

Three Point Shot - March 2012

March 2012

Can Adults Keep the “Brew” in Brewskee-Ball?

If you ever visited an arcade as a child, you probably played Skee-Ball on one of the machines that Skee Ball, Inc. (“SBI”) markets, manufactures and distributes. You may even have been lucky enough to redeem the tickets you won for a “prize” that was of questionable (at best) quality. By putting the same Skee-Ball machines in bars instead of arcades and creating what they call “The First-Ever Competitive Skee-Ball League” under the name “Brewskee-Ball,” Full Circle United, LLC (“Full Circle”) has drawn in a new demographic of Skee-Ball players and given them a reason to clear off some space on their mantels instead of in their junk drawers.

Given the importance of SBI’s product to Full Circle’s business, one might assume that the two companies would make natural business partners. However, although both parties acknowledge that they entered into [discussions](#) regarding a possible business relationship, the only fruits of those discussions are found in a [confidentiality agreement](#) that was signed by the companies in 2010. In fact, in October SBI filed a [complaint](#) in the Northern District of California claiming that the company’s “SKEE-BALL” trademark, which was issued in 1929, has been wrongfully integrated into Full Circle’s own “BREWSKEE-BALL” trademark, as well as in the advertisements and slogans that Full Circle uses to market Brewskee-Ball. SBI has requested that the court validate its ownership of the “SKEE-BALL” trademark and award the company monetary damages while canceling Full Circle’s “BREWSKEE-BALL” trademark and stopping Full Circle from making any mention of Skee-Ball.

In response, Full Circle filed its own [complaint](#) in the Eastern District of New York seeking damages and the cancellation of SBI's "SKEE-BALL" trademark, among other declaratory relief. In doing so, Full Circle argued that Skee-Ball is a generic term and that SBI was granted an invalid trademark. Full Circle further attacked SBI's trademark based on what Full Circle argued was inconsistent enforcement of the trademark in "SKEE-BALL" and SBI's assertion of a claim that Full Circle believes is not warranted by the depth of the actual trademark. Full Circle also attacked SBI through antitrust and contract law, and alleged that SBI has tried to drive Full Circle out of business while asserting their perceived enforcement rights inconsistently, and has violated both the aforementioned confidentiality agreements and an alleged oral agreement regarding Full Circle's initial business plans. Full Circle has claimed that before even starting its business, the company's founders, Eric Pavoney and Evan Tobias, met with SBI's CEO, Joseph Sladek, to discuss their idea. Pavoney and Tobias claim that Sladek mentioned that SBI was not in the type of business that would run a league, and that he "agreed" to their pursuit of the idea while wishing them luck. Full Circle has claimed that this alleged conversation constitutes a verbal agreement between the two parties.

Finally, Full Circle, a New York limited liability company with its principal place of business in Brooklyn, NY, [successfully](#) argued that its case against SBI, a Pennsylvania corporation with its principal place of business in Chalfont, Pennsylvania, should be argued in the Eastern District of New York instead of the Northern District of California. The California court rejected SBI's choice of forum in the interest of justice, finding, *inter alia*, that the convenience of the parties and witnesses strongly outweighed SBI's contention that Full Circle had substantial contact with Dimensional Branding Group (SBI's Marin County, California-based agent for licensing, business development and promotion of SBI and the "SKEE-BALL" trademark).

The parties have since been trading court filings in the Eastern District of New York, but on March 7, the court called a partial halt to the proceeding for a month, to allow the parties to seek private mediation.

Meanwhile, patrons of the [Full Circle Bar](#) in Williamsburg and Brewskee-Ball players throughout the country will be awaiting the outcome of this case while hoping that they will continue to have their shot at glory. The manufacturers of those flimsy “prizes” also will be paying close attention. Maybe if all of those adults can no longer play Brewskee-Ball they might pack the arcades, and use their winnings to increase the demand for small plastic snakes and erasers that will never work.

Does Bikram Yoga’s Founder Need to Learn to Be More Flexible?

Yoga is hot these days - really hot, as in, taught in a room heated to a minimum of one hundred and five degrees, in the case of the sequence known as “Bikram Yoga,” in which its founder, Bikram Choudhury, claims proprietary rights. In September 2011, Choudhury filed suit alleging that his former pupil, Gregory Gumucio, the founder of New York-based [Yoga to the People Inc.](#) (“YTTP”), breached a license agreement and infringed Choudhury’s copyright and trademark rights by teaching Choudhury’s proprietary yoga system.

According to the complaint, since 1971 Choudhury has promoted his “Bikram Yoga” sequence, consisting of 2 breathing exercises and 26 postures, taught under a protocol that, among other things, requires a heated room. As students move through the guided yoga session, certain phrases are said by the instructor at appointed times. Since 1978, Choudhury has issued licenses to instructors who wish to teach Bikram Yoga.

The complaint further alleges that Gumucio attended one of Choudhury’s teaching courses in 1996, and received a limited license to teach Bikram Yoga according to various copyright guidelines set out by Choudhury. Choudhury alleges that Gumucio offered a class entitled “Traditional Hot Yoga” at YTTP, thereby breaching the license agreement and infringing Choudhury’s trademark, copyright, and other proprietary rights. Choudhury goes so far as to refer to YTTP as the Yoga equivalent of the Napster file-sharing system, suggesting that even Gumucio himself has made that comparison.

In his answer to Choudhury's lawsuit, Gumucio claims, among other things, that the Bikram Yoga sequence does not qualify for copyright protection. Gumucio cited a letter written by the U.S. Copyright Office's Performing Arts Division Acting Chief, Laura Lee Fischer, confirming that exercises, including yoga sequences, do not qualify as protectable choreography. Gumucio also alleges that in 2002 the Copyright Office denied Choudhury's application for copyright of his yoga sequence. In short, the Copyright Office believes that copyright protection of yoga sequences is too much of a stretch.

The 2002 denial of his application notwithstanding, Choudhury has a [history](#) of sending cease and desist letters to yoga instructors he feels have infringed on his intellectual property. This is also not the first lawsuit involving the copyrightability of Bikram Yoga. In 2003, a group of Yoga instructors created Open Source Yoga Unity ("OSYU") in order to challenge what they perceived as the privatization of yoga by Choudhury. OSYU sued Bikram in federal court, challenging his interpretation of copyright law. Their motion for summary judgment on the issue of copyrightability was denied, with the court intimating that Choudhury's yoga sequence was entitled to copyright protection. The case was [settled](#) in 2005.

In addition to the Gumucio lawsuit and the OSYU action, Bikram also has two copyright infringement actions against yoga instructors pending in California federal court, [Bikram's Yoga College of India L.P. v. Raiz](#), No. 11-cv-7377 (C.D. Cal. filed Sept. 7, 2011), and [Bikrams Yoga College of India L.P. v. Evolution Yoga LLC.](#), No. 11- cv-05506 (C.D. Cal. filed July 1, 2011).

Although Choudry's copyright claims against YTTP appear to be the main event in this litigation, if Choudhury loses on the issue of copyrightability, he still has claims of trademark infringement and breach of the license agreement. For now, the case is tied up like a yogi in eagle pose.

Namaste.

International Soccer Star Regains Complete Control, with No Penalties, over His Face...er, Image Rights

Your face is your fortune. That expression formerly was reserved for photogenic movie stars and models, but these days, image rights means a lot more than just a pretty face. Even tough looking, slightly balding soccer players can lay claim to image rights that are worth a litigation fight.

One particular fight features [Wayne Rooney](#), one of England's best-known soccer stars. The now 26-year-old began playing for [Manchester United](#), one of the top soccer teams in the world, in 2004. In his debut, Rooney accomplished a "hat trick"—a remarkable [three goals](#) in one game. Rooney helped Manchester United win three consecutive [Premier League](#) titles between 2006 and 2009. He was named the Professional Footballers' Associate Player of the Year in 2010, and became English football's highest earner in 2011.

During Rooney's rise to soccer prominence, his image and marketing rights have been managed by [Proactive Sports Management Limited](#). In 2003, when he was 17, Rooney entered into an eight-year image rights representation agreement with Proactive, through Rooney's company, Stoneygate, which had been set up by Rooney and his family and assigned Rooney's image rights. Among other things, Stoneygate appointed Proactive to act as its agent in negotiating endorsement contracts to exploit Rooney's image rights (as well as those of his wife, Coleen). But in 2008, Rooney left Proactive and signed on with another rights management company. Proactive brought suit, seeking commissions on deals that it alleged it had arranged before Rooney departed. Specifically, Proactive claimed 20 percent of Rooney's endorsement earnings.

In 2010, Rooney prevailed in the Manchester High Court, but Proactive [won the right](#) to appeal that ruling. On December 1, 2011, the British Court of Appeal upheld the ruling in favor of Rooney, finding that the lower court was not clearly wrong in concluding that the agreement signed between Stoneygate and Proactive constituted a restraint of trade because it hindered Rooney's ability and freedom to exploit his earning potential over a substantial period of time. Among other things, the court looked to the fact that the agreement was not negotiated between equals, because of Rooney's age at the time, his lack of sophistication and that of his parents, and the fact that Rooney was not represented by legal counsel in the transaction. Thus, Proactive was not entitled to £4.3 million in commission payments it claimed had accrued under the agreement.

The court did, however, reverse the Manchester High Court's decision regarding Rooney's wife. The appeals court determined that she owed Proactive commissions in excess of £90,000, with the exact amount to be determined at a later hearing. Despite that, at least by all published accounts, the pair appears [happy](#) with the ruling.

Related Professionals

- **Howard Z. Robbins**
Partner
- **Joseph M. Leccese**
Chairman Emeritus of the Firm
- **Robert E. Freeman**
Partner
- **Bradley I. Ruskin**
Partner