

# Three Point Shot

## Newsletter

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Edited by

Robert E. Freeman

Welcome to Three Point Shot, a newsletter brought to you by the Sports Law Practice Group at Proskauer Rose LLP. In Three Point Shot, we will attempt to both inform and entertain you by highlighting three sports law-related items and providing you with links to related materials. Any feedback, thoughts or comments you may have are both encouraged and welcome.

### What's the "Big" Idea? Well, for Starters, It's Not Something You Can Trademark

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Whether you are an ex-Hoosier (Indiana), Spartan (Michigan State) or Badger (Wisconsin), the launch of the [Big Ten Network](#) in 2007 gave most supporters of the [Big Ten Conference](#) ("Big Ten") a lot to cheer about. However, to at least one ex-Nittany Lion (Penn State), the cheer was of the "[Bronx](#)" variety. In filing suit in March 2008 against the Big Ten in the Northern District of Illinois, Robert Welsh, who in college had worn the [Penn State mascot](#) outfit, claimed that in 1998 he had presented a confidential business plan to the Big Ten that included several television programming proposals and the idea for a "Big Ten Network" cable/satellite television network. *Robert W. Welsh d/b/a Big Ten Development v. The Big Ten Conference, Inc.*, No. 08-C-1342 (N.D. Ill.). According to Welsh, although it did not immediately pursue his plan, the Big Ten kept his presentation materials and years later acted on them by entering into a 20-year partnership with [Fox Cable Networks](#) to develop the [Big Ten Network](#), as well as specific programs that were similar to those in Welsh's proposal.

In his suit, Welsh claimed that, in violation of [Section 38](#) of the [Lanham Act](#), the Big Ten had falsely procured the Big Ten Network trademark. Welsh claimed that the trademark was falsely procured because the Big Ten failed to tell the [PTO](#) that Welsh had rights over the "Big Ten Network" name and business idea as a trade secret. Interestingly, Welsh did not claim he owned the rights to the "Big Ten Network" trademark as such, but instead that he owned the rights to the trade secrets that were contained in his business plan, which included the name "Big Ten Network" and the related ideas and concepts. Welsh also asserted trade secret and contract law claims.

In [dismissing Welsh's complaint](#), the court (Judge Joan B. Gottschall) framed the question as whether a trademark applicant makes a "false or fraudulent declaration" within the

meaning of Section 38 when it fails to disclose that another person has asserted a “trade secret” right over an unregistered mark. The answer to that question, the court concluded, is “No.” According to the court, ideas themselves do not have trademark rights; rather, the Lanham Act requires a mark be used in commerce to give rise to trademark rights. The court relied on *Carmichael v. Prime*, 2003 WL 1903355 (S.D. Ind. Jan. 6, 2003) where the plaintiffs had an idea for a perfume called “Stardust” and presented it to the defendants, who then filed a Statement of Intent to Use “Stardust” with the PTO in their own name. The court in *Carmichael* held that the “idea” for a perfume named “Stardust,” without any actual use of the mark, did not give rise to any trademark rights. Similarly in *Keane v. Fox Television Stations, Inc.*, 297 F. Supp. 921 (S.D. Tex. 2004), *aff’d*, 129 Fed. App’x 874 (5<sup>th</sup> Cir. 2005), the plaintiff disseminated a sales packet to production companies that included an idea for a talent show called “American Idol.” In ruling for the defendants, the *Keane* court found that trademark law only protects “fully developed products and services,” not ideas for them.

Following the reasoning of the aforementioned cases, the *Welsh* court found that trademark law is not about invention or discovery, but about “preventing competitors from copying a source-identifying mark.” A mark must be used in commerce in such a way that it distinguishes a seller’s goods or services from others. Welsh’s claim was not viable because the use of a mark in a business plan presentation is not a “use” sufficient to trigger Lanham Act protection. Actual use in commerce establishes trademark rights.

Although the court refused to extend the Lanham Act’s coverage to trade secrets, the court declined to rule on Welsh’s trade secret and contract claims. Thus, Welsh may yet find something to cheer about if and when he re-files his claims in state court.

## **Can’t Touch This ... At Least Not in California**

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Personal searches conducted upon entry to public spaces have become common practice since September 11<sup>th</sup>, 2001. Not only at airports, but prior to entering subways, museums and even sports stadiums, many of us have accepted being the subject of repeated searches as a necessary response to the threat of terrorist attacks. Apparently, however, not everyone feels this way. A challenge to such pat-downs at NFL stadiums recently landed in the California Supreme Court, resulting in a split of opinion between the California court and the Eleventh Circuit.

[Sheehan v. San Francisco 49ers](#) arose out of a policy mandated by the National Football League ("NFL") to conduct “pat-down” searches of all guests before allowing them to enter NFL stadiums. The [NFL has required such pat-downs](#) at championship games for many years, but expanded the policy to all games shortly after the London train bombings of July 2005. The San Francisco 49ers (the "49ers") complied with the NFL mandate and adopted the policy in the fall of 2005. [Under the policy](#), private screeners, observed by the San Francisco Police Department, ran their hands round ticket holders' backs and down the sides of their bodies and legs in an effort to find concealed weapons and explosives.

Daniel Sheehan, a 2005 49ers season ticket holder, did not take kindly to having his [5-year-old grandson](#) spread his arms and get patted down before entering Monster Park. Daniel and his wife filed suit against the 49ers in December of 2005. They [asked the court](#) to find that the pat-downs violated their right to privacy under [Article I, Section 1 of the California Constitution](#) and requested that the 49ers be enjoined from performing further pat-downs.

Article I, Section I of the California Constitution provides that “[a]ll people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and *privacy*.” The California Supreme Court previously ruled in *Hill v. National Collegiate Athletic Association*, 7 Cal. 4th 1 (1994), a case involving drug testing in intercollegiate athletics, that a privacy claim under the California Constitution may be brought against a private organization if three elements can be proven. First, the plaintiff must show a legally protected informational or autonomy privacy interest; second, the plaintiff must show that a reasonable expectation of privacy existed; and, finally, the plaintiff must show that the invasion of privacy was sufficiently serious in nature, scope, and actual or potential impact to constitute an egregious breach of the social norms underlying the privacy right.

The 49ers moved to dismiss the Sheehans’ complaint. At first the [trial court](#) expressed concern about whether the case was ripe for resolution since the 2005 football season had already ended and the 2005 season tickets the Sheehans owned could no longer be the basis of a lawsuit. In response to the court’s concerns, the Sheehans bought 2006 season tickets and amended their complaint accordingly, but that strategy backfired. The [trial court held](#) that by voluntarily purchasing the 2006 tickets with knowledge of the pat-downs, the Sheehans consented to being searched. The [California Court of Appeals](#) agreed, holding that although the Sheehans had a legally protected privacy interest in their bodies and the pat-downs restricted their autonomy, the Sheehans nevertheless had no reasonable expectation of privacy because they knew of the pat-down policy and voluntarily purchased the 2006 season tickets despite such knowledge.

The Sheehans took yet another appeal, and this time, the California Supreme Court reversed the Court of Appeals and remanded the case back to the trial court for further factual inquiry. The court held that the dismissal was improper because there was not enough factual information to support the conclusion that the Sheehans consented to being searched by purchasing the 49ers 2006 season tickets. According to the court, a full factual inquiry needed to be made to determine all the applicable facts, including the reason for the pat-downs. The court focused in particular on the language in the *Hill* case referring to the “competing social interests” that must be analyzed in assessing the right of privacy under California law. Among other things, the court indicated that the 49ers had not proffered a reason for the searches, nor had there been any showing as to whether there were less restrictive alternatives to the full-body pat-downs that had been conducted.

The court distinguished [Johnston v. Tampa Sports Authority](#), 530 F.3d 1320 (11th Cir. 2008), where the Tampa Bay Buccaneers were sued for a similar pat-down policy in October of 2005. In *Johnston*, the U.S. Court of Appeals for the Eleventh Circuit ruled in

favor of the Buccaneers on the ground that the plaintiff had consented to the pat-downs by buying season tickets to the game. The California court stated that the Eleventh Circuit in *Johnston* reached its conclusion based on the “full factual record.” The Court further noted that one of the defendants in the Tampa case was a public authority, and that the case involved an evaluation of the Fourth Amendment, not the California right of privacy.

Before the reversal in *Sheehan*, the now common practice of pat-downs and searches prior to entering public spaces appeared well on its way to the legal equivalent of a shut-out victory. However, the *Sheehan* decision put a few points on the board for the underdogs and suggests that this particular game may not be over.

## **Strawberries & Cream (Wimbledon Grass) Served with French Bordeaux (French Open Clay) – Tennis Anyone?**

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Tennis fans are accustomed to swiveling their heads as they watch the ball glide from one side of the net to another. However, in 2007, a hybrid, [half-clay, half-grass](#) tennis court led to more head scratching than head swiveling. In a match staged in Spain, the best grass-court player (and reigning King of Wimbledon), [Roger Federer](#), and the best clay court player (and reigning French Open King), [Rafael Nadal](#), competed in a “[Battle of the Surfaces](#)” showdown on this hybrid court. For many, the match was both [bizarre and absorbing](#). On the legal side of the court, the match set in motion several claims that bounced their way to a South Carolina courtroom.

According to former professional tennis player [Renata Marcinkowska](#), the idea for a [hybrid tennis court](#) originated several years prior to the “Battle of the Surfaces,” as evidenced by her application to the United States Patent and Trademark Office for a patent on an invention titled “Dual Surface for Sport Event or Game.” The patent office granted the application in 2004.

Marcinkowska, eager to license this patent right, claimed to have repeatedly met with the sports management company [IMG Worldwide Inc.](#) about using her hybrid court and possibly staging a match on it between Federer and Nadal, but allegedly IMG expressed no interest. Instead, IMG served Marcinkowska what she considered to be a backhanded compliment by organizing, along with Argentinean advertising agency [Del Campo Saatchi & Saatchi](#), the above-mentioned “Battle of the Surfaces” hybrid court match without either a license or her involvement.

Refusing to let IMG’s action go down in the record books as an unanswered ace, Marcinkowska quickly filed suit in a federal court in Columbia, South Carolina, claiming IMG stole her idea for the exhibition and the half-grass, half-clay court it was played upon, infringed her patent, and violated trademark law. In the ensuing lawsuit, [Renata Marcinkowska v. IMG Worldwide Inc. et al.](#), No. 0:07-cv-01214 (D. S.C.), the court dismissed all of Marcinkowska’s claims. The key determination that kept the judge from declaring a fault on IMG was that the exhibition game took place on a hybrid court *outside* of the United States. [U.S. patent law](#) secures for patent-holders the exclusive right “to

exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States.” Thus, U.S. patent law does not operate extraterritorially.

Marcinkowska continued to make a racket, arguing that IMG “used” the patent in the U.S. by broadcasting the “Battle of the Surfaces” match internationally and promoting it on the Internet. But the court warned against defining “use” too broadly and ruled the hybrid court was only “used” in Spain, and merely broadcast, not “used,” in the U.S. The court then concluded that the mere broadcast of someone else’s invention was not an actionable “use” under patent law. To be an actionable patent claim, the actual playing surface must have been inside the U.S.

Furthermore, the court found the alleged misstatement of IMG, perpetuated by the media, that the President of Del Campo Saatchi & Saatchi came up with the idea for the hybrid court, was not an actionable claim under any law. Falsely claiming someone came up with an idea is not actionable without a material misrepresentation resulting in consumer confusion, since patent law only protects ideas that have been translated to inventions, and trademark law only protects ideas that have solidified into marks associated with goods or services. (*See, above, “What’s the “Big” Idea? Well, For Starters, It’s Not Something You Can Trademark.”*)

The court did, however, suggest that Marcinkowska received a consolation prize in the form of some unrealized love and flattery from IMG, “in the event the hybrid tennis court enjoyed increased visibility by virtue of the foreign exhibition, plaintiff may ultimately receive the fruits of some free advertising.” Unfortunately, as all tennis players know, love means nothing.

## Sports Law Group

For more than 45 years, Proskauer Rose LLP has represented sports leagues and sports teams in all aspects of their operations.

For more information about this practice group, contact:

Robert Batterman  
212.969.3010 – rbatterman@proskauer.com

Robert E. Freeman  
212.969.3170 – rfreeman@proskauer.com

Howard L. Ganz  
212.969.3035 – hganz@proskauer.com

Wayne D. Katz  
212.969.3071 – wkatz@proskauer.com

Joseph M. Leccese  
212.969.3238 – jleccese@proskauer.com

Jon H. Oram  
212.969.3401 – joram@proskauer.com

Howard Z. Robbins  
212.969.3912 – hrobbins@proskauer.com

Bradley I. Ruskin  
212.969.3465 – bruskin@proskauer.com

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