
right to sue was transferred, the assignment is ineffective to pass title to the copyright and the assignee has no standing to sue for infringement.

- Licensees can obtain the right to sue for infringement while allowing the author of the copyrighted work to retain rights in

the work provided the author agrees that whatever right that was given to the licensee will not be given to anyone else.

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Event Licensing

Ian W. Gillies and Diana E. Wade

Unlicensed Use of a Festival Name May Result in a Not-So-Festive Trademark Lawsuit

Music festivals, film festivals, food festivals.... festivals are popular venues for entertainment and each festival strives to offer the consumer a unique experience. Of course, at most festivals, clothes must be (or should be) worn, and festival-goers are a ready market for apparel retailers. However, retailers should be aware of one aspect of trademark law that can put a damper on the festivity: claims of false association, sponsorship, endorsement, or license.

Festivals invoke a certain style: Chic-après-ski for the Sundance Film Festival, country glamour for the CMA Music Festival, and goth, grunge, grindcore and the full gamut for the SXSW music festival. Retailers may create clothing lines inspired by festivals, but they should be cautious in how they promote these clothing lines. Although most festivals are not festivals of clothing, the organizations behind the festivals may have a serious interest in how the sale

and promotion of apparel is linked to the festival.

Major festivals have become brands in their own right and festivals may own common law and federal trademark rights. These rights may extend beyond entertainment services to apparel, food, and other merchandise. The strength of a festival's brand derives not only from the music performed or films screened, but from the unique experience generated by the festival. The identity of the festival also is determined by the "type" of festivalgoer (in the aggregate). Festivals establish lucrative sponsorships and licensing deals with vendors and retailers in order to maintain control over the "image" of the festival. They also keep a close watch on how the festival's name is used by others.

The Coachella Dispute

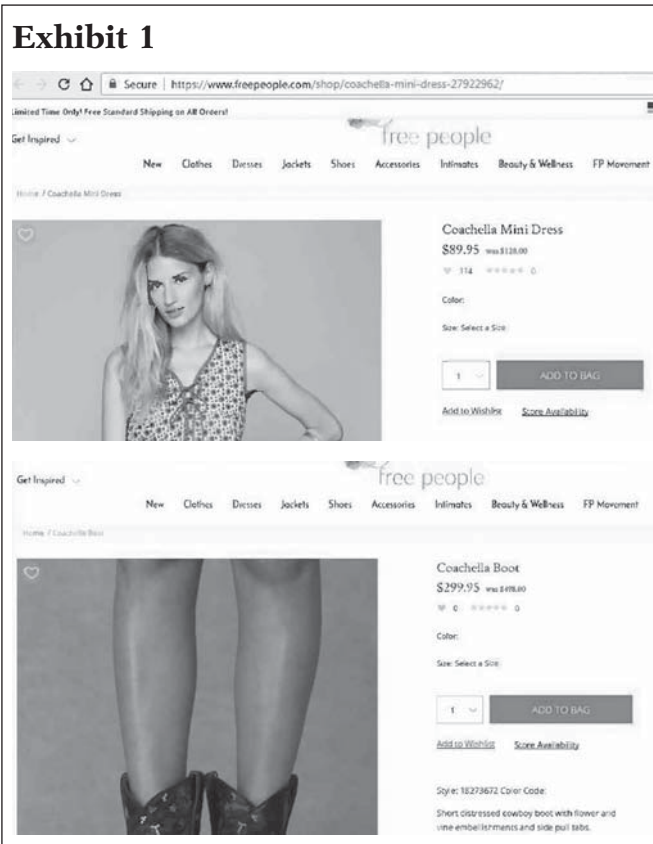
A lawsuit filed by a large music festival against a large clothing retailer serves as a cautionary tale. On March 14, 2017, the Coachella Music Festival, LLC and Golden Voice, LLC (Coachella) filed a complaint in the Central District of California, alleging among other causes of action, that the

use of Coachella's marks by Urban Outfitters, Inc. and its subsidiary, Free People of PA LLC (Free People), was likely to falsely suggest a sponsorship, connection, license, or association between Urban Outfitters, Free People, and Coachella. Free People created a clothing line featuring bohemian, free-spirited attire (the clothing of choice for many Coachella attendees) and had used "Coachella" in marketing materials and in the name of certain items of apparel. Exhibit 1 provides examples of Free People's "Coachella Dress" and "Coachella Boot."

Coachella, which owns federal registrations for the mark COACHELLA for apparel, among other goods and services, makes its own apparel and grants licenses to use the COACHELLA mark in connection with apparel. For example, Coachella granted a license to fast fashion retailer H&M. Coachella alleged that no license had been granted to Urban Outfitters or Free People. Coachella alleged that Free People's use of "Coachella" to describe or to name its products was likely to create a false association between the clothing company and the music festival. Coachella also claimed it had sent a cease and desist letter to Urban Outfitters and Free People and that the apparel company did not cease use of "Coachella."

Under the cause of action of false sponsorship, license, and association, Coachella sought

Exhibit 1



injunctive relief, treble damages for willfully creating a false association, and attorney fees. Additionally, Coachella argued that Urban Outfitters and Free People's use of the COACHELLA marks without permission constituted tortious interference with Coachella's official licensees. Upon learning that Urban Outfitters and Free People were using the marks, these licensees allegedly breached or would be induced to breach their contracts.

Coachella, Urban Outfitters and Free People appear to have reached a settlement, and the case was dismissed without prejudice on September 29, 2017. However, Coachella's complaint demonstrates that a festival (or any trademark owner) that believes it is harmed by false association, sponsorship, or license can bring powerful causes of action under federal and state trademark law.

Advice for Retailers

Apparel retailers have several decisions to make and risks to consider when it comes to promoting a clothing line inspired by a festival. The retailer can approach the festival and request an official license to use the festival's name or other trademarks with respect to apparel. However, the festival may be unable or unwilling to allow a new retailer to license its marks, for various reasons. For example, the festival may only have rights to use its marks for the festival itself, and not for apparel. Additionally, the festival may have restrictions on licensing its marks on clothing and promotional materials due to existing agreements with another sponsor or licensee.

If no license is obtained, a retailer may consult with an intellectual property attorney and consider the risks of using marks related to the festival. A risk-adverse retailer may want to completely avoid

any reference to the marks on its apparel or promotional materials. For example, the retailer may decide to avoid suggesting that its clothing is meant to be worn at a certain festival (e.g., "this dress is great for rocking to your favorite band at XYZ Festival"). The retailer could, however, market its products to consumers who enjoy going to festivals generally, without referring to a particular festival (e.g., "this dress is great for festival season"). With some trademark awareness and creativity, retailers can invoke the festival experience in general, and minimize the risk of being served an un-festive complaint alleging violation of trademark rights.

Ian Gillies, a partner with Knobbe Martens in San Diego, CA, uses his former career as an engineer, inventor, and professional musician to bring a unique perspective in representing similarly-minded creative and inventive clients. His practice includes procurement of patents, trademarks, and copyrights for his clients. He provides counsel and due diligence related to intellectual property licensing, registrability, acquisition, and infringement risk.

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