ABUSIVE TRADEMARK LITIGATION AND THE INCREDIBLE SHRINKING CONFUSION DOCTRINE—TRADEMARK ABUSE IN THE CONTEXT OF ENTERTAINMENT MEDIA AND CYBERSPACE

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The recent legal challenge to the extension of the copyright term was grounded in the notion that Congress was giving away benefits to intellectual property ("IP") owners, typically large corporate entities, without any corresponding public benefit that underlies the constitutional authority for IP grants.[1] The giant conglomerates of the copyright industry—such as Time Warner, Disney, and Viacom—ultimately won that battle before the U.S. Supreme Court.[2] Yet, in another case, the Court limited the rights of big corporations with famous trademarks to attack smaller companies under the theory of trademark dilution by requiring a showing of actual economic harm rather than a mere likelihood of dilution.[3]

Courts have generally taken a more conservative view toward the expansion of IP rights and trademark rights in particular,[4] whereas Congress has recently enacted federal trademark dilution protection,[5] federalized the law of trade secrets,[6] outlawed cybersquatting,[7] increased damages for copyright infringement,[8] and extended the term

1. Commentators have recognized that "[o]ne characteristic of legally granted monopolies is their tendency to be misused by those in power." Robert Patrick Merges & Glenn Harlan Reynolds, *The Proper Scope of the Copyright and Patent Power*, 37 HARV. J. ON LEGIS. 45, 46 (2000) (contending the Constitution limits Congress's power to expand IP protection for the benefit of individual companies).

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

3. Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003).

4. *See, e.g.*, 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).

5. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985.

6. Economic Espionage Act of 1996, Pub. L. No. 104-294, 110 Stat. 3488.

7. Anti-Cybersquatting Consumer Protection Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501.

8. Digital Theft Deterrence and Copyright Damages Improvement Act of 1999, Pub. L. No. 106-160, 113 Stat. 1774.

of copyright protection.[9] Such expansion by Congress arguably reflects the political muscle of big businesses, including companies in the high-tech sector and the entertainment industry, and their ability to influence the legislative process.[10]

The 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 trademark jurisprudence of [some civil law countries], where the trademark itself is considered subject to property ownership."[11] Trademark law blossomed in an environment of robber capitalism and was designed to prevent acts of fraud such as removing a competitor's cereal from its boxes, placing the cereal in boxes with one's own mark, and passing it off as one's own.[12] Today, the explosion of computer technology and the rise of the Internet have profoundly impacted every area of IP, including copyright,[13] trade secret,[14] the right of publicity,[15] and trademark

9. Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827.

10. Perhaps the most glaring example of this influence 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* Merges & Reynolds, *supra* note 1, at 53 (noting that "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'"); *see also* William F. Patry, *The Copyright Term 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 primarily benefits "[a] very few corporations, like Time Warner, who own by acquisition hundreds of thousands of song copyrights"). *But cf.* Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1683-84 (1999) (noting that "[i]t 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.").

11. 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).

12. This conduct was known at common law as "palming off" or "passing off," and, as a British jurist asserted in 1842, "[a] man is not to sell his own goods under the pretense that they are the goods of another man." 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 Kenneth J. Vandevelde, *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).

13. *See, e.g.*, I. Trotter Hardy, *Copyright and "New Use" Technologies*, 23 NOVA L. REV. 659 (1999) (noting that "[t]oday's copyright concerns often center on the new digital technologies, especially the Internet").

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

15. *See, e.g.*, Joseph J. Beard, *Casting Call at Forest Lawn: The Digital Resurrection of Deceased Entertainers—A 21st Century Challenge for Intellectual Property Law*, 8 HIGH

law.[16] In trademark law specifically, the ascendance of the Internet has spawned new legal terminology for wrongful conduct in the virtual world—"cybersquatting," "reverse domain name hijacking," "typo-pirating," and "metatag infringement."[17]

The Internet explosion has created a surge in litigation, legislation, and academic commentary about the future of IP protection in cyberspace and specifically the appropriate role of trademark law. A formerly rather stodgy area of IP, trademark law 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."[18] The ongoing expansion of the rights of trademark holders reached its zenith when Congress singled out "cybersquatters" as the new bogeymen of trademark law with the enactment of the Anti-Cybersquatting Consumer Protection Act of 1999 ("ACPA").[19] The ACPA creates rights in domain names that do not exist "in any other context under modern trademark 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."[20]

Corresponding with the expansion of trademark rights in internet-related cases, trademark litigation in entertainment-related products such as film and music seems to come from the theatre of the absurd. Cases suggest that trademark law is being used in an abusive manner, out of sync with any traditional trademark rationale. For example, owners of old footage of the "Three Stooges" for which copyright protection had expired sued a filmmaker for thirty seconds worth of

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TECH. L.J. 101 (1993); 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).

16. *See, e.g.*, Jason R. Berne, Comment, *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).

17. 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 et al., *Electronic Publishing and Software, Part II*, 17 COMPUTER LAW. 15, 21 (2000). For a discussion of the various types of domain name trademark disputes, see Danielle Weinberg Swartz, Comment, *The Limitations of Trademark Law in Addressing Domain Name Disputes*, 45 UCLA L. REV. 1487, 1494 (1998).

18. Berne, *supra* note 16, at 1158.

19. Pub. L. No. 106-113, 113 Stat. 1501.

20. Gregory B. Blasbalg, Note, *Masters of Their Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563, 600 (2000) (contending that ACPA "will likely stifle Internet commerce and speech").

use in the film *The Long Kiss Goodnight*.[21] Similarly, the "owner" of the phrase "Let's Get Ready to Rumble" has admittedly instituted "maybe over one hundred" actions regarding the phrase,[22] and Mattel sued a record label for use of the title "Barbie Girl" and lyrics that offended Mattel in that song.[23] The poster child for abusive trademark litigation could be the case of Fox News v. Franken.[24] There, Fox sued satirist Al Franken over the title and cover of his book, *Lies and the Lying Liars Who Tell Them: A Fair and Balanced Look at the Right*. The fact that such patently absurd lawsuits ultimately do not succeed in litigation in no way weakens the contention that the suits are abusive. Lawsuits such as the Fox suit require enormous expenditures in legal fees, time, and energy, and particularly disadvantage those least able to afford the expense.[25] This article examines and critiques the expansion of trademark law in the context of the entertainment industry and the Internet. Entertainment-media issues in film, music, art, and publishing frequently stand at the center of IP disputes. In such disputes we see the convergence of (and conflict between) owner interests, the public domain, and the marketplace of ideas. This article contends that the aggressive trademark litigation strategy of companies such as Playboy[26] and

21. Comedy III Prods., Inc. v. New Line Cinema, 200 F.3d 593 (9th Cir. 2000) (rejecting plaintiff's trademark infringement claims).

22. Michael Buffer, the boxing announcer, has trademarked the phrase "Let's Get Ready to Rumble," which has purportedly generated $150 million in licensing fees. *See* Andrew Chang, *Squeezing Millions from a Phrase: How a Few Words, in the Right Hands, Can Mean a Fortune* (Apr. 11, 2002), *at* http://abcnews.go.com/sections/world/DailyNews/words020411.html.

23. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002), *cert. denied*, 537 U.S. 1171 (2003). Mattel gained 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 both rejected Mattel's trademark infringement and dilution claims and the Supreme Court declined to hear Mattel's appeal. *Id.*

24. Fox News Network, LLC v. Penguin Group (USA) Inc., 2003 WL 23281520 (S.D.N.Y.)

25. *See* Sarah Mayhew Schlosser, Note, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Dilution Act on Corporate Parody*, 43 ARIZ. L. REV. 931, 948 (2001); *cf.* Stephen N. Subrin, *On Thinking About a Description of a County's Civil Procedure*, 7 TUL. J. INT'L & COMP. L. 139, 143 (1999) ("Expense, delay, and discovery abuse hurt plaintiffs as well as defendants. This abuse can negatively impact poorer clients even more than wealthier ones.").

26. *See* Courtney Macavinta, *Playboy Wins Piracy Suit* (Apr. 22, 1998), http://news.com.com/2100-1023-210449.html (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*, Welle's depictions of herself on the web site as "former playmate of the year." The district court rejected Playboy's claims.

others[27] may deplete the public domain,[28] stunt the free exchange of ideas,[29] and debase cardinal trademark principles based on preventing consumer confusion.[30] Further, the use of trademark litigation to silence dissent from corporate mega-companies poses as great, if not greater, a threat to social discourse as does copyright extension and expansion.[31] Trademark law lacks a broad fair use doctrine. Trademark cases in cyberspace and entertainment cannot be justified under any of the traditional theories of IP or trademark-specific theories, except that of protecting owners' personality interests, which, as the lawsuits reveal, lack a strong analytical basis and do not necessarily coincide with the public interest.[32] Such cases validate the notion that as trademark law moves away from confusion theory, abusive trademark litigation may chill the expression of ideas. Trademark, no less than other IP regimes, should "set demanding standards" in exchange for the grant of exclusive rights.[33] As has been noted, trademark law based on conceptions of property rather than confusion "risks creating 'trademark monopolies', [sic] not merely in

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Playboy Enterprises, Inc. v. Welles, 7 F. Supp. 2d 1098 (S.D. Cal. 1998). *But cf.* 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, 655-56 (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]").

27. 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* (Oct. 18, 2003), www.s-t.com/daily/01-98/01-09-98/b02li044.htm (detailing Mattel's oppressive lawsuits and threats to sue alleged infringers regarding the "Barbie" mark).

28. A leading jurist, for example, has cogently argued elsewhere that "[o]verprotecting intellectual property is as harmful as underprotecting it. Creativity is impossible without a rich public domain." White v. Samsung Elecs. Am., Inc., 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting).

29. *See* Alison P. Howard, Comment, *A Fistful of Lawsuits: The Press, the First Amendment, and Section 43(a) of the Lanham Act*, 88 CAL. L. REV. 127 (2000) (arguing that 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 plaintiffs' reputations").

30. *See* Port, *supra* note 11, at 828-29.

31. *See* Joseph T. Kucala, Jr., Note, *Putting the Meat Back in Meta-Tags!*, 1 U. ILL. J. L. TECH. & POL'Y 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").

32. *See* BEVERLY W. PATTISHALL ET AL., TRADEMARKS & UNFAIR COMPETITION 12 (5th ed. 2002) (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").

33. Marina Lao, *Federalizing Trade Secrets Law in an Information Economy*, 59 OHIO ST. L.J. 1633, 1640 (1998).

a neutral economic sense, but in the ordinary and pejorative sense of unjustified and inappropriate market power."[34]

Part I of this essay summarizes the theoretical underpinnings of IP protection and the four paradigms of trademark law—confusion theory, unfair competition/false endorsement, dilution, and 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. Part IV analyzes abusive trademark litigation. Part V suggests a policy framework for the entertainment industry in approaching IP litigation.

I. THEORETICAL UNDERPINNINGS OF IP PROTECTION

A. Underlying Theories of IP Protection

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.[35] Second, underlying rationales may be outcome-determinative in assessing IP entitlements. Although characterized with various terms, legal justification for IP protection rests upon the foundation of four underlying theoretical rationales: labor/investment,[36] economic incentive/efficiency,[37] misappropriation,[38] and personality-based theories.[39]

1. Labor/Investment Rationales

A labor theory resonates in the writings of John Locke, who argued

34. *See* Glynn S. Lunney, *Trademark Monopolies*, 48 EMORY L.J. 367, 372-73 (1999) (contending that trademark expansion and shift from deception-based to property-based trademark paradigm "presents a serious threat to social welfare").

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

36. The labor/investment rationale for IP posits that that IP ought to be protected because the creators of IP did so through their own labor and investment.

37. The economic/efficiency rationale asserts that IP rights are justified because protecting such rights provides economic incentives and improves efficiency considerations.

38. A morality/misappropriation theory urges that society should enjoin infringement of IP rights because such infringement constitutes a form of theft or taking.

39. A personality-based rationale posits that IP creations contain elements of a creator's personality and failure to protect those creations harms those deeply heartfelt interests that creators feel towards their works.

that men have property rights in the fruits of their labor.[40] At its full extension, a labor theory of IP postulates that "one has the right to reap the full value of one's creation."[41] Historically, labor theories of IP have played an important role in the development of IP doctrine although they have fallen into disfavor by the courts in recent decades.[42]

A corollary 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 IP. The courts frequently recognize the investment rationale in the context of trade secrets. 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.[43] Similarly, courts have recognized that inventors would not invest millions of dollars in research and development without the carrot of a twenty-year patent monopoly.[44]

2. *Economic Incentive/Efficiency Rationales*

Economic incentive rationales posit that the Constitution's patent-copyright clause exists to spur innovation by providing compensation to individual authors and inventors.[45] "Judicial, 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."[46]

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40. JOHN LOCKE, TWO TREATISES OF GOVERNMENT 287-88 (Peter Laslett ed., Cambridge Univ. Press 1988) (1690).

41. David S. Welkowitz, *Trade Dress and Patent—the Dilemma of Confusion*, 30 RUTGERS L.J. 290, 290-91 (1999) (noting that courts have rejected the labor theory of IP in its most extreme form).

42. The Supreme Court, for example, has rejected the so-called "sweat of the brow" theory in the context of copyright protection. Feist Publ'ns, Inc. v. Rural Tel. Serv. 499 U.S. 340, 352 (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.*

43. 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 (FIRST) OF TORTS § 757 cmt. b (1939).

44. *See, e.g.*, KIMBERLY PACE MOORE ET AL., 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").

45. *See, e.g.*, Mazer v. Stein, 347 U.S. 201, 219 (1954) (discussing "economic philosophy" of patent-copyright clause); 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").

46. *See* MARGRETH BARRETT, INTELLECTUAL PROPERTY: CASES AND MATERIALS 19

Incentive rationales have become the dominant paradigm used to justify protection for all forms of IP rights,[47] 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."[48] In the copyright area, particularly, analysts contend 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."[49]

3. 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 to deter socially reprehensible acts. At a basic level, misappropriation of IP resembles theft or conversion. Much like other tort-based rationales, the misappropriation notion sets duties of commercial morality.[50] In the context of IP, the misappropriation doctrine has long prohibited the use by a competitor of the fruits of another's efforts.

The misappropriation doctrine is traditionally traced to the Supreme Court's decision in *International News Service v. Associated Press* ("*INS*"),[51] which held that "a competitor's appropriation of news from early editions of Associated Press newspapers constituted unfair competition under federal law."[52] For decades the *INS*-style

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(1995).

47. *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 provide the primary theoretical basis of copyright law").

48. BARRETT, *supra* note 46, at 19; *see also* K.J. Greene, *Copyright, Culture & Black Music: A Legacy of Unequal Protection*, 21 HASTINGS COMM. & ENT. L. REV. 339, 358 (1999) (noting that black artists continue to create original works without receiving due compensation).

49. 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. & ENT. L.J. 301, 312 (1998).

50. 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 on their personal, internal, fairness barometers." Maya Alexandri, *The* International News *Quasi-Property Paradigm and Trademark Incontestability: A Call for Rewriting the Lanham Act*, 13 HARV. J.L. & TECH. 303, 333 (2000).

51. 248 U.S. 215 (1918). The heart of a misappropriation claim is that a taker of IP has "reap[ed] where it has not sown." *Id.* at 239.

52. Denicola, *supra* note 10, at 1680. Professor Denicola's article outlines IP scholar Ralph Brown's view on the misappropriation doctrine.

misappropriation claim had been a backwater claim of sorts;[53] however, it has re-emerged in recent years for two reasons: 1) the value of time-sensitive information has risen, and 2) the Internet has become a perfect vehicle for exploiting such information.[54] Currently, the misappropriation rationale underlies both sanctions for willful and systematic piracy of copyrighted material[55] and 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."[56]

4. Personality-Based Rationales

Personality-based rationales recognize that creators of works have non-pecuniary interests in preventing the distortion or misattribution of those works by others. Personality-based 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."[57] Such rights "spring from a belief that an artist in the process of creation injects his spirit into the work and that the artist's personality, as well as the integrity of the work, should therefore be protected and preserved."[58] Even assuming full economic compensation for use of a work, personality-based 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

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53. *See* J. THOMAS MCCARTHY, MCCARTHY'S DESK ENCYCLOPEDIA OF INTELLECTUAL PROPERTY 273 (2d ed. 1995) (noting that many courts, including the Second Circuit Court of Appeals, limited *International News Service* to its facts for decades, and that Supreme Court decisions "cast a pall of federal preemption over the misappropriation doctrine").

54. *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 (1997).

55. *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, 3-4 (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").

56. *In re* Recombinant DNA Tech. Patent and Contract Litig., 850 F. Supp. 769, 773 (S.D. Ind. 1994).

57. 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, 361 (1998).

58. Carter v. Helmsley-Spear, Inc., 71 F.3d 77, 81 (2d Cir. 1995).

the fruits of her creation."[59]

United States law has long been remarkably resistant to directly incorporating personality-based rights into IP law.[60] 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."[61] As a result, protection of personality interests has been forced to come in through the "back door" via private agreement or through contrivance of § 43(a) of the Lanham Act,[62] which prohibits false endorsement and sponsorship.[63] For example, claims of screen credit misattribution in the motion picture context invariably sound in claims under § 43(a) of the Lanham Act.[64]

B. The Theoretical Basis of Trademark Law

Categorizing trademark theory is a messy undertaking as "[t]rademarks do not neatly fit into the scheme of IP theory as it applies to patent and copyright law."[65] 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.

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59. *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.

60. *See, e.g.*, Carl H. Settlemeyer III, Note, *Between Thought and Possession: Artists' "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").

61. 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). First drafted in 1886, the Berne Convention is an international copyright treaty formed to protect the rights of authors. For a history of the convention, see Peter Burger, *The Berne Convention: Its History and Its Key Role in the Future*, 3 J.L. & TECH. 1 (1998).

62. 15 U.S.C. § 1125(a) (2000).

63. *See* Dane S. Ciolino, *Moral Rights and Real Obligations: A Property-Law Framework for the Protection of Authors' Moral Rights*, 69 TUL. L. REV. 935, 949 (1995) (noting the use of § 43(a) "to recognize indirectly the rights of attribution and integrity"); *see also* Gilliam v. Am. Broad. Cos., Inc., 538 F.2d 14, 24 (2d Cir. 1976) (noting that "courts have long granted relief for misrepresentation of an artist's work by relying on theories outside the statutory law of copyright, such as contract law or the tort of unfair competition") (citations omitted); King v. Innovation Books, 976 F.2d 824 (2d Cir. 1992) (enjoining film maker from promoting film *The Lawnmower Man* with possessory credit for Stephen King where King had minimal involvement with film project).

64. *See, e.g.*, Smith v. Montoro, 648 F.2d 602 (9th Cir. 1981).

65. Strasser, *supra* note 35, at 421.

1. Confusion Doctrine/Likelihood of Confusion

Confusion doctrine is based on combating consumer confusion in the marketplace of products and services, the penultimate goal of trademark law.[66] Accordingly, trademark law prohibits the adoption and use of confusingly similar trademarks under § 32(a) of the Lanham Act.[67] 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.[68] Trademark law historically permitted the mere use by another of identical words or symbols, provided that "the marks do not create consumer confusion. . . . Thus, 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 the "likelihood" of confusion.[70] The primary standard for determining likelihood of confusion "has always been . . . similarity of appearance."[71] Courts examine similarity of appearance "on three levels: sight, sound, and meaning."[72] In order to prove such confusion, litigants typically rely on consumer surveys.[73] Thus, trademark cases are fact-driven, and judicial "[d]eterminations of likelihood of confusion are necessarily subjective and impressionistic."[74]

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66. *See, e.g.*, Robert J. Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, 77 TRADEMARK REP. 177, 181 (1987) (noting that despite expansion of trademark doctrine beyond confusion paradigm, "the notion of consumer confusion remains the foundation of the legal protection of trademarks").

67. 15 U.S.C. § 1114 (2000).

68. *See, e.g.*, Kristine M. Boylan, *The Corporate Right of Publicity in Federal Dilution Legislation* Part II, 82 J. PAT. & TRADEMARK OFF. SOC'Y 5, 6 (2000) (noting that "[a] first user who was losing business and suffering a diversion of trade called upon the law for intervention").

69. CyBarrister Page, *Trademarks*, *at* http://www.ssbb.com/trademar.html (last visited Apr. 29, 2004).

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. PATTISHALL ET AL., *supra* note 32, at 173.

72. JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW 398 (3d ed. 2001).

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

74. Richard L. Kirkpatrick, *Likelihood of Confusion in Trademark Law*, *in* 2 PLI'S SIXTH ANNUAL INSTITUTE FOR INTELLECTUAL PROPERTY LAW, at 85, 96 (PLI Intell. Prop. Practice Course, Handbook Series No. G-617, 2000) (setting forth a comprehensive analysis of the multi-factor test known as the "Polaroid factors" that courts use to gauge

Trademark confusion doctrine has a strong correlation with both economic efficiency theory and misappropriation theory. From an economic perspective, "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."[75] Thus, as the use of confusingly similar marks offends the moralistic notions of fair play and free riding at the heart of the misappropriation doctrine, it also decreases social welfare, making consumer choices more costly.

2. *Unfair Competition/Section 43(a)*

Unfair competition concerns opportunistic conduct by competitors or free riders that divert "value from a business rival's efforts without payment."[76] Combating such actions, § 43(a) of the Lanham Act prohibits unfair competition, particularly as to source of origin, sponsorship, or endorsement.[77] Section 43(a), at first largely obscure, is "today's unrivaled legal instrument to combat unfair competition."[78] Courts have wide latitude in fleshing out the contours of unfair competition and adapting the language of the statute to "changing commercial circumstances."[79] Although the Supreme Court recently emphasized that "s. 43(a) can never be a federal codification of the overall law of unfair competition. . . . but can only apply to certain unfair practices prohibited by its text,"[80] it remains to be seen whether lower courts will take such dicta seriously; 43(a) is one of the most powerful weapons in the litigator's arsenal.

For a § 43(a) claim to exist, a plaintiff must show "that 'a representation of a product, although technically true, creates a false

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likelihood of confusion in trademark cases).

75. 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").

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

77. *See* Foxworthy v. Custom Tees, Inc., 879 F. Supp. 1200 (N.D. Ga. 1995).

78. J. Thomas McCarthy, *Lanham Act §43(a): The Sleeping Giant is Now Wide Awake*, LAW & CONTEMP. PROBS., Spring 1996, at 45, 46.

79. David Klein, *The Ever-Expanding Section 43(a): Will the Bubble Burst?*, 2 U. BALT. INTELL. PROP. L.J. 65, 87 (1993).

80. Dastar Corp. v. Twentieth Century Fox Film Corp., 1223 S.Ct. 2041, 2045 (2003) (holding that § 43(a) does not prohibit unaccredited copying of an uncopyrighted work); *see also* Jessica Bohrer, *Strengthening the Distinction Between Copyright and Trademark: The Supreme Court Takes a Stand*, 2003 DUKE L. & TECH. REV. 23 (2003).

impression of the product's origin,' and that the representation harms plaintiff's reputation."[81] Although such a claim technically requires a showing of consumer confusion, the section's broad formulation goes far beyond uses likely to cause literal confusion and has been used to enjoin a film producer from removing an actor's name from the credits of a film.[82] Section 43(a) also protects the property interests of trademark owners against appropriation by free riders.[83]

The unfair competition principle corresponds strongly to misappropriation theory. The confusion here is more indirect than in classic trademark confusion doctrine, under which 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 does not is a kind of fraud on the public.[84]

3. Dilution Theory: Blurring and Tarnishment

Dilution consists of "blurring," the cheapening of a mark by dissimilar uses, or "tarnishment," associating a mark with unsavory goods or services,[85] such as "the American Express Condom—Don't Leave Home Without It."[86] Dilution was exclusively a state cause of action until 1995, when Congress enacted the Federal Trademark Dilution Act, providing a cause of action in federal court for dilution.[87] Unlike coordinate state laws, the Federal Trademark

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81. *See* Otto W. Konrad, *A Federal Recognition of Performance Art Author Moral Rights*, 48 WASH. & LEE L. REV. 1579, 1595 (1991) (quoting Gilliam v. Am. Broad. Cos., Inc., 538 F.2d 14, 24 (2d Cir. 1976)).

82. *See* Smith v. Montoro, 648 F.2d 602 (9th Cir. 1981) (holding that a film distributor's removal of actor's name from screen credits constituted false designation of origin under § 43(a) of Lanham Act). Subsequently, the Ninth Circuit, however, "has set limits on the principle expressed in *Smith v. Montoro* . . . ." GINSBURG ET AL., *supra* note 72, at 633.

83. *See* Arlen W. Langvardt, *Protected Marks and Protected Speech: Establishing the First Amendment Boundaries in Trademark Parody Cases*, 36 VILL. L. REV. 1, 26 (1991) (noting that "[i]n many respects, section 43(a) is a federal unfair competition provision whose broad language may be read to cover a wide range of behaviors considered competitive torts under the common law").

84. Such conduct would also violate the false advertising prohibitions of § 43(a). *See* 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION ch. 28, § 14, at 19 (4th ed. 1996) ("The unpermitted use of a person's identity will make a misleading or false inference of endorsement, approval, or sponsorship and hence trigger false advertising concerns in addition to infringing upon the right of publicity.").

85. Courts have long defined two distinct types of dilution. The Federal Trademark Dilution Act of 1995, however, provides scant definition. 15 U.S.C. §1125(c) (2000).

86. *See* Am. Express Co. v. Vibra Approved Labs. Corp., 10 U.S.P.Q.2d (BNA) 2006 (S.D.N.Y. 1989).

87. Pub. L. No. 104-98, 109 Stat. 985.

Dilution Act protects only "famous" marks against commercial use by infringers when such use dilutes the distinctive quality of the trademark owner's mark.[88] Until the Supreme Court's decision in *Moseley*, courts had remained divided over whether a cause of action for dilution requires "likelihood" of dilution or a more rigorous standard of "actual" dilution.[89] The critical issue in dilution cases is whether a court finds that the mark is famous: "[a] mark found famous is virtually guaranteed to be found diluted."[90]

Dilution is a radically different cause of action in trademark law and does not correspond neatly to any of the standard IP rationales except the misappropriation rationale, through which one party seeks to enjoin another from capitalizing on its famous mark,[91] or a personality-based rationale, through which one party seeks to control the manner in which its mark is presented to the public. Yet a personality-based rationale that espouses the economic and personal rights of *individuals* to control their image has never been seen as applicable to corporations.[92] Further, "[l]aws preventing dilution do not target consumer welfare or consumer confusion. . . . [but instead] protect a quasi-property right in the mark."[93] Trademark dilution thus provides far broader protection to owners' marks than classic confusion theory.[94] For these reasons, dilution doctrine has proved controversial in the academic community[95] and is perceived by many as a core threat to the marketplace of ideas paradigm.[96]

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88. 15 U.S.C. § 1125(c)(1) (2000); *see also* STEVEN J. DAVIDSON & NICOLE A. ENGISCH, TRADEMARK DILUTION AND THE RIGHT OF PUBLICITY (1997), *at* http://www.stevedavidson.com/documents/Trademark%20Dilution%20and%20the%20Right%20of%20Publicity.doc (outlining dilution cause of action under federal law).

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

90. Port, *supra* note 11, at 880.

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

92. *See, e.g.*, Michael J. Albano, Note, *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").

93. Malla Pollack, *Time to Dilute the Dilution Statute and What Not to Do When Opposing Legislation*, 78 J. PAT. & TRADEMARK OFF. SOC'Y 519, 520 (1996) (setting forth a critique of the Federal Dilution Act).

94. *See* Welkowitz, *supra* note 41, at 358-59.

95. *See, e.g.*, Pollack, *supra* note 93.

96. *See* Madhavi Sunder, Note, *Authorship and Autonomy as Rites of Exclusion: The Intellectual Propertization of Free Speech in* Hurley v. Irish-American Gay, Lesbian, and

Correspondingly, many courts view dilution claims as over-expansive and "often employ legal gymnastics to reject a dilution claim."[97]

4. Cybersquatting

Cybersquatting occurs when a party either registers a domain name that is the trademark of another with the bad faith intention of profiting from the mark or registers a domain name that is identical or confusingly similar to a distinctive or famous trademark.[98] In the early days of the Internet (i.e., the early to mid-1990s) many major corporations were slow to grasp the potential of the Internet and accordingly slow to register their trademarks as domain names.[99] Entrepreneurs with vision of the coming Internet revolution anticipated the future value of domain names and registered the names of famous companies on a mass scale.[100]

Although arguably part of the "American way," and indeed, within the common law tradition,[101] courts and ultimately Congress came to see this conduct as problematic.[102] Cases involving Internet domain name infringement were originally adjudicated under the Federal Trademark Dilution Act,[103] but this was seen as ineffective against cybersquatters. In 1998, Congress enacted the Anti-Cybersquatting

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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").

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

98. *See* Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d)(1)(A) (2000).

99. Some of the early examples were quite humorous, such as a writer's registration of "mcdonalds.com" as a domain name. It took several months for McDonalds Corporation to realize that its trademark had been used in such a way. *See* Neal J. Friedman & Kevin Siebert, *The Name is Not Always the Same*, 20 SEATTLE U. L. REV. 631, 646 (1997).

100. *See* Todd W. Krieger, Note, *Internet Domain Names and Trademarks: Strategies for Protecting Brand Names in Cyberspace*, 32 SUFFOLK U. 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 suggests that trademark owners may need to "pursue every domestic infringing domain name to protect their rights." *Id.* at 76.

101. *See* Wendy J. Gordon, *A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 YALE L.J. 1533, 1578 (noting that the "American common law has long awarded ownership to those who take possession of unclaimed physical resources" but denies property claims of "officious intermeddler[s]").

102. For a discussion of early trademark Internet disputes, see Victoria Napolitano, Legislative Update, *Network Solutions 2000: The Internet Corporation for Assigned Names and Numbers' Uniform Domain Name Dispute Resolution Policy*, 10 DEPAUL-LCA J. ART & ENT. L. & POL'Y 537, 544-47 (2000).

103. *See, e.g.*, Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir. 1998). Defendant Toeppen was an early and notorious cybersquatter. *Id.*

Consumer Protection Act ("ACPA")[104] which, although arguably analytically flawed,[105] has made cybersquatting prohibitively expensive. In lieu of actual damages, the ACPA permits a damage award of up to $100,000 per domain name.[106] Actual damages may run higher in some cases. An online pornographer that appropriated the Internet domain name "sex.com," for example, was hit with a $65 million damage award in federal court.[107]

II. TRADEMARK OWNERS' RIGHTS AND THE PUBLIC INTEREST

All IP rights such as patent, copyright, trademark, and trade secret protection theoretically represent a trade-off between the grant of limited monopolies to individuals (increasingly corporate individuals) and some public benefit.[108] For example, patent law spurs innovation in science and technology, facilitates the delivery of new and useful inventions to society, and encourages public disclosure of technological information.[109] An inventor/corporation would not likely invest millions of dollars and years of labor in developing the formula for Viagra without the carrot of a twenty-year exclusive patent grant.[110] Similarly, copyright law spurs the proliferation of creative works such as novels, films, music, and art that enriches society and provides an outlet for expression.[111] Commentators posit

104. Pub. L. No. 106-113, 113 Stat. 1501.

105. *See* Xuan-Thao N. Nguyen, *Blame it on the Cybersquatters: How Congress Partially Ends the Circus Among the Circuits With the Anticybersquatting Consumer Protection Act*, 32 LOY. U. CHI. L.J. 777, 795 (2001) (contending that "the 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 in Cyberspace*, 55 VAND. L. REV. 309, 334 (2002) (contending that the ACPA is "paradigmatically redundant").

106. 15 U.S.C. § 1125(d)(1)(A) (2000).

107. *See Purloined Sex.com Name Costs $65 Million Award*, HOUS. CHRON., Apr. 5, 2001, 2001 WL 3011239 (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").

108. That the Constitution enshrined copyright and patent rights evidences the importance of those rights to the Founders, especially given the Founders' stated aversion to even limited monopolies. *See* Graham v. John Deere Co., 383 U.S. 1, 7-11 (1966) (citing Thomas Jefferson's view on patent monopoly); *see also* DONALD S. CHISUM ET AL., PRINCIPLES OF PATENT LAW 17-18 (2d ed. 2001) (noting that "Thomas Jefferson, while no stranger to the inventive process, was skeptical of monopolies and, initially, anything but a *devotée* of the patent system").

109. *See* "To Promote the Progress of . . . Useful Arts": Report of the President's Commission on the Patent System, S. Doc. No. 5, 90th Cong., 1st Sess., 20-21 (1967), *cited in* PAUL GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK, AND RELATED STATE DOCTRINES: CASES AND MATERIALS ON THE LAW OF INTELLECTUAL PROPERTY 15-16 (4th ed. 1999).

110. *See, e.g.*, MOORE ET AL., *supra* note 44

111. *See* Alfred C. Yen, *A First Amendment Perspective on the Idea/Expression*

that copyright expression "form[s] a central part of democratic discourse."[112]

In contrast, trademarks connote neither creativity nor labor—the two main arguments justifying IP.[113] For example, the labor rationale for IP protection may be particularly weak in trademark cases, given that the public plays a large role in infusing famous symbols with value.[114] Even assuming that trademark owners do invest considerable resources in advertising and brand awareness,[115] there still remains no justification for a perpetual and sweeping monopoly in symbols, especially when the confusion/deception rationale is absent, as in dilution cases. Further, even when confusion is present but based merely on confusion sponsorship or affiliation, the public domain is restricted in socially undesirable ways.[116]

Proponents of trademark expansion argue increasingly that trademark rights should be protected not because infringement causes consumer confusion, but because trademarks possess inherent value.[117] Indeed, "trademarks above physical assets and other forms of IP [often constitute] the most valuable assets of many companies."[118] Nonetheless, as Justice Oliver Wendell Holmes noted,

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Dichotomy and Copyright in a Work's "Total Concept and Feel," 38 EMORY L.J. 393, 394 (1989) (discussing views of leading copyright scholars that, without incentive of limited monopoly, "expressive output would presumably decline").

112. Neil Weinstock Netanel, *Copyright and a Democratic Civil Society*, 106 YALE L.J. 283, 288 (1996).

113. *See* Steven Wilf, *Who Authors Trademarks?*, 17 CARDOZO ARTS & ENT. L.J. 1, 10-12 (1999) (remarking that "Nobel Prizes are not awarded for trademarks . . . [and] no one speaks of a trademark artist").

114. *See* Alyson Lewis, *Playing Around with Barbie: Expanding Fair Use for Cultural Icons*, 1 J. INTELL. PROP. 61, 76 (1999) (contending that "[w]hile Mattel's marketing of [Barbie] probably did play a part in the product's successfulness, a larger part is more likely attributable to the meaning society attached to Barbie").

115. The Lanham Act's framers intended to protect a trademark holder's investment in "energy, time and money . . . from its misappropriation by pirates and cheats." Christopher R. Perry, Note, *Trademarks as Commodities: The "Famous" Roadblock to Applying Trademark Dilution Law in Cyberspace*, 32 CONN. L. REV. 1127, 1146 (2000).

116. It has been noted, for example, in the context of false endorsement that a gay rights group's use of the name "Pink Panther Patrol" would not confuse consumers. Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1722-23 (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.").

117. *See* Lunney, *supra* note 34 (contending that trademark expansion "has focused on trademark's value not merely as a device for conveying otherwise indiscernible information concerning a product . . . but as a valuable product in itself").

118. Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 791 (1997). Corporate lawyers have noted that the "trademark 'Colgate', for example, was worth approximately $4.4 billion." *Discussion: Trademark Vigilance in the Twenty-First Century: A Pragmatic Approach*, 9

"[p]roperty, a creation of law, does not arise from value . . . ."[119] Further, unlike patent and copyright law, trademark law provides only a limited property right.[120] 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."[121] 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."[122] 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."[123] Property rights in trademarks are therefore particularly troubling given the countervailing interests of society in a broad public domain.[124]

Trademark rights purportedly benefit the public in only a very indirect manner by encouraging owners to create good-will investment in marks, resulting in lower search costs by consumers.[125] As a result, trademark owners will produce high-quality goods and services.[126] Nonetheless, 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.[127] Further, the types of abusive trademark litigation prevalent in cyberspace and

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FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 823, 827 (1999) (remarks of Bret I. Parker, attorney for Colgate-Palmolive, Co.).

119. Int'l News Serv. v. Assoc. Press, 248 U.S. 215, 246 (1918) (Holmes, J., concurring).

120. *See* PATTISHALL ET AL., *supra* note 32, at 6.

121. *Id.*

122. Wilf, *supra* note 113, at 3 (arguing for recognition of the public's role in infusing trademarks with meaning).

123. Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 125, 142 (1993).

124. *See* Lunney, *supra* note 34, at 485 (contending that shifts from confusion doctrine to property-based doctrines lead to "an overbroad, ill-considered legal regime that serves simply to enrich certain trademark owners at the expense of consumers, the market's competitive structure, and the public interest more generally").

125. *See, e.g.*, William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269-70 (1987) ("[T]rademark protection encourages expenditures 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.").

126. *Id.* at 269.

127. *See* Justin Hughes, *The Personality Interest of Artists and Inventors in Intellectual Property*, 16 CARDOZO ARTS & ENT. L.J. 81, 180 (1998) ("Property rights are traditionally justified in terms of economic efficiency, but in the realm of intellectual property such justifications, however persuasive, do not have a strong empirical basis.").

entertainment media, such as motion pictures or nude magazines, rarely involve the types of products for which trademarks do point to quality of goods.

III. TRADEMARK LAW IN THE CONTEXT OF ENTERTAINMENT MEDIA

The entertainment industry in the United States traditionally consisted of the motion picture, television, music, publishing, and live theatre industries.[128] In recent years, it has expanded to "infotainment," which broadly represents the convergence of the Internet and entertainment media.[129] Intellectual property, particularly copyright law, idea submission law, and the right of publicity have always been inextricably linked with the entertainment industry. Trademark law has become an increasingly important factor in entertainment transactions and litigation.[130] The expansion of trademark law seen in recent times arguably began with a trademark case arising out of film credits for a motion picture.[131]

Entertainment media are also inextricably linked with both the marketplaces of ideas and the public domain paradigms and fall within the First Amendment's aegis.[132] The marketplace of ideas paradigm posits that the robust exchange of points of view, commentary, criticism, parody, and scholarship are a leading indicator of social democracy. The public domain in IP law consists of material that cannot be fenced in by IP owners—such as phenomena of nature under patent law[133] 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 (an expired patent or copyright) or lost its protection

128. *See* MELVIN SIMENSKY ET AL., ENTERTAINMENT LAW 3 (2d ed. 1997).

129. *See, e.g.*, Rob Hassitt & Suellen W. Bergman, *ICANN, New gTLDs, Domain Name Disputes, and Other Website Concerns (Hosting and Preventing Copyright Liability)*, *in* COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY 2001, at 287 (PLI Intell. Prop. Course, Handbook Series No. G-647, 2001) (noting that in recent years "the Internet has become an important source of entertainment and entertainment products").

130. *See* K.J. Greene, *Clearance Issues from a Litigation Perspective: Intellectual Property Infringement and Motion Picture Liability*, *in* COUNSELING CLIENTS IN THE ENTERTAINMENT INDUSTRY 2001, at 255 (PLI Intell. Prop. Course, Handbook Series No. G-648, 2001).

131. *See* Smith v. Montoro, 648 F.2d 602, 605 (1981) (concluding that a claim under § 43(a) of the Lanham Act existed for an actor whose name had been omitted from the credits of a film). "Liability under Section 43(a) may arise for a false description or representation even though no trademark is involved." *Id.* (quoting Ames Publ'g Co. v. Walker-Davis Publ'n, Inc., 372 F.Supp. 1, 11 (E.D. Pa. 1974).

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

133. *See* ROBERT PATRICK MERGES, PATENT LAW AND POLICY 42-43 (1992).

because of some act or failure to act by the owner (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.[134] Further, some have construed the public domain to extend 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."[135]

Copyright law explicitly balances the right of copyright owners to control social meaning with the right to engage in robust public debate through the fair use doctrine, which permits comment, criticism, and parody. [136] Thus, the owner of the copyright in the song "Pretty Woman" cannot prevent 2 Live Crew, the rap group, from using the melody of "Pretty Woman" to create their own song, with the lyrics "Big Hairy Woman."[137] The owners of the copyright to "Gone with the Wind" cannot prevent an author from copying extensively from the plot, characters, and theme of the classic book in writing her own critical fictional work entitled "The Wind Done Gone."[138]

Likewise, 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. Today's trademark litigation, however, over characters in film, such as "Spa'am," or songs about dolls, such as "Barbie Girl," makes no sense under this classic trademark confusion paradigm. These cases are not about lost sales or even sales diverted by free riding trademark infringers. The only possible basis for the suits is the personality based rationale: the corporate culture has infused the symbols with indicia of personality, and the allegedly infringing use offends those notions of personality. "Mattel admits that [Barbie] is marketed more as a person than a doll."[139] Further, "[t]here are whole

134. *See, e.g.*, Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111 (1938) (denying trademark protection for the mark "shredded wheat" for breakfast cereal).

135. Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property*, 68 CHI.-KENT L. REV. 842, 883 (1993).

136. *See* 17 U.S.C.A. § 107 (1996).

137. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 595 (1994).

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

139. Lewis, *supra* note 114.

documents on what [brand icons such as the Pillsbury Doughboy, the Jolly Green Giant, and the Trix Rabbit] will and won't do . . . . The documents go into the thousands of pages . . . ."[140]

This personality based rationale and the notion that wrongs to Barbie and to 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 Supreme Court. Nonetheless, the personality-based rationale does not justify such suits for two reasons. First, no analytical basis exists for such a position as the right of publicity. The right of publicity protects the economic and personal rights of *individuals* to control their image and has never been seen as applicable to corporations.[141] Second, long-standing corporate hostility to personality rights for artists cannot be reconciled with corporate assertion of such rights with respect to their own trademarks.[142]

Despite the weakness of the personality-based rationale, corporate plaintiffs are increasingly espousing such a theory in turning to trademark law, particularly dilution doctrine, to suppress expression about their companies that they dislike.[143] Unfortunately, the doctrinal protections for expression vis-à-vis trademark law are far less sweeping, structured, and entrenched than copyright and are arguably incoherent.[144] For example, "parody is often a mockery of someone or something and as a result would not likely be attributed as coming

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140. 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, at* http://archive.salon.com/media/col/shal/2000/03/23/doughboy (Mar. 23, 2000) (quoting Court Crandall, a creative director at Ground Zero advertising agency).

141. *See, e.g.*, Albano, *supra* note 92.

142. Expansion of personality rights for artists costs corporations in the entertainment industry money by way of increased licensing fees for performers. *See* Chia Heng (Gary) Ho, Note, Hoffman v. Capital Cities/ABC, Inc., 17 BERKELEY TECH. L.J. 527 (2002) (noting that "businesses pay high fees to acquire celebrity endorsements").

143. *See* Schlosser, *supra* note 25, at 939 (2001) (discussing case of trademark infringement and dilution brought by Starbucks Corporation against parody of Starbucks logo and contending that the case "illustrates how corporations have been given the statutory authority under the Trademark Dilution Act to silence otherwise legitimate parody").

144. *See, e.g.*, Robert J. Shaughnessy, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VA. L. REV. 1079, 1080 (1986) (remarking that "trademark parody [law] remains a muddle in both principle and practice"); Keren Levy, Note, *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, and conflicting commercial and constitutional principles").

from the holders of a trademark. . . . [Accordingly,] an action for trademark infringement would not successfully prevent a parodist from exercising her First Amendment rights."[145] Yet, amidst the uncertainty, even the threat of litigation looms large over those with scarce resources to wage IP wars against those with corporate might.[146] The casualties of such a war are an attenuated public domain and a shrinking of valuable societal expression.

IV. ABUSIVE TRADEMARK LITIGATION

A. Characteristics of Abusive Trademark Litigation

Although critics have narrowly conceived of litigation abuse as a problem of personal injury tort lawsuits and securities fraud class actions,[147] abusive litigation should be conceived to consist of any antisocial conduct through the judicial process that reduces valued resources. 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.[148] Corporations using trademark law to protect their 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 IP law. The Mattel Corporation, for example, attacked a charity fund-raiser for critically ill children called

145. 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 parody of a trademark is not likely to cause any consumer confusion. . . . Legitimate 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., L. & CONTEMP. PROBS., Spring 1996, at 181, 207.

146. *See* Peter W. Smith, Note, *Trademarks, Parody, and Consumer Confusion: A Workable Lanham Act Standard,* 12 CARDOZO L. REV. 1525, 1528 (1991) (noting that "[a]uthors 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.").

147. There is some irony in this perception of tort suits run amok, given that "[f]rom 1982 to 1990, often regarded as the very core years of the 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,* WIS. L. REV. 577, 583 (2001).

148. *See* Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 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").

"Barbie Grants a Wish" weekend.[149] Similarly, Fox News' suit against author Al Franken's book that used the term "fair and balanced" in its title constituted abusive litigation designed to silence a critical voice.

A common abusive tactic is for companies to reach for trademark protection when other claims, such as copyright, right of publicity, or libel claims are unavailable. For example, in *Comedy Productions III v. New Line Cinema* ("*Comedy III*"), the copyright owner of the Three Stooges material sued New Line for trademark infringement for using an abbreviated clip from a Three Stooges film as a background shot on a television in the film.[150] The plaintiff contended that the film clip of the Three Stooges functioned as a trademark.[151] The court rejected this claim, holding that although 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.[152]

Abusive trademark litigation generally exists, as in *Comedy III*, where the claim involves neither a likelihood of confusion as to product source or sponsorship, nor free-riding or 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.[153] The hallmark of abusive litigation is the overreaching assertion of trademark rights, typically by a large corporate entity against a smaller entity.[154] The "effectiveness of lawsuits to silence corporate critics derives in part from the disparity of resources between the plaintiff corporation and

149. "Mattel says it will not lend its name to any event it does not officially sanction." Bannon, *supra* note 27.

150. 200 F.3d 593 (9th Cir. 2000).

151. *Id.* at 594.

152. *Id.* at 595 ("First, the footage at issue here was clearly covered by the Copyright Act, 17 U.S.C. § 106, and the Lanham Act cannot be used to circumvent copyright law.").

153. *See, e.g.*, Mattel, Inc. v. Internet Dimensions, Inc., 55 U.S.P.Q.D.2d (BNA) 1620 (S.D.N.Y. 2000) (enjoining the use of "barbiesplaypen.com" for defendants' pornographic web site).

154. There is also a category of "corporatized" individuals, typically celebrities such as Tiger Woods, who also engage in arguably abusive litigation under 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 he must license and control any use of his image. The court rejected Woods' claims on First Amendment grounds. ETW Corp. v. Jireh Publ'g, Inc., 99 F. Supp.2d 829 (N.D. Ohio 2000); s*ee also* Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180 (9th Cir. 2001) (rejecting a suit by actor Dustin Hoffman to prevent the magazine from using a digitally altered image of Hoffman's "Tootsie" character in a magazine article commenting on fashion).

the defendant parody artist."[155]

B. Trademark Wars: Legitimate Claims and Abusive Claims

1. Film Title Cases

Film cases involving trademark issues illustrate that rationales for trademark protection are at their zenith when addressing consumer confusion and become proportionally more dangerous as they move toward owner-centered interests such as dilution and cyber-squatting. 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 further illustrate the distinction between appropriate trademark cases and abusive trademark litigation devoid of social value.[156] 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.[157] Nonetheless, a title may be entitled to trademark protection if it has acquired secondary meaning, i.e., a connection in the minds of a significant number of consumers, and use of the title would be likely to cause consumer confusion.[158]

A case that illustrates the appropriate use of trademark law to enjoin a confusingly similar title is *Tri-Star Pictures, Inc. v. Unger*.[159] In *Unger*, a filmmaker produced a motion picture and inexplicably attempted to title it *Return from the River Kwai*. The motion picture studio plaintiff sued in light of its ownership of rights in the film *The Bridge on the River Kwai*. After concluding under classic confusion

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155. Schlosser, *supra* note 25, at 948 (noting that corporations with famous marks have "large treasuries with which to mount protracted litigation . . . . [and] can claim tax advantages for the legal expenses involved").

156. The value of film titles to the motion picture industry 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, Comment, *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).

157. *See* BARRETT, *supra* note 46, at 381 (noting that courts "have steadfastly refused to recognize copyright in titles.").

158. *See* Brooke J. Egan, Comment, *Lanham Act Protection for Artistic Expression: Literary Titles and the Pursuit of Secondary Meaning*, 75 TUL. L. REV. 1777, 1778 (2001).

159. 14 F. Supp. 2d 339 (S.D.N.Y. 1998).

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 in attorney's fees and costs.[160] Such cases demonstrate how trademark law protects valuable societal interests whether the theory in such cases centers on confusion doctrine or distaste for misappropriation.

In cases where the use of similar film titles might cause some consumer confusion, but also implicates the expressive dimensions of filmmaking, courts are more lenient. In *Rogers v. Grimaldi*,[161] for example, the Second Circuit held that a filmmaker had strong expressive rights in the decision to entitle a motion picture "Ginger and Fred," notwithstanding Ginger Rogers' protest that consumers might be led to think that Rogers had originated or sponsored the film. The court noted that although no blanket insulation exists for film titles under the First Amendment, "[t]itles, like the artistic works they identify, are of a hybrid nature, combining artistic expression and commercial promotion. . . . The artistic and commercial elements of titles are inextricably intertwined."[162]

Although trademark law should generally not chill artistic expression, it should prevent free-riding and egregious tarnishment (such as pornographic use) when the trademark holder's reputation will suffer tangible harm. For example, in *Dallas Cowboys Cheerleaders Inc. v. Pussycat Cinema Ltd.*, 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 cheerleaders.[163]

Many suits under such personality based theories do not merit the consideration given to the plaintiff in *Dallas Cowboys Cheerleaders*. For example, American Dairy Queen Corporation ("ADQ") sued New Line Productions, Inc. to enjoin the film studio from using the title "Dairy Queens" for a film about beauty contests in a mid-western town. [164] The Minnesota District Court granted ADQ the injunction,

160. Tri-Star Pictures, Inc. v. Unger, 42 F. Supp.2d 296 (S.D.N.Y. 1999).

161. 875 F.2d 994 (2d. Cir. 1989).

162. *Id.* at 998.

163. 604 F.2d 200 (2d. 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 that extent there is one, involves a cheerleader at a fictional high school, Debbie, who has been selected to become a 'Texas Cowgirl.'" *Id.* at 202.

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

finding that an injunction would not cause a violation of New Line's free speech because alternative titles were available.[165] New Line did not appeal the decision and subsequently changed the title of the film to *Drop Dead Gorgeous*.

ADQ would have had no viable claim under the classic confusion paradigm of trademark law. Although New Line used the same name as plaintiff for its movie tittle, the companies are in unrelated lines of business, and the likelihood of confusion is remote. Further, the public would not likely believe that ADQ had sponsored or endorsed the motion picture.[166] First, the film's content was wholly unrelated to restaurant or fast food subject matter. Second, "dairy queen" is a common phrase of usage in the English language.

Although the court also validated plaintiff's dilution claim,[167] the content of the film in no way associates plaintiff with unsavory goods or services. Further, courts should not engage in subjective determinations of offensive or non-offensive movie content outside of the context of pornography.[168] Otherwise, in cases like *American Dairy Queen, Corp.*, corporations will be able to engage in government-sponsored censorship through the judicial process of trademark litigation.

2. *Spa'am Case*

With the exception of decisions like that in *American Dairy Queen, Corp.*, the courts usually decide correctly in trademark litigation, as exemplified by the decision in the Hormel-Muppet litigation.[169] Still, that this case was even brought illustrates how far trademark doctrine has moved from its moorings of confusion doctrine and unfair competition. 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

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165. *Id.* at 734-35.

166. The court, however, concluded, apparently without any factual evidence on the motion of preliminary injunction, that "[i]t 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." *Id.* at 732.

167. *Id.* at 733 (noting that the film contained offensive material which could tarnish plaintiff's mark).

168. *See* Robert S. Nelson, *Unraveling the Trademark Rope: Tarnishment and its Proper Place in the Laws of Unfair Competition,* 42 IDEA 133, 155 (2002) (noting that courts "generally engage in highly subjective determinations of what constitutes an 'unwholesome' or 'unsavory' use of a trademark").

169. Hormel Foods Corp. v. Jim Henson Prods., 73 F.3d 497 (2d. Cir. 1996).

"Spa'am"—a wild boar featured for a short while 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'am the character, Hormel took an appeal of the case to the Second Circuit. The court rejected Hormel's trademark infringement claim because the Muppet film was using parody and because an individual would likely purchase Spa'am merchandise because of an affinity for the Muppets, not because of a mistaken belief that it was a SPAM product.[170] Similarly, the court rejected Hormel's dilution claim under the New York dilution statute because the Muppets' Spa'am was "a likeable, positive character" not likely to generate negative associations with Hormel's products.[171]

3. *Internet Cases*

The recent cybersquatting legislation merely completes the cycle of appropriating trademark law for the use of corporations and other powerful interests to control the Internet as well—the ACPA further shifts "trademark protections away from the consumers and toward the trademark owners [and] will likely stifle Internet commerce and speech."[172] Abusive trademark litigation constricts the vision of cyberspace as "a communitarian haven, a locus for the development of individual autonomy against a background of mutual respect and tolerance made impossible in laissez-faire real space."[173] Illustrative of the severe restrictions on such autonomy are the so-called "sucks.com" cases, in which typically disgruntled consumers or employees appropriate the name of a company such as Microsoft and add the "sucks" moniker.[174]

Large companies are so paranoid about the "sucks" problem that many "have taken the offensive against potential critics by registering dozens of domain names that incorporate their trademark in a disparaging manner."[175] Companies have been surprisingly aggressive

170. *Id.* at 505.

171. *Id.* at 507.

172. Blasbalg, *supra* note 20, at 600.

173. Shubha Ghosh, *Gray Markets in Cyberspace*, 7 J. INTELL. PROP. L. 1, 4 (1999).

174. One commentator has noted that such conduct might be termed "cybergriping," which "occurs when a consumer creates a web page on the Internet to voice a [negative] opinion about a particular product, company, or service." Rebecca S. Sorgen, *Trademark Confronts Free Speech on the Information Superhighway: "Cybergripers" Face a Constitutional Collision*, 22 LOY. L.A. ENT. L. REV. 115, 115 (2001) (contending that so-called cybergripers are not cybersquatters, and should not be enjoined by trademark law).

175. Keith Blackman, Note, *The Uniform Domain Name Dispute Resolution Policy: A*

in attempting to shut down disparaging sites, notwithstanding that the probability of confusion in such instances is practically nil.[176] For example, Toys "R" Us corporation attacked a site entitled "Roadkills-R-Us,"[177] and Mattel Corporation attacked a web site called "The Distorted Barbie."[178] Further, Archie Comics filed suit 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.[179] 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 website."[180] Even more disturbing, sites that parody companies or protest their conduct "are increasingly coming out on the losing end in domain name disputes" in trademark arbitration.[181]

C. Boomerang Effect of Abusive Trademark Litigation Strategies

The aggressive trademark litigation strategies of Hollywood have come back to boomerang film studios in a number of areas, including claims of misattribution by actors and writers, product placement, use of public domain footage used in films, and trademark challenges to rights in the name of a major film studio. For example, a small company specializing in Star Trek conventions conceivably could

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Cheaper Way to Hijack Domain Names and Suppress Critics, 15 HARV. J.L. & TECH. 211, 246 (2001).

176. One ICCAN arbitrator, for example, declared "I do not see how a domain name including 'sucks' ever can be confusingly similar to a trademark to which 'sucks' is appended." *Id.* at 252.

177. *See* Miles O'Neal, *Toys-R-Us Giraffe Threatens to Sue Web Page*, http://www.rru.com/rru/tru/ (last modified Jan. 5, 1999) (recounting the contours of the Roadkills-R-Us dispute).

178. *See Does* The Distorted Barbie *Violate Mattel's Copyright?*, *at* http://potatoland.org/bbhold/censored/censored.htm (last modified Nov. 5, 1997).

179. *See* Tamarah Belczyk, Note, *Domain Names: The Special Case of Personal Names*, 82 B.U. L. REV. 485, 523 n.261 (2002) (noting that "Archie Comics, holder of a trademark in 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," from a non-profit organization with no connection to cleaning products. *See* Dan Goodin, *Domain Name "Little Guys" Fight Back* (Jan. 20, 1999), *at* http://news.com.com/2100-1023-220415.html.

180. Leslie C. Rochat, Comment, *"I* See *What You're Saying": Trademarked Terms and Symbols as Protected Consumer Commentary in Consumer Opinion Websites*, 24 SEATTLE U. L. REV. 599, 605 (2000).

181. Gwendolyn Mariano & Evan Hansen, *Parody Sites Sucked into Cybersquatting Squabbles* (Aug. 24, 2000), *at* http://news.cnet.com/2100-1023-244924.html (noting that defendants frequently lose "because they do not bother to oppose the action").

have deprived behemoth film studio DreamWorks of DreamWorks' ability to use the mark.[182] Dreamwerks registered its mark in 1992 and engaged in putting on Star Trek conventions. In 1994, motion picture moguls Spielberg, Geffen, and Katzenburg ("SKG") came up with the mark "DreamWorks" for their studio.[183] SKG won at the trial court level after Dreamwerks sued for trademark infringement. On appeal, the Ninth Circuit reversed, holding that had Dreamwerks used the mark after 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."[184] Accordingly, Dreamwerks, having established its mark, was entitled to prevent the behemoth DreamWorks from usurping it. The parties settled the matter after the Ninth Circuit's decision, presumably netting small Dreamwerks a huge payday.

V. SUGGESTED PROPOSALS

A. Coordinate a Sensible Policy on IP Lawsuits in Entertainment Industry

The entertainment industry consists of many diverse players and varying interests among creators, producers, and consumers. These institutional players in the entertainment industry have been at the forefront of the IP expansion, yet expansions of IP law have the potential to impact negatively the industry as a whole.[185] The institutional entertainment industry—major film and television studios, record labels, and publishing houses—are both owners and users of IP; therefore, over-aggressively defending IP rights in one instance may lead to negative consequences in another.[186] For example, the release of a major motion picture almost invariably is

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

183. Lawyers for SKG apparently knew about the previously registered "Dreamwerks" mark, but decided to use "DreamWorks" anyway. *Id.* at 1132.

184. *Id.* at 1130.

185. *See* Christine Quintos, Note, *Congress' Green Monster: Copyright Extension and the Concern for Cash Over the Propagation of Art*, 12 DEPAUL-LCA J. ART & ENT. L. & POL'Y 109, 140 (2002) (contending that "if the court had struck down the [Copyright and Trademark Extension Act of 1998] instead, rich copyright owners—often time lucrative corporations such as Disney—would not be able to rely on its [sic] old works to realize an economic windfall").

186. By way of example, the Hoffman "Tootsie" right of publicity suit involved a subsidiary of Disney, long known as one of the more aggressive companies in defending IP rights. *See* Ho, *supra* note 142, at 533 (noting that ABC, Inc. was a defendant in the lawsuit).

followed by lawsuits against motion picture studios for copyright infringement.[187] Similarly, music superstars such as Michael Jackson (and their record labels) have been the repeated targets of music plagiarism lawsuits.[188]

The industry cannot have it both ways. That is, it cannot constantly bemoan what it views as meritless lawsuits, typically by purported creators against film and music studios, and then itself bring absurd lawsuits. The industry should develop councils to coordinate policy on IP litigation. 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.[189] There must be some middle ground between the rights of mark owners to completely control product image and use, as illustrated by Paramount,[190] and the notion that courts should allow "uninhibited use [of cultural icons such as Star Wars, Madonna, and Coca-Cola] so long as there is no confusion as to source, sponsorship, or affiliation."[191]

B. Clarify Acquiescence and Laches Standards

Laches is "a negligent and unintentional failure to protect one's 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

187. *See* Greene, *supra* note 47, at 173-74.

188. *See* STAN SOOCHER, THEY FOUGHT THE LAW: ROCK MUSIC GOES TO COURT 109-10 (1999) (noting that "[n]ot only was [Michael] Jackson the frequent target of copyright infringement allegations, but by the 1990s, such claims against major artists had become rampant in the music industry").

189. *See* Sarah H. McWane, *Hollywood vs. Silicon Valley: DeCSS Down, Napster to Go?*, 9 COMM. L. CONSPECTUS 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 UCLA 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 recording industry constituents").

190. "[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 copyrights." Steve Silberman, *Paramount Locks Phasers on* Trek *Fan Sites* (Dec. 18, 1996), *at* http://www.wired.com/
news/0,1294,1076,00.html.

191. 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).

trademark rights against the defendant.'"[192] No exact standard exists for determining how long is too long in going after a known trademark infringer.[193] Therefore, Congress should consider amending the Lanham Act to limit courts to finding acquiescence only in extreme cases.

In the trademark arena, practitioners no doubt feel doctrinal pressure to protect their clients' marks aggressively, based on the fear that inaction against potential infringers now could lead to a finding of acquiescence or laches later.[194] Analysts note that "[u]nder the law it's easy to lose your trademark rights by failing to police them."[195] For 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 that Kellogg had acquiesced by failing to protest use of the Exxon tiger for an extended period. The Sixth Circuit ultimately overruled the court, holding that Kellogg had not been put on notice until the mid 1980s or early 1990s, concluding that "Kellogg did not acquiesce in Exxon's use of its cartoon tiger in connection with the sale of non-petroleum products."[196]

Despite the ultimate holding in the Exxon-Kellogg dispute, 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'am." The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation. Ideally, lawyers should feel free to advise clients, such as Mattel, not to sue MCA over a song entitled "Barbie Girl."

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192. DONALD S. CHISUM & MICHAEL A. JACOBS, UNDERSTANDING INTELLECTUAL PROPERTY LAW § 5F[2][e], at 5-338 n.230 (1992) (quoting Coach House Rest., Inc. v. Coach and Six Rest., Inc., 934 F.2d 1551, 1558 (11th Cir. 1991).

193. 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." Christopher Bucklin, Comment, *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).

194. Some have suggested that the problem may be exacerbated where the corporations' own internal counsel are involved. *See* George Dent, *Lawyers and Trust in Business Alliances*, 58 BUS. LAW. 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").

195. Bannon, *supra* note 27 (quoting law professor Lon Sobel).

196. Kellogg Co. v. Exxon Corp., 209 F.3d 562, 574 (6th Cir. 2000).

C. Eliminate Injunctive Relief as the Primary Relief in Dilution Cases

Intellectual Property cases generally provide for ready injunctive relief, with no required showing of irreparable harm once likelihood of success on the merits is established.[197] Courts presume irreparable harm exists whenever a trademark or a copyright is infringed.[198] As in other IP contexts, injunctive relief is readily available in trademark infringement and dilution cases.[199] The presumption of irreparable harm, however, is perhaps more misplaced in the context of dilution claims than in any other area of IP. No plaintiff has ever proved harm from blurring, the gradual whittling away of the distinctive aspects of a mark.[200] Moreover, many tarnishment claims are not tied to any ascertainable harm to the trademark owner. For example, would Hormel Foods really lose sales of SPAM merchandise because of a character named "Spa'am," or would ADQ lose sales because of a film entitled "Dairy Queens?"

Granted, in traditional equitable relief parlance, the inability to show actual damages strengthens the case of injunctive relief, rather than weakening it.[201] Yet, the public interest is also (ostensibly) a factor in the grant of injunctive relief, and the public interest is not served by granting an injunction to a famous corporation at the expense of the marketplace of ideas.[202] Courts should limit injunctions for dilution claims, particularly when there is no blatant free riding and no egregious use, such as pornography ("barbiesplaypen.com" for a porn site).[203]

VI. CONCLUSION

Commentators contend that "[p]roprietary rights in information and learning can reduce free speech rights to the status of an empty

197. *See, e.g.*, Greene, *supra* note 47, at 193-94.

198. *Id.* at 194.

199. *See* Litman, *supra* note 116, at 1722.

200. It has been argued, for example, that dilution claims are not empirically provable, and the losses resulting from dilution, if any, are wholly speculative. *See, e.g.*, Paul Edward Kim, *Preventing Dilution of the Federal Trademark Dilution Act: Why the FTDA Requires Actual Economic Harm*, 150 U. PA. L. REV. 719, 747-48 (2001).

201. *See* Greene, *supra* note 47, at 202.

202. *See* Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 161-62 (1998).

203. 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." McCabe, *supra* note 97, at 1867.

slogan."[204] Entertainment media such as film and music particularly put the public domain at risk by an 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 texts provide the most important cultural resources for the articulation of identity and community in Western societies . . . ."[205] It would be ironic if private attorneys general 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 and infuse such symbols with indicia of human personality, personality-based rights belong more appropriately to live humans and not corporate entities. For these reasons, courts have correctly limited the expansion of property rights in trade symbols, and Congress should reconsider its policy of granting ever-greater rights to corporations. Further, industry players and their counsel should reconsider the prosecution of abusive lawsuits against those who offend norms of the corporate personality and image. As a whole, such abusive litigation does not benefit the entertainment industry because 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.

204. L. Ray Patterson, *Copyright in the New Millennium: Resolving the Conflict between Property Rights and Political Rights*, 62 OHIO ST. L.J. 703, 703 (2001).

205. Rosemary J. Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue*, 69 TEX L. REV. 1853, 1864 (1991).