

Copyright and Trademark Case Review: Copyright Preemption, Software-as-a-Service and Popularity on the Internet

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Copyright Decisions

Claim for Copying of Useful Article Design Preempted by Copyright Act: *Ultraflo Corp. v. Pelican Tank Parts, Inc.*, No. 15-20084 (5th Cir. Jan. 11, 2017)

Costa, J. The Fifth Circuit affirmed dismissal of the plaintiff's Texas state law claim for unfair competition by misappropriation on the basis of preemption by the Copyright Act. The plaintiff alleged that the defendants had improperly used technical drawings by its former employee to manufacture a valve "strikingly similar" to the plaintiff's valves. The Fifth Circuit held that the valve design—although not itself entitled to copyright protection—was within the subject matter of copyright for preemption purposes, as "Congress's exercise of its power under the Copyright Clause to not provide protection for the embodiment of ideas in useful articles is entitled to preemptive force." The Fifth Circuit further held that the Texas unfair competition statute provided a right "equivalent to those 'within the general scope of copyright,'" specifically noting the "right to make derivative use of copyrighted works." The plaintiff contended that because the Copyright Act explicitly declines to grant the owner of a copyrighted work portraying a useful article the exclusive right to make that article, its claim should survive preemption under the "extra elements" test. The court rejected this argument, reasoning that "[w]ithholding a particular right is part of the balance Congress struck between the need for copyright incentives and the value in public public access to ideas."

Trademark Decisions

Services Performed by Software May Support Registration of Service Marks: *In re JobDiva, Inc.*, No. 2015-1960 (Fed. Cir. Dec. 12, 2016)

Stoll, J. The Federal Circuit vacated the TTAB's cancellation of appellant JobDiva's service marks based on alleged failure to use the marks in connection with "personnel placement and recruitment" services. JobDiva offers a variety of job-staffing functions, including resume aggregation and analysis on a software-as-a-service (or cloud computing) basis. The court

observed that “with modern technology, the line between services and products sometimes blurs,” and “[e]ven though a service may be performed by a company’s software, the company may well be rendering a service.” Because “a mark used with a web-based offering may equally identify the provision of software, rather than a service,” “careful analysis is required to determine whether web-based offerings . . . are products or services.” In particular, the court noted that user perception is a “key consideration” in determining whether a mark is being used in connection with applied-for services. Based on these considerations, the Federal Circuit held that the TTAB erred in requiring JobDiva to prove that it performed personnel placement and recruitment services “in a way other than having its software perform those services,” and it remanded to the TTAB to consider in the first instance the proper question of “whether JobDiva, through its software, performed personnel placement and recruitment services and whether consumers would associate JobDiva’s registered marks with [such] services, regardless of whether the steps of the service were performed by software.”

Public Recognition of DJ’s Stage Name Insufficient to Support Trademark Claims: *Kibler v. Hall*, No. 15-2516 (6th Cir. Dec. 13, 2016)

Cole, C.J. In a suit brought by a DJ performing as “DJ Logic” against a rapper performing as “Logic,” the Sixth Circuit affirmed the district court’s grant of summary judgment for defendants on the plaintiff’s trademark infringement and dilution claims, holding that no reasonable jury could find a likelihood of confusion under its eight-factor test. With regard to the strength of the mark, the court held that although the mark is “conceptually strong,” the plaintiff had failed to establish its commercial strength. The Sixth Circuit found that the district court’s analysis was “incomplete” in failing to accord sufficient weight to the plaintiff’s promotional activities on Myspace, Twitter and Facebook and failing to recognize that “a plaintiff with low album sales or no representation could nevertheless show commercial success suggesting broad recognition of his mark using web-based indicators of popularity,” such as YouTube views. Nonetheless, the Sixth Circuit agreed with the district court that the plaintiff had failed to provide sufficient information from which a jury could determine that wide segments of the public recognize the mark and associate it with the product it announces. Of the remaining factors, the only one that marginally favored the plaintiff was actual confusion; however, the court held that “no reasonable jury could find likelihood of confusion based solely on a few instances of actual confusion.” The Sixth Circuit further held that no reasonable jury could find the plaintiff’s mark famous as required for a dilution claim, noting that the plaintiff had failed even to establish commercial strength and that evidence describing “his experience in the music industry” and a guest contribution on a Grammy-winning album “clearly falls short of the high threshold for fame under the Lanham Act.”

Trademark Agreement Held to Be Improper Assignment of Intent-to-Use Application: *Emerald Cities Collaborative, Inc. v. Roese*, No. 2016-1703 (Fed. Cir. Dec. 13, 2016) (non-precedential)

Lourie, J. In an unpublished opinion, the Federal Circuit affirmed the TTAB’s decision, inter alia, cancelling Emerald Cities Collaborative’s (ECC) registration of the mark “The Emerald City” because ECC’s rights in the mark were based on an assignment of an intent-to-use application filed by a third party, which violated the Lanham Act’s anti-trafficking rule, 15 U.S.C. § 1060(a)(1), which prohibits assignment of an intent-to-use application prior to the filing of a statement of use,

unless certain statutory exceptions are met (such as if the application is transferred as part of the applicant's "ongoing and existing" business to which the mark pertains"). The Federal Circuit held that the "trademark assignment and license" through which ECC acquired its rights was an immediate assignment of the intent-to-use application, rather than merely an agreement to assign the mark upon registration, as ECC had argued. In reaching this conclusion, the court focused on provisions ceding control of prosecution of the application and registration of the mark to ECC, granting ECC the right to control the prior owner's use of the mark on goods and services and giving ECC the sole right and authority to enforce the mark both before and after the registration date.

Dotblog Mark Is Suggestive, Not Descriptive, of Blog Search Service: *In re Driven Innovations, Inc.*, No. 2016-1094 (Fed. Cir. Jan. 4, 2017) (non-precedential)

O'Malley, J. In a non-precedential opinion, the Federal Circuit reversed a TTAB decision refusing to register the mark "dotblog", applied for by a company using "proprietary search techniques" to find blog posts and return summary reports in response to user search queries. The TTAB had found the mark merely descriptive of the applicant's service based on the definition of "blog," the fact that "dot" represents the pronunciation of the punctuation mark that separates different address levels in an internet address" and the TTAB's conclusion that "the mark in its entirety retains the same meaning as its component parts." The TTAB alternatively reasoned that "ICANN's activation of the .blog generic top-level domain" would make consumers likely to "perceive the mark as conveying the impression of 'providing specific information' from searches of the sites on the '.blog' domain." The Federal Circuit disagreed, concluding instead that these considerations "merely show, at most, that the mark 'dotblog' likely would have some relation to online blogs," and concluded that the mark was suggestive, rather than descriptive, of the applicant's service. The Federal Circuit further rejected the TTAB's reasoning "because it logically results in the refusal to register any mark that includes the word 'blog' whenever the mark's associated product or service relates in some way to blogs."

Use of "Welcome to the D" in Promoting Detroit Sporting Events Held to Be Non-Trademark Use: *Kassa v. Detroit Metro Convention & Visitors Bureau*, No. 16-1007 (6th Cir. Jan. 12, 2017) (non-precedential)

Batchelder, J. In an unpublished opinion, the Sixth Circuit affirmed the district court's dismissal of the plaintiff's complaint alleging infringement and dilution of his claimed trademark in the phrase "Welcome to the D" for use on clothing, in live music performances and in connection with entertainment programming. The court held that the defendants' use of the phrase "on banners and signs hung around Detroit 'to promote' the 2012 World Series and . . . the 2015 Volleyball Open National Championships" was a non-trademark use. "The words 'Welcome to the D' at the top of banners advertising major sporting events in Detroit are simply a greeting, welcoming visitors to the city using its common nickname. In other words, it is a geographic identifier, not an identifier of the source of goods or services. The phrase . . . does not identify [plaintiff] as the source of the World Series or the volleyball championship, and does not suggest any association between those events and [plaintiff]."

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