

Annual Update

**Significant Developments in
U.S. Trademark, False Advertising,
and Right of Publicity Law**

2015

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Below are the selections of Covington's Intellectual Property Rights Group for the "Top Ten" most significant and interesting developments in U.S. trademark, false advertising, and right of publicity law during 2015.

Supreme Court rules that a TTAB holding on likelihood of confusion can have a preclusive effect on federal court infringement cases.

In *B&B Hardware, Inc. v. Hargis Industries, Inc.*, the Supreme Court held that a finding of likelihood of confusion by the administrative Trademark Trial and Appeal Board ("TTAB") can preclude re-litigation of that issue before a federal district court *if* the other elements of issue preclusion are met and the facts before the TTAB were materially the same as those before the district court. The Court ruled narrowly, avoiding a bright-line rule that would have held that a TTAB decision always (or never) bars preclusion in federal court.

B&B sells fasteners used in the aerospace industry. Hargis sells fasteners used in the construction trade. B&B registered its mark SEALTIGHT for fasteners in 1993; in 1996, Hargis sought to register its mark SEALTITE for its own fasteners. B&B opposed Hargis' application on the basis that Hargis' SEALTITE mark was confusingly similar to the SEALTIGHT mark. The TTAB agreed, denying Hargis' registration application.

While the opposition proceedings were ongoing, B&B sued Hargis for trademark infringement in federal court. The TTAB denied Hargis' registration before the district court had occasion to rule on the likelihood of confusion between the two marks. B&B thus urged the district court to rule that the TTAB's decision precluded Hargis from arguing that

no likelihood of confusion existed between the parties' marks.

The district court rejected B&B's preclusion argument, reasoning that the TTAB is not an Article III court and therefore its decision cannot preclude a district court's ruling on the same issue.

At trial, a jury found no likelihood of confusion. B&B appealed. The Eighth Circuit affirmed, holding that the TTAB's decision did not preclude the district court from addressing the issue of likelihood of confusion, primarily because the TTAB's likelihood-of-infringement test rests on different factors than does the test applied by the Eighth Circuit.

Reversing, the Supreme Court held that administrative decisions can preclude litigation on the same issues in federal court. Beginning with a review of its jurisprudence on issue preclusion, the Court observed that issue preclusion is not limited to situations in which the same issue is between two courts. Rather, preclusion presumptively applies when the same issue is presented before a court and an administrative agency acting in its judicial capacity unless Congress has indicated otherwise. The Court found that nothing in the Lanham Act's text or structure rebutted this presumption in favor of preclusion so long as the ordinary elements of issue preclusion are met in a particular case—that is, an issue of fact or law must be actually litigated and determined by a valid and final judgment, and the determination must be essential to the judgment.

The Court ruled that while federal courts and the TTAB do not apply exactly the same likelihood-of-

confusion factors, the TTAB's decision in this case satisfied the ordinary elements for claim preclusion; even though the TTAB considered registration and the court considered infringement, the material issue before both bodies was similar. The Court therefore held that issue preclusion should apply if the ordinary elements of issue preclusion are met and the usages adjudicated by the TTAB are materially the same as those before the district court.

In a concurrence, Justice Ginsburg noted that issue preclusion should not apply to many registration decisions of the TTAB because contested registrations are often decided upon an abstract comparison of the parties' marks, separate from their usage in the marketplace.

In a dissent joined by Justice Scalia, Justice Thomas argued that there is no historical or precedential basis for applying agency preclusion to federal courts, and that the TTAB's role should be limited to determination of registration rights—anything further, the dissent said, risks an unconstitutional transfer of judicial power.

It remains to be seen what practical significance the *B&B* decision will have in federal trademark litigation. In its recent decision in *In re Hughes Furniture*, for example, the TTAB expressly declined to consider marketplace usage, instead evaluating only the specifics of the application and registration at issue. In *In re Hughes*, the TTAB's refusal to register the applicant's mark because of its resemblance to a previously registered mark should not preclude re-litigation of likelihood of confusion because the TTAB in

that case did not adjudicate the marks' usage—a requirement of *B&B's* narrow holding.

Trademark tacking is a question for the jury, Supreme Court holds.

The Supreme Court revisited the role of juries in intellectual property cases in *Hana Financial v. Hana Bank*, holding that consideration of the issue of trademark “tacking” is a question for the jury, not the court.

Derived from common law real property, the tacking doctrine permits the owner of a trademark to make changes to its mark without losing its priority rights based on the date of the original mark's first use in commerce. The rule applies only if the updated mark creates “the same, continuing commercial impression” as the original mark, such that consumers consider both marks to refer to the same source.

Hana Bank was established in 1971 as a South Korean entity called Korea Investment Finance Corporation. In 1991, it changed its name to Hana Bank and began using that name in South Korea. In 1994, Hana Bank established a service called Hana Overseas Korean Club to provide financial services to South Korean expatriates in the United States. In 2000, Hana Bank changed the name under which it offered such services to Hana World Center. In 2002, Hana Bank for the first time began operating a bank physically located in the U.S.

Hana Financial was established under that name in California in 1994. It began offering financial services under the name Hana Financial in commerce in 1995, and in 1996 it obtained a federal registration for the mark HANA FINANCIAL for financial services.

In *Hana Financial v. Hana Bank*, Hana Financial sued Hana Bank for trademark infringement. In response, Hana Bank argued that, under the tacking doctrine, it—not Hana Financial—had priority. The district court granted summary judgment for Hana Bank on that theory, but the Ninth Circuit reversed, finding genuine issues of material fact as to priority. The case then went to trial, and the jury—which received an instruction on tacking—returned a verdict for Hana Bank. After the district court denied its motion for judgment as a matter of law, Hana Financial again appealed. The Ninth Circuit affirmed, holding that the issue of tacking is reserved for the jury, although noting the existence of a circuit split as to whether tacking is a question of law or a question of fact.

The Supreme Court granted certiorari to resolve that split. The Supreme Court held that because the applicable test is dependent upon an “ordinary consumer's” impression of a trademark, the application of such a test “falls comfortably within the ken of a jury.” The Court noted that it has “long recognized across a variety of doctrinal contexts that, when the relevant question is how an ordinary person or community would make an assessment, the jury is generally the decisionmaker that ought to provide the fact-intensive answer.”

The Court made clear, however, that there are instances where the court, and not the jury, will make the determination as to whether two marks may be tacked: “If the facts warrant it, a judge may decide a tacking question on a motion for summary judgment or for judgment as a matter of law . . . And if the parties have opted to try their case before a judge, the judge may of course decide a tacking question in his or her factfinding capacity.”

Lanham Act's restrictions on “disparaging” marks held unconstitutional.

Striking down the provision of the Lanham Act used to revoke the Washington Redskins trademark registrations, [the Federal Circuit sitting en banc ruled](#) in December that the federal ban on “disparaging” trademark registrations violates the First Amendment. The court's ruling was issued in a closely-followed case filed by the front man of a dance-rock band called “The Slants.” The band's name was refused registration by the USPTO on the grounds that the applied-for mark disparages Asian Americans, though according to the opinion, band leader Mr. Simon Shao Tam chose the name to “reclaim” and “take ownership” of Asian stereotypes. In a 9-3 decision, Judge Kimberly Moore wrote for the Federal Circuit, “The government cannot refuse to register disparaging marks because it disapproves of the expressive messages conveyed by the marks.”

The USPTO examiner had refused to register “The Slants” mark for the reason that the term “slants” has had a “long history of being used to deride and mock a physical feature” of people of Asian descent. The Trademark Trial and Appeal Board affirmed the examiner's refusal to register the mark, and Mr. Tam appealed, arguing that the Board erred in finding the mark disparaging and that the section of the Lanham Act on which the examiner relied is unconstitutional. On appeal, a panel of the Federal Circuit affirmed the Board's determination that the mark is “disparaging.” Tam then petitioned for rehearing en banc, which was granted.

Applying strict scrutiny, the Federal Circuit held that the disparagement provision is not content or viewpoint neutral and therefore impermissible.

To illustrate, the court pointed to identical marks that have been rejected by the USPTO in one context and yet allowed to be registered in others. For example “Squaw Valley” has been allowed in connection with skiing-related products, but not in connection with a different class of goods.

The court rejected the government’s argument that a lower standard of scrutiny should apply, holding that trademarks constitute commercial speech and that the disparagement exclusion is being applied to the expressive—and not the source-identification—element of the mark. It also rejected the government’s argument that the disparagement exclusion does not violate the First Amendment because it does not prohibit any speech. The court ruled that denying the benefits of registration disincentivizes adoption of marks that the government may deem disparaging, thus creating a chilling effect on speech.

The court further rejected the government’s argument that trademark registration and the accoutrements of registration—like placement on the Principal Register, use of the ® symbol, and issuance of a certificate—amount to government speech. The court stated, “[w]hen the government registers a trademark, the only message it conveys is that a mark is registered.” It noted the PTO’s routine registration of “marks that no one can say the government endorses,” such as marks that refer to illegal activity (e.g., “MURDER 4 HIRE”) or particular religions (e.g., “THINK ISLAM”).

Finally, the court addressed how the challenged section of the Lanham Act would fare even if it were treated as commercial speech. The court concluded that under the intermediate scrutiny framework of [*Central Hudson Gas & Electric Corp. v. Public Service Commission of*](#)

[*New York*](#), the law would still fail, because “[a]ll of the government’s proffered interests boil down to permitting the government to burden speech it finds offensive,” and “[t]his is not a legitimate interest.”

Indicating an openness to future challenges to other Lanham Act restrictions, the opinion also calls into question the provisions of the Lanham Act barring “scandalous” and “immoral” marks. The decision states that these restrictions, as well as the ban on “disparaging” marks, are all “based on the expressive nature of the content” and “cannot be justified on the basis that they further the Lanham Act’s purpose in preventing consumers from being deceived” or that they “protect the markholder’s investment in his marks.” Rather, these restrictions “can undermine those interests because they can even be employed in cancellation proceedings challenging a mark many years after its issuance.”

The decision, which may be taken up by the Supreme Court, is also significant for how it may impact the trademarks registered by the Washington Redskins football team—which were cancelled as disparaging in a district court decision now on appeal to the Fourth Circuit. If that Circuit follows the *Tam* decision, then cancellation of the Redskins marks will be reversed. However, the Fourth Circuit is not bound by decisions of the Federal Circuit.

Trademark law is not the proper vehicle for combating speech, Fourth Circuit holds.

In [*Radiance Foundation, Inc. v. NAACP*](#), the Fourth Circuit emphasized that the purpose of the Lanham Act is to protect against consumer confusion about the

source of a good or service. The reach of the Lanham Act, however, is not without limits, particularly where interpretations of the Act raise constitutional concerns, such as an entity’s First Amendment right to make social commentary.

Radiance Foundation is a non-profit organization that addresses social issues from a Christian perspective. In January 2013, Radiance published an article that criticized the NAACP, particularly its ties to Planned Parenthood and what Radiance Foundation perceived to be a supportive position on abortion. Radiance’s article was titled “NAACP: National Association for the *Abortion* of Colored People,” and it referenced the NAACP throughout the text.

The NAACP, which owns trademarks for both “National Association for the Advancement of Colored People” and “NAACP,” sent Radiance a cease and desist letter. In response, Radiance filed a declaratory action, arguing that its use of the mark was protected under the First Amendment and that it had not infringed or diluted the NAACP’s marks. The NAACP counterclaimed for trademark infringement and dilution by tarnishment. After a bench trial, the district court judge found for the NAACP on both claims, and denied Radiance’s request for declaratory relief. Radiance appealed.

Reversing the district court, the Fourth Circuit held that the NAACP had no actionable trademark infringement claim against Radiance. The court first stated that the purpose of the Lanham Act is to protect consumers from confusion in the marketplace. It noted, however, that Congress did not intend for trademark laws to interfere with First Amendment rights. For that reason, an actionable trademark infringement claim requires that (1) the infringer’s use be “in connection with” goods or

services, and (2) the mark be used in a manner that is “likely to cause confusion.”

In interpreting the first element of the claim, the Fourth Circuit narrowly construed the phrase “in connection with,” finding that a broad construction of the phrase would “push the Lanham Act close against a First Amendment wall.” Instead, the court defined a use “in connection with” goods or services to mean use “in the context of a sale, distribution, or advertisement.” The court found that Radiance merely used the NAACP’s marks in an informative manner that lacked any commercial or transactional component. Therefore the NAACP failed to satisfy the first element.

As to the second element of the claim, “likely to cause confusion,” the Fourth Circuit distinguished between general confusion and confusion resulting in consumers’ mistaken purchasing decisions. The court made clear that trademarks protect against only the latter form of confusion and, moreover, that trademarks exist “neither to allow companies to protect themselves from criticism nor to permit them to ‘control language.’” The Fourth Circuit also pointed out that marks used in parody, satire, or commentary are treated differently from marks used in connection with commerce, due to their implications for free speech, since “[e]ven some amount of ‘actual confusion’ must still be weighed against the interest in a less fettered marketplace of social issues speech.”

In holding that the district court erred in finding likelihood of confusion, the Fourth Circuit reasoned that consumers’ confusion that “NAACP” stood for “National Association for the Abortion of Colored People” was irrelevant, because trademark infringement does not protect against confusion about the marks themselves, as marks are not goods

or services. Policy stances are also not goods or services; therefore any confusion as to NAACP’s stance on abortion was not protected by trademark infringement. Finally, the Fourth Circuit found that Radiance’s use of NAACP’s marks was likely satirical, pointing to the context in which the mark was used—in the title and text of one article found in websites with domain names and webpage headings that clearly denote other organizations—and comparing the use to other satirical articles that refer to NRA as “National Republican Association” and ACLU as the “Anti-Christian Lawyers Union.”

The Fourth Circuit also ruled that Radiance’s use of NAACP’s marks falls within the exceptions to trademark dilution, as the use was both noncommercial and nominative fair use, as it was a commentary on NAACP’s stance on social issues.

Sixth Circuit rules that *Octane Fitness* may apply in trademark cases.

The Sixth Circuit held in [*Slep-Tone Entertainment Corp. v. Karaoke Kandy Store, Inc.*](#) that the Supreme Court’s *Octane Fitness* case—which lowered the bar for fee-shifting in patent cases—may well apply to the Lanham Act’s fee-shifting provision.

In *Octane Fitness*, the Supreme Court held that under the Patent Act, judges have discretion to award fees if the winner’s case was “exceptional” under the statute, in that it “stands out from others.” This is a lower bar from earlier requirements that, to be “exceptional,” the loser’s case must have been “objectively baseless” and brought in “subjective bad faith.”

Subsequently, the [Third Circuit explicitly applied *Octane Fitness*](#) in a

Lanham Act case, holding that the Patent Act and Lanham Act’s identical fee-shifting provisions merited the application of *Octane Fitness*.

The Sixth Circuit did not go so far as to apply *Octane Fitness* to its own trademark case. However, it noted that the Patent Act and Lanham Act’s fee-shifting provisions are identical, and that statutes using the same language should generally be interpreted consistently.

Having so stated, the Sixth Circuit remanded the case to the district court for consideration of the applicability of *Octane Fitness* to the question of whether the case qualified as “extraordinary” under the Lanham Act. The decision suggests a broader trend in the application of *Octane Fitness* under the Lanham Act.

Ninth Circuit continues to develop contours of right-of-publicity law as applied to expressive works that use athletes’ likenesses.

Every year, Electronic Arts enters into an agreement with the NFL Players’ Association for permission to use the likenesses of current NFL players in EA’s *Madden NFL* series of video games, thus allowing users to play with current NFL rosters. From 2001 to 2009, EA also incorporated into *Madden* various “historic teams”—notable teams from decades past—for which EA did not use players’ names but used statistics and physical characteristics corresponding to historical players.

A group of players included on those “historic teams” sued EA for using their likenesses without permission, asserting claims under various California statutes and common law.

EA filed a motion to strike the players' complaint under California's anti-SLAPP statute ("SLAPP" stands for "strategic lawsuits against public participation"), contending that EA's use of the players' likenesses was protected speech. The district court denied EA's motion.

In *Davis v. Electronic Arts Inc.*, the Ninth Circuit affirmed the lower court's denial of the motion to strike, ruling that EA had failed to show *Madden* added significant creative elements that would transform those games into "something more than mere celebrity likeness or imitation." Relying on its 2013 decision in *Keller v. Electronic Arts Inc.*, the Ninth Circuit found that EA's games replicated the characteristics of real-life players and allowed users to play as those players in a football game—which, the court said, was the reason the players were famous.

The Ninth Circuit also held that because *Madden* is a game and "not a publication of facts" about NFL football, EA could not prevail on a public-interest defense. Nor did the court agree with EA's reliance on the defense established by the Second Circuit in *Rogers v. Grimaldi*, finding that the *Rogers* test (which asks whether the use of a trademark has any "artistic relevance" and is not explicitly misleading) does not apply in right-of-publicity cases but instead addresses the issue of consumer confusion in trademark cases where two works share similar titles.

In addition, the Ninth Circuit concluded that EA's "incidental use" defense failed. That defense—widely recognized under U.S. law but not yet applied by California state courts—bars a right-of-publicity claim where the claim is based on a fleeting or incidental use of the plaintiff's likeness. EA argued that because the *Madden* games depict several thousand football players, any individual player's likeness has only *de minimis* commercial value

and so EA's use of each of those player's likeness is merely incidental. The Ninth Circuit disagreed, noting that EA had advertised *Madden* in part by promoting the inclusion of the "historic teams," and so ruling that *Madden* featured those players' likenesses prominently and in a manner substantially related to the game's purpose of accurately simulating a football game.

The Ninth Circuit's decision in *Davis* is unlikely to be the final word on the right of publicity as applied to use of aspects of sports players in video games. EA has filed a cert petition with the Supreme Court, and right-of-publicity claims involving sports figures continue to be litigated throughout the country.

Federal Circuit holds that Samsung did not infringe Apple's trade dress.

In *Apple Inc. v. Samsung Electronics Co., Ltd.*, the Federal Circuit, applying Ninth Circuit law, held that Samsung did not infringe on Apple's registered and unregistered trade dress related to its iPhone 3G and 3GS products. At issue were (1) an unregistered trade dress that covered certain design features in the iPhone 3G and iPhone 3GS, including the rounded corners of the cell phone's rectangular structure and the flat surface of the screen, and (2) the registered '983 Trade Dress for the 16 icons featured on the iPhone home screen. The decision reflects and reinforces the challenges in establishing trade dress protection for product features.

As a threshold matter, the Federal Circuit emphasized that trade dress protects only the *nonfunctional* elements of a design, in order to balance trade dress protection with the "fundamental right to compete through imitation of a competitor's

product." The Federal Circuit also indicated that the Ninth Circuit sets a high bar in establishing non-functionality, particularly for trade dress.

As to the non-registered trade dress, the Federal Circuit found that Apple did not bear its burden to prove that the claimed trade dress was not functional. The Federal Circuit first took into account the "utilitarian advantages" of the features in the claimed trade dress. By improving pocketability and durability, the features increased the usability of the iPhone 3G and iPhone 3GS.

Second, the court held that Apple failed to demonstrate that "alternative designs" would "offer exactly the same feature." Rather, the court held that Apple had simply cataloged "the mere existence of other design possibilities embodied in rejected iPhone prototypes and other manufacturers' smartphones," which did not itself prove that the unregistered trade dress was non-functional.

Third, Apple's advertisement of its unregistered trade dress features focused on the product's ease of use. If a seller advertises a feature's utilitarian advantages, that feature is presumptively functional and not protectable. On this point, Apple responded that its advertisements focused on the "product as hero," meaning that Apple made the product itself "the biggest, clearest, most obvious thing in [its] advertisements." The Court rejected this argument, holding that it focused on stylistic advertising choices, not substance, which the Court said was insufficient to show that Apple's advertisements were not simply touting its products' utilitarian aspects.

Finally, the court found that Apple failed to provide any evidence to show that the features "were not relatively simple or inexpensive to

manufacture.” The court stated that the evidence Apple had offered on this point related only to durability considerations for the iPhone, not the design of the unregistered trade dress.

In reversing the jury’s finding of infringement of the ’983 Trade Dress, featuring the 16 icons on the home screen of the iPhone, the Federal Circuit held that Apple failed to provide any evidence to rebut Samsung’s evidence that the icons increased usability and therefore were functional. Moreover, the Federal Circuit found the ’983 Trade Dress, when viewed as a whole, to be “nothing more than the assemblage of functional parts.”

Federal Circuit rules that lack of bona fide intent is proper challenge to trademark application.

In *M.Z. Berger & Co., Inc. v. Swatch AG*, the Federal Circuit ruled that the watchmaker M.Z. Berger & Co. could not register a trademark for “iWatch,” because it failed to show that it had a bona fide intent to use the mark in commerce.

An applicant can seek trademark registration if it is using the mark in commerce or if it states that it intends to do so. This case is the Federal Circuit’s first decision on whether lack of bona fide intent is proper statutory grounds for challenging a trademark application. Like the D.C. Circuit, the Federal Circuit said it was, because bona fide intent is a statutory requirement of an intent-to-use trademark application under Section 1(b) of the Lanham Act.

Swatch had opposed Berger’s intent to use application for the “iWatch” mark, contending Berger did not have a bona fide intent to use the

mark. Berger had sought to register that mark for more than 30 different products in three categories: watches, clocks, and personal products. Swatch claimed that Berger was simply trying to reserve the mark for future use without having any real intent to use the marks on the products at issue.

The TTAB agreed with Swatch, ruling that Berger’s evidence showed that it had not made a firm decision to use the mark in commerce at the time it filed its application, but was primarily trying to reserve a right in the mark. For example, Berger stated that it had not undertaken any steps to begin developing most of the products it listed on its intent-to-use (ITU) applications.

The Federal Circuit affirmed, holding that Berger had failed to show bona fide intent to use the “iWatch” mark, judged by an objective standard. The Federal Circuit also noted that all an ITU application requires is a sworn statement of intent, but it approved TTAB practice of requiring some minimal level of documentary evidence to prove that intent upon a request from the examiner or a party opposing registration.

Ninth Circuit reverses itself on Amazon search term confusion case.

Earlier in 2015, the [Ninth Circuit held](#) that a jury could potentially find that Amazon created a likelihood of consumer confusion with the format of its search results when a customer searches for a branded military-style watch that is not sold on Amazon.com. But [on panel rehearing this past October, a three-judge panel withdrew the earlier opinion](#) and issued a superseding opinion and dissent.

Multi-Time Machine (MTM) had argued that initial interest confusion

may occur on Amazon when a customer searches for “MTM Special Ops”—a brand name for one of MTM’s timepieces—because Amazon displays the search term “MTM Special Ops” at least three times at the top of the search results page. This is despite the fact that MTM watches are not and have never been available for sale on Amazon. Instead, Amazon’s search results display *other* watches that it offers for sale.

The majority opinion written by Judge Silverman (who issued the dissent in the court’s original opinion) holds that “[b]ecause Amazon’s search results page clearly labels the name and manufacturer of each product offered for sale, and even includes photographs of the items, no reasonably prudent customer accustomed to shopping online would likely be confused as to the source of the products.” Quoting from his previous dissent, Judge Silverman opined that Amazon’s search results are “not unlike when someone walks into a diner, asks for a Coke, and is told ‘No Coke. Pepsi.’” He stated that “merely looking at Amazon’s search results page shows that such consumer confusion is highly unlikely,” as none of the products listed in the search results is labeled with the word “MTM” or phrase “Special Ops,” let alone the specific search term “MTM Special Ops.” Further, he stated that some of the listed products are not even watches.

The dissent this round, authored by Judge Bea (who wrote the original, now-withdrawn, majority opinion), argued that by its decision, the majority “usurp[s] the jury function” and “makes new trademark law.” “Whether there is likelihood of initial interest confusion” or whether Amazon’s search results are “clearly labeled,” Judge Bea wrote, “is a jury question.”

Federal Circuit clarifies use in commerce requirement for service marks.

In March, the Federal Circuit [clarified an issue it had not previously addressed](#): what the “use in commerce” requirement means for service marks. *Couture v. Playdom, Inc.* holds that a service mark is “used in commerce” only when it is displayed in connection with an offer of services, and the services are also actually offered.

To obtain a trademark registration, applicants must prove—among other requirements—that they are using a mark in commerce. For service marks, this means displaying the mark in association with a specific service. The Federal Circuit had not ruled, prior to *Couture*, whether an offer of services was enough to satisfy this requirement, or whether applicants had to show evidence that they had actually rendered those services.

In *Couture*, Playdom had petitioned to cancel David Couture’s registration for the “PLAYDOM” mark, arguing that the mark was void because Couture had not actually used the mark in commerce as of his application date. The specimen Couture had submitted with his application was a screenshot of his website—a common type of specimen—offering writing and production services in association with the PLAYDOM mark. The website screenshot stated that the website was under construction. The

mark registered in 2009, but the record contained no evidence that it had actually been used in commerce, in association with the stated services, before 2010.

The Trademark Trial and Appeal Board (TTAB) canceled Couture’s registration, ruling that he had not used the mark in commerce at the time of registration, and that readiness and willingness to provide a service was insufficient to show use. Couture appealed.

The Federal Circuit affirmed the TTAB’s decision, ruling that the Lanham Act requires that a service mark conducted under a service mark must actually have been rendered in commerce at the time of registration. In doing so, it clarified that an earlier decision, *Aycock Engineering, Inc. v. Airflite, Inc.*, did not hold that “open and notorious” public offerings of service was sufficient for registration of a service mark. The Federal Circuit’s decision thus aligns that court with other circuits, including the Second, Fourth, and Eighth Circuits, which all have held that *actual* use in commerce is required for registration of a service mark.

No posthumous right of publicity for Marilyn Monroe estate—but a trademark claim might work.

A federal judge is [allowing a lawsuit to proceed](#) between the Marilyn Monroe Estate and AVELA, a company that specializes in the

licensing of images and other celebrity merchandise, where the Monroe Estate asserts that goods featuring Monroe constitute false endorsement under Section 43(a) of the Lanham Act.

A celebrity may assert a claim for false endorsement under Section 43(a) of the Lanham Act, where a party uses the celebrity’s persona without permission to suggest false endorsement or association. AVELA argued in its motion to dismiss that the Monroe Estate’s claims are “a thinly veiled attempt to assert a right that does not exist—a right of publicity in Marilyn Monroe.” (A previous case had held that the Monroe estate could not plead a post-mortem right of publicity as to Ms. Monroe.)

To state a right of publicity claim in New York, the plaintiff must prove that the defendant “(a) used [the plaintiff’s] name, portrait, picture, or voice, (b) for advertising or trade purposes, (c) without [the plaintiff’s] written consent.”

The court’s opinion disagreed that the false endorsement claim was akin to a right of publicity claim, stating, “[t]he key distinction between a right of publicity and a false endorsement claim is that the latter requires a showing of consumer confusion.”

The case suggests another statutory vehicle for protection of celebrity images when a right of publicity claim is not available.

Recent Copyright and Trademark Publications by Covington Attorneys

- Aaron Cooper, *Important Examination of What a 21st Century Copyright Office Needs*, The Hill (February 26, 2015)
- Simon J. Frankel and Ethan Forrest, *How Does Livestreaming Video Fit into the DMCA's Safe Harbor?*, Bloomberg BNA Computer Technology Law Report (October 2015)
- Marie Lavalleye, Bingham Leverich, Kathleen Gallagher-Duff, Simon Frankel, Ethan Forrest, and former associate Katie Gasztonyi, [Supreme Court Holds that TTAB Decisions May Have Preclusive Effect in Federal Court Actions](#), Covington E-Alert (April 2, 2015)
- Gina Vetere, Marty Hansen, Marney Cheek, and Jay Smith, "[What's New in the TPP's Intellectual Property Chapter](#)," Covington GlobalPolicyWatch Blog (November 24, 2015)

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