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Can a High School Football Coach Say a Hail Mary after a Hail Mary?

High school football coach Joseph Kennedy was not instructing his quarterback to take a knee in victory formation to run down the clock. Instead, in an off-the-field contest far from the gridiron, he was asking the court for a preliminary injunction that would allow him to take a knee and pray on the fifty-yard line, in view of students and parents, immediately following games under Friday night lights. The Ninth Circuit denied Coach Joseph Kennedy's bid for an *en banc* rehearing in January, after a previous panel affirmed the denial of his injunction request. (*Kennedy v. Bremerton School Dist.*, No. 16-35801 (9th Cir. Jan. 25, 2018)).

Joseph Kennedy was an assistant varsity and head junior varsity football coach at Bremerton High School (BHS) from 2008 to 2015. BHS is located in Kitsap County, Washington, and is part of the Bremerton School District (the "District"). Coach Kennedy, a practicing Christian, felt compelled by his religious beliefs to give thanks through prayer at the end of each football game for the players' accomplishments and competitiveness. After shaking hands with the opponent, Kennedy would take a knee at "the fifty-yard line [to] offer a brief, quiet prayer of Thanksgiving" for about 30 seconds, establishing somewhat of a ritual that was performed over his many coaching years at BHS. A few games into his first season, he says players asked if they could join, to which he responded, "This is a free country. You can do what you want." Over time, the practice evolved into a platform for a motivational speech that included some traditional Christian terminology. Students, coaches and other attendees from both teams were invited to participate, and by 2015 the group grew to include the majority of the team (though players noted participation was not compelled).

The District first learned of the post-game prayer in September 2015, whereupon it passed Coach Kennedy a letter to clarify its employee expectations and inform the Coach that his activities would likely be found to violate the Establishment Clause. The letter acknowledged Coach Kennedy's actions were well-intentioned, but that the District's policies prohibited staff during school events from taking "any action likely to be perceived by a reasonable observer" that endorsed religious activity in order to avoid exposing the District to potential liability. Coach Kennedy complied with these policies until October 2015,

whereupon he requested a religious accommodation under the Civil Rights Act of 1964, suggesting his religious expression occurred during "non-instructional hours" after the games ended. At this time, Coach Kennedy resumed his fifty-yard line prayer immediately following BHS's game on October 16, 2015.

Subsequently, the District sent a follow-up letter to Coach Kennedy noting that, while it did not prohibit prayer while employees are on the job, "such exercise must not interfere with the performance of job responsibilities, and must not lead to a perception of District endorsement of religion." The letter further stated that the football field is not an open forum, and reminded Kennedy he has post-game job responsibilities, which include supervision of players. Finally, the District offered Coach Kennedy a religious accommodation, by offering "a private location within the school building, athletic facility or press box" for a brief religious exercise at the conclusion of games. Coach Kennedy took his final knee on October 26th, 2015. On October 28th, he was placed on paid administrative leave. Coach Kennedy left the football program at the conclusion of the 2015 season and did not apply for a coaching position during the 2016 season.

Instead, Coach Kennedy brought suit in the Western District of Washington in August 2016, claiming his rights under the First Amendment and Title VII of the Civil Rights Act of 1964 were violated. He then moved for a preliminary injunction barring the District from violating his rights in regards to the on-the-field prayer and reinstating him as a BHS football coach. The district court denied the request, holding that Kennedy was unlikely to prevail on the merits of his First Amendment retaliation claim because he spoke as a public employee and the District's conduct was justified to avoid violating the Establishment Clause. Coach Kennedy subsequently appealed to the Ninth Circuit. For a successful First Amendment appeal, he had to satisfy a multi-factor test and show, among other things, that he spoke as a private citizen rather than a public employee. Failing to prove any of the factors would stymie Coach Kennedy's comeback coaching bid.

The Ninth Circuit, in August 2017, held Coach Kennedy spoke as a public employee, not as a private citizen, because, among other things, the speech at issue was directed at least in part to the students and spectators, and was not merely an individual religious expression. (*Kennedy v. Bremerton School Dist.*, 869 F.3d 813 (9th Cir. 2017)). As such, the court found that Coach Kennedy could not show a likelihood of success on the merits of his First Amendment retaliation claim, ensuring his prayer for injunctive relief would not be answered.

Diving into the X's and O's, the appeals court found that Coach Kennedy's speech was unprotected because his demonstrative religious communication fell within the scope of his professional responsibilities. The court pointed to three facts that demonstrated he spoke as a public employee and not a private citizen. First, he acted as a teacher (or coach) at a school function, in the presence of students. Second, his speech "owed its existence" to his position as an educator; he only had special access to the fifty-yard line following games because of his paid position as a coach. Third, Coach Kennedy's prayer celebrated sportsmanship, so the content of the speech arguably was part of his "curriculum" as a coach. The court noted that ultimately, when Coach Kennedy knelt and prayed on the fifty-yard line in view of students and parents, he spoke as a public employee, not as a private citizen, and his speech therefore was constitutionally unprotected. As Judge Smith summed up in his concurring opinion: "Striking an appropriate balance between ensuring the right to free speech and avoiding the endorsement of a state religion has never been easy."

Any coach out there looking to enforce their own Friday Night Rights should note Coach Kennedy is not an unsympathetic character. He is a former Marine who served 20 years, including in operations Desert Storm and Desert Shield Iraq. He has stated that while he may not know the Constitution like his team's playbook, he "spent [his] years defending it." Additionally, Coach Kennedy has a Facebook page dedicated to his support with over 20,000 followers. There is still a chance he may be able to push the argument into overtime, however. There are at least some judicial scouts who believe Coach Kennedy may be pleading his case before the Supreme Court one day, and his lawyers have already indicated he is considering taking this case to a higher court.

Nautilus Scores $1.8 Million Win Without Breaking Too Much of a Sweat

Elliptical machines are touted in the fitness industry because they are "low-impact" cardio machines. However, an elliptical machine patent caused ICON Health & Fitness Inc. ("ICON") to suffer a painful cramp after a Texas federal judge ruled that, under the terms of a license agreement, the exercise equipment maker Nautilus, Inc. ("Nautilus") was owed $1.8 million in royalties because ICON's shipping of elliptical component parts and assembly instructions from China necessarily infringed on Nautilus's Chinese patent and constituted a "Product" under the agreement that required payment. (*Nautilus, Inc. v. Icon Health & Fitness, Inc.,* No. SA-16-CV-00080-RCL (W.D. Tex. Jan. 19, 2018)).

In 2004, Nautilus and ICON entered into a patent licensing agreement (which was subsequently amended several times by the parties) in which ICON received a non-exclusive license to some of Nautilus's patents in exchange for ICON agreeing to pay Nautilus a five percent (5%) royalty on the gross sales of all products manufactured and sold by ICON that incorporated any of Nautilus's patents. Some of the patents were U.S. patents, while others were foreign patents. The arrangement seemed to run well, but then on January 25, 2015, all of the patents expired, except for one of Nautilus's Chinese patents.

After the expiration of the U.S. patents, ICON continued to manufacture the ellipticals in China, but the ellipticals were shipped unassembled, along with instructions for U.S. purchasers to complete assembly. ICON initially paid royalties on the portion of these sales. However, in December 2015, ICON dialed up the resistance and took the position that the manufactured-but-unassembled ellipticals sold to U.S. customers did not qualify as "Products" under the licensing agreement, so it stopped making royalty payments.

The contract at issue defines "Products," in part, as "any apparatus, system or products covered by at least one Claim of any of Licensor's Patent Rights." ICON contended that the license agreement's definition of "Products" incorporates the doctrine of patent infringement and that the unassembled ellipticals do not infringe the Chinese patent. Unsurprisingly, Nautilus disagreed and demanded royalty payments. After the parties couldn't work out their disagreements, Nautilus quickened its stride and filed suit.

In the court's view, the incorporation of "Patent Rights" into the definition of "Products" in the agreement only makes sense if the phrase "covered by" means "infringing." Thus, the court set out to determine whether the products at issue – that is, the component parts and assembly instructions for ICON ellipticals that are packaged, but not assembled, in China and then exported – would have constituted infringing articles under Chinese patent law. If ICON's products were determined to infringe on Nautilus's Chinese patent, then ICON was required to pay royalties on sales prior to the expiration of the patent. After hearing both sides' expert reports and examining the basics of Chinese patent law, the court found that ICON's products infringed on Nautilus's Chinese patent. It rejected ICON's argument that infringement under Chinese law could only occur by actually assembling the ellipticals in their entirety in China, concluding that the inclusion of final assembly instructions, with all of the necessary component parts, is "equivalent to actual assembly for purposes of practicing the Chinese patent." Thus, because the disputed ICON ellipticals infringe on the Chinese patent, they are "Products" under the contract and ICON was required to pay royalties on the sales of those products.

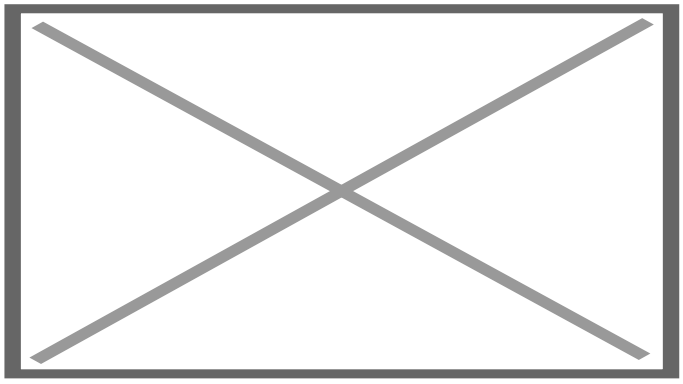
In the end, the court ordered that ICON pay around $1.8 million in royalties and interest to Nautilus for sales that occurred prior to the Chinese patent's expiration. Further, the court allowed Nautilus to file a separate petition for attorneys' fees and costs. Despite having to brief the court on questions of Chinese patent law, it seems that Nautilus did not have to burn too many calories during its summary judgment victory, winning this dispute without breaking too much of a sweat.

"Spaceman" Seeks to Pitch a Shutout in Trademark Dispute with *The Sporting Times*

With the start of baseball season upon us, Metro-Goldwyn-Mayer Studios ("MGM") and its codefendants, fresh off a victory in a trademark infringement suit, are lacing up their cleats again and are now seeking attorney's fees for what they describe as an "exceptionally meritless" lawsuit involving a photo montage in a 2016 biopic about former Red Sox lefthander Bill "Spaceman" Lee. We last followed this legal dispute in the June 2017 edition of this newsletter, soon after *The Sporting Times*, a Kentucky-based high school sports news magazine, took the field and brought its trademark suit. Now, in the late innings of this litigation, the plaintiff has argued not only that MGM is not entitled to legal fees under the Lanham Act because it had a reasonable duty to protect its mark, but also that the court should *sua sponte* relieve plaintiff from the original court order dismissing the suit.

The Sporting Times originally alleged that MGM and its co-defendants harmed the youth magazine's "squeaky clean" brand when its logo was used for a fictitious headline in a brief montage of news clippings that appeared in a biopic about the life of Bill "Spaceman" Lee (*The Sporting Times, LLC v. Orion Pictures, Inc.*, No. 17-33 (W.D. Ky. filed Feb. 24, 2017)). In addition to his unique "Space Ball" (a high-arcing Eephus pitch), the former left-handed pitcher of the Boston Red Sox was notorious in the 1970s for his outspoken nature and views on cultural issues like the legalization of marijuana. The montage in question originally included "a nine-second shot of the cover of a fictional magazine entitled *The Sporting Times*, dated July 1976, with the headline 'Boston's Bill "Spaceman" Lee; In an Orbit All His Own'." The image shown was not an actual copy of plaintiff's publication, which did not exist until 2004, and whose mark was not registered until 2008. After receiving a demand letter, the defendants removed the plaintiff's mark from the film and trailer as a courtesy. Yet plaintiffs still claim that "infringing materials" remain publicly available on social media and other online sources.

Here is a screenshot.



In December, a federal judge threw the sports magazine a curveball by granting MGM's motion to dismiss with prejudice, telling plaintiff to hit the showers (*The Sporting Times, LLC v. Orion Pictures, Inc.*, No. 17-33 (W.D. Ky. Dec. 14, 2017)). Ultimately, the court determined that the defendants only made "non-trademark" use of the plaintiff's mark and stated that "nothing about the use of the mark suggests that this 'fictional' magazine, or the real one as published by Plaintiffs, sponsored the film."

In dismissing the plaintiff's trademark infringement and false designation of origin claims, the court held in essence that nothing about the use of the mark in the montage suggested that this "fictional" magazine, or the real one as published by plaintiffs, sponsored the film. Since it was "simply not plausible in the challenged context that viewers would confuse Plaintiff's Mark as being the 'origin' of the film itself," the court concluded, the Complaint failed "to establish plausibly the Defendants' use of Plaintiff's Mark is anything but a non-trademark use." Furthermore, the court noted, defendants' use of the mark in their expressive

work was protected by the First Amendment from federal trademark claims and related state law causes of action since it passed both prongs of the *Rogers* test, requiring the use to (a) bear artistic relevance to the underlying work, and (b) not overtly mislead as to the source of the work.

Finding themselves with a big lead going into the ninth, in January 2018 MGM and its co-defendants, including independent film company Podium Pictures, swiftly filed a motion for attorneys' fees and costs totaling around $108,000. Under Section 1117(a) of the Lanham Act, the court may award reasonable attorneys' fees and costs to the prevailing party in an "exceptional case," which, as defendants claim under Supreme Court precedent, is "simply one that stands out from others with respect to the substantive strength of a party's litigating position . . . or the unreasonable manner in which the case was litigated."

Because plaintiff "had no chance of succeeding," defendants charge, the case was "objectively baseless" and "never should have been prosecuted, much less filed." The motion goes on to point out that the lawsuit placed an economic burden not on MGM, but on the "small company" Podium Pictures, which produced the film (MGM distributed under its subsidiary Orion). Defendants relate that plaintiff's actions prompted Podium to spend $10,000 to voluntarily remove plaintiff's mark from the film and trailer, before having to spend an additional $50,000 in legal fees to satisfy the retention on its insurance policy – a total that represented a sizeable amount of the biopic's entire budget. Decrying plaintiff's actions as bush league, the studio and its co-defendants argue that plaintiff's claims meet the Supreme Court's description of "a case presenting either subjective bad faith or exceptionally meritless claims."

After defendants filed their motion, *The Sporting Times* moved to take the field, filing its amended response on March 13th and asserting that because "[n]othing out of the ordinary happened," there was nothing exceptional about the case surrounding *Spaceman*, which it dubs a "'B' movie." Emphasizing its status as a "small-town publication," plaintiff claims that the defendants "[ran] roughshod" over plaintiff's trademarks, and such powerhouse entities now seek attorney's fees to "intimidate other small trademark holders from protesting the film industry's general abuse and overreach based upon First Amendment principles."

Citing the principle that mark owners generally police the use of their marks to prevent genericide, plaintiff argued that a decision to send cease and desist letters and litigate to protect a trademark is "almost *de rigueur*." If the court awarded attorneys' fees in a case with such "plain vanilla facts," plaintiff posited, it would "chill . . . trademark holders' ability to protect their valued asset and . . . dissuade attorneys from taking this type of case." The sports magazine further requested that the court *sua sponte* relieve plaintiff from its order granting defendants' motion to dismiss, claiming that recent decisions call into question whether defendants' use of the mark in a film and movie trailer are more worthy of First Amendment protection than plaintiff's trademark rights. The plaintiff also argued that the court's decision misapplied the *Rogers* test, in failing to "distinguish between a movie and its attendant trailer."

Stepping off the mound, defendants have made their appeal play, and plaintiff has countered that its claims were not off the plate or far outside litigation norms; whether MGM studios and Podium Pictures ought to be granted an Annie Oakley on its attorney's fees, it's up to the court to make the call.

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