

USING SOMEONE ELSE'S NAME, IMAGE, TRADEMARK, OR COW SPOT

This is Greg Sater's annual summary of intellectual property cases of interest, focusing on trade dress, trademark, copyright, idea submission, right of publicity, advertising, and fair use cases from the past year.

STEALING SCHWARZENEGGER

The Governor filed suit in Los Angeles, Kaleefornia against an Ohio car dealership for running five full-page color ads in an Ohio newspaper with his name, photograph, and implied endorsement. (It is not known whether the dealership's failure to offer Hummers played a role in its being sued.) Schwarzenegger argued the Ohio dealership could be sued in California because it had an Internet website that could be accessed from California and because he suffered his financial damages, if any, in his home state. The Court rejected these arguments, ruled there was no jurisdiction in California, and terminated the case. *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797 (9th Cir. 2004).

MISAPPROPRIATING MARCH MADNESS

The athletic association that uses the term "March Madness" in promoting the NCAA's annual basketball tournament sued a marketing company for registering and using the Internet domain name www.marchmadness.com. The Court ruled for the plaintiff, finding that "March Madness" is a protectable trademark and rejecting the defendant's defense of fair use, finding the defendant was using the mark as a mark, meaning it was using it "as a moniker for the NCAA tournament, rather than in its descriptive sense as something crazy which occurs in March" and finding that online Internet traffic was being diverted. *March Madness Athletic Ass'n, LLC, v. Netfire Inc.*, 310 F. Supp. 2d 786 (N.D. Tex. 2003), *aff'd*, 2005 WL 147264 (5th Cir. 2005).

EXCESSIVELY EXCERPTING ELVIS

The owner of copyrighted videos, photographs, and music featuring Elvis sued a film biographer for having used them in a 16-hour video biography called "The Definitive Elvis," sold at retail for \$99. The Ninth Circuit ruled that the defendant had not made a fair use thereof, and had committed copyright infringement.

While each video clip shown by the defendant appeared for only a few seconds, the clips as a whole appeared often in the biography and collectively comprised 10% of it. In addition, some of the clips lasted for as long as a minute and showed significant portions of Elvis' appearances on such shows as the Ed Sullivan show.



By Greg Sater

The Court reasoned that although the use of film clips in biographical works can be transformative and therefore subject to the defense of fair use, in this instance they also had a commercial element, and an entertainment purpose. "The Definitive Elvis" was not fair use because it was not mere scholarly critique or historical analysis, it used longer clips than necessary, and in some cases it used the heart or most important part of a musical performance or video of Elvis. *Elvis Presley Enterprises, Inc. v. Passport Video*, 357 F. 3d 896 (9th Cir. 2004).

USING PLAYBOY THE WRONG WAY

Advertisers commonly pay Internet search engines for "key word" search terms. My law firm could, for example, pay to have its website address www.rutterhobbs.com come up every time somebody searches for "California lawyers" or "best looking California lawyers." We also could pay to have our firm come up every time somebody types in the name of a *competing* law firm. Therein lies the problem.

Playboy sued Netscape because, when users searched for "playboy," the banner ad of a competing adult content provider would appear and invite the user to "click here," resulting in a connection to a website other than Playboy's. The Ninth Circuit held it is unlawful for a search engine to list advertisers as sponsored hits when their *competitors'* trademarks are used as search terms. The Court held that even if, upon reaching the defendant's website, and before making any purchase, all Internet users immediately realized that it was not Playboy, so that there was no confusion at

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the time of purchase, the website still violated the law by gaining an unfair advantage: prospective customers of Playboy, although not confused, might “be perfectly happy to remain on the competitor’s site” and spend their money there. *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004).

USING PLAYBOY THE RIGHT WAY

This year a judge in New Jersey followed another Playboy case, *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002), by holding that a defendant was entitled to use the trademark of a competitor on his website and thereby make his website come up as a “hit” in search engine results, because of the nature of the defendant’s product: parts that could be used to replace the parts used in the plaintiff’s machines. *Bijur Lubricating Corp. v. Devco Corp.*, 332 F.Supp 2d 722 (D. N.J. 2004).

The Court noted that the defendant’s product, parts for the plaintiff’s machines, was not readily identifiable without making reference to the plaintiff’s trademark; that the mark was only used to the extent necessary to identify the defendant’s product; and the defendant nowhere suggested that it was affiliated with the plaintiff.

The *Bijur* decision thus followed *Playboy v. Welles* in which a former Playboy Playmate of the Year mentioned “Playboy” and “Playmate of the Year” on her website, and the Ninth Circuit ruled in her favor, finding she had simply identified her status correctly, by referring to herself as “Playmate of the Year 1981.” (She also had added a disclaimer stating that her website was not endorsed, sponsored, or affiliated with Playboy, and that Playboy was a trademark of Playboy.)

PITCHING YOUR MOVIE IDEA

A screenwriter sued Miramax for copyright infringement and idea submission over the movie *Rounders*, alleging it copied his screenplay and stole ideas he had disclosed to the studio.

The Court ruled for the studio on the copyright claim, finding no substantial similarity between the scripts in terms of genre, mood, pace, theme, setting, plot, characters, and sequences of events, other than the fact that both involved poker and featured jargon used by poker players. However, it permitted the idea submission claim to go forward, holding it was different enough from a copyright claim to survive preemption by the federal Copyright Act.

The Court thus reaffirmed the validity of a 1956 California Supreme Court case called *Desny v. Wilder*, which holds that a contract can be implied if one discloses an idea to another, under circumstances that indicate an unstated promise to pay for the idea, if the idea later is used. The Court held that a *Desny* claim is different because it involves an implied promise to pay for the act of disclosing the idea, whether or not the

idea is original enough for copyright. *Grosso v. Miramax Films Corp.*, 383 F.3d 965 (9th Cir. 2004).

GOING TO THE DELI FOR TRADE DRESS ON RYE

Jerry’s Deli sued Roxy’s Deli to enjoin the latter’s use of: “New York deli-style décor; a red and white color scheme; Broadway playbills on the walls; movie-style lighting fixture above the tables; a circular logo; and an over-sized menu folded lengthwise into thirds with the words ‘Delicatessen’ ‘Restaurant’ and ‘Good Morning! Breakfast Served All Day and Night’.”

Jerry’s persuaded Roxy’s to sign a settlement agreement stating that Roxy’s would not use “any trade dress that is likely to create consumer confusion or mistake as to any association between the parties.” Thus, the parties removed the dispute from the realm of trade dress law and put it into the realm of contract law.

Given that broad and vague language, it is no surprise that the parties immediately found themselves back in court, with Jerry’s alleging that Roxy’s revised decor was still too close to its own, as a result of its reduced, but nevertheless continued, use of Broadway posters, red and white colors, movie-style light fixtures, and three-fold menus using language similar to Jerry’s, including “Breakfast Served All Day And Night.” The Court found in favor of Jerry’s. *Jerry’s Famous Deli v. Papanicolaou*, 383 F. 3d 998 (9th Cir. 2004).

CALLING YOUR PASTA AMERICA’S FAVORITE

One pasta manufacturer sued another, for calling its pasta “America’s Favorite Pasta!” The defendant’s market share did not warrant the statement and its pasta was not sold throughout the country. The Court, however, ruled for the defendant, holding that its advertising claim was not a statement of fact and could not be reasonably interpreted as such.

The Court said the word “favorite” involves popularity and it is hard to define what is “most popular,” that “America’s favorite” is particularly hard to define because “America” is “a non-definitive person,” that there is no “empirical benchmark” by which such a statement can be measured, and that “a product may be well liked or admired, but not dominate in market share, and can be America’s favorite without being national.” Thus, the Court limited claims for false advertising to representations that are “quantifiable” and not “subject to fancy,” and disregarded the results of a consumer survey in which 33% of respondents perceived “America’s Favorite Pasta!” as a factual claim that the product was #1 nationally and 50% felt it meant nationwide sales. *American Italian Pasta Co. v. New World Pasta Co.*, 371 F.3d 387 (8th Cir. 2004).

CONFUSING CUSTOMERS, LEGALLY

A cosmetics company owned the registered trademark “Micro Colors,” and sued a competitor for using the term “microcolor” in its advertisements. The

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competitor argued it was only using "microcolor" descriptively, to describe a characteristic of its product, and was not using it *as* a mark.

Whereas the lower courts had ruled in favor of the plaintiff and had held that, if the defendant wanted to prove fair use, it had to prove there was no confusion among consumers between "Micro Colors" and "microcolor," the United States Supreme Court disagreed, and reversed, holding that a defendant raising the defense of fair use does *not* bear the burden of proving a *lack* of confusion, and that a fair use finding in favor of such a defendant *can* be made even if there is confusion.

The Court held that one cannot claim a monopoly on the *descriptive* use of a descriptive term "simply by grabbing it first" as a trademark, and that some degree of confusion can lawfully exist in the marketplace when there is a descriptive use of a descriptive mark. The Court stopped short, however, of ruling that fair use will be found in every case of descriptive use, no matter how much confusion is caused, and said the degree of confusion is a factor to be considered. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 125 S.Ct. 542 (2004).

MONOPOLIZING A CITY'S NAME

Every spring, the plaintiff produced a boat show called the "Newport Boat Show" in Newport Beach, California, at a location that he rented called The Newport Dunes. One day, the owner of the Dunes rented the facility to someone else, who then held a boat show there called the "Newport Beach Boat Show at the Dunes, produced by the SCMA." A lawsuit ensued.

Although the plaintiff's mark was geographically descriptive, and simply combined the generic term "boat show" with the name of a city, "Newport Beach," the Court nevertheless ruled in favor of the plaintiff, finding the mark was entitled to protection due to its acquisition, over time, of secondary meaning.

The Court held that the mark should be considered as a whole, not dissected into its parts, and emphasized the plaintiff's longstanding use of the mark, including via significant advertising expenditures. While the show's location at the Dunes and its timing in the spring were not protectable, the Court agreed with the plaintiff that there was too much similarity between the names

"Newport Boat Show" and "Newport Beach Boat Show at the Dunes." *Duncan McIntosh Co., Inc. v. Newport Dunes Marina LLC*, 324 F.Supp.2d 1078 (C.D. Cal. 2004).

IMMIGRATING WITH YOUR TRADEMARK

For years, a Mexican grocery chain used the mark "Gigante" in Mexico. As a result of its use in Mexico, the mark became known not only to Mexicans in Mexico but also to Mexicans and Mexican-Americans in San Diego. An American grocery chain then opened in San Diego, calling itself by the same name. The Mexican chain expanded northward, opened a location in San Diego, and filed suit.

Although the usual rule is that trademark rights in one country cannot create trademark rights in another, in this case the Court made an exception in order to prevent consumer confusion.

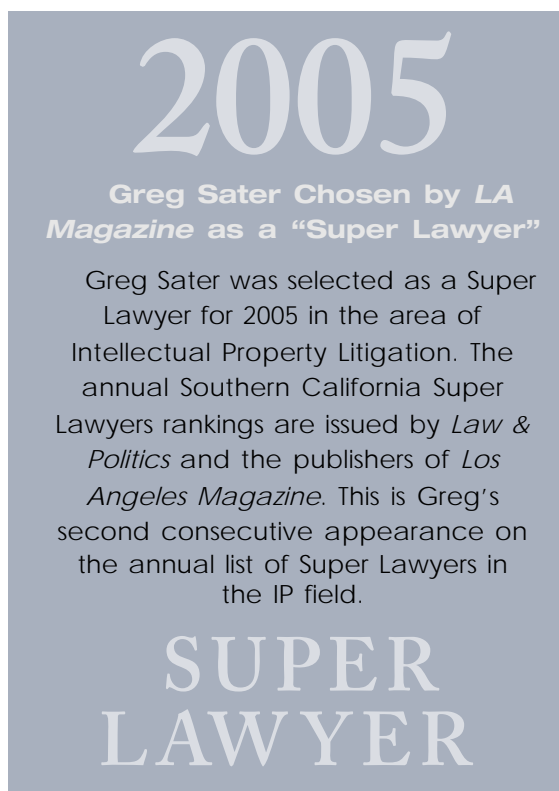
The Court stated that "commerce crosses borders and, in this nation of immigrants, so do people," so, under certain circumstances, to protect the consumer, American courts should honor the priority trademark rights of Mexican companies in the United States, even if technically

they are the junior user here. The Court held that, to gain priority rights here, a foreign company must prove that a "substantial percentage" of consumers north of the border are familiar with the mark, due to its use south of the border.

Although, in applying that test, the Court found for the Mexican company, it excused the existing stores of the American defendant, ruling they could remain open because the Mexican company had delayed filing suit for four years after moving here. Only future "Gigante" stores would be enjoined. *Grupo Gigante v. Dallo & Co. Inc.*, 391 F.3d 1088 (9th Cir. 2004).

JUST DOING IT

Nike has a slogan, "Just Do It." Nike sued the defendant for registering the domain name *www.justdoit.net*. Although the defendant claimed he had used the phrase for thirty years in motivational speeches, the Court found little or no evidence of such prior use. Nobody, other than the defendant, testified about it. Because the Court believed he had registered "Just Do It" in bad faith, it declined to apply the "safe harbor" provision of the cyber-squatting statute under which one can legally register another's mark as a



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domain name if one has reasonable grounds to believe it is a fair use. *Nike v. Circle Group Internet, Inc.*, 318 F. Supp. 2d 688 (N.D. Ill. 2004).

GRIPING ON THE INTERNET

A man registered www.nissan.com, using the trademark of the automobile manufacturer Nissan. On his website, he had links to other websites that disparaged Nissan. Nissan sought an injunction but the Court denied it, ruling that "gripe site" speech does not violate trademark law because it is noncommercial. The defendant was found liable, however, for posting links to websites that offered automobiles, and for having "benefited from it because he received money per click." Although Nissan wanted it, as a remedy, the Court did *not* order the domain name transferred to Nissan. The Court did not do so because the defendant's name, Uzi Nissan, really was Nissan, and because, outside of the automotive field, companies use the name lawfully. *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004).

Two other courts came to the same conclusion this year, finding "gripe sites" to be legal even when their domain names consist of the gripee's trademark. *TMI, Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004); *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004).

USING YOUR COMPETITOR'S NAME TO POP YOU UP

In last year's summary, I reported on the differing views of different judges regarding the legality of the advertising scheme of WhenU.com, which has a program that people download (often without knowing what it does) which causes sponsored ads to "pop up" when they search for certain words. (BMW could pay WhenU to have a BMW advertisement pop-up whenever someone types in "Mercedes.") One judge last year found this to be legal; another found it to be illegal. *U-Haul International, Inc. v. WhenU.com*, 279 F.Supp.2d 723 (E.D.Va. 2003); *1-800 Contacts, Inc. v. WhenU.com*, 69 U.S.P.Q.2d 1337 (S.D.N.Y. 2003).

Since the writing of last year's summary, a third judge has had an opportunity to consider WhenU's advertising scheme, and has ruled in its favor, finding it does not cause confusion because Internet users are used to seeing annoying pop-up ads and understand that their source is different from the source of the website they were searching for. WhenU's pop-up ads open in a separate window on the desktop, can be minimized or exited, and display a name that is different from the mark of the plaintiff. This, the judge said, merely facilitates comparative advertising, which is legal. *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp.2d 734 (E.D.Mich. 2003).

FIGHTING OVER SCRATS

In the animated movie "Ice Age," there is a prehistoric rat named "Scrat" with "bulging eyes, a long snout, saber teeth, a raccoon-like striped tail, an anxious mien"

and a real talent for getting himself into trouble. This past year, that trouble included litigation.

According to Fox, its animators had worked for many months to create Scrat based on a real prehistoric animal. The plaintiff disagreed. She alleged that Fox's Scrat had come from "Sqrta," a "squirrel-rat hybrid" that she had created with the help of an artist, and had tried to market at various animation trade shows.

After the plaintiff sued Fox, the parties discovered that the artist whom the plaintiff had hired to create Sqrta had herself adapted Sqrta from another work, the rights to which were jointly owned by two third parties. Although the plaintiff then sought out and obtained a license from one of them, Fox evidently had the same idea, because it obtained a license from the other.

The Court dissected the rodents into their constituent parts, rather than compare them as a whole, and held that the only parts of Sqrta that the plaintiff could protect would be those that she or her artist had added: Fox was free to copy all other elements. The Court ruled that the protectible portions of the rodents were not substantially similar, and found no evidence that Fox had had access to Sqrta or had used it, in creating Scrat. It therefore ruled for the studio. *Silberstein v. Fox Entertainment Group, Inc.*, 2004 WL 1620895 (S.D.N.Y. 2004).

COPYING COW SPOTS: A "GATE"WAY TO BE SUED

Gateway advertises its computers using black-and-white cow spots. The defendant makes stuffed animals called "Stretch Pets" with an elastic body that wraps around the edges of computer monitors. One such Stretch Pet is, or was, a black-and-white cow.

The Court granted an injunction against the bovine accessory, finding that Gateway's cow spots have secondary meaning among consumers, and finding them to be non-functional because, despite what you might think, cow spots "play no part whatsoever in the performance of Gateway's computers." Considering the low price of the accessory, which suggests that consumers would not spend much time considering its real source before deciding to purchase it, and the results of a consumer survey finding 39% confusion, the Court ruled for Gateway. *Gateway, Inc. v. Companion Products, Inc.*, 384 F.3d 503 (8th Cir. 2004).

OFFERING REBATES, SORT OF

Corel was sued under California's unfair competition statute for offering "Cash Back" rebates on the outside package of Wordperfect. In fine print, the package also said "See inside for details." Thus, the conditions for the rebate, *e.g.*, that it could not be combined with other discounts and there would be only one per customer, were inside the sealed box, rather than on the box.

The plaintiff claimed the "Get cash back" box was misleading, because not all purchasers would receive cash back. He did not submit any survey evidence,

however, and in fact had not himself personally purchased the product. He said he was suing on behalf of the general public.

Applying the “reasonable consumer” standard, the Court ruled that Corel had not made a blanket offer to everyone who bought Wordperfect, but had made it clear, or clear *enough*, that conditions would apply and would be listed inside, where buyers could review them after making the purchase. “It was clear to any potential purchaser that he would have to purchase the product and open it in order to learn the details of the rebate offer.” In addition, in November 2004, voters in California passed Proposition 64 which requires an unfair competition plaintiff to have suffered injury in order to sue for the general public. Because this plaintiff had no damage, the Court dismissed his case on that basis as well. *Bivens v. Corel Corp.*, 24 Cal. Rptr.3d 847 (2005).

BEING A PLAYMAKER, OR NOT

ESPN produced a television series, “Playmakers,” which was criticized by the NFL for negatively portraying football players. (I liked it, though!) A company called PlayMakers that represents athletes in contract negotiations sued ESPN to stop the show, filing suit after the end of the first season. They argued there would be reverse confusion in that they, the senior but less well known user of the mark, would be associated with ESPN, the junior but more famous user of the mark, and that this would tarnish their reputation.

The Court denied the request for an injunction, holding there would be no likelihood of confusion because of the commonness of the term “playmaker,” the remoteness of the parties’ lines of trade, the different marketing channels, the different fonts and colors used in print, and the high degree of care that the plaintiff’s customers, professional athletes, would exercise before deciding whether or not to hire the plaintiff. *PlayMakers v. ESPN, Inc.*, 376 F.3d. 894 (9th Cir. 2004).

SURREPTITIOUSLY SAMPLING SONGS

It is common today, in rap music, for recording artists to digitally “sample” songs previously released by others,

by taking a few key seconds from the prior recordings, usually without permission.

Under copyright law, there are two ownership interests in a recorded musical work: there is the ownership interest in the underlying musical composition, usually owned by its composer or an assignee; and there is the ownership interest in the sound recording of a particular artist’s performance of that composition, usually owned by a record company.

At RH&D, Greg Sater represents clients both large and small in business and intellectual property matters both pre- and post-litigation, with an emphasis on matters that involve trademark, trade dress, or copyright issues, contract interpretation issues, trade secret misappropriation, trade libel, business fraud, unfair competition, and false advertising.

In addition to being an experienced state and federal court litigator and trial lawyer, Greg helps his clients protect and register their intellectual property assets, negotiate and draft their contracts, and review their advertising materials, before there ever is a claim or dispute.

Greg graduated from Stanford University and Harvard Law School and, for the past two years, has served as the Chairman of the American Bar Association’s Special Committee on Promotion and Marketing Law, Trademark/Trade Dress Section.

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This past year, with regard to sound recordings rights, the Sixth Circuit imposed a new “bright line” rule: it is copyright infringement to “sample” from a preexisting sound recording, no matter how brief or *de minimus* the sampling may be. In a rap song, the defendant had used a two second, three-note excerpt from a prior recording. He had altered it by computer and had looped or repeated it five times. Even for a few seconds, the only person with the right to sample from a sound recording is its owner. *Bridgeport Music, Inc. v. Dimension Films*, 383 F.3d 390 (6th Cir. 2004).

The Ninth Circuit also confronted sampling, but with regard to musical composition rights. With regard to such rights, it held that courts must examine the extent and character of use, by the defendant, and that *de minimus* uses do not violate the copyright held by the owner of the musical composition.

The Beastie Boys used a six-second, three-note excerpt from a jazz recording, with a license from the owner of the recording but without permission from the owner of the composition. The Court dissected the compositional elements, used without a license, from the recorded performance elements, used with a license, and found no infringement. *Newton v. Diamond*, 388 F.3d 1189 (9th Cir. 2004).

TICKING TOO LONG

The plaintiff had made a film about white water kayaking. Timex had obtained a one-year license to use images from the film, in Timex’s advertising. Timex committed copyright infringement when it continued to use the materials after the term had expired.

A copyright plaintiff can recover not only its own damages, but also the defendant’s profits. In terms of

recovering Timex's profits, although Timex had not used the footage with the general public, it had used it on a "loop tape" that it had played at its booth at twelve trade shows. Thus, the Court awarded the plaintiff the profits Timex had made on sales consummated at, or as a direct result of, those trade shows.

The plaintiff, however, also sought to recover Timex's profits on watches that it sold to the general public, theorizing that a "buzz" had been created among the retailers who had attended the trade shows and had seen the loop tape. The Court rejected this theory, holding that, while in some cases one can recover a defendant's profits across the board due to some "premium" that was generated through the use of a work in advertising, there was no evidence that Timex's increased sales were due to its use of the work at the trade shows.

In terms of recovering damages, the Court gave the plaintiff a reasonable license fee. The plaintiff, however, also sought to recover for lost growth, theorizing that it was cash-poor and could have afforded to grow more, and thus to sell more products, if Timex had paid it a license fee when it should have. The Court rejected this theory.

In the end, because Timex "kept on ticking" when it should have stopped, Timex suffered a \$2 million judgment. *Polar Bear Productions v. Timex Corp.*, 384 F.3d 700 (9th Cir. 2004).

EVACUATING EMPLOYEES IMPROVIDENTLY

A company that sells educational products via catalog had a key employee who knew every product's vendor, profit margin, and sales history. However, her boss disliked her, and fired her. In doing so, he told everyone that, by getting rid of her, the company was "taking a huge laxative."

The discharged employee had a soft landing: she was hired by a competitor. When the catalog that she created for the competitor turned out to have quite a few similarities with her former employer's, she was sued.

The Court ruled for the ex-employee. With regard to trade secrets, it found that the plaintiff had not taken steps to keep the identity of its vendors secret and that retailers know the vendors and their prices anyway. In terms of the alleged "cherry picking" of best-selling products, the degree of product overlap, between the

two catalogs, was about the same as the degree of product overlap with third party catalogs.

With regard to trade dress, the plaintiff tried to prove secondary meaning, *i.e.*, that people associate its catalog with one source, by pointing to its twenty-year history and its millions of dollars in sales. The Court, however, held that sales success does not prove

secondary meaning; otherwise any successful product will always be found to have it. In terms of there being a low risk of confusion, the Court noted that both catalogs were labeled with a different company name.

In terms of copyright law, while the plaintiff cited one hundred and forty similarities, the Court dissected the catalogs rather than compare them in their entirety and found that most of the similarities were in matters that were unprotectable. *Excelligence Learning Corp. v. Oriental Trading Co.*, 2004 WL 2944048 (N.D. Cal. 2004).

COPYING COOKIES

In a particularly sweet case, one cookie manufacturer sued another for making shortbread cookies with a particular

design: round edges dipped diagonally in chocolate, so that one-half of the cookie surface is covered in chocolate and the other is not. The plaintiff alleged trade dress rights in this design. The defendant argued there could be no valid trade dress, as the design was functional. (Trade dress protection only extends to design features that are non-functional.)

The Court stated that, while one does not dissect the trade dress into individual elements, and the focus must be on the overall visual impression, one must still examine each element because, if each is functional, then by law the whole must be found to be functional.

The defendant argued a diagonal dip makes cookies easier or more attractive to insert into scoops of ice cream, that unlike "horizontal" dips, diagonal dips give consumers "chocolate in every bite," that this design creates an undipped "handle" for consumers to hold as they eat the cookies and also helps make the manufacturing process easier by giving the cookie-dippers two reference points, *i.e.*, the undipped corners. The plaintiff denied functionality, denied that a diagonal dip is more efficient for cookie-dippers, denied that the undipped portion is used as a handle, and emphasized that many alternative shapes and dipping patterns exist.

Sater to Speak at 2005 ERA Legal Series Conference on "Representing the Direct Response Client"

On April 7, 2005 at the Loews Santa Monica Hotel, Greg Sater will be speaking at the Electronic Retail Association's 2005 Legal Series on "Representing the Direct Response Client." Specifically, Greg will address the topic of "Intellectual Property Protection and Litigation: How to Register and Protect Your Rights, and How to Bring (or Defend Against!) a Competitor's Claims of Trademark, Trade Dress, Trade Secret, Copyright, or Patent Infringement." For more information about the ERA or to register to attend the event, go to www.retailing.org.

The Court denied summary judgment, holding that a jury should decide the question of functionality, and noting that another important issue also would need to be decided: the question of the distinctiveness or genericness of the design. *Big Island Candies Inc. v. The Cookie Corner*, 244 F.Supp.2d 1086 (9th Cir. 2003).

BARING BARBIE

The defendant markets photographs that display nude Barbie dolls being attacked by kitchen appliances, to "critique the objectification of women and lambast conventional beauty myths." Mattel sued him for copyright and trademark infringement.

The Court ruled for the defendant, finding fair use because the photographs are a parody and illustrate the artist's objections to Barbie's influence on gender roles. While the artist could comment on such things by other means, "Barbie conveys these messages in a particular way that is ripe for social comment" and, while he was admittedly making a profit on his Barbie pictures, that fact was irrelevant in light of the pictures' "transformative nature and parodic quality."

The Court found it unlikely that the defendant's pictures would substitute for Barbie products, as it was "safe to assume Mattel will not enter such a market or license others to do so."

With regard to the trademark infringement claim based on the defendant's use of the mark "Barbie" on his Internet website, which offers his pictures for sale, the

Court found that Barbie is no longer a "normal trademark" that simply identifies a source of goods but now has "transcended its identifying purpose and entered public discourse to become an integral part of our vocabulary." Thus, the Court evaluated the mark's use pursuant to the First Amendment. The Court held that the defendant's use of the mark on his website was relevant to his artwork, which is offered for sale thereon, and that it did not mislead anyone into thinking that Mattel endorsed his work. *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792 (9th Cir. 2003).

BEING, OR NOT BEING, A BEACH BOY

In the 1960's, the Beach Boys formed a corporation to own the band's trademark rights. Decades later, with the band defunct, two of them began touring separately; one had a license to the mark, from the corporation; the other did not. When the latter, unlicensed Beach Boy promoted his band as "Beach Boys Family and Friends," he was sued.

In denying him the defense of fair use, the Ninth Circuit held that classic fair use did not apply because he was not using the term descriptively, *e.g.*, to refer to "boys who frequent a stretch of sand by the sea," but was using it as a mark, and that nominative fair use also did not apply, because he had gone too far in displaying too prominently the mark "Beach Boys" in the name of his band. Thus, the Court denied one of the Beach Boys the right to call himself that. *Brother Records v. Jardine*, 318 F.3d 900 (9th Cir. 2003).

Practicing the Possible

Rutter Hobbs & Davidoff guides its clients through the maze of federal and state laws governing the commercial use, registration, licensing and, in some cases, alleged infringement of trademarks, trade secrets, and copyrights. In both transactions and litigation, our attorneys take timely, effective and economical steps to identify and protect our clients' rights.

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