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SCOTUS DENIES REVIEW OF IMPORTANT TRADEMARK INFRINGEMENT CASE

The Supreme Court of the United States recently denied review of an 11th Circuit case addressing an important trademark infringement situation.

The Supreme Court refused defendant Prep Sportswear, Inc.'s request to review an 11th Circuit Court of Appeals decision (Savannah College of Art & Design, Inc. v. Sportswear, Inc., 983 F.3d 1273 (11th Cir. 2020)), which found that the defendant's sale of merchandise bearing Savannah College of Art & Design's (SCAD) trademarks without a license constituted infringement and permanently enjoined the defendant from using SCAD's trademarks in any way whatsoever. This is a big win for SCAD and paves the way for other educational institutions to enforce their rights and protect their brands. The decision is critical for schools and universities because the court recognized that a plaintiff can establish exclusive rights to a mark for use on *goods* even though the plaintiff only holds registrations for the mark in connection with *services*. Thus, a university is not required to hold a registration for its mark for the sale of goods, such as clothing, in order to enforce against a third party using its mark in connection with clothing. The court will analyze infringement like it would in any other case—whether the third party's use of the university's trademarks is likely to cause confusion among consumers.

Another powerful aspect of this decision involves the court still determining that Prep Sportswear is liable for infringement notwithstanding the fact that it included disclaimers on its website that the products were not sponsored by, endorsed by, or otherwise affiliated with SCAD, and that the products were produced by Prep Sportswear, not SCAD. The court found the intent of Prep Sportswear was so clearly to benefit from the goodwill associated with the university, that it considered the disclaimers to have very little impact on mitigating a likelihood of confusion.

If a university holds trademark registrations for educational services only, for example, and a company like Prep Sportswear is selling merchandise bearing the university's trademarks, the university can, and should, demand the company cease all use of the marks. Under the SCAD decision, the university has a legitimate basis to pursue a claim of infringement against the company.

There are numerous cases across the country pending by other universities and

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high schools challenging similar unauthorized uses of their names, school emblems and mascot logos. The analysis will also assist other service-oriented entities that find third parties using their marks without permission to profit from their goodwill.

Armstrong Teasdale counsels clients across industries on intellectual property protection, including both the filing of trademark applications globally and related enforcement to protect the goodwill of trademark owners. Please contact one of the authors listed below, or your regular AT attorney to discuss your specific situation.