

NOTE

**DASTAR: FEDERAL TRADEMARK LAW IN AN UNCERTAIN STATE**

*Jennifer A. Konefal\**

TABLE OF CONTENTS

I. INTRODUCTION.....

II. AN OVERVIEW OF FEDERAL COPYRIGHT AND FEDERAL TRADEMARK LAW AND POLICY .....

    A. *Federal Copyright Law* .....

    B. *Federal Trademark Law*.....

III. *DASTAR CORP. v. TWENTIETH CENTURY FOX FILM CORP.*.....

    A. *Factual Background*.....

    B. *The Supreme Court’s Holding in Dastar Corp. v. Twentieth Century Fox Film Corp.* .....

    C. *Irony of the Holding: Patent Law Used as an Analogy*.....

IV. THE MERCHANDISING CASES: AN ILLUSTRATION OF THE POTENTIAL EFFECT OF *DASTAR* ON THE SCOPE OF FEDERAL TRADEMARK LAW .....

    A. *Background* .....

    B. *Merchandising Cases* .....

    C. *Effect of Dastar on Merchandising Cases and on Federal Trademark Law* .....

V. PRACTICAL EFFECT OF *DASTAR*: CHANNELING INTELLECTUAL PROPERTY PROTECTION AWAY FROM FEDERAL TRADEMARK LAW .....

VI. PROPOSAL.....

    A. *Overview*.....

    B. *Redefining “Origin of Goods”: Reinstating the Twin Aims of Federal Trademark Law*.....

    C. *Creating a “Carefully Crafted Balance” Between Federal Trademark and Federal Copyright Law: Secondary Meaning as a Test*.....

    D. *Restricting Liability Expansion by Maintaining a Unison Between the Twin Aims in Federal Trademark Law: Secondary Meaning as a Test*.....

VII. PROPOSAL AT WORK: *DASTAR* AND MERCHANDISING CASES AS ILLUSTRATIONS .....

VIII. CONCLUSION .....

I. INTRODUCTION

While the Supreme Court has undertaken to explain the intersection and establish the boundaries of various areas of intellectual property law,<sup>1</sup> there

\* J.D. candidate, Boston University School of Law, 2005; B.A., University of Colorado at Boulder, 2001.

<sup>1</sup> See, e.g., *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29-30 (2001)

have been few decisions explaining what happens when federal trademark and federal copyright law overlap. However, when the Supreme Court granted certiorari in *Dastar Corp. v. Twentieth Century Fox Film*,<sup>2</sup> the Court had the opportunity to define and explain such boundaries.

Courts have struggled to define and explain the boundaries between various intellectual property doctrines. The courts must create a “carefully crafted balance” between the discrete intellectual property doctrines when there is overlap.<sup>3</sup> This requires the courts to balance the different purposes of the two doctrines without rendering either unsuitable for its intended use. This Note argues that the Supreme Court in *Dastar* did not create a “carefully crafted balance” between the federal trademark and federal copyright doctrines. Instead, the Supreme Court’s decision in *Dastar* has undermined the purposes of federal trademark law.

The Supreme Court held, if broadly construed, that federal trademark principles cannot be asserted to protect a work that falls into the public domain after expiration of a copyright.<sup>4</sup> In reaching this “bright-line” rule, the Supreme Court went to great lengths to interpret and define the term “origin,” as used in the Lanham Act.<sup>5</sup> The Supreme Court held that the term “origin” refers to “the producer of the tangible goods that are offered for sale, and not to

---

(holding that a prior utility patent is “strong evidence” of functionality, and, unless rebutted, federal trademark law protection is unavailable upon expiration of the patent); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 167-68 (1989) (holding that a state statute of unfair competition which offered patent-like protection was preempted by the supremacy clause).

<sup>2</sup> 539 U.S. 23 (2003).

<sup>3</sup> See *TrafFix Devices, Inc.*, 532 U.S. at 29-30 (illustrating how the Supreme Court has created a carefully crafted balance between federal patent law and federal trademark law when there is overlap).

<sup>4</sup> See *id.* at 37.

<sup>5</sup> Section 43(a) of the Lanham Act provides:

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

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

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic *origin* of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

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

15 U.S.C. § 1125(a)(1) (2000) (emphasis added).

the author of any idea, concept, or communication embodied in those goods.”<sup>6</sup>

The *Dastar* holding has serious implications for federal trademark law because the “touchstone” for determining trademark infringement is the “likelihood of confusion” test.<sup>7</sup> Federal trademark law protects against confusion as to the “origin, sponsorship or approval” of a good.<sup>8</sup> Thus, the definition of “origin” adopted by the Supreme Court undercuts the “likelihood of confusion” test. Consequently, the likelihood of a consumer being confused about the relationship between the product and the organization represented by the uncopyrighted logo may no longer be afforded protection under the decision in *Dastar*.<sup>9</sup> This result is contrary to the twin aims of federal trademark law, which are to protect the public from consumer confusion and to protect the goodwill of the producer.<sup>10</sup> While the legal ramifications are not yet fully ascertainable,<sup>11</sup> the decision leaves federal trademark law in an uncertain state.

The remainder of this Note is divided into seven parts. Section II provides an overview of the federal copyright and federal trademark doctrines and the

---

<sup>6</sup> *Dastar*, 539 U.S. at 37.

<sup>7</sup> J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §23.1 (2d ed. 2004).

<sup>8</sup> 15 U.S.C. § 1125(a)(1).

<sup>9</sup> *See Dastar*, 539 U.S. at 23.

<sup>10</sup> *See* S. REP. NO. 100-515, at 4 (1988); *see also* 15 U.S.C. § 1127.

<sup>11</sup> While this Note has been undergoing revisions, the legal ramifications of this decision have become more readily apparent. Indeed, the majority of cases containing an alleged violation of section 43(a) of the Lanham Act since this decision have been dismissed for failure to state a claim under a reverse-passing off theory. *See, e.g.*, *Zyla v. Wadsworth*, 360 F.3d 243, 251-52 (1st Cir. 2004) (dismissing a reverse-passing off claim); *Borrego v. BMG U.S. Latin*, 92 Fed. Appx. 572, 572 (9th Cir. 2003) (affirming lower court’s grant of summary judgment dismissing a reverse-passing off claim); *Williams v. UMG Recordings, Inc.*, 281 F. Supp. 2d 1177, 1183 (D. Cal. 2003) (dismissing a reverse-passing off claim where defendant misattributed credits for a screenplay and editing because plaintiff was the producer of the tangible good, i.e. the film); *Boston Int. Music, Inc. v. Johnson*, 2003 U.S. Dist. LEXIS 16240, \*4 (D. Mass. 2003) (dismissing a reverse-passing off claim against defendant for failing to attribute credit to the plaintiff for creating a portion of a song); *Bretford Mfg., Inc. v. Smith Sys. Mfg. Co.*, 286 F. Supp. 2d 969, 970, 973 (N.D. Ill. 2003) (overturning the court’s initial ruling that defendant had violated the Lanham Act by engaging in reverse passing off on defendant’s motion for reconsideration in light of the Supreme Court’s opinion in *Dastar*); *Bob Creedon & Associates, Ltd. v. InfoSoft, Inc.*, 2004 U.S. Dist. LEXIS 6500, \*7-\*8 (N.D. Ill. 2004) (dismissing a reverse-passing off claim where defendant marketed and sold a software system that was allegedly derived from plaintiff’s system because defendant was in fact the origin of the system); *Tao of Sys. Integration, Inc. v. Analytical Servs. & Materials, Inc.*, 299 F. Supp. 2d 565, 572 (E.D. Va. 2004) (holding that if section 43(a) of the Lanham Act was applicable, the claim would be dismissed for failure to state a claim under a reverse-passing off theory).

policy considerations that underpin each doctrine. In Section III, the *Dastar* case is examined. The history of the *Dastar* case is provided along with an analysis of the ironic holding, using patent law as an analogy. Section IV discusses the underlying rationale of the “merchandising cases.”<sup>12</sup> Additionally, the *Dastar* decision’s effect on this line of cases is also examined, providing an illustration of the potential legal ramifications of this decision. Section V examines the practical effect that *Dastar* has on the channeling of intellectual property. In Section VI, this Note proposes that the Supreme Court has improperly demarcated federal trademark and federal copyright law and, hence, the Supreme Court should clarify this decision. Section VII proposes a method for determining when federal trademark principles should apply to a work after the expiration of the copyright in that work. Section VIII concludes that the proposal creates a “carefully crafted balance” between the federal trademark and federal copyright doctrines, thereby avoiding the possible consequences of Supreme Court’s holding in *Dastar*.

## II. AN OVERVIEW OF FEDERAL COPYRIGHT AND FEDERAL TRADEMARK LAW AND POLICY

### A. *Federal Copyright Law*

The Intellectual Property Clause of the Federal Constitution authorizes Congress to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>13</sup> Using this authority, Congress established federal copyright law in the United States.<sup>14</sup> Copyright law protects original works of authorship, which are fixed in a tangible medium, from unauthorized copying.<sup>15</sup>

The history of copyright law is one of gradual but continuous expansion.<sup>16</sup>

---

<sup>12</sup> See, e.g., *Int. Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912 (9th Cir. 1981); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975); *Winterland Concessions Co. v. Sileo*, 528 F.Supp. 1201 (N.D. Ill. 1981); *Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689 (D. Ga. 1977).

<sup>13</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>14</sup> Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2544 (codified as amended in scattered sections of 17 U.S.C.).

<sup>15</sup> 17 U.S.C. §102(a) (2000) provides that: “Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device . . . .”

<sup>16</sup> JULIE E. COHEN ET AL., *COPYRIGHT IN A GLOBAL INFORMATION ECONOMY* 25-40

Copyright law now spans a wide range of “literary works and artistic expression – including books, song, dance, computer programs, movies, painting, pictorial, sculptural and graphic works.”<sup>17</sup> While the categories of copyrightable subject matter have continuously expanded, copyright protection has not unduly compromised competition because its protection is limited to the “expression of the idea,” not the idea or information itself.<sup>18</sup> In addition, copyright is limited in duration to life of the author plus seventy years for individual authors, and ninety-five years for corporate authors.<sup>19</sup> Upon expiration of the exclusive copyright protection, the work enters the public domain and is subject to legal copying.<sup>20</sup> Thus, the federal copyright system embodies a “carefully crafted bargain” that balances the conflicting public interests of encouraging creativity by providing exclusive property rights in the author’s work and fostering free competition.<sup>21</sup>

While this “carefully crafted bargain” maintains the appropriate balance of the underlying policy considerations of the federal copyright doctrine when viewed in isolation, it is thrown off balance when it collides with federal trademark law and its underlying policies.<sup>22</sup> Consequently, a new “carefully crafted balance” that addresses both the underlying policies of federal copyright and federal trademark law is needed when there is overlap.

#### *B. Federal Trademark Law*

Federal trademark law was enacted under the Commerce Clause of the Constitution.<sup>23</sup> Therefore, a trademark may last in perpetuity.<sup>24</sup> Moreover, the underlying purpose of federal trademark law is not to create an incentive that

---

(2002).

<sup>17</sup> ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 323 (3d ed. 2003); *see also* 17 U.S.C. § 102(a).

<sup>18</sup> 17 U.S.C. § 102(b) provides that: “In no case does copyright protection for an original work of authorship extend to any idea, procedure, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”

<sup>19</sup> 17 U.S.C. § 302(a)-(c); *see also* MERGES ET AL., *supra* note 17, at 323.

<sup>20</sup> MERGES ET AL., *supra* note 17, at 378.

<sup>21</sup> *See, e.g.,* *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150 (1989) (holding that the federal patent system struck a carefully crafted bargain between the inherent tension in patent law). Because both federal patent and federal copyright law have the same inherent tension, the “carefully crafted bargain” language can also be applied to federal copyright law. *See infra* Parts I.A, II.C.

<sup>22</sup> *See Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 23 (2003).

<sup>23</sup> U.S. CONST. art. I, § 8, cl. 3.

<sup>24</sup> *Compare id. with* U.S. CONST art. I, § 8, cl. 8 (The Commerce Clause does not have the restrictive phrase, “limited times” in its text, whereas the Intellectual Property Clause does).

encourages creation of works.<sup>25</sup> Instead, the purposes of federal trademark law are to protect the public from consumer confusion and to protect the goodwill of the producer.<sup>26</sup> Thus, federal copyright law and federal trademark law provide different types of protection. Whereas federal copyright law gives an author a “bundle” of exclusive rights,<sup>27</sup> federal trademark law prevents only the use of a similar “term, word, name, symbol or any combination thereof,”<sup>28</sup> if consumer confusion is likely.<sup>29</sup>

Federal trademark law originated from the common law of unfair competition and is now codified in the Lanham Act.<sup>30</sup> Common law unfair competition was premised on the concept that competition in business was socially desirable.<sup>31</sup> Hence, federal trademark law is seen as an exception to the desirability of free competition.<sup>32</sup> The rationale for this statutory exception is that the public interest in free competition defers to the public interest in protecting against consumer confusion and business interests in the marketplace.<sup>33</sup> In this sense, a trademark is understood as analogous to a form of business “property.”<sup>34</sup> To acquire this “property” right, the owner of the trademark must be the first to use, and must also continue to use, the mark in trade.<sup>35</sup> This allows the consumer to distinguish the trademarked owner’s goods from others in the market.<sup>36</sup>

Although the early cases took a restrictive view of trademark as a “property” right, trademark protection has since expanded.<sup>37</sup> This expansion, however, has not been without controversy. Opponents of trademark expansion assert the expansion was not premised on protecting consumers from confusion concerning allegedly infringing source identifiers, but was enacted to restrict competitors from entering the market.<sup>38</sup> Partially in response, the Supreme

---

<sup>25</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127 (2000).

<sup>26</sup> See S. REP. NO. 100-515, at 4; see also 15 U.S.C. § 1127.

<sup>27</sup> 17 U.S.C. §§ 106-106A (2000).

<sup>28</sup> 15 U.S.C. § 1125(a)(1).

<sup>29</sup> MCCARTHY, *supra* note 7, § 6:14.

<sup>30</sup> 15 U.S.C. §§ 1051-1141.

<sup>31</sup> MCCARTHY, *supra* note 7, § 1:1.

<sup>32</sup> *Id.* § 1:2.

<sup>33</sup> *Id.*

<sup>34</sup> Int’l Order of Job’s Daughters v. Lindeburg & Co., 633 F.2d 912, 919 (9th Cir. 1981).

<sup>35</sup> MARGRETH BARRETT, INTELLECTUAL PROPERTY 109 (1998).

<sup>36</sup> *Id.*

<sup>37</sup> See MCCARTHY, *supra* note 7, §§ 24:2-24:3 (describing the expansion of the likelihood of confusion test from its restrictive origin of competitive products to non-competitive products bearing a confusingly similar mark and finally to non-competitive markets that are related).

<sup>38</sup> Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2159 (2004).

Court has begun to limit federal trademark protection.<sup>39</sup>

While the breadth of federal trademark law represents a pendulum, the issue of consumer confusion remains the touchstone for finding that a trademark owner can assert a “property” right in a trademark.<sup>40</sup> The two provisions in the Lanham Act that relate to the protection of trademarks from allegedly infringing marks illustrate this point. Marks that are registered with the Patent and Trademark Office (“PTO”)<sup>41</sup> are protected under section 32(a) of the Lanham Act from use that is “likely to cause confusion, mistake or deception.”<sup>42</sup> Section 43(a), which is “commonly referred to as providing ‘federal common law’ protection for registered and unregistered trademarks,”<sup>43</sup> protects against both “passing off”<sup>44</sup> and “reverse passing off”<sup>45</sup> if such use is

---

<sup>39</sup> See, e.g., *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000). In *Wal-Mart*, the Supreme Court limited federal trademark protection when it held that product design is protectable only upon a showing of secondary meaning. *Id.* at 216. Furthermore, in response to an argument that this decision was inconsistent with the Supreme Court’s earlier decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776 (1992), holding that the trade dress of a chain of Mexican restaurants was inherently distinctive, the Supreme Court stated that to the “extent that there are close cases, courts should classify ambiguous trade dress as product design, thereby requiring a showing of secondary meaning.” *Wal-Mart*, 529 U.S. at 215. Hence, *Wal-Mart* stands for the proposition that the Supreme Court is cutting back on treating a trademark as a property right; see also *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (construing the phrase “origin of goods” in the Lanham Act to refer to the “producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods,” further limits the protection afforded by the Lanham Act).

<sup>40</sup> See MCCARTHY, *supra* note 7, § 23.1.

<sup>41</sup> 15 U.S.C. § 1057(b) (2000) (The registration of a mark with the Patent and Trademark Office is “*prima facie* evidence of validity of the registered mark, of the registrant’s ownership in the mark and of the registrant’s exclusive right to use the registered mark in commerce.”) (emphasis added).

<sup>42</sup> *Id.* § 1114(1)(a) (providing that, “any person who shall, without the consent of the registrant use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive”).

<sup>43</sup> MERGES ET AL., *supra* note 17, at 546.

<sup>44</sup> Lori H. Freedman, *Reverse Passing Off: A Great Deal of Confusion*, 83 TRADEMARK REP. 305, 305 (1993) (explaining that, “passing off,” the traditional trademark infringement doctrine, occurs when a producer uses another producer’s trademark and sells a product containing that trademark without stating who manufactured the product). *Id.* An example of “passing off” is the typical knock off a designer label sold on fourteenth-street in New York City for substantially less than the product manufactured by the trademark owner.

<sup>45</sup> Reverse passing off, an expansion of the doctrine of passing off, occurs when one producer purchases another’s product, removes the trademark from the product and replaces it with their own trademark. *Id.*

likely to cause confusion as to “the origin, sponsorship or approval of his or her goods.”<sup>46</sup> Under either statutory provision, likelihood of confusion is the basis for finding liability for infringement.

Because the touchstone of trademark protection is premised on finding a likelihood of consumer confusion, this concern must be addressed when federal trademark and federal copyright law collide. It is between this underlying principle in federal trademark law and the “carefully crafted bargain” of federal copyright law where the courts need to demarcate the boundary between these two doctrines. This is a delicate boundary. It cannot be defined and explained as the Supreme Court did in *Dastar* without leaving federal trademark law in an uncertain state.

### III. *DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.*

#### A. *Factual Background*

In 1948, General Dwight D. Eisenhower completed his book, *Crusade in Europe*, which depicted his account of the allied campaign in Europe during World War II.<sup>47</sup> The publisher of the book, Doubleday, registered the book with the Copyright Office in 1948.<sup>48</sup> Shortly thereafter, Twentieth Century Fox Film Corp. (“Fox”), retained Time, Inc. (“Time”) to produce a television series based on the book, which was also called *Crusade in Europe*.<sup>49</sup> Time subsequently assigned its copyright in the series to Fox.<sup>50</sup> Under the 1909 Copyright Act, the copyright owner had twenty-eight years of exclusive rights and could renew such copyright for an additional twenty eight-years.<sup>51</sup> In 1975, Doubleday renewed the copyright in the book.<sup>52</sup> Fox, however, did not renew the copyright in the television series and as a result, in 1977, the work entered the public domain.<sup>53</sup> Subsequently, in 1988, Fox reacquired the exclusive rights in the television series, which included the right to distribute the series on video.<sup>54</sup> Fox then sublicensed this right to SFM Entertainment and New Line Home Video, Inc.<sup>55</sup>

In 1995, Dastar, a video tape publisher, released a video set entitled *World War II Campaigns in Europe*, which was produced in part by using a copy of

---

<sup>46</sup> 15 U.S.C. § 1125(a)(1).

<sup>47</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 25 (2003).

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 25-26.

<sup>50</sup> *Id.* at 26.

<sup>51</sup> MERGES ET AL., *supra* note 17, at 395.

<sup>52</sup> *Dastar*, 539 U.S. at 26.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

the original *Crusade in Europe* television series.<sup>56</sup> Dastar copied and edited the series, resulting in a product that was shorter than the television series and contained approximately thirty minutes of new footage.<sup>57</sup> The new footage included a new opening title sequence and a new chapter heading.<sup>58</sup> The order of the footage from the television series was also modified.<sup>59</sup> Dastar manufactured *World War II Campaigns in Europe* as its own, without giving attribution to the *Crusade in Europe* television series, General Eisenhower's book or the videos that were previously manufactured.<sup>60</sup> Furthermore, Dastar sold *World War II Campaigns in Europe* for twenty-five dollars less than the series sold by Fox, SFM Entertainment and New Line Home Video (the "plaintiffs").<sup>61</sup>

Plaintiffs brought suit after Dastar began distributing *World War II Campaigns in Europe*.<sup>62</sup> They asserted that Dastar, by making and distributing its video, violated section 43(a) of the Lanham Act.<sup>63</sup> Specifically, the plaintiffs asserted that Dastar's copying and reuse of the video footage constituted "reverse passing off,"<sup>64</sup> which is grounds for trademark infringement under section 43(a) if consumer confusion is likely to occur as to "origin, sponsorship or affiliation."<sup>65</sup>

Both the District Court and the Court of Appeals for the Ninth Circuit rendered judgment in favor of the plaintiffs.<sup>66</sup> The courts reasoned that Dastar's copying of the television series without providing attribution was misappropriation and thus violated section 43(a) of the Lanham Act because consumer confusion was likely to occur.<sup>67</sup> The Supreme Court granted certiorari to decide whether Dastar's actions constituted a violation of section 43(a).<sup>68</sup> In doing so, the Supreme Court accepted the challenge of defining the boundary between federal trademark and federal copyright law when there is direct conflict between the two doctrines.

#### B. *The Supreme Court's Holding in Dastar Corp. v. Twentieth Century Fox*

---

<sup>56</sup> *Id.*

<sup>57</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 26 (2003).

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 26-27.

<sup>60</sup> *Id.* at 27.

<sup>61</sup> *Id.*

<sup>62</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 27 (2003).

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*; see also *supra* note 45 and accompanying text.

<sup>65</sup> 15 U.S.C. § 1125(a)(1) (2000).

<sup>66</sup> *Dastar*, 539 U.S. at 27-28.

<sup>67</sup> *Id.* at 28.

<sup>68</sup> *Id.* at 28-29.

Film Corp.

The Supreme Court, in an opinion by Justice Scalia, reversed the holding of the Court of Appeals for the Ninth Circuit.<sup>69</sup> In reaching its decision, the Court turned to the underlying purposes of federal trademark law, as codified in the Lanham Act.<sup>70</sup> Justice Scalia reiterated that section 43(a) exceeds traditional trademark protection and was never intended by Congress to have boundless application to all trade practices that are unfair.<sup>71</sup> Rather, section 43(a) must be constrained by its statutory language.<sup>72</sup> Thus, for statutory application, consumer confusion must be likely as to the “origin, sponsorship or affiliation” of the mark.<sup>73</sup> The Supreme Court then engaged in a technical analysis of the language of section 43(a), specifically focusing on the term “origin.”<sup>74</sup>

The Supreme Court started with the proposition that if the term “origin” referred to the producer of the tangible goods, then Dastar was not liable under section 43(a).<sup>75</sup> On the other hand, if “origin” included the creator of the original work, then Dastar would be liable if the Supreme Court found a likelihood of consumer confusion.<sup>76</sup> Following this proposition, the Supreme Court took the ordinary meanings of the terms “origin” and “goods” to support

---

<sup>69</sup> *Id.* at 38.

<sup>70</sup> Justice Scalia asserts that the “Lanham Act intended to make ‘actionable the deceptive and misleading use of marks,’ and ‘to protect persons engaged in . . . commerce against unfair competition.’” *Id.* at 28 (quoting 15 U.S.C. § 1127).

<sup>71</sup> *Dastar*, 539 U.S. at 29; *see also* 15 U.S.C. § 1125(a)(1) (2000); *see supra* note 43 and accompanying text (stating that referring to section 43(a) of the Lanham Act as providing “federal common law” protection for trademarks is a misnomer because application must be restricted to the limited statutory language, which does not apply to any trade practice that is “unfair,” but rather only those that cause confusion as to “origin, sponsorship or affiliation”).

<sup>72</sup> *Dastar*, 539 U.S. at 29

<sup>73</sup> 15 U.S.C. § 1125(a)(1).

<sup>74</sup> *See Dastar*, 539 U.S. at 31. While the Supreme Court focused on interpreting the term “origin” in section 43(a) of the Lanham Act, the Supreme Court’s primary rationale, a fear of creating a species of “perpetual copyright,” is broad enough to encompass a similar conservative reading with respect to “affiliation or sponsorship.” *Id.* at 31, 37 (emphasis added); *see also* 15 U.S.C. § 1125(a)(1). To illustrate this, take the following example. If Fox’s claim was that consumers thought that *WWII Campaigns in Europe* was sponsored by or affiliated with Fox, Fox’s section 43(a) claim would likely be dismissed because the Supreme Court’s concern of creating a species of “perpetual copyright,” is equally applicable whether the claim alleges confusion as to “origin, sponsorship or affiliation.” *Dastar*, 339 U.S. at 26, 37; *see also* 15 U.S.C. § 1125(a)(1). Thus, this Note undertakes to discuss the implications of the Supreme Court’s definition of “origin” specifically, and also, more generally, its ramifications for the other causes of action under section 43(a), namely “sponsorship or affiliation” confusion.

<sup>75</sup> *Dastar*, 539 U.S. at 31.

<sup>76</sup> *Id.*

its assertion that the phrase “origin of goods” in the Lanham Act is not capable of denoting the original author of an idea, concept or communication embodied in the goods.<sup>77</sup> Instead, it held that these terms merely connote the producer of the tangible goods.<sup>78</sup> The rationale for this statutory construction is that, if the phrase “origin of goods” connoted the author of the original idea or concept, then the Supreme Court would be creating a “species of perpetual . . . copyright.”<sup>79</sup>

The Supreme Court supported this statutory construction of the phrase “origin of goods” on various grounds. First, the Court asserted that where there is no intellectual property right in the form of a valid copyright or patent, copying of such intellectual property is not prohibited.<sup>80</sup> Federal trademark principles cannot extend the exclusive rights afforded by these areas of intellectual property because this would disrupt the “carefully crafted bargain” that allows for such exclusivity.<sup>81</sup> Second, the Court argued that construing the phrase “origin of goods” to include the author of the idea or concept would pose practical problems.<sup>82</sup> Lastly, the Court asserted that including the original author of the idea or concept into the phrase “origin of goods” would be inconsistent with precedent.<sup>83</sup>

C. *Irony of the Holding: Patent Law Used as an Analogy*

The Supreme Court, to avoid granting back-door copyright protection, attempted to channel the principles of intellectual property law into three regimes by adopting an absolute rule precluding federal trademark principles from applying to an expired copyrighted work.<sup>84</sup> While some may argue that this statement too broadly construes the holding in *Dastar*,<sup>85</sup> such construction is not unreasonable in light of the Supreme Court’s recent trend of limiting the applicability of federal trademark law.<sup>86</sup>

---

<sup>77</sup> *Id.* at 31-32.

<sup>78</sup> *Id.* at 37.

<sup>79</sup> *Id.*

<sup>80</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33 (2003).

<sup>81</sup> *Id.* at 33-34.

<sup>82</sup> For example, Justice Scalia asserts that the original creator of the *Crusade in Europe* television series is not Fox, but rather those who shot the footage and thus, there are no “discernible limits” to identify who can assert protection under § 43(a). *Id.* at 35.

<sup>83</sup> *Id.* at 36-37.

<sup>84</sup> *See id.* at 37.

<sup>85</sup> *See* Eugene Quinn, *Dastar v. Fox: Public Domain Wins in the US Supreme Court*, JURIST (June 4, 2003) (arguing that the holding in *Dastar* merely asserts that the doctrine of reverse passing off cannot be asserted to protect material that has fallen into the public domain once the copyright expired), available at <http://www.jurist.law.pitt.edu>.

<sup>86</sup> *See supra* note 39 and accompanying text (illustrating the Supreme Court’s recent trend of limiting the scope of federal trademark law).

The irony of adopting this “absolute” rule is that only evidence of functionality will preclude federal trademark protection when a utility patent expires.<sup>87</sup> In other words, a patent, which confers stronger market power than a copyright, has no such absolute bar against subsequent federal trademark protection.<sup>88</sup>

Federal patent law, like federal copyright law, was enacted under the intellectual property clause of the Constitution.<sup>89</sup> However, federal patent law is considered the “king” of intellectual property law because it confers strong exclusive rights upon the patent owner when the PTO issues a patent.<sup>90</sup> A patent gives the owner a limited monopoly, which confers upon the patent owner the right to preclude others from “making, using, selling, or offering to sell” the patented invention in return for making and fully disclosing the invention to the public.<sup>91</sup>

Patent law may be seen as an exception to the general rule of free competition because of the strength of its exclusive rights. However, the criteria that an inventor must meet to receive a patent restricts the number of patentable objects. These criteria require that a patentee’s invention be useful,<sup>92</sup> novel,<sup>93</sup> not statutorily barred,<sup>94</sup> non-obvious<sup>95</sup> and adequately disclosed to the public<sup>96</sup> before the PTO will issue a patent. While these criteria filter out patents that are potentially “embarrassing”<sup>97</sup> to the public, they also make patenting relatively expensive.<sup>98</sup>

Lawmakers justify patents on the grounds that without these limited monopolies, there would be insufficient economic incentives for the inventor

---

<sup>87</sup> *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29-30 (2000).

<sup>88</sup> *MERGES ET AL.*, *supra* note 17, at 690-94.

<sup>89</sup> U.S. CONST. art. I, § 8, cl. 8; *see also infra* Part II.A.

<sup>90</sup> *See* 35 U.S.C. § 271(a) (2000).

<sup>91</sup> *See id.*; 35 U.S.C. § 112.

<sup>92</sup> *See* 35 U.S.C. § 101.

<sup>93</sup> *See* U.S.C. § 102(a).

<sup>94</sup> *See* U.S.C. § 102(b).

<sup>95</sup> *See* U.S.C. § 103.

<sup>96</sup> *See* U.S.C. § 112.

<sup>97</sup> *See MERGES ET AL.*, *supra* note 17, at 175 (Thomas Jefferson, the first administrator of patent law, believed that “only inventions and discoveries which furthered human knowledge, and were new and useful, justified the special inducement of a limited private monopoly.”). In other words, the threshold for granting an exclusive right in a patent was high, which avoided embarrassment. *Id.*

<sup>98</sup> *See* Medical College of Georgia, *Technology Transfer and Economic Development* (Dec. 30, 2003) (stating that the average cost of patent prosecution is \$15,000, but it can often exceed this figure), *available at* <http://www.mcg.edu/research/techtransfer/patents101.htm>.

to create inventions that are beneficial to the public at large.<sup>99</sup> This is the same “carefully crafted bargain” that exists in federal copyright law.<sup>100</sup> However, the channeling of intellectual property, upon the expiration of a utility patent, to the protective ambits of federal trademark law must be applied with caution to prevent anticompetitive monopolies.

The doctrine of functionality has properly channeled the application of federal trademark law to an expired utility patent.<sup>101</sup> The central concern in the doctrine of functionality is to prevent the owners of expired utility patents from getting a perpetual monopoly on the functional aspects of the patent through federal trademark protection under section 43(a) of the Lanham Act.<sup>102</sup> The threshold for determining non-functionality of an aspect of a patented product is high. For example, in *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, the Supreme Court reaffirmed the rule that an expired utility patent is strong evidence the features are functional.<sup>103</sup> Therefore, if trademark protection is to be awarded, the party seeking such protection must establish that any perceived functional features are merely an “ornamental, arbitrary or incidental aspect of the device.”<sup>104</sup>

The doctrine of functionality tries to strike a balance when there is overlap between federal trademark and federal patent law.<sup>105</sup> This balance focuses on society’s interest in free competition and the twin aims of federal trademark law.<sup>106</sup> Although policies that favor free competition may trump the twin aims of federal trademark law after expiration of a patent, they do not absolutely bar federal trademark protection from application.<sup>107</sup> Federal trademark protection may still apply, upon expiration of a patent, because market constraints will be minimal if the feature is merely an “ornamental, incidental or arbitrary aspect of the device.”<sup>108</sup> In addition, consumer confusion may be great if such a feature serves to identify origin. Thus, although no perfect fit exists, a balance that incorporates the touchstone of federal trademark law, source identification, is struck.

Similar to patent law, federal copyright law also grants the copyright owner a limited monopoly: the copyright owner holds the exclusive rights to reproduce, distribute copies or phonorecords, perform or display copyrighted

---

<sup>99</sup> MERGES ET AL., *supra* note 17, at 994.

<sup>100</sup> See *supra* note 21 and accompanying text.

<sup>101</sup> MERGES ET AL., *supra* note 17, at 690.

<sup>102</sup> BARRETT, *supra* note 35, at 97.

<sup>103</sup> *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2000).

<sup>104</sup> *Id.* at 30.

<sup>105</sup> MERGES ET AL., *supra* note 17, at 690.

<sup>106</sup> BARRETT, *supra* note 35, at 97.

<sup>107</sup> MERGES ET AL., *supra* note 17, at 691.

<sup>108</sup> *TrafFix Devices*, 532 U.S. at 30.

material or prepare derivative works premised on the copyrighted work.<sup>109</sup> However, these exclusive rights do not carry the strength of those afforded to a patent owner.<sup>110</sup> The differing strength of exclusive rights is justified by the minimal criteria that the author must satisfy for copyright protection as compared to the much more stringent criteria needed for patent protection.<sup>111</sup> While the rights afforded by copyright are not equivalent to those afforded by a patent, the federal Copyright Act embodies a similar “carefully crafted bargain” between society’s interests in encouraging creativity and fostering free competition.<sup>112</sup>

When federal trademark law conflicts with federal copyright law, the “carefully crafted bargain” of federal copyright law should be more liberally construed than when federal trademark conflicts with federal patent law. Such a difference is justified because the exclusivity under copyright law does not affect market power in the same way as under patent law.<sup>113</sup> Therefore, the effects on competition are less severe. Additionally, federal copyright law often protects transitory works, which acquire a source identification function during the period that the work is protected by copyright.<sup>114</sup> The Supreme Court’s holding in *Dastar*, however, construes this “carefully crafted balance” between federal trademark and federal copyright more strictly than the doctrine of functionality. This is contrary to this premised market rationale and disregards the fact that a copyright expression can manifest a source identification function during the period of copyright protection. Consequently, it undermines the principles of federal trademark law.<sup>115</sup>

After engaging in a technical statutory interpretation in *Dastar*, the Supreme Court held that the phrase “origin of goods” in section 43(a) of the Lanham Act refers to the “producer of the tangible goods, not to original author of the

---

<sup>109</sup> See 17 U.S.C. § 106 (2000); see also *id.* § 106A (providing further non-exclusive rights for copyright owners).

<sup>110</sup> See *supra* notes 90-91 and accompanying text. For example, unlike patent law, the exclusive rights of federal copyright law do not protect against independent creation. See 17 U.S.C. § 106-106A.

<sup>111</sup> See *infra* Parts II.A, III.C.

<sup>112</sup> See *supra* note 21 and accompanying text.

<sup>113</sup> See MERGES ET AL., *supra* note 17, at 690-94 (explaining that one reason for the lack of decisions explaining the boundaries of federal trademark and federal copyright law when they directly conflict, in comparison to those explaining such boundaries between federal trademark and federal patent law, is due to the result of the more limited market power associated with a copyright).

<sup>114</sup> See MERGES ET AL., *supra* note 17, at 690-91. While the authors talk about the inevitability of a patent acquiring a source identification function during its protection, this same effect can be applied to a copyright because it also gives a limited monopoly in the work. *Id.*

<sup>115</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127 (2000).

idea, concept or communication embodied in those goods.”<sup>116</sup> While this holding does not directly state that federal trademark principles are not applicable when a copyright expires in a work, this could be its effect.

By construing the phrase “origin of goods” to refer to the “producer of tangible goods,”<sup>117</sup> the Supreme Court drastically undercut the touchstone inquiry of consumer confusion for finding infringement of a trademark, which requires confusion as to the source, affiliation or sponsorship.<sup>118</sup> Thus, under *Dastar*, where there is confusion regarding the relationship between a product and an organization represented by an uncopyrighted work, federal trademark law will no longer protect against that confusion.<sup>119</sup>

Unlike the functionality doctrine in patent law, the Supreme Court’s statutory interpretation does not balance the purposes of federal trademark and copyright law. Instead, the Supreme Court provides an absolute bar against the application of federal trademark principles when a work, which may have acquired source identification through its copyright protection, falls within the public domain. The irony of this rule is that federal trademark principles may apply to the “ornamental, arbitrary or incidental features” of a utility patent after expiration, but subsequent federal trademark protection is absolutely prohibited to copyright expression that manifests a source identification function after the copyright expires. This is true despite the stronger market influence of patent law than copyright law.<sup>120</sup>

The holding of *Dastar* is not only incongruous when analogized to patent law, but it also has legal ramifications for the scope and purpose of federal

---

<sup>116</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003); *see also supra* Part III.B.

<sup>117</sup> *Dastar*, 539 U.S. at 37; *see also supra* Part III.B.

<sup>118</sup> 15 U.S.C. § 1125(a)(1) (2000).

<sup>119</sup> Take the following example as an illustration. Assume that the logo on Louis Vuitton products is not trademarked, but rather protected by a copyright, which has expired. It can be argued that consumers will confuse a knock-off Louis Vuitton purse with a genuine purse, each bearing the Louis Vuitton logo. This association is likely to cause consumer confusion as to “source, affiliation or sponsorship.” Such confusion will exist even if the knock-off retailer manufactures and sells the product as its own because the logo acts as a source identifier to the consuming public that such product was manufactured by Louis Vuitton. Furthermore, Louis Vuitton’s reputation, from undesirable association with the knock-off retailer’s product, may have the effect of diminishing Louis Vuitton’s goodwill and consumer confidence in its product. The Supreme Court’s statutory construction, however, does not protect against such confusion because the knock-off retailer produced the goods. Such statutory construction therefore undercuts the underlying foundations of federal trademark law because it no longer protects consumers from confusion as to sponsorship or affiliation, nor does it protect Louis Vuitton’s goodwill.

<sup>120</sup> *See supra* note 113.

trademark law. The line of “merchandising cases”<sup>121</sup> provides an illustration of some of the potential legal consequences.

#### IV. THE MERCHANDISING CASES: AN ILLUSTRATION OF THE POTENTIAL EFFECT OF *DASTAR* ON THE SCOPE OF FEDERAL TRADEMARK LAW

##### A. *Background*

“Merchandising property” refers to the placement of publicly recognized symbols, insignia, names, or logos on collateral goods that are offered for sale.<sup>122</sup> The sources of merchandising property are innumerable. For example, sports teams,<sup>123</sup> musical groups,<sup>124</sup> famous designers, universities, fraternal groups,<sup>125</sup> and automobile companies<sup>126</sup> manufacture merchandise that allows consumers to identify such a product with a particular group or individual. Although the “license of merchandising property has become a big business,”<sup>127</sup> no “law of merchandising per se”<sup>128</sup> exists and merchandising property owners must therefore rely on other forms of legal protection.

The public’s desire to adorn itself with products bearing a popular label or logo has prompted owners of the merchandising property to seek intellectual property protection to prevent unauthorized replication.<sup>129</sup> These owners may attempt to restrict the rights to replicate merchandisable<sup>130</sup> symbols, logos, or

---

<sup>121</sup> See cases cited *supra* note 12.

<sup>122</sup> Robert C. Denicola, *Institutional Publicity Rights: An Analysis of the Merchandising of Famous Trade Symbols*, 62 N.C. L. REV. 603, 604-05 (1984).

<sup>123</sup> See *Boston Prof’l Hockey Ass’n, v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975); *Nat’l Football League Props., Inc. v. Wichita Falls Sportswear, Inc.*, 532 F. Supp. 651 (W.D. Wash. 1982).

<sup>124</sup> See, e.g., *Bi-Rite Enters. v. Button Master*, 555 F. Supp. 1188 (S.D.N.Y. 1983). Bi-Rite, an authorized licensee to manufacture and sell various commodities bearing the marks of popular music groups, brought suit against Button Master to enjoin them from unlicensed manufacture of buttons bearing the same marks. *Id.* at 1191-92.

<sup>125</sup> See, e.g., *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 914 (9th Cir. 1981). In *Job’s Daughters*, plaintiff sued to prevent defendant from using the young women’s fraternal organization’s emblem in designing jewelry. *Id.*

<sup>126</sup> See, e.g., *Rolls-Royce Motors Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689, 690-93 (N.D. Ga. 1977) (seeking to enjoin defendant from manufacturing customizing kits that contained the hood ornamentation and grille used by plaintiff).

<sup>127</sup> Denicola, *supra* note 122, at 604.

<sup>128</sup> Gregory J. Battersby & Charles W. Grimes, *Merchandising Revisited*, 76 TRADEMARK REP. 271, 281 (1986).

<sup>129</sup> Denicola, *supra* note 122, at 603-05.

<sup>130</sup> See Battersby & Grimes, *supra* note 128, at 271 (explaining that since merchandising has established itself as a successful tool for selling products, it has taken on added meaning). Specifically, merchandising can be defined for purposes of this paper as

names through various intellectual property doctrines.<sup>131</sup> In the majority of cases, the organization owning the symbol, name or logo will utilize federal trademark law to protect consumers against confusion resulting from the unlicensed competitor, and to protect their goodwill.<sup>132</sup>

While merchandise serves as a form of expression, judicial opinions have inconsistently applied federal trademark protection to merchandising properties on collateral goods. Nevertheless, the court's ultimate inquiry in such cases is whether the unlicensed competitor's actions constitute a "false designation of origin, description or representation" that is likely to cause consumer confusion as to the "sponsorship, origin or affiliation" of the merchandise.<sup>133</sup> The construction of the phrase "origin of goods" in the *Dastar* holding prevents a merchandise property owner from validly asserting federal trademark law.

### B. Merchandising Cases

Merchandising property owners rely on federal trademark protection to prevent unlicensed competitors from using the "licensed property" to access market advantage.<sup>134</sup> Unlicensed use is likely to cause consumer confusion as to "sponsorship or affiliation" and thus, is prohibited under section 43(a) of the Lanham Act.<sup>135</sup> However, given the ad hoc analysis<sup>136</sup> regarding the likelihood of confusion presented by this traditional test, it is not surprising that the judicial opinions that find infringement in merchandising cases have expanded the traditional notions of consumer confusion.

*Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.* set forth the

---

"licensing publicly recognizable properties for use on or in association with specific products or services to foster their sale." *Id.*

<sup>131</sup> See Denicola, *supra* note 122, at 605. For example, if the material consists of graphic representations, copyright protection may be sought, but if the material consists of a famous name, such as "Madonna," the right of publicity may provide similar protection. *Id.*

<sup>132</sup> See *id.* at 604-05; see also Battersby & Grimes, *supra* note 128, at 281. Federal trademark protection is usually seen as better suited than design patents for protecting the merchandising property, which give its owner a monopoly in the ornamental design of a product, because by the time a design patent is issued, usually between two and three years after date of filing, often the mark will have lost some of its popularity. Denicola, *supra* note 122, at 605; Battersby & Grimes, *supra* note 128, at 281 n.35. An additional consideration in choosing between federal copyright and federal trademark protection is that both design patents and copyrights have limited duration, whereas trademarks may last in perpetuity. See *supra* Parts II.A-B, III.C.

<sup>133</sup> Denicola, *supra* note 122, at 606.

<sup>134</sup> See *supra* note 132 and accompanying text.

<sup>135</sup> 15 U.S.C. § 1125(a)(1).

<sup>136</sup> See BARRETT, *supra* note 35, at 116-21 (enumerating a lengthy list of factors that courts should consider, which inevitably leads to ad hoc determination about consumer confusion).

underlying rationale of the modern merchandising cases.<sup>137</sup> In this case, the National Hockey League (“NHL”) and thirteen of its members sought to enjoin Dallas Cap & Emblem Mfg., Inc. (the “defendant”) from producing and selling embroidered cloth emblems portraying the popular insignias of its respective teams.<sup>138</sup> The district court denied protection to the NHL under section 43(a) of the Lanham Act, reasoning that consumer confusion regarding the manufacturer of the emblems was unlikely.<sup>139</sup> The district court also stated that providing trademark protection for an uncopyrighted design would essentially create a form a perpetual copyright protection through the use of federal trademark principles.<sup>140</sup> The Fifth Circuit reversed.<sup>141</sup> It held that the likelihood of confusion test was satisfied because the defendants sold the hockey teams’ insignia to the public knowing that the public would identify such emblems as the trademark of a particular team.<sup>142</sup> The court further asserted that section 43(a)’s limiting the confusion analysis to the source of manufacture was too restrictive.<sup>143</sup>

This expansion of the basis for liability, premised on confusion as to sponsorship or affiliation, has since been codified in the amended provision of section 43(a) of the Lanham Act.<sup>144</sup> Congress’ purpose in expanding the liability basis to include the likelihood of consumer confusion of “sponsorship” or “affiliation” was to bring federal trademark law in accordance with present day “business practices as well as improving the law’s protection of the public

---

<sup>137</sup> 510 F.2d 1004 (5th Cir. 1975).

<sup>138</sup> *Id.* at 1008.

<sup>139</sup> *Id.* at 1012.

<sup>140</sup> *Id.* at 1010-11.

<sup>141</sup> *Id.* at 1014.

<sup>142</sup> 510 F.2d at 1014.

<sup>143</sup> *Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1014 (5th Cir. 1975).

<sup>144</sup> In the original provision, likelihood of consumer confusion had to be premised upon source of origin. As adopted in 1946, section 43(a) provided:

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

Lanham Act, ch. 540, Title VII, § 43(a), 60 Stat. 441(1946) (current version at 15 U.S.C. § 1125(a)(1) (2000)).

from confusion and deception.”<sup>145</sup> In other words, Congress was reaffirming the twin aims of federal trademark law: to protect the public from consumer confusion and to protect the goodwill of the producer.<sup>146</sup>

Although *Boston Hockey* is illustrative of why Congress expanded section 43(a) of the Lanham Act to include liability for consumer confusion premised on “sponsorship or affiliation,” the conclusory analysis of finding liability for trademark infringement by “equating recognition with confusion” did not remain unchallenged.<sup>147</sup> Nevertheless, the analysis of *Boston Hockey* remains illustrative of the legislatures’ intent for expanding the liability basis of federal trademark law.<sup>148</sup>

The Supreme Court’s ruling in *Dastar*, however, may preclude a finding of trademark infringement if the consumer is confused as to “origin, sponsorship or affiliation.”<sup>149</sup> This is not in accordance with the underlying principles of federal trademark law as asserted by Congress when amending section 43(a) of the Lanham Act.<sup>150</sup> Furthermore, if the holding of the *Dastar* case were applied retroactively, it could overturn the merchandising cases that found infringement on this likelihood of confusion analysis.

### C. *Effect of Dastar on Merchandising Cases and on Federal Trademark Law*

The Supreme Court’s interpretation of the phrase “origin of goods” to refer to the “producer of tangible goods and not the author of the idea, concept or communication embodied in such goods,”<sup>151</sup> readopts the original provision of section 43(a).<sup>152</sup> To illustrate this, consider the logo of the New York Yankees. If the Yankees’ logo were a copyrighted graphic representation, competitors would be free to copy this logo upon the expiration of the copyright. But if an unlicensed competitor manufactured and sold merchandise bearing the Yankee logo as its own, consumers would likely believe the Yankee organization sponsored or was affiliated with the sale of the merchandise. Such mistaken associations cause consumer confusion and

---

<sup>145</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>146</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>147</sup> Denicola, *supra* note 122, at 607; see also *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1981) (criticizing the holding in *Boston Hockey* on the grounds that it was contrary with the underlying purpose of the Lanham Act); *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 389-90 (5th Cir. 1977) (reformulating the holding in *Boston Hockey* to require that the trademark owner asserting protection show actual consumer confusion as to “source, endorsement or connection”).

<sup>148</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>149</sup> 15 U.S.C. § 1125(a)(1).

<sup>150</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>151</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>152</sup> See *supra* note 144 and accompanying text.

should be prohibited by federal trademark law. However, consumers are not confused about the manufacturer of the merchandise. Under *Dastar*, an unlicensed competitor can be held liable only if a consumer is confused as to the source of manufacture.<sup>153</sup> Therefore, if the Yankee organization sought federal trademark protection, such protection would not be awarded under the Supreme Court's ruling in *Dastar*.

This result is clearly contrary to the dual purposes of federal trademark law.<sup>154</sup> In the 1988 Revisions Act, which amended section 43(a) to include "sponsorship or affiliation"<sup>155</sup> as a basis for liability, Congress reaffirmed the purposes of the federal trademark law.<sup>156</sup> Congress asserted that not only does federal trademark law protect the public by assuring confidence in consumers' identification of product brands, but it also protects the producer from one who copies the trademark.<sup>157</sup> The following statement illustrates Congress' strong intent to protect the goodwill of the producer: "America stakes its reputation on its trademarks. They are the most important ambassadors of goodwill America will ever convey."<sup>158</sup> Thus, in the above example, not only should the law protect the consumer from confusion as to the affiliation of the product carrying the Yankee logo, but it should also protect the reputation of the Yankees from harm caused by inferior products bearing its logo.

While *Dastar* has the effect of absolutely barring application of federal trademark principles after the expiration of a copyright,<sup>159</sup> it also has ramifications for federal trademark law's general applicability because the Supreme Court's holding did not address a situation where the two doctrines overlap. Consequently, an unlicensed competitor may copy a trademark, place it on a collateral commodity, and legally manufacture and sell the good even if there is consumer confusion as to affiliation or sponsorship. Furthermore, the owner of the mark would have no recourse if reputational interests were damaged.<sup>160</sup> In other words, if an unlicensed manufacturer copied the NHL teams' insignias, placed them on collateral goods and sold such goods as its own product, the licensee or owner of the insignia would no longer be able to recover for trademark infringement under the *Dastar* holding because the consumer would not be confused as to source of manufacture. Hence, under the test employed in *Dastar*, the line of merchandising cases no longer appear

---

<sup>153</sup> See *Dastar*, 539 U.S. at 37.

<sup>154</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127 (2000).

<sup>155</sup> 15 U.S.C. § 1125(a)(1).

<sup>156</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>157</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>158</sup> S. REP. NO. 100-515, at 4 (1988).

<sup>159</sup> See *supra* Part III.C.

<sup>160</sup> To illustrate this, refer to the New York Yankees' example but assume that the logo had not been copyrighted. See *supra* Part IV.C.

2005]                    DASTAR: FEDERAL TRADEMARK LAW

to be good law.

V. PRACTICAL EFFECT OF *DASTAR*: CHANNELING INTELLECTUAL PROPERTY PROTECTION AWAY FROM FEDERAL TRADEMARK LAW

If broadly construed by the lower courts, *Dastar* could influence intellectual property owners to seek protection under either federal patent or federal copyright law, rather than federal trademark law. Yet, even if the mark owner is able to obtain a patent or copyright, the patentee or copyright owner will be left without protection when the patent or copyright expires.<sup>161</sup>

Despite *Dastar*, however, the patentee can still assert the doctrine of utilitarian functionality to seek protection for a feature that is “ornamental, arbitrary or incidental to the device,”<sup>162</sup> if such feature has a source identification function.<sup>163</sup> Consequently, it may seem that the most effective way to protect a trademark after *Dastar* is by first obtaining a patent and then asserting the functionality doctrine. However, this is not always feasible due to the difficulty in obtaining a patent and the strong presumption of functionality.<sup>164</sup> Furthermore, it does not provide proper protection.<sup>165</sup> Therefore, where applicable, copyright protection will be sought because protection will be afforded for at least a limited duration.<sup>166</sup>

Although *Dastar* prevents federal trademark principles from creating “back door” copyright protection in perpetuity, the practical effect upsets the balance of the different intellectual property regimes. By establishing federal patent, copyright and trademark law, Congress realized the need for these different regimes to protect various intangible products of investment, creative intellect, and invention.<sup>167</sup> While Congress set up discrete legal categories of intellectual property protection, the doctrines inevitably overlap. Thus, alternative forms of protection for the same creation are necessary.<sup>168</sup> In other words, just as Congress enacted a “carefully crafted bargain”<sup>169</sup> in the various intellectual property doctrines, a similar “carefully crafted” balance must be struck between those doctrines in order to prevent the practical effect of rendering one doctrine unsuitable for its original purpose.

---

<sup>161</sup> See *supra* Parts II.A, III.C.

<sup>162</sup> See *supra* Part III.C.

<sup>163</sup> See *supra* Part II.B.

<sup>164</sup> See *supra* Part III.C.

<sup>165</sup> See *supra* Part III.C.

<sup>166</sup> See *supra* Part II.A.

<sup>167</sup> BARRETT, *supra* note 35, at 1.

<sup>168</sup> *Id.*

<sup>169</sup> See *supra* note 21.

## VI. PROPOSAL

### A. Overview

Federal trademark law has seen significant expansion from its traditional scope. It has expanded in various aspects, such as product market scope, geographic market scope, types of marks protected and the basis for liability under section 43(a) of the Lanham Act.<sup>170</sup> As noted earlier, these expansions have not been without controversy.<sup>171</sup> Consequently, a recent trend to cut back on the scope of federal trademark protection has occurred.<sup>172</sup> Thus, the conservative holding in *Dastar*, which addressed the doctrine of reverse passing off and the idea of granting “perpetual” copyright protection through federal trademark principles, is not surprising.<sup>173</sup> However, with the *Dastar* decision, the Supreme Court has overly restricted the federal trademark law. The result has undermined the principles of federal trademark law and incorrectly channeled protection to other intellectual property doctrines.<sup>174</sup> Therefore, the Supreme Court, if presented with the opportunity, should readdress and reformulate the *Dastar* holding.

The holding in *Dastar* affected not only the applicability of federal trademark principles after the expiration of copyright protection, but also, more generally, federal trademark protection under section 43(a) of the Lanham Act.<sup>175</sup> Therefore, any proposal must be multifaceted to adequately address these different issues. The following recommendations are offered. First, the Supreme Court should redefine the phrase “origin of goods” to include the original “author of the idea, concept or communication embodied in those goods.”<sup>176</sup> This would restore the twin aims of federal trademark law.<sup>177</sup> Second, to prevent federal trademark law from becoming unsuitable for its underlying purposes, the Supreme Court must create a “carefully crafted balance” between federal trademark and federal copyright law. To create this “carefully crafted balance,” the Supreme Court should implement a test that incorporates the concept of secondary meaning. Finally, federal trademark liability expansion should be restricted to protecting only its twin aims. Again, the concept of secondary meaning will be the basis for bringing federal trademark liability expansion in accordance with the purposes of the law. This would undercut the controversy surrounding liability expansion of federal

---

<sup>170</sup> See Bone, *supra* note 38, at 2117.

<sup>171</sup> See *supra* Part II.B.

<sup>172</sup> See *supra* note 39 and accompanying text.

<sup>173</sup> See *supra* Parts III.A-B.

<sup>174</sup> See *supra* Parts IV.C-D.

<sup>175</sup> See 15 U.S.C. § 1125(a)(1) (2000).

<sup>176</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>177</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

2005]                    DASTAR: *FEDERAL TRADEMARK LAW*

trademark<sup>178</sup> to prevent holdings, such as that in *Dastar*, which are not in accordance with this law.<sup>179</sup>

*B. Redefining “Origin of Goods”: Reinstating the Twin Aims of Federal Trademark Law*

The Supreme Court’s restrictive reading of the phrase “origin of goods” in section 43(a) of the Lanham Act is contrary to the underlying policies of the doctrine.<sup>180</sup> The original provision of section 43(a) contained restrictive language, affording protection only if consumers were likely to be confused as to the source of the product.<sup>181</sup> Congress, however, has expanded this language to bring federal trademark law into accord with the marketplace integration under the 1988 Revisions Act.<sup>182</sup> The reasons that prompted the 1988 Revisions Act of the federal trademark doctrine are more apparent today than in 1988.<sup>183</sup> Thus, the statutory language of the phrase “origin of goods” should not be read restrictively. Instead, in accord with today’s economic practices, the phrase should be construed to further the twin aims of federal trademark law, as reaffirmed by the 1988 Revisions Act.<sup>184</sup> Therefore, the Supreme Court should undertake to redefine the phrase “origin of goods” to refer to the “original author of the idea, concept or communication embodied in the tangible good.”

Such a definition would be in harmony with the underlying policies of the federal trademark doctrine for several reasons. First, in a horizontally integrated marketplace, consumers are likely to be confused as to the “sponsorship” or “affiliation”<sup>185</sup> of a tangible good bearing a trademark. Second, if an unlicensed manufacturer were permitted to use another’s trademark, such use would undercut the trademark owner’s goodwill.<sup>186</sup> This proposed redefinition would prevent federal trademark law from becoming unsuitable for protecting the public from consumer confusion and protecting the goodwill of the producer.

Moreover, the Supreme Court’s arguments against defining the phrase “origin of goods” to refer to the original “author of the idea, concept or

---

<sup>178</sup> See *supra* Part II.B.

<sup>179</sup> See *supra* Parts III.C, V.

<sup>180</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>181</sup> See *supra* note 144 and accompanying text .

<sup>182</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127.

<sup>183</sup> See S. REP. NO. 100-515, at 4 (1988). In other words, the horizontal integration of the marketplace is now not only common, but the norm. *Id.*

<sup>184</sup> *Id.*

<sup>185</sup> See 15 U.S.C. § 1125(a)(1).

<sup>186</sup> See *supra* Part IV.B-C.

communication embodied in [the tangible] goods,” are unconvincing.<sup>187</sup> The Court states that such construction would pose practical problems.<sup>188</sup> Specifically, the Court states that the term would have no “discernible limits.”<sup>189</sup> This practical problem, however, is easily resolved.

During the period of copyright protection, the work often acquires a source identification function. For a work to be protected under federal trademark law, the work must be a source identifier.<sup>190</sup> Thus, this fundamental requirement of federal trademark law imposes limits on such a construction of the phrase. Furthermore, the Supreme Court’s argument that such construction would place manufacturers in an untenable position is also problematic.<sup>191</sup> Such construction would hold a manufacturer liable for either failing to credit the creator, if the public was confused as to origin, or crediting the creator, if the public was confused as to sponsorship or affiliation.<sup>192</sup> However, this is the purpose of federal trademark law as reaffirmed by the 1988 Revisions Act.<sup>193</sup>

The purposes of federal trademark law are necessary for today’s market economy. Furthermore, the arguments made against a construction that addresses those purposes can easily be challenged. For these reasons, the Supreme Court should undertake to redefine the phrase “origin of goods” in order to reinstate the twin aims of federal trademark law.

*C. Creating a “Carefully Crafted Balance” Between Federal Trademark and Federal Copyright Law: Secondary Meaning as a Test*

Defining the intersection and boundaries between federal trademark and copyright law is difficult. A “carefully crafted balance” must be struck between the competing public policies of these two different intellectual property regimes. Furthermore, the issuance of a patent or copyright often establishes, for the patentee or copyright owner, source identification with the invention or work of authorship during its period of protection.<sup>194</sup> Therefore, a “carefully crafted balance” should be established that sets forth guidelines for providing federal trademark protection on a work that has fallen into the public domain upon expiration of copyright protection. However, such a balance must also incorporate the central ideas of the various doctrines of intellectual property to avoid rendering any one doctrine obsolete for its intended purposes.

---

<sup>187</sup> See *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>188</sup> *Id.* at 35.

<sup>189</sup> *Id.*

<sup>190</sup> See *supra* Part II.B.

<sup>191</sup> See *Dastar*, 539 U.S. at 36.

<sup>192</sup> *Id.*

<sup>193</sup> See S. REP. NO. 100-515, at 4 (1988); see also 15 U.S.C. § 1127 (2000).

<sup>194</sup> See MERGES ET AL., *supra* note 17, at 690-91.

The doctrine of utilitarian functionality, which sets forth the guidelines for application of federal trademark protection upon the expiration of a utility patent, is an example of a “carefully crafted balance” between the federal patent and trademark doctrines.<sup>195</sup> Similarly, the “idea-expression dichotomy” properly channels protection between the federal patent and copyright doctrines.<sup>196</sup> Between the federal trademark and copyright doctrines, however, there is no test that properly channels protection or defines the boundaries of these doctrines when they overlap.<sup>197</sup> Creating a “carefully crafted balance” between federal trademark and federal copyright law might be easily accomplished using the concept of secondary meaning.

The concept of “secondary meaning” in federal trademark law is used in certain cases to determine whether a mark is distinctive, which is a requirement for obtaining federal trademark protection.<sup>198</sup> Specifically, secondary meaning is only necessary for a certain category of marks, known as descriptive marks.<sup>199</sup> This is because consumers may assume that the mark is merely a description.<sup>200</sup> Therefore, it cannot be protected unless it has acquired secondary meaning.<sup>201</sup>

Secondary meaning arises when the consuming public considers the mark to be not merely a description of the product, but an indication of origin.<sup>202</sup> Conversely, “technical trademarks” (arbitrary, fanciful or suggestive marks), are provided federal trademark protection regardless of whether the consuming public recognizes the mark as an indication of origin.<sup>203</sup> Technical trademarks are therefore deemed inherently distinctive.<sup>204</sup> Although there are rational reasons why technical trademarks are inherently distinctive,<sup>205</sup> such reasons

---

<sup>195</sup> See *supra* Part III.C.

<sup>196</sup> See 17 U.S.C. §102(b) (2000) (“In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery regardless of the form in which it is described, explained, illustrated, or embodied in such work.”).

<sup>197</sup> See MERGES ET AL., *supra* note 17, at 693-95. The doctrine of aesthetic functionality has been proposed as a method of channeling intellectual property between federal trademark and federal copyright law, but it has been largely ineffective and jurisdictions differ as to its applicability. *Id.*

<sup>198</sup> JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW, 108-33 (3d ed. 2001).

<sup>199</sup> BARRETT, *supra* note 35, at 92-93 (defining a descriptive mark as one that describes the product it identifies).

<sup>200</sup> *Id.*

<sup>201</sup> *Id.* at 93.

<sup>202</sup> *Id.*

<sup>203</sup> GINSBURG ET AL., *supra* note 198, at 112.

<sup>204</sup> *Id.*

<sup>205</sup> There are three reasons why technical trademarks are justified as being inherently

become unpersuasive when federal trademark protection is only sought after the expiration of a copyright. Therefore, this proposal recommends that secondary meaning must be illustrated, regardless of the category of distinctiveness for federal trademark protection to apply after the expiration of a copyrighted work.

The rationale for requiring secondary meaning is to balance the conflicting policy interests within the federal trademark doctrine.<sup>206</sup> Federal trademark law was seen as an exception to the common law of unfair competition because its twin aims trump society's interest in free competition.<sup>207</sup> However, if there is no secondary meaning associated with a mark, then the twin aims of federal trademark law are nonexistent and society's interest in free competition prevails.<sup>208</sup> Thus, restricting the extension of federal trademark application to a work that has secondary meaning will balance the internal tensions in the federal trademark doctrine.

Limiting federal trademark protection to works having secondary meaning also resolves problems resulting from overlap of federal trademark with federal copyright law because it creates a "carefully crafted balance." A useful way to illustrate this is to address the arguments posited by the Supreme Court in *Dastar*.

The Supreme Court in *Dastar* maintained that applying federal trademark protection to a work upon expiration of a copyright would create a species of "perpetual" copyright protection.<sup>209</sup> Therefore, the Court denied owners of expired copyrights the right to federal trademark protection.<sup>210</sup> Because the protection afforded by federal trademark and federal copyright law differs substantially, overlapping protection should be able to coexist without federal trademark and federal copyright law impinging on each other.<sup>211</sup>

The "carefully crafted bargain" within the federal copyright doctrine is not upset if secondary meaning is established, regardless of the fact that it prevents such work from passing into the public domain. This is because the process of acquiring a trademark often begins with a word or design already in the public domain.<sup>212</sup> If the word or design subsequently acquires secondary meaning, it

---

distinctive. First, the nature of the mark indicates that the public will inherently perceive the mark as an indication of origin. Second, the nature of the mark does not affect competition. Third, it gives certainty regarding the trademark status of the mark. *Id.*

<sup>206</sup> BARRETT, *supra* note 35, at 93.

<sup>207</sup> See *supra* Part II.B.

<sup>208</sup> BARRETT, *supra* note 35, at 93.

<sup>209</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>210</sup> See *supra* Part III.C.

<sup>211</sup> See *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1196 (S.D.N.Y. 1979); see also *supra* Parts II.A-B.

<sup>212</sup> See *Frederick Warne & Co.*, 481 F. Supp. at 1196.

falls into the domain of federal trademark protection.<sup>213</sup> Thus, the application of federal trademark law to a design that has an expired copyright and has acquired secondary meaning does not create a species of “perpetual” copyright.<sup>214</sup> Instead, it preserves both the objectives of federal trademark and federal copyright doctrines,<sup>215</sup> thereby creating a balance between the two.

The argument that allowing federal trademark to protect an expired copyrighted work stifles free competition is also flawed. The existence of the utilitarian functionality doctrine and the origins of federal trademark law render such an argument superfluous. Just as functionality determines the availability of federal trademark protection upon expiration of a patent, secondary meaning provides the proper means for determining the application of federal trademark law after expiration of the copyright. Secondary meaning is a proper test because when the purposes of federal trademark law are the issue, these interests trump societies’ interest in free competition.<sup>216</sup> Additionally, the application of federal trademark law is in accordance with its twin aims.<sup>217</sup> Hence, a “carefully crafted balance” is created.

*D. Restricting Liability Expansion by Maintaining a Unison Between the Twin Aims in Federal Trademark Law: Secondary Meaning as a Test*

The Supreme Court’s decision in *Dastar* clearly illustrates the recent trend of cutting back the scope of federal trademark protection.<sup>218</sup> The holding of *Dastar* is understandable when viewed within the context of the controversy over the expansion of the scope of liability under section 43(a).<sup>219</sup> However, the Supreme Court has gone too far in restricting the basis upon which liability attaches for trademark infringement.

Expansion of the basis for liability can be seen as upsetting the twin aims of federal trademark law by protecting the goodwill and commercial value of a mark, regardless of whether the mark acted as a source identifier to consumers.<sup>220</sup> Therefore, it is necessary to develop a method for restricting liability expansion that permits application of federal trademark law only when its twin aims are both impinged.<sup>221</sup> This may be as simple as requiring a showing of secondary meaning.

A mark that has acquired secondary meaning is likely to affect both

---

<sup>213</sup> *Id.*

<sup>214</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>215</sup> *See supra* Part II.A-B.

<sup>216</sup> *See supra* Part II.B.

<sup>217</sup> *See S. REP. NO. 100-515*, at 4 (1988); *see also* 15 U.S.C. § 1127 (2000).

<sup>218</sup> *See supra* Parts III.C; IV.C.

<sup>219</sup> *See supra* Part II.B.

<sup>220</sup> *See Bone, supra* note 38, at 2159; *see also supra* Part II.B.

<sup>221</sup> *See S. REP. NO. 100-515*, at 4 (1988); *see also* 15 U.S.C. § 1127 (2000).

purposes of federal trademark law. First, if a mark acts as a source identifier, the likelihood that consumers will be confused as to “origin, sponsorship or affiliation” is higher. Similarly, the producer’s goodwill and the commercial value of the mark are more likely to be affected if the mark has a source identification function. Therefore, requiring secondary meaning restores the unison between the differing policies in the federal trademark doctrine. Conversely, the holding in *Dastar* upsets this unison because it imposes liability only if there is a likelihood of confusion as to the source of manufacture.<sup>222</sup> This is not in accordance with the twin aims of the federal trademark doctrine. Thus, to bring federal trademark into unison with its underlying purposes, it is recommended that the Supreme Court require a showing of secondary meaning.

#### VII. PROPOSAL AT WORK: *DASTAR* AND MERCHANDISING CASES AS ILLUSTRATIONS

The Supreme Court’s decision in *Dastar* incorrectly demarcated between the federal trademark and federal copyright doctrines when there is overlap.<sup>223</sup> This Note recommends that the Supreme Court redefine this boundary and proposes that secondary meaning provide a method to do so. A useful way of illustrating how this proposal would more properly define this boundary is by applying the facts of *Dastar*<sup>224</sup> and *Boston Hockey*<sup>225</sup> to the recommendations that have been made in the preceding section.

In *Dastar*, after Fox failed to renew its copyright in the television series, the work fell into the public domain.<sup>226</sup> Thus, Fox’s competitors could legally copy it.<sup>227</sup> The Supreme Court therefore denied the plaintiffs’ federal trademark claim.<sup>228</sup> Application of this Note’s proposal to the facts of *Dastar* would reach the same judgment.

Requiring plaintiffs to show that the television series, *Crusade in Europe*, has a source identification function to the general consuming public would be a difficult burden for them to meet. Consequently, affording protection to plaintiffs would solely be premised on protection of goodwill and commercial value. This upsets the balance within the federal trademark and copyright regimes because it restricts free competition, thereby impinging enrichment of the public domain, when the twin aims of federal trademark law are not an

---

<sup>222</sup> See *supra* Part IV.C.

<sup>223</sup> See *supra* Parts III.C; IV.C.

<sup>224</sup> *Dastar Corp. v. Twentieth Century Fox Film*, 539 U.S. 23 (2003).

<sup>225</sup> *Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

<sup>226</sup> *Dastar*, 539 U.S. at 26.

<sup>227</sup> See *supra* Part II.A.

<sup>228</sup> *Dastar*, 539 U.S. at 37.

issue. This proposal would have allowed the Supreme Court to simply hold that application of section 43(a) to *Dastar* would be in discord with the requirements of federal trademark law.<sup>229</sup> Therefore, subsequent application of federal trademark will not be permitted. This holding would have been consistent with the purposes of both federal trademark and copyright law.<sup>230</sup>

While applying the facts of *Dastar* to the proposal would render the same judgment, the opposite is true with *Boston Hockey*. If the broad reading of *Dastar* is applied to the facts of *Boston Hockey*, the decision would likely be overturned.<sup>231</sup> Conversely, if this Note's proposal is applied, the judgment would be affirmed. The following analysis, however, is only applicable if the phrase "origin of goods" is defined as referring to the "original author of the idea, concept or communication embodied" in the merchandise, not solely the "producer of the merchandise." This is because confusion is likely to occur over sponsorship or affiliation, not source.

Unlike plaintiffs in *Dastar*, the NHL could potentially show that the popular insignias of its respective teams have a source identification function among the general consuming public. Consequently, the placing of their own manufactured emblems on collateral goods by the defendants is likely to cause confusion to sponsorship or affiliation and harm the NHL's goodwill. Therefore, federal trademark protection should be applied. Furthermore, providing application of federal trademark principles would not disrupt the "carefully crafted bargain" in federal copyright law because competition defers to the twin aims of federal trademark law.<sup>232</sup>

These examples illustrate that using secondary meaning to create a boundary between federal trademark and copyright law is consistent with the different purposes of each law. It further illustrates that although this boundary is difficult to draw, it can be done without leaving the future of federal trademark law in an uncertain state.

#### VIII. CONCLUSION

Despite the best efforts of Congress, overlap between the three intellectual property doctrines has thus far been unavoidable. This overlap poses significant complexities and legal issues, which, absent a Congressional amendment, are left to the courts to decide in accordance with Congressional intent. The *Dastar* case provides an example of the legal challenges that courts face when there is overlap between intellectual property doctrines.<sup>233</sup> When the Supreme Court granted certiorari in *Dastar*, it accepted the responsibility

---

<sup>229</sup> See *supra* Part II.A.

<sup>230</sup> See *supra* Part II.A-B.

<sup>231</sup> See *supra* Part IV.B.

<sup>232</sup> See *supra* Part II.B-C.

<sup>233</sup> See *Dastar*, 539 U.S. at 23.

of demarcating the boundary between the federal trademark and copyright regimes in accord with each doctrine's respective purposes as set forth by Congress.<sup>234</sup>

Defining and explaining the boundaries between various intellectual doctrines is difficult. The Supreme Court has nonetheless addressed a range of legal line-drawing complexities in the past. For example, collision of federal trademark and patent laws resulted in the doctrine of utilitarian functionality.<sup>235</sup> Similarly, the idea/expression dichotomy and, more generally, section 102(b) of the Copyright Act<sup>236</sup> have been interpreted to channel intellectual property between federal copyright and patent law.<sup>237</sup> While no perfect fit exists between the various intellectual property regimes, the utilitarian functionality doctrine and idea/expression dichotomy balance the regimes, thereby maintaining the regimes' intended applications.<sup>238</sup> Conversely, the Supreme Court's conservative holding in *Dastar* undermines the twin aims of federal trademark law.<sup>239</sup>

The twin aims of federal trademark law, reaffirmed by the 1998 Revisions Act, are to protect the public from consumer confusion and to protect the goodwill of the producer.<sup>240</sup> The Supreme Court's restrictive reading of the phrase, "origin of goods," to refer to the "producer of the tangible goods," and not the "author of the idea, concept, or communication embodied in those goods," is not in accordance with these policies.<sup>241</sup> Construed broadly, this statutory interpretation precludes a finding of trademark infringement when the consumer is confused about the relationship between the product and organization.<sup>242</sup> In addition to sponsorship or affiliation confusion in this scenario, the trademark owner or licensee is also left with no recourse for reputational damages.<sup>243</sup> This Note illustrated the irony of this holding in a comparative analysis using the utilitarian functionality doctrine.<sup>244</sup> In addition, applying the holding to the line of merchandising cases illustrates the possible legal ramifications.<sup>245</sup>

To bring federal trademark law in harmony with its twin aims, this Note

---

<sup>234</sup> *Id.*

<sup>235</sup> *See supra* Part III.C.

<sup>236</sup> 17 U.S.C. § 102(b) (2000).

<sup>237</sup> *See supra* Part III.C.

<sup>238</sup> *See supra* Parts III.C, IV.C.

<sup>239</sup> *See supra* Parts III.B-C, IV.C, VI.A.

<sup>240</sup> *See* S. REP. NO. 100-515, at 4 (1988); *see also* 15 U.S.C. § 1127 (2000).

<sup>241</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>242</sup> *See supra* note 119 and accompanying text.

<sup>243</sup> *See id.*

<sup>244</sup> *See supra* Part III.C.

<sup>245</sup> *See supra* Part IV.C.

2005]

DASTAR: *FEDERAL TRADEMARK LAW*

recommends that the Supreme Court, if presented with the opportunity, should redefine and explain the boundary between the federal trademark and federal copyright doctrines. The Supreme Court would need to create a “carefully crafted balance” between the internal policies of each doctrine to maintain the doctrines’ intended applications. Because the holding in *Dastar* also affected section 43(a) of the Lanham Act, the Supreme Court should redefine the restrictive grounds it imposed for liability under this section. This Note recommends a multifaceted proposal to create this “carefully crafted balance” and the basis for finding liability under section 43(a), thus avoiding the potential consequences of this holding.

This Note’s proposal, by redefining the phrase “origin of goods” to include the “original author of the idea, concept, or communication embodied in those goods,” uses secondary meaning as the test to avoid the concerns of the Supreme Court in granting a species of perpetual copyright protection and boundless application of section 43(a). Hence, secondary meaning provides a method to create a “carefully crafted balance” between the federal trademark and federal copyright doctrines when there is overlap. In addition, while it limits the controversial liability basis expansion under section 43(a), it still prevents the overly restrictive limitations of the *Dastar* holding. Thus, this reworking would provide for better law than the “bright-line” approach handed down by the Supreme Court in *Dastar*.