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FAX COVER SHEET

DATE: 10-13-03

TO: Bruce Schrimpf **FROM:** Mike
Joe Sanfelippo Cabs, Inc.

FAX NO:

No. of PAGES: 19 **(INCLUDING THIS COVER PAGE)**

MESSAGE:

1 **STATE OF WISCONSIN : CIRCUIT COURT : MILWAUKEE COUNTY**

2 ---

3 **YELLOW CAB COOPERATIVE,**

4 Plaintiff,

5 v.

6 **YELLOW CAB OF MILWAUKEE, INC.,**

7 Defendant.

8

9 CASE NO.: **03-CV-7655**

10 ---

11 October 9, 2003 **HON. FRANCIS T. WASIELEWSKI**

12 Circuit Court Judge Presiding

13 **A P P E A R A N C E S**

14 **SHANNON McDONALD** appeared on behalf of

15 the plaintiff.

16 **DEAN LAING** appeared on behalf of the

17 defendant.

18

19 **OTHER APPEARANCE(S)**

20 **MICHAEL SANFELIPPO: Yellow Cab of Milwaukee, Inc.**

21

22 **YOLANDA SHABAZZ, CPR.**

23 OFFICIAL COURT REPORTER

24 BRANCH 17

25 *****

1 **P R O C E E D I N G S**

2 MADAM CLERK: Yellow Cab cooperative v.
3 Yellow Cab of Milwaukee, Inc., 03-CV-7665.
4 MR. LAING: Dean Laing of O'Neil, Cannon
5 & Hollman appearing on behalf of defendant,
6 Yellow Cab of Milwaukee, Inc.
7 MR. McDONALD: Shannon McDonald of the
8 Cross Law Firm appears on behalf of Yellow
9 Cab Cooperative.
10 THE COURT: This matter is before the
11 Court after a hearing earlier this week at
12 which the parties were offered the
13 opportunity to present evidence as to whether
14 or not a temporary injunction should issue in
15 this matter.
16 The facts basically are not in dispute.
17 The plaintiff herein, Yellow Cab Cooperative,
18 has had a cab operation in the City of
19 Milwaukee since sometime around June of
20 1979. I believe that is when they were
21 incorporated. They are the successors to the
22 Boynton Yellow Cab Company, which had run the
23 franchise previously. The Boynton Yellow Cab
24 Company traces its lineage back to the mid
25 1920's and before that it was Boynton

1 Liberty.
2 The Boynton Yellow Cab Company and the
3 Yellow Cab Co-Op have enjoyed continuous,
4 uninterrupted, exclusive use of the term
5 "Yellow Cab" in Milwaukee.
6 On March 13th of this year the defendant
7 changed its name from Horner CC to Yellow Cab
8 of Milwaukee, Inc. On June 4th of '03 the
9 defendant was granted use of the name Yellow
10 Cab of Milwaukee by the Secretary of State.
11 The plaintiff has permission from the
12 Common Council of the City of Milwaukee to
13 the exclusive use of the color "yellow" on
14 its cabs. So that whatever happens here
15 today plaintiff retains the right to the
16 continued use of the color "yellow," the
17 yellow trade dress, irrespective of anything
18 that happens here.
19 I believe it is also undisputed that the
20 defendant has been granted "purple" trade
21 dress under the same orders. I believe this
22 happened very recently, September 30th of
23 this year. So that all of the defendant's
24 cabs, no matter under what corporate banner
25 they are operating, will all be colored

1 "purple." So I suppose the defendant, while
2 choosing to call itself Yellow Cab of
3 Milwaukee, Inc., would have purple cabs.
4 This matter is here before the Court on
5 an injunction, as I indicated. The plaintiff
6 has filed a common law tradename infringement
7 complaint alleging that "Yellow Cab," as a
8 descriptor, has acquired a secondary meaning
9 and that it is therefore entitled to
10 protection. Without protection there would
11 likely be confusion among the consumers who
12 use cab services.
13 This court did grant a temporary
14 restraining order to the plaintiffs on
15 September 5th of this year. That order by
16 its terms required that the defendant not use
17 the name Yellow Cab in any way and any calls
18 to the telephone number contained in the
19 defendant's Yellow Page advertisement were to
20 be forwarded to the plaintiff.
21 The trademark law has a spectrum of
22 protection for designations which run from no
23 protection at all to immediate protection,
24 full protection.
25 I think at the beginning here it might

1 be well just to layout that spectrum. This
2 is set out in McCarthy on Trademarks and
3 Unfair Trade Practices, Section 11.1, Volume
4 II.
5 First there is a generic designation,
6 also called a common descriptive, and this is
7 really not considered a tradename. It's not
8 entitled to any protection at all.
9 Next is the category of merely
10 descriptive. If something is merely
11 descriptive, without more it also is not
12 entitled to protection. It is not considered
13 distinctive.
14 In order for a tradename to be entitled
15 to protection it has to have something
16 distinctive about it other than a description
17 of the "what" so as to tell the consumer the
18 "who" that is either providing the product or
19 the service. A merely descriptive
20 designation, however, can become distinctive
21 by use. It is under this category on the
22 spectrum of tradenames that the plaintiff is
23 basing its claim here.
24 Also in this spectrum are designations
25 which are suggestive, that is the third

1 category, and designations which are either
2 arbitrary or fanciful.
3 I can see why this area of the law is
4 such a specialty. A lot of this terminology
5 to the outsider is fairly arcane, but to
6 people who practice regularly in this area
7 they are all terms of art who have over the
8 years acquired a particular meaning in the
9 case law.
10 So that as I said. There are five
11 categories: Generic, merely descriptive,
12 suggestive, arbitrary and fanciful. It is
13 under the second of these that the plaintiff
14 is basing its claim in this case.
15 Whether a description is generic or
16 whether it is descriptive in the sense of
17 merely descriptive, the second category, that
18 is considered a question of fact under
19 Wisconsin law. That is the holding of the
20 Court of Appeals in the *Madison Reprographics*
21 case; which case incidentally also does refer
22 to the McCarthy Treatise for some of the
23 statements that are made in that case.
24 Where an allegedly valid protectable
25 designation has not been registered, the

1 plaintiff has the burden of showing that the
2 mark is non generic once the defendant has
3 asserted genericness as a defense. The
4 defendant here has asserted genericness as a
5 defense so that the plaintiff does bear the
6 burden of showing that "Yellow Cab" is not a
7 generic term. In other words, it bears the
8 burden of showing that "Yellow Cab" has not
9 become a synonym for taxi cab.
10 The fact of use of a designation doesn't
11 alone entitle it to protection. In other
12 words, it does not entitle the user of that
13 designation to enjoin all other uses. This
14 principle is stated in *First Wisconsin*
15 *National Bank v. Wichman,* 85 Wis. 2d, page 62
16 or 63. It's somewhere around there.
17 So that genericness has been raised by
18 the defendant here. I believe it a threshold
19 issue in this case.
20 A generic term refers to the genus of
21 which a particular product or service is the
22 species. We are back to survival of the
23 fittest. Who is that Englishman who
24 propounded that theory in genus and species
25 and all that? It was 100, 150 years ago

1 now. That is the definition that is offered
2 in some of the case law. I believe something
3 to that substantial effect is in the McCarthy
4 Treatise also.
5 If the primary significance of a
6 designation is to describe the type of
7 product rather than the producer of the
8 product, the mark is generic and cannot be a
9 valid trademark.
10 McCarthy at Volume II, page 12-4 states
11 that the terms "generic" and "trademark" are
12 mutually exclusive. "Either a designation is
13 protectable as a mark or it is a generic name
14 of a thing or service, in which case it can
15 never be a protectable mark."
16 Before going any further I think I ought
17 to state that I am granting the request to
18 the plaintiff here and I am not going to
19 consider Mr. Farrell's affidavit here
20 inasmuch as he was not here for
21 cross-examination and was not available by
22 telephone.
23 Yellow Cab and taxicab are, if you
24 consult Roget's Thesaurus, that eminent legal
25 authority, though it has been cited in case

1 law, I don't remember if McCarthy refers to
2 it or not, but they are synonyms. They are
3 considered synonyms in the English language.
4 I think it also ought to be noted that
5 some 1,300 cities have had or do now have
6 Yellow Cabs. That also is some of the
7 undisputed evidence that has come in, in this
8 case.
9 So that it would be the Court's view,
10 based on the evidence which has been
11 submitted here to date, that the designation
12 yellow cab is generic in nature. It
13 describes a type of product rather than a
14 producer of the product in the Court's view.
15 You know what a yellow cab is rather than who
16 drives it or who provides a service for it.
17 I think that is consistent with Roget's
18 Thesaurus, and also the fact that it has come
19 into the lexicon because it has been all
20 over.
21 I appreciate that much of plaintiff's
22 claim is premised on the fact that locally
23 here they have been the only concern using
24 the label, but that use alone does not make
25 it something that it is not. In other words,

1 if it is generic, then it is generic. I
2 don't think that it becomes a protectable
3 designation by use alone and the *Wichman*
4 case confirms that.
5 The term "yellow" is a common
6 descriptive of cab in the same way that the
7 term "light" is a common descriptive of
8 beer. The case from the Seventh Circuit in
9 which this has been hotly litigated by some
10 of the breweries has been cited as part of
11 some of the materials that were submitted
12 here. In the court's view these common
13 descriptives "light" and "yellow" serve to
14 tell what the product is rather than who
15 produces it or who uses it to provide a
16 service. As such, it not entitled to
17 trademark protection.
18 All that being said, the plaintiff still
19 retains the yellow trade dress for its taxis
20 here, which has been granted by the Common
21 Council. That is a matter up that is to the
22 Common Council. They granted that right of
23 use under a City of Milwaukee Ordinance.
24 Protection of the plaintiff's use of the
25 name "Yellow Cab" might have been different

1 if the plaintiff had protected its use by a
2 Chapter 132 filing. Then I would have had to
3 make some presumptions that I am not allowed
4 to make now. It also would have given the
5 plaintiff another arrow in its quiver to use
6 in this lawsuit.
7 It would certainly seem to me that the
8 defendant is awkwardly positioned to seek to
9 try to use the fact that they obtained rights
10 by their Chapter 132 filing against the
11 plaintiff, inasmuch as it is the defendant's
12 own actions that would have created the very
13 situation about which they would be
14 complaining. They chose to use the term
15 "Yellow Cab." If it's a problem because
16 Yellow Cab Co-Op is out there, they should
17 never have adopted the name in the first
18 place. So I don't think their filing gives
19 them any right to use the filing with the
20 Secretary of State as a sword against Yellow
21 Cab.
22 I don't know, and it is not before me,
23 it hasn't been presented here, whether any of
24 what has happened here or all of what has
25 happened here would amount to some sort of an

1 unfair trade practice. That is not before
2 me, as I said. It is not alleged.
3 So that having reached that conclusion I
4 am going the order that the temporary
5 retraining order be dissolved forthwith and
6 that the motion by the plaintiff for a
7 temporary injunction be and hereby is
8 denied. I am denying it on the basis that
9 there's not a reasonable likelihood of
10 success on the merits, inasmuch as in a
11 trial of an action the plaintiff would have
12 the burden of showing that the term "Yellow
13 Cab" is non generic.
14 Certainly there is a likelihood. I am
15 not saying under no circumstances could they
16 prove it. But looking at the state of this
17 record as it is before me now I don't find a
18 reasonable likelihood and that is I believe
19 the degree to which it has to rise at this
20 stage before the Court can grant the
21 injunction.
22 These injunctions are a drastic remedy
23 first of all. They are often granted early
24 on in litigation before the facts have had a
25 full opportunity to be developed before the

1 Court and before the parties have had a full
2 opportunity to perhaps do all the
3 investigation that they would want to do.
4 The Courts are told to be careful in applying
5 or granting this remedy. That is what I am
6 attempting to do here.
7 As I said, I don't rule out the fact
8 that at a trial the plaintiff may be able to
9 make that showing, but it doesn't look to me
10 right now like they are able to do it. That
11 is a necessary element here for the plaintiff
12 to establish in order to obtain a temporary
13 injunction.
14 I am going to ask, Mr. Laing, that you
15 draw the appropriate order, submit it to the
16 Court under the five day rule with copy to
17 counsel opposed.
18 MR. LAING: I will do that, Your Honor.
19 THE COURT: Thank you.
20 MR. LAING: Your Honor, there is one
21 other thing. We did have the plaintiff's
22 motion for contempt that had been fully
23 briefed. I don't know if you want to have us
24 come back on that or how you want to handle
25 that or just issue a decision based on the

1 briefing.
2 THE COURT: I must tell you, I read it
3 over quickly and I don't feel ready to rule
4 on that right now. Maybe I am mistaken here,
5 maybe you can help me, but I came away, from
6 quickly reading the submission of each side,
7 feeling that there might be some disputes of
8 fact here on the submissions. There were
9 some things that were explained by the
10 defendant that the plaintiff perhaps could
11 not have possibly known about. On the other
12 hand, the two versions didn't seem to
13 entirely square. So that I am just wondering
14 are there contested issues of fact here?
15 MR. McDONALD: What we would just wish
16 to set forth in the brief and that would be I
17 don't believe the defendant commented upon,
18 right after the Court issued its September
19 5th order, that the defendants did in fact
20 accept incoming calls on both September 8th
21 and September 9th and solicited business. I
22 don't believe that was addressed in the reply
23 brief.
24 THE COURT: I would take if it as
25 something not addressed in the pleading,

1 perhaps it is admitted then.
2 I think before ruling on the contempt I
3 would like to take a closer look at what you
4 all have submitted. Frankly, I was much more
5 focused on the injunction aspect rather than
6 the contempt motion. If you would like a
7 date, Mr. McDonald, we certainly can provide
8 a date and then we can hold a hearing. I
9 will focus on it and we can conclude that
10 matter.
11 MR. McDONALD: Yes, I would like to
12 choose a date.
13 THE COURT: All right. How much time do
14 you think that will take?
15 MR. McDONALD: I would think no more
16 than I would say a week.
17 THE COURT: The hearing would not take a
18 week.
19 MR. McDONALD: I thought you meant the
20 date for having a hearing could be in a week.
21 It should take no more than a morning, if
22 that.
23 THE COURT: You will need several hours?
24 MR. McDONALD: Correct.
25 THE COURT: Do you think it will take

1 any longer than that, Mr. Laing?
2 MR. LAING: I think that is plenty of
3 time.
4 MADAM CLERK: Thursday, October 30,
5 9:30.
6 MR. McDONALD: That works fine for me.
7 MR. LAING: I don't have my calendar.
8 My client says he is out of town. I don't
9 know if it is necessary for him to be here or
10 not. I don't think he had really in role in
11 it. I think he can have other people here.
12 THE COURT: If he doesn't really have a
13 role, he wouldn't be able to give first-hand
14 testimony of what somebody did, if somebody
15 made a call, somebody did this or that, and
16 so maybe he wouldn't really need to be here.
17 MR. LAING: That is okay. We can go
18 forward then. I would just ask if I can go
19 back and check with my office and if it is
20 bad, I will call the Court immediately this
21 afternoon.
22 THE COURT: Get Mr. McDonald on the
23 phone then so that if there is a problem, we
24 can set another date.
25 What is the date again for the record?

1 MADAM CLERK: October 30th, 9:30 a.m.
2 THE COURT: Thank you.
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1 **REPORTER'S CERTIFICATE**

2

3 STATE OF WISCONSIN)

4

5 COUNT OF MILWAUKEE)

6

7 I, **YOLANDA SHABAZZ**, OFFICIAL COURT
8 REPORTER DO HEREBY CERTIFY THAT AS AN
9 OFFICIAL COURT REPORTER FOR MILWAUKEE COUNTY,
10 TOOK IN STENOGRAPH THE PROCEEDINGS HAD BEFORE
11 THE COURT IN THE AFOREMENTIONED MATTER ON
12 OCTOBER 9, 2003, AND THAT THE ATTACHED
13 TRANSCRIPT IS A TRUE AND CORRECT COPY OF SAID
14 SHORTHAND NOTES.
15 DATED THIS 10TH DAY OF OCTOBER,
16 2003, IN MILWAUKEE, WISCONSIN.

17

18

19 Yolanda Shabazz

20 YOLANDA SHABAZZ, CPR.

21 OFFICIAL COURT REPORTER

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