

**CASES OVERVIEW**  
**ICLA WINTER SYPOSIUM**  
**March 23, 2007, Orland, Florida**  
**Bruce B. Siegal,**  
**Vice President and General Counsel, CLC**

*Cases Decided*

The *Smack* and *Texas Tech* cases were decided in favor of the respective collegiate institutions and CLC at the summary judgment level. The court in each case determined liability based on each side's legal arguments and without having to go through a full trial.

In the 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, LSU, Oklahoma, Ohio State, and Southern Cal. (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 sold t-shirts featuring the color schemes along with designs and word content obviously referring to successes or particular games of athletic teams, or with verbiage that taunts rival teams. Those designs often refer to, but not necessarily by name, the collegiate institutions. 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 (described in greater detail in the decision, a copy of which is attached below). Smack had claimed that its designs did not infringe, asserting that it used colors to create a connection with the schools, but not to confuse consumers.

The Court found that the collegiate institutions had achieved "secondary meaning" in the minds of the consumers through their color schemes, logos and designs. Establishing secondary meaning in their colors schemes was essential for the schools to prevail on their claims of infringing use of unregistered color schemes and trade dress. To show secondary meaning, the schools introduced persuasive evidence including length of time 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 the "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.

This ruling confirms the widespread recognition of colors as a source-identifier of colleges and universities. The Court's decision is particularly important in that few courts across the country have ever directly addressed the issue of color schemes as stand-alone trademarks. For those interested in further review, this reported decision is attached.

In *Texas Tech v. Red Raider Outfitter*, 461 F.Supp.2d 510 (N.D. Tex. 2006), the case began with Red Raider Outfitter, a previously licensed retailer/printer located near Texas Tech in Lubbock, filing a lawsuit against CLC in response to a cease and desist letter sent by CLC on behalf of Texas Tech due to Red Raider Outfitter's continued production and sale of Texas Tech products. The company sought a ruling (from a federal district court in Houston) that its use of Texas Tech marks does not infringe. Red Raider Outfitter also filed a petition with the U.S. Patent & Trademark Office 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.

CLC was subsequently dismissed from the case, pursuant to the Court's granting of CLC's Motion to Dismiss, on July 14, 2006. The Court later 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 (November 2, 2006). The Court characterized the Texas Tech marks and scarlet/black color scheme as strong marks, meriting broad protection under trademark law. As did the Court in the *Smack* case, 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 unlicensed products clearly showed that the defendant intended to confuse its customers into believing that the unlicensed product was in fact licensed.

The Court also ruled in favor of Texas Tech on additional claims of trademark dilution, unfair competition, breach of contract (for continuing to sell product in violation of the license agreement terms prohibiting sales after termination; and for attempting to register Texas Tech indicia). A copy of the summary judgment decision is attached below.

### ***Cases Pending***

The University of Alabama brought a trademark infringement case against a former licensee and producer of unlicensed sports prints and related products featuring University teams, uniforms, colors and other indicia (*UA v. New Life Art*, filed March 2005). The parties have engaged in mediation in an attempt to reach settlement of the case, and cross-motions for summary judgment are pending before the federal district court in Birmingham.

*University of Kansas et al v. Sinks.* The University of Kansas filed a trademark infringement action against Joe-College.com, Victory Sportswear and Larry Sinks, owner of both businesses in federal district court in Lawrence (filed October 2006). Mr. Sinks has formally answered the complaint and filed a counterclaim. The case is in discovery.

Finally, the University of Texas has filed a trademark dilution, infringement and unfair competition claim against Fadi Kalaouze, a Texas A&M graduate who owns and operates two college stores in Texas, for diluting UT's famous Longhorn trademark. In this case, *the University of Texas v. Kalcop*, the defendant was selling merchandise featuring the Longhorn Silhouette logo, but with the horns disconnected from the Longhorn's head. The image is intended to coincide with the Texas A&M war cry, "saw 'em off."

### ***Implications of the Cases***

The *Smack* and *Texas Tech* cases are significant victories for the schools that stepped up and took action to protect their marks and the marketplace position of legitimate retailers and licensees. And 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, 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 to promote university colors substantially benefited the legal case, and the subsequent legal victory confirmed that those effective marketing efforts resonate.



# New, Improved, Stronger Trademark Laws Passed

Bruce Siegal  
Senior Vice President and General Counsel



# Smack Apparel - Background

- I. History dates back to 1999
- II. Smack continually expanded into mainstream
  - A. Mainstream retailers
  - B. Bookstores
  - C. Trade shows
- III. Moved into Hot Markets

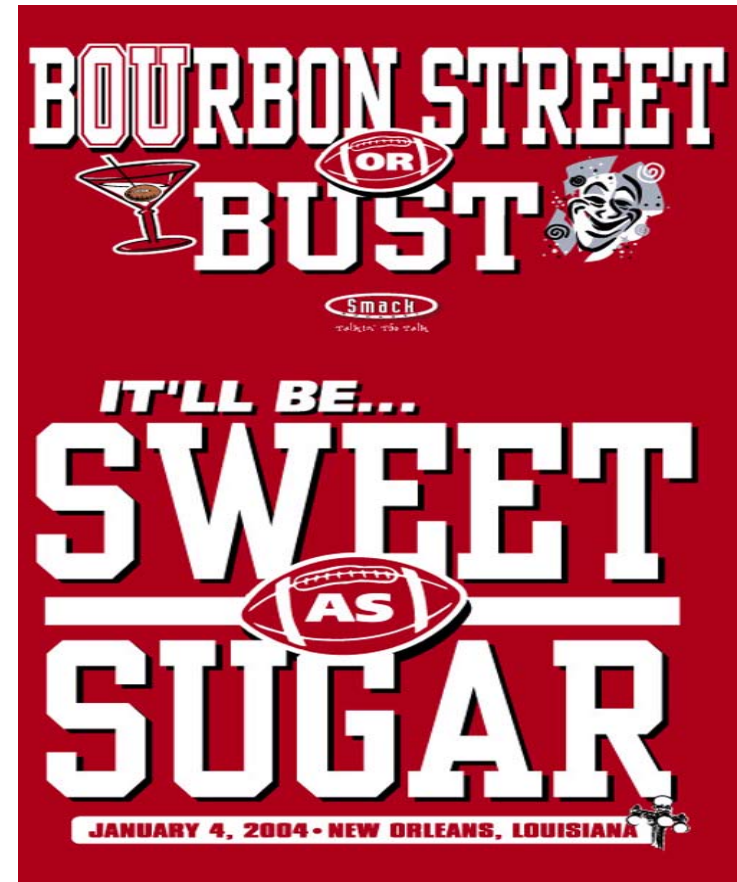
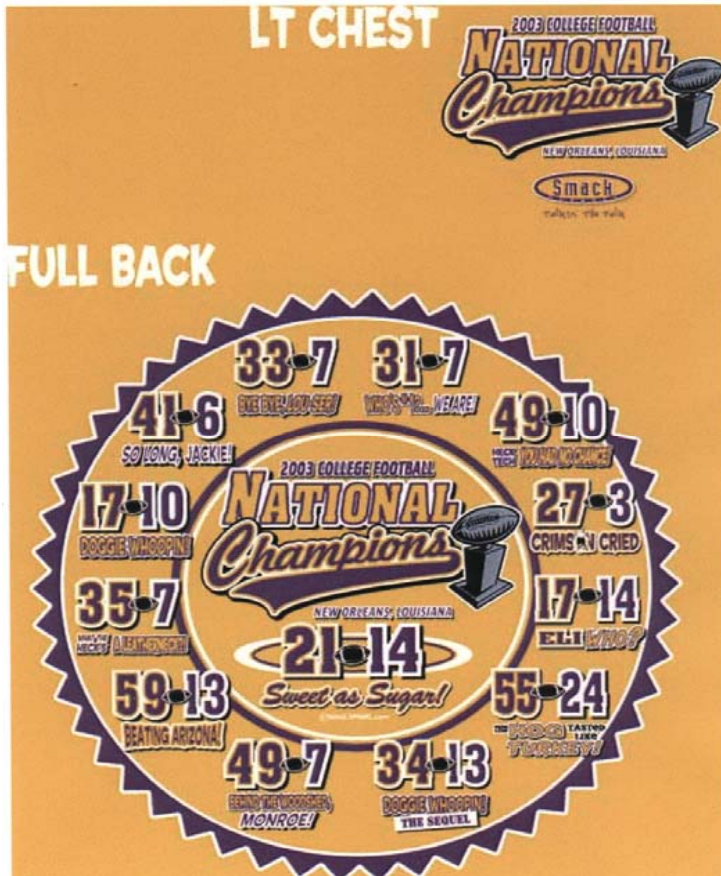
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# Smack Apparel - Background

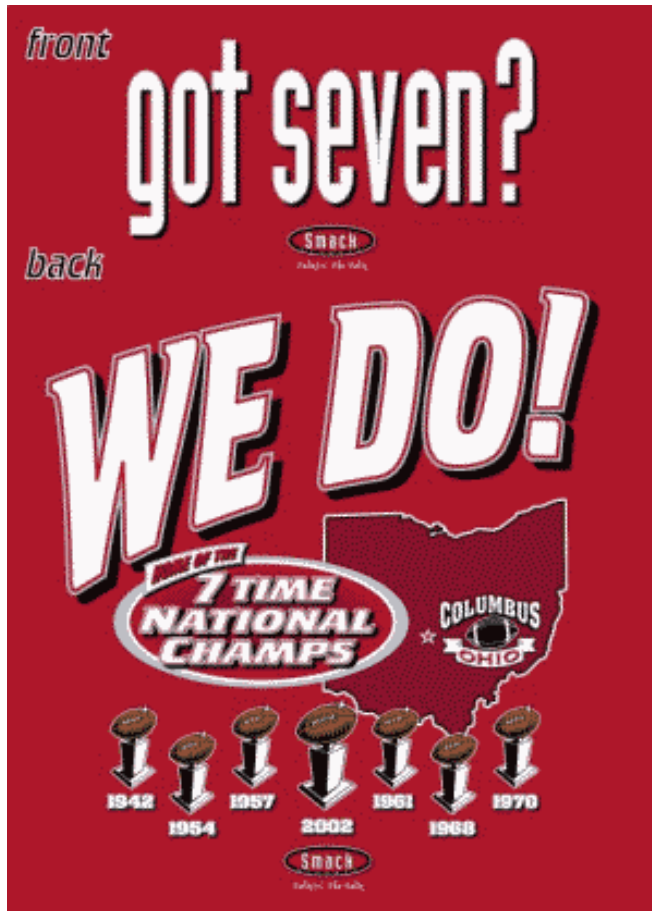
- IV. CLC, LSU, Oklahoma, Ohio State, Southern California and Tournament of Roses filed lawsuit in 2004
- V. Resolve real problem in marketplace / establish guidelines regarding protection of colors



# Smack Apparel – Case Examples



# Smack Apparel – Case Examples



# Smack Apparel - Decision

- I. Decision on Summary Judgment
  - A. No factual dispute – case decided on the law
- II. Holding – Smack Apparel liable for intentionally infringing rights of plaintiffs
  - A. Colors have significance as source – identifiers for collegiate institutions – acquired distinctiveness or “secondary meaning”
  - B. Likelihood of confusion

# Smack Apparel - Decision

- C. Jury awarded lost royalties and part of profits
- D. Court considering request for attorney's fees
- E. Appeal?

## Red Raider Outfitter

- I. Local Texas Tech retailer / printer formerly licensed
- II. CLC sent a cease and desist letter
- III. RRO sued CLC in Houston seeking declaratory judgment
- IV. Petitioned to cancel Texas Tech registration
- V. Texas Tech filed trademark infringement suit in Lubbock



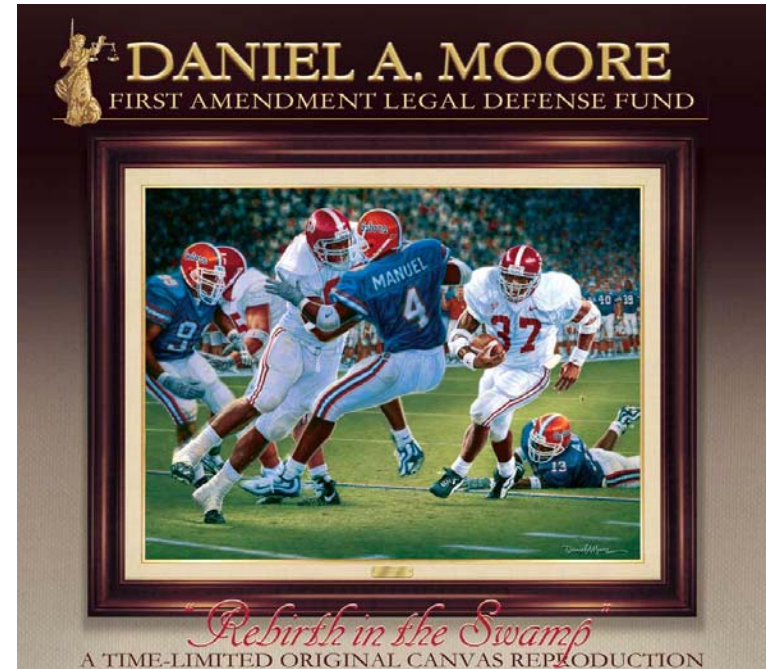
## Red Raider Outfitter

- VI. Cases consolidated and transferred to Lubbock
- VII. Texas Tech won on summary judgment
  - A. Use of Texas Tech's marks and colors infringed
  - B. Dilution
  - C. Breach of Contract



# New Life Art

- I. University of Alabama trademark infringement case against formerly licensed sports artist
- II. Case pending



# Joe-College.com

- I. University of Kansas trademark infringement case against former licensee
- II. Case in discovery phase





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