January 24, 2018

Trademark & Copyright Webinar Series

2017 Trademark & Copyright Year in Review

Kristen McCallion
Principal

Mannu Harnal
Associate

Nancy Ly
Associate

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Overview

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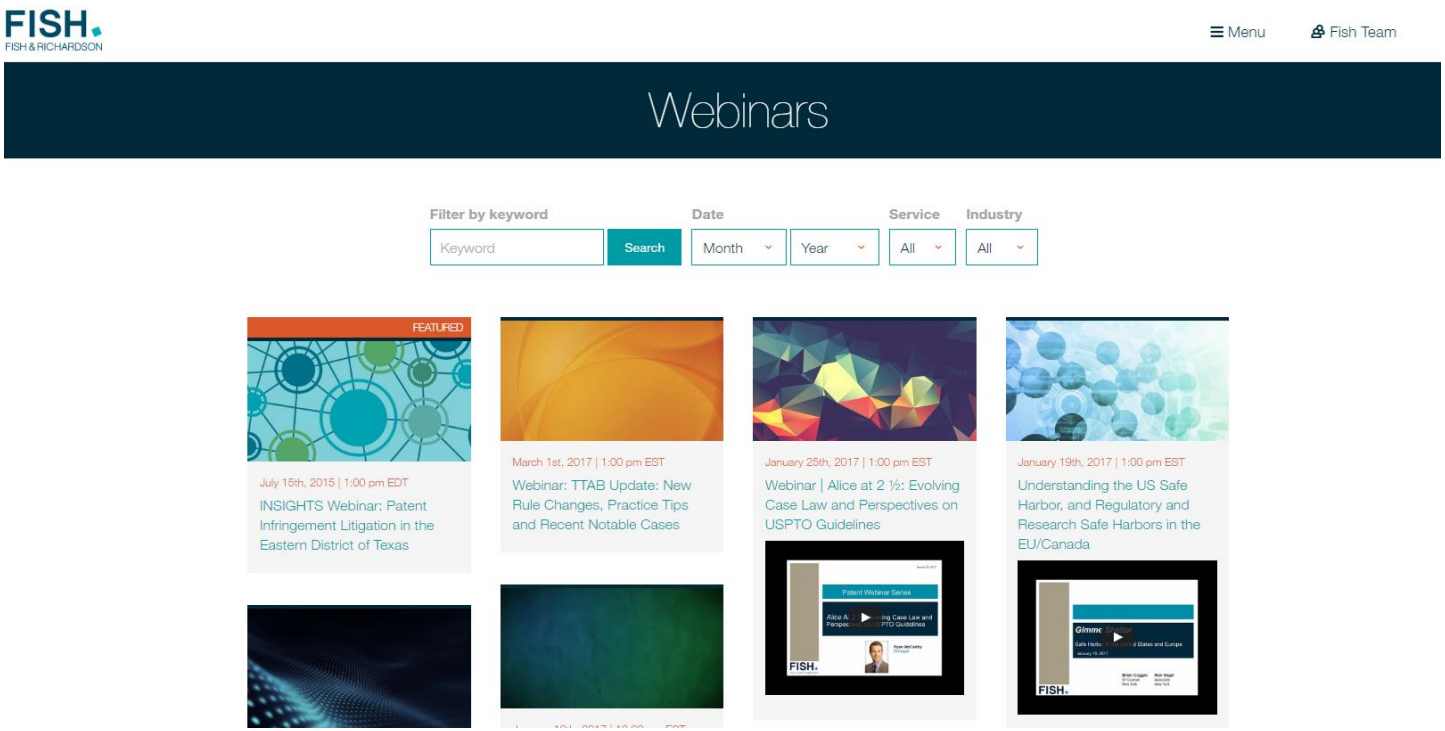

Agenda

- Notable Trademark Cases in 2017
- Notable Copyright Cases in 2017
- Cases to Watch for in 2018

Trademark Cases

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Matal v. Tam
(Disparaging Trademarks)

- Supreme Ct. held Section 2(a) of the Lanham Act (the non-disparagement clause) is unconstitutional.
- Section 2(a) engaged in viewpoint-based discrimination on the basis that giving offense is a viewpoint, invoking heightened scrutiny.
- Trademarks are not a form of government speech.

"*Speech that demeans on the basis of race, ethnicity, gender, religion, age, disability, or any other ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express "the thought that we hate*."

Elliott et al. v. Google Inc.
(Genericide)

- Relevant inquiry - the primary significance of “google.”
- Claim of genericide must relate to a particular type of good or service.
- Verb use does not automatically constitute generic use.
- “Discriminate” / “Indiscriminate” act of searching.

Booking.com B.V. v. Matal
(Genericness)

- District court (Eastern District of Virginia) reversed TTAB decision that Booking.com could not be registered as a trademark, as the addition of ".com" to a generic term makes it potentially protectable under the Lanham Act.
- Despite the Federal Circuit's repeated rulings (*e.g.* Mattress.com and Hotels.com) that adding a top-level domain to a generic term does not transform it into a protectable trademark, the court stated that this was an issue of first impression in the Fourth Circuit.

- Court held that "Booking.com" had acquired enough secondary meaning to be registered as a trademark for hotel reservation services, but not for travel agency services.

In re 10 Barrel Brewing, LLC
(Consent Agreements)

Factors Considered in Weighing a <u>Consent Agreement</u>

1. Agreement between both parties;
2. Clear indication that the goods/services travel in separate trade channels;
3. Agreement to restrict fields of use;
4. Efforts to prevent confusion and cooperate and take steps to avoid any confusion that may arise; and
5. Whether the marks have been used for a period of time without actual confusion.

Trader Joe's Co. v Hallatt
(Extraterritorial Reach & Trademark Infringement)

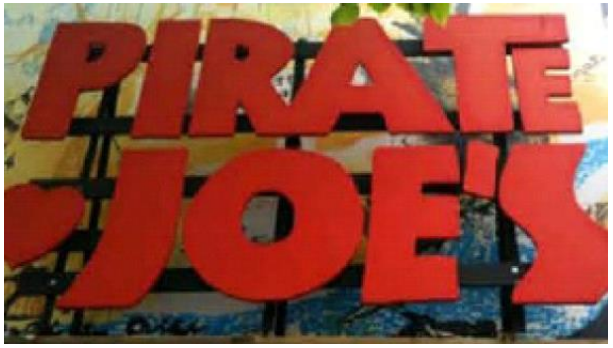
- Hallatt buys Trader Joe's products in the U.S. and resells the products ***in Canada***.
- Trader Joe's sued Hallatt in the U.S. for trademark infringement.

Does the Lanham Act apply to infringing conduct outside the U.S.?

Aye!

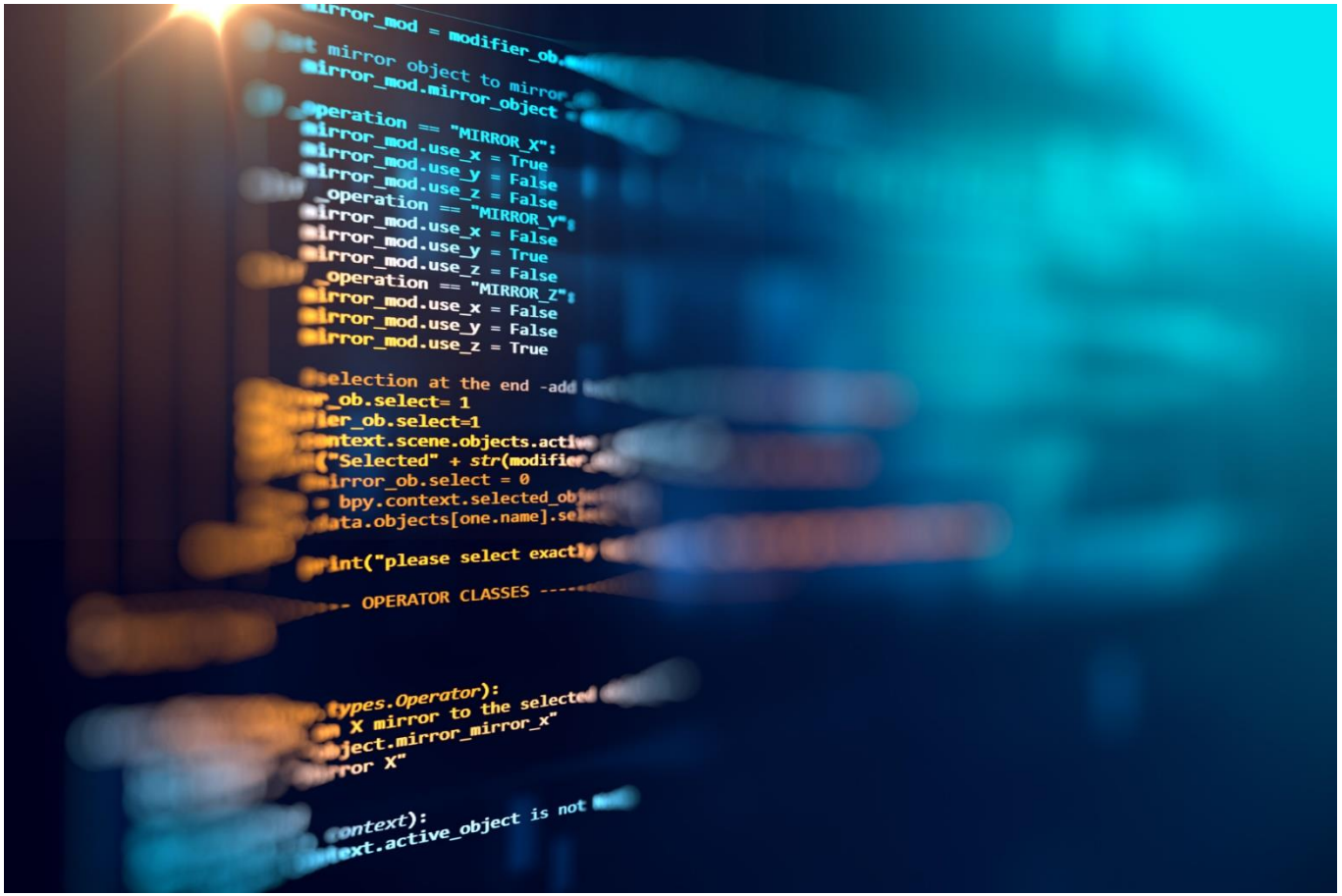
Trader Joe's Co. v Hallatt
(Extraterritorial Reach & Trademark Infringement)

- The foreign conduct had "some effect" on U.S. commerce because it harmed Trader Joe's' reputation and diminished value of its marks.
- Hallatt engaged in U.S. commercial activity because he sourced the entire inventory from the U.S.
- Extraterritorial application of the Lanham Act would not interfere with international comity.



Int'l Info. Systems. v. Security Univ., LLC

(Nominative Fair Use)



Int'l Info. Systems. v. Security Univ., LLC
(Nominative Fair Use)

The Different Tests

Second Circuit	Third Circuit	Ninth Circuit
Polaroid Factors + 1. Whether use of mark was necessary to describe plaintiff and defendant's G/S; 2. Whether use was only so much as to identify the G/S; and 3. Whether defendant did anything to suggest sponsorship or endorsement by mark owner. *Not an affirmative defense.	1. Use was necessary to describe both plaintiff and defendant's G/S; 2. Defendant only used mark as necessary to describe plaintiff's product; and 3. Defendant's conduct or language reflected the true relationship between the parties. *Affirmative defense.	1. G/S not readily identifiable without use of the mark; 2. Only so much of mark may be used as reasonably necessary to identify the G/S; and 3. User must do nothing that would suggest sponsorship or endorsement by the mark owner. *Not an affirmative defense.

Copyright Cases

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Star Athletica v. Varsity Brands, Inc.
(Conceptual Separability)

Varsity's designs are protectable!

To be protectable, the creative elements of a garment must be "***conceptually separable"*** from the functional or useful elements.

Graham v. Prince et al
(Fair Use)

Graham's *Image*

Prince's *Untitled*

Graham v. Prince et al.
(Fair Use)

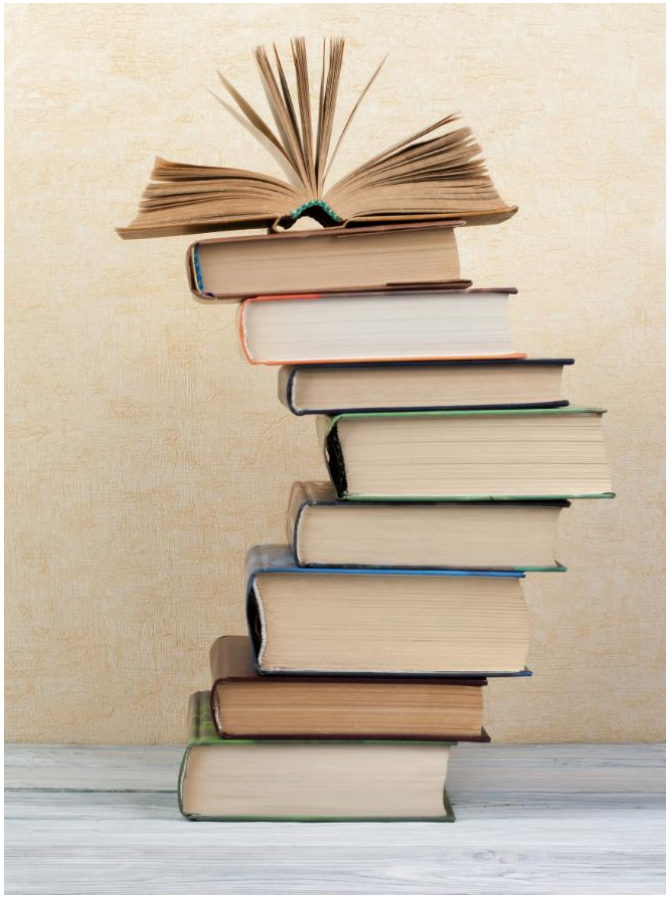
"What is critical is how the work in question appears to the *reasonable observer*, not simply what an artist might say about a particular piece or body of work"

– *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013)

Four Nonexclusive Fair Use Factors	
1. The Purpose and Character of the Use	There is some de minimis cropping in the frame of an Instagram post, along with a cryptic comment . . . but otherwise, it's . . . a screenshot.
2. The Nature of the Copyrighted Work	The second factor favored plaintiff because the works were published and creative.
3. The Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole.	Given that Prince reproduced Graham's photo in its entirety, the court says this factor cannot weigh in favor of Prince.
4. The Effect of the Use Upon the Potential Market For or Value of the Copyrighted Work.	The court says it does not have sufficient information at the pleadings stage to find that Prince's use usurped the market for plaintiff's work.

Penguin Random House LLC et al. v. Frederick Colting d/b/a Moppet Books et al.
(Fair Use)

Four Nonexclusive Fair Use Factors	
1. The Purpose and Character of the Use	Abridgements are not protectable, removal of adult themes does not meaningfully "recast" the work, and a few pages of analysis, quiz questions.
2. The Nature of the Copyrighted Work	The second factor favored plaintiff because fictional works receive more robust copyright protection.
3. The Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole.	All of the guides merely retell the copyrighted stories.
4. The Effect of the Use Upon the Potential Market For or Value of the Copyrighted Work.	Effects derivative rights.



Factors weigh in favor of infringement

Lombardo v. Dr. Seuss Enterprises, L.P.

(Fair Use)

Lombardo v. Dr. Seuss Enterprises, L.P.
(Fair Use)

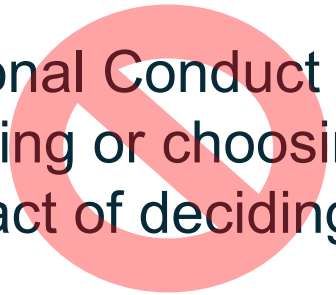
Play is a parody of *How the Grinch Stole Christmas!* – ***fair use*** – and did not infringe Dr. Seuss' copyright.

Four Nonexclusive Fair Use Factors	
1. Purpose and Character of the Use	Play was a parody and therefore transformative. Because Play was transformative, it is of little significance that the use is commercial in nature.
2. Nature of the Copyrighted Work	"Not ever likely to help much in separating the fair use sheep from the infringing goats in a parody case, since parodies almost invariably copy publicly known, expressive works."
3. The Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole.	The Play's use was "not excessive." While it incorporated substantial elements of the original, it was to mock the original.
4. Effect on the Potential Market	Virtually no possibility that consumers will go see the Play in lieu of reading Grinch.

Fox TV Stations Inc. et al. v. Aereokiller LLC et al.
(Compulsory License)

- Under *§ 111* of the Act, a "cable system" is eligible for a compulsory license that allows it to retransmit "a performance or display of a work" that had originally been broadcast by someone else without having to secure the consent of the copyright holder.
- A "cable system" is a facility . . . that in whole or in part receives signals transmitted or programs broadcast by one or more television broadcast stations licensed by the Federal Communications Commission, and makes secondary transmissions of such signals or programs by wires, cables, microwave, or other communications channels to subscribing members of the public who pay for such service.
- Internet-based retransmission services qualify as cable systems.
- Deference to copyright office and legislative history.

Direct Infringement Requires the Plaintiff to Show Causation (a/k/a "volitional conduct")



Volitional Conduct = "act of willing or choosing" or "act of deciding"

Proximate Causation

"The volitional conduct doctrine is a significant and long-standing rule, adopted by all Courts of Appeal to have considered it[.]"

Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657, 667(9th Cir. 2017).

What to Watch for in 2018

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What to Watch for in 2018

Trademark

- *NantKwest Inc. v. Matal*
- *Tiffany & Co. v. Costco Wholesale Corp.*
- *Adidas America Inc. et al. v. Skechers USA Inc.*
- *AM General LLC v. Activision Blizzard Inc.*
- *Snyder's-Lance Inc. et al. v. Frito-Lay North America.*

Copyright

- *Lombardo v. Dr. Seuss Enterprises LP*
- *Graham v. Prince et al.*
- *BMG Rights Management (US) LLC v. Cox Communications Inc.*
- *Fourth Estate Public Benefit Corp. v. Wall-Street.com LLC*
- *Fox News Network LLC v. TVEyes Inc.*

Thank You!

Kristen McCallion
Fish & Richardson
mccallion@fr.com
212-641-2261

Mannu Harnal
Fish & Richardson
mharnal@fr.com
212-641-2233

Nancy Ly
Fish & Richardson
ly@fr.com
858-678-4780

Please send your NY CLE forms or questions about the webinar to Lauren McGovern at mcgovern@fr.com

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