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Cir. 1999)**

Whitney Ricketts

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***JOHNNY BLASTOFF, INC. V. LOS ANGELES
RAMS FOOTBALL COMPANY, ST. LOUIS RAMS
PARTNERSHIP, NFL PROPERTIES, INC.***

188 F.3d 427 (7th Cir. 1999)

INTRODUCTION

Johnny Blastoff, Inc. (“Blastoff”), filed a complaint in the United States District Court for the Western District of Wisconsin seeking a declaratory judgment against the Los Angeles Rams Football Company, the National Football League (“NFL”), and the St. Louis Rams partnership.¹ Specifically, Blastoff alleged that the Rams had engaged in unfair competition, including misrepresenting the registration status of the “St. Louis Rams” mark.² Blastoff also contended that it did not infringe on defendant NFL’s trademark rights.³ On September 5, 1997, Blastoff filed an amended complaint in which it sought \$100 million in damages as well as declarations of unfair competition trademark infringement, and cancellation of the Rams’ registered trademark for the “Rams” mark.⁴

On March 12, 1998, the trial judge granted the NFL’s motion for summary judgment that sought to dismiss the first amended complaint.⁵ The judge also granted the NFL’s counterclaim for injunctive relief and ordered the State of Wisconsin to cancel Blastoff’s registration of the mark “St. Louis Rams.” Blastoff appealed this decision, but the United States Court of Appeals for the Seventh Circuit affirmed the trial court’s decision.⁶

1 Johnny Blastoff, Inc. v. Los Angeles Rams Co., 188 F.3d 427 (7th Cir. 1999).

2 *Id.*

3 *Id.*

4 *Id.*

5 *Id.*

6 *Blastoff*, 188 F.3d at 428.

BACKGROUND

The Blastoff Corporation was organized under the laws of Wisconsin in 1993.⁷ Rodney Rigsby (“Rigsby”) is president, chairman of the board, and primary shareholder of Blastoff.⁸ The corporation, which is in the business of creating and marketing cartoon characters, is named for “Johnny Blastoff”, a fictional, animated cartoon character conceived by Rigsby.⁹ Rigsby has developed several other characters in conjunction with the Johnny Blastoff cartoon concept.¹⁰ “Blastoff” cartoon story lines are set in fictional “Tower City” which is home to a number of fictional sports teams including the “Tower City Rams.”¹¹ Rigsby designed logos for each of the fictional teams.¹²

The NFL is an unincorporated association of member clubs, which field professional football teams.¹³ The member clubs derive substantial income from admission fees and personal seat licenses, national television and radio broadcast rights, and the sales of jerseys, jackets, and other sports merchandise and memorabilia.¹⁴ Each member club has adopted a team name, as well as symbols, logos, colors and other identifying marks.¹⁵ Each club’s marks have been assigned to the defendant NFL Properties, which licenses other entities to use the marks in merchandising and promotional activities.¹⁶

The Rams football team, which is one of the NFL’s oldest member clubs, was founded in 1937 as the Cleveland Rams Franchise and moved to Los Angeles in 1946.¹⁷ Beginning in December of 1993 and throughout 1994, newspaper articles in the

7 *Id.*

8 *Id.* at 429.

9 *Id.*

10 *Id.*

11 *Blastoff*, 188 F.3d at 429.

12 *Id.*

13 *Id.*

14 *Id.*

15 *Id.*

16 *Blastoff*, 188 F.3d at 429.

17 *Blastoff*, 188 F.3d at 430.

St. Louis area reported the possibility that the Los Angeles Rams would move to St. Louis.¹⁸ On January 17, 1995, a press conference was organized in St. Louis by Georgia Frontiere, owner of the Los Angeles Rams club, and St. Louis Mayor Freeman Bosley.¹⁹ At that press conference, it was announced that the Rams club intended to relocate to St. Louis.²⁰ Local and national media, including sports writers who filed reports for USA Today, the New York Times, as well as other national media outlets covered the press conference.²¹ In the New York Times article, Mayor Bosley stated, “The St. Louis Rams – how sweet it is.” The January 18, 1995, edition of the St. Louis Post-Dispatch included a sixteen-page pullout section devoted to the Rams, the front page of which bore the title “St. Louis Rams.”²²

In April of 1995, vendors began using the “St. Louis Rams” mark through various mediums.²³ For example, immediately after the final vote to move the Rams from Los Angeles to St. Louis on April 12, 1999, LogoAthletic, a licensee of NFL Properties, shipped officially licensed apparel bearing the “St. Louis Rams” mark to the St. Louis area.²⁴ On April 26, 1995, NFL Properties filed two trademark applications on behalf of the Rams for the mark “St. Louis Rams.”²⁵

On February 22, 1995, while the NFL was in the process of approving the Rams’ relocation from Los Angeles to St. Louis, Blastoff filed a trademark application for the mark “St. Louis Rams” with the state of Wisconsin.²⁶ Blastoff received a registration certificate the same day.²⁷ At the time of the filing, Blastoff claimed that it was unaware of any other entity using the

18 *Id.*

19 *Id.*

20 *Id.*

21 *Id.*

22 *Blastoff*, 188 F.3d at 430.

23 *Blastoff*, 188 F.3d at 431.

24 *Id.*

25 *Blastoff*, 188 F.3d at 432.

26 *Id.*

27 *Id.*

mark “St. Louis Rams.”²⁸ On March 10, 1995, Blastoff filed two federal intent-to-use trademark applications for the mark “St. Louis Rams,” accompanied by a ram’s head design.²⁹ In his applications, Blastoff stated it was unaware of any other party’s right to use the mark in commerce.³⁰

The United States Patent and Trademark Office (“PTO”) published Blastoff’s trademark applications.³¹ The Defendants made a number of attempts to protect their “St. Louis Rams” NFL football club mark. The first of which was a timely notice of opposition to the trademark with the PTO.³² The PTO responded by suspending all action on each of the Plaintiff’s and the Defendants’ applications pending the outcome of this suit.³³

On March 12, 1998, the defendants moved for summary judgment, arguing that: (1) the St. Louis Rams had acquired rights in the mark “St. Louis Rams” prior to Blastoff; (2) Blastoff’s alleged rights in the mark were based on false and fraudulent claims; (3) Blastoff’s marks were likely to be confused with the Ram’s marks; (4) Blastoff’s marks diluted the distinctive value of the Rams’ trademarks; (5) Blastoff lacked standing to bring unfair competition and false advertising claims, and such claims were without merit; (6) the “Rams” mark is not generic; and (7) the Rams’ application to the PTO was based on bona fide use of the “Rams” mark in commerce.³⁴ On June 24, 1998, the district court granted the defendants’ motion for summary judgment ruling, *inter alia*, that: (1) the NFL did not infringe on Blastoff’s “St. Louis Rams” mark under Wisconsin law; (2) Blastoff infringed the NFL’s trademark rights; (3) the NFL did not engage in unfair competition; (4) the Rams’ federally registered “Rams” mark is not generic; and (5) Blastoff is not entitled to money damages.³⁵

28 *Id.*

29 *Id.*

30 *Blastoff*, 188 F.3d at 432.

31 *Blastoff*, 188 F.3d at 433.

32 *Id.*

33 *Id.* at 434.

34 *Id.*

35 *Blastoff*, 188 F.3d at 435.

LEGAL ANALYSIS

ISSUES

On appeal, the issues the 7th Circuit considered regarding the alleged trademark infringement were: (1) whether the district court erred in concluding that the NFL defendants had acquired protectable rights in the mark “St. Louis Rams” prior to Blastoff; (2) whether the district court erred in finding a likelihood of confusion exists between the Plaintiff’s and the Defendant’s use of the “St. Louis Rams” mark; (3) whether the district court’s ruling that Blastoff failed to raise a genuine issue of material fact in support of its claim that the “Rams” mark was generic was proper; and (4) whether the district court erred in dismissing the Plaintiff’s unfair competition and deceptive advertising claims due to the plaintiff’s lack of standing.³⁶

DISCUSSION

The seventh circuit reviewed the district court’s grant of summary judgment de novo based on the ruling in *Green v. Shalala*.³⁷ Summary judgment is appropriate when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.³⁸ The court viewed the record and all reasonable inferences drawn from it in the light most favorable to the non-moving party.³⁹

Prior Protectable Rights

The Plaintiff contended that the district court erred in concluding that the Defendants had acquired protectable rights in the mark “St.

³⁶ *Id.* at 436.

³⁷ *Blastoff*, 188 F.3d at 436, citing *Green v. Shalala*, 51 F.3d 96, 99 (7th Cir. 1995).

³⁸ *Id.*

³⁹ *Blastoff*, 188 F.3d at 436, citing *Hartford Accident & Indem. v. Chicago Hous. Auth.*, 12 F.3d 92, 95 (7th Cir. 1993).

Louis Rams” prior to Blastoff.⁴⁰ In response, the Defendants argue that they established prior and superior rights in the “St. Louis Rams” mark through the public use of the mark, third-party promotion and advertising, and the fact that the public associated the mark with the Rams NFL franchise.⁴¹ The trial court, reflecting the Defendant’s view, stated that “by the time the plaintiff filed its Wisconsin registration in February 1995, a substantial portion of the public associated the mark ‘St. Louis Rams’ with the defendant’s football club.”⁴²

The current case law in the area of franchise relocation and expansion has created a strong presumption of priority ownership in a franchise’s marks.⁴³ In *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd.*, the court held that the “Indianapolis Colts” mark might be viewed simply as “Colts,” an independent urban affiliation.⁴⁴ While courts consistently define “use” as the public sale of a product, in some circumstances parties have been found to possess rights in an alteration of an existing mark that was used solely by third parties to designate its product.⁴⁵

On January 17, 1995, Georgia Frontiere, the owner of the Rams, and St. Louis Mayor Freeman Bosley held a press conference in which they publicly announced the Rams’ intention to relocate from Los Angeles to St. Louis. This press conference received local and national media attention, and began an onslaught of nationwide merchandising and season tickets sales. By the time Blastoff registered the “St. Louis Rams” mark in Wisconsin in February of 1995, a significant portion of the public associated the mark with the Rams Football Club.⁴⁶ However, Blastoff asserted that the Defendants had not sufficiently used the mark to be given

⁴⁰ *Blastoff*, 188 F.3d at 439.

⁴¹ *Id.* at 437.

⁴² *Id.*

⁴³ *Id.* at 438.

⁴⁴ *Blastoff*, 188 F.3d at 438, citing *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd.*, 34 F.3d 410, 413 (7th Cir. 1994).

⁴⁵ *Id.*, citing *Coca-Cola Co. v. Busch*, 44 F. Supp. 405, 409-10 (D.Pa. 1942) (“Coke” protectable trademark for “Coca-Cola”).

⁴⁶ *Blastoff*, 188 F.3d at 439.

priority.⁴⁷ Blastoff argued: (1) that at the January press conference, none of the Defendants used the words “St. Louis Rams,” and thus, the term was rendered an “unarticulated idea for a team name,” which is not protectable; (2) that newspaper and media coverage is insufficient to establish priority; and (3) that the football team “operated publicly and exclusively as the ‘LA Rams.’”⁴⁸

The court looked to the ruling in *National Cable Television Assoc. v. Am. Cinema Editors, Inc.* for guidance on this issue.⁴⁹ The court held that Blastoff failed to demonstrate any equivalent use of the mark “St. Louis Rams” by February of 1995, when the Defendants established, by use and public association, their priority in the mark.⁵⁰ Georgia Frontiere’s announcement at the press conference detailing the franchise’ move from Los Angeles to St. Louis, implicitly adopted the exact phrase “St. Louis Rams” on the date of her press conference. The Seventh Circuit’s decision in *Indianapolis Colts* is strong support for the proposition that the Rams organization and the NFL had a long-established priority over the use of the “Rams” name in connection with the same professional football team, regardless of urban affiliation.⁵¹

Similar to this case, the court in *Indianapolis Colts* held that the team’s move from Baltimore to Indianapolis neither broke the continuity of the team in its different location due to the fact that it was the same team a different home base, nor entitled a third party to pick up the name and use it to confuse Colts fans.⁵² Because a product or organization may be designated by more than one trademark, it is irrelevant, as Blastoff suggested, that the official name of the Rams remained “Los Angeles Rams” until April of 1995.⁵³ Thus, the seventh circuit court agreed with the district

47 *Id.*

48 *Id.*

49 937 F.2d 1572 (Fed.Cir.1991) (abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners of the trade name or mark which the public modified).

50 *Blastoff*, 188 F.3d at 439.

51 *Id.* at 441.

52 *Id.* at 442.

53 *Blastoff*, 188 F.3d at 442.

court's determination that the Defendant-Appellees had acquired protectable rights in the "St. Louis Rams" mark prior to Blastoff.⁵⁴

Likelihood of Confusion

The Plaintiff further contended that the district court erred in finding that a likelihood of confusion existed between Blastoff's and the Defendant's use of the "St. Louis Rams" mark.⁵⁵ Blastoff challenged the district court's determination that Blastoff is not entitled to a declaration that it did not infringe on the Rams' mark.⁵⁶

The "keystone" of trademark infringement is "likelihood of confusion" as to source, affiliation, connection or sponsorship of goods or services among the relevant class of customers and potential consumers.⁵⁷ Usually, the confusion alleged is "forward confusion," which occurs "when customers mistakenly think that the junior user's goods or services are from the same source or are connected with the senior user's goods or services."⁵⁸ In such a case, the junior user attempts to capitalize on the senior user's good will and established reputation by suggesting that his product come from the same source as does the senior user's product.⁵⁹ In this case, however, Blastoff did not rely on the class forward confusion, but rather on the doctrine of "reverse confusion."⁶⁰ Reverse confusion occurs when a large junior user saturates the market with a trademark similar to that of a smaller, senior user.⁶¹ Nonetheless, the senior user is uninjured because the public comes to assume that the senior user's products are really the junior user's or that the former has become somehow connected to the latter.⁶²

⁵⁴ *Id.* at 443.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* at 446.

⁵⁸ *Blastoff*, 188 F.3d at 446-447.

⁵⁹ *Id.* at 447, citing *Big O Tire Dealers v. Goodyear Tire & Rubber Co.*, 561 F.2d 1365 (10th Cir. 1977).

⁶⁰ *Blastoff*, 188 F.3d at 447.

⁶¹ *Id.*

⁶² *Id.*

The result is that the senior user loses the value of the trademark – it’s product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.⁶³

Blastoff alleged that the Defendants were the cause of reverse confusion.⁶⁴ He argued that the NFL was using its seemingly limitless resources to saturate the market with a trademark similar to their own.⁶⁵ The court found that Blastoff’s argument fell short because Blastoff was not a senior user and therefore had no protectable rights to the “St. Louis Rams” mark.⁶⁶ Blastoff’s own statement, that the public associated the Plaintiff’s apparel with the St. Louis Rams Football Club, led the appellate court to affirm the holding that a likelihood of confusion of the parties’ marks did exist.⁶⁷

Generic Marks

Blastoff also argued that the district court erroneously ruled that it failed to raise a genuine issue of material fact in support of its claim that the “Rams” mark was generic.⁶⁸ Specifically, Blastoff claimed that because the Colorado State Rams college football team uses the team name “Rams,” the mark has become generic and the Defendants have therefore lost their rights in the mark.⁶⁹ In making this claim, Blastoff relied on 15 U.S.C. Section 1064(3), which provides that a federal trademark registration that has been on the registry for more than five years can be canceled in circumstances where the mark has become “the generic name for the goods or services, or a portion thereof, for which it is registered.”⁷⁰ A term may be considered generic if it “is one that is

63 *Id.* at 447-448, citing *Ameritech Inc. v. American Information Technologies Corp.*, 811 F.2d 960, 964 (6th Cir. 1987); also *Big O Tire Dealers*, 561 F.2d at 1372.

64 *Blastoff*, 188 F.3d at 448.

65 *Id.*

66 *Id.*

67 *Id.*

68 *Blastoff*, 188 F.3d at 451.

69 *Id.*

70 *Id.*

commonly used to name or designate a kind of goods,”⁷¹ or it represents the common linguistic usage for such goods.⁷²

The Defendants’ registration application specifies that the “Rams” name is to be used for “entertainment services – namely, professional football exhibitions.”⁷³ Thus, the product denoted by the “Rams” registration is a professional football team.⁷⁴ While “Rams” is associated with a college football team, the record is devoid of any evidence demonstrating that any other professional football team is known as the “Rams.”⁷⁵

According to the court, Blastoff also failed to adduce any evidence that the “Rams” mark has become a common term for professional football teams generally.⁷⁶ Contrary to the plaintiff’s claim, use of the “Rams” mark by one, or even several, college athletic teams does not establish a genuine issue as to the mark having become generic as defined by the statute because none of the college teams using the mark produces the same professional football team product.⁷⁷

Unfair Competition and Deceptive Advertising

Blastoff also contended that the district court erred in dismissing its unfair competition and deceptive advertising claims due to the Plaintiff’s lack of standing.⁷⁸ Specifically, Blastoff argued that in seeking to prevent him from using the “St. Louis Rams” mark, the Defendants marketed football paraphernalia with notices attached which stated that the “Rams” mark was registered with the PTO, which amounted to deceptive advertising.⁷⁹

⁷¹ *Blastoff*, 188 F.3d at 451, citing *Mil-Mar Shoe Co. v. Shonac Corp.*, 75 F.3d 1153, 1157 (7th Cir. 1996).

⁷² *Blastoff*, 188 F.3d at 451, citing *Gimix, Inc. v. JS & A Group, Inc.*, 699 F.2d 901, 905 (7th Cir. 1983).

⁷³ *Blastoff*, 188 F.3d at 452.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Blastoff*, 188 F.3d at 452, citing *Henri’s Food Products Co. v. Tasty Snacks, Inc.*, 817 F.2d 1303, 1305 (7th Cir. 1987).

⁷⁷ *Blastoff*, 188 F.3d at 452.

⁷⁸ *Id.* at 453.

⁷⁹ *Id.*

In determining that Blastoff lacked standing, the district court ruled that under Section 43(a) of the Lanham Act,⁸⁰ a party must demonstrate that it “has a reasonable interest to be protected against conduct violating the Act.”⁸¹

In consideration of prior protectable rights, the court determined that the NFL has established superior rights to the “St. Louis Rams” mark.⁸² As such, under the common law, Blastoff, which had never been part of the NFL, in any manner, is precluded from using the “St. Louis Rams” mark, and Blastoff therefore does not have a reasonable interest in a right to be protected by bringing suit.⁸³ Therefore, the Seventh Circuit agreed with the district court’s determination that Blastoff lacked standing to bring suit under Section 43(a) of the Lanham Act.⁸⁴

CONCLUSION

The court of appeals for the Seventh Circuit affirmed the district court’s ruling. The appellate court held that the defendants did acquire protectable rights in the mark “St. Louis Rams” prior to Blastoff. Furthermore, the court found that no likelihood of confusion existed between the two parties because the plaintiff was not a senior user of the mark, and therefore had no protectable rights. Finally, the Appellate court found that the “St. Louis Rams” mark is not generic, and the plaintiff lacked standing to bring an unfair competition and deceptive advertising claim.

Whitney Ricketts

80 15 U.S.C. §1125 (governs unfair competition and false advertising claims).

81 *Blastoff*, 188 F.3d at 454.

82 *Id.*

83 *Id.*

84 *Id.*

