

IMPACT STATEMENT

Legislation title: Authorize the City Attorney to institute legal proceedings against Pabst Brewing Company for trademark violations of the Portland, Oregon sign.

Contact name: Kalei Taylor, Deputy City Attorney

Contact phone: 503 823 4047

Presenter name: Kalei Taylor

Purpose of proposed legislation and background information:

The City of Portland owns right, title and interest in the Portland, Oregon sign, including intellectual property rights. The City holds a State of Oregon registered trademark as well as common law rights based on extensive commercial use and licensing of the mark by the City and its predecessors in interest. Parties seeking commercial use of the Portland, Oregon sign must first seek license from the City. The City has an interest in protecting its trademark.

Pabst Brewing Company sought license to use the Portland, Oregon sign to advertise and promote its 2014 Project Pabst music festival. Negotiations took place, but ultimately the parties were unable to reach agreement and the City declined to authorize such use, as the event did not comply with the City's Acceptable Use Policy. (The City's current policy does not allow use of the mark to be depicted or used on products and services that are not available to persons of all ages). Pabst instead created a "knock off" and used a confusingly similar version of the Portland, Oregon sign in its marketing and promotion of Project Pabst, in violation of the City's registered trademark:



City Mark



Pabst Mark

The City hired outside counsel to send a Cease and Desist letter to Pabst, as well as negotiate a settlement for Pabst's unauthorized use of the City trademark. Pabst did not respond favorably, and in fact has continued to violate the City's intellectual property and already announced another Project Pabst music festival in Portland in 2015. The City Attorney seeks to institute legal proceedings to seek damages and enjoin any future unauthorized use of the City's trademark.

Financial and budgetary impacts:

- The litigation will seek damages from Pabst Brewing Company. The amount is unknown at this time.
- While the litigation will largely use City counsel, outside counsel must also be consulted given the subject matter. Outside counsel costs an hourly rate of \$350. At this time it is impossible to determine how many hours of outside counsel time are needed, but we anticipate it may be between 10 and 100 hours. There is also a filing fee of \$400.

Community impacts and community involvement:

- None.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

REFERRED TO COMMISSIONER OF
FINANCE AND ADMINISTRATION

RESOLUTION No.

Authorize the City Attorney to institute legal proceedings against Pabst Brewing Company for trademark violations of the Portland, Oregon sign (Resolution)

WHEREAS the City of Portland owns right, title, and interest in the Portland, Oregon sign (also known as the "White Stag" sign) including a registered state trademark,

WHEREAS parties seeking commercial use of the Portland, Oregon sign must first seek license from the City,

WHEREAS Pabst Brewing Company sought license to use the Portland, Oregon sign to advertise and promote its Project Pabst music festival,

WHEREAS the City declined to authorize such use as the event did not comply with the City's Acceptable Use Policy,

WHEREAS Pabst Brewing Company used a confusingly similar version of the Portland, Oregon sign in its marketing and promotion of the Project Pabst music festival, in violation of the City's trademark.

NOW, THEREFORE, BE IT RESOLVED that the Portland City Council hereby authorizes the City Attorney or her designee to institute such legal proceedings to seek damages and enjoin any future unauthorized use of the City's trademark, as she deems necessary and appropriate.

Adopted by the Council:

Commissioner: Mayor Hales
Prepared by: Simon Whang/kjt
Date Prepared: December 26, 2014

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

Agenda No.
RESOLUTION NO.
Title

Authorize the City Attorney to institute legal proceedings against Pabst Brewing Company to recover damages from Portland, Oregon sign trademark violations and enjoin future unauthorized use (Resolution)

<p align="center">INTRODUCED BY Commissioner/Auditor: Mayor Hales</p>	<p>CLERK USE: DATE FILED <u>JAN 02 2015</u></p>
<p align="center">COMMISSIONER APPROVAL</p>	<p align="center"><i>Mary Hull Caballero</i> Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p> <p>ACTION TAKEN:</p> <p>JAN 07 2015 RESCHEDULED TO JAN 28 2015 AT 9:30 AM</p> <p>JAN 28 2015 RESCHEDULED TO FEB 4, 2015 AT 9:30 AM</p> <p>FEB 04 2015 RESCHEDULED TO FEB 25, 2015 AT 9:30 AM</p> <p>FEB 25 2015 REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Mayor—Finance and Administration - Hales</p>	
<p>Position 1/Utilities - Fritz</p>	
<p>Position 2/Works - Fish</p>	
<p>Position 3/Affairs - Saltzman</p>	
<p>Position 4/Safety - Novick</p>	
<p align="center">BUREAU APPROVAL</p>	
<p>Bureau: Internal Business Services Bureau Head: Bryant Engle <i>[Signature]</i></p>	
<p>Prepared by: Simon Whang Date Prepared: 12/26/14</p>	
<p>Financial Impact Statement & Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan <i>[Signature]</i></p>	
<p>Council Meeting Date</p>	

AGENDA

TIME CERTAIN
Start time: _____

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT *Pulled*

REGULAR
Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Novick	4. Novick	
Hales	Hales	