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Trademark, Copyright & False Advertising Newsletter

Ninth Circuit Curtails Cybersquatting Remedies

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The federal Anticybersquatting Consumer Protection Act (ACPA) does not permit trademark owners to sue domain registrars for "contributory cybersquatting," according to a recent ruling by the Ninth Circuit. The Ninth Circuit's decision prevents trademark holders from obtaining damages related to cybersquatting from domain registrars under US law.

The Ninth Circuit reasoned that allowing a cause of action for contributory cybersquatting would defeat the ACPA's goals.

At issue was a foreign third party's use of defendant GoDaddy's Internet registrar services to carry out the alleged cybersquatting. Plaintiff, the trademark owner, sued GoDaddy on the theory that GoDaddy was encouraging the third party's bad-faith acts by maintaining the registration of the domain names and forwarding traffic from them. The district court granted summary judgment to GoDaddy. The Ninth Circuit affirmed.

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The court of appeals first looked to the statutory text, which explicitly created two causes of action: (i) a civil action against a person who "registers, traffics in, or uses a domain name" with a "bad-faith intent to profit from" a protected trademark; and (ii) an *in rem* action for instances where the registrant is not personally available. The court concluded that "maintenance of a domain name by a registrar" did not constitute any of the prohibited acts.

In response to the plaintiff's argument that the ACPA was enacted "against the backdrop of the common law of trademark infringement," the court noted that the common law of trademarks did not provide a cause of action for cybersquatting. Traditional trademark infringement has distinct elements from the ACPA's cybersquatting liability: the ACPA "does not require" the defendant to make "commercial use of" the plaintiff's trademark (as is required for trademark infringement), but does require a plaintiff to "prove bad faith" on the part of the defendant (which is not required for trademark infringement). The court therefore held that the ACPA created a distinct remedy that did not implicitly include a common law cause of action for contributory cybersquatting akin to contributory trademark infringement.

Finally, the Ninth Circuit reasoned that allowing a cause of action for contributory cybersquatting would defeat the ACPA's goals. The ACPA was created to be "a carefully and narrowly tailored" solution to a "specific problem" and narrowly defined the "use" of a domain name to limit the reach of the Act. The court noted that those district courts that recognized an indirect infringement cause of action under the ACPA had found it necessary to impose an "exceptional circumstances" test before holding a registrar liable, but that such a limitation had no basis in the text of the ACPA. Furthermore, extending liability to registrars could require a registrar to evaluate millions of domain names to analyze the subjective intentions of each registrant, and such potential liability could be used to pressure risk-adverse registrars to take down lawful domain names rather than risk a lawsuit.

In sum, the Ninth Circuit determined that there was no basis for an indirect cybersquatting cause of action, and that judicially creating such liability would undermine the legislative intent of the Act. In addition, trademark holders still have the option of proceeding *in rem* against offending domains registered by parties who are unavailable for suit.

The case is *Petroliam Nasional Berhad v. GoDaddy.com, Inc.*, 737 F.3d 546 (9th Cir. 2013).

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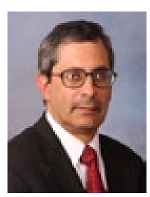

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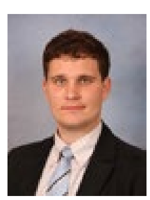

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The NFL and the Baltimore Ravens Win Another Round in Their Fight Over the Application of the Fair Use Doctrine to the Ravens' Old "Flying B" Logo

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In the latest chapter of a long-running dispute over the Baltimore Ravens' old "Flying B" logo, the Fourth Circuit held that the NFL and Ravens' use of the old logo in certain displays and videos was fair use, primarily because of the transformative manner in which the logo was used.

In 1995, after learning that Baltimore's new NFL team would be called the Ravens, an amateur artist named Bouchat created a design for a team logo. *See Bouchat v. Baltimore Ravens Ltd. P'ship,* 619 F.3d 301 (4th Cir. 2010) ("*Bouchat I*"). He presented the logo to stadium officials, who passed it on to the Ravens franchise. A few months later, the Ravens unveiled their new "Flying B" logo, which resembled Bouchat's submitted design.

Bouchat obtained a copyright registration for his design and successfully sued the Ravens for infringement, prompting the Ravens to adopt a new logo after the 1998 season. Even after the change, Bouchat continued to file additional copyright infringement claims challenging the use of the old logo in season highlight films, in a video shown at Ravens home games, and in the Ravens' lobby. In 2010, the Fourth Circuit held that the use of the Flying B logo in the highlight films was infringing, but that the use of the logo in the lobby was protected as fair use. *See Bouchat I,* 619 F.3d at 317. The court explained that the highlight films' use of the logo constituted infringement because the logo served the same purpose that it did when defendants first infringed Bouchat's copyrighted design—identifying the football player wearing it with the Baltimore Ravens—while use of the logo in the lobby did not serve the same purpose because it was transformative and noncommercial.

The most recent chapter in the dispute began in 2012, when Bouchat filed two more suits claiming that the NFL had infringed his copyright by using the Flying B logo in three new videos and in certain historic displays located in the Ravens' stadium. The district court granted summary judgment, finding that each use was fair use under 17 U.S.C. § 107, a decision that the Fourth Circuit upheld in January of this year.

The commercial nature of the NFL's use of the Flying B was not as significant to the court's decision "because the more transformative a new work, the less significant will be other factors, such as commercialism."

Regarding the videos, the court analyzed the first fair use factor—"the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes"—in two parts: (1) whether the videos were transformative and (2) the extent to which their use served a commercial purpose. The court explained that the three videos presented "a narrative about some aspect of Ravens or NFL history." However, when the videos were originally filmed, the use of the Flying B "served as the brand symbol for the team." Therefore, the use of the Flying B in the three videos was similar to the use of the Flying B in the Ravens' lobby at issue in *Bouchat I*, "as part of the historical record to tell stories." Furthermore, the court distinguished these videos, where the Flying B was used only "fleeting[ly]," from the season highlights at issue in *Bouchat I*, "where the logo was shown again and again, always as a brand identifier." By contrast, the three videos were being used in a transformative way to tell new stories—about former draft classes and an inside look at the career of Pro Bowl linebacker Ray Lewis—as opposed to simply rehashing the season highlights, where the Flying B was used for its "core and crucial function," to identify the team as the Ravens.

The commercial nature of the NFL's use of the Flying B was not as significant to the court's decision "because the more transformative a new work, the less significant will be other factors, such as commercialism." Further, because the Flying B was sparingly used in the three videos, the commercial nature was not as important.

The court gave short shrift to the remaining fair use factors. The second factor—"the nature of the copyrighted work"—was "largely neutral" because, although the logo was "a creative work, the NFL's transformative use lessens the importance of the . . . logo's creativity."

The court also gave "very little weight" to the third factor—"the amount and substantiality of the portion used"—because, although the logo was used "in its entirety . . . , [i]t would be senseless to permit the NFL to use the Flying B logo for factual, historical purposes, but permit it to show only a half, or two-thirds of it." Finally, with respect to the fourth fair use factor—"the effect of the use upon the potential market for . . . the copyrighted work"—the court stated that because the Ravens' "transient and fleeting use" of the logo was "for its factual, and not its expressive, content" and for "a different purpose" than the original use of the logo, the use did not have a large impact on the potential market for the work.

Allowing an artist to have total "control over the dissemination of his . . . work for historical purposes" or for social commentary, could potentially have "chilling effects."

Next, the court turned to the Ravens' use of the Flying B in the more expensive Club Level of its stadium as part of a timeline, in a highlight reel and in a significant-plays exhibit. The court explained that the logo was not being used for its original purpose, but, as with the three videos, it was being used to "preserve a specific aspect of Ravens history." The commercial use aspect was also rejected because the displays had "an atmospheric effect" and were not motivating fans to purchase Club Level seats (which would be a commercial benefit for the Ravens). The court then discussed the remaining three factors and concluded that they did not undermine the finding of fair use.

The court further analyzed the underlying interests that inform copyright law. Allowing an artist to have total "control over the dissemination of his . . . work for historical purposes" or for social commentary, could potentially have "chilling effects" by giving a copyright holder the ability to "exert enormous influence over new depictions of historical subjects and events." As Judge Wilkinson explained, "[j]ust as it would have been a terrible shame to prevent Edward Hopper from painting the 'Esso' sign in his masterful *Portrait of Orleans*, so too would it be a mistake to prevent the NFL from using the Flying B logo to create new protected works."

While demonstrating the fact-intensive nature of the fair use analysis, this case also illustrates the difference between using a copyrighted work for its original purpose, as opposed to a transformative purpose. The combination of the limited use of the logo and the fact that the Flying B was not being used to identify the Ravens as the Ravens, but simply as an "historical guidepost," swayed the court to hold that the Ravens and the NFL's uses were protected as fair use.

The case is *Bouchat v. Baltimore Ravens Ltd. P'ship,* 737 F.3d 932 (4th Cir. 2013), *as amended* (Jan. 14, 2014).

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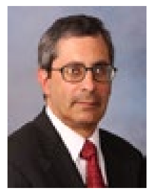

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Financial Research Service's Distribution of Copyrighted Recording of Earnings Call Was Fair Use, Says Second Circuit

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In a significant decision addressing copyright fair use, the Second Circuit held that a financial research service's dissemination of a copyrighted recording of a company's earnings call with investors was fair use. In addition to its expansive view of fair use, the court's decision is noteworthy in that it affirmed the district court's *sua sponte* grant of summary judgment before the plaintiff had the opportunity to take any discovery.

Swatch is a foreign, publicly held company that is traded on a foreign stock exchange. After releasing its 2010 earnings report, Swatch held an invitation-only conference call with a select group of financial analysts. Swatch paid a vendor to record the call. Bloomberg, a news organization that also provides a financial research subscription service, obtained an unauthorized recording of the call and made it available through its service. After Bloomberg refused to take the recording down, Swatch sued Bloomberg for copyright infringement.

Regardless of whether Bloomberg's service is properly characterized as "news" or something else, Bloomberg's dissemination of the earnings call furthered an important public purpose.

After issue was joined, but before any discovery had been taken, the district court *sua sponte* ordered the parties to brief whether there were issues of material fact regarding Bloomberg's fair use defense. Concluding that there were none, the court granted summary judgment in Bloomberg's favor. The Second Circuit affirmed.

The Second Circuit agreed with the district court that the first statutory fair use factor—"the purpose and character of the use"—favored Bloomberg. The court rejected Swatch's argument that it needed discovery regarding, among other things, whether Bloomberg's service was truly "news reporting" and whether Bloomberg acted in good faith. Acknowledging that Bloomberg was a "commercial enterprise," that its "subscription service [is] available to paying users" and that Bloomberg had used "clandestine methods" to obtain access to the copyrighted work, the court held that, regardless of whether Bloomberg's service is properly characterized as "news" or something else, Bloomberg's dissemination of the earnings call furthered an important public purpose, namely, making "newsworthy financial information" about Swatch available to the public. Although the use was not transformative, there was "informational value" in providing the exact recording to the public so that investors could hear not only what was said but *how* it was said. In other words, the recording itself was financial news. As for the allegation that Bloomberg had accessed the material without authorization, the court held that the dissemination of such information "would be crippled if the news media and similar organizations were limited to authorized sources of information."

Turning to the second factor—"the nature of the copyrighted work"—the court held that Swatch's rights in the earnings call recording were "thin" at best, given the "manifestly factual character" of the recording. The court gave little weight to the fact that the recording was technically unpublished, since Swatch was not deprived of the ability to control the first public appearance of its expression. It had, after all, invited hundreds of financial analysts to listen to the call.

The third factor—"the amount and substantiality of the portion used"—was neutral. Although Bloomberg used the entire recording, such use "was reasonable in light of its purpose of disseminating important financial information to American investors and analysts" and because "[t]he recording has independent informational value over and above the value of a written transcript or article, regardless of how many Bloomberg subscribers took advantage of that value."

The fourth factor—"the effect of the use upon the potential market for or value of the copyrighted work"—favored Bloomberg. Swatch was not deprived of any licensing royalties, only the ability to control precisely who heard the call, and "Bloomberg simply widened the audience of the call, which is consistent with Swatch Group's initial purpose." Given the important public nature of the information in the recording, the Second Circuit gave little weight to any impairment in Swatch's ability to control the news.

Balancing all four factors, the Second Circuit concluded that Bloomberg's use of the recording was fair use. By reaching this result and affirming the grant of summary judgment without giving the plaintiff the opportunity to take discovery, the court indicated that it would not permit copyright litigation to be used to impinge on the "deliver[y of] newsworthy financial information to American investors and analysts"—a "kind of activity, whose protection lies at the core of the First Amendment." Whether the court's embracing view of fair use will be applied to situations outside of financial newsgathering and the media only time can tell.

The Second Circuit declined to decide the potentially more significant question as to whether Swatch's recording was copyrightable at all. Bloomberg raised the issue in a cross-appeal, arguing that the copyright was invalid because the earnings call was a live news event. The Second Circuit dismissed the cross-appeal, holding that Bloomberg lacked standing given its victory in the district court and that Bloomberg's notice of cross-appeal was procedurally defective.

The case is *Swatch Group Mgmt. Servs. Ltd. v. Bloomberg L.P.*, No. 12-cv-2412, ___ F.3d _____, 2014 WL 274407, 2014 U.S. App. LEXIS 1528 (2d Cir. Jan. 27, 2014).

THE SLIP OPINION IS AVAILABLE HERE.

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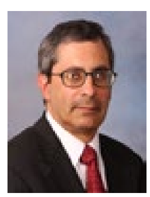

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First Amendment Bars "Freeway" Ricky Ross' Right of Publicity Claim

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Once the head of a massive cocaine-trafficking operation, "Freeway" Ricky Ross recently learned that his notoriety is no match for a skillfully asserted First Amendment defense. Ross sued rapper William Roberts, a.k.a. "Rick Ross," in California state court for misappropriation of his name and identity. Ross alleged that Roberts impermissibly borrowed his name and life story to create his onstage persona, and that the rapper's lyrics, which frequently include fictional accounts of selling cocaine, were based on episodes from Ross's own life.

Roberts created original artistic works that added new expression to the "raw materials" supplied by Ross's life story. Thus, Roberts' work was "transformative" and entitled to protection.

Discovery revealed that Ross' story may indeed have served as an inspiration for Roberts. Roberts, a former correctional officer, was fascinated by Ross's success as a cocaine dealer. During the 1980s, Ross ran a vast cocaine-dealing enterprise, selling up to $3 million worth of cocaine per day to buyers in at least six different states. His connections in the cocaine business were so extensive that he played a peripheral role in the Iran-Contra scandal through his Contras-affiliated supplier in Nicaragua. Roberts himself admitted early in his career that Ross' story "grabbed him."

Nevertheless, Roberts denied that his performing name was based on Ross. Roberts moved for summary judgment, arguing in part that Ross's misappropriation claims were barred by the statute of limitations and that the "single publication" rule barred Ross from seeking damages for anything but the first commercial use of his name. In opposition, Ross argued that the "single publication" rule did not apply, and that each new album Roberts released constituted a new and separate publication. The trial court granted Roberts summary judgment, and Ross appealed.

Although Roberts did not raise a First Amendment defense below, the California Court of Appeal allowed Roberts to assert a new argument—that summary judgment was proper because his "work" (i.e., his music and professional persona as a drug-dealing rapper named Rick Ross) was a creative expression protected by the First Amendment—and affirmed summary judgment for Roberts on that ground.

The "transformative test" balances a celebrity's right of publicity against another individual's right to free expression under the First Amendment.

To determine whether Roberts' "work" was First Amendment protected, the court applied the "transformative test" described in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387 (2001). The "transformative test" balances a celebrity's right of publicity against another individual's right to free expression under the First Amendment. Id. at 391. Although the test is most frequently used in cases involving visual representations of celebrities, the court held that it applied to Ross' claims because the First Amendment applies to all forms of expression.

In particular, the court held that Ross' claims would be barred if his name and likeness provided only the "raw materials" from which Roberts' "work" was synthesized. The court recognized that Roberts' music and persona as a rap musician relies to some extent on Ross' name and persona. It noted that several of Roberts' hits focus on cocaine trafficking. However, Ross' name and drug-trafficking activities did not make up the sum and substance of Roberts' music career. Roberts created original artistic works that added new expression to the "raw materials" supplied by Ross's life story. Thus, Roberts' work was "transformative" and entitled to protection. Accordingly, the court held that summary judgment was proper, and affirmed the trial court's decision in Roberts' favor.

The case is *Ross v. Roberts*, 222 Cal. App. 4th 677 (2013).

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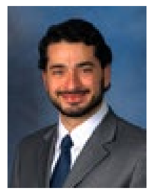

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Seventh Circuit Holds that "Brand Marketing" Ad Constitutes Commercial Speech and that Michael Jordan Can Pursue Right of Publicity and Lanham Act Claims

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In the second recent decision addressing the application of the First Amendment to right of publicity claims, the Seventh Circuit held that a brand-image advertisement containing both noncommercial and commercial aspects was not First Amendment-protected against right of publicity and Lanham Act claims. This decision could potentially have a significant impact on the use of athletes' and celebrities' images in advertising without their approval.

At issue was an advertisement that Jewel Food Stores, which operates nearly 200 Jewell-Osco supermarkets in the Chicago area, ran in a special edition of *Sports Illustrated* commemorating Michael Jordan's induction into the Basketball Hall of Fame. The magazine offered Jewel free ad space in the issue in exchange for agreeing to stock the magazine in its stores. Jewel took out a full-page color ad on the inside back cover of the commemorative issue featuring Jewel's trademarked logo and slogan, both of which were positioned above a pair of basketball shoes bearing Jordan's famous number "23." The ad also integrated part of Jewel's slogan into its congratulatory message: "Jewel-Osco salutes #23 on his many accomplishments as we honor a fellow Chicagoan who was 'just around the corner' for so many years."

Soon after the commemorative issue hit newsstands, Jordan sued Jewel in Illinois state court for violating his right to publicity, engaging in fraudulent and deceptive business practices and unfair competition, and violating the federal Lanham Act. Jewel removed the case to federal court. Following discovery, it moved for summary judgment, arguing that the First Amendment provided a complete defense to all of Jordan's claims. Jordan cross-moved for partial summary judgment that the ad constituted a commercial use of his identity. The district court held that the ad was noncommercial speech. Because Jordan and Jewel both agreed that this ruling defeated Jordan's claims, the court entered final judgment in favor of Jewel, and Jordan appealed.

The ad "has an unmistakable commercial function: enhancing the Jewel-Osco brand in the minds of consumers. This commercial message is implicit but easily inferred, and is the dominant one."

Given the position Jordan took in the district court, the Court of Appeals noted that it did not have to address whether the statutes at issue "by their own terms apply only to commercial speech as defined by First Amendment jurisprudence," an issue that the court stated was "not clear." The only issue on appeal, then, was whether the ad was properly classified as commercial speech under the Supreme Court's First Amendment case law. Relying on *Bd. of*

Trs. of State Univ. of N.Y. v. Fox, 492 U.S. 469 (1989), Jewel argued that the fact that the ad did not "propose a commercial transaction" was dispositive. The Court of Appeals disagreed. It held that whether an ad proposed a commercial transaction was only a "starting point," and that, quoting the same Supreme Court decision on which Jewel relied, "other communications also may 'constitute commercial speech notwithstanding the fact that they contain discussions of important public issues.'" The court further noted that "[m]odern commercial advertising is enormously varied in form and style," and that the "notion that an advertisement counts as 'commercial' only if it makes an appeal to purchase a particular product makes no sense today." Advertisements are no less "commercial" if they "promote[] brand awareness or loyalty rather than explicitly propose[] a transaction in a specific product or service."

Turning to the ad at issue, the court held that the ad "has an unmistakable commercial function: enhancing the Jewel-Osco brand in the minds of consumers. This commercial message is implicit but easily inferred, and is the dominant one." The court confirmed its classification of the ad as commercial by applying the three-factor test outlined in *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60 (1983), which asks whether the speech in question is in the form of an advertisement, refers to a specific product, and has an economic motive. Because the Jewel ad "looks like, and is, an advertisement," the first factor of the *Bolger* test was fulfilled. The second factor was met because the ad promoted patronage at Jewel-Osco stores, and the third was satisfied by evidence showing that Jewel expected a "valuable brand-enhancement benefit" from the ad.

Finally, the court explicitly rejected the Ninth Circuit's interpretation of the "inextricably intertwined doctrine" in *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001). The Ninth Circuit had held that where "commercial aspects [in a magazine article] are inexplicably 'entwined' with expressive elements, and so they cannot be separated out 'from the fully protected whole,'" the article "is fully protected speech." Disagreeing, the Seventh Circuit held that "[t]his use of the inextricably intertwined doctrine was mistaken; no law of man or nature prevented the magazine from publishing a fashion article without superimposing the latest fashion designs onto film stills of famous actors." So, too, here. "No law of man or nature compelled Jewel to combine commercial and noncommercial messages as it did here."

Because the ad qualified as commercial speech, the court remanded the case for resolution of Jordan's claims, including whether, as required to establish the Lanham Act claim, the ad "caused a likelihood of confusion that Jordan was a Jewel-Osco sponsor or endorsed its products and services."

The case is *Jordan v. Jewel Food Stores, Inc.*, ___ F.3d ____, 2013 WL 627603, 2014 U.S. App. LEXIS 3030 (7th Cir. Feb. 19, 2014).

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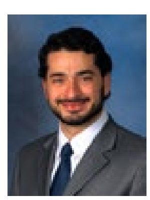

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Ninth Circuit Holds that Washington's Publicity Rights Statute Applies to Sale of Goods in Washington, Even If Decedent Was Domiciled in New York

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Some states allow the heirs of a celebrity to inherit "rights of publicity" protecting the decedent's likeness and image. Other states do not recognize such post-mortem rights of publicity. When a celebrity dies in one state and his or her heirs seek to stop the sale of goods in another state, which state's law applies? A recent decision from the Ninth Circuit addresses this question, exposing a split in authority and highlighting the potential difficulty of clearing publicity rights.

The state of Washington's Personality Rights Act (the WPRA) gives every person "a property right in the use of his or her name, voice, signature, photograph or likeness," and allows the person's heirs to inherit those rights. Wash. Rev. Code § 63.60.010. The well-known singer Jimi Hendrix died in 1970 (before the WPRA's enactment) in New York, a state that does not recognize post-mortem publicity rights. Experience Hendrix is a pair of companies founded by the heir of Jimi Hendrix that own the late singer's trademarks.

Several years ago, Experience Hendrix attempted to enforce Hendrix's publicity rights under an earlier version of the WPRA, but the court held that Washington's choice-of-law rules mandated the application of New York law because Hendrix was domiciled in New York at the time of his death. *Experience Hendrix LLC v. James Marshall Hendrix Found.*, 240 F. App'x 739 (9th Cir. 2007). Since then, however, the statute was amended. As amended, it purports to apply to "all individuals and personalities, regardless of place of domicile or place of domicile at time of death." Wash. Rev. Code § 63.60.010.

Pitsicalis is an individual who sells Hendrix-related merchandise, including apparel, posters and artwork, in Washington and throughout the US. Experience Hendrix brought claims in district court in Washington against Pitsicalis under the Lanham Act for trademark infringement and under a state unfair and deceptive trade practices statute. Although Experience Hendrix did *not* assert a claim under the WPRA, Pitsicalis filed a counterclaim seeking a declaratory judgment that the WPRA does not provide Experience Hendrix with any post-mortem rights of publicity.

The court held that the Due Process Clause and the Full Faith and Credit Clause required only that Washington have sufficient contacts with the controversy to make the application of the Washington statute not "arbitrary" nor "fundamentally unfair."

The district court granted summary judgment in Pitsicalis's favor, finding that it would violate the Due Process Clause, the Full Faith and Credit Clause, and the dormant Commerce Clause to apply the WPRA to determine the scope of Hendrix's rights of publicity. This result was in line with an earlier decision in the Southern District of New York, which applied a bright-line rule: the law of the state where the deceased person was domiciled at the time of his or her death governs the question of post-mortem rights of publicity.

See Shaw Family Archives, Ltd. v. CMG Worldwide, Inc., 589 F. Supp. 2d 331 (S.D.N.Y. 2008).

The Ninth Circuit reversed, disagreeing with the lower court and with the New York ruling. The court held that the Due Process Clause and the Full Faith and Credit Clause required only that Washington have sufficient contacts with the controversy to make the application of the Washington statute not "arbitrary" nor "fundamentally unfair." As to the narrow issue of whether Experience Hendrix could enforce Hendrix's post-mortem publicity rights on goods sold *in Washington state*, the court held that there were sufficient contacts to allow the application of the WPRA. The court also held that the statute would not violate the dormant Commerce Clause by "imposing substantial burdens on interstate commerce," holding that the law would not affect transactions occurring "wholly outside Washington" state. Thus, in the "narrow controversy" before the court, there was no constitutional bar to the application of the WPRA.

The case is *Experience Hendrix LLC v. Hendrixlicensing.com Ltd.*, No. 11-35858, ____ F.3d _____, 2014 WL 306600, 2014 U.S. App. LEXIS 1822 (9th Cir. Jan. 29, 2014).

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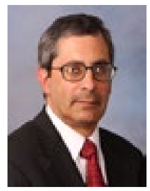

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Cases of Interest Pending in the US Supreme Court

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The US Supreme Court will address several significant cases involving trademark, copyright and false advertising law this term, including the following cases of interest:

American Broadcasting Cos. v. Aereo, Inc. (No. 13-461)

Aereo provides a service in which each subscriber can remotely access and control an individual antenna and digital video recorder that records live, over-the-air television. Users can then watch the recorded TV programs over the Internet. Last year, the Second Circuit held that Aereo's retransmission of copyrighted TV programs to its subscribers did not violate the copyright holders' exclusive rights to publicly perform their works.
The Supreme Court, which will hear oral argument on April 27, 2014, will determine whether Aereo's retransmissions are "public performances" within the meaning of the Copyright Act.

B&B Hardware, Inc. v. Hargis Industries, Inc. (No. 13-352)

As noted in OUR PREVIOUS NEWSLETTER, the pending *cert.* petition in this case asks the Court to determine whether a finding of likelihood of confusion by the Trademark Trial and Appeal Board is entitled to preclusive effect in a subsequent trademark infringement case in federal court (or, alternatively, whether any deference is owed). While the Court has not yet indicated whether it will take the case, it recently invited the Solicitor General's office to submit a brief expressing the views of the US on the issue.

Lexmark Int'l, Inc. v. Static Control Components, Inc. (No. 12-873)

This case, which was argued before the Supreme Court on December 3, 2013, gives the Court an opportunity to resolve a three-way split among the circuits regarding the test for prudential standing under the false advertising prong of Section 43(a) of the Lanham Act. Will the standing test be determined, as four circuits have held, using a test borrowed from antitrust law that looks to whether the plaintiff's injury is "of a type that Congress sought to redress" in enacting the statute? Or, as three other circuits have held, should there be a bright-line test granting standing only to competitors? Or will the Court affirm the Sixth Circuit's approach adopting a "reasonable interest" test?

Petrella v. Metro-Goldwyn-Mayer, Inc. (No. 12-1315)

In this case, which was argued before the Court on January 21, 2014, the Supreme Court will determine whether the equitable defense of laches can bar a suit for copyright infringement that is otherwise timely under the Copyright Act's three-year statute of limitations. At issue is whether the plaintiff can maintain a claim that MGM's 1980 film *Raging Bull* infringes her copyright in a 1963 screenplay. Petitioner obtained rights to the screenplay in 1991, but did not file suit until 18 years later. Although there was no statute-of-limitations issue—the suit only covered infringements dating back three years—the Ninth Circuit affirmed summary judgment for MGM based on the nonstatutory defense of laches. The Supreme Court will decide whether laches can co-exist with the statute of limitations and, if so, whether it can bar legal remedies (e.g., damages) in addition to equitable remedies (e.g., injunctive relief).

POM Wonderful LLC v. The Coca Cola Co. (No. 12-761)

In this case, which will be argued before the Supreme Court on April 21, 2014, POM Wonderful accuses Coca-Cola of violating the false advertising prong of Section 43(a) of the Lanham Act by marketing a "Pomegranate Blueberry" juice product that, in fact, contains less than 0.5 percent of pomegranate and blueberry juice. The Ninth Circuit held that POM Wonderful's Lanham Act claim was precluded because Coca-Cola's product name was specifically authorized by FDA regulations governing the naming and labeling of blended fruit juices. Against the suggestion of the Solicitor General, on January 10, 2014, the Supreme Court granted POM Wonderful's *cert.* petition to address whether, and to what extent, conduct specifically sanctioned by FDA regulations under the Food, Drug & Cosmetic Act can nonetheless be subject to a Lanham Act false advertising claim.

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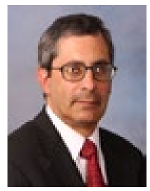

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Trademark, Copyright & False Advertising

Kaye Scholer's Trademark, Copyright & False Advertising Practice is unique in that we have both highly experienced IP trial counselors and trial attorneys. This experience is key to developing a strategy at the early stages that will protect your interests if the matter ends up in litigation. We develop a winning strategy from the outset of a dispute, focusing our efforts on preparing for the turning point of the case, avoiding costly side skirmishes along the way, and bringing maximum pressure at the key moment—whether it is in expert discovery, a motion for summary judgment or even a trial.

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