

## Copyright and Trademark Case Review: Sibling Rivalry, Grilled Meat and Attorneys' Fees

MAY 31, 2016

### Copyright Opinions

#### **Sixth Circuit Upholds Siblings' Termination of Brother's Copyright Assignment: *Brumley v. Albert E. Brumley & Sons, Inc.*, No. 15-5429 (6th Cir. May 16, 2016)**

*Sutton, J.* In a declaratory judgment action brought by four of the six children of the late gospel composer Albert E. Brumley, the Sixth Circuit upheld the termination of Brumley's copyright assignment of the song "I'll Fly Away" to his son Robert. Noting that the Copyright Act's provisions allowing the descendants of songwriters to terminate the songwriter's assignment of a copyright to another party are "unusual provisions," the Sixth Circuit held that the four children seeking to terminate had complied with the Copyright Act in exercising their right.

### Trademark Opinions

#### **Fifth Circuit Adopts *Octane Fitness* Standard for Lanham Act Attorneys' Fees: *Baker v. DeShong*, No. 14-11157 (5th Cir. May 3, 2016)**

*Stewart, J.* Overruling its own prior precedent requiring a defendant to show by clear and convincing evidence that plaintiff's suit was brought in bad faith in order to satisfy the Lanham Act's "exceptional case" provision for awarding attorneys' fees (15 U.S.C. § 1117(a)), the Fifth Circuit adopted the Supreme Court's interpretation of the Patent Act's identically worded attorney-fee provision, and construed an "exceptional case" for purposes of § 1117(a) to be "one where (1) in considering both governing law and the facts of the case, the case stands out from others with respect to the substantive strength of a party's litigating position; or (2) the unsuccessful party has litigated the case in an 'unreasonable manner'" (quoting *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014)). The Fifth Circuit further adopted the Supreme Court's holding that district courts "must address this issue 'in the case-by-case exercise of their discretion, considering the totality of the circumstances.'"

#### **Rejection of Mark Based on Genericness: *In re Cordua Restaurants, Inc.*, No. 2015-1432 (Fed. Cir. May 13, 2016)**

*Dyk, J.* The Federal Circuit affirmed the TTAB's refusal to register the mark CHURRASCOS for use in connection with "Bar and restaurant services; Catering," on the ground of genericness. The

Federal Circuit upheld the Board's use of the two-part *Ginn* test: (i) “what is the genus of the goods or services at issue?”; and (ii) “is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?” *H. Marvin Ginn Corp. v. Int'l Ass'n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986). Applying the *Ginn* test, the Federal Circuit upheld the Board's findings that “churrascos” was a generic term in the English language used to refer to grilled meat, and hence to a “key aspect of a class of restaurants because those restaurants are commonly referred to as 'churrasco restaurants.’” Thus, the mark was properly rejected even if the public does not understand the term to refer to the broad genus of restaurant services as a whole—it is generic if the relevant public understands the term to refer to a sub-group or type of the claimed genus of goods or services. The court was careful to note that the term “churrascos” is not necessarily generic as to any and all restaurant services: “Had another applicant applied for registration of the mark CHURRASCOS in connection . . . with . . . vegetarian or sushi restaurants—the result could well have been different.”

**Acquiescence Defense Too Fact-Intensive to Support Rule 12(b)(6) Dismissal: *Hyson USA, Inc. v. Hyson 2U, Ltd.*, No. 14-3261 (7th Cir. May 16, 2016)**

*Sykes, J.* In a trademark dispute between two food-distribution companies, the Seventh Circuit reversed the district court's dismissal of plaintiff's complaint for failure to state a claim, finding that “an equitable defense like acquiescence is not ordinarily susceptible to resolution at the pleading stage,” due to the fact-intensive analysis required to establish the defense.

**Certification Mark May Be Infringed By Certified Individual: *International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*, No. 14-3456-cv (2d Cir. May 18, 2016)**

*Pooler, J.* In a suit alleging trademark infringement of a certification mark, false advertising, and false designation of origin, the Second Circuit vacated the district court's grant of summary judgment based on a nominative fair use defense. The Second Circuit held that the district court erred in (i) considering only source confusion rather than consumer confusion more broadly, as well as in (ii) failing to consider that a certification mark may be infringed even by a party that has satisfied the requirements for certification. Where defendant's advertisements referred to one of its certified instructors as “Master CISSP” and “CISSP Master,” the Second Circuit noted that “[e]ven though neither [plaintiff] nor [defendant] offers a 'Master CISSP' or 'CISSP Master' certification, customers [may] be led to believe [plaintiff] has introduced a new line of certifications” (internal quotation marks omitted). In giving guidance to the district court on remand, the Second Circuit explicitly rejected nominative fair use as an affirmative defense, and held that instead, district courts are to use the nominative fair use factors outlined in the Ninth and Third Circuit case law, and apply those alongside the widely-accepted factors for assessing likelihood of confusion set forth in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961).

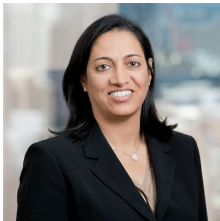
**Ninth Circuit Declines to Apply *Octane Fitness* in Trademark Case: *SunEarth, Inc. v. Sun Earth Solar Power Co., Ltd.*, Nos. 13-17622, 15-16096 (9th Cir. May 24, 2016) (non-precedential)**

*Memorandum Opinion.* In an unpublished opinion, the Ninth Circuit upheld the district court's grant of an injunction permitting limited use of defendant's trade name—which infringed plaintiff's trademark—as an identifier on goods: “When fashioning an injunction to remedy trademark

infringement, the district court has the discretion to permit non-misleading uses of a trade name.” The panel further upheld the district court’s determination that the case was not an exceptional one warranting an award of attorneys’ fees, rejecting plaintiff’s invitation to analyze the case under *Octane Fitness*. Instead, the panel stated that it was “bound by a post-Octane Fitness panel’s decision applying our prior definition of exceptional,” which required “malicious, fraudulent, deliberate, or willful” infringement (citing *Fifty-Six Hope Rd. Music, Ltd. v. A.V.E.L.A., Inc.*, 778 F.3d 1059, 1078 (9th Cir. 2015)). However, the court also expressed “little doubt that this case is unexceptional even under *Octane Fitness*’s totality of the circumstances test.”

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