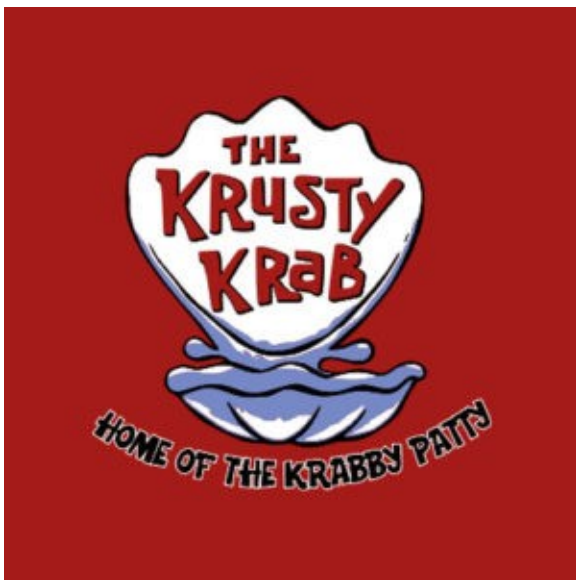


Trademarks Can Originate from Fictional Sources: Fifth Circuit Upholds Trademark Protection for The Krusty Krab

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by Ben Kappelman



Stop us if you've heard this one—
Conan the Barbarian and a Romulan
walk into the Krusty Krab.
SpongeBob looks at Conan and
says, "I know you, but where's he
from?" In the latest chapter of a case
we've blogged about before, the U.S.
Court of Appeals for the Fifth Circuit
upheld a lower court decision that
"The Krusty Krab" was a source-
identifying mark, like "Conan the
Barbarian" (and not like "Romulan").

The Fifth Circuit's decision is the
latest installment (and probably the
series finale) of a courtroom drama

starring media conglomerate Viacom International and IJR Capital Investments. In 2014, IJR decided to open Cajun seafood restaurants called "The Krusty Krab" in California and Texas. Viacom filed suit in Texas federal court after IJR pressed forward with its plans despite Viacom's cease and desist demand. The Texas court granted Viacom summary judgment on its common law trademark infringement and Lanham Act unfair competition claims, and IJR appealed.

The Fifth Circuit began its analysis by weighing whether Viacom actually uses The Krusty Krab to identify the source of a good or service. The threshold question was whether specific elements within a television show—as opposed to the show's title—can receive trademark protection. The court decided they could because extending trademark protection to these elements would protect the goodwill of the elements' owners and protect consumers from confusion.

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Still, not all elements of a television show are trademarks. The appropriate focus is on whether the element of the show creates a distinct commercial impression separate from the show itself. The court cited decisions holding Conan the Barbarian, The General Lee, and The Daily Planet to be protectable marks and held that trademark protection exists when elements are recognizable *of themselves* as an indication of the origin of goods or services. When elements have a “central” or “critical” role in, are “integral” to, or are a “staple” of a television show, those elements can be trademarks.

The court contrasted these marks with the word Romulan, which the TTAB found not to be a trademark because there was no evidence that the owner of Star Trek used the word to distinguish its services. Although the Romulan mark was featured in television episodes, movies, and licensed products, it was “only” used “from time to time” and so did not attain trademark status. (The Court was quick to acknowledge that “Star Trek fans may vehemently disagree with this analysis as a factual matter.”)

The court cited several facts to conclude that The Krusty Krab was a source identifier. It described how The Krusty Krab is integral to SpongeBob SquarePants because it appears in more than 80% of episodes and in the film and musical adaptations of the show, and is featured online, in video games, and in licensed merchandise. Viacom had extensively licensed The Krusty Krab mark and the mark appears on a variety of consumer products, from stickers and apparel to games and playsets. The mark is featured prominently on these products and helps identify the goods. Viacom has reaped millions from this licensing. From this, the court concluded The Krusty Krab was a source identifier because it created “immediate recognition” of the source for goods or services.

Where does this leave entrepreneurs hoping to boost their ventures with allusions to popular culture? They might get away with copying lesser known elements of entertainment enterprises. But it would probably be wise to steer clear of a show’s better-known elements, particularly if the show’s owner has separately licensed that element. Otherwise, entrepreneurs may find themselves in court claiming to be Romulans but found to be (Conan the) Barbarians.