

## Crimson Chaos: Sports Team Trademarks in Artwork and the Functionality Doctrine

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**Abstract:** *Alabama University has sued artist Daniel Moore for trademark infringement over his use of the university's team colours and other indicia in his artwork. The Court of Appeals for the 11th Circuit will be releasing a decision soon. This paper asserts that the inclusion of sports team trademarks in artwork is a functional use. Therefore, in addition to fair use and 1st amendment defences, the functionality doctrine of trademark law protects such artists from being held liable for trademark infringement.*

### I. Introduction

*“The artist must know the manner whereby to convince others of the truthfulness of his lies.”*  
– Pablo Picasso<sup>1</sup>

Every known human civilization has played sports.<sup>2</sup> In the modern era, a massive industry channels sporting events, merchandise, and twenty-four hour news coverage to the populace.<sup>3</sup> Universities and professional teams develop and protect their valuable assets, including the logos and colours that distinguish their team.<sup>4</sup> These symbols harness the goodwill felt by the customer base towards the team.<sup>5</sup> Individuals express support by wearing expensive merchandise exhibiting the sports teams' logos and colours.<sup>6</sup> The teams control the proliferation of this merchandise primarily through licensing.<sup>7</sup>

Sports permeate our society to such a degree that an expansive market exists for art portraying important sporting events and figures.<sup>8</sup> In identifying teams or individuals in their visual works, artists may infringe upon

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<sup>1</sup> PEGGY HADDEN, *THE QUOTABLE ARTIST* 211 (2002). Please excuse Mr. Picasso's failure to use a gender-neutral pronoun.

<sup>2</sup> See Tim Delaney & Tim Madigan, *THE SOCIOLOGY OF SPORTS* 1 (prefacing sociology textbook). See also *Ancient Roman Recreation & Sports*, archived at <http://www.webcitation.org/5tqy0mYTz> (describing Ancient Roman sports); *Ancient Egyptian Sports*, archived at <http://www.webcitation.org/5tqyAtthu> (listing Ancient Egyptian sports); *The Sport of Life and Death: The Mesoamerican Ballgame*, available at <http://www.ballgame.org> (exhibiting Mesoamerican sports). America is no exception. See Joshua R. Keefe, *Religion, Commodity, or Escape: Sports in Modern American Culture*, archived at <http://www.webcitation.org/5tqxkHM8w> (describing prevalence of sport in American culture). See also David Bauder, *Super Bowl 2010 Ratings: 106 Million Watch, Top-Rated Telecast EVER*, archived at <http://www.webcitation.org/5tqxbawUC> (noting that 106 million Americans tuned into the 2010 Super Bowl).

<sup>3</sup> See Plunkett Research, Ltd., *Sports Industry Overview*, archived at <http://www.webcitation.org/5tqySMRep> (valuing sports industry in America at \$414 billion US dollars).

<sup>4</sup> See BLACK'S LAW DICTIONARY: Trademark - "A word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of others."

<sup>5</sup> See Mark Sableman, *Trademark Laws Underlie Sports Fortunes*, 1998 SJR St. Louis Journalism Review (categorizing evolution of sports trademark licensing).

<sup>6</sup> See *NFL Shop*, archived at <http://www.webcitation.org/5tqzJ3Qq7> (cataloging available Pittsburgh Steelers uniforms).

<sup>7</sup> See John Grady & Steve McKelvey, *Trademark Protection of School Colors: Smack Apparel and Sinks Decisions Trigger Color-ful Legal Debate for the Collegiate Licensing Industry*, 18 J. LEGAL ASPECTS SPORT 207 (stating that collegiate licensing industry tops \$3 billion in annual merchandise sales).

<sup>8</sup> See <http://www.fathead.com> (providing life size images of athletes); *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915 (2003) (finding no infringement or dilution in artist's painting of Tiger Woods).

the sports teams' trade dress by utilizing their colours and logos.<sup>9</sup> Thus, a conflict can arise between the right of these artists to convey their message and the interest of companies in protecting their trademark assets.<sup>10</sup> Artists typically assert affirmative defences if sued by trademark owners to avoid infringement (and the licensing fees that follow).<sup>11</sup> However, a trademark determined to be functional receives no protection.<sup>12</sup> Trademark law's functionality doctrine can obviate the need for an artist to plead an affirmative defence while making determinations of infringement more predictable.<sup>13</sup>

This note proposes applying the aesthetic functionality doctrine to prevent sports teams from asserting trademark rights over their team colours used in artwork. Section II (History) commences by summarizing contemporary US trademark law and depicting the movement in courts towards protecting colour as a trademark. Section II (History) also describes the functionality doctrine, outlines the merchandising right, and briefly examines alternative defences to infringement. Section III (Facts and Premises) describes recent developments in sports merchandising cases in which universities and sports teams attempted to enforce their trademark rights against infringers. Section IV (Analysis) concludes this note by examining the benefits of applying the functionality doctrine to artistic uses of sports team's colours.

## 2. History

### 2.1 Trademarks Generally

A trademark "identif[ies] the origin or ownership of the article to which it is affixed."<sup>14</sup> Trademark infringement developed as a state common-law action.<sup>15</sup> The Trademark Act of 1946 ("Lanham Act") codified common law trademark principles into federal law for marks used in interstate commerce; Congress amended the Lanham Act several times.<sup>16</sup> Under the Lanham Act, a trademark "includes any word, name, symbol, or device . . . used . . . to identify and distinguish his or her goods . . . and to indicate the source of the goods."<sup>17</sup> The Lanham Act

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<sup>9</sup> See *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (2009) (suing artist over inclusion of Alabama football team colors in realistic paintings). See also BLACK'S LAW DICTIONARY: Trade Dress – "The overall appearance and image in the marketplace of a product or a commercial enterprise. For a product, trade dress typically comprising packaging and labeling. For an enterprise, it typically comprises design and color."

<sup>10</sup> See *id.* In other words, a multi-million dollar market exists: the sports teams want to maximize their earnings and the artists want to be able to make a living.

<sup>11</sup> See Lanham Act, 15 U.S.C. § 1115 (codifying common law fair use defense).

<sup>12</sup> See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §5:10 (4th ed. 2010) (describing 1998 Amendment to Lanham Act making functionality an explicit ground for ex parte rejection).

<sup>13</sup> See Brief for et al. as Amici Curiae Supporting Appellant/Cross-Appellee, *Alabama v. New Life Art, Inc.*, 677 F.Supp.2d 1238 (2009) (Nos. 09-16412-AA, 10-10092-A) (commenting on behalf of New Life, Inc.).

<sup>14</sup> *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916) (defining proper function of trademark).

<sup>15</sup> See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §4:4 (4th ed. 2010) (defining technical trademark under state common law). Marks have been used for centuries to indicate the source of goods. See Paul Goldstein, COPYRIGHT, PATENT, TRADEMARK AND RELATED (rev. 5<sup>th</sup> ed. 2004) (introducing trademark law). Actions for infringement were originally limited to competing goods. See *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F.510 (7<sup>th</sup> Cir. 1912) (holding that Borden Ice Cream does not infringe on Borden's Condensed milk). In the 20<sup>th</sup> century, this expanded to include any use likely to cause confusion. See Lanham Act, 15 U.S.C. § 1125(a) (defining the conditions for a civil infringement action). Geographical use restrictions apply. See *Dawn Donut Co., Inc v. Hart's Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959) (finding no confusion where junior mark-user resides in a geographically separate market).

<sup>16</sup> See Lanham Act, 15 U.S.C. §1051-1141 (administering federal statutory trademark law). The constitutional vehicle by which the Lanham Act was created is the Commerce Clause. Contrast this with federal protections of Patents and Copyrights, which are constitutional under Article I, Section I, Clause 8 of the Constitution. See also 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §5:5 (4th ed. 2010) (**listing amendments to the Lanham Act**).

<sup>17</sup> Lanham Act, 15 U.S.C. § 1127 (defining the term trademark).

provides a cause of action for infringement.<sup>18</sup> Interpreting the Lanham Act, courts have determined that in order to qualify for protection a trademark must be both non-functional and distinctive.<sup>19</sup>

The Supreme Court defined functionality as “essential to the use or purpose of the article or if it affects the cost or value of the article.”<sup>20</sup> Distinctive marks can 1) be inherently distinctive or 2) have acquired distinctiveness.<sup>21</sup> Generic terms are never protectable as trademarks because they describe the product or service and cannot designate source.<sup>22</sup> A trademark qualifies as inherently distinctive if it is suggestive, fanciful, or arbitrary because it intrinsically identifies a particular product’s source.<sup>23</sup> However, a merely descriptive trademark can attain distinctiveness by acquiring secondary meaning.<sup>24</sup> Secondary meaning exists when the public perceives the mark as depicting the source of the goods, rather than the product itself.<sup>25</sup> The concept of secondary meaning recognizes that words may attain source designating function in the minds of the public where those words are otherwise descriptive.<sup>26</sup>

Several policy justifications stimulate our protection of trademarks.<sup>27</sup> Protection allows trademarks to efficiently designate source; consumers purchasing a product can trust that the product will possess the qualities that they are accustomed to receiving from a particular source.<sup>28</sup> This trust lowers search costs creating a more competitive marketplace, i.e., a secondary aim of trademark is to allow competitive forces in the marketplace to function most efficiently.<sup>29</sup> Protecting trademarks also guards the “owner’s investment in the quality of the mark and the quality of the goods or services the mark identifies.”<sup>30</sup>

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<sup>18</sup> See Lanham Act, 15 U.S.C. § 1125(a) (defining the conditions for a civil infringement action). “Any person who . . . uses in commerce any word, term, name, symbol, or device . . . which is likely to cause confusion . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.” *Id.*

<sup>19</sup> See *Two Pesos, Inc. v. Taco Cabana, Inc.* 505 U.S. 763, 769 (1992) (“An identifying mark is distinctive and capable of being protected if it either 1) is inherently distinctive or 2) has acquired distinctiveness through secondary meaning. It is also clear that eligibility for protection under §43(a) depends on non-functionality”).

<sup>20</sup> *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 (1982) (finding no infringement in mislabeling of generic drugs). There continues to be debate about the definition of functionality. See Mitchell M. Wong, *The Aesthetic Functionality Doctrine and the Law of Trade Dress Protection*, 83 CORNELL L. REV. 1116, 1119-21 (1998) [hereinafter Wong] (summarizing tests for trademark functionality and championing traditional identification test).

<sup>21</sup> See 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §11:2 (4th ed. 2010) (illustrating two basic categories in which trademarks must be placed).

<sup>22</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (describing generic term as referring to the genus that the product is a species of); See also *Filipino Yellow Pages, Inc. v. Asian Journal Pubs, Inc.*, 198 F.3d 1143, 1147 (9<sup>th</sup> Cir. 1999) (describing generic term as one that answers the question of “what are you?”). Even registered terms that become generic can be cancelled. *Haughton Elevator Company* 85 U.S.P.Q. (BNA) 80 (Comm. Pat 1950) (cancelling registration of the term escalator); *Murphy Door Bed Co. v. Interior Sleep Systems, Inc.* 874 F.2d 95 (2d Cir. 1989) (finding no protectable trademark in the generic term “Murphy bed”).

<sup>23</sup> See Restatement (Third) of Unfair Competition § 13 (1995) (“designation is ‘inherently distinctive’, in that . . . prospective purchasers are likely to perceive it is a designation that, in the case of a trademark, identifies goods or services produced or sponsored by a particular person, whether known or anonymous”).

<sup>24</sup> See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 280 F.3d 619, 635 (2d Cir. 2002) (finding that Abercrombie had not established secondary meaning in their store trade dress).

<sup>25</sup> See 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §11:2 (4th ed. 2010) (defining secondary meaning).

<sup>26</sup> See BLACK’S LAW DICTIONARY: Secondary Meaning – “A special sense that a trademark or tradename for a business, goods, or services has acquired even though the trademark or tradename was originally merely descriptive and therefore not protectable. The term does not refer to a subordinate or rare meaning, but rather to a later meaning that has been added to the original one borne by the mark or name and that has now become in the market its usual and primary meaning.”

<sup>27</sup> See Graeme B. Dinwoodie & Mark D. Janis, TRADEMARKS AND UNFAIR COMPETITION 15-17 (describing twin purposes of trademark law).

<sup>28</sup> See *Scandia Down Corp. v. Euroquilt, Inc.* 772 F.2d 1423, 1429 (7<sup>th</sup> Cir. 1985) (“Easily identified trademarks reduce the costs consumers incur in searching for what they desire, and the lower the costs of search the more competitive the market”).

<sup>29</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 163-164 (1995) (discussing an economic efficiency justification for trademark law).

<sup>30</sup> 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §2:4 (4th ed. 2010) (listing policy rationales of trademark protection). Protecting the owner’s investment in turn leads to an increase in the quality of the goods created. *Id.*

In trademark case law, judges make a distinction between the terms “trade dress” (product packaging) and “trademark” (words or pictures); however, little remaining legal significance remains between the terms.<sup>31</sup> Courts have interpreted colour as being a “word, name, symbol or device” capable of identifying the source of goods.<sup>32</sup> For instance, a press-pad manufacturer can protect as a trademark the gold/yellow color of its press-pads.<sup>33</sup> Product design (e.g., the form or colour of an article of clothing) can be protected only upon a showing of secondary meaning.<sup>34</sup> Product packaging, such as the interior décor of a restaurant, can be inherently distinctive.<sup>35</sup> Colour is always a product design feature, not packaging, and thus always requires secondary meaning.<sup>36</sup>

## 2.2 Functionality Doctrine

When product designs receive trademark protection, functional design features can potentially be monopolized.<sup>37</sup> The functionality doctrine seeks to prevent such a monopoly from occurring.<sup>38</sup> The Lanham Act does not provide an explicit definition for functionality and courts have been left to formulate tests guiding its application.<sup>39</sup> Thus, a substantial degree of uncertainty still lingers in courts’ interpretation of the doctrine.<sup>40</sup> The Supreme Court provided some guidance: “the functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.”<sup>41</sup> Courts avoid inhibiting legitimate competition by applying the functionality doctrine to utilitarian features and aesthetic features.<sup>42</sup>

Utilitarian functionality exists where a product feature is “essential to the use or purpose of the article.”<sup>43</sup> However, simply because a feature provides some utilitarian function does not guarantee that trademark protection will be denied.<sup>44</sup> Instead, the relevant inquiry is “not to the mere existence of utility, but to the *degree* of design utility.”<sup>45</sup> For example, the Court in *Morton-Norwich* found that the design of a spray bottle’s handle

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<sup>31</sup> See *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11<sup>th</sup> Cir. 1983) (“The trade dress of a product is essentially its total image and overall appearance”). See also *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604 (7<sup>th</sup> Cir. 1986) (finding “no substantive difference” between trademarks and trade dress).

<sup>32</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, at 172 (1995) (interpreting the Lanham Act definition of trademark as including color); Lanham Act, 15 U.S.C. § 1127 (defining the term trademark).

<sup>33</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159 (1995) (holding that Qualitex’s use of color as a trademark met basic legal requirements).

<sup>34</sup> See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (finding design of Samara’s children’s’ clothing not protectable absent a showing of secondary meaning).

<sup>35</sup> See *Two Pesos, Inc. v. Taco Cabana, Inc* 505 U.S. 763 (1992) (deciding that interior décor of Mexican Restaurant provides designation of source);

<sup>36</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 163 (1995) (noting the difference between color on a product and product packaging).

<sup>37</sup> See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938) (preventing Kellogg from monopolizing the pillow shape of shredded wheat). Such a monopoly would violate no less a source than the US Constitution by running afoul of the limited times provision of the Copyright Clause. U.S. CONST. art. I, § 8, cl. 8. (“To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

<sup>38</sup> See BLACK’S LAW DICTIONARY: Functionality - “The quality of having a shape, configuration, design, or color that is so superior to available alternatives that giving the first user exclusive trademark rights would hinder competition.”

<sup>39</sup> See Graeme B. Dinwoodie & Mark D. Janis, TRADEMARKS AND UNFAIR COMPETITION 148 (discussing evolution of the functionality doctrine).

<sup>40</sup> See Wong, *supra* note 20, at 1119 (pointing to failed understanding of functionality as the cause of the uncertainty).

<sup>41</sup> *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164 (1995) (defining functionality doctrine).

<sup>42</sup> See, e.g., *id.*

<sup>43</sup> *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 (Cust. Ct. 1982) (proposing test for utilitarian functionality).

<sup>44</sup> See *In Re Morton-Norwich Products, Inc*, 671 F.2d 1332, 1338 (1982) (defining the term ‘utilitarian’).

<sup>45</sup> See *id.*

was not functional, in part because of the availability of numerous alternative designs.<sup>46</sup> In *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, the Supreme Court decided that a recognizable dual spring design on a road sign was functional and thus not protected.<sup>47</sup> The Court found the existence of a utility patent in the spring design to be of vital significance.<sup>48</sup> These cases highlight two of the common approaches used to determine functionality.<sup>49</sup>

The “identification” test, employed by the Court in *Morton-Norwich*, states that “A feature or design is functional . . . if it performs some function other than identifying the source of goods.”<sup>50</sup> The “effective competition” test, used by the *TraFFix* Court, asks “if conferring trademark protection for that feature would enable the trademark holder to prevent other suppliers from competing over the market for the product.”<sup>51</sup> Under either test, some courts assert that functionality exists where the product feature in question “affects the cost or quality of the article.”<sup>52</sup>

Courts also apply the functionality doctrine to aesthetic design aspects.<sup>53</sup> The aesthetic functionality doctrine protects competitors from suffering a non-reputation related disadvantage as a result of the application of trademark law to an aesthetic consideration.<sup>54</sup> For instance, a court found the black colour of a company’s outboard motors to be functional because the colour black provides a slimming effect and blends in with the water.<sup>55</sup> Such a colour preference is not always a determining factor; a court denied applying the doctrine to a consumer preference for red vacuum cleaners.<sup>56</sup> Unlike the black motors in *Brunswick*, the public covets red vacuum cleaners for innocuous reasons; the red colour does not provide any additional function and thus competing manufacturers do not suffer a non-reputation related disadvantage if the colour is monopolized.<sup>57</sup> The primary inquiry to be made is whether the aesthetic feature identifies source without hi-jacking a consumer-

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<sup>46</sup> See *id.* at 1342-43 (“If the functions of appellant’s bottle can be performed equally well by containers of innumerable designs . . . why did the board state that appellant’s design is functional and for that reason not registrable?”).

<sup>47</sup> See *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001) (refusing to afford protection to the dual-spring design used to keep road signs upright).

<sup>48</sup> See *id.* (finding existence of a prior utility patent to be strong evidence of functionality).

<sup>49</sup> See *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters*, 280 F.3d 619, 641 (6<sup>th</sup> Cir. 2002) (identifying two forms of functionality).

<sup>50</sup> *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 873 (Ark. 1994). See also *Wong, supra* note 20, 1132 (defining identification theory as the original understanding of functionality); Restatement (First) of Torts § 742 (1938) (“feature of goods is functional . . . if it affects their purpose, action or performance, or the facility or economy of processing, handling or using them; it is non-functional if it does not have any of such effects.”).

<sup>51</sup> *Wong, supra* note 20, at 1143 (describing effective competition test as the presently prevailing test in courts).

<sup>52</sup> See *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 (1982) (finding manufacturers of a generic drug not to be liable for mislabeling by pharmacists).

<sup>53</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 170-71 (1995). See also *See Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC.*, 369 F.3d 1197, 1203 (11<sup>th</sup> Cir. 2004) (noting existence of two tests for functionality). “Using the theory of “aesthetic functionality,” a few courts have expanded the meaning of “functional” to include merely ornamental features which “function to improve the appearance of goods and help sell them.” 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §7:49 (4th ed. 2010).

<sup>54</sup> See *Deere & Co. v. Farmhand*, 560 F.Supp. 85 (S.D. Iowa 1982) (finding tractor accessories to be functional because of the market preference for color matched accessories). Such a non-reputation related disadvantage can arise because of competitive need. See *Vornado Air Circulation Sys. Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10<sup>th</sup> Cir. 1995) (defining functionality in terms of competitive need).

<sup>55</sup> See *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (C.A. Fed. 1994) (finding the slimming effect of black motors to be functional); See also *HI Ltd. Partnership v. Winghouse of Florida, Inc.* 347 F.Supp.2d 1256 (M.D. Fla. 2004) (finding Hooters girl outfit to be functional).

<sup>56</sup> See *White Consolidated Industries, Inc. v. Royal Appliance Mfg. Co.*, 2000 WL 713972 (T.T.A.B. 2000) (determining that red color of hand held vacuums is not de jure functional); See also *Automotive Gold, Inc. v. Volkswagen of Am. Inc.*, 457 F.3d 1062 (9<sup>th</sup> Cir. 2006) (finding VW logo on a keychain to be non-functional).

<sup>57</sup> See *White Consolidated Industries, Inc. v. Royal Appliance Mfg. Co.*, 2000 WL 713972 (T.T.A.B. 2000) at 5 (evidencing lack of consumer need of consumers to own vacuums of a particular color).

desired product feature.<sup>58</sup> Courts will not protect ornamental aspects of a product that commandeer a useful feature by dint of the aesthetic functionality doctrine.<sup>59</sup>

### 2.3 *Licensing of Sports Merchandise*

Sports entities control the spread of merchandise bearing their marks through licensing.<sup>60</sup> Typically, these entities deal with an exclusive licensing partner.<sup>61</sup> If an individual sells team merchandise without permission, the team most likely demands a royalty; an action for infringement can follow.<sup>62</sup> The Lanham Act imposes confusion as to the source of the goods as the threshold requirement to prove infringement.<sup>63</sup> In the case of team logos and colours, it is not immediately apparent that the mark designates the source of the good – it could show affiliation or support for the franchise.<sup>64</sup> However, a series of court decisions in the mid 1970's opened the door to sports franchises requiring payment for the usage of their marks.<sup>65</sup>

The National Hockey League's ("NHL") member teams possessed identifying team trademarks and granted permission to particular manufacturers to use these trademarks on NHL merchandise.<sup>66</sup> Without the permission of the NHL's licensing agent, a manufacturer began embedding the NHL's logos on "embroidered cloth emblems" (clothing and hats).<sup>67</sup> The NHL sued claiming trademark infringement; the district court found no infringement because of lacking confusion as to source.<sup>68</sup> The district court noted no right to relief exists for designs used in a non-trademark fashion.<sup>69</sup> The district court stated, "In the instant case, the registered trademark is, in effect, the product itself. The marks have achieved intrinsic value to a segment of the consuming public which may be attracted to their aesthetic features and to their characteristics as a patch to be used on apparel or for collecting."<sup>70</sup> According to the district court, the trademark had merged with the product and no longer performed a source designating function.<sup>71</sup>

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<sup>58</sup> See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §7:49 (4th ed. 2010) (discussing the use of color in trade dress).

<sup>59</sup> See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §7:49 (4th ed. 2010) (noting the extension of the functionality doctrine to functional aesthetic features in some courts).

<sup>60</sup> See Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fair Accompli?*, 54 EMORY L.J. 461 (2005) [hereinafter Dogan & Lemley, *The Merchandising Right*] (describing rampant sports licensing).

<sup>61</sup> See *Reebok Signs Exclusive Licensing Deal with NFL*, archived at <http://www.webcitation.org/5uOQEh72F> (describing Reebok as the official licensing partner of the NFL); *Reebok Partnerships*, archived at <http://www.webcitation.org/5uOQH0y5P> ("Reebok has the exclusive worldwide rights to manufacture and market authentic, replica and practice jerseys using the names and logos of the NHL and its teams"); *About CLC*, archived at <http://www.webcitation.org/5uOQN118u> (describing the collegiate licensing company, the exclusive licensing agent of numerous universities).

<sup>62</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 461-62 (noting tendency of universities to garner royalties).

<sup>63</sup> See Lanham Act, 15 U.S.C. § 1125(a) (defining infringement).

<sup>64</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 464 (questioning existence of point-of-source confusion in sports merchandising litigation).

<sup>65</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 461 (criticizing the merchandising right).

<sup>66</sup> See *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 360 F. Supp. 459, 462-63 (N.D. Tex. 1973) (finding trademark infringement in manufacturers production of merchandise bearing NHL franchise trademarks).

<sup>67</sup> *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 360 F. Supp. 459, 462-63 (N.D. Tex. 1973) (listing facts of the case).

<sup>68</sup> *Id.* at 462 (finding in favor of the defendants at the district court).

<sup>69</sup> See *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 360 F. Supp. 459, 463 (N.D. Tex. 1973) (requiring a trademark use in order to fall within the ambit of Lanham Act protection).

<sup>70</sup> *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 360 F. Supp. 459, 464 (N.D. Tex. 1973).

<sup>71</sup> See *id.*

The Fifth Circuit overturned the district court's application of the functionality doctrine to the NHL team colours.<sup>72</sup> The court felt that the mere identification by consumers of the teams' trademarks fulfilled the confusion requirement of the Lanham Act.<sup>73</sup> The Fifth Circuit mentioned functionality only briefly and stated "the embroidered symbols are sold not because of any such aesthetic characteristic but because they are the trademarks of the hockey teams."<sup>74</sup> While focusing on the propensity of the marks to drive sales, the court ignored the lack of source confusion.<sup>75</sup>

In a similar factual situation, The NFL sued manufacturers producing goods bearing the NFL's registered trademarks.<sup>76</sup> The court enjoined the production of these goods.<sup>77</sup> The court's reasoning differed slightly from the logic used in *Boston Hockey*; instead, the court viewed the confusion present as sponsorship confusion.<sup>78</sup> Sponsorship confusion exists when "consumers are likely to think the proprietor has licensed or otherwise endorsed the goods or services of the offending party."<sup>79</sup> The NFL presented evidence that purchasers of NFL jerseys believe the jerseys to be officially licensed by the NFL.<sup>80</sup> *National Football League Properties* and *Boston Prof'l Hockey Ass'n* supported the emergence of the merchandising right.<sup>81</sup>

In these cases, the courts found infringement despite the absence of a likelihood of confusion as to the source of the goods.<sup>82</sup> Instead, the courts justified their decisions as "an instinctive reaction against 'unjust enrichment'."<sup>83</sup> Courts often react instinctively against free-riding, despite its prevalence in our market economy.<sup>84</sup> Free-riding, however, is generally encouraged in United States because it creates competition, driving down prices and improving the quality of goods.<sup>85</sup> The decisions depart from traditional justifications for trademark protection and have received criticism from courts and commentators.<sup>86</sup> However, the decisions emboldened the sports entities and they quickly asserted their newfound rights.<sup>87</sup> The decisions led to an explosion in the amount of revenues garnered by the sports merchandising industry.<sup>88</sup>

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<sup>72</sup> See *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1014 (5<sup>th</sup> Cir. 1975) (reversing the district court's verdict).

<sup>73</sup> See *id.* at 1012 ("The confusion or deceit requirement is met by the fact that the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the teams' trademarks.")

<sup>74</sup> *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1013 (5<sup>th</sup> Cir. 1975).

<sup>75</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 474 ("The Fifth Circuit's reversal broke new theoretical ground and effectively wrote the confusion requirement out of the Lanham Act").

<sup>76</sup> See *National Football League Properties, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 327 N.E.2d 247, 248-49 (Ill. App. 1975) (biographizing the parties involved in litigation and summarizing facts).

<sup>77</sup> See *id.* at 251.

<sup>78</sup> See *id.* at 249.

<sup>79</sup> Roger E. Schechter & John R. Thomas, *INTELLECTUAL PROPERTY, THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS* 638-39 (2003) (defining sponsorship confusion); See also 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §24:6 (4th ed. 2010).

<sup>80</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 477 ("later rulings in NFL suits have turned upon surveys and other evidence indicating the widespread belief that team-related jerseys are officially licensed by the NFL").

<sup>81</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 477-78 (detailing historical emergence of the merchandising right).

<sup>82</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 474 (noting that the NHL decision found actionable confusion based solely upon consumers' mental association).

<sup>83</sup> See *id.* See also BLACK'S LAW DICTIONARY - Unjust Enrichment "The retention of a benefit conferred by another, without offering compensation, in circumstances where compensation is reasonably expected."

<sup>84</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 479. "In a market economy it is not reasonable to simply assume that someone must own the right to compete in a particular way." *Id.* at 480.

<sup>85</sup> See Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1050 ("society in general doesn't prohibit free riding").

<sup>86</sup> See *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 919 (9th Cir. 1980) (describing the decision as "an extraordinary extension of the protection heretofore afforded trademark owners"); Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 461 (criticizing this expansion of trademark law at length).

<sup>87</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 462-63 (2005) (characterizing mark-holders as "emboldened" by merchandising right decisions).

<sup>88</sup> See *id.* at 461.

Courts continue to debate the scope of the merchandising right.<sup>89</sup> For instance, Louisiana State University and several other schools brought suit for infringement against Smack Apparel, a clothing manufacturer that utilized team colours and slogans associated with the university on t-shirts.<sup>90</sup> Relying on Boston Hockey, the court found the universities' team colours to be non-functional protectable trademarks.<sup>91</sup> The court noted the competitive necessity issue present in an aesthetic functionality analysis and admitted that the Supreme Court had provided guidance on this doctrine (in *Qualitex*), but refused to recognize aesthetic functionality in their jurisdiction.<sup>92</sup> In language indicative of fear of free-riding, the court stated, "Smack's alleged competitive disadvantage in the ability to sell game day apparel relates solely to an inability to *take advantage of the Universities' reputation* [emphasis added] and the public's desired association with the Universities that its shirts create."<sup>93</sup> *Smack Apparel* indicates the expanded focus of modern courts towards unjust enrichment, a focus that extends beyond the traditional cynosure of source confusion.<sup>94</sup>

Other courts have taken a less expansive outlook towards the merchandising right.<sup>95</sup> The University of Kansas brought suit against Larry Sinks for selling unlicensed clothing bearing the Kansas colours at a Joe-College.com website.<sup>96</sup> The court described functionality using language akin to the identification test stating that "there is no evidence that KU's marks are essential to the quality of T-shirts, or affect how the T-shirts 'work'."<sup>97</sup> However, the court did not find the marks to be functional.<sup>98</sup> Instead, the court based its decision in favour of the defendant on insufficient evidence indicating sponsorship confusion.<sup>99</sup> The court examined the shirts in total: the inclusion of the Kansas colours was just one component.<sup>100</sup> *University of Kansas v. Sinks* provides an example of a court hesitant to embrace the expansion of the merchandising right.<sup>101</sup>

So while uncertainty lingers in the case law as to the breadth of the merchandising right, universities continue to seek licensing fees for the use of their team colours and logos.<sup>102</sup> Over the years, the right has

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<sup>89</sup> See *Texas Tech University v. Red Raider Outfitter*, 461 F.Supp.2d 510 (N.D. Tex. 2006) (finding infringement in retailers' continual sale of unlicensed Texas Tech merchandise); *Dallas Cowboys Cheerleaders v. Pussycat Cinema, Ltd.* 604 F.2d 200 (2d. Cir. 1979) (holding that use of Dallas Cowboy cheerleader indicia in a movie established a likelihood of confusion); *University of Ga. Athletic Ass'n v. Laite* 756 F.2d 1535 (11<sup>th</sup> Cir. 1985) (enjoining beer manufacturer from using on its label Georgia's bulldog trademark); *In re San Diego National League Baseball, Inc.* 224 U.S.P.Q. 1067 (1983) (refusing to register the marks "Padres Report" and "San Diego Padres Report").

<sup>90</sup> See *Board of Supervisors for Louisiana State University Agricultural and Mechanical College v. Smack Apparel*, 550 F.3d 465, 471-72 (5<sup>th</sup> Cir. 2008) (describing parties in the litigation and procedural history).

<sup>91</sup> See *id.* at 486 ("the presence of the plaintiffs' marks serve no function unrelated to trademark.")

<sup>92</sup> See *id.* at 487-88

<sup>93</sup> *Id.* at 488.

<sup>94</sup> See Mark Lemley, *Owning Mark(et)s*, 109 MICH. L. REV. 137 (2010) [hereinafter *Owning Mark(et)s*] ("The culprit again is the anti-free-riding impulse"); Mark McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L.REV. 1839, 1911-12 (2007) (summarizing courts' approach to analyzing merchandising right cases).

<sup>95</sup> See, e.g., *U.S. v. Giles*, 213 F.3d 1247, 1250 (10<sup>th</sup> Cir. 2008) (criticizing Boston Hockey decision as being overly broad conception of trademark rights).

<sup>96</sup> See *University of Kansas v. Sinks*, 565 F.Supp.2d 1216, 1225-26 (D. Kan. 2008) (describing parties in the litigation and procedural history)..

<sup>97</sup> *Id.* at 1261.

<sup>98</sup> See *id.*

<sup>99</sup> See *id.* at 1267 ("a reasonable jury could find that the language on the back of the T-shirts is the dominant portion of defendants' marks and serves to distinguish them from officially licensed KU products and from any sponsorship or affiliation with KU"). The court defines sponsorship confusion as "when use of a trademark leads individuals (other than the purchaser) mistakenly to believe that a product was manufactured by the trademark-holder." *Id.*

<sup>100</sup> See *id.* at 1245.

<sup>101</sup> See, e.g., *International Order of Job's Daughters v. Lindeburg*, 633 F.2d 912 (Cal. 1980) (chastising the Boston Hockey decision as transmogrifying the narrow protections of trademark into a broad monopoly).

<sup>102</sup> See James Wagner, *Copycat Logos Are Pitting High Schools and Colleges in a Trademark Turf War*, WASHINGTON POST, Oct. 21, 2010, archived at <http://www.webcitation.org/5wTYEeK6i> (portraying trademark disputes between high schools and colleges over similar team logos)



become further entrenched; teams and universities consider the merchandising right uncontested.<sup>103</sup> Mark-holding business entities attempt to maximize trademark revenue and demand payment from artists where the right is implicated.<sup>104</sup>

#### *2.4 Alternative Defenses: Fair Use and the First Amendment*

Artists assert affirmative defenses to avoid liability.<sup>105</sup> The fair use defence includes classic fair use and nominative fair use.<sup>106</sup> Defendants claim classic (or descriptive) fair use where they “ha[ve] used the term fairly and in good faith solely to describe the actor’s goods, services, or business or to indicate a connection with the named person.”<sup>107</sup> Nominative fair use “is a use of another’s trademark to identify, not the defendant’s goods or services, but the *plaintiff’s* goods or services.”<sup>108</sup> The distinction between the two fair use defences lies in whose product (plaintiff or defendant) the trademark is describing.<sup>109</sup>

A defendant establishes a classic fair use defence by proving that their use was 1) other than as a mark, 2) in a descriptive sense, and 3) in good faith.<sup>110</sup> Analyzing the good faith prong involves asking “whether the alleged infringer intended to trade on the good will of the trademark owner by creating confusion as to the source of the goods or services.”<sup>111</sup> Classic fair use can be claimed even for uses likely to confuse consumers, though confusion remains an important consideration in evaluating fair use.<sup>112</sup> The KP Permanent court provided several factors for the jury to consider in determining whether a fair use defence is applicable: “the degree of likely confusion, the strength of the trademark, the descriptive nature of the term . . . , the extent of the use of the term prior to the registration of the trademark, and any differences among the times and contexts in which KP has used the term.”<sup>113</sup> Substantial interplay occurs in a proceeding between the likelihood of confusion analysis and the fair use defence.<sup>114</sup>

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<sup>103</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 462-63 (2005) (characterizing mark-holders as “emboldened” by merchandising right decisions).

<sup>104</sup> See *Fox News Network v. Penguin Group*, 31 Media L. Rep. 2254 (S.D.N.Y. Aug. 20, 2003) (refusing to enjoin Al Franken’s use of Fox trademark “fair and balanced” in his book title). See also Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1688 (1999) (“Courts protect trademark owners against uses that would not have been infringements even a few years ago and protect as trademarks things that would not have received such protection in the past”).

<sup>105</sup> See *e.g.*, *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004) (finding defendant’s use of the term “micro colors” to be a fair use).

<sup>106</sup> See Graeme B. Dinwoodie & Mark D. Janis, TRADEMARKS AND UNFAIR COMPETITION 663 (summarizing fair use of another’s trademark).

<sup>107</sup> Restatement (Third) of Unfair Competition § 28 (1995). See also Lanham Act §33(b)(4)

That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

<sup>108</sup> 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §11:45 (4th ed. 2010) (elaborating on the two types of fair use defenses).

<sup>109</sup> See *Cains v. Franklin Mint Co.*, 292 F.3d 1139, 1152 (9<sup>th</sup> Cir. 2002) (distinguishing between the two fair use defenses).

The nominative fair use analysis is appropriate where a defendant has used the plaintiff’s mark to describe the plaintiff’s product, even if the defendant’s ultimate goal is to describe his own product. Conversely, the classic fair use analysis is appropriate where a defendant has used the plaintiff’s mark only to describe his own product, and not at all to describe the plaintiff’s product.

*Id.*

<sup>110</sup> See *International Stamp Art, Inc. v. United States Postal Service*, 456 F.3d 1270, 1274 (11<sup>th</sup> Cir. 2006) (finding Postal Service’s use of a perforated border on stamp art to be a good faith fair use).

<sup>111</sup> *Id.*

<sup>112</sup> See *e.g.*, *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118 (2004) (analyzing legislative intent behind the Lanham Act to conclude that there is no burden on the defendant to negate confusion when claiming fair use).

<sup>113</sup> *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* 408 F.3d 596 (9<sup>th</sup> Cir. 2005)

<sup>114</sup> See *e.g.* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (allowing defendant to plead fair use defense without having to negate confusion).

Nominative fair use provides a separate flavour of fair use and the defence is typically equated with permissible comparative advertising.<sup>115</sup> Nominative fair use exists when the defendant can prove: 1) that the product or service in question was one not readily identifiable without use of the trademark; 2) that only so much of the mark or marks was used as was reasonably necessary to identify the product or service; and 3) that the user did nothing that would suggest sponsorship or endorsement by the trademark holder.<sup>116</sup> As in descriptive fair use, courts adopt a bifurcated approach testing “confusion and fairness in separate inquiries.”<sup>117</sup>

The First Amendment of the United States Constitution protects individuals’ freedom of religion, speech, and press.<sup>118</sup> The Supreme Court noted that when the freedom of expression conflicts with the appearance of a trademark in a creative work, the court should construe the Lanham Act “to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”<sup>119</sup> Artwork portraying sporting events receives the same First Amendment protection as other fine art.<sup>120</sup> The higher the level of First Amendment rights implicated, the more likely the fair use assertion succeeds.<sup>121</sup>

### 3. Facts/Premise

Alabama University (“University”) is the oldest public university in the state of Alabama.<sup>122</sup> The University’s athletic teams are nicknamed the Crimson Tide and wear the colours of crimson and white for identification.<sup>123</sup> The football team is renowned and prestigious, having won twelve college national championships since its inception in 1892.<sup>124</sup> The University ranked eighth among college universities in 2009 generating \$57.37 million in revenues from college football.<sup>125</sup>

Daniel Moore (“Moore”) is a citizen of Alabama.<sup>126</sup> Moore is an “exceptional and beloved sports artist.”<sup>127</sup> He has rendered numerous realistic renditions of famous sports moments and figures in his “creative and

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<sup>115</sup> See *R.G. Smith v. Chanel, Inc.* 402 F.2d 562 (9<sup>th</sup> Cir. 1968) (allowing comparison of “Second Chance” perfume to “Chanel No. 5” as nominative fair use).

<sup>116</sup> See *New Kids on the Block v. New Am. Publ’g Inc.*, 971 F.2d 302, 308 (9<sup>th</sup> Cir. 1992) (finding newspapers’ use of the trademark ‘New Kids on the Block’ to be covered by nominative fair use).

<sup>117</sup> *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 232 (3d. Cir. 2005) (requiring Century 21 to prove confusion in LendingTree’s use of their mark before turning to nominative fair use determination).

<sup>118</sup> See U.S. CONST. amend. I (“Congress shall make no law . . . abridging the freedom of speech”).

<sup>119</sup> *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989) (holding that the movie title “Ginger and Fred” did not infringe on Ginger Rodger’s right of publicity).

<sup>120</sup> See *ETW Corp. v. Jireh Publishing, Inc.*, 332 F.3d 915, 936 (6th Cir. 2003). “A piece of art that portrays a historic sporting event communicates and celebrates the value our culture attaches to such events. It would be ironic indeed if the presence of the images of the victorious athlete would deny the work of First Amendment protection.” *Id.*

<sup>121</sup> See *ESS Entertainment 2000, Inc. v. Rock Star Videos*, 547 F.3d 1095, 1099 (9th Cir. 2008).

An artistic work’s use of a trademark that otherwise would violate the Lanham Act is not actionable unless the (use of the mark) has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless (it) *explicitly misleads* as to the source of the *content* of the work.

*Id.*

<sup>122</sup> See *Univ. Compl. at 7, University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala., 2009) (2005 WL 986824) [hereafter *Univ. Compl.*] (stating that Alabama University was founded in 1831).

<sup>123</sup> See *id.* at 14-16 (mentioning federal registration of trademarks Crimson Tide and Roll Tide). Additionally, the team utilizes an elephant mark, a BAMA mark, and the color scheme. *Id.*

<sup>124</sup> See *id.* at 8 (noting athletic excellence). Bear Bryant is the most famous individual associated with the Alabama football program. See *id.* He coached the program from 1958 to 1982. See *id.*

<sup>125</sup> See *Report: Auburn, Alabama make top 10 in football revenue, total sports income, archived at <http://www.webcitation.org/5uRNcyDWZ>* (reporting 2007-2008 earnings for Alabama and Auburn). The university generated \$88.87 million in overall sports revenue. *Id.*

<sup>126</sup> See *Univ. Compl.*, *supra* note 122 at 6 (introducing the parties in the litigation).

<sup>127</sup> Brief of Appellee at 16, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala.,2009) (2010 WL 3842708) [hereafter “Brief of Appellee”] (introducing Moore). Moore was named the “2005 Sports Artist of the

hallmarked style.”<sup>128</sup> His paintings command prices as high as \$75,000.<sup>129</sup> Moore incorporated New Life Inc. (“New Life”) to promote and sell his artistic works.<sup>130</sup> The majority of his paintings portray important moments in Alabama football history.<sup>131</sup> The works include football players wearing the trademarked university colours of crimson and white.<sup>132</sup>

Moore’s relationship with the university commenced in 1981, when he was licensed to create a print of famous Alabama football coach Bear Bryant.<sup>133</sup> For many years the University promoted and sold Moore’s works.<sup>134</sup> Moore paid a licensing fee for works that included indicia on the borders.<sup>135</sup> Their relationship began to disintegrate in 2002 when the University began to demand licenses from Moore for all works depicting Alabama sporting events.<sup>136</sup> Moore found these demands to be unacceptable as they would “control what he painted and how he expressed his messages.”<sup>137</sup> The relationship further deteriorated and the University brought suit in Alabama district court.<sup>138</sup>

In their claim, the University pleaded multiple claims for relief: breach of contract, federal unfair competition, state trademark dilution, common law trademark infringement, and unjust enrichment.<sup>139</sup> Upon the University’s motion for summary judgment, the District Court concluded that the University’s colours and uniform trade dress were functional and that there was no likelihood of confusion as to source.<sup>140</sup> Distinguishing Moore’s facts from *Boston Hockey*, the court stressed the “total distinction” between the use of colours in a piece of fine art as opposed to “cards, T-shirts, cups, mugs, posters, mini prints, and calendars.”<sup>141</sup> Thus, Moore’s paintings did not infringe on the University’s trademarks.<sup>142</sup>

The University appealed these findings.<sup>143</sup> In their appeal, the University highlights the non-functionality and uncontested secondary meaning of their marks.<sup>144</sup> The University contends that aesthetic functionality is a “dying doctrine” and that applying “aesthetic” principles to functionality is a slippery slope.<sup>145</sup> The appeal evokes Smack while arguing that the colour schemes used by Moore “had no significance other than to identify with the Universities and were therefore non-functional.”<sup>146</sup>

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Year” by the United States Sports Academy. See Brief of Appellee at 15, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala.,2009) (2008 WL 3115445).

<sup>128</sup> Brief of Appellee, *supra* note 127 at 17 (describing Moore’s professional reputation).

<sup>129</sup> See *Daniel A. Moore Prints*, archived at <http://www.webcitation.org/5uRNyAxGA> (displaying Moore’s biography).

<sup>130</sup> See *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238, 1244 (N.D.Ala.,2009).

<sup>131</sup> See *Daniel A. Moore Prints*, archived at <http://www.webcitation.org/5uRNyAxGA>. Moore does seem to depict other universities’ important football moments, as well as some other sports. *Id.*

<sup>132</sup> See *Daniel A. Moore Prints*, archived at <http://www.webcitation.org/5uRNyAxGA>.

<sup>133</sup> See Univ. Compl., *supra* note 122 at 18.

<sup>134</sup> See Univ. Compl., *supra* note 122 at 19.

<sup>135</sup> See Brief of Appellee, *supra* note 127 at 22. Moore paid the licensing fee because he felt the indicia banner increased the marketability of his prints.

<sup>136</sup> See Brief of Appellee, *supra* note 127 at 29. See also *And the Tide Rolls On . . . To Court*, available at [www.webcitation.org/5uROEkIzJ](http://www.webcitation.org/5uROEkIzJ) (summarizing litigation between New Life and Alabama University).

<sup>137</sup> Brief of Appellee, *supra* note 127 at 30.

<sup>138</sup> See Univ. Compl., *supra* note 122.

<sup>139</sup> See Univ. Compl., *supra* note 122 at 23-60 (listing causes of action).

<sup>140</sup> See Univ. Brief. at 21-29, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F. Supp. 2d 1238 (N.D.Ala., 2009) (2010 WL 3842707) [hereafter Univ. Brief].

<sup>141</sup> *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F. Supp. 2d 1238, 1250 (N.D.Ala., 2009).

<sup>142</sup> See Univ. Brief, *supra* note 140 at 21-29.

<sup>143</sup> See Univ. Brief, *supra* note 140 at 21-29.

<sup>144</sup> See Brief of Appellee at 12, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala.,2009) (2010 WL 3842709).

<sup>145</sup> *Id.* at 12.

<sup>146</sup> *Id.* at 13.

As Appellee, New Life argues that the functionality doctrine bars trademark protection of the team colours in Moore's paintings.<sup>147</sup> From the perspective of utilitarian functionality, New Life takes the position that the functionality doctrine applies because Moore's intention is to paint interesting football plays and "[p]ainting interesting plays in an Alabama football game necessitates depiction of Alabama football uniforms, which serve the non-source related function of making the painting realistic."<sup>148</sup> In terms of aesthetic functionality, the "inability to use Alabama's uniform colours would put New Life at a similarly significant, non-reputation-related disadvantage" in his capacity as a sports artist.<sup>149</sup> New Life further asserts that the University seeks a monopoly over accurate depiction.<sup>150</sup> The amicus brief characterizes the University's justifications as mere dislike of unjust enrichment and a desire to eliminate free-riding.<sup>151</sup> The Court of Appeals for the 11<sup>th</sup> District has yet to release a decision.<sup>152</sup>

#### 4. Analysis

Moore should be able to avoid trademark infringement by applying the functionality doctrine.<sup>153</sup> Artists such as Moore can harness the doctrine to avoid the shakedown for royalties that they face from sports franchises.<sup>154</sup> The merchandising right lacks trademark policy grounds because it is not about source designation and owes its existence to a fear of free-riding taken too far.<sup>155</sup> Fear of free-riding is not a good policy ground for expanding trademark law given that non-confusion copycat products enhance competition and keep prices low for consumers.<sup>156</sup> The functionality doctrine can shrink the merchandising right and mitigate the right's monopolistic tendencies.<sup>157</sup> Moreover, utilizing the doctrine in this capacity would also enhance predictability and promote efficiency in the courts.<sup>158</sup> Policy aside, according to the various functionality tests, the use of sports team colours are functional uses.<sup>159</sup>

##### 4.1 Testing the Functionality of Artistic Depictions of Sporting Events

The functionality doctrine prevents mark-holders from tying up a useful product feature.<sup>160</sup> Modern courts use a variety of tests to assess functionality.<sup>161</sup> Sports teams' colours satisfy functionality criteria regardless of which test we apply.<sup>162</sup> Under the identification test, "a feature can be trademarked only if it serves to identify the

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<sup>147</sup> See Brief of Appellee, *supra* note 127 at 23-24.

<sup>148</sup> Brief for et al. as Amici Curiae Supporting Appellant/Cross-Appellee at 18, *Alabama v. New Life Art, Inc.*, 677 F.Supp.2d 1238 (2009) (Nos. 09-16412-AA, 10-10092-A).

<sup>149</sup> *Id.* at 19.

<sup>150</sup> See *id.* at 20.

<sup>151</sup> See Brief for et al. as Amici Curiae Supporting Appellant/Cross-Appellee, *Alabama v. New Life Art, Inc.*, 677 F.Supp.2d 1238 (2009) (Nos. 09-16412-AA, 10-10092-A) (commenting on behalf of New Life, Inc.). Trademark law generally encourages free-riding, however, because it enhances marketplace competition. See *Board of Governors of the University of North Carolina v. Helpingstine*, 714 F.Supp. 167 (M.D.N.C. 1989) ("One can capitalize on a market or fad created by another provided it is not accomplished by confusing the public into mistakenly purchasing the product in the belief that the product is the product of the competitor.")

<sup>152</sup> See *Daily Log*, UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT, archived at <http://www.webcitation.org/5wTZCjpxO> (listing published cases in the Court of Appeals for the Eleventh Circuit).

<sup>153</sup> See *infra* pp. 19-21 (applying tests for functionality to Moore's case).

<sup>154</sup> See Brief for et al. as Amici Curiae Supporting Appellant/Cross-Appellee at 24, *Alabama v. New Life Art, Inc.*, 677 F.Supp.2d 1238 (2009) (Nos. 09-16412-AA, 10-10092-A) ("the University's functionality argument . . . boils down to a simple contention that New Life's ability to use the colors of Alabama's football uniforms allows New Life to gain a benefit for which the University would charge a licensing fee if it could").

<sup>155</sup> See *Owning Mark(et)s*, *supra* note 94, at 147-48 (2010) (criticizing the merchandising right).

<sup>156</sup> Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1073 (stating that extension of government sponsored monopoly should occur only if necessary).

<sup>157</sup> See *infra* pp. 22-23 (examining the impact on the merchandising right of applying the functionality doctrine).

<sup>158</sup> See *infra* pp. 24-25 (examining the impact on the merchandising right of applying the functionality doctrine).

<sup>159</sup> See *infra* pp. 23-26 (applying tests for functionality to Moore's case).

<sup>160</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164 (1995) (defining functionality doctrine).

manufacturer or sponsor of the product.”<sup>163</sup> The effective competition test provides an alternative formulation of the test for functionality and is the prevailing theory in modern courts.<sup>164</sup>

Using the identification test, Moore’s use of Alabama’s colours does not indicate to purchasers of the artwork that it was created or sponsored by the University.<sup>165</sup> Consumers experience minimal confusion in situations where they purchase such art and the confusion is not to the source of the goods.<sup>166</sup> As Moore’s brief stated, “Capitalizing on a market, a fad or even the goodwill created by others, however, is simply not prohibited in the absence of any confusion.”<sup>167</sup> While purchasers clearly identify the colours in the artwork with the Alabama football program, no evidence exists that they assume that the paintings were produced or sponsored by the Alabama corporate entity.<sup>168</sup> The absence of sponsorship confusion renders the trademark use functional under the identification test.<sup>169</sup>

The effective competition test used by the *Traffix* Court determines “if conferring trademark protection for that feature would enable the trademark holder to prevent other suppliers from competing over the market for the product.”<sup>170</sup> If the law hinders Moore’s access to colours of crimson and red, it would run afoul of the effective competition test.<sup>171</sup> The fact that the paintings include easily identifiable Alabama football players is the *sine qua non* of the work.<sup>172</sup> If a potential customer faced the option of purchasing two skilful depictions of a great moment in Alabama football, one bearing the trademarked Alabama crimson and white and another with random, unidentifiable colours, it would be no choice at all; the customer would choose the piece with the Alabama colours in it.<sup>173</sup> In this sense, the Alabama team colours perform a function without which Moore could not effectively compete.<sup>174</sup>

Some courts, such as the court in *National Football League Properties* are quick to find sponsorship confusion for sports merchandise.<sup>175</sup> The sponsorship confusion argument holds more water where we are dealing with clothing, hats, or official jerseys because there has been evidence presented in cases involving such goods that sponsorship confusion occurs.<sup>176</sup> However, there is no indicia of consumer sponsorship of artistic

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<sup>161</sup> See Wong, *supra* note 20, at 1132 (“courts have formulated an arcane assortment of tests and sub-definitions, seemingly without any consistent methodology”).

<sup>162</sup> See Wong, *supra* note 20, at 1132.

<sup>163</sup> Wong, *supra* note 20, at 1133 (defining identification theory as the original understanding of functionality).

<sup>164</sup> See *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001); Wong, *supra* note 20, at 1142 (noting that the competition test has been adopted in a majority of courts and in the Restatement Third of Unfair Competition).

<sup>165</sup> See Amici Brief at 13 (“in light of Moore’s own artistic reputation and his prominent use of his name on each painting, there is simply no reason to think that consumers care what sort of contractual relationship, if any, New Life has with the University, or that they would even think about such a relationship when making decisions”).

<sup>166</sup> See *id.*

<sup>167</sup> Brief of Appellee, *supra* note 127 at 23.

<sup>168</sup> See Amici Brief at 10-11 (noting lack of evidence).

<sup>169</sup> See Amici Brief at 13.

<sup>170</sup> Wong, *supra* note 20, at 1143 (describing effective competition test as the presently prevailing test in courts).

<sup>171</sup> See Amici Brief at 23 (“It is the defendant’s non-source-related need . . . that triggers the aesthetic functionality doctrine”).

<sup>172</sup> See Amici Brief at 20 (“Other colors simply are no substitute for accurately depicting Alabama’s Crimson and White”). Conveying support for the university’s football team is the artwork’s *raison d’être*. See *id.*

<sup>173</sup> See Amici Brief at 20 (“Fans of Alabama football want pictures of Alabama football players, and it is cold comfort to say that New Life can sell pictures of non-Alabama football players”).

<sup>174</sup> See Amici Brief at 15 (“audiences are interested in Moore’s work precisely because they are realistic depictions of actual events”).

<sup>175</sup> See, e.g., *National Football League Properties, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 327 N.E.2d 247, 250 (Ill. App. 1975) (describing evidentiary survey completed by a professor of law and sociology). “78% of the respondents identified the emblems with football teams; of this 78%, 69% believed all or some of the emblems were official, 58% believed the emblems were authorized by the teams and 60% believed clothing to which the emblems were affixed was authorized.” *Id.*

<sup>176</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 477 (“later rulings in NFL suits have turned upon surveys and other evidence indicating the widespread belief that team-related jerseys are officially licensed by the NFL”).

works such as Daniel Moore's paintings; therefore, under the identification test there should be no cause of action available for the sports franchises.<sup>177</sup>

Even though the painting's colours don't perform a mechanical function, the aesthetic functionality doctrine allows for an examination of the aesthetic feature's functional characteristics.<sup>178</sup> Moore will suffer a significant non-reputation related disadvantage if he is not allowed to use the colours of crimson and red because no customer will want paintings that depict moments in Alabama football history that do not actually include Alabama players and colours.<sup>179</sup> The functional nature of Moore's uses removes any trademark protections to the colours, so he should be able to use the sports team colours to convey his artistic message.<sup>180</sup>

#### *4.2 Merchandising Right / Lack of Harm*

Courts often retreat to principles outside of trademark law to justify the merchandising right, which owes its existence largely to fears of unjust enrichment and free riding.<sup>181</sup> Free-riding, however, is generally encouraged in United States because it creates competition, driving down prices and improving the quality of goods.<sup>182</sup> Even courts motivated by such a fear acknowledge the grossly disparate positions of artists, even successful artists such as Moore, and large mark-holding companies such as Major League Baseball, the National Football League or Alabama University.<sup>183</sup> In extending a right unjustified by traditional principles of trademark law, the courts merely reverse the flow of the unwarranted enrichment – into the hands of the large mark-holding interests.<sup>184</sup> Meanwhile, this re-routing causes Americans to miss out on the benefits of harmless free-riding in the realm of the merchandising right by having less choice in the marketplace.<sup>185</sup> Artists must pay a licensing fee to complete their artwork and earn a living; this cost will be passed on to consumers.<sup>186</sup> The merchandising right has been criticized at length.<sup>187</sup> Allowing artists to use team colours reduces the scope of the right.<sup>188</sup>

Monopolies create adverse consequences for the populace.<sup>189</sup> The merchandising right creates exactly the sort of monopoly that the functionality doctrine seeks to temper.<sup>190</sup> Despite the fact that customers want to display support for the franchise by wearing team colours, the sports industry sustains their infinite-duration monopoly on these colours through trademark law concepts.<sup>191</sup> Such an infinite monopoly in a functional feature

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<sup>177</sup> See Amici Brief at 10-11 (placing burden of proving sponsorship confusion on the University of Alabama).

<sup>178</sup> See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159 (1995) (finding the gold color of laundry press pads functional).

<sup>179</sup> See Amicus Brief at 19 (“most consumers purchase New Life’s products because they contain realistic depictions of the Alabama football uniforms”).

<sup>180</sup> See Amici Brief at 25 (proposing that restricting such speech is harmful to society).

<sup>181</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 482 (“The merchandising right cases seem to stem from the unjust enrichment instinct”). “The Supreme Court views functionality as the ultimate guardian of marketplace competition, and has, of late, repeatedly emphasized its significance.” *Id.* at 471.

<sup>182</sup> See Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1050 (exposing the benefits of free-riding).

<sup>183</sup> See Brief of Appellee at 15, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala.,2009) (2008 WL 3115445) (describing the parties in the litigation).

<sup>184</sup> See *Owning Mark(ets)*, *supra* note 94, at 137 (“Courts have understood in these cases, as in the merchandising cases, that substantial value was at stake, and their sense that the value belonged to the mark owner clearly influenced their decision”).

<sup>185</sup> See *Owning Mark(ets)*, *supra* note 94, at 137 (“The market preemption and free-riding arguments have served to distract attention from the question of whether consumers are in fact confused to their detriment--or, in the case of dilution, whether they are otherwise harmed--by such uses”).

<sup>186</sup> See Brief of Appellee at 15, *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F.Supp.2d 1238 (N.D.Ala.,2009) (2008 WL 3115445).

<sup>187</sup> See, e.g., Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 506 (“the Supreme Court seems to have a firm idea of what trademark law is about, a vision that leaves no room for a merchandising right”).

<sup>188</sup> See U.S. CONST. art. I, § 8, cl. 8. (“To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

<sup>189</sup> See, e.g., *Slaughter-House Cases*, 83 U.S. 36, 44-47 (1872) (warning of the dangers of monopolies).

<sup>190</sup> See 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §7:49 (4th ed. 2010).

<sup>191</sup> See Dogan & Lemley, *The Merchandising Right*, *supra* note 60 at 471-72 (noting tendency of universities to garner royalties).

violates the limited times provision of the Copyright clause insofar as the trademark has copyright protection.<sup>192</sup> Where only the official licensing agency of the respective mark holders may manufacture goods bearing the team marks, we do not strike the proper policy balance in light of consumers and new-comers to the market.<sup>193</sup> Functionality's monopoly-busting tendencies can be harnessed.<sup>194</sup>

Some defenders of the merchandising right assert natural rights as a justification for its existence.<sup>195</sup> Evoking John Locke, the proponents of this argument note the priceless value of trademarks and feel that the mark-holder stands in the most worthy position to receive the benefit of that value.<sup>196</sup> Alabama's brief contains hints of the argument: that because Alabama holds a mark in the crimson and white colours, they deserve to receive any value extracted from that mark.<sup>197</sup> However, these justifications do not accommodate or justify Alabama's argument that they deserve any and all value derived from their marks.<sup>198</sup>

The unjust enrichment approach inherent in the merchandising right inhibits competition and creates monopolies.<sup>199</sup> The public shoulders the harm by having to pay more for all products bearing the mark, including artwork.<sup>200</sup> If we temper the merchandising right, a door will open allowing competitors and competition to enter the market which will drive down costs and make art more readily available and accessible.<sup>201</sup> Additionally, a larger percentage of the profits from such pieces of art would make their way into artists' pockets.<sup>202</sup>

#### 4.3. Moore's Alternative Defenses

The argument of trademark functionality in Moore's paintings intersects to a substantial degree with a fair use defence or an appeal to the First Amendment.<sup>203</sup> Moore asserts a classic fair use defence in addition to claiming aesthetic functionality.<sup>204</sup> The essence of Moore's fair use argument is that he used Alabama's mark in good faith and in a descriptive way (not as a designator of source).<sup>205</sup> Under the test for good faith described in

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<sup>192</sup> See U.S. CONST. art. I, § 8, cl. 8.

<sup>193</sup> See Derek Taylor, *Splitting the Uprights: How the Seventh Circuit's American Needle Holding Created a Circuit Split and Exempted the NFL from Antitrust Scrutiny, and Why the Supreme Court Should Overturn the Seventh Circuit*, 6 DEPAUL J. SPORTS L. & CONTEMP. PROBS. 143, 148 (2010) (describing prevalence of the exclusive licensing agent model); *Owning Mark(et)s*, supra note 94, at 188. The Supreme Court agrees with the importance of preserving competition: "The Supreme Court's opinions manifest a deep-seated concern for the inherent value of competition in product markets." Dogan & Lemley, *The Merchandising Right*, supra note 60 at 496.

<sup>194</sup> See Dogan & Lemley, *The Merchandising Right*, supra note 60 at 471-72 (noting tendency of universities to garner royalties).

<sup>195</sup> See *Owning Mark(et)s*, supra note 94, at 181 (analyzing natural rights justification for extending the merchandising right).

<sup>196</sup> See *Owning Mark(et)s*, supra note 94, at 181-82.

<sup>197</sup> See Univ. Compl., supra note 122 at 6 ("Daniel Moore is a commercial artist who has made substantial sums from, and developed a reputation based largely on, relationships with the University of Alabama").

<sup>198</sup> See *Owning Mark(et)s*, supra note 94, at 182.

<sup>199</sup> See *Owning Mark(et)s*, supra note 94, at 184-85. "An unjust enrichment approach--one that attempts to identify and weed out free riding--may actually do affirmative economic harm." *Id.*

<sup>200</sup> See *Owning Mark(et)s*, supra note 94, at 186 ("And there is substantial social benefit, not only to the seller but to consumers, who get a wider variety of mark-related goods, generally at a lower price and of higher quality than the mark owner alone would license").

<sup>201</sup> See Daniel Moore, *The Coach and 315*, archived at <http://www.webcitation.org/5wTb7vzcK> (listing 175 dollars as the asking price). Seems expensive enough as it is. *Id.*

<sup>202</sup> See *Owning Mark(et)s*, supra note 94, at 170 (hinting that fear of free riding creates windfall for trademark holder).

<sup>203</sup> See Moore's brief at 15.

Whether the doctrinal tool is functionality . . . aesthetic functionality . . . nominative fair-use . . . or a First Amendment-based defense . . . the point is the same: Trademark law recognizes that claims of source confusion must be rejected when they interfere with substantial policies ensuring freedom to speak or to compete.

*Id.*

<sup>204</sup> See *id.*

<sup>205</sup> See *International Stamp Art, Inc. v. United States Postal Service*, 456 F.3d 1270 (11<sup>th</sup> Cir. 2006) (providing the test for the classic fair use defense).

*International Stamp Art*, Moore used is the mark in good faith because he did not intend to create confusion as to source.<sup>206</sup> At this point, the fair use discussion merges with the functionality considerations discussed in previous sections; i.e., just as source-confusion was determinative in answering the functionality and merchandising right questions discussed above, the strength of Moore's fair use defence hinges in large part on the extent of consumer confusion as to the source of the goods.<sup>207</sup> Consumers are not confused about the source of Moore's paintings despite the presence of Alabama's trademarks; therefore Moore's fair use defence would likely succeed.<sup>208</sup>

The fair use defence inherently considers First Amendment concerns.<sup>209</sup> Moore has a right under the First Amendment to express his artistic message.<sup>210</sup> Moore's brief highlights the high degree First Amendment protection afforded to his fine art.<sup>211</sup> In balancing mark-holders' interests against individuals' First Amendment rights, we consider the public interest in free expression against the public interest in avoiding consumer confusion.<sup>212</sup> All roads lead to Rome; i.e., in analyzing a First Amendment defence we again consider the likelihood of consumer confusion.<sup>213</sup> Moore's use does not create confusion as to the source of the good and so the balance tilts in favour of the public interest in preserving the freedom of expression.<sup>214</sup>

The defences of fair use and the First Amendment protection hinge on the same principle that determined the applicability of the merchandising right in the face of functionality - no confusion as to source.<sup>215</sup> Still, a functionality defence provides benefits to artists that transcend the protection afforded by fair use.<sup>216</sup> For one, the determination of functionality occurs at the beginning of the pleading instead of at the end. Functionality avoids the uncertainty that is evident in the fair use doctrine in the wake of the *KP Permanent* decision, where confusion remains a determinative factor in applying the fair use defence.<sup>217</sup> If a trademark is found functional, evidence of confusion simply does not matter.<sup>218</sup> Additionally, a functionality defence carries more rhetorical force than a fair use defence.<sup>219</sup>

#### 4.4 Limitations

This application of the functionality doctrine applies only to sports teams' trademarks used in artists' original paintings, prints, sculptures and other graphic renditions.<sup>220</sup> It would not apply to t-shirts, hats, jerseys, or other

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<sup>206</sup> See *id.* at 1274 (defining good faith in the context of descriptive fair use).

<sup>207</sup> See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596 (9<sup>th</sup> Cir. 2005) (listing 'the degree of likely confusion' as a factor for the jury to consider in determining fair use).

<sup>208</sup> See Amici Brief at 10-11 (placing burden of proving sponsorship confusion on the University of Alabama).

<sup>209</sup> See Michael B. Weitman, *Fair Use in Trademark in the Post-KP Permanent World*, 71 BROOK. L. REV. 1665, 1693 ("trademark fair use certainly intertwines freedom of speech concerns").

<sup>210</sup> See *Rogers v. Grimaldi*, 875 F. 2d 994, 996 (holding that the movie title "Ginger and Fred" did not infringe on Ginger Rodger's right of publicity).

<sup>211</sup> See Moore's brief at 8. The fact that Moore sells his visual images in commerce does not substantially diminish the amount of protection afforded to his speech. *Id.*

<sup>212</sup> See *Rogers v. Grimaldi*, 875 F. 2d 994, 998 ("the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression").

<sup>213</sup> See *id.*

<sup>214</sup> See Amici Brief at 10-11.

<sup>215</sup> See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (including confusion as a factor in the fair use analysis); *University of Kansas v. Sinks*, 565 F.Supp.2d 1216, 1225-26 (including consideration of sponsorship confusion in applying merchandising right).

<sup>216</sup> See *e.g.* Lanham Act, 15 U.S.C. § 1064(3) (allowing petition for cancellation of a mark that is functional).

<sup>217</sup> See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118 (2004)

<sup>218</sup> See *Dogloo, Inc. v. Doskocil Mfg. Co.*, 893 F. Supp. 911, 918 (C.D. Cal. 1995) ("Functionality is a potent public policy, for it trumps all evidence of [confusion].")

<sup>219</sup> Saying "You don't have a trademark" hits harder than saying "You have a trademark but I am permitted to use it."

<sup>220</sup> See *University of Alabama Bd. of Trustees v. New Life Art Inc.*, 677 F. Supp. 2d 1238, 1250 (N.D.Ala., 2009) (recognizing distinction between fine art and "cards, T-shirts, cups, mugs, posters, mini prints, calendars").



articles of clothing because of the increased likelihood of sponsorship confusion in those markets.<sup>221</sup> Mark-holding sports teams would still possess revenue streams in other areas, including all situations where adequate evidence of sponsorship confusion exists.<sup>222</sup>

## 5. Conclusion

Courts should apply the functionality doctrine to sports' team colours in graphic, artistic works. Under modern functionality tests, sports team colours used in artwork meet functionality requirements. The functionality doctrine exists to prevent monopolies over useful product features. The application tempers the expansive merchandising right – a right based not in traditional trademark logic but in instinctive, unwarranted fear against free riding on disparate or unrelated goods. Functionality provides artists a stronger, more rhetorically forceful argument than typical affirmative defences.

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<sup>221</sup> *See id.*

<sup>222</sup> *See Dogan & Lemley, The Merchandising Right, supra* note 60 at 506 (concluding that most consumer confusion cases can be decided on the basis of sponsorship or post-sale confusion).