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## Copyright and Trademark Case Review: FLANAX, Fishing Tackle, Football Players and More

APRIL 4, 2016

Summaries of Recent Precedential and Informative Appellate Opinions

### Trademark Opinions

#### **Owners of Foreign Marks May Sue Under Lanham Act Without Using Marks in the US: *Belmora LLC v. Bayer Consumer Care AG*, No. 15-1335 (4th Cir. Mar. 23, 2016)**

*Agee, J.* In a closely watched case involving trademark protection for Bayer's FLANAX mark, the Fourth Circuit held that Bayer could bring false association and false advertising claims under Lanham Act § 43(a), as well as a petition before the TTAB to cancel Belmora's US registration of the FLANAX mark based on deceptive use under § 14(3), notwithstanding Bayer's non-use of the mark in the United States. Bayer had owned and used the FLANAX mark in Mexico since the 1970s, and contended that Belmora was using the mark in the United States deliberately to deceive Mexican-American consumers into thinking they were purchasing Bayer's products.

The court first explained that, under the plain language of § 43(a), the Lanham Act does not require a plaintiff to own or to have used a trademark in US commerce as an element of the cause of action for false association or false advertising, in contrast to § 32 of the Lanham Act providing a cause of action for trademark infringement. The court similarly agreed with Bayer that "the district court erred in overturning the TTAB's § 14(3) decision because it 'read a use requirement into the section that is simply not there.'"

The Fourth Circuit further found that Bayer's claims satisfied the Supreme Court's two-prong test for determining whether a party has a cause of action under the Lanham Act, articulated in *Lexmark International, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377 (2014), under which the party's claim must: (1) fall within the "zone of interests" protected by the statute, and (2) identify injuries proximately caused by violations of the statute.

[Read the firm's Bloomberg BNA article on \*Belmora v. Bayer\*.](#)

#### **Dairy Products and Fishing Tackle too Different to Support Trademark Claims: *Huginin v. Land O' Lakes, Inc.*, No. 15-2815 (7th Cir. Mar. 1, 2016)**

*Posner, J.* The Seventh Circuit affirmed the district court's summary judgment for defendant on

plaintiff's infringement claims and dismissal of defendant's dilution counterclaim as barred by laches, in a trademark dispute surrounding use of the mark LAND O LAKES. Plaintiff had registered the mark for use in the manufacturing and sale of fishing tackle and sued the defendant dairy company for trademark infringement in connection with defendant's sponsorship of a sport-fishing tournament and advertisements of dairy products in fishing magazines. The court focused on the significant differences between the parties' respective products in holding that there was little to no likelihood of consumers' believing that the dairy company was the actual producer of plaintiff's fishing tackle, and that there was no trademark dilution. The Seventh Circuit also emphasized that, with defendant's annual revenue in the billions of dollars and plaintiff's in the tens of thousands of dollars, the size disparity between the parties made it implausible that either would be harmed by the other's use of an identical mark. Finally, the court rejected plaintiff's argument that defendant was liable for contributory infringement, noting that there was no evidence defendant had issued any licenses for or was even aware of alleged use of defendant's trademark by plaintiff's competitors.

**Unregistered Trademarks are Covered by Country-of-Origin Marking Requirements Under Tariff Act: *JBLU, Inc. v. United States*, No. 2015-1509 (Fed. Cir. Mar. 2, 2016)**

*Moore, J.* The Federal Circuit reversed the United States Court of International Trade's dismissal on summary judgment of JBLU's suit involving the country-of-origin marking requirements of § 304 of the Tariff Act of 1930, 19 U.S.C. § 304(a). Prior to filing trademark applications with the USPTO, JBLU had imported jeans made in China that were embroidered with "C'est Toi Jeans USA," "CT Jeans USA" or "C'est Toi Jeans Los Angeles." The Court of International Trade had determined that these jeans were subject to the strict marking requirements of 19 C.F.R. § 134.46 (country of origin markings must be in close proximity to and of at least the same size as "USA") because the terms that included "USA" and "Los Angeles" were not "part of a trademark or trade name," under § 134.47 (which would trigger more lenient marking requirements). The Federal Circuit reversed and remanded, holding that § 134.47's reference to "a trademark or trade name" unambiguously includes unregistered trademarks not subject to pending applications, and thus that the small "Made in China" labels needed to be considered under this section rather than § 134.46.

**Copyright Opinions**

**Football Players' Publicity Rights Preempted by Copyright: *Dryer v. National Football League*, No. 14-3428 (8th Cir. Feb. 26, 2016)**

*Gruender, J.* In a dispute over the use of former professional football players' images in films produced by the NFL, the Eighth Circuit affirmed the district court's summary judgment ruling (i) that plaintiffs' state law right-of-publicity claims were preempted under the Copyright Act, 17 U.S.C. § 301(a); and (ii) in favor of defendant NFL on plaintiffs' claim of false endorsement under the Lanham Act.

With respect to its preemption ruling, the court rejected plaintiffs' argument that their past performances in football games constituted "part of their identities" rather than copyright-eligible works: "the Copyright Act specifically includes within its purview fixed recordings of [] live performances [of athletic events]." Because a right-of-publicity challenge to the "expressive, non-

commercial use of a copyrighted work” would assert rights equivalent to the copyright owner's exclusive rights, such a challenge was held to be preempted. In so holding, the court rejected plaintiffs' contention that the films constituted commercial speech as “advertisements for 'NFL-branded football.'”

With respect to false endorsement, the court held that, because plaintiffs provided no evidence of the films' containing “misleading [or] false statements” regarding the former players' endorsement of, or association with, the NFL, their Lanham Act claim of false endorsement failed as a matter of law (quoting *Am. Italian Pasta Co. v. New World Pasta Co.*, 371 F.3d 387, 393–94 (8th Cir. 2004)).

**Canada not an Adequate Alternative Forum: *Halo Creative & Design, Ltd. v. Comptoir Des Indes, Inc.*, No. 2015-1375 (Fed. Cir. Mar. 14, 2016)**

*Dyk, J.* The Federal Circuit reversed the district court's dismissal on forum non conveniens grounds of an action, brought in Illinois by a Hong Kong company against a Canadian company, including claims of infringement of US design patents, copyrights and common-law trademarks based on sales of allegedly infringing furniture in the United States. Where the record contained no evidence of allegedly infringing acts in Canada and no indication that Canadian law provides any remedy for extraterritorial copyright infringement, the Federal Circuit held that the district court had abused its discretion in finding the Federal Court of Canada to be an adequate alternative forum for the suit.

**No Copyright Claim in Trafficking Case: *Doe v. Backpage.com, LLC*, No. 15-1724 (1st Cir. Mar. 14, 2016)**

*Selya, J.* In an action by victims of underage sex trafficking against an online classified advertisement service provider, the First Circuit affirmed the district court's dismissal of plaintiff's copyright claim, based on failure to adequately plead an entitlement to damages. The court held that plaintiff had failed to present a plausible basis for compensatory damages resulting from the use of her copyrighted photograph in advertisements posted by third parties to defendant's website, where the timing of her registration precluded an award of statutory damages. Moreover, the court noted that plaintiff presented no facts suggesting harm to the market value of her photograph, and rejected as “wholly speculative” plaintiff's argument that use of her photograph would increase defendant's profits by “enhanc[ing] the effectiveness of advertisements” posted by third parties. The court also held that plaintiff was not entitled to injunctive relief, as nothing in the complaint suggested any risk of future infringement.

**Supreme Court Denies Review of Two 9th Circuit Cases**

***Multi Time Machine, Inc. v. Amazon.com, Inc.*, No. 15-936 (Feb. 29, 2016)**

Multi Time Machine sought review of a Ninth Circuit decision affirming the district court's summary judgment for Amazon, based on its conclusion that Amazon's search results page did not create a likelihood of confusion by displaying competitors' military-style watches in response to online shoppers' search queries using Multi Time Machine's trademark. The Supreme Court denied certiorari without comment.

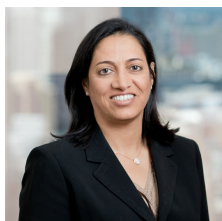
***Towle v. DC Comics*, No. 15-943 (Mar. 7, 2016)**

Petitioner sought review of a Ninth Circuit decision holding that his replica cars infringed DC

Comics' copyright in the Batmobile character as it appeared in the Batman comic books, television series and motion picture. The Ninth Circuit's decision articulated a three-part test for determining whether such a character is eligible for copyright protection, under which the character must: (1) "have 'physical as well as conceptual qualities,'" (2) "be 'sufficiently delineated' to be recognizable as the same character whenever it appears," and (3) "be 'especially distinctive' and 'contain some unique elements of expression.'" *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015) (internal citations omitted). The Supreme Court denied certiorari without comment.

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