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Bruce Strauch

The Citadel, strauchb@citadel.edu

Sever Bordeianu

University of New Mexico, sbordeia@unm.edu

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Cases of Note — Trademark and Copyright Infringement

Column Editor: **Anne F. Jennings**, InfoFacto, The Legal and Business Research Center, LLC, 145 King Street, Suite 406, Charleston SC 29401; phone: 803-958-0303; fax: 803-958-0305 <infofacto_aj@charleston.net>

Trademark Case — Venue

by **Bruce Strauch** (The Citadel) <strauchb@citadel.edu>

Law Bulletin Publishing Co., v. LRP Publications, Inc., et al., U.S. District Court, N.D. Illinois, Eastern Division (Jan. 30, 1998), 1998 WL 42259 (N.D.Ill.).

This is a cautionary tale for anyone who thinks gee whiz it sure is easy to do business over the Internet and through the mail.

Plaintiff **Law Bulletin Publishing Company** (LBPC) is a Chicago-based publisher of legal publications dealing with legal activities in Illinois. Defendant **LRP Publications, Inc.** (LRP) was initially Pennsylvania-based but moved its headquarters to Florida. The Defendant subscribed to Plaintiff's publications via an employee in Florida. Under the subscription contract, Defendant LRP had recognized Plaintiff LBPC's copyright in the data and had agreed not to "computerize, record, or remark" any of LBPC's data. In the lawsuit, Plaintiff alleged that Defendant input the data in original and derivative form into its database for use in its publications which are national — not regional — in scope.

At this point, you are saying hmmm, sounds like a Feist-type problem, which would be interesting. But that's not what the case is really about.

Plaintiff sued under the **Lanham Act** — the **Federal Trademark Act** — which gave jurisdiction to the Federal Courts under 28 U.S.C. §1331. **Jurisdiction** is the legal right by which Courts have authority over a class of cases — the inherent power to decide a case. Under Federal rules Plaintiff could sue at the home of either itself or the Defendant.

Naturally, the Plaintiff felt aggrieved and wanted to minimize its inconvenience in seeking a remedy. So Plaintiff sued in Illinois. But Defendant had its own considerations of convenience and wanted the forum in Florida. Defendant moved to transfer the case to Florida where it was in the process of shifting its headquarters.

28 USC § 1404(a) governs **venue** — the most convenient place to hold a trial. "For the convenience of the parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

Transfers are made for (1) the convenience

of witnesses and (2) to promote the efficient administration of justice. *North Shore Gas Co. v. Salomon, Inc.*, 896 F.Supp. 786, 791 (N.D.Ill.1995). Decisions on transfers are within the "**sound discretion**" of the trial court. *Heller Fin., Inc. v. Midwhey Powder Co.*, 883 F.2d 1286, 1293 (7th Cir.1989).

"Sound discretion" means the judge can pretty much do as he/she pleases without worrying about an appeals court second guessing.

Deference is given to the Plaintiff's chosen forum — especially its home forum. *Vandeveld v. Christoph*, 877 F.Supp. 1160, 1167 (N.D.Ill.1995). *This follows from the logic of the Plaintiff being already aggrieved. But then, every Defendant feels the plaintiff's allegations are a pack of lies. So this deference easily gives way to the question of the situs of material events.*

The Defendant signed and allegedly breached the subscription agreement in Florida. More important, the Defendant's database was in Florida containing "voluminous" documents which were the focus of the litigation.

The convenience of witnesses is not supposed to turn solely on the length of the witness list but rather on the quality of their testimony. *Rose v. Franchetti*, 713 F.Supp. 1203, 1214 (N.D.Ill.1989). The Court found that many of Plaintiff's witnesses had duplicative testimony. Plaintiff's list was thus reduced to four vs. eleven for Defendant.

Transference should consider the ability of the parties to bear the **cost of travel**. *Habitat Wallpaper & Blinds, Inc. v. K.T. Scott Ltd. Partnership*, 807 F.Supp. 470, 474 (N.D.Ill. 1992). It should not simply ex-

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Copyright Infringement — Substantial Similarity — Stock Figures and Scenes a Faire

Adsani v. Miller, PMA, U.S. District Court, S.D. New York (April 22, 1996), 1996 WL 194326 (S.D.N.Y.).

While the outcome of this case was not surprising, it provides a lucid look at the practicalities of determining copyright infringement and almost a glossary of useful terms.

Plaintiff **Monika Adsani** is a European who married a Kuwaiti and went to live in his country where she had a lot of unhappy experiences. She wrote three manuscript versions of her autobiography all with "Cinderella" in the title. Defendant literary agent **Peter Miller** contracted to represent "Cinderella" for one year at the end of which he ended the relationship without a sale. Adsani sent him an updated version of the book but he told her he was marketing "Princess" by author **Jean Sasson** which subse-

quently was sold to **William Morrow** and a sequel "Daughters" to **Doubleday**.

Adsani, alleging that Miller and Sasson stole her work, sued them and the publishers for copyright infringement.

Summary judgment — noninfringement as a matter of law determined by the District Court judge — was granted Defendants. Courts have a duty to control the outer limits within which juries determine questions of fact. *Warner Bros., Inc. v. American Broadcasting Co.*, 654 F.2d 204, 245 (2d Cir. 1983). The Court found the works so different that no reasonable trier of fact — a jury — could find substantial similarity.

Copyright protects **means of expression** employed by the author, not the underlying ideas. *CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc.*, 44

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F.3d 61, 68 (2d Cir. 1994), cert. denied, 116 S. Ct. 72 (1995). For copyright to be violated, a **substantial similarity** must exist between the two works. *Knitwaves, Inc. v. Lollytogs, Ltd.*, 71 F.3d 1002 (2d Cir. 1995). The test for evaluating this similarity is “whether an **average lay observer** would recognize the alleged copy as having been appropriated from the copyrighted work.” *Warner Bros., Inc. v. American Broadcasting Companies*, 654 F.2d 204, 208 (2d Cir. 1981 (quoting *Ideal Toy v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022 (2d Cir. 1966))).

Courts determine the similarity question “primarily through detailed viewing or reading of the works themselves.” *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 52 (2d Cir.), cert. denied, 476 U.S. 1159 (1986) to examine their “**total concept and feel**.” *Knitwaves*, 71 F.3d at 1003 (quoting *Eden Toys, Inc. v. Marshall Field & Co.*, 675 F.2d 498, 500 (2d Cir. 1982)).

The focus is on similarity of expression and not facts, ideas or concepts. *Rogers v. Koons*, 960 F.2d 301, 308 (2d Cir.), cert. denied, 506 U.S. 934 (1992) (citing *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 912 (2d Cir. 1980)). “**Scenes a faire**” — “sequences of events which necessarily follow from a common theme” are not protected. *Reyher v. Children’s Television Workshop*, 533 F.2d 87, 91 (2d Cir.), cert. denied, 429 U.S. 980 (1976).

Stock figures are not protected. “[T]he less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for making them too indistinctly.” *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121-22 (2d Cir. 1930), cert. denied, 282 U.S. 902 (1931).

In granting summary judgment to the Defendants, the Court found the stories to be different in mood, details, sequence and characterization. While each has a female protagonist living in the Middle East, all similarities end there. One took place in Kuwait, the other in Saudi Arabia. Although both countries lie in the Middle East, there are considerable differences between them. One story describes the culture shock of a European living among Arabs; the other the awakening feminist instincts of a native Arab woman — a royal family member of the House of Saud. This analysis continues for a very lucid eleven pages for those who want to examine the process themselves.

Let’s go back and take a look at a couple of those cases cited in Adsani.

Stock Figures

Nichols v. Universal Pictures Corporation et al, 45 F.2d 119 (2d Cir. 1930)

Nichols is an often cited copyright dispute between a play and a movie. — “Abie’s

Irish Rose” and “The Cohens and the Kellys.” Both deal with the theme of marriage across religious and ethnic lines, parents initially outraged, then reconciled by the birth of grandchildren.

A Webster’s definition of **stock** is “standard; commonly used or brought forward.” The case posits that if Shakespeare’s “Twelfth Night” were copyrighted, the protection would not extend to **Sir Toby Belch** to the extent that a new version of that character was merely “a riotous knight who kept wassail to the discomfort of the household” — or **Malvolio** in that he was “a vain and foppish steward who became amorous of his mistress.” 45 F.2d at 121.

In *Nichols*, the children are no more than “loving and fertile.” The fathers are “those stock figures, the low comedy Jew and Irishman.” The Irishman is the sort of “grotesque hobbledohoy, used for low comedy of the most conventional sort.” The Jew is “grotesque, extravagant and quarrelsome ... fond of display.” *Id.* at 122. The Court found that prototypes of both long preceded the plaintiff playwright’s Jew and Irishman and thus these stock characters were not worthy of copyright protection.

Scenes a Faire.

Reyher v. Children’s Television Workshop, 533 F.2d 87 (2d Cir. 1976).

I’ve just noticed that the cases do not put the French accents on “scenes a faire.” Triste.

Reyher is a copyright infringement suit by a children’s book *My Mother Is the Most Beautiful Woman in the World* ©1945 against a Sesame Street illustrated story, “The Most Beautiful Woman in the World.”

In each, a child becomes separated from Mom and describes her to strangers as “the most beautiful woman in the world.” Various beautiful women are presented, but none is the mother. Finally the mother appears but is quite homely. Mother and child are joyfully reunited and a moral of love and perception is presented.

Scenes a faire are “sequences of events which necessarily follow from a common theme.” *Reyher*, 533 F.2d at 91. The common theme is only capable of expression in “more or less **stereotyped form**” and thus there is no actionable similarity. 1 Nimmer §143.11 at 626.2. Scenes a faire are then the “stock characters” of story lines. The case cites *Nichols* (see above) as an example — Irish and Jewish fathers quarrel over the marriage of their children and are reconciled by the birth of a grandchild. Reconciliation is one of the few logically possible sequences in the story.

In *Reyher*, both stories have a thematic concept of a mother being the most beautiful woman in the world to a child even though she is not beautiful to others. The reunion of a parent with a lost child is a logical sequence of events — scenes a faire.

But what about the very clever story gim-

mick of “the most beautiful woman in the world?” That is an idea and not protected by copyright, and further it appeared to be an idea long in the public domain as a traditional Russian folk tale. *Reyher*, 533 F.2d at 90, 91.

“[N]o one infringes, unless he descends so far into what is concrete (in a work) as to **invade ... (its) ‘expression.’**” *Id.* citing *National Comics Publications v. Fawcett Publications*, 191 F.2d 594, 600 (2d Cir. 1951). The court will thus consider not merely the sequence of events, but the “**total concept and feel**” of the works to determine if there was an invasion of expression. *Id.* citing *Roth Greeting Cards v. United Card Company*, 429 F.2d 1106, 1110 (9 Cir. 1970).

The original book was rich in detail of Jewish customs and farm life in the Ukraine. The character of the mother and daughter was developed at length. To the contrary, the Sesame Street production was short, lacking in detail, and set in Africa. Sesame Street’s was “barren of meaningful setting or character development.” The two stories were dissimilar in mood, details and characterization. *Id.* at 92.

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change the inconvenience of one party for that of another. *Chemical Waste Management, Inc. v. Sims*, 870 F.Supp.870, 876 (citing *Sage Prods., Inc. v. Devon Indus., Inc.*, 148 F.R.D. 213, 216 (N.D.Ill.1993)).

Defendant claimed a **special financial hardship**. It was moving its headquarters to Florida and did not want key personnel taken away to Illinois. It also had a grant from the state of Florida, the conditions of which required the hiring of Florida citizens in a limited period of time.

Weighing those factors, the Court moved the case to Florida.

So what’s the moral here? The Plaintiff could be you. The minute you do business across state lines, two questions arise. In the event of a dispute, (1) what law applies and (2) where will we fight? These are not easy questions to answer, and Conflict of Laws is a major law school topic.

The best way to settle this in your favor is to put your preference in the standard form contract with a forum selection clause and a choice-of-law provision. This is commonly done, and you’ve signed them many times without thinking about it. Our Plaintiff LBPC would have had Defendant contractually bound to settle disputes in Chicago. Plaintiff also had three state law claims in addition to the Trademark one. Its claim under the Illinois Unfair Trade Practices statute ended up getting shifted to Florida’s statute because Plaintiff had not thought about the problem in advance.

What if your customer vociferously objects? Well ... (a) maybe that’s a red flag warning, and (b) at worst you lose one sale.