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# TRADEMARK LAW UPDATE

Presented by:

**Kevin R. Casey**  
Chair, Intellectual Property  
610.640.5813  
kcasey@stradley.com

**Allison Z. Gifford**  
Counsel  
610.651.2270  
agifford@stradley.com

**Elizabeth M. O'Donoghue**  
Associate  
610.640.7970  
eodonoghue@stradley.com

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# WHAT WILL WE COVER?



1. Who Cares, Anyway? The Value of a Brand.
2. The U.S. Supreme Court...Places its Brand on Trademark Law
3. Newsworthy...Even to Non-Trademark Fans
4. Foreign Notes...It's a Small, Small World, After All
5. Updates . . . Now, for the Rest of the Story

# \*. Who Cares, Anyway? The Value of a Brand

## A. Value

1. **Apple (\$183 billion)**
2. **Google (\$132)**
3. **Microsoft (\$105)**
4. **Facebook (\$95)**
5. **Amazon (\$71)**



## B. Ratings

## C. Takeaway Point: **Important Assets**

# A1. U.S. Supreme Court

1. **Disparaging, Immoral, or Scandalous, § 1052(a)**
2. ***Matal v. Tam*, 137 S.Ct. 1744 (2017) (disparage)**
3. ***In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017)  
 (“FUCT” on apparel; immoral and scandalous)**
4. ***Iancu v. Brunetti*, Case No. 18-302 (S. Ct.)  
 Oral arguments heard April 15th**
5. **Consensus**
6. **Takeaway Point: Likely more registrations**

# A2. U.S. Supreme Court

## Bankruptcy and Trademark Licensing

- ***Mission Product Holdings, Inc. v. Tempnology LLC, No. 17-1657 (Feb. 20, 2019)*** – certiorari granted from the First Circuit to resolve a split between the Circuits.
- **Question** - Does a trademark licensee retain any rights under a license agreement following the licensor's rejection of the agreement under the Bankruptcy Code?
  - ▣ License agreement terminates the licensee's right to use the licensed trademarks; OR
  - ▣ Licensor's rejection is a breach of contract that does not terminate the licensee's right to continue to use the licensed trademarks.
- **Takeaway** - The decision of the U.S. Supreme Court will hopefully resolve this significant issue in trademark licensing and may affect how license agreements are drafted.

## A3. U.S. Supreme Court

### □ Showdown Over the “American Rule”

- ▣ *Iancu v. NantKwest*, No.18-801 (March 4, 2019) – certiorari granted, after Federal Circuit struck down PTO’s controversial fee-shifting policy. Split with 4<sup>th</sup> Circuit decision.
- ▣ **American Rule** – Absent an exception such as a clear statement in the applicable statute expressly authorizing recovery of attorney fees, each party to a lawsuit must bear its own attorney’s fees and expenses for litigation.
- ▣ **Takeaway**: A ruling in favor of the PTO would chill a patent or trademark applicant’s option to appeal to the district court and thus miss the opportunity to pursue further discovery and augment the record.

# B1. Newsworthy...Even to Non-Trademark Fans

- The First Amendment and the Honey Badger “Honey Badger Don’t Care”
- *Gordon v. Drape Creative*, 909 F.3d 257 (9<sup>th</sup> Cir.)
- Balance: Trademark v. Free Speech
- *Rogers* Test: irrelevant or explicitly misleading
- Jury could find phrase explicitly misleading
- **Takeaway Point**: Could increase risk for artistic works

## B2. Newsworthy...Even to Non-Trademark Fans

- Hashtags as Trademarks (or informational matter)?
- *In re Gillard* (#covfefe for hats, T-shirts, etc.)
- *In re DePorter* (#MAGICNUMBER108 for shirts)
- How about #SayItWithPepsi for drinks? But why?
- How about #TrademarkHelp for customer support?
- **Takeaway Points:** # often hurts trademark status; Often no need to register # as trademarks.

## B3. Newsworthy...Even to Non-Trademark Fans

- **Likelihood of Confusion**
- *Girl Scouts of the United States of America v. Boy Scouts of America*, Case No. 1:18-cv-10287, SDNY
  - ▣ Boy Scouts are now admitting girls into its scouting program, and are calling both boy and girl members “Scouts.”
  - ▣ Girl Scouts sued Boy Scouts over its use of “Scouts” to refer to boy scouts and girl scouts.
- Beyoncé (v. Feyonce, Inc.)
- **Takeaway Points:** Hard to predict;  
Consider all relevant factors



## B4. Newsworthy...Even to Non-Trademark Fans

### □ Surnames – All in the Family – 2 Different Results

- **EARNHARDT COLLECTION** for furniture and custom home construction services.
  - Outcome: TTAB, on remand, found primary significance of mark as a whole merely indicates furniture and custom home construction services are sold in a group or collection by a person named Earnhardt.
- **SCHLAFLY Logo** for beer.
  - Outcome: Federal Circuit found the mark had acquired distinctiveness, rejecting opposer aunt and cousin's arguments that there was no acquired distinctiveness and that their First, Fifth, and Due Process rights were violated.



# B5. Newsworthy...Even to Non-Trademark Fans

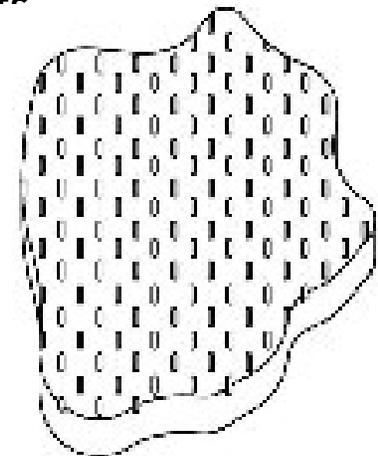
## □ Non-Traditional Trademarks

■ Bubba Burger for a configuration of a hamburger patty for “uncooked hamburger patties.”

■ Bubba Burger had to prove (1) the shape of the hamburger patty was not functional; and (2) the shape had acquired distinctiveness.

■ Outcome – the USPTO accepted the arguments and published the application for opposition.

■ Takeaway: Non-traditional trademarks must be shown to be non-functional and acquire distinctiveness to be registrable.



# C1. Foreign Notes...It's a Small, Small World, After All

## □ **Significant Changes to Canadian Trademark Law**

- New Law Effective June 17, 2019.
- Elimination of Use Requirement.
- Adoption of Nice Classification System.
- Accession to the Madrid Protocol.
- Stricter Distinctiveness Standard.
- Term of Registration 10 years, not 15 years.
- Enhanced Remedies and Procedures for Enforcement.

# C2. Foreign Notes...It's a Small, Small World, After All

## Brexit

- Transition Period – March 30, 2019 – December 31, 2020
  - ▣ Registered EU trademark – equivalent rights in the UK
  - ▣ Pending EU Applications – 9 months to file for equivalent protection in the UK
- Takeaway: As it is uncertain how Brexit will be resolved, trademark owners should consider covering the same goods and services in UK applications as those in their pending EU applications.

# C3. Foreign Notes...It's a Small, Small World, After All

## Mexico

- New laws effective August 10, 2018
  - ▣ Registration of non-traditional trademarks;
  - ▣ Acceptance of consent and co-existence agreements;
  - ▣ Show that marks acquired secondary meaning;
  - ▣ Declarations of Use
    - Submit three years and three months after registration;
    - Submit at the time of renewal; and
    - Applies to IR designating Mexico.
- Takeaway: Registrants in Mexico should be aware that a Declaration of Use is required three years after registration of a mark and, again, at renewal or risk losing trademark rights.

# C4. Foreign Notes...It's a Small, Small World, After All

## China

- Highest volume of trademark applications filed in 2018 – over 8 million applications.
- Increase in U.S. applications filed from China-based companies and entrepreneurs.
- U.S. PTO issued proposal on February 15, 2019 that would required foreign trademark applicants, registrants, and parties who have a permanent legal residence or a principal place of business outside the United States to have a U.S. licensed attorney.
- Takeaway - Review your or your client's trademark portfolio and continue to discuss foreign filing strategy. If there are gaps in the foreign portfolio, particularly in China, it is recommended to file applications sooner rather than later.

# C5. Foreign Notes...It's a Small, Small World, After All



## Madrid Protocol

- Afghanistan
- Indonesia
- Malawi
- Samoa (joined March 4, 2109)

# D1. Updates ... Now, for the Rest of the Story

- **Viacom International, Inc. v. IJR Capital Investments (The “SpongeBob Case”)**
  - 5<sup>th</sup> Circuit concluded “The Krusty Krab” mark had acquired distinctiveness and that the planned Krusty Krab seafood restaurant created a likelihood of confusion as to source, affiliation, or sponsorship.



## D2. Updates ... Now, for the Rest of the Story

### *Royal Crown Co., Inc. v. The Coca-Cola Co. (Coke Zero Case)*

- Federal Circuit overturned the TTAB decision that dismissed the opposition filed by Royal Crown against Coca-Cola's applications to register the mark "ZERO" for soft drinks.
  - TTAB held that "ZERO" functioned as a trademark and consumers would not see the term as generic for soft drinks.
  - Federal Circuit held that the TTAB erred in questioning whether the term ZERO was generic across the broad genus of goods at issue.
- Is the term ZERO generic of a key aspect of the soft drink?
  - Would consumers consider the term "ZERO" to refer to a subgroup or type of beverage?
- **Takeaway** - Stay tuned to see the TTAB's decision regarding the term "ZERO" in a case that has been pending since 2007.



## D3. Updates ... Now, for the Rest of the Story

### **Converse v. ITC.**

- Federal Circuit reversed and remanded an ITC decision invalidating a registration for the midsole of Converse's Chuck Taylor All Star canvas sneaker.
- Converse must prove that the trade dress rights in the midsole of the shoe acquired distinctiveness by a showing of secondary meaning.
  - 2(f) of the Lanham Act – five years exclusive and continuous use.
- Registered trade dress has a presumption of secondary meaning *as of the date of registration*. Converse's mark was registered in 2013.
- Before a mark is registered must prove secondary meaning *prior to the date of first infringement*.
  - Alleged infringing uses began before 2013.
- Six factors to determine if a trade dress mark has acquired secondary meaning.
- Takeaway - Before filing any action for trade dress infringement, review the date of the infringement and determine whether secondary meaning was acquired before the date of infringement.

# D4. Updates ... Now, for the Rest of the Story

## ▣ Right of Publicity Updates

### ■ Olivia de Havilland v. FX Networks

- De Havilland's lawsuit against FX is dismissed, and Calif. S. Ct. and U.S. S. Ct. decline to hear case.
- Takeaway: Win for filmmakers and storytellers (First Amendment)

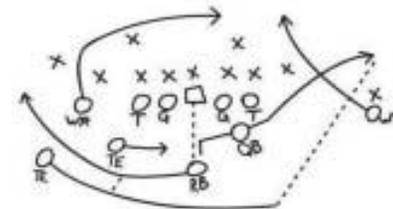
### ■ Daniels v. FanDuel

- Indiana Supreme Court ruled that "newsworthiness" exception to Indiana right of publicity law applied to college athletes' names, likenesses, and statistical information.
- Takeaway: Narrowly tailored to fantasy sports contests

# D5. Updates ... Now, for the Rest of the Story

## ▣ The Philly Special Update

- 10 applications filed.
- 5 still pending, including The Philadelphia Eagles application for “apparel.”
- In October 2018, a third party filed an application to register the “Philly Special” play diagram for “spirits, liquors, wine, wine coolers, wine drinks.” The Eagles have opposed the application.



**PHILLY SPECIAL**

# Hot Off the Press...

- *In Re: Siny Corp.*, No. 2018-1077 (Fed. Cir. 2019).
- Mark CASALANA for “knit pile fabric made with wool for use as a textile in the manufacture of outerwear, gloves, apparel, and accessories”
  - ▣ Specimen submitted upon application filing was a website page showing mark adjacent to one of eleven choices of fabrics and a phone number. Specimen rejected. TTAB affirmed.
  - ▣ Siny, a fabric company, argued that phone number on website qualified as a point of sale, meeting the use-in-commerce test. Federal Circuit agreed with Examining Attorney and TTAB, finding that the website was mere advertising.
  - ▣ **Takeaway**: A website must have transaction details such as price range, minimum quantities to order, acceptable payment methods, and how goods are shipped to show trademark use.

