# Recent Developments in Trademark and Copyright Law

C. Douglas McDonald
Carlton Fields Jorden Burt P.A.

# Trademarks and Sec. 43(a)

# Canada Divorces the U.S. for Europe

- Radical revision of Canadian Trademark Laws
  - Without advice from Canadian trademark lawyers
- Eliminates need for use before registration
- Register entire classes, without use
- Adopts standard Nice Classification system
- Even eliminated the hyphen in “trade-mark”
- Currently awaiting regs – may go into force this fall

- Big Issue - How to clear trademarks for use in Canada in the future?

# Does the FDA Approve Deceptive Labels?

*POM Wonderful LLC V. Coca-Cola Co.*, 134 S. Ct. 2228 (2014)

- Minute Maid sold POMEGRANATE - BLUEBERRY Flavored Blend of 5 Juices - FDA approved label
  - blend of 99.4% apple & grape juice, 0.3% pomegranate juice and 0.2% blueberry juice
- POM sued under Sec. 43(a) for unfair comp./false advertising
- SCOTUS - Private competitor can bring 43(a) action for deceptive food labeling, despite FDA approval of label

- Takeaway – Litigation on Lanham Act labeling claims likely to increase

# Toner Cartridges and False Advertising Standing

*Lexmark International Inc. v. Static Control Corp.* , 134 U.S. 1377 (2014)

- Static not a competitor to Lexmark; made chips for Lexmark cartridge competitors
  - Sales of chips tracked competitors' sales of cartridges
- SCOTUS created new, exclusive test for standing in 43(a) false advertising claims
  - (1)Party must be within "zone of interest" of 43(a)
  - (2)False advertising must have "proximately caused" party's injuries
- Takeaway – dramatically undermines "initial interest confusion" theory in Lanham Act cases

# You Want Fees With That Lanham Act Claim?

*Fair Wind Sailing Inc. v. H. Dempster et al, 764 F. 3d 303(3rd Cir. 2014)*

- In *Octane Fitness*, SCOTUS defined standard for awarding attorney fees in "exceptional" patent cases – if case just "stands out from others"
  - J. Sotomayor's opinion defined "exceptional case" using Lanham Act standard
- 3rd Circuit held this to be "clear message" that *Octane* rule applies to trademark and trade dress cases

- Takeaway – expect more fee awards in trademark cases

# Copyrights

# *Raging Bull* – Is Laches Still a Defense to Copyright Claims?

*Petrella v. Metro-Goldwyn-Mayer , Inc.*, 572 U.S. 1962(2014)

- Petrella inherited copyright to screenplay for *Raging Bull* but waited 18 years to bring suit for infringement, until after movie finally became profitable; MGM asserted laches as defense
- SCOTUS – Laches cannot bar claim for legal relief for infringement occurring within 3-year window of 17 U.S.C. 507(b)
- But unreasonable delay may bar equitable relief of injunction or accounting of defendant's profits

- Takeaway – do not delay bringing copyright infringement suit

# The Turtles are "Happy Together" in California

*Flo & Eddie Inc. v. Sirius XM Radio Inc. 2014 WL 4725382*(9/22/14)

- U.S. Copyright Laws protect sound recordings only from 1972 forward; pre-1972 recordings left to common law and state statutes
- California passed statute in 1981 (C.C.C. Sec. 980) granting all rights in pre-1972 recordings to creators
- The Turtles (Flo & Eddie Inc.) brought $100 million class action against Sirius XM for playing pre-1972 recordings
- S.D. Cal. granted summary judgment under Sec. 980 and also for unfair competition and common law misappropriation and conversion
- Further actions in New York and Florida for common law copyright infringement, unfair competition and misappropriation
- New class action against Pandora in California

- Takeaway – pre-1972 sound recording are protected, at least in California, and now in New York and likely many other states

# Transforming Fair Use

*Kienitz v. Sconnie Nation LLC , 766 F.3d 756; 111 USPQ 2nd 2086*(9/15/14)

- 2nd Cir. had held that fair use determined by whether new work was "transformative". *Cariou v. Prince*, 713 F. 3d 694 (2013)
- 7th Cir. rejected 2nd Cir. test, asserting the four factors of the statute, 17 U.S.C. 107
  - If "transformative" were the test, it would negate right to control derivative works under 17 U.S.C. 106(2).
- Kienitz has now filed a petition for cert. with SCOTUS

- Takeaway – fair use should focus on effect on market for original