

David Can Beat Goliath in the Trademark World... Just Ask Mixed Chicks!

December 07, 2012 | Blog | By Geri Haight

VIEWPOINT TOPICS

- Trademark & Copyright

RELATED PRACTICES

RELATED INDUSTRIES

By: Susan Neuberger Weller

On November 2, 2012, a federal jury in the Central District of California awarded **Mixed Chicks LLC**, a beauty supply company for mixed-race women, \$839,535 in actual damages and \$7,275,000 in punitive damages for willfully infringing the MIXED CHICKS® trademark and trade dress with its MIXED SILK line of products. *Mixed Chicks LLC, v. Sally Beauty Supply LLC, et al.*, SACV11-00452 AG (FMOx) (C.D.C.A. 2012). On November 29, the infringer Sally Beauty Supply LLC agreed to a settlement of \$8.5 million, which is *larger* than the actual jury award. It did so in order to avoid further hearings on and awards to Mixed Chick of its' attorneys' fees and of Sally Beauty's profits as a result of its infringing activity.

Mixed Chicks LLC, a relatively small company founded in 2004 with approximately \$5 million in annual revenue and approximately 15 full-time staff members, **filed suit in March 2011 against Sally Beauty Supply LLC** and related companies for federal and state trademark infringement, trade dress infringement, false designation of origin, and unfair competition claiming that Sally Beauty's line of MIXED SILK hair care products infringed both the MIXED CHICKS ® trademark as well as the overall appearance of that line of products. The Complaint also claimed that Sally had "programmed or caused the search engine on the Sally Beauty website to operate in [a] manner to cause confusion or mistake, or to deceive as to the origin of the Mixed Silk hair care products with the intent to benefit from Mixed Chicks' reputation and goodwill." Apparently, when consumers searched "mixed chicks" on the Sally Beauty website only MIXED SILK products results would appear. Mixed Chicks claimed that the wrongful activity was willful and with the intent to benefit from the goodwill and reputation in the mixed race hair care product market that Mixed Chicks had developed through their specialized high-quality hair care products.

Sally Beauty, which began with one store in 1964, is the world's largest retailer of professional beauty supplies. It owns and operates more than 2700 **Sally Beauty Supply stores worldwide**, including every state in the United States, and in Puerto Rico, Canada, Mexico, Germany, the United Kingdom, Ireland, Belgium, France, and Spain. It also sells its products online at www.sallybeauty.com. It reported net sales in 4Q12 of \$883 million and FY2012 of over \$3.5 billion.

Although the MIXED SILK product line is no longer sold and cannot be found on the Sally Beauty website, information about both the MIXED SILK and MIXED CHICKS lines of products and a view of some of their respective packaging can be found [here](#) .

The decision to proceed with a full jury trial in this case could not have been easy for Mixed Chicks given the size and reputation of its formidable opponent. However, Goliath does not always win, particularly if the facts demonstrate efforts to undermine and injure a competitor through illegal and bad-faith conduct. Thus, if you are a David, don't shy away from seeking redress for clear wrongs against your company, its brands, its reputation, and its goodwill. If the facts are on your side, you should make every effort to ensure that your assets are properly protected from a competitor's overzealous reach.

Authors

 Geri Haight