

# Spring 2003 Trademark Law Exam

## 3-HOUR CLOSED-BOOK EXAM

Mr. Froomkin

This is a 3-hour in-class closed-book examination, with length limits on the answers to Part I. You will have a statutory reference packet provided to you during the exam.

Citation rules. Citations to cases and materials in the book may be in any short form that is understandable, e.g. Overton Park. In citing materials in the casebook other than cases, clarity is usually achieved by including a page reference as part of the citation.

### Special Directions for Part I

For each of the statements in Part I, choose whether it is

Always True (AT)

Always False (AF)

Sometimes True and Sometimes False (S)

and give a specific REASON of 40 words or (much) fewer. Please cite statutes and/or cases when appropriate. Please note that I will not read beyond the length limit.

Example 1: If the statement were: "*A 33 year old person can serve as an elected President.*" you would answer:

"AF. Article II, § 1, ¶ 5 of the Constitution requires that a person be 35 to be elected President."

Example 2: If the statement were: "*A statute is law because both houses of Congress passed it and the President signed it.*" you would answer:

"S. Article I, § 7, ¶ 2 of the Constitution states bills become law upon Presidential signature, or when passed by 2/3 majority of both houses over the President's veto, or when neither vetoed nor signed in 10 days unless Congress recessed."

**Note carefully:** the above statement was in one sense "true" – a bill *does* become law when the President signs it. But that's not the whole story – it's not the **ONLY** way a bill becomes law. So it's a "sometimes" because it is not *always* true: some statutes become law in a different way.

Example 3: If the statement were: "*As part of the process of becoming law, a bill is presented to the President for signature.*" you would answer

"AT. Constitution Article I, § 7, ¶2. This is the holding of the *Chadha* case."

Note that this statement is not just "true" – it is *always* true.

Special Directions for Parts II & III

Please start your answer to each Part on a new page. PLEASE remember to use your blind grading number on the first page of your answer to each section of this exam.

Read the essay questions carefully and think about your answer before beginning to write. Organization will count in your favor. Unless the question directs otherwise, don't forget to explain why you reject seemingly sensible options as well as why you select them.

**Do NOT make up facts.** *If* you would need additional facts to resolve an issue, state what facts you would need (and, if relevant, how you might get them), and how those facts would affect the result of your analysis.

Directions for Parts I, II, & III

Do not use abbreviations unless you explain what they mean at first use – e.g. "Plaintiff (P)".

Material failure to comply with the instructions above will result in deductions from your exam score.

Answer all questions on this exam. **Each part will count equally**, except that I sometimes give extra weight to an exceptionally good or bad reply.

Good luck!

**Question I: Always True (AT) / Always False (AF) / Sometimes True or False (S)**

For each of the statements in Part I, choose whether it is

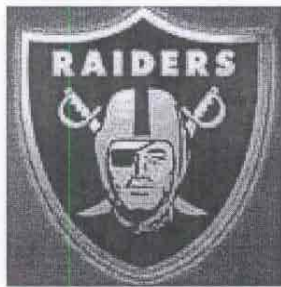
Always True (AT)

Always False (AF)

Sometimes True and Sometimes False (S)

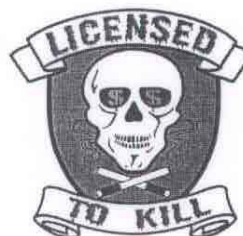
and give a specific REASON of 40 words or fewer. Please cite statutes and/or cases when appropriate. Please note that I will not read beyond the length limit.

1. The Oakland Raiders and the Tampa Bay Buccaneers are both teams in the National Football League. Both teams wear their logos on their uniforms, and promote them extensively on their web sites, stadiums, and much clothing and memorabilia. The Oakland Raiders are the older team, and have been using their logo since before the Tampa Bay team was formed, and hold several federal trademarks in their logo. The Oakland Raiders trademarked logo (on left below) is diluted by the Tampa Bay Buccaneers logo (on right below).



2. Arthur recently began selling "Shock and Awe" candies, laced with red pepper sauce. Arthur's trademark application for SHOCK AND AWE for candy will be filed tomorrow. If (1) Arthur fills it out properly, and (2) no one else has filed either an ITU or a trademark application for this name for candy, Arthur's application for SHOCK AND AWE will be granted.

3. Even if no one is already using it for tobacco products of any sort, this mark cannot be registered for a brand of tobacco cigarettes:



4. The United Parcel Service -- which runs a nationwide fleet of distinctive brown delivery trucks and dresses its delivery staff in distinctive brown uniforms -- can get a registration for the shade of dark brown it uses, for use on trucks and on delivery person uniforms.

5. The United Parcel Service -- which runs a nationwide fleet of brown trucks delivery trucks and dresses its delivery staff in brown uniforms -- is entitled to a service mark for the *word* "brown" for "integrated parcel management and tracking services" if it is in fact using that word as a source identifier of those services in its advertising and promotional materials.

6. If the United Parcel Service has an incontestible registered mark for brown delivery trucks for the category of package delivery, then the Ford Motor Company would dilute UPS's trademark if it produced a similarly colored dark brown station wagon.

7. Assume UPS does not have any state or federal registrations for the color brown. Anyone who has a station wagon or panel truck painted a color similar to the one used by UPS on its delivery trucks and uses that vehicle to deliver things for money would be violating UPS's rights under the Lanham Act.

8. Assume that "smart drink" is a generic term relating to a family of beverages that contain particular amino acids. If Chuck is the first to use the BEBIDA INTELIGENTE mark in the US, Chuck is entitled to a US trademark on BEBIDA INTELIGENTE (which is "smart drink" in Spanish) for smart drink beverages.

9. Tony Tenor founded "Tenor's" restaurant in Miami in 1968, and now holds an incontestable mark for "Tenor's" for restaurant services. Tenor's is very well known in the greater Miami area. Fred Tenor (no relation) opened "Tenor's Food Emporium and Chop House" in New York about 16 months ago. Tony will prevail against Fred under the Lanham Act as amended even if there is no evidence of bad faith, and no evidence that Tony plans to open any restaurants outside Florida.

10. Refrigerator.com can be trademarked for the sale of refrigerators.

11. John Smith, Amy Jones, and Sally Doe are the sole partners in the law firm of Smith, Jones & Doe, which specializes in trademark law. Assuming that the name violates no rule of professional ethics applicable in their state, and no one else is using the name, they can successfully file to have THE TRADEMARK FACTORY placed on the principal register for legal services.

## Question II: The Smutmeyer Affair

[Note: In answering this question, assume that all parties are domiciled in New York, that New York common law follows the Restatement, and that the New York anti-dilution statute, N.Y. Gen. Bus. Law § 360-1, states: "Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services."]

Ronald Smutmeyer is the publisher and distributor of <<O>> magazine, focused on erotica and sadomasochism. The magazine, continuously published once a year since 1989, features a large, centered "«O»" logo on the upper portion of the cover, under the legend "art, fetish, fashion & fantasies" in smaller, capital letters. Mr. Smutmeyer obtained a trademark for <<O>> in 1995 for "magazines, books and catalogs in the fields of fashion, adult entertainment, adult novelties and videotapes; posters; and calendars." There is a lot of sex, nudity and, well, smut, in the magazine. Most issues feature a cover with large photos of scantily clad women in leather.

Recent sales of the magazine have not been good. No more than 8,290 copies of the 1999 issue were distributed in the United States and Canada, and no more than 947 copies were actually sold in the United States. No more than 15,278 copies of the year 2000 issue were distributed in the United States and Canada, and no more than 9,272 copies were actually sold in the United States. In 2001, 15,094 issues were distributed and only 8,234 sold in the US. In 2002, 12,323 were distributed and 7,239 were sold.

The Hearst Corporation is the publisher of "O The Oprah Magazine," a monthly magazine which is focused on the lives of modern women, as guided by the values of Oprah Winfrey, the extremely well-known television star. "O" is one of Oprah Winfrey's nicknames, and the team responsible for the creation of "O The Oprah Magazine" believed the magazine should incorporate this nickname in its title in order to capitalize on Ms. Winfrey's name recognition. The desire to use the "O" in connection with Oprah Winfrey's magazine was motivated in part by the success of "Oprah's Book Club" which featured an oversized "O" logo on book jackets connected with the book club. In order to highlight the connection between "O" and "Oprah Winfrey," the magazine's title, "O The Oprah Magazine," was placed in the upper-left hand corner of the magazine, with the letter "O" and the word "Oprah" in one color and "The" and "Magazine" in a different color. Additionally, each issue of the magazine has, on its cover, a picture of Oprah Winfrey.



The magazine, first published in 2000, is commonly referred to simply as "O", and indeed the cover art emphasizes the letter "O" with the rest of the name in small type underneath.

Most issues contain celebrity interviews and articles on fashion, beauty, and health. Each issue of the Hearst Magazine also includes articles devoted to a certain theme, such as success, generosity, trusting oneself, and "stepping out of the box ." Only two articles about sex have appeared in the magazine between launch and April 2002, but since May 2002 there has been a sexually themed article in almost every issue (e.g. "You've lost that loving feeling: Can a pill put you back in the mood" in the cover pictured). There are no sexually themed pictures accompanying those articles, although some fashion articles include photographs of partially clad models

The premier issue of "O The Oprah Magazine" went on sale in April, 2000 and sold approximately 1.5 million copies."O The Oprah Magazine" currently has a total paid monthly circulation of approximately 2.75 million, with approximately 1 million sales occurring in retail outlets and 1.75 million subscription sales to consumers. Of the 1 million monthly sales at retail stores, approximately 58% of those sales occur at supermarkets or at mass-market retail outlets such as Wal-Mart, which do not sell adult-oriented publications containing nudity.

On February 11, 2000, Hearst filed Federal Trademark Application Serial No. 75/917,137 for the Mark "O THE OPRAH MAGAZINE" and the mark was ultimately identified for "Women's lifestyle magazines and newsletters covering 360 degrees of a woman's life, guided by the values of Oprah Winfrey." The U.S. Patent and Trademark Office found no likelihood of confusion between the mark "O THE OPRAH MAGAZINE" and any pending or registered mark, and issued a Notice of Allowance for Heart's trademark application on March 19, 2002.

Mr. Smutmeyer has received half a dozen e-mails from purchasers of subscriptions to "O The Oprah Magazine" who contacted him about a problems with their "O The Oprah Magazine" subscriptions. He is unaware of any current subscribers to <<O>> confusing it with "O The Oprah Magazine".

In October, 2002, at a Tower Records store in suburban New York, the 2001 issue of <<O>> Magazine was available in the "adult erotica" section of the store, near other adult titles, whereas, "O The Oprah Magazine" was sold some forty- five feet away in a section entitled "Woman's General Interest." <<O>> Magazine sells for \$12.95. "O The Oprah Magazine" has a cover price of \$3.50.

Mr. Smutmeyer consults you regarding this situation. He'd like to know what his rights, risks, and options are. Advise him.

### **Question III: Bradley & Sons**

Charles Bradley is the founder and proprietor of a small retail clothing store. He has been located in the Mall of the Everglades, in Miami-Dade County, Florida since 1987, trading under the name "Bradley & Sons". In 2000 the Mall of the Everglades underwent a major renovation, raised its rents, and lured a number of new tenants including Macy's, the long-established department store chain. Macy's took a prime lot in the corner of the newly expanded mall, which put it right next door to the (much smaller) shop run by Mr. Bradley. The result was a dramatic loss in sales for Bradley & Sons.

In response to this new competition, Mr. Bradley embarked on an ambitious round of discounts and sales. He placed large signs in his shop window that said "Macy's Customers, check us out!" and "Our Prices Are Superior to Macy's". He also changed the name of the store, taking down the "Bradley & Sons" name and replacing it with a new name: "SUPRE-MACY". As of yet, Mr. Bradley has not applied for a federal trademark, but he is planning to do so "real soon now".

Denise Bradley, Charles's daughter (and only child), purchased the domain name supremacy.net in 2000, and set up a spiffy online clothing store. The store offers to ship to any state in the US.

FL St. § 495.151 Injury to business reputation; dilution states:

Every person, association, or union of workers adopting and using a mark, trade name, label or form of advertisement may proceed by suit, and all courts having jurisdiction thereof shall grant injunctions, to enjoin subsequent use by another of the same or any similar mark, trade name, label or form of advertisement if it appears to the court that there exists a likelihood of injury to business reputation or of dilution of the distinctive quality of the mark, trade name, label or form of advertisement of the prior user, notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services.

Charles Bradley would like to retire in a couple of years and turn the company over to Denise. However, he'd like to keep some control over the firm, 'just in case', and he's thinking that the way to do it would be to give her the store, but keep the federal trademark once it issues.

Last month Denise took a vacation in California and noticed a fashion boutique in Hollywood called "Supremacy" which she learned just recently opened. She is not happy about this.

Discuss the trademark and unfair competition issues raised by these facts.