

DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.

By Richard Ronald

On June 6, 1944, General Dwight D. Eisenhower led the Allied invasion of Normandy, a hotly contested battle over several small beaches on the French coast that proved a turning point in World War II.¹ Almost sixty years later—and thirty-three years after General Eisenhower died—he again figured in a conflict, this time over copyright, trademarks, and the public domain.² The litigants in the case, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, clashed over a video series based on General Eisenhower's book *Crusade in Europe*.³

The Supreme Court resolved two outstanding issues of intellectual property law in *Dastar*. First, the Court ruled that the Lanham Act does not protect uncopyrighted works from unattributed copying.⁴ In other words, trademark law cannot constrain the use of public domain materials. Second, the Court officially recognized “reverse passing off,” the selling of another's goods as one's own, as a valid, though limited, legal theory under the Lanham Act.⁵ The Court also built on its decisions in *TraFFix*,⁶ *Samara Bros.*,⁷ and *Bonito Boats*⁸ by further delineating the boundaries separating three different intellectual property regimes—patent, copyright, and trademark.⁹

The *Dastar* ruling will prove significant as more works of authorship fall into the public domain after their copyrights expire. Indeed, *Dastar* may ultimately stand for the principle that authors and other copyright owners lose all intellectual property rights in their creative works once copyrights expire.

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1. See DWIGHT D. EISENHOWER, *CRUSADE IN EUROPE* 250-54 (Doubleday & Co. 1948).

2. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003).

3. *Id.* at 2044.

4. *Id.* at 2049.

5. *Id.* at 2046.

6. *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).

7. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000).

8. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

9. *Dastar*, 123 S. Ct. at 2048-50.

Part I of this Note traces the history of reverse passing off from its uncertain beginnings to its eventual recognition by the Supreme Court in *Dastar*. Part II summarizes *Dastar*'s facts and its holdings. Part III discusses the Supreme Court's decision, concluding that while the Court's holding was correct, it failed to resolve two significant areas of intellectual property law. First, the Court did not address whether copyrighted materials used as trademarks lose their trademark status when their copyright expires. Second, the Court left unsettled a circuit split on what constitutes consumer confusion in trademark cases involving copyrighted materials.

I. THE LANHAM ACT AND REVERSE PASSING OFF

A. Explanation of Reverse Passing Off

When a manufacturer falsely represents that he produced goods actually produced by another, he is directly or "expressly passing off" these goods.¹⁰ Professor McCarthy, in his famous treatise, calls this "the classic form of trademark infringement."¹¹ In most instances of direct passing off, someone affixes the trademark of a well-known company to a cheaper imitation.¹² For example, an unscrupulous manufacturer could affix a Nike Swoosh to his own cheaply made shoes and sell them as Nike for higher prices. This would clearly violate the Lanham Act, since the shoes would be falsely represented as originating from Nike.¹³

In contrast to direct passing off, where the product being sold is actually produced by the seller, the typical reverse-passing-off case involves one manufacturer selling another manufacturer's goods as its own. This would include a manufacturer purchasing a competitor's product, removing that competitor's trademark, and then selling the resulting product either without the trademark (implied reverse passing off) or with the purchaser's own trademark (express reverse passing off).¹⁴ For example, Coca-Cola would be guilty of reverse passing off if it obtained a quantity of Pepsi soft drink, packaged it in Coca-Cola bottles, and sold it as Coca-Cola.¹⁵ Reverse passing off also includes selling unauthorized copies of

10. See 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:1, at 25-5 (4th ed. 2003).

11. *Id.* § 25:5, at 25-11.

12. See *id.* § 25:3, at 25-10.

13. 15 U.S.C. § 1125(a) (2000).

14. Lori H. Freedman, *Reverse Passing Off: A Great Deal of Confusion*, 83 TRADEMARK REP. 305, 305 (1993).

15. This is the example given by the Court in *Dastar*. 123 S. Ct. 2041, 2047 (2003).

another manufacturer's product as one's own,¹⁶ or using another manufacturer's good or picture of the good as a sales model to solicit orders for one's own product.¹⁷

Reverse passing off harms manufacturers in two ways.¹⁸ First, this practice undermines their efforts to identify themselves clearly with a good or product.¹⁹ A vendor who removes a trademark from a good and replaces it with its own mark has frustrated the link between manufacturer and consumer that trademark law is designed to protect.²⁰ For instance, suppose a consumer buys blue jeans made by Levis, but which are being sold as Wranglers. The Levis brand does not gain the goodwill that would normally accrue to it, should the consumer like the jeans and wish to purchase others like them in the future.²¹ Rather, Wrangler appropriates that goodwill for itself.²² Second, a manufacturer can also use reverse passing off to undermine a competitor's advantage in being the first to market a new product.²³ A manufacturer can pass off its competitor's goods as its own until it has had sufficient time to manufacture a competing version of the product.²⁴ For example, if Levis introduced a new type of jeans, Wrangler could undermine Levis' lead-time advantage in sales and goodwill simply by selling the jeans as their own until they produced a Wrangler's version of the jeans.

Reverse passing off also harms consumers. First, it misleads consumers as to the true source of a good, frustrating a trademark's ability to reduce consumer search costs.²⁵ Second, it frustrates the consumer's ability to buy that specific item again.²⁶ The consumer may falsely believe that the good is available only from the passer-off.²⁷ For example, imagine a

16. John T. Cross, *Giving Credit Where Credit is Due: Revisiting the Doctrine of Reverse Passing Off in Trademark Law*, 72 WASH. L. REV. 709, 713 (1997).

17. Freedman, *supra* note 14, at 320; *see also* Matsushita Elec. Corp. of Am. v. Solar Sound Sys., Inc., 381 F. Supp. 64, 66-70 (S.D.N.Y. 1974) (discussing radio modified by plaintiff, then used as a sales model).

18. William M. Borchard, *Reverse Passing Off—Commercial Robbery or Permissible Competition?*, 67 TRADEMARK REP. 1, 4-5 (1977).

19. *Id.* at 16-18.

20. *Id.*

21. *See id.*

22. *Id.*

23. Freedman, *supra* note 14, at 321-22.

24. *Id.*

25. William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J. LAW & ECON. 265, 269-70 (1987); *see also* Borchard, *supra* note 18, at 4-5, 18.

26. *See* Borchard, *supra* note 18, at 4-5.

27. *See id.*

company that purchases Nike shoes in bulk, rebrands them as "Ronald" shoes, and sells them. A consumer who routinely purchases the Ronald shoes because she enjoys their quality and feel cannot discover that Nike is the true source of the shoes she favors. Should Ronald shoes go out of business, she will not know that she could purchase her favorite shoes from Nike, and may expend considerable energy seeking out new shoes.²⁸ Finally, reverse passing off deprives the consumer of buying and endorsing similar goods from the true source of the good.²⁹ The consumer who likes the quality of the misbranded shoes is prevented from searching out similar quality products—perhaps other running wear—from the true source.

B. The History of Reverse Passing Off

Although courts first started using the phrase "reverse passing off" in the 1980s, courts have long held that failing to acknowledge the source of a commercial good can violate trademark law.³⁰ One of the earliest cases to consider reverse passing off, though it did not identify it as such, was *International News Service v. Associated Press*.³¹ There, Justice Holmes stated in dissent that although a newspaper could copy news from a rival paper, it should also inform readers of the original source of that news.³² Justice Holmes concluded that "the same evil may follow . . . from saying whether in words or by implication that the plaintiff's product is the defendant's"³³

Few cases were litigated under common law reverse passing off doctrine after *International News*.³⁴ Only decades after Congress passed the

28. Landes & Posner, *supra* note 25, at 269-70.

29. *Id.* at 269.

30. Cross, *supra* note 16, at 715.

31. 248 U.S. 215 (1918).

32. *Id.* at 246-48 (Holmes, J., dissenting).

33. *Id.* at 247 (Holmes, J., dissenting).

34. William Borchard mentions that only two other common law cases involving reverse passing off were brought before passage of the Lanham Act. Borchard, *supra* note 18, at 7. The first was *Federal Electric Co. v. Flexlume Corp.*, 33 F.2d 412 (7th Cir. 1929). In that case, the Seventh Circuit considered a defendant who replaced the trademarks on the electric signs he serviced with his own, thereby suggesting he had produced the signs himself. *See id.* at 414-15. The court found for the plaintiff on an unfair competition claim on essentially the same grounds now recognized as reverse passing off. *See id.* The second case was *Jantzen Knitting Mills v. A. Balmuth, Inc.*, 257 N.Y.S. 611 (N.Y. App. Div. 1932). This case involved a retailer who had removed the tags from Jantzen's swimsuits prior to sale. *See id.* at 611. The court stated that the removal allowed the retailer to represent other, perhaps inferior, swimsuits as also being made by Jantzen. *See id.*

Lanham Act in 1946 did courts recognize reverse passing off as a brand of unfair competition.³⁵ Congress enacted the Lanham Act in 1946 to create federal protection against unfair competition.³⁶ Congress' primary intent in creating § 43(a) of the Act was to "codify the common law trademark infringement doctrine of passing off."³⁷ Rather than create an all-encompassing federal unfair competition statute, Congress deliberately reserved for the province of the states "a broad range of acts defined as unfair competition."³⁸

As initially written, § 43(a) offered protection against anyone who either falsely designated the origin of or gave a false description of goods or services.³⁹ The Act did not require that the false designation actually deceive consumers as to the true origin of the goods—what is now known as "consumer confusion."⁴⁰ Therefore, early courts did not have to consider whether a defendant had committed reverse passing off or had caused consumer confusion, but rather, focused solely on false designation of origin.⁴¹ Based on this view of the Act, some courts, in addition to finding no

35. Cross, *supra* note 16, at 720.

36. 4 MCCARTHY, *supra* note 10, § 27:7, at 27-12.

37. Freedman, *supra* note 14, at 307.

38. Toho Co. v. Sears, Roebuck, & Co., 645 F.2d 788, 792 (9th Cir. 1981); *see also* 4 MCCARTHY, *supra* note 10, § 27:7, at 27-14. Elsewhere, Prof. McCarthy lists trade secret infringement and bait-and-switch sales tactics as examples of unfair competition theories not covered by the Lanham Act. *See* J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant is Now Wide Awake*, 59 LAW & CONTEMP. PROBS. 46, 50 (1996).

39. 15 U.S.C. § 1125(a) (1982). Prior to its amendment in 1988, § 43(a) stated:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

Id.

40. *See id.*

41. Freedman, *supra* note 14, at 307.

common law action for reverse passing off, also found no basis for the theory in the Lanham Act.⁴²

In the 1976 case *John Wright, Inc. v. Casper Corp.*,⁴³ a court explicitly acknowledged that reverse passing off violated the Lanham Act.⁴⁴ Five years later, the Ninth Circuit, in *Smith v. Montoro*,⁴⁵ ruled that § 43(a) prevented “attempt[s] to misappropriate or profit from another’s talents and workmanship.”⁴⁶ The *Smith* court held that the unauthorized substitution of an actor’s name (considered here as a trademark) constituted a false designation of origin within the meaning of § 43(a).⁴⁷

In 1988, Congress amended the Lanham Act in order to “improve the law’s protection of the public from counterfeiting, confusion, and deception.”⁴⁸ Congress revised § 43(a) to codify the interpretation the section had been given by the courts, which included judicial approval of reverse passing off such as found in *Smith*.⁴⁹ The new Act stated in part:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

42. See *Blazon, Inc. v. DeLuxe Game Corp.*, 268 F. Supp. 416 (S.D.N.Y. 1965) (finding unpersuasive arguments that the Lanham Act does not preclude reverse passing off, though dismissing on other grounds); *Pic Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106 (S.D.N.Y. 1964) (denying recovery under both the common law and the Lanham Act for defendant’s removal of identifying mark from gears prior to resale); see also *Cross*, *supra* note 16, at 716.

43. 419 F. Supp. 292 (1976).

44. *Id.* at 325. *Casper Corp.*, the defendant in *John Wright*, sold replicas of antique penny banks based on John Wright’s banks, but advertised them as being replicas of its own original antiques. The court wrote “[I]t would violate the statute for . . . a defendant to sell [a] plaintiff’s goods as his own.”

45. 648 F.2d 602 (1981).

46. *Id.* at 607.

47. See *id.* at 607-8.

48. S. REP. NO. 100-515, at 1 (1988). Congress amended the Act through the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988).

49. S. REP. 100-515 at 40.

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act⁵⁰

Following this amendment, at least one court that had previously refused to find a cause of action for reverse passing off interpreted the new language to include this cause of action.⁵¹ All Circuits that have faced reverse-passing-off cases have now recognized reverse passing off as a tenable legal theory,⁵² with *Smith* proving extremely influential in interpreting the amended Lanham Act.⁵³

II. CASE SUMMARY

A. Facts: A Campaign over *Campaign*

In 1948, Doubleday published General Dwight D. Eisenhower's *Crusade in Europe*.⁵⁴ That same year, Doubleday granted Twentieth Century

50. 15 U.S.C. § 1125(a) (2000).

51. *Kasco Corp. v. Gen. Servs., Inc.*, 905 F. Supp. 29, 35 (D. Mass. 1995). The court in *Kasco* stated:

[R]everse palming off may very well now be actionable under the amended statute Given the broad language of the amended Section 43(a) and the rich body of case law it was designed to codify, there is on this record a genuine issue of material fact as to whether General Services has committed a violation of the Lanham Act.

Id. (internal quotes omitted).

52. See, e.g., *Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775, 780 (2d Cir. 1994); *Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226, 1241 (8th Cir. 1994); *Cleary v. News Corp.*, 30 F.3d 1255, 1260-62 (9th Cir. 1994); *Web Printing Controls Co. v. Oxy-Dry Corp.*, 906 F.2d 1202, 1204 (7th Cir. 1990); *Roho, Inc. v. Marquis*, 902 F.2d 356, 359 (5th Cir. 1990); *Lamothe v. Atl. Recording Corp.*, 847 F.2d 1403, 1406-08 (9th Cir. 1988); *Williams v. Curtiss-Wright Corp.*, 691 F.2d 168, 172 (3d Cir. 1982); see also *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 286 (4th Cir. 2003) (acknowledging the theory exists, but declining to address it since it was not at issue in the case); *John G. Danielson, Inc. v. Winchester-Conant Prop., Inc.*, 322 F.3d 26, 46 (1st Cir. 2003) (assuming for the sake of an appeal that the circuit would recognize reverse passing off as a cause of action); *Johnson v. Jones*, 149 F.3d 494, 504 (6th Cir. 1998) (finding "quintessential reverse passing off" in the sale, as defendant's own, of plaintiff's stolen architectural plans) (internal quotes omitted); *Witco Chem. Corp. v. United States*, 742 F.2d 615, 625 (Fed. Cir. 1984) (assuming, arguendo, that the tort of reverse passing off exists). Cross notes that the Eleventh Circuit has not faced the issue, but because this court was carved out of the Fifth Circuit, precedent from that Circuit holds in the Eleventh. See Cross, *supra* note 16, at 718 n.43. The Tenth Circuit and the D.C. Circuit do not appear to have faced this issue.

53. Cross, *supra* note 16, at 717.

54. EISENHOWER, *supra* note 1.

Fox the rights to create a television series based on the book.⁵⁵ The series, also entitled *Crusade in Europe*, consisted of narration from Eisenhower's book dubbed over World War II footage filmed by armed forces and unidentified newsreel cameramen.⁵⁶ Fox failed to renew its copyright in the television series and, as a result, the series fell into the public domain in 1977.⁵⁷ In 1988, Fox gave the negatives of the television series to another company, SFM, who restored and repackaged the series on videotapes that were then distributed by New Line.⁵⁸

In 1995, Dastar Corp., hoping to profit from renewed interest in WWII generated by the fiftieth anniversary of the war's end, bought eight beta cam tapes of the entire original *Crusade in Europe* television series (not the repackaged tapes sold by New Line).⁵⁹ Dastar copied portions of the tapes, provided new opening and closing sequences, inserted new chapter-title sequences, rearranged the sequence of materials, and removed references to Eisenhower's book.⁶⁰ Dastar packaged the resulting video series, which was roughly half as long as the original, as *World War II Campaigns in Europe*.⁶¹ Neither the packaging nor the credits mentioned the original *Crusade* television series, Eisenhower's book, or the *Crusade* video set.⁶²

B. The Lower Courts' Decisions

In 1998, Fox brought suit alleging that Dastar's sale of the *Campaigns* video without crediting the original *Crusade* television series constituted reverse passing off in violation of the Lanham Act.⁶³ The district court found for Fox.⁶⁴ On appeal, the Ninth Circuit affirmed the lower court's holding of reverse passing off, noting that Dastar had bodily appropriated

55. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041, 2044 (2003).

56. *Id.*

57. *Id.* However, Doubleday did renew the copyright on the book in 1975 as a work made for hire.

58. *Id.*

59. *Id.*

60. *Id.*

61. *Id.*

62. *Id.*

63. *Id.* Fox's original complaint alleged that Dastar's *Campaigns* video series infringed copyrights in the Eisenhower book, including the right to produce derivative television works. *Id.* Fox later added the Lanham Act claim. *Id.* The copyright claim was not before the court. *Id.*

64. *Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 34 Fed. Appx. 312, 314 (9th Cir. 2002) (unreported opinion).

the original *Crusade* series and that the minimal changes made in creating the *Campaign* videos were not enough to avoid liability.⁶⁵

C. The Supreme Court Decision

The Supreme Court reversed in a unanimous opinion authored by Justice Scalia.⁶⁶ The Court held that although the Lanham Act creates a federal cause of action for reverse passing off, the word “origin” in the statute applies only to the source of manufacture of a good, not to the creative or authorial source behind a work.⁶⁷ Thus, the Act cannot extend a right of attribution to uncopyrighted works, since an author is not the “producer of the tangible product sold in the marketplace.”⁶⁸ The Court stated that Dastar would have falsely designated the tapes’ origin if it had merely repackaged the original *Crusade* tapes and sold them under the Dastar name.⁶⁹ Dastar, however, did something quite different: it took a work in the public domain and used that work to make a new product.⁷⁰

According to the Court, § 43(a) is one of the few Lanham Act provisions to go beyond trademark protection.⁷¹ It also prevents unfair competition involving the false designation of origin in connection with goods or services.⁷² That is, § 43(a) embraces false advertising as to origin even when a trademark is not being infringed, like a Florida orange company advertising that its oranges come from California.

Looking at both the original and amended wording of § 43(a), the Court noted that the term “origin” could literally mean “the geographic location in which the goods originated.”⁷³ However, based on the legislative history of the 1988 amendments, the Court determined that the word

65. *See id.*

66. *See Dastar*, 123 S. Ct. at 2050. The decision was 8-0. *Id.* at 2043. Judge Breyer did not take part in the decision. *Id.* He recused himself because his brother, United States District Judge Charles Breyer, presided over the case at trial. *See* Tony Mauro, *High Court Hands Fox Copyright Defeat*, LEGAL TIMES, June 3, 2003, available at <http://www.law.com/jsp/article.jsp?id=1052440822405>.

67. *Dastar*, 123 S. Ct. at 2047.

68. *Id.*

69. *Id.* at 2042.

70. *Id.*

71. *Id.* at 2045.

72. *Id.* However, the Court did not believe the statute creates federal action for all types of unfair competition. The court stated “§ 43(a) can never be a federal ‘codification’ of the overall law of ‘unfair competition.’” *Id.* (quoting 4 MCCARTHY, *supra* note 10, § 27:7, at 24-14).

73. *Id.* at 2046 (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 777 (1992) (Stevens, J., concurring)).

“origin” also includes the producer or manufacturer of a good.⁷⁴ Based on this broad interpretation, the Court held that the Lanham Act’s language is broad enough to support a reverse-passing-off cause of action, despite the lack of explicit language in the Act prohibiting such an action.⁷⁵

This expansive reading of the Act, however, does not allow the meaning of “origin” to be stretched to include the creative originators of an underlying work.⁷⁶ Relying on the dictionary definitions of “origin” and “goods,” the Court determined that “origin” is limited to the “source of wares” or manufacturers; the phrase “origin of goods” cannot extend to cover the originator of an idea of communication embodied in a good.⁷⁷

In addition to this textual interpretation, the Court supported its reading of “origin” with an analysis of the Lanham Act’s purpose. The Court reasoned that most consumers do not believe that a company selling a good also invented, designed, or otherwise authored the good.⁷⁸ That is, consumers believe that the physical originator of a product is not always its creative originator. Thus, consumers are not confused or deceived as to origin if a manufacturer produces a good that it did not create. For instance, a consumer understands that the Gap shirt she buys was designed by a real person; she does not necessarily believe that Gap Co. is the actual designer.⁷⁹ Nor, according to the Court, does she care.⁸⁰ Because the creative force behind the shirt, or any other branded product, is of no consequence to most consumers, the Act should not be extended to cover it.⁸¹

The Court briefly considered creating a “communicative products” exception for books or videos because consumers might be interested in both the producer and the author of these products.⁸² But the Court dismissed this exception because it would bring the Lanham Act into conflict with copyright law.⁸³ Allowing the Lanham Act to prevent Dastar from using the public domain *Crusades* videos to create a new product would upset

74. *Id.*

75. *Id.* For contrary views, see Freedman, *supra* note 14, at 330 (“[R]everse passing off does not belong within Section 43(a) confusion based analysis.”); Cross, *supra* note 16, at 740 (“[R]everse passing off does not fit within section 43(a)(1)(A).”).

76. *Dastar*, 123 S. Ct. at 2047-50.

77. *Id.* at 2044.

78. *Id.*

79. *See id.*

80. *Id.*

81. *Id.*

82. *Id.* at 2047-48

83. *Id.* at 2048.

copyright's carefully crafted bargain allowing the public to use any creation without attribution once that creation falls into the public domain.⁸⁴

The Court further stated that "[t]he Lanham Act . . . does not exist to reward manufacturers for their innovation."⁸⁵ Rather, trademark law exists for two purposes: (1) to reduce consumer searching and shopping costs, and (2) to prevent unjust enrichment by competitors.⁸⁶ Even assuming Dastar had represented itself as the "author" of the new *Campaigns* series, to punish Dastar's act under the Lanham Act would not serve these two purposes. Instead punishment would turn the Act into "a species of mutant copyright law" limiting the use of public domain materials.⁸⁷

The Court also pointed to the fact that Congress has created a limited right of attribution outside of copyright for visual artists via the Visual Artists Rights Act of 1990.⁸⁸ The Court held that a new cause of action for misrepresenting the authorship of an uncopyrighted work would render the Visual Artists Rights Act meaningless.⁸⁹

84. *Id.*

85. *Id.* (quoting *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001)).

86. *Id.*

87. *Id.* The Court did not address attribution in the context of purely factual materials in its opinion, despite briefs filed by the American Library Association and a group of intellectual property law professors arguing that requiring attribution for public domain works would create a similar right for facts. Amici Curiae of American Library Association et al., *Dastar*, 123 S. Ct. 2041 (2003) (No. 02-428), 2003 WL 367723; Amicus Brief of Malla Pollack and Other Law Professors on Question One Supporting Dastar Corp., *Dastar*, 123 S. Ct. 2041 (2003) (No. 02-428), 2003 WL 21058263. Such a finding, the briefs argued, would undermine the Court's opinion in *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991). See Amici Curiae of American Library Association et al., *supra*, at 5; Brief of Malla Pollack and Other Law Professors, *supra*, at 12. A brief in support of Fox filed by Association for Competitive Technology argued that the Lanham Act does require attribution to prevent consumer confusion as to the source of those facts. Brief Amicus Curiae of the Association for Competitive Technology et al., *Dastar*, 123 S. Ct. 2041 (2003) (No. 02-428), 2003 WL 1100673. *Dastar* allows companies that disseminate facts—financial information providers or on-line telephone directories, for instance—to do so without attribution. Likewise, manufacturers of computer software that utilize uncopyrighted aspects of computer programs, such as user interfaces, can also do so without attribution.

88. *Dastar*, 123 S. Ct. at 2048. The Visual Artists Rights Act of 1990 (Title VI at 104 Stat. 5128), Pub. L. No. 101- 650, 104 Stat. 5089 (codified in scattered sections of 17 U.S.C.), allows creators of visual arts to claim authorship for works that slip into the public domain. 17 U.S.C. § 106A (2000). That Act expressly limits the right to visual art: limited edition paintings or photographs. *Id.* This right of attribution is good only for the artist's life. *Id.*

89. *Dastar*, 123 S. Ct. at 2048.

Finally, the Court enumerated the practical problems that would arise from a broad interpretation of the term “origin.” Attributing all the public domain works used in creating a work could lead to long chains of attributions, often impossible to make with certainty.⁹⁰ For example, Fox itself could hardly be said to be the only creative originator of the *Crusade in Europe* series because newsreel and armed forces cameramen shot most of the actual war footage shown in the series.⁹¹ Fox, and subsequently Dastar, would have to credit each one of these cameramen as authors, as well as Eisenhower. The Court dismissed this result: “We do not think the Lanham Act requires this search for the source of the Nile and all its tributaries.”⁹² Furthermore, requiring Dastar to credit Fox would create a Lanham Act Catch-22. If Dastar credited Fox it could be liable under the Lanham Act for implying Fox’s sponsorship of the *Campaign* videos; if Dastar failed to credit Fox it could be liable for reverse passing off.⁹³

The Court concluded its *Dastar* opinion by examining the Court’s past decisions delineating the boundaries separating different intellectual property regimes.⁹⁴ Justice Scalia asserted that reading the Lanham Act to prevent the use of otherwise unprotected works and inventions without attribution—plagiarism—would contradict the essence of previous decisions like *Samara Bros.*,⁹⁵ *TrafFix*,⁹⁶ and *Bonito Boats*.⁹⁷ It would also create a species of perpetual intellectual property, which Congress may not do under the Constitution.⁹⁸

90. *Id.* at 2049.

91. *Id.*

92. *Id.*

93. *Id.*

94. *Id.* at 2049-50.

95. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000). In this case, the Court held that Samara Brothers could not prevent Wal-Mart from producing knock-off versions of its children’s clothing designs unless those designs had acquired a secondary meaning identifying Samara Brothers as the source of the design. *Id.* at 212. If Samara Brothers could sue under the Lanham Act, claiming it was the origin of the designs, this would render the careful balance achieved in *Wal-Mart* meaningless. *Dastar*, 123 S. Ct. at 2049.

96. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001). *TrafFix* refused trademark protection for a roadside sign spring design whose patent had expired. *Id.* at 30-34. The Court stated that the spring design was functional, and thus not eligible for trade dress protection. *Id.* at 28-29.

97. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). *Bonito Boats* permitted the reverse engineering of boat-hull designs which were neither patented nor copyrighted. *Id.* at 162-63. The public, the Court reasoned, was free to use these designs without accrediting the hulls’ original designer. *Id.* at 160-63.

98. *See Eldred v. Ashcroft*, 537 U.S. 186, 208 (2003).

III. DISCUSSION

The Court's conclusion in *Dastar* is good policy. By limiting the meaning of the term "origin" in the Lanham Act to the source of manufacture, and not the creative originator, the *Dastar* Court frees manufactures to use public domain works without fear of a burdensome attribution requirement. This allows the continued prosecution of cases involving true deception—as opposed to copyright infringement cases disguised as trademark violations—while promoting consumer interests by allowing access to public domain goods at lower costs.⁹⁹

The ruling makes intuitive sense as well. A trademark enables a manufacturer to identify and distinguish its goods from those manufactured and sold by others, but it does not indicate authorship or creativity.¹⁰⁰ As the Court explained in the Trademark Cases more than a century ago, "trademark has no necessary relation to invention or discovery."¹⁰¹ Trademark does not serve the same function as an author's signature or a director's credit. A purchaser of a book published by Penguin Publishing Co. does not rely on the Penguin trademark to make pre-purchase judgments about the *content* of the book. Rather, the purchaser knows that Penguin books are known as physically reliable products. Thus, the ruling separates trademark violations from copyright infringement cases.

The Court, however, failed to sufficiently clarify two outstanding issues in trademark law. First, it did not explicitly rule on whether formerly copyrighted material now in the public domain could be eligible for trademark protection under the theory of reverse passing off. Second, the Court failed to clarify a Circuit split on what suffices as a test for consumer confusion under the Lanham Act.

A. The Court Failed to Clarify Whether a Copyrighted Work Used as a Trademark Loses Both Protections When Copyright Expires

The biggest fallout of *Dastar* may not be felt until 2023: the year that the Walt Disney Company's copyright in *Steamboat Willie*, the original Mickey Mouse cartoon, expires.¹⁰² That year, provided Congress does not

99. This is because manufacturers will not have to pay for the costs associated with tracing the creative origin of works, the licensing fees to use names of possible creators, or the costs associated with law suits.

100. 15 U.S.C. § 1127 (2000).

101. *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

102. *Steamboat Willie* was created in 1928. Disney calls this "the birth of Mickey Mouse." See Disney Archives, *Steamboat Willie*, at <http://disney.go.com/vault/archives/movies/steamboat/steamboat.html> (last visited Mar. 15, 2004). The copyright in the car-

further extend copyright, the 1928 cartoon will become part of the public domain, along with hundreds of other films.¹⁰³ Disney's other early classics, including *Mickey Steps Out* (1931/2026), *Three Little Pigs* (1933/2028), and *Snow White* (1937/2032) will soon follow. The *Dastar* ruling means Disney may be unable to prevent another video producer from using the films in new works (a history of animation, for instance). Disney may also be unable to stop producers from repackaging the films and selling them at a discount, provided the new producer manufactures the tapes itself. Even more likely, Disney may be unable to stop "unauthorized" Willies, Mickeys, and Snow Whites from gracing coffee mugs and tee shirts. This is because *Dastar* suggests Disney may not have a Lanham Act claim against unauthorized use of their formerly copyrighted creations.

Today, however, Mickey Mouse is protected by both copyright and trademark law. Original graphic works obtain copyright upon creation, just like movies and written works.¹⁰⁴ When Walt Disney created Willie, Mickey Mouse's maritime forerunner, he received a copyright well before Mickey became associated in people's minds with Disney. Steamboat Willie was copyrighted before he was a trademark. In fact, even if Steamboat Willie had been created solely for trademark use, he would still have copyright protection as a creative work. *Dastar* suggests that graphic works like Willie may lose protected status as a trademark once their copyright runs out.¹⁰⁵ Therefore, any manufacturer could distribute a copy

toon expires 95 years after it was created, or 2023. See 17 U.S.C. § 304 (4)(A)(b) (2000) ("Any copyright still in its renewal term at the time that the Sonny Bono Copyright Term Extension Act becomes effective shall have a copyright term of 95 years from the date copyright was originally secured.").

103. See Sonny Bono Copyright Term Extension Act, Pub L. No. 105-298 (1998) (extending copyright protections by 20 years). Disney is felt to be the primary impetus behind the Sonny Bono Copyright Extension Act, which increased copyrights on most works by 20 years. See *Mickey Mice? Potential Ramifications of Eldred v. Ashcroft*, 13 FORDHAM INTEL. PROP. MEDIA & ENT. L.J. 771, 780-83 (2003). *Steamboat Willie* was due to become public domain in 2003, and the company is thought to have aggressively lobbied for the Act. See Wm. Bruce Davis, *Web Copyright Debate Traces Roots to Mickey Mouse*, BUS. COURIER, Oct 4, 2002, available at <http://www.bizjournals.com/cincinnati/stories/2002/10/07/focus2.html>.

104. 17 U.S.C. § 102(a)(5). Thus, a graphic logo can be copyrighted. Logos consisting solely of a word or phrase cannot be copyrighted. Less clear are words that have been manipulated to be graphics or graphic-like. See 1 MELLVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, §2.08[B], at 2-83 (2003).

105. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041, 2050 (2003) ("To hold otherwise would be akin to finding that § 43(a) created a species of perpetual patent and copyright, which Congress may not do.").

of the film or use portions of the film in a new work, despite its association with Disney in the mind of the public. Furthermore, the *Dastar* ruling could be seen to allow the use of Steamboat Willie as a standalone character on a mug, tee shirt, or other merchandise.

The *Dastar* Court, however, did not completely foreclose the possibility that certain copyrighted works could retain trademark status.¹⁰⁶ The Court left the door open by alluding to its decision in *Samara Bros.*, in which the Court concluded that uncopyrighted designs could acquire secondary meaning and thus achieve trademark status.¹⁰⁷ Following the same logic, formerly copyrighted material that achieve secondary meaning could retain trademark protection even after its copyright expires. That is, *Dastar* leaves open the possibility that a graphic work may become so identified with a source that it becomes a trademark, continuing to be protected despite its “public domain” status under copyright.¹⁰⁸

While the *Dastar* Court properly recognized that trademarks should not be allowed to create perpetual copyrights, it did not recognize that limited copyrights could create temporary trademarks. As with other trademarks, the Mickey Mouse logo allows consumers to easily identify works of a certain quality, style, and content, and should be allowed to continue to do so, even after copyright in the graphic itself expires.¹⁰⁹ Thus, Justice Scalia’s dicta suggesting copyrighted works can attain secondary meaning should be made law.¹¹⁰

106. See *id.* at 2049.

107. *Id.*; see also *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 216 (2000) (“[U]nder § 43(a) of the Lanham Act, a product’s design is distinctive, and therefore protectible, only upon a showing of secondary meaning.”).

108. Even if Steamboat Willie, and eventually Mickey Mouse, retain trademark status, Disney will never be able to trademark an entire film that has lost its copyright. The Ninth Circuit took up this issue in *Comedy III Productions, Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir 2000). Comedy III, which owns the rights to the Three Stooges, brought a trademark infringement suit against New Line for using a short Stooges clip in its movie *The Long Kiss Goodnight*, even though the copyright had expired. *Id.* at 595-96. The court stated that trademark law covered likenesses and imitated voices, but copyright covered the actual use of characters and voices. With no copyright protection for the actual characters and voices in the short, Comedy III had no claim. *Id.* at 596. Likewise, Disney and other companies will not be able to use the Lanham Act to protect entire movies or clips of movies under trademark law.

109. The Mickey Mouse trademark becomes more important as the Disney Corporation itself expands into more markets and Mickey Mouse becomes a means for identifying not only works by Disney, but even particular types of Disney works.

110. Several courts have already suggested this result. See, e.g., *Frederick Warne & Co. v. Book Sales Inc.*, 481 F.Supp. 1191 (S.D.N.Y. 1979) (“The fact that a copyrightable character or design has fallen into the public domain should not preclude protection under

B. The Court Did Not Address the Circuit Split in the Lower Courts Over the Need for Consumer Confusion in Reverse Passing Off Cases.

The *Dastar* Court left another significant question unresolved: What is the standard for finding consumer confusion in cases of reverse passing off? Prior to *Dastar*, three standards had emerged: the Ninth Circuit's "bodily appropriation" test,¹¹¹ the Second Circuit's "substantial similarity" test,¹¹² and a "likelihood of confusion" test based on traditional trademark consumer confusion analysis.¹¹³ The Court, in failing to embrace or reject any of these principles, left the circuits uncertain as to the proper method of determining consumer confusion in cases of reverse passing off.

Any cause of action brought under § 43(a), including a claim of reverse passing off, requires proof that the misleading designation of origin will likely confuse consumers as to the sponsorship or origin of the product.¹¹⁴ Recall the example of the shoes misbranded as Nike. Consumers are fooled into believing the footwear originated with Nike. Likewise, a shoe company using a mark similar to Nike's Swoosh may also deceive consumers into believing the shoes originated with Nike. In a typical

the trademark laws so long as it is shown to have acquired independent trademark significance, identifying in some way the source or sponsorship of the goods."); see also 1 MCCARTHY, *supra* note 10, § 6:5, at 6-8; Paul E. Adams, *Superman, Mickey Mouse and Gerontology*, 64 TRADEMARK REP. 183 (1974) (arguing that cartoons should retain trademark status, if they qualify, after expiration of copyright); Franklin Waldheim, *Characters—May They Be Kidnapped?*, 55 TRADEMARK REP. 1022 (1965). McCarthy writes:

[I]t is erroneous and a nonsequitur [sic] to state that merely because a picture is out of copyright, it is therefore 'in the public domain' and may be freely copied by anyone for any purpose. Such a picture may have achieved trademark significance by use as a symbol of origin by another.

1 MCCARTHY, *supra* note 10, § 6.5, at 6-8.

111. See *Shaw v. Lindheim*, 919 F.2d 1353, 1364 (9th Cir. 1990).

112. See *Walman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775 (2d Cir. 1994).

113. See *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1313 (11th Cir. 2001) (stating a claim of reverse passing off must show consumer confusion and noting that the typical Lanham Act consumer confusion factors still apply); *Murray Hill Pubs. Inc. v. ABC Communications, Inc.*, 264 F.3d 622, 634-35 (6th Cir. 2001) (finding use of plaintiff's song within a movie did not lead to consumer confusion, and thus was not actionable under the Lanham Act); *Batiste v. Island Records, Inc.*, 179 F.3d 217, 224-25 (5th Cir. 1999) (finding no proof of consumer confusion in use of a modified digital sample of plaintiff's music, and thus no Lanham Act claim).

114. *Two Peso, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992) ("It is, of course, also undisputed that liability under § 43(a) requires proof of the likelihood of confusion."); see also 3 MCCARTHY, *supra* note 10, § 23:1, at 23-28.

Lanham Act case, a court will examine two sets of factors: (1) those related to the marks themselves, such as the strength of the senior mark or the similarity of the two marks; and (2) those related to the marketplace, such as the type of goods involved, their physical proximity to one another, and the sophistication of consumers who buy them to determine if consumers are likely to be confused.¹¹⁵

However, in reverse passing off cases, both the Ninth and Second Circuits have discarded these balancing tests in favor of a one-factor analysis—the similarity of the competing marks or goods themselves—to arrive at likelihood of confusion. In finding that Dastar had committed reverse passing off, the Ninth Circuit relied on the “bodily appropriation” test it had first set forth in *Shaw v. Lindheim*.¹¹⁶ The court looked only to see whether *Campaigns in Europe* had “copied substantially the entire *Crusade in Europe* series.”¹¹⁷ The court refused Dastar’s contention that Fox also had to prove consumer confusion, writing that the bodily appropriation test subsumed the “less demanding consumer confusion test.”¹¹⁸

Meanwhile, the Second Circuit had explicitly rejected the Ninth Circuit’s bodily appropriation test in *Waldman Publishing Corp. v. Landoll, Inc.*,¹¹⁹ adopting instead the more lenient substantial similarity test.¹²⁰ But

115. See 3 MCCARTHY, *supra* note 10, § 23:19, at 23-66. The Second Circuit employs an eight-factor “Polaroid” test. See *Polaroid Corp. v. Polaroid Elec. Corp.*, 287 F. 2d 492 (2d Cir. 1961). The Ninth Circuit uses eight factors established by the court in *AMF Inc. v. Sleekcraft Boats*. 599 F.2d 341, 348-49 (9th Cir. 1979) (articulating the well-known *Sleekcraft* factors).

116. 919 F.2d 1353, 1364 (9th Cir. 1990). In *Shaw*, the plaintiff, a screenwriter, charged that Lindheim used a rejected Shaw script—*The Enforcer*—to write his own television pilot of the same name. *Id.* at 1355. The court found that the two works could be found substantially similar and that Shaw had a legitimate copyright claim. *Id.* at 1363. The court, however, rejected Shaw’s claim of reverse passing off, reasoning that § 43(a) prohibited only the passing off of the actual product, not merely of similar products. *Id.* at 1364. The court found that Lindheim’s script was sufficiently different from Shaw’s original such that “the likelihood that the two works will be confused is minimal.” *Id.*

117. *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 34 Fed. Appx. 312, 314 (9th Cir. 2002) (unpublished opinion).

118. *Id.* (quoting *Cleary v. News Corp.*, 30 F.3d 1255, 1261-62 (9th Cir. 1994)) (internal quotes omitted).

119. 43 F.3d 775, 784 (2d. Cir. 1994) (“We see no reason for such a bright-line rule.”).

120. *Id.* at 783. In *Waldman*, the court found that a children’s book written by Landoll was substantially similar to a book written by Waldman. *Id.* Although both publishers based the books on a public domain source, Landoll’s book mimicked the adaptations and illustrations used by Waldman. *Id.* The *Waldman* court affirmed the district court’s holding that the similarities between the two books showed that Landoll had copied

this test also only looks at the similarity of the goods or marks in determining whether there is a likelihood of confusion.¹²¹ Despite the different standards, both circuits follow a two-step process: first determining whether a work is similar enough to constitute a false designation of origin and then determining whether that similarity leads to consumer confusion.¹²²

In contrast to these single-test methods, other circuits continue to use traditional multi-factor consumer confusion analysis.¹²³ A multi-factor analysis relying on the Ninth Circuit's *Sleekcraft* test, for example, would have looked to such other facts as the sophistication of the consumers that bought the *Crusade* and *Campaign* videos before finding likelihood of consumer confusion.¹²⁴

The multi-factor approach used by most circuits is arguably the correct one. Mere similarity of marks can sometimes be a poor indicator of consumer confusion. Sophisticated consumers can make distinctions that a court may miss when it only looks at the marks' similarities. For example, a sophisticated consumer of romance novels would likely differentiate between two romance novels that a court may find "substantially similar." Likewise, use of a song within the context of a film may not always result in consumer confusion as to the origin of the song or of the songwriter's sponsorship of the film.¹²⁵ The *Dastar* Court, however, did not reach the issue. Courts will have to wait and see whether it will continue to be permissible to find consumer confusion based solely on similarity of marks or goods.

IV. CONCLUSION

Dastar makes two very important distinctions. First, it separates true reverse-passing-off claims from those that are merely copyright claims in

Waldman's works with only minimal alterations to disguise the copying. *Id.* The court also found that "consumers are likely to be confused by Landoll's misrepresentation . . . even though the [books] are 'substantially similar' to but not 'bodily appropriations' of the Waldman books." *Id.* at 784.

121. *Id.* at 783.

122. *Id.* at 783-84; *Cleary*, 30 F.3d at 1261-62.

123. *See supra* note 113.

124. *See* AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979).

125. *Agee v. Paramount Communications, Inc.*, 59 F.3d 317 (2d Cir. 1995) presents just such a case. Paramount had played portions of plaintiff Michael Agee's songs in a television feature. *Agee*, 59 F.3d at 319. The court ruled Agee had a valid copyright claim. *Id.* at 324. However, the court stated that Agee failed to show that the public was confused as to the source of the songs, and therefore did not have a Lanham Act claim. *Id.* at 327.

disguise. Second, it limits the protections a copyrighted (or formerly copyrighted) work can receive under trademark law. However, the Court failed to make two important rulings. First, it failed to state explicitly that a trademark that loses its copyright may still retain trademark status. Second, it failed to set forth guidelines for determining consumer confusion in cases of reverse passing off. In doing so, the Court made certain that *Dastar* would be followed by new skirmishes as the Court continues to mark the boundaries between copyright and trademark protections.

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