

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
TEXAS, DALLAS DIVISION

Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.

360 F. Supp. 459 (N.D. Tex. 1973) · No. Civ. A. 3-6318-B · Decided May 15, 1973

SUMMARY

The court considered claims for trademark infringement, false designation of origin, and common-law unfair competition arising from the unauthorized sale of embroidered emblems depicting professional hockey team symbols. It denied relief on the trademark infringement and false-designation claims, finding no likelihood of confusion and treating the symbols as functional when used as ornamental emblems. The court granted injunctive relief on the unfair-competition claim, requiring appropriate disclaimers of authorization or source, and rejected the defendant's antitrust defense.

CASE DETAILS

COURT	United States District Court for the Northern District of Texas, Dallas Division
WRITING FOR THE COURT	Hughes, District Judge
JURISDICTION	Texas
DECIDED	May 15, 1973
DOCKET	Civ. A. 3-6318-B
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs brought an action seeking injunctive relief and damages for trademark infringement, false designation of origin, and common-law unfair competition arising from defendant's manufacture and sale of embroidered cloth emblems depicting plaintiffs' symbols. After a trial on the evidence, the district court entered judgment denying relief on the trademark and false-designation claims, granting limited injunctive relief on the unfair-competition claim, denying damages, and rejecting defendant's antitrust defense.
STANDARD OF REVIEW	Bench-trial determination based on the evidence; likelihood of confusion and related factual issues were decided by the court as factfinder.
PRECEDENTIAL VALUE	Published district court memorandum opinion

PARTIES

Boston Professional Hockey Association, Inc., National Hockey League, National Hockey League member teams v. Dallas Cap & Emblem Manufacturing, Inc.

TOPICS

trademark infringement

trademark law

intellectual property

commercial litigation

equitable relief

PRACTICE AREAS

trademark

unfair competition

antitrust

intellectual property

equitable remedies

QUESTIONS PRESENTED

1. Whether defendant's unauthorized manufacture and sale of embroidered emblems depicting plaintiffs' symbols infringed plaintiffs' registered marks under 15 U.S.C. § 1114.
2. Whether defendant's use of the symbols constituted false designation or false description of origin under 15 U.S.C. § 1125.
3. Whether plaintiffs' symbols, when used on embroidered emblems, functioned as trademarks or were functional designs whose imitation could not be prohibited absent copyright or patent protection.
4. Whether defendant's conduct constituted common-law unfair competition warranting injunctive relief.
5. Whether plaintiffs' licensing practices violated the antitrust laws and thereby barred equitable relief under the unclean-hands doctrine.

HOLDINGS

1. Unauthorized copying of plaintiffs' symbols did not constitute trademark infringement because the evidence failed to establish a likelihood that purchasers would be confused, mistaken, or deceived as to the source or origin of the emblems.
2. Trademark registration does not create an absolute right to prevent copying of a mark; protection extends only far enough to prevent use that causes confusion about the source of goods.
3. Plaintiffs could not obtain Lanham Act relief against defendant's copying because the symbols, as used on embroidered emblems, functioned as the product or as an important selling feature rather than solely as designations of source.
4. Defendant was not liable for false designation or false description of origin because plaintiffs failed to prove likelihood of confusion, source-designating use, or false representations concerning the origin of the emblems.
5. Even without technical trademark infringement, defendant's sales could constitute unfair competition because an imitator must take reasonable steps to distinguish copied goods from the goods of the mark originator when source affects value.
6. Defendant failed to establish that plaintiffs' licensing practices violated the antitrust laws or constituted unclean hands barring injunctive relief.

KEY QUOTATIONS

“The test is not whether the products in question are duplications of their marks, but whether the defendant's use of the mark would mislead the public as to the source of the goods.” (at 463)

“In this area of the economy the protection of the trademark law must give way to the public policy favoring free competition.” (at 464)

“The defendant, therefore, should be enjoined from continuing to manufacture and sell emblems depicting plaintiffs' marks without appropriate disclaimers of authorization and/or conspicuous designations of source.” (at 465)

FACTUAL BACKGROUND

The plaintiffs owned or controlled distinctive hockey-team and league symbols, most of which were federally registered as service marks, with some also registered as trademarks for goods. Through National Hockey League Services, Inc., plaintiffs licensed manufacturers to place the symbols on merchandise, including embroidered emblems, and granted Lion Brothers Company an exclusive license to manufacture such emblems during 1972. Dallas Cap manufactured and sold substantial duplications of the symbols without authorization, marketing them as ornamental emblems rather than as official team products.

PROCEDURAL HISTORY

The National Hockey League and thirteen member teams sued Dallas Cap & Emblem Manufacturing, Inc. in the Northern District of Texas. Following presentation of evidence, the court found no likelihood of confusion or trademark use sufficient to support infringement or false-designation claims. The court nevertheless found that unrestricted sales of the copied emblems could unfairly appropriate plaintiffs' goodwill and enjoined sales absent appropriate disclaimers; it denied damages and struck the antitrust defense.

DISPOSITION

other

CASES CITED

- Franchised Stores of New York, Inc. v. Winter, 394 F.2d 664, 668 (2d Cir. 1968)
- John R. Thompson Co. v. Holloway, 366 F.2d 108, 112 (5th Cir. 1966)
- Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 412 (1916)
- United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918)
- Prestonettes, Inc. v. Coty, 264 U.S. 359, 368 (1924)
- Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 238 (1964)
- Pagliero v. Wallace China Co., 198 F.2d 339, 343-344 (9th Cir. 1952)
- Girl Scouts v. Personality Posters Mfg. Co., 304 F. Supp. 1228, 1231 (S.D.N.Y. 1969)
- Intricate Metal Products, Inc. v. Schneider, 324 F.2d 555, 562 n. 3 (9th Cir. 1963)
- Hecht Co. v. Bowles, 321 U.S. 321, 329 (1944)

- Smith v. Chanel, Inc., 402 F.2d 562 (9th Cir. 1968)
- Societe Comptoir v. Alexander's Department Stores, Inc., 299 F.2d 33 (2d Cir. 1962)
- Carl Zeiss Stiftung v. V. E. B. Carl Zeiss, Jena, 298 F. Supp. 1309 (S.D.N.Y. 1969), modified on other grounds, 433 F.2d 686 (2d Cir. 1970), cert. denied, 403 U.S. 905 (1971)
- Lee v. Reynolds, 137 U.S.P.Q. 41 (N.D. Tex. 1962), aff'd, 313 F.2d 638 (5th Cir. 1963)
- Phi Delta Theta Fraternity v. J. S. Buchroeder & Co., 251 F. Supp. 968 (W.D. Mo. 1966)
- Packard Motor Car Co. v. Webster Motor Car Co., 100 U.S. App. D.C. 161, 243 F.2d 418, 420 (1957)
- Standard Oil Co. of California v. United States, 337 U.S. 293, 298-299 (1949)
- Warriner Hermetics, Inc. v. Copeland Refrigeration Corp., 463 F.2d 1002 (5th Cir. 1972)
- Albert H. Cayne Equip. Corp. v. Union Asbestos & Rubber Co., 220 F. Supp. 784, 788 (S.D.N.Y. 1963)

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