

MARCH/APRIL 2020
VOLUME 26 NUMBER 2

DEVOTED TO
INTELLECTUAL
PROPERTY
LITIGATION &
ENFORCEMENT

*Edited by Gregory J. Battersby
and Charles W. Grimes*

IP *Litigator*®



Copyright Litigation

C. Linna Chen

In the case of *Nirvana, LLC v. Marc Jacobs International, LLC*, Case No. 2:18-cv-10743-JAK-SK, the District Court of California denied designer Marc Jacobs' motion to dismiss, finding that the popular rock band Nirvana had adequately alleged that defendants' creation and sale of clothing featuring asymmetrical smiley face with widely placed eyes and its tongue sticking out constituted copyright infringement, Lanham Act violations and related state law violations.

Background of the Case

Nirvana, the alternative rock band credited with popularizing the grunge genre, released its second studio album, *Nevermind*, in 1991. Promotional materials for the album featured a drawing by Nirvana front man Kurt Cobain of an asymmetrical smiley face, with X's for eyes and its tongue sticking out. The image, which the band referred to as the "Happy Face," was featured on promotional materials and band merchandise, including a black T-shirt on which the Happy Face and band name were displayed in yellow ink. The Happy Face was registered with the U.S. Copyright Office in 1993 in connection with the T-shirt design and has been used consistently by the band for more than 25 years.

Fashion designer Marc Jacobs released a collection in 2018 called "Bootleg Redux Grunge," intending to revisit his early designs from the early-90s grunge era. Several items in the collection featured a smiley

face design which, like the Happy Face, was asymmetrical and had its tongue sticking out. Rather than X's for eyes, the smiley face had an "M" and a "J," the designer's initials. The Jacobs smiley face was displayed in yellow ink on black articles of clothing. The image was also utilized by Jacobs to promote the Grunge Collection.

Nirvana, LLC, an entity formed by the surviving members of Nirvana, brought four causes of action against Jacobs and retailers offering the Grunge Collection merchandise, including claims for copyright infringement and false designation of origin under Section 43(a) of the Lanham Act, as well as trademark infringement and unfair competition under California common law. Defendants moved to dismiss each of plaintiff's claims.

Defendants first attacked plaintiff's ownership of the copyright registration, arguing that plaintiff alleged that Cobain had created the design but that the registration was initially issued to an entity named Nirvana, Inc. The court rejected this argument, reasoning that "although the allegation as to Cobain's 1991 creation of the Happy Face may suggest he was the 'author' in whom 'title vests initially,' this does not preclude the possibility that Nirvana, Inc. later obtained the right to claim ownership of the 1993 '166 Registration, and then transferred that right to another entity from which it was transferred to Plaintiff." Though the court held it was not necessary to establish chain of title in order to survive a motion to dismiss, the court did note that "prompt discovery" on these issues was warranted.

Defendants next argued that the registration was invalid because it inaccurately stated the date of first publication as November 1, 1991, when the complaint alleged that the Happy Face was first utilized on a promotional poster for a *Nevermind* launch party on September 13, 1991. As the initial registration holders, members of Nirvana, Inc., knew the publication date was inaccurate and that this inaccuracy would have led the Copyright Office to reject the application for the registration. The court rejected the argument, finding that plaintiff had alleged the Happy Face was first published on the date in the registration and, on a motion to dismiss, the factual allegations in the complaint were presumed true. The court also noted that even though the complaint contained an allegation that the image had been used on the poster, "the poster could have been 'used' in several ways that would not have constituted publication" under the Copyright Act. Defendants had failed to carry their burden to rebut this presumption with any evidence to the contrary.

On the infringement claim, defendants argued that Jacobs' products could not constitute copyright infringement because they were not substantially similar to the T-shirt in the registration under the extrinsic test. In finding that Jacobs' products were substantially similar to the T-shirt covered by the registration, the court held that none of the elements of the T-shirt were to be filtered out from the test as unprotectable, and that the degree of similarity between Jacobs' products and the Nirvana T-shirt were sufficiently alleged and supported by images. Defendants did not use a generic smiley face. Rather, the court noted that the similarities between the two faces included the asymmetrical circle shape of the face,

the wide placement of the eyes, the distinctive “squiggle” used for the mouth and the placement of the stuck-out tongue. Moreover, the color schemes were the same: The two faces were both yellow on black backgrounds. Accordingly, the court denied defendants’ motion to dismiss the copyright infringement claim.

The motion to dismiss the Lanham Act claim was similarly denied. The court held that in alleging that plaintiff had used the Happy Face for more than 25 years “to identify its services and merchandise,” it had established a protectable trademark. The court also found that

the Happy Face and the smiley face used by defendants were sufficiently similar and thus likely to cause confusion.

Finally, the court declined to dismiss the trademark-related claims on the grounds of pre-emption. The trademark-related claims all require elements that are distinct from and in addition to the domain of copyright. For example, the complaint contained allegations regarding the trademark use of the Happy Face and likelihood of confusion through Jacobs’ use of defendants’ products. These allegations go beyond the elements found in copyright law, and so the complaint adequately alleged

the trademark-related claims such that they are not pre-empted by the Copyright Act.

C. Linna Chen is a partner with Loeb & Loeb in New York City where her practice focuses on general business litigation and intellectual property matters. Linna has significant experience representing clients in the music industry, including successful representations for claims of copyright infringement, breach of contract, and other business and commercial disputes. She also has broad experience representing clients in cases involving a broad variety of business torts and contractual disputes.

Copyright © 2020 CCH Incorporated. All Rights Reserved.
Reprinted from *IP Litigator*, March/April 2020, Volume 26, Number 2, pages 22–23,
with permission from Wolters Kluwer, New York, NY,
1-800-638-8437, www.WoltersKluwerLR.com

