

### ***Ford Pushes the Limits in Suit Against Ferrari Over F-150 Mark***

Last week, Ford Motor Company sued Ferrari S.p.a. and its North American subsidiary in Federal Court in Detroit, alleging that Ferrari was infringing and diluting Ford's rights in the mark F-150. Ford has registered F-150, and has been using the mark for many years as the name of one of its most popular pick-up trucks. In its suit, Ford has attempted to push the boundaries of U.S. trademark law—literally—by claiming that actions taken outside the United States constitute infringement and dilution of a trademark within the United States.

The conflict began in late January, when Ferrari unveiled its Formula 1 race car for the 2011 racing season for pre-season tests in Valencia, Spain. Formula 1 fans had expected it to be called the F-11, following Ferrari's practice of using a model number containing the year. (Last year's model was the F-10.) But this year, according to Ferrari's management, Ferrari chose the F-150 name to

commemorate the 150th anniversary of Italian unification. Ford found no reason to celebrate.

The Ferrari F-150 is a single, custom-designed and custom-built vehicle, made only for Ferrari's racing team. It was not designed for sale to consumers. It was built at Ferrari's plant in Maranello, Italy, and the name was announced to the international press from Maranello. After testing in Spain, the car will be shipped to Bahrain for the opening race of the season. It will not be raced in the United States.

Despite these facts, and despite the fact that Ford has a trademark registration for F-150 in the European Community, Ford brought suit in Detroit. While a hometown court may give Ford some advantage in the litigation, the decision to sue in the U.S. required Ford to develop some very creative interpretations of trademark law.

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### ***No Animals Were Harmed During Writing of this Newsletter***

We have all seen the familiar NO ANIMALS WERE HARMED statement in the closing credits of films and television shows. But did anyone ever consider that the phrase might be a registered trademark and its use strictly licensed? Evidently, a number of big-name Hollywood film studios did not know as much.

The American Humane Association (AHA) has a registration for the certification mark NO ANIMALS WERE HARMED in connection with, among other things, motion picture and television production. In order for a work to state NO ANIMALS WERE HARMED, production of that work and the use of animal actors must be monitored by the AHA. Only then will the AHA certify the work and license use of the NO ANIMALS WERE HARMED mark.

*The King's Speech* is nominated for twelve Oscars and is a front runner to take Best Picture at the awards next week. After telling us the story of how King George VI triumphed over a speech impediment, the final credits to the film tell us NO ANIMALS WERE HARMED. However, the AHA was not involved in production of the film and did not inspect or supervise use of any animals in that film.

Last week, the AHA sent the producers of *The King's Speech* a letter demanding they remove the NO ANIMALS WERE HARMED statement from the film credits. Since the AHA was not involved in production, use of the phrase was thus without approval and without license. The false association created between the AHA and the film could technically constitute an infringement of the NO

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### ***ICANN New gTLDs Delays Continue***

The ICANN Board of Directors' anticipated approval of new generic top-level domain names (gTLDs) has been delayed once again. While the approval was expected to occur at its March meeting in San Francisco, with former President Bill Clinton as a featured speaker, ICANN has officially declared that a vote would not be occurring at that meeting. While a timetable for a vote has not been set, speculation is that ICANN may not wait for its next public meeting, which was previously scheduled for June in Amman, Jordan. Due to safety concerns in the region, the June meeting has been put on hold until a new venue is determined. The ICANN Board of Directors is set to meet on April 21 for a "Special Meeting," possibly setting up approval of the new gTLD program with less fanfare.

The ICANN Board and GAC meeting to discuss the GAC's outstanding concerns is scheduled for February 28 and March 1 in Brussels. The GAC has provided the ICANN Board with a list of 12 remaining concerns for discussion. Amongst these concerns are the proposed trademark protection mechanisms and the "morality and public order objections" issue. In a controversial move, the U.S. government has proposed a governmental right of veto over new gTLD strings, thereby allowing any GAC member to raise an objection to a proposed string for any reason.

If the Brussels meeting does not result in agreement on the remaining issues, the ICANN Board has scheduled a bylaws-defined consultation meeting for March 17—the day before the San Francisco Board Meeting. The March 17 meeting would trigger the possibility of the Board rejecting GAC recommendations not agreed upon, setting up approval of the new gTLD program without further public input. It is expected that new gTLDs

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As a general proposition, trademarks are territorial. They exist and are enforced on a country-by-country basis. One company can own a mark in the U.S. and another can use it and register it in Italy. But Ford claims that Ferrari's actions in Europe infringe and dilute its U.S. trademark, and it has asked the Federal Court to enforce its U.S. trademark registration against Ferrari.

Ford's novel approach is to allege that Ferrari uses its Formula 1 team as its primary marketing and advertising strategy and that, Ferrari will "leverage" the name into sales of other Ferrari vehicles and merchandise in the United States. Ford points to the fact that U.S. "Ferrari dealers have websites devoted to Ferrari's prowess in Formula 1 racing." Further, it alleges that Ferrari has used the name of other Formula 1 cars on hats, model toy race cars and other promotional items it has sold in the U.S. in the past. Finally, it notes that that the F-150 logo developed by Ferrari bears a strong resemblance to

the badge Ford places on its trucks.

Ford has also alleged an unusual version of dilution by tarnishment. While the casual observer might wonder what's wrong with being associated with one of the most famous and high-end brands in the world, Ford's complaint states: "The elitist Ferrari "F-150" tarnishes the BUILT FORD TOUGH® F-150® brand."

Ford has included a claim for cybersquatting, based on Ferrari's ownership of ferrarif150.com. The domain is registered to a service provider in Italy, but Ford alleges that it can be reached by U.S. consumers and that it re-directs them to Ferrari's corporate website. In order to prevail on this claim, however, Ford will have to show a likelihood of confusion. And given the fame of the Ferrari mark, and the inherent weaknesses in an alpha-numeric mark such as Ford's, this will not be easy to prove.

In response to the suit, Ferrari has announced that it will now be calling the

race car the Ferrari F-150<sup>th</sup> Italia, in order to more directly celebrate Italy's 150<sup>th</sup> anniversary. According to news reports, it has also dropped the F-150 logo. Whether this will be enough to mollify Ford remains unclear, but it puts Ferrari in an even better position in the litigation because the marks are no longer identical. Moreover, Ferrari can go into Court as the reasonable party who has taken steps to address the issue.

If the case moves forward, Ford will have an uphill battle convincing the Court that its U.S. trademark rights should be extended beyond U.S. borders. It will also have a difficult time proving there is an actual case and controversy, and that there is a likelihood that consumers will be confused. A Ford spokesperson made this even more challenging last week when she informed the press that, "We're not concerned that the two vehicles would be confused. The motive behind this action was about the brand being diluted."

—Carolyn Knecht

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ANIMALS WERE HARMED mark. The producers reacted by removing the NO ANIMALS WERE HARMED line from credits and it will not appear on any of the thousands of DVDs certain to be sold after the Oscars. Interestingly, a similar situation, resolved in a similar fashion, occurred in connection with the film *District 9*, which was a Best Picture nominee in 2009. Apparently, producers of *The King's Speech* were not the only ones unaware of AHA's rights.

With NO ANIMALS WERE HARMED a registered certification mark, when you see it now at the end of a film, you can rest assured that not only were all animal actors treated fairly and ethically but also, in a file somewhere, a proper license to use the mark exists.

—Mark A. Niede

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could be applied for four months after the Board's acceptance of the Applicant Guidebook, with new gTLD domains expected to go live in late 2012 or early 2013. While delays have been the norm for ICANN and new gTLDs, brand owners should not rely on continued delays before creating their strategy for their company's role in the new gTLD program.

—Gary Saposnik