

# DECISIONS & DEVELOPMENTS

By Joseph S. Iandiorio, Patent Attorney • 260 Bear Hill Road, Waltham, MA 02451 • Rte 128 near Mass. Pike • (781) 890-5678

Patents • Trademarks • Copyrights • Trade Secrets • Antitrust • Government Contracts • Licensing • Litigation

VOLUME 24, NUMBER 6

November 2003

## TIGER'S FACE NOT A TRADEMARK

ETW is the licensing agent of Tiger Woods. It owns the United States trademark registration for the mark Tiger Woods for use in connection with art, prints, calendars, mounted photographs, notebooks, pencils, pens, posters, trading cards and unmounted photographs.

Rush created a painting entitled *The Masters of Augusta*, which commemorates Wood's victory at the Masters Tournament. In the foreground of Rush's painting are three views of Woods in different poses.

As sold the limited edition prints are enclosed in a white envelope accompanied with literature which includes a photograph of Rush, a description of his art, and identification of Rush throughout. Tiger Woods' name appears on the flap of the envelope and in the narrative description of the painting where he is mentioned twice.

ETW filed suit alleging trademark infringement, unfair competition, and false advertising among other things and the lower court granted a motion for summary judgment in favor of Rush and dismissing ETW's case.

ETW claims that the registered mark Tiger Woods is infringed by including the words Tiger Woods in the marketing materials which accompany the prints of Rush's paintings. The words Tiger Woods do not appear on the face of the prints nor are they included in the title of the painting.

The court noted that a celebrity's name may be used in the title of an artistic work so long as there is some artistic relevance. The use of Woods' name on the back of the envelope containing the print and in the narrative description of the print are purely descriptive and there is nothing to indicate they were used in other than good faith and not as a trademark.

ETW is claiming protection under the Lanham Act for any and all images of Tiger Woods. This is an untenable claim said the court. ETW asks, in effect, to constitute Woods himself as a walking, talking trademark. Images and likenesses of Woods are not protectable as a trademark because they do not perform the trademark function of designation: they do not distinguish and identify the source of goods. They cannot function as a trademark because there

are undoubtedly thousands of images and likenesses of Woods taken by countless photographers and drawn sketched or painted by numerous artists which have been published in many forms of media and sold and distributed throughout the world. No reasonable person could believe that merely because these photographs or paintings contain Woods' likeness or image they all originated with Woods.

The court held that as a general rule a person's image or likeness cannot function as a trademark. In some circumstances a photograph of a person may be a valid trademark if for example a particular photograph was consistently used on specific goods.

Here ETW's claim is a sweeping claim to trademark rights in every photograph of Woods. Woods may be one of the most photographed sports figures of his generation but this alone does not suffice to create a trademark claim. The lower court's grant of summary judgment in favor of Rush is affirmed. *ETW Corp. v. Jireh Publishing Inc.*, 67 USPQ2d 1065 (CA 6).

## THUMBNAIL PHOTOS NOT INFRINGEMENT: LINKS ARE

Kelly is a professional photographer who has copyrighted many of his images of the American West. Some of these images are located on Kelly's web site or other web sites with which Kelly has a license agreement. Arriba operates an internet search engine that displays its results in the form of small pictures or thumbnails. Kelly complains that this is a copying of his photos and constitutes copyright infringement. Kelly complains that a second infringement occurs when the thumbnail is clicked on because this causes the image to be imported from another web site and displayed as though it is a part of a current Arriba web page surrounded by its text and advertising. Viewers would not realize that this image was actually being viewed from the original web site and was not copied.

The court found for Arriba with respect to the thumbnails because despite the fact that Arriba made exact replications of Kelly's images, these thumbnails were much small-

er, lower resolution images with an entirely different function than Kelly's original images. Users were unlikely to enlarge the thumbnails and use them for artistic purposes because they were of much lower resolution than the originals. Any enlargement would result in a significant loss of clarity of the image making it inappropriate as display material.

As to the linked images the court found in Kelly's favor. Arriba's inline linking to and framing on its own web page of Kelly's full size images does not entail copying them but rather importing them directly from Kelly's web site. Therefore, it cannot be copyright infringement based on the reproduction of copyrighted works as in the previous discussion. But by inline linking and framing Kelly's images, Arriba is showing Kelly's original works without his permission. And this use of Kelly's images infringes upon Kelly's exclusive right to display the copyrighted work publicly in violation of the copyright law. Kelly v. Arriba Soft Corp., 61 USPQ2d 1564 (9th Cir. CA).

## MERE PROPOSAL TO BUILD CONSTITUTES ON-SALE PRIOR ART

A patent may be held invalid if the invention was on sale in this country by anyone more than one year prior to the date of the application for patent in the United States. This provision known as the on-sale bar excludes from patent protection ideas that are in the public domain and prevents inventors from increasing the duration of the statutory monopoly. And the on-sale bar is not limited solely to the sale of or an offer to sell of the product that fully anticipates a later patented invention. The on-sale bar also applies, even if there is no anticipation but the subject matter of the sale or offer of sale would have rendered the claimed invention obvious to one skilled in the art.

Dow is the owner of two patents for a process which relate to a technique of wet compression for increasing the power production of gas turbines by the introduction of water. The patents were filed on May 14, 1996 and September 18, 1996 making the relevant date for invalidating prior art May 14, 1995 and September 18, 1995, respectively.

When Dow accused Mee of infringing those patents, Mee countered with a number of defenses, one of which was the on-sale bar.

During January 1995, Fern solicited bids for a fogging system for turbines. Mee had been in this business of supplying fogging systems for various applications since 1969. Fern sent Mee an Equipment Specification dated January 16, 1995 and another one on January 31, 1995. These equipment specifications indicate the design of the system to be installed. In response to the request for a bid and the equipment specifications, Mee submitted proposals to Fern to provide the fogging systems. Mee contends that its proposal of May 2, 1995 is invalidating prior art under the on-sale bar and obviousness.

In its analysis the court applied a two step test. The

first was, whether there was a commercial offer for sale of the patented invention. Mee submitted its proposal in response to Fern's invitation for bids and provided information concerning the quantity and price of what it was offering to sell. The court found that a reasonable person could believe that acceptance of Mee's offer would lead to a contract. And so the court concluded that Mee's proposal was a commercial offer to sell. As to the second step, the court looked at the proposal of May 2, 1995 to see if it was sufficiently specific to enable a person skilled in the art to practice it. They found in the affirmative.

The court therefore concluded that Mee's proposal to Fern meets the second step of the test and accordingly the proposal as a whole constitutes a prior art reference upon which obviousness may be determined. The court then found that certain claims were obvious to one of ordinary skill in the art in view of Mee's proposal. Dow Chemical Co. v. Mee Industries, 65 USPQ2d 1876 (DC MFla).

## NEW OFFERINGS

The Court of Appeals of the Federal Court (CAFC) is *the* patent court of appeals and its rulings in patent cases mold the patent law for better or worse. Patents and the Federal Circuit, 6th Ed., by Robert Harmon deals exclusively with the wide variety of patent issues decided by the CAFC: patentability, remedies for infringement, patent prosecution, ownership, enforcement and one of the fastest changing areas – claim construction. The Bureau of National Affairs, Washington, D.C., 1360 pp., \$425.00.

\*\*\*

Domain names have reached the level of importance of trademarks with respect to marketing visibility and business good will and reputation. Domain Name Disputes, Robert A. Badgley explains how domain name disputes are resolved in U.S. Courts and by the Internet Corporation for Assigned Names and Numbers (ICANN). Covered are domain name registration as well as their protection under trademark law, the trademark dilution law and the anti-cybersquatting law. ICANN conflict claims of confusing similarity, rights and interests and bad faith registration and use are explored along with numerous other ancillary issues. One volume, 600 pages, \$165, Aspen Publishers, New York, NY.

## DISPARAGING REMARKS ALONE NOT ACTIONABLE UNDER THE LANHAM ACT

Fashion Boutique sold products bearing the internationally renowned Fendi trademark in an upscale mall in Short Hills, New Jersey. Subsequently, Fendi Stores opened its own store on Fifth Avenue in New York City. Both Fashion Boutique and the Fendi Stores on Fifth Avenue carried only the international line of Fendi products. This

exclusive line is considered superior in quality to the domestic line sold in regular American department stores.

Two months after Fendi opened its Fifth Avenue Store, Fashion Boutique experienced a sharp decline in sales and within a few months closed its retail operations. Fashion Boutique brought suit under the Lanham Act among other causes of action alleging that the precipitous fall in its sales was caused by a corporate policy carried out by Fendi to misrepresent the quality and authenticity of the products sold at Fashion Boutique.

Prior to the Fashion Boutique's demise, Fendi personnel told a total of eleven customers that Fashion Boutique carried an inferior, "department store" line of products or that Fashion Boutique sold "fake" or "bogus" merchandise. During four visits to Fendi's Fifth Avenue store, undercover investigators were told that Fashion Boutique's merchandise was of inferior quality. Five shoppers and several undercover investigators related incidents in which Fendi employees described Fashion Boutique's goods as a "different line" from that sold at the Fifth Avenue store. In addition, Fendi employees made critical comments about the customer service at Fashion Boutique to six investigators and one customer. Sixteen Fashion Boutique customers reported having "heard rumors" that Fashion Boutique sold fake Fendi merchandise. One shopper heard similar rumors but could not remember when she heard them.

An important issue in this case is whether the allegedly disparaging statements by salespersons at the Fendi Fifth Avenue store constituted "commercial advertising or promotion" within the meaning of the Lanham Act. In order to qualify as "commercial advertising or promotion" the contested utterances must be 1) commercial speech; 2) by one who is in commercial competition; 3) for the purpose of influencing consumers to buy his own goods or services; and 4) although representations less formal than those made as part of a classic advertising campaign may suffice, they must be disseminated sufficiently to the relevant purchasing public.

The essence of whether a party's actions may be considered commercial advertising or promotion under the Lanham Act is that the contested representations are a part of an organized campaign to penetrate the relevant market. Proof of widespread dissemination within the relevant industry is a normal concomitant of meeting this requirement. Thus, businesses harmed by isolated disparaging statements as here do not have redress under the Lanham Act. They must seek redress under state-law causes of action. Fashion Boutique of Short Hills Inc. v. Fendi USA Inc., 65 USPQ2d 1925 (CA 2).

## RE-MANUFACTURER OF TONER CARTRIDGES ENJOINED

Lexmark is a supplier of laser printers and toner cartridges. Static Control Components Inc. (SCC) sells components for remanufactured toner cartridges in competition

with Lexmark. Lexmark brought suit under the copyright law charging that the SMARTEK microchip manufactured by SCC for use in replacement toner cartridges infringes Lexmark's copyright in its Toner Loading Programs and that the SMARTEK microchip circumvents a technological measure that controls access to Lexmark's Toner Loading Program and its Printer Engine Program in violation of the Digital Millennium Copyright Act DMCA. Lexmark moved for a preliminary injunction to prevent SCC from making and selling the SMARTEK microchips.

SCC's primary defense to Lexmark's copyright infringement claim is that the Toner Loading Programs are lock-out codes and are required as a part of the authentication sequence performed between the toner cartridge and the printer. The court disagreed. The Toner Loading Programs are not required as part of the authentication sequence. Any Toner Loading Program could be used that resulted in a valid authentication sequence. SCC further argues that there is no way it could have known this because of the technological complexity of the microchips on Lexmark's toner cartridges. The court had an answer to this too. Innocent infringement is still infringement. SCC's claim that it would have been extraordinarily difficult to know, without having access to Lexmark's confidential documents, that the Toner Loading Programs are not needed for a valid authentication sequence does not excuse infringement or change the fact that the Toner Loading Programs are not actually lock-out codes. SCC's incomplete analysis of Lexmark's microchips is no excuse for being unable to determine that the Toner Loading Programs are not lock-out codes.

Further the court found that SCC's copying the Lexmark's Toner Loading Programs does not constitute fair use. The cases do not stand for the proposition that any form of copyright infringement is privileged as long as it is done as part of an effort to explore the operation of the product that uses copyrighted software.

The court then went on to consider the application of the DMCA which was enacted to prohibit the trafficking of products or devices that *circumvent* the technological *measures* used by copyright owners to restrict *access* to their copyrighted works. Under the DMCA the technological measure controls access to a copyrighted work if that measure requires the application of information, or a process or a treatment with the authority of the copyright owner, to gain access to the work. A product or device circumvents a technological measure by avoiding bypassing, removing, deactivating or otherwise impairing the operation of that technological measure. SCC admits that its SMARTEK microchips avoid or bypass Lexmark's authentication sequence. And the DMCA's right to protect against unauthorized access is a right separate and distinct from the right to protect against violations of exclusive copyright rights such as reproduction and distribution.

The court granted an injunction against SCC. Lexmark International Inc. v. Static Control Components Inc., 66 USPQ2d 1405 (DC EKy).

## TAXING A COMPETITOR

Initial interest confusion is actionable under section 43 of the Lanham Act. It occurs when a web user is lured to a web site by the similarity of the appearance on that web site of marks and words which are similar to the known marks and domain names of a competitor, even though the consumer realizes the true identity and origin of the product before consummating a purchase.

Harris claims to be the largest tax representation and negotiation company in the country specializing in negotiating with the IRS to eliminate or reduce assessed tax liability and to work out favorable payment terms. Kassel is a direct competitor. Harris' URL is [www.jkharris.com](http://www.jkharris.com), Kassel's is [www.taxes.com](http://www.taxes.com). Harris charges that Kassel has constructed the [taxes.com](http://www.taxes.com) web site so that web searchers researching for Harris' web site will be referred to Kassel's web site as well. Harris charges that Kassel has accomplished this purpose by applying a strategic combination of computer programming techniques including excessive uses of Harris' trade name, the use of header tags and underline tags around sentences containing Harris' trade name and the use of larger fonts and strategic placement of sentences containing Harris' trade name on Kassel's web site. The court applied a three part test for determining when an unauthorized use of an undisputed trademark is permissible and found that 1) the tax representation service of Harris is simply not readily identifiable without use of the mark; 2) it is clear from the context of Kassel's web site that Harris has not sponsored or endorsed the information provided there; and 3) only so much of the mark or marks ought to be used as is reasonably necessary to identify the product or services.

Harris complained that Kassel's web pages used Harris' trade name frequently and in a manner designed to call attention to that name, for example by placing it at the beginning of a web page or underlining it. All the evidence demonstrates that Kassel's web site does contain frequent references to Harris, these references are not gratuitous; rather Kassel's web site refers to Harris by name in order to make statements about it. Further, while the evidence submitted demonstrates that Kassel often made the Harris name visually obvious, this is not unreasonable, because criticizing Harris was one of the primary objectives of the web pages.

The court held that Harris is not entitled to a preliminary injunction limiting Kassel's use of the Harris trade name. J.K. Harris & Co. v. Kassel, 66 USPQ2d 1455 (DC NCalif).



## DECISIONS & DEVELOPMENTS

Joseph S. Iandiorio  
260 Bear Hill Road  
Waltham, MA 02451