

# Trademark Year in Review

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## Sally M. Abel, Founding Mother



## Are Disparaging Marks Registrable?

Lanham Act Section 2(a) prohibits registration of a mark that:

“Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring into contempt, or disrepute...”

# *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439 (E.D. Va. 2015)

## ■ Procedural History

- In 2014, TTAB orders cancellation of “redskin” marks, finding they “may disparage” Native Americans.
- July 8, 2015: District Court (E.D. Va.) affirms.
- August 6, 2015: Fourth Circuit docketed appeal.
- April 25, 2016: Pro-Football attempts to circumvent Fourth Circuit by filing cert petition based on “gravest threat to free speech” and parallels to *Tam*.

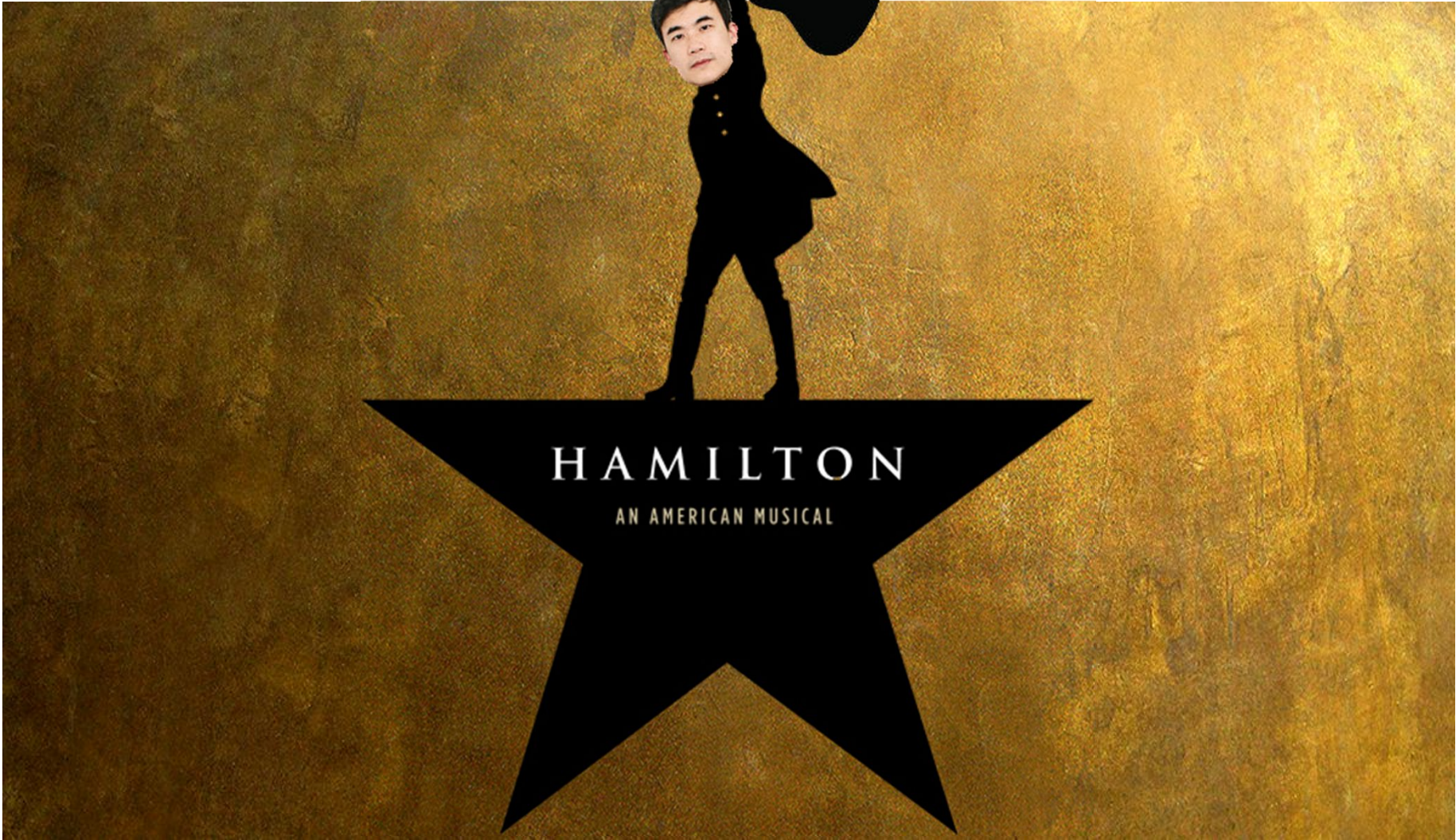


*Pro-Football, Inc. v. Blackhorse,*  
112 F. Supp. 3d 439 (E.D. Va. 2015)





# Hamilton Speaks



## *Matal v. Tam*, 582 U.S. \_\_\_\_ (2017)

### Procedural History

- Sept. 26, 2013: TTAB affirms rejection as disparaging.
- April 20, 2015: Federal Circuit affirms TTAB. BUT – Judge Moore adds “additional views.”
- Dec. 22, 2015: Less than 6 months following district court opinion in *Pro-Football, en banc* Federal Circuit strikes down disparagement as violation of free speech.
- **June 19, 2017: US Supreme Court strikes down the restriction on the registration of marks that “disparage” under Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a).**

## *Matal v. Tam*, 582 U.S. \_\_\_\_ (2017) – Gov. Speech

**SCOTUS Decision:** Section 2(a)'s prohibition on disparaging registrations violates “a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend.”

- Court rejects the government's argument that trademark registration constitutes government's own speech (which would not be regulated by first amendment).
  - Court warns about the “dangerous” implications of expanding the government speech doctrine. “If private speech could be passed off as government speech by simply affixing a government seal of approval, government could silence or muffle the expression of disfavored viewpoints.”
  - Trademark Office has a history of arbitrary and inconsistent enforcement of Section 2(a)'s bar on disparaging marks by trademark examiners



## *Matal v. Tam*, 582 U.S. \_\_\_\_ (2017) – *Viewpoint*

### **SCOTUS Decision:**

- The disparagement clause discriminates on the bases of “viewpoint” (giving offense is a viewpoint). “Viewpoint discrimination” is forbidden.
- Demeaning speech may be hateful, but the Constitution protects the freedom to express hateful thought.
- The disparagement clause “is not an anti-discrimination clause; it is a happy-talk clause” because it applies to any person or group. It is not “narrowly drawn to drive out invidious discrimination.”
- Examiners cannot be left to distinguish between marks that celebrate or reclaim a term and those that are recklessly discriminating.

## *Matal v. Tam*, 582 U.S. \_\_\_\_ (2017) – Takeaways

### SCOTUS Decision:

- Court is willing to strike down long-standing laws which could effect many registration-based regimes (how troubling it would be if federal gov. could engage in viewpoint-based discrimination for copyright applications).
- Could effect patent examination – patent examiners instructed to object to any patent that uses “language that could be deemed offensive to any race, religion, sex, ethnic group, or nationality... [or] the inclusion in application drawings of any depictions or caricatures that might reasonably be considered offensive to any group... .”
- Unlikely that Section 2(a)’s prohibition on immoral or scandalous registrations will survive after *Tam*.

Beneficiaries:



## Are Disparaging Marks Registrable?

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# Immoral, Deceptive, Scandalous:

*In re Brunetti*, Case No. 2015-1109 (Fed. Cir. filed Sept. 22, 2014)

Guidance after *Tam*:

- the USPTO continues to examine applications for compliance with that provision according to the existing guidance in the TMEP and Examination Guide 01-16. Any suspension of an application based on the scandalousness provision of Section 2(a) will remain in place until the Federal Circuit issues a decision in *Brunetti*, after which the USPTO will re-evaluate the need for further suspension. TTAB affirms generic refusal.



## *In re Brunetti* – Oral Arguments after *Tam*

- August 2017 – Federal Circuit panel tears into U.S. government’s defense of the ban on “scandalous and immoral” trademarks.
- Gov. argues that unlike the now-invalid clause, the ban on scandalous and immoral trademarks is viewpoint neutral and that indecent content is “equally denied to everyone.”
- Judge had surveyed every rejection based on immoral and scandalous content over the last few decades: “It was shocking, the level of inconsistency among the rejections versus acceptances of same words”
  - E.g. “God does not have a penis” – “Penis” - offensive to some but not offensive if used in connection with a penile implant.
- Brunetti argues that retailers and consumers will decide on their own whether they want to be exposed to a product.

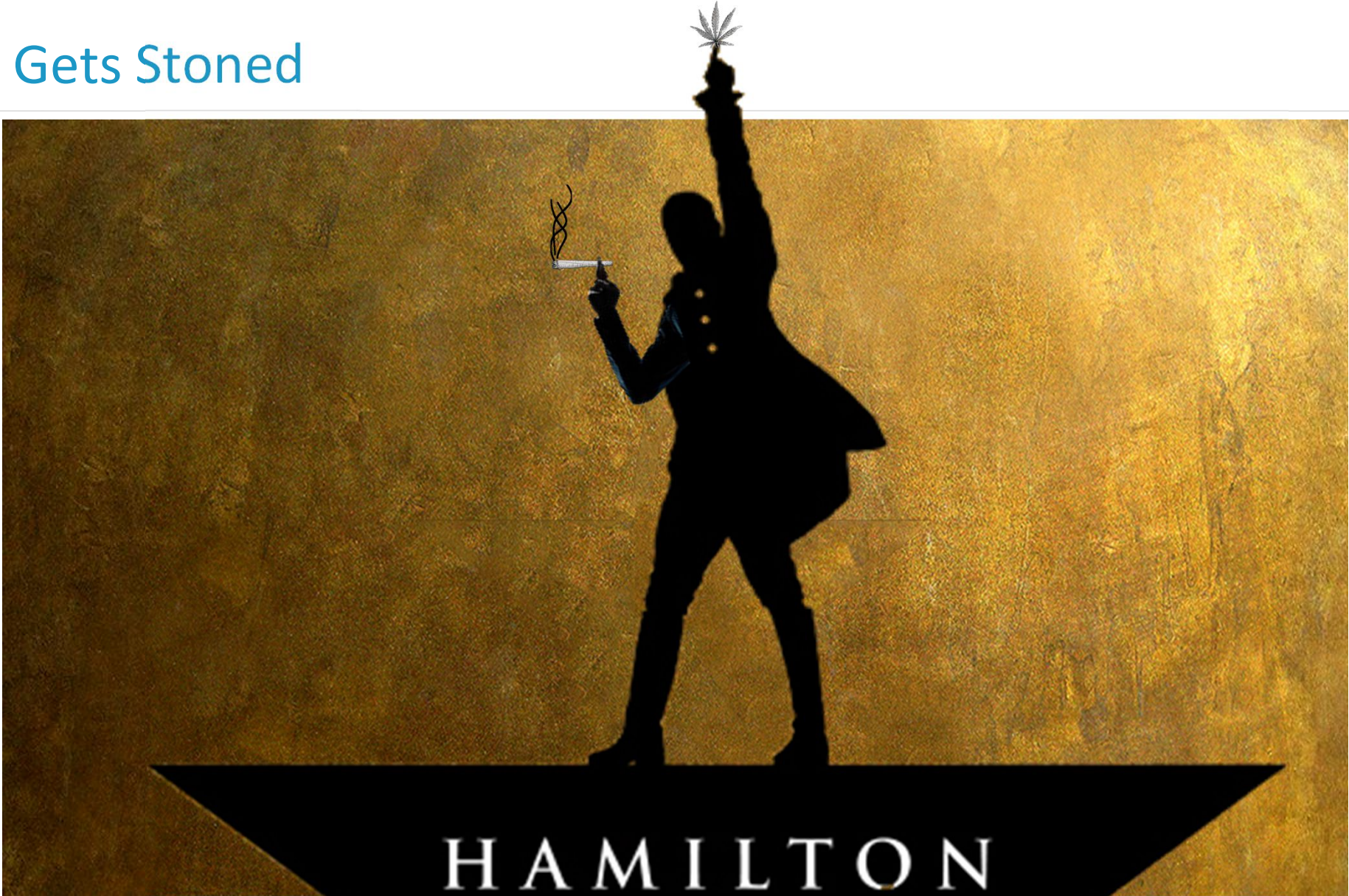
## Scandalous....



Trademark dilution/ tarnishment or speech protected by First Amendment?

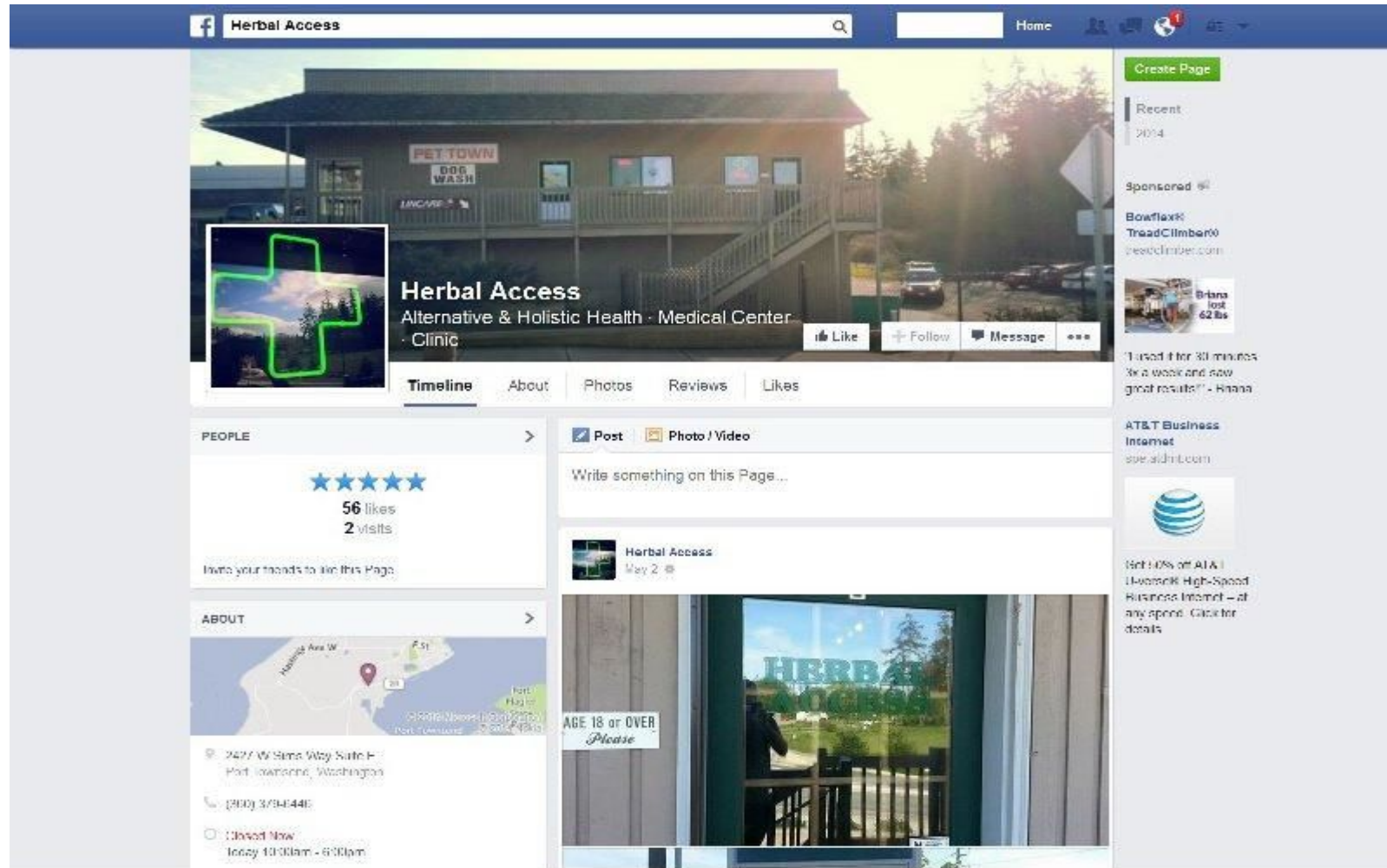


# Hamilton Gets Stoned





## *In re Morgan Brown*, 119 USPQ2d 1350 (TTAB 2016)



## *In re JJ206, LLC dba JuJu Joints, 120 USPQ2d 1568 (TTAB 2016)*



- The Board affirms refusals to register POWERED BY JUJU and JUJU JOINTS for “smokeless marijuana or cannabis vaporizer apparatus” citing *Brown* and rejecting applicants argument that the hands-off approach used by federal prosecutors in pot-friendly states effectively makes the drug “lawful” under the Lanham Act.
- **TAKE AWAY:** Even as marijuana continues to become legal at the state level, federal trademark registrations are not following suit.

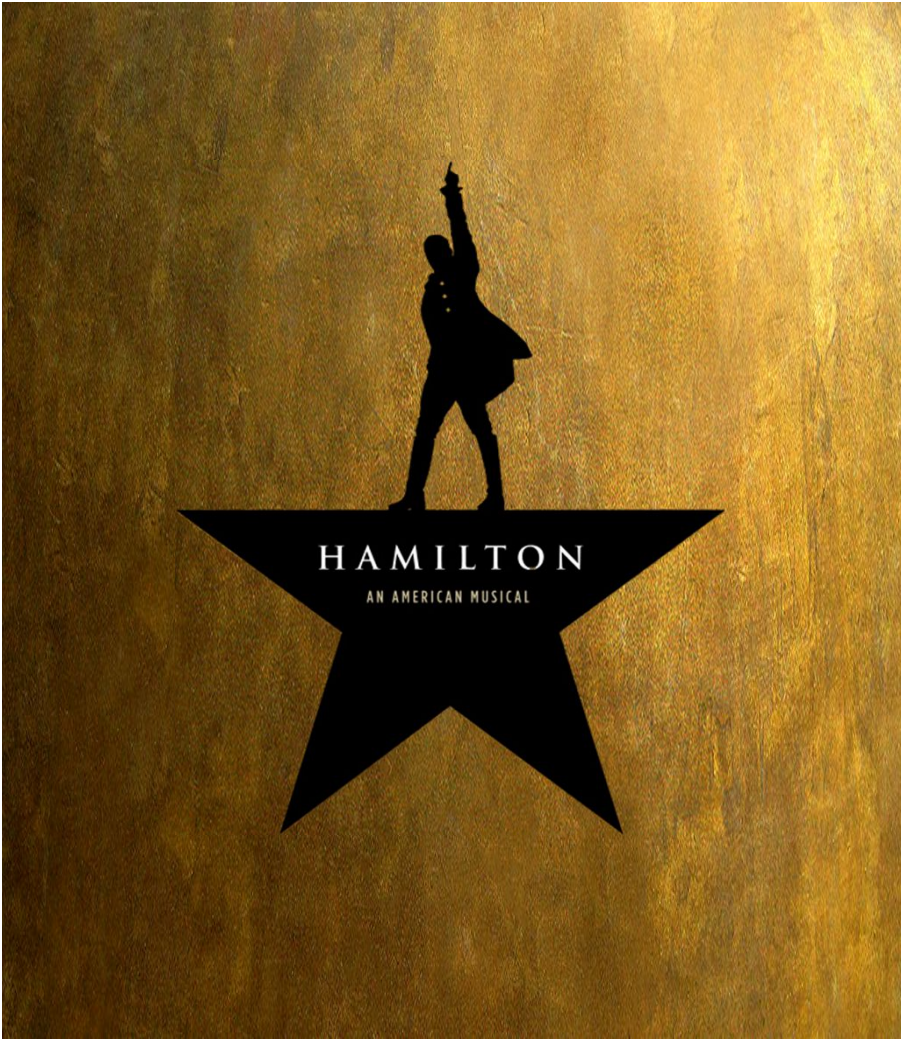
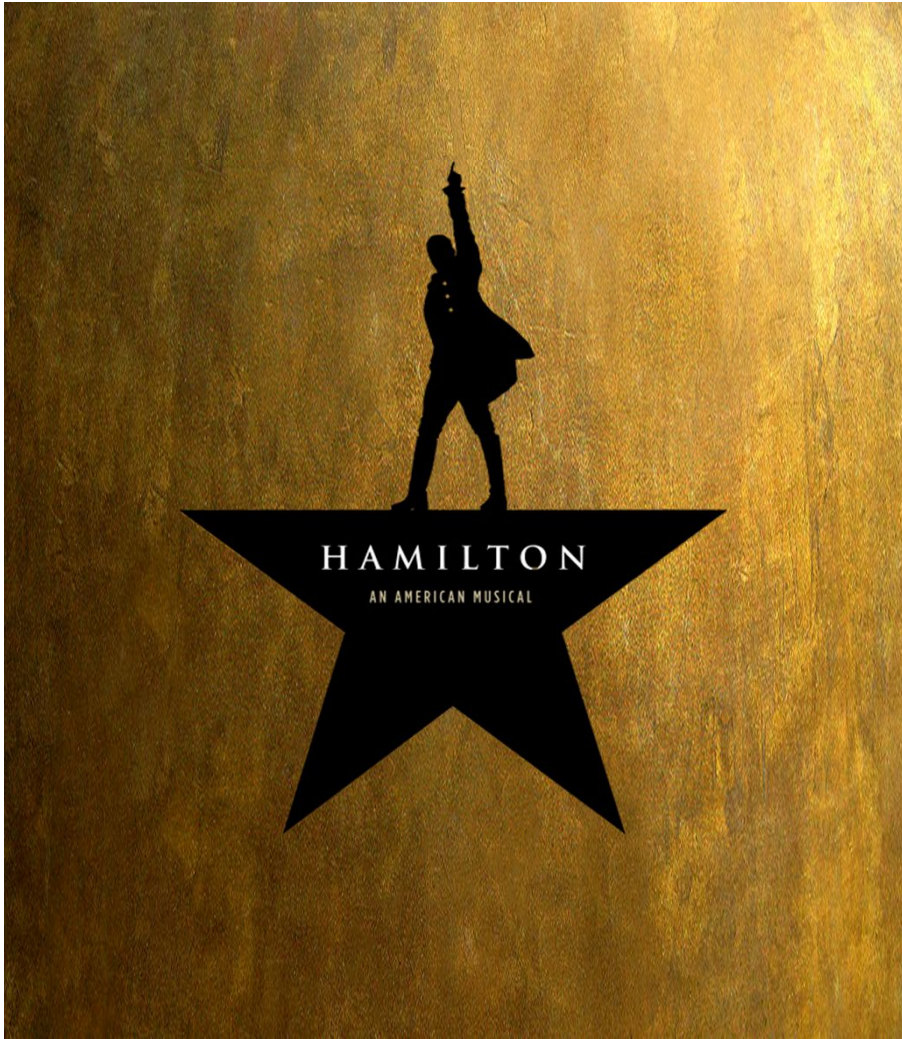
## *Gerlich v. Leath*, Case No. 16-1518 (8th Cir. 2017)

- 8th Circuit panel rules that denying access to the school's trademarks to members of the student chapter of the National Organization for the Reform of Marijuana Laws (NORML) discriminates against them based on their pro-cannabis view.
  - Defendants engaged in viewpoint discrimination and did not argue that their administration of the trademark licensing program was narrowly tailored to satisfy a compelling governmental interest; and
  - NORML ISU's use of the cannabis leaf does not violate ISU's trademark policies because the organization advocates for reform to marijuana laws, not the illegal use of marijuana. Accordingly, the court affirmed the judgment.



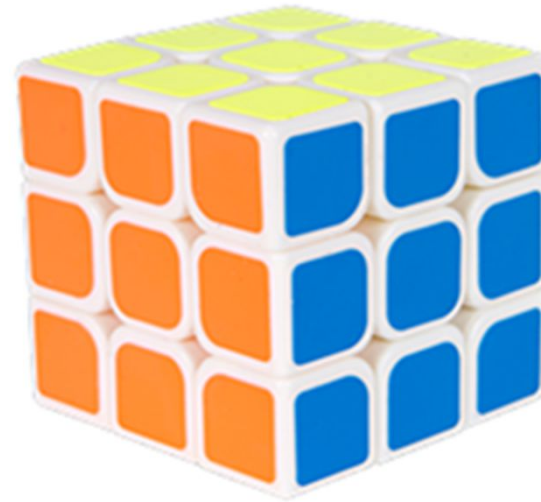
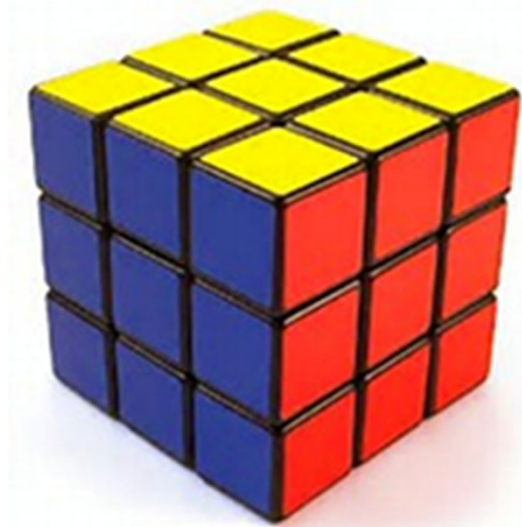


# Hamilton Gets Confused



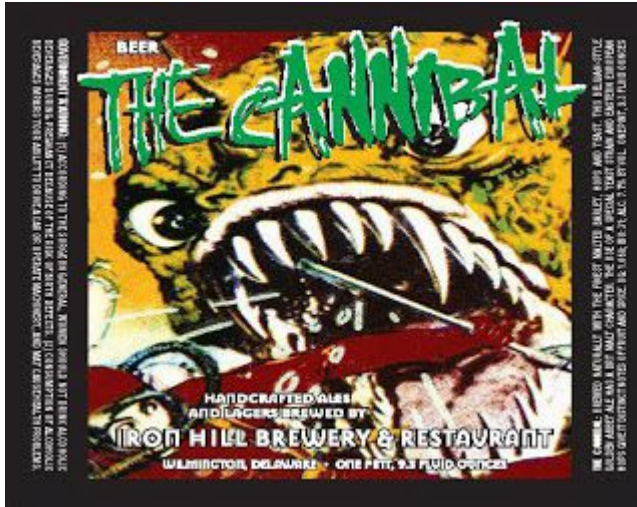


# *Rubik's Brand Limited v. Flambeau, Inc. et al.,* 1:17-cv-06559, (S.D.N.Y. Filed August 28, 2017)



- Rubik's Cube's three-dimensional configuration has been registered since 1984. (patent expired in 2000)
- Toys R Us' puzzle changes background to white and rounds edges.
- Years of proceedings in EU over tm rights to Rubik's Cube (registered since 1999, but German toymaker asked the EU's trademark office to cancel the reg. in 2006 arguing it is too functional to be protected by trademark law)

## *In re Iron Hill Brewery, LLC, case no. 86682532 (TTAB 2017)*



- THE CANNIBAL for beer not likely to cause confusion with THE CANNIBAL for restaurant services.
- Most restaurants will sell beer, something more is needed.
- “Not only would a senior user of a mark for restaurant services have prior rights for that mark for beer, but the senior user of a mark for restaurant services could have prior rights for that mark for other food, beverages and condiments and a variety of broadly described promotional items,” Judge Bergsman wrote.

# *Coachella Music Festival LLC et al. v. Urban Outfitters Inc. et al.,* case no. 2:17-cv-02027(C.D. Cal.)



- Coachella Music Festival accuses Urban Outfitters Inc. and its Free People unit of selling clothes marketed under the Coachella name aimed at its concertgoers
- Urban's website features a section called "The Festival Shop" that advertises "sunny days spent with friends at our favorite festivals," sells clothes under the brand "Bella Coachella" and describes some clothes as "Coachella Valley" items perfect for summer music festivals.

## *Seal Shield LLC v. Otter Products LLC, Case No. 15-55388 (9th Cir. 2017)*



- 9th Circuit won't reconsider its ruling that Seal Shield's use of the phrase "Life Proof" was not distinctive to merit trademark protection over OtterBox's subsequent use of the mark.
- Seal Shield began using the mark on protective enclosures for Amazon's Kindle e-readers in January of 2010. OtterBox began use and filed a tm application in July 2010 - achieved a registration in 2011.
- "Court's ruling upsets one of the bedrock principles of trademark law: first in time, first in right"
- Seal Shield failed to produce consumer evidence to show what consumers understand the mark to mean.
- Seal Shield plans to take its appeal to the Supreme Court.



# Hamilton Goes Generic

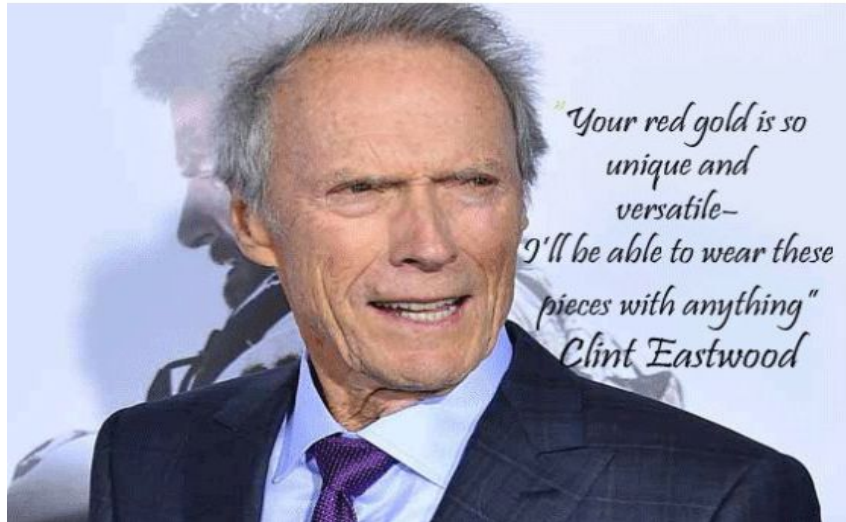


*In re Empire Technology Development LLC*, Case No. 85876688 (TTAB 2017)  
*Solid 21 Inc. v. Hublot of America et al.*, Case No. 15-56036, (9th Cir. 2017)  
*Elliott v. Google*, Case No. 15-15809 (9th Cir. 2017)

COFFEE FLOUR is generic (TTAB)

RED GOLD is not generic. (9<sup>th</sup> Cir.)

Is GOOGLE generic? The Supremes asked to decide





# Hamilton Gets Trumped



# TRUMP Trademarks in China

- 2006: Trump applies for “TRUMP” for construction services in China
- Rejected because a Chinese business man had applied for the name first in the construction arena
- Rejected multiple times and Trump keeps appealing – unsuccessfully

**THEN.....**

- September 2016 (just before Trump became President), the other man’s TRUMP trademark was invalidated and Trump’s mark was pushed through by the China Trademark Review Board.



# TRUMP Trademarks in China

Preliminary approval for 38 new TRUMP marks in China including:

Hotels

Insurance

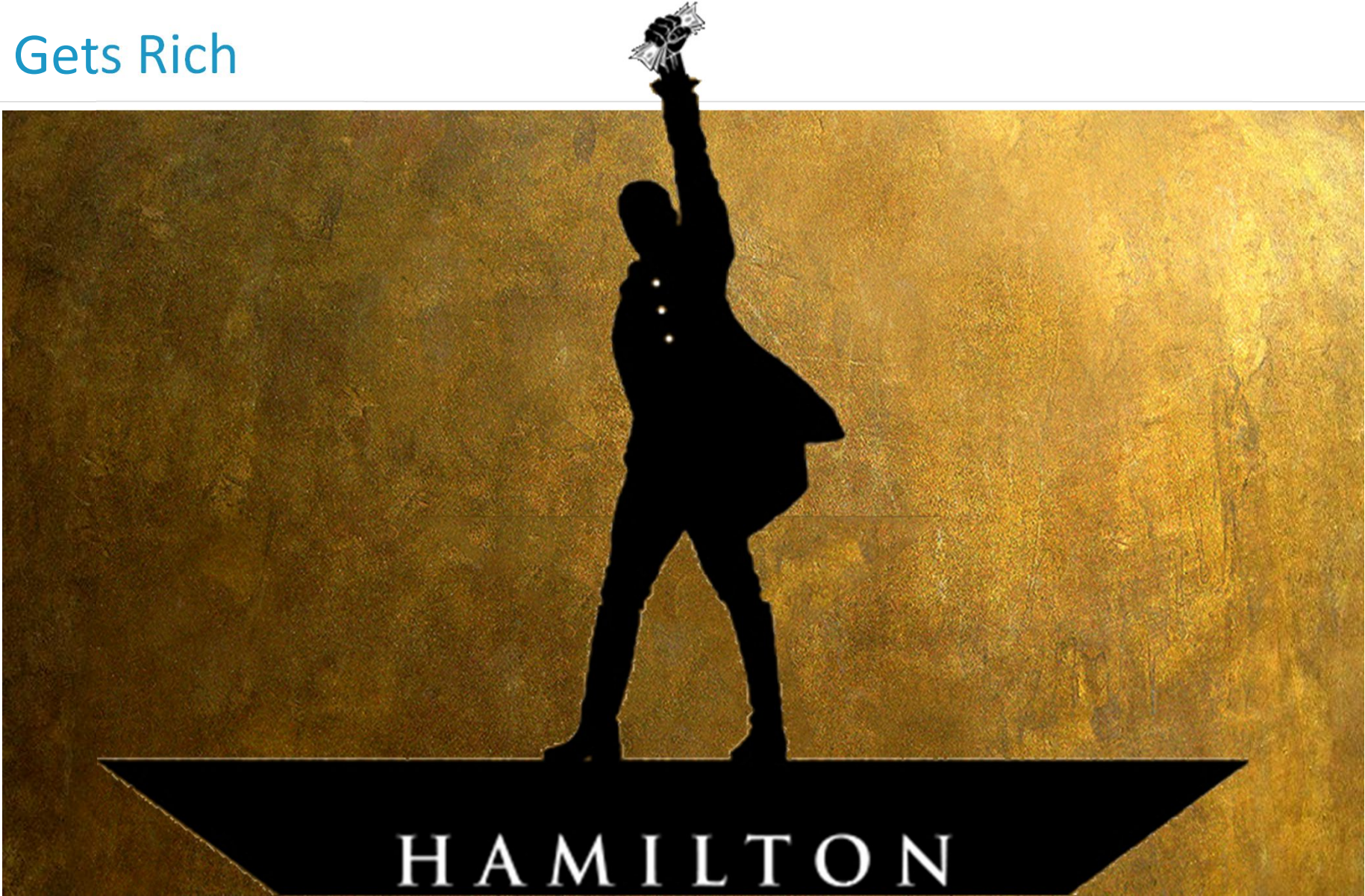
Bodyguard services

Escort services





# Hamilton Gets Rich



# *Tiffany & Co. v. Costco Wholesale Corp.*, Case No. 1:13-cv-01041 (S.D.N.Y 2017)



- Tiffany awarded more than \$19 million in trademark infringement damages.
- Costco argues that the “Tiffany setting” is a widely used generic term for a style of ring pioneered by the jeweler’s founder and it appeared on signage as a shorthand to communicate this information to customers.
- Court disagrees and finds Costco infringed willfully by using mark intentionally on signage.

# *Fifty-Six Hope Road Music Ltd. et al. v. Jammin Java Corp. et al.*

## Case No. 2:16-cv-05810 (C.D.Cal. 2017)

- California court orders Jammin Java to pay companies connected to Bob Marley more than \$2.4 million (plus \$371,000 in unpaid royalties) for selling Marley-branded coffee after a tm license agreement between the companies was terminated.
- Jammin Java is asking the court to reconsider the damages ruling arguing that the court failed to consider whether the alleged infringement was willful.





## *NantKwest Inc. v. Matal*, Case No. 16-1794, (Fed. Cir. 2017)

- Fed. Circuit (without request from parties) vacates a June panel ruling that endorsed USPTO's new fee policy: Applicants who appeal to a district court (as opposed to a record appeal directly to the Fed. Cir. must pay USPTO legal bills regardless of whether it wins or loses.
  - Provision previously interpreted to mean things such as agency travel costs and expert fees (not attorneys' fees).

The change will so dramatically increase costs that it will all but foreclose the de novo appeal route for most applicants.

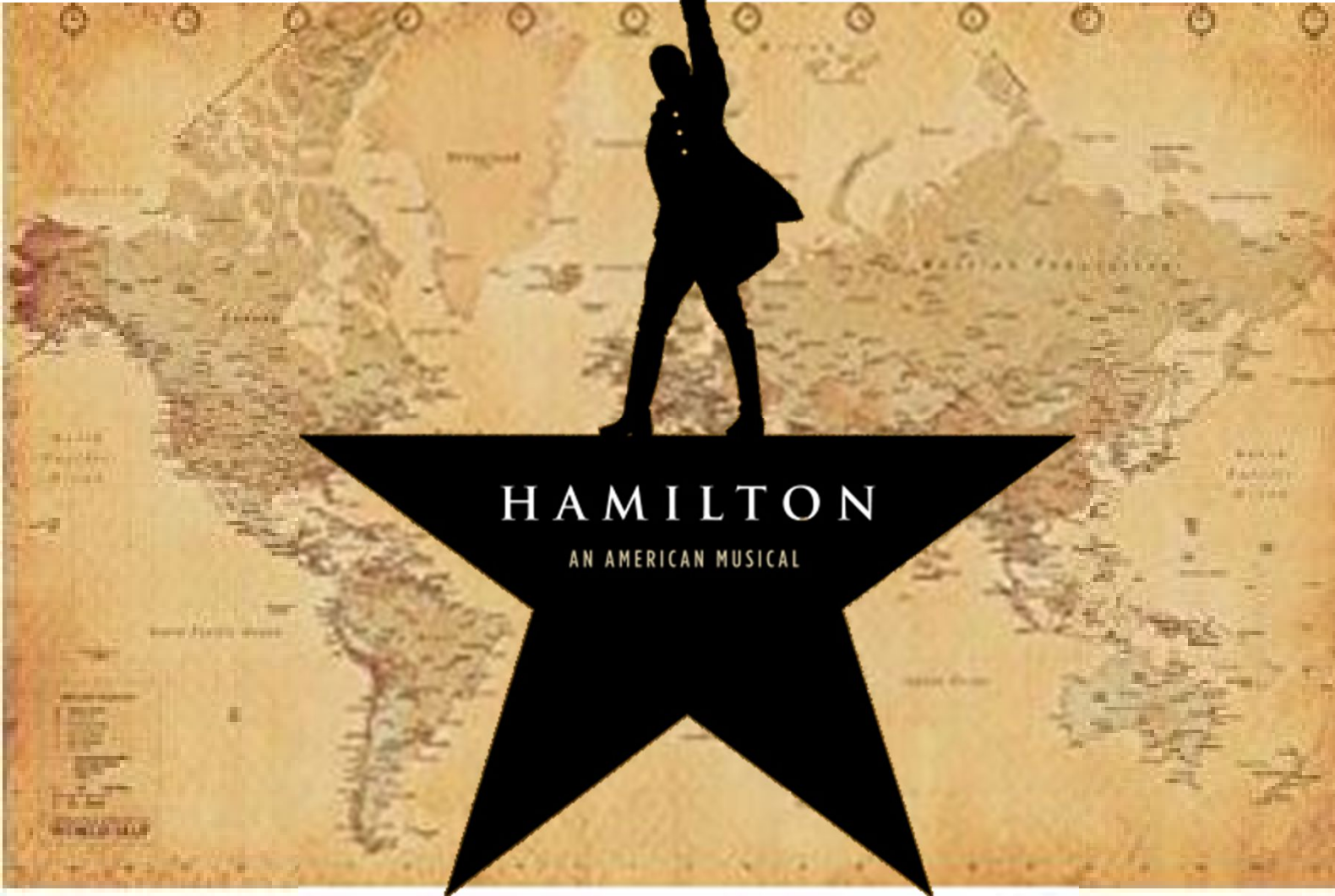
Policy violates the American Rule, long standing aversion to awarding attorneys' fees unless explicitly authorized by Congress.

Others should not have to subsidize the expenses of applicants who choose a costlier appellate route.

Congress had granted that authorization when it wrote the "all expenses" language in the Patent Act and Lanham Act.



# Hamilton Goes International



*Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697 (4th Cir. 2016)  
cert. denied, 2017 WL 737826 (U.S. Feb. 27, 2017)

## **Cert Denied!**

- Supreme Court Lets Stand Court of Appeals Ruling that Owner of a Foreign Trademark May Sue Under the Lanham Act for Conduct in the United States.



# Under Armour Wins Trademark Battle in China



August 2017 – People’s Higher Court of Fujian Province rules against Uncle Martian, ordering it to destroy its products, pay \$300,000 in damages, permanently stop using the infringing logo and publish a statement to eliminate the adverse effect of its infringement.

## Coca Cola Demand Letter - Canada

**OUT FOR A  
RIP** **TM®**

The following is an ACTUAL legal dispute.  
like, for real. TRUE STORY, BUD.



Questions??

