

10th Circuit

TRADEMARKS / TRADE DRESS

1. What are the standards for nominative fair use of a mark in your Circuit?

The Tenth Circuit has not implemented a standard regarding nominative fair use of a mark.

2. Does your Circuit hold that the Lanham Act can be used to impose an injunction on conduct outside the United States?

Yes. In *Hetronic Int'l, Inc. v. Hetronic Germany GmbH*, the Tenth Circuit held that the Lanham Act applied to extraterritorial foreign conduct. 10 F.4th 1016, 1033 (10th Cir. 2021). Initially, the District Court of Oklahoma entered a worldwide injunction on the defendant barring the foreign entity's infringing activities. On appeal, the Tenth Circuit adopted a slightly modified version of the First Circuit's test from *McBee v. Delica Co.*, 417 F.3d 107, 117 (1st Cir. 2005). Under this test, the court should first, determine whether the defendant is a U.S. Citizen. Second, when the defendant is *not* a U.S. citizen, courts should assess whether the defendant's conduct had a substantial effect on U.S. commerce. Third, only if the plaintiff has satisfied the substantial-effects test, courts should consider whether extraterritorial application of the Lanham Act would create a conflict with trademark rights established under foreign law." *Id.* at 1038. The Court remanded for the district court to limit the injunction "to the countries in which Hetronic currently markets or sells its products." *Id.* at 1047.

3. Are there any recent trends in your District or Circuit regarding the application of trade dress law, including with respect to functionality (utilitarian and aesthetic), color and color schemes, and the line between trade dress and patent protection?

The Tenth Circuit has not seen significant changes to its approach to trade dress cases among recent cases. In *Craft Smith, LLC v. EC Design, LLC*, the Tenth Circuit declined to adopt a per se rule that evidence of intentionally copying a competitor's product and significant sales alone render secondary meaning a jury questions. 969 F.3d 1092 (10th Cir. 2020); *See also Savant Homes, Inc. v. Collins*, 809 F.3d 1133 (10th Cir. 2016). Specifically, the court noted that there is a distinction between intentionally copying another's product design and their product packaging. *Id.* The former relates to the products function and a competitor may have done so for many reasons unrelated to deceptive practices. *Id.*

In *Forney Indus., Inc. v. Daco of Missouri, Inc.*, the appellants alleged the appellees committed trade dress infringement by packaging their products with similar colors and a flame motif. 835 F.3d 1238 (10th Cir. 2016). The Tenth Circuit held that "the use of color in product packaging can be inherently distinctive (so that it is

unnecessary to show secondary meaning) only if specific colors are used in combination with a well-defined shape, pattern, or other distinctive design.” *Id.* at 1248. Nonetheless, when a party is seeking to protect an unregistered trade dress, it must articulate which certain elements comprise its distinct dress

COPYRIGHTS

4. What are the recent rulings in your Circuit regarding the “fair use” defense?

In a somewhat high-profile case regarding the footage used in the popular Netflix series, *Tiger King*, the Western District of Oklahoma dismissed most of the copyright claims under the work made for hire doctrine. *Whyte Monkee Prods., LLC v. Netflix, Inc.*, No. CIV-20-933-D, 2022 WL 1251033 (W.D. Okla. Apr. 27, 2022). The District Court applied the factors from Section 107 of the copyright act to find that a video clip was protected by fair use: “(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (3) the effect of the use upon the potential market for or value of the copyrighted work.” The court decided that 7 of 8 video clips were work for hire and granted summary judgment to defendants. As for the remaining clip, the court found that all four factors weighed against the plaintiff’s claim and in favor of fair use. *Id.*

In *Diversey v. Schmidly*, 738 F.3d 1196 (10th Cir. 2013), the plaintiff sued several administrators and members of the Board of regents of the University of New Mexico (UNM) for infringing his copyright to an unpublished dissertation. In an attempt to have his dissertation proofread, the plaintiff disseminated copies of the unpublished dissertation to UNM faculty. The plaintiff filed for copyright infringement upon learning that his dissertation had been sent to the UNM library and the library’s center for research. The court found that the factors applying the fair use doctrine weighed heavily against the defendants. The court found that purpose and character of the use, the first factor of fair use, strongly favored the defendants because academic libraries exist primarily for scholarly and research purposes. However, the three other factors of fair use were heavily in favor of the plaintiff. The second factor—the nature of the copyrighted work—very sparingly allows the fair use defense to be applied to alleged infringements of unpublished works. The court also found that the third factor—the amount and substantiality of the portion used in relation to the whole—also weighed strongly in favor of the plaintiff when the entire dissertation was to be published. Finally, the Tenth Circuit stated that the effect of use on the potential market for or value of copyrighted work, the fourth factor, favored the plaintiff. It was determined that UNM had deprived the plaintiff of the academic and career opportunities that could come from the dissertation. While the dissertation was listed in UNM’s catalogs the plaintiff could not complete the dissertation review and defense process at another institution. Thus, the plaintiff was completely deprived of the value of the dissertation.

5. How does your District or Circuit approach claims that embedding content on one’s website using html links infringes the original author’s distribution and display rights under the Copyright Act? See *Nicklen v. Sinclair* (SDNY 2021); *Leader’s Institute v. Jackson* (2017 WL 5629514 (ND Texas 2017)).

The Tenth Circuit has not squarely addressed this issue.

6. What is necessary in your District or Circuit to prove (or disprove) that a work is “transformative” and thus fair

use? (This issue is likely to be heard at the Supreme Court next term in *Andy Warhol Foundation v. Goldsmith*.)

The core inquiry into when a work is “transformative” and thus fair use is “whether the new work merely ‘supersede[s] the objects’ of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Whyte Monkee Prods., LLC v. Netflix, Inc.*, No. CIV-20-933-D, 2022 WL 1251033 at *8 (W.D. Okla. Apr. 27, 2022) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)). Courts in this circuit may look at many different factors to ascertain whether a work meets the threshold requirement to become “transformative.” A significant factor is whether the work as used by the defendants’ served a different purpose than the plaintiff intended. For instance, in *Whyte Monkee Prods.*, a case involving the popular Netflix series *Tiger King*, the court noted that the defendants’ clipped out tiny portions of the plaintiff’s video, overlaid commentary from a third party and inserted it into the larger narrative of the series. Second, the court found that the work was transformative because the defendants took plaintiff’s “raw material” to create “new information, new aesthetics, new insights and understandings. *Id.* at *12 (citing *Seltzer v. Green Day, Inc.*, 725 F.3d 1170, 1176 (9th Cir. 2013)). Conversely, the court noted that simply repackaging and reproducing a work would not be considered transformative. However, district courts in this circuit will not allow a defendant to merely repackage and replace a copyrighted work under the guise of “transformative” use. *Id.*; *See also Hill v. Pub. Advoc. of the United States*, 35 F. Supp. 3d 1347, 1359 (D. Colo. 2014) (a work was not transformative where the defendant merely cropped a copyrighted photograph, superimposed it on a new medium with a new background, and made it for political purposes).