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IN THE SUPREME COURT OF FLORIDA
TALLAHASSEE, FLORIDA

CLERK, SUPREME COURT.

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CASE NO. 80,414

GREAT SOUTHERN BANK,

Petitioner,

vs.

FIRST SOUTHERN BANK, a Florida
banking corporation,

On Certified Question From
The Fourth District Court of Appeal

RESPONDENT'S ANSWER BRIEF

Respectfully Submitted,

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TABLE OF CONTENTS

	<u>Page</u>
Table of Citations	ii
Statement of the Case and Facts	1
Preface	1
Summary of Argument	7
Argument	9

THE TRIAL AND APPELLATE COURTS
PROPERLY FOUND THAT RESPONDENT
"FIRST SOUTHERN BANK" IS AN
ARBITRARY NAME, ENTITLED TO
PROTECTION UNDER FLORIDA
STATUTE §495.151 WHERE
PETITIONER "GREAT SOUTHERN
BANK" OFFERS IDENTICAL BANKING
SERVICES IN AN OVERLAPPING
MARKET, RESULTING IN THE
LIKELIHOOD OF CONFUSION OR
DILUTION OF THE RESPONDENT'S
NAME.

Conclusion	27
Certificate of Service.	28

TABLE OF CITATIONS

	<u>Page</u>
<u>Alford v. Barnett National Bank,</u> 188 So. 322 (Fla. 1939);	10
<u>American Bank of Merritt Island v.</u> <u>First American Bank and Trust,</u> 455 So.2d 443 (Fla. 5th DCA 1984	15, 19, 26
<u>American Bank of Merritt Island v. Way,</u> 757 F.2d at 1185	26
<u>American Heritage Life Insurance Company</u> <u>v. Heritage Life Insurance Company,</u> 494 F.2d 3 (5th Cir. 1974)	19
<u>American Optical Corporation v.</u> <u>North American Optical Corporation</u> 489 F. Supp. 443 (N.D.N.Y. 1979)	26
<u>American Television and Communication Corp.</u> <u>v. American Communications and Television, Inc.,</u> 810 F.2d 1546 (11th Cir. 1987)	20
<u>Atlantic C.L.R. Company v. Baynard,</u> 151 So. 5 (Fla. 1933)	10
<u>Armco, Inc. v. Armco Burglar Alarm Co.,</u> 693 F.2d 1155 (5th Cir. 1982)	8, 12
<u>Bastrop National Bank v. First National</u> <u>Bank of Bastrop, No. 83-2064</u> (W.D. LA Oct. 21, 1983) (Westlaw, 1983 W.L. 442).	17
<u>A. J. Canfield Company v. Honickman,</u> 808 F.2d 291, 296 (3d Cir. 1986).	14, 16
<u>Century Distilling Co. v. Continental</u> <u>Distilling Corp.,</u> 23 F. Supp. 705 (E.D. PA 1938)	15, 21
<u>Dieter v. D & H Industries of Southwest</u> <u>Florida, Inc.,</u> 880 F.2d 322 (11th Cir. 1989)	13
<u>Dixie Oil Co. v. Picayune, 66 Oil Co.,</u> 246 So.2d 839 (Miss. 1971)	21

<u>In Re: Estate of Donner,</u> 364 So.2d 742 (Fla. 3d DCA 1978)	10
<u>Exxon Corp. v. Texas Motor Exchange of Houston, Inc.,</u> 628 F.2d 500 (5th Cir. 1980)	8, 25
<u>First Southern Federal Savings & Loan Association of Mobile, Alabama v. First Southern Federal Savings & Loan Association of Jackson County, Mississippi,</u> 614 F.2d 71 (5th Cir. 1980).	20
<u>Franklin Mint Corp. v. Master Mfg. Co.,</u> 667 F.2d 1005, 1007	17
<u>Freedom Savings & Loan Association v. Way,</u> 757 F.2d 1176 (11th Cir. 1985)	8,11,12,13,16,21,23
<u>Gaeta Cromwell, Inc. v. Banyan Lakes Village,</u> 523 So.23 624 (Fla. 4th DCA 1988).	11,13,16,19
<u>Gold Kist, Inc. v. Conagra, Inc.,</u> 708 F. Supp. 1291 (N.D. GA 1989)	8,12,13,14,17,23,26
<u>Great Western Financial Corporation v. Great Western Savings & Loan Association of Oklahoma City,</u> 406 F. Supp. 1286 (W.D. Okla. 1975)	18
<u>Greenwood v. Oates,</u> 251 So.2d 665 (Fla. 1971).	10
<u>Investacorp, Inc. v. Arabian Investment Banking Corp. (Investcorp), E.C.,</u> 722 F. Supp. 719 (S.D. FL 1989).	15
<u>Jellibeans Inc. v. Skating Clubs of Georgia, Inc.,</u> 716 F.2d 833, 841 n.18 (11th Cir. 1983).	13
<u>Kellogg Co. v. National Biscuit Co.,</u> 305 U.S. 111 (1938)	14, 21
<u>E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l. Imports, Inc.,</u> 756 F.2d 1525, 1531 (11th Cir. 1985)	24

New West Corporation v. NYM Company of California, Inc., 595 F.2d 1194 (9th Cir. 1979) 27

Quality Courts United, Inc. v. Jones, 59 So.2d 20 (Fla. 1952) 22

Safeway Stores, Inc. v. Safeway Discount Drugs, 675 F.2d 1160 (11th Cir. 1982). 17

Strawgate v. Turner, 339 So.2d 1112 (Fla. 1976). 10

Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Assoc., 651 F.2d 311 (5th Cir. 1981) 659 F.2d 1079 (5th Cir. 1981) 22

Tio Pepe, Inc. v. El Tio Pepe De Miami Restaurant, Inc., 523 So.2d 1158 (Fla. 3d DCA 1988) 21

Union National Bank of Texas, Laredo, Texas v. Union National Bank of Texas, Austin, Texas, 909 F.2d 839 (5th Cir. 1990) 18

Vision Center v. Opticks, Inc., 596 F.2d 111 (5th Cir. 1979) 8, 14

Western Bank v. Western Bancorporation, 617 P.2d 258 (Or. App. 1980) 22

Williamson v. Answer Phone of Jacksonville, Inc., 118 So.2d 248 (Fla. 1st DCA 1960). 22, 26

Zatarianis, Inc. v. Oak Groves Smokehouse, Inc., 698 F.2d 786 (5th Cir. 1983) 14

PREFACE

Respondent, First Southern Bank, was the Plaintiff in the trial court and the Appellee before the Fourth District Court of Appeal. Petitioner, Great Southern Bank, was the Defendant in the trial court and Appellant before the Fourth District Court of Appeal. The parties will be referred to as the Petitioner and the Respondent or by their proper names¹

STATEMENT OF THE CASE AND FACTS

Petitioner, Great Southern Bank's, statements of the case and facts are essentially correct. However, Petitioner has totally ignored certain salient facts upon which the trial court based its conclusion that Respondent, First Southern Bank, is entitled to protection under Florida Statute §495.151 to protect against a likelihood of injury or a dilution of the distinctive quality of Respondent's trade name. Therefore, pursuant to Fla. R. App. P. 9.210(c), First Southern Bank would point out the following facts considered by the trial court:

In 1986, Respondent received formal approval from the State of Florida, the Federal Reserve and the FDIC for operation of a state

¹ References to the record on appeal will be as follows: (R. ____). References to the transcription of the trial, which appears on pages 1-139 of the record, will be as follows: (Tr. ____). References to trial exhibits will be as follows: (P. or D.Ex. # ____). References to Petitioner's brief will be as follows: (PB. ____).

charter bank in Boca Raton, Palm Beach County, Florida, under the name "First Southern Bank." (Tr. 85-86). First Southern Bank opened its doors in September 1987. (Tr. 86).

On November 16, 1988, the Department of Banking and Finance approved a name change for Great Southern Bank to its present name and granted a charter for the institution. (R. 177). Sometime within the next thirty (30) days, Phyllis Green, the president of Green Advertising Associates, the marketing agency for First Southern Bank, saw a story in the Palm Beach Post about a bank that was going to open in the Spring of 1989 - Great Southern Bank. (Tr. 49,54). Concerned with Great Southern Bank's use of a confusingly similar name within the same marketing area of First Southern Bank (Palm Beach County), Phyllis Green brought her concern to the attention of First Southern Bank's marketing committee at its next regularly scheduled Friday meeting. (Phyllis Green, T.p. 49). Immediately thereafter, Brian Sherr, the Chairman of the Board of First Southern Bank, telephoned a Director of Great Southern Bank about that Bank's use of a confusingly similar name. (Tr. 88-89). This was followed on December 23, 1988, by a letter from First Southern Bank's law firm to Great Southern Bank demanding that it change its name. (Tr. 88-89); (P.Ex. #3).

However, the members of the Board of Directors for Great Southern Bank ignored First Southern Bank's demand and voted on January 3, 1989 to retain its name. (Tr. 57); (Tr. 65-66). The

vote was followed ten days later by a letter to First Southern Bank indicating Great Southern Bank would retain its name. (P.Ex. #4).

Three months after its January 13, 1989 letter to First Southern Bank, Great Southern Bank opened its doors on April 17, 1989 in Lantana, Palm Beach County, Florida, only 15 to 20 miles away from First Southern Bank, offering the identical banking services as First Southern Bank, with a primary services area boundary only six to eight miles away from Respondent's, with actual service areas overlapping, and with plans to expand in Palm Beach County coinciding with First Southern's plans, further exacerbating the problem. (Tr. 65,75-78,129,130).

In March 1989, First Southern Bank sued Great Southern Bank for Common Law Trade Name Infringement (Count I), Common Law Unfair Competition (Count II) and Statutory Injury to Business Reputation or Dilution of Trade Name (Count III). The remedy sought for each was an injunction against Great Southern Bank's use of a name similar to First Southern Bank's.

At trial, First Southern Bank introduced evidence of actual confusion between the names. ADP, the data processing firm which handles Great Southern Bank's and First Southern Bank's payroll checks, obviously was confused when its messenger misdelivered Great Southern Bank's payroll checks to First Southern Bank. (Tr. 76,79). Further, in the spring of 1989, a retired bank officer applied to First Southern Bank for a loan. (Tr. 69-70).

While making his application, he inquired about First Southern Bank's new branch that had opened in Lantana. When he was told that First Southern Bank had not opened a branch in Lantana, he specifically said that he was confused, because he had heard that it had. (Tr. 70). Not coincidentally, Great Southern Bank opened its doors in Lantana in the spring of 1989. (Tr. 65).

Further, Great Southern Bank's own expert, David Starke, demonstrated the similarity and confusion between the names. Indeed, Mr. Starke could not keep similar names straight. In referring to the takeover of CenTrust, he referred to Great Western Bank as "First Western"! (Tr. 117).

The expert opinion strongly supported the public's confusion between the names of the two banks. (Tr. 16,30,31,34). Dr. Gertz, a specialist in survey research and data analysis, found that people in Palm Beach County, even customers of First Southern Bank, do not distinguish between the names First Southern Bank and Great Southern Bank. (Tr. 34). Indeed, the Palm Beach County residents simply cannot tell the names apart. (Tr. 16,30,31,34).

First Southern Bank's advertising manager, Phyllis Green, who has an extensive background in the marketing industry (Tr. 48-49) and has had experience with name confusion in her marketing career (Tr. 50), immediately recognized the problem of customer confusion and likelihood of injury when she first saw an advertisement for

Great Southern Bank in the Palm Beach Post (Tr. 49-50), a paper in which both banks advertise. (Tr. 53); (Tr. 130); P.Ex #s 2,8).

The former Assistant Comptroller for the State of Florida, Raymond Vickers, who has an extensive background in banking history and with bank names, testified that the names First Southern Bank and Great Southern Bank not only were similar, but were confusingly similar (D.A.p. 27-28,34,38)² (D.B.p. 21-22). Professor Vickers testified that in his experience with de novo banks as Assistant State Comptroller, he would have advised Great Southern Bank to change its name immediately upon receipt of First Southern's Bank's demand letter, especially because it had just started using the name, had not opened yet and the expense would be minimal (D.A.p. 34-37,39,41,44,49-50).

Mr. Vickers testified further that First Southern Bank may indeed be injured as a result of the confusion between the two banks' names. Professor Vickers testified that, as a bank historian, it is not uncommon for a run on one bank to trigger a run on an unrelated bank with a similar name. (D.A. 50-52). An example of the type of adverse publicity which could trigger problems for a bank is that which has befallen a director of Great

² Professor Vickers' testimony was presented to the court through his two depositions (T.P. 81-82). "D.A. _____" refers to his first deposition, taken on February 6, 1990, and "D.B. _____" refers to his second deposition, taken on July 14, 1990. The trial court accepted and read both depositions without objection by Great Southern Bank.

Southern Bank who has since resigned. (D.B. 17-21). John Flanagan ran into personal, financial and adverse publicity problems resulting from a relationship which his general contracting company had with J.F.K. Medical Center. (Tr. 57-60). The situation with John Flanagan is just one example of what could happen. The possibilities are limitless and certainly have occurred in banking in recent years. (D.B. 17-21). In a de novo bank, this sort of adverse publicity could be devastating. Id.

The trial court also heard testimony that the sound, cadence and connotation of the two banks' names are strikingly similar. "First Southern Bank" and "Great Southern Bank" have the same amount of letters in their names. Their names have the same amount of syllables. Out of 17 letters, 14 are exactly the same. (Tr. 91-92). Even the connotations brought up by the only different words in the names are the same. Dr. Gertz' survey indicated that in the public's "mind" the words "great" and "first" have a similar meaning to "superior" and "chief." (T.p. 34-35).

On the basis of evidence presented at trial, the trial court granted a Final Judgment in favor of First Southern Bank, and enjoining Great Southern Bank from using that name. In its findings of fact and conclusions of law, the trial court held that the name "First Southern Bank" is a fictitious, arbitrary, fanciful or suggestive name and not a descriptive, geographic or generic name, requiring by actual usage a secondary meaning. It was the

finding of the trial court that the greater weight of the evidence proved that there exists a likelihood of injury to the business reputation of Respondent by the Petitioner's continued use of the name "Great Southern Bank"; that the names of the parties are confusingly similar; and that there exists the likelihood of confusion among customers within overlapping market areas. Upon review, the Fourth District affirmed, stating:

Neither the word "First" nor the word "Southern" describes the services offered at Appellee's bank. Therefore, we hold that the trial court correctly found that the name "First Southern Bank" was an arbitrary or fanciful name. We also hold that the trial court's factual findings satisfy the statutory requirements for trade name protection.

(P.B. Appendix 6)

The Fourth District subsequently denied Great Southern Bank's Motion for Rehearing and granted Petitioner's Motion for Certification to the Florida Supreme Court. (P.B. Appendix 1).

SUMMARY OF ARGUMENT

The trial and appellate courts correctly determined that the trade name "First Southern Bank" is entitled to protection under the Florida Anti-dilution Statutes §495.151 and therefore granted injunctive relief against the dilution of that name by use of the name "Great Southern Bank." The criteria utilized to determine whether a trade name is entitled to such protection under the Florida Statutes include: type of service mark; similarity in

services; similarity of mark; identity of purchaser; similarity in advertising campaigns; prior use; defendant's intention; and actual confusion. Freedom Savings & Loan Association v. Way, 757 F.2d 1176 (11th Cir. 1985). No one of these factors is pre-eminent, nor is it necessary to demonstrate that all of these factors lie in favor of the plaintiff in order to find that a mark or a name is entitled to protection. Armco, Inc. v. Armco Burglar Alarm Co., 693 F.2d 1155 (5th Cir. 1982). Nonetheless, Respondent has met all of the criteria supporting protection under Florida Statutes §495.151.

Contrary to Petitioner's assertions, Respondent has demonstrated that "First Southern Bank" is a fictitious, arbitrary or fanciful name, and therefore entitled to fullest protection. Gold Kist, Inc. v. Conagra, Inc., 708 F. Supp. 1291 (N.D. GA 1989). The term is not generic, descriptive or geographical. See Vision Center v. Opticks, Inc., 596 F.2d 111 (5th Cir. 1979). The banking services offered by First Southern Bank and Great Southern Bank are not only similar, but are identical, as demonstrated in the record. Furthermore, the evidence presented indicates that the two names or marks are similar in appearance, sound and meaning. Additionally, there is identity of purchasers as the two banks offered their identical services in an overlapping market. See Exxon Corp. v. Texas Motor Exchange of Houston, Inc., 628 F.2d 500 (5th Cir. 1980). The record demonstrates similarity in advertising

campaigns, and establishes that the Defendant/Appellee/Petitioner intended to capitalize on resulting confusion by adopting a confusingly similar name. Further, the record demonstrates the prior use by the Respondent of the name being protected.

On the basis of the evidence, the trial court determined that "First Southern Bank" is a protected name and entitled to injunctive relief to prevent the competing use of the name "Great Southern Bank." Based upon the abundance of evidence that First Southern Bank is entitled to relief under Florida Statute §495.151, the trial court entered its injunction. (R. 245). An appeal ensued and the Fourth District affirmed the trial court's conclusion in favor of First Southern Bank. Petitioner is unable to demonstrate that the findings of the trial and appellate courts were clearly erroneous, and on that basis, the opinion below must be affirmed.

ARGUMENT

THE TRIAL COURT AND THE FOURTH DISTRICT PROPERLY FOUND THAT RESPONDENT "FIRST SOUTHERN BANK" IS AN ARBITRARY NAME, ENTITLED TO PROTECTION UNDER FLORIDA STATUTE §495.151 WHERE PETITIONER "GREAT SOUTHERN BANK" OFFERS IDENTICAL BANKING SERVICES IN AN OVERLAPPING MARKET, RESULTING IN THE LIKELIHOOD OF CONFUSION OR DILUTION OF THE RESPONDENT'S NAME.

The trial court determined, upon presentation of witness testimony and exhibits entered into evidence by the parties, that the name "Great Southern Bank" is similar to the name "First

Southern Bank" and that the "First Southern Bank" was the first to use that name. The court found that because of the similarity between the names in an overlapping market of identical services, "there exists a likelihood of injury to the business reputation or dilution of the trade name 'First Southern Bank'." (R. 245). Accordingly, the court concluded that First Southern Bank is entitled to protection under Florida Statutes §495.151. This conclusion, based upon the evidence presented and affirmed by the Fourth District, should not be disturbed absent a showing that the trial court's finding was clearly erroneous. See Freedom Savings & Loan Association v. Way, 757 F.2d 1176 (11th Cir. 1985), cert. denied 474 U.S. 845 (1985); Armco Inc. v. Armco Burglar Alarm Co., 693 F.2d 1155 (5th Cir. 1982). In this case, the trial court's conclusion, based upon the governing criteria, was not clearly erroneous, but eminently correct. A judgment by the trial court, as well as the findings in support thereof, are generally presumed to be correct. Alford v. Barnett National Bank, 188 So. 322 (Fla. 1939); Strawgate v. Turner, 339 So.2d 1112 (Fla. 1976); In Re: Estate of Donner, 364 So.2d 742 (Fla. 3d DCA 1978). Even if there had been any doubt as to the correctness of the ruling below, such doubt was properly resolved in favor of the action of the trial court and affirmed. Atlantic C.L.R. Company v. Baynard, 151 So. 5 (Fla. 1933); Greenwood v. Oates, 251 So.2d 665 (Fla. 1971). There is nothing in the record nor in Florida statutes which suggests

that the result in this matter should be other than that arrived at by the trial court.

Section 495.151 of the Florida Statutes provides, in pertinent part;

Every person . . . adopting and using a . . . trade name . . . may proceed by suit, and all courts having jurisdiction thereof shall grant injunctions, to enjoin subsequent use by another of the same or any similar . . . trade name . . . if it appears to the court that there exists a likelihood of injury to business reputation or of dilution of the distinctive quality of . . . trade name . . . of the prior user, notwithstanding the absence of competition between the parties or of confusion as to the source of . . . services. (emphasis added)

Petitioner would have this Court believe that the only criterion in determining whether First State Bank is entitled to protection under §495.151 is a bright-line categorical determination of the name "First State Bank." This totally ignores the law that a determination of the likelihood of confusion regarding a given trade name depends on several criteria. See Freedom Savings & Loan Association v. Way, 757 F.2d 1176 (11th Cir. 1985); Gaeta Cromwell, Inc. v. Banyan Lakes Village, 523 So.2d 624 (Fla. 4th DCA 1988). These criteria include: type of service mark; similarity in services; similarity of mark; identity of purchasers; similarity in advertising campaigns; defendant's intention and actual confusion. Freedom Savings & Loan Association, supra. A "finding of likelihood of confusion need not be supported by a

majority" of the factors enumerated. Armco, Inc. supra, 693 F.2d at 1159. "No factor is pre-eminent, nor is the existence or lack of any one factor determinative of the outcome." Gold Kist, Inc. v. Conagra, Inc., 708 F. Supp. 1291, 1296 (N.D. GA 1989) (analyzing the analogous Federal and Georgia statutes regarding trademark infringement and trade practices). Indeed, the court must evaluate the total picture, including the factors enumerated above. Armco, Inc., supra, 693 F.2d at 1160.

Based upon the totality of the facts presented, the courts below determined that First Southern Bank's mark comes within the ambit of Florida Statute §495.151. As discussed above, this determination should not be reversed without a showing that the trial court's judgment was clearly erroneous, particularly after the Fourth District has concluded that no such showing was made.

In its initial brief, Petitioner has ignored all but one of the factors to be considered, arguing that "First Southern Bank" is not the "strong" type of mark that deserves protection. This argument is erroneous as demonstrated below. Moreover, the relative strength of the mark must be viewed along with all other factors. Freedom Savings & Loan Association, supra, 757 F.2d at 1182-1186. These factors will be addressed below. The trial court in this case, weighing the facts, concluded that First Southern Bank was entitled to the protection of §495.151 of the Florida Statutes.

TYPE OF MARK

Petitioner is correct in alleging that First Southern Bank's entitlement to enjoin Great Southern Bank from continuing to use that name may depend, in part, upon whether the name "First Southern Bank" is: (1) fictitious, arbitrary or fanciful; (2) suggestive; (3) descriptive or geographic; or (4) generic. The first two of these categories are afforded the highest protection. The third category is protected only when a name has acquired a secondary meaning, and the fourth category is afforded no protection. Gaeta Cromwell, Inc. v. Banyan Lakes Village, 523 So.2d 624 (Fla. 4th DCA 1988), rev. denied, 531 So.2d 1353 (Fla. 1988), and Dieter v. D & H Industries of Southwest Florida, Inc., 880 F.2d 322 (11th Cir. 1989). However, Petitioner is incorrect in attempting to categorize "First Southern Bank" as anything other than fictitious, arbitrary or fanciful, as determined by the trial and appellate courts.

An arbitrary or fanciful mark is a "word in common use, but applied to a product or service unrelated to its meaning, so that the word neither describes nor suggests the product or service." Gold Kist, Inc., supra, 708 F. Supp. at 1296 (quoting Jellibeans Inc. v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 841 n.18 (11th Cir. 1983)); see also Freedom Savings & Loan Association v. Way, 757 F.2d 1176, 1183 (11th Cir. 1985). In other words, the words do not actually describe the product being sold or any

specific trait of the product. Gold Kist, Inc., supra, 708 F. Supp. at 1296.

Petitioner has attempted to argue that "First Southern Bank" is a generic term, deserving no protection, rather than an arbitrary or fanciful term. This argument confuses words in common usage (as part of an arbitrary trade name) and generic words. While "first" and "southern" are commonly used words and clearly understood by the general public, as a matter of law they are not "generic" for purposes of protection of the trade or service mark. A generic term "functions as the common descriptive name of a product class." A. J. Canfield Company v. Honickman, 808 F.2d 291, 296 (3d Cir. 1986). Unlike the terms "aspirin" or "cellophane" which have been ruled to be generic because they now are understood by the public to refer to all pills of acetyl salicylic acid or clear plastic protective wrapping, neither "first" nor "southern" are understood by the public to refer solely to the services provided by the Respondent. See Id.; Zatarianis, Inc. v. Oak Groves Smokehouse, Inc., 698 F.2d 786 (5th Cir. 1983).

Neither is Petitioner correct in attempting to characterize the term "First Southern Bank" as descriptive or geographic. To be descriptive, a name must describe the product or services provided. E.g. Vision Center v. Opticks, Inc., 596 F.2d 111 (5th Cir. 1979) (vision describes the center's services); see also Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) ("shredded wheat"

describes the product). The terms "first" or "southern" or the combination thereof as "first southern" in no way describe the nature of the services provided by the appellee bank. Nothing in either term nor the conjunction thereof describes banking services. See Investacorp, Inc. v. Arabian Investment Banking Corp. (Investcorp), E.C., 722 F. Supp. 719 (S.D. FL 1989).

Neither can the term "first southern" be held properly to be geographic in nature. Again, Petitioner appears to look at the word "southern" and assume that, because it refers to a direction on the compass, it is geographic in nature. As a matter of law, this is not the case. For example, the court in American Bank of Merritt Island v. First American Bank and Trust, 455 So.2d 443 (Fla. 5th DCA 1984) points out that courts generally hold that the term "american" is not geographical at all because it is not used to distinguish geographically one product or service from a similar product or service of foreign denomination. "First Southern" with regard to banking services does not by any stretch of the imagination indicate that this banking institution is limited to a specific location, nor that it is somehow the southernmost such bank available, nor that its clientele is limited to supporters of the Confederacy, to the exclusion of "Yankee" money. See Century Distilling Co. v. Continental Distilling Corp., 23 F. Supp. 705 (E.D. PA 1938) ("Dixie" not geographic term). To consider such an appellation geographic would be akin to a claim that the term "Sun

Bank" implies a branch office on that fiery orb. See Freedom Savings & Loan Association v. Way, 757 F.2d 1176, 1183 n.5 (11th Cir. 1985), cert. denied 474 U.S. 845 (1985) Gaeta Cromwell, Inc. v. Banyan Lakes Village, 523 So.2d 624 (Fla. 4th DCA 1988). In the latter case, the appellate court affirmed injunctive relief against the use of the trade name, and held that the term "Congress Park" was not geographic in nature, despite the fact that "Congress" was the name of the street on which the enterprise in question was located.

Petitioner's own illustration demonstrates the absurdity of its argument. In its initial brief at page 9, Petitioner argues that each separate word of Respondent's name is either geographic or generic, and offers this illustration of its point: [t]he name "First Southern Bank is no more protectable than the name Southern Fried Chicken." Petitioner forgets that the term "Southern Fried Chicken" "functions as the common descriptive name of a product class." A. J. Canfield Company v. Honickman, 808 F.2d 291, 296 (3d Cir. 1986). Like "aspirin" or "cellophane", it is a generic because it is understood by the public as referring to a type of product. Id. Obviously, "First Southern Bank" does not function as a common descriptive name of a product class. Thus, the name is truly arbitrary as a matter of law, i.e., a word in common usage that does not describe the product.

The appellant further ignores the necessity that the terms in the name of the Respondent bank be looked at as a whole, rather than as individual words. Simply showing that a significant number of other parties may use a particular word is not sufficient. The primary consideration is the entire name, and the kinds of business that the parties are engaged in. Safeway Stores, Inc. v. Safeway Discount Drugs, 675 F.2d 1160 (11th Cir. 1982). See also Bastrop National Bank v. First National Bank of Bastrop, No. 83-2064 (W.D. LA Oct. 21, 1983) (Westlaw, 1983 W.L. 442), in which the United States District Court stated:

[W]e find that here, defendant is about to engage in the banking industry, in which plaintiff is already engaged, under the same name as plaintiff's except as to the first word. . . . Considered as a whole, these words have acquired a secondary meaning. . . . See also Franklin Mint Corp. v. Master Mfg. Co., 667 F.2d 1005, 1007 (U.S. Ct. of Customs and Patent App., 1981) (as to trade marks 'a mark should not be dissected and considered piece meal' in determining the likelihood of confusion).

Finding that the words of the plaintiff bank's name, when used together, have acquired a secondary meaning within the community, that court enjoined the defendant from using its name.

When looking at third party uses, the court must consider both the entire name used by the third party user as well as the kind of business in which the user is engaged. See Id. Gold Kist, Inc., supra, 708 F. Supp. 1291. In its brief, Petitioner cites a number

of banks or other corporations utilizing the word "southern" as well as another number of businesses utilizing the term "first." This analysis is flawed for two reasons: First, it does not, as Petitioner has admitted, consider the comparable use of the complete term "First Southern Bank." Petitioner failed to demonstrate any business, anywhere in Florida, with the combined name "First Southern." Secondly, and most importantly, Petitioner failed to demonstrate banks using the name First Southern in the relevant subject geographic market.³ Indeed, the inquiry is not the mere existence of third parties using the name. The inquiry must include the nature of the business of any third party user and whether that third party directly competes in the geographic market. Id. at 2397; see also Union National Bank of Texas, Laredo, Texas v. Union National Bank of Texas, Austin, Texas, 909 F.2d 839 (5th Cir. 1990) and Great Western Financial Corporation v. Great Western Savings & Loan Association of Oklahoma City, 406 F. Supp. 1286 (W.D. Okla. 1975). In Union National, the court further considered whether others in the same business would generally need the terms in question to adequately describe their product or service. Clearly, the Petitioner does not need the term "southern"

³ The court in Gold Kist held that the mere introduction of copies of registrations in third parties is insufficient. The third parties must be shown to be using the names in the same type of business, in competition with the plaintiff for information of third party use to be any meaning. 708 F. Supp. at 1297.

to adequately describe its banking services and could easily have adopted another nonconflicting name when advised of the potential conflict by the Respondent well in advance of the date on which Petitioner opened its bank facilities in Florida.

Finally, it must be pointed out that each and every case cited by the Petitioner in its brief is clearly either distinguishable as a matter of fact or law, or can be shown to stand for a legal proposition that actually supports the position of the Respondent. Gaeta Cromwell, Inc., cited above, affirmed injunctive relief against use of the trade name, holding that the term "Congress Park" was arbitrary, and not geographic or descriptive, despite the location of the enterprise in question and despite the general dictionary definitions of the individual terms contained therein. Similarly, in American Bank of Merritt Island v. First American Bank and Trust, 455 So.2d 443 (Fla. 5th DCA 1984), the court held that while the three separate words in "First American Bank" may be considered generic, the use of those words in conjunction creates a protected situation. That court held that the terms "American" and "bank," despite their individual nature, when used together do not create a generic term such as "shredded wheat."

American Heritage Life Insurance Company v. Heritage Life Insurance Company, 494 F.2d 3 (5th Cir. 1974) states that the term "generic" conveys information about the nature of services or product provided, and that a descriptive term identifies

characteristics of the service, color or odor, function, dimensions or ingredients thereof. Neither "first" nor "southern," let alone "first southern" are suggestive of the basic nature of the services provided by the appellee bank. This is unlike the situation in American Television and Communication Corp. v. American Communications and Television, Inc., 810 F.2d 1546 (11th Cir. 1987), also cited by Petitioner. There, the subject name truly described the services provided, television and communication services, and the mark was therefore held to provide a description of such services. However, that court held that if the name bears no relationship to the product or service, it is protectable without proof of secondary meaning. Id. at 1549. Again, neither "first" nor "southern" are terms descriptive of the service provided and are therefore protectable by virtue of the interpretation of law provided by the Eleventh Circuit Court.

First Southern Federal Savings & Loan Association of Mobile, Alabama v. First Southern Federal Savings & Loan Association of Jackson County, Mississippi, 614 F.2d 71 (5th Cir. 1980) supports Respondent's position that the court's findings regarding the likelihood of confusion should not be disturbed, absent a showing of clear error. Moreover, contrary to Petitioner's presentation, the court in that case looked to several factors, in addition to the type of mark, to determine if, under Mississippi law, the similarity was "reasonably calculated to deceive the public and

injure appellant." Id. at 74. Again, the court deferred to the trial court's findings in this regard. The court also focused on the Erie doctrine to point out that its conclusion was based on Mississippi law. Compare Dixie Oil Co. v. Picayune, 66 Oil Co., 246 So.2d 839 (Miss. 1971) ("Dixie" not protected when parties are over 100 miles apart, with no overlapping territory) with Century Distilling, supra, ("Dixie" is protected). Furthermore, the Mississippi case of First Southern is distinguishable to the extent that the two institutions in question there were located in separate states, as their respective names clearly indicate, whereas those in the instant case are in competition in a relatively limited geographical area. Although the owner of a service mark does not have to be in direct competition with a subsequent user in order to maintain a cause of an action under Florida's anti-dilution statute, such competition or potential competition is a significant factor which may be considered in such matters. Tio Pepe, Inc. v. El Tio Pepe De Miami Restaurant, Inc., 523 So.2d 1158 (Fla. 3d DCA 1988).

Freedom Savings & Loan, cited above, supports the argument that the term "first southern" is not suggestive of the financial services provided by a bank and therefore would be highly protected as arbitrary or fanciful, similarly to "sun bank." Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) simply holds that generic names are not protectable if they communicate information regarding

the nature or class of the article or service, such as "shredded wheat." Where a name does not communicate such information regarding the nature or class of services provided, protection is certainly and clearly proper.

Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Assoc., 651 F.2d 311 (5th Cir. 1981), reh. denied, 659 F.2d 1079 (5th Cir. 1981) hinges on the finding that the single word "Sun" used in conjunction with a financial institution is so pervasive in Florida and in nationwide markets that it was so diluted that there was "no likelihood of confusion." Id. at 316. However, the court pointed out that several other factors must be considered, as discussed below. In three other cases cited by Petitioner, the appellate courts also found a likelihood of confusion in enjoining the use of the competing trade names. See Quality Courts United, Inc. v. Jones, 59 So.2d 20 (Fla. 1952); Williamson v. Answer Phone of Jacksonville, Inc., 118 So.2d 248 (Fla. 1st DCA 1960); and Western Bank v. Western Bancorporation, 617 P.2d 258 (Or. App. 1980). In Western Bank, despite the defendant's argument that the term "Western Bank" is geographically descriptive, and despite the absence in the names of both parties of similar but nonidentical descriptive terms like "first" or "great", the Court of Appeals of Oregon found that not only had secondary meaning been established for the combined term "Western Bank", but that a likelihood of confusion among customers in the market area had been demonstrated,

and on that basis injunctive relief was appropriate. 617 P.2d at 262. In the present case, the evidence revealed and the trial court found, both actual and likelihood of confusion. Here, the experts concluded, based on surveys and reported confusion, that the residents of the relevant market were likely to confuse the two banks. The trial court's finding was properly affirmed by the Fourth District and should not be disturbed.

SIMILARITY IN SERVICES

As demonstrated above, the name "First Southern Bank" is an arbitrary name deserving the highest protection. However, the strength of the name alone is not to be viewed in a vacuum. The court must compare the closeness of the plaintiff and defendant's product in the relative competing market. As the court in Gold Kist, Inc., supra, explained: "Even if the Court were to conclude that [the] trademark is relatively 'weak' because of the third-party uses, the Court finds that any limitation on Gold Kist's right to protect its mark would be inapplicable to this case because the products involved are closely related." 708 F. Supp. at 1298. Thus, the court must consider the similarity of services offered by Petitioner and Respondent. Freedom Savings & Loan Association v. Way, supra, 757 F.2d at 1183.

Here, First Southern Bank's and Great Southern Bank's services are not only similar, they are identical! They both offer: savings accounts, check cashing, C.D.'s, mortgages, etc. Obviously, this

factor supporting the Court's judgment was demonstrated on the record. (Tr. 130).

SIMILARITY OF MARK

In evaluating the trademarks at issue, the Court "must consider the overall impression created by the marks, including a comparison of the appearance, sound, and meaning of the marks . . ." E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l. Imports, Inc., 756 F.2d 1525, 1531 (11th Cir. 1985).

The sound, cadence and connotations of the names "First Southern Bank" and "Great Southern Bank" are strikingly similar. The names have the same amount of letters, the same amount of syllables and the identical cadence. In fact, out of 17 letters, 14 are the same. Even the connotations of the only different words in the names are the same. The evidence revealed that the names evoked the same understanding of "superiority." (Tr. at 34-35). Even Great Southern Bank's own expert could not keep the names straight. (Tr. 117).

IDENTITY OF PURCHASERS AND SIMILARITY IN ADVERTISING

The evidence revealed that there is an identity of purchasers. Indeed, the two banks offer their identical services in an overlapping market. (Tr. at 49-56, 75-76, 129-31). In fact, both banks advertise in the same newspaper directed at these identical purchasers. (Tr. at 49-56, 130; P.Ex. #2,8). Furthermore, both banks plan expansion in Palm Beach County. (Tr. 77-78, 130).

In Exxon Corp. v. Texas Motor Exchange of Houston, Inc., 628 F.2d 500, 505 (5th Cir. 1980), the court explained the identity of purchasers issue: "These customers, however, all have one trait in common--they are members of the car driving public. They turn to plaintiff and defendant in order to keep their cars functional." Here, the customers of both banks are members of the Palm Beach banking public. They all turn to the Petitioner and Respondent for savings, checking and borrowing. Thus, there is an obvious identity of purchasers.

DEFENDANT'S INTENT

The record establishes that Defendant/Appellant/Petitioner requested a name change to its present name "Great Southern Bank." (R. at 177). In fact, several months before beginning operations, Great Southern Bank was aware of the existence of the confusingly similar name. (Tr. at 88-89; P.Ex. #3).

Surely, Great Southern Bank knew of, and yet ignored, the similarity of the names of the two banks operating in overlapping markets. Petitioner could have gone back to its original name or chosen another dissimilar name to avoid any confusion or problem. Yet, despite the two years of the operation of First Southern Bank, Great Southern Bank chose to adopt the confusingly similar name, apparently with the hope of capitalizing on the confusion that might result to the consumers who would believe that Great Southern Bank was a multi-branch operation. In fact, this result came true.

(Tr. at 70). See, Williamson v. Answer Phone of Jacksonville, 118 So.2d 248 (Fla. 1st DCA 1960) (citing intent to confuse consumers as justification for injunctive relief).

ACTUAL CONFUSION

"Actual confusion by a few customers is the best evidence of likelihood of confusion by many customers." American Bank of Merritt Island v. Way, supra, 757 F.2d at 1185. In this case, the court heard testimony about the existence of actual confusion. (Tr. 69,70,76,79,65).

Notwithstanding the existence of actual confusion, courts acknowledge that it is extremely difficult to obtain evidence of actual confusion. Gold Kist, Inc., supra, 708 F. Supp. at 1301 (and cases cited therein). The key inquiry is likelihood of confusion, not actual confusion. American Bank of Merritt Island v. First American Bank & Trust, 455 So.2d 443, 446 (Fla. 5th DCA 1984). Here, the record is replete with testimony supporting the likelihood of confusion, injury and dilution of First Southern Bank's trade name. (See Testimony of Gertz, Tr. 34; Vickers, Tr. at 81-82; Hillbrath, Tr. 57-60). See also American Optical Corporation v. North American Optical Corporation, 489 F. Supp. 443 (N.D.N.Y. 1979); New West Corporation v. NYM Company of California, Inc., 595 F.2d 1194 (9th Cir. 1979).

CONCLUSION

The trial court and the Fourth District considered all the factors enumerated above and concluded that First Southern Bank was entitled to protection under §495.151. Petitioner has not, and cannot, show that the trial court's judgment and the Fourth District's affirmance were clearly erroneous. Accordingly, Respondent respectfully requests that this Honorable Court affirm the decision below.

Respectfully submitted,

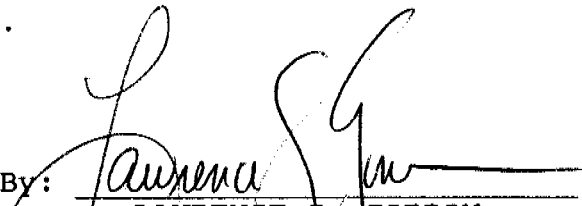
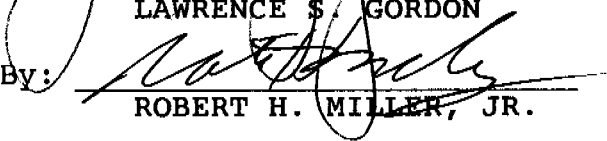
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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that a true and correct copy of the foregoing was delivered this 16 day of October 1992 to LARRY KLEIN, ESQ., Klein & Walsh, P.A., Attorneys for Petitioner, 503 Flagler Center, 301 So. Flagler Drive, West Palm Beach, FL 33401 and DAVID BAKER, ESQ., Alley, Maass, Rogers & Lindsay, P.A., Attorneys for Petitioner, 321 Royal Poinciana Plaza, South, P. O. Box 431, Palm Beach, FL 33480-0431.

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First\Brief.Ans