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Probate trademarks: death, reincarnation, and survival of intellectual property rights

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It was a dark and stormy night when the dame appeared in the doorway of Mark Trade,TM intellectual property investigator. Initial research by Guy Noir indicated there might have been a death under suspicious circumstances, but tonight he was recuperating from an misguided overdose of powdermilk biscuits. We went down to the White Casa bar, she ordered a double Malt Tease Fountain while I sketched out the suspects.

Basic Rules

Copyrights, for works published in the USA after 1 March 1989, last for the life of the author plus 70 years, or for corporate authors the shorter of 95 years from publication or 120 years from creation. 17 USC §302. Works published before 1923, published between 1923 and 1977 without proper copyright notice, and published between 1978 and 1 March 1989 with-

out notice and without subsequent registration generally are public domain.

Utility patents filed before 8 June 1995 in the United States lasted for 17 years from grant; due to legislation to conform to the General Agreement on Tariffs and Trade-Uruguay Round, patents from applications filed after 7 June 1995 last for 20 years from application filing—if patent maintenance fees are paid for the 4th, 8th, and 12th years. Patents issued from applications filed before 8 June 1995 have the longer term of 20 years from application or 17 years from issue. Some inventions subject to regulatory review under the Food, Drug, and Cosmetic Act may be eligible for a patent term extension. 35 USC §155. Design patents last for 14 years. Design and plant patents do not require maintenance fees.

Under the US Constitution, the term of copyrights and patents are secured "for limited times" Const. I (8), although Congress has at times adjusted, generally expanding, the statutory limit. The Sonny Bono Copyright Term Extension Act of 1988 extended copyright terms by 20 years. In contrast to copyright and patent, trade secret and trademark proprietary rights have variable lives.

Trade secrets generally last as long as

they provide a commercial advantage and are secret. A trade secret in Illinois is "information, including but not limited to, technical or non-technical data, a formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, or list of actual or potential customers or suppliers, that:

(1) is sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality." 765 ILCS 1065. In contrast to contemporary copyright and patent law, trade secrets are governed by state law. Many states follow, generally, the Uniform Trade Secrets Act, model legislation drafted by the National Conference of Commissioners on Uniform State Law. <www.nccusl.org/Update/>.

Rights of publicity may or may not transcend death, depending on the applicable state law

Trademark rights in the United States may last as long as the trademark has source indicating significance, and are

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governed by both federal and state law. For goods and services used in commerce governed by Congress, federal trademark registration is available. 15 USC 1051 et seq (Lanham Act). Federal trademark registration provides advantages, but the Lanham Act's unfair competition provision, Section 43(a), is often available for unregistered trademarks used in Commerce. First Amendment considerations restrict trademark enforcement in politics. Kegan, Political Trademarks, 44 ISBA Intellectual Property #1, 1 (October 2004).

Bankruptcy generally trumps both state and other federal rules and litigation. Bankruptcy's automatic stay stops any act to obtain possession of property, any act to collect or recover a claim against the debtor, enforcement against the debtor or against property of the estate, and many other actions, 11 USC § 362. Explicit order of the court is required to lift the stay. During bankruptcy reorganization under Chapter 11 and under Chapter 13 (for an individual with regular income) the debtor in possession or the bankruptcy estate trustee is freed from many prior obligations. Even under Chapter 7 liquidation, bankruptcy rules may trump conventional contract, tort, and commercial expectations.

In bankruptcy liquidation, executory contracts are generally deemed rejected if not explicitly assumed or rejected by the Trustee within 60 days after the order for relief. 11 USC § 365(d)(1). Intellectual property executory contracts have special provisions. 11 USC § 365(n).

Death

A patent dies at the end of its term, or earlier if maintenance fees are not paid. However, the owner of an expiring patent may seek to continue protection under later improvement patents or under trademark law.

A copyright generally dies at the end of its term, except Congressional legislation may extend copyright terms. Copyright protection on foreign works that had lost US protection due to failure to follow US formalities, such as notice or renewal, were restored under Section 514 of the 1994 Uruguay Round Agreements Act. Although copyright is automatically restored for eligible works, reliance parties must be given a Notice of Intent to Enforce the

restores copyright.

Trademarks most famously die when they become generic, indicating the good or service rather than the source. Famous genericides in the USA include aspirin (acetyl salicylic acid, *Bayer Co. v. United Drug Co.*, 272 F 505 (D NY 1921)), baby oil (mineral oil, *Johnson & Johnson v. Carter-Wallace, Inc.*, 487 FSupp 740, 205 USPQ 827 (SD NY 1979), rev'd, 631 F2d 186, 208 USPQ 169 (2nd Cir. 1980)), brassiere (woman's bust supporter, *Charles R De Bevoise Co. v. H&W Co.*, 69 NJ Eq 114, 60 A 407 (1905)), cellophane (transparent cellulose sheets and films, *DuPont Cellophane Co v. Waxed Products Co*, 85 F2d 75 (2d Cir 1936), cert. denied, 299 US 601, 57 SCt 194 (1936)), cola (soft drink, *Dixi-Cola Laboratories, Inc v. Coca-Cola Co*, 117 F2d 352, 48 USPQ 164 (4th Cir. 1941), cert. denied, 314 US 629, 62 SCt 60, 51 USPQ 366 (1941) inc, DOS (computer operating system, *In re Digital Research, Inc.*, 4 USPQ2d 1242 (TTAB 1987)), escalator (moving stairway, *Haughton Elevator Co v. Seeberger*, 85 USPQ 80 (Comm'r Pat. 1950, mark cancelled after 50 years registration by Otis Elevator Co), freebies (promotional gifts, *Retail Services, Inc. v. Freebies Publishing*, 364 F3d 535, 70 USPQ2d 1603 (4th Cir 2004)), hoagie (sandwich, *Raizk v. Southland Corp*, 121 Ariz 497, 591 P2d 985, 204 USPQ 86 (Ct App 1978)), Murphy bed (bed which folds into a wall or closet, *Murphy Door Bed Co v. Interior Sleep Systems, Inc*, 874 F2d 95, 10 USPQ2d 1748 (2d Cir 1989)), shredded wheat (baked wheat biscuit, *Kellogg Co v. national Biscuit Co*, 305 US 111, 59 SCt 109 (1938)), thermos for vacuum bottles (*King-Seeley Thermos Co v. Aladdin Industries, Inc.*, 321 F2d 577, 138 USPQ 349 (2d Cir. 1963)), trampoline (rebound tumbling equipment, *Nissen Trampoline Co v. American Trampoline Co*, 193 FSupp 745, 129 USPQ 201 (SD Iowa 1961)), and yellow pages (business telephone directory, *AmCan Enterprises, Inc v. Renzi*, 32 F3d 233, 31 USPQ2d 1793 (7th Cir 1994), etc. Reflecting the national focus of much trademark law, ASPIRIN remains a trademark in some other jurisdictions.

Trademarks consisting of the name, portrait, or signature identifying a particular living individual may not be federally registered except by written consent. 15 USC §1052(c). The name, signature, or portrait of a deceased

President of the United States during the life of his widow [sic], if any, also may not be federally registered as a trademark except by the written consent of the widow. Id.

Avanti Motor Corp. was denied federal trademark registration for STUDEBAKER automobiles due to the prior registration of STUDEBAKER RIVERS CLUB for association services for those interested in antique cars. *In re Avanti Motor Corp*, Sn 75-856,030, 1287 TMOG 124 (12Oct04).

Alumni attending reunions from 1977 and before may be able to reproduce their aging graduation yearbooks. Many yearbooks lacked copyright notices, which were required under the 1909 Copyright Act, and likely entered the public domain. In addition, many schools have closed, so there may be no plaintiff. However, some photographers may have separately and previously registered their copyrights, and a few rights of publicity may have survived.

Corporate acquisitions and mergers create possibilities for killing or maintaining trademarks. As Macy's is taking over Marshall Field's department store in Illinois, the fate of the MARSHALL FIELD'S trademark is unknown. Macy's is rebranding much of Field's; whether anything remains of the famous and publicly favored MARSHALL FIELD'S brand remains to be determined. "Hard-core fans stay loyal to brand," *Chicago Tribune* III, 1 (5Sept06); "After Smooth Sales Talk, Stores Take Macy's Name," *New York Times* B4 (26Aug06).

Divorce and Estrangement

Intellectual property is often owned jointly by husband and wife, especially for small businesses and in community property states. In divorces, personal goodwill was to be excluded from the martial estate to prevent a double burden in property settlement and maintenance and support to prospective income. *In re Marriage of Zells* (1991), discussed in Christopher Casey, Craig Stout, & Timothy Cummins, "Personal versus enterprise goodwill in Illinois martial dissolution law: How can they be separated?" 46 ISBA Family Law #3, 5 (February 2003).

When business principals split, cash assets can be divided, but who gets the indivisible Internet domain registration, Web site, e-mail address, and phone number. Another item for

advance business plans. Two attorneys recently dissolved their firm, but then sued over the telephone number and Web site content. *Ports Law Group Ltd v. Homero Tristan & Associates Ltd*, (Cook County Cir Ct, 06 CH 19987, 25Sep06). One common settlement for divorcing a Web site is to have for six or twelve months a new home page that briefly identifies the two (or more) now separate entities and lets the user click to the new, separate Web site they want.

By Section 211 of the 1998 Omnibus Consolidated and Emergency Supplemental Appropriations Act, US courts shall not recognize, enforce or validate the assertion of treaty rights contrary to trademarks, trade names, and commercial names used in connection with a confiscated business or asset unless the original owner or the bona fide successor-in-interest expressly consents to such an assertion. In an interim report 11June06, the World Trade Organization suggested Section 211(a)(2) violates the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), but did not suggest that Section 211(a)(1) and 211(b) were violative.

Under law the World Intellectual Property Organization found violated TRIPS, the PTO found that Cuba's registration of the HAVANA CLUB trademark was cancelled. Bacardi claims rights to the brand based on use and as successor to the original owners. Despite the almost half-century economic boycott of Cuba by the United States, more than 400 US companies have registered over five thousand trademarks in Cuba. <havanajournal.com/business/entry/bacardi-havana-club-trademark-bad-us-politics-makes-for-bad-us-business/>.

BACARDI and HAVANA CLUB were top rum brands in Cuba in 1959, the year Cuban government changed from Fulgencio Batista to Fidel Castro. Both companies were nationalized. Bacardi continued business outside Cuba; the owners of HAVANA CLUB, the Arechabela family, exiled to Spain but, apparently lacking financial backing, did not restart their rum business. The Cuban government started making HAVANA CLUB rum and marketing it in Eastern Europe and the Soviet Union. The Arechabela USA registration for HAVANA CLUB lapsed in 1973; in 1976 the Cuban government

registered HAVANA CLUB. In 1993 a Cubaexport/Permod Ricard joint venture started marketing HAVANA CLUB rum world wide excluding the United States, due to the US trade embargo against Cuba. In 1997 Bacardi paid the Arechabalas for the right to HAVANA CLUB. Bacardi also enlisted the political support of Florida Governor Jeb Bush. Bacardi USA, Inc. is based in Miami FL; its parent corporation, Bacardi Limited, is based in Bermuda. Bacardi's HAVANA CLUB is distilled in Puerto Rico. August 2006 Bacardi USA launched HAVANA CLUB in the South Florida market; Permod Ricard and Cubaexport sued it, under Lanham Act Section 43(a), unfair competition, in Delaware federal court to stop its marketing. <www.miami.com/mld/miamiherald/business/15320498.htm> (20Aug06).

Similar issues for cigars. Cubatabaco, a Cuban government owned company, argued its COHIBA cigars were famous. The Second Circuit held Cuban Embargo Regulations bar transfer of Cuban-owned US property, from the US to Cuba, without a specific permissive license from the Secretary of the Treasury. Lacking such a license, Cubatabaco could not acquire US trademark rights. *Empresa Cubana del Tabaco v. Culbro Corp.*, 399 F3d 462 (2d Cir. 2005). Some COHIBA cigars are rolled in the Dominican Republic, distributed by General Cigar, others are rolled in Cuba.

Murder & Suicide

A comment on the INTA TmTopics Internet e-list suggests a trademark owner wanted to save multiple jurisdiction registration and maintenance fees by making generic a trademark it has used in the United States and internationally, thereby preventing others from claiming rights to the mark. The owner did not want exclusivity, it just wanted to be able to continue to use the phrase.

Unilever planned to abandon three-quarters of its trademarks. 54 INTA Bulletin #20 (1Nov99). Unilever owned about 1600 trademarks, and intended to reduce its portfolio to 400 "powerbrands," those first or second in their market.

Fifteen years after dropping its tire business, BFGoodrich Company planned to change its name and logo to focus on the aerospace indus-

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try, changing its name to Goodrich Corporation, effective June 2001.

To focus on its CHARMIN brand, Procter & Gamble in 1992 discontinued marketing WHITE CLOUD tissue. In 1993 a firm later named Paper Partners LLC filed its intent-to-use application for WHITE CLOUD, litigated with P&G, and prevailed in 1996, gaining registration 2,070,125, now owned by Scott Paper.

General Mills, for tax reasons, decided to abandon rather than sell its KIMBERLY trademark of women's clothing, with abandonment on 7 May 1979. *Manhattan Industries, Inc. v. Sweater Bee by Banff, Ltd.*, 627 F2d 628, 207 USPQ 89 (2d Cir. 1980). Two other companies sought to gain trademark rights: Don Sophisticates, Manhattan predecessor in interest, shipped KIMBERLY clothing on May 9, Sweater Bee shipped KIMBERLY clothing on May 10, the day Women's Wear Daily reported General Mills' abandonment. Don Sophisticates won the trademark race and "would ordinarily have 'the right to use the mark unadorned.'" However due to the slight priority and significant shipments and investment by Sweater Bee, the Court again noted "the concept of priority in the law of trademarks is applied 'not in its calendar sense' but on the basis of 'the equities involved'" remanding the case so the parties could "create and present to the district court sufficiently distinct labels bearing the 'Kimberly' mark so that the purchasers of high quality women's clothing can distinguish appellees' 'Kimberly' goods from appellant's."

Seizure

The federal government seized the Mustang Ranch (Nevada) in 1999 after a jury found the corporation owing the brothel guilty of racketeering and bankruptcy fraud for hiding Joe Conforte's ownership interest. The Bureau of Land Management auctioned the properties on eBay, October 2003. Dennis Hof, owner of Moonlite Bunny Ranch, made the winning bid for the Mustang Ranch Annex building, and planned to move it next to his Mound House brothel. The other Mustang Ranch buildings only garnered bids to \$15,000 when offered in June 2003. Then the feds added the rights to MUSTANG RANCH trademark and logo, and the combined set sold for \$145,100. Hof announced he also claimed rights to use the trademark.

Some commentators questioned whether a bankrupt business still has goodwill to support a trademark.

Life Support & Mourning

Although proprietary rights generally terminate with the expiration of a utility patent, some owners attempt to extend exclusivity, often through trademark claims. The eight-stud design of Lego toy building bricks was protected by patents, but trademark claims and disputes continued. "Building a Legal Case, Block by Block: Rivals Keep Chipping as Lego Fights to Guard Its Market," *New York Times* C6 (2Feb05).

Declaratory judgment plaintiff Berlin Packaging was granted partial summary judgment that its use of alleged trade dress for a container cap did not infringe any trademarks or trade dress of defendant Stull, since the features of the cap were functional and Berlin has a constitutional right to copy functional features of an expired utility patent. *Berlin Packaging, LLC v. Stull Technologies, Inc.*, 03-C-7636 (ND IL 9Aug04).

Trying to distinguish a two- from three-dimensional drawing and distance itself from an expired utility patent, the patentee failed to obtain a trademark registration for a drawing of the once patented marine keel cooler. *Duramax Marine, LLC v. R.W. Fernstrum & Co.*, (91,119,899, TTAB 2006). Evaluation of a prior settlement agreement also involved standing and estoppel issues.

Distinguishing judicial opinions and statutes, which are in the public domain for democratic and due process reasons, county tax maps are not public domain where original compilation of factual information in maps is entitled to copyright protection, even though factual information itself is in the public domain. *Suffolk v. Experian Information Solutions Inc.*, 54 USPQ2d 1924 (SD NY 2000).

How long does it take to extinguish a trademark's good will was a multi-million dollar question in *Sands, Taylor & Wood v. Quaker Oats*, 24 USPQ2d 1001 (7th Cir 1992). The Circuit Court found "good will, built up over more than fifty years, could not dissipate during the three and one-half years between the Pet test-market and the assignment of the marks from Karp to STW." 24 USPQ2d at 1009.

What's the proper mourning period for a trademark; when is its good-

will abandoned? For a contemporary radio station, more than 13 months. *Cumulus Media Inc. v. Clear Channel Communications Inc.*, 01-16189 (11th Cir 2002). For industrial plunger pumps, ambiguous evidence of three years' nonuse did not defeat incontestability. *ITT Industries Inc. v. Wastecorp Inc.*, 72 USPQ2d 1376 (3rd Cir 2004) (Unpublished).

One ought not attempt to sue for copyright infringement three decades after plaintiff, plaintiff's songwriter father, and plaintiff's and songwriter's publishers knew of defendant's popular song. *Ory v. McDonald*, 68 USPQ2d 1812 (CD CA 2003), aff'd, 75 USPQ2d 1605 (9th Cir. 2005, unpub.), amended (2Sep05) (insufficient similarity in songs and political context of defendant's songs not reached due to laches).

A term that has become so popular as to describe the product rather than the source may lose its status as a trademark. Sometimes such a death may be reversed. Held generic for sewing machines by the US Supreme Court in 1896, *Singer Mfg. Co. v. June Mfg. Co.*, 163 US 169, 16 SCt 1002 (1896), only a half-century later the trademark was recaptured. *Singer Mfg. Co. v. Briley*, 207 F2d 519, 99 USPQ 303 (5th Cir. 1953).

XEROX, KLEENEX, and COKE are commonly used loosely to describe xerographic copies, facial tissues, and cola, but most consumers still recognize the terms as trademarks. Query, do attorneys in litigation discovery recognize BATES as a trademark for sequential numbering machines (Registration 158,174, issued 1922, first use 1891).

Reincarnation, Retirement, Reorganization & Ghosts

A corporation that fails to file its annual report and pay its annual fee will not be in good standing and may be involuntarily dissolved. 805 ILCS 5/12.35. However, often a corporation not in good standing may avoid dissolution or regain good standing by paying appropriate back fees and filing a reinstatement request. 805 ILCS 5/12.45. On filing the application for reinstatement, the corporate existence is deemed to have continued without interruption from the date of the issuance of the certificate of dissolution. 805 ILCS 5/12.45(d). However, if the earlier name of the corporation is no longer available, the new corporation

must select a new name. 805 ILCS 5/12.45(b)(2).

Dissolution of a corporation terminates its corporate existence, and may reduce the corporate liability shield. A dissolved corporation may not carry on any business except as necessary to wind up and liquidate its affairs. 805 ILCS 5/12.30. However, dissolution of a corporation does not transfer title to the corporation's assets; prevent transfer of its shares; prevent suit by or against the corporation in its corporate name; abate or suspend a criminal, civil or any other proceeding pending by or against the corporation on the effective date of dissolution. *Id.*

Sometimes changed circumstances permit a party to seek revision of a court order. Sometimes not. Louisville Bedding Company owns US Patent 5,249,322, "Fitted Mattress Cover and Method of Making Same," for a mattress pad with a pad skirt capable of expanding to accommodate mattresses of varying thicknesses. In separate actions Louisville sued Pillowtex Corporation in 1994 and Perfect Fit Industries, Inc. in 1998 for patent infringement. Pillowtex used Xymid, LLC's 4059 skirt material; Xymid was a spinoff of DuPont and the exclusive manufacturer of the 4059 material. Both cases were terminated by settlement agreements, with the courts entering final judgments. In the Pillowtex settlement, all of Louisville's claims were dismissed except those relating to the 40459 mattress pad.

Perfect Fit settled by taking a license to the '322 patent. In post-settlement arbitration with Perfect Fit, the arbitrator determined he was not bound by the earlier Pillowtex and Perfect Fit litigations, independently construed the patent claims, and found Xymid's 4059 material would literally infringe the '322 patent if used in Perfect Fit's mattress pads.

After the settlement, Pillowtex filed for bankruptcy in 2000, again in 2003, and was dissolved in 2003. *Louisville Bedding Co. v. Pillowtex Corp.*, 79 USPQ2d 1698 (Fed. Cir. 2006). One result of Pillowtex's dissolution was that Xymid, with which Pillowtex had an exclusive supply agreement, was no longer bound to that exclusivity. Xymid began selling its 4059 material to other manufacturers, including Perfect Fit.

Louisville filed a FRCP Rule 60(b)(6) motion in 2005 to reopen the case and have the district court partially vacate

its judgment of noninfringement of the '322 patent by the 4059 mattress pad. Louisville lamented that it was defenseless because the noninfringement judgment and the claim construction from the Pillowtex case collaterally estopped Louisville from obtaining license revenue from or suing claimed infringers. Louisville also sought reconciliation of two conflicting judgments: Pillowtex found noninfringement, but the Perfect Fit arbiter found infringement when Xymid's 4059 material was used.

The District Court, affirmed by the Federal Circuit, denied Louisville's motion. When Louisville settled, it did not foresee that Pillowtex might go out of business, permitting Xymid to sell the 4059 material to other competitors. Louisville assumed the final judgment of noninfringement, underlying claim construction, and settlement would prevent other competitors from having access to Xymid's 4059 material. The Federal Circuit found a business failure is not the "exceptional or extraordinary circumstance" for which a court may grant Rule 60(b)(6) relief.

Some trademarks are highly identified with their human personification. The lonely Maytag Repairman represented his home appliances for over a quarter of a century. <<http://en.wikipedia.org/wiki/Maytag>>. Carlos Sanchez played Colombian coffee picker Juan Valdez for four decades before retiring. "'Juan Valdez' Actor to Retire," *New York Times* B2 (1Jun06).

The Nationals baseball team played in Washington DC in the late 1800s and again from 1901 to 1955, when the team changed its name to the Washington Senators. The Washington Senators moved to Minnesota in 1961 and became the Twins. In 2004 the Montreal Expos, owned by Major League Baseball Properties, Inc. (MLBP) moved to Washington DC and adopted the name Washington Nationals. However, before 2004, Bygone Sports placed abandoned names of historic sports teams on sportswear and made the name available for licensing. June 2005 MLBP sued Bygone Sports; the next inning, July 2005 Bygone Sports sued MLBP. February 2006 the US Patent and Trademark Office (PTO) rejected MLBP's protest and issued a federal registration to Bygone Sports. Settlement negotiations resumed, and currently the Washington Nationals team has exclusive rights to that name.

15 *Client Times* 5 (June 2006); ® 3,077,856.

American Airpower Heritage Museum has applied to register what appear to be women pinup drawings from World War II airplanes.

Who owns the trademark rights to a musical group is often in dispute after the group, or some members, split. For example, *Pinkney v. Treadwell's Drifters, Inc.*, Opposition 91,151,985 (TTAB 24Sept04, THE ORIGINAL DRIFTERS v. THE DRIFTERS).

With corporate reorganizations, non-surviving entities often lose their names, despite millions or billions of dollars of previously spent advertising and significant goodwill in the former names. As historic brands get shelved, nostalgic alumni and speculators scramble to claim the trademarks and variants. "Former Names of Wall Street Get New Lives," *Wall Street Journal* C1 (26July05). Arthur Anderson, Drexel Burnham, EF Hutton, First Boston, Kidder Peabody, Paine Webber, Salomon Brothers, Shearson are just some of the Wall Street names that have passed on. "DLJ: Firm Is Dead, but Its Stuff Lives On," *Wall Street Journal* C1, 28Aug03.

Increasingly, bankruptcy courts are recognizing that intangible intellectual property has value. "Niche Is Carved in Bankruptcy Cases," *Wall Street Journal* B7F (23May02). Marvel Entertainment Group, Fruit of the Loom, Polaroid, Service Merchandise, and LA Gear are only a few of the nationally known companies whose intellectual property has transferred through the bankruptcy courts.

A Manhattan bankruptcy trustee filed suit against Joseph Connors, alleging Connors orchestrated financial fraud, including fabricated transactions and forged documents, while he was chief operating officer of Kleinert's former parent company. The trustee has also sued Michael Brier, alleging Brier wrongfully obtained a mailing list of 19,000 customers of Kleinert sweat shields. Connors has also sued Brier, who countersued, disputing rights to the KLEDINERT trademark and customer list. "Temperatures Rise In Long-Cool Market For Sweat Shields," *Wall Street Journal* A1 (23Sept04).

Purchase of intellectual property assets from a bankruptcy estate may provide the buyer greater value than purchase from a going business. Not

only may the sale price be lower, but the buyer may acquire the assets “free and clear of any interest in such property other than the estate” 11 USC § 363(f). *Precision Industries, Inc. v. Qualitech SBQ, LLC*, 327 F3d 537 (7th Cir. 2003), reh’g denied, 2003 US App LEXIS 10626 (7th Cir. 7May 2003) (Section 363(f) trumps §365(h)). Since the license or consent granted by a trademark owner may be rejected in bankruptcy or the trademark may be sold free and clear, prudence and due diligence suggest licensees and consentees monitor the financial health of the grantor.

The trademark of a defunct business may not be freely available for another to reclaim. In most states, unclaimed property escheats to the state. A business seeking to clear title or gain priority advantage over another may seek to buy an escheated trademark from the state. In one case, a United Kingdom trademark of a recently dissolved corporation was purchased from the Queen of England. (Author’s experience).

That an entity went out of business does not mean that its trademarks died, or that they escheated. Some dying businesses transfer trademarks and associated goodwill to principals or third parties. Real due diligence hunts intellectual property thoroughly.

Chicago’s River West Brands LLC acquires and “re-commercializes dormant brands.” <riverwestbrands>. With baby boomers aging and nostalgia again ascending, many consider long unused trademarks resuscitable assets. “Food makers troll for aging boomers,” *Crain’s Chicago Business*, 25Apr05).

Several once famous brands have fallen on hard times. Typically once owned by large companies marketing many products, these “ghost” brands lost their dominance, were used as cash cows to develop other, newer brands. The slower sales of the ghost brand reduced advertising, which further reduced sales—a downward spiral accelerated by shrinking shelf placements in stores.

Large corporate owners have been selling these ghost brands to smaller, more entrepreneurial marketers who appreciate that aging baby boomers will recognize these brands and who hope to revive the brand through advertising, price adjustments, and public relations. Tower Laboratories (CT) will

promote BROMO SELTZER effervescent antacid and analgesic, adjusting its advertising budget depending on test marketing results in Providence RI, Fort Myers FL, and Tampa FL, three towns with large numbers of older consumers. Other ghost brands seeking renewed life include BARBASOL shaving cream, CLOSE-UP toothpaste, COMET cleanser, DUZ detergent, LOG CABIN syrup, METRECAL diet drink, NIAGARA starch, NUPRIN pain reliever, Kellogg’s PEP cereal, PRELL shampoo, OASIS cigarettes, PABST BLUE RIBBON beer, SURE deodorant, and SWANSON frozen foods.

Heirs and Gifts

Increasingly, written works are transmitted through the Internet, and may reside on the physical servers of others. Surviving heirs may wish access to and copies of e-mail and other postings, but lack knowledge of decedent’s passwords or the account may have been terminated. John Ellsworth, the father of Marine Lance Cpl. Justin Ellsworth, 20, killed Nov04 in Iraq, sought from Yahoo access to his son’s e-mail. Yahoo’s policy was that accounts terminate upon death, and cited privacy concerns. However, after John Ellsworth obtained an Oakland County, Michigan, probate court order, Yahoo gave the contents of the e-mail account to him. <http://news.com.com/Yahoo+releases+e-mail+of+deceased+Marine/2100-1038_3-5680025.html> (cnet news.com, 21Apr05). Other e-mail providers—including AOL, EarthLink, and Microsoft/Hotmail reportedly provide for transferring accounts upon proof of death and next of kin identification. 150 Chicago Daily Law Bulletin, 30Dec04.

Estate planners are beginning to realize that documenting and passing on Internet and other electronic account names and passwords is an integral part of their task. When William Talcott, a prominent San Francisco poet and friend of beatnik Neil Cassidy, died, his surviving daughter, Julie Talcott-Fuller, could not notify many of her father’s friends, since he maintained his address book electronically and she didn’t have the passwords. <http://news.com.com/Taking+passwords+to+the+grave/2100-1025_3-6118314.html> (22Sept06).

Commercially honoring a hero often requires permission. Pauline Hailwood, widow of famed motorcyclist Mike

Hailwood, sued Ducati for using her late husband’s name without authorization in connection with Ducati’s MH900e motorcycle. Hailwood rode Ducati cycles but never the MH900e. Ducati asserted the MH900e was “inspired by the Ducati motorcycle that Mike Hailwood rode at the Isle of Man TT race in 1978.” *Hailwood v. Ducati Motor Holding, Spa*, 2:01-cv-03403-JAG (D NJ, filed 19July01). The matter was settled with a retroactive license.

Whether four photographers or the wife of Marilyn Monroe’s former acting coach and her Indiana-based business partner gain significant royalties depends on court determination of the residence of Marilyn Monroe at her death: California or New York. “A Battle Erupts Over the Right to Market Marilyn,” *Wall Street Journal* A1 (10Apr06). New York does not acknowledge publicity rights after death, California does. Cal. Civ. Code §§ 990, 3344.

Under Indiana’s Right of Publicity Statute, Jeffrey Scalf, the great nephew of John Dillinger, is seeking damages from the Lake County Convention and Visitors Bureau for its museum about the gangster. “Group illegally profiting from Dillinger,” *Chicago Daily Law Bulletin*, 13Jan06.

A New York court found that Jerry Orbach’s right of publicity claim was not extinguished at his death, and thus his executrix could be substituted as plaintiff to carry forward the litigation against Hilton Hotels for multiple uses of a video documentary narrated by Orbach celebrating the hundredth anniversary of the Waldorf-Astoria. *Orbach v. Hilton Hotels Corp.*, 75 USPQ2d 1699 (NY Sup Ct 2005).

The ICANN Uniform Domain Name Dispute Resolution Policy was found to be an inappropriate forum for factual inquiries necessary to resolve competing claims to the <marlonbrando.com> domain name between the Brando estate and his former close, personal friend of 40 years and business manager for 4 years, Jo An Corrales. Corrales asserted the domain registration was a gift from Brando. *Estate of Marlon Brando v. WhoisGuard*, 77 USPQ2d 1229 (Nat. Arbit Forum, 2005).

Invasion of the Mark Snatchers

Sometimes a local valid trademark becomes endangered when a foreign trademark expands its market and

enters the previously secure area. Traditionally, geographic expansion was the concern. *United Drug Co. v. Theodore Rectanus Co.*, 248 US 90 (1918); but see *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F2d 358 (2d Cir. 1959). Technological changes and convergence are now also concerns. *Apple Corps Ltd v. Apple Computer, Inc.*, ALL ER (D) (High Court of Justice, London, 2006) (Apple Computer iTunes music service not "on or in connection with" music products).

The once-separate worlds of regulated analog telephone service and largely unregulated digital computer products are merging in the current digital convergence of communication, computing, and entertainment, impacting cellphones, computers, Internet activities, cable, satellite, and broadcast television.

There but for fortune go you or I. Reportedly Abraham Lincoln argued two cases one day before an Illinois court. He won the first in the morning. In the afternoon, Lincoln took the opposite view for a different client, prompting the sole judge to question's Lincoln's change of position. I've learned a lot since then, was the reported reply. Perhaps then, harder to do now. Reverse infringement defendant Goodyear sought to defend it's use of Big O Tire's BIG FOOT trademark by, inter alia, claiming "big foot" was descriptive of an automobile tire. However, the court found that the fact that after the infringement lawsuit began, Goodyear filed a BIG FOOT trademark application for tires "weakens its position that 'Big Foot' is a descriptive term." *Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co.*, 195 USPQ 417 (10th Cir 1977).

Sometimes the rules of the game change. Inventors have long had a duty of candor, to inform the examiner of relevant prior art. Applicants for US trademark registration don't have such a duty, but are supposed to be honest in their application. However, traditions differ between the US, with use typically required for a federal trademark registration, and many other jurisdictions which issue registrations without use. In many jurisdictions without initial use requirements, it is customary to apply for registration for many or all the goods in a trademark classification. With the ease of applying for a US trademark application under the Madrid Protocol,

foreign applicants may continue the broad goods application procedure. That's a danger.

Medinol Ltd. v. Neuro Vasx Inc., 67 USPQ2d 1205 (TTAB 2003), held that inclusion of unused goods in an application's use declaration rendered the entire application void ab initio due to fraud, and could not be cured by partial cancellation. The goods description was short—medical devices, namely, neurological stents and catheters—and the use statement was signed by the company president, who knew or was in a position to inquire and thus should have known, there was not yet use of the mark on stents. Knowledge of falsity or reckless disregard for truth is all that is required to establish intent to commit fraud in the procurement of a registration. *Id.* While the Board recognized that "not all incorrect statements constitute fraud," the prudent applicant will not test where the Board will draw the line.

Is It Safe Yet?

A trademark owner may find its trademark beautiful, but marks deemed immoral, deceptive, or scandalous are denied federal registration, as are marks which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute. 15 USC §1052(a). What's scandalous, contemptuous, or disreputable varies with time and place.

Does the REDSKINS football trademark disparage Native American Indians? In 1992 a group of American Indian leaders petitioned to cancel the six Washington Redskins trademarks, registered between 1967 and 1990. The Trademark Trial and Appeal Board found laches inapplicable due to the "broader interest—an interest beyond the personal interest being asserted by the present petitioners—in preventing a party from receiving the benefits of registration where a trial might show that respondent's marks hold a substantial segment of the population up to public ridicule." *Harjo v. Pro-Football Inc.*, 30 USPQ2d 1828 (TTAB 1994). On the merits, the TTAB found a preponderance of the evidence showed "redskin" as used by the football team had disparaged Native Americans from at least 1967 onward, and cancelled the registrations. *Harjo v. Pro-Football Inc.*, 50 USPQ2d 1705 (TTAB 1999).

Cancellation of a federal trademark registration does not bar continued use of the trademark.

Pro-Football sued in the DC District Court seeking reinstatement of the registrations on grounds of laches, that the TTAB disparagement finding was unsupported by substantial evidence, and that the decision violated the First and Fifth Amendments of the Constitution. The District Court reversed, without reaching the constitutional issues, finding the cancellation petition barred by laches and alternatively unsupported by substantial evidence. 284 FSupp2d 96, 57 USPQ2d 1140 (D DC 2000).

The Circuit Court upheld the equitable principle that laches runs only from the time a party reaches their majority, and that the laches of five other plaintiffs is not an automatic bar to that of plaintiff Mateo Romero, who was one year old in 1967, the first Redskin registration date. *Pro-Football, Inc v. Harjo*, 415 F3d 44, 75 USPQ2d 1525 (DC Cir 2005). The Circuit Court acknowledged Pro-Football's argument that "trademark owners could never have certainty, since a disparagement claim could be brought by an as yet unborn claimant for an unlimited time after a mark is registered," but found that Congress intended to make the disparagement attack to a federal registration available at "any time." 15 USC § 1064(3). The case was remanded to the District Court to evaluate the trial (evidence) and economic prejudice, and thus Romero's laches, while recognizing that "what is at stake is not the trademark owner's right to use the marks but rather the owner's right to Lanham Act protections that turn of registration."

To foster a decision on the disparagement merits, rather than procedural laches, six young Native Americans filed a fresh petition to cancel the Redskins trademarks, *Blackhorse v. Pro Football, Inc.*, Cancellation 92-046,185, 11Aug06. The earlier *Harjo* case is still pending.

The University of Illinois has a similar issue with its Chief Illiniwek mascot for sports events. *Illinois Native American Bar Association v. University of Illinois*, 1-06-290 (1st Dist App IL, 19Sept06). Plaintiffs charged use of the mascot violated the Illinois Civil Rights Act of 2003. Just two weeks after hearing, the appeals court, 2-1, affirmed the case's dismissal. Justice

Warren Wolfson found that a 1996 amendment to the University of Illinois Act, 110 ILCS 305/1f, specifically approved the University's mascot use, by declaring "Chief Illiniwek is, and may remain, the honored symbol of a great university, the University of Illinois at Urbana-Champaign." Justice Shelvin Hall dissented, viewing the allegations sufficient to state a cause of action for a racially hostile educational environment. Plaintiffs relied on *State v. Mikusch*, 138 Ill.2d 242 (1990), which held that the Illinois Human Rights Act controlled over a provision in the Vehicle Code that required secretary of state investigators to retire at age 70. Citing comments by State Representative Fritchey and State Senator Harmon, Justice Wolfson wrote that made it clear the Civil Rights Act was not designed to create new rights, but "merely created a new venue in which the plaintiffs could pursue in the state courts discrimination actions that had been available to them in federal courts."

The University of North Dakota has a controversy over its continued use of its 1930-adopted nickname, "Fighting Sioux," and logo, depicting a Native American Indian. <<http://www.universityrelations.und.edu/logoappeal/>> (7June06). Before 1930 the school's nickname was the "Flicker Tails." In 1968 a group from the Standing Rock Reservation sanctioned use of the nickname, although none on the group sat on the tribal council. <<http://www.aistm.org/und.htm>>. In the 1930s, no Native American Indians attended UND; by the 1990s over 300 were attending. Alumnus Ralph Engelstad donated \$100 million for a new sports arena, which opened in 2001, placing thousands of Fighting Sioux logos in the physical structure and conditioning his donation that the university keep the Fighting Sioux name. <http://en.wikipedia.org/wiki/North_Dakota_Fighting_Sioux>.

Stanford University stopped use of its Native American Indian mascot in 1972, but recently some students and alumni wore to a game T-shirts with a caricatured Indian. <<http://daily.stanford.edu/article/2006/1/30/hennessyCondemnsIndianLogo>>; <<http://indianz.com/News/2006/013031.asp>> (17Mar06).

STALINSKAYA was refused registration in Poland, finding that the mark

referred to Stalin and offended patriotic feelings and evoked tragic memories of the past. 61 INTA Bulletin #10, 9 (1June06).

To reduce underage and binge drinking, the United Kingdom Government's Advisory Council on the Misuse of Drugs recommended a stricter code for alcohol advertising, including on the Internet and sponsorship by alcohol companies of sports and music events attended or watched by those under 18. The European Commission is also considering similar measures to take effect by 2010. Ed Meikle, TmTopics, INTA, 20Sept06.

Requirements for intellectual property registration in some jurisdictions conflict with the law in other jurisdictions. For example, US law prohibits participating in the Arab League economic boycott of Israel. 15 CFR Parts 760, 762, 764, 766. Office of Antiboycot Compliance. <www.bis.doc.gov/AntiboycottCompliance>; CRS Report for Congress: Arab League boycott of Israel, 19Apr06, <<http://72.14.209.104/search?q=cache:EPimt0FslXkj:fpcc.state.gov/documents/organization/65777.pdf+state+department+Israel+boycott&hl=en&gl=us&ct=clnk&cd=5&client=safari>>. To directly apply for a trademark registration in Syria requires the applicant to affirm boycott participation. One current solution is to file the application under the Madrid Protocol. Syria is a member and the Syrian Trademark Office has indicated that extensions under Madrid Protocol are not currently required to submit the boycott declaration. (Inta TmTopics, 29Sep06).

It's difficult protecting intellectual property when laws conflict. It's even tougher when the laws are unknown. Venezuela withdrew April 22, 2006 from the Andean Community (CAN), previously known as the Andean Pact, which continues with Bolivia, Columbia, Ecuador, and Peru. Venezuela was a member of CAN for 34 years, following its generally harmonized trademark rules. Withdrawal appears to leave Venezuela relying on own law, the outdated Industrial Property Act of 1955. Returning to the 1955 Act would mean 15-year renewals, rather than 10 years; local national classification rather than the international Nice Classification; changes in opposition proceedings; patent protection of 10 years rather than 20 years; and lesser or no protection for integrat-

ed circuits, plant varieties, and industrial designs. An interpretation recourse has been filed before the Constitutional Chamber of the Venezuelan Supreme Court to resolve these issues. (INTA Bulletin 15Sep06).

The US Trademark Trial and Appeal Board (TTAB) determines trademark registration rights, not use rights. Moreover, the TTAB has no authority to order money payments, neither to the prevailing party nor for sanctions. In many jurisdictions, opposition is seen as a relatively contained, inexpensive action of settling trademark disputes, with court litigation remaining a backup alternative thereafter. While a court may give deference to the TTAB's administrative expertise, typically new evidence may be presented and the parties receive a de novo judgment.

However, under recent United Kingdom (UK) court decisions, a UK court may find an earlier opposition or cancellation action is res judicata. *Hormel Foods Corp v. Antilles Landscape Investments NV*, (EWHC 13, 2005) (*SPAM v. SPAMBUSTER*); *Special Effects Limited v. L'Oreal SA*, (EWHC 481, 2006) (*SPECIAL FX v. SPECIAL EFFECTS*). The UK is considering abandoning examination on relative grounds (prior rights), and thus the UK opposition procedure may become much more critical and conflictful. One of the conflicts may be with the European Union, since EU oppositions do not follow English common law and permit cancellation petitions and court infringement actions after oppositions. *Budejovicky Budvar, varodni podnik v. Anheuser-Busch, Inc.*, OHIM Opposition Div, Decision 1645/2001, 9July01; (INTA Bulletin 15Sep06).

Taking License

A trademark owner's right to oppose registration by another of a trademark may, or may not, be limited by an agreement earlier made by the potential plaintiff's predecessor in interest. *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382 (TTAB 1991) (asserted license not support lack of opposer's standing but may defeat opposer from prevailing on a right of publicity claim, licensee estoppel may also preclude applicant from challenging validity of license).

Even after a half century, an assignment may be revisited. Solomon Linda first recorded his song, "Mbube, Zulu for The Lion," in 1939, and assigned his

rights in 1952 for ten shillings, about 87 cents today. His wife, who like Mr. Linda was illiterate, again assigned away rights in 1982, followed by his daughters several years later. The song became popular worldwide as The Lion Sleeps Tonight, and was featured in the Walt Disney film, The Lion King. The apparent inequality was documented by Rolling Stone in 2000 and the Lindas sued in 2004 seeking damages, despite the earlier assignments. Plaintiffs asserted the involved South African lawyer represented both the Linda family and the copyright holders and invoked a 1911 law under which copyright reverted to Linda's estate 25 years after his death. The dispute was settled when the current copyright holder, Abilene, agreed to pay the Linda family royalties from 1987 on. "In the Jungle, the Unjust Jungle, a Small Victory," New York Times (22Mar06).

The Houston Astros had granted naming rights to Enron in 1999 for \$100 million, but after the collapse of Enron sought to reclaim naming rights, claiming the Astros were "materially and adversely affected by the negative public perception and media scrutiny resulting from Enron's alleged bad business practices and bankruptcy." 57 INTA Bulletin #5, 8 (1Mar02).

Regrets

An 83-year old woman who died December 2004, Gertrude Walton, was sued in 2005 by record companies asserting she made more than 700 songs available on the Internet. www.theregister.co.uk/2005/02/05/ri-aa_sues_the_dead/

Procedural technicalities may doom a substantive claim. Due process of notice and a fair hearing are cornerstones of most of our judicial system.

A suit against Satan and his staff for causing pro se plaintiff Gerald Mayo "misery and unwarranted threats" and placing "deliberate obstacles in plaintiff's path" was dismissed for failure to include with the complaint the required form of instructions for the US Marshall for service on defendant. *United States ex rel Mayo v Satan and his Staff*, 54 FRD 282 (WD PA 1971).

* * *

My sketches on the napkin looked like a jungle painting by some African queen. Not only was the reported trademark death suspicious, it's permanence was most questionable. No resolution tonight. I noticed the time, as Sam went by. It was closing time. The bar, her drinks, my thoughts. Of all the IP joints in all the towns in all the world, she walked into mine. Some days we're just lucky.



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