Elvis Presley Enterprises, Inc. v. Capece

141 F.3d 188, (5th Cir. 1998)

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Plaintiff Elvis Presley Enterprises, Inc. (EPE) appealed a district court judgment that ruled the defendant Barry Capece's (Capece) service mark, "The Velvet Elvis," did not infringe or dilute EPE's federal and common law trademarks and did not violate EPE's right of publicity in Elvis Presley's name. The Fifth Circuit Court of Appeals reversed the district court's judgment and said that the district court failed to consider the impact of Capece's advertising practices on their use of the service mark and misapplied the doctrine of parody in its determination that "The Velvet Elvis" mark did not infringe EPE's marks. The appeals court held that Capece had infringed on EPE's trademarks after considering advertisements in their analysis and not misapplying the doctrine of parody.

The first issue the court had to deal with was to determine whether the advertising practices of Capece should have been considered on their use of the service mark. For EPE to have prevailed on its trademark infringement claim it must have possessed a protectable mark that was used in commerce in accordance with 15 USC §1114. A service mark is used in commerce when it is used or displayed in the sale or advertising of services. Therefore, advertisements used by the alleged infringer, which incorporate the allegedly infringing mark, are relevant in determining whether a mark has been infringed.

Next the court had to determine whether the doctrine of parody was applied correctly by the district court. Parody is not a defense to trademark infringement, but a factor to be considered which weighs against a finding of likelihood of confusion. In order to have a parody, it must take aim at a particular original work, so that the original work is recognizable in a new different work. The court concluded that the Velvet Elvis did not require the use of EPE's marks because it did not target Elvis Presley. Therefore the district court erred in its determination of likelihood of confusion after considering parody.

The court then looked at whether there was a likelihood of confusion for consumers between the two marks. EPE had to show that Capece's use of "The Velvet Elvis" mark and image, likeness, and other referents to Elvis Presley created a likelihood of confusion in the minds of potential consumers as to the source, affiliation, or sponsorship of Capece's bar. The court of appeals weighed five non-exhaustive factors to determine whether a likelihood of confusion existed. The factors were (1) the type of mark, (2) the similarity of the marks, (3) the similarity of products and services, (4) the defendant's intent, and (5) actual confusion. Two other factors, the identity of retail outlets and purchasers and the identity of advertising media, were found to be irrelevant by both the district court and the court of appeals. After considering all five of the factors and having them all favor EPE, the court determined that the defendants had infringed on EPE's marks.

The Court of Appeals held that the district court failed to consider the impact of Capece's advertising practices on his use of the service mark and misapplied the doctrine of parody in its determination that "The Velvet Elvis" mark did not infringe EPE's marks. The appeals court found that Capece had infringed on EPE's trademarks after including Capece's advertisements and not misapplying the doctrine of parody.