



On August 23, 2018, partial summary judgment was granted dismissing the entire Counterclaim based upon laches and the statute of limitations.

Remaining for determination at trial were genuine issues of material fact on the *Complaint* on

- the likelihood of confusion of the marks, and
- the Defendant's assertion of the defense of tacking to rebut the Plaintiff's facts of first use.

On September 17, 2018, a two-day bench trial was conducted, and the matter was taken under advisement.

After considering the arguments of Counsel, applying the law and studying the evidence, the Court concludes that the Plaintiff prevails on liability on her first and second counts of the *Complaint* of trademark infringement and violation of the Tennessee Consumer Protection Act. The greater weight and preponderance of the evidence establishes the following.

- There is a likelihood of confusion between the marks presently used by the Plaintiff and the Defendant.
- The Plaintiff had first use of the mark.
- Prior marks used by the Defendant are not the legal equivalent, are distinguishable from, and do not create the same, continuing commercial impression as the mark the Defendant is presently using, and thus the doctrine of tacking does not apply to the Defendant's use of his mark.

It is therefore ORDERED that the Defendant is permanently enjoined from using MOGULS BARBER AND LOUNGE in Davidson County, Tennessee; from infringing upon Plaintiff's SALON MOGULZ mark; or from using any colorable imitation or confusingly similar variation which uses the term MOGUL in connection with a business that includes hair services in Davidson County, Tennessee.

It is further ORDERED that on Friday, November 30, 2018, at 11:00 a.m., Counsel shall attend a Rule 16 Conference to set deadlines for Phase 2 of the litigation of an accounting, and trial on damages and attorneys' fees. Counsel shall be prepared to address at the hearing (1) whether discovery will be needed on the Phase 2 issues, and, if so, the kind, extent and timing needed, and (2) scheduling the damages hearing.

The findings of fact and conclusions of law on which the foregoing rulings are based are as follows.

### **Applicable Law**

Both of the Plaintiff's causes of action—trademark infringement and violation of the TCPA—are decided under the same standards. *See General Conf. Corp. of Seventh-Day Adventists v. McGill*, 624 F. Supp. 2d 883, 891 (W.D. Tenn. 2008), *aff'd*, 617 F.3d 402 (6th Cir. 2010) (citing *Microsoft Corp. v. Sellers*, 411 F. Supp. 2d 913, 920 (E.D. Tenn.2006)). Those standards are that the Plaintiff must demonstrate

- (1) there is a likelihood of confusion between the Plaintiff's mark and the Defendant's and
- (2) ownership of the mark by showing senior/first use.

With respect to the likelihood of confusion of the marks in issue, eight factors have been identified in the case law for the Court to consider. These facts, referred to hereinafter as the “*Frisch*” factors, are

(1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product line.

*Frisch's Restaurant, Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642, 648 (6th Cir.1982); *Willowbrook Home Health Care Agency, Inc. v. Willow Brook Ret. Ctr.*, 769 S.W.2d 862, 867 (Tenn. Ct. App. 1988).

As to the element the Plaintiff must prove of senior/first use, the law provides that first use is obtained by actual use and that the claimant was the first to use or employ the mark in the same market or competitive territory. *Men of Measure Clothing, Inc. v. Men of Measure, Inc.*, 710 S.W.2d 43, 45–46 (Tenn. Ct. App. 1985); *Blackwood v. Blackwood*, No. 3:03-CV-691, 2005 WL 2096857, at \*3 (E.D. Tenn. Aug. 30, 2005) (citing *Allard Enterprise, Inc. v. Advance Programming Resources, Inc.*, 249 F.3d 564, 571 (6th Cir.2001)); 74 AM. JUR. 2D *Trademarks and Tradenames* § 9 (West 2018). Registration of the mark is *prima facie* evidence of the registrant's ownership and exclusive right to use the mark. *Ward v. Knox Cty. Bd. of Educ.*, No. 3:11-CV-438-TAV-CCS, 2014 WL 3368510, at \*7 (E.D. Tenn. July 9, 2014), *aff'd*, 612 Fed. Appx. 269, 2015 WL 2166928 (6th Cir. 2015).

An affirmative defense to senior/first use is the doctrine of tacking. It is only permitted in rare instances and is exceedingly strict. To prevail on this affirmative defense, a defendant must clear a high bar of demonstrating that the defendant's prior marks throughout create the same, continuing commercial impression and that the mark does not materially differ from or alter the character of the mark attempted to be tacked. *Hana Fin., Inc. v. Hana Bank*, 135 S. Ct. 907, 909; 910–11 (2015); *Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 1367–68 (Fed. Cir. 2015); *Paletteria La Michoacana, Inc. v. Productos Lacteos Tocumbo S.A. DE C.V.*, 188 F. Supp. 3d 22, 57 (D.D.C. 2016).

### **Findings of Fact and Application of Law**

The Court finds that beginning as a teenager the Plaintiff has pursued and performed a cosmetology career for some 27 years. After completing schooling and certification and working in the venues of others, in 2001 the Plaintiff established her own business. Since October 1, 2007, the Plaintiff has operated that business under the mark SALON MOGULZ. The business is currently located at 951 Main Street in East Nashville but seeks to expand particularly to North Nashville where the Defendant currently does business.

Like the Plaintiff, the Defendant started as a young person a career in the hair industry. He attended schooling, was certified and has worked as a professional barber. Like the Plaintiff, the Defendant had a business concept and brand idea. His business

concept was to have a location that operated as an upscale country club for men which provided grooming and other services of upscale living. The business would be based on memberships which entitled the member to barber, shoeshine, dry cleaning, massage, car wash, tailoring, wine, cigars, meeting place, lounge, and a venue members could use for business, their families for events and which offered programs and music. The Defendant started his concept while he was a barber renting a booth by selling memberships for some of the services he could concierge and contract out. Ultimately, the Defendant in 2016 obtained a venue of 3000 square feet on Buchanan Street in a David Crabtree Development which is operated as and whose mark is MOGULS BARBER AND LOUNGE and offers the services just described.

#### Likelihood of Confusion—Application of *Frisch* Factors

With respect to the eight *Frisch* factors to be applied under Tennessee law, the Court finds that the Plaintiff's mark—SALON MOGULZ—is a strong one and that the Plaintiff has extensively marketed and established the mark in Davidson County. The proof established that the Plaintiff has invested significant time and money in her business SALON MOGULZ. Over the years, the Plaintiff has entered into multiple contracts for marketing and promoting her business under the brand SALON MOGULZ. The Plaintiff has purchased advertising featuring the mark SALON MOGULZ and distributed it around Nashville. The Plaintiff's work under the mark SALON MOGULZ has been featured in *Sophisticate's Black Hair*, *Passion Magazine* and *Hype Hair*. Over the years, Plaintiff has

also won awards in connection with services rendered under the SALON MOGULZ mark, including the “Female Stylist of the Year” award in 2010 for *Rip the Runway*. In approximately 2013, Plaintiff’s SALON MOGULZ business was featured on Bravo TV. The Plaintiff also markets SALON MOGULZ through the Internet. The Plaintiff markets SALON MOGULZ through Facebook, Instagram, MySpace, flyers, street teams, ads in church bulletins, television and various other outlets.

As to the *Frisch* factor of expansion, the Plaintiff’s present location is in East Nashville. Since before filing this lawsuit the Plaintiff had wished to begin franchising SALON MOGULZ, which would include a location in North Nashville. The Plaintiff has held off franchising her business for fear that the public will be confused and wrongly assume that the Defendant’s operation is part of Plaintiff’s franchise.

With respect to the *Frisch* factor of intent, the Defendant knew that Plaintiff changed her business name to SALON MOGULZ in or around 2007. Also, it was established on summary judgment as undisputed and proven at trial that (1) since October 1, 2007, the Plaintiff has continuously used the mark SALON MOGULZ to identify her hair care services and distinguish them from related services provided by others; and (2) on October 10, 2016, the Tennessee Secretary of State issued Reg. No. 50650 to Plaintiff for SALON MOGULZ. The Plaintiff sent Defendant a cease and desist letter dated November 14, 2016. The Defendant applied to register MOGULS BARBER AND LOUNGE on November 16, 2016, and continues to use this as his business mark.

With respect to the *Frisch* factors of relatedness of the goods, likely degree of purchaser care, similarity of the marks and evidence of actual confusion, the Court finds that the overlap between the Defendant's business and the Plaintiff's is the hair industry in Davidson County. The Plaintiff is a cosmetologist. Her business is a hair salon. The Defendant is a barber. He began and grew his business based upon clients and customers who met him and accessed his business based on his services in the hair care industry. The Plaintiff's business overlaps and draws from the same market as the Defendant. The Plaintiff provides hair salon and barber services to men, women and children in Nashville in a present location just across the river from the Defendant's business. Basic hair services at the Plaintiff's business range from \$30 to \$65. The proof established that salons draw from both genders and are unisex, and that the Defendant's barbering is not limited to adult men but includes females who want short cuts and children. Even though the Defendant offers other services: dry cleaning, venue rental, car wash, shoe shine, etc. that the Plaintiff does not provide, the evidence established that one of the main components of the Defendant's business provides hair care services in the same price range to the same demographic as the Plaintiff does. From all of this evidence, the Court finds that there is a sufficient overlap in the two businesses as is required to qualify for redress of trademark infringement and a TCPA violation of Plaintiff's mark in the hair care industry in Nashville, Tennessee.

With respect to the similarity of the marks, the proof established that the "z" on Plaintiff's business is pronounced like and used in the same way as the "s" on "Moguls" in

the mark the Defendant uses. Thus, the parties' marks are connected with the similarity of the term "MOGUL" and other references in the marks to the hair industry: Plaintiff—SALON MOGULZ; the Defendant—MOGULS BARBER AND LOUNGE.

With respect to the *Frisch* factor of actual confusion, the Plaintiff established this by the greater weight and preponderance of the evidence from several sources.

First, the Court accredits the Plaintiff's testimony that she and her business receive calls from customers seeking to find the Defendant's business.

The evidence also consisted of an in-court Google demonstration showing that searching the term "Moguls Nashville" identifies Defendant's business. To obtain a link to the Plaintiff's business "Moguls Salon" must be entered.

The Court also accredits the testimony of Donna Janella Dash, a client with a professional relationship with the Plaintiff but not friendly bias. In her daily driving passing Defendant's business, she confused it with the Plaintiff's Salon because of the similarity of "Mogul" in the names and the reference in both marks to the hair industry. The Court accredits Ms. Dash's testimony that she concluded the Plaintiff had opened another location as an offshoot or associated shop. The testimony of Ms. Dash corroborates that the use of "Mogul" by both businesses in their marks in the same industry and in close geographic proximity leads customers to think that the Plaintiff has a connection and association with the Defendant's business. This impression is problematic and detrimental to the Plaintiff who is dedicated to her unique standards, style and business operation; who does not seek to include elements and aspects the Defendant has in his

business; and who seeks to expand and/or franchise into the same neighborhood where the Defendant operates his business.

The greater weight and preponderance of the evidence is that the Plaintiff has carried her burden on trademark infringement and Tennessee Consumer Protection Act claims of demonstrating likelihood of confusion of the parties' marks.

### First In Use and Tacking

The evidence establishes that the Plaintiff has continuously used the mark SALON MOGULZ since October 1, 2007, and the Plaintiff registered the name with the Tennessee Secretary of State October 10, 2016. With respect to the Defendant, the evidence establishes that in 2016 the Defendant began using the name MOGULS BARBER AND LOUNGE in the Buchanan Street venue. It was further established on summary judgment as undisputed and proven at trial that in the Defendant's application to register the MOGULS BARBER AND LOUNGE mark on November 16, 2016, the Defendant swore to the fact that he did not use the MOGULS BARBER AND LOUNGE mark until September 1, 2016. Thus, the proof establishes that the Plaintiff's SALON MOGULZ is the senior user of the mark when compared to Defendant's MOGULS BARBER AND LOUNGE. Accordingly, to successfully defend against Plaintiff's claims, the Defendant must prove the defense of tacking.

The evidence established with respect to tacking that before 2016, while the Defendant was barbering at other venues and operating his concept through concierge

services, the Defendant paid for and obtained a business plan and video from a graphic designer, Elder Howard Young in 2006, for MOGULS OF NASHVILLE. The evidence further established that in 2010 the Defendant started Moguls of Nashville LLC but let it lapse a year later. The Defendant has also operated his concierge services under the name MOGULS OF NASHVILLE CITY CLUB.

The Defendant's plea to the Court is that since he graduated from barber school in 2000 he has always used MOGULS in some fashion to designate his business because to him MOGULS conveys the upscale, dignity and exclusiveness he is seeking to convey. The Defendant testified that the term MOGULS was personally precious and meaningful to him. The law, however, as quoted above, requires more precision to allow tacking back to previous names to overcome another user's senior use of a mark.

To prevail on tacking, the Defendant must show, as stated in the applicable law section above, that his previous marks of MOGULS OF NASHVILLE and MOGULS NASHVILLE CITY CLUB create the same continuing commercial impression, from the perspective of an ordinary customer, and that the marks are that legal equivalents, indistinguishable and virtually identical to Defendant's present MOGULS BARBER AND LOUNGE such that customers consider these as the same mark. This standard the Defendant is unable to meet. His present mark of MOGULS BARBER AND LOUNGE has a connection with and creates an impression related to the hair industry (and for that reason is confusing with the Plaintiff's mark). The marks MOGULS OF NASHVILLE CITY CLUB and MOGULS OF NASHVILLE, however, do not convey a connection with

and do not create an impression related to the hair industry. The marks are distinguishable and are not virtually identical to Defendant's present mark. Accordingly, by law, the Defendant's tacking defense must be dismissed.

Lastly, there is the evidence of hardship that the term MOGULS is sentimental as well as valuable to the Defendant and that by dint of hard work, entrepreneurship, creativity, and initiative and perseverance in the face of a recent diagnosis of leukemia, the Defendant has finally achieved his life's work at the Buchanan Street location, only to have it taken away by not prevailing herein. The Plaintiff, as well, however, would suffer hardship if Defendant's use is not stopped. Her hard work, entrepreneurship, creativity, initiative and perseverance are thwarted particularly with the anticipated expansion to North Nashville in very close proximity to the Defendant's use of the mark. Because these kinds of cases often involve hardships if deprived of use of the mark, the law awards exclusive use of the mark to the first user in the market and industry where there is a likelihood of confusion. These elements of law the Plaintiff has demonstrated by a preponderance of the evidence and, therefore, by law she prevails.

s/ Ellen Hobbs Lyle  
ELLEN HOBBS LYLE  
CHANCELLOR  
DAVIDSON COUNTY BUSINESS  
COURT DOCKET PILOT PROJECT

cc by U.S. Mail, email, or e filing as applicable to:

Stephen Zralek  
Maria Campbell  
Tracey A. Kinslow  
Rhonda Scott Kinslow