Colorful Trends in Collegiate Trademark Protection

School Colors as Trademarks

BY BRUCE SIEGAL

The popularity of collegiate athletics, coupled with the proud heritage of academic institutions, has led fans and supporters to display pride and support of their favorite collegiate institutions by wearing apparel and purchasing novelty items, games, and other items bearing school designs and colors that are licensed by the institutions. In the mid-1970s, only a few collegiate institutions had developed formal licensing programs to protect their marks and market licensed products. Today, nearly 300 collegiate institutions in the United States are involved in trademark licensing either individually or through a licensing agent such as the Collegiate Licensing Company ("CLC").[1]

TRADEMARKS AND LICENSING 101

Collegiate institutions primarily protect their names, colors, mascots, seals, and other indicia of the institution. A "trademark" includes any word, name, symbol, or device, or any combination thereof, used to identify and distinguish the goods or services of one entity from those of others.

Trademark protection of collegiate marks covers their use on a wide variety of products and in connection with advertising and promotional programs. Trademarks are protected against unauthorized use by common law and under state and federal statutes, including the federal Lanham Act. Most schools have registered their marks with their state and/or with the United States Patent and Trademark Office ("PTO"). Collegiate institutions, as do other trademark owners, protect their marks against trademark infringement when there is a "likelihood of confusion" as to the "source" of the goods or services, to whether the goods or services were "sponsored" by the institution, or to whether the goods or services were "authorized by" or "affiliated with" the institution. Schools also may protect their marks against dilution, or the "lessening of the capacity of a famous mark to identify and distinguish goods or services."

Collegiate institutions over the years have established a firm legal basis for requiring that users of their trademarks obtain permission to use them under the terms and conditions of a license agreement. Early cases establishing protection against unauthorized commercial uses date back to at least 1955. In the early 1980s through the early 1990s, collegiate institutions won several key decisions over businesses that claimed that schools had lost their rights through laches (unreasonable delay in suing a particular infringer) or by abandonment (loss of the mark's source-identifying function through failure to protect or enforce). Those cases established the bedrock for collegiate trademark protection.[2]

ADVANCED TRADEMARK LAW

Having established the basis for trademark protection, collegiate institutions seek to clarify the scope of trademark protection afforded them under trademark law. In several recent (and ongoing) cases, CLC, as authorized agent for many collegiate institutions, has either participated as a plaintiff or played a litigation support role. The *Smack* and *Texas Tech* cases described below were decided in favor of CLC and the respective collegiate institutions at the summary judgment level. As noted below, the *Smack* case is under appeal as of January 2008.

Smack

In a case against Smack Apparel, *LSU et al. v. Smack Apparel*, 438 F. Supp. 2d 653 (E.D. La. 2006), a federal court in Louisiana found in favor of CLC, Louisiana State University ("LSU"), the University of Oklahoma, Ohio State, and the University of Southern California (the Tournament of Roses, an original plaintiff, settled prior to the decision). The court held that Smack was liable for intentional trademark infringement based on its use of the color combinations of the schools.

Smack Apparel sells t-shirts featuring school color schemes along with designs and word content obviously referring to the athletic successes of particular games, or with verbiage that taunts rival teams. On its Web site, Smack claims to be "Licensed Only By the First Amendment." Smack's designs refer directly to the various collegiate institutions, but not necessarily by name. For example, two shirts in LSU colors of purple and gold referred to the 2004 Sugar Bowl in New Orleans between Oklahoma and LSU, which was played to determine the BCS National Football Champion. Smack apparel bearing such designs had found its way into stores that otherwise sell only officially licensed products. The defendant contended that its designs do not infringe, asserting that while it used colors to create a connection with the schools, it did not do so to confuse consumers.

The court's analysis began with a discussion of "secondary meaning." Under controlling precedent, colors or combined color combinations are protected only if the plaintiff proves secondary meaning; that is, that the mark has become distinctive of the plaintiff's goods. To determine whether the schools' color schemes and designs at issue had acquired secondary meaning, the court examined a list of factors in a test adopted by the Fifth Circuit that consist of (1) length and manner of the use of the mark, (2) volume of sales, (3) amount and manner of advertising, (4) nature of the use of the mark in newspapers or magazines, (5) consumer survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the marks.

The court found that the collegiate institutions had achieved "secondary meaning" in the minds of the consumers through their color schemes, logos, and designs. The facts the court found particularly persuasive on the issue of secondary meaning included evidence of the length of time

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the color schemes have been used by the universities (in each case, more than 100 years); volume of sales; advertising efforts and media references to school colors; and the development of the color schemes, over many years, into a shorthand reference to the universities themselves. As an example, the court pointed to LSU's identity as "Purple and Gold."

Having found secondary meaning, the court turned to the "likelihood of confusion" analysis, the standard in all trademark infringement claims. The court analyzed a set of factors courts use to determine likelihood of confusion and held that the Smack products were likely to cause confusion among consumers as to source, sponsorship, or affiliation with the respective collegiate institutions. The court's findings on the factors included that the universities' color schemes, logos, and designs were extremely strong marks that have been used for decades, that Smack had used marks virtually identical to those of the universities, that the products and retail outlets were the same, and that Smack intended to create a link between its products and the universities.

Smack Apparel has filed an appeal with the Fifth Circuit Court of Appeals in an attempt to reverse the district court's ruling. Two groups filed amicus curiae ("friend of the court") briefs in support of the collegiate plaintiffs. The professional leagues, namely MLB Properties, NBA Properties, NFL Properties, and NHL Enterprises, filed a brief based on their common interest in combating the sort of "ambush marketing" activities they contend with in connection with protecting the trademark rights and integrity of their licensing programs. Additionally, a group of collegiate institutions that were not a party to the present litigation filed a separate brief to confirm the widespread interest among collegiate institutions in maintaining the protectability of school colors. Accordingly, the goal of the amici are to reinforce the legal position of CLC and the institutions and to make the Fifth Circuit aware that the issues at stake are significant to others.

This ruling, if upheld on appeal, reinforces the legal position that colors serve as a source-identifier of colleges and universities. The court's decision is particularly important in that few courts across the country have directly addressed the issue of color schemes as stand-alone trademarks.

Smack Postscript

As noted above, the *Smack* lawsuit was in large part brought as a result of Smack products being sold in connection with the 2004 National Championship game between LSU and the University of Oklahoma played in New Orleans. This year, the 2008 BCS National Championship was again played in New Orleans, the participating teams being LSU and Ohio State University. Having learned prior to the event that Smack had produced and was preparing to sell designs similar to those enjoined pursuant to the summary judgment ruling, CLC and the other plaintiffs went back into the federal district court in New Orleans to seek a temporary restraining order ("TRO") and seizure order to stop the sale of these new designs. In addition, the plaintiffs sought contempt sanctions based on their argument that Smack was selling t-shirt designs that violated the terms of the court's permanent injunction. Despite Smack's argument that its designs did not infringe or violate the injunction, the court granted the TRO and seizure order motion. In its order, the court found that the plaintiffs established "by clear and convincing evidence" that Smack failed to comply with the terms of the permanent injunction. A ruling on contempt sanctions is pending.

Wreck 'em Tech

In *Texas Tech v. Red Raider Outfitter*, 461 F. Supp. 2d 510 (N.D. Tex. 2006), Red Raider Outfitter, a previously licensed retailer/printer located near Texas Tech in Lubbock, filed a lawsuit against CLC in response to a cease and desist letter sent by CLC on behalf of the university to protest Red Raider Outfitter's continued production and sale of unlicensed Texas Tech products. The company sought a ruling (from a federal district court in Houston) that its use of Texas Tech marks did not infringe. Red Raider Outfitter also filed a petition with the PTO to cancel the Texas Tech mark in dispute and filed its own applications to register the phrases "Wreck 'em Tech" and "Raiderland." Texas Tech subsequently filed suit against Red Raider Outfitter for trademark infringement (in federal district court in Lubbock) and the cases were eventually consolidated and transferred to the Lubbock federal district court.

DESPITE SMACK'S ARGUMENT THAT ITS DESIGNS DID NOT INFRINGE OR VIOLATE THE INJUNCTION, THE COURT GRANTED THE TRO AND SEIZURE ORDER MOTION.

The court granted summary judgment in favor of Texas Tech, holding that Red Raider Outfitter's use of the Texas Tech marks and team colors infringed the rights of the university. The court characterized the Texas Tech marks and scarlet/black color scheme as strong marks, meriting broad protection under trademark law. As did the *Smack* court, this court analyzed the traditional likelihood of confusion factors to determine that the Red Raider Outfitter product was likely to cause confusion. Interestingly, deposition testimony revealed that Red Raider Outfitter placed the CLC "Officially Licensed Collegiate Products" label on unlicensed products. The court found that knowingly placing the label on certain unlicensed products clearly showed that the defendant intended to confuse its customers into believing that the unlicensed product was official.

The court also ruled against Red Raider Outfitter on additional claims of trademark dilution, unfair competition, breach of the CLC license agreement (for Red Raider

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Outfitter's continued sale of product in violation of the CLC license agreement terms prohibiting sales after termination), and for attempting to register Texas Tech indicia.

LESSONS

The *Smack* and *Texas Tech* cases are significant victories for the schools that took action to protect their marks and the marketplace position of legitimate retailers and licensees. Those victories provide powerful precedent for collegiate institutions and other licensors, particularly since few courts across the country have directly addressed the issue of protecting color schemes as marks. This judicial recognition that the universities' rights extend beyond registered marks—i.e., to colors and other indicia in the context of merchandise referring to the universities—should serve as a powerful deterrent to future infringers.

One very important element in proving that color schemes deserve trademark protection was the universities' introduction of evidence of their widespread use of colors and public recognition of colors as source identifiers. This evidence came in the form of voluminous marketing materials and media stories about the prominence of school colors. This is an area where legal and marketing programs coincide and create synergy. Marketing programs designed to promote university colors substantially benefited the legal case, and the subsequent legal victory confirmed that those effective marketing efforts resonate.

The results of these cases have significant implications beyond a handful of schools and apparel manufacturers. The *Smack* and *Texas Tech* cases, along with an ongoing case involving unlicensed collegiate sports prints, will help clarify the scope of trademark protection afforded sports teams and other trademark owners who seek to protect the more "colorful" of trademarks. ❖

Bruce Siegal, as senior vice president and general counsel of CLC in Atlanta, manages the CLC legal department, overseeing general corporate matters, supervising trademark protection and enforcement programs and litigation, assisting clients with intellectual property matters, and negotiating and drafting contracts. His e-mail is bsiegal@clc.com.

1. CLC administers the trademark licensing programs for more than 200 colleges, universities, conferences, bowl games, and the NCAA.

2. A detailed discussion of those cases is beyond the scope of this article.

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