

THOMAS JEFFERSON SCHOOL OF LAW

2003 RESEARCH PAPER SERIES

In

Public Law and Legal Theory

*Abusive Trademark Litigation and the
Shrinking Doctrine of Consumer Confusion:
Rethinking Trademark Paradigms in the
Context of Entertainment Media and Cyberspace*

By: Kevin J. Greene

Harvard Journal of Law and Public Policy, Vol. 27 (forthcoming)

*This paper can be downloaded without charge from
the Social Science Research Network Electronic Paper Collection at:*

<http://ssrn.com/abstract=446100>

**Abusive Trademark Litigation and the Shrinking Doctrine of Consumer Confusion
—Trademark Abuse in the Context of Entertainment Media and Cyberspace, by
K.J. Greene¹**

The recent challenge to the extension of the copyright term was grounded in the notion that Congress was giving away benefits to IP owners, typically large corporate entities without any corresponding public benefit that underlies the constitutional authority for IP grants. The giant conglomerates of the copyright industry—companies like Time-Warner/AOL, Disney, and Viacom ultimately won the day before the U.S. Supreme Court². Perhaps though, the seeds for an IP counter-expansion revolt to “just say ‘no’” to knee-jerk expansions of IP law have been planted.³ For example, the Supreme Court has recently limited the rights of big corporations with famous trademarks to attack smaller companies under the theory of trademark dilution, requiring a showing of actual economic harm rather than a mere likelihood of dilution.⁴

The expansion of trademark law and its use to silence dissent from corporate mega-companies poses as great, if not greater, threat to social discourse as does copyright extension and expansion. Trademark law blossomed in an environment of robber capitalism, and was designed to prevent acts of fraud such as removing from boxes the cereal of a competitor, placing the cereal in boxes with one’s own mark, and passing it

¹ Assistant Professor, Thomas Jefferson School of Law, J.D. Yale Law School 1989. This article was supported by a research grant from Thomas Jefferson School of Law. Thanks to Professors Susan Tiefenbrun, Arnold Rosenberg, Sandra Pierson and Aaron Schwabach for helpful comments on earlier drafts of this article.

² See *Eldred v. Ashcroft*, ___ S. Ct. ___, 65 U.S.P.Q.2d 1225 (2003).

³ It has been noted that “no one writes to Congress protesting how copyright is being abused on the Net...[n]o one holds demonstration.” See *The Cultural Anarchist vs. the Hollywood Police State*, Los Angeles Times Sept. 22 (2002)(exploring views of Professor Lawrence Lessig on copyright extension case).

⁴ See *Moseley v. V Secret Catalogue*, No. 01-1015 (2003).

off as one's own.⁵ Today, corporations routinely litigate or threaten to litigate trademark cases that are seemingly devoid of any likelihood of consumer confusion. Particularly, in connection with entertainment-related product such as film and music, the cases seem to come from the theatre of the absurd, and reflect that trademark law is being used in an abusive manner out of sync with any traditional trademark rationale.

Some examples from recent years illustrate this dynamic. The manufacturer of "SPAM" sandwich meat brought trademark infringement charges against a motion picture production company for its depiction of a Muppet character known as "Sp'am" in the film "Muppet's Treasure Island".⁶ Owners to a film clip of old footage of the "Three Stooges" upon which copyright protection had expired sued a filmmaker for 30 seconds worth of use of the clip in the film "The Long Kiss Goodnight".⁷

A sneaker company sued a filmmaker for displaying its sneakers in a film, displeased with a character's monologue, played by Cuba Gooding Jr., ending in "F.... Reebok" in the film "Jerry Maguire".⁸ The use of the phrase "Are You Ready to Rumble?" by a band in a song led to a suit of trademark infringement by the "owner" of

⁵ This conduct was known at common law as "palming off" or passing off, and as a British jurist asserted in 1842, "a man [sic] is not to sell his own goods under the pretense that they are the goods of another man." See DAVID LANGE, et al, INTELLECTUAL PROPERTY: CASES AND MATERIALS 88-89 (1998) (detailing common law trademark approaches). For a perceptive history of the development of trademark law, see also Kenneth J. Vandavelde, *The New Property of the Nineteenth Century: The Development of the Modern Concept of Property*, 29 BUFF. L. REV. 325, 341 (1980)(noting that early common law provided protection for trademarks only upon establishment of fraud).

⁶ Hormel Foods Corp. v. Jim Henson Productions, Inc. 73 F.3d 497 (2nd Cir. 1996)(rejecting Hormel's trademark and dilution claims).

⁷ Comedy III Productions, Inc. v. New Line Cinema, 200 F.3d 593 (9th Cir. 1999)(rejecting plaintiff's trademark infringement claims).

⁸ See Complaint, Reebok Int'l Ltd. v. Tri-Star Pictures, Inc., no. 96-8982 SVW (C.D. Cal. 1996), available on www.courtTV.com/legaldocs/business/reebok/html. Reebok was particularly displeased with Tri-Star because it believed the parties had contracted to include a trailer/commercial at the end of the film that would praise the virtues of Reebok. The released film did not include the trailer.

the phrase.⁹ Mattel sued a record label for use of the title “Barbie Girl”, and lyrics that offended Mattel in a song.¹⁰ In these and other cases, a likelihood of consumer confusion seems remote; and trademark law would seem an unwieldy weapon. However, it has increasingly become the weapon of choice for those seeking to control corporate and product image.

At the same juncture, the explosion of computer technology and the rise of the Internet have created a surge in litigation, legislation, and academic commentary about the future of intellectual property (“IP”) protection in cyberspace. New technologies and the Internet have profoundly impacted every area of IP, including copyright,¹¹ patent,¹² trade secret¹³ the right of publicity,¹⁴ and trademark law. In the realm of trademark law,

⁹ Michael Buffer, the boxing announcer, has trademarked the phrase “Are You Ready to Rumble” and sued a record company that released a sound recording containing the phrase. *See* Buffer v. Auerus Records, CV 97-9332 RAP (C.D. Cal. 1997). The phrase has purportedly generated \$150 million in licensing fees for Buffer, who has admittedly instituted “maybe over one hundred” actions regarding the phrase. *See* Andrew Chang, *Squeezing Millions from a Phrase: How a Few Words in Right Hands Can Mean a Fortune*, abcnews.go.com/sections (April 11, 2002).

¹⁰ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002). Mattel gained a bit of infamy by seeking an injunction under trademark infringement and dilution theories against the distributors of the song “Barbie Girl” by the musical group Aqua, objecting to lyrics which included the phrases “I’m a blond bimbo girl in a fantasy world.... you can brush my hair, undress me everywhere.” The District Court and the Ninth Circuit Court of Appeals both rejected Mattel’s trademark infringement and dilution claims. Not content to lose at both the trial and appellate level, Mattel has filed a petition before the Supreme Court to overturn the lower court’s rulings. The Supreme Court declined to hear Mattel’s appeal.

¹¹ *See e.g.*, Trotter Hardy, *Copyright and “New Use” Technologies*, 23 NOVA L. REV. 659 (1999)(noting that “today’s copyright concerns often center on the new digital technologies, especially the Internet...”).

¹² *See e.g.*, Jason R. Berne, *Court Intervention But Not in a Classic Form: A Survey of Remedies in Internet Trademark Cases*, 43 ST. LOUIS U. L.J. 1157, 1158 (1999).

¹³ *See e.g.*, Note, Bruce T. Atkins, *Trading Secrets in the Information Age: Can Trade Secret Law Survive the Internet?* 1996 ILL. L. REV. 1151 (1996).

¹⁴ *See e.g.*, Joseph J. Beard, *Casting Call at Forest Lawn: The Digital Resurrection of Deceased Entertainers—A 21st Century Challenge for Intellectual Property*, 8 HIGH TECH. L.J. (1993). *See also*, Leah Phillips Falzone, Note, *Playing the Hollywood Name Game in Cybercourt: The Battle Over Domain Names in the Age of Celebrity-Squatting*, 21 LOY. L.A. ENT. L. REV. 289 (2001)(exploring domain name disputes over celebrity identity).

the ascendance of the Internet has spawned new legal terminology for wrongful conduct in the virtual world—“cyber squatting”, “reverse domain name hijacking”, typo-pirating” and “metatag infringement”.¹⁵

The Internet explosion has also invited a fresh examination of norms and principles in trademark law, a formerly rather stodgy area of IP that is now arguably the hottest field of all. Indeed, commentators have noted that “[n]o area of law has seen more Internet-related litigation than trademark law.”¹⁶ The on-going expansion of the rights of trademark holders perhaps reached its zenith recently, when Congress singled out “cybersquatters” as the new bogeymen of trademark law with the enactment of the Anti-cyber squatting Consumer Protection Act of 1999.¹⁷ Yet the connection between the condemnation of Internet domain name squatters and the interest of consumers seems tenuous at best.

The expansion of IP rights has given rise to a schizophrenic divide in how IPR’s are viewed by three major constituents in the debate over IP protection—Congress, commentators and the courts. Congress in recent years has consistently churned out legislation that dramatically expands the rights of IP owners.¹⁸ In contrast, a chorus of academic commentators posit that the real harm to the interests of consumers and society

¹⁵ A metatag consists of “hidden text associated with a Web site that causes an Internet search engine to direct users to the site who have entered a search term contained in the metatag.” E. Gabriel Perle, John Taylor Williams Mark A. Fischer, *Electronic Publishing and Software, Part II*, 17 COMPUTER L. 15, 21 (2000) For a discussion of the various types of domain name trademark disputes see Danielle Weinberg Swartz, *The Limitations of Trademark Law in Addressing Domain Name Disputes*, 45 U.C.L.A. L. REV. 1487, 1494 (1998).

¹⁶ Berne, *supra*, note ____, 43 ST. LOUIS L.J. at 1158.

¹⁷ 15 U.S.C. s. 1125(d) (1999).

at large is posed not as much by cyber squatters but by the abusive use of trademark law by trademark owners, typically large corporate interests who seek to control corporate image at the expense of the marketplace of ideas paradigm.¹⁹ Finally, as the Supreme Courts recent opinion in *Mosely* indicates, courts by and large generally appear to take a more conservative view toward the expansion of IPR's, particularly trademark rights, even in the face of expansionist legislation such as the Trademark Dilution Act of 1996.²⁰

This article examines and critiques the expansion of trademark law in the context of the entertainment industry and the Internet. Entertainment-media issues, involving film, music, art and publishing, frequently stand at ground zero in the battleground of IP disputes, and in such disputes we see the convergence of (and conflict between) owner-centered interests, the public domain, and the marketplace of ideas. This article contends that the aggressive trademark litigation strategy of companies such as Playboy²¹ and

¹⁸ One commentator has characterized IP as “a kind of unrelenting organic force [that] Congress and the courts cultivate new varieties of every day...” See Robert P. Merges, *Contracting into Liability Rules: Intellectual Property Rights and Collective Rights Organizations*, 84 CAL. L. REV. 1293, 1294 (1996).

¹⁹ Commentators have recognized that “[o]ne characteristic of legally granted monopolies is their tendency to be misused by those in power.” See Robert Patrick Merges and Glenn Harlan Reynolds, *The Proper Scope of the Copyright and Patent Power*, 37 HARV. J. ON LEGIS. 45, 47 (2000)(contending Constitution limits Congress’ power to expand intellectual property protection for the benefit of individual companies).

²⁰ See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999)(outlining historical hostility of courts toward dilution doctrine).

²¹ See Courtney Macavinta, “*Playboy wins piracy suit*”, <http://news.cnet.com> (4-22-98), noting that “[Playboy] has ferociously scoured the Net for unauthorized uses of its famous nude pictorials, and subsequently has slapped Web site operators with costly lawsuits”). In similarly aggressive litigation, Playboy sued former playmate Terri Welles for, inter alia, Welles’s depictions of herself on the web site as “former playmate of the year.” The Ninth Circuit (duh) rejected Playboy’s claims. See *Playboy Enterprises, Inc. v. Welles*, 7 F. Supp.2d 1098 (S.D. Cal. 1998). But *c.f.*, Dan McCuaig, *Halve the Baby: An Obvious Solution to the Troubling Use of Trademarks as Metatags*, 18 J. MARSHALL J. COMPUTER AND INFORMATION L. 643, 655 (2000)(contending that while “Playboy has long been at the forefront of the rush of trademark holders to protect their trademarks from unscrupulous use on the Internet...[Playboy’s conduct] is more likely attributable to the relative commercial value of [Playboy’s] marks as metatags than to any super-litigious nature of [Playboy]”).

others,²² has the capacity to bring about several bad results such as the depletion of the public domain,²³ and the decrease of the marketplace of ideas,²⁴ and the debasement of cardinal trademark principles based on preventing consumer confusion. Others have made that case well. Others have also explicated how trademark law has undergone a paradigm shift away from protecting consumer interests toward protecting trademark owner interests.²⁵ A modest insight of this paper is that trademark cases in cyberspace and entertainment make no sense under any of the traditional theories of IP or trademark-specific theories, save one: personality interests. The cases also indicate that the interests of trademark owners and the public interest does not necessarily coincide, assuming the public interest subsists in an expansive public domain.²⁶

The entertainment media and cyberspace cases validate in dramatic fashion the notion that as trademark law moves away from confusion theory, the potential for abusive, antisocial trademark litigation which has a chilling effect on the expression of

²² Mattel Corporation, owner of Barbie, is another company that arguably brings lawsuits that impinge on expressive conduct and the public domain. See Lisa Bannon, *Barrister Barbie? Mattel Plays Rough*, www.s-t.com/daily/01-98/01-09-98/b02li044.htm (Jan. 1, 1998)(detailing oppressive lawsuits and threats to sue alleged infringers by Mattel regarding its “Barbie” mark).

²³ A leading jurist, for example, has cogently argued elsewhere that “[o]verprotecting intellectual property is as harmful as underprotecting it. . .[c]reativity is impossible without a rich public domain.” *White v. Samsung Electronics America, Inc.*, 989 F.2d 1512, ____ (9th Cir. 1993)(Kozinski, J., dissenting).

²⁴ See Alison P. Howard, *A Fistful of Lawsuits: The Press, the First Amendment, and Section 43(a) of the Lanham Act*, 88 CALIF. L. REV. 127 (2000)(lawsuits by plaintiffs seeking to avoid obstacles in defamation claims by using trademark law “disregards both the First Amendment’s goal of promoting the free exchange of ideas and section 43(a)’s goal of reducing consumer confusion rather than protecting plaintiff’s reputations”).

²⁵ See Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 WAKE FOREST L. REV. 827, 828-29 (2000).

²⁶ See BEVERLY W. PATTISHALL, DAVID C. HILLIARD & JOSEPH NYE WELCH, II, 9 TRADEMARKS & UNFAIR COMPETITION (3rd Ed. 1998): (remarking that “[t]he public interest against deception is necessarily a fundamental consideration in trade identity unfair competition cases, yet the treatment of that interest is ordinarily residual to what is primarily a private complaint.”).

ideas increases. Long after court cases and legislation make cybersquatting a problem of the past, an entrenched set of norms that enshrine property rights in trademarks for rich and powerful corporate interests will hamstring an expansive public domain and the ideal of democratic communication the Internet represents.

Communicative media such as the Internet and entertainment vehicles such as film and music increasingly have become targets by trademark owners seeking to control product and trademark image. However little or no corresponding public benefit accrues that provides justification for the private ownership and IP protection. Trademark, no less than other IP regimes, should “set demanding standards” in exchange for the grant of exclusive rights.²⁷ Indeed, trademark arguably poses a greater threat to both the core concepts of the marketplace of ideas and the public domain than other IPR’s, such as copyright law.²⁸ A specter is haunting cultural production and societal dissent: the “threat of private, albeit state-sponsored, suppression of speech is rising to new prominence [in light of] new media of expression”, such as Internet technology.²⁹ A reexamination of trademark law paradigms is desirable given that “trademark protection intrudes on first amendment rights more often than courts have recognized.”³⁰

Part I of this essay examines the dramatic expansion of intellectual property law generally and summarizes the theoretical underpinnings that gird the four paradigms of

²⁷ See Marina Lao, *Federalizing Trade Secret Law in an Information Economy*, 59 OHIO ST. L.J. 1633, 1640-41 (1998).

²⁸ See Note, *Putting the Meat Back in Meta-Tags!*, 1 U. ILL. J. LAW, TECH. & POLICY 129, 158 (2001)(contending that “[t]he continual expansion of a trademark holder’s rights is detrimental to all of society and to the American economy”).

²⁹ See Dan L. Burk, *Patenting Speech*, 79 TEX. L. REV. 100 (2000)(analyzing dangers to free speech and marketplace of ideas arising from patent protection for software).

trademark law—confusion theory, unfair competition/false endorsement, dilution and the newest entrant, cybersquatting. Part II explores the interests of trademark owners and the public interest. Part III examines the paradigms and the relevant interests in the context of entertainment media and Internet cases. Part IV suggests a policy framework for the entertainment industry in approaching IP litigation.

I. Theoretical Foundations

A. Underlying Theories of IP Protection

Although characterized with various terms, legal justification for IP protection rests upon the foundation of four underlying theoretical rationales—labor/investment, economic incentive/efficiency, misappropriation and moral rights or personality theories. Identifying underlying rationales for IP protection is critically important from a policy perspective for two reasons. First, even more so than traditional forms of property, IP protection imposes unique burdens on society, requiring justification for IP monopolies.³¹ Second, underlying rationales may be outcome-determinative in assessing IP entitlements.

The labor/investment rationale for IP posits that that intellectual property ought to be protected because of labor and investment by IP creators. The economic and efficiency rationale asserts that IP rights are justified because of economic incentive and efficiency considerations. The third rationale urges that society should enjoin infringement of IP rights because of it constitutes a form of theft or taking—i.e. a

³⁰ See Robert N. Kravitz, *Trademarks, Speech and the Gay Olympics Case*, 60 BOST. U. L. REV. 131, 132 (1989).

³¹ See Mathias Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context*, 10 FORDHAM INTEL. PROP. MEDIA & ENT. L.J. 375, 421-22 (2000)(noting that IP laws “are generally thought to require a special justification.”).

morality/misappropriation theory. Finally, it is contended that IP creations contain elements of a creator's personality, and taking harms those deeply heartfelt interests that creators feel towards their works—this is often called a personality or moral rights theory.

Labor/Investment Rationales

A labor theory resonates in the writings of John Locke, who postulated that men [sic] ought to have property rights in the fruits of their labor.³² At its full extension, a labor theory of IP postulates that “one has the right to reap the full value of one’s creation.”³³ Historically, labor theories of IP have played an important role in the development of IP doctrine, although they fallen into disfavor by the courts in recent decades.³⁴

A collaray of labor theory is investment theory, which provides that the law should protect value created when an IP owner invests significant time, effort and money in an IPR. The courts frequently recognize the investment rationale in the context of trade secrets, where the more a trade secret owner has invested in maintaining secrecy in an invention or process, the more likely the court will enjoin appropriation of the trade secret.³⁵ Similarly, it is recognized in the patent context that inventors would not invest

³² See J. LOCKE, SECOND TREATISE OF GOVERNMENT 27 (1953).

³³ See David S. Welkowitz, *Trade Dress and Patent—the Dilemma of Confusion*, 30 RUTGERS L.J. 289 (1999)(noting that courts have rejected the labor theory of IP in its most extreme form). *Id.*

³⁴ The Supreme Court for example has rejected the so-called “sweat of the brow” theory in the context of copyright protection. See *Feist, Publications v. Rural Telephone Service* 499 U.S. 340 (1991) Under the “sweat of the brow doctrine, “the underlying notion was that copyright was a reward for the hard work that went into compiling facts.” *Id.*

³⁵ The Restatement of Torts, for example, sets forth six factors to consider in determining whether information qualifies as a trade secret, including “the amount of effort or money expended by [the trade secret owner] in developing the information.” RESTATEMENT OF TORTS

millions of dollars in research and development without the carrot of a twenty-year patent monopoly.³⁶

2. Economic Incentive/Efficiency Rationales

Economic incentive rationales have unquestionably become the dominant paradigm used to justify protection for all forms of IPR's in modern times.³⁷ As commentators have noted, “[j]udicial, legislative and academic authorities routinely justify granting inventors, artists and business people property rights in their intangible creations on the ground that they need an incentive to engage in creative process.”³⁸ In copyright and patent law, for example, it is well established that Constitution’s patent-copyright clause exists to spur the production of creative and inventive works by providing compensation to individual authors and inventors.³⁹ Incentive rationales are entrenched among courts, Congress and academics, notwithstanding the fact that “there is little hard data to prove or disprove the assumption that property rights are needed as an incentive or that the amount of creative output in the United States would significantly decrease if property rights were reduced or denied.”⁴⁰ In the copyright area, particularly,

³⁶ See e.g., KIMBERLY PACE MOORE, PAUL R. MICHEL, RAPHAEL V. LUPO, PATENT LITIGATION AND STRATEGY 4 (1999)(noting that absent “the promise of exclusive rights, companies would not risk the capital expenditures in research and development and fewer inventions would reach the public.”).

³⁷ See e.g., K.J. Greene, *Motion Picture Copyright Infringement and the Presumption of Irreparable Harm: Toward a Reevaluation of the Standard for Preliminary Injunctive Relief*, 31 RUTGERS L.J. 173, 197 (1999)(noting that “[a] consensus exists that economic considerations provided the primary theoretical basis of copyright law.”).

³⁸ See MARGRETH BARRETT, INTELLECTUAL PROPERTY: CASES AND MATERIALS 19 (1995).

³⁹ See, e.g. Mazer v. Stein, 347 U.S. 201 (1954)(discussing “economic philosophy” of patent-copyright clause). See also Raymond Shih Ray Ku, *The Creative Destruction of Copyright: Napster and the New Economics of Digital Technology*, 69 U. CHI. L. REV. 263, 293 (2002)(noting that copyright protection “is justified solely as an incentive for the creation and distribution of content”).

analysts have contended that “much of what artists and innovators do in the arena, for example composing music, books, and works of art, is not generally motivated by profit.”⁴¹

Similarly, and notwithstanding widespread theoretical critiques of expanded protection of celebrity identity,⁴² the United States Supreme Court has posited that economic incentive theory best justifies the legitimacy of the right of publicity for individuals.⁴³ Analysts have noted that in this connection that granting “a property right in a person’s identity results in the most efficient use of that identity because it induces the advertiser with the highest-valued use to purchase the right to use the identity at the market price.”⁴⁴ Commentators have argued conversely that both “the Lockean labor rationale [and] the economic incentive rationale may be an insufficient foundation upon which to base the right of publicity.”⁴⁵

⁴⁰ BARRETT *supra* note ____ at 19. See also K.J. Greene, *Copyright, Culture and Black Music: A Legacy of Unequal Protection*, 21 HASTINGS COMM. & ENT. L.J. 339, 358 (1999)(contending that copyright law historically failed to protect works of African-American music artists, yet Black artists produced some of the most innovative and lucrative works in American music).

⁴¹ See e.g. Steve P. Calandrillo, *An Economic Analysis of Property Rights in Information: Justifications and Problems of Exclusive Rights, Incentives to Generate Information, and the Alternative of a Government-Run Reward System*, 9 FORDHAM. INTELL. PROP. MEDIA AND ENT. L.J. 301, 312 (1998).

⁴² For a pointed critique of the underlying rationales for right of publicity protection, see Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 127 (1993).

⁴³ See *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977)(noting that television newscaster’s broadcast of entire human cannonball act posed “a substantial economic threat to that act...if the public can see the act free on television, it will be less willing to pay to see it at the fair”). See also *Lugosi v. Universal Pictures*, 25 Cal.3d 813 (Cal. 1979) (Bird, J. dissenting)(contending that “the gravamen of the harm flowing from an unauthorized commercial use of a prominent individual’s likeness is in most cases the loss of potential financial gain, not mental anguish”).

⁴⁴ Bruce P. Keller and David H. Bernstein, *The Right of Publicity: Toward a Federal Statute?*, 532 PRACT. L. INST. PAT. 413, 417 (1998).

⁴⁵ See Note, Erika Paulstrde, *Not the Last Dance: Astaire v. Best Film & Video Corp. Proves California Right of Publicity Statutes and the First Amendment Can Co-Exist*, 18 LOY. L.A. ENT. L.J. 395, 404 (1998).

1. Misappropriation Rationales

Unlike economic efficiency rationales, misappropriation rationales posit that the inherent wrongfulness of some acts requires intervention by the state to prevent undesirable outcomes and deter socially reprehensible acts. At a basic level, misappropriation of intellectual property resembles theft or conversion. Much like other tort-based rationales, the misappropriation notion sets duties of commercial morality.⁴⁶ In the context of intellectual property, the misappropriation doctrine has long prohibited the use by a competitor of the fruits of another's efforts.

Commentators have noted that the misappropriation doctrine “is traditionally traced to the Supreme Court’s decision in *International News Service v. Associated Press*, held that a competitor’s appropriation of news from early editions of Associated Press newspapers constituted unfair competition under federal law.”⁴⁷ The heart of a misappropriation claim is that a taker of intellectual property has “reap[ed] where it has not sown.”⁴⁸ For decades, the INS-style misappropriation claim had been a backwater

⁴⁶ The parameters of such conduct are necessarily murky: it has been noted that “courts reach for misappropriation when the competitive situation seems unfair according to the readings of their personal, internal, fairness barometers.” See Maya Alexandri, *The International News Quasi-Property Paradigm and Trademark Incontestability: A Call for Rewriting the Lanahm Act*, 13 HARV. J.L. & TECH. 303, 333 (2000).

⁴⁷ Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1680 (1999). Professor Denicola’s perceptive article outlines IP scholar Ralph Brown’s view on the misappropriation doctrine.

⁴⁸ *Id.*, citing the INS case, 248 U.S. 215, 239 (1918).

claim of sorts,⁴⁹ however it has re-emerged in recent years with value of time-sensitive information rising, and the Internets as perfect vehicle to exploit such information.⁵⁰

The misappropriation principle includes broad prohibitions against overreaching by IP owners, such as the patent misuse doctrine, which exists to “ensure that the patentee does not prosper from an impermissible broadening of the physical or temporal scope of the patent grant.”⁵¹ In the copyright context, copyright law provides both civil and criminal sanctions for willful and systematic piracy of copyrighted material.⁵²

2. Personality/Moral Rights Rationales

Personality or moral rights rationales recognize that creators of works have non-pecuniary interests in preventing the distortion or misattribution of those works by others. Moral rights, unlike purely economic regimes, “concern how the artist presents his work to the public, and the way he preserves his identification with the work.”⁵³ Moral rights “spring from a belief that an artist in the process of creation injects his spirit into the

⁴⁹ See J. THOMAS MCCARTHY, MCCARTHY’S DESK ENCYCLOPEDIA OF INTELLECTUAL PROPERTY (2nd Ed.) 273 (1995)(noting that many courts, including the Second Circuit Court of Appeals, limited the INS case to its facts for decades, and that Supreme Court decisions “cast a pall of federal preemption over the misappropriation doctrine.”).

⁵⁰ See Bruce P. Keller, *Condemned to Repeat the Past: The Reemergence of Misappropriation and Other Common Law Theories of Protection for Intellectual Property*, 11 HARV. J.L. & TECH. 401 (1998)

⁵¹ See *In Re Recombinant DNA Technology Patent and Contract Litigation*, 850 F. Supp. 769, ____ (S.D.IND. 1994).

⁵² See 17 U.S.C. 506(a) (1999)(providing that “[a]ny person who infringes a copyright willfully and for purposes of commercial advantage or private financial gain shall be punished...” under federal criminal law). The problem of IP piracy is serious, pervasive and expensive, both domestically and internationally. See e.g., Susan Tiefenbrun, *Piracy of Intellectual Property in China and the Former Soviet Union and Its Effects Upon International Trade: A Comparison*, 46 BUFF. L. REV. 1, ____ (1998)(noting that “[t]otal losses to the [U.S.] economy due to intellectual property piracy continue to range from \$20 billion to \$40 billion annually”).

work and that the artist's personality, as well as the integrity of the work, should therefore be protected...⁵⁴ Even assuming full economic compensation for use of a work, personality rationales permit creators to enjoin uses of their works that creators would find offensive: the "essence of a moral-rights injury lies in the damage caused to the author's personality, as that personality is embodied in the fruits of her creation."⁵⁵

In French copyright law, moral rights include the right to attribution, the right to integrity, the right to divulgation, and the right to modification.⁵⁶ In contrast to U.S. copyright law, for example, the right of integrity "gives a creator the legal power to exercise control over a work, even after it has been sold or transferred, and to prevent its alteration, distortion or mutilation".⁵⁷ However, U.S. law has long been remarkably resistant to directly incorporating moral rights into intellectual property law.⁵⁸ The Visual Artists Rights Act of 1990, which protects limited edition works of fine art "is the only recognition of noneconomic based artist's rights by Congress since the United States joined the Berne Convention."⁵⁹ Further, it has been noted that there is significant

⁵³ See Cheryl Swack, *Safeguarding Artistic Creation and the Cultural Heritage: A Comparison of Droit Moral Between France and the United States*, 22 COLUM.-VLA J.L. & ARTS 361 (1998).

⁵⁴ See *Carter v. Helmsley-Spear, Inc.*, 71 F.3d 77, __ (2nd Cir. 1995), cert. denied __ U.S. __ (1996).

⁵⁵ See Roberta Rosenthal Kwall, *Preserving Personality and Reputational Interests of Constructed Personas Through Moral Rights: A Blueprint for the Twenty-First Century*, 2001 U. ILL. L. REV. 151, 158 (2001).

⁵⁶ See Michael B. Reddy, *The Droit De Suite: Why American Fine Artists Should Have a Right to a Resale Royalty*, 15 LOY. L.A. ENT. L.J. 509, 513-15 (1995).

⁵⁷ *Id.*

⁵⁸ See e.g. Note, Carl H. Settlemeyer, *Between Thought and Possession: Artist's "Moral Rights" and Public Access to Creative Works*, 81 GEO. L.J. 2291, 2306 (1993)(noting that "[t]he American copyright system has, until quite recently, refused to recognize the moral rights of authors per se..."). As a result, protection of personality interests has been forced to come in through the "backdoor", via private agreement or through contrivance of 43(a) of the Lanham Act prohibiting false endorsement and sponsorship.

discomfort in extending personality rights outside of the confines of personal art forms such as painting or music.⁶⁰ Somewhat ironically, then, the Lanham Trademark Act has by default become the primary vehicle for the protection of artistic attribution and integrity rights in U.S. law.⁶¹

The Theoretical Basis of Trademark Law

Categorizing trademark theory is a messy undertaking: it has been noted that “[t]rademarks do not neatly fit into the scheme of intellectual property theory as it applies to patent and copyright law.”⁶² Before the advent of the Internet, trademark law’s theoretical foundations gave rise to three paradigms of protection: confusion doctrine, unfair competition, and dilution doctrine. In the post-internet world, cyber-squatting has emerged as a fourth, stand-alone cause of action.

Confusion Doctrine/Likelihood of Confusion

The first paradigm of trademark infringement, confusion doctrine, is based on combating consumer confusion in the marketplace of products and services. The penultimate goal of trademark law is to prevent consumer deception and confusion.⁶³

⁵⁹ See Note, *Law Review Editing and Choe v. Fordham University School of Law: Is the Courtroom the New Front for the Resolution of Publishing Disputes*, 42 WAYNE L. REV. 2183, 2200 (1996).

⁶⁰ See Hughes, *supra* note ___, 16 CARDOZO ARTS & ENT. L.J. at 142 (noting “that there is something deeply unsatisfying about trying to shoehorn scientific invention into the same ‘personhood’ justification as painting and composing music.”).

⁶¹ See *Gilliam v. American Broadcasting Companies, Inc.*, 538 F.2d 14, ___ (2d Cir. 1976) (noting that “courts have long granted relief for misrepresentation of an artist’s work by relying on theories outside of the statutory law of copyright, such as contract law or the tort of unfair competition.”). Similarly, claims of screen credit misattribution in the motion picture context invariably sound in claims under section 43(a) of the Lanham Act. See e.g., *Smith v. Montoro*, *supra*, note ___. See also *King v. Innovation Books*, 976 F.2d 824 (2^d Cir. 1992) (film maker enjoined from promoting film “Lawnmower Man” with possessory credit for Stephen King where King had minimal involvement with film project).

⁶² Strasser, *supra* note ___, 10 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. at 421.

⁶³ See, e.g., ___ Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, 77 TRADEMARK RPTR. 177, ___ (1987) (noting that despite expansion of trademark doctrine beyond

Accordingly, trademark law prohibits the adoption and use of confusingly similar trademarks under section 32(A) of the Lanham Act.⁶⁴ Under confusion doctrine, a classic theory of trademark infringement, a competitor adopts a mark with intent to mislead customers to thinking that its mark is that of another, thus diverting sales to the infringer.⁶⁵ The primary standard for determining likelihood of confusion “has always been... similarity of appearance”.⁶⁶ Courts examine similarity of appearance “on three levels: sight, sound, and meaning.”⁶⁷ However, it is difficult to determine confusion; trademark cases are fact-driven, and judicial “[d]eterminations of likelihood of confusion are necessarily subjective and impressionistic.”⁶⁸

Historically, trademark law permitted the mere use by another of identical words or symbols, provided that “the marks do not create consumer confusion.... [t]hus, ABC can simultaneously be the trademark of a television station and the trademark of a furniture store.”⁶⁹ The standard for trademark infringement liability is not actual confusion, but “likelihood” of confusion.⁷⁰ In order to prove such confusion, litigants

confusion paradigm, “the notion of consumer confusion remains the foundation of the legal protection of trademarks.”).

⁶⁴ Lanham Act sect. 32(1), 15 U.S.C. sect. 1114.

⁶⁵ See e.g. Kristine M. Bolan, *The Corporate Right of Publicity in Federal Dilution Legislation*, 83 J. PAT. & TRADEMARK OFF. SOC’Y 5, 6 (2000)(“A first user who was losing business and suffering a diversion of trade called upon the law for intervention.”)

⁶⁶ PATTISHALL, TRADEMARKS AND UNFAIR COMPETITION, *supra*, note _____ at 139.

⁶⁷ JANE GINSBURG AND JESSICA LITMAN, TRADEMARK AND UNFAIR COMP. L. (3rd Ed.) 398-399 (1998).

⁶⁸ See Richard L. Kiltpatrick, *Likelihood of Confusion in Trademark Law*, PRACT. L. INST. 6TH ANNUAL INST. FOR INTELLECTUAL PROPERTY, (Vol. 2) 85, 96 (2000)(setting forth a comprehensive analysis of the multi-factor test known as the “Polaroid” factors that courts use to gauge likelihood of confusion in trademark cases.).

⁶⁹ See CyBarrister Page: *Trademarks*, <http://www.ssb.com.trademar.html>.

typically rely on consumer surveys.⁷¹ Whether a likelihood of confusion exists is a factual question.⁷² Accordingly, no bright-line test exists for how much confusion courts require imposing liability.⁷³

Trademark confusion doctrine has a strong correlation with both economic efficiency theory and misappropriation theory. From an economic perspective, analysts contend that “trademarks lower consumer search costs by providing consumers with a means for distinguishing between products that differ in quality but that, absent a brand name, would be difficult to distinguish at the point of purchase.”⁷⁴ Thus, while the use of confusingly similar marks obviously decreases social welfare, making consumer choices more costly, it also offends the moralistic notions of fair play and free riding at the heart of the misappropriation doctrine. Accordingly, trademark confusion doctrine in the abstract, is not controversial, and broad consensus would exist to enjoin competitors in a field from adopting similar marks.

Unfair Competition/Section 43(a)

The second paradigm of trademark infringement is unfair competition, which is concerned not merely with consumer confusion, but with opportunistic conduct by competitors, i.e., free riders. Free riding is socially undesirable, in that the free rider

⁷⁰ A plaintiff in a classic trademark infringement case can readily get an injunction upon proving a likelihood of confusion, but must prove actual confusion to get monetary damages. *See e.g.* Foxtrap, Inc. v. Foxtrap, Inc., 671 F.2d 636 (D.C. Cir. 1982).

⁷¹ *See e.g.*, Universal City Studios, Inc. v. Nintendo Co., Ltd. 746 F.2d 112, 118 (2d Cir. 1984)(discounting survey evidence that video game “Donkey Kong” infringed on trademark “King Kong”).

⁷² *Id.*

⁷³ *See* Welkowitz, *supra* note _____ 30 RUTGERS L.J. at 321-22.

⁷⁴ *See* Roger D. Blair & Thomas F. Cotter, *An Economic Analysis of Seller and User Liability in Intellectual Property Law*, 68 U. CIN. L. REV. 1, 13 (1999). *See also* RICHARD A. POSNER, *ECONOMIC ANALYSIS OF LAW* 43 (4th ed. 1992)(contending that “[t]he economic function of trademarks is, by giving assurance of uniform quality, to economize on consumer search costs.”).

diverts “value from a business rival’s efforts without payment”.⁷⁵ Unfair competition doctrine tracks the misappropriation principle. The Lanham Act prohibits unfair competition, particularly as to source of origin, sponsorship or endorsement under section 43(a) of the Lanham Act.⁷⁶ Section 43(a) was largely obscure until recent decades, where it has become “today’s unrivaled legal instrument to combat unfair competition.”⁷⁷

A 43(a) claim exists where the plaintiff can show “that ‘a representation of a product, although technically true, creates a false impression of the product’s origin’, and that the representation harms plaintiff’s reputation.”⁷⁸ 43(a) of the Lanham Act also prohibits other commercially offensive behavior, such as false advertising⁷⁹ and also protects unregistered trademarks that have been used in interstate commerce.⁸⁰ A Lanham Act 43(a) claim has few limiting principles: courts have wide latitude in fleshing out the contours of unfair competition and adapting the language of the statute to “changing commercial circumstances.”⁸¹ Although a 43(a) claim technically requires a showing of consumer confusion, section 43(a)’s broad formulation goes far beyond uses

⁷⁵ See Dale P. Olson, *Common Law Misappropriation in the Digital Era*, 64 MISSOURI L. REV. 837, 879 (1999).

⁷⁶ See *Foxworthy v. Custom Tees Inc.* 879 F. Supp. 12000 (N.D. Ga. 1995).

⁷⁷ J. Thomas McCarthy, *Lanham Act S 43(a): The Sleeping Giant is Now Awake*, 59 J. L. & CONTEMP. PROB. 45, 46 (1998).

⁷⁸ See Otto W. Konrad, *A Federal Recognition of Performance Art Author Moral Rights*, 48 WASH. & LEE L. REV. 1579, 1595 (1991).

⁷⁹ A false advertising claim is established “by proving either that an advertisement is false on its face or that the advertisement is literally true or ambiguous, but likely to mislead and confuse consumers.” See *Clorox Co. Puerto Rico v. Proctor and Gamble Commercial Corp.*, 228 F.3d 24 (1st Cir. 2000).

⁸⁰ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

⁸¹ See e.g., David Klein, *The Ever-Expanding Section 43(A): Will the Bubble Burst?*, 2 U. BALT. INTELL. PROP. L.J. 65, 87-88 (1993).

likely to cause literal confusion, such as enjoining a film producer from removing an actor's name from the credits of a film.⁸² 43(a) also protects the property interests of trademark owners against appropriation by free riders.⁸³

The unfair competition principle corresponds strongly to the misappropriation principle.⁸⁴ The confusion here is more indirect than under classic trademark confusion doctrine, where a competitor adopts the same mark of another, but consumers may nonetheless be misled, diverting sales to the newcomer. Unfair competition is similar to fraud; to hang a sign in pizza parlor that "Robert De Niro eats here" when the actor, in fact, does not, is a kind of fraud on the public.⁸⁵

Dilution Theory: Blurring and Tarnishment

Third, Section 43(c) of the Lanham Act protects "famous" trademarks from dilution.⁸⁶ While the Act itself provides scant definition of dilution, courts have long defined two distinct types of dilution. First, courts define dilution as "blurring": the cheapening of a mark by dissimilar uses. Second courts define dilution, or tarnishment, which is a use that associates a mark with unsavory goods or services such as "the

⁸² See *Smith v. Montoro*, 648 F.2d 602, 607 (9th Cir. 1981) (film distributor's removal of actor's name from screen credits constituted false designation of origin under 43(a) of Lanham Act). The Ninth Circuit Court of Appeals, where the *Smith* case originated, "has subsequently set limits on the principles expressed in [*Smith v. Montoro*]." JANE GINSBURG, JESSICA LITMAN AND MARY KEVLIN, *TRADEMARK & UNFAIR COMP. L.* (3rd Ed.) 33-34 (2001).

⁸⁴ For lack of a better vehicle, courts have also used 43(a) as a kind of backdoor moral rights cause of action. See, e.g. Dane S. Ciolino, *Moral Rights and Real Obligations: A Property-Law Framework for the Protection of Author's Moral Rights*, 69 TUL. L. REV. 935, 949 (1995)(noting the use of 43(a) "to recognize indirectly the rights of attribution and integrity.").

⁸⁵ Such conduct would also violate the false advertising prohibitions of Section 43(a). See J.THOMAS MCCARTHY ON TRADEMARKS AND UNFAIR COMP. 28.14 (4th ed. 1997)(the "unpermitted use of a person's identity merely to draw attention to a product or advertisement.[can constitute false endorsement]...in addition to infringing upon the right of publicity.").

⁸⁶ See Federal Trademark Dilution Act of 1995, Pub. L. No 104-98, 109 Stat. 985 (1996)(codified at 15 U.S.C. sect. 1125(c)).

American Express Condom—Don't Leave Home Without It".⁸⁷ Dilution was exclusively a state cause of action until 1995, when Congress enacted the Federal Dilution Act, providing a cause of action in federal court for dilution.⁸⁸ Dilution is a radically different cause of action in trademark law, in that "[l]aws preventing dilution do not target consumer welfare or consumer confusion...[but instead] protect a quasi-property right in the mark."⁸⁹ Unlike coordinate state laws, the Federal Dilution Act protects only "famous" marks against commercial use by infringers, where such use "dilutes the distinctive quality of the trademark owner's mark."⁹⁰

Until the Supreme Court's decision in the Victoria Secret case, courts had remained divided over whether a cause of action for dilution requires "likelihood" of dilution or a more rigorous standard of "actual" dilution.⁹¹ It has been argued that the critical issue in dilution cases is whether a court finds the mark is famous: "a mark found famous is virtually guaranteed to be found diluted."⁹² In any event, trademark dilution provides far broader protection to marks than classic confusion theory.⁹³

⁸⁷ See *American Express Co. v. Vibra Approved Lab. Corp.*, 10 U.S.P.Q.2d 2006 (S.D.N.Y. 1989).

⁸⁸ 15 U.S.C. s. 1127 (1998).

⁸⁹ Malla Pollack, *Time to Dilute the Dilution Statute and What Not to Do When Opposing Legislation*, 78 J. PAT. & TRADEMARK OFF. SOC'Y 518, 520 (1996). (setting forth a powerful critique of the Federal Dilution Act.).

⁹⁰ 15 U.S.C. 1125(c)(1). See also Steven J. Davidson and Nicole A. Engisch, *Trademark Dilution and the Internet*, http://sdavidson.com/html/body_tm-dilution.htm (1997)(outlining dilution cause of action under federal law).

⁹¹ See generally Note, Jonathan Mermin, *Interpreting the Federal Dilution Act of 1995: The Logic of the Actual Dilution Requirement*, 42 BOST. COLL. L. REV. 207 (2000) (arguing in favor of the narrower "actual" dilution standard).

⁹² Port, *supra note* _____, 35 WAKE FOREST L. REV. at 880.

⁹³ See Welkowitz, *supra*, note ____, 30 RUTGERS L.J. AT 358-58.

The dilution paradigm does not correspond neatly to any of the standard IP rationales, except perhaps misappropriation, where one party attempts to capitalize on a famous mark, a situation akin to free riding.⁹⁴ Dilution theory has also proved controversial in the academic community, and is perceived by many as a core threat to the marketplace of ideas paradigm.⁹⁵ Many courts similarly view dilution claims as over-expansive, and “often employ legal gymnastics to reject a dilution claim...”⁹⁶

Cybersquatting

Not content with expanding federal law to prohibit the dilution of “famous” trademarks, the corporate trademark lobby moved next to prohibit the registration of Internet domain names similar to registered trademarks. Thus, in 1999, Congress enacted the Anticybersquatting Consumer Protection Act (“ACPA”) “to prevent a practice that has become known as cybersquatting.”⁹⁷ Cases involving Internet domain name infringement had previously been adjudicated under the federal Dilution Act,⁹⁸ but this was seen as ineffective against cybersquatters.⁹⁹

⁹⁴ See David S. Welkowitz, *Reexamining Trademark Dilution*, 44 VAND. L. REV. 531, 579-80 (1991)(remarking that “the best explanation for pure dilution cases appears to be that some courts view it as a way of granting protection...[where] evidence of confusion is weak, but the court believes the defendant’s use of the mark to be unfair.”).

⁹⁵ See e.g. Polack, *supra*, note ____, see also Madhavi Sunder, *Authorship and Autonomy as Rites of Exclusion: The Intellectual Propertization of Free Speech in Hurley v. Irish-American Gay, Lesbian and Bisexual Group of Boston*, 49 STAN. L. REV. 143, 159 (1996)(contending that dilution theory “grants a small number of already powerful players tremendous meaning making power.”).

⁹⁶ See Kathleen B. McCabe, *Dilution-by-Blurring: A Theory Caught in the Shadow of Trademark Infringement*, 68 FORDHAM L. REV. 1827, 1834 (2000).

⁹⁷ Note, Gregory B. Blasbalg, *Masters of the Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563 (2000).

⁹⁸ See e.g. Panivision Int’l L.P. v. Toppen, 141 F.3d 1316 (9th Cir. 1998). Defendant Toppen was an early and notorious cybersquatter.

Cybersquatting occurs when a party registers a domain name that is the trademark of another with the bad faith intention of profiting from the mark, or registering a domain name that is identical or confusingly similar to a distinctive or famous trademark.¹⁰⁰ Ironically, Congress passed the ACPA to deter “bad faith and abusive conduct”¹⁰¹ by so-called cybersquatters, apparently unaware that trademark owners themselves might be capable of engaging in abusive conduct, through so-called reverse domain hijacking, such as the lawsuit by Archie Comics against the parents of a 2-year old girl named Veronica Sams, for whom the parents registered the domain name “Veronica.org.” for a non-commercial website.¹⁰²

Cybersquatting disputes usually begin when “a company, seeking to establish a site on the Internet, discovers that the domain name it desires for the site has already been taken.”⁹⁹ In the early days of the Internet (i.e., the early to mid-1990’s) many major corporations were slow to grasp the potential of the Internet, and accordingly slow to

⁹⁹ Analysts have similarly contended that the ACPA is analytically flawed. See Xuan-Thao N. Nguyen, *Blame it on Cybersquatters: How Congress Partially Ends the Circus Among the Circuits with Anticybersquatting Consumer Protection Act*, 31 LOY. U. CHI. L.J. 777, 795 (2001) (contending that ACPA “does not overcome all the shortcomings of the FTDA and gives birth to a new set of problems that will frustrate trademark owners and litigants”). See also Suzanna Sherry, *Haste Makes Waste: Congress and the Common Law of Cyberspace*, 55 VAND. L. REV. 309, 334 (2002)(contending that ACPA is “paradigmatically redundant”).

¹⁰⁰ 15 U.S.C s. 1125(d)(1)(A)(2000).

¹⁰¹ See Aaron L. Melville, *New Cybersquatting Law Brings Mixed Reaction from Trademark Owners*, 6 BOST. U. J. SCIENCE AND TECH. L. 13 (2000)

¹⁰² See Note, Tamarah Belczyk, *Domain Names: The Special Case of Personal Names*, 82 BOST. U. L. REV. 485, 525, n. 261 (2002)(noting that Archie Comics, trademark owner of the name “Veronica” “sued David Sams [father of Veronica Sams] for registering veronica.org...Archie Comics eventually dropped the suit after receiving much negative publicity.”). Similarly, Colgate-Palmolive, trademark holder of the mark “Ajax” for cleaning products attempted to wrest the domain name of “Ajax.org.”, non-profit organization with no connection to cleaning products. See Dan Goodin, *Domain Little Guys Fight Back*, CNET.com, <http://news.com/2100-1023-220415/html>. (Jan. 20, 1999).

¹⁰³ See Ronald Abramson, *Internet Domain Name Litigation*, 558 PRACT. L. INST. 7, 11 (1999).

register their trademarks as domain names.¹⁰⁴ Entrepreneurs with vision about the coming Internet revolution anticipated the future value of domain names, and registered the names of famous companies on a mass scale.¹⁰⁵ Although arguably part of the “American way”, and indeed, within the common law tradition,¹⁰⁶ courts and ultimately Congress came to see this conduct as a bad thing.¹⁰⁷ Others with personal, rather than pecuniary interests in certain names and terms also registered domain names, such as little Veronica Sams.¹⁰⁸ However, with the passage of the Anti-Cybersquatting Consumer Protection Act in 1998, so-called cybersquatting has become prohibitively expensive conduct. In lieu of actual damages, the ACPA allows for the award of statutory damages of up to \$100,000 per domain name.¹⁰⁹ Actual damages may run higher in some cases. For example, an online pornographer that appropriated the Internet domain name “sex.com” was hit with a \$65 million damage award in federal court.¹¹⁰

¹⁰⁴ Some of the early cases were quite humorous, such as a writer’s registration of “mcdonalds.com” as a domain name, after explicitly telling McDonald’s Corporation he would do so. See Neal J. Friedman and Kevin Siebert, *The Name is Not Always the Same*, 20 SEA. U. L. REV. 631, 645-47 (1997)

¹⁰⁵ See Note, *Internet Domain Names and Trademarks: Strategies for Protecting Brand Names in Cyberspace*, 32 SUFF. L. REV. 47, 59 (1998)(noting that “speculators went on a registration frenzy” upon realizing the potential value of domain names as early as 1994). The article urges trademark owners to “pursue every domestic infringing domain name to protect their rights.” *Id.* At 76.

¹⁰⁶ See Gordon, *supra*, note ____, 102 YALE L.J. 1578 (noting that “American common law has long awarded ownership to those who take possession of unclaimed physical resources...[but denies property claims of ‘officious intermeddler[s]’”).

¹⁰⁷ Initially, courts attempted to shoehorn what we now call cybersquatting claims into the paradigm of dilution, with some success. For a discussion of early trademark Internet disputes, see Victoria Napolitano, *Network Solutions 2000: The Internet Corporation for Assigned Names and Numbers Uniform Domain Name Dispute Resolution Policy*, 10 DEPAUL-LCA J. ART & ENT. L. 537, 544-47 (2000).

¹⁰⁸ CITE

¹⁰⁹ 15 U.S.C.A. sect. 117(d) (West Supp. 2000).

¹¹⁰ See “Judge Awards \$65 Million in Sex.com Case, <http://www.reuters.com/news> (April 4, 2001)(noting that the defendant’s web site received “as many as 25 million hits each day, and could be worth as much as \$100 million.”).

The Inherently Weak Nature of Trademark Rights

All IP rights such as patent, copyright, trademark and trade secret protection theoretically represent a trade-off and quid pro quo—the grant of limited monopolies to individuals (increasingly corporate individuals) in exchange for some public benefit. However, the overall social benefits of trademark rights seem fundamentally weak in comparison to copyright and patent rights, particularly the owner-centered conception of trademark rights promulgated in such legislation as federal dilution and cybersquatting. The public benefit conferred by the governmental grant of limited monopolies in patents and copyrights seems self-evident. Patent law spurs innovation in science and technology, and facilitates the delivery of new and useful inventions to society, as well as encouraging public disclosure of technological information.¹¹¹ It would seem unlikely that an inventor/corporation would invest millions dollars and years of labor in developing the formula for Viagra without the carrot of a 20-year exclusive patent grant.¹¹²

Similarly, copyright law, at least in theory, spurs the proliferation of creative works such as novels, films, and music and art that enriches society and provides an outlet for expression.¹¹³ Commentators posit that copyright expression plays a central

¹¹¹ See Report of the President's Commission on the Patent System, 1-3 (1966), cited in PAUL GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES: CASES AND MATERIALS ON THE LAW OF INTELLECTUAL PROPERTY 15 (4th Ed. 1999).

¹¹² See e.g. MOORE, et al, *supra* note ____.

role in democratic civil society.¹¹⁴ Adding weight to the grant of exclusive copyright and patent rights is their enshrinement in the Constitution by the Founding Fathers, whose philosophical bent included a natural aversion to even limited monopolies.¹¹⁵

In contrast, commentators have questioned both the underlying rationales of trademark rights, and their deleterious impact on free expression and the public domain.¹¹⁶ It has been noted that trademarks connote neither creativity nor labor—the two main arguments justifying intellectual property.¹¹⁷ The labor rationale for IP protection may be seen as particularly weak in TM cases, given that the public plays a large role in infusing famous symbols with value.¹¹⁸ Even assuming that trademark owners do invest considerable resources in advertising and brand awareness,¹¹⁹ it still

¹¹³ See Alfred C. Yen, *A First Amendment Perspective on the Idea-Expression Dichotomy and Copyright Works in a Work's "Total Concept and Feel"*, 38 EMORY L.J. 393 (1989)(discussing views of leading copyright scholars that without incentive of limited monopoly, “expressive output would presumably decline”).

¹¹⁴ See Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 288 (1996)(contending that artistic subject matter of copyright law “form[s] a central part of democratic discourse...”).

¹¹⁵ See *Graham v. John Deere Co.*, 383 U.S. 1, ___ (1966)(citing Jefferson’s view on patent monopoly). See also DONALD CHISUM, CRAIG ALAN NARD, et al, *PRINCIPLES OF PATENT LAW: CASES AND MATERIALS* 18 (1998)(noting that “Thomas Jefferson, while no stranger to the inventive process, was skeptical of monopolies and anything but a devotee of the patent system.”).

¹¹⁶ See e.g., Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1696 (1999)(contending that “propertizing trademarks comes at significant cost to society...important political and social commentary and works of art may be suppressed entirely.”).

¹¹⁷ See Wilf, *supra*, note ____, 17 CARDOZO ARTS & ENT. L.J. at 10-12 (remarking that “Nobel prizes are not awarded for trademarks...[and] no one speaks of a trademark artist”). See also, Lemley, *supra*, note ____, 107 YALE L.J. at 1695: “Indeed, we might all be better off in a world with fewer brands clamoring for our scarce attention.”

¹¹⁸ See Alyson Lewis, *Playing Around with Barbie: Expanding Fair Use for Cultural Icons*, 1 J. INTEL. PROP. 6 (1999)(contending that “while Mattel’s marketing of [Barbie] probably did play a part in the product’s successfulness, a larger part is more attributable to the meaning society attached to Barbie.”).

¹¹⁹ The Lanham Act’s framers clearly intended to the protection of trademark holders’ investment in “time energy and money...from misappropriation from pirates and cheats.” See Christopher R. Perry, *Trademarks as Commodities: the “Famous” Roadblock to Applying Trademark Dilution Law in Cyberspace*, 32 CONN. L. REV. 1127, 1146 (2000).

does not justify a perpetual and sweeping monopoly in symbols. Moreover, the quid pro quo of trademark protection seems far less tangible, especially when the confusion/deception rationale is absent, as in dilution cases. Similarly, where confusion is based merely on confusion of sponsorship or affiliation, the public domain is restricted in socially undesirable ways.¹²⁰

First, unlike patent and copyright law, trademark law provides only a limited property right.¹²¹ Trademark rights purportedly benefit the public in a very indirect manner. In theory, consumers benefit from trademark protection because it encourages owners to create good-will investment in marks, and results in lower search costs by consumers.¹²² As a result, trademark owners will produce high-quality goods and services.¹²³ However, little empirical evidence supports the theory that consumers value trademarks in this sense, particularly with certain classes of goods, such as medicines, where a robust market exists for generic, non-trademark products.¹²⁴ Indeed, it has been argued that “the public may enjoy the expressive dimensions of a trademark more than

¹²⁰ It has been noted, for example, in the context of false endorsement that consumers could not conceivably be confused by a gay right’s group use of the “Pink Panther Patrol”. See Litman, *supra*, note ____, 108 YALE L.J. 1717, (noting that “as a practical matter, nearly any unauthorized use of a trade symbol with the potential to undermine the symbol’s trademark distinctiveness may persuade a federal judge to grant an injunction.”).

¹²¹ See 6 PATISHALL, et al, *supra*, note ____, (noting that a pure property right theory of trademark “is logically incompatible and irreconcilable with the historic deception as to source rationale for trade identity, trademark and unfair competition law.”).

¹²² See e.g, Robert Landes and Richard Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, __ (1987)(contending that “trademark protection encourages expenditure on quality...a firm’s incentive to invest resources in developing and maintaining (as through advertising) a strong mark depends on its ability to maintain consistent product quality).”

¹²³ *Id.* at 269.

¹²⁴ See Justin Hughes, *The Personality Interests of Inventors in Intellectual Property*, 16 CARDOZO ARTS & ENT. L.J. 81, 180 (1998)(contending that “[p]roperty rights are traditionally justified in terms of

the it values the underlying product.”¹²⁵ Moreover, the types of abusive trademark litigation prevalent in cyberspace and entertainment media rarely involve the types of products where trademarks do point to quality of goods—such as motion pictures or nude magazines.

The Expansion of Trademark Rights and the Shrinking of Confusion

Doctrine

Despite economic arguments to the contrary, trademark protection as a property right divorced from consumer confusion doctrine does not necessarily coincide with the interests of consumers,¹²⁶ or the social value of a broad public domain.¹²⁷ In fact, a dark sarcasm is reflected by a Congress that on the one hand, emasculates consumer rights under the guise of bankruptcy reform,¹²⁸ and on the other, enacts legislation protecting big business under an act entitled the Anticybersquatting Consumer Protection Act. Surely, the appropriation of famous trademark names as Internet addresses is not the burning issue on the tip of the tongue of average consumers. Yet the ACPA creates rights in domain names that do not exist “in any other context under modern trademark

economic efficiency, but in the realm of intellectual property such justifications, however persuasive, do not have a strong empirical basis.”).

¹²⁵ See Rochelle Cooper Dreyfus, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 408 (1990).

¹²⁶ See ___Cohen, “*What’s in a Trade Name?*” 35 COLUM. L. REV. 809, 816-17 (1935)(contending that conflating corporate interests in trademarks with consumer benefit constitutes “economic prejudice masquerading in the cloak of legal logic”).

¹²⁷ See Michael H. Davis, *Death of a Salesman’s Doctrine: A Critical Look at Trademark Use*, 19 GA. L. REV. 233, 234 (1985)(contending that “[b]ecause trademark use is a form of consumer protection, each time the doctrine is eroded, the consuming public is injured”).

¹²⁸ One U.S. bankruptcy judge characterized the legislation, which made more difficult for ordinary consumers to declare bankruptcy as “the product of an immense, concentrated lobbying effort by credit card issuers and lenders”. *CITE*

law...[and] allows for a finding of infringement for domain name registrations that would be non-infringing uses under any other application of trademark law.”¹²⁹

A trend toward to the expansion of intellectual property rights has been ongoing for some time.¹³⁰ The expansion no doubt reflects the political muscle of big business, such as the high-tech sector and the entertainment industry, and its ability to influence the legislative process.¹³¹ In recent years alone, Congress has enacted Federal Trademark Dilution protection, federalized the law of trade secrets,¹³² outlawed cybersquatting, increased damages for copyright infringement¹³³ and perhaps, most cynically, extended the term of copyright protection,¹³⁴ some contend just in time to prevent Disney’s Mickey Mouse from being injected into the public domain.¹³⁵ Gone it seems, are the days when a

¹²⁹ See Blasbalg, *supra*, note _____, 5 ROGER WILLIAMS U. L. REV. at 600 (contending that ACPA “will likely stifle Internet commerce and speech”).

¹³⁰ See Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1722 (1999)(remarking that “[c]ourts increased willingness to find an actionable likelihood of confusion has meant, that as a practical matter, nearly any unauthorized use of a trade symbol with the potential to undermine the symbol’s distinctiveness may persuade a federal judge to grant an injunction”).

¹³¹ Perhaps the most glaring example of this was the recent extension of the copyright term—an extension powered by Disney, and timed to prevent the injection of the lucrative Mickey Mouse character into the public domain. See, e.g. Merges & Reynolds, *supra* note ____, 37 HARV. J. ON LEGIS. 53: “the Disney copyright on Mickey Mouse was poised to enter the public domain in 2003, but the Walt Disney Company decided that procuring legislation extending that copyright for an additional twenty years was to be its ‘highest priority’”. But *c.f.* Denicola, *supra*, note ____ 108 YALE L.J. at 1683, (noting that “it is tempting to attribute the recent expansion of private rights to the size and political power of trademark and copyright owners.... [however, such power] is too longstanding to account for the recent rush toward protection.”).

¹³² See Economic Espionage Act of 1996, Pub. L. no. 104-294, 18 U.S.C. 31 sect. 670 (1996).

¹³³ See The Digital Theft Deterrence and Copyright Damages Improvement Act of 1999, Pub. L. no. 106-169, 113 stat. 1774 (1999).

¹³⁴ See Sony Bono Copyright Term Extension Act, Pub. L. no. 105-298, 112 stat. 2827 (codified as amended as 17 U.S.C. ss 301-304 (1998)).

¹³⁵ See William F. Patry, *The Copyright Extension Act of 1995: Or How Publishers Managed to Steal the Bread from Authors*, 14 CARDOZO ARTS & ENT. L.J. 661, 662 (1996)(contending that copyright extension benefits primarily “[a] very few corporations, like Time Warner, who own by acquisition hundreds of thousands of song copyrights”).

backlash resulted from a perception that, as in the anti-patent movement of the 1930's, "the rights of powerful corporations had come to dominate the interests of the community."¹³⁶

Yet expansion of trademark rights has been particularly dramatic: prompting one commentator to charge, with ample support, that Congress appears intent on "a course of annihilating the common law of trademarks...[w]ith no real conceptual justification, American trademark law has quickly come to emulate [foreign countries] where the trademark itself is considered subject to property ownership."¹³⁷ The expansion of trademark protection is also particularly problematic, both because of the analytically weak nature of trademark rights, and the fact that trademark law "[u]nlike copyright or patent, [has] no set limit to the time to which the privilege extends...[and] lacks a broad doctrine of fair use").¹³⁸

Property rights in trademarks are, therefore, particularly troubling, given the countervailing interests of society in a broad public domain. Intellectual property law generally, and trademark law in particular have "moved more and more of our culture's basic semiotic and symbolic resources out of the public domain and into private hands."¹³⁹ Increasingly, proponents of trademark expansion argue trademark rights should be protected not because infringement causes consumer confusion, but because

¹³⁶ ROBERT PATRICK MERGES, PATENT LAW AND POLICY: CASES AND MATERIALS 8 (1992)(discussing trend in the 1920-30's period that attacked patent monopoly "as important weapons in the suffocating arsenal of big business.").

¹³⁷ See Port, *supra*, note _____ 35 WAKE FOREST L. REV. at 828-29.

¹³⁸ Steven Wilf, *Who Authors Trademarks?*, 17 CARDOZO ARTS & ENT. L.J. 1, 3 (1999)(arguing for recognition of public's role in infusing trademarks with meaning).

¹³⁹ See Madow, *supra* note ____ *Private Ownership of Public Image*, 81 CAL. L. REV. AT 142.

trademarks possess inherent value.¹⁴⁰ Indeed, “trademarks above physical assets and other forms of intellectual property [often constitute] the most valuable assets of many companies.”¹⁴¹ Corporate lawyers have noted, for example, that the “trademark ‘Colgate’, for example was [estimated to be worth] approximately \$4.4 billion—and that is just the trademark alone.”¹⁴² However, as Justice Holmes noted long ago, “[p]roperty, a creation of law, does not arise from value, although exchangeable...”¹⁴³

Characteristics of Abusive Trademark Litigation

Litigation abuse has typically been narrowly conceived by critics as a problem of personal injury tort lawsuits and securities fraud class actions.¹⁴⁴ However, corporations using trademark law to protect corporate image at the expense of the marketplace of ideas and the public domain also arguably engage in abusive litigation policies, fueled by the expansion of intellectual property law. Abusive litigation should be conceived to consist of antisocial conduct through the judicial process, which reduces valued resources. For example, Mattel Corporation attacked a charity fund raiser for critically ill children called “Barbie Grants a Wish” weekend, asserting that [Mattel] will not lend its name to any

¹⁴⁰ CITE

¹⁴¹ See Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789 (1997).

¹⁴² See Discussion, *Trademark Vigilance in the Twenty-First Century: A Pragmatic Approach*, 9 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 823, 826 (1999)(remarks of Bret Parker, Esq., attorney for Colgate-Palmolive).

¹⁴³ International News Service, *supra*, note ____, 248 U.S. at ____ (Holmes, J. concurring).

¹⁴⁴ There is some irony in this perception of tort suits run amok, given the reality that “from 1982 to 1990, regarded as the very core years of the [tort] litigation explosion, diversity contract filings actually outnumbered tort filings.” See Marc Galanter, *Contract in Court; or Almost Everything You May or May Not Want to Know About Contract Litigation*, Vol. 2001 WIS. L. REV. 583 (2001).

event it does not officially sanction.”¹⁴⁵ The potential of anti-social trademark litigation exists wherever a trademark owner’s rights to exclusive use of a trademark are in conflict with societal interests in a broad and diverse public domain.

The hallmark of such litigation is the overreaching assertion of trademark rights, typically by a large corporate entity against a smaller entity.¹⁴⁶ It has been noted, for example, that the “effectiveness of lawsuits to silence corporate critics derives in part from the disparity of resources between the plaintiff corporation and the defendant parody artist.”¹⁴⁷ Abusive trademark litigation exists where the claim involves neither a likelihood of confusion as to product source or sponsorship, nor neither free-riding nor morally repugnant unfair competition. Viewed this way, dilution and cybersquatting claims are not per se abusive or anti-social, because some claims police against free-riding conduct.¹⁴⁸ Similarly, a weak analytical basis exists for most, although certainly not all, cybersquatting claims.

¹⁴⁵ See Bannon, *supra*, note ____, *Barrister Barbie*.

¹⁴⁶ There is a category of what we might call “corporatized” individuals, typically celebrities such as Tiger Woods, who also engage in arguably abusive litigation under both the guises of trademark and right of publicity law. Woods sued to enjoin an artist’s rendition of Woods at the 1997 Masters Tournament, apparently taking the position that any use whatever of his images must be licensed and controlled by Woods. The court resoundingly rejected Wood’s claims on First Amendment grounds. *See* ETW Corp. v. Jireh Publishing, Inc., 99 F. Supp.2d 829 (N.D. Ohio 2000). *See also* Hoffman v. Capital Cities/ABC, 255 F.3d 1180 (9th Cir. 2001), (rejecting suit by actor Dustin Hoffman to prevent magazine from using digitally altered image of Hoffman’s “Tootsie” character in magazine article commenting on fashion).

¹⁴⁷ See Note, Sarah Mayhew Schlosser, *The High Price of Criticizing Coffee: The Chilling Effect of the Federal Dilution Act on Corporate Parody*, 43 ARIZ. L. REV. 931, 948 (2001)(noting that large corporations, as owners of “famous” marks, have “large treasuries with which to mount protracted litigation.... [and] can claim tax advantages for the legal expenses involved...”).

¹⁴⁸ A good example of such a case involving both dilution and cybersquatting is *Mattel, Inc. v. Internet Dimensions Inc.*, 55 U.S.P.Q.D. (BNA), (S.D.N.Y. 2000)(enjoining the use of “Barbiesplaypen.com” for defendants pornographic web site.)

Entertainment Law and Trademark Issues

The entertainment industry in the United States consisted traditionally of the motion picture, television, music, and book publishing and live theatre industries.¹⁴⁹ In recent years, that category has expanded to “infotainment”, which broadly represents the convergence of the Internet and entertainment media.¹⁵⁰ Intellectual property, particularly copyright law, idea submission law and the right of publicity have always been inextricably connected to the entertainment industry. In recent years, trademark law has become increasingly important as a factor in entertainment transactions and litigation.¹⁵¹ In fact, the expansion of trademark law seen in recent times arguably begins with a trademark case arising out film credits for a motion picture. Concluding that a Lanham Act 43(a) claim existed for an actor whose name had been omitted from the credits of a film, the Ninth Circuit held that “liability under Section 43(a) may arise for a false description or representation even though no trademark is involved.”¹⁵²

Entertainment media are also inextricably entwined with the both the marketplaces of ideas and the public domain paradigms, and unquestionably “fall within the First Amendment’s aegis.”¹⁵³ The marketplace of ideas paradigm posits that the

¹⁴⁹ See MELVIN SIMENSKY, THOMAS D. SELZ, et al, ENTERTAINMENT LAW (2nd Ed.) 3 (1997).

¹⁵⁰ See e.g. Rob Hasset and Sullen W. Bergman, ICCAN, *New Gtlds, Domain Name Disputes and Other Website Concerns*, PRACT. L. INST. COURSE HANDBOOK SERIES, COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY 287 (2001)(noting that in recent years, “the Internet has become an important source of entertainment and entertainment products.”).

¹⁵¹ See K.J. Greene, *Clearance Issues from a Litigation Perspective: Intellectual Property Infringement and Motion Picture Liability*, 255 COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY, 2001, PRACT. L. INST. HANDBOOK SERIES (2001).

¹⁵² *Smith v. Montoro*, *supra* note ___, 648 F.2d at 605.

¹⁵³ See e.g. *Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 501 (1952).

robust exchanged of points of view, commentary, criticism parody and scholarship are a leading indicator of social democracy. Copyright law, for example, explicitly accommodates the rights of copyright owners against the rights to engage in robust public debate through the fair use doctrine. Thus, the owner of the copyright in the song “Pretty Woman” cannot prevent 2Live Crew, the rap group, from using the melody of “Pretty Woman” to create their own song, with the lyrics “Big Hairy Woman.”

The public domain in intellectual property law consists of material that cannot be fenced in by IP owners—such as phenomena of nature in patent law¹⁵⁴, and undifferentiated ideas in copyright law. The public domain also consists of material that IP law once protected, but no longer does, because the material has run its statutory term of protection, such as an expired patent or copyright, or lost its protection because of some act or failure to act by the owner, such as a fraudulent patent or trademark application. In trademark law, a mark or symbol that has become generic—i.e., synonymous with the item the mark represents, such as Thermos or Aspirin, is also injected into the public domain.¹⁵⁵

However, the public domain could also be construed to extend to symbols of popular culture that through long association have become a piece of the American experience, representational symbols infused with social meaning: “[t]he whole point of the Mickey Mouse image is that it is thrust out into the cultural world to impinge on the consciousness of all of us”.¹⁵⁶ It has been contended that “owner’s rights to control to

¹⁵⁴ See ROBERT PATRICK MERGES, PATENT LAW AND POLICY: CASES AND MATERIALS 42-43 (1992).

¹⁵⁵ See, e.g. Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938)(denying trademark protection for the mark “shredded wheat” for breakfast cereal).

their intellectual property are really rights about who controls social meaning.”¹⁵⁷ Films, songs, TV shows and other entertainment media are not merely products in the stream of commerce, but products in the marketplace of ideas which creators need to use to express social meaning, and audiences relate to as their own, albeit limited, personal property. Where copyright law is at issue, little tension exists, at least in theory, between copyright owners rights and the marketplace of ideas paradigm, because copyright doctrine, particularly the doctrine of fair use, permits broad use of copyrighted works for expressive conduct such as comment, criticism, and parody.¹⁵⁸ An author was recently permitted to copy extensively from the plot, characters and theme of the classic book “Gone with the Wind” in writing her own critical fictional work entitled “The Wind Done Gone”.¹⁵⁹

However, the doctrinal protections for expression vis-à-vis trademark law are far less sweeping, structured and entrenched, and are arguably incoherent.¹⁶⁰ For example, in contrast to copyright law, the fair use doctrine in trademark is highly restrictive, and narrowly “forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from describing a characteristic of their goods.”¹⁶¹

¹⁵⁶ Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property*, 68 CHI-KENT L. REV. 841, 883 (1993).

¹⁵⁷ See Justin Hughes, “Recoding” Intellectual Property and Overlooked Audience Interests, 77 Tex. L. Rev. 923, 924 (1999).

¹⁵⁸ See 17 U.S.C.A. sect. 107 (West 1996)

¹⁵⁹ See *SunTrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001).

¹⁶⁰ See Robert J. Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VIR. L. REV. 1079, 1080 (1986)(remarking that “trademark parody [law] remains a muddle in both principle and practice.”).

¹⁶¹ See *New Kids on the Block v. News America Pub., Inc.*, 971 F.2d. 302, ___ (9th Cir. 1992)(refusing to find trademark infringement where USA Today and Star newspapers ran polls containing pictures of New

Indeed, despite analysis and proposals from the academy ad nauseum, “judicial treatment of the free expression aspects [of trademark parody] cases has generally been unprincipled and less than insightful.”¹⁶² Increasingly, corporate plaintiffs turn to trademark law, and particularly dilution doctrine to suppress expression about their companies that they dislike.¹⁶³ The outcome in such cases is far from predictable, further increasing the chilling effect of abusive trademark litigation.¹⁶⁴

Classic trademark law, with its focus on consumer deception and unfair competition, would rarely infringe on expressive conduct, because early trademark law was designed to prevent fraud on consumers, and such conduct does not implicate diminution of the market place of ideas. Parody, for example, “is often a mockery of someone or something and as a result would not likely be attributed as coming from the holders of a trademark...[accordingly] an action for trademark infringement would not successfully prevent a parodist from exercising her First Amendment rights.”¹⁶⁵ Yet,

Kids and asking which New Kid was most popular). See also ROBERT P. MERGES, PETER S. MENELL AND MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* (2d Ed.) 589 (2000)(noting restrictive limitations of trademark fair use defense).

¹⁶² See Arlen W. Langvardt, *Protected marks and Protected Speech: Establishing the First Amendment Boundaries in Trademark Parody Cases*, 36 VILL. L. REV. 1, 5 (1991)

¹⁶³ See Schosler, *supra* note _____, 43 ARIZ. L. REV. at 939 (discussing case of trademark infringement and dilution brought by Starbucks Corporation against parody of Starbucks logo and contending the case “illustrates how corporations have been given the statutory authority under the Trademark Dilution Act to silence otherwise legitimate parody.”).

¹⁶⁴ See Note, Peter W. Smith, *Trademark Parody and Consumer Confusion: A Workable Lanham Act Standard*, 12 CARDOZO L. REV. 1525, 1528 (1991)(noting that “authors of parody, publishers, and the attorneys who advise them cannot now reasonably predict whether a given use of a trademark is permissible, or potentially infringing.”).

¹⁶⁵ See Erin Skold, *Comment, Title Match: Jesse Ventura and the Right of Publicity vs. the Public and the First Amendment*, 1 MINN. INTELL. PROP. REV. 117, 125 (2000). Other commentators have similarly noted that a “successful trademark parody is not likely to cause any consumer confusion...[l]egitimate parodies conjure up the image of a trademark, but then make a statement about the trademark, an issue of public concern or both.”). Gary Myers, *Trademark Parody: Lessons From the Copyright Decision in Campbell v. Acuff-Rose Music, Inc.*, 59 L. & CONTEMP. PROBS. 181, 207 (1996).

despite the important issues at stake in trademark parody cases, no coherent basis exists for courts to decide such cases.¹⁶⁶ However, even the threat of litigation looms large over those with scarce resources to wage IP wars against those with corporate might. The casualties of such a war are an attenuated public domain, and a shrinking of valuable societal expression.

Film Cases and Trademark Wars: Legitimate Claims and Abusive Claims

Film cases involving trademark issues illustrate that rationales for trademark protection are at their zenith when addressing consumer confusion, and proportionally dangerous as they move toward owner-centered interests such as dilution and cybersquatting. Legitimate trademark cases validate important interests of trademark owners and the public. Abusive trademark claims lack coherent legal foundation, and impinge on important social interests in free expression and maintaining a broad and accessible public domain. Conflicts over film titles also illustrate the distinction between appropriate trademark cases and abusive trademark litigation devoid of social value.¹⁶⁷ As a general rule, titles of entertainment properties such as film or music are ineligible for copyright protection, as they do not constitute original works of authorship.¹⁶⁸ However, a title may be entitled to trademark protection if it has acquired secondary meaning (i.e., a

¹⁶⁶ See e.g. Note, Karen Levy, *Trademark Parody: A Conflict Between Constitutional and Intellectual Property Interests*, 69 GEO. WASH. L. REV. 425, 426 (2001)(noting that trademark parody cases present ‘an unstable and muddled legal foundation [rife with] conflicting commercial and constitutional principles’’).

¹⁶⁷ The value of film titles to the motion picture industry probably cannot be underestimated; it has been noted that Disney paid Sony Pictures \$600,000 to obtain rights in the title “Ransom” for Disney’s motion picture. The Motion Picture Association of America (“MPAA”) allows film producers to register titles, which would prevent use by other film producers by private agreement. See Edward Robert McCarthy, *How Important is a Title? An Examination of the Private Law Created by the Motion Picture Association of America*, 56 U. MIAMI L. REV. 1071 (2002).

connection in the minds of a significant number of consumers) and use of the title would be likely to cause consumer confusion.¹⁶⁹

A case that illustrates the appropriate use of trademark law to enjoin a confusingly similar title is *Tri-Star Pictures, Inc. v. Unger*.¹⁷⁰ In *Unger*, where a filmmaker produced a motion picture, and inexplicably attempted to title it “A Return to the Bridge over the River Kwai”. The motion picture studio plaintiff understandably sued in light of its ownership of rights in the film “Bridge Over River Kwai”. After concluding under classic confusion doctrine that the title would likely confuse consumers as to the source and sponsorship of the film, the court enjoined release of the film and awarded plaintiffs over \$1 million attorney’s fees and costs.¹⁷¹ Whether the theory in such cases centers on confusion doctrine or distaste for misappropriation, the ruling shows how trademark law protects valuable social interests.

Where the use of similar film titles might cause some consumer confusion, but implicates the expressive dimensions of filmmaking, courts have rightly been more lenient. In *Rogers v. Grimaldi*,¹⁷² for example, the Second Circuit upheld that a filmmaker had strong expressive rights in the decision to entitle a motion picture “Ginger and Fred”, notwithstanding Ginger Roger’s protest that consumers might be led to think that Rogers had originated or sponsored the film. The court noted that while no blanket

¹⁶⁸ See BARRETT, *supra* note ____, INTELLECTUAL PROPERTY: CASES AND MATERIALS at 381 (noting that courts “have steadfastly refused to recognize copyright in titles”).

¹⁶⁹ See Brooke J. Egan, *Lanham Protection for Artistic Expression: Literary Titles and the Pursuit of Secondary Meaning*, 75 TULANE L. REV. 1777 (2001).

¹⁷⁰ 42 F. Supp.2d 296 (S.D.N.Y. 1999).

¹⁷¹ See Greene, *supra* note ____, 255 COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY, 2001, PRACT. L. INST. HANDBOOK SERIES.

insulation exists for film titles under the First Amendment, “titles, like the artistic work they identify, are of a hybrid nature, combining artistic expression and commercial promotion.... the artistic and commercial elements of titles are inextricably intertwined.”¹⁷³ In contrast, a pornographic filmmaker’s expressive right to use of Dallas Cowboy-style cheerleader outfits in a film was found to be outweighed by the trademark owner’s rights to the wholesome image of the Dallas Cowboy cheerleaders.¹⁷⁴ A key distinction between Rogers and Dallas Cowboys Cheerleaders is that trademark law should not chill artistic expression, but should prevent free-riding and egregious tarnishment (such as pornographic use) which harms the trademark holder’s reputation in ways likely to result in tangible harm.

In contrast, a case that was clearly wrongly decided from a public domain perspective was *American Dairy Queen Corp. v. New Line Cinema*.¹⁷⁵ There, the makers of a film about beauty contests in a mid-western town originally titled the film “Dairy Queens”. This action apparently incurred the wrath of the American Dairy Queen Corporation, who sued the film studio for trademark infringement and dilution. The Minnesota District Court granted American Dairy Queen the injunction, finding that an injunction would not cause a violation of New Line’s free speech because “alternative non-problematic titles were available to [New Line]”.¹⁷⁶ Surprisingly, New Line did not

¹⁷² 875 F.2d 994 (2d Cir. 1989).

¹⁷³ *Id.* at 998.

¹⁷⁴ *See Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, LTD.*, 604 F.2d 200 (2nd Cir. 1979). It probably was not a good sign for defendant when the court characterized the film exhibited by defendant as “a gross and revolting sex film whose plot, to the extent there is one, involves a cheerleader at a fictional high school, Debbie, who has been selected to become a “Texas Cowgirl”. 604 F.2d at 202.

¹⁷⁵ *American Dairy Queen Corp. v. New Line Productions, Inc.*, 35 F. Supp.2d 727 (D. Minn. 1998).

appeal the decision, and subsequently changed the title of the film to “Drop Dead Gorgeous”.

American Dairy Queen would have had no viable claim under the confusion paradigm of trademark law. The claim would fail under a classic trademark infringement paradigm, because although New Line used the same name as plaintiff for its movie title, the companies are in unrelated lines of business, and the likelihood of confusion is remote. Similarly, it is doubtful that the public would believe that American Dairy Queen company had sponsored or endorsed the motion picture. First, the film’s content was wholly unrelated to restaurant or fast food subject matter. Second, “dairy queen” is common word of usage in the English language. The Dairy Queen court concluded, apparently without any factual evidence on the motion of preliminary injunction that “[it] is probable that consumers would be confused as to the source of a film called “Dairy Queens”, or would, at least, conclude that New Line had received endorsement or permission of ADQ for use of its mark.”¹⁷⁷ We might ask even if some consumers did believe plaintiff sponsored or endorsed the film, how this would harm American Dairy Queen.

The only basis for plaintiff then would be dilution theory. The court in American Dairy Queen validated plaintiff’s dilution claim, noting that the film contained offensive material which could “tarnish” plaintiff’s mark. Clearly, however, the content of the film in no way associates plaintiff with unsavory goods or services. Moreover, it is disturbing to have courts judge movie content as offensive or non-offensive, at least outside of the

¹⁷⁶ See Levy, *supra* note ____, 69 GEO. WASH. L. REV. at 446.

¹⁷⁷ American Dairy Queen Corp. at 732.

context of pornography.¹⁷⁸ Corporate control of image in a case like “Dairy Queens” looks a lot like government-sponsored censorship through the judicial process of trademark litigation.

As cases move from the paradigm of consumer confusion based on use of a confusingly similar mark to those based on source, sponsorship or origin under 43(a) of the Lanham Act, and dilution, difficulties cloud the analysis. A case that illustrates how trademark law has fallen from its moorings of consumer confusion and unfair competition is the infamous Hormel Muppet litigation.¹⁷⁹ There, Hormel Foods, makers of that classic American treat, Spam, sued the producers of the film “Muppet Treasure Island”. Hormel’s “beef” was with a Muppet character by the name of “Spa’m”—a wild boar featured for about ___ minutes in the film. Despite the fact that no reasonable consumer watching the motion picture would believe that there was any relationship between the makers of Spam and “Spa’m” the character, Hormel took an appeal of the case to the Second Circuit. Rightly so, the court rejected Hormel’s trademark infringement claim because the Muppet film clearly was using parody, and because “consumers who would likely purchase Spa’m merchandise would do so because they enjoyed the Muppets, not because they mistakenly believed the Spa’m merchandise was a SPAM product.”¹⁸⁰ Similarly, the court rejected Hormel’s dilution claim under the New York dilution statute because the Muppet’s Spa’m “was a likeable, positive character

¹⁷⁸ See Robert S. Nelson, *Unraveling the Trademark Rope: Tarnishment and its Proper Place in the Law of Unfair Competition*, 42 IDEA J. L. & TECH. 133, 155 (2002)(noting that courts “generally engage in highly subjective determinations of what constitutes an ‘unwholesome’ or ‘unsavory’ use of a trademark.”).

¹⁷⁹ Hormel Foods, *supra*, note ___ 73 F.3d 497.

¹⁸⁰ Note, *The Controversy Over Miss Piggy’s New Friend: Issues of Infringement and Dilution in Hormel Foods Corp. v. Jim Henson Productions*, 4 VILL. SPORTS & ENT. L.J. 353, 375-76 (1997).

unlikely to tarnish SPAM...[and] because Hormel presented no evidence of any negative associations between Henson's and Hormel's products."¹⁸¹

The aggressive trademark litigation strategies of Hollywood have come back to boomerang film studios in a number of areas, including claims of misattribution by talent, including actors and writers, trademark challenges to rights in the name of a major film studio, product placement, and use of public domain footage used in films. In *Comedy Productions v. New Line Cinema*, the copyright owner of the Three Stooges material sued New Line for using an abbreviated clip from a Three Stooges film as a background shot on a television in the film for trademark infringement.¹⁸² The plaintiff contended that the film clip of the Three Stooges functioned as a trademark. The court rejected this claim, holding that while the images of the Three Stooges could function as a trademark in certain contexts, for example on cups or t-shirts, the film clip merely copied an image for which the underlying copyright protection had expired. The court concluded "that Comedy III's claim [for trademark infringement] could not be separated from a claim in the film footage itself, which falls within the scope of the Copyright Act, not the Lanham Act."¹⁸³ Accordingly, plaintiff could establish infringement of a valid trademark. The *Comedy III* illustrates the trend of plaintiffs in IP cases to reach for trademark protection when other claims, such as copyright, right of publicity or libel claims are unavailable. Moreover, it seems highly unlikely that consumers would in any way believe that the film

¹⁸¹ *Id* at 377.

¹⁸² *Supra*, note ___ 200 F.3d 593.

¹⁸³ See Jennifer A. Lee, *Comedy III Productions, Inc. v. New Line Cinema*, 16 BERKELEY TECH. L.J. 183, 191-92 (2001)(contending that the *Comedy III* court incorrectly decided the case in concluding that copyright law should limit the term of trademark protection).

clip indicated that the trademark owner in anyway sponsored or endorsed the motion picture.¹⁸⁴

Similarly, a small company specializing in Star Trek conventions conceivably could have deprived behemoth film studio DreamWorks of DreamWorks ability to use the mark.¹⁸⁵ Dreamwerks registered its mark in 1992, and engaged in putting on Star Trek Conventions. Later, motion picture moguls Spielberg, Geffen and Katzenburg came up with the mark “DreamWorks” for their studio in 1994. Inexplicably, lawyers for SKG apparently knew about the previously registered “Dreamwerks” mark, but decided to use “DreamWorks” anyway.¹⁸⁶ SKG won at the trial court level after little Dreamwerks sued for trademark infringement. However, on appeal, the Ninth Circuit reversed, holding that had little Dreamwerks used the mark after big DreamWorks had established the film company, “there would be little doubt that DreamWorks would have stated a case for infringement sufficient to survive summary judgment.”¹⁸⁷ Accordingly, Dreamwerks having established its mark was entitled to prevent the behemoth Dream Works from usurping it. Of course, the parties settled the matter after the Ninth Circuit’s decision, presumably netting small Dreamwerks a huge payday.

The unauthorized use of trademarked merchandise displayed in films has also led to trademark litigation that seems divorced from classic confusion doctrine. In *Reebok v.*

¹⁸⁴ *Id.* at 197-98 (asserting that “it is highly unlikely that viewers of the Long Kiss Goodnight, were they even to notice the Disorder in the Court clip, would leap to the conclusion The Three Stooges or their heirs had somehow produced or sponsored New Line’s film.”).

¹⁸⁵ See *Dreamwerks Production Group v. SKG Studio*, 142 F.3d 1127 (9th Cir. 1998).

¹⁸⁶ See Note, Daniel D. Domenico, *Mark Madness: How Brent Musburger and the Miracle Bra May Have Led a to More Equitable and Efficient Understanding of Reverse Confusion Doctrine in Trademark Law*, 86 VIR. L. REV. 597, 615 (2000).

Tri-Star Pictures, the makers of the film “Jerry Maguire” obtained the consent of the sneaker and sports apparel maker to display Reebok products in the film. In exchange, Reebok would get exposure for its products, and Tri-Star would get over \$1.5 million in promotional cash for the film. According to Reebok, the whole deal was conditioned on Tri-Star including a trailer at the end of the film which would rehabilitate earlier negative references in the film against Reebok, specifically a scene where the main character, Tidwell, played by Cuba Gooding Jr., tell Maguire, played by Tom Cruise, “f--- Reebok.” After the trailer (essentially a commercial for Reebok) failed to go over well with audiences in test screening of “Jerry Maguire”; Tri-Star omitted it from the final version of the film, but retained the “f--- Reebok monologue by the Tidwell character.

Reebok promptly sued Tri-Star for both breach of contract and trademark infringement, contending in its complaint that “[w]ithout the inclusion of the Tidwell Commercial in the film, the references to Reebok in ‘Jerry Maguire’ are highly derogatory and negative....[t]he essence of Tidwell’s views on Reebok are summed up in his quintessentially disparaging and vulgar remark—“Fuck Reebok”.¹⁸⁸ Using a hammer and anvil strategy in its complaint, Reebok contended a contract existed and that Tri-Star breached their agreement to include the Tidwell commercial at the end of the film, or if Tri-Star denied a contract, it used Reebok’s products in the film without authorization, rendering Tri-Star liable for trademark infringement.

Whatever the merits of Reebok’s contract claims, it is a far stretch to say that the brief display of Reebok sneakers in Jerry Maguire constituted trademark infringement. At best, the claim would presumably rest on the theory that people seeing “Jerry

¹⁸⁷ *Id.* At 1130.

¹⁸⁸ See Complaint, Reebok v. Tri-Star Pictures, *supra* note ____.

Maguire” would somehow think that Reebok sponsored or endorsed the film. This is simply far-fetched—consumers would hardly notice the placement of Reebok products, much less make a connection to sponsorship, notwithstanding that “[c]ourts deciding 43(a) cases have shown a willingness to believe in an astonishingly stupid consumer.”¹⁸⁹

Internet Cases

It has been noted that legal rules will undoubtedly shape “what sorts of communities thrive in cyberspace, and what sort of communities do not.”¹⁹⁰ Trademark, perhaps more than any other IP regime, also constricts the vision of cyberspace as “a communitarian haven, a locus for the development of individual autonomy against the background of mutual respect and tolerance made impossible in laissez-faire real space.”¹⁹¹ The recent cybersquatting legislation merely completes the cycle of appropriating trademark law for the use of corporations and other powerful interests to control ---the ACPA further shifts “trademark protections away from consumers and toward trademark owners [and] will likely stifle Internet commerce and speech.”¹⁹² Illustrative of the severe restrictions on such autonomy are the so-called “sucks.com” cases, where typically disgruntled consumers or employees appropriate the name of a company, such as Microsoft, and add the “sucks” moniker. One commentator has noted that such conduct might be termed “cybergripping”, which “occurs when a consumer

¹⁸⁹ See Rochelle Cooper Dreyfuss, *We Are Symbols and Inhabit Symbols, So Should We be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity*, 20 COLUM.-VLA J. L. & ARTS 123, 132 (1996).

¹⁹⁰ See *Communities Virtual and Real: Social and Political Dynamics of Law in Cyberspace*, 112 HARV. L. REV. 1586, 1587 (1999).

¹⁹¹ See Shuba Ghosh, *Gray Markets in Cyberspace*, 7 J. INTELL. PROP. L. 1 (1999).

creates a web page on the Internet to voice a [negative] opinion about a particular product, company, or service.¹⁹³

Large companies are so paranoid about the “sucks” problem that hundreds “have taken the offensive against potential critics by registering dozens of domain names that incorporate their trade mark in a disparaging manner.”¹⁹⁴ Companies have been surprisingly aggressive in attempting to shut down such sites, notwithstanding that the probability of confusion in such instances is practically nil.¹⁹⁵ Because many web site owners, as ordinary lay citizens do not understand trademark and IP law, “a corporate cease and desist letter often has the intended effect of coercing an individual to take down a challenged web site.”¹⁹⁶

Even more disturbing, sites that parody companies or protest their conduct “are increasingly coming out on the losing end of domain name disputes” in the arbitration of trademark disputes.¹⁹⁷ The abusive use of trademark law (and related doctrines such as the right of publicity) to shut down unfavorable opinion is not restricted merely to large companies, but also includes leading political figures.¹⁹⁸ During the 2000 presidential

¹⁹² See Note, D. Blasbalg, *supra*, 5 ROGER WILLIAMS U. L. REV. at 600.

¹⁹³ See Rebecca S. Sorgen, *Trademark Confronts Free Speech on the Information Superhighway: “Cybergrippers” Face a Constitutional Collision*, 22 LOY. L.A. ENT. L. REV. 115 (2001)(contending that so-called cybergrippers are not cybersquatters, and should not be enjoined by trademark law).

¹⁹⁴ See Note, Keith Blackman, *The Uniform Domain Name Dispute Resolution Policy: A Cheaper Way to Hijack Domain Names and Suppress Critics*, 15 HARV. J.L. & TECH. 211, 246 (2001).

¹⁹⁵ One ICCAN arbitrator, for example declared ‘I do not see how a domain name including ‘sucks’ ever can be confusingly similar to which ‘sucks’ is appended”. *Id* at 252.

¹⁹⁶ See Leslie C. Rochat, “*I See What You’re Saying*”: *Trademarked Terms and Symbols as Protected Consumer Commentary in Consumer Opinion Websites*, 24 SEA. U. L. REV. 599 (2000).

¹⁹⁷ See Gwendolyn Mariano and Evan Hansen, “*Parody Sites Sucked into Cybersquatting Squabbles*”, <http://news.cnet.com/news> Aug. 24, 2000)(noting that defendants frequently lose “because they do not bother to oppose the action.”).

election, then Governor George Bush attempted to shut down a web site named “gwbush.com” which contained offensive political satire” (a picture of Bush on the site was altered to show Bush snorting cocaine through a straw, for example, in exploring rumors about Bush’s past drug use).¹⁹⁹

A web site catalogues some of the many web sites that have been heartened by corporations who dislike the content of sites. Some are quite ridiculous. For example, a site entitled “Road Kills R Us” was attacked by the Toy R Us corporation.²⁰⁰ Mattel Corporation, for one, has hyper-aggressively protecting its franchise in the Barbie mark and copyright, attacked a web site called “The Distorted Barbie”.²⁰¹ None of these cases involve consumer confusion, nor what we might call general misappropriation. Instead, they merely reflect the paradigm shift of trademark law as a tool of corporate America to police the web for uses it disapproves.

Personality Interests and Corporate Trademark Owners

Litigation over characters in film, such as “Spa’m”, or songs about dolls, such as “Barbie Girl” makes no sense from a classic trademark confusion paradigm. These cases are not about lost sales, or even sales diverted by free riding trademark infringers. The only basis in which they make sense is under a personality theory: the corporate culture has infused the symbols with indicia of personality, and the allegedly infringing use offends those notions of personality. Regarding brand icons such as the Pillsbury

¹⁹⁸ See e.g. Skold, *supra*, note ____ 1 MINN. INTELL. PROP. REV. 117.

¹⁹⁹ For a discussion of the gwbush.com controversy, see Amity Hough Farrar, Note, *Virtual Politics and the 2000 Election: Does the First Amendment Protection Extend to Political Speech on the Internet?*, 7 J. INTELL. PROP. L. 395, 396 (2000).

²⁰⁰ See <http://www/rru.com/rr/tru> for the contours of the Road-Kills-R-Us dispute, which began in 1995.

Doughboy, the Jolly Green Giant, the Trix Rabbit and others, it has been said that “there are whole documents on what these characters will and won’t do.... the documents go into the thousands of pages...”²⁰² Similarly, “even Mattel admits that [Barbie] is marketed more as a person than a doll.”²⁰³

There is some irony in the notion of corporations asserting rights of personality that are analogous to individual rights, such as the right of publicity. First, the right of publicity, which protects the economic and personal rights of individuals to control their image has never been seen as applicable to corporations.²⁰⁴ Second, corporations have vehemently opposed the expansion of right of publicity law, because such expansion costs corporations in the entertainment industry money by way of increased licensing fees for performers.²⁰⁵

The personality rationale, and the notion that wrongs to Barbie and other trade symbols are taken as personal affronts to corporate sensibilities might explain why a company like Mattel would appeal a decision that a song called “Barbie Girl” does not constitute trademark infringement all the way to the U.S. Supreme Court. However, it does not justify such conduct. There is no analytical basis for such a position, and no

²⁰¹ See *Does The Distorted Barbie Violate Mattel’s Copyright?*, <http://207.159.135.123/bbhold/censored/censored.htm> (Nov. 5, 1997).

²⁰² See Ruth Shalit, “*The Inner Doughboy: how an army of admen battle to define and protect the true nature of the Jolly Green Giant, the Pillsbury Doughboy and other advertising spokescharacters*”, salon.com/media/col/shal/2000/03/23doughboy, Mar. 23, 2000.

²⁰³ See Lewis, *supra* note ___, *Playing with Barbie*, 1 J. INTEL. PROP. J. at 76.

²⁰⁴ See e.g. Note, Michael J. Albano, *Nothing to Cheer About: A Call for Reform of the Right of Publicity in Audiovisual Characters*, 90 GEO. L. J. 253, 256 (2001)(noting that “only natural persons have a right of publicity, including entities like music groups, but excluding corporations, partnerships, and other forms of business organizations.”).

²⁰⁵ See e.g. Note, Chia Heng (Gary) Ho, *Hoffman v. Capital Cities/ABC, Inc.*, 17 BERKELY TECH. L.J. 527 (2002)(noting that “businesses pay high fees to acquire celebrity endorsements.”).

way to reconcile long-standing corporate hostility to personality rights for artists with corporate assertion of such rights with respect to their own trademarks.

Some Suggested Proposals:

Coordinate a Sensible Policy IP Lawsuits for the Entertainment Industry

The entertainment industry consists of many diverse players, and varying interests among creators, producers and consumers. However, the institutional entertainment industry---major film and television studios, record labels and publishing houses are both owners of intellectual property, and users of intellectual property, meaning that over-aggressively defending IP rights in one instance may lead to negative consequences in another.²⁰⁶ Institutional players in the entertainment industry have been at the forefront of the IP expansion, yet expansions of IP law, which seem salubrious on the surface, have the potential to negatively impact the industry as a whole.²⁰⁷ For example, the release of a major motion picture almost invariably is followed by lawsuits against motion picture studios for copyright infringement.²⁰⁸

Similarly, music superstars such as Michael Jackson (and their record labels) have been the repeated targets of music plagiarism lawsuits.²⁰⁹ The industry cannot have it both ways, i.e., cannot constantly bemoan what it views as meritless lawsuits, typically

²⁰⁶ By way of example, the Hoffman “Tootsie” right of publicity suit involved a subsidiary of Disney, long known one of the more aggressive companies in defending IP rights.

²⁰⁷ See Note, Christine Quintos, *Congress’ Green Monster: Copyright Extension and the Concern for Cash Over Propagation of Art*, 12 DE PAUL LCA J. OF ART & ENT. L. 109, 140 (2002)(contending that if the court had struck down the [copyright extension act of 1998]...rich and powerful copyright owners—often lucrative corporations such as Disney—would not be able to rely on its old works to receive an economic windfall.”).

²⁰⁸ See Greene, *supra* note ____, 31 RUTGERS L.J. at 173-174.

by purported creators against film and music studios, and then itself bring absurd lawsuits, such as recent copyright infringement litigation by the producers of “Survivor” against the producers of “Boot Camp”.²¹⁰ It is hornbook law that an idea cannot be copyrighted—so how could “Survivor” infringe “Boot Camp”?²¹¹

Similarly, the owners of the Star Wars Franchise have been accused of engaging in “guerrilla terrorism.... [in waging] an all-out legal war on copyright and trademark infringers...declaring a scorched-universe strategy that would make Darth Vader extremely proud, the Lucas empire is seeming bent on ensuring that nary a single piece of Star Wars paraphernalia is offered to the public without the imprimatur of an official license.”²¹² As one web commentator has pointed out, “[Paramount’s] claiming trademark infringement [against fan web sites] is a back door into censorship that wouldn’t otherwise be allowable.... we need to keep our eye on censorship by large corporations in the name of protecting [IP rights].”²¹³ Some courts at least, seem to agree with this position, as a recent trademark suit rejecting the trademark holder’s attempt to enjoin “an X-rated, animated ‘Star Wars’ spoof” entitled “Starballz.”²¹⁴

²⁰⁹ See STAN SOOCHER, *THEY FOUGHT THE LAW: ROCK MUSIC GOES TO COURT*, 109-110 (1999)(noting that “[n]ot only was [Michael] Jackson the frequent target of copyright infringement allegations, but by the 1990’s such against major artists had become rampant in the music industry.”).

²¹⁰ See *Survivor Productions, LLC et al v. Fox Broadcasting Co. et al*, no. 01-CV-3234 (C.D. Cal. April 9, 2001).

²¹¹ The Copyright Act specifies that in no event shall copyright protection extend to ‘any idea, procedure, process, system, method of operation, concept, principle or discovery....’ 17 U.S.C. sect. 102(b) (19___).

²¹² See Paul D. Reed, Current Events: Law, “*Star Wars Empire Set with it Army of Lawyers*,” <http://www.law.about.com>, May 4, 1999.

²¹³ See Steve Silberman, “*Paramount Locks Phasers on Trek Fan Web Sites*,” <http://www.wired.com>, Dec. 18, 1996.

²¹⁴ See “*Court Wont’ Block Sale of Pornographic Star Wars Spoof*,” www.courttv.com/people/2002/0118/starwars_ap.html (Mar. 12, 2002).

The institutional players comprising the entertainment industry certainly know how to coordinate policy on matters of common interest, as the conglomeration of record companies suing Napster and other alleged copyright infringers illustrates.²¹⁵ The industry should similarly develop councils to coordinate policy on IP litigation. There must be some middle ground between the rights of mark owners to completely control product image and use, as illustrated by Paramount, and the notion that courts should allow “uninhibited use [of cultural icons such as Star Wars, Madonna, Coca-Cola] so long as there is no confusion as to source, sponsorship or affiliation.”²¹⁶

Clarify Acquiescence and Laches Standards

It is the nature of attorneys to be risk-averse, and to bring causes of action where any conceivable claims might exist.²¹⁷ In the trademark arena, practitioners no doubt feel doctrinal pressure to protect their client’s marks aggressively, based on the fear that inaction against potential infringers now could lead to a finding of acquiescence or laches later.²¹⁸ Laches has been defined as “a negligent and unintentional failure to protect one’s

²¹⁵ See Sarah H. McWane, *Hollywood vs. Silicon Valley: DeCoss Down, Napster to Go?* 9 COMM. L. CONSPICUOUS 87, 88 (2001)(outlining suits by music and film industry organizations, the Recording Industry Association of America and the Motion Picture Association of America). See also Ryan S. Henriquez, *Facing the Music on the Internet: Identifying Divergent Strategies for Different Segments of the Music Industry in Approaching Digital Distribution*, 7 U.C.L.A. ENT. L. REV. 57, 83-84 (1999)(noting that “ASCAP, BMI and the RIAA have all instituted successful lawsuits against infringers on behalf of their record industry constituents.”).

²¹⁶ See, e.g. Steven M. Cordero, Note, *Cocaine-Cola, The Velvet Elvis, and Anti-Barbie: Defending the Trademark and Publicity Rights to Cultural Icons*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 599, 607 (1998).

²¹⁷ Some have suggested the problem may be exacerbated where the corporations' own internal counsel are involved. See George Dent, *Lawyers and Trust in Business Alliances*, 58 BUS. LAWYER 45, 62 (2002)(noting that “[b]ecause in-house lawyers have only one client, they may be even more risk-averse than the more diversified outside counsel”).

²¹⁸ The equitable defense of acquiescence can be asserted where a trademark owner “convey[s] through affirmative word or deed its implied consent to another to use the trademark.” See Chad J. Doellinger,

rights while acquiescence is intentional.... [requiring] a finding of conduct on plaintiff's part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against defendant."²¹⁹ Thus, analysts have noted that "under the law it's easy to lose your trademark rights by failing to police them."²²⁰ By way of example, Kellogg Company was first to use "Tony the Tiger" for cereal—Exxon Corporation subsequently came up with the Exxon tiger for gasoline products. For thirty years, Kellogg did little to address Exxon's mark. A District Court found Kellogg had acquiesced by failing to protest use of the Exxon Tiger for an extended period. The 6th Circuit ultimately overruled the court, holding that Kellogg had not been put on notice until the mid 1980's or early 1990's, concluding that Kellogg did not acquiesce in Exxon's use of its Tiger for non-petroleum products.²²¹ However, the fear of acquiescence or laches looms large in the daily practice life of trademark attorneys, no exact standard exists for determining how long is too long in going after a known trademark infringer.²²²

Trademarks, Metatags, and Initial Interest Confusion: A Look to the Past to Re-Conceptualize the Future, 41 IDEA J.L. & TECH. 173, 191 (2002).

²¹⁹ DONALD S. CHISUM & MICHAEL A. JACOBS, UNDERSTANDING INTELLECTUAL PROPERTY LAW sect. 5F[2]E] 5-338 (1992).

²²⁰ See Bannon, *supra* *Barrister Barbie*, www.s-t.com (quoting law professor Lon Sobel).

²²¹ See *Kellogg Company v. Exxon Corp.*, 209 F.3d 562 (6th Cir. 2000), *see also* Johanna Tracy, *Kellogg Company v. Exxon Corporation* 209 F.3d 562 (6th Cir. 2000), 10 DePaul-LCA J. or Art & Ent. L. 571, 578 (2000).

²²² For example, courts have rejected laches defenses for delays "ranging from four months to thirteen years...[and] found laches defenses valid for delays ranging from three to sixty-nine years." See Christopher Bucklin, *Trademarking 'Jeet Kune Do'*, 40 SANTA CLARA L. REV. 511, 526 (2000). The Lanham Act itself does not provide a limitations period on trademark claims, but typically most courts apply the analogous state law statute of limitations to Lanham Act claims. See e.g., Ronald J. Nessim, *Criminal and Civil Trademark Infringement: What Statute of Limitations Applies?*, 76 J. PAT. & TRADEMARK OFF. SOC'Y 933, 937 (1994).

Ideally, lawyers should feel free to advise clients, such as Mattel, not to sue MCA over a song entitled “Barbie Girl”. Fears of acquiescence or laches may well constrain lawyers from telling a client such as Hormel Foods that it is probably not in the client’s best interest to litigate a case over a fictional Muppet character called “Spa’m”. The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation. Therefore, Congress should consider amending the Lanham Act to require courts to find acquiescence only in extreme cases.

Eliminate Injunctive Relief as the Primary Basis of Relief in Dilution Cases

IP cases generally provide for ready injunctive relief, with no required showing of irreparable harm once likelihood of success on the merits is established.²²³ This is because courts presume irreparable harm exists whenever a trademark or a copyright is infringed.²²⁴ As in other IP contexts, injunctive relief is readily available in trademark infringement and dilution cases.²²⁵ However, the presumption of irreparable harm is perhaps more misplaced in the context of dilution claims than in any other area of IP.

It has been contended that federal dilution law makes “it even easier for corporations to procure preliminary injunctions against parodies of their trademarks, even where the corporation would likely lose on the merits of a trademark infringement claim based on the defendant’s parody defense.”²²⁶ Dilution consists of two components: tarnishment and blurring. It has been asserted that no plaintiff has ever proved harm from

²²³ See e.g. Greene, *supra*, note _____ 31 RUTGERS L.J. 193 (1999).

²²⁴ *Id.*

²²⁵ See Litman, *supra*, note _____, 108 YALE L.J. at 1722.

blurring, the gradual whittling away of the distinctive aspects of a mark.²²⁷ Moreover, many tarnishment claims are not tied to any ascertainable harm to the trademark owner--- for example, would Hormel Food really lose sales of Spam merchandise because of a character named “Sp’am”, or would American Dairy Queen would lose sales because of film entitled “Dairy Queens”? It seems highly unlikely in such cases that famous corporations can show any actual, tangible harm arising out their tarnishment claims.

Of course, in traditional equitable relief parlance, the inability to show actual damages strengthens the case of injunctive relief, rather than weakening it.²²⁸ However, we should not forget that the public interest is also (ostensibly) a factor in the grant of injunctive relief, and the public interest clearly is not served by granting an injunction to a famous corporation at the expense of the marketplace of ideas.²²⁹ Courts should limit injunctions for dilution claims, particularly where there is no egregious use, such as pornography (“barbiesplaypen.com” for a porn site) or no blatant free riding.²³⁰

Conclusion

Commentators have contended that “[p]roprietary rights in information and learning can reduce free speech rights to the status of an empty slogan.”²³¹

²²⁶ See Schlosser, *supra* note _____, 43 ARIZ. L. REV. at 950.

²²⁷ It has been noted for example, that dilution claims are empirically unprovable, and the losses resulting from dilution, if any, are wholly speculative. See, e.g. Paul Edward Kim, *Preventing Dilution of the Federal Dilution Act: Why the FTDA Requires Actual Harm*, 150 U. PENN. L. REV. 717, 748 (2002).

²²⁸ See Greene, *supra* note _____ 31 RUTGERS L.J. at 203-204.

²²⁹ See Mark A. Lemley and Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147, 162 (1998).

²³⁰ Indeed, there is evidence that many courts are reluctant “to recognize dilution as a distinct claim equal to or greater in remedy than [a classic] infringement claim...” See McCabe *supra* note _____, 68 FORDHAM L. REV. 167-68.

Entertainment media such as film and music are particularly put at risk by expansive trademark doctrine that has no roots in consumer protection, and the long term danger is potentially profound, given that “mass media imagery and commodified cultural contexts provide the most important cultural resources for the articulation of community and identity in Western societies.”²³² From a policy perspective, such expansion does not benefit the entertainment industry, since players in the industry such as film studios and record labels are not only owners, but also users of IP. Each frivolous or half-baked suit for dilution, trademark infringement or false endorsement filed by players in the industry runs the risk of violating the law of IP karma—what goes around will come around.

It would be ironic if private attorney generals in the form of corporations were able to do what even repressive governments such as China cannot---effectively stifle dissent from corporate policy on the Internet. Although corporations increasingly take a humanistic interest in their trade symbols, infusing such symbols with indicia of human personality, a personality theory belongs more appropriately to live humans, and not corporate entities. For these reasons, courts have correctly limited the expansion of property rights in trade symbols. Conversely, Congress should reconsider its policy of granting ever-greater rights to corporations, and industry players and their counsel should reconsider the prosecution of abusive lawsuits against those who offend norms of the corporate personality and image.

²³¹ See L. Roy Patterson, *Copyright in the New Millennium: Resolving the Conflict Between Property Rights and Political Views*, 62 OHIO ST. L.J. 703 (2001).