

New Developments in JaM Cellars Trademark Dispute With Franzia Wines

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by David Tseng



The TMCA has been covering two pending trademark infringement cases brought by JaM Cellars against The Wine Group's "Flavor First" line extension of its Franzia brand, and since our last [post](#), there have been two developments of note. In the first case, involving JaM's claim that the Franzia RICH & BUTTERY Chardonnay infringed JaM's registered BUTTER mark, Judge Gilliam of the federal district court for the Northern District of California issued an [order](#)

on April 17, 2020 denying The Wine Group's motion for summary judgment.

After noting that there was "no evidence of actual confusion by consumers," and perhaps previewing the key issues to be litigated at trial, the Court identified several issues of material fact bearing on the issue of likely confusion that required a jury determination. First, what is the strength of the BUTTER mark, an issue that turns not only on the commercial success of the brand in the marketplace, but also on whether the word "butter" is descriptive or suggestive. Second, whether the parties' respective wine products should be considered closely related goods or, as The Wine Group contends, materially different because they are sold at different retail price points in different packaging. And third, whether RICH & BUTTERY is being used in a trademark sense as

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a brand identifier for the wine, as JaM argues or, as The Wine Group contends, as a product descriptor.

In a further analysis of The Wine Group's fair use defense, the Court also found that issues of fact precluded summary judgment. Interestingly though, the Court commented that it "finds some persuasive force in Defendant's argument that the use of "buttery" instead of "butter" (an adjective instead of a noun) leans in favor of a description...." A further notable comment from Judge Gilliam closed his ruling on the summary judgment motion: "While the Court has some reason to be concerned based on this and other lawsuits that Plaintiff may be effectively attempting to monopolize use of the term 'buttery' to describe Chardonnay, summary judgment is not warranted. It remains to be seen whether judgment as a matter of law may be appropriate at or after trial." Thus, while The Wine Group lost its dispositive motion, it might take some comfort in the Court's concern about whether JaM is attempting to preclude a competitor from using a descriptive term.

In a second development on May 11, 2020, Judge Gilliam entered an order consolidating the RICH & BUTTERY case with the subsequent separate litigation brought by JaM against The Wine Group. The later-field case, which was the subject of our earlier post, involves claims by JaM Cellars that Franzia's BOLD & JAMMY cabernet sauvignon and packaging infringes JaM Cellars' rights in its JAM mark. A jury trial that had been scheduled for July has now been pushed back for the consolidated proceedings until December. Stay tuned!