LEGAL UPDATE

REVERSE PASSING OFF AND DATABASE PROTECTIONS:  
DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.

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I. INTRODUCTION

Although the Supreme Court has undertaken the challenge of defining the intersection and boundaries of various areas of intellectual property law,¹ there are few decisions tackling the problem of what occurs when trademark and copyright collide. Most decisions in these murky areas involve the relationship of federal law and state law.² Dastar Corp. v. Twentieth Century Fox Film Corp.³ (“Dastar Corp.”) raises the prospect of a direct conflict between federal copyright law and federal trademark law: does the Lanham Act protect the reputational interests of a producer after copyright has expired? How much of an uncop yrighted work can the public claim?⁴ Dastar Corp. provides the Supreme Court with the opportunity to clarify the relationship between trademark and copyright law, as well as affirm a commitment to its ruling in Feist.⁵


⁴ See generally id.

II. CURRENT FEDERAL COPYRIGHT AND TRADEMARK LAW

A. Federal Copyright Law

The Intellectual Property Clause gives Congress the authority 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.”6 One way Congress has used this authority is through copyright law. Copyright’s “carefully crafted bargain”7 creates incentives for authors to produce new works by granting them exclusive rights to their works for a specified period of time.8 While a work is protected by copyright, the author retains the exclusive rights of copying and distribution, among others.9 When the statutory copyright expires, the work falls into the public domain; the public is allowed to copy and profit from the work’s use.10 The Supreme Court has held repeatedly that the Intellectual Property Clause limits the ability of legislatures to enact protections of intellectual property under other bases.11

B. Federal Trademark Law

Traditional trademark law does not create incentives to encourage the creation of works,12 but operates to protect consumers from confusion related to the source of goods created by deceptive marketing.13 Because it is enacted under the Commerce Clause, federal trademark protection, unlike copyright, may extend in perpetuity.14 Section 43(a) of the Lanham Act codifies these principles15 by proscribing the use of either “false designation of origin,” or “false or misleading description . . . or representation of fact” in connection

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6 U.S. Const. art. I, § 8, cl. 8.
12 Trade-Mark Cases, 100 U.S. 82, 94 (1879) (“The ordinary trademark has no necessary relation to invention or discovery . . . . It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation.”).
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with a good or service used in commerce.\textsuperscript{16} There are two alternative bases of liability for claims under Section 43(a) of the Lanham Act. Under the first, a false or misleading designation must be “likely to cause confusion . . . as to the origin, sponsorship, or approval” of one person’s goods by another.\textsuperscript{17} The second creates liability when the false or misleading designation “misrepresents the nature, characteristics, qualities, or geographic origin” of goods or services “in commercial advertising or promotion.”\textsuperscript{18}

Section 43(a) is aimed squarely at prohibiting “the related common-law torts of technical trademark infringement and passing off, which were causes of action for false descriptions or representations concerning a good’s or service’s source of production.”\textsuperscript{19} Passing off describes a situation where a producer attempts to “pass off” or “palm off” his goods by labeling them with another’s trademark.\textsuperscript{20} This “classic form of trademark infringement”\textsuperscript{21} describes an attempt to reap “financial, reputation-related rewards” where a producer has not sown.\textsuperscript{22}

Reverse passing off occurs when one producer marks another’s good with his own trademark.\textsuperscript{23} Reputation-related harms are reduced in this situation “since by definition the misrepresentation acts to sever the actual producer’s association with the goods or services marketed by the actor.”\textsuperscript{24} Still, producers’ reputational interests may be harmed if consumers are familiar with the original good and later find it repackaged under another producer’s mark. Reverse passing off is not the prototypical trademark claim; however, every circuit except the First Circuit has held that the language of Section 43(a) prohibits reverse passing off.\textsuperscript{25} Currently, the circuits are split over the standard of liability for a reverse passing off claim.\textsuperscript{26}

\textsuperscript{17} 15 U.S.C. § 1125 (a)(1)(A).
\textsuperscript{19} Two Pesos, Inc. 505 U.S. at 785 (Thomas, J., concurring).
\textsuperscript{21} Id. § 25:5.
\textsuperscript{23} Restatement (Third) of Unfair Competition § 5 (1995).
\textsuperscript{24} Restatement (Third) of Unfair Competition § 5 cmt. a (1995).
\textsuperscript{26} Id.
III. DASTAR CORP. V. TWENTIETH CENTURY FOX FILM CORP.

A. Facts

Shortly after World War II, General Dwight D. Eisenhower wrote his memoirs of the Allied campaign, *Crusade in Europe*.27 Doubleday, a book publisher, published Eisenhower’s memoirs in 1948 and registered the work with the Copyright Office.28 In 1948, Twentieth Century Fox (“Fox”) acquired the exclusive television rights in Eisenhower’s war memoirs from Doubleday.29 Fox produced a television series based on the book, also titled *Crusade in Europe* (“Crusade”).30 In 1975, Doubleday submitted a renewal for the copyright on Eisenhower’s book as a work for hire.31 In the 1970s, when Fox should have renewed its copyright in the television series, it failed to do so; the copyright on *Crusade* expired in 1977.32 In 1995, Dastar released a videocassette version of Fox’s *Crusade in Europe*, titled *Campaigns in Europe* (“Campaigns”).33 *Campaigns* was approximately half as long as *Crusade*, but contained approximately a half-hour of original footage, including new title sequences and chapter headings.34 Dastar removed all references to the original television series and Eisenhower’s book; instead, Dastar credited its own employees involved in the production of *Campaigns*.35

B. Procedural History

In 1988, Fox, New Line, and SFM Entertainment filed a motion against Dastar on claims for copyright infringement, reverse passing off, and a state unfair competition claim.36 Dastar moved for summary judgment or dismissal of Fox’s claims for lack of standing in the alternative.37 The District Court granted summary judgment against Dastar on the Lanham Act reverse passing off claim, holding that *Campaigns* was a “bodily appropriation” of *Crusades*

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27 Dwight D. Eisenhower, *Crusade in Europe* (1948); Petition for Writ of Certiorari, Dastar v. Twentieth Century Fox Film Corp., No. 02-428, at 8a-9a.
28 Petition for Writ of Certiorari, Dastar v. Twentieth Century Fox Film Corp., No. 02-428, at 9a.
29 *Id.*
30 *Id.* at 8a-10a. Fox hired Time, Inc. to film and produce the series. *Id.* at 25a, 43a. Time, Inc. assigned its copyright in the series to Fox and was not a party to the suit. *Id.* at 9a.
31 The validity of this copyright is not at issue in Dastar.
32 Brief for the Respondent in Opposition, Dastar v. Twentieth Century Fox Film Corp., No. 02-428, at 20-21, n.4.
33 Petition for Writ of Certiorari, Dastar v. Twentieth Century Fox Film Corp., No. 02-428, at 13a, 45a.
34 *Id.* at 14a-15a.
35 *Id.* at 18a.
36 *Id.* at 31a.
37 *Id.*
Dastar had copied it directly. The court ordered a trial for remedies and awarded Fox $783,000, or Dastar’s profits from the *Campaigns* series. The district court, deeming Dastar’s conduct a willful violation of the Lanham Act, doubled the award to Fox in order to “deter future infringing conduct.” It furthermore ruled that Dastar’s video series infringed Doubleday’s copyright. The Ninth Circuit, in an unpublished memorandum opinion, affirmed in part and reversed in part. The court remanded the copyright claim for trial, but affirmed the Lanham Act related claims, finding Dastar liable for reverse passing off and rejecting Dastar’s claim that liability under the Lanham act required a showing of “consumer confusion.” The court found proof of confusion to be encompassed by the “bodily appropriation” test. The Ninth Circuit affirmed the award of double Dastar’s profits to Fox, despite the fact the work in question was in the public domain.

On September 11, 2002, Dastar petitioned the Supreme Court for a writ of certiorari. The Court granted the writ on January 10, 2003 on the question of the standard of liability for reverse passing off claims under Section 43(a) of the Lanham Act and of the amount of damages. Oral arguments were heard on April 2, 2003.

IV. REVERSE PASSING OFF CLAIMS AND THE PROTECTION OF DATABASES

In *Smith v. Montoro*, the Ninth Circuit held that a motion picture distributor had violated section 43(a) by making a “false designation of origin” when it replaced one actor’s name with another in a film’s credits. In the Ninth Circuit, a producer incurs liability if the work is a “bodily appropriation” of the original and does not credit the original creator of the work. The Second Circuit uses a “substantial similarity” standard as the bar for proving a reverse

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38 Id. at 53a.
39 Id. at 22a-27a.
40 Id. at 4a.
41 Id. at 50a.
42 Twentieth Century Fox Film Corp. v. Entertainment Distrib., 34 Fed.Appx. 312 (9th Cir. 2002).
43 Id. at 314.
44 Id.
45 Id. at 315.
46 Brief for Dastar Corp. at *1, Dastar Corp. v. Twentieth Century Fox Film Corp., 2003 WL 367729 (Feb 13, 2003) (No. 02-428).
49 Smith v. Montoro, 648 F.2d 602 (9th Cir. 1981).
50 Cleary v. News Corp., 30 F.3d 1255, 261 (9th Cir. 1994); Shaw v. Lindheim, 919 F.2d 1353, 1364 (9th Cir. 1990).
passing off claim, criticizing the Ninth Circuit test as a “bright-line rule” without reason.51 Both the Second Circuit’s and the Ninth Circuit’s tests are admittedly borrowed from “the copyright context.”52 In response to these tests, a third approach has emerged — traditional Lanham Act jurisprudence — that “reject[s] any requirement of either bodily appropriation or substantial similarity and focus[es] instead on likelihood of confusion.”53 This seems at least more appropriate, both because the Second and Ninth Circuit tests diverge from the text of section 43(a),54 and because the purposes and mechanisms of copyright law differ significantly from trademark law.55 However, even the likelihood of confusion test raises serious questions about the application of the reverse passing off doctrine to the protection of databases.

In 1991, a unanimous Supreme Court rejected the “sweat of the brow doctrine,” holding in Feist Publications, Inc. v. Rural Tel. Serv. Co., that facts were unprotected by copyright law, despite the effort the creator put into a work.56 The Court stated that this doctrine “flouted basic copyright principles,”57 recognizing “a greater need to disseminate factual works than works of fiction or fantasy.”58 In Feist, the Court concluded that “only the compiler’s selection and arrangement may be protected; the raw facts may be copied at will.”59

51 Waldman Pub’g Corp. v. Landoll, Inc., 43 F.3d 775, 784 (2d Cir. 1994).
52 Cleary, 30 F.3d at 1261; Waldman, 43 F.3d at 783 (noting that substantial similarity standard used to show copyright infringement “essentially” the same).
53 Montgomery v. Noga, 168 F.3d 1282, 1299 n.27 (1999) (citing Debs v. Meliopoulos, 1993 WL 566011, at **12-13 (N.D. Ga. Dec. 18, 1991)). The Fifth, Sixth, and Eleventh Circuits all have held that likelihood of confusion is a requirement of a reverse passing off claim. See Murray Hill Publications, Inc. v. ABC Communications, Inc., 264 F.3d 622, 634 (6th Cir. 2001) (finding no violation of the Lanham Act because of the lack of “any evidence of consumer confusion”); Lipscher v. LRP Publ’ns, Inc., 266 F.3d 1305, 1313-14 (11th Cir. 2001) (holding that despite “bodily appropriation” an examination of all factors showed there was no likelihood of confusion); Batiste v. Island Records, Inc., 179 F.3d 217, 225 (5th Cir. 1999) (holding that a reverse passing off claim based on improper credits required consumer confusion).
54 See, e.g., John T. Cross, Giving Credit Where Credit is Due: Revisiting the Doctrine of Reverse Passing Off in Trademark Law, 72 WASH. L. REV. 709, 737-42 (1997) (noting that reverse passing off claims have little basis in the Act).
55 See Feist, 499 U.S. at 350; Eldred, 123 S.Ct. at 784 n.16 (“the Senate Report expressly acknowledges that the Constitution ‘clearly precludes Congress from granting unlimited protection for copyrighted works.’”). Beyond the additional policy questions discussed here, it seems likely that the Ninth Circuit’s interpretation of section 43(a) of the Lanham Act violates the mandate of limited times. U.S. CONST., art. I, § 8, cl. 8.
56 Feist, 499 U.S. at 343.
57 Id. at 354.
58 Id. (citing Harper & Row, 471 U.S. at 563).
59 Id. at 350.
Feist’s holding was not predicated on the text of the Copyright Act, but on the demands of the Constitution. The Court reasoned that the text of the Intellectual Property Clause mandated originality as “a constitutional requirement.” This requirement limits Congress’s ability to protect databases by using other clauses of the constitution. The Commerce Clause may not be used to make an end-run around the Intellectual Property Clause. However, Congress does have some latitude in protecting against the harms that unfair competition produces—consumer confusion and harm to producers’ reputational interests. The Court has recognized that Congress may protect against a copier using a confusingly similar trademark to market a copy of a product no longer protected by patent. Nevertheless, traditional trademark infringement creates significantly different harms than reverse passing off.

In this context, requiring Dastar and others similarly situated (including database producers) would place them in a “heads I win, tails you lose” situation. If Dastar had distributed Campaigns with credits to Fox and its correspondents, they could have sued Dastar for deception as to origin, sponsorship, or approval of the series. To avoid this result, Dastar would have had to also include strong warnings disclaiming any relationship with or approval by Fox in order to bypass any claims of consumer confusion. This type of situation would pose severe restrictions on the ability of the public to copy works in the public domain or to create derivative works from public domain materials. In addition, by requiring attribution of source on a work in the public domain, it would extend the reputational interests of a producer in a copyrighted work beyond the protection provided by the Copyright Act.

Reverse passing off claims like the one at issue in Dastar Corp. highlight serious concerns about the continuing viability of the Supreme Court’s commands in Feist, especially when applied to databases. A ruling in Dastar that requires attribution of facts or credits when an uncopyrighted source is copied would have dramatic effects on information industries, such as

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60 Id. at 346 (reasoning that the word “authors” in the Intellectual Property Clause meant “he to whom anything owes its origin; originator, maker” foreclosing any protection of facts, since they are by definition not original).
62 Id.
64 See supra note 24.
scientific research, database producers, and the media, as well as on the ability of the general public to use and copy facts. This is important, because the Court has long recognized the need for free copying of uncopyrighted works: the “best” way to promote progress under the Intellectual Property Clause is “by giving the public at large a right to make, construct, use, and vend the thing invented, at as early a period as possible.” Trademark law’s “general concern is with protecting consumers as to confusion as to source . . . . [T]he focus is on the protection of consumers, not the protection of producers as an incentive to product innovation.” Protecting facts as facts does nothing to advance this general principle; removing attribution from facts does not harm consumers in any appreciable way.

Congress has already moved towards a policy of sui generis database protection by introducing database legislation to restore the policies rejected in Feist. Scholars have criticized such legislation on both policy and constitutional grounds. Because of the potential sui generis database protection has to violate the First Amendment and the Intellectual Property Clause, several government departments and agencies have raised alarms about such protection. It seems likely that these concerns are equally applicable here — both the Lanham Act, as currently interpreted, and Congressional attempts at database protection are based on the Commerce Clause and both prevent free use of uncopyrighted, public domain works. In order to preserve the “carefully crafted bargain” of copyright, section 43(a) of the Lanham act should not be construed so as to prohibit the copying of public domain works without attribution of the original creator.

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68 See Feist, 499 U.S. at 348 (“all facts – scientific, historical, biographical, and news of the day . . . are part of the public domain available to every person.”

69 Pennock v. Dialogue, 27 U.S. 1, 19 (1829) (Story, J).

70 Bonito Boats, 489 U.S. at 157.


V. CONCLUSION

It is unclear how the Court will rule in *Dastar Corp.*, or even if it will address issues such as database protections that lie beyond the liability standard for reverse passing off claims under section 43(a) of the Lanham Act. Whether the Court decides that works in the public domain are protected against lack of crediting under section 43(a) or not, it is clear that the decision will have serious implications for the scope of the public domain. While it is certain that some reputational interests of producers are protected even after the expiration of their intellectual property,74 there must be a limit to this rule. Construing section 43(a) too broadly creates the danger of locking up facts in perpetuity, despite the constitutional mandate otherwise.

74 See *supra* note 63.