

Denver Law Review

Volume 68
Issue 4 *Tenth Circuit Surveys*

Article 30

February 2021

Intellectual Property

Denver University Law Review

Follow this and additional works at: <https://digitalcommons.du.edu/dlr>

Recommended Citation

Denver University Law Review, Intellectual Property, 68 Denv. U. L. Rev. 703 (1991).

This Article is brought to you for free and open access by the Denver Law Review at Digital Commons @ DU. It has been accepted for inclusion in Denver Law Review by an authorized editor of Digital Commons @ DU. For more information, please contact jennifer.cox@du.edu, dig-commons@du.edu.

INTELLECTUAL PROPERTY

GTE Corp. v. Williams, 904 F.2d 536

Author: Judge Logan

Plaintiff, GTE Corporation ("GTE"), brought an action for infringement of a federally registered service mark against defendant, Williams. Williams was a sole proprietor who operated his business under the name of "General Telephone" in Utah since 1974. Williams used this name even though he knew of General Telephone and Electronics of California. GTE subsidiaries, on the other hand, employed the same name with geographical identifiers prior to 1974. Not until 1981 through 1982, however, did GTE apply for and receive registration of the "General Telephone" service mark. The district court held that Williams could register the mark concurrently and have its exclusive use in his region in Utah. The district court reasoned that "General Telephone" was descriptive as opposed to suggestive, and hence not entitled to protection because it was not susceptible of a secondary meaning. Further, it concluded that Williams' use of the name was not likely to cause confusion, and Williams had established the statutory, "intermediate junior user" defense and the common law "good faith adoption" defense. GTE subsequently appealed. The issues considered on appeal were whether: (1) GTE established that Williams' use of the name would cause confusion in the market place; (2) § 33(b)(5) of the Lanham Act, 15 U.S.C. § 1115(a), was irrelevant; (3) Williams was an intermediate junior user thus entitled to the *Tea Rose-Rectanus* defense; and (4) the good faith adoption in a remote region defense is applicable to § 43(a) when it is used as an alternative claim for infringement.

The Tenth Circuit first found that GTE was simply challenging the credibility of Williams' testimony and the weight it gave other evidence instead of market place confusion. The court concluded that there was no error in the district court's factual findings. Second, the court found that because GTE's registration was not "incontestable," it could not conclude that § 33(b)(5) barred GTE's infringement claims. Third, Williams was an intermediate junior user because he used the name after GTE's adoption but before GTE registered it. Thus, the *Tea Rose-Rectanus* defense applied. The defense provides that a senior user may not prevent a remote good faith user, who employed the name in the remote area first, from its use of the like name. Consequently, the court concluded that Williams' mere knowledge of GTE's use of "General Telephone" was insufficient to defeat a finding of good faith. The court explained that to defeat this finding, Williams must have intended to benefit from GTE's reputation or good will. Finally, the court ruled that when § 43(a) is used as an alternative claim for infringement, the good faith remote use defense is applicable.

Kleier Advertising, Inc., v. Premier Pontiac, Inc., 921 F.2d 1036

Author: Judge Sam, sitting by designation

Plaintiff, Kleier Advertising, Incorporated, ("Kleier"), alleged copyright infringement by defendants, Premier Pontiac, Incorporated, ("Premier"), and its advertiser, Stokely, through their use of a Kleier billboard theme. Kleier also claimed defamation and deceptive trade practices based on an article in a Tulsa paper. The district court granted Premier and Stokely summary judgment on the defamation claim, and a directed verdict on the deceptive trade practices claim. The jury found for Kleier on the copyright claim, but granted only the license fee, not lost profits. Kleier appealed the award amount, the denial of prejudgment interest, and the summary judgment and directed verdict.

The Tenth Circuit affirmed the award, the summary judgment and the directed verdict, but it reversed the denial of prejudgment interest. The court held that, though the jury could have awarded lost profits, it chose not to, and that the court would not substitute its judgment for the jury's. Second, the district court did not award prejudgment interest because it adopted the view that prejudgment interest is not recoverable under the Copyright Act. The court disagreed, however, holding that recovery of prejudgment interest is discretionary, and that the district court abused its discretion by failing to add prejudgment interest to the verdict. There was insufficient evidence for a jury to find that the newspaper article was libelous *per se*, and Kleier did not allege any special damages. Summary judgment on the defamation claim was upheld. The directed verdict on the deceptive trade practices was also upheld, since Kleier presented no evidence that the newspaper article affected its right to sell the billboard program in Tulsa.