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Victory for Spotify as POTIFY goes to pot

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Legal updates: case law analysis and intelligence

- **Spotify opposed the registration of POTIFY for marijuana-related software and services based on likelihood of confusion and dilution by blurring and tarnishment**
- **The board found it "hard to believe" that the applicant's decision to adopt POTIFY had nothing to do with the SPOTIFY mark**
- **It was "inevitable that POTIFY will diminish SPOTIFY's distinctiveness"**

In a precedential decision, ***Spotify AB v US Software Inc***(Opposition Nos 91243297 and 91248487), the Trademark Trial and Appeal Board has sustained an opposition to the mark POTIFY as dilutive by blurring of the mark SPOTIFY.

Background

The opposed applications sought registration of POTIFY for, among others, software for use in searching for and reviewing medical marijuana dispensaries and information services and online community forums also related to medical marijuana. The applicant claimed use of the mark since 1 January 2017.

The opponent's SPOTIFY mark is registered for use with software used in the transmission of digital music and other entertainment-related content, as well as online discussion forums and online databases also relating to entertainment content. The SPOTIFY mark was first used in the United States in 2011. The opposition to POTIFY asserted claims of likelihood of confusion, as well as dilution by both blurring and tarnishment.

Decision

Addressing the claim of dilution by blurring, the board first examined the fame of the SPOTIFY mark. The record was replete with evidence of the mark's fame, including media references that SPOTIFY is a "household name". Moreover, the applicant did dispute the distinctiveness of the mark. The applicant's "primary argument in defence" of the dilution claim was that the SPOTIFY mark was not sufficiently famous before the applicant's first use date, as required under the Trademark Act. The board found the record to show that "SPOTIFY is **more** famous now than it was years ago", but that it was famous well prior to 1 January 2017. The finding was based on the large numbers of monthly active users at the relevant time, which was considered "extraordinary" compared to other user/subscriber numbers that have justified findings of fame in other board decisions.

The board next turned to the factors for determining whether a mark is likely to cause dilution by blurring. As to the similarity of the marks, the board found SPOTIFY and POTIFY to be "strikingly similar" because the applicant "merely deleted the leading 'S' from [the opponent's] mark". The board was not persuaded by the applicant's argument that the 'pot' portion of its mark, having relevance to marijuana, was a point of distinction. The board also found the respective software products performed analogous functions (albeit in different industries) that heightened the similarity.

The factors of distinctiveness and recognition of the SPOTIFY mark had already been addressed when discussing the threshold requirement of fame. As to the opponent's exclusivity of use, the board stated that there was no evidence submitted or argument by the applicant on this point - although, elsewhere in the opinion, there are references to the third-party SHOPIFY mark as being the applicant's inspiration and to business names ending in '-otify' that sell software.

As for the applicant's intent, the board found it "hard to believe" the applicant's representation that its decision to adopt POTIFY had nothing to do with the SPOTIFY mark. Two principals of the applicant were long-time SPOTIFY users, well prior to the applicant's adoption of POTIFY. According to the board, it "defies logic and common sense" that these two people "jointly came up with the highly similar name POTIFY without intending to, or knowing that other users of the incredibly popular SPOTIFY service would, associate POTIFY with SPOTIFY".

On the actual association factor, the board was not persuaded by the opponent's Google search for POTIFY, which returned over 300 million results for SPOTIFY but none for POTIFY. Thus, the board found this factor to be neutral.

In balancing the factors, the board noted that it "need only find likely dilution", but found it "inevitable that POTIFY will diminish SPOTIFY's distinctiveness". The board thus sustained the oppositions and did not need to reach the opponent's claims of likelihood of confusion or dilution by tarnishment due to an association with marijuana.

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