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Aside from beating foes on the field; IP game just as important

A recent lawsuit over the sale of a Chicago Cubs souvenir is a departure from the usual intellectual property infringement dispute. Instead of a sports organization heading to court to protect its copyright or trademark from counterfeit merchandise or an allegedly infringing upstart, this time it's the little guy who's filing suit.

Protecting intellectual property, from merchandise to logos to mascots, is crucial for sports organizations because of the revenue and fan engagement generated. Agreements with those creating the IP must clarify who owns what, for how long and for what purposes.

Daniel W. Fox argues in his lawsuit filed in an Illinois federal court that the Cubs stole his design for a commemorative sculpture featuring a single ivy leaf plucked from Wrigley Field's outfield wall encased in a rectangular Lucite block.

Fox maintains that he came up with his idea for the sculpture in 1984 when the Cubs were in the running for the National League East title and created the first sculpture in 1984 under a licensing agreement with the Cubs in which he gave the team 10% of future sales in exchange for the right to use the Cubs' trademarks, including the team's official logo and the Wrigley Field ivy, reported the Chicago Sun-Times and other media outlets. The licensing agreement also designated Fox as the idea's owner.

The Cubs lost their bid for the title and the agreement expired the following year. Although the team floated the idea of making more of the commemorative sculptures later in the 1980s, it decided to wait until the club had another memorable year.

Fox asserted that in 2001, the team approached him about producing a variation of his sculpture but had no plans to compensate him for the design and that the team backed down when he threatened legal action.



SPORTS MARKETING PLAYBOOK

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In 2016, after the Cubs won its first World Series in 108 years, the team started selling their own commemorative sculptures for \$200 each. Fox contends that the sculptures are based on his design and that the team did not contact him for permission to use his intellectual property or compensate him, the Sun-Times reported.

Fox concedes in his lawsuit that the U.S. Copyright Office denied his application to register his sculpture design. Questions surrounding the original agreement between Fox and the Cubs, and the sculpture the Cubs began selling in 2016, ensure that the infringement litigation will be closely watched.

While suing professional sports organizations over IP is not unheard of, teams and leagues are more often the initiators of these challenges, in large part to protect intellectual property assets — such as logos, tag lines and mascots — that drive multiple significant revenue streams.

Often that means suing companies or individuals that manufacture or distribute counterfeit or look-alike merchandise. And sometimes that means using legal measures to block opportunistic — or perhaps just overenthusiastic — fans from trying to capitalize on the collective fan fervor for their team.

The Buffalo Bills NFL team successfully blocked an attempt by a group of zealous fans who call themselves the “Bills Mafia” to register a logo mark with the U.S. Patent and Trademark Office with the word MAFIA superimposed on a buffalo.

The group stated that the intention of the application was to use the mark on merchandise such as footballs and helmets and to donate the proceeds of the sales to charity.

After the team opposed the application, the fans withdrew their application.

Likewise, the Florida Panthers successfully opposed a fan's application to register the mark “I GOT THE PANTHERS FEVER PANTHERS FEVER BABY” for use on T-shirts.

Reputation, community and goodwill can also be factors in an organization's decision to sue.

The Chicago Cubs sued a group of people in 2014 alleging they were dressing in a fake mascot costume and participating in “inappropriate and unsavory actions” near Wrigley Field, according to the Chicago Sun-Times.

The actions included charging fans for photos and getting into at least one bar fight. The Cubs accused the group of presenting the character, known as “Billy Cub” as a representative of the team without the team's permission. The two sides ultimately settled the litigation, with the defendants agreeing to stop using the Billy Cub character.

In the wake of the white supremacists march in Charlottesville, Va., in 2017, the Detroit Red Wings hockey team was compelled to take to social media to denounce

the use of a bastardized version of the team's red and white, wheel and wings logo by a group calling themselves the "Detroit Right Wings" and threatened legal action if the group continued to use the logo.

Despite the high stakes involved, some sports organizations have learned the hard way that failure to properly protect their IP can lead to unexpected — and expensive — results.

The San Francisco Giants realized in 2011 that it never trademarked its team logo and it only did so after a small company called Gogo Sports began selling jackets and other apparel with "San Francisco" written across them in the team logo's distinctive script, reported SF Weekly.

The fact that the Giants had been using the logo for 18 years put the team in a

good position to win the legal dispute, SF Weekly said. But when Gogo sued the Giants in a California federal court for a ruling that it could continue to sell its "San Francisco" merchandise, the parties litigated for (an expensive) two years before reaching a settlement in 2014. Under the deal, Gogo agreed to stop using the Giants' logo.

The Philadelphia Phillies now find themselves in a similar spot and are grappling with decisions made decades ago regarding the rights to their wildly popular fuzzy green mascot, the Philly Phanatic. The team sued costume design firm Harrison/Erickson earlier this year in a New York federal court after the company threatened to terminate the team's rights to the Phanatic in 2020, said Sports Illustrated.

Harrison/Erickson designed the Pha-

natic costume for the Phillies in 1978. As the mascot's popularity grew with fans, so did the retail and public relations opportunities. Today, the Phanatic's image is used on everything from T-shirts to Christmas ornaments and the mascot makes appearances at a wide range of public and private events outside of baseball games, SI noted.

The parties have argued over the years about who owns the licensing rights to the character and the latest dispute seeks to determine who has the right to exploit the Phanatic and the scope of those rights, including by interpreting decades-old agreements.

In IP cases like the Cubs and the Phillies, compensation is a key issue, of course, but so is control. How the parties navigate these issues will be instructional for teams, creative firms and even fans.