RUTTER
HOBBS &
DAVIDOFF
INCORPORATED
LAWYERS

Annual Review of Copyright, Trademark and Trade Dress Cases

By Greg Sater

RH&D is pleased to present our full recap of the most interesting intellectual property/unfair competition cases of the past year, as summarized in our **Legal Update**, Spring 2006.

TAKING THINGS ONE QUACK AT A TIME

"Ride the Ducks" and "Super Ducks" operate competing amphibious sight-seeing tours in Philadelphia. In addition to beginning and ending their tours from adjacent locations on the same street, they each distribute a duck-call device to patrons, for use during their tours. Ride the Duck's device is the "Wacky Quacker," Super Duck's is the "Qwacky Qwacker." Ride the Ducks was the first to do this, and obtained a federal trademark registration for the use "of a quacking noise made by tour guides and tour participants by the use of duck-call devices over land and water by amphibious vehicles." Nevertheless, Ride the Ducks did not prevail when its "trademark" was put to the test in court. The court ruled that even though a sound theoretically can be protected as a trademark, there was insufficient evidence that Ride the Ducks' duck-call had developed secondary meaning, also known as acquired distinctiveness; it had only been used for one tourist season, prior to Super Ducks doing the same thing, and there was no evidence that, after that one tourist season, "a person apprehending a quacking noise on the streets of Philadelphia would reflexively think of the services provided by 'Ride the Ducks.'" *Ride the Ducks v. Duck Boat Tours*, 2005 WL 670302 (E.D. Pa. 2005). In other words, there was insufficient proof that the sound, by itself, functioned as an identifier of source for Ride the Ducks. The court's decision ensures that, at least for the foreseeable future, in the city of Philadephia, there will be more than one quack.

TODAY'S PROGRAM, BROUGHT TO YOU BY THE COLOR YELLOW

Sportsvision was the first company to think of using a "virtual yellow line" to indicate the first down marker in football games that are broadcast on TV. It pitched its idea and its technology to the television networks, which loved it, and then it applied for and obtained a registered trademark for the color yellow "as used to enhance video images by inserting a yellow line denoting a location of interest on a football field." However, a competitor, Sportsmedia, then started offering the very same thing. In ruling for the defendant, the court held that a color can only be protectable as a mark if it does not serve a functional purpose and if, in addition, it is shown to have developed secondary meaning or acquired distinctiveness, meaning, when the public sees it, the public understands that it identifies a particular brand. Based on research that the

television networks had conducted, the court decided that "yellow is the best or one of the best colors to use against the colors of a football field" and that, therefore, it is functional. Yellow is more visible than green, blue, or white against the backdrop of a football field; it does not bleed into other colors, as red tends to do on television; and it is not as obtrusive as orange. The court concluded that to give one company exclusive use of the color would be "anti-competitive by depleting alternatives" and would "put competitors at 'a significant non-reputation-related disadvantage.'" *Sportvision v. Sportsmedia Technology,* 2005 WL 1869350 (N.D. Cal. 2005).

VENTI HALF CAFF WITH MILK, SPLENDA, AND A SUMMONS

Starbucks lost its suit against a coffee company called Blackbear that advertised and sold coffee under the names "Charbucks Blend" and "Mr. Charbucks." The court found no likelihood of consumer confusion because, although the names sounded like the word Starbucks, there were differences in the imagery, colors, and formats used by the parties in their trade dress and packaging. The court also noted that defendant's Blackbear moniker helped to dispel any potential confusion. *Starbucks v. Wolfe's Borough Coffee,* 2005 WL 3527126 (S.D.N.Y. 2005).

WHENU GET AWAY WITH IT

A company called WhenU.com enables advertisers to have "pop up" ads appear on computer screens in response to searched containing certain words. In this case, customers searching for the website of 1-800 Contacts would get to the website they wanted, but, as a result of the WhenU "pop up" software, *also* would see a "pop up" ad from a competitor of 1-800 Contacts. Understandably upset, 1-800 Contacts filed suit. Although the competitor was deemed to be "free riding" on the goodwill of 1-800 Contacts, the court concluded that this advertising schem was not unfair or in violation of trademark law. Unable or unwilling to see the difference between the Internet and non-Internet worlds, the court compared the situation to one in which "a drugstore places its own store-brand generic products next to trademarked products that they emulate, in order to induce a consumer who has specifically sought out the trademarked product to consider the store's less-expensive alternative." *1-800 Contacts. v. WhenU.com,* 414 F.3d 400 (2nd Cir. 2005).

GOING AFTER GOOGLE

Geico Insurance sued Google for its "AdWords" program, by which competitors of Geico can pay Google to have their products appear as a "sponsored link" in the

search results for the term "Geico." The court ruled in favor of Geico with regard to the links in which Geico's competitors used the word "Geico" somewhere in their headings or text of their link, but in favor of Google in respect to sponsored links that did not display the word "Geico" in their headings or text. The court found the former links to be confusing to customers searching for Geico, but determined that the latter were sufficiently clear to alert customers that they came from a competitor, rather than from Geico. *GEICO v. Google*, 2005 WL 1903128 (E.D. Va. 2005). In another Google case, "Perfect 10," whose website features revealing pictures of attractive models, sued Google, whose "Image Search" service shows "thumbnail" images of content from other websites, including Perfect 10's, in response to search queries. The court ruled that Google's Image Search service caused harm to Perfect 10 because there is a commercial market for thumbnail-sized images for use on cellular phones. *Perfect 10 v. Google*, 2006 U.S. Dist. LEXIS 6664 (C.D. Cal. 2006).

MAKING FAIR USE OF THE DEAD

The use of "thumbnail" images of a Grateful Dead concert poster in a biography was held to be a fair use because the use of the images in the book was "transformative" and different from the original purpose of the posters, formed only a small portion of the book, and could not substitute for the posters themselves in the marketplace. *Bill Graham Archives v. Dorling Kindersley*, 386 F. Supp. 2d 324 (S.D.N.Y. 2005).

ROCK, PAPER, PUBLICITY RIGHTS

In a case showing that state law publicity rights can trump federal copyrights in legal Rochambeau, a court ruled in favor of a model for a L'Oreal hair-relaxer product who sued the company for using her picture on the box. While L'Oreal owned the copyright to the picture, its contract with the model had not expressly granted the woman's publicity rights to L'Oreal beyond the term of the contract. *Toney v. L'Oreal*, 406 F.3d 905 (7th Cir. 2005).

COPYRIGHTING BLING BLING

Coors put up a huge billboard ad that depicted a tall muscular black man against a cloudy backdrop, wearing a white T-shirt, white athletic pants, and a wide assortment of necklaces, rings, and other shiny jewelry. However, a photographer previously had taken a similar-looking picture of NBA basketball star Kevin Garnett which had been published in a magazine. The photographer sued. The court noted that Coors could have created "any number of depictions of a black man wearing a white T-shirt and

'bling bling' that would look nothing like the [plaintiff's photograph]" but noted that there were a number of differences between the two photographs. The court ruled it was an issue of fact, for a jury to decide, and that the standard would be substantial similarity. "[I]f the points of dissimilarity not only exceed the points of similarity but indicate that the points of similarity are, within the context of plaintiff's work, of minimal importance ... then no [copyright] infringement results." *Mannion v. Coors*, 377 F. Supp. 2d 444 (S.D.N.Y. 2005).

TRADING SPOUSES AND (TRADE) DRESSES

The producer of the British television show "Wife Swap" sued the producer of the American television show "Trading Spouses" for copying the concept of "switching spouses from disparate families and watching the ensuing interactions." The court rejected the British producer's contention that the "total image and appearance" of its program could constitute protectible trade dress, saying that it "fails to grasp the fundamental distinction between copyright protection and trademark protection." Trade dress law can only protect something that is an identifier of source, the "dressing up" of a product such as its labeling or packaging, not the content of a creative work. In the court's words, the elements that were alleged to have been stolen in this case "*are* the product," as opposed to being the trade dress that helps the public to identify the product as coming from one particular source or brand. *RDF Media v. Fox Broadcasting*, 372 F. Supp.2d 556 (C.D. Cal. 2005).

COMPETING BY COMPARISON

The marketer of an anti-wrinkle cream, StriVectin, sued the marketer of a competing cream, NuVectin, for trade dress infringement based on the use of similar looking tubes and boxes. The court denied StriVectin's request for a preliminary injunction, finding that many features used by the parties in their packaging were common in the industry, including color schemes, and that other features were functional. The court also noted that NuVectin's package contained both a "Compare to" label and a disclaimer of association with StriVectin, thereby reducing the possibility of confusion. *Klein-Becker v. Product Quest,* 2005 U.S. Dist. LEXIS 10807 (D. Utah 2005).

WHISPERING QUIETLY, AND DESCRIPTIVELY

Whirlpool, which owns the federally registered trademark "Whisper Quiet" for dishwashing machines and clothes dryers, sued a competitor, LG Electronics, for

displaying the words "Whisper Quiet" on its washing machines and dryers. The court found that given how the words actually appeared on LG's machines, surrounded by numerous other terms including the LG brand name, its logo and two non-trademarked terms ("Stainless Steel Drum" and "Ultra Capacity"), a jury might reasonably determine that LG was using "Whisper Quiet" descriptively and in a non-trademarked sense. The court further explained that, if the jury were to find such non-trademark use and there was no likelihood of confusion between the competitors, LG would prevail on its fair use defense. *Whirlpool Properties v. LG Electronics,* 2005 WL 3088339 (W.D. Mich. Nov. 17, 2005).

FIGHTING WITH FALWELL

The Reverend Jerry Falwell sued the owner of the website located at *www.falwell.com* that criticized Falwell's position on homosexuality. While not adopting a fixed ruled that non-commercial speech is always immune to an infringement claim, the court ruled for the defendant by finding that there was no likelihood of consumer confusion and, therefore, no infringement because the defendant and Falwell did not sell competing goods but simply offered opposing ideas. The court also noted that a visitor to the defendant's website would be confused about whether or not it was sponsored by or affiliated with Falwell, and the use of Falwell's name and mark as part of a domain name could not be judged in the abstract, apart from *the context* in which it is used, meaning apart from the *contents* found on the defendant's website. *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005).

HAIR LOST, LAWSUIT WON

A disgruntled former patient of Bosley Medical, a provider of hair replacement services, registered the domain name *www.bosleymedical.com* and then published content on the website criticizing Bosley Medical. The court ruled in favor of the patient, holding that the use of another person's trademark in a domain name, while normally not permitted, does not violate trademark law *if* it is being used purely for a "gripe" site. The key, the court said, is whether the defendant is using the plaintiff's mark "in connection with a sale of goods or services." If the defendant is merely using it as part of a domain name for a website with consumer commentary and is not offering any goods or services, then there is nothing the plaintiff can do. The court also noted that the defendant did not cross the line into "commercial use" by having his website provide a link to his lawyers' website. *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672 (9th Cir 2005).

CHAMPIONING CONTINGENCY CASES

A lawyer registered the URL www.championmortgageclassaction.com and used the site to solicit plaintiffs for a class action lawsuit against a company called Champion Mortgage. Champion Mortgage brought a domain name arbitration claim to force the lawyer to relinquish the domain name. While the lawyer argued that he had a right to use the mark to solicit and notify class members, the arbitration panel found that it was "not aware that one suing another who holds a trademark acquires some right to use the targeted litigant's mark in ways that benefit the user, and not the holder of the mark." The panel ruled for Champion Mortgage, finding that the lawyer was not using the mark non-commercially, as would be the case in a "gripe" site, since he stood to benefit financially from attracting class action participants via the website. *Key Bank, NA v. Griffin,* FA 562478 (Nat. Arb. Forum 2005).

JUST SAYING NO TO THE ICE CREAM MAN

Frosty Treats, which sells ice cream from trucks bearing the name "Frosty Treats" along with a clown image at the rear of the truck, sued Sony for a video game that included a depiction of an ice cream truck with "Frosty Treats" written on it and a clown on the truck. The court ruled that the mark "Frosty Treats" was not protectible because it was descriptive and the plaintiff had not proven that it had developed acquired distinctiveness, so that "Frosty Treats" would be recognized by consumers as an identifier of source. With regard to the clown, the court agreed with the plaintiff that it was not functional because of the safety benefits of its design and location, which directed children to the rear of the ice cream truck. However, the court found insufficient evidence of likelihood of confusion between Frosty Treats' clown image and the ice cream truck seen in the Sony video game. *Frosty Treats v. Sony Computer Entertainment*, 426 F.3d 1001 (8th Cir. 2005).

I CAN DO ANYTHING BETTER THAN YOU

"Best Vacuum" sells vacuum cleaners and accessories, including via its website located at *www.bestvacuum.com*. Twenty years after Best Vacuum went into business under that name, Ian Design began selling vacuum cleaners and accessories via a website located at *www.bestvacuumcleaner.com*, as well as *www.bestchoicevacuums.com*. The court denied Best Vacuum's request for an injunction, finding that "Best Vacuum" was a descriptive mark that had not been proven to have developed secondary meaning or acquired distinctiveness for the plaintiff and that the defendant "should not be denied the right to use the laudatory term 'Best' and the generic term 'Vacuum' in its domain names." *Best Vacuum v. Ian Design*, 2005 WL 1185817 (N.D. Ill. 2005).