
Fifth Circuit Shows Deference to First Amendment Concerns in Trademark Infringement Case

By Robert Latham

In an opinion that contains a little bit of something for everyone, the Fifth Circuit reversed the award of a permanent injunction in a trademark infringement case and remanded that portion of the case to the trial court to fashion a remedy that is more sensitive to First Amendment concerns. *Westchester Media v. PRL USA Holdings, Inc.*, 2000 WL 758415 (5th Cir. Tex.). In this unique case, the analysis of the Fifth Circuit will be important both to intellectual property and First Amendment practitioners.

The Polo Match

The history of the dispute underlying this litigation is interesting and is significant to the court's ultimate holding. PRL USA Holdings, Inc. is, of course, Polo Ralph Lauren. PRL was founded in 1967 and its fashion and design products bear the famous "Polo" logo and trademark. Prior to 1997, the publisher of "POLO" magazine and PRL had peacefully co-existed. POLO magazine was founded in 1975 and in 1992 had obtained a "POLO" trademark for a "magazine on the subject of equestrian sports and lifestyles." POLO magazine was geared towards the sport of polo, and in fact most of its 7,000 subscribers were members of the United States Polo Association who received the magazine as a benefit of membership. The relationship between POLO and PRL was such that PRL even advertised in POLO.

In 1997 the landscape changed when Westchester Media purchased the assets of POLO magazine with the intent of relaunching the magazine to expand readership and broaden the magazine's appeal. Westchester denied any intent to trade on PRL's reputation and good will. However, the Fifth Circuit, though not determinative of its ultimate opinion, seemed to take issue with that denial. The Fifth Circuit noted that Westchester began publishing a separate magazine called "Polo's Player's Edition" that

was geared toward the sport of polo while relaunching "POLO" magazine so that it was, in Westchester's own words, "not about the sport, but rather about an adventurous approach to living life." Westchester sent a free copy of POLO to customers of Nieman Marcus, which was one of PRL's largest retailers. On the cover of the first issue of the new POLO magazine, Westchester placed Claudia Schiffer, who had been PRL's featured model.

After discussions between Westchester and PRL regarding the relaunched POLO magazine proved unproductive, Westchester filed for declaratory relief

claiming that its use of the title "POLO" on its magazine did not infringe PRL's "Polo" mark. PRL counterclaimed for trademark infringement, trademark dilution, and unfair competition and also sought injunctive relief. The court below found infringement by Westchester on PRL's "Polo" mark and issued a permanent injunction

that Westchester cease and desist from publishing POLO magazine under the title "POLO".

The First Amendment Issues

The Fifth Circuit recognized that the case involved "the tension between the protection afforded by the Lanham Act to trademark owners and the protection afforded by the First Amendment to expressive activity." To resolve this tension, the Fifth Circuit relied upon the test employed by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) and *Twin Peaks Productions, Inc. v. Publications Int'l Ltd.*, 996 F.2d 1366 (2d Cir. 1993), and adopted by the Fifth Circuit last year in *Sugar Busters LLC v. Brennan*, 177 F.3d 258 (5th Cir. 1999).

The court rejected PRL's contention that Westchester's title for the magazine was pure "commercial speech" and less deserving of First Amendment protection. Rather, the Fifth Circuit found

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that magazine titles, like book titles, combine both artistic expression and commercial promotion and “consequently require more First Amendment protection than the labeling of ordinary commercial products.”

The Fifth Circuit showed its concern for the protection of expressive speech, even if it involved commercial promotion, in several ways. In the first instance, the court held that in order to show that an artistically relevant title may still be actionable under the Lanham Act if it misleads as to the source or content of the work, courts must employ a more stringent “likelihood of confusion” test than that used in evaluating standard trademark infringement claims. The likelihood of confusion must be “particularly compelling” in order to overcome First Amendment interests. The court, however, noted that the “particularly compelling” standard applies only to the ultimate issue of likelihood of confusion and not to the evidentiary standard for each of the recognized factors that lead to a finding of likelihood of confusion.

Secondly, the strength of the First Amendment protections at issue compelled the court to overturn the issuance of a permanent injunction against Westchester from using the name “POLO,” and to remand the case to the trial court to consider the narrower remedy of a disclaimer. The Fifth Circuit held that even where trademark infringement has been found under the heightened likelihood of confusion standard in a case with First Amendment implications, those First Amendment interests should still influence the choice of remedy.

The court in this case found that the lower court’s ruling meant that a magazine which focused on the sport of polo could be published under the title “POLO,” but use of the name “POLO” in a lifestyle centered magazine was prohibited. The content based impact of the

permanent injunction thus raised First Amendment concerns that could be avoided by fashioning a remedy whereby Westchester issued a disclaimer to alleviate any actual confusion and make clear that POLO magazine, regardless of its content, had no connection to PRL.

Interesting to the court’s analysis in this regard was its finding that polo aficionados — be they purchasers of PRL’s products or readers of POLO magazine — are “sophisticated” consumers who would be able to notice, read and understand the import of a disclaimer in the

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POLO magazine. One wonders what the Fifth Circuit’s opinion might have been in a case involving another sport. For instance, if the sport had been figure skating rather than polo, would the alleged infringer have argued for the less intrusive remedy of a disclaimer by citing the historical elegance and

sophistication of the sport, while the trademark owner brought out Tonya Harding? Fans of other sports will have to await federal court endorsement of the sophistication level of their passion.

Analysis of Trademark Issues

The Fifth Circuit’s analysis of the trademark issues is also noteworthy. First of all, the court recognized that PRL was attempting to prevent Westchester from using the name “Polo” for the title of a magazine even though PRL sold no literary products. However, the Fifth Circuit upheld the lower court’s finding that the likelihood of confusion does not depend on direct competition between the parties’ products.

In so holding, the court emphasized that consumer perception was the controlling factor. If consumers believe, even falsely, that a magazine focusing on polo lifestyles was the type of product that PRL might market, then such a magazine would be in the natural zone of expansion for PRL and confusion might be likely. Thus,

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the court did not disturb the finding that Westchester had infringed PRL's marks.

The trademark analysis, however, was not entirely favorable to PRL. PRL contended that Westchester's use of the name "Polo" for its magazine constituted dilution of its famous mark in violation of the Federal Trademark Dilution Act (FTDA). The Fifth Circuit found that there was no dispute that PRL's marks were famous and distinctive and that Westchester had adopted the name "Polo" after PRL's mark had become famous and distinctive. PRL attempted to argue that it was entitled to relief under the FTDA if it could show "likelihood of dilution," relying upon the Second Circuit's opinion in *Nabisco, Inc. v. PB Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999).

Westchester argued that the FTDA requires proof of actual dilution and actual economic harm, citing the Fourth Circuit's opinion in *Ringling Bros. - Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Development*, 170 F.3d 449 (4th Cir. 1999). The court found the Fourth Circuit's analysis better reasoned and, in this case of first impression in the Fifth Circuit, held that under the FTDA there needed to be proof of *actual* harm. The FTDA became effective in January 1996 and it will be interesting to see whether the federal circuits continue to be split on this issue or whether the Second Circuit's opinion in *Nabisco* will be the exception.

The Last Chukker

The Fifth Circuit's analysis of this polo contest is rich with interesting and provocative factual and legal elements. Among them is the unusual position taken by PRL. In balancing the equities, the court noted that PRL's products had become "famous by basking in the reflected glow of an elegant sport." It did not escape the court that PRL essentially was asserting that it had a greater claim to the name "Polo" than the official publication of the United States Polo Association that regulated the very sport that gave rise to the source of PRL's "glow."

Despite the unique set of facts, the Fifth Circuit's

recognition of a heightened likelihood of confusion standard, its requirement for a showing of actual harm under the FTDA, its recognition that a magazine title is partially expressive speech and is entitled to First Amendment protection, and its requirement that a remedy even when infringement is found nevertheless be fashioned around First Amendment concerns are important and should have more general application, though the court's conclusion regarding the very broad 'natural zone of expansion' may be relegated to the unique facts of the case.

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