

Trademarks in Football and Fashion: House of Leger to Who Dat®

Wouldn't you like to own a cool phrase or have the right to make people pay you to use the name of your business or one of its products!?! That's called licensing. Well, you would probably benefit from registering a federal trademark.

You're a creative spirit, and your designs enthrall people. You don't want anyone to confuse your brand with any other fashion house, and you, like the great French and Italian fashion icons (i.e., Louis Vuitton, Versace, Gucci, etc.), name your brand after yourself. That's great because fashion purveyors want it, and they want it bad. They know your name and the quality craftsmanship you put into your garments. You grow your brand and your business to great heights. You're so successful that Max Azria wants to and does buy you out. See, <http://www.herveleger.com/fall2009/index.php>. Well, that's what happened to Herve Leger. Who's Herve Leger? The King of Stripes, that's who. See, http://www.fragrancex.com/products/_bid_Herve--Leger-am-cid_perfume-am-lid_H_brand_history.html. Now, his line is Herve Leger by Max Azria. See <http://www.herveleger.com/fall2009/index.php>. 1999 was a down year for Leger, and Herve Leger (the fashion house) was sold off to Max Azria, and BCBGMAXAZARIAGroup, Inc. later fired him and hired Jerome Dreyfuss to design the clothes for the house of Leger. Leger fought the buyout in court because his name was attached to the brand he built, and in effect he was being disposed of his own name (albeit as identified with his clothing).

This is a good and bad thing in many ways. Good because you made a lot of money. Bad because you lost your own name! While I don't know what exactly motivated Mr. Leger to sell his line, I do know that he's got a new line named Herve L. Leroux (Herve the Red). The moral of the story is: you don't want this to happen to you. If he'd been mindful of the risk of losing the brand or control of it in the negotiations to sell his company he would have retained the rights to the name of the line in himself. Of course, that may have been a non-starter for BCBGMAXAZARIA Group, but there could have been some work around that didn't cause Herve to lose his name or the rights to it. When a brand is intimately tied with the owner of the brand there are special considerations to think about. What's going to happen down the line? Will the line be sold to someone else I don't trust/want to have my line? Could I be fired from my position in the joint venture or lose my position of influence regarding my company's intellectual property? Can I live with losing my name? What would it cost for me to sell my name? Can I ensure quality control? Are there conditions in the agreement that reserve my name or my right to name subsequent brands with names similar to mine? And many more....

The owner of the trademark has the final say as to how the mark is used, and can ultimately control the exploitation of the mark. A great example is the great surprise Saints fans experienced when they learned they couldn't freely use and profit from "Who Dat" as the New Orleans Saints enjoy their first Super Bowl birth.

In the public eye, the argument is that the Saints fans created the "Who Dat" chant, and they own the right to use it whenever they like, however they like, and to the exclusion of anyone else. Clearly, with the recent news of the cease and desist letters, the NFL has rubbed a lot of Saints fans the wrong way. The NFL sent cease and desist letters to local business owners who printed "Who Dat" paraphernalia asserting that it had a trademark in "Who Dat." Since then, fans have been scratching their heads. A firestorm of commentary has exploded since Saints fans found out they couldn't use the phrase "Who Dat" on their self-produced merchandise, and worse that they may be infringing on the NFL's trademark. See, <http://online.wsj.com/article/SB10001424052748703389004575033504283711006.html>;

http://www.nola.com/saints/index.ssf/2010/01/post_140.html;
<http://sports.espn.go.com/nfl/news/story?id=4871697>. The cease and desist letters have been taken as an affront by Saints fans and people from New Orleans who've been wearing and chanting "Who Dat" for years!

Unfortunately, their argument wouldn't prevail in court. Here are the facts. The users of "WHO DAT" on any merchandise or website without having a license are violating the owner's rights in the trademark. The NFL has made a point to protect their valuable intellectual property, especially now that the Saints are Super Bowl bound. The NFL asserts that it owns rights to the trademark "Who Dat," (see the trademark - <http://tarr.uspto.gov/servlet/tarr?regser=serial&entry=76619018>) and is seeking to prevent several small companies from profiting by creating Super Bowl paraphernalia including the phrase. The NFL through the Saints organization has claimed rights to the trademark for "WHO DAT." In the recent past, they have contested the word mark "WHO DAT" registered by a William Myers. According to the United States Trademark and Patent Office ("USPTO") Mr. William Myers owns the mark and has been embroiled in disputes with New Orleans Louisiana Saints, L.L.C. and NFL Properties L.L.C. since 2005. See, <http://ttabvue.uspto.gov/ttabvue/v?q=76619018>. Apparently, the NFL has since made arrangements to have the trademark licensed to the NFL after opposing the mark's registration by Myers. Otherwise, Myers wouldn't continue to claim ownership in the mark (which he does). According to the official record the opposition to Mr. Myers mark was dismissed without prejudice (i.e., use of the mark can still be opposed, but the NFL has abandoned its claim to the trademark with respect to Myers). See, <http://ttabvue.uspto.gov/ttabvue/v?pno=91169069&pty=OPP>.

What is a trademark?

Trademarks are words, slogans or pictures (logos) used by individuals (as sole proprietors) or companies to represent a product they own and use in trade/commerce/business. "A trademark includes any word, name, symbol, or device, or any combination used, or intended to be used, in commerce to identify and distinguish the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods." See, www.uspto.gov.

Marks can be used in one market/use in commerce and used to describe a product in another market/use in commerce without either mark infringing on the other so long as the use isn't "confusingly similar" or causing a "likelihood of confusion" to a "reasonably prudent" consumer. However, the "reasonably prudent" consumer standard isn't the highest standard in the law, and basically if an unsophisticated consumer would be confused between the marks and they're competing, then they are likely to cause confusion or be confusingly similar. The later in time is the infringing mark.

Use of a mark in commerce is sufficient to create trademark protection at common law in most states. Most states have trademark offices that allow the state's citizenry to register the trademarks of their businesses, but they afford far less protection than federal registration. By placing a TM on a word, logo, or slogan the owner of the mark is giving notice that it has a proprietary interest in the mark, and that the symbol is a trademark (i.e., symbol identifying a particular company's product in commerce), but may not protect the mark from infringement. It definitely won't give it superiority over someone else who has a similar mark using it in commerce prior to the unregistered mark's owner. Placing TM on a mark isn't the same as registering the mark with the state or USPTO, and doesn't afford the nearly the same kind of protection offered by a federal trademark registration with the USPTO. When a trademark has been registered and approved by the USPTO it bears the "®" symbol.

Registering a trademark protects words, names, symbols, sounds, or colors that distinguish goods and services from those manufactured or sold by others and to indicate the source of the goods. Additionally, trademarks, unlike patents, can be renewed forever as long as they are being used in commerce. Trademarks do not have to be registered to give them protection; however, many benefits conferred by trademark registration are lost when trademark claimants pursue infringement claims where there mark hasn't been registered.

In order to hold a valid claim to ownership in a federal trademark mark the claimant must: 1) show that the public associates the mark with the business, and 2) first use the mark in commerce. Between common law and federal registration the first entity to either use a mark in commerce or file an intent to use application with the Patent and Trademark Office has the superior right to use and registration (i.e., the protections afforded once a contested mark is held to be owned by one party or the other). Registration of a mark with the United States Trademark and Patent Office creates a prima facie rebuttable presumption (enough of a showing of proof that its enough for a court to acknowledge the registration as valid, but not so much that contradicting evidence can't be entered to disprove the validity of the registration) of first use in trade and allows the case to be heard in federal court among other benefits:

- * Constructive notice nationwide of the trademark owner's claim.
- * Evidence of ownership of the trademark.
- * Jurisdiction of federal courts may be invoked.
- * Registration can be used as a basis for obtaining registration in foreign countries.
- * Registration may be filed with U.S. Customs Service to prevent importation of infringing foreign goods.

Written By:

Alonzo M. Alston, Esq.
amalston@mc Alpinepllc.com

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