1972 WL 17673 United States District Court, S.D. New York

AURORA PRODUCTS CORP. et al.

SCHISGALL ENTERPRISES INC. et al.

72 Civ. 765. | Decided May. 1, 1972.

Attorneys and Law Firms

AMSTER & ROTHSTEIN, New York, N. Y., for plaintiffs.

JAMES SCHISGALL, New York, N. Y., for defendants.

Opinion

TENNEY, District Judge.

*1 This is an action for unfair competition and trademark infringement including two counts. The first count is to remedy false designations of origin and false descriptions and representations in commerce and arises under Section 43(a) of the Trademark Act of 1946, 15 U.S.C. § 1125 (1970) (hereinafter referred to as the "Act"). Jurisdiction as to the first count is conferred on this Court by 28 U.S.C. § 1338(a) (1970), and as to the second count, a cause of action for Common Law trademark infringement and unfair competition, by 28 U.S.C. § 1338(b) (1970).

Plaintiffs' complaint seeks a permanent injunction enjoining defendants from further unfair competition including use of the MONDAY NITE FOOTBALL trademark and damages.

The present motion for a preliminary injunction was brought on by Order to Show Cause dated February 23, 1972. On February 25, 1972, an evidentiary hearing was held before the Court at which time both plaintiffs and defendants presented witnesses and argument on the question of plaintiffs' right to immediate injunctive relief. As a result of that hearing, a Temporary Restraining Order was signed on February 25, 1972 and plaintiffs' application for a Preliminary Injunction was placed on the motion calendar for Tuesday, February 29, 1972. At the call of the calendar, the parties submitted plaintiffs' motion for decision by the Court without further hearing and the parties were granted leave to file further briefs.

On March 13, 1972, defendants filed a consent to the entry of a Preliminary Injunction in this case. At the same time, defendant advised plaintiffs and the Court of its intention to use the trademark SEI NIGHT-TIME FOOTBALL in connection with its sale of football games. Plaintiffs contend that the use of this proposed mark would constitute unfair competition and a violation of Section 43(a) of the Act and has submitted an injunction order which would prohibit defendants from using this trademark or any other mark by which defendants could trade on the advertising and promotion of plaintiffs.

Plaintiff Aurora Products Corporation (hereinafter referred to as "Aurora") is a corporation organized under the laws of the State of New York. Plaintiff American Broadcasting Company Merchandising, Inc. (hereinafter referred to as "ABC Merchandising") is also a corporation organized under the laws of the State of New York.

Defendants Schisgall Enterprises Inc. (hereinafter referred to as "Schisgall") and Gabriel Brothers, Inc. (hereinafter referred to as "Gabriel") are corporations organized under the laws of the State of New York.

Plaintiff ABC Merchandising is a wholly-owned subsidiary of American Broadcasting Companies, Inc. (hereinafter referred to as "American Broadcasting") which owns and operates the ABC Television Network (hereinafter referred to as "ABC" or "ABC Network") having approximately 190 affiliated television stations throughout the United States (Tr. 39). ¹ In addition to its network operations, American Broadcasting owns and operates five television stations in major market areas including New York, Chicago, Los Angeles, San Francisco and Detroit (Tr. 39). ABC Merchandising is the licensing arm of American Broadcasting and is responsible for licensing certain of the trademark and related properties of American Broadcasting. In the course of its business, ABC Merchandising grants licenses (as agent for American Broadcasting) to selected licensees for the use of trademarks, likenesses of characters and performers and other elements of ABC's program properties on selected products.

*2 Plaintiff Aurora is a major toy manufacturer and is the exclusive licensee of American Broadcasting (through ABC Merchandising) of the trademark MONDAY NIGHT FOOTBALL (as applied to toy football games) which has been used by the ABC Network over the past two football seasons to designate a series of professional football games broadcast over the ABC Network on Monday evenings.

Pursuant to its exclusive license with ABC Broadcasting, Aurora has recently introduced a new toy football game under the trademark MONDAY NIGHT FOOTBALL.

Defendant Schisgall manufactures and sells a number of toy items including primarily puzzles (Tr. 90-92) and has recently introduced a football game under the trademark and trade name MONDAY NITE FOOTBALL (Tr. 88). Defendant Gabriel is a manufacturer's representative and distributor selling the Schisgall MONDAY NITE FOOTBALL game in the New York metropolitan area and specifically at the recent Toy Fair held in New York City (Tr. 93).

Pursuant to Rule 52(a) of the Federal Rules of Civil Procedure, the Court makes the following findings of fact:

- 1. ABC's broadcast of its MONDAY NIGHT FOOTBALL program commenced with the start of the 1970 professional football season in September 1970 (Tr. 25) and ran for thirteen weeks in 1970 and thirteen weeks in 1971. ABC's live broadcast of professional football games on Monday evenings was a significant departure from the prior practice of the National Football League and the broadcast industry of broadcasting live professional football games primarily on Sunday afternoons (Ver. Comp. Para. 8).
- 2. The name MONDAY NIGHT FOOTBALL has consistently been used by ABC during the past two years to designate its evening professional football program, both during the program itself and in an extensive television and newspaper advertising campaign for the program. The evidence of such promotion presented during the brief evidentiary hearing on plaintiffs' application for a Temporary Restraining Order establishes a substantial likelihood that plaintiffs will be able to demonstrate at trial that the MONDAY NIGHT FOOTBALL trademark has acquired substantial secondary meaning and significance.
- 3. During the program itself, the name MONDAY NIGHT FOOTBALL is prominently displayed on the screen at the start of each game in a fifty second video tape used at the opening of each game (Tr. 27-28). In addition, the title MONDAY NIGHT FOOTBALL is frequently spoken as part of the regular broadcast format throughout the program, particularly as an introduction for commercial messages (Tr. 30-32). (Exhibits 1, 3 and 4.)
- 4. In addition to its extensive use of the title MONDAY NIGHT FOOTBALL on the program itself, ABC has extensively advertised and promoted this program under the title MONDAY NIGHT FOOTBALL. This advertising has

- taken three principal forms including on-air advertising over the ABC Network, print advertising placed by the network itself in major newspapers and magazines, and advertising conducted by the approximately 190 affiliated stations throughout the country which carry the MONDAY NIGHT FOOTBALL program with advertising and promotional materials supplied by the ABC Network. In addition, American Broadcasting has conducted a program of business promotion advertising for the MONDAY NIGHT FOOTBALL game (Tr. 38).
- *3 5. American Broadcasting's newspaper promotion of the MONDAY NIGHT FOOTBALL game commenced in approximately March of 1970 (Tr. 40) with a full page advertisement in the New York Times, the Chicago News and the Detroit Free Press prominently bearing the program title MONDAY NIGHT FOOTBALL (Tr. 40, Ex. 5A). This advertisement appeared at approximately the same time in various trade publications including Advertising News of New York, Broadcasting Magazine and Variety (Tr. 41-42, Ex. 6).
- 6. At the start of the 1970 football season, in approximately September 1970, another series of printed advertisements prominently bearing the program title MONDAY NIGHT FOOTBALL were carried in the New York Times, the Chicago Tribune, the Detroit Free Press, the Los Angeles Times, the Los Angeles Herald Examiner, the San Francisco Chronicle, the New York News, the New York Post, the Chicago-Sun-Times, the Chicago News and Chicago Today (Tr. 43-44, Ex. 7). A similar program of advertising was undertaken at the commencement of the 1971 football season (Tr. 44).
- 7. In addition to its own advertising, the ABC Network supplies advertising and promotional materials to its 190 affiliated stations including photographs and advertising announcements which are used by the affiliates in short on-the-air promotional announcements for the MONDAY NIGHT FOOTBALL program (Tr. 45). These materials and announcements are keyed to the various games and are used by the affiliated stations week after week throughout the football season to promote the upcoming game (Tr. 46-49, Exs. 9 and 10). Substantially all the materials provided to the affiliated stations for regional advertising throughout the country prominently bore the program title MONDAY NIGHT FOOTBALL.
- 8. The ABC Network itself extensively advertised and promoted the MONDAY NIGHT FOOTBALL program on

national television. For this purpose, ABC prepared a 60 second sound film commercial prominently bearing the program title MONDAY NIGHT FOOTBALL and a series of shorter advertisements comprising visual material in the form of slides or photographs prominently bearing the name MONDAY NIGHT FOOTBALL and accompanying text (Tr. 48-50). During the period September 1971 through December 1971, the MONDAY NIGHT FOOTBALL game was advertised and promoted on the national ABC Network 170 times including 58 advertisements on prime time and 112 advertisements on non-prime time (Tr. 5). During a representative week of October 10-16, 1971, the MONDAY NIGHT FOOTBALL program was advertised on the ABC Network several times on ABC's major television programs (Tr. 52-53, Exs. 12 and 13).

- 9. In addition to its paid advertising and promotion, American Broadcasting maintains a Press Information Department (Tr. 66-68) which has actively promoted the MONDAY NIGHT FOOTBALL program under that title by distributing press releases relating to the MONDAY NIGHT FOOTBALL program (Tr. 67-70, Ex. 16). These materials are used by sportswriters, either as background information for their own stories or in full. These press releases are sent out each week to approximately 2,000 persons and organizations (Tr. 69) constituting all major news reporting facilities.
- *4 10. Through its own employees and a retained clipping service, American Broadcasting retains copies of the news stories and references to the MONDAY NIGHT FOOTBALL program which appear in papers across the country and representative samples of these clippings showing that the press has generally come to refer to plaintiff ABC's program as MONDAY NIGHT FOOTBALL (Tr. 70-71, Ex. 17).
- 11. Statistics compiled by the A. C. Neilsen Company, an independent organization which measures the audience for various television programs for use by television stations and advertisers, indicate that during the 1970 season the average minute of ABC's MONDAY NIGHT FOOTBALL program was viewed by 19,130,000 viewers (Tr. 74-77). During the 1971 season, the average minute was viewed by 21,800,000 viewers (Tr. 76-79, Ex. 18). These statistics also show that during the 1971 season, ABC's MONDAY NIGHT FOOTBALL game was the second highest rated program in reaching men on all television (Tr. 79) and the 1971 edition was the highest rated sports series of all time on network television (Tr. 79).

- 12. There is no actual support in the record for defendant's assertion that ABC used the designation GAME OF THE WEEK in connection with its MONDAY NIGHT FOOTBALL program.
- 13. Effective January 1, 1972, plaintiff ABC Merchandising entered into an exclusive license agreement with plaintiff Aurora whereby ABC Merchandising granted Aurora the exclusive right to use the trademark and program title MONDAY NIGHT FOOTBALL in connection with the manufacture and sale of toy football games (Tr. 102, Ver. Comp. P 12 at 4).
- 14. During the 1971 football season, plaintiff Aurora was a very substantial advertiser and sponsor of the ABC MONDAY NIGHT FOOTBALL program (Tr. 115) and undertook various promotional activities to associate Aurora products and the Aurora name with plaintiff ABC's MONDAY NIGHT FOOTBALL program. These activities include the distribution of advertising posters by Aurora through its sales force for point of sale display in connection with various Aurora products (Tr. 113-114, Ex. 21). This poster prominently bears the designation "NFL MONDAY NIGHT FOOTBALL on ABC TV brought to you by AURORA" (Tr. 114, Ex. 21). In addition, Aurora distributed a 1971 football schedule titled "AURORA's NFL MONDAY NIGHT FOOTBALL 1971 on ABC TV" intended to be distributed in conjunction with various Aurora products (Tr. 115, Ex. 22). Through these activities, Aurora had built up an association with the MONDAY NIGHT FOOTBALL game prior to the January 1, 1972 effective date of the ABC Aurora license.
- 15. Pursuant to its licensing arrangement with ABC, plaintiff Aurora introduced a football game under the trademark MONDAY NIGHT FOOTBALL as part of its 1972 toy line. The game was first shown to certain principal customers and was thereafter formally offered to the trade at the New York Toy Fair in March 1972.
- 16. Aurora has invested a considerable sum of money in the development of its MONDAY NIGHT FOOTBALL game and in the preparation of an advertising campaign designed to associate its MONDAY NIGHT FOOTBALL game with ABC's MONDAY NIGHT FOOTBALL program. There is evidence that Aurora has actually spent or committed between \$500,000.00 and \$550,000.00 in the design and preparation for promotion of the game (Tr. 124-127).

- *5 17. Approximately \$100,000.00 of this amount has already been spent by Aurora in fees to the game inventor, design and model making costs, manufacturing engineering, the costs of tools and molds for actual production of the game, art preparation for the game itself, the preparation of a sixty second television commercial to be shown on ABC's MONDAY NIGHT FOOTBALL program and the preparation of other advertising and promotional materials (Tr. 124-127). In addition, Aurora retained the services of Roger Staubauch, a well known football figure to advertise and promote the MONDAY NIGHT FOOTBALL game at Toy Fair and in personal appearances throughout the country during the coming year (Tr. 116).
- 18. Plaintiff Aurora's MONDAY NIGHT FOOTBALL game is a molded plastic electrical product designed to sell to the trade for approximately \$6.39 (Tr. 122).
- 19. The Aurora MONDAY NIGHT FOOTBALL game was shown to the trade at the New York Toy Fair which is the major selling event in the toy industry (Tr. 94, 111), during which time buyers from across the country select toy products to be purchased for the coming year and make commitments to manufacturers against the predetermined toy purchasing budget (Tr. 111).
- 20. Commencing with the opening of Toy Fair, defendants offered a football game under the trademark MONDAY NITE FOOTBALL. Defendants' game is of cardboard construction and is intended to sell to the trade at \$3.60-\$4.00 (Tr. 89, 140-141).
- 21. It is conceded that the title of defendants' game is not descriptive of the game itself, but is a reference to the football game broadcast on television on Monday evenings (Tr. 97-99).
- 22. The aforesaid actions of defendants constitute a violation of 15 U.S.C § 1125 (1970).
- 23. The aforesaid actions of defendants have caused and, if not enjoined, will continue to cause plaintiffs irreparable damage.

Since defendants do not now question plaintiffs' right to a preliminary injunction enjoining use of the trademark MONDAY NIGHT FOOTBALL or MONDAY NITE FOOTBALL or any mark similar thereto or a colorable imitation thereof, discussion or citation of authority for the conclusions reached herein would appear superfluous.² In consenting to the preliminary injunction, however, defendants have expressed their intention to adopt the trademark SEI NIGHT-TIME FOOTBALL for their football game. The only question left for decision by the Court is whether defendants' adoption of the trademark and game title SEI NIGHT-TIME FOOTBALL constitutes unfair competition and a violation of Section 43 (2) of the Act and whether plaintiffs are entitled to a preliminary injunction enjoining defendants' adoption of this proposed new trademark.

It seems evident that adoption by defendants of their proposed new trademark SEI NIGHT-TIME FOOTBALL, while not as direct a reference to plaintiff ABC's MONDAY NIGHT FOOTBALL program as defendants' prior trademark, has no apparent or suggested purpose other than to take advantage of plaintiffs' substantial advertising of their MONDAY NIGHT FOOTBALL games and of defendants' introduction at the recent Toy Fair of a toy football game under the trademark MONDAY NITE FOOTBALL. As with the name MONDAY NITE FOOTBALL, the name SEI NIGHT-TIME FOOTBALL is in no way descriptive or suggestive of any feature or aspect of defendants' game. Defendants' game is not designed to be played at night nor does defendants' game itself in any way simulate a football game played at night rather than a game played in the daytime.

*6 Defendants' claim that their proposed new trademark SEI NIGHT-TIME FOOTBALL is merely a reference to night football games in general including alleged high school and college football games played at night and other professional games broadcast at night is not credible in view of the record in this case. While there is no competent evidence that games other than plaintiff's MONDAY NIGHT FOOTBALL game are in fact played and broadcast at night, defendants' memorandum of law refers to various alleged broadcasts in the New York area of football games in the evening between August 7, 1971 and September 12, 1971. Defendants, however, have failed to give the source of their information regarding these games, and based on a review of the list of alleged broadcasts with their broadcast times and dates, it would appear that at best they were either pre-season exhibition games or video tape replays of daytime games. Defendants' own trademark is thus not even descriptive of these alleged games. Furthermore, defendants concede that stations broadcasting these alleged games do not refer to them as MONDAY NIGHT FOOTBALL or any variation thereof. Nor do defendants contend they have been licensed by these stations to use the trademark NIGHT-TIME FOOTBALL.

Contrary to defendants' assertions in its memorandum, the record indicates that defendants' actions have not been undertaken in "good faith". Rather, the record in this case reveals a clear intention to trade on the notoriety and goodwill developed by plaintiff ABC and on the association between the ABC MONDAY NIGHT FOOTBALL program and plaintiff Aurora's toy football game advertised on the ABC program.

The courts have consistently held that one who has been found to have intentionally infringed another's trademark and has been enjoined by the court from use of the infringing mark must thereafter "keep a safe distance" and will be held to a higher standard of conduct with respect to the adoption of a new mark than would have been applied in the first instance. Independent Nail & Pack Co. v. Stronghold Screw Products, Inc., 215 F.2d 434, 436-37, 102 USPQ 146, 147-148 (7th Cir. 1954); Eskay Drugs, Inc. v. Smith, Klein & French Laboratories, 188 F.2d 430, 432, 89 USPQ 202, 203-204 (5th Cir. 1951); Broderick & Bascom Rope Co. v. Manoff, 41 F.2d 353, 354, 6 USPQ 8, 9 (6th Cir. 1930); Kimberly Knitwear Inc. v. Kimberley Stores, Inc. of Michigan, 331 F.Supp. 1339, 1341, 171 USPQ 536, 537-538 (W.D. Mich. 1971); Sweetarts v. Sunline Inc., 299 F.Supp. 572, 579, 162 USPQ 179, 184-185 (E.D. Mo. 1969), modified, 436 F.2d 702, 168 USPQ 483 (8th Cir. 1971); Samson Cordage Works v. Puritan Cordage Mills, 243 F.Supp. 1, 6, 140 USPQ 119, 123-124 (W.D. Ky. 1964).

*7 Defendants' desire to adopt a mark such as SEI NIGHT-TIME FOOTBALL, which is in no way descriptive or suggestive of any feature of defendants' game, can have only one purpose--that is to permit defendants to continue to trade on plaintiffs' reputation and goodwill in the MONDAY NIGHT FOOTBALL name.

As stated in the Eskay case (supra at page 432, 89 USPQ at 203-204):

"In such a case as this, where the appellants have been found guilty of infringing the trademark rights of others, they should thereafter be required to keep a safe distance away from the dividing line between violation of, and compliance with, the injunction. They must do more than see how close they can come with safety to that which they were enjoined from doing." (Footnote omitted.)

As in the Eskay case, to permit defendants to use the mark NIGHT-TIME FOOTBALL would render ineffective the Court's prior decree.

CONCLUSIONS OF LAW

- 1. There is a substantial likelihood that plaintiffs will prove at trial that defendants' use of the trademark MONDAY NITE FOOTBALL constitutes the use of false descriptions and representations in commerce in violation of Section 43(a) of the Act and common law trademark infringement and unfair competition.
- 2. Defendants' proposed use of the trademark SEI NIGHT-TIME FOOTBALL has no reasonable purpose or justification other than to permit defendant to associate its game with plaintiff ABC's MONDAY NIGHT FOOTBALL program and plaintiff Aurora's MONDAY NIGHT FOOTBALL game. It appears likely that at the trial of this action, plaintiff will be able to establish that use of this name constitutes a false designation and representation in commerce in violation of Section 43(a) of the Act and unfair competition.
- 3. Weighing the equities, plaintiffs are entitled to a Preliminary Injunction of the scope requested.

Accordingly, an interlocutory order will be entered enjoining the use by defendants of the trademark MONDAY NITE FOOTBALL or MONDAY NIGHT FOOTBALL or any mark which is similar thereto or a colorable imitation thereof or SEI NIGHT-TIME FOOTBALL or any similar mark which refers, directly or indirectly, to plaintiff ABC's MONDAY NIGHT FOOTBALL program.

All Citations

Not Reported in F.Supp., 1972 WL 17673, 176 U.S.P.Q. 184

Footnotes

The transcript of the evidentiary hearing in this action is referred to as "Tr.", and the Verified Complaint in the action is referred to as "Ver. Comp."

See, however, Hills Bros. Coffee, Inc. v. Hills Supermarkets, Inc., 428 F.2d 379, 166 USPQ 2 (2nd Cir. 1970); W. E. Bassett Co. v. Revlon, Inc., 354 F.2d 868, 148 USPQ 170 (2nd Cir. 1966); Longchamps, Inc. v. Eig, 315 F.Supp. 456, 167 USPQ 81 (S.D.N.Y. 1970); Geisel v. Poynter Products, Inc., 295 F.Supp. 331, 160 USPQ 590 (S.D.N.Y. 1968); Geisel v. Poynter Products, Inc., 283 F.Supp. 261, 158 USPQ 450 (S.D. N.Y. 1968); American Optical Co. v. Rayex Corp., 266 F.Supp. 342, 152 USPQ 311 (S.D. N.Y. 1966), aff'd, 394 F.2d 155, 157 USPQ 465 (2d Cir.) (per curiam), cert. denied, 393 U.S. 835, 159 USPQ 798 (1968).

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