

## ANNUAL REVIEW OF COPYRIGHT, TRADEMARK AND TRADE DRESS CASES

By Greg Sater

We are pleased to present Greg Sater's annual summary of some of the past year's most interesting intellectual property and unfair competition cases. A comprehensive review of developments in this area can be found at [www.rutterhobbs.com](http://www.rutterhobbs.com).

### TRADING SPOUSES AND (TRADE) DRESSES

The producer of the British television show "Wife Swap" sued the producer of the American 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).

### 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).



### VENTI HALF CAFF WITH 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 coffee 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 searches including 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 scheme was not unfair or in violation of trademark law. Unable or unwilling to see any difference between the Internet and the

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## Rutter Hobbs & Davidoff Joins the International Society of Primerus Law Firms

RHD is very pleased to announce its affiliation with Primerus, an international network of top-quality, mid-sized law firms. Firms accepted into the Primerus network adhere to rigorous standards based on the principles of integrity, excellence of work product, reasonable fee structures, professional education, civility, and community service. Primerus member law firms must first earn the maximum "AV" rating from Martindale-Hubbell, a publisher of exclusive Peer Review Ratings, which demonstrates a lawyer's legal ability and professional ethics, and reflects the confidential opinions of members of the Bar and Judiciary. As a Primerus member firm, RHD and its clients now have access to top-quality attorneys located nationwide. For more information visit [www.primerus.com](http://www.primerus.com).

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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).

### 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).

### 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).

### I CAN DO ANYTHING BETTER THAN YOU

"Best Vacuum" sells vacuum cleaners and accessories, including via its website located at [www.bestvacuum.com](http://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](http://www.bestvacuumcleaner.com), as well as [www.bestchoicevacuums.com](http://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).

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## 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 the 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 such thumbnail-sized images for use on cellular phones. *Perfect 10 v. Google*, 2006 U.S. Dist. LEXIS 6664 (C.D. Cal. 2006).

*Greg Sater represents a wide variety of clients in all areas of law relating to trademarks, trade dress, trade secrets, copyrights and other forms of intellectual property, as well as business litigation, contractual negotiations and transactions, and the review of advertising claims and substantiation.*

*Greg was named a "Super Lawyer" in the field of Intellectual Property Litigation by Law & Politics and the publishers of Los Angeles Magazine in 2004, 2005, and 2006. He is a regular contributor to Electronic Retailer and Response magazines and regularly speaks about intellectual property and other legal issues. Greg may be reached at (310) 286-1700 or by e-mail at gsater@rutterhobbs.com.*

## *Practicing the Possible for One-Third of a Century*

*Recent Intellectual Property-related engagements completed by Rutter Hobbs & Davidoff*

- Brought and successfully resolved a copyright infringement suit based on the unauthorized commercial use of a photograph of USC quarterback and Heisman Trophy winner Matt Leinart by a chain of sports bars.
- Prepared license and reseller form agreements for a leading e-commerce company concerning its vehicle specific database, which contains over 430 million applications for vehicle parts as well as product and repair data for thousands of aftermarket parts manufacturers.
- Represented a nationwide provider of golf instruction to children in the licensing of its intellectual property to a division of the PGA and to the Golf Range Association of America.
- Brought and successfully resolved counterfeiting, copyright, trademark, and patent infringement claims against a prominent e-commerce website for posting for sale counterfeit versions of a client's products.
- Defended against and successfully settled a trademark infringement and unfair competition claim brought by a manufacturer of car stereo equipment against an e-commerce website that was not an "authorized dealer" but was using the plaintiff's trademark in the course of offering the equipment for sale online.
- Negotiated transactions and prepared contracts for clients that advertise products on television and over the Internet, including infomercial production agreements, marketing and distribution agreements, television host agreements, license agreements, and joint ventures.
- Reviewed the phrasing of claims used in television and radio advertising for multiple clients.
- Helped to defend a marketer of infomercial fitness products against trademark infringement claims filed by a prominent competitor, where the names of the products were similar, and helped win the case on summary judgment for the defense.
- Defended against and successfully resolved trademark and trade dress infringement claims filed by one hosiery manufacturer against another, based on allegedly identical color schemes and designs.
- Filed and prosecuted trademark applications on behalf of several companies, including: a newly-formed peanut distributor, infomercial-based marketer of a back pain relief product, internet dating service, provider of school lunches for children, manufacturer of bath and spa products, and several technology manufacturers and distributors.

## R H D I N T H E N E W S

- April 2006: **Response Magazine** published "How to Handle Counterfeiters on Alibaba.com" by Greg Sater.
- March 31, 2006: RHD co-sponsored a charity poker tournament to raise awareness and support for **Hollywood Arts**, a new charity to assist disadvantaged young people.
- March 30, 2006: Greg Sater was a panelist discussing legal issues to be addressed when launching a direct response campaign on the **Electronic Retailing Association's Legal Webinar**.
- March 2006: **Mealey's Asbestos Bankruptcy Report** profiled the reorganization plan of Rutter Hobbs & Davidoff client J.T. Thorpe Inc.
- February 27, 2006: Andrew Apfelberg was cited on current merger activity in the **Los Angeles Business Journal** article "Merger Activity Remains Healthy as New Year Kicks Off".
- February 27, 2006: Brian Davidoff commented on asbestos case trends in the **Los Angeles Business Journal** article "More Asbestos Cases Heading to Courthouses Across Region".
- February 13, 2006: Brian Davidoff was a panelist discussing the emerging field of "deepening insolvency" claims against lenders and other parties to business transactions at the **Beverly Hills Bar Association**.
- February 2006: **electronicRETAILER** published "Walking the Copyright Line" by Greg Sater.
- February 2006: **Los Angeles Magazine and Law & Politics name eight RHD attorneys as Super Lawyers:** Andrew Apfelberg (Business), Brian Davidoff (Bankruptcy), Fred Fenster (Business Litigation), Frank Hobbs (Business Litigation), Terry Nunan (Estate Planning), Marshall Rutter (Family Law), Greg Sater (Intellectual Property Litigation) and Joel Weinstein (Business).
- January / February 2006: **California CPA** published "Do it Right: Terminating Employees Means Paying Careful Attention to Employment Law" by Olivia Goodkin.
- January 20, 2006: Brian Davidoff presented "Navigating the Potholes - A Roadmap for Today's M&A Marketplace" at the annual conference of the **Alliance of Merger and Acquisition Advisors**.

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