

Ninth Circuit Report



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ART ATTACKS INK, LLC VS. MGA ENTERTAINMENT, INC. **F.3D (9TH CIRCUIT, SEPTEMBER 16, 2009)**

THIS TRADEMARK AND TRADE DRESS case clarifies the Ninth Circuit intellectual property law in several ways.

The plaintiff, Art Attacks Ink, LLC (“Art Attacks”) sued MGA Entertainment alleging copyright, trademark and trade dress infringement for MGA’s sale of its “Bratz” dolls, which bear similar designs, large eyes, heavy makeup, oversized eyes, head and feet, and bare midriffs, to designs Art Attacks sold or airbrushed onto shirts at county fairs and on Art Attacks’ website, referred to as “Spoiled Brats.”

In an appeal of a Rule 50(b) motion, which the Ninth Circuit procedurally found to be filed within the time restrictions of Federal Rule 6(b) and Rule 50(b) as a nonjurisdictional motion, and thus timely, because Art Attacks never objected to the timeliness of the motion,

the court dealt with several copyright infringement and trade dress issues.

Access Not Shown for Copyright Infringement

The first issue with respect to copyright infringement, upon which MGA appealed, was that, even assuming that the designs were similar, the plaintiff had not shown evidence of copying.

In order to prevail in a copyright infringement case, the plaintiff must show either direct evidence of copying, or “access to the plaintiff’s work” such that copying can be proved circumstantially.

In the Ninth Circuit:

To prove access, a plaintiff must show a reasonable possibility, not merely a bare possibility, that an alleged infringer had the chance to view the protected work. Where there is no direct evidence of access, circumstantial evidence can be used to prove access either by (1) establishing a chain of events linking the plaintiff’s work and the defendant’s access, or (2) showing that the plaintiff’s work has been widely disseminated.

First, Art Attacks made an implicit argument of a “chain of events” linking access, by arguing that an MGA decisionmaker may have attended a county fair in which the plaintiff’s copyrighted works were being sold and distributed.

Because there was no direct evidence of such a visit or actual viewing, the court held that “though there may be some slight chance that [the MGA official] did visit the fair sometime during the relevant period, that chance does not create more than a ‘bare possibility’ of a chain of events linking Art Attacks designs to MGA.” This “bare possibility” did not rise to a level to establish access under the law.

Next, Art Attacks argued that there was access through wide dissemination of

its copyrighted work. Art Attacks argued that “it widely disseminated the Spoiled Brats designs in three ways: (1) on the Art Attacks booth itself, (2) on Spoiled Brats T-shirts, which serve as ‘walking billboards,’ and (3) via the internet.”

What constitutes “wide dissemination” is the subject of several prior cases: In *Rice v. Fox Broadcasting Co.*,¹ the Ninth Circuit had “held that a video that sold 19,000 copies over a thirteen-year period could not be considered widely disseminated.” Art Attacks’ attempt to distinguish *Rice* and other cases by arguing that while some articles, such as videos and books, require more attention, T-shirts require only an instant viewing to provide access to the copyrighted work. Art Attacks argued that the court should look beyond the sales figures, and consider the number of people potentially exposed to its copyrighted merchandise.

The facts here did not convince the Ninth Circuit. While millions of people attended county fairs where the plaintiff displayed its designs, there was not sufficient evidence that a significant number of passers-by would notice the booth, or the particular designs at the booth, among many others displayed. As to Art Attacks’ argument that the display on the front of its T-shirts were “walking billboards” displaying the designs wherever they were worn, this the court also found did not prove wide dissemination to the extent necessary to create more than a “bare possibility” that MGA had access.

Access Not Established Through the Internet

In an argument that will likely be cited many times in the future, the court decided whether access would be shown through the plaintiff’s internet website.

While the court recognized the “power of the internet to reach a wide and diverse audience,” the court found in this case that the evidence was insufficient to

demonstrate wide dissemination.

The plaintiff's website evidence was of use during the early years of common internet use. The court noted also that at the time the image-heavy website took two full minutes to fully load, and that even then the Spoiled Brats design at issue was only one of several images on the page. Furthermore, viewers would not see the image initially without scrolling down the page being viewed.

The court also noted that the plaintiff's website did not include "metatags," which are invisible pieces of data embedded in websites to act as flags to internet search engines. As a result of the lack of metatags, the court noted that a viewer who typed "Spoiled Brats," which was the name of the plaintiff's designs, into a search engine, would not likely encounter the plaintiff's page with the designs. Accordingly, the court found that a website with all such limitations at the time could not have "widely disseminated" the plaintiff's copyrighted works. As the court said, "a reasonable jury could not have concluded that there was more than a bare possibility that MGA had access." Thus, the court affirmed the district court's grant of summary judgment on the copyright claim.

Trade Dress Infringement

Art Attacks also accused MGA of trade dress infringement arising from the defendant's dolls' similarity to plaintiff's T-shirt designs.

In order to prove trade dress infringement, a plaintiff must demonstrate that "(1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary meaning, and (3) there is a substantial likelihood of confusion between the plaintiff's and defendant's products."

The Ninth Circuit analyzed the appeal on the second factor, where Art Attacks argued that its trade dress had acquired a secondary meaning, or acquired distinctiveness. As the Ninth Circuit noted,

citing its prior decision in *Filipino Yellow Pages*,² "secondary meaning can be established in many ways, including (but not limited to) direct consumer testimony; survey evidence; exclusivity, manner, and length of use of a mark; amount and manner of advertising; amount of sales and number of customers; established place in the market; and proof of intentional copying by the defendant." In order to show secondary meaning, a plaintiff must demonstrate "a mental recognition in buyers' and potential buyers' minds that products connected with the [mark] are associated with the same source."

Art Attacks argued that a reasonable jury could have found secondary meaning based upon: (1) purchaser perception; (2) advertising; (3) extent and exclusivity of use; and (4) actual confusion.

Art Attacks' "purchaser perception" argument was based upon its widespread dissemination of its T-shirts. As the court noted, while "direct survey evidence of purchaser perception is not required," Art Attacks failed to demonstrate that purchasers of a product that displayed the characteristics of the plaintiff's line, figures with large eyes, oversized feet, and similar characteristics, would link that product with a single source. The plaintiff's only evidence was the testimony of its employee, who said she would associate the images, but the court cited its own decision in *Japan Telecom*³ that testimony from a single source is insufficient to demonstrate secondary meaning. Accordingly, the court held that a reasonable jury could not have found sufficient purchaser association to establish secondary meaning.

Secondly, Art Attacks relied upon advertising. As the court noted, "to demonstrate secondary meaning based on advertising, the advertising must be of a 'nature and extent to create an association' with the advertiser's goods. [citing *Dept of Parks and Recreation v. Bazaar*

*Del Mundo*⁴] ... The 'true test of secondary meaning' is the effectiveness of the advertising effort."⁵ The court found that the website and county fair booths, even though many people passed by the booths and the website was widely available, provided no evidence that these efforts were effective to establish secondary meaning.

Thirdly, Art Attacks attempted to show secondary meaning based upon the fact that it held a copyright to the designs for over five years. Because secondary meaning could be established through such things as exclusivity, Art Attacks argued that its copyright provided such exclusivity.

The Ninth Circuit noted that "other circuits have explicitly held that extensive use alone cannot establish secondary meaning." (See, e.g., the Fifth Circuit decision in *Vision Center v. Opticks*.⁶) The Ninth Circuit noted that its "own cases have established that secondary meaning requires more than extensive use alone." In prior cases it had held that "evidence of use and advertising over a substantial period of time" was enough to establish secondary meaning, but not merely continuous use. Creatively, Art Attacks cited 15 U.S.C. § 1052(f), arguing that this statute, which applied only to trademark registrations, supported secondary meaning, but the court noted that it, too, required more: to wit, that "proof of substantially exclusive and continuous use thereof as a mark" can serve as *prima facie* evidence of distinctiveness.

Because Art Attacks showed no evidence of exclusivity to go along with its evidence of continuous use, the Court of Appeals found that a reasonable jury could not have found secondary meaning.

Finally, Art Attacks attempted to show secondary meaning by demonstrating actual customer confusion, relying upon the testimony of its employees, or

personal friends of Art Attacks' founder. The Ninth Circuit noted that in *Japan Telecom*,⁷ it had rejected evidence of actual confusion from witnesses who had a personal relationship with the plaintiff company's president, and in other cases had found declarations from employees to have little probative value. Thus, the court held that a reasonable jury could not have found actual confusion sufficient to establish secondary meaning.

The broad language of this case provides further development of the law regarding trademark and copyright infringement, and will often be cited in further cases on the issues. ■

[Author Note] It remains to be seen how access to a plaintiff's website and internet availability will be treated in the future,

beyond this early period Internet case. First, internet websites may have more intelligence and data about the extent of access to the pages, and today we have widespread Internet use. With today's wide bandwidth, websites take little time to load. Also, "metatags" are much less important to most of the search engines widely used today.

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Endnotes

1. *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170, 1178 (9th Cir. 2003).
2. *Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.*, 198 F.3d 1145, 1151 (9th Cir. 1999).
3. *Japan Telecom v. Japan Telecom Am.*, 287 F.3d ___, 866-67 (9th Cir. 2002).
4. *Dep't of Parks and Recreation v. Bazaar Del Mundo*, 448 F.3d 1118, 1128 (9th Cir. 2006).
5. *International Jensen v. Metrosound U.S.A.*, 4 F.3d 819, 824 (9th Cir. 1993).
6. 596 F.2d 111, 119 (5th Circuit 1979).
7. *Supra*, note 3.