

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RIDE THE DUCKS, L.L.C.,	:	
OZARKS SCENIC TOURS, L.L.C.,	:	CIVIL ACTION
Plaintiffs,	:	
	:	
v.	:	
	:	
DUCK BOAT TOURS, INC.,	:	NO. 04-CV-5595
JOSEPH SAEGER,	:	
Defendants.	:	

MEMORANDUM

LEGROME D. DAVIS, J.

MARCH 21, 2005

This Memorandum of Law serves to provide the relevant standard of law and analysis governing Plaintiffs' Motion for Preliminary Injunction filed on December 2, 2004 (Doc. No. 2). In considering this motion, the Court has relied upon Plaintiff's Motion for Preliminary Injunction filed on December 2, 2004 (Pl.'s Mot., Doc. No. 2); Defendant Joseph Saeger's Response to Plaintiffs' Motion for Preliminary Injunction filed on January 3, 2005 (Saeger Opp'n, Doc. No. 9); Defendant Duck Boat Tour's Response to Plaintiffs' Motion for Preliminary Injunction filed on January 4, 2005 (SD Opp'n, Doc. No. 10); the Proposed Findings of Fact and Conclusions of Law filed by Plaintiffs on January 27, 2005 (Doc. No. 20), Defendant Duck Boat Tours on January 24, 2005 (Doc. No. 16), and Defendant Joseph Saeger filed on January 26, 2005 (Doc. No. 19); the Supplemental Proposed Findings of Fact and Conclusions of Law filed by Defendant Duck Boat Tours on January 27, 2005 (Doc. No. 18); and the Hearing Transcripts from the proceedings held before this Court on January 4, 2005 (1/4/05 Hrng. Tr., Doc. No. 13) and January 11, 2005 (1/11/05 Hrng. Tr.). For the reasons that follow, Plaintiff's Motion is DENIED.

I. FACTUAL AND PROCEDURAL HISTORY

Plaintiffs in this matter are Ride the Ducks of Philadelphia, L.L.C. (“Ride the Ducks”), a Missouri limited liability company, and Ozark Scenic Tours, L.L.C., a Missouri limited liability company that is the parent company of Ride the Ducks. Defendants in this matter are Duck Boat Tours, Inc. (“Super Ducks”), a Pennsylvania corporation, and Joseph Saeger, a resident of Pennsylvania, a former employee of Ride the Ducks, and a current employee of Super Ducks.

A. An Overview of the Dueling Ducks

Plaintiff Ride the Ducks and Defendant Super Ducks operate amphibious sightseeing tours in Philadelphia, Pennsylvania. Both Ride the Ducks and Super Ducks offer these tours of Philadelphia in amphibious vehicles, a breed of vehicle equipped to navigate both land (the historic area of Philadelphia known as “Old City”) and sea (the Delaware River). Ride the Ducks began offering tours in Philadelphia in May 2003, while Super Ducks began operations roughly one year later in July 2004. Ride the Ducks and Super Ducks are, to this Court’s knowledge, the only operators of amphibious tours in the Philadelphia market¹ and have engaged in intense competition for the tourist dollar since Super Ducks began operations in July 2004, until which time Ride the Ducks operated without amphibious competition.

The two entities involved in this dispute have operations that mirror each other in a number of ways beyond a similarity in nomenclature and service offering. Ride the Ducks and Super Ducks begin and end their tours from adjacent locations on the west side of South Sixth Street in Philadelphia. 1/4/05 Hrng. Tr. at 16. Though the routes their amphibious vehicles take diverge, both Ride the Ducks and Super Ducks offer a tour of various historical sites in the Old

¹ Ride the Ducks offers amphibious tours in several other cities throughout the United States, while Super Ducks operates only in the Philadelphia market.

City section of Philadelphia, such as the Liberty Bell and the United States Mint. 1/4/05 Hrng. Tr. at 49. As the amphibious crafts proceed through the city, the tour operators play music, offer witty and informative commentary on points of historical interest, and encourage customers to participate in the tour experience in a number of ways. 1/4/05 Hrng. Tr. at 16. At the conclusion of the historical, landlocked, part of the tour, both Ride the Ducks and Super Ducks enter the Delaware River for the “water” portion of the tour.²

To foster participation by their customers, both Ride the Ducks and Super Ducks distribute a duck call device to their patrons for use while aboard the amphibious craft; the Ride the Ducks devices are known as “Wacky Quackers” while the Super Ducks devices were at one time known as “Kwacky Kwackers.” 1/4/05 Hrng. Tr. at 16, 62. Both Ride the Ducks and Super Ducks employ the quackers to enhance the experience of tour patrons. Ernest Taylor, a deck assistant on the Ride the Ducks tours, testified that the tour patrons use these devices during the course of the tour to quack at each other, the tour personnel, and random passers-by on the streets of Philadelphia. 1/4/05 Hrng. Tr. at 53, 58. Clair Sewell, a Ride the Ducks employee who took a Super Ducks tour in November of 2004, stated that she observed a similar use of the quackers on the Super Ducks tour, 1/4/05 Hrng. Tr. at 60, 64.

The tours do, however, feature some differences. The Ride the Ducks tours are operated and narrated by a single driver, who is assisted by a deck hand once the boat is in the Delaware River. 1/4/05 Hrng. Tr. at 19. The Ride the Ducks drivers are therefore responsible for all aspects of the tour, from driving to playing music and fostering audience participation to

² Super Ducks’ desire access the Delaware River by using a ramp built by Ride the Ducks pursuant to an exclusive contract with Penn’s Landing Corp was the subject of a previous legal dispute between the parties before this Court. Ride the Ducks of Philadelphia, LLC v. Duck Boat Tours, Inc., 04-CV-2804.

disseminating information about the various historical sites along the tour. 1/4/05 Hrng. Tr. at 5. Super Ducks bifurcates narration and navigation duties between a tour guide and a driver. Because the Super Ducks' driver's sole duty is to operate the craft, the drivers generally do not speak during the tour, save exchanges of pleasantries with tour patrons. Id.

Moreover, the Ride the Ducks tours enter the Delaware River at the base of the Ben Franklin Bridge, a location not far from the main part of the land tour and easily reached by navigating the streets that constitute the historical area of Philadelphia. See Pls.' Hrng. Ex. 26 (map of Ride the Ducks tour). The Super Ducks boats enter and exit the Delaware River at a location further north of the historical area of Philadelphia, necessitating a trip down Interstate 95, a major highway, to return to the tour's starting point. Pls.' Hrng. Ex. 12, 15.

Lastly, the vehicles operated by the two tour operators, while similar, are physically different in some key respects. Ride the Ducks' vehicles are converted military vehicles known as DUKWs, which were built in the 1940s and used in World War II. Pls.' Hrng. Ex. 23, 24. Super Ducks vehicles are non-military vehicles that Super Ducks describes as "contemporary hydraterra vehicles." DB Proposed Findings at 26. Photographic evidence introduced at the January 5, 2005 hearing reveals that Super Ducks' vehicles are larger, more squarely shaped, and feature a smoother exterior than do the Ride the Ducks' vehicles, which feature a distinctive ribbing along their hull. Pls.' Hrng. Ex. 21, 22. Defendant Joseph Saeger, who has operated both Ride the Ducks and Super Ducks vehicles, testified at the January 11, 2005 hearing to the differences in the dimensions of the two vehicles, stating that the Super Ducks vehicles ride three to four feet higher off the ground than do the Ride the Ducks vehicles. 1/11/05 Hrng. Tr. at 24. Ride the Ducks employee Scott Lewis also testified that the vehicles were "visually different" and that the relative sizes of the vessels distinguished one from the other; this

testimony was confirmed by the testimony of another Ride the Ducks employee, Michael Kovach. 1/4/05 Hrng. Tr. at 47; 1/11/05 Hrng. Tr. at 88. Perhaps most obviously, the sides of each company's vehicles feature the words "Ride the Ducks" and "Super Ducks" in large, distinctive lettering; the Super Ducks vehicles additionally feature painted-on waves, ducks, and a whale. Pls.' Hrng. Ex. 21, 22.

Plaintiff Ozark Scenic Tours has taken steps to protect various features of its amphibious tour operations that it considers to provide its tour with a competitive advantage. It is the holder of two trademarks related to its amphibious tour operations, both of which it licenses to its subsidiary Ride the Ducks. Pls.' 1/4/05 Hrng. Ex. 5. U.S. Trademark Registration 2,167,682, dated June 23, 1998, consists of the name "Wacky Quackers" for "duck calls and toy noisemakers." Id. at Ex. 2. U.S. Trademark Registration 2,484,276, dated September 4, 2001, consists of a sensory service mark for "tour guide services over land and water by amphibious vehicles"; the service mark consists of the use "of a quacking noise made by tour guides and tour participants by the use of duck call devices throughout various portions of the tour." Id. at Ex. 3. Ride the Ducks has the right to enforce the trademark and service mark on behalf of Ozark. Id. at Ex. 5.

B. Defendant Joseph Saeger's Employment with Ride the Ducks and Super Ducks

Defendant Joseph Saeger began some form of employment relationship with Ride the Ducks on July 5, 2001, on which date he met with a Ride the Ducks representative and signed a Confidentiality Agreement and Covenant Not to Compete ("Agreement"). 1/11/05 Hrng. Tr. at 8-9. Mr. Saeger was hired as a driver; his job responsibilities would have therefore included piloting the DUKW craft both on land and on sea, as well as acting as a tour guide to the tour

participants, imparting bits of trivia about the various historical sites along the tour and encouraging audience participation through use of music and the Wacky Quackers.

Due to the nature of the tour and the vehicle in which the tour is conducted, a Ride the Ducks driver must possess both a commercial driver's license ("CDL"), which is required to drive the craft along the streets of Philadelphia, and a Coast Guard captain's licence, which is required to pilot the craft in coastal areas for commercial purposes. Saeger Opp'n unnumbered at 1. Prior to his employment with Ride the Ducks, Mr. Saeger was a ship captain in possession of a 100 ton Coast Guard masters license, which allowed him to operate a boat weighing up to 100 tons. 1/11/05 Hrng. Tr. at 4. Though Mr. Saeger had previously been employed as a driver of commercial class vehicles, he did not possess a CDL on July 5, 2004. 1/11/05 Hrng. Tr. at 10. This was because the Commonwealth of Pennsylvania did not offer or require a CDL for the operation of commercial vehicles at the time of Mr. Saeger's employment in that industry. 1/11/05 Hrng. Tr. at 18. As such, one of the conditions of Mr. Saeger's continued employment at Ride the Ducks was his procurement of a CDL, which would allow him to legally operate Ride the Ducks's amphibious vehicles on land. 1/11/05 Hrng. Tr. at 10.

After the commencement of his employment relationship with Ride the Ducks, Mr. Saeger entered into a training period that lasted until he obtained his CDL, during which he was not paid. 1/11/05 Hrng. Tr. at 12-13. According to Mr. Saeger, his training consisted mainly of riding as a passenger on a Ride the Ducks craft while another driver conducted the tour. 1/11/05 Hrng. Tr. at 7, 11, 22, 25-25, 35; Saeger Opp'n unnumbered at 2. He received the required CDL from the Pennsylvania Department of Transportation ("PennDot") on August 12, 2004 as well as a \$1,000 bonus from Ride the Ducks for doing so. 1/11/05 Hrng. Tr. at 13. He continued on as a Ride the Ducks employee, making \$15 per hour plus tips, until October 15, 2004, at which time

Ride the Ducks contends that he was fired for cause. 1/11/05 Hrng. Tr. at 3, 47-48. On October 18, 2004, Mr. Saeger began working as a driver for Super Ducks. 1/11/05 Hrng. Tr. at 3.

At the commencement of his relationship with Ride the Ducks, Mr. Saeger signed the Agreement. 1/11/05 Hrng. Tr. at 8, 10. Ride the Ducks contends that the Agreement acts to protect the specialized training and skill it imparts to its employees. Pls.' Mot. at 22. The Agreement states, in relevant part, that

after termination of the employment relationship, for any reason, the Employee will not, directly or indirectly, either individually or as an owner, partner, agent, employee, consultant, lender or otherwise engage in any Prohibited Activity for a period of two (2) years within a one hundred (100) mile radius of . . . Employer's Duck tour operation.

Pls.' Compl. Ex. E. The Agreement defines "Prohibited Activity" as "the operation of Duck tours; marketing of Duck tours; repair, maintenance and /or modification to Ducks; and the design, manufacture and/or operation of amphibious vehicles which are used for any commercial purpose." Id. Ride the Ducks requires all of its employees, whether skilled or unskilled, to sign this Agreement. 1/11/05 Hrng. Tr. at 63.

C. Procedural History

Plaintiffs have moved this Court to provide them injunctive relief for trademark infringement, trademark dilution, and violation of a restrictive covenant. Specifically, Ride the Ducks asks this Court to (1) prohibit Super Ducks from the use or sale of "Kwacky Kwackers" and/or use of duck call noises during their amphibious tour rides or otherwise; (2) require Super Ducks to engage in corrective advertising to remedy any mistaken impressions formed by consumers; (3) require Super Ducks to conduct an accounting of all profits gained from the unlawful use of Plaintiffs' marks; (4) require Super Ducks to pay Plaintiffs' costs and expenses in this litigation; (5) require Defendant Super Ducks to terminate Defendant Joseph Saeger and

prohibit Super Ducks from employing any other person who worked for Plaintiffs and was similarly bound by a non-compete agreement; (6) order Defendant Joseph Saeger not to publish or disclose any proprietary information he garnered while working for Ride the Ducks. See Doc. No. 2. This Court heard two days of testimony and argument on Plaintiff's Motion for a Preliminary Injunction. A hearing related to the trademark dilution and infringement claims was heard on Tuesday, January 4, 2005, while the Tuesday, January 11, 2005 hearing addressed only the issues related to Mr. Saeger's alleged breach of his employment agreement and Super Ducks alleged tortious interference with that employment agreement.

II. STANDARD OF LAW

The standard for a preliminary injunction is the same as that for a temporary restraining order. Bieros v. Police Chief Nicola, 857 F. Supp. 445, 446 (E.D. Pa. 1994). A party seeking a preliminary injunction must convince the Court that the following factors favor granting preliminary injunctive relief: "(1) the likelihood that the moving party will succeed on the merits; (2) the extent to which the moving party will suffer irreparable harm without injunctive relief; (3) the extent to which the nonmoving party will suffer irreparable harm if the injunction is issued; and (4) the public interest." Novartis Consumer Health, Inc. v. Johnson & Johnson-Merck Consumer Pharms. Co., 290 F.3d 578, 586 (3d Cir. 2002) citing Clean Ocean Action v. York, 57 F.3d 328, 331 (3d Cir. 1995); see also Council of Alternative Political Parties v. Hooks, 121 F.3d 876, 879 (3d Cir.1997); Impax Laboratories, Inc. v. Aventis Pharmaceuticals, Inc., 235 F. Supp.2d 390 (D. Del. 2002); Merrill Lynch v. Napolitano, 85 F. Supp. 2d 491, 496 (E.D. Pa. 2000). A district court should endeavor to "balance[] these four . . . factors to determine if an injunction should issue." Am. Civil Liberties Union of New Jersey v. Black Horse Pike Regional Bd. of Educ., 84 F.3d 1471, 1477 n. 2 (3d Cir. 1996) (en banc).

The Third Circuit has recognized that “[i]t is not necessary that the moving party’s right to a final decision after trial be wholly without doubt; rather, the burden is on the party seeking [injunctive] relief to make a prima facie case showing a reasonable probability that it will prevail on the merits.” Oburn v. Shapp, 521 F.2d 142, 148 (3d Cir. 1975); see also Acierno v. New Castle County, 40 F.3d 645, 653 (3d Cir. 1994). “‘Reasonable’ probability is used in the opinions interchangeably with ‘substantial’ likelihood of success.” Gucci Am., Inc. v. Daffy’s, Inc., 2000 WL 1720738, at *7 (D.N.J. Nov. 14, 2000) citing Instant Air Freight Co. v. C.F. Air Freight, Inc., 882 F.2d 797, 800 (3d Cir. 1989). “‘Probability of success’ implies that the moving party, usually the plaintiff, must have a very clear and strong case.” 5 J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition, § 30:45 (4th ed. 2004)

III. LANHAM ACT CLAIMS AGAINST SUPER DUCKS

In their motion for preliminary injunction, Plaintiffs claim that Defendant Super Ducks has both infringed and diluted their trademark for ducks calls and toy noisemakers as well as their service mark for quacking noises made by tour guides and tour participants.

As a threshold matter, the Court notes that, at the January 4, 2005 hearing, Defendant represented that it had ceased to use the name “Kwacky Kwackers,” rendering Plaintiffs’ claims related to the infringement and dilution of U.S. Trademark registration number 2,167,682 moot.³

1/4/05 Hrng. Tr. at 4. Thus, the Court will only examine Plaintiffs’ motion for preliminary

³ Defendant Super Ducks stated at the hearing through counsel that it would agree to enter into a consent order or stipulation that it would permanently cease to use the name “Kwacky Kwacker” or any similar name to its duck-calling device. 1/4/05 Hrng. Tr. at 4. Counsel further represented that it would draft a consent order and submit it to the Court. Id. As of the date of this Memorandum and Order, counsel has failed to do so. The Court therefore reserves the right to return to Plaintiff’s request for a preliminary injunction based on the violation of its trademark in the name “Wacky Quacker” until such a consent order is received and approved by this Court.

injunction with respect to U.S. Trademark registration number 2,484,276, Plaintiffs' service mark for "a quacking noise made by tour guides and tour participants by use of duck call devices throughout various portions of [tours over land and water by amphibious vehicles]." See Pls.' Hrng. Ex. 3. Plaintiffs claim that Defendant's distribution and use of a duck call device on its amphibious tours violates Plaintiffs' service mark.

A. Infringement and Unfair Competition

Plaintiffs claim that Defendant Super Ducks' use of duck call sounds during Defendant's tour constitute federal trademark infringement in violation of 15 U.S.C. § 1114 and unfair competition in the form of false designation of origin, false representation and false advertising in violation of 15 U.S.C. § 1125(a).

1. Standard of Law: Protection of a Service Mark

At issue in the present motion is Plaintiff's service mark. A service mark is any word, name, symbol, or device, or any combination thereof which is used to identify and distinguish a person's services and to indicate the source of the services, even if that source is unknown. 15 U.S.C.A. § 112. Other than its indication of the origin of services, rather than goods, a service mark is identical to a trademark. University of Florida v. KPBB, Inc., 89 F.3d 773 (11th Cir. 1996).

The two elements required to establish both federal trademark infringement or unfair competition are: (1) that the trademark owner's mark is distinctive and thus protectable; and (2) that the second-comer's actions cause a likelihood of confusion among the relevant buyer class. Blumenfeld Dev. Corp. v. Carnival Cruise Lines, Inc., 669 F. Supp. 1297, 1317 (E.D. Pa. 1987). The standards for trademark infringement and service mark infringement are identical under both Pennsylvania and federal law. Id.

The common law and the Lanham Act recognize four categories of trademarks eligible for protection: 1) generic or common descriptive, 2) merely descriptive, 3) suggestive, and 4) arbitrary or fanciful. Am. Diabetes Ass'n, Inc. v. National Diabetes Ass'n, 533 F. Supp. 16, 19 (E.D. Pa. 1981). An arbitrary or fanciful mark is a word specifically coined to be a trademark with no descriptive or even suggestive connotation. Blumenfeld Development Corp., 669 F. Supp. at 1317. A suggestive mark requires mature thought and imagination to determine the significance of the mark as it relates to the goods. Id. A merely descriptive term conveys to the consumer the characteristics, functions, uses or qualities of a product or service. Id.; Am. Diabetes Ass'n, 533 F. Supp. at 19.

The category into which a trademark falls is relevant, as certain kinds of marks are automatically protected, while others require proof that consumers have come to associate the mark with the underlying goods or services to be protected. As a starting point, a mark that is federally registered and that has achieved incontestability is valid and legally protectible.⁴ 15 U.S.C.A. § 1065. A mark that is registered but not yet incontestible may require proof of secondary meaning, depending upon which of the four categories of trademark it falls under.

Marks that are arbitrary, fanciful, or suggestive do not require proof of secondary meaning in order to be protectible, while marks that are merely descriptive require proof of secondary meaning in order to be protectible. Blumenfeld Dev. Corp., 669 F. Supp. at 1317. The law of trademark does not allow a purely generic or commonly descriptive term alone to become a trademark, as such a practice would grant the owner of the mark a monopoly and prevent a

⁴ A trademark becomes incontestable under § 15 of the Lanham Act after the owner files affidavits stating that the mark has been registered, that it has been in continuous use for five consecutive years, and that there is no pending proceeding and there has been no adverse decision concerning the registrant's ownership or right to registration. 15 U.S.C.A. § 1065.

competitor from adequately describing his goods or services. However, once such a term acquires customer recognition and secondary meaning, it achieves protectible status as a valid trademark.

The service mark at hand, however, does not lend itself easily to the above analysis, as it is for a sound – a quacking noise that Plaintiffs allege has become identified with its provision of amphibious tours. Though the trademarking of a particular noise or sound appears to be a relatively rare phenomenon, a sound is indeed capable of acquiring trademark protection.¹ J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition, § 7:104 (4th ed. 2004); see also Oliveira v. Frito-Lay, et al., 251 F.3d 56, 61 (2d Cir. 2001) (“For many decades it has been commonplace for merchandising companies to adopt songs, tunes and ditties as marks for their goods or services”). As with a more visually perceptible kind of mark, a sound mark’s level of protection will depend on whether it is inherently distinctive or more common-place and non-distinctive. The Trademark Board has noted that

[A] sound mark depends upon aural perception of the listener which may be as fleeting as the sound itself unless, of course, the sound is so inherently different or distinctive that it attaches to the subliminal mind of the listener to be awakened when heard and to be associated with the source or event with which it is struck. Thus, a distinction must be made between unique, different, or distinctive sounds and those that resemble or imitate “commonplace” sounds or those to which listeners have been exposed under different circumstances.

In re General Electric Broadcasting Company, Inc., 199 U.S.P.Q. 560, 563 (Tr. Tr. & App. Bd., Apr. 12, 1978). The Trademark Board went on to note that, in order to register a sound that falls within the latter category, a proponent must “show that purchasers, prospective purchasers and listeners do recognize and associate the sound with services offered . . . exclusively with a single, albeit anonymous, source.” Id.

In order to show such secondary meaning, a trademark holder must show buyer association at the time and place that the alleged infringer first began use of the mark. Am. Diabetes Ass'n, 533 F. Supp. at 19 (citations omitted); 2 McCarthy, at § 15:4. The Third Circuit has quoted the following articulation of secondary meaning as an “excellent capsule” of the concept:

When a particular business has used words *publici juris* for so long or so exclusively or when it has promoted its product to such an extent that the words do not register their literal meaning on the public mind but are instantly associated with one enterprise, such words have attained a secondary meaning. That is to say, a secondary meaning exists when in addition to their literal, dictionary meaning, words connote to the public a product from a unique source.

Dranoff-Perlstein Associates v. Sklar, 967 F.2d 852, 858 (3d Cir. 1992) (quoting 1 J. Thomas McCarthy, Trademarks & Unfair Competition, § 11:9, at 455-56 (2d ed. 1984)). The Third Circuit has also noted that “[a]lthough there are numerous cases determining secondary meaning, there is no consensus on its elements.” Ford Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 292 (3d Cir. 1991) (quoting Am. Scientific Chemical, Inc. v. Am. Hospital Supply Corp., 690 F.2d 791, 792 (9th Cir.1982)). In determining whether the designation has achieved a secondary meaning, courts have considered: 1) the length and manner of the term’s use, 2) the nature and extent of advertising and promotion, and 3) other efforts at creating a conscious connection in the public’s mind between the designation and the service. Am. Diabetes Ass'n, 533 F. Supp. at 19.

2. Discussion

Plaintiffs’ service mark is the “a quacking noise made by tour guides and tour participants by use of duck call devices” throughout its tours. Plaintiff’s mark is not yet incontestible under § 15 of the Lanham Act as the registration is less than five years old. See 15

U.S.C.A. § 1065. As such, the Court must endeavor to categorize the mark as arbitrary, fanciful, suggestive, or descriptive.

The Court finds that Plaintiff's mark is not inherently distinctive. Quacking is the kind of familiar noise that would not, in this Court's opinion, qualify as so inherently distinctive that proof of secondary meaning is not necessary to link the noise to Plaintiff's provision of an amphibious tour on a World War II DUKW. In order to show a reasonable probability of success on its trademark infringement claim, therefore, Plaintiffs need to produce evidence that the quacking noise produced by its Wacky Quackers has acquired secondary meaning.

The Court finds that Plaintiffs have not produced enough evidence of secondary meaning to show a reasonable likelihood of success on its trademark infringement claim. One seeking to show secondary meaning may proceed either by direct evidence (i.e. testimony from buyers and potential buyers regarding their state of mind) or circumstantial evidence. 4 McCarthy, § 15:30. At the hearing on this matter, Plaintiffs produced no direct evidence as to whether amphibious tour customers associate the sound of a duck quacking with the services offered by Ride the Ducks. In his testimony, Mr. Lewis cited a "guest survey" indicating that repeat customers enjoy collecting a quacker from each city in which Ride the Ducks operates, but Plaintiffs did not offer this survey into evidence.⁵ 1/4/05 Hrng. Tr. at 21. The only evidence offered by Plaintiffs on this point was therefore circumstantial, the quantity and quality of which the Court finds insufficient to carry Plaintiff's burden at the preliminary injunction stage.

⁵ Though the physical quacker does not vary from city to city, the lanyard attached to the quacker contains city-specific information (i.e., the lanyard attached to the Philadelphia quacker says "Philly Ducks" on it, while the Baltimore quacker would say "Baltimore Ducks." 1/4/05 Hrng. Tr. at 23.

First, a review of the record indicates that Ride the Ducks has not shown that it has used the quackers in the Philadelphia market long enough for the sound to acquire a secondary meaning in the minds of the universe of potential amphibious tour customers. Ride the Ducks had only used its quackers in the Philadelphia market for, at most, one full tourist season prior to Super Ducks entry into the market. According to its promotional materials, Ride the Ducks operates from March to November. Pl.'s Hrng. Ex. 25. The first instance of Ride the Ducks' use of the quacker in the Philadelphia market was on or about May 15, 2003, at the commencement of Ride the Ducks' operations in that city. Pl.'s Mot. at 2. Super Ducks did not start using the quacker on its tours until those tours commenced in July of 2004; however, Super Ducks did distribute quackers at an annual convention center event in November of 2003. 1/4/05 Hrng. Tr. at 24. The record reflects, then, that Ride the Ducks was the sole user and distributor of quackers in the Philadelphia market from mid-May of 2003 until November of 2003, with a possible additional four months of use and promotion from March of 2004 until July of 2004, depending on the extent of Super Ducks' promotion of its own quacker prior to beginning its formal tour operations. The Court does not find this to be a sufficient amount of time to establish secondary meaning.

Second, the advertising done by Plaintiffs with respect to the quacker is not directed at establishing the sound of the quacker as representative of Plaintiffs' tour operations. At the January 4, 2005 hearing, Scott Lewis, the Philadelphia general manager for Ride the Ducks, his company advertises its Wacky Quackers through various mediums. 1/4/05 Hrng. Tr. at 21. Mr. Lewis claims that the quackers are the largest feature of the Ride the Ducks promotions. 1/4/05 Hrng. Tr. at 21. The evidence introduced at the hearing bears out Mr. Lewis' statement that the quackers are featured in Ride the Ducks' print campaigns. Its website features a statement that

each tour comes with a free “duck-bill-shaped noisemaker for a quacking good time.” Pl.’s Hrng. Ex. 26. Ride the Ducks also introduced advertising materials known as “rack cards,” which it uses to advertise its Philadelphia tours; the bottom of these cards features the language “free Wacky Quacker with each admission,” as well as a photo of Benjamin Franklin blowing on a quacker. Pl.’s Hrng. Ex. 25. These cards are Ride the Ducks’ primary source of advertising in the Philadelphia region. 1/4/05 Hrng. Tr. at 22.

While Plaintiffs have presented circumstantial evidence from which the Court could find that the public, to some extent, associates the physical quacker itself with the Ride the Ducks experience, Plaintiffs have presented no evidence that a person apprehending a quacking noise on the streets of Philadelphia would reflexively think of the services provided by “Ride the Ducks.” Mr. Lewis’ testimony as to those customers who enjoy collecting quackers from each city in which Ride the Ducks operates only highlights the distinction between the recognizability of the quacker itself, as opposed to the sound it makes. Claire Sewell testified that, in her mind, Ride the Ducks was more associated with the quackers than the phrase “Ride the Ducks,” and that persons in Memphis, Tennessee often recognize her as associated with “the Ducks” when she wears her quacker in public. 1//4/05 Hrng. Tr. at 67-68. Again, this testimony reveals only that customers physically viewing a quacker would associate it with Ride the Ducks; the service mark that Ride the Ducks seeks to assert is for a quacking noise.

Plaintiffs have not produced, to this point, sufficient evidence for the Court to find that they are reasonably likely to show that their service mark is protectible. Therefore, the Court will not move to the second part of the analysis for trademark infringement – a consideration of whether “consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar

mark.” Dranoff-Perlstein Assocs. v. Sklar, 967 F.2d 852, 862 (3d Cir.1992) (quotation marks omitted).⁶ Because Plaintiffs cannot show a likelihood of success, the Court will deny Plaintiffs’ motion for a preliminary injunction based on Super Ducks’ alleged infringement of Ride the Ducks service mark.

B. Trademark Dilution

Plaintiffs also allege that Defendant Super Ducks’ conduct in using a quacker on its amphibious tours is causing irreparable injury to Ride the Ducks’ service mark in violation of 15 U.S.C. §§ 1125(c) and 1127.

1. Standard of Law: Dilution of a Service Mark

A second-comer’s use of a mark that diminishes or dilutes the strong identification value associated with the mark gives rise to a federal cause of action for trademark dilution, even in the absence of bad faith or a likelihood of consumer confusion. Chatam Intern., Inc. v. Bodum, Inc., 157 F. Supp. 2d 549, 560 (E.D. Pa. 2001). The dilution doctrine is designed to protect a senior user’s property rights in a famous trademark from a gradual decline in value resulting from another’s unauthorized use. 4 J. Thomas McCarthy, McCarthy on Trademarks & Unfair Competition § 24:70 (4th ed. 2004). The doctrine is codified at 15 U.S.C. §§ 1125(c), which

⁶ Even if the Court did move to this portion of the analysis, it notes that Plaintiff’s proofs on this point would suffer from the same defect as they did in the secondary meaning analysis. Mr. Lewis admitted that the complaints submitted into evidence by Plaintiffs to demonstrate the public’s confusion as to the difference between the services offered by Ride the Ducks and Super Ducks do not mention, at all, the provision or use of duck call devices. 1/4/05 Hrng. Tr. at 45. Plaintiffs also offers affidavit testimony from Ride the Ducks employees, which indicates that customers and prospective customers are often confused as to the relationship between the two companies, but not because of the use of a duck call. See 1/4/05 Hrng. Tr. at Ex. 14 (stating that the customers were dismayed to find out that their Super Ducks tour was not “the Duck”); Ex. 15 (stating that the customers were dismayed to find themselves traveling down 1-95 at 65mph without a seatbelt and that the water tour was “awful”).

creates:

a federal cause of action to protect famous marks from unauthorized users that attempt to trade upon the goodwill and established renown of such marks and, thereby, dilute their distinctive quality. The provision is intended to protect famous marks where the subsequent, unauthorized commercial use of such marks by others dilutes the distinctiveness of the mark.

15 U.S.C. § 1125(c).

In order to establish a prima facie claim for relief under the federal dilution act, the Plaintiffs must plead and prove: (1) ownership of a mark that qualifies as a "famous" mark in light of the totality of the eight factors listed in § 1125(c)(1); (2) defendant's commercial use in interstate commerce of a mark or trade name; (3) defendant's use began after the plaintiff's mark became famous; and (4) defendant's use causes dilution by lessening the capacity of the plaintiff's mark to identify and distinguish goods or services. Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157, 163 (3d Cir. 2000).

The eight factors to be considered when determining whether a mark is "famous" for purposes of dilution are:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c)(1). The Third Circuit has held that the statute does not require a Court to "strictly apply every factor in the statute." Times Mirror Magazines, Inc., 212 F.3d at 166.

(holding that it was not an abuse of discretion for the district court to fail to analyze three of the

§ 1125(c)(1) factors in determining the famousness of a mark). Other Courts have noted that a review of the list of factors in § 1125(c)(1) indicates the similarities of the famousness analysis with that of the strength of a trademark for infringement purposes, while noting that fame for dilution purposes is much more difficult to prove. See Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2, 117, 131 (D. Mass. 1999) (citing Trustees of Columbia Univ. v. Columbia/HCA Healthcare Corp., 964 F. Supp. 733, 749 (S.D.N.Y.1997)), affirmed by 232 F.3d 1 (1st Cir. 2000).

The Court finds that Plaintiffs have not made a showing that it is reasonably likely to succeed on its claim of trademark dilution. Plaintiffs claim that its mark is famous in the niche market of the Philadelphia tourist industry, specifically that centered around Independence Hall. Plaintiff's assertion of famousness, however, does not make it so. While the Third Circuit has adopted the theory that a mark can be considered "famous" solely by virtue of its prominence in a niche market, Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157 (3d Cir. 2000), Plaintiffs have produced no affirmative evidence of the famousness of its service mark beyond that which the Court found insufficient to make a preliminary showing of distinctiveness.⁷ As a showing of distinctiveness is a less onerous task than a showing of famousness, the Court finds that the record does not currently support a finding that Plaintiffs will be reasonably likely to show its mark is famous.

While the evidence before the Court reveals that the use of quackers by Super Ducks may cause some diminution in Ride the Ducks' ability to distinguish its services through the use

⁷ The Court's analysis in the previous section would explicitly cover Plaintiffs failure to establish famousness under the first three factors in 15 U.S.C. § 1125(c)(1). The Court believes that Plaintiffs have not affirmatively produced evidence of famousness under the remaining five factors that would support a finding of famousness.

of a quacker, Ride the Ducks has not set forth enough evidence of its mark's famousness to ensure a probability of success on its trademark dilution claim. As such, its motion for a preliminary injunction based on trademark dilution is denied.

IV. VIOLATION OF RESTRICTIVE COVENANT AGAINST JOSEPH SAEGER

Defendant Saeger was terminated by Plaintiffs for cause on October 15, 2004. Pls.' Mot. at 4. Ride the Ducks contends that Mr. Saeger almost immediately accepted an offer of employment with Super Ducks on October 18, 2004, in direct contravention of the July 5, 2004 Confidentiality Agreement and Covenant Not to Compete that Mr. Saeger entered into upon his commencement of employment with Plaintiffs. Pls.' Mot. at 5. Ride the Ducks also contend that Saeger is publishing confidential materials to customers and employees of Super Ducks, in contravention of a separate provision in the Agreement. *Id.*

A. Likelihood of Success

To be valid and enforceable under Pennsylvania law, a restrictive covenant must be: (1) ancillary to the taking of employment; (2) supported by adequate consideration; (3) reasonably limited in time and geographic scope; and (4) reasonably designed to safeguard a legitimate interest of the former employer. National Business Services, Inc. v. Wright, 2 F. Supp. 2d 701, 707 (E.D. Pa. 1998) (citing Gagliardi Bros. v. Caputo, 538 F. Supp. 525, 527 (E.D. Pa.1982); Thermo-Guard, Inc. v. Cochran, 596 A.2d 188, 193-94 (Pa. Super. Ct. 1991)). The employee bears the burden of establishing the unreasonableness of the covenant and demonstrating unenforceability. Robert Half of Pennsylvania, Inc. v. Feight, 2000 WL 33223679 *6 (Pa. Ct. Com. Pl., Jun. 29, 2000) (citing John G. Bryant Co. v. Sling Testing & Repair, Inc., 369 A.2d 1164, 1169 (Pa. 1977)).

A court assessing the enforceability of a restrictive covenant must make a threshold

determination as to the existence of a legitimate interest of the employer to be protected. Hess v. Gebhard & Co., Inc., 808 A.2d 912, 920 (Pa. 2002). A restrictive covenant should be drawn only as broadly as is necessary to protect the legitimate business interests of the party seeking to enforce the covenant. Worldwide Auditing Services, Inc. v. Richter, 587 A.2d 772, 591 (Pa. Super. Ct. 1991) (quoting Sidco Paper Co. v. Aaron, 351 A.2d 250, 254 (Pa. 1976)). Pennsylvania courts have held that the protection of specialized training and skills and carefully guarded business methods may rise to the level of a legitimate business interest. Morgan's Home Equip. Corp. v. Martucci, 136 A.2d 838, 846 (Pa. 1957); Thermo-Guard, Inc., 596 A.2d at 193-94. **A non-competition agreement that seeks to eliminate competition or to prevent the employee from competing merely to give the employer an economic advantage is generally not enforceable.** Hess, 808 A.2d at 920-21.

On this threshold issue, Ride the Ducks claims that the legitimate business interests it seeks to protect under the Agreement are the extensive training and confidential information provided to Mr. Saeger during his training period. Pls.' Mot. at 22. Mr. Saeger contests that any confidential information was provided to him during the course of the training, which he also contends was not so specialized as to warrant protection under a non-competition agreement. The Court finds that the Plaintiffs have failed to show, on the present record, that the restrictive covenant is properly tailored and not overbroad with respect to Mr. Saeger. As such, Plaintiffs have not shown a reasonable likelihood of success on its breach of contract claim.

First, the exact activities comprising the training allegedly undergone by Mr. Saeger at Ride the Ducks' direction are unclear on the record before the Court, as is the content of the information imparted to him during that time period. Mr. Kovach testified that the average training period for a Ride the Ducks captain was somewhere between 40 and 70 hours, but there

was absolutely no evidence presented that Mr. Saeger actually completed this amount of training. 1/11/05 Hrng. Tr. at 80. The only first-hand testimony as to the amount of the training received by Mr. Saeger was that of Mr. Saeger, who testified that his training consisted of learning how to operate the Ride the Ducks vehicle and riding along on Ride the Ducks tours two or three times to glean the content of the tour and to learn how to use a quacker. 1/11/05 Hrng. Tr. at 7, 11, 22, 25-26, 35. The four week delay in his procurement of the CDL was apparently due only to a 30 day waiting period imposed by Pennsylvania state law, rather than a need for an extensive training period prior to conducting Ride the Ducks tours. 1/11/05 Hrng. Tr. at 80.

Second, there was no testimony or evidence presented that the training undergone by Mr. Saeger was specialized, nor that any proprietary knowledge or skills were imparted to Mr. Saeger during what constituted his training period. As stated above, Pennsylvania courts have recognized that an employer may use a restrictive covenant to protect the “efforts and moneys” invested in the provision of specialized training in the methods of the employer’s business. Pennsylvania Funds Corp. v. Vogel, 159 A.2d 472 (Pa. 1960) (finding a legitimate business purpose in protecting the extensive and specialized training in the methods and problems of selling mutual fund shares given to employee); see also Thermo-Guard, Inc. v. Cochran, 596 A.2d 188, 193-94 (Pa. Super. Ct. 1991) (recognizing specialized training as a legitimate business interest but finding employer had disseminated only general sales and marketing techniques to its employees). Michael Kovatch, the Ride the Ducks’ manager responsible for captain and maintenance personnel at the time of Mr. Saeger’s employment, testified that the Ride the Ducks’ training was “rigorous” and involved “water safety, road safety, entertainment, information” and how to combine all of these elements into the amphibious tour experience

offered by Ride the Ducks. 1/11/05 Hrng. Tr. at 56-57. Mr. Kovach also testified that the training program includes information as to how the DUKW crafts have been redesigned. 1/11/05 Hrng. Tr. at 59. Ride the Ducks also gave trainees historical information regarding the sites along the tour, as well as working with the captains on their presentation of that information. 1/11/05 Hrng. Tr. at 60. Trainees are also instructed on broader principles of entertainment; for example, Mr. Kovach testified that trainees are shown how to use music as a tool to excite the tour participants (i.e. playing the theme song from the movie “Rocky” as the vehicle begins its tour). 1/11/05 Hrng. Tr. at 62. For his part, Mr. Saeger testified that, whatever the content of his training might have been, he did not remember being told that any information being provided to him during that training period was proprietary and confidential. 1/11/05 Hrng. Tr. at 27.

A review of the topics of Ride the Ducks training does not convince the Court that any specialized knowledge was imparted to Mr. Saeger in the course of his training. Mr. Saeger already possessed several of the skills that Ride the Ducks characterizes as proprietary – his existing Coast Guard license demonstrates his ability to pilot a large craft on water, while his experience in the trucking industry had provided him with the ability to maneuver such a vehicle on land. At most, Mr. Saeger needed to learn how to convert the boat from land operation to water operation, a procedure that requires, according to Mr. Saeger, taking “the wheels out of the drive from the transmission and [putting] the power into the outdrive.” 1/11/05 Hrng. Tr. at 26. Mr. Kovach testified that this process was “counter-intuitive” even for a previously licensed captain or commercially licensed driver. 1/11/05 Hrng. Tr. at 58. Though the process may have been less than instinctive, it still appears to be no more complicated or specialized than other tasks required of a captain or driver of a commercial vehicle. Without more technical

information, the Court cannot find that Ride the Ducks' teaching of the shifting process does not amount to the kind of specialized training that warrants protection via a restrictive covenant.

Additionally, the information related to the historical sites of interest and the manner in which that information is disseminated cannot possibly be described as confidential or protectible. Pennsylvania courts have held that where a competitor can obtain the allegedly confidential information by legitimate means, it will not be given injunctive protection as a trade secret. Tyson Metal Products, Inc. v. McCann, 546 A.2d 119, 122 (Pa. Super. Ct. 1988).

Information about Philadelphia's historical sites is readily available to anyone with access to a library or the internet. Moreover, as Ride the Ducks counsel admitted during the course of the January 11, 2005 hearing, Ride the Ducks broadcasts that information to its customers, the general public, and, most importantly, *Super Ducks* innumerable times a day from March to November.⁸ 1/11/05 Hrng. Tr. at 1135 ("We've got competing businesses that are right next to each other in open air where they can hear our shtick and we can hear their spiel or whatever you want to call it . . ."). The Court remains unconvinced that any of the information allegedly given to Mr. Saeger during his training warrants using a restrictive covenant to insure protection.

The Court recognizes that Ride the Ducks' argument, in part, is that the whole of the information disseminated during its training is greater than the sum of its parts – that it teaches its trainees the way in which Ride the Ducks combines **entertainment, historical information, and a ride on land and on water, to create a memorable** experience for its customers and that this is what is specialized and worthy of protection. The Court, however, believes that this argument is

⁸ Moreover, given the fact that Mr. Saeger, as a driver on the Super Ducks tour, does not narrate or pass along any information whatsoever to customers in the course of a tour, it is difficult to see how, even if the contract was valid, he would be in breach of it for disseminating confidential information to Super Ducks customers.

flawed for the same reason expressed above – Ride the Ducks discloses how all these parts are put together on each tour it conducts. The Court cannot find, on the record before it, any confidential or specialized information imparted during Mr. Saeger’s training that is not disclosed or easily observed during the average Ride the Ducks tour.

The Court finds that Plaintiffs have not shown a reasonable likelihood of success on its violation of restrictive covenant claim, as the Agreement between Ride the Ducks and Mr. Saeger does not appear, at this time, to be designed to safeguard a legitimate business interest.

V. TORTIOUS INTERFERENCE WITH CONTRACT AGAINST SUPER DUCKS

Plaintiffs also argue that Defendant Super Ducks’ employment of Defendant Saeger amounts to tortious interference with contract, and requests that this Court require Super Ducks to terminate Mr. Saeger as well as to prohibit Defendant Super Ducks from employing any other person who worked for Plaintiffs and was similarly bound by a non-compete agreement.

Under Pennsylvania law, a cause of action for tortious interference with contractual relations has the following elements: (1) the existence of a contractual relation between the plaintiff and a third party; (2) purposeful action on the part of the defendant, specifically intended to harm the existing relation; (3) the absence of privilege or justification on the part of the defendant; and (4) actual legal damage to plaintiff as a result of the defendant's conduct.

CGB Occupational Therapy, Inc. v. RHA Health Servs. Inc., 357 F.3d 375, 384 (3d Cir. 2004) (citing Crivelli v. General Motors Corp., 215 F.3d 386, 394 (3d Cir.2000); Pawlowski v. Smorto, 588 A.2d 36, 39-40 (Pa. Super. Ct. 1991)).

As the Court has determined above that Plaintiffs have failed to carry its burden of showing a likelihood of success on Mr. Saeger’s breach of his employment contract, the Court cannot find that Plaintiffs have a likelihood of success of prevailing on its tortious interference

with contract claim.

VI. CONCLUSION

On the record before this Court, Plaintiffs have failed to make a preliminary showing that it should be granted a monopoly over the common sound of a duck call simply because it was the earlier user. Plaintiffs have also failed to make a showing that its restrictive covenant with Mr. Saeger is enforceable and therefore a basis for issuing a preliminary injunction that would lead Mr. Saeger to lose his employment and Super Ducks to lose an employee.

Plaintiff's motion for a preliminary injunction is therefore DENIED. An appropriate Order follows.

