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Bright Ideas

A publication of the Intellectual Property Law Section of the New York State Bar Association

Message from the Chair

Richard L. Ravin

I am not quite sure how I wound up as Chair of the Intellectual Property Law Section, but I know that in 1998, then-Section Chair Michael Chakansky asked if I would co-chair the to-be-formed Internet Law Committee. I was skeptical about the time commitment but quickly became excited about the opportunity to become involved in the founding of a committee to discuss the emergence of an area of technology law that I was in the process of learning and practicing. Internet Law was being made up on-the-fly by courts, legislatures, and practitioners, and the Internet Law Committee met monthly to discuss and debate these developments.

My involvement in the Internet Law Committee and the Section was a breath of fresh air for me. I had been practicing law at the time for 12 years and was thrilled to be part of an organization that encouraged the exchange of ideas regarding legal theories relating to cyberspace. I was struck by the friendliness of the Section members and how they appeared to be enjoying the practice of IP Law.

I am not a home-grown IP attorney, as my practice roots are mostly in commercial litigation and bankruptcy. In fact, my grandfather did, and my father and brother do, practice bankruptcy law in New Jersey and New York. But in 1995 with the advent and success of the Netscape Internet browser and the passage by Congress of the Telecommunications Act of 1996, I decided to concentrate on Internet and computer law. And so, my fate was sealed: I needed to become an IP lawyer. Hence, I joined the NYSBA's IP Law Section.

From my first attendance at a Section Annual Meeting, I was immediately impressed by the caliber of speakers and the quality of the materials presented. These first-rate programs are the hallmark of the Section. Our Section seems to offer more seminars than even the largest NYSBA Sections and at a fraction of

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the price of the commercially available programs. It is, therefore, my first priority as Chair to continue providing these excellent programs to our membership and the bar.

The 2004 Fall Meeting, "IP Law: The Next Generation," October 7 through 10, 2004, is in keeping with this fine tradition, featuring sessions on idea submission; the right of publicity; adwords and contextual advertising on the Internet; cyberlaw case law trends and litigation strategies; branding; geographical indications pertaining to trademark law; database protection; ethics related patent and trademark searching and written opinions; and trial technologies.

If you have never attended our Fall Meeting at the Sagamore Hotel, I encourage you to give it a try, and bring the entire family—special arrangements have been made for young children. The fresh air and magnificent colors during peak foliage season on Lake George are spectacular. Our Fall Meeting is a terrific place to develop professional friendships and discuss legal issues of the day while gazing out upon the beautiful natural scenery of the Adirondack Mountains.

Increasingly, IP Law, perhaps more than other disciplines, touches upon the laws of foreign jurisdictions. For this reason, the Section has recently formed an International IP Law Committee to report on these issues. The "kick-off" meeting for this Committee will be the Section's Annual Meeting in January 2005. We are very excited about this Committee and its inaugural meeting. We are planning to feature a panel of international IP lawyers who will be making a hypothetical presentation to an arbitration panel based on a multijurisdictional problem. The dispute involves an interesting blend of patent, copyright, digital rights management, and trademark law in the context of a dispute over development of competing computer operating systems. The program will address what IP law should be applied and how the results would differ in the various jurisdictions.

We hope to attract the attendance of, and honor, our Section's foreign members, as we can all learn from each other and benefit from developing professional contacts abroad. The Committee's Co-Chairs, Ray Mantle and Sheila Francis, are working hard to coordinate this *sui generis* event for the Section, which should be of great interest to many of our members. Please look for the program brochures via e-mail.

We are most grateful to Marc Lieberstein, our immediate past Chair, for leaving the Section in such good shape. I have grown to respect and admire Marc as an IP practitioner, an energetic leader, and a thinker. I am very appreciative of all his help and continued involvement in the Section during my transition as Chair.

Because this Section is so active and growing (nearly 2,000 members), the amount of time and effort it takes to manage the Section's events and publications is enormous. We are very fortunate to have an active Executive Committee, and I am especially lucky to have such terrific officers in Debra Resnick (Vice Chair), Joyce Creidy (Treasurer), and Paul Fakler (Secretary). They are a powerhouse of enthusiasm, ideas, and capabilities, and they help make the job of Chair not only rewarding but fun. And we have only just begun!

None of this could be possible were it not for the amazing staff we have supporting us in Albany—Pat Stockli, Kathleen Heider, Cathy Teeter, Linda Castilla, Naomi Pitts, Lyn Curtis, Wendy Pike, the MIS and printing departments, and many others at the NYSBA. They are all professionals who know how to get the job done. I have worked with several bar organizations over the years, but none can hold a candle to our NYSBA.

We are also fortunate to publish this newsletter, *Bright Ideas*. Its editor, Jonathan Bloom, works tirelessly throughout each year to pump out three issues containing numerous articles of interest to our members on hot topics and developing legal issues. The publication also provides information on upcoming events. Look for the Calendar of Events toward the end of the newsletter.

In addition to our Fall and Annual Meetings, the various committees hold their own meetings and put on programs throughout the year. The Section holds Roundtable meetings periodically and an annual Women in IP Law program. Most of these programs and meetings are for MCLE credit. The Section also organizes Bridging the Gap programs, held in various venues throughout the state, which are geared toward newly admitted attorneys looking to satisfy their MCLE requirements but also are terrific for any attorney seeking a program on basic IP Law.

Finally, while the business of lawyers is serious work, it is important to have fun doing it whenever possible. Attending our meetings or seminars, or becoming active in this Section, is a way to enjoy yourself while learning useful and timely information concerning your IP practice. The next time you see a Section event that you think may be of interest you, I encourage you to attend. You will not be disappointed. Also, joining a committee is easy and free to any Section member—just e-mail Naomi Pitts at npitts@nysba.org, and ask her to make you a member of one or more committees. A list of the Section committees and chairs is on the inside back cover of this publication.

Richard L. Ravin

Recent Legal and Legislative Developments in the Area of Online Contextual Marketing

By Amy J. Benjamin and Jonathan Matkowsky

I. Introduction

The Internet and electronic commerce have led to novel and evolving advertising technologies for targeting a particular audience. For decades, advertisers have primarily used demographic research data and profiles, such as age, gender, and household income, to try to better understand and reach their target audiences. The growth of the Internet and related technologies have given advertisers more and more control over the recipients of their ads. Instead of targeting primarily by demographics, advertisers now can target consumers who are showing or have shown an interest in a particular type of product or service,[1] which is more profitable.[2] As a result of the new technologies, questions previously believed to have been settled regarding the use of third-party trademark and copyright[3] are again being hotly debated as the law tries to play "catch-up" with the emerging technologies.[4]

II. Pop-up and Banner Ads

Pop-up and banner advertisements are two forms of Internet advertising receiving the most scrutiny by the courts and legislatures today.

Generally, banner ads are based on keyword buy agreements, an agreement between a search-engine provider and a third-party company whose banner ad appears in response to keywords entered into a search-engine. The third party chooses targeted keywords to trigger its ads.[5]

Pop-up ads (or other forms, such as pop-unders and expandable over-the-page ads) also can be tied to specific web content on each individual computer. For example, if a consumer is researching airfares to Florida as indicated by specific web content, a discount offer from an airline can be immediately displayed for Florida travel.[6] The pop-up ad would not necessarily have to be tied to a search term typed by the user into a search engine. It could be tied to any specific web content. In the Florida example above, the ad may be tied to the URL associated with the web page visited by the user, the HTML content of several web pages viewed by the user, and/or the local zip code of the user.

A significant distinction between pop-up and banner ads is that pop-up ads only work if users download monitoring-enabling software. For interactive marketing companies such as Claria Corp. (formerly Gator) ("Claria") and WhenU.Com, Inc. ("WhenU") to monitor online activities in order to offer pop-ups to their customers, users must be willing to download monitoring-enabling software applications.

Notwithstanding that pop-up ads require downloading of monitoring-enabling software, grievances based on the content of both pop-up ads and banner ads will be subject to judicial review for unfair competition pursuant to the Lanham Act[7] and applicable state laws. For example, opponents have argued that Internet users might mistakenly believe, based on the content of a banner or pop-up ad, that the underlying website owner has permitted the ad, through either sponsorship, endorsement, or license. If the keyword entered into a search engine is a trademark, some have argued that the user mistakenly might believe that the banner ad is connected to the trademark owner. In the case of pop-ups, opponents similarly have argued that the user mistakenly might believe that the pop-up ad is connected to the site owner. In both cases, opponents have argued that the content of the ad might cause initial interest confusion, which means that although the user ultimately realizes the ad is not connected to the keyed trademark or website content owner, the user's attention is immediately drawn to these ads based on the goodwill of the keyed trademark or website content. In addition, where the keyed trademark is famous, or the website content causing the overlapping pop-up includes a famous mark, the owner of the famous mark might argue that the ads bring them into contempt or disrepute or that the distinguishing capacity of its famous mark will be blurred, in both cases by the appearance of the pop-up or banner ad for unrelated goods or services.

III. Applying the Lanham Act to Online Contextual Marketing on the Internet

The application of the Lanham Act to contextual marketing is relatively new, but the application of old laws to new technologies does not necessarily require statutory amendments. Interpretation of the Lanham Act is subject to federal common law, which may be flexible enough to apply traditional Lanham Act principles to new technologies. The remainder of this article will focus on four aspects of trademark law relevant to applying the Lanham Act to claims arising from banner and pop-up ads. The four aspects are: (1) the "use in commerce" requirement for trademark infringement; (2) the "nominal" fair use defense and comparative advertising; (3) initial interest confusion in cyberspace; and (4) actual dilution.

A. When Does Online Contextual Marketing Rise to the Level of Actionable Commercial Use of a Mark?

"Use in commerce" by the defendant to identify goods or services is a prerequisite to relief under the Lanham Act for infringement of a registered trademark[8] or false designation of origin.[9] A mark is "used in commerce" on services under the Lanham Act "when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services."[10] A mark is "used in commerce" on goods when "it is placed in any manner on the goods or their containers."[11]

With respect to both pop-up and banner ads, there are two "use in commerce" issues because there are two parties to the contract for the precision-targeting technology—the behavioral marketing company or search engine provider offering the pop-up ad and keyword technology and the party whose content appears in a pop-up window or in a banner ad. Both of them stand to be challenged, directly or indirectly, for infringement. For both pop-up and banner ads, the aggrieved party's trademark is not automatically visible in connection with any goods or services marketed in the pop-up window or banner ad; it may be only part of the program causing the pop-up to appear or part of the keyword buy agreement causing the banner ad to appear on a user's screen. In addition, where an aggrieved trademark owner challenges the behavioral marketing company or search engine provider directly, there is no use of the trademark whatsoever by the marketing company or search engine provider to identify their own online marketing or search-engine services.

These possible scenarios raise two distinct issues in connection with the "use in commerce" requirement under the Lanham Act. First, does use of another's trademark necessarily have to be in connection with *one's own* goods or services to be an infringement under the Lanham Act? Second, does the use of another's trademark necessarily have to be visible use to constitute "use"?

Whether there is a "use in commerce" may be a result-oriented determination. In cases where the courts are inclined to impose liability, it may be easier for the courts to decide there is a "use in commerce." Courts have found the "use in commerce" prong of the infringement test satisfied in the context of a restaurant responding to a consumer's request for a particular brand by delivering a competitor's brand.[12] In that circumstance, infringement turns on whether the restaurant informs the consumer of the substitution.[13] By analogy, "use in commerce" by the search engine through a keyword buy agreement is similar to finding "use" of the Coke® trademark by a restaurant that responds to requests for Coke® with Pepsi® products, where the Coke® mark is never displayed or mentioned ("Here's your Coke®") to customers and even though the mark plainly is not being used to identify the restaurant's services.[14]

For example, the Ninth Circuit determined that use of the PLAYBOY trademark to trigger a confusing banner ad constituted adequate "use in commerce" to support infringement.[15] Playboy challenged the search-engine providers directly[16] for their use of Playboy's mark to trigger a confusing banner ad for adult-oriented advertisements unaffiliated with Playboy. The banner ad was not labeled with any disclaimer, and its source was not conspicuously identified ("unlabeled banner ad"). On appeal, contrary to the district court's approach,[17] the Ninth Circuit did not require the "use in commerce" to be explicit or in connection with the sale of Netscape's or Excite's own Internet services.[18]

Not all courts have recognized that a use that is implicit or invisible and not used to distinguish one's own goods or services still constitutes "use" for purposes of the Lanham Act. Some lower courts have come to the opposite conclusion from the Ninth Circuit.[19] The law, therefore, remains unsettled.[20]

B. Truthful Referential Use of Another's Trademark to Describe or Compare One's Own Product May Be a Permissible Use Under the Lanham Act

Drawing on the restaurant analogy above, a restaurant that responds to a request for Coke® with an offer of Pepsi® as a substitute ("We don't have Coke®, but we can offer you Pepsi®"), encourages brand-switching, but it does not violate the Lanham Act.[21] Here, there is still an implied reference to Coke® and a use in commerce, but this "use" is protected comparative advertising (a form of nominative fair-use). Nominative fair use is a truthful referential use of another's mark.[22]

Similarly, where a banner ad clearly denotes that the true source is not related to the trademark holder and is only encouraging brand-switching, the banner ad may not be actionable infringement. Under this scenario, the parties to the keyword buy agreement may be referring to the keyed trademark, but only to offer relevant information—even competing options—at the point of need.

In most cases, while the comparative reference (the keyed trademark) may be useful to attract a more relevant audience, it will not necessarily be essential, because other key terms probably would be available instead of the trademark. For this reason, there is no clear-cut answer as to whether a keyed trademark would be upheld under the doctrine of nominative fair use, even assuming there is no suggestion of affiliation or sponsorship with the owner of the keyed trademark.[23]

A descriptive term that has acquired distinctiveness for a particular type of good or services may be used in a search engine as a trademark where the banner ad refers to the keyword in its non-trademark sense for unrelated goods and services. This is a "classic" fair use.[24] In this scenario, there may be a likelihood of confusion; however, this is not an issue unique to the Internet.[25] It is unsettled whether the successful assertion of classic fair use requires the party asserting it to demonstrate an absence of likelihood of confusion.[26]

C. Do Pop-up and Banner Ads Initially Confuse Internet Users?

In *Playboy Enterprises*, the Ninth Circuit recognized Playboy's strongest argument for a likelihood of confusion generated by an unlabeled banner ad for adult-oriented advertisements is that such banner ads might create initial interest confusion.[27] "Although dispelled before actual sales occur, initial interest confusion impermissibly capitalizes on the goodwill associated with a mark."[28] Playboy argued that because banner ads appear immediately after users type in Playboy's marks, users were likely to be confused with respect to the sponsorship of unlabeled banner ads.[29]

A banner ad that is conspicuously labeled with its sponsorship is not necessarily initially confusing by virtue of the display of the banner ad itself. Whether confusion exists depends on the content of the banner ad and whether the content wards off any initial confusion. The fact that an Internet user diverts his or her eyes to a banner ad does not mean he or she was initially confused. Similarly, while the content of a pop-up may cause initial interest confusion, it does not follow that there is initial interest confusion by virtue of the pop-up window itself. An Internet user diverting his or her eyes to a pop-up window is not necessarily doing so under the mistaken initial belief that it is derived from the site owner. For instance, many users opt-in to pop-up ads. Those who are aware of how pop-up advertising works presumably know that pop-up windows are not necessarily associated with the site owner.

Judge Berzon's concurrence in *Playboy Enterprises* suggests that the Ninth Circuit, famous for applying the initial interest confusion doctrine in cyberspace, may in the future impose limitations on its now-famous "billboard" analogy for metatags. The *Brookfield* "billboard" analogy has been widely accepted as the model for applying the initial interest confusion doctrine in cyberspace. The court compared use of metatags in *Brookfield* to Blockbuster misdirecting customers from a competing video store, West Coast Video Store, by putting up a highway billboard sign giving directions to Blockbuster but telling customers that a West Coast Video store is located there.[30]

Judge Berzon pointed out that the *Brookfield* defendant's website was described by the court as being accurately listed as "westcoastvideo.com" in the applicable search results, leaving consumers free to choose.[31] Judge Berzon noted that the billboard analogy has been widely criticized as inapplicable to the Internet, because customers were not misdirected by the minimal inconvenience in directing one's web browser back to the original list of search results.[32] It appears that what initial interest confusion consists of on the Internet is constantly being redefined on the basis of what Internet users expect to encounter.

D. What About Blurring and Tarnishment?

The application of the dilution doctrine to pop-up and banner ads is unsettled, primarily because the doctrine of dilution remains unsettled in the post-*Moseley*[33] era. Assuming a famous mark is used to trigger a pop-up or banner ad, and the pop-up or banner ad does not display the famous mark, the question remains whether an invisible use of a famous mark can whittle away its source-identifying capacity.[34] It is easier to understand how the display of a substantially identical mark for unrelated goods and services actually dilutes the potency of the famous mark than it is to understand when the mark only appears in programming code or a keyword buy agreement. The pop-up window and banner ad are separate from the website displaying the famous mark or search result for the famous mark, much as a NIKE® store purposefully placed adjacent to Häagen-Dazs® store in a mall would not dilute the "Häagen-Dazs" trademark even if Nike's lease included a provision that it must always be adjacent to Häagen-Dazs.

Assuming the Lanham Act protects famous marks against tarnishment in the post-*Moseley* era, it is possible that the content of a pop-up window would bring a famous mark into contempt or disrepute, thereby giving rise to a cause of action for tarnishment under the Lanham Act. There currently is a proposal before Congress to amend the Lanham Act to expressly include dilution by tarnishment.[35]

IV. The Relevance of the "Spyware" Debate

Notwithstanding that pop-up and banner ads share the above common concerns, there are also concerns unique to pop-ups. Some consumers who desire ads that are more relevant and timely intentionally download the monitoring-enabling software necessary for pop-ups to work. However, to be more profitable, some online behavioral marketing companies have designed and described the monitoring-enabling software so as to disguise its true purpose.[36] Many users of the Internet have no idea that they have "agreed" to have a third-party company monitor their Internet activity. Thus, one person's "spyware" is another's "adware."

Online behavioral marketing companies WhenU.com and Claria remain at the forefront of the debate over the distinction between legitimate Internet advertising and spyware. Promoting and developing adware technology on the Internet has become increasingly difficult as the "spyware" phenomenon attracts increased negative attention in the media.[37] Nobody disputes that regulating the precision-targeting technology industry is necessary to protect Internet commerce, but regulation requires formulating new legal definitions of "spyware" that are not overly broad and disruptive of self-initiated exchanges of information on the World Wide Web. Therefore, the process is slow, and it may be years before spyware legislation is enacted on the federal or state level.[38]

One consideration in regulating spyware is who would have standing to enforce such regulations. Standing could be vested exclusively with the Federal Trade Commission (FTC) (or other governmental body charged with the enforcement of consumer protection laws). Alternatively, a potential candidate is the Internet user who has unknowingly downloaded spyware or who has difficulty removing it. Another candidate is the owner of the specific web content from which pop-ups are derived.[39]

There have been recent developments in the House of Representatives through the Safeguard Against Privacy Invasions Act (HR-2929) (the "Act").[40] The Act would require online users to expressly consent to transmission of monitoring-enabling software in response to a clear and conspicuous request for consent or through an affirmative request for such transmission. The bill deals only with transmission-based grievances, expressly vests authority to enforce the statute with the FTC, and provides criminal penalties for violating the statute knowingly.

Arguably, the regulation of spyware would eliminate some of the potential confusion arising from pop-ups. Those who have expressly consented or opted in to spyware are less likely to mistakenly believe a website owner necessarily authorized pop-ups. These users presumably would not believe the pop-ups are necessarily from the site owner, because they have been educated on pop-ups when they opted-in to the adware application.

V. Conclusion

Even if spyware were successfully regulated—in a completely "adware" environment—both banner and pop-up ads would persist because they both provide relevant information to consumers at the point of need.

In the absence of a federal statute in effect at this time, applications to find and remove spyware are becoming more popular.[41] In addition, industry leaders recognize the need to control the spyware phenomenon in order to continue offering adware successfully. For example, the Internet portal Yahoo! recently offered downloadable plug-in toolbars for web browsers that allow users to identify, disable, and remove "spyware" or keep it as "adware" on their computers.[42]

One thing is clear: application of the Lanham Act to pop-up and banner ads is unsettled. [43] The doctrine of initial interest confusion in cyberspace, for example, constantly is being re-explored.[44] Some might be intentionally pushing outer boundaries to test the reach of the trademark laws.[45] For example, currently, in the United States and Canada, Google will not disable keywords in response to a trademark complaint.[46] In addition, Google recently changed its policy by no longer screening potential buyers' trademarked keywords, potentially leaving Google vulnerable to a claim for contributory trademark infringement.

If federal regulation takes effect, the potential for confusion will be reduced in online contextual marketing, but it will not go away. Pop-up and banner ads, like any new technologies, will require re-interpreting the Lanham Act to find the proper balance between promoting competition and preventing free riding on the Internet. There is opportunity for flexibility, particularly in the concepts of initial interest confusion, nominal fair use, use in commerce, and dilution.

Even after application of the Lanham Act to pop-up and banner ads matures and becomes more settled, the cross-border nature of the Internet raises an international dimension to business decisions of behavioral marketing companies, advertisers, and search-engine providers.[47]

Endnotes

1. *See generally* Judy Hu, *Contextual Marketing on the Internet*, Southwestern University Final Paper in Foundations of Business II, (Spring 2001) (as of July 19, 2004, *available at* http://www.southwestern.edu/~huj/fob2.html) (citing Kenny David & John F. Marshall, *Contextual Marketing, The Real Business of the Internet*, Harv. Bus. Rev. 119-25 (Nov.-Dec. 2000) (available for electronic download at *Harvard Business Online* located *at* http://harvardbusinessonline.hbsp.harvard.edu)); *Id.* at 2 of 17 (*citing* Ken Yanhs, *Results of Contextual Merchandising*, E-mail to isp-marketing@isp-marketing.com (Mar. 27, 2000)).

2. Claria Corp. (formerly Gator), for example, filed an initial public offering, boasting $90 million in 2003 sales. Its Gator ad-generating software is lodged in 43 million PCs, and WhenU's ad technology is installed on 25 million computers. *See* Ben Elgin, *Guess What—You Asked For Those Pop-Up Ads*, Bus. Wk., June 28, 2004, at 94.

3. Because the courts have been disinclined to stretch the Federal Copyright Act, 17 U.S.C. §§ 101, *et seq.* in this area, this article focuses on trademark laws. For an illustration of how the courts have analyzed copyright claims with respect to the new technologies discussed in this article, *see 1-800 Contacts, Inc. v. WhenU.com*, 2003 U.S. Dist. LEXIS 22932, at *40 (S.D.N.Y. Dec. 22, 2003) (denying preliminary injunction based on copyright).

4. *See*, *e.g.*, http://www.ftc.gov/bcp/workshops/spyware/ (FTC workshop discussing spyware); *at* http://www.gigalaw.com/articles/2004/ip-2004-03.html (Pop-up roundtable discussion originally published in GigaLaw.com).

5. *See*, *e.g.*, https://www.google.com/adsense/faq#start1 *(GOOGLE AdSense program)*.

6. http://www.whenu.com/press_release_03_07_21.html.

7. 15 U.S.C. §§ 1051 *et seq.* (1999).

8. 15 U.S.C. § 1114(1)(a) (1999) ("Any person who shall, without the consent of the registrant—(a) use in commerce any reproduction . . . 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 . . . ").

9. 15 U.S.C. § 1125 (a) (1)(1999) ("Any person who, on or in connection with any goods or services . . . uses in commerce any word . . . shall be liable").

10. 5 U.S.C. § 1127 (2) (1999).

11. 15 U.S.C. § 1127 (1) (1999).

12. *See* Brief of *Amicus Curiae International Trademark Association* at 15, submitted January 12, 2001 in support of the appeal taken by Playboy Enterprises Inc. in the 9th Circuit from the entry of summary judgment against it by the district court, *Playboy Enters., Inc. v. Netscape Communications Corp.*, *Playboy Enters., Inc. v. Excite, Inc.* (Nos. 00-56648 and 00-56662) (citing *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250 (9th Cir. 1982); *Coca-Cola Co. v. Howard Johnson Co.*, 386 F. Supp. 330 (N.D. Ga. 1974); *Estee Lauder, Inc. v. Watsky*, 323 F. Supp. 1064 (S.D.N.Y. 1970); Restatement (Third) of Unfair Competition § 20 cmt. b (1993)).

13. *See* Brief of *Amicus Curiae International Trademark Association* at 15-18.

14. *Id*.

15. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1024 (9th Cir. 2004).

16. Interestingly, Playboy introduced evidence that, even when advertisers objected to using Playboy's marks to key advertisements, the search engines refused to remove the marks from the keying list. *See Playboy*, 354 F.3d at 1029.

17. *Playboy Enters., Inc. v. Netscape Communications Corp.*, Nos. SA CV 99-320 ANH (EEx) & SA CV 99-321 ANH (EEx), 2000 U.S. Dist. LEXIS 13418, at *2 (C.D. Cal. Sept. 12, 2000) ("Defendants do not use Playboy Enterprise's trademarks qua trademarks. Although Playboy uses its trademarks to identify its goods and services, defendants do not.").

18. *Playboy Enters., Inc. v. Netscape Communications Corp.*, at 1024 n. 11.

19. *See U-Haul Int'l, Inc. v. WhenU.com, Inc.*, 279 F. Supp. 2d 723, 727 (E.D. Va. 2003) ("WhenU's pop-up advertisements do not constitute "use in commerce" of U-Haul's trademarks."); *See also Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 757-764 (E.D. Mich. 2003) (concluding no "use in commerce" under the Lanham Act by WhenU).

20. *See*, *e.g.*, *1-800 Contacts v. WhenU.com*, 2003 U.S. Dist. LEXIS 22932, at *52 (S.D.N.Y. Dec. 22, 2003) (finding "use in commerce" within the meaning of the Lanham Act) ("This Court disagrees with [the *Wells Fargo* and *U-Haul* decisions] and is not bound by these findings."), currently on appeal to the Second Circuit, *1-800 Contacts v. WhenU.com and Vision Direct*, Case No. 04-0026 (L) (Point II of Appellee's Brief). *See Pop-up Advertisements Found to be Use in Commerce*, INTA Bull. Vol. 39, No. 3, Feb. 1, 2004, at 6.

21. *See* Brief of *Amicus Curiae International Trademark Association* at 15-18.

22. Restatement (Third) of Unfair Competition § 28 (1993).

23. *Compare New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (finding the product in question must not readily be identifiable without use of the trademark), and *Playboy*, 354 F.3d at 1030 (finding Playboy as a keyed term was not necessary to trigger banner ads for adult-oriented advertisements among the numerous other terms used), *with Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 545 (5th Cir. 1998) (rejecting this factor in the context of comparative advertising), *PACCAR Inc. v. Telescan Tech., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003) (adopting a confusion analysis to determine nominative fair-use).

24. The Lanham Act provides that fair use is use "otherwise than as a mark" of a term or device which is "descriptive of and used fairly and in good faith only to describe the goods or services of [a] party." 15 U.S.C. § 1115(b)(4).

25. Some courts allow a fair use defense even where the plaintiff shows some likelihood of confusion. *See Cosmetically Sealed Ind. v. Cheesbrough-Ponds U.S. Co.*, 125 F. 3d 28 (2nd Cir. 1997); *LeatherSmith of London, Ltd. v. Alleya*, 695 F.2d 27 (1st Cir. 1982); *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234, 243 (4th Cir. 1997); *Waco Int'l, Inc. v. KHK Scaffolding Houston, Inc.*, 278 F.3d 523, 534 (5th Cir. 2002); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055 (7th Cir. 1995). Other courts require the defendant to defeat the plaintiff's showing of potential confusion. *See*, *e.g.*, *PACCAR Inc. v. Telescan Tech., L.L.C.*, 319 F.3d 243, 255-56 (6th Cir. 2003); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1072 (9th Cir. 2003), *cert. granted*, 124 S. Ct. 981 (2004). *See generally*, Michael Monahan, II and Phelps Dunbar, L.L.P., *Sticks and Stones: Nominative Trademark Fair Use and Comparative Advertising*, A.B.A. Section Intell. Prop. L. Summer IPL Conf. (2004) (distributed June 16-20, 2004, Toronto, Canada).

26. The Supreme Court recently granted cert. in *KP Permanent Make-Up Inc. v. Lasting Impression, Inc.*, 124 S. Ct. 981 (Jan. 9, 2004).

27. *Playboy,* 354 F.3d at 1025.

28. *Id.*

29. *Id.*

30. *Brookfield Communication, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1064 (9th Cir. 1999).

31. *Playboy*, 354 F.3d at 1036.

32. *Id.*

33. *KP Permanent Make-Up Inc. v. Lasting Impression, Inc.*, 124 S. Ct. 981 (Jan. 9, 2004).

34. In *Playboy*, 354 F.3d at 1033, the court rejected the argument that dilution cannot be found because defendants do not label their own goods with Playboy's marks because, from the consumer's perspective, the court reasoned that defendants "implicitly label the goods of [Playboy's] competitors with its marks."

35. INTA Dilution Special Rep., June 15, 2004 at 2.

36. "Trojan Horse software" infiltrates computers when consumers download other applications, known as "carriers," over the Internet. The carrier is bundled with a so-called "payload," unwanted spyware, for example.

37. *See*, *e.g.*, Teresa F. Lindeman, *Stop That!; Industry Acting, Somewhat, to Address Annoying Pop-up Ads on Web Sites*, Pittsburgh Post-Gazette (Pa.), June 6, 2004, at F-1, quoting associate analyst at Jupiter Research, where a recent survey found 40 percent of consumers detested pop-ups the most, versus 29 percent who put spam on the top of their lists.

38. Proponents of federal legislation argue that the global nature of the Internet and its effect on electronic commerce among states favors federal regulations because regulating on the state-wide level may retard technological developments, complying with inconsistent state laws may be prohibitively expensive for start-up companies, and it is easier to test a federal statute for overbreadth and vagueness than to test a wide variety of differing state regulations. For instance, a Utah district court temporarily blocked enforcement of the Utah Spyware Control Act. *See generally available at* http://www.benedelman.org/spyware/whenu-utah (providing detailed analysis and references). New York is also considering passing spyware legislation (A11531 and S07141). *See* http://assembly.state.ny.us/leg/?bn=A11531&sh=t; http://assembly.state.ny.us/leg/?bn=S07141&sh=t.

39. The nature of the Internet user's grievance directly relates to whether s/he expressly consented to any transmission of monitoring-enabling software ("transmission-based grievance"). The nature of the owner of specific web content's grievance relates directly or indirectly to the content from which the pop-up is derived or the content of the pop-up itself ("content-based grievance"). It will have to be decided whether (1) the FTC will be charged with protecting against both transmission-based and content-based grievances; (2) third-party competitors and providers should have standing to enforce transmission-based grievances or only have standing to bring a civil action directly against one another for content-based grievances; and whether (3) end users should only have individual standing to bring their grievances to the FTC against transmission and/or content-based grievances.

40. *See* Press Release, Anti-Spyware Bill Passes 45-4, "Will Assist Every PC User in the Country" (June 24, 2004) (reported in the Global News Wire, Capital Hill Press Releases); *See also id.* (June 24, 2004) (reported in Congressional Press Releases). This bill would explicitly preempt state laws extending civil remedies on spyware. Authored by Reps. Mary Bono (R-Cal.) and Ed Towns (D-N.Y.), the bill requires programs to be easily identifiable and removable, and requires express consent to collect personal data. In the Senate, Senator Conrad Burns introduced the "Spyblock Act," "Software Principles Yielding Better Levels of Consumer Knowledge Act," S. 2145, 108th Cong. 2d Sess. (2004). The bill's purpose is to "regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to use privacy, and for other purposes."

41. For instance, Aladdin Systems, Inc., an IMSI company announced in June a new version of its Internet Cleanup ™ for Windows, which finds and removes spyware. *See Internet Cleanup 4.0, New Version, Now Shipping From Aladdin Systems*, PR Newswire Ass'n, Inc., June 9, 2004. An average of one in three PCs scanned in March and April 2004 was carrying a system monitor or Trojan horse, according to privacy firm Webroot Software and ISP Earthlink, as reported in *One In Three PCs Hosts Spyware or Trojans*, Fin. Times Global News Wire—Eur. Intelligence Wire, June 16, 2004.

42. For discussion of Yahoo!'s anti-spyware toolbar, *see* DMeurope.com, *Yahoo Launches Anti-Spyware Toolbar*, Global News Wire – Eur. Intelligence Wire, June 9, 2004. The Google toolbar also offers the ability to stop spyware. *See* http://toolbar.google.com.

43. For example, the latest company to join the battle is L.L. Bean, which seeks damages and injunctive relief in the district court in Maine against four retailers —Atkins Nutritionals, Gevalia Kaffee, Nordstrom, and J.C. Penney—based on their "placement of pop-up advertisements on L.L. Bean's web site through the use of spyware that poaches on the L.L. Bean's famous name, and annoys and confuses consumers." For discussion of Claria's response to L.L. Bean on June 3 in the U.S. District Court for the Eastern District of Texas, *see Company Responds to L.L. Bean with Lawsuit of its Own*, Associated Press State & Local Wire, June 9, 2004. In February 2004, American Blind and Wallpaper Factory sued Google, America Online, and Netscape, among others, over keyword-buy agreement practices. *Am. Blind & Wallpaper Factory, Inc. v. Google, Inc.*, No. 04 CV 00642 (LLS) (S.D.N.Y. Feb. 17, 2004). In May, GEICO sued Google and Overture for various causes of action arising from the practice of selling GEICO's federally registered trademarks as search terms or keywords to advertisers on the Overture and Google websites. *Gov't Employees Ins. Co. v. Google, Inc.*, No. 1:04 CV-507-A (LMB) (TCB) (E.D. Va. May 4, 2004).

44. *See*, *e.g.*, *Note: Confusion in Cyberspace: Defending and Recalibrating the Initial Interest Confusion Doctrine*, 117 Harv. L. Rev. 2387 (May 2004) at 9 (concluding that because the "pivotal issue is whether [diversion caused by pop-up ads] threatens to vitiate producers' incentives for creating and maintaining high-quality websites and to interfere with users' searches for trademarks online," courts should decide whether there is actionable initial interest confusion by "centering the inquiry on the degree of competitive proximity between the trademark holder and the advertiser and on the intent of the alleged infringer in keying competing ads to the trademark").

45. Sam Mamudi, *Google Under Fire for Trade Mark Switch*, Managing IP, May, 2004, at 8; *see* http://www.journal/erport/my28trademark.html (ABA Journal E-Report) (discussing GOOGLE).

46. http://www.google.com/tm_complaint.html.

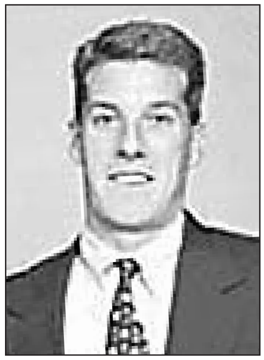
47. For example, travel agencies Luteciel and Viaticum sued Google in December 2002 after the search company refused to curb the use of disputed words in the AdWords program. *See*, *e.g.*, *at* http://google.weblogsinc.com/entry/5833841173984717. The Lower Court of Nanterre required Google France to pay 70,000 euros (£41,645).

Amy J. Benjamin is a member of Darby & Darby P.C. in New York. Jonathan Matkowsky is an associate with the firm in New York and is Co-Chair of the Section's Trademark Law Committee.

Bearing the Costs of Non-Party Discovery in Intellectual Property Disputes

By Robert T. Neufeld

I. Introduction



Parties to intellectual property litigation frequently look to non-parties for evidence to prove their case. For example, in a patent dispute the patentee may seek evidence concerning infringement, willfulness, and damages from non-parties such as the alleged infringer's customers. On the other hand, alleged patent infringers may look to non-parties for invalidating prior art or evidence supporting a proposed reasonable royalty. In all of these instances, the Federal Rules of Civil Procedure offer certain protections for the non-party.

Fed.R.Civ.P. 26(c) provides both parties and non-parties with the opportunity to seek a protective order against burdensome or expensive discovery. In the context of discovery subpoenas, Fed.R.Civ.P. 45(c) contains several forms of protection. First, a court may sanction a party or attorney issuing a subpoena that has failed to satisfy its duty to avoid imposing undue burden or expense on the person subject to the subpoena.[1] Second, a person receiving a subpoena can move for an order to modify or quash the subpoena where it imposes unreasonable burdens or demands.[2]

A third, and arguably more potent, avenue of protection exists specifically for non-parties that receive a subpoena. Fed.R.Civ.P. 45(c)(2)(B) mandates that courts protect non-parties from significant expenses associated with responding to requests for documents. The Rule provides that once the subpoenaed non-party objects, and the issuing party moves to compel production of the subpoenaed documents, the court may enter an order enforcing the subpoena. However, "[s]uch an order to compel production *shall* protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded."[3] Thus, Rule 45(c)(2)(B) *requires* the court to protect a non-party from significant expense in connection with an order compelling production of discovery.[4] This shifting of expenses forces the requesting party to consider the scope of the requests and the burden imposed on the non-party. Given the often significant expenses associated with responding to discovery requests, this fee-shifting provision can be a powerful form of protection for non-parties.

The language requiring protection for non-parties was added to Rule 45 in 1991 (the "1991 Amendment").[5] While there has not been a significant number of published decisions applying the 1991 Amendment, the cases discussed below provide limited guidance for parties and non-parties presented with discovery disputes. Before turning to these more recent decisions, the following synopsis of certain pre-1991 decisions will provide a backdrop for discusssion of the amended Rule 45 and the more recent case law.

II. The Relevant Case Law

A. Case Law Prior to the 1991 Amendment

Before the 1991 Amendment, courts had greater discretion in deciding whether to award expenses for responding to a subpoena. "Typically a non-party [was] required to absorb the costs of complying with a subpoena duces tecum."[6] However, it was within the court's discretion to require the requesting party to reimburse the non-party for costs where the production was expensive or excessively time consuming.[7] When the document request was relatively narrow and noninvasive, courts generally declined to award any costs. For example, in *Phillips Petroleum Co. v. Pickens*, the district court denied a non-party's request for costs when the document production consisted of only a limited number of pages.[8]

In view of the court's greater discretion prior to the 1991 Amendment, a variety of factors were considered in deciding whether to award costs to a non-party. For example, in *United States v. Columbia Broadcasting System, Inc.*,[9] the trial court declined to award a non-party the costs incurred in responding to the defendant's subpoena duces tecum.[10] On appeal, the Ninth Circuit remanded the action to the district court to reconsider the request for costs.[11] The court of appeals pointed to the following factors as relevant to the determination of whether to award costs:

(i) the scope of the discovery;

(ii) the invasiveness of the requests;

(iii) the extent to which the non-parties were required to separate responsive information from privileged or irrelevant material;

(iv) the reasonableness of the costs of production;

(v) the relative recalcitrance of the party and the non-party; and

(vi) whether the party prevailed in the litigation.[12]

On remand, the district court awarded certain costs but declined to award attorneys' fees.[13] The 1991 Amendment to Rule 45 generally is viewed as adopting the Ninth Circuit's ruling in *Columbia Broadcasting System*.[14]

B. Case Law After the 1991 Amendment

While courts had relatively broad discretion in deciding whether to shift costs before the 1991 Amendment, the new language—"shall protect any person who is not a party . . . from significant expense"—reins in that discretion to some extent. Admittedly, the language of the rule maintains a discretionary element in that the court is free to decide what qualifies as a "significant expense." Nonetheless, the Advisory Committee Notes state that the amendment is intended "to enlarge the protections afforded persons who are required to assist the court."[15]

In re The Exxon Valdez[16] was one of the first cases involving application of the 1991 Amendment. The court noted the "mandatory language of this Rule represents a clear change" from the prior discretionary approach to shifting costs.[17] However, the district court did not interpret the amendment as overruling earlier case law "under which a non-party can be required to bear some or all of its expenses where the equities of a particular case demand it."[18] In *Exxon Valdez*, the court considered

(i) whether the non-party has an interest in the litigation;

(ii) whether the non-party can more readily bear the costs than the requestor; and

(iii) whether the litigation is of public importance.[19]

Ultimately, the court required the non-party, an industry trade association, to bear a percentage of the costs associated with the document production in view of its unique relationship to the defendants.[20]

Other courts have also interpreted the 1991 Amendment as a mandate to the federal courts to protect non-parties from subsidizing the costs of other parties' litigation. In *R.J. Reynolds Tobacco v. Philip Morris, Inc.*, the Third Circuit reversed a district court's decision to deny a request for reimbursement from a non-party without considering evidence of the expenses from the non-party.[21] The court of appeals held that "Fed.R.Civ.P. 45(c)(2)(B) imposes mandatory fee shifting and directs the court to 'protect' a nonparty from 'significant expense resulting from inspection and copying commanded.'"[22] The court interpreted the Rule as requiring a two-step inquiry, namely (i) whether the subpoena imposes expenses on a non-party and (ii) whether those expenses are significant. Where the answer to both questions is affirmative, "[s]ignificant expenses must be borne by the party seeking discovery."[23] The decision does not consider whether the expenses should be shared by the requesting party and the non-party.

Since the 1991 Amendment, the available decisions provide guidance on three questions related to shifting costs from the non-party to the requesting party. Specifically, the courts have considered (i) how to apportion costs; (ii) whether the costs should be paid in advance of compliance with a subpoena; and (iii) whether attorneys' fees should be included in the costs of responding to the subpoena.

1. Apportioning Costs

It is rare for a court to grant a non-party the full amount of the costs it requests. Instead, courts tend to distribute costs between the requesting party and the non-party based on the equities of the particular case. As the court in *Linder v. Calero-Portocarrero* explained, Rule 45(c)(2)(B) "does not mean that the requesting party necessarily must bear the entire cost of compliance."[24] In *Linder*, the plaintiffs served certain non-party government agencies with subpoenas for documents. Upon the request of the non-party government agencies, the district court conditioned the agencies' compliance with the subpoenas on the plaintiffs paying for half of the reasonable copying and labor costs.[25] However, before proceeding with the payment and document search, the court required the non-party to assemble an estimate of the costs for complying with the search and production of documents.[26] In reaching its conclusion on the proportion of expenses the plaintiffs and non-party should bear, the court considered "the agencies' resources and the significance of the plaintiffs' . . . litigation."[27] The court also reasoned that requiring the plaintiffs to bear a portion of the expenses promoted efficiency and deterred the plaintiff "from engaging in fishing expeditions for marginally relevant material."[28]

In *Exxon Valdez*, the court was able to link the non-party's proportion of the costs of production with its interest in the case. In that case, the non-party was an industry trade association that received 29 percent of its funding from the defendants in the case.[29] Accordingly, the court concluded that the funding received from the defendants equated to the non-party's interest in the case and ordered that the trade association bear 29 percent of the costs for responding to the subpoena.[30]

The court also considered the subpoenaed non-party's relationship to the litigation in *Florida Software Systems, Inc. v. Columbia/HCA Healthcare Corp.*[31] In that case, the court noted that the law firm receiving the subpoena, while technically a non-party, was producing documents related to its clients who were parties to the underlying suit.[32] Although the law firm purportedly identified over 37,000 pages of responsive documents, it produced only approximately 22 percent of those documents and did not produce a privilege log identifying the remaining 78 percent of the documents.[33] Accordingly, the court awarded only 22 percent of the law firm's requested fees.[34]

Thus, the portion of the responding non-party's incurred costs that are shifted to the requesting party often depends on the facts of the particular case. These cases illustrate that courts will look to any interest the non-party may have in the case as well as to the magnitude of the expense and burden incurred in fashioning an equitable award.

2. Prepayment

The Advisory Committee Notes to the 1991 Amendment state that the court is not required to fix costs in advance, although this often will be the preferred approach.[35] Nonetheless, since the amendment, courts rarely require payment before the subpoenaed non-party takes any action to gather or identify responsive documents.[36] The more common scenario is that the subpoenaed non-party has often done at least some of the work in responding to the subpoena before payment is required. Courts generally are presented with the question of whether to condition production on the payment of the expenses incurred or to postpone reimbursement until after the production. The issue typically is presented to the court in the context of a motion to compel production of documents responsive to a subpoena duces tecum.[37]

In *Standard Chlorine of Delaware v. Sinibaldi*, a non-party bank alleged that, in responding to a subpoena, its staff spent 56 hours collecting documents that amounted to approximately 2,500 pages.[38] The court found that under the amended Rule 45 "the non-party is entitled to reimbursement of all reasonable charges incurred in both producing and copying these documents."[39] The court required the plaintiff to pay the bank 50 cents per page as a condition precedent to the production.[40] Although the party was required to reimburse the non-party before receiving the documents, the payment was partially for work that the non-party already had performed in assembling the responsive documents.

Similarly, *In re Letters Rogatory* involved a subpoena for documents from a non-party corporation.[41] The court denied the non-party's request to quash the subpoena but ordered that the requesting party would be responsible for the non-party's reasonable costs of production.[42] The court declined to "'fix the costs in advance of production'" and directed the non-party to submit a motion for reasonable costs.[43] This is consistent with the general tendency of most courts to postpone awarding costs until the non-party presents evidence supporting the amount of costs actually incurred as opposed to a projection of what the production likely will cost.

3. Attorneys' Fees

Although the "American Rule" provides that each party is typically responsible for its own attorneys' fees,[44] at least one court has held that general principle does not apply to non-parties. *In re First American Corp.* involved a non-party, Price Waterhouse LLP, that was required to lift certain legal impediments in foreign courts before producing subpoenaed documents that were subject to confidentiality obligations.[45] Price Waterhouse sought reimbursement of the legal expenses incurred in those foreign courts. First American maintained that Rule 45(c)(2)(B) does not provide for the reimbursement of legal expenses. First American relied on the principle of the "American Rule" that attorneys' fees generally are not a recoverable cost of litigation absent express statutory authority.[46] However, the court concluded that the American Rule was inapplicable because Price Waterhouse was not a party to the litigation.[47] Because the legal fees Price Waterhouse incurred benefited First American, the court concluded that First American should bear a portion of the expenses.[48]

Kahn v. General Motors Corp. involved a non-party, Hazeltine Corp., that was required to produce documents to a defendant in a patent litigation.[49] In awarding a substantial portion of the non-party's attorneys' fees, the court considered the nature of the legal work performed, the absence of in-house attorneys to perform the work, and the reasonableness of outside counsel's hourly rates.[50] Significantly, the court recognized the non-party's "interest in being made whole" for the expenses it incurred.[51]

A similar concept of restitution is found in two other decisions, both from the Northern District of California. In *Compaq Computer Corp. v. Packard Bell Electronics*, the non-party was compensated for its employees' time, including in-house paralegal time.[52] In *High Tech Medical Instruments v. New Image Industries, Inc.*, the court awarded the patentee's former law firm its fees, at standard billing rates, for time spent by attorneys and paralegals in reviewing documents in response to the defendant's subpoena.[53] While neither of these cases cite Fed.R.Civ.P. 45(c)(2)(B), they both rely on the Ninth Circuit's *Columbia Broadcasting System* decision, which was the progenitor of the 1991 Amendment.

Attorneys' fees are not always awarded when shifting a non-party's production costs. For example, on remand from the Ninth Circuit in the *Columbia Broadcasting System* litigation, the district court declined to award attorneys' fees because the court found the fees solely benefited the producing non-party.[54] Contrary to the ruling in *First American*, the court also held that the "American Rule" applied to non-parties and precluded shifting of attorneys' fees.[55] This pre-amendment decision aside, the majority of the more recent cases indicate a general trend toward awarding at least a portion of the non-party's legal expenses incurred in responding to the subpoena.

III. Conclusion

While the few decisions applying amended Rule 45 often turn on the specific facts of the case, certain principles can be distilled from these rulings. First, as the Advisory Committee Notes to Rule 45 indicate, the 1991 Amendment was intended to balance the extension of an attorney's power to issue subpoenas.[56] Second, the courts consistently have interpreted the amendment as shifting the court's duty to protect the non-party from discretionary to compulsory.[57] Third, courts award non-parties only reasonable costs and seek to determine an equitable award based on a variety of factors. Fourth, courts generally wait to award costs until the non-party has performed at least some of the work in gathering the responsive documents so that the court can make a reliable calculation of the costs incurred. Finally, courts are willing to include reasonable legal fees in the award in order to adequately protect the non-party. These principles can be particularly useful in the context of intellectual property litigation, where non-party discovery is common.

Endnotes

1. Fed.R.Civ.P. 45(c)(1).
2. Fed.R.Civ.P. 45(c)(3)(A).
3. Fed.R.Civ.P. 45(c)(2)(B) (emphasis added).
4. *Linder v. Calero-Portocarrero*, 183 F.R.D. 314, 322 (D.D.C. 1998) (describing the language of Rule 45(c)(2)(B) as "mandatory cost-shifting"); *see also Linder v. Calero-Portocarrero*, 180 F.R.D. 168, 177, *aff'd*, 251 F.3d 178 (D.C. Cir. 2001).
5. Fed.R.Civ.P. 45 Advisory Committee Notes.
6. *Cantaline v. Raymark Indus., Inc.*, 103 F.R.D. 447, 453 (S.D. Fla. 1984).
7. *Id*. The predecessor to Rule 45(c)(2)(B) provided that the court "may . . . condition denial of the motion upon advancement by the person in whose behalf the subpoena is issued of the reasonable cost of producing the books, papers, documents, or tangible things."
8. 105 F.R.D. 545, 550 (N.D. Tex. 1985).
9. 666 F.2d 364 (9th Cir. 1982).
10. *Id*. at 365.
11. *Id.*
12. *Id*. at 371-72.
13. *United States v. Columbia Broadcasting Sys., Inc.*, 103 F.R.D. 365, 368 (C.D. Cal. 1984).
14. *See In re Letters Rogatory*, 144 F.R.D. 272, 278 (E.D. Pa. 1992).
15. Fed.R.Civ.P. 45 Advisory Committee Notes. *See also Cantaline*, 103 F.R.D. at 450.
16. 142 F.R.D. 380 (D.D.C. 1992).
17. *Id*. at 383.
18. *Id*. *Cf. Kahn v. General Motors Corp.*, No. 88 Civ. 2982, 1992 WL 208286, at *2 (S.D.N.Y. Aug. 14, 1992) (recognizing a non-party's interest in being made whole); *In re Midlantic Corp. Shareholder Litigation*, Misc. No. 92-99, 1994 WL 750664, at *6 (D.D.C. Oct. 24, 1994) (requiring the plaintiff to bear the reasonable copying and labor costs of a non-party government agency's compliance with a subpoena).
19. 142 F.R.D. at 383
20. *Id*. at 383-84.
21. 29 Fed. Appx. 880, 882 (3rd Cir. 2002).
22. *Id*. at 882-83.
23. *Id*. at 883.
24. 183 F.R.D. at 322 (quoting *In re The Exxon Valdez*, 142 F.R.D. at 383).
25. 183 F.R.D. at 322.
26. *Id*. at 323.
27. *Id*. at 322.
28. *Id*. at 322-23.
29. 142 F.R.D. at 384.
30. *Id*.
31. No. 99-MC-0036E, 2002 WL 1020777 (W.D.N.Y. Feb. 25, 2002).
32. *Id.* at *6.
33. *Id*.
34. *Id*.

35. Fed.R.Civ.P. 45(c) Advisory Committee Notes.

36. *Cf. Broussard v. Lemons*, 186 F.R.D. 396, 398 (W.D. La. 1999) (awarding prepayment of copying and postage charges because medical facilities are regularly subjected to non-party discovery requests).

37. *See Williams v. City of Dallas*, 178 F.R.D. 103, 113 (N.D. Tex. 1998) (holding that Fed.R.Civ.P. 45(c)(2)(B) applies only when a motion to compel is filed in response to an objection to a subpoena but nonetheless finding that the court has discretion to order that the requesting party reimburse the non-party after the work associated with the production is completed). *See also Tutor-Saliba Corp. v. United States.*, 32 Fed. Cl. 609, 611-12 (1995) (declining to award attorneys' fees and personnel expenses where the non-party failed to object to the subpoena or to request such costs before responding).

38. 821 F. Supp. 232, 262 (D. Del. 1992).

39. *Id*. at 265.

40. *Id.*

41. 144 F.R.D. 272 (E.D. Pa. 1992).

42. *Id.* at 278.

43. *Id.*

44. *See Alyeska Pipeline Service Co. v. Wilderness Soc'y*, 421 U.S. 240, 260, 262 (1975).

45. 184 F.R.D. 234, 240 (S.D.N.Y. 1998).

46. *Id*.

47. *Id.* at 240-41.

48. *Id.* at 241-42.

49. No. 88 Civ. 2982, 1992 WL 208286.

50. *Id*. at *2.

51. *Id*.

52. 163 F.R.D. 329, 339 (N.D. Cal. 1995).

53. 161 F.R.D. 86, 88-89 (N.D. Cal. 1995).

54. *Columbia Broadcasting Sys., Inc.,* 103 F.R.D. at 374-75.

55. *Id*.

56. Fed.R.Civ.P. 45(c) Advisory Committee Notes.

57. *Tutor-Saliba Corp.,* 32 Fed. Cl. at 611-12.

Robert T. Neufeld is an associate with the intellectual property practice group at King & Spalding LLP. The views expressed herein are those of the author and not King & Spalding LLP or its clients.

The Federal Trademark Dilution Act: Time for a Change?

By Debra I. Resnick and Anthony J. Palumbo

I. Introduction

In 1996 Congress heeded the cries of trademark owners and passed the Federal Trademark Dilution Act (FTDA). In addressing the concerns of trademark owners, Congress declared:

> Presently, the nature and extent of the remedies against trademark dilution varies from state to state and, therefore, can provide unpredictable and inadequate results for the trademark owner. The federal remedy provided in H.R. 1295 against trademark dilution will bring uniformity and consistency to the protection of famous marks. . . . A federal dilution statute is necessary because famous marks ordinarily are used on a nationwide basis and dilution protection is currently only available on a patch-quilt system of protection. . . .[1]

Commentators applauded the passage of the FTDA, for it was aimed at affording trademark owners a uniform, federal standard of protection not necessarily from the use by third parties of confusingly similar and competing marks but, instead, from the dilution of the distinctive quality of their famous trademarks. According to the FTDA, dilution is

> the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.[2]

The FTDA thus was viewed as a tool that could safeguard a famous mark's distinctiveness and protect it from being "chipped" away at by other similar marks. Recognizing the absurdity of requiring a famous-mark owner to wait until it can prove what would amount to irreparable and pernicious harm to the economic value of the mark before asking the court for relief, injunctive relief was specified as the primary remedy to stop the "infection" that is dilution.[3]

Although on paper the FTDA is a logical and seemingly potent tool, its shortcomings soon became apparent. For example, questions arose as to what constituted a "famous" trademark, whether a cause of action existed for dilution by tarnishment, and what standard of proof was required to succeed on a federal dilution claim. Shortcomings notwithstanding, the Supreme Court in *Moseley v. V Secret Catalogue, Inc.*[4] found perhaps the only way in which the FTDA could be rendered essentially useless, namely, through a strict interpretation of the statute. Instead of providing uniformity of results, the FTDA has only caused more consternation and frustration for those seeking protection against the dilution of their famous marks.

II. *Moseley v. V Secret Catalogue, Inc.*

One day an army colonel perusing a newspaper came upon an advertisement for "Victor's Secret."[5] The advertisement boasted "Intimate Lingerie for every woman"; "Romantic lighting;" "Lycra Dresses;" and "Adult Novelties/Gifts."[6] The colonel found use of the name "Victor's Secret" to be an "attempt to use a reputable company's trademark to promote the sale of 'unwholesome, tawdry merchandise" and notified respondent V Secret Catalogue, Inc. ("V Secret").[7] Although in response to a cease-and-desist letter petitioners Victor and Cathy Moseley, the owners of the Victor's Secret store, changed the name of the store to "Victor's Little Secret," V Secret commenced an action in federal court for trademark infringement and dilution.[8]

With respect to its claims for dilution under the FTDA, V Secret argued that the Moseley's use of the name Victor's Little Secret to sell adult novelties and merchandise would "likely blur and erode the distinctiveness," as well as "tarnish the reputation," of its famous VICTORIA'S SECRET trademark.[9] The Sixth Circuit affirmed the district court's ruling that the trade name Victor's Little Secret was sufficiently similar to cause dilution and that such dilution had a "tarnishing effect upon the Victoria's Secret mark."[10]

Moseley was enjoined pursuant to the FTDA from further use of the name Victor's Little Secret, and an appeal to the U.S. Supreme Court ensued.

The Supreme Court granted certiorari to resolve the conflict between the circuits as to whether proof of actual harm, as opposed to a presumption of harm arising from a likelihood of dilution standard, is required to prevail on a dilution claim under the FTDA.

To the surprise and chagrin of many, the Supreme Court reversed the Sixth Circuit and unanimously held that to succeed on a claim for dilution under the FTDA, the owner of a famous trademark must show that a junior user *has diluted* the strength or identity of the famous mark, and, as a result, such dilution *has hindered* the ability of consumers to distinguish the famous mark from other junior marks or possibly has had a negative effect on the sale of the those trademarked goods.[11]

The Supreme Court based its decision solely on the language of the FTDA. It noted that the term "likelihood" of harm appeared in certain state dilution statutes and in provisions of the Lanham Act, whereas the FTDA provides that injunctive relief is available when another person's commercial use of a mark "*causes dilution* of the distinctive quality" of a famous trademark.[12] In a literal and narrow interpretation of the FTDA, the Court stated that "[t]his text unambiguously requires a showing of actual dilution, rather than a likelihood of dilution."[13]

The Supreme Court conceded that proof of actual harm in FTDA cases is difficult to obtain, but it provided little, if any, guidance as to how actual dilution can or should be proven. The Court stated only that direct evidence of dilution may be unnecessary if the marks are identical and that where the marks are not identical, it is not enough to prove merely that consumers "mentally associate" the marks, because such an association will not necessarily reduce the capacity of the famous mark to identify the owner.[14] In keeping with its strict construction of the FTDA, the Court stated that "[w]hatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation."[15]

In its interpretation of Congressional intent, the Court begged one essential question: if Congress created the FTDA with the intent and purpose of affording broad and uniform federal protection to owners of famous trademarks, why would it create a standard of proof so impossible to meet as to render the statute useless?

III. Making Sense of *Moseley*

Not surprisingly, the decisions that have tackled the unanswered questions raised by *Moseley* have provided dizzying and varied interpretations as to whether proof of actual dilution is required under the FTDA, what type of evidence is required to prove actual dilution, and whether circumstantial evidence of dilution would constitute proof of actual dilution.

A. Protection of Identical Marks

In *7-Eleven, Inc. v. McEvoy*[16] the court followed an "exception" to the proof of actual dilution requirement stated in *Moseley* and held the requirement of evidence of "actual confusion is satisfied when . . . the defendant uses the plaintiff's mark.[17] This decision tracked the statement in *Moseley* that "[d]irect evidence of dilution . . . will not be necessary if actual dilution can reliably be proven though circumstantial evidence—the obvious case is one where the junior and senior marks are identical."[18] Similarly, in *Nike, Inc. v. Variety Wholesalers, Inc.*,[19] an action involving counterfeit clothing bearing the Nike "swoosh" logo, the Court held that since the marks were identical, this alone was sufficient to prove actual dilution.[20]

By contrast, in *Savin Corp. v. Savin Group*[21] Judge Shira A. Scheindlin observed that the "identical" trademark language in *Moseley* could be subject to two very different interpretations: (1) that the fact that the marks are identical is in itself "sufficient circumstantial evidence to prove actual dilution"; or (2) when marks are identical, circumstantial evidence as opposed to direct evidence is sufficient to prove dilution.[22]

The court found the latter interpretation more plausible, and, as plaintiff failed to offer any proof of dilution beyond the identity of the marks, granted defendant's motion for summary judgment on plaintiff's claims for dilution under both the FTDA and New York General Business Law Section 360-1.[23]

B. Proof of Actual Dilution

Other cases have highlighted that *Moseley's* "actual dilution" requirement is a burdensome if not impossible criterion by which to measure proof of dilution.

Caterpillar Inc. v. Walt Disney Co.[24] was an action involving a claim for dilution by tarnishment under the FTDA. In the movie "George of the Jungle 2," CATERPILLAR bulldozers were shown and described as, *inter alia*, "deleterious dozers," and "maniacal machinery." Assuming that actual dilution must be shown for a tarnishment claim under the FTDA, the

Court held that actual dilution could be proved by circumstantial, as opposed to direct, evidence of lost sales or profits or consumer surveys.[25] However, as the movie had not yet been released, there was no record evidence that plaintiff would succeed in proving actual dilution and therefore no factual support for its request for a temporary restraining order.

However, in *Ty, Inc. v. Softbelly's, Inc.*[26] any weight that previously was given to consumer surveys in proving actual dilution was called into question. The Seventh Circuit reversed a judgment for the manufacturer of "Beanie Babies" in a trademark infringement and dilution case against the manufacturer of "Screenie Babies," small plush animals sold in computer stores for use in cleaning computer screens. Discounting plaintiff's consumer surveys, the court found that "no evidence of any sort was presented that would have enabled a trier of fact to infer any lessening in the capacity of 'Beanies' or 'Beanie Babies' to 'identify and distinguish' the plush beanbag animals sold by Ty" and remanded for a new trial on the issue.[27]

C. Treatment by the Trademark Trial and Appeals Board

The Trademark Trials and Appeal Board (TTAB) has also weighed in on the state of dilution post-*Moseley* and sustained a claim for dilution under the FTDA for the first time in *The NASDAQ Stock Market, Inc. v. Antartica, S.r.l.*[28] In *NASDAQ*, the TTAB found that the registered mark NASDAQ for securities trading services was likely to be diluted by the mark NASDAQ and griffon design for clothing and sporting goods.[29]

In so doing, the TTAB held that "likelihood of dilution" is the proper standard in opposition proceedings based upon a claim of dilution by blurring of a trademark that had not yet been used.[30] The TTAB still has not determined what standard will be applied—likelihood of dilution or actual dilution—if the allegedly diluting mark already is in use. Nevertheless, the *NASDAQ* decision illustrates the split between the courts and the TTAB in how the FTDA is applied.[31]

* * *

Reconciling the varying decisions of the courts and the TTAB can be a daunting and frustrating task for attorneys representing the owners of famous trademarks. For example, ongoing use by a defendant of an identical trademark may be sufficient to prove actual dilution in Georgia and Maryland, whereas in New York additional proof of dilution is required to succeed claim for dilution under the FTDA or New York dilution law.

With respect to potentially diluting marks that have not yet been used, the holdings in *Caterpillar* and *NASDAQ* instruct that a plaintiff/petitioner may have an easier time prevailing on a dilution claim by opposing registration before the TTAB than in seeking redress in a court.

IV. Revising the Federal Trademark Dilution Act

Recognizing that true uniformity of dilution protection is necessary and that the FTDA needed to be clarified in the aftermath of *Moseley*, on April 22, 2004, the Congressional Subcommittee on Courts, the Internet, and Intellectual Property held a hearing regarding amending and revising the FTDA. Numerous witnesses testified before the Subcommittee to shed light on why the FTDA needed to be changed, what changes should be made, and the impact of such changes on the balance between the economic market, trademark litigation, and free speech.

Jacqueline A. Leimer, the president of the International Trademark Association (INTA), testified in support of recommendations proposed by INTA to correct the misuse and misinterpretation of the FTDA. The first issue Leimer addressed was the FTDA's requirement that a mark be famous and the inconsistent standards used by the courts in determining fame. To remedy this problem, INTA recommended that "Congress define the scope of fame as being limited to marks . . . that are 'widely recognized by the general consuming public of the United States.'"[32] As a safeguard against over-protection of marks, INTA recommended that marks enjoying niche fame as well as those enjoying "geographic fame" should not qualify for dilution protection under the FTDA.[33]

INTA also proposed that the existing non-exclusive factors used to determine fame under the FTDA be simplified and replaced with the following factors: "(a) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (b) the amount, volume, and geographic extent of sales of goods or services offered under the mark; and (c) the extent of actual recognition of the mark."[34]

INTA fully supported a "likelihood of dilution" standard as opposed to the actual dilution standard required by the Supreme Court in *Moseley*. Leimer made a compelling yet simple argument that the FTDA must, above all, be practical and allow the owner of a famous mark to prevent dilution at its incipiency. Nothing would be less practical than a statute that requires one to be irreparably harmed before it can be used. Leimer noted that *Moseley* has forced trademark owners either to bring dilution actions too early, before harm has occurred, or to commence them after significant damage has taken place.[35] The latter, of course, also brings the threat of losing on laches grounds.[36]

INTA also presented testimony concerning the types of proof that should be required to prove a likelihood of dilution by blurring and a likelihood of dilution by tarnishment under the FTDA. With respect to dilution by blurring, INTA recommended that the FTDA be amended to require the owner of a famous mark to "prove a likelihood of association between its mark and the junior mark, arising from the similarity of the marks, which would impair the distinctiveness of the senior mark."[37] Leimer's statement presented a non-exclusive set of factors that should be included in the FTDA to assist the courts in determining whether a likelihood of dilution by blurring exists.[38]

With respect to dilution by tarnishment, INTA noted that it was important that the FTDA be amended to expressly include such a claim—the existence of which the Supreme Court questioned in *Moseley*—and that an amended dilution statute provide liability for dilution by tarnishment if the owner of a famous mark can prove, absent a free-speech interest, that a junior user is likely to harm the reputation of the famous mark.[39]

Testimony in support of revising the FTDA was also presented by Robert W. Sacoff, speaking on behalf of the American Bar Association, and David C. Stimson, Chief Trademark Counsel of Eastman Kodak Company. Sacoff and Stimson both urged the adoption of a likelihood of dilution standard by all courts and by the TTAB and also presented testimony in support of amending the FTDA to expressly include a cause of action for dilution by tarnishment.[40]

Recognizing the split among the circuits as to whether a mark is required to be inherently distinctive to receive protection under the FTDA, the ABA also sought to broaden the category of trademarks that can be afforded protection under the FTDA to include those marks that have acquired distinctiveness through use and recognition, in addition to those that are inherently distinctive.[41]

On the other hand, the ACLU, represented by Marvin J. Johnson, opposed any further extensions of the FTDA, taking the position that the FTDA in its present form allots too much power to trademark owners at the expense of free speech.[42] The ACLU claimed that broadening the standard to likelihood of dilution would cause speech, and even opinions, critical of a company and its products to be held to violate the FTDA,[43] thus muzzling free speech.[44]

The ACLU also voiced concern over extending the FTDA to include a cause of action for dilution by tarnishment. Johnson testified that parodies, which purposefully seek to create associations with trademarked goods or products, may have a "tarnishing" effect on the marks they are parodying and, therefore, be actionable if the FTDA were revised to permit a claim for dilution by tarnishment.[45] Since tarnishment generally relates to use of a trademark in an "unwholesome or unsavory context likely to evoke unflattering thoughts about the owner's product," the ACLU saw a direct conflict between trademark law and free speech.[46] Rather than proposing its own revisions on the issue of tarnishment, however, the ACLU offered to work with Congress to come to a resolution that was protective of free speech and that would accomplish the goals of the proposed revisions to the FTDA.[47]

V. Conclusion

The FTDA was designed as a tool to be used by trademark owners to protect their famous marks from dilution. However, due to varying interpretations of the FTDA by the courts and the TTAB, this well-intentioned statute has not lived up to its potential and has actually harmed trademark owners. As a result of the Supreme Court's requirement of proof of actual dilution, owners of famous trademarks often are forced to leave their mark vulnerable to continued dilution while they attempt to satisfy the almost impossible evidentiary burden imposed by *Moseley's* interpretation of the statute. In effect, the FTDA has been interpreted to act more like a dull sword than a shield, and will apply only once a famous mark has been diluted and irreparably harmed.

INTA, the ABA, and intellectual property attorneys and observers have presented well-reasoned and necessary amendments to the FTDA that will (1) help define what marks should be deemed famous; (2) create an express cause of action of dilution by tarnishment; and (3) most important, adopt a standard of likelihood of dilution for both blurring and tarnishment. If Congress's intent was to enable trademark owners to protect their famous marks from dilution by enacting a uniform standard of federal protection, it will accept the recommendations proposed by INTA, the ABA, and Mr. Stimson on behalf of Kodak. On the other hand, if Congress fails to remedy the FTDA's shortcomings, famous trademarks will continue to be defenseless against attacks of dilution by blurring and tarnishment, and the owners of these marks will continue to forum shop in the hope of finding redress either under state dilution statutes or in jurisdictions with more lenient interpretations of *Moseley.*

Endnotes

1. H.R. Rep No 104-374.
2. 15 U.S.C. § 1127.
3. 15 U.S.C.A § 1125(c)(1).
4. 537 U.S. 418 (2003).
5. *Id.* at 423.
6. *Id.*
7. *Id.*
8. *Id.*
9. *Id*. at 424.
10. *Id.* at 425, 427.
11. *Id.* at 432-433.
12. *Id.*
13. *Id.* at 433.
14. *Id.* at 434.
15. *Id.*
16. CV WDQ-02-3834 (D. Md. 2004).
17. *Id.*
18. *Id.* at 434.
19. 274 F. Supp. 2d 1352 (S.D. Ga. 2003).
20. *Id*. at 1372. *See also Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 431-32 (M.D.N.C. 2003) (holding that use by defendant of plaintiff's marks in its domain names constituted circumstantial evidence sufficient to support a finding of dilution because defendant's use hindered plaintiff from engaging in electronic commerce under those domain names, hence "reduc[ing] the selling power of plaintiff's marks").
21. 02 Civ. 9377, 2003 WL 22451731 (S.D.N.Y. Oct. 24, 2003).
22. *Id.* at *14 (internal citations omitted).
23. *Id.* at *15. By holding that the standards for dilution under section 360-1 are essentially the same as those under section 43(a) of the Lanham Act, Judge Scheindlin arguably stripped owners of famous trademarks of protection from dilution in New York.
24. 287 F. Supp. 2d 913 (C.D. Ill. 2003).
25. *Id.* at 922. The court in *Caterpillar* noted that the Supreme Court in *Moseley* left open the question of whether dilution by tarnishment fell within the FTDA. *Id.*
26. No. 03-1592, 2003 WL 22994564 (7th Cir. 2003).
27. 203 WL 22994564 at *6-7 (*citing Moseley,* 537 U.S. at 434). The Court noted that *Moseley* "impl[ied] a need for trial-type evidence" to determine whether dilution occurred, *id*., at *6, and expressed skepticism as to whether consumer surveys could ever suffice as direct evidence of actual dilution. *Id. (citing* Jonathan Moskin, "Victoria's Big Secret: Whither Dilution Under the Federal Dilution Act?", 93 *Trademark Rep.* 842, 853 (2003)).
28. Opposition No. 91121204, 2003 WL 22021943 (TTAB June 20, 2003).
29. *Id.* at *23.
30. *Id*. at *19. The TTAB also has yet to decide whether dilution by tarnishment is encompassed by the FTDA.
31. The courts and TTAB do agree, either expressly or by implication, that proving a dilution claim is both difficult and expensive under the current FTDA.
32. *Committee Print to Amend the Federal Trademark Dilution Act: Hearing Before the Subcommittee on Courts, the Internet, and Intellectual Property, Before the House Committee on the Judiciary*, 108th Cong., 2d Sess. (2004) (Statement of Jacqueline A. Leimer, President, International Trademark Association).
33. *Id*.
34. *Id*.
35. *Id*. Leimer also noted that if the owner of a famous mark is forced to wait years before challenging a mark on dilution grounds, the junior user also may suffer great hardship, as it will have invested time and expense in the allegedly diluting mark. *Id.*
36. *Id*.
37. *Id*.
38. *Id*. INTA proposed that the FTDA be amended to include the following factors: "(1) the degree of similarity between the junior use and the famous mark; (2) the degree of inherent or acquired distinctiveness of the famous mark; (3) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (4) the degree of recognition of the famous mark; (5) whether the junior user intended to create an association with the famous mark; and (6) any actual association between the junior use and the famous mark." *Id.*
39. *Id*.
40. *Committee Print to Amend the Federal Trademark Dilution Act: Hearing Before the Subcommittee on Courts, the Internet, and Intellectual Property, Before the House Committee on the Judiciary*, 108th Cong., 2d Sess. (2004) (Statements of Robert W. Sacoff, Chair, Section of Intellectual Property Law, American Bar Association, and David C. Stimson, Chief Trademark Counsel, Eastman Kodak Company).
41. *Id*. Currently, the Second Circuit requires a showing of inherent distinctiveness for a mark to be protected under the FTDA, s*ee TCPIP Holding Company, Inc. v. Haar Communications, Inc.*, 244 F.3d 88 (2d Cir. 2001); *Deere & Co. v. MTD Holdings Inc.*, No. 00 Civ. 5936 (LMM), 2003 WL 22439778 (S.D.N.Y. Oct. 28, 2003), whereas in the First, Third, Sixth, Seventh and Ninth Circuits, marks that are either inherently distinctive or that have acquired distinctiveness may qualify for protection under the FTDA. *See Ty, Inc. v. Perryman*, 306 F.3d 509 (7th Cir. 2002); *Times Mirror Magazines, Inc. v. Las Vegas Sport News, LLC*, 212 F.3d 157 (3d Cir. 2000); *I.P. Lund Trading v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998); *Adidas-Salomon AG v. Target Corp.*, No. CV-01-1582-ST, 2002 WL 31971831 (D. Or. July 31, 2002); *Libbey Glass, Inc.v. Oneida Ltd.*, 61 F. Supp. 2d 700 (N.D. Ohio 1999).
42. *Committee Print to Amend the Federal Trademark Dilution Act: Hearing Before the Subcommittee on Courts, the Internet, and Intellectual Property, Before the House Committee on the Judiciary*, 108th Cong. 2d Sess. (2004) (Statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).
43. *Id*.
44. *Id*. Johnson noted that unlike defamation law, under the FTDA a preliminary injunction may be granted stifling speech until after trial "on a speculation that a trademark may be diluted." *Id.*
45. *Id*. The example used was a parody of a Joe Camel advertisement depicting Joe Chemo, a camel undergoing chemotherapy who had lost all of his hair. Obviously, an unflattering association between Camel brand cigarettes and the dangers of smoking was intended, but the ACLU implied that such an association could provide grounds for an action for dilution by tarnishment. *Id.*
46. *Id*.
47. *Id*.

Debra I. Resnick is a partner, and Anthony J. Palumbo an associate, at Hartman & Craven LLP.

When the Message Is the Mark: Protecting the Epigram-as-Product

By Matthew David Brozik

I. Introduction

On March 19, 2004, Reuters reported that "real-estate mogul and reality TV star [Donald Trump] has filed a trademark application for the phrase ['You're fired'], according to the U.S. Patent and Trademark Office's Web site."[1] Indeed, USPTO.gov's Trademark Electronic Search System (TESS), accessed by the author that day, revealed that one Donald J. Trump of 725 Fifth Avenue, New York, New York, by counsel in Washington D.C., had on February 3, 2004, filed an application to register on the Principal Register as a mark—for use on "games and playthings" and "casino services"—the words (only): YOU'RE FIRED. The application summary indicated that the applicant had not yet used the mark in commerce.[2]

Trump's application is reminiscent of that of Riles & Company, Inc. (headed by celebrated NBA coach Pat Riley) in 1988 to register as a trademark on the Principal Register the term "three-peat," ostensibly for use in connection with shirts, jackets, and hats (and later, per subsequent, likewise successful applications: collectors plates, mugs, and tankards; and non-metal key chains and plaques).

This commentator believes that the granting of exclusive rights to such phrases, pithy or otherwise, should not be permitted. Trademark law is intended to protect the consumer, to indicate to the consumer the constancy of the origin (if not necessarily the true origin itself), even by way of licensees, of a product bearing a particular mark, and thereby to assure the consumer of the quality of the product (or, at least, to signify the control of the mark's owner over the quality of the product). Trademark law presupposes the existence of products—goods or services—*separate from the marks that brand them.* When trademark protection is given to a "mark" that stands for nothing more than itself—when the mark and the product are one—then something is amiss. Worse, when the "mark-product" is an epigram, trademark law is asked to do what is squarely within the prerogative of copyright law, and yet such epigrams generally are not copyrightable.[3]

Affording exclusive rights—even just exclusive *commercial* rights—to such phrases as "You're fired" and "three-peat," for example—phrases that would not merit copyright protection, that are not the original creation of the applicant, and that are screened onto merchandise apparently only to create a use in commerce to satisfy the requirements of the trademark law—hurts the integrity of that law, inappropriately empowers those who misuse the law, and harms those whom the law is designed to aid.

"This commentator believes that the granting of exclusive rights to such phrases, pithy or otherwise, should not be permitted."

II. Copyright: Not a Slam Dunk

A basketball team wins the championship two years in a row. A player on the team coins an optimistic phrase.[4] The coach of the team hopes to make the phrase not only a reality, but also a commodity. Maybe, if the coach knows the basics of intellectual property law, he will know that he cannot patent the phrase. He is not a salesman; moreover, he has no product to market, so trademark law is not what he wants to invoke. What is left? Copyright law seems appropriate, inasmuch as arguably it is at least a quasi-literary creation he wants to protect. All the coach needs to do (putting aside for the moment the fact that he is not the author of the work) is to commit this work to a tangible medium of expression—say, an index card—and copyright protection will attach immediately. With copyright protecting his phrase, the coach can rest assured that, with some exceptions, no one else may use the phrase without his permission, else a lawsuit alleging infringement and demanding both injunctive relief and damages might be in the offing, assuming that the coach has applied for copyright registration of "his" phrase before bringing suit.

Generally, copyright will not protect a mere phrase. 37 C.F.R. § 202.1, addressing "material not subject to copyright," provides: "The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained: (a) Words and short phrases such as names, titles, and slogans. . . ."[5] Although section 202.1 does not have the force of statute, courts nevertheless recognize that it is "a fair summary of the law."[6] On the other hand, as one court commented:

> [A] review of the relevant case law demonstrates . . . that simply because a name, title or slogan is short does not necessarily render it outside the realm of copyright. Rather, the governing principle of law embodied by the Copyright Office regulation is that short words and phrases tend to be too trivial or insignificant to exhibit the minimal level of creativity necessary to warrant copyright protection.
>
> Thus, the relevant question . . . is not merely whether a name, title or slogan contains some minimal number of words. Rather it is whether the phrase contains some appreciable level of creativity, however few words it may contain. [*Nimmer on Copyright*] comments that "it would seem . . . that even a short phrase may command copyright protection if it exhibits sufficient creativity. . . . There is a reciprocal relationship between creativity and independent effort. The smaller the effort . . . the greater must be the degree of creativity in order to claim copyright protection."[7]

So maybe "three-peat" would merit copyright protection, and maybe it would not. It has been suggested that not Pat Riley but Byron Scott coined the phrase "three-peat." If true, Pat Riley would not have been able to copyright his pet phrase (although he might have been able to be the assignee of a copyright obtained by Scott).[8] Donald Trump, however, cannot copyright "his phrase." Whatever creativity, if any, produced the phrase "You're fired," it was not Donald Trump's.[9]

III. The Allure of Trademark

At this juncture, one might reasonably ask why one would prefer copyrighting the epigram to trademarking it. All other things being equal, copyright protection is preferable to trademark protection because copyright law does not require the copyright owner to *do* anything, whereas trademark law does. After investing whatever minimal effort will produce an original work of sufficient creativity to be protectable by copyright, the author need not do anything more. Publication is no longer required. To make money from his creation, the author may license his work, and he may sue for damages from those who use his work without permission. This is a relatively passive scheme for generating revenue from one's property. Trademark law, to the contrary, will protect a mark only to the extent that the mark actually is used in commerce.[10]

Copyright protection likely being unavailable, the Rileys and Trumps will turn to trademark law. How to (appear to) use an epigram in commerce, though, when one doesn't sell a product or service of one's own? Slap it on someone else's everyday product!

"Whatever creativity, if any, produced the phrase "You're fired," it was not Donald Trump's."

IV. Trying on the T-Shirt Test for Size

To distinguish between the kind of mark that the law should protect and the kind of mark that trademark law is asked to but should not protect because copyright law will not, this author proposes asking simply where the "mark" would appear on that most popular of all advertising media: the ubiquitous T-shirt. Generally, if the mark is for the label, indicating who made the shirt, then it is properly protected; if the mark is intended to be displayed instead on the front of the shirt (or, really, anywhere other than on the label), then it does not merit trademark protection.

There are three varieties of trademark: the company name, the brand name, and the slogan. In the simplest scenario, a company will adopt for itself a name that merits trademark protection (for example, APPLE COMPUTER, INC.®), brand its products with a second mark (MACINTOSH,® *e.g.,* for a family of Apple computers), and use a slogan in association with the brand ("Think Different."®).

The label on a T-shirt, which generally will display either the company name or the brand name of the producer, or both, communicates to the purchaser the source of the material and a level of seamsmanship that might properly be expected to hold the product together. The presence of a slogan or other purported mark on the shirt front, on the other hand, will not communicate anything to the consumer about the T-shirt—*the only true product present.* It might be argued that the consumer (eventually) will be able to associate the secondary "mark" (the epigram) with the quality of the shirt on which it appears—The Donald would only permit *You're Fired!* to be put on a quality shirt, likewise Coach Riley with *three-peat*—but in such cases the second "mark" is unnecessary as a source identifier and might even distract from the true source identifier. The consumer who forgets to look at the label and instead goes looking for more YOU'RE FIRED™-brand clothing will be disappointed.[11]

V. Harbingers and Horse Sense

On March 26, 2004, the New York *Post* reported that Donald Trump had been cited for violations of New York City regulations resulting from Trump's placement atop the Trump Tower entrance on Fifth Avenue of a 13-foot-high by 25-foot-wide sign reading, "You're Fired!"[12] Perhaps this is a sign of further disappointments to come to The Donald, such as denial of his trademark registration application.

* * *

In the May 31, 2004, installment of the syndicated comic strip *Non Sequitur*,[13] cynical but savvy preteen Danae wonders aloud if anyone has ever "filed a trademark on the butterfly's color scheme."

Her horse, Lucy, remarks, "I wonder if the guy who coined the term *intellectual property* was being ironic."

Danae rejoins, "Tell me that when the royalties start rolling in. . . ."

In the June 2 strip,[14] the conversation between girl and horse continues, in pertinent part:

> DANAE: You know what would be even more fun . . . trademark something people say!
>
> LUCY: You're kidding, right?
>
> DANAE: No. People do it all the time now. . . all you do is register some stupid catch-phrase, then people have to pay you when they use it on the air or in print.

The horse exclaims, "That's the dumbest thing I've ever heard!!" This commentator agrees with the horse.

Endnotes

1. Andy Sullivan, *Trump Seeks to Trademark 'You're Fired!'*, Reuters, March 19, 2004.
2. Nevertheless, at least one news article mentioned that Bloomingdale's in Manhattan had sold three hundred reportedly "Trump-licensed 'You're fired!' T-shirts" the previous week. Joal Ryan, *Trump Fired Up Over Phrase,* E! Online, Mar. 19, 2004.
3. Six years ago, the author commented upon a similar phenomenon at the overlap of trademark law and copyright law, but in reverse: commercial entities (with the permission of authors or authors' estates) were using copyright law to monopolize fictional characters (that had merited protection separate from the works in which they appeared) as spokes-characters, as it were, for goods and services, when trademark law was unavailing. *See* Matthew David Brozik, *Of Motives and Masquerades: Revealing the Concerns Inspiring Copyright in Characters*, MODERN TRENDS IN INTELLECTUAL PROPERTY (University of Illinois), Vol. 1, No. 1 (1998), at 18.
4. Legend has it that not Pat Riley but Byron Scott, a member of Riley's Los Angeles Lakers team in 1988, coined the term. *See also* "One for the thumb," believed to have its origins with the Pittsburgh Steelers of the late 1970s and as well the subject of several trademark registrations, live and dead.
5. 37 C.F.R. 202.1
6. *E.g., J. Racenstein & Co., Inc. v. Chris Wallace d/b/a ABC Window Cleaning Supply*, 1999 U.S. Dist. LEXIS 12675 at *3 (S.D.N.Y. Aug. 19, 1999) (*citing Kitchens of Sara Lee, Inc. v. Nifty Foods Corp*., 266 F.2d 541, 544 (2d Cir. 1959), and *CMM Cable Rep, Inc. v. Ocean Coast Properties, Inc*., 97 F.3d 1504, 1520 n.21 (1st Cir. 1996)).
7. *Racenstein*, 1999 U.S. Dist. LEXIS 12675, at *3-4, quoting 1 NIMMER ON COPYRIGHT § 2.01[B] at 2-15. Internal citations omitted.
8. Coach Riley's Lakers did not, in fact, three-peat.
9. Bosses both real/"real" and make-believe have forever been shouting "You're fired!" at employees. On television, Mr. Spacely often said it to George Jetson; in the funnies, Mr. Dithers still says it to Dagwood Bumstead regularly.
10. Federal registration of a mark, a prerequisite to federal protection of the mark, requires use in commerce, 15 U.S.C. §§ 1051(a)(1) and (a)(3)(C), or intended use, 15 U.S.C. § 1051(b). The trademark owner is like the farmer who must till his soil to produce crops to sell at market. The copyright holder is the bridge owner who charges a toll.
11. Such disappointment, however, is preferable to what might arise instead: consumer confusion of the kind wherein the consumer believes she is consuming a product from the owner of the (more-)prominently displayed mark, not the owner whose mark is on the label, the true producer of the good (the T-shirt). This variety of confusion is known colloquially as "reverse passing off."
12. David Seifman, *Trump Is Told: Fire Your Sign,* N.Y. Post (online edition), Mar. 26, 2004.
13. Wiley Miller, *Non Sequitur,* Universal Press Syndicate, May 31, 2004.
14. *Id.*, June 2, 2004.

"Matthew David Brozik" is an unregistered, deceptively misdescriptive trademark of Matthew David Brozik, an attorney and writer. **This one is for Dr. Naomi Moskowitz, who often chose The Donald over the author during the first season of "The Apprentice." Thanks to Jill Pesce *née* Kramer and to Amy Katz.**

Publicity Rights for Horses Reined in by Supreme Court of Japan

By John A. Tessensohn

I. Introduction

One need only look at the critical success of the recent film "Seabiscuit"[1] to be reminded that inspiring tales of animals battling against the odds can claim a special place in our hearts and minds and, as a result, persuade us to open up our wallets. In Japan, the owners of these inspired animals no longer are able to commercialize the animals' names or images by way of publicity rights.

This was the unmistakable conclusion of a recent landmark Supreme Court decision, *Tecmo Ltd. v. Kanamorimori & Others*,[2] which held that since racehorses are "things"—not humans—they have no right to prevent the unauthorized commercial use of their names and images. By contrast, like many states in the United States,[3] Japan recognizes publicity rights for human celebrities and athletes who want to prevent others from commercially exploiting their names or likenesses without consent.

In *Tecmo*, the Court distinguished human celebrities from the animal variety and ruled in favor of a computer game software developer that had used the names of well-known racehorses in its games without obtaining permission from the horses' owners.

II. Background Facts

Tecmo Ltd., a software maker and distributor more famous in the West for its popular "Ninja Gaiden" software game series, produced a game software using names of racehorses without obtaining authorization from the racehorse owners. Tecmo, based in Tokyo's Chiyoda Ward, has marketed a series of popular horse-racing games called "Gallop Racer" which allows users to choose a race horse and ride it in the race. In these games, the names of legendary Japanese racehorses, such as Oguri Cap and Tokai Teio, were used without permission of their owners.

Six companies representing the horse owners and thirteen individuals sued Tecmo in the Nagoya District Court seeking an injunction to prevent Temco from producing, selling, renting, and otherwise exploiting the said software as well as damages, insisting that their rights to exclusively control the economic value of the racehorses, including the ability to attract customers by their names (publicity right in a thing), was infringed. They sought a total of 7.8 million yen in compensation.

The Nagoya District Court allowed the plaintiffs' claim in part and ruled that publicity rights should be given to horses that take part in the prestigious Grade 1 races sponsored by the Japan Racing Association (JRA).[4] The court ordered Tecmo to pay 3.4 million yen but declined to issue an injunction.

Tecmo appealed to the Nagoya High Court, which upheld the District Court decision and confirmed that publicity rights should be given only to horses that win Grade 1 races but reduced the quantum of damages to 2.3 million yen.[5] The case went up on appeal to the Supreme Court of Japan, which overturned the lower court rulings by holding that publicity rights do not apply to animals.

III. The *Tecmo* Supreme Court Decision

In the decision of the Supreme Court, Presiding Justice Shigeo Takii held the following:

(1) Ownership of a "thing" such as a racehorse is limited to the power to exclusively control the tangible aspect of such thing and does not extend to the intangible aspects of the same, such as its name. Thus, even if a third party has used the economic value of the intangible aspect of a racehorse, such as its ability to attract customers by its name, the act of using the same does not infringe the right of ownership of the racehorse.

(2) Under the current law, with respect to the use of an intangible aspect of a thing, such as the use of a name of a thing, to protect the rights in such use, various intellectual property laws, such as trademark law and copyright law, grant exclusive rights to use under certain requirements. Such laws define the rights granted, scope, and other aspects of each intellectual property right and clarify the extent of the exclusive right to use and the limitations on the same.

In light of the purpose and effect of the above laws, even if the names of the racehorses have the ability to attract customers, as it is a form of using the intangible aspect of a thing, granting an exclusive right to use their names to the owners of the said racehorses lacks any basis in current law.

Further, the allegation of causation under the tort theory concerning the act of unauthorized use of names of racehorses cannot be affirmed, since the extent and manner of the acts considered to be illegal is not clearly provided under current law.

(3) Therefore, an injunction or damages claim under the tort theory cannot be affirmed in this case.

(4) Further, even if there were contracts in which the parties agreed to the payment of a fee for the usage of names of racehorses, it could not be said that there is a social custom or a customary law that gives the owner of a racehorse the right to exclusive use of the economic value of the name of a racehorse.

IV. Analysis

The Supreme Court's approach exhibits the Japanese courts' judicial restraint in declining to create new legal causes of action and intellectual property-related rights. The Court found that the current legislative regimen concerning intellectual property rights clearly defined the extent of protection, and the Court was loathe to expand the scope of such rights so as not to overly restrict economic activity.[6]

Based on the right of dignity, a human person's right of publicity is firmly established in Japanese courts since the *Mark Lester* case,[7] in which a scene from a movie was used in a commercial for a product, and the actor in the movie successfully claimed damages against the company responsible for creating the commercial.

However, prior to the Supreme Court's decision in *Tecmo,* there was a division among academics and judicial decisions as to whether or not there were actionable publicity rights in a non-human thing. In a similar suit over another software game, the Tokyo High Court, affirming a Tokyo District Court decision, rejected the horse owners' claims and denied publicity rights to horses in *Kanamorimori & Others v. ASCII Corporation*.[8] The Tokyo High Court held, in language prescient of *Tecmo*, that "Exclusive rights such as a publicity right is granted only for cases where an individual right is violated. . . . '[T]hings' such as horses are protected under laws related to intellectual property rights such as Trademark Law. . . . [I]f exclusive rights are granted without clear provisions, the nation's economic and cultural activities may be overly restricted." Hence, there was a split between the Nagoya and Tokyo High Courts, making the issue ripe for resolution by the Supreme Court.

In *Tecmo,* the Supreme Court opined that Japanese Trademark Law,[9] Copyright Law,[10] and other intellectual property laws afford the necessary protection relating to the intangible or intellectual property rights of racehorse owners and that there was nothing to prevent the racehorse owners from seeking to register their steeds' names as registered trademarks and seeking licensing revenue from interested commercial entities like software companies, apparel makers, tableware manufacturers, that wish to commercialize those trademarks.

This plethora of software racehorse game litigation is a manifestation of the increased awareness of intellectual property rights among Japanese racehorse owners as more and more Japanese companies turn to intellectual property and other litigation against Japanese defendants to further or realize their business objectives.[11]

The Supreme Court's denial of publicity rights to "things" fails to keep pace with commercial realities in view of another racehorse that captured Japan's imagination and wallets, in terms of merchandising at least, during the spring of 2004. Shortly after the wintry reception that the Supreme Court had given publicity rights for things or animals, the Japanese public was transfixed by the springtime exploits of Haru-urara, an eight-year-old chestnut mare, who racked up her 106th straight defeat by finishing in a valiant last-but-one at the Kochi racecourse.[12]

Haru-urara, or Gentle Spring, slopped through the muddy Kochi racecourse southwest of Osaka, enthusiastically cheered on by more than 10,000 spectators, a record attendance for this regional backwater racetrack of Japan. Japan's version of Zippy Chippy[13] had become a national hero because, observers say, Haru-urara, the eternal loser who does not give up, has struck a chord with those Japanese who have lost much during a relentlessly punishing decade of economic stagnation and job losses.

Her record-running success, or lack thereof, is also proving mutually profitable and inspirational. The Kochi racecourse, nearly bankrupt, has seen its revenues rise phenomenally. Enterprises are already in full stride commercialization with "Haru" tours, mobile phone straps, T-shirts, good luck charms said to contain a hair from her tail, books, and postage stamps. There is a pop song about her, and a movie is in the works. Kirin Brewery has even made a commercial featuring the horse, and the department store chain Matsuzakaya plans to sell Haru-urara goods in Tokyo's ritzy Ginza district—astounding accomplishments for a skittish racehorse that was heading for retirement at a slaughterhouse one year earlier.

Unfortunately, at least under the current legal regime in Japan that denies publicity rights to things like animals, the owner of Japan's favorite loser Haru-urara could lose yet again in the lucrative merchandising marketplace unless he takes advantage of the registration regimens of Japan's trademark and other intellectual property laws to prevent free-riders from preying on her good reputation.[14]

Owners of "things" or animals that achieve sudden fame or have attractive global commercialization potential, especially in Japan, should emulate the intellectual property owners in the entertainment industry that have consistently applied and registered trademarks, copyrights or even registered designs[15] embodying the name or image of animal film characters. Such registered trademarks of memorable animal characters like LASSIE[16] or BABE[17] were secured in order to obtain intellectual property protection against unauthorized users in the marketplace and later to license those registered intellectual property rights to businesses.

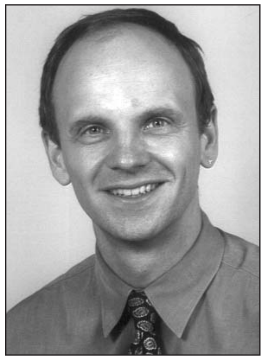
Endnotes

1. Public Broadcasting Service, American Experience: Seabiscuit, The long shot that captured America's heart, *at* http://www.pbs.org/wgbh/amex/seabiscuit/.
2. Case No. H-13 (ju) 866 & 867 dated Feb. 13, 2004 (*Tecmo*), Daiichi Hoki Shuppan Hanrei Taikei Judicial Information System CD-ROM.
3. See Restatement (Third) of Unfair Competition § 46 (1995), which states that the right of publicity bars people from "appropriat[ing] the commercial value of a person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade." Thomas J. McCarthy, *The Rights of Publicity and Privacy* § 1:3 (2d ed. 2002) (stating the right of publicity is "the inherent right of every human being to control the commercial use of his or her identity." It is a "state-law created intellectual property right whose infringement is a commercial tort of unfair competition.").
4. Case No. H-10 (wa) 527, dated Jan. 19, 2000, Daiichi Hoki Shuppan Hanrei Taikei Judicial Information System CD-ROM.
5. Case No. H-12 (ne) 144 & 467, dated Mar. 8, 2001, Daiichi Hoki Shuppan Hanrei Taikei Judicial Information System CD-ROM.
6. The conservative approach taken by the Japanese Supreme Court could be contrasted with the laissez-faire attitude of U.S. courts that have extended the right of publicity to race cars, *Motschenbacher v. R. J. Reynolds Tobacco Co.*, 498 F.2d 821 (9th Cir. 1974) (allowing publicity claim by race car driver where advertisement featured photograph of car with similar car markings, which "caused some persons to think the car in question was plaintiff's and to infer that the person driving the car was the plaintiff"), and to anything that "remind[s] the public of [the] celebrity," as did a robot in front of the game board from the Wheel of Fortune game show. *See White v. Samsung Electronics of Am. Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992).
7. Hanrei Jiho, Vol. 817, page 23, Tokyo District Court judgment dated June 29, 1976.
8. Case No. H13 (ne) 4931, Tokyo High Court judgment dated September 12, 2002, Daiichi Hoki Shuppan Hanrei Taikei Judicial Information System CD-ROM.
9. Law No. 127 of April 13, 1959, *amended by* Law No. 47, of May 23, 2003.
10. Law No. 48 of May 6, 1970, *amended by* Law No. 85, of June 18, 2003.
11. *See* John A. Tessensohn, *Reluctant Patent Litigants – Breaking the Myth in Japan*, 20 ABA-IPL Newsletter 1, 5 (2002).
12. *Japan: 0-For-106 Nag Wins Hearts*, N.Y. Times, Mar. 24, 2004, at A14.
13. *Losing Horse Loses Again*, N.Y. Times, Mar. 22, 2000, at D6.
14. Owners of Japanese racehorses or other "things" may have to emulate the owners of SMARTY JONES, the failed 2004 Triple Crown winner, who filed a U.S. trademark application S/No. 78406905 on April 23, 2004, slightly more than a week before winning the first leg of his inspired but unfulfilled Triple Crown victory attempt. *See generally* Ira Berkow, *Belmont Disappointment Hasn't Slowed the Mail*, N.Y. Times, July 8, 2004, at D2.
15. Law No. 125 of April 13, 1959, *amended by* Law No. 24 of 2002. *See also* Brian W. Gray and Effie Bouzalas, *Industrial Design Rights: An International Perspective* (2000).
16. JP Trademark No. 3261870 (Reg. Feb. 24, 1997) and U.S. Trademarks No. 670,403 (Reg. Nov. 25, 1958), 1,089,519 (Reg. Apr. 18, 1978), 2,169,777 (Reg. Jun. 30, 1998), 2,209,373 (Reg. Dec. 8, 1998) & 2,219,095 (Reg. Jan. 19, 1999).
17. U.S. Trademark No. 2,425,431 (Reg. Mar. 6, 1997). Unfortunately Universal City Studios Inc.'s JP Trademark application (S/No. H10-109573) for the BABE mark in Japan was not registered, and the appeal was withdrawn on August 2, 2002.

John A. Tessensohn is a member of Shusaku Yamamoto in Osaka, Japan.

New Design Rights Law in Germany

By Dr. Robert Harrison



With the entry into force at the beginning of June of the *Geschmacksmusterreformgesetz*,[1] the modernisation of the German law on design rights has finally been completed. Begun three years ago with the creation of registered and unregistered design rights in the European Union, the new German law replaces the existing law with provisions similar to those in other EU member states.[2]

The most significant change has been to the rights granted to the proprietor of a registered design right. Whereas under the old law an infringer was liable for infringement only if he or she knew about the registered design, the new law gives the proprietor an exclusive right to use the design and also to prevent any third party not having consent from using it.[3] In practice the old law only allowed the proprietor to stop copying of its own designs. If the design had been created independently, then it was not considered to be an infringement. Under the new law designs created independently and without any knowledge of the older design still can infringe the rights of a registered design.

The requirements for the registration of the design also have been changed. A registered design must be novel and also "possess an individual character" (in German: *Eigenart*). This last requirement replaces the previous concept of "originality" (in German: *Eigentümlichkeit*). A design is considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any known design. Whether in practice the new requirement is substantially different from the previous requirement remains to be seen. (Interestingly, however, the concept of *Eigenart* has been used previously in connection with claims under the unfair competition law). German competition law has provided limited protection against the copying of products which posses the required level of *Eigenart*. It remains to be seen whether the courts will interpret the term in the new design law to be substantially the same as the existing term known from competition law.

When assessing novelty and the individual character of the design, disclosures made by the designer (or based on his work) in a period of twelve months prior to the filing of the design will not be considered.[4] This period has been extended from the six-month grace period provided for under the old law and generally will be welcomed, as it provides an opportunity to test market products before filing for design rights.

The administrative procedure for filing the design right has not been changed significantly. Unlike in the United States, it remains a pure registration process (such as in the European Union's Design Registration Office). An examiner at the German Patent and Design Office merely examines the application to see if it meets the formal requirements for registration but does not search to see if there are older rights. In this respect, the application procedure is similar to that for Community Design Rights. The validity of the registered design is examined only if an application for revocation of the design right is made to the German Patent and Trade Mark Office or during infringement proceedings.

"Whereas under the old law an infringer was liable for infringement only if he or she knew about the registered design, the new law gives the proprietor an exclusive right to use the design and also to prevent any third party not having consent from using it."

In the future, however, the applicant will be required to describe the product in which the registered design is to be incorporated. This will be used to classify the design into one of the classes or subclasses of the Locarno classification.[5] The applicant can apply for a maximum of 100 designs in a single application, as long as all of the designs fall into the same class. Postponement of publication of the registered design can be requested for a maximum of thirty months (instead of the previous eighteen months).[6] Finally, the maximum length of protection has been extended to twenty-five years as long as renewal fees are paid every five years.[7]

Protection under the design right legislation will not be granted for features of a product that are dictated solely by technical function.[8] Furthermore, design rights shall not subsist in the features of a product that necessarily must be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around, or against another product so that either product may perform its function (the so-called "must-fit" clause). The purpose of these exclusions is to avoid hindering the development of a market in compatible parts. In the past, concern had been expressed that the design rights registration procedure had been abused to hinder the development of the after-sales market. Unlike in some other EU countries, Germany will continue to allow design right protection for component parts of complex products (such as for car parts).[9] This will be particularly irksome for spare-part manufacturers who had been looking for liberalisation of the law.[10]

The revision of the German Design Act is long overdue—the previous law had its roots in the nineteenth century, with only some minor modifications concerning the registration procedure in the early 1990s. The improvement in the protection accorded to registered designs will make it more attractive for designers to register their designs, and the revised provisions on infringement—including the retention of protection for spare parts—will provide additional tools against counterfeiters.

Endnotes

1. The Design Right Reform Act (the "Act").
2. Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (the "Directive"). This was supposed to have been implemented in all Member States of the EU by October 28, 2001.
3. *See* art. 12 of the Directive.
4. *See* sec. 6 of the Act and art. 6, par. 2 of the Directive.
5. *See* sec. 21 of the Act.
6. *See* sec. 21 of the Act. Publication can also be postponed for thirty months for those design rights which, on May 31, 2004, had not yet been published.
7. *See* art. 10 of the Directive.
8. *See* sec. 3 par. 1, No. 1 of the Act and art. 7, par. 1 of the Directive.
9. *See* sec. 4 of the Act, Recital 19, and art. 14 of the Directive.
10. Currently the European Union is examining the development of the spare parts market and the effect of design rights.

Dr. Robert Harrison is an attorney with Rouse & Co. International in Munich. He can be reached at rharrison@iprights.com.

An Art Lawyer's Musings on the Intellectual Property Debate in the Digital Age: Defining the Delicate Balance

By Barbara T. Hoffman

I. Introduction

As an arts and entertainment lawyer representing creators of copyrighted works of art and film, I am often involved in the aggressive protection of their copyrighted expression. However, artists and producers also incorporate and build on works created by others. For example, "appropriation art" is a school of contemporary art widely practical in a variety of forms by visual artists. Some clients who are documentary film producers opine that they would readily sacrifice stringent copyright protection to prevent others from copying their easily accessible and inexpensively reproducible digital product in order to freely use the music, images, and creative product of others. This tension between adequately balancing intellectual property rights with the public interest in wider access and free expression is evident in a wider debate in the digital age, witnessed most recently in the U.S. Supreme Court rulings in two copyright-related cases during its 2003 term.

Eldred v. Ashcroft[1] upheld the constitutionality of the Copyright Term Extension Act (the "CTEA"). In *Eldred*, the Supreme Court noted that copyright law and doctrine developed in response to concerns about the proper balance between intellectual property and free expression; thus, ideas and facts, as opposed to expression, are not copyrightable, and use of another's copyrighted work without authorization is protected from a claim of infringement if the use is considered "fair" under section 107 of the copyright act.[2]

In *Dastar Corp. v. Twentieth Century Fox Film Corp.*[3] the court held that section 43(a) of the Lanham Act does not prevent the unaccredited copying of a work that is in the public domain. One cannot help but analyze the Court's decision in *Dastar* as a reaction to concerns of a shrinking public domain as a result of its decision in *Eldred*. In *Dastar*, the Court had to decide whether trademark law takes over when copyright protection ends, and it held that it does not. The relevant facts were as follows: In 1988, Twentieth Century Fox Film Corporation brought suit alleging, *inter alia*, that Dastar's selling of a videotape that extensively copied Fox's television series *Crusade in Europe* ("*Crusade*") (no longer under copyright) without crediting to *Crusade* constituted reverse passing off in violation of section 43(a). The district court and the Ninth Circuit agreed, holding that Dastar had made a "bodily appropriation" of Fox's series.

> *"[The] tension between adequately balancing intellectual property rights with the public interest in wider access and free expression is evident in a wider debate in the digital age, witnessed most recently in the U.S. Supreme Court rulings in two copyright-related cases* [Eldred *and* Dastar] *during its 2003 term."*

On appeal to the Supreme Court, *amici* supporting Dastar were quick to criticize the lower court holdings as undermining the Supreme Court's unanimous opinion in *Feist Publications, Inc. v. Rural Telephone Service Co.*,[4] which rejected the "sweat of the brow" doctrine that bestowed copyright protection on the facts in a set of databases based solely on the effort the publisher had expended to collect those facts. The *Feist* Court concluded that "originality is a constitutional requirement for copyright protection . . ."[5] (Surprisingly, the Supreme Court of Canada recently rejected the *Feist* test in *CCH Canadian, Ltd. v. Law Soc'y of Upper Canada* (Mar. 4, 2004)). The Court stated that for a work to have copyright protection in Canada, it only had to be the product of skill—even minimal creativity was not required.)

In *Dastar*, the Supreme Court held that the phrase "origin of goods" in the Lanham Act "refers to the producer of the tangible goods that are offered for sale," not to the author of any idea, concept, or communication embodied in those goods. Justice Scalia, writing for a unanimous Court, noted that allowing an action under section 43(a) for Dastar's representation of itself as the producer would create a species of mutant copyright law that would limit the public's rights to copy and use expired copyrights.[6]

Eldred's battle cry was advocated by one of the leaders of the Copy Left Movement, Lawrence Lessig, a law professor at Stanford University, who questions the future of copyright in this age of digital networked environment and technological innovation dominated by ease of distribution across national borders at low cost. He argues that legal protections are expanding to the detriment of creativity, shrinking the scope of the creative commons, threatening freedom of expression, putting obstacles in the way of important research and information, and stifling important forms of democratic dialogue.[7]

From the perspective of an attorney representing the interests of the "author"/creators of copyrighted works, recent Supreme Court as well as lower court decisions challenge the claims of the Copy Left that "the law's role is less and less to support creativity and more and more to protect certain industries against competition" and support those of us who believe that intellectual property law has been receptive to the evolving requirements of technology, reinvigorating traditional concepts such as fair use and the Lanham Act with First Amendment values.

II. Fair Use

The fair use doctrine has from the infancy of copyright protection "been thought necessary to fulfill copyright's very purpose, 'to promote the Progress of Science and useful Arts.'"[8] Recognized at common law, the doctrine is now codified in section 107 of the Copyright Act.[9] Section 107 provides an illustrative list of the purposes for which the doctrine may be invoked, including comment and criticism,[10] as well as a now-familiar list of factors that courts should consider in determining whether a use is "fair." These factors are: (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the work used, and (4) the effect of the use on the market for the original.

Campbell v. Acuff-Rose Music, Inc.[11] clarified the fair use defense, its basis in the Constitution, and its particular application to parodies. Acuff-Rose Music, Inc. filed suit against 2 Live Crew, claiming that 2 Live Crew's "Pretty Woman" infringed Acuff-Rose's copyright in Roy Orbison's rock ballad "Oh, Pretty Woman." The district court granted summary judgment for 2 Live Crew, but the court of appeals reversed, holding the defense of fair use barred by the song's commercial character and excessive borrowing.

Justice David Souter, writing for the Court, held that a parody's commercial character is only one element to be weighed in a fair use inquiry, and that insufficient consideration was given by the court of appeals to the nature of parody in weighing the degree of copying. Parody, like other comment or criticism, could qualify as fair use under section 107.

> The first factor in a fair use enquiry is "the purpose and character of the use. . . . The enquiry here may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting and the like. The central purpose of this investigation is to see whether the new work merely 'supersede[s] the objects' of the original creation . . . or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'"

Although often criticized as a result-oriented label rather than a useful tool of analysis because of its lack of predictability, the Court's mandate to "query" the "transformative" nature of the use has continued to be the lynchpin of fair use analysis.

Guided by *Campbell*'s mandate, lower courts have continued to provide broad protection for parody. Recent cases have created what is tantamount to a presumption of "fairness" for parody and have responded to the demands of creativity with a robust articulation of the fair use doctrines and its First Amendment implications. In *Mastercard Int'l v. Nader 2004 Primary Comm.*,[12] the Court accorded wide latitude to an advertisement by Ralph Nader similar to the well known Mastercard "Priceless Advertisements." The district court in *Mastercard* stated that the "ultimate test of fair use . . . is whether the copyright law's goal of promoting the Progress of Science and the useful Arts,"[13] "would be better served by allowing the use than by preventing it" and observed that "it has been found that once a work is determined to be a parody, the second, third, and fourth factors are unlikely to militate against a finding of fair use."[14]

Mattel, Inc. v. Walking Mountain Prods.[15] also allowed artistic creativity to trump trademark and copyright infringement claims. Thomas Forsythe, a self-taught photographer a/k/a Walking Mountain Productions, developed in 1979 a series of seventy-eight photographs entitled "Food Chain Barbie" in which he depicted Barbie in various absurd and often sexualized positions. Forsythe uses the word

"Barbie" in some of the titles of his works. While his works vary, Forsythe generally depicts one or more nude Barbie dolls juxtaposed with vintage kitchen appliances. Mattel filed an action in the Central District of California alleging that Forsythe's "Food Chain Barbie" series infringed Mattel's copyrights, trademarks, and trade dress.

In his declaration in support of his motion for summary judgment, Forsythe described the message behind his photographic series as an attempt to "critique the objectification of women associated with [Barbie], and to lambaste the conventional beauty myth and the societal acceptance of women as objects because this is what Barbie embodies."

Forsythe's market success was limited, but he produced 1,000 business cards that depicted "Champagne Barbie." His name and self-given title "Artsurdist" were written on the cards, which he used at fairs and as introductions to gallery owners. Finally, Forsythe had a website on which he posted low-resolution pictures of his photographs. The website was not configured for online purchasing.

The Ninth Circuit upheld the district court's grant of summary judgment:

> Having balanced the four § 107 fair use factors, we hold that Forsythe's work constitutes fair use under § 107's exception. His work is parody of Barbie and highly transformative. The amount of Mattel's figure that he used was justified. His infringement had no discernable impact on Mattel's market for derivative uses.[16]

Although summary judgment is said to be a mixed question of law and fact, the court's willingness to dispose of the claims on summary judgment has benefited those less able to spend time and money on litigation. Thus, the court's refusal to consider Mattel's survey evidence on the issue of parody because "the issue of whether a work is a parody is a question of law, not a matter of public majority opinion" can only benefit the artistic community.

The Ninth Circuit in *Mattel* also found no trademark infringement:

> When marks "transcend their identifying purpose" and "enter public discourse and become an integral part of vocabulary," they "assume a role outside the bounds of trademark law." Where a mark assumes such cultural significance, the First Amendment protections come into play. In these situations, "the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function.". . . Mattel's "Barbie" mark has taken on such a role in our culture. . . .[17]

The *Mattel* court applied the *Rogers* test. In *Rogers v. Grimaldi*,[18] Ginger Rogers brought suit against the producers and distributors of a movie entitled "Ginger and Fred" under section 43a of the Lanham Act. The Second Circuit rejected Rogers' argument that First Amendment concerns are implicated only where the author has no alternative means of expression. The court held that in the case of expressive speech, its traditional likelihood of confusion test "fails to account for the full weight of the public's interest in free expression." Applying the *Rogers* test, the Ninth Court held Forsythe's use of the Barbie mark clearly was relevant to his work. The BARBIE mark in the titles of Forsythe's works and on his website accurately described the subject of the photographs, which, in turn, depicted Barbie and targeted the doll with Forsythe's parodic message. Accordingly, the court found that the public interest in artistic expression greatly outweighed the interest in protecting against potential consumer confusion over Mattel's sponsorship of Forsythe's works. (The Second, Sixth and the Ninth Circuits now reject the "alternative means" test and hold instead that the Lanham Act should be applied to artistic works only where the public interest in avoiding confusion outweighs the public interest in free expression.)

Contrast *Mattel* with the well-publicized 1992 case involving the artist Jeff Koons' sculptural appropriation of photographer Art Rogers' "String of Puppies." In *Rogers v. Koons*,[19] the Second Circuit refused to recognize a fair use defense where Koons ripped the copyright notice from the photographs and then sent the photographs to Italian fabricators to copy the work wholesale in the form of a ceramic sculpture as part of a claimed parody of society at large without comment on the photograph.

The court in *Rogers* held:

> It is not enough that the parody use the original in a humorous fashion, however creative that humor may be. The parody must target the original, and not just its general style, the genre of art to which it belongs, or society as a whole (although if it targets the original, it may target those features as well).[20]

Although *Rogers* was decided prior to *Campbell*, it is not clear that the result in *Rogers* would have been different, since Koons' use arguably was not transformative, and its claimed parodic purpose was not evident.

The lack of a transformative use or critical comment explains the court's result in *Elvis Presley Enterprises v. Passport Video*.[21] The Ninth Circuit there stated:

> The king is dead. His legacy, and those who wish to profit from it, remain very much alive. To what extent may a film maker, under the banner of "fair use," incorporate video clips, photographs, and music into a biography about Elvis Presley without permission from the copyright owners of those materials?[22]

The court weighed the four factors and held that the film biographer in this case did not use the copyrighted materials fairly. The court found the video was commercial, not scholarly, and that the producers used many copyrighted works (ten percent of the series) and took the heart of the material.

However, satire and comment protected a national comedy show in *Kane v. Comedy Partners*.[23] The court held that use of a brief clip from the plaintiff's public access television show on a national comedy show in a satirical manner was fair use as (1) it was a critical examination of the plaintiff's show; (2) the creative nature of the show offered little protection given the use's critical nature of the use; (3) the clip was only one-tenth of one percent of the show, and its use of the show's signature song was inaudible; (4) the use was unlikely to negatively affect the show's market; and (5) there was no showing of bad faith.

Artists and museums have been particularly concerned about the application of copyright and the contours of fair use to the display of images on the Internet. The fair use doctrine has also been retrofitted to the demands of the digital environment even when such use does not involve parody, criticism, or scholarship.

Kelly v. Arriba Soft Corp.[24] is instructive. Defendant operated a visual search engine on the Internet which retrieved plaintiff's photographs and made them available to users of defendant's search engine. Kelly, a photographer, alleged copyright infringement and violation of the DMCA.

The court acknowledged that Arriba's actions constituted a *prima facie* infringement of Kelly's exclusive right to reproduce and display his photographs; nevertheless, the unauthorized reproduction and display were not infringing because Arriba's activities constituted fair use. Most curious is the court's discussion of factor one. Although defendant created verbatim copies of plaintiff's images for commercial purposes, the court nevertheless found the use transformative:

> The most significant factor favoring Defendant is the transformative nature of its use of Plaintiff's images. Defendant's use is very different from the use for which the images were originally created. Plaintiff's photographs are artistic works used for illustrative purposes. Defendant's visual search engine is designed to catalog and improve access to images on the Internet. . . . The character of the thumbnail index is not aesthetic, but functional; its purpose is not to be artistic, but to be comprehensive.

As for the remaining fair use factors, the court found that the nature of the copyrighted work weighed in plaintiff's favor, as did, "slightly," the amount and substantiality of the portion used. Although the thumbnail images on the index reproduced and displayed plaintiff's photographs in full, their size was greatly reduced, and, at least in the later version of the index, the thumbnails could not be enlarged. The nature of the use, indexing images, required reproduction of the full image; partial reproductions would not capture the full indexed content. With respect to the earlier version of the index, however, the court found that displaying a full-sized version of the image without returning the viewer to plaintiff's website was more problematic because it was not necessary to the main purposes of defendant's search engine (as identified above—"to catalogue and improve access to images on the Internet.")

Finally, the court held that defendant's index did not compromise the potential market for or value of plaintiff's works, based in part on the court's questionable identification of the relevant market as "Plaintiff's Websites as a whole" rather than the separate photographs. The court found the images were used to promote plaintiff's products sold on the sites and to attract users to other advertisements on those sites. The court acknowledged that it was possible that some users might copy images from defendant's site, and, further, that "deep-linking" allowed users to bypass the advertisements on plaintiff's site, but it held that plaintiff did not present any evidence of harm or adverse impact from these practices. The court also did not find a violation of the DMCA.

On appeal, the Ninth Circuitheld that Kelly established a *prima facie* case of copyright infringement by copying but upheld the district court's finding of fair use with respect to the use of the thumbnail images. The court's analysis of factor one is informative: "There is no dispute that Arriba operates its website for commercial purposes. . . ." The court went on to find Arriba's use transformative:

> Arriba's use of Kelly's images in the thumbnails is unrelated to any esthetic purpose. Arriba's search engine functions as a tool to help index and improve access to images on the internet and their related websites. In fact, users are unlikely to enlarge the thumbnails and use them for artistic purposes because the thumbnails are of much lower resolution than the originals; any enlargement results in a significant loss of clarity of the image, making them inappropriate as display material.
>
> Arriba's use of the images serves a different function than Kelly's use—improving access to information on the internet versus artistic expression.
>
> The thumbnails do not stifle artistic creativity because they are not used for illustrative or artistic purposes and therefore do not supplant the need for the originals. In addition, they benefit the public by enhancing information gathering techniques on the internet.[25]

The court relied on both recent Ninth Circuit and First Circuit decisions to reemphasize the functionality distinction.[26]

With respect to factor four, the court held:

> Arriba's use of Kelly's images in its thumbnails does not harm the market for Kelly's images or the value of his images. By showing the thumbnails on its results page when users entered terms related to Kelly's images, the search engine would guide users to Kelly's website rather than away from it.

This last factor as well as the right infringed explains the court's reversal of the district court's holding of fair use with respect to Arriba's inline linking to and framing of Kelly's full-sized images. This use does not involve reproduction of copyrighted works but the exclusive right to "display the work publicly." Relying on *Playboy Enterprises, Inc. v. Webbworld, Inc.*,[27] and *Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc.*, the court held

> Although Arriba does not download Kelly's images to its own server but, rather, imports them directly from other websites, the situation is analogous to Webbworld. By allowing the public to view Kelly's copyrighted works while visiting Arriba's website, Arriba created a public display of Kelly's works. . . . Thus, by giving users access to Kelly's full-sized images on its own website, Arriba harms all of Kelly's markets. Users will no longer have to go to Kelly's website to see the full-sized images, thereby deterring people from visiting his website. In addition, users would be able to download the full-sized images from Arriba's site and then sell or license those images themselves, reducing Kelly's opportunity to sell or license his own images.

III. Conclusion

Currently, concepts such as *droit moral*, fair use and fair dealing, free speech, and rights of publicity differ from jurisdiction to jurisdiction. With the advent of the Internet and digital technology, many view current intellectual property concepts and enforcement systems, either national or international, as flawed and an unjustifiable restraint on innovation, competition, and trade. In this essay, I have argued that judicial decisions and legislation have created doctrines such as ideas/expression, fair use, and the non-protectability of fact to create breathing space within intellectual property law to protect the values of free expression as embodied in the First Amendment. Currently there is no international standard for fair use, but efforts to develop such a standard through harmonization would benefit both the creator and user of intellectual content in a digital networked environment, which transcends national borders.

Endnotes

1. 123 S. Ct. 769 (2003).
2. In another challenge to CTEA, artists or purveyors of art material filed a complaint prior to *Eldred* seeking declaratory and injunctive relief regarding CTEA and section 514 of the Uruguay Round ("URAA"). They assert that these acts unconstitutionally remove from or staunch the flow of literary and artistic works into the public domain. While the CTEA challenge was dismissed based on *Eldred*, the challenge to section 514 of URAA, which restores copyright to certain foreign authors who lost copyrights in works for failure to comply with U.S. copyright formalities, has survived a motion to dismiss. *See Lawrence Golan. v. Ashcroft*, 310 F. Supp. 2d 1214 (D. Colo. 2004). Should the court decide in favor of the plaintiffs, the United States would be in violation of its GATT TRIPS obligations.
3. 123 S. Ct. 2041 (2003).
4. 429 U.S. 340 (1991).
5. *Id.* at 346.
6. *Dastar,* 123 S. Ct. at 2045-49.
7. *See Free Culture* (Penguin Press 2004).
8. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994).
9. 17 U.S.C. § 107 (1994).
10. *Id*.
11. 510 U.S. 569, 575.
12. 2004 U.S. Dist. Lexis 3644 (2004).
13. U.S. Const. art. 8, cl. 8.
14. 2004 U.S. Dist. Lexis 3644 (2004).
15. 353 F.3d 792 (2003).
16. *Id.*
17. 353 F.3d 792 (2003).
18. 875 F.2d 994 (2d Cir. 1989)
19. 960 F.2d 101 (2d Cir. 1992).
20. 960 F.2d 301, 310 (2d Cir. 1992).
21. 357 F.2d 896 (9th Cir. 2003).
22. *Id*.
23. 2003 U.S. Dist. Lexis 1851 (S.D.N.Y. 2003).
24. 77 F. Supp. 2d 1116 (C.D. Cal. 1999).
25. 280 F. 3d 934 (9th Cir. 2002).
26. *See also Worldwide Church of God v. Philadelphia Church of God*, 227 F. 3d 1110 (9th Cir. 2000); *Nunez v. Caribbean International News Corp.*, 235 F. 3d 18 (1st Cir. 2000).
27. 991 F. Supp. 543 (N.D. Tex. 1997).

Barbara Hoffman practices art and entertainment law in New York City. She is Chair of the International Bar Association Committee on Art, Cultural Institutions and Heritage Law and represented the plaintiff in *Ringgold v. BET*, 128 F.3d 70 (2d Cir. 1997).

Trade Winds

Trade Winds offers Section members a way to keep up on the comings and goings of their colleagues and upcoming events of interest. Has there been a change in your practice? Any recent or forthcoming articles or lecture presentations? Won any awards recently? Please e-mail submissions to Jonathan Bloom at jonathan.bloom@weil.com.

Marc A. Lieberstein, Honorary Member and Immediate Past Chair of the Section, has joined Pitney Hardin LLP in New York. At Pitney Hardin, Mr. Lieberstein will continue to provide a full array of intellectual property services in all technological areas, as well as intellectual property litigation.

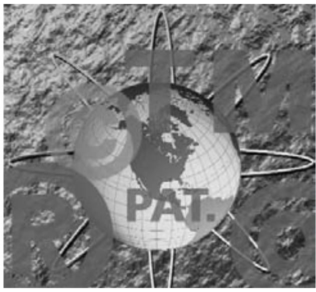
* * *

Paul Fakler, Secretary of the Section, has joined Thelen Reid & Priest LLP, where he will continue to concentrate in intellectual property law, with a particular focus on copyright, entertainment and computer law. Paul formerly was associated with Skadden Arps.

* * *

Welcome New Members:

Essam Ernest Abadir
Dohyun Ahn
Jean C. Albert
David J. Ball, Jr.
Melissa Battino
Jessie F. Beeber
Gary L. Bel
Jonathan Andrew Berger
Graziano Brogi
Meghan Brown
Rodney A. Brown
Michael S. Burns
Aoife E. Butler
Eduardo M. Carreras
Keridiana W. Chez
John Hoon Choi
Glynna K. Christian
Orville Ricardo Cockings
Steven E. Cole
Jessica Cordova
Michael Cukor
Anna Domenica Di Gabriele
Paul Stuart Dion
Eric Thomas Eberwine
Veronique Angelica Ferguson
Sheila Francis
Joseph Gawlowicz
Jon E. Gordon
Jessica Graham
Dr. Jeffrey McIntyre Gray
Sang Jun Han
Amani S. Harrison
Mher Hartoonian
Richard T. Haunss, Jr.
Kunihiko Hayashi
Deborah Henderson
Holly Hinds
Ellen Hopkins
David P. Hughes
Shay Humphrey
Irene Mary Hurtado
Lidija Jankovic
Margarethe V. Javellana
Valerie Joe
Moushami Prabhakar Joshi
Harry Kanner
Shawn Phillip Kelleher
Fabran Koenigbaner
Lauren M. Kohn
Justin L. Krieger
Philip S. Krieger
Ting Kwok
Sean LaRoque-Doherty
Benjamin Adam Lasky
Melissa Candelaria Lee
Marie E. Lemmo
Susan Lesmerises Degraff
Jacqueline Michele Lesser
Holly Y Li
Avrohom M. Liberman
Jack Tsung-Yi Lin
Jessica L. Lipson
Matthew J. Loughran
James Anthony Lovesheimer
Yuh-Ling Lu
Genevieve MacSteel
Erika M. Marabella
Joseph Marris
John J. Martinez
Cozette Marie McAvoy
Robert C. Melendres
Hind Merabet
Anthony M. Morano
Nicholas C. J. Mortati
Nisa Ojalvo
Thomas O'Keefe
Daniel Charles Oliverio
Anthony J. Palumbo
Jay S. Pattumudi
Kasandra B. Pavlides
Theodore James Pierson
Elizabeth Pietrowski
Robert M. Pollaro
Jeremy Pomeroy
John Frederick Presper
Jason Harris Rosenblum
Edward H. Rosenthal
Herbert C. Ross, Jr.
Alexander Rudis
Russell S. Salerno
Dr. Todd Reuben Samelman
Melissa Schmucker
Tricia T. Semmelhack
Christopher O. Serbagi
Seth Victor Shelden
Seth Steve Shelton, III
John Siegal
Joel A. Siegel
Edward J. Smith
Robert Andrew Sporn
Carol J. Steinberg
Jill Taylor
Samuel Tsegaye
Marijke Karin Van Ekris
Savita Veerubhotla
Melinda Weaver
Robert E. Wilkinson
Amy Wilson
Ken M. Zeidner
Susan Corbett Zeronda
Bernard Zimnoch



2004-2005 Calendar of Events

Intellectual Property

September

September 8, 2004
Copyright Law Committee Meeting
"Cutting Edge and Breaking Issues in Copyright Law"
Sills Cummis Epstein & Gross, P.C.
399 Park Avenue, NYC
Time: tba
Contact: npitts@nysba.org

September 14, 2004
MCLE ROUNDTABLE: "Bridging Opposing Views on the Value of Intellectual Property"
McGraw Hill Building
1221 Avenue of the Americas, 50th Floor, NYC
12:30 - 2:30
Sponsored by Standard & Poor's
Contact: cteeter@nysba.org

September 21, 2004
"Bridge the Gap: Intellectual Property" (Long Island)
Long Island Marriott, 101 James Doolittle Boulevard, Uniondale, NY
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: Marc Ari Lieberstein, Esq.,
Ostrolenk Faber Gerb & Soffen, LLP
1180 Avenue of the Americas, NYC
MCLE credits: tba
Contact: cleregistrar@nysba.org

September 21, 2004
Internet Law Committee Meeting
Jones Day
222 East 41st Street, Conf. Rm. 301, NYC
12:00 pm – 2:00 pm
Contact: npitts@nysba.org

September 28, 2004
Trademark Law Committee Meeting
Location and Time: tba
Contact: npitts@nysba.org

September 28, 2004
"Bridge the Gap: Intellectual Property" (Rochester)
Holiday Inn Rochester Airport
911 Brooks Avenue, Rochester, NY
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: George R. McGuire, Esq.
Bond, Schoeneck & King, PLLC
One Lincoln Center, Syracuse
MCLE Credits: tba
Contact: cleregistrar@nysba.org

October

October 7-10, 2004
Fall Meeting at Lake George
The Sagamore, Bolton Landing
Contact: cteeter@nysba.org

October 19, 2004
"Bridge the Gap: Intellectual Property" (NYC)
The New Yorker Hotel
481 Eighth Avenue @ 34th Street, NYC
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: Victoria A. Cundiff, Esq.
Paul Hastings Janofsky & Walker, LLP
75 East 55th Street, NYC
MCLE Credits: tba
Contact: cleregistrar@nysba.org

October 26, 2004
"Bridge the Gap: Intellectual Property" (Buffalo)
Hyatt Regency Buffalo
Two Fountain Plaza, Buffalo, NY
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: Daniel Oliverio, Esq.
Hodgson Russ, LLP
One M & T Plaza, Suite 2000, Buffalo
MCLE Credits: tba
Contact: cleregistrar@nysba.org

October 27, 2004
"Bridge the Gap: Intellectual Property" (Albany)
Crowne Plaza
State & Lodge, Albany, NY
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: Susan E. Farley, Esq.
Heslin Rothenberg Farley & Mesiti PC
5 Columbia Circle, Albany
MCLE Credits: tba
Contact: cleregistrar@nysba.org

November

November 3, 2004
"Bridge the Gap: Intellectual Property" (Syracuse)
Sheraton Syracuse University Hotel & Conference Center
801 University Avenue, Syracuse, NY
8:30 am (Registration) – 9:00 am – 5:00 pm (Program)
Program Chairperson: Harold L. Burstyn, Esq.
216 Bradford Parkway, Syracuse
MCLE Credits: tba
Contact: cleregistrar@nysba.org

November 11, 2004
MCLE ROUNDTABLE: "IP Valuation in Business Transactions and Litigation"
World Financial Center, NYC
Time: tba
Sponsored by Deliotte & Touche
Contact: cteeter@nysba.org

November 16, 2004
Internet Law Committee Meeting
Jones Day
222 East 41st Street, NYC
12:00 pm – 2:00 pm
Contact: npitts@nysba.org

November 17, 2004
Copyright Law Committee and Entertainment, Arts and Sports Law/Fine Arts
Location and Time: tba
Contact: npitts@nysba.org

December

December 21, 2004
Internet Law Committee Meeting
Jones Day, 222 East 41st Street, NYC
12:00 pm – 2:00 pm
Contact: npitts@nysba.org

December 22, 2004
Patent Law Committee Meeting
Location and Time: tba
Contact: npitts@nysba.org

January 2005

January 25, 2005
SAVE THE DATE—
Annual Meeting of the Intellectual Property Law Section
New York Marriott Marquis, 1535 Broadway, NYC
Contact: lcastilla@nysba.org

October 2005

October 6-9, 2005
SAVE THE DATE—
Fall Meeting at Lake George
The Sagamore, Bolton Landing
Contact: cteeter@nysba.org

Don't forget!

Submission deadline for the 2004 Law Student Writing Contest is November 4, 2004

For more information go to **www.nysba.org/ipl**

Section Activities and Notices

Women in Intellectual Property

On June 10, 2004, the IP Law Section and Thelen Reid & Priest LLP sponsored the 2nd Annual "Women in Intellectual Property" at Thelen's New York office. IP Law Section Treasurer Joyce Creidy and Partner Glynna Christian of Thelen co-hosted this CLE program. The speakers were: Wanji J. Walcott (Counsel, American Express Company); Jennifer Bancroft DaSilva (Senior Legal Director, Chief Counsel, Schering Plough Animal Health, Schering-Plough Corporation); Dale M. Cendali (Partner, O'Melveny & Myers LLP), and Jill Greenwald (Executive Counsel, Legal and Business Affairs Broadcasting, ABC, Inc.). Glynna moderated the interactive discussion between the attendees and panelists on topics including how to develop a client base, reaching equality in compensation, achieving a balance between home and work, strategies for success, creating mentoring relationships, and how the intellectual property field has changed. The event began with a cocktail reception and ended with a dessert reception sponsored by THOMSON & THOMSON.

MEMBERSHIP APPLICATION
New York State Bar Association:

INTELLECTUAL PROPERTY LAW SECTION

Membership in the New York State Bar Association's Intellectual Property Law Section is a valuable way to:

- enhance professional skills;
- keep up-to-date with important developments in the legal profession;
- join colleagues in exciting Section events.

OPPORTUNITIES FOR EDUCATION

The Intellectual Property Law Section offers both the experienced and novice practitioner excellent opportunities to enhance their practical and legal knowledge and expertise. Through Section activities, including conferences on intellectual property (an annual fall event), members may examine vital legal developments in intellectual property law. The Section's Web site provides current information regarding Section events and offers "members only" access to current issues of *Bright Ideas* and current Committee bulletins providing updates on intellectual property law. The Section plans to sponsor continuing legal education (CLE) credit-bearing programs for Section members at reduced rates. Recent programs offered by the Section related to computer software and biotechnology protection, conducting intellectual property audits, and practical considerations in trade secret law. The Section sponsors an annual Intellectual Property Law writing contest for New York State Law Students.

OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT

Intellectual Property Law Section committees address unique issues facing attorneys, the profession and the public. The Section offers opportunities to serve on committees such as Patent Law; Trademark Law; Copyright Law; Internet Law; Trade Secrets; Technology, Transfer and Licensing and Young Lawyers.

Committees allow you to network with other attorneys from across the state and give you the opportunity to research issues and influence the laws that can affect your practice. Committees are also an outstanding way to achieve professional development and recognition. Law students are automatically members of the Young Lawyers Committee. Section members may join more than one committee.

A VOICE IN THE ASSOCIATION

The Intellectual Property Law Section takes positions on major professional issues that affect practitioners and advocates those positions within the New York State Bar Association, the legislature, and the public.

See page 38 to become a member of the Intellectual Property Law Section

COMMITTEE ASSIGNMENT REQUEST

Please designate, from the list below, those committees in which you wish to participate. For a list of Committee Chairs and their e-mail addresses, please refer to page 47 of this issue.

___ Copyright Law (IPS1100)

___ International Intellectual Property Issues (IPS2200)

___ Internet Law (IPS1800)

___ Legislative/Amicus (IPS2300)

___ Meetings and Membership (IPS1040)

___ Patent Law (IPS1300)

___ Technology, Transfer and Licensing (IPS1400)

___ Trade Secrets (IPS1500)

___ Trademark Law (IPS1600)

___ Young Lawyers (IPS1700)

Please e-mail your committee selection(s) to Naomi Pitts at: npitts@nysba.org

* * *

To be eligible for membership in the Intellectual Property Law Section, you first **must** be a member of the NYSBA.

❐ As a member of the NYSBA, I enclose my payment of $30 for Intellectual Property Law Section dues. (Law student rate: $15)

❐ I wish to become a member of the NYSBA and the Intellectual Property Law Section. I enclose both an Association and Section application with my payment.

❐ Please send me a NYSBA application. No payment is enclosed.

Name ____________________

Office ____________________

Office Address ____________________

Home Address ____________________

E-mail Address ____________________

Office Phone No. ____________________

Office Fax No. ____________________

Home Phone No. ____________________

Please return payment and application to:

Membership Department
New York State Bar Association
One Elk Street
Albany, New York 12207
Telephone: 518/487-5577
FAX: 518/487-5579
http://www.nysba.org

ANNOUNCING THE

Intellectual Property Law Section's

ANNUAL LAW STUDENT WRITING CONTEST

To be presented at the **Annual Meeting of the Intellectual Property Law Section, January 25, 2005, New York, NY** to the authors of the best law review quality articles on subjects relating to the protection of intellectual property **not published elsewhere, scheduled for publication or awarded a prize.**

First Prize: $2,000 Second Prize: $1,000

CONTEST RULES

To be eligible for consideration, the paper must have been written solely by students in full-time attendance at a law school (day or evening program) located in New York State or by out-of-state students who are members of the Section. One hard copy of the paper and an electronic copy in Word format on a 3.5" H.D. disk must be submitted by mail, postmarked not later than **November 4, 2004**, to the person named below. As an alternative to sending the disk, the contestant may e-mail the electronic copies, provided that they are e-mailed before 5:00 p.m. EST, **November 4, 2004**. Papers should be no longer than 35 pages, double-spaced, including footnotes. Submissions must include one file with a cover page indicating the submitter's name; law school and expected year of graduation; mailing address; e-mail address; telephone number; and employment information, if applicable.

Send entries to:

Kelly M. Slavitt
Thelen Reid & Priest LLP
875 Third Avenue
New York, NY 10022
(212) 603-6553
(e-mail: kslavitt@thelenreid.com)

Reasonable expenses will be reimbursed to the author of the winning paper for attendance at the Annual Meeting to receive the Award.

Please direct any questions to Kelly Slavitt.

Law Student Writing Contest Winners

2000

First Prize:	Michael J. Kasdan New York University School of Law
Second Prize:	David R. Johnstone SUNY Buffalo School of Law
Third Prize:	Donna Furey St. John's University School of Law
Hon. Mention:	Darryll Towsley Albany Law School

2001

First Prize:	Maryellen O'Brien SUNY Buffalo School of Law
Second Prize:	Safia A. Nurbhai Brooklyn Law School
Third Prize:	Stephen C. Giametta St. John's University School of Law

2002

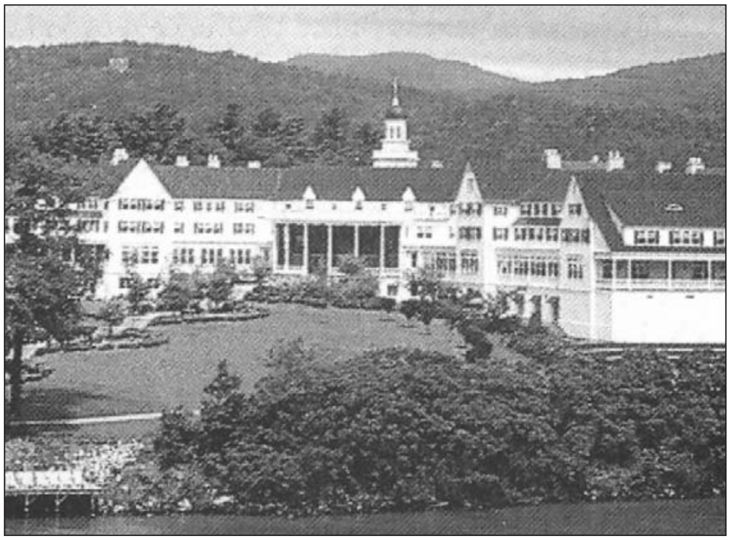
First Prize:	Deborah Salzberg Fordham Law School
Second Prize:	David V. Lampman, II Albany Law School
Hon. Mention:	Larry Coury Fordham Law School

2003

First Prize:	Christopher Barbaruolo Hofstra School of Law
Second Prize:	Anna Kingsbury New York University School of Law

The Section reserves the right not to consider any papers submitted late or with incomplete information.

NEW YORK STATE BAR ASSOCIATION



Section Chair
Richard L. Ravin, Esq.
Hartman & Winnicki, P.C.
Paramus, NJ and New York City

Program Co-Chairs
Paul M. Fakler, Esq.
Thelen Reid & Priest LLP
New York City

Richard L. Ravin, Esq.
Hartman & Winnicki, P.C.
Paramus, NJ and New York City

NYSBA

"Intellectual Property Law: The Next Generation"

Intellectual Property Law Section Fall Meeting at Lake George

The Sagamore, Bolton Landing, New York
October 7 - 10, 2004

Your attendance at this program will provide you with a total of **10.5 MCLE credit hours** consisting of 9.5 credit hours in practice management and/or areas of professional practice and 1.0 credit hour in ethics.

NYSBA

SCHEDULE OF EVENTS

Thursday, October 7

7:00 pm - 11:00 pm	**Buffet Dinner for Arriving Guests** - Sagamore Dining Room, Main Hotel *Spouses, Significant Others and Children Welcome!*

Friday, October 8 *All Sessions will be held in the Sagamore Conference Center*

8:00 am - 12:00 pm	**Golf Tournament** A pre-paid entry/greens fee of $100.00 is required. Register for the tournament on the enclosed Meeting Registration Form and be sure to include the fee. Awards will be given for this 18 hole tournament. **Neil Baumgarten, Esq. - Golf Chair** Merrick, New York
9:00 am - 1:00 pm	**Registration** - Conference Center Lobby
12:00 noon - 1:00 pm	**Lunch** - Trillium Dining Room, Main Hotel
	GENERAL SESSION - Wapanak Room, Conference Center
1:00 pm - 1:05 pm	**Introductory Remarks** **Richard L. Ravin, Esq. - Section Chair** Hartman & Winnicki, P.C. Paramus, NJ and New York City
1:05 pm - 2:20 pm	**PANEL DISCUSSION:** **Just the Facts: Current Legislative Initiatives for Database Protection in the United States** **Moderator** **Professor Justin Hughes** Benjamin N. Cardozo School of Law New York, New York **Henry Z. Horbaczewski, Esq.** Senior Vice President and General Counsel Reed Elsevier Inc. New York, New York **Markham C. Erickson, Esq.** NetCoalition Washington, D.C. **Karen Fong** Rouse & Co. International London, England

SCHEDULE OF EVENTS

Friday, October 8 *(continued)*

2:20 pm - 2:30 pm	**Break**
2:30 pm - 3:20 pm	**The Right of Publicity: A New Intellectual Property Right**
2:30 pm - 2:55 pm	**Publicity Rights: Where Did They Come From, Where Are They Going?** **Landis C. Best, Esq.** Cahill Gordon & Reindel LLP New York, New York
2:55 pm - 3:20 pm	**Free Expression or Exploitation? Artistic Uses of Celebrity Identities** **Jonathan Bloom, Esq.** Weil, Gotshal & Manges LLP New York, New York
3:20 pm - 4:10 pm	**Hey, What's the Big Idea? The Trade Secret is Out On Idea Submission** Learn the latest Intellectual Property Law developments pertaining to idea submission cases and strategies, and hear a discussion on how to protect against such claims.
3:20 pm - 3:45 pm	**R. Mark Halligan, Esq.** Welsh & Katz, Ltd. Chicago, Illinois
3:45 pm - 4:10 pm	**Robin Silverman, Esq.** Golenbock Eiseman Assor Bell & Peskoe LLP New York, New York
4:10 pm - 4:20 pm	**Break**
4:20 pm - 5:10 pm	**Ethical Issues in Patent & Trademark Searching and Written Opinions** Review of ethical considerations and requirements of an attorney when asked by the client to perform searches of inventions or marks; discussion of the duties imposed on the attorney depending on the nature of the search, the type of opinion to be rendered, and whether the purpose of the opinion or search is for procurement, clearance, or litigation.
4:20 pm - 4:45 pm	**Douglas Miro, Esq.** Ostrolenk Faber Gerb & Soffen LLP New York, New York
4:45 pm - 5:10 pm	**Tamar Niv Bessinger, Esq.** Fross Zelnick Lehrman & Zissu, P.C. New York, New York

Friday, October 8 *(continued)*

5:10 pm - 5:35 pm

The Bleeding Edge: Overview of the Latest Trial Technologies

Cutting-edge technology is useful in the presentation of detailed, accurate visuals during the course of a trial. It can be valuable to IP attorneys who need to educate jurors on the intricacies of their client's case. Gain practical information on the components of a high-tech courtroom and tactics for using it successfully.

Suzan Flamm, Esq.
Senior Research Consultant
DOAR Litigation Support & Trial Services
Lynbrook, New York

6:30 pm

Child Care - Evelley Room, Conference Center
Drop off your children and attend the Cocktail Hour

6:30 pm - 7:30 pm

Cocktail Hour - Nirvana Room, Conference Center
Sponsored By: **DOAR LITIGATION SUPPORT & TRIAL SERVICES**

7:30 pm

Children's Dinner - Evelley Room, Conference Center

7:30 pm

Dinner - Bellvue Room, Conference Center
Join us for dinner and music featuring the NAT PHIPPS TRIO

Music Sponsored By: **TRADEMARK ASSOCIATES OF NY, LTD.**

Special Presentation to Immediate Past Chair of Section:
MARC A. LIEBERSTEIN, ESQ.
Pitney Hardin, New York, New York

9:30 pm - 10:30 pm

Join us After Dinner for Drinks on the Veranda -
Sagamore Main Hotel
Sponsored By: **KING & SPALDING LLP**

Saturday, October 9 ***All Sessions will be held in the Sagamore Conference Center***

8:00 am - 9:00 am

Registration - Conference Center Lobby

MORNING SESSION - Wapanak Room, Conference Center

SCHEDULE OF EVENTS

Saturday, October 9 *(continued)*

9:00 am - 10:40 am	**PANEL DISCUSSION**

Pop Ups, Banners and Brands, Oh My!
AdWords and Contextual Advertising on the Internet

Pop-ups, banners and AdWord advertising are forms of Internet advertising currently receiving enhanced scrutiny by the courts and legislature. A panel of important players in this field will discuss the use of third-party trade marks and copyrights in pop-ups, banners and AdWords, and the recent legal developments in this area.

Moderator
Jonathan Matkowsky, Esq.
Darby & Darby P.C.
New York, New York

Mike Rodenbaugh, Esq.
Sr. Corporate Counsel
Yahoo! Inc.
Sunnyvale, California

Terence P. Ross, Esq.
Gibson Dunn & Crutcher LLP
Washington, D.C.

Barry Felder, Esq.
Brown Raysman Millstein Felder and Steiner LLP
New York, New York

10:50 am - 11:40 am

Cyberlaw Case Law Trends and Litigation Strategies

Ian C. Ballon, Esq.
Manatt, Phelps & Phillips, LLP
Palo Alto and Los Angeles, California

11:40 am - 12:05 pm

Fifteen Tips for Effective Branding

Angela Gannon
Thomson & Thomson
New York, New York

12:05 pm - 1:20 pm **Lunch -** Trillium Dining Room, Main Hotel

SCHEDULE OF EVENTS

Saturday, October 9 *(continued)*

AFTERNOON SESSION - Wapanak Room, Conference Center

1:20 pm - 3:00 pm

PANEL DISCUSSION:

Geographical Indications: Treaties, Conflicts, and Strategies

An international panel of experts will discuss and debate controversial issues such as TRIPS Agreement implementation and expansion, current U.S./E.U. clashes, trademark and generic conflicts with geographical indications,and current case law in the United States and European Union.

Clark W. Lackert, Esq.
King & Spalding LLP
New York, New York

David M. Viscomi, Esq.
King & Spalding LLP
New York, New York

Dr. Burkhart Goebel LL.M
Lovells
Hamburg, Germany

3:00 pm - 3:05 pm

Closing Remarks

Paul M. Fakler, Esq. - Program Co-Chair
Thelen Reid & Priest LLP
New York, New York

4:15 pm

Boat Ride Around Lake George on "THE MORGAN"

Sponsored by: **THOMSON & THOMSON**
Boarding begins at 4:15 pm at the dock behind the Main Hotel.
THE MORGAN departs promptly ***at 4:30 pm!***

7:30 pm **Children's Dinner -** Evelley Room, Conference Center

7:30 pm **Dinner -** Bellvue Room, Conference Center
Join us for dinner and music featuring the NAT PHIPPS TRIO
Music Sponsored By: **PITNEY HARDIN**

Sunday, October 10

Departure

Intellectual Property Law Section
Fall Meeting at Lake George

IMPORTANT INFORMATION

Under New York's MCLE rule, this program has been approved for 10.5 credit hours, consisting of 9.5 credit hours in practice management and/or areas of professional practice and 1.0 credit hour in ethics. **Except for the ethics portion, this program is NOT a transitional program and will not qualify for credit for <u>newly admitted attorneys</u> because it is not a basic practical skills program.**

Discounts and Scholarships: New York State Bar Association members and non-members may apply for a discount or scholarship to attend this program, based on financial hardship. This discount applies to the educational portion of the program only. Under this policy, any person who has a genuine basis of his/her hardship, if approved, can receive a discount or scholarship, depending on the circumstances. To apply for a discount or scholarship, please send your request in writing to Catheryn Teeter at: New York State Bar Association, One Elk Street, Albany, New York 12207.

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Intellectual Property Investigations and Brand Protection

Section Committees and Chairs

The Intellectual Property Law Section encourages members to participate in its programs and to contact the Section officers or Committee Chairs for information.

Committee on Copyright Law
Jeffrey Barton Cahn (Co-Chair)
Sills Cummis et al.
One Riverfront Plaza, 13th Floor
Newark, NJ 07102
Tel.: (973) 643-5858
Fax: (973) 643-6500
e-mail: jcahn@sillscummis.com

Robert W. Clarida (Co-Chair)
Cowan, Liebowitz & Latman
1133 Avenue of the Americas
New York, NY 10036
Tel.: (212) 790-9200
Fax: (212) 575-0671
e-mail: rwc@cll.com

Committee on International Intellectual Property Law Issues
Sheila Francis (Co-Chair)
37-15 195 Street
Bayside, NY 11358
Tel.: (718) 445-4758
Fax: (718) 445-4767
e-mail: sfranci@iprights.com

Raymond A. Mantle (Co-Chair)
1050 Riverside Avenue
Jacksonville, FL 32204
e-mail: rmantle@reitlerbrown.com

Committee on Internet Law
Rory J. Radding (Co-Chair)
Jones Day
222 East 41st Street
New York, NY 10017
Tel.: (212) 326-3895
Fax: (212) 869-8864
e-mail: rjradding@jonesday.com

Peter Szendro (Co-Chair)
Willis Re., Inc.
One Wall Street Plaza
88 Pine Street
New York, NY 10005
Tel.: (212) 820-7693
Fax: (212) 898-5102
e-mail: peter.szendro@willis.com

Committee on Legislative/Amicus
Noel D. Humphreys (Co-Chair)
Connell Foley LLP
T85 Livingston Avenue
Roseland, NJ 07068
Tel.: (973) 535-0500
Fax: (973) 535-9217
e-mail: nhumphreys@connellfoley.com

Richard S. Schurin (Co-Chair)
Gottlieb, Racman & Reisman P.C.
270 Madison Avenue
New York, NY 10016
Tel.: (212) 684-3900
Fax: (212) 684-3999
e-mail: rschurin@grr.com

Committee on Meetings and Membership
Thomas H. Curtin (Co-Chair)
King & Spalding
1185 Avenue of the Americas
New York, NY 10036
Tel.: (212) 556-2100
Fax: (212) 556-2222
e-mail: thcurtin@kslaw.com

Charles Thomas Joseph Weigell, III (Co-Chair)
Bryan Cave LLP
1290 Avenue of the Americas
New York, NY 10104
Tel.: (212) 541-1298
Fax: (212) 541-4630
e-mail: ctweigell@bryancave.com

Committee on Patent Law
Michael I. Chakansky (Co-Chair)
56 Stuart Place
Oradell, NJ 07649
Tel.: (917) 767-3922
Fax: (201) 576-9190
e-mail: mic@pipeline.com

Philip Furgang (Co-Chair)
Furgang & Adwar, LLP
1140 Avenue of the Americas, 5th Floor
New York, NY 10036
Tel.: (212) 725-1818
Fax: (212) 941-9711
e-mail: philip@furgang.com

Committee on Technology, Transfer and Licensing
Neil A. Baumgarten (Co-Chair)
1885 Cynthia Lane
Merrick, NY 11566
Tel.: (516) 868-6617
Fax: (516) 868-7666
e-mail: nsbaumg@aol.com

Walter J. Bayer, II (Co-Chair)
28 Tracey Drive
Lawrenceville, NJ 08648
e-mail: bayerw@comcast.net

Committee on Trademark Law
Jonathan Matkowsky (Co-Chair)
Darby & Darby P.C.
805 Third Avenue
New York, NY 10022
Tel.: (212) 527-7629
Fax: (212) 753-6237
e-mail: jmatkowsky@darbylaw.com

George R. McGuire (Co-Chair)
Bond, Schoeneck & King, PLLC
One Lincoln Center
Syracuse, NY 13202
Tel.: (315) 218-8515
Fax: (315) 218-8100
e-mail: gmcguire@bsk.com

Committee on Trade Secrets
Victoria A. Cundiff (Co-Chair)
Paul Hastings et al.
75 East 55th Street
New York, NY 10022
Tel.: (212) 318-6030
Fax: (212) 339-9150
e-mail:
victoriacundiff@paulhastings.com

Douglas A. Miro (Co-Chair)
Ostrolenk Faber et al.
1180 Avenue of the Americas, 7th Floor
New York, NY 10036
Tel.: (212) 382-0700
Fax: (212) 382-0888
e-mail: dmiro@ostrolenk.com

Committee on Young Lawyers
Kelly Slavitt (Chair)
Thelen Reid & Priest LLP
875 Third Avenue
New York, NY 10022
Tel.: (212) 603-6553
Fax: (212) 603-2001
e-mail: kslavitt@thelenreid.com

Submission of Articles

Anyone wishing to submit an article, announcement, practice tip, etc., for publication in an upcoming issue of *Bright Ideas* is encouraged to do so. Articles should be works of original authorship on any topic relating to intellectual property. Submissions may be of any length.

Submissions should preferably be sent by e-mail to Jonathan Bloom, Editor-in-Chief, at the address indicated on this page. Submissions for the Winter 2004 issue must be received by October 15, 2004.

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Intellectual Property Law Section
New York State Bar Association
One Elk Street
Albany, NY 12207-1002

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