

Trademark Infringement, Misappropriation or Authorized Use?: Baltimore's Quest For the "Colts"

*T. Jesse Wilde**

Ten years after the National Football League's Colts franchise abandon its Baltimore home for Indianapolis, Baltimore fans finally had professional football back, even though it was the 12-man, three-down, Canadian version. In February 1994, shortly after an attempt to acquire an NFL expansion franchise failed, the Canadian Football League formally granted Baltimore a CFL expansion franchise. Deferring to public sentiment, the new CFL franchise announced its intention to play professional football in Baltimore under the Colts nickname, thus inciting a battle over the use of the "Colts" mark between the CFL and its new Baltimore expansion franchise, and the Indianapolis Colts, the NFL and NFL Properties.¹

■ BACKGROUND

Professional football has a long and proud history in the city of Baltimore. Prior to the establishment of an NFL franchise in the city, the bankrupt Miami Seahawks All-America Conference football team moved to Baltimore in 1947. Since the "Seahawks" nickname had no connection with the City of Baltimore, a contest was held to select a name for the new football team, and the "Baltimore Colts" name was selected. The Colts played in the All-America Conference from 1947 through 1949 when the conference merged with the NFL. The Colts continued to play in the NFL until 1950, when the Baltimore franchise was forfeited to the league for \$50,000, and its players were sent to other teams around the NFL.² Resulting litigation between NFL and the City of Baltimore was settled in 1952 when NFL moved the bankrupt Dallas Texans to the city. The relocated franchise was renamed the Baltimore Colts.³

Under the Colts name, the Baltimore franchise became one of the most illustrious teams in NFL history. The team played football in Baltimore until 1984, when the team's owner, Robert Irsay, relocated the franchise to Indianapolis, and renamed it the "Indianapolis Colts." The move, sudden and secretive, outraged the citizens of Baltimore. The city instituted litigation in a futile effort to get the team back, attempting unsuccessfully to retrieve the franchise by condemnation under the city's power of eminent domain. The Colts brought a countersuit that also failed.⁴

After relocating to Indianapolis, the Colts disassociated the NFL franchise from the City of Baltimore. In 1986, the Colts returned a collection of Baltimore

Colts memorabilia to the City of Baltimore. In 1992, the Indianapolis Colts and NFL Properties allowed the "Baltimore Colts" mark in the US Patent and Trademark Office (SUPTO) to expire.⁵ In its relocation, the Indianapolis Colts left behind the Baltimore Colts Band, and transferred ownership of all equipment, uniforms, banners, and flags depicting the logos of the old Baltimore Colts. Neither the NFL nor the Indianapolis Colts ever questioned or objected to the Baltimore Colts Band's continued use of the name or logos after the relocation of the franchise to Indianapolis.⁶

In the years following the Colts relocation to Indianapolis, the City of Baltimore failed in its attempts to acquire an NFL franchise through relocation or expansion. In February 1994, however, the Canadian Football League granted an expansion franchise for a Baltimore team. On March 1, 1994, after Baltimore area citizens overwhelmingly demanded that the new team be called the "Baltimore Colts," and after a trademark search revealed that the Indianapolis Colts and NFL Properties had allowed the "Baltimore Colts" mark to expire in 1992, the Metropolitan Baltimore Football Club (hereafter "the MBFC") announced that the team would begin play for the 1994 CFL season under the name "Baltimore CFL Colts." The CFL franchise filed a trademark application with the USPTO and also filed an action for declaratory relief against the NFL-related parties in U.S. District Court for the District of Maryland to obtain a prompt resolution of any dispute over the use of the mark, contending that the use of the "Baltimore CFL Colts" mark did not infringe any marks owned by the NFL, NFL Properties or the Indianapolis Colts, and the NFL parties had abandoned any rights they may have once owned in the mark.⁷

In April 1994, the NFL, NFL Properties and the Indianapolis Colts (hereafter "the NFL plaintiffs") moved to dismiss the Maryland action for lack of personal jurisdiction and filed trademark infringement suit (hereafter "the *Colts* dispute") in U.S. District Court for the Southern District of Indiana against the MBFC, its owner Jim Speros and the CFL (hereafter "The CFL defendants"), seeking a preliminary injunction to prohibit the use of the mark "Colts" in the team name of the Baltimore CFL franchise, citing ownership in the marks "Colts," "Indianapolis Colts" and "Baltimore Colts," based on federal registrations for the marks "colts," and "Indianapolis Colts," and common law trademark rights in "Colts," "Indianapolis Colts" and "Baltimore Colts."⁸ Thereafter, the CFL parties moved to dismiss the Indiana action for lack of personal jurisdiction and/or improper venue, to stay the action pending resolution of the earlier filed Maryland action, or to transfer the action to the Maryland court. The U.S. District Court for the Southern District of Indiana, denied the motion and found specific jurisdiction over the CFL parties and the venue to be proper due to three planned telecasts of Baltimore CFL Colts games on a limited access cable channel (ESPN2) available in Indiana.⁹

■ TRADEMARK LAW

What's in a nickname? Or a symbol? The appetite of the sports-crazed fan for merchandise linked with an athletic team or sporting event has fueled what is now a multi-billion dollar industry. Sports fans proclaim their affiliation with their favorite team by wearing T-Shirts, jerseys, hat or coats emblazoned with their

favorite team's name or emblem. They commemorate attendance at sporting events with merchandise decorated with the name of the competition. And they are eager to pay significantly more for a product bearing the insignia or name of a team or sporting event than for the same goods without such decorations.¹⁰

Trademark laws afford protection to the owner of a name or emblem and precludes another from palming off their goods or business as the goods or business of the original source.¹¹ Suits to enjoin infringing activity are governed by the Trademark Act of 1946 ("the Lanham Act") and the common law tort of unfair competition.¹² Often, as in the *Colts* dispute, claims under both the Lanham Act and the common law doctrine of unfair competition are pursued simultaneously.

A. The Lanham Act

Under the Lanham Act, determining the outcome of a trademark dispute involves, in general terms, a two-pronged analysis, namely: does the plaintiff have a protectable property right in the name or mark it seeks to defend;¹³ and second, is the defendant's use of a similar mark likely to cause confusion, mistake or deception in the market as to the source, origin, or sponsorship of the products on which the marks are used.¹⁴

Under the statute, the registration of a mark with the USPTO constitutes prima facie evidence that the registrant owns the mark and has the exclusive right to use the mark, and that the registration itself is valid. The onus is then placed on the one challenging the mark to rebut the presumption of validity. Registration of a mark confers only procedural advantages and does not enlarge the registrant's proprietary interest in the mark, for ownership to the trademark rests on adoption and use, not on registration.¹⁵ In fact, the statute affords owners of unregistered marks a cause of action for false designation of origin against an infringer where the plaintiff can establish that the public recognizes its trademark as identifying its goods or services and distinguished them from those of others.¹⁶ This distinguishing feature can be shown by either establishing that the mark is inherently distinctive or has become distinctive through the acquisition of a secondary meaning.¹⁷ Once a proprietary interest in a mark has been obtained, it can be lost if abandoned by the trademark owner.¹⁸ An abandoned mark may be claimed and used by the public at large. As with any affirmative defense, the burden of proof of abandonment rests on the defendant, the alleged infringer.¹⁹

Whether the action is one of trademark infringement or false designation of origin,²⁰ the key issue in determining the outcome of most infringement cases is whether or not an alleged infringement creates a likelihood of market confusion.²¹ Absent a showing of likelihood of confusion, there is no actionable wrong.²² In determining whether a likelihood of confusion exists, courts have enumerated several factors for consideration. In *Polaroid Corp. v. Polaroid Electronics Corp.*,²³ the United States Court of Appeals for the Second Circuit enunciated eight factors for evaluating likelihood of confusion.²⁴ While all circuit courts of appeal have relied on the same basic factors in their likelihood of confusion analysis, each has placed different weight upon the various factors, while at the same time creating a few of their own.²⁵ The applicable legal standard in the Seventh Circuit governing

the *Colts* dispute is the “seven factor” likelihood of confusion test set out in *McGraw-Edison v. Walt Disney Production*.²⁶ Under this test, the court is required to consider and evaluate seven distinct factors: (1) degree of similarity of the two marks; (2) degree of similarity of the two products; (3) economic market area and a manner of concurrent use; (4) degree of care likely to be used by consumers; (5) strength of the plaintiff’s mark; (6) evidence of actual confusion; and (7) “Palming off” intent of defendant.²⁷ the determination of the likelihood of confusion issue involves a balanced consideration of each of these factors.

B. Tort of Unfair Competition

Unfair competition is a broader area of the law than statutory trademark infringement. Unfair competition is almost universally regarded as a question of whether the defendant is passing off his goods or services as those of the plaintiff by virtue of substantial similarity between the two, leading to confusion on the part of potential customers.²⁸ Such activity thus allows the defendant to cash in or misappropriate the plaintiff’s goodwill by creating the false impression that its product or business is in some way approved, authorized or endorsed by the plaintiff, or that there is some business connection between the defendant and the plaintiff.²⁹

■ NFL CLAIMS

Even though the NFL Colts were ten years removed from operating a football team in Baltimore, the NFL plaintiffs commenced proceedings to prevent the new Baltimore CFL expansion franchise from reaping the economic benefits of the goodwill developed by the NFL through the use of the Colts nickname since it first was associated with an NFL franchise in Baltimore in 1952. Contending that the confusion caused by the challenged mark, used in conjunction with a new football team in Baltimore, would cause the NFL to lose a substantial number of consumers, since a significant number of consumers would mistakenly think the new Baltimore team, the successor to, or even the same team as the old Baltimore (now Indianapolis) Colts, the NFL plaintiffs sought to enjoin the MBFC from using the name “Colts,” “Baltimore Colts” or “Baltimore CFL Colts” in connection with the playing of professional football, the broadcast of football games, or the sale of merchandise to football fans and other buyers.

The NFL plaintiffs advanced claims under both the Lanham Act and the common law tort of unfair competition, based on its federal registrations for the marks “Colts” and “Indianapolis Colts” and its alleged strong common law trademark rights in “Colts,” “Indianapolis Colts” and “Baltimore Colts.” In pursuance of its Lanham Act claims, the NFL plaintiffs contended that, under the relevant seven-factor analysis,³⁰ consumer confusion between the NFL marks and the Baltimore CFL franchise’s intended use of the “Colts” nickname was likely. Further, under its common law misappropriation claim, the NFL plaintiffs argued that the Baltimore CFL franchise, by using the “Colts” nickname, was exploiting the history, heritage and goodwill of the current Indianapolis Colts for their own pecuniary interests. The references to the “Baltimore Colts” in the promotional

literature of the CFL club were, the NFL contended, aimed at taking advantage of the goodwill of the old Baltimore Colts, to which the NFL plaintiffs felt entitled.

■ BALTIMORE CFL DEFENSES

In defense to the NFL's Lanham Act claims, the CFL defendants contended that the mark in issue was specifically "Baltimore Colts" (and not simply "Colts" or even "Indianapolis Colts") and that, through the NFL's non-use of the mark in commerce since 1984, the NFL plaintiffs had abandoned their proprietary interest therein. In the alternative, the CFL defendants argued, based on the governing seven-factor test,³¹ that there was no evidence to show that common team nicknames are confusing, especially when other NFL and CFL teams already share common names.³²

In specifically addressing the seven-factor likelihood of confusion test, the CFL defendants argued that:

- (1) the marks in issue were dissimilar, claiming that "Baltimore CFL Colts" was easily distinguishable from "Colts" or "Indianapolis Colts;"
- (2) the products were dissimilar, noting the differences between Canadian and American versions of football,³³ and also the distinctive logos and color schemes;³⁴
- (3) the economic market areas of the Baltimore CFL club and the Indianapolis Colts were distinctive, with no CFL franchise located in Indiana and the only connection between the CFL and Indiana being a national television contract with ESPN to televise 18 regular season and all playoff games on ESPN2 and the CFL Championship game on ESPN;³⁵
- (4) potential consumers of products generated by the Baltimore CFL club would use a high degree of care in selecting products for purchase, arguing that the professional football fan is sophisticated and likely to use great care in selecting a souvenir of a particular team, attending a particular game or viewing one on television;
- (5) the strength in the "Indianapolis Colts" mark is in its association with its geographic designation, and while strong and the product of extensive television, radio and media coverage and commercial use, the NFL mark bears no relationship to the "Baltimore CFL Colts" mark, particularly since many athletic teams in college and professional sports utilize the same or similar nicknames and are distinguished by their geographic designation;³⁶
- (6) expert evidence demonstrated there was no evidence of actual confusion by consumers, since consumers likely to purchase Baltimore CFL products or attend their games or watch their telecasts would distinguish between a new CFL franchise located in Baltimore and playing under a "Colts" nickname and the current NFL "Colts" now playing in Indianapolis; and,
- (7) the passage of time since the NFL Colts relocation to Indianapolis and its abandonment of its registered "Baltimore Colts" trademark had eroded any goodwill the Indianapolis Colts once owned in the name "Baltimore

Colts,” and, therefore, there was no goodwill owned by the NFL Colts in the “Baltimore Colts” mark for the Baltimore CFL franchise to “palm off.”³⁷

In defense of the NFL’s common law misappropriation claim, the Baltimore CFL club similarly argued that the Indianapolis Colts had abandoned their claim to the “Baltimore Colts” mark, and that ten years after the NFL franchise’s relocation to Indianapolis and following the failure to renew their federal registration of the “Baltimore Colts” mark, they could no longer claim the goodwill associated therewith.

In support of their statutory and common law defenses, the CFL defendants relied heavily on the federal district court decision in *Major League Baseball Properties Inc. V. Sed Non Olet Denarius, Ltd.*,³⁸ wherein the Los Angeles Dodgers and MLB Properties were unsuccessful in maintaining a trademark infringement action against three individual defendants and their corresponding corporations that had opened a restaurant in Brooklyn, New York called “The Brooklyn Dodger Sports Bar and Restaurant.” Following a trademark search in October 1987, the defendants registered the name “The Brooklyn Dodger” as a service mark with the New York Secretary of State and the USPTO. The restaurant also registered a logo resembling the L.A. Dodger mark, sharing similar style, script and color. The defendants displayed the registered logo on both the front of the restaurant and on promotional items sold therein. The establishment made further use of the logo by dividing the terms “Dodger” and “Brooklyn” and using them separately on merchandise and food products. Inside the restaurant the defendants also exhibited memorabilia collected from the Brooklyn Dodgers professional baseball team. Additionally, the defendants drew checks and published advertisements which altered the mark and added an “s” to the end of the Brooklyn Dodger name.³⁹ After considering all relevant factors, the United States District Court for the Southern District of New York held that the defendants’ use of the Brooklyn Dodger name did not raise a likelihood of confusion⁴⁰ and that the Los Angeles Dodgers had abandoned the Brooklyn Dodgers name, thereby preventing them from having any superior rights to the mark.⁴¹

■ THE COLTS DECISION

On June 27, 1994, the NFL plaintiffs in the Colts dispute obtained a preliminary injunction in federal district court enjoining the Baltimore CFL franchise from using the name “Colts” or “Baltimore Colts” or “Baltimore CFL Colts” in connection with the playing of professional football, the broadcast of football games, or the sale of merchandise to football fans and other buyers.⁴² Judge McKinney found that the NFL plaintiffs were likely to succeed on their trademark infringement claim, that they would be irreparably harmed absent an injunction, that the balance of the equities overwhelmingly weighed in the plaintiffs favor and that the entry of the injunction would not disserve the public interest.⁴³

With respect to Lanham Act claims, Judge McKinney concluded that the NFL plaintiffs retained protectable proprietary interests in the registered marks “Colts” and “Indianapolis Colts,” and in the unregistered mark “Baltimore Colts.”⁴⁴ Further,

as a question of fact, considering the seven-factor test for consumer confusion,⁴⁵ the court found the balance of evidence presented a likelihood of consumer confusion between the NFL marks and the Baltimore CFL franchise's intended use of the "Colts" nickname, both with the television viewing audience and also with potential consumers of merchandise. Judge McKinney was particularly swayed by the NFL's consumer survey evidence which exhibited significant levels of actual confusion among potential consumers of the Baltimore CFL franchise's products, who confused the "Baltimore CFL Colts" with the Indianapolis Colts.⁴⁶

Following the reasoning in *Major League Baseball*,⁴⁷ the court found no likelihood of success on the NFL's common law misappropriation claim. The court concluded that the passage of time since the Colts' relocation to Indianapolis and the abandonment of its federally registered "Baltimore Colts" mark had eroded any goodwill that the NFL franchise once had in the "Baltimore Colts" mark. With no goodwill in the mark, the Indianapolis Colts were precluded from claiming that their common law interest in the mark had been misappropriated by the Baltimore franchise.⁴⁸

The CFL defendants appealed the district court order to Seventh Circuit, contending that the findings of the district court judge were wrong in law. More particularly, the CFL defendants argued that the decision presented contradictory findings, with the court, on one hand, concluding that the NFL Colts had abandoned their "Baltimore Colts" mark and would not likely prevail on their misappropriation claim because they had abandoned their "Baltimore Colts" mark, yet, on the other hand, finding that the NFL Colts retained a protectable proprietary interest in the mark sufficient to maintain a section 43(a) Lanham Act claim. The CFL defendants also maintained that the mark at issue was "Baltimore Colts" and not simply "Colts," and that the Indianapolis Colts no longer had a protectable proprietary interest in the "Baltimore Colts" mark to maintain a claim either under the Lanham Act or at common law.⁴⁹

On the issue of abandonment, the Court of Appeals agreed that the NFL Colts had abandoned the trademark "Baltimore Colts" when they moved to Indianapolis. Chief Judge Posner, writing for the court, states:

The (CFL defendants) make a tremendous to-do over the fact that the district judge found that the Indianapolis Colts abandoned the trademark "Baltimore Colts" when they moved to Indianapolis. Well, of course; they were longer playing football under the name "Baltimore Colts," so could not have used the name as the team's trademark; they could have used it on merchandise but chose not to, until 1991. When a mark is abandoned, it returned to the public domain, and is appropriable anew — in principle. In practice, because subsequent use of an abandoned mark may well evoke a continuing association with the prior use, those who make subsequent use may be required to take reasonable precautions to prevent confusion. This precept is especially important where, as in this case, the former owner of the abandoned mark continues to market the same product or service under a similar name, though we cannot find any previous cases of this kind. No one questions the validity of "Indianapolis Colts" as the trademark of the NFL team that plays out of Indianapolis and was formerly known as the Baltimore Colts. If "Baltimore CFL

Colts” is confusingly similar to “Indianapolis Colts” by virtue of the history of the Indianapolis team and their overlapping product and geographical markets served by it and by the new Baltimore team, the latter’s use of the abandoned mark would infringe the Indianapolis Colts’ new mark.⁵⁰

The key issue for the Seventh Circuit, then, was consumer confusion. According to the court, the NFL Colts’ abandonment of a mark confusingly similar to their new mark neither broke the continuity of the team in its different location — it was the same team, merely having a different home base and therefore a different geographical component in its name — nor entitled a third party to pick it up and use it to confuse Colts fans, and other actual or potential consumers of products and services marketed by the Colts or by other National Football League teams, with regard to the identity, sponsorship, or league affiliation of the third party.⁵¹ If colts fans, however, are not likely confused, if everyone *knows* there is no contractual or institutional continuity, no pedigree or line of descent, linking the Baltimore-Indianapolis Colts and their new CFL team that wants to call itself the “Baltimore Colts,” then there is no harm, at least no harm for which the Lanham Act provides a remedy, in the new Baltimore team’s appropriating the name “Baltimore Colts” to play under and sell merchandise under.⁵²

Is consumer confusion likely on the *Colts* facts? The Seventh Circuit, affirming the district court order, was unable to conclude that the district judge had committed a clear error in finding, based on the NFL’s consumer study and other evidence, that the defendant’s use of the name “Baltimore CFL Colts” whether for the team or on merchandise was likely to confuse a substantial number of consumers.⁵³

■ CONCLUSION

Following their unsuccessful appeal, the Baltimore CFL franchise chose not to pursue the issue to trial. This may be particularly disappointing to trademark academics, given the unique fact scenario presented by this dispute, where the former owner of an abandoned mark continues to market the same product or service under a similar name in a different location, and a third party picks up the abandoned mark to market a similar product in the former location.

It is certainly more than arguable that a trial of this infringement issue would have produced an opposite finding on their likelihood of confusion issue. In issuing the preliminary injunction, the district court judge, in his likelihood of confusion analysis, was perhaps overly swayed by the NFL’s evidence of actual consumer confusion, and devoted little time to considering the other six factors of the consumer confusion test. Since the Seventh Circuit could not find a clear error in the trial judge’s finding, sufficient to conclude that the district court judge abused his discretion in granting the preliminary injunciton, that court had little choice but to affirm the lower court order. A trial of the issue would have involved a closer examination of each of the factors of the seven-factor likelihood of confusion test, to determine whether “Baltimore CFL Colts” is confusingly similar to “Indianapolis Colts.” CFL arguments in relation to many of these factors are particularly compelling,⁵⁴ and work to arguably distinguish the “Baltimore Colts” mark from “Colts” or “Indianapolis Colts,” and extinguish any likelihood of confusion. At trial,

the CFL defendants would also have no doubt produced more probative evidence on the sixth factor — evidence of actual confusion — the absence of which proved fatal in this action.

Rather than proceeding to a trial of the issue, the parties entered into settlement negotiations, wherein the Baltimore CFL club explored the prospect of adopting a derivative of “Colts” as a new nickname. Since the NFL holds registered trademarks for several nicknames, such as Stallions, Bombers, Mustangs or Ravens, the CFL defendants sought assurances from the NFL that adopting one of these derivatives would not land them back in court.⁵⁵ With legal fees mounting, and the NFL desiring significant compensation to release its trademark registration for any of its registered marks, the Baltimore CFL club chose to drop the issue and operate without an *official* nickname for the foreseeable future.⁵⁶ Unofficially, however, at least to Baltimore CFL fans, the Colts are back in Baltimore. Even though the Seventh Circuit’s decision leaves the CFL franchise unable to market itself under its desired name, home games at Baltimore’s Memorial Stadium during the remainder of the 1994 season were turned into the people’s court. Every time the public address announcer said, “Your Baltimore CFL . . .,” the pause was answered by the crowd’s chant of “Colts!” — and no judicial decree could stop it.⁵⁷

References

* Assistant Professor of Sport Law and Director of the Sport Management Program at Rice University, Houston, Texas. B.A. 1982, University of Alberta (Canada); LL.B. 1985, University of Alberta (Canada); M.S. 1990, University of Massachusetts at Amherst.

¹ In March 1994, the CFL Colts sought a declaratory judgment in U.S. District Court for the District of Maryland to conclusively establish the team’s legal right to use the “Colts” mark. Eight weeks later the Indianapolis Colts, NFL Properties and the NFL sued in U.S. District Court for the Southern District of Indiana to prevent the CFL team from using the mark. Brief of Appellants, Indianapolis Colts, Inc., et al. v. Metropolitan Baltimore Football club Limited Partnership, et al., No. 94-2578 (7th Cir. 1994).

² *Id.*

³ Indianapolis Colts, Inc., et al. v. Metropolitan Baltimore Football club Limited Partnership, et al., 34 F3d 410 at 411 (7th Cir. 1994).

⁴ *Id.* See also Indianapolis Colts v. Mayor & City council of Baltimore, 733 F.2d 484, 741 F.2d 954 (1984), 755 F.2d 177 (7th Cir. 1985).

⁵ Brief of Appellants, *supra* note 1, at 10.

⁶ *Id.* at 11-12.

⁷ *Id.* at 12-13.

⁸ *Id.*

⁹ Indianapolis Colts, Inc., et al. v. Metropolitan Baltimore Football Club Limited Partnership, et al., No. IP94727C (S.D.Ind. 1994).

¹⁰ Glenn M. Wong, *Trademark Law Battles Focus on Sports Logo Use*, ATHLETIC BUSINESS, August 1989, at 21.

¹¹ Mark A. Robinson, *Injunctive Relief for Trademark Infringement is not Available When Likelihood of Confusion Does not Exist as to the Source of the Goods or Services or When an Entity Abandons a Trademark*, 4 SETON HALL J. OF SPORT LAW 205 at 207 (1994).

A trademark serves a variety of functions, including: designating the source or origin of a particular product or service, even though the source is unknown to the consumer; denoting a particular standard of quality which is embodied in the product or service; identifying a product or service and distinguishing it from the products or services of others; symbolizing the goodwill of its owner and motivating consumers to purchase the trademarked product or service; representing a substantial advertising investment; protecting the public from confusion and deception, ensuring that consumers are able to purchase the products and services they want, and enabling courts to fashion a standard of acceptable business conduct. *See Wong, supra* note 10, at 21.

¹² The Lanham Act of 1946, ch. 540, 60 Stat. 427 (1946) (codified as amended by 15 U.S.C. §§ 1051-1127 (1982 & Supp. V. 1987)). Modern trademark law has its origins in the common law tort of unfair competition. *See* 2 J. Thomas McCarthy, TRADEMARKS AND UNFAIR COMPETITION (2d ed.) § 5:2, at 133-35 (1984).

¹³ 15 U.S.C. § 1057(b). The Act defines a trademark as including “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish goods . . . from those manufactured or sold by others.” 15 U.S.C. § 1127. *See also* Robert C. Berry and Glenn M. Wong, 2 LAW AND BUSINESS OF THE SPORTS INDUSTRIES (2d ed.) 634 (1993).

¹⁴ *See Security Center Ltd. v. First National Security Centers*, 750 F.2d 1295 at 1298 (5th Cir. 1985); *Board of Governors of the Univ. of North Carolina, et. al. v. Helpingstine* 714 F. Supp. 167 at 170 (M.D.N.C. 1989).

¹⁵ *Turner v. HMM Publishing Co.*, 380 F.2d 224, 228 (5th Cir.), cert. denied, 389 U.S. 1006, 88 S.Ct. 566, 19 L.Ed.2d 601 (1967). Unlike other forms of intellectual property law, trademark law rests on the principle that the owner must “use it or lose it.” Whereas a patent lasts for 17 yerars, and a copyright gives protection for the life of the author plus 50 years, a trademark lasts indefinitely, as long as it is used. However, the corollary

is that if it is not used, it is lost. See Howard W. Brill, *The Name of the Departed Team: Who Can Use It?*, 15WHITTIER L.REV. 1003 at 1004 (1994).

¹⁶ Section 32(1) of the Lanham Act provides a cause of action for *trademark infringement* in favor of a registered owner of a mark, where a person, without the consent of the registrant, uses in commerce any registered mark which is “likeli to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C.A. § 1114 (1). Section 43(a) of the statute provides owners of unregistered marks a cause of action for *false designation of origin*. The section reads as follows:

(a) Any person who . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact which (1) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (2) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act. 15 U.S.C. § 1125(a).

¹⁷ Secondary meaning is a mental recognition in the buyer’s mind, associating symbols, words, colors, and designs with goods for a single source. It tests the connection in the consumer’s mind between the product bearing the mark and its source. See *Berry & Wong*, *supra* note 13, at 642.

¹⁸ *Robinson*, *supra* note 11, at 209. 15 U.S.C. § 1127. Section 1127 states, in part: A mark shall be deemed to be ‘abandoned’ when either of the following occurs:

(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie evidence of abandonment. ‘Use’ of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment . . . 15 U.S.C. § 1127.

¹⁹ Brill, *supra* note 15, at 1006-1007.

²⁰ See *supra* note 16 and accompanying text.

²¹ Stephen M. McKelvey, *Atlanta '96: Olympic Countdown to AMbush Armageddon?*, 4 SETON HALL J. OF SPORT LAW 397 at 410 (1994).

²² *Id.* at 411.

²³ 287 F.2d 492 (2d Cir.), cert. denied, 386 U.S. 820 (1961).

²⁴ *Id.* at 495. The eight factors identified by the Polaroid court are: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the plaintiff's and the defendant's mark; (3) the proximity of the products or services; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion; (6) the defendant's good faith in adopting the mark; (7) the quality of the defendant's product or service; and (8) the sophistication of the buyers.

²⁵ McKelvey, *supra* note 18, at 411.

²⁶ 787 f.2d 1163 (7th Cir. 1986).

²⁷ *Id.* at 1167-1168.

²⁸ See *B. H. Bunn Co. v. AAA Replacement Parts Co.*, 451 F2d 1254 (5th Cir. 1971).

²⁹ McKelvey, *supra* note 18, at 424. See also *National Hockey League v. Pepsi Cola Canada Ltd.*, 92 D.L.R. 4th 349 at 355 (B.C.S.C. 1992).

³⁰ See *supra* note 26 and accompanying text for discussion of "seven-factor test."

³¹ *Id.*

³² The NFL and CFL each have a "Lions" franchise, for example, playing in Detroit and British Columbia respectively.

³³ Canadian football is played on a 110 yard field from end zone to end zone rather than the 100 yard American field. In Canadian football the offensive team has only three downs to make a first down instead of four in American football. Canadian football has 12 players on each side on the field instead of 11 in American football. Brief of Appellants, *supra* note 1, 7-8.

³⁴ Baltimore CFL Football Club colors include dark blue, silver and black. Its logo is a stylized stallion's head. The NFL's Indianapolis Colts colors include light blue and white. Its logo is a horseshoe. *Id.*

³⁵ *Id.* at 8-9.

³⁶ For example, the Detroit Lions of the NFL and the British Columbia Lions of the CFL. Numerous intercollegiate teams also share common nicknames, such as the "Wildcats," "Tigers" and "Cougars."

- ³⁷ For a summary of MBFC arguments on the likelihood of confusion issue, see Brief of Appellants, *supra* note 1, at 7-31.
- ³⁸ 817 F.Supp. 1103 (S.D.N.Y. 1993).
- ³⁹ *Id.* at 1110-1113.
- ⁴⁰ *Id.* at 1118-1125. Judge Motley, writing for the court, held that the plaintiffs had not shown actual confusion or likelihood of confusion arising from the defendants' use of "The Brooklyn Dodger" mark. Considering the factors established in *Polaroid* (see *supra* note 23), the court found that "The Brooklyn Dodger" mark was strong, worthy of protection and similar to the mark used by the plaintiffs. The court determined, however, that the parties did not share a common name, were not competing with each other, and were in totally separate markets. Based on the sophistication of the restaurant patrons, virtually no chance existed that a customer of the restaurant would think that the Los Angeles ball club and restaurant were related. For further discussion of *Major League Baseball*, see Robinson, *supra* note 11, and Brill, *supra* note 15.
- ⁴¹ *Major League Baseball*, 817 F.Supp. at 1132-1134. The court concluded that the plaintiffs' failure to use the "Brooklyn Dodgers" trademark for over 25 years was equivalent to abandoning the mark. Even though the Los Angeles Dodgers and Major League Baseball Properties had resumed use of the trademark in a limited capacity in 1981 as part of its "Cooperstown Collection," their noncommercial uses of the trademark between 1958 and 1981 established a prima facie case for abandonment, that the limited resumption in use of the trademark did not cure. The court declared that, by 1988, the defendants and plaintiffs had equal rights to the trademark. The plaintiffs' rights to the mark were restricted to the limited applications made after 1981 and did not bar defendants from using "The Brooklyn Dodger" name for their Brooklyn restaurant.
- ⁴² *Indianapolis Colts, Inc., et al. v. Metropolitan Baltimore Football Club Limited Partnership, et al.*, 1994 LEXIS 19277 (S.D. Ind. 1994)
- ⁴³ *Id.* at *15-16, 19-21.
- ⁴⁴ *Id.* at *6-7. According to Judge McKinney, the "Baltimore Colts" mark had acquired secondary meaning, as bringing to mind an NFL football team that had played in Baltimore from the early 1950s until they were moved to Indianapolis in 1984 and renamed the "Indianapolis Colts."
- ⁴⁵ See *supra* notes 26 and 33-37 and accompanying text.
- ⁴⁶ *Indianapolis Colts*, 1994 LEXIS 19277 at *8-13. The results of a nation-wide consumer study commissioned by the NFL demonstrated actual confusion in excess of 50% among fans and potential consumers who were shown

souvenir merchandise bearing the mark “Baltimore CFL Colts.” Among self-identified football fans, 64% thought that the “Baltimore CFL Colts” was either the old (NFL) Baltimore Colts or the Indianapolis Colts. Of further interest, and to answer the CFL contention that the universe to be tested for confusion was Baltimore and not the entire U.S., the levels of confusion found in Baltimore and Indiana were commensurate with the levels of confusion found in other parts of the country.

The court gave little wight to the expert evidence presented by the CFL on the consumer confusion issue. In the CFL study, individuals were interviewed at one Baltimore-area mall to test the level of public knowledge regarding the Indianapolis Colts and the Baltimore CFL Colts. No actual merchandise was exhibited in this study, yet the CFL-commissioned expert concluded that in the Baltimore area there is no meaningful likelihood of confusion between the Indianapolis Colts and the Baltimore CFL Colts.

⁴⁷ 817 F.Supp. 1103 (S.D.N.Y. 1193). *See supra* notes 38-41 and accompanying text.

⁴⁸ *Indianapolis Colts*, 1994 LEXIS 19277 at *17-19.

⁴⁹ Brief of Appellants, *supra* note 1.

⁵⁰ *Indianapolis Colts*, 34 F.3d at 412-413.

⁵¹ *Id.* at 413.

⁵² *Id.* at 414.

⁵³ *Id.* at 416. The scope of judicial review of a district court’s decision to grant a preliminary injunction is narrowly circumscribed in the Seventh Circuit. A district court’s decision to enter an injunction is discretionary and is entitled to substantial deference by the reviewing court. *See A.J. Canfield Co. v. Vess Beverages, Inc.*, 796 F.2d 903, 905-906 (7th Cir. 1986); *see also Atari, Inc. v. North Am. Phillips Consumer electric Corp.*, 672 F.2d 607, 613 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982). The appropriate scope of review is whether the district judge exceeded the bounds of permissible choice under the circumstances, not what the Court of Appeals would have done if it had been in the district judge’s shoes. *See Roland Mach. Co. v. Dresser Industries, Inc.*, 749 F.2d 380, 390 (7th Cir. 1984). Further, a district court’s determination as to likelihood of confusion in a trademark infringement action is to be reviewed under the “clearly erroneous” standard as a finding of fact and reversed only if the district court abused its discretion. *See Scandia Down Corp v. Euroquilt, Inc.*, 772 F.2d 1423, 1427-1429 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986); *see also AHP Subsidiary Holding Co. v. Stuart Hale Co.*, 1 F.3d 611, 616 (7th Cir. 1993).

⁵⁴ See supra notes 33-37 and accompanying text.

⁵⁵ Jerry Bonkowski, *Baltimore Will Try Stallions Nickname*, USA TODAY, October 19, 1994 at 4c.

⁵⁶ Telephone interview with Mike Gathagan, Public Relations Director for the Baltimore CFL Football Club, January 26, 1995.

⁵⁷ Michael Farber, *But Don't Call Them the Colts*, SPORTS ILLUSTRATED, July 25, 1994, at 57.