WILMERHALE

Copyright and Trademark Case Review: Wine, Vodka and a Little Karaoke

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Copyright Opinions

Eleventh Circuit Seeks Florida High Court's Guidance on Pre-1972 Sound Recordings: *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, No. 15-13100 (11th Cir. June 29, 2016)

Anderson, J. In a suit asserting common-law copyright protection over pre-1972 sound recordings by The Turtles, the Eleventh Circuit certified four questions to the Supreme Court of Florida before reviewing the district court's summary judgment decision: (1) whether Florida recognizes a common-law copyright in sound recordings including the exclusive right of reproduction and/or the exclusive right of public performance; (2) if so, whether public sale, distribution, or performance of phonorecords constitutes a "publication" sufficient to terminate those exclusive rights under Florida law; (3) whether back-up or buffer copies made on Sirius's servers and satellites infringe any common-law exclusive right of reproduction held by plaintiff; and (4) whether plaintiff has a cause of action under its other Florida state-law claims for unfair competition/misappropriation, conversion, or civil theft.

Seventh Circuit Rejects Bases for Hypothetical License Fee for Copyrighted Work: *Bell v. Taylor*, Nos. 15-2343, 15-3735, 15-3731 (7th Cir. July 1, 2016)

Flaum, J. In a dispute involving alleged infringement of copyright in plaintiff's photographs, the Seventh Circuit held that the advertised price of a download license on plaintiff's website and an affidavit asserting plaintiff's belief that the price represented fair market value were insufficient to establish a hypothetical license fee and prove damages.

Second Circuit Affirms Third Parties Have Standing to Challenge Ownership of Copyright: *Urbont v. Sony Music Entertainment*, No. 15-1778-cv (2d Cir. July 29, 2016)

Hall, J. Plaintiff Jack Urbont alleged copyright infringement of the *Iron Man* theme song by defendants Sony Music Entertainment and Razor Sharp Records. Defendants challenged plaintiff's copyright ownership, contending that the song was created at the behest of third-party Marvel Comics. The Second Circuit held that third parties to an alleged employer-employee relationship have standing to raise a "work for hire" defense, but vacated the district court's summary judgment

ruling, finding plaintiff had raised a genuine issue of material fact as to work for hire in this case. Separately, the Court affirmed the district court's finding that the state law claims were preempted by the Copyright Act because the *Iron Man* theme song recording was an accompaniment to an "audiovisual" work and not a separate sound recording protected from preemption by the Copyright Act of 1976.

Trademark Opinions

MAYARI Not Confusingly Similar to MAYA for Use on Wines: *Oakville Hills Cellar, Inc. v. Georgallis Holdings, LLC*, No. 2016-1103 (Fed. Cir. June 24, 2016)

Lourie, J. In a trademark dispute involving marks for use on wine, the Federal Circuit affirmed the TTAB's dismissal of Oakville's opposition to Georgallis's application to register the mark MAYARI. The Federal Circuit concluded that the TTAB properly found MAYA (Oakville's mark) and MAYARI to be "dissimilar as to appearance, sound, meaning, and commercial impression." Substantial evidence supported the finding that "MAYA is a familiar word, whereas MAYARI has no recognized meaning to U.S. consumers" and that, by contrast, there was insufficient evidence to suggest that consumers would dissect MAYA into "MAYA- and -RI." Further, the Federal Circuit concluded that the TTAB had not erred in determining that dissimilarity of the marks alone was sufficient to preclude likelihood of confusion, noting that "'a single *DuPont* factor may be dispositive . . . especially when that single factor is the dissimilarity of the marks'" (quoting *Odom's Tenn. Pride Sausage, Inc. v. FF Acquisition, L.L.C.*, 600 F.3d 1343, 1346–47 (Fed. Cir. 2010)).

Second Circuit Affirms Cancellation of Registration Due to Fraudulent Procurement: *MPC Franchise, LLC v. Tarantino*, No. 15-717-cv (2d Cir. June 27, 2016)

Livingston, J. In a dispute over the mark for a chain of pizzerias named Pudgie's, the Second Circuit affirmed the district court's grant of summary judgment cancelling defendant's registration. In his application, defendant stated that (1) he believed himself to be the owner of the mark and (2) he believed no other person, firm, corporation, or association had rights to use the mark in a manner likely to cause confusion, to cause mistake, or to deceive. However, during the litigation, the defendant admitted that he had never individually or personally used the mark at issue, and the evidence showed defendant was "aware of multiple other Pudgie's locations that were using the mark in the precise same capacity in which he applied for the mark." Applying the *In re Bose Corp* scienter standard (i.e., a trademark applicant must actually have known the falsity of material statements in his application), the Second Circuit concluded that there was no issue of material fact as to whether defendant knowingly made false statements in his registration application.

Ninth Circuit Reverses Summary Judgment Finding on Likelihood of Confusion: *JL Beverage Co., LLC v. Jim Beam Brands Co.*, No. 13-17382 (9th Cir. July 14, 2016)

Wallace, J. In a dispute between two producers of vodka branded with images of lips, the Ninth Circuit reversed the district court's summary judgment for defendant. Reviewing the factors of the Ninth Circuit's Sleekcraft test, the court concluded that there was a genuine dispute of material fact as to the likelihood of consumer confusion and thus that summary judgement had been improper. The Ninth Circuit noted that, due to the "non-exhaustive, multi-factor, fact-intensive inquiry" involved, it had cautioned against granting summary judgment in cases turning on likelihood of consumer

confusion.

Seventh Circuit Affirms Dismissal of Trademark Claim Asserted Against Unauthorized Karaoke Files: P*hoenix Entertainment Partners, LLC v. Rumsey*, No. 15-2844 (7th Cir. July 21, 2016)
Rovner, J. Producer of karaoke accompaniment tracks brought suit against a pub and its owner based on the alleged practice of playing unauthorized digital copies of karaoke files instead of authorized copies from legitimately acquired media. Plaintiffs framed their claim under the Lanham Act, arguing that the unauthorized copy of their track was a distinct good which the defendants were improperly "passing off" as a genuine track. Applying the Supreme Court's *Dastar* decision, the Court held that the appropriate claim should have been for copyright infringement, and affirmed the district court's dismissal because the routine display of an embedded trademark during the performance of the tracks did not support a Lanham Act claim.

Third Circuit Affirms Summary Judgment that Blossom Pastry Design was Functional and Not Protectable Trade Dress: *Sweet Street Desserts, Inc. v. Chudleigh's Ltd.*, Nos. 15-1445 and 15-1548 (3d Cir. July 21, 2016)
Shwartz, J. Chudleigh's asserted trade dress infringement of its incontestable Blossom Design registration against a bakery selling a similar folded pastry to Applebee's. The Third Circuit held that the Blossom Design was functional because the shape of the dough is essential to the purpose of an effective single-serving fruit pie, and affects its cost and quality, and thus cancelled Chudleigh's trademark registration and affirmed the district court's summary judgment ruling.

Ninth Circuit Affirms Rights Based on Assigned Coexistence Agreement: *Russell Road Food and Beverage v. Spencer*, No. 14-16096 (9th Cir. July 22, 2016)
Wardlaw, J. This dispute arose as a declaratory judgment action from the assignee of a trademark coexistence agreement asserting he had the right to use the mark CRAZY HORSE in conjunction with adult entertainment. The Ninth Circuit affirmed the district court's summary judgment order finding that because plaintiff Russell Road obtained a valid assignment of an enforceable trademark co-existence agreement, its use of CRAZY HORSE did not infringe Spencer's federally registered trademark.

Eleventh Circuit Finds No Likelihood of Confusion with Similar University Names: *Florida International University Board of Trustees v. Florida National University*, No. 15-11509 (11th Cir. July 26, 2016
Marcus, J. This case concerns whether a for profit school infringed the trademark rights of Florida International University when it changed its name from Florida National College to Florida National University. The Eleventh Circuit affirmed the district court's ruling that there was no likelihood of confusion, noting that the mark FLORIDA INTERNATIONAL UNIVERSITY was a relatively weak mark due to significant co-existing third party use of FLORIDA and UNIVERSITY, that there were sufficient differences between the middle word INTERNATIONAL and NATIONAL and the two schools' acronyms FIU and FNU, that potential college students are sophisticated consumers, and that there was no evidence of actual confusion.

First Circuit Reverses District Court – Finding Likelihood of Confusion with ORIENTAL Marks: *Oriental Financial Group, Inc. v. Cooperative De Ahorro Y Credito Oriental*, No. 15-1009 (1st Cir.

August 3, 2016)

Lipez, J. This dispute involves whether the use of four word marks used by Cooperative De Ahorro Y Credito, COOP ORIENTAL, COOPERATIVA ORIENTAL, ORIENTAL POP, and CLUB DE ORIENTALITO, create a likelihood of confusion with the Oriental Financial Group's ORIENTAL trademark. The district court found no likelihood of confusion and denied Oriental Financial Group's request for an injunction. The First Circuit reversed the district court's findings as to COOP ORIENTAL, COOPERATIVA ORIENTAL and ORIENTAL POP, finding that they infringe Oriental Financial Group's trademark rights in ORIENTAL, and remanded for reconsideration of whether an injunction should be entered. The Court, however, affirmed the district court's finding that CLUB DE ORIENTALITO was not likely to cause confusion.

Authors

Vinita Ferrera

PARTNER

vinita.ferrera@wilmerhale.com

+1 617 526 6208