IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

MID-WEST MANAGEMENT, INC.,

OPINION AND ORDER

Plaintiff,

04-С-720-С

v.

CAPSTAR RADIO OPERATING COMPANY d/b/a CLEAR CHANNEL COMMUNICATIONS,

Defendant.

This is a civil action for injunctive relief in which plaintiff Mid-West Management, Inc. alleges that defendant Capstar Radio Operating Company d/b/a Clear Channel Communications' use of the mark "Madison's Progressive Talk" constitutes trademark infringement, unfair competition and false designation of origin under the Lanham Act § 1125(a) and Wis. Stat. § 132.033. The case is before the court on plaintiff's motion for a preliminary injunction. I have considered the arguments presented by the parties in their briefs and at a hearing held on October 15, 2004. For the reasons stated below, I will deny plaintiff's motion. In brief, the phrase "Madison's Progressive Talk" is a descriptive term when used in connection with plaintiff's radio broadcasts. As such, the phrase is entitled to Lanham Act protection only if it has acquired secondary meaning. Because plaintiff is unlikely to be able to prove that the phrase has acquired secondary meaning, it has not shown more than a negligible chance of success on the merits.

From the parties' proposed findings of fact and the record, I find the following facts material and undisputed for the sole purpose of deciding the present motion.

FACTS

Plaintiff is a corporation organized under Wisconsin law and engaged in the business of radio broadcasting. Plaintiff owns and operates seven radio stations, including WTDY (1670-AM). WTDY's broadcast signal, apparently centered in or near Madison, Wisconsin, extends throughout southern Wisconsin and into northern Illinois. In addition, plaintiff streams the content of WTDY's broadcasts over the Internet. Each of plaintiff's radio stations employs a unique format for its programming. Each station's format is important in determining the size and characteristics of the station's listening audience. Advertisers often create advertisements that appeal to a selected population or demographic. The advertising rates charged by each station are based primarily on the station's ability to attract undiences having certain demographic characteristics in the market area that advertisers want to reach. Nearly all of plaintiff's revenue from radio broadcasting is generated from the sale of broadcast commercial announcements.

In 1997, WTDY began to broadcast programming reflective of the "populist" or "progressive" political tradition historically associated with the Progressive Party in Wisconsin. Plaintiff's motive in beginning this transition was to attract advertisers seeking to reach generally younger, more liberal listeners in Dane County, Wisconsin. Since 1997, plaintiff has replaced several "conservative" talk show programs with politically "progressive" talk show programs. On August 26, 2004, plaintiff began identifying the political message and content of WTDY's broadcasts by using the phrase "Madison's Progressive Talk" during broadcasts. The next day, plaintiff notified Arbitron, Inc., which polls radio audiences for their listening habits, about plaintiff's use of the phrase "Madison's Progressive Talk" in connection with WTDY broadcasts. Plaintiff told Arbitron that WTDY's new station name would be "Talk Radio 1670 Madison's Progressive Talk." On August 31, 2004, plaintiff filed an application with the state of Wisconsin to register the phrase "Madison's Progressive Talk" as a trademark. (Neither party has registered the mark with the U.S. Patent and Trademark Office.) In September 2004, plaintiff began displaying the phrase on its Internet website and on large billboards throughout the Madison area. The billboard image consists of WTDY on-air personality John "Sly" Sylvester standing back-to-back with Robert LaFollette, Progressive Party founder and former governor of Wisconsin. "Madison's Progressive Talk" is prominently displayed on the billboard, as are the station's call letters

(WTDY) and frequency (1670). Plaintiff has spent \$11,000 for the billboard advertisements, \$15,000 for a series of "bus board" advertisements and \$3,000 for promotional flyers which feature the phrase "Madison's Progressive Talk."

Defendant is a corporation organized under Delaware law that operates WXXM (92.1-FM), which broadcasts from Sun Prairie, Wisconsin. WXXM's broadcast signal covers an area that overlaps WTDY's broadcast area. Defendant also streams WXXM broadcasts over the Internet. On August 30, 2004, WXXM began using the phrase "Madison's Progressive Talk" in connection with a planned format change from adult contemporary music to a progressive talk show format. (Defendant admits that it attempted to register "Madison's Progressive Talk" with the state of Wisconsin, but does not indicate when this attempt was made.) On that date, Mike Ferris, the FM operations manager for defendant's Madison, Wisconsin area radio stations, sent an email to WXXM listeners notifying them of the impending format change. Also, WXXM notified Arbitron that it was using the phrase "Madison's Progressive Talk" as part of the station's new name "The Mic 92.1 Madison's Progressive Talk." WXXM's format change became effective September 7, 2004.

On August 31, 2004, defendant's attorney sent a letter to plaintiff claiming ownership rights in the phrase "Madison's Progressive Talk" and requesting that plaintiff stop all use of the phrase in connection with WTDY broadcasts. Plaintiff sent defendant several letters in response, contending that it had used the phrase first and had exclusive rights to it. Plaintiff requested that defendant cease all use of the phrase or any other phrase that might cause confusion among listeners as to the source of defendant's radio broadcasts. Both parties continue to use the phrase "Madison's Progressive Talk" in connection with their respective radio broadcasts.

DISCUSSION

A. Subject Matter Jurisdiction

_____The parties agree that this court has subject matter jurisdiction over this case under 28 U.S.C. § 1331. It is well established that Lanham Act jurisdiction extends to the limit of Congress's power to regulate interstate commerce. Section 45 of the Act defines "commerce" to include "all commerce which may lawfully be regulated by Congress." <u>Thompson Tank & Manufacturing Co. v. Thompson</u>, 693 F.2d 991, 993 (9th Cir. 1982); <u>Arrow United Industries v. Hugh Richards, Inc.</u>, 678 F.2d 410, 413 n.5 (2d Cir. 1982). It is undisputed that plaintiff's broadcast area covers portions of Wisconsin and Illinois. In addition, both parties make their respective stations' broadcasts available to a worldwide audience over the Internet. Accordingly, I conclude that the parties use of "Madison's Progressive Talk" has affected interstate commerce. This is sufficient to confer jurisdiction. <u>Lobo Enterprises, Inc. v. Tunnel, Inc.</u>, 822 F.2d 331, 332-33 (2d Cir. 1987) (ruling that use of trademark in magazines having interstate circulation satisfied Lanham Act's jurisdictional requirements); see also Rickard v. Auto Publisher, Inc., 735 F.2d 450, 453 n.1 (11th Cir. 1984).

B. Preliminary Injunction

In order to succeed on a motion for a preliminary injunction, the moving party must show (1) more than a negligible chance of success on the merits and (2) no adequate legal remedy and irreparable harm if preliminary relief is denied. Once the moving party makes this showing, the court must consider (3) the balance of hardships between plaintiff and defendant, adjusting the hardships for the probability of success on the merits and (4) the public interest in granting or denying the injunction. <u>See Abbott Laboratories v. Mead</u> <u>Johnson & Co.</u>, 971 F.2d 6, 11-12 (7th Cir. 1992); <u>see also Planned Parenthood v. Doyle</u>, 162 F.3d 463, 473 (7th Cir. 1998).

1. Likelihood of success on the merits

A plaintiff may bring a claim for infringement of an unregistered or common law mark under the Lanham Act. <u>Zazu Designs v. L'Oreal, S.A.</u>, 979 F.2d 499, 502 (7th Cir. 1992). To prevail on such a claim, a plaintiff must show both that the mark is protected and that it has been infringed. <u>Platinum Home Mortgage Corp. v. Platinum Financial Group,</u> <u>Inc.</u>, 149 F.3d 722, 726 (7th Cir. 1998); <u>Echo Travel, Inc. v. Travel Associates, Inc.</u>, 870 F.2d 1264, 1266 (7th Cir. 1989). When, as in this case, a mark has not been registered with the U.S. Patent and Trademark Office, the burden is on the plaintiff to establish that it is entitled to protection under the Lanham Act. <u>Platinum Home Mortgage Corp.</u>, 149 F.3d at 727. The same standards that govern plaintiff's Lanham Act claims govern plaintiff's state trademark and unfair competition claims. <u>Mil-Mar Shoe Company, Inc. v. Shonac Corp.</u>, 906 F. Supp. 476, 479 (E.D. Wis. 1995), <u>rev'd on other grounds</u>, 75 F.3d 1153 (7th Cir. 1996).

a. Estoppel

Initially, plaintiff argues that defendant is estopped from contesting the protected status of "Madison's Progressive Talk" because defendant attempted to register the mark and sent a letter to plaintiff claiming ownership of the mark. With respect to registration, the Court of Appeals for the Seventh Circuit rejected a similar argument in <u>Gimix, Inc. v. JS & A Group, Inc.</u>, 699 F.2d 901 (7th Cir. 1983). In that case, the plaintiff alleged that the defendant infringed plaintiff's trademark. On summary judgment, the defendant argued that the phrase at issue, "Auto Page," was a generic name for plaintiff's product (an automatic telephone dialing device). Plaintiff argued that defendant was estopped from arguing that the mark was invalid because defendant had attempted to register the phrase in connection with its product (a car theft warning device). <u>Id</u>. at 903-04. The court rejected plaintiff's

estoppel argument, noting the "strong public interest in permitting challenges to validity." Id. at 905 n.3. In addition, the court stated that "the elements of reliance and injury necessary to estoppel" were not present. Id.; see also Ideal World Marketing, Inc. v. Duracell, Inc., 15 F. Supp. 2d 239, 245 n.3 (E.D.N.Y. 1998) (stating that "Duracell's abortive efforts to secure trademark protection for the term PowerCheck do not preclude it from arguing in this motion that the term is descriptive"). In the present case, plaintiff has made no showing that it relied detrimentally on defendant's registration of "Madison's Progressive Talk." As for defendant's cease and desist letter, the Court of Appeals for the Ninth Circuit has stated that a response to a cease and desist letter tending to concede the validity of a mark does not prevent a subsequent challenge to validity unless the response creates a binding contract. MWS Wire Industries, Inc. v. California Fine Wire Co., Inc., 797 F.2d 799, 802 (9th Cir. 1986). Because there is no indication here that defendant's cease and desist letter was part of a settlement agreement or other contract and in light of the public policy favoring challenges to validity, I conclude that defendant's cease and desist letter does not estop defendant from challenging the protected status of the phrase in this case.

b. Type of mark

Marks are classified into five categories of increasing distinctiveness: (1) generic; (2)

descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful. Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992). Terms that fall into the last three categories are inherently distinctive; they require no additional showing to be protected. Id. Generic terms, such as "film" and "airplane," which are commonly used to designate a type of product, are never distinct and never protected. Id. Descriptive terms, such as "bubbly" champagne, fall in the middle of the trademark spectrum. Normally, descriptive marks are not protected because they are a "poor means of distinguishing one source of services from another." Platinum Home Mortgage Corp., 149 F.3d at 727 (internal citations and quotations omitted). Descriptive marks are protected only if they have acquired distinctiveness, or "secondary meaning," in their relevant market. Blau Plumbing v. S.O.S. Fix-It, Inc., 781 F.2d 604, 609 (7th Cir. 1986) ("Holiday Inn" is descriptive term that has acquired secondary meaning). Secondary meaning exists when consumers think of the term not as a description but as the name of the product or service itself. id.; see also Mil-Mar Shoe Co., Inc., 75 F.3d at 1156-57. The distinctiveness of a mark "cannot be determined in the abstract, but only by reference to the goods or services upon which the mark is used." J. Thomas McCarthy, McCarthy on Trademarks § 11:64.

I note that the phrase at issue, "Madison's Progressive Talk," is a "composite" mark that contains a geographic term plus other terms. <u>Id.</u> at § 14.11. Whether the phrase is protected under the Lanham Act must be determined by examining the phrase as a whole. Id. The dispute in this case centers on whether the phrase is descriptive or suggestive when used in connection with radio broadcasts. A district court's classification of a term as "descriptive" or "suggestive" is a factual determination. Forum Corp. of North America v. The Forum, Ltd., 903 F.2d 434, 438 (7th Cir. 1990); G. Heileman Brewing Co., Inc. v. Anheuser-Busch, Inc., 873 F.2d 985, 992 (7th Cir. 1989). Classification is not an exact science and the distinction between descriptive and suggestive marks is often unclear. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976). A mark is descriptive if it "describes the ingredients, qualities, or characteristics of an article of a trade or service." Platinum Home Mortgage Corp., 149 F.3d at 727 (internal citations omitted). By contrast, a suggestive mark is one that "suggests rather than describes an ingredient or characteristic of the goods and requires the observer or listener to use imagination and perception to determine the nature of the goods." G. Heileman Brewing Co., 873 F.2d at 992. "The imagination required to link a suggestive term with the corresponding product refers to the mental process required to connect a name that is incongruous or figurative with the product." Id. at 997 (quoting with approval district court opinion, G. Heileman Brewing Co., Inc. v. Anheuser-Busch Inc., 676 F. Supp. 1436, 1491 n.46 (E.D. Wis. 1987)). In the end, plaintiff must establish that "Madison's Progressive Talk" serves to identify and distinguish WTDY broadcasts. It is not enough for the phrase to describe a characteristic of WTDY broadcasts shared by programming aired on other radio stations. G. Heileman

Brewing Co., 873 F.2d at 997.

Initially, it is difficult to see how "Madison's Progressive Talk" could be anything beyond a description of WTDY's on-air content. The materials submitted by plaintiff in support of its motion reinforce this idea. For example, plaintiff submitted an affidavit from its president, Thomas Walker, in which Walker states that plaintiff began using the phrase "Madison's Progressive Talk" on-air "[i]n order to convey the general political message and content of the radio programs presented on WTDY-AM and their location on the political spectrum to potential listeners and advertisers." Walker Aff., ¶ 9, dkt. #4, at 3-4. Plaintiff also submitted an affidavit from Casey Hoff, a radio talk show host at WTDY, in which Hoff states that on August 26, 2004, he used the phrase "Madison's Progressive Talk" on-air to "identify WTDY and its programming content." Hoff Aff., ¶ 2, dkt. #5, at 1-2. These admissions indicate that, although plaintiff may be trying to connect "Madison's Progressive Talk" with WTDY, it uses the phrase to describe WTDY's on-air programming to listeners and advertisers. The phrase tells listeners exactly what to expect when they tune into WTDY: talk radio with a progressive political orientation. An advertiser or a radio listener driving past one of plaintiff's billboards or reading one of plaintiff's flyers gets an immediate idea of the content on WTDY. Certainly, the phrase is not "incongruous or figurative" with respect to radio broadcasts. In other words, after hearing "Madison's Progressive Talk" on a WTDY broadcast or seeing the phrase in a print advertisement, little or no imagination

or perception is needed to discern the essential characteristics of WTDY broadcasts. <u>Compare Platinum Home Mortgage Corp.</u>, 149 F.3d at 728 (agreeing with district court finding that "not much imagination" required to associate "platinum" with financial services business) <u>with Circuit City Stores, Inc. v. CarMax, Inc.</u>, 165 F.3d 1047, 1054 (6th Cir. 1999) ("The CarMax mark is 'suggestive' because it tells the public that the defendants are involved in the automobile industry but *leaves the precise nature of the defendants' business*, i.e., sale of used cars, to the consumer's imagination.") (emphasis added). The station's call letters and broadcast frequency identify the source; "Madison's Progressive Talk" merely describes the content.

Plaintiff argues that "Madison's Progressive Talk" is suggestive for three reasons. First, "Madison's Progressive Talk" "does not begin to describe" the content of plaintiff's radio broadcasts (i.e., "current news coverage, advertising, political commentary, syndicated programs, local hosts, call-in shows, celebrities and other content"). Plt.'s Br., dkt. # 8, at 13. However, this court can find no authority (and plaintiff does not cite any) stating that a mark is descriptive only if it describes *all* of the components of a product or service. Rather, a mark is descriptive if it "describes a characteristic or ingredient of an article." <u>Miller Brewing Co. v. G. Heileman Brewing Co., Inc.</u>, 561 F.2d 75, 79 (7th Cir. 1977); <u>see</u> <u>also Meehanite Metal Corp. v. Int'l Nickel Co., Inc.</u>, 262 F.2d 806, 807 (C.C.P.A. 1959) ("A word may be descriptive though it merely describes one of the qualities or properties of the goods."). More to the point, "Madison's Progressive Talk" identifies three fundamental characteristics of a WTDY broadcast: it originates in Madison, features a talk show format and "serve[s] as a platform for broadcasting populist progressive views." Plt.'s PFOF ¶ 9, dkt. #9, at 3.

Second, plaintiff notes that the "Madison's Progressive Talk" does not refer to radio broadcasts specifically. This argument is foreclosed by the decision in Forum Corp. of North <u>America v. The Forum, Ltd.</u>, 903 F.2d 434 (7th Cir. 1990). In that case, the court reviewed a district court finding that the word "forum" was suggestive in connection with a corporation that provided training seminars to business employees on the ground that "forum" was suggestive because it did not "specifically describe business training and education programs." <u>Id</u>. at 444. The court of appeals disagreed with the reasoning of the district court, stating that "it is not necessary that a descriptive term depict the service itself, but only that the term refer to a characteristic of the service." <u>Id</u>. (citing <u>Miller Brewing Co.</u>, 561 F.2d at 79). Thus, it is irrelevant that "Madison's Progressive Talk" does not refer specifically to radio broadcasts.

Finally, plaintiff argues that defendant can use other phrases to describe the content of its broadcasts, such as "Alternative Radio," "Radio Free Madison" or "The Left End of Your Dial." In other words, plaintiff argues that defendant does not have to use the phrase "Madison's Progressive Talk" to identify its on-air content. This may be true, but it does not mean that the phrase is suggestive. A term need not be necessary to describe similar products or services before it is classified as descriptive. Forum Corp. of North America, 903 F.2d at 445. Therefore, I conclude that "Madison's Progressive Talk" is descriptive of plaintiff's radio broadcasts. Thus, it is entitled to protection under the Lanham Act only if it has acquired secondary meaning. I turn now to that question.

c. Secondary meaning

A descriptive mark has secondary meaning if there exists "a mental association in buyers' minds between the alleged mark and a single source of the product." <u>Packman v.</u> <u>Chicago Tribune Co.</u>, 267 F.3d 628, 641 (7th Cir. 2001) (citing 2 <u>McCarthy on Trademarks</u> § 15:5) (emphasis omitted). Secondary meaning arises when a mark "has been used so long and so exclusively by one company in association with its goods or services that the word or phrase has come to mean that those goods or services are the company's trademark." <u>Packman</u>, 267 F.3d at 641 (citing <u>Platinum Home Mortgage Corp.</u>, 149 F.3d at 728). The Court of Appeals for the Seventh Circuit considers the following seven factors in determining whether a mark has acquired secondary meaning: (1) direct consumer testimony; (2) consumer surveys; (3) exclusivity, length and manner of use; (4) amount and manner of advertising; (5) amount of sales and number of customers; (6) established place in the market; and (7) proof of intentional copying. <u>Echo Travel, Inc.</u>, 870 F.2d at 1267. The existence of secondary meaning is a question of fact. <u>Bishops Bay Founders Group, Inc. v.</u> <u>Bishops Bay Apartments, LLC</u>, 301 F. Supp. 2d 901, 909 (W.D. Wis. 2003).

Plaintiff does not argue that "Madison's Progressive Talk" has acquired secondary meaning, presumably because plaintiff believes the phrase is suggestive. Plaintiff has presented no direct evidence (consumer testimony or consumer surveys) indicating that radio listeners or advertisers associate "Madison's Progressive Talk" only with WTDY broadcasts. The undisputed facts indicate that plaintiff first used the phrase on-air on August 26, 2004 and defendant's first on-air use occurred on August 30, 2004. Thus, plaintiff had at most four days of exclusive use. As for advertising, plaintiff submitted evidence that it has spent \$29,000 for billboards, bus boards and flyers advertising WTDY as the home of "Madison's Progressive Talk." Plaintiff began its advertising sometime in September 2004. Plaintiff presented no evidence regarding the amount of sales made to advertisers or the number of listeners it has attracted since it first began using the phrase. Finally, plaintiff presented no evidence regarding plaintiff's established place in the market or any intentional copying by defendant. On these facts, I conclude that plaintiff is unlikely to be able to show that "Madison's Progressive Talk" has acquired secondary meaning.

Because the undisputed facts strongly suggest that the descriptive phrase "Madison's Progressive Talk" has not acquired secondary meaning, I cannot conclude that plaintiff has shown more than a negligible chance of success on the merits. Therefore, plaintiff is not entitled to a preliminary injunction.

ORDER

IT IS ORDERED that plaintiff Mid-West Management Inc.'s motion for a preliminary injunction is DENIED.

Entered this 21st day of October, 2004.

BY THE COURT:

BARBARA B. CRABB District Judge