

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

-----  
MID-WEST MANAGEMENT, INC.,  
a Wisconsin corporation,

Plaintiff,

v.

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

Defendant.

-----

OPINION and ORDER

04-C-720-C

This is a civil suit for monetary, injunctive and declaratory relief in which plaintiff Mid-West Management, Inc. alleges that defendant Capstar Radio Operating Company, d/b/a Clear Channel Communications, violated § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) and Wis. Stat § 132.033 as well as Wisconsin's common law of unfair competition by its use of the term "Madison's Progressive Talk" in connection with its radio broadcasts. In addition, plaintiff seeks a declaration under the Declaratory Judgment Act, 28 U.S.C. § 2201, that its rights in the phrase "Madison's Progressive Talk" are superior to any rights defendant may have in the phrase or, if the phrase is found to be unprotected as a

trademark, that defendant does not have enforceable rights in the phrase and that plaintiff may continue to use it in its radio broadcasts. Subject matter jurisdiction is present. 28 U.S.C. § 1331, 1367(a).

In an order dated October 21, 2004, I denied plaintiff's motion for a preliminary injunction after concluding, on the facts presented, that the phrase "Madison's Progressive Talk" is merely descriptive when used in connection with plaintiff's radio broadcasts and that plaintiff was unlikely to be able to show that the phrase had acquired secondary meaning. After its motion for a preliminary injunction was denied, plaintiff sought and received permission to file an amended complaint. Presently before the court is defendant's motion to dismiss plaintiff's amended complaint for failure to state a claim upon which relief may be granted. Fed. R. Civ. P. 12(b)(6). I conclude that the motion must be denied because defendant has not shown the absence of any set of facts that would entitle plaintiff to relief.

In addressing the present motion, the parties have incorporated by reference arguments from their briefs concerning the motion for preliminary injunction. To the extent those arguments incorporate facts outside the complaint, they have been disregarded. Although defendant's motion to dismiss is essentially a waste of resources given the liberal construction courts must give a party's pleadings, I will not convert the present motion into a motion for summary judgment. Neither party has complied with this court's rules

regarding summary judgment. According to this court's procedures, a motion for summary judgment must be accompanied by a statement of proposed findings of fact or a set of stipulated facts and evidentiary materials. Procedure to be Followed on Motions for Summary Judgment I.A. Neither side submitted proposed findings of fact with their briefs. Therefore, I have limited my inquiry to the allegations in the amended complaint and the attached letters of correspondence between the parties. Fed. R. Civ. P. 10(c) (a "copy of any written instrument which is an exhibit to a pleading is part thereof for all purposes"); Tierney v. Vahle, 304 F.3d 734, 738 (7th Cir. 2002) (court may consider attachments to a complaint without converting motion to dismiss into motion for summary judgment). For the sole purpose of deciding the present motion, I accept as true the following allegations in plaintiff's amended complaint.

#### ALLEGATIONS OF FACT

Plaintiff Mid-West Management, Inc. is a Wisconsin corporation with its principal place of business in Madison, Wisconsin. Plaintiff owns and operates several radio stations, among them WTDY (1670-AM), which features a news and talk show format. WTDY's broadcast signal extends throughout Madison and as far south as Rockford, Illinois. Defendant Capstar Radio Operating Company, d/b/a Clear Channel Communications, is a Delaware corporation that maintains its principal place of business in San Antonio, Texas.

Defendant owns and operates a radio station that broadcasts from Sun Prairie, Wisconsin, identified by the call letters WXXM (92.1-FM). WXXM's signal overlaps WTDY's in WXXM's geographic area.

Since 1997, plaintiff has tried to attract younger, more liberal listeners in Dane County by presenting radio talk shows on WTDY reflecting a liberal or progressive viewpoint. In August 2003, WTDY began broadcasting commentaries by Jim Hightower. In November of that year, the station began broadcasting a "Working Man's Block" on Sundays featuring a labor show entitled "Prospering in America" and a talk show hosted by independent Congressman Bernie Sanders. It began broadcasting the Worker's Independent News Service in December 2003. The station made additional programming changes in 2004, replacing politically conservative talk shows hosted by Chris Krok and Mike Gallagher with shows featuring politically progressive hosts Lee Rayburn and Ed Schultz. Plaintiff referred to its new slate of talk shows as a "progressive line-up" in a March 2004 press release.

#### A. Plaintiff's Use of "Madison's Progressive Talk"

On August 26, 2004, plaintiff began using the phrase "Madison's Progressive Talk" during WTDY broadcasts to identify the source of the broadcasts and began streaming WTDY broadcasts over the internet. The next day, plaintiff notified Arbitron, Inc., a

company that determines the demographics and size of radio audiences for marketing purposes, that its new name for WTDY would be “Talk Radio 1670 Madison’s Progressive Talk.” On August 31, 2004, plaintiff filed a trademark application for the phrase with the state of Wisconsin.

In September 2004, plaintiff began using the phrase in a variety of promotional capacities. It used the phrase on WTDY’s website, <http://www.wtdy.com>, and paid for a billboard advertisement along highway 12/18 in Madison, Wisconsin displaying the phrase “Madison’s Progressive Talk 1670 WTDY” and featuring photographs of WTDY on-air personality John “Sly” Sylvester and Progressive Party founder “Fighting” Bob LaFollette. In addition, it contracted for a series of “bus board” advertisements that were to appear on Madison Metro buses and on flyers distributed at events including the “Fighting Bob Fest” and the Madison Labor Festival. Plaintiff has used “Madison’s Progressive Talk” in its radio broadcasts continuously from August 26, 2004 to the present.

### C. Defendant’s Use of “Madison’s Progressive Talk”

After plaintiff began using “Madison’s Progressive Talk” in connection with WTDY, defendant began using the phrase in connection with its radio broadcasts on WXXM. (Like WTDY, defendant streams WXXM’s broadcasts over the internet). Defendant did not request or receive plaintiff’s permission to use the phrase and is not licensed, sponsored by

or associated with plaintiff in any way. Defendant has used the phrase in advertising for WXXM.

By letter dated August 31, 2004, defendant demanded that plaintiff cease all use of “Madison’s Progressive Talk,” claiming that it owned trademark rights in the phrase and that plaintiff’s use of it was unauthorized. Defendant stated that plaintiff’s use of the mark was “intended to create confusion regarding the mark.” Defendant gave plaintiff until September 3, 2004 to discontinue its use of the phrase; otherwise, the letter warned, defendant would “take such action as it deems advisable to assert its statutory right to recover damages and costs thereof and otherwise protect its interest.” Defendant’s operations manager Mike Ferris announced this move in a September 7, 2004 interview with the Capital Times, a Madison-based newspaper.

In a letter dated September 8, 2004, plaintiff asked defendant to substantiate its use of “Madison’s Progressive Talk” in connection with its radio broadcasts. Receiving no response from defendant, plaintiff wrote a second letter dated September 16, 2004, in which it claimed superior rights in the phrase and accused defendant of trademark infringement and unfair competition. Plaintiff demanded that defendant stop using the phrase. On September 17, 2004, defendant responded by letter that included a copy of a registration filed with the State of Wisconsin claiming a first-use date of August 26, 2004. At this point, plaintiff proposed that the two parties exchange evidence of their actual first use of the

phrase. Defendant did not respond to this proposal and continues to use the phrase in connection with WXXM broadcasts.

## DISCUSSION

### A. Motion to Dismiss

In deciding a motion to dismiss for failure to state a claim, a court must construe the complaint liberally in favor of the plaintiff, taking as true all well-pleaded factual allegations and all reasonable inferences which may be drawn therefrom. Leahy v. Board of Trustees of Community College Dist. No. 508, 912 F.2d 917, 921 (7th Cir. 1990). A motion to dismiss should be denied unless "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." Lee v. City of Chicago, 330 F.3d 456, 459 (7th Cir. 2003) (quoting Conley v. Gibson, 355 U.S. 41, 45-46 (1957)). This standard is based on the concept of notice pleading, which requires that every complaint contain only "a short and plain statement of the claim showing that the pleader is entitled to relief." Fed. R. Civ. P. 8(a)(2). A complaint must describe a claim briefly and simply and need not contain "all of the facts that will be necessary to prevail." Hoskins v. Poelestra, 320 F.3d 761, 764 (7th Cir. 2003); Shah v. Inter-Continental Hotel Chicago Operating Corp., 314 F.3d 278, 282 (7th Cir. 2002).

Plaintiff's amended complaint contains three counts. Count one raises claims for

trademark infringement and false designation of origin under the Lanham Act; count two is a request for declaratory relief under the Declaratory Judgment Act; and count three raises claims of trademark infringement under Wisconsin law and unfair competition under Wisconsin common law. Rather than setting out the elements of each of these claims, defendant attacks the entire complaint and argues that all of the claims should be dismissed because plaintiff did not allege the existence of a protected mark. This argument pertains only to plaintiff's claims of trademark infringement under the Lanham Act and Wisconsin law. Therefore, I construe defendant's motion as addressing only those claims.

To state a claim for trademark infringement under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) and Wis. Stat. 132.033, a plaintiff must allege facts suggesting that its mark can be protected under trademark law and defendant's infringement. Platinum Home Mortgage Corp v. Platinum Financial Group, Inc., 149 F.3d 716, 726-27 (7th Cir. 1998); Mil-Mar Shoe Company, Inc. v. Shonac Corp., 906 F. Supp. 476, 479 (E.D. Wis. 1995), rev'd on other grounds, 75 F.3d 1153 (7th Cir. 1996). Marks receive protection equal to their level of distinctiveness. At one end of the spectrum are generic marks, which receive no protection; at the other end are suggestive, arbitrary or fanciful marks, which are inherently distinctive and require no additional showing to be protected. Bishops Bay Founders Group, Inc. v. Bishops Bay Apartments, LLC, 301 F. Supp. 2d 901, 906 (W.D. Wis. 2003). Descriptive marks fall in the middle of the trademark spectrum; they are not

inherently distinctive but are entitled to protection if they have acquired distinctiveness, or secondary meaning. Id. at 907. Defendant argues that the phrase “Madison’s Progressive Talk” is merely descriptive when used in connection with plaintiff’s radio broadcasts and that plaintiff did not allege that the phrase has acquired secondary meaning. Platinum Home, 149 F.3d at 727 (descriptive mark “may receive trademark protection if it acquires secondary meaning”). Thus, defendant argues, plaintiff failed to allege the existence of a protected mark.

Classification of a mark is a question of fact, Forum Corp. of North America v. The Forum, Ltd., 903 F.2d 434, 438 (7th Cir. 1990), that often requires a court to consider how the phrase at issue is used in the industry, Mil-Mar Shoe Company, Inc., v. Shonac Corp., 75 F.3d 1153, 1159 (7th Cir. 1996). Normally, the question whether “Madison’s Progressive Talk” is merely descriptive (as defendant suggests) or suggestive (as alleged in the amended complaint) would be a question of fact reserved for a later stage in the proceedings. Courtenay Communications Corporation v. Hall, 334 F.3d 210, 215 (2nd Cir. 2003) (“[W]hether a composite mark . . . is [distinctive] presents an issue of fact that cannot be resolved on the pleadings”); APBHN Inc. v. America Online, Inc., No. TH00-0135-C-M/H, 2001 WL 1028851 at \*5 (S.D. Ind. June 19, 2001). In this case, I have already concluded that “Madison’s Progressive Talk” is merely descriptive of plaintiff’s radio broadcasts, but that conclusion does not entitle defendant to dismissal of plaintiff’s infringement claims.

A court may grant a motion to dismiss only if "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." Lee, 330 F.3d at 459. In this case, it remains possible that plaintiff will introduce facts showing that the phrase has acquired secondary meaning. Plaintiff's failure to allege that the phrase has acquired secondary meaning in its amended complaint is not fatal to its infringement claims because a complaint need not contain all of the facts necessary to prevail. Hoskins, 320 F.3d at 764.

The allegations in the amended complaint are sufficient to state a claim of trademark infringement when viewed in the light most favorable to plaintiff. First, plaintiff has alleged facts suggesting it has a valid trademark. In its complaint, plaintiff alleges that on August 26, 2004, it began using the phrase "Madison's Progressive Talk" in its WTDY radio broadcasts to identify the source of the broadcasts and that the company has continued to use the phrase "Madison's Progressive Talk" since that date in its broadcasts and in advertising. Liberally construed, these allegations suggest that the phrase has become associated with WTDY. Second, plaintiff has alleged facts suggesting that defendant infringed on plaintiff's trademark. The complaint states that defendant first used "Madison's Progressive Talk" in its radio broadcasts after plaintiff's first use, without plaintiff's consent and in the same geographic area as plaintiff. Moreover, plaintiff alleges that defendant's use of the phrase is likely to cause confusion among listeners and advertisers

as to the origin of defendant's broadcasts. These allegations are sufficient to state a claim of trademark infringement under the Lanham Act and Wisconsin law.

#### B. Request for Declaratory Relief

In its brief in opposition to defendant's motion to dismiss, plaintiff contends that it is entitled to default judgment on its request for declaratory relief because defendant failed to address that claim in its motion to dismiss. To the extent plaintiff's one-sentence argument can be construed as a request for entry of default, it will be denied. Entry of default is reserved for extreme situations in which a party shows an unwillingness to participate in the proceedings. Davis v. Hutchins, 321 F.3d 641, 646-48 (7th Cir. 2003) (default judgment appropriate where defendant did not enter appearance until two months after receiving complaint, filed "woefully inadequate" responsive pleading, failed to appear at hearing and did not respond to discovery requests). In this case, defendant has contested plaintiff's motion for a preliminary injunction and filed two motions to dismiss. It has shown a strong interest in defending itself against plaintiff's claims and has not ignored any warnings from the court. The fact that it may not have addressed plaintiff's request for declaratory relief specifically in its motions to dismiss does not entitle plaintiff to entry of default. See Silva v. City of Madison, 69 F.3d 1368, 1377 (7th Cir. 1995) (suggesting that a court should impose a default judgment only in "extreme situations where less drastic

measures have proven unavailing”).

ORDER

IT IS ORDERED that defendant Capstar Radio Operating Company’s motion to dismiss the amended complaint, dkt. #24, is DENIED. FURTHER, IT IS ORDERED that plaintiff Mid-West Management’s request for entry of default is DENIED.

Entered this 1st day of March, 2005.

BY THE COURT:

BARBARA B. CRABB  
District Judge