

The logo for Astrachan Gunst Thomas features a stylized, swirling blue graphic to the left of the firm's name. The name is written in a dark blue, sans-serif font.

# astrachan gunst thomas

a professional corporation  
attorneys at law  
baltimore . washington, d.c.  
[www.agtlawyers.com](http://www.agtlawyers.com)

## **Damn Fan Can!**

By: James B. Astrachan

I am sitting in an airport somewhere waiting for a connecting flight to some place. The plane is delayed and it's early in the day. Not promising. An interesting article in the *Wall Street Journal* about beer marketing caught my eye and I bought the paper. It was reported that Anheuser-Busch was selling Bud Light in 'fan cans,' beer cans emblazoned with the school colors of colleges in the vicinity of where the beer was sold. Different locations and schools nationwide. Anheuser-Busch is not paying royalties to the colleges. Amusing, I thought. Anheuser-Busch is a company that zealously guards its trademarks from would-be infringers, having recently sued a marketer for selling a BUTT WIPER dog chew toy shaped like a Bud bottle, and earlier, a satirist over what I thought was a humorous ad for a fictitious product called MICHELOB OILY. Surprisingly, Anheuser-Busch prevailed in both cases, being able to convince a judge that its valuable marks were being infringed.

Isn't it ironic that Anheuser-Busch is doing to colleges across the country exactly what it has sued others for – unauthorized use of trade dress or trademark? Anheuser-Busch has said it will cease if a college complains. Of course it will – it has to because it is violating the colleges' trade dress rights.

Since 1995 color or combinations of colors have been recognized by the United States Supreme Court as protectable trade dress, although before that decision, courts of appeal had differed over whether the law recognized color alone as an indicator of origin. As late as 1990, one circuit court prohibited NutraSweet from protecting its well known blue package from infringement. On the other hand, another circuit court allowed Owens Corning to register the color pink to designate source of its batt insulation. Go figure.

The Supreme Court settled the conflict in the circuits and held that color can satisfy that important part of the statutory definition of a trademark which requires that a person use the mark to identify and distinguish its goods from those manufactured or sold by someone else.

The Supreme Court distinguished color alone from marks earlier classified as suggestive, arbitrary and fanciful, reiterating case law and statutory authority that marks that fit in these three categories are considered inherently distinctive from inception because they immediately

tell a customer that they refer to a source. Examples are ESKIMO PIE, APPLE Computers and EXXON.

Unlike suggestive, arbitrary and fanciful marks, color does not automatically signify a brand to customers. This occurs over time. Over the years, people see pink insulation delivered to a construction site and one day recognize the brand by its color without having to read the label. This is called secondary meaning, or association, and a showing of this is required to protect a color as trade dress. Think green and yellow John Deere tractors.

Color must be non-functional to serve as a trademark. For example, where the color purple is used on a heart pill to distinguish it from a digestive medicine, the color purple will be found functional and non-protectable. Likewise, the use of black to make a product appear smaller or silver to keep a product cooler when exposed to summer sun. Or an orange handled tool that helps prevent loss.

Being well established that non-functional color is protected by law once it acquires secondary meaning, it's hard to imagine that the marketing and legal folks at Anheuser-Busch were not aware that their 'fan cans' would infringe the colors of colleges and universities that served as trade dress, regardless of whether these colors were registered with the USPTO. In response to questions about infringement, Anheuser-Busch asserted its fan cans do not bear logos or school names. But that's hardly enough as the colors speak for themselves. At least 25 schools have demanded that Anheuser-Busch stop the sale of fan cans bearing their school colors near their campuses. Legal action has been threatened against Anheuser-Busch, and the FTC has criticized its marketing effort.

If a school sues Anheuser-Busch for trade dress infringement, it's hard to imagine it will lose, if that school has rabid fans and alums who recognize the school's colors. All the school would need to do is survey persons who are buying the fan cans, or would be likely purchasers. The survey would occur away from the school and its stadium, perhaps on the sidewalk in front of beer stores. The non-leading survey questions would be designed to determine whether those surveyed recognize school colors and whether they believe there is any association or affiliation between the school and Anheuser-Busch due to the use by Anheuser-Busch of the school colors on the fan can. If an appreciable number nod "yes," the school has made out a prima facie case of trade dress infringement against Anheuser-Busch under the Lanham Act based on likelihood of confusion. In some circuits an appreciable number has been held to be a mere eleven percent of those persons surveyed, although that figure is generally considered low. In this case, however, it's hard to imagine a positive response of less than fifty percent of those persons surveyed. Maybe more. And generally, twenty to twenty-five percent is sufficient.

Schools have objected to the use of their trade dress on other than Lanham Act grounds. One said that a drunken student acting poorly with a fan can in his hand reflects poorly on the school. Is that different than a drunken student wearing an LSU T-Shirt purchased at the LSU book store? Others have said that this marketing act will enhance the sale of beer and that the school should get a cut. Anheuser-Busch should have made that offer before rolling out the fan cans. That would have been a win-win as the schools would likely have gently assisted Anheuser-Busch with the promotion, albeit never condoning excess drinking.

---

*James B. Astrachan is the author of The Law of Advertising, published by Matthew Bender-Lexis/Nexis.*