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Trademark & Copyright 2023 Year in Review

January 24, 2024

Meet the Speakers

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Agenda

Trademark Litigation

Copyright Litigation

Trademark Trial and Appeal Board Decisions

Cases to Watch in 2024

Copyright Office Updates / AI Generated Content

USPTO Updates

Trademark Litigation

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Jack Daniel's Properties Inc. v. VIP Products LLC

Trademarks, Expressive Works, Artistic Relevance, Parody, and Dilution

Supreme Court's holding:

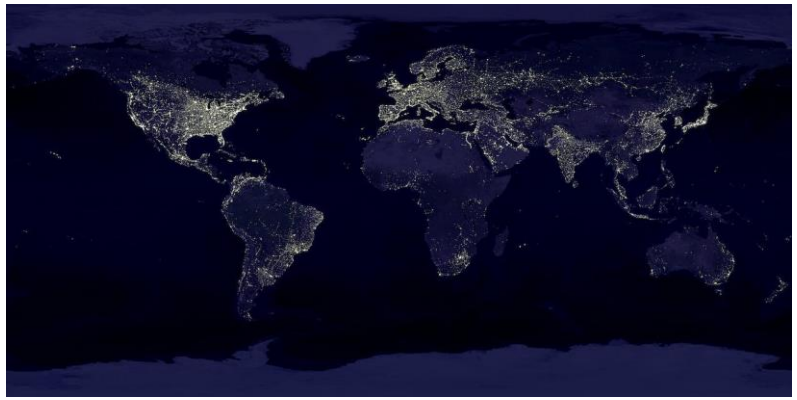
When an alleged infringer uses a trademark as a designation of source for the infringer's own goods, the *Rogers* test does not apply.

"Consumer confusion about source—trademark law's cardinal sin—is most likely to arise when someone uses another's trademark as a trademark. In such cases, Rogers has no proper application."

Abitron Austria GmbH et al. v. Hetronic International Inc.

Does the Lanham Act apply extraterritorially to foreign sales?

- Hetronic, a U.S. company, sued Abitron, a family of foreign companies/prior licensed distributors for trademark infringement.
- Hetronic alleged that Abitron infringed by continuing to sell Hetronic's products after the licensing relationship ended. Hetronic sought damages for all of Abitron's worldwide sales.
- District Court and Tenth Circuit: Yes, the Lanham Act reaches ***all*** of Abitron's alleged acts of infringement—even those sales that were purely foreign and never reached the U.S. or may have confused U.S. consumers—because they had the effect of diverting potential Hetronic sales. Jury awarded over $100 million in damages and district court entered a worldwide injunction.
- Supreme Court: **Vacated and Remanded.**



Y.Y.G.M. SA v. Redbubble, Inc.

The Ninth Circuit adopts the willful blindness standard for contributory trademark infringement.

- In 2021, a jury found Redbubble liable for willful contributory counterfeiting and contributory infringement of two registered marks and contributory infringement of unregistered Brandy Melville trademarks.
- The district court (C.D. Cal.) granted in part Redbubble's motion for judgment as a matter of law. Both parties appealed.
- The Ninth Circuit **affirmed in part, vacated in part, and remanded**.

"[W]illful blindness for contributory trademark liability requires the defendant to have specific knowledge of infringers or instances of infringement."

"Without that knowledge, the defendant need not search for infringement."

- On counterfeiting, the district court analyzed the wrong question by asking whether Redbubble's products are "stitch-for-stitch" copies for Brandy Melville's products.
- The correct question is "whether, based on the record, confusion could have resulted because the products on Redbubble's website bearing the Heart Mark are the kinds of trademarked goods Brandy Melville sells."

Brandy ♡ Melville

LOSANGELES CALIFORNIA 1984

Atari Interactive, Inc. v. Redbubble, Inc.

The Ninth Circuit applies the willful blindness standard articulated in the Y.Y.G.M. decision.

- Atari sued Redbubble for contributory and direct trademark infringement, among other claims.
- Atari challenged the district court's (N.D. Cal.) summary judgment holding that Redbubble was not willfully blind for purposes of Atari's contributory trademark infringement claim.
- Ninth Circuit: **Affirmed.**
- Atari mostly showed evidence of *general* infringement on Redbubble's website, not specific instances of users infringing Atari's marks.

- Redbubble was not willfully blind to infringement because when Atari notified Redbubble of specific infringing listings, Redbubble removed them. This was a reasonable response for a "large online marketplace."

"Removing infringing listings and taking appropriate action against repeat infringers in response to specific notices may well be sufficient to show that a large online marketplace was not willfully blind"
(quoting *Y.Y.G.M. v. Redbubble*).

Bertini v. Apple Inc.

The Federal Circuit explains the contours of the "tacking" doctrine to claim priority of use.

- In 2015, Apple applied to register APPLE MUSIC for 15 broad categories of services including production and distribution of sound recordings and presenting live musical performances.
- Bertini opposed under § 2(d) based on his common law mark APPLE JAZZ, used in connection with festivals, concerts, and sound recordings since the mid-1980s/mid-1990s.
- Apple claimed priority for all its claimed services by tacking onto trademark rights it purchased from Beatles' recording company Apple Corps, including a registration for APPLE for gramophone records and CDs with a 1968 first use date.
- TTAB: Apple may tack its use of APPLE MUSIC onto Apple Corps' use of APPLE. Opposition dismissed.
- Federal Circuit: **Reversed**. The Board erred in awarding priority to Apple via tacking. A trademark applicant cannot establish priority for *every* good or service in its application merely because it has priority through tacking in a *single* good or service listed in its application.
    - "No reasonable person could conclude, based on the record before us, that gramophone records and live musical performances are substantially identical."

Great Concepts, LLC v. Chutter, Inc.

“[A] Section 14 cancellation proceeding is not available as a remedy for a fraudulent Section 15 incontestability declaration.”

- Chutter petitioned to cancel Great Concepts' registration of DANTANNA'S based on fraud in view of the filing of a Section 15 declaration that falsely confirmed there were no pending actions involving the mark.
- On September 30, 2021, the TTAB issued a decision finding the Section 15 declaration was fraudulent and cancelling the registration, holding the specific intent to deceive was satisfied by conduct constituting reckless disregard.
- On October 18, 2023, the Federal Circuit issued decision reversing the TTAB’s cancellation of Great Concepts’ mark under Section 14 of the Lanham Act. "Because Section 14 does not authorize the Board to cancel a registration based on a fraudulent Section 15 declaration....we do not reach the issue of whether the Board erred in finding that Mr. Taylor committed fraud."
- The case was remanded "so that the Board may consider whether to declare that Great Concepts' mark does not enjoy incontestable status and to evaluate whether to impose sanctions on Great Concepts or its attorney."

Copyright Litigation

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Andy Warhol Foundation v. Lynn Goldsmith

- Lynn Goldsmith photographed Prince in 1984. Gave a limited license to *Vanity Fair*, which then hired Andy Warhol to create an illustration. Andy Warhol created the "Prince Series" of 15 works.
- Is the "Prince Series" a "fair use" under the US Copyright Act?
- The four fair use factors:
    1. the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
    2. the nature of the copyrighted work;
    3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
    4. the effect of the use upon the potential market for or value of the copyrighted work.

No fair use: not "transformative," supplants the market for original photo, and use is commercial

Larson v. Dorland

Fair Use and the Application of the *Andy Warhol* decision

Dubbed the “the biggest literary story of 2021” stemming from a New York Times article:

Source: Who Is the Bad Art Friend? - The New York Times (nytimes.com)

Andersen et al. v. Stability AI Ltd.

- Class action in NDCA brought by artists against AI image generators:
  - Stability AI (Stable Diffusion), Midjourney, DeviantArt, Runway AI (new)
- Plaintiffs allege that Stable Diffusion was "trained" on their works to produce output images "in the style" of particular artists.
- Nearly all claims in the original complaint were dismissed.
- In an Amended Complaint filed in November 2023, seven additional individual plaintiffs were added, along with a new defendant, Runway AI.

First Complaint	Amended Complaint
▪ Direct infringement (**reproduction**/derivative works) - **partially dismissed** ▪ Vicarious infringement (enabling users to create derivative works) - **dismissed** ▪ DMCA – CMI removal - **dismissed** ▪ Rights of Publicity; Unfair Competition; Breach of Contract - **dismissed**	▪ Direct infringement (reproduction was *not* dismissed; repleaded derivative works) ▪ Inducement of copyright infringement ▪ DMCA – CMI removal/alteration ▪ Lanham Act (false endorsement and vicarious trade dress infringement) ▪ Unjust enrichment

TTAB Decisions

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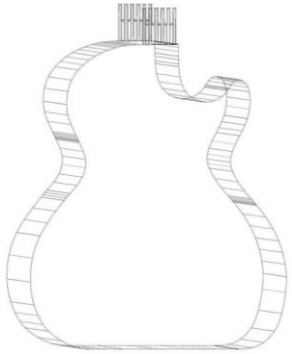
Advance Magazine Publishers, Inc. v. Fashion Electronics, Inc.

EVOGUE covering:

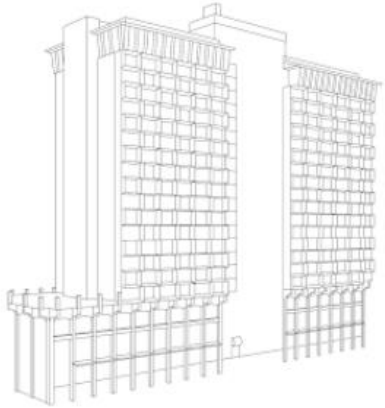
Class 9: Battery cases; **Battery chargers; Battery chargers for mobile phones; Battery chargers for tablet computers; Cell phone battery chargers;** Cell phone cases; Cell phone covers; Earphones and headphones; Carrying cases, holders, protective cases and stands featuring power supply connectors, adaptors, speakers and battery charging devices, specially adapted for use with handheld digital electronic devices, namely, mobile phones, portable musical devices, handheld digital music players; Clear protective covers specially adapted for personal electronic devices, namely, mobile phones, portable musical devices, handheld digital music players; Head-clip cell phone holders; Leather protective covers specially adapted for personal electronic devices, namely, mobile phones, portable musical devices, handheld digital music players; Pouches made in whole or substantial part of leather, faux leather, plastic, vinyl specially adapted for personal electronic devices, namely, mobile phones, portable musical devices, handheld digital music players, excluding gaming apparatus; Protective covers and cases for cell phones, laptops and portable media players; **Stands adapted for stereos and audio speakers; Wireless speakers.**

Building Shapes and Inherent Distinctiveness

***In re Seminole Tribe of Florida*, 2023 USPQ 2d 631 (TTAB 2023) [precedential]:**



***In re Palacio Del Rio, Inc.*, 2023 USPQ2d 630 (TTAB 2023) [precedential]:**

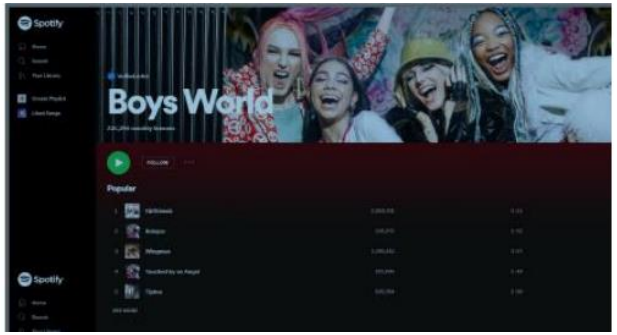


Overturning Failure-to-Function

***In re Lizzo LLC*, 23 USPQ2d 139 (TTAB 2023) [precedential]: 100% THAT BITCH**

***In re Black Card LLC*, 2023 USPQ2d 1376 (TTAB 2023) [precedential]: FOLLOW THE LEADER**

***In re ZeroSix, LLC*, 2023 USPQ2d 705 (TTAB 2023) [precedential]: BOYS WORLD**



Illegal Goods Under the Controlled Substances Act

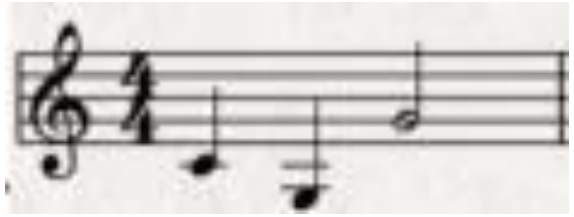
In re National Concessions Group, Inc., 2023 USPQ2d 527 (TTAB 2023) [precedential]

- BAKKED and Droplet Design covering "essential oil dispenser, sold empty, for domestic use" in Class 21.
- Registration refused on the basis the product was illegal drug paraphernalia under the Controlled Substances Act (CSA) and therefore ineligible for registration.
- The TTAB rejected arguments the that because the goods are legal under Colorado law or are traditionally used with tobacco products, they fall within exceptions to the CSA. The TTAB held that because federal registration is being sought, authorization by Colorado does not override the laws of other states or federal laws.

In-Store Sound Mark as a Display Associated with the Goods

In re Duracell U.S. Operations, Inc., 2023 USPQ2d 861 [precedential]

- The mark consisted of combination of musical notes, and the specimen of use was a .mp3 file described as “audio messaging played in stores where batteries are sold.”
- The Examiner argued the use was not specifically enough “at the point of purchase,” citing to prior cases going back over many decades.
- The musical note mark aired in the advertisement in tens of thousands of stores where Duracell batteries are sold, and the advertisements had aired more than 100 million times.
- Playing the musical note mark over a store audio system was held to be acceptable point of sale use of a mark and was analogized to a shelf-talker.



Statutory Entitlement to a Cause of Action

Rebecca Curtin v. United Trademark Holdings, Inc., 2023 USPQ2d 535 [precedential]

Individual consumer filed the opposition, arguing that if the registration was granted, others would be denied access to a healthy marketplace competition for the well-known fictional character, and would likely face increased cost due to lack of competition. She also argued it could chill the creation of new dolls/toys crowding out the substantial social benefit of having diverse interpretations of the fairy tale's legacy.

A plaintiff can oppose a registration when it is within the zone of interested protected by the statute and has a reasonable believe in damage that would be proximately cause by the registration.

The Board held that mere consumers do not have standing to oppose registration as the Trademark Act protects parties with commercial interests. In addition, the evidence of damage opposer alleged she would suffer is too remote from registration and entirely speculative.

Procedural Issues

Thrive Natural Care Inc. v. Nature's Sunshine Products, Inc., 2023 USPQ2d 953 [precedential]

- The registration challenged on the basis of the anti-assignment rule because it was assigned as an ITU application and the assignor retained control for months after the assignment.
- The TTAB rejected the claim based on the anti-assignment provision of Section 10 on the basis it was time-barred by Section 14 because it was being asserted more than 5 years after the issuance of the registration.

Sterling Computers Corporation v. International Business Machines Corporation, 2023 USPQ2d 1050 (TTAB 2023) [precedential]

- In the notice of opposition of a 66(a) application, opposer claimed likelihood of confusion based on prior applications on the ESTTA cover sheet, and then filed an amended opposition adding a claim based on common law rights.
- The Board permitted adding the common law claims because the common law rights were co-terminus with the filings identified in the coversheet. If they had been broader than the filings, would have to have been identified (this is unique to IB – if opposing a national application, common law rights do not need to be separately identified on the cover sheet).

NY/NJ CLE: 256

Cases to Watch in 2024

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Registration Cases to Watch in 2024

Vidal v. Elster (S. Ct.)

- Does the refusal to register the trademark TRUMP TOO SMALL under 15 U.S.C. § 1052(c) (which forbids registering a living individual's name without consent) violate the Free Speech Clause of the First Amendment when the mark contains criticism of a government official or public figure?

In re Erik Brunetti (Federal Circuit)

- Appeal from the USPTO's refusal to register FUCK for cellphone cases, laptops, jewelry and bags, and other goods based on a failure to function as a trademark.

Remand of *Chutter v. Great Concepts*

- Remanded so that the Board may consider whether to declare that Great Concepts' mark does not enjoy incontestable status and to evaluate whether to impose other sanctions on Great Concepts or its attorney for filing a false Section 15 declaration.

Cases to Watch in 2024

Y.Y.G.M. SA v. Redbubble, Inc. (S. Ct.)

- Whether the Ninth Circuit erred by holding, in direct conflict with the Second and Tenth Circuits, that a defendant may be held liable for contributory trademark infringement only insofar as it knows or has reason to know of, and fails to stop assisting specific instances of infringement or specific infringers, even where the defendant otherwise knows or has reason to know that it is assisting trademark infringement and fails to take reasonable steps to stop providing such assistance.

Warner Chappell Music, Inc. v. Nealy (S. Ct.)

- Whether the Copyright Act's statute of limitations for civil actions, 17 U.S.C. § 507(b), precludes retrospective relief for acts that occurred more than three years before the filing of a lawsuit.

LADS Network Solutions, Inc. v. Agilis Systems, LLC (8th Cir.)

- Post-*Unicolors*, can a copyright registration be invalidated under 17 U.S.C. § 411(b) due incorrect deposit material where there was no evidence of the applicant's fraudulent intent? If the deposit material is rectified with a supplementary registration, should the original registration remain in effect?

Copyright Office Updates

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Copyright Office Updates

Copyright Office AI Registration Guidance and AI Study

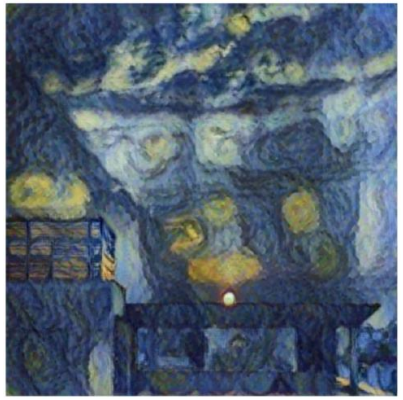
Copyright and Artificial Intelligence | U.S. Copyright Office

The Copyright Office Affirms Registration Refusals for AI-generated Works

- ***Zarya of the Dawn***: Comic book by Kristina Kashtanova comprised of text and images, including images created using the generative AI tool Midjourney. The Office issued a new registration that covers only the **text of the comic book and the selection, coordination, and arrangement of the text and images**, and explicitly excludes the AI-generated artwork.

- ***Théâtre D'opéra Spatial***: Award-winning sci-fi themed 2D artwork by Jason M. Allen. Allen stated that he input revisions and text prompts into Midjourney at least 624 times to arrive at an initial version of the image and then altered it with Adobe Photoshop. Registration refused when Allen declined to **disclaim the parts of the image generated using Midjourney**.

- ***SURYAST***: 2D artwork created by inputting a photograph the applicant Ankit Sahni created into the RAGHAV Artificial Intelligence Painting App, combining it with Vincent Van Gogh's "The Starry Night" as the "style" input, and choosing a variable value to determine the amount of style transfer. The Office considered the artwork a derivative work of Sahni's photograph "that did not contain enough original human authorship."



Guidance on the Copyrightability of AI-generated Content

- Applicants have a **duty to disclose** the inclusion of AI-generated content in a work submitted for registration and to provide a brief explanation of the human author's contributions to the work.
- Individuals who use AI technology in creating a work may claim copyright protection for their own contributions to that work. They must provide a brief statement in the "Author Created" field that **describes the authorship that was contributed by a human**.
- For example, an applicant who incorporates AI-generated text into a larger textual work should claim the portions of the textual work that is human-authored. And an applicant who **creatively arranges the human and non-human content** within a work should fill out the "Author Created" field to claim: "Selection, coordination, and arrangement of [describe human-authored content] created by the author and [describe AI content] generated by artificial intelligence."
- AI-generated content that is **more than de minimis should be explicitly excluded** from the application. Applicants should provide a brief description of the AI-generated content, such as by entering "[description of content] generated by artificial intelligence."

https://www.govinfo.gov/content/pkg/FR-2023-03-16/pdf/2023-05321.pdf

https://www.fr.com/insights/thought-leadership/blogs/us-copyright-office-cancels-registration-for-ai-generated-art-issues-ai-related-registration-guidance/

USPTO Updates

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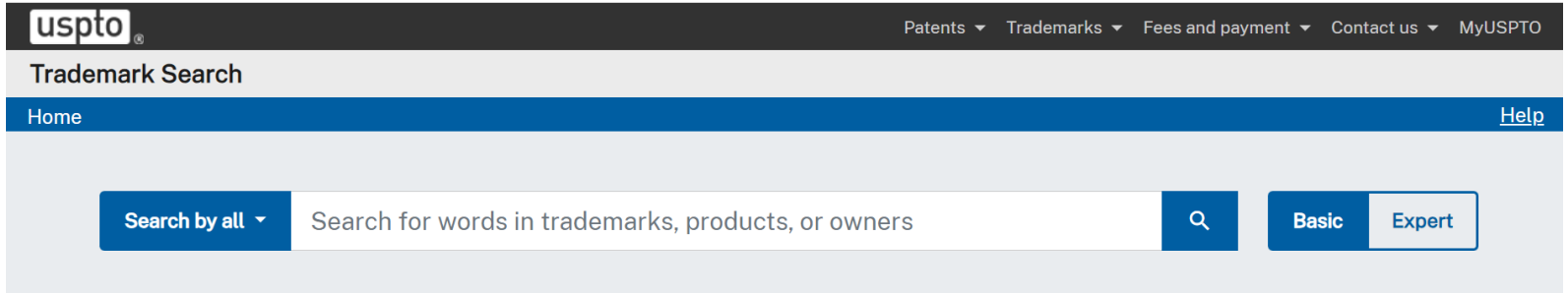
USPTO Updates

- New search system replaced Trademark Electronic Search System (TESS) launched



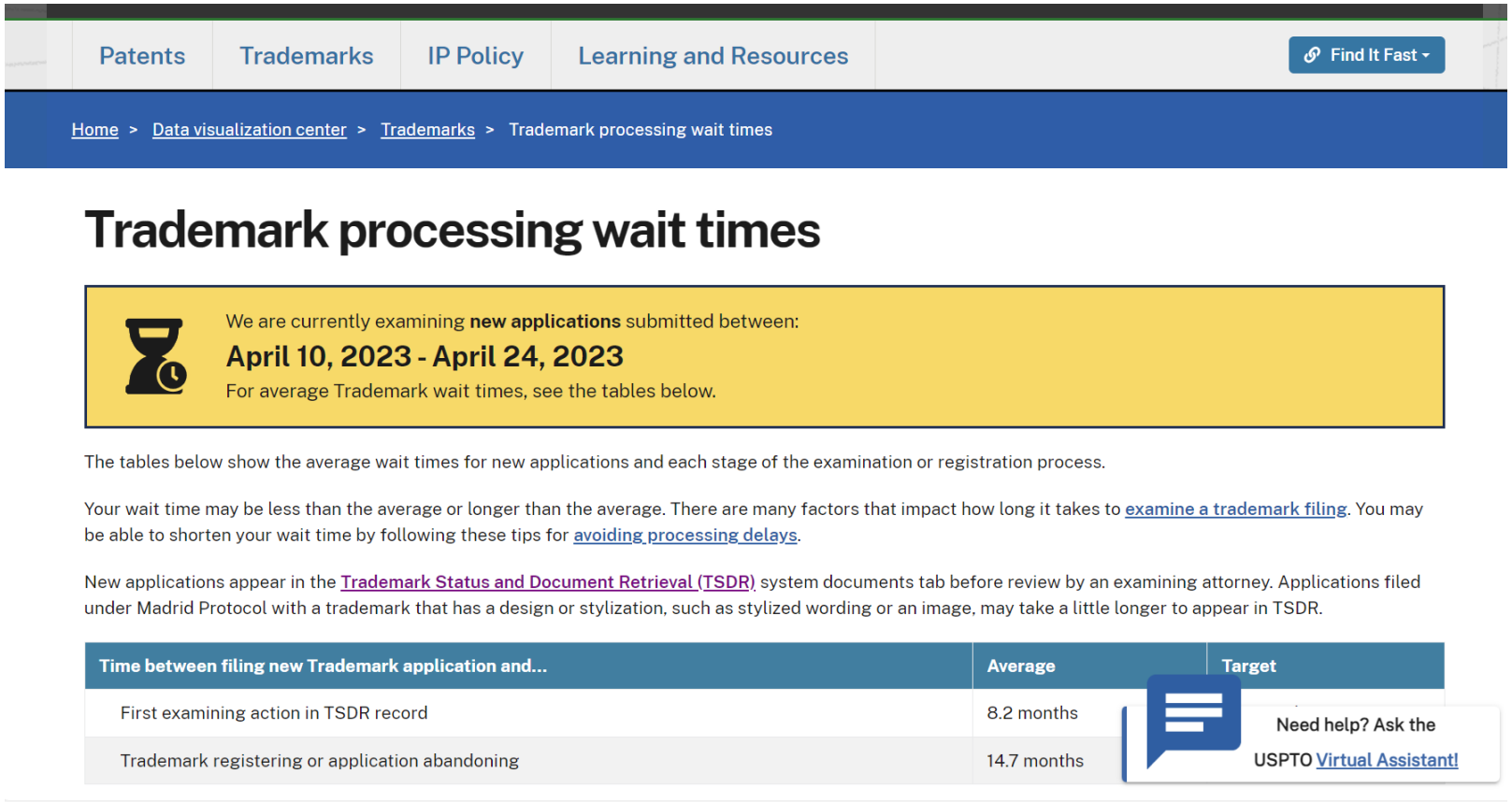
- New Assignment Center is scheduled to launch on **February 5, 2024**
  - Replaces the Electronic Trademark Assignment System (ETAS) and Electronic Patent Assignment System (EPAS) into a cohesive modernized system

- Exam Guide re Electronic Submissions Using Document-Signing Software
  - https://www.uspto.gov/sites/default/files/documents/TM-ExamGuide-2-23.pdf

USPTO Updates

Current Pendency Statistics: Trademarks Dashboard | USPTO

- Average of 8.2 months for initial examination of new applications



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Home > Data visualization center > Trademarks > Trademark processing wait times

Trademark processing wait times

We are currently examining **new applications** submitted between:

April 10, 2023 - April 24, 2023

For average Trademark wait times, see the tables below.

The tables below show the average wait times for new applications and each stage of the examination or registration process.

Your wait time may be less than the average or longer than the average. There are many factors that impact how long it takes to examine a trademark filing. You may be able to shorten your wait time by following these tips for avoiding processing delays.

New applications appear in the Trademark Status and Document Retrieval (TSDR) system documents tab before review by an examining attorney. Applications filed under Madrid Protocol with a trademark that has a design or stylization, such as stylized wording or an image, may take a little longer to appear in TSDR.

Time between filing new Trademark application and...	Average	Target
First examining action in TSDR record	8.2 months	
Trademark registering or application abandoning	14.7 months	

Need help? Ask the USPTO Virtual Assistant!

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