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A newsletter brought to you by the Sports Law Group at Proskauer.

Welcome to *Three Point Shot*, a newsletter brought to you by the Sports Law Group at Proskauer. *Three Point Shot* brings you the latest in sports law-related news and provides you with links to related materials. In this issue, we feature contributions from Davis Weil, Christopher E. Egi and Nadia A. Nelson.

Your feedback, thoughts and comments on the content of any issue are encouraged and welcome. We hope you enjoy this and future issues.

Edited by **Robert E. Freeman**

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## Hubble-Bubble in the Chewing Gum Industry: Big League Chew and Licensee Stretch Arguments in Ongoing Trade Dress Suit

The business relationship between Big League Chew Properties LLC (“Big League Chew”), the owner of the well-known Big League Chew brand of shredded bubble gum, and Ford Gum & Machine Company Inc. (“Ford”), Big League Chew’s exclusive licensed manufacturer, soured after Ford filed a trademark application to register rights in the product’s shredded gum configuration. Big League Chew, holder of the brand’s registered wordmarks, believes it has always owned the trade dress for the shredded gum format and portrays Ford’s move as one that “directly conflicts with and jeopardizes Big League Chew’s intellectual property rights.” Ford counters that the parties’ agreement is silent on the trade dress issue and that its actions to register ownership of the shredded gum format trade dress were previously ratified by Big League Chew’s owner and were necessary to stop third party infringers selling copycat shredded gum products. Each party moved for preliminary relief, but the court left them both with an empty pack after the magistrate judge recommended the district court deny both parties’ motions because neither party sufficiently demonstrated a likelihood of success on the merits to warrant an injunction. ([Big League Chew Properties LLC v. Ford Gum & Machine Co. Inc.](#), No. 24-11837 (N.D. Ill. Apr. 10, 2025)).

Rob Nelson (“Nelson”), a former minor league pitcher and the founder of Big League Chew, created the idea for the first batch of shredded gum product in a sealable pouch with cartoon-styled packaging in 1979 as an alternative to chewing tobacco for ballplayers and fans. In 1981, Nelson and a partnering entity entered into a trademark license agreement, allowing a subsidiary of a major confectionary company to manufacture the shredded gum product. Additionally, the entities connected to Nelson filed to register certain trademarks and copyrights linked to the shredded gum product and the various names and logos associated with its sale. However, an application for trade dress registration of the distinctive configuration of the shredded gum was never filed by Nelson.

Trade dress refers to the visual identity of a product, and trade dress registration allows a seller to protect the identity of a visually distinctive product. Nelson later decided to contract with a different company and chose Ford.

Things started out sweet between Nelson and Ford. Nelson's personal company and holder of the intellectual property at the time, The Robert Nelson Company, entered into a license agreement with Ford in 2010 that memorialized Big League Chew Co.'s ownership of the brand's trademarks and gave Ford certain rights. This agreement granted Ford the sole right to manufacture, market and sell products in connection with the Big League Chew trademark, including shredded gum. The parties amended the agreement several times over the years altering unrelated provisions, and in 2022 Ford acquired certain equipment of its licensor. Throughout this period, the relationship remained symbiotic.

The situation began to get sticky when Ford suggested to Nelson via email that Ford should file for trade dress registration on the product form of shredded gum to combat emerging competitors producing substantially similar shredded gum products. In March 2024, Ford emailed Nelson about one shredded gum product that resembled Big League Chew. Ford requested permission to file for trade dress protection on the product form of "shredded gum" and enforce such rights by sending a cease and desist to the accused infringer. Nelson replied to the email with "I approve." The parties also later exchanged text messages obliquely about Ford filing for trade dress registration, but ultimately no formal writing was drawn up. Ford subsequently went ahead and filed to register trade dress rights for shredded gum with the United States Patent & Trademark Office (USPTO) ([Serial No. 98478576](#)).

However, the bubble burst in November 2024 when Nelson and Big League Chew filed a [Complaint](#) alleging trade dress infringement, breach of the licensing agreement and various other claims against Ford. It also included a request for injunctive relief to prohibit Ford from infringing Big League Chew's trade dress. According to the complaint, Big League Chew alleges Ford made misleading statements that it owned the

shredded bubble gum trade dress at issue. The complaint also alleged that Ford's trademark application violated the parties' license agreement, which prohibited Ford from registering "the Trademarks, or any confusingly similar trademarks in its own name... or represent that it owns the Trademarks." According to the complaint, Big League Chew believes Ford misread the parties' email exchange, asserting that Nelson did not approve the filing of the trade dress application because he believed the company already owned such rights.

In its [Answer](#), Ford asserted several affirmative defenses, including that Nelson acquiesced to Ford's trademark application for the shredded gum trade dress. Ford also filed counterclaims against Big League Chew, seeking a declaration that Ford owns the shredded gum trade dress and that it is not infringing any IP rights of Big League Chew. It also sought an order preventing Big League Chew from "contracting with another manufacturer to make products that Ford Gum has the exclusive right to manufacture under the License Agreement."

Soon after, Big League Chew moved for a preliminary injunction; Ford countered with a motion for preliminary injunction of its own. Big League Chew argued injunctive relief was necessary to prevent Ford from trading upon the pretense that it owned the trade dress to shredded gum (as opposed to Big League Chew's contention that it has owned such rights for decades). Ford requested the court grant its own request for a preliminary injunction to recognize its right to own the shredded gum trade dress and continue to enforce the licensing agreement between the two parties to allay any fears that Big League Chew might sever their long-running relationship.

In April 2025, a magistrate judge considered the cross-motions for preliminary relief and issued its Report and Recommendation that the district court deny both parties' motions.

As for Big League Chew's case, the court addressed whether their trade dress was infringed upon and whether the license agreement was breached. Neither party denies that the shredded gum trade dress is protectable; each party merely disputes which party

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owns such rights. Big League Chew posited Ford was a mere licensee of the trade dress, while Ford countered that the license agreement's terms that govern Ford's use of Big League Chew's trademarks (i.e., word marks and packaging) were silent as to the shredded gum trade dress. Ford also contended that the parties' email and text exchange acted as an enforceable transfer or abandonment of rights in the trade dress in favor of Ford. Overall, the court had to examine the parties' respective rights in the trade dress, whether the parties' email and text exchange was a transfer of rights, and any remaining issues regarding breach or performance under the license agreement.

The magistrate first found that Big League Chew, even in the absence of federal registration, demonstrated a likelihood of success of the merits on the issue of having a valid and enforceable right in shredded gum trade dress. The court stated the evidence suggested Big League Chew has superior common law rights to the shredded gum trade dress and had "used" the shredded gum configuration in a stay-fresh pouch in commerce (through its licensees) continuously since 1979. The court also found that the evidence was insufficient at this stage to establish that the parties' email and text exchanges were a valid and enforceable contract transferring or assigning trade dress rights to Ford or else an "active representation" by Big League Chew that it had no right or claim in the trade dress. Likewise, the court found Ford's argument that the trade dress was abandoned by Big League Chew did not carry sufficient factual support to succeed at this early stage of the litigation ("[D]efendant provides no case law in support of the suggestion that non-enforcement of trademark or trade dress rights against third-party infringers diminishes claims of ownership or results in the loss of those rights").

The next issue proved far more difficult to parse: whether Big League Chew alleged an infringing use of the shredded gum trade dress in commerce under the Lanham Act. Ford challenged the adequacy of Big League Chew's preliminary injunction motion, asserting none of the claims levied against them show the trade dress was "manufactured or otherwise used" without the consent of Big League Chew, and thus, no trade dress infringement ever occurred. Instead, Big League Chew essentially advanced the novel argument that Ford

infringed its trade dress rights "by fraudulently claiming the concept of shredded bubble gum as its own." However, the court declined relief here, concluding that "both parties fail to explore what initially concerns the court: is the act of filing for trade dress registration alone an infringing 'use in commerce' under the Lanham Act?" At this juncture, the court found that Big League Chew failed to carry the burden on this issue, as "the mere act of filing an application with the USPTO to register the trade dress in defendant's own name does not seem to meet the Lanham Act's definition of 'use in commerce'."

Still, the court had to sift through the claim that Ford breached the licensing agreement. Specifically, Big League Chew requested a preliminary injunction enforcing the terms of the agreement pertaining to Big League Chew's ownership of trademarks and prohibitions against Ford claiming rights in the marks. The court again balked at the suggestion to enjoin Ford and generally found that Big League Chew did not demonstrate a likelihood of success on the merits as to the license breach because the various IP-related provisions of the license agreement do not conclusively cover Ford's trade dress registration and plaintiff failed to show Ford took any other actions outside the license. As a result, the court left Big League Chew empty-handed at the preliminary injunction stage on the license breach issue.

The court then turned to Ford's own motion for a preliminary injunction. Here, the court turned away Ford's request for a declaratory judgment which would have confirmed that it owns the shredded gum trade dress based on the parties' 2024 email and text exchanges. It held Ford failed to make a sufficient showing of the presence of definite, material terms indicating a transfer of rights, particularly as the parties' prior contract amendments were reduced to formal writings. Finally, the court declined the request for an injunction regarding performance under the license agreement and disagreed that the threat of Big League Chew terminating the licensing agreement was so great as to warrant judicial intervention at this point. In the end, Ford's motion for a preliminary injunction met the same fate as Big League Chew's motion. Subsequently, both parties filed written objections to the magistrate's report.

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As both parties continue with this case, the outcome remains uncertain. When considering its ruling and the parties' written objections to the magistrate's report, the district court will chew on the holdings in the dense 42-page report and recommendation from the magistrate judge. Despite small victories, neither party ultimately prevailed at this preliminary stage, leaving one to wonder whether the parties will eventually lose the flavor for litigating and find a resolution that resolves the remaining sticking points.

### The Champ Is...Was: State Wrestling Association Wins Final Round in Match Suspension Challenge

In 2019, a Wisconsin high school championship wrestler, Hayden Halter ("Halter"), followed up his first state wrestling title with another dominant postseason run at the state tournament, eventually completing an accomplished high school career.

But it turns out the final whistle hadn't blown.

For the last six years, Halter has had to defend his 2019 title — this time trading takedowns for legal briefs. But now, the Wisconsin Supreme Court has finally called the match. And unfortunately for Halter, this time, he lost.

In [\*Halter v. Wisconsin Interscholastic Athletic Ass'n\*](#), No. 2021AP1525, 2025 WI 10 (Wisc. Apr. 8, 2025), the Wisconsin Supreme Court upheld an interscholastic sports organization's decision to suspend Halter from postseason competition in 2019, reversing a 2024 [state appellate court decision](#) that reinstated his title. This ruling means Halter's second title has officially been vacated and affirms a state-wide sports regulator's interpretation and enforcement of its eligibility rules in this instance. ([\*Halter v. Wisconsin Interscholastic Athletic Ass'n\*](#), No. 2021AP1525, 2025 WI 10 (Wisc. Apr. 8, 2025)).

The underlying dispute dates to early 2019. Each year, the high school wrestling season culminates in the State Tournament, which consists of three rounds: Regionals, Sectionals, and the State Finals. Halter, then a sophomore at Waterford Union High School, was trying for two in a row, having won the state championship for his 106-pound weight-class as a freshman. At his final match of the regular season, Halter received two

unsportsmanlike conduct penalties, one for questioning an official's call (and allegedly using profanity) near the end of the match, and the second for [flexing his muscles after the referee raised his hand to signify his match victory](#) and then shouting "Yeah" toward the opposing crowd. As a result of the second unsportsmanlike conduct, Halter was [ejected](#) from the meet and suspended for his next meet by the Wisconsin Interscholastic Athletic Association ("WIAA"), a voluntary, nonprofit organization that "sets and enforces rules and regulations" for interscholastic athletics in the state and whose membership consists of all public senior high schools in Wisconsin.

Under WIAA Rule 8(a), any athlete who receives two such unsportsmanlike penalties is suspended from interscholastic competition for no less than the "next competitive event." Unfortunately for Halter, his next varsity competition was the Regionals (which is the lead-up to the Sectionals and State Finals). Missing that event would mean missing the State Tournament and his chance at successive titles.

That tension set the stage for a six-year bout over the interpretation of just three words in the WIAA rules: "next competitive event." Halter and his coaches plotted an escape from the suspension so that he could still wrestle at the Regionals. They interpreted those words broadly to mean that the suspension could apply to any match, such that Halter could simply sit out a junior varsity reserve meet that was happening a few days before Regionals. WIAA officials disagreed, stating that Halter had competed at the varsity level for his entire high school career and saw this maneuver as an attempt to duck his suspension. They concluded that the "next competitive event" referred to the next varsity contest at the Regionals, effectively ending Halter's chance to defend his title. [Interestingly, the WIAA subsequently clarified this rule to state that a suspension must be served "at the same level of competition" as the disqualification].

But Halter did not remain on the mat for long. He responded quickly, filing a suit in Racine County Circuit Court on February 7, 2019. And just days before Regionals, the Circuit Court [granted a temporary restraining order that allowed Halter to compete](#). And compete he did, as Halter went on to win Regionals,



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Sectionals, and ultimately the 2019 Division 1 State Title at 120 pounds. But while Halter's victory on the mat was decisive, his legal victory was in danger of being turned.

In May 2021, the circuit court issued its final ruling in favor of the WIAA, finding its suspension as "in accord with a longstanding policy of the WIAA" and non-violative of Halter's due process rights, thereby stripping Halter of his second title and post-suspension matches and scores for the rest of that season.

Halter appealed, seeking reinstatement of his 2019 wins and state title. In February 2024, the Wisconsin Court of Appeals [reversed](#), holding that the WIAA is a state actor and subject to certain limitations in its actions. The appellate court ruled WIAA's interpretation of Rule 8(a) was "arbitrary," that the phrase "next competitive event" was "poorly drafted" and that WIAA did not apply its appeals process fairly or reasonably toward Halter. And with that decision, five years after he first was crowned champion, Halter's 2019 WIAA Division I state wrestling title and related match scores were reinstated.

Following the takedown, WIAA rose and assumed neutral position, ready for the final round at the Wisconsin Supreme Court.

On April 8, 2025, the Wisconsin Supreme Court issued its [decision](#), a 5-2 ruling reinstating the WIAA's suspension. The court framed the issue narrowly, focusing on whether the WIAA's interpretation of its own rules was reasonable and declining to address broader constitutional and jurisdictional questions such as whether the WIAA should be considered a state actor subject to constitutional due process requirements. Answering that question would have moved the significance of this case up a few weight classes. If the WIAA were considered a state actor, its disciplinary decisions could be subject to federal constitutional scrutiny. The court, however, set aside that question for another day, stating the claims at issue were entirely based in state law and there was "no need" to reach that issue to decide this case.

The high court ultimately found that while Halter's reading of the WIAA rule was one possible interpretation, it found the WIAA's interpretation reasonable that Halter's suspension should be served at the same level of competition that he was disqualified

from – all based on the purpose of the rule and prior WIAA guidance. As the court stated: "True, the Rule is silent about the level of competition at which the suspension should be served. But that does not mean the Rule should be read as leaving it up to the player or coaches to game the system." The court also emphasized prior WIAA guidance in the form of an email sent to all state athletic directors ahead of the 2019 postseason tournaments warning that suspensions from conference tournaments before Regionals will make wrestlers ineligible for Regionals the following week. That message, according to the court, showed the rule had been previously communicated and reasonably applied.

The court also quickly rejected Halter's challenge to the WIAA's appeals process, finding the WIAA, given its limited resources, could reasonably establish rules stating in-season suspensions are non-appealable but offseason eligibility determinations could be appealed.

A typical high school wrestling match consists of three two-minute periods or six minutes; the Halter-WIAA litigation took six years. In the end, Halter won the 2019 title on the mat, but eventually lost his bout in court. And while the case centered on one athlete's postseason suspension, it raised a broader question: how far should courts go in reviewing decisions by private high school sports associations? In Wisconsin, the answer is a little clearer, but issues remain.

## Wipeout Averted as Surfboard Manufacturers Settle Patent Infringement Suit

Surf's up, as surfboard manufacturers MHL Custom, Inc. ("MHL") and Waydoo USA, Inc. ("Waydoo") have resolved a patent infringement suit over a hydrofoil design that had previously resulted in a \$1.3 million jury verdict in favor of MHL. ([MHL Custom, Inc. v. Waydoo USA, Inc.](#), No. 21-00091 (D. Del. Joint Notice Apr. 1, 2025)).

The Plaintiff, MHL, is a Puerto Rican company that manufactures surfboards, paddle boards and other water sports hardware. MHL is the assignee and owner of the patents for the eFoil design (U.S. Patent Nos. [9,359,044](#) ("044 Patent") and [9,586,659](#) ("659 Patent"),

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collectively, the “Patents” or “Asserted Patents”), which they sell as LiftFoil. The eFoil design is a weight-shift controlled personal hydrofoil watercraft that replaces the traditional fin of a surfboard with a hydrofoil, keeping surfers above the water. The Defendant, Waydoo, is a Chinese company that manufactures and sells water sports hardware. Waydoo sold eFoil boards called the Waydoo Flyer and the Waydoo Flyer ONE. [See images below comparing the products from Plaintiff’s complaint].



MHL Lift eFoil



Waydoo Flyer

MHL had not authorized Waydoo to make, use, sell, or import any inventions under its Patents and believed that Waydoo’s eFoil boards infringed such Patents. In early 2019, MHL stated that it sent cease and desist letters to Waydoo representatives but received no response.

Tides were high when MHL [filed suit](#) in January 2021 against Waydoo, alleging patent infringement of the eFoil design. In brief, the complaint listed the various features of Waydoo’s products that allegedly infringed MHL’s patents, including a “hydrofoil... designed to provide passive static stability controlled solely by weight shift of the user” and “a propulsion system...for propelling the watercraft in a body of water.” MHL’s complaint sought an injunction prohibiting Waydoo from infringing its patents and an award of money damages for willful infringement. Defendant counterclaimed that

certain of MHL’s patent claims were invalid and sought an adjudication of noninfringement.

In early 2023, the court heard the parties’ motions for summary judgment. The court looked at the relevant hydrofoil patent claims to determine if Waydoo committed infringement. Among other issues, the parties disputed the meaning of “stable” in the claims, and the court held that “stable” should mean both static and dynamic stability. As such, the court determined that a reasonable jury could conclude that Waydoo’s products had dynamic stability and infringed the ‘659 Patent, thus denying Waydoo’s motion and leaving that issue for trial. On the issue of noninfringement of the ‘044 Patent, the court denied MHL’s motion for summary judgment, agreeing with Waydoo’s argument that there was a genuine dispute as to whether MHL had sufficient evidence to meet the burden of showing static stability under this claim. ([MHL Custom. Inc. v. Waydoo USA, Inc.](#), 654 F.Supp.3d 329 (D. Del. 2023)).

Lastly, MHL moved for summary judgment on Waydoo’s counterclaims that the Asserted Patents were invalid because the static stability limitation of the ‘044 Patent and ‘659 Patent were anticipated by a previously published graduate student project (the “Evolvo Report”). The court stated that invalidity by anticipation requires that a prior art document disclose each and every element of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could practice the invention without undue experimentation. The court denied MHL’s motion for summary judgment, finding that there was a genuine issue of material fact as to whether the Evolo Report disclosed a statically stable watercraft and if the report was a “printed publication” under the Patent Act and otherwise publicly accessible.

Facing heavy chop, Waydoo did not prevail at trial. In March 2023, a Delaware federal jury [found](#) that certain disputed claims of MHL’s patents were valid and infringed. The jury determined that MHL was entitled to a reasonable royalty of \$500 per board sold by Waydoo (totaling \$1,334,000 in damages).

Despite this holding, Waydoo sought a cleanup set and moved for a [renewed judgment as a matter of law](#) on various issues related to its defenses to infringement and whether the jury’s finding of willful infringement was

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proper. Its motions were unsuccessful, however. For example, on the prior art anticipation issue that was argued at summary judgment, the court upheld the jury's findings that although the Evolo Report was technically accessible, it was not publicly accessible because, at the very least, it was not generally findable through a Google search performed by a person exercising reasonable diligence. On Waydoo's renewed arguments of noninfringement, the court upheld the jury's findings that Waydoo infringed the '659 Patent and found the video evidence and expert testimony on the stability issue was sufficient. This was a nosedive for Waydoo as the court denied Waydoo's renewed judgement as a matter of law and motions for a new trial.

MHL also filed [post-trial motions](#) seeking, among other things, supplemental damages and fees, and a permanent injunction. The court rejected MHL's request for a permanent injunction, concluding that, among other things, MHL failed to carry the burden to demonstrate irreparable harm through lost sales or the adequacy of monetary remedies. The court granted MHL's request for supplemental damages for a certain period of time but declined the request for attorney's fees and for ongoing royalties of \$500/board, preferring to allow the parties to attempt to negotiate an ongoing royalty rate first instead of the court setting one immediately.

Hoping to catch another wave, Waydoo subsequently [appealed](#) the verdict and post-trial rulings to the Federal Circuit. In its [brief](#), Waydoo made various arguments, including on issues of claim construction and evidentiary matters and urged the appeals court that it was entitled to judgment as a matter of law of noninfringement. However, this past spring the parties apparently met at shore break to resolve the matter and Waydoo dropped its appeal just in time for summer. Surf's up!

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For more information about this practice area, contact:

**Neil H. Abramson**

+1.212.969.3001 – nabramson@proskauer.com

**Elise M. Bloom**

+1.212.969.3410 – ebloom@proskauer.com

**Arthur Burke**

+1.212.969.3668 – aburke@proskauer.com

**Scott P. Cooper**

+1.310.284.5669 – scooper@proskauer.com

**Rob Day**

+44.20.7280.2040 – rday@proskauer.com

**Robert E. Freeman**

+1.212.969.3170 – rfreeman@proskauer.com

**Wayne D. Katz**

+1.212.969.3071 – wkatz@proskauer.com

**Jason Krochak**

+1.212.969.3143 – jkrochak@proskauer.com

**Christine G. Lazatin**

+1.212.969.3478 – clazatin@proskauer.com

**Joseph M. Leccese**

+1.212.969.3238 – jleccese@proskauer.com

**Adam M. Lupion**

+1.212.969.3358 – alupion@proskauer.com

**Jon H. Oram**

+1.212.969.3401 – joram@proskauer.com

**Kevin J. Perra**

+1.212.969.3454 – kperra@proskauer.com

**Howard Z. Robbins**

+1.212.969.3912 – hrobbins@proskauer.com

**Bradley I. Ruskin**

+1.212.969.3465 – bruskin@proskauer.com

**Bart H. Williams**

+1.310.284.4520 – bwilliams@proskauer.com

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