circuits in which the courts also considered the meaning of the phrase in its place of origin as a part of its analysis.

In addition, Australian Leather has raised questions about what standard should be applied to marks that are challenged as generic from their inception, as distinguished from those that were initially protectable, but may have

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become generic over time due to popular usage. Under the Lanham Act, courts usually determine whether a registered mark has become generic by testing the primary significance of a registered mark to the relevant public. If a mark is found to be generic, then it is no longer entitled to trademark protection.

Australian Leather contends that the term “ugg” was generic in Australia and U.S. surfing circles *before* the trademark was registered, and therefore the district court’s use of primary significance test was in error.

While Australian Leather may eventually succeed in its appeal, this is hardly the first example of a company being cast as a heel for hoping to enter the U.S. market with a mark from a foreign English-speaking country. Discerning fans of wholesome baking shows likely noticed that the U.K.’s “Great British Bake Off” is known in the U.S. as the “Great British Baking Show.” The name change was due to the fact that Pillsbury, a U.S. company, already owned the term “Bake Off.”³

However, Australian Leather’s case has evolved into more than a simple re-brand. Reports indicate that the Australian Government provided financial support to Australian Leather’s appeal, presumably to free the mark for use by other Australian companies.⁴ Whether this appeal ultimately finds its way up to the Court’s already clogged docket remains to be seen.

1. Petition for Writ of Certiorari, *Australian Leather Pty. Ltd. v. Deckers Outdoor Corp.*, – U.S. – (October 6, 2021) (No. 21-513).

2. *Deckers Outdoor Corp. v. Australian Leather Pty. Ltd.*, 16 CV 3676, 2020 WL 4723980, at *1 (N.D. Ill. July 13, 2020); see *Deckers Outdoor Corp. v. Australian Leather Pty. Ltd.*, 340 F. Supp. 3d 706, 709-16 (N.D. Ill. 2018) (analysis of arguments).

3. Debanjali Bose, *The Great British Bake Off has a Different Name in the US Because of a Pillsbury Trademark*, Insider (Oct. 13, 2020, 5:17 PM), <https://www.insider.com/great-british-bake-off-has-different-name-in-america-trademark-2020-10>; see BAKE-OFF, Registration No. 1,824,653.

4. Natalie Lasek & Brighid Virtue, *A David and Goliath Style UGG Boot Dispute*, Lexology (Sep 20, 2021), <https://www.lexology.com/library/detail.aspx?g=ffc1002a-aeec-4750-9d78-bb373e53c3dd>.