NYSBA WINTER 2013 | VOL. 22 | NO. 3

Bright Ideas

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

Message from the Chair

Kelly M. Slavitt

As we start to approach the end of the year, it's nice to see we're not slowing down! While we wrap up this year's planned events, we add more and we plan for next year's. We constantly evaluate our membership to see how we can add topics and formats to suit your needs, and we appreciate your feedback.

Our annual Fall Meeting took place on October 17-20 at The Sagamore on Lake George. Marc Lieberstein of Kilpatrick Stockton, David Bassett of Wilmer Hale, and Itai Maytal of Miller Korzenik Sommers put together a fantastic program titled "The Globalization of IP Law." Panels at the Fall Meeting included: China: Is It Still the Wild, Wild East?; An Inside-Outside Look at Social Media for IP Attorneys; International Arbitration: Is It the Wave of the Future for IP Enforcement?; Developments in Anti-Counterfeiting in Latin America; What to Do When Your Client Lies to You; Middle East IP Law Developments, Practices and Progress; Brand Valuation: An International Perspective; and America Invents Act and European Union Patent Law Reform: What Is Happening Now and What Does It Mean for the Future? Speakers were from the USPTO, American Express, Osram Sylvania, Payless ShoeSource, top international law firms, and countries including China, Brazil, Mexico, Venezuela, Colombia, Israel, UAE, Netherlands, and France. The Bar Association, and the IP Section in particular, continues to broaden its reach globally.

With the Fall Meeting behind us, we've started planning for the Annual Meeting in January in New York City. Co-Chairs Rory Radding and Mike Oropallo are working on the program now, with the assistance of our former Section Fellows Lee Pham and Itai Maytal as well as Miriam Netter Maccoby Fellowship winner Charles Chen.

For those of you who were able to attend our 20th Anniversary Gala last year, you may recall I spoke about how the retention of members—particularly Executive Committee members—has been key to the Section's success. For example, I am a former Law Student Writing Contest winner who went on to become Section Chair. I am very proud to have Lee, Itai, and Charles involved in the Executive Committee and assisting with the planning of the Annual Meeting. Lee and Itai got involved in the Section when they became our 2013-2014 Fellows, and they have increased their involvement and responsibilities to the point where we've created a Website Initiative for them to run so they can continue the great work they've done revamping our website (as well as coordinating with the overall NYSBA website revamp). Charles got involved in the Section when he won the Miriam Maccoby Netter Fellowship to work at Volunteer Lawyers for the Arts. Having new Executive Committee members like these will ensure the future success of the Section.

Inside

Constantly evaluating what our members want in terms of topics and program formats is another way we will ensure the Section's future success. Last year, it was suggested that we have an Advertising Law Committee, and Brooke Singer of Davis & Gilbert LLP volunteered to lead the effort. After gauging interest by presenting an advertising law panel during the Annual Meeting with speakers from the FTC, NAD, and Davis & Gilbert and conducting a survey of our members, the Section decided to create an Advertising Law Committee, which Brooke has agreed to co-chair along with Cassidy Sehgal-Kolbet of L'Oreal. An article by Brooke in this issue of *Bright Ideas* on the regulation of online advertising is an example of the kinds of topics on which the committee will focus. Watch for announcements of upcoming events!

Other recent Section events include the Pro Bono Clinic the Section conducts each year with the NYSBA Entertainment, Arts and Sports Law Section, which took place on July 31 at the New York Foundation for the Arts in Dumbo. It was a great success in providing pro bono legal services to artists.

The Section is also partnering with the Corporate Counsel Section to do a joint event in the Spring. Matthew Moore has agreed to serve as liaison between the Sections and is working to identify a topic and to determine which Section committees will assist in the planning.

The Section is always happy to work with NYSBA on Association-wide initiatives such as diversity. Currently, the Section is working with the Association to further its mentoring program. A number of our Executive Committee members are mentors and attended the kickoff event. A suggestion was made at the kickoff event to invite mentees to the Section's Executive Committee meeting, which the Section has done and which the mentees have enjoyed!

We are now soliciting entries for our Law Student Writing Contest and applications for our 2014-2015 Fellows. I invite those of you who qualify to participate or to encourage someone you know to do so. I'm always so happy to see how many wonderful submissions we get for both of these.

Please visit www.nysba.org/IPL for details on upcoming committee roundtables and events. It is constantly being updated as committees finalize their plans. If you have not yet done so, I encourage you to join a Committee, which you can do through the "Join This Section" link. And as always, please contact me at kelly.slavitt@rb.com if you have any questions or want to get more involved.

Kelly M. Slavitt

The Role of Volition in Evaluating Direct Copyright Infringement Claims Against Technology Providers

By Eleanor M. Lackman and Scott J. Sholder

I. Introduction

Historically, when the exclusive rights of copyright owners under 17 U.S.C. § 106 were violated, determining the identity of the tortfeasor was not difficult. The relatively straightforward nature of infringement, combined with common law principles of joint and several liability and contributory and vicarious infringement, allowed plaintiffs to enjoin and seek recovery from the appropriate parties involved in infringing acts. But when freestanding technologies such as video tape recorders and connected technologies such as the Internet began to enter the marketplace, the courts found themselves challenged to pinpoint who was directly or indirectly responsible for copying copyrighted works.[1]

The question became even more difficult when one of the actors involved had a viable defense (such as fair use): if the party found to be the direct infringer had a meritorious affirmative defense, any alleged indirect infringers arguably also would be absolved. These latter parties would, in turn, have a strong incentive to ensure that rather than becoming direct infringers—either by their own conduct or through principles of joint and several liability—they would at most be potential indirect infringers (and thus able to make arguments unavailable to direct infringers).

Nowhere has the issue of distinguishing direct from indirect infringement been more hotly contested recently than in the context of claimed violations of the reproduction right. From concerns about vast copying over Internet networks to the ability to offer a "remote storage" digital video recording system to the launch of online services claiming to be akin to a virtual used-record store, courts in recent years have had to make tough calls regarding the allocation of liability. In making these calls, courts have focused on the question of volition, i.e., "Who is doing the copying?"

The courts' application of the concept of volition—and the consequences of that application—may be more prominent in copyright law now than ever before. A review of decisions from the time the concept took hold in 1995 reveals that the principle of volition has been applied inconsistently and is not always well understood. Meanwhile, volition has become central to closely watched lawsuits over ad-skipping recording technologies, "cyberlockers," and virtual used-record stores. This article examines the challenges presented by the concept of volition, starting with the origin of the concept, then summarizing its evolution and describing how it has been applied in difficult cases standing at the intersection of copyright law and new technology.

II. The Evolution of Volition

A. Incidental Infringement and the Internet: Genesis of Volition in *Netcom*

The scope and contours of volition are best understood by starting with the Internet service provider before enactment of the Digital Millennium Copyright Act of 1998 (DMCA). All of the rulings discussed in this article have roots in the 1995 California district court ruling in *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*,[2] better known as *Netcom*. *Netcom* was one of the first federal court decisions to address intellectual property rights in cyberspace, and its legacy has been long-lasting despite intervening legislation and case law.

Netcom was a large Internet service provider that offered access to, among other things, online bulletin boards maintained by others. Netcom's co-defendant, Tom Klemesrud, provided a bulletin board system that hosted the online forum called alt.religion.scientology (ARS). Plaintiff Religious Technology Center (RTC) owned the copyrights in various published and unpublished works of L. Ron Hubbard, founder of the Church of Scientology. The gravamen of RTC's complaint was that former minister and Scientologist-turned-detractor (and additional co-defendant) Dennis Erlich had posted portions of Hubbard's works on ARS.

RTC asked Erlich to stop posting the works, but he refused. RTC then approached Klemesrud, who asked RTC for proof of copyright ownership before removing Erlich from the forum. RTC rejected the request as unreasonable and instead asked Netcom to kick Erlich off the forum. Netcom refused. Although Netcom observed a policy of suspending accounts of subscribers who violated Netcom's terms and conditions, it took no action against Erlich even after receiving warnings from RTC because "it could not shut out Erlich without shutting out all of the users of Klemesrud's [bulletin board system]."[3]

In the ensuing lawsuit, the court was faced with the question of whether Netcom was directly liable for copyright infringement. Did Netcom itself violate RTC's exclusive rights of reproduction, public distribution, and public display? The court found that Erlich's postings to ARS were first transmitted to, and briefly (automatically) stored on, Klemesrud's computer. Subsequently, preset processes in Netcom's software resulted in the automatic copying of Erlich's postings from Klemesrud's computer onto Netcom's computers and then onto the computers of ARS users. The postings were saved on Netcom's and Klemesrud's system for several days. The court noted, however, that Netcom did not "create or control the content of the information available to its subscribers," nor did it monitor messages as they were posted.[4]

Within this framework, the court addressed a then-novel question: "whether possessors of computers are liable for incidental copies automatically made on their computers using their software as part of a process initiated by a third party."[5] The court clearly was troubled by the possibility that a provider of Internet access could be held directly liable for copyright infringement solely by virtue of "designing or implementing a system that automatically and uniformly creates temporary copies of all data sent through it…."[6] Under a common-sense approach, if anyone was the direct infringer, it should have been Erlich; Netcom "did not take any affirmative action that directly resulted in copying plaintiffs' works" other than by utilizing software to automatically forward messages from third-party subscribers to the online community and temporarily storing copies of them.[7] Indeed, Netcom did "no more than operate or implement a system that is essential if Usenet messages are to be widely distributed."[8] In the court's view, holding Netcom liable as a direct infringer would "lead to unreasonable liability" for online service providers when computer servers act automatically "without any human intervention beyond the initial setting up of the system."[9]

Invoking policy considerations, the court explained that "[w]here the infringing subscriber is clearly directly liable for the same act, it does not make sense to adopt a rule that could lead to the liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for the functioning of the Internet," particularly because the court found unworkable "a theory of infringement that would hold the entire Internet liable for activities that cannot reasonably be deterred."[10]

The court's solution to avoiding a potentially deleterious outcome was to adopt a gloss on the meaning of direct liability. In an oft-quoted passage, the court introduced the concept of volition, noting that "although copyright is a strict liability statute, *there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party*."[11] Within this framework, the court was able to resolve the case without, in its view, endangering the functioning of the Internet. Because Erlich was the party responsible for uploading the works and otherwise making them available to others in the online forum, whereas all Netcom did was to function in its normal operation as an ISP to effectuate the supplier's wishes, neither "volition or causation" could be attributed to Netcom, which therefore was not subject to direct infringement liability.

Notably, however, the court did not define the element of "volition or causation" other than to note its absence. The confusion over the meaning of this so-called "element" would set the stage for the next phase of battles over the scope and meaning of direct copyright infringement in the digital age.[12]

B. Volition Under the Microscope: How Much Is Enough?

Shortly after *Netcom*, the DMCA was enacted. The DMCA safe harbors for online service providers arguably laid to rest the *Netcom* court's concern that all ISPs might become direct infringers inadvertently: under the DMCA, an ISP that meets certain criteria could avoid any liability—direct or indirect—if it took certain steps to remedy infringement taking place on or through its system.[13] Yet, as a divided Fourth Circuit panel would hold in *CoStar Group, Inc. v. LoopNet, Inc.*,[14] the principle of volition would continue to live in copyright law jurisprudence. A few years thereafter, in *Cablevision*, the Second Circuit would elaborate on what does and does not constitute volition. In doing so, the Second Circuit would embed *Netcom*'s principles in a broader arena of copyright law and set the stage for their appearance in cases involving myriad new technologies, not just Internet services.

1. *CoStar* and *Quantum*: The Fourth Circuit defines and refines volition

The alleged direct infringer in *CoStar* was an Internet service provider whose website allowed subscribers to post listings of commercial real estate.[15] What made LoopNet materially different from Netcom was the fact that LoopNet screened content supplied by third parties before it was posted on the site. Specifically, rather than posting everything a user requested be posted, a LoopNet employee would cursorily review the photograph before making it available. The employee would determine whether the photograph did indeed depict commercial real estate and would identify any obvious evidence (such as a text message or copyright notice) that the photograph may have been copied by a third party. If the photograph passed these criteria, the employee would click an "accept" button that would make the photograph available for viewing online. In addition, if LoopNet received a take-down notice, its employee would not only remove the complained-of photograph from the site but also would compare the property shown in the photograph to other photographs in order to determine whether the images were the same.

CoStar, a provider of real estate information, sued LoopNet over its involvement in making copyrighted photographs available on its site. The district court, following *Netcom,* concluded that LoopNet was not directly liable for copyright infringement. On appeal to the Fourth Circuit, CoStar argued that *Netcom*'s volition rule had been abrogated by the DMCA and that the actions of LoopNet's employees were, in any event, sufficient to establish volition on the part of LoopNet. The court disagreed, reaffirming *Netcom*'s conclusion that merely operating a "machine" did not amount to volitional conduct necessary for direct infringement. The court explained that infringement "requires *conduct* by a person who *causes* in some meaningful way an infringement[ ]" and that the party directly liable is the one "who *actually engages* in infringing conduct[.]"[16] The court further explained:

> [S]omething more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner."[17]

CoStar argued that LoopNet's involvement in screening its content rose to the level of direct infringement, i.e., that it constituted "sufficient intervening conduct of the ISP."[18] The court again disagreed, finding that a mere gatekeeping with respect to photographs uploaded by others was not a sufficient basis for imposing liability.[19] In particular, the court explained that the "volitional conduct to block photographs measured by two grossly defined criteria…which takes only seconds, does not amount to 'copying,' nor does it add volition to LoopNet's involvement in storing the copy."[20] If anything, the court noted, LoopNet employees' involvement would *lessen* the likelihood that copyrighted works would be displayed because it "*prevents* users from duplicating certain photographs."[21] LoopNet's "perfunctory gatekeeping process" could not be direct infringement, the court held, if it "further[ed] the goals of the Copyright Act…."[22]

In a vigorous dissent, Judge Roger L. Gregory took the position that defining "volition" to exclude the actions (albeit laudable) taken by LoopNet was a bridge too far. He argued that the majority "expands the non-volitional defense well beyond *Netcom* and subsequent holdings, and gives direct infringers in the commercial cybersphere far greater protections than they would be accorded in print and other more traditional media."[23] In Judge Gregory's view, only a "passive conduit" for copyrighted material avoids being a direct infringer under *Netcom*, and the majority "profoundly deviate[d]" from that approach."[24] In a comment that foreshadowed cases to come, Judge Gregory criticized the majority's characterization of LoopNet as an analog to old technology (in this case, a copy machine) as well as the majority's focus "on the fact that it is *the subscriber*, not LoopNet, who begins the volitional process, i.e., the subscriber is the initial direct infringer."[25] In Judge Gregory's view, this distinction was illusory, and the inquiry into "volition" or "causation" required looking at the actions of the specific defendant, not at its relationship to other participants in the alleged infringement. "That another person initiated the process which led to LoopNet's infringement is of no consequence," Judge Gregory wrote. "LoopNet remains the pivotal volitional *actor*, 'but for' whose action, the images would never appear on the website."[26]

A few years later, the Fourth Circuit limited its *CoStar* holding in *Quantum System Integrators, Inc. v. Sprint Nextel Corp*.[27] In that case, the plaintiff, a software licensor, had licensed a data monitoring program to Sprint between 1997 and 2004. In 2006, the parties settled a prior lawsuit concerning Sprint's purportedly unauthorized use of the software in 2005, but Quantum sued for copyright infringement again in 2007, alleging that Sprint still retained copies of the software on a few computers and that Sprint computers were continuing to copy Quantum's software into RAM when the computers were turned on. The district court denied Sprint's motion for judgment as a matter of law, leaving in place the jury's finding that Sprint was liable for infringing Quantum's copyright in the software.

On appeal, Sprint argued that "there was no evidence that [it] had engaged in 'volitional copying'" as defined in *CoStar*.[28] The Fourth Circuit held, however, that "Sprint overstates the 'volitional' requirement purportedly established by *CoStar*" because *CoStar* "concerned a copyright holder suing an Internet Service Provider…for providing services used by third parties to upload infringing photographs to the Internet."[29] The court found *CoStar* distinguishable because the ISP there had "provided 'electronic infrastructure designed and managed as a *conduit* of information and data' such that 'the owner and manager of the conduit hardly copies the information and data'" in violation of the Copyright Act.[30] Indeed, the court explained that *CoStar* limited the "volition" and "causation" requirement to "the context of the conduct typically engaged in by an ISP."[31] Accordingly, *CoStar* was inapposite because the claims against Sprint did "not involve third-party copyright infringement or the 'automatic copying, storage, and transmission of copyrighted materials…instigated by others,'" nor did they involve "a defendant that engages in 'conduct typically engaged in by an ISP.'" Rather, the case concerned "copying that, at bottom, was instigated by Sprint's own employees" and was, in fact, volitional vis-à-vis Sprint employees booting up its computers and copying Quantum's software into RAM.[32]

In sum, the Fourth Circuit's definition of volition would seem to be limited to cases involving ISPs and the processing of copyrighted content provided by third parties without any instigation of infringement by the ISP. However, under the Second Circuit's intervening analysis in *Cablevision*, volition would appear to be a more far-reaching concept.

2. *Cablevision*: Direct and indirect infringement beyond the Internet

In March 2006, Cablevision announced its intention to launch a service that—to the customer—would look and operate just like a set-top DVR, except that all of the storage would occur in Cablevision's facilities rather than within the set-top boxes in the homes of Cablevision subscribers.[33] Cablevision argued that—in essence—the net effect of what it called the "Remote Storage DVR" (RS-DVR) would be exactly the same as that of the Betamax video cassette machine at issue in the seminal Supreme Court decision *Sony Corp. v. Universal City Studios, Inc.*[34] However, the case was not a modern-day re-do of *Sony* or a case about contributory liability at all. Far from it, at least as stipulated by the parties: the plaintiff motion picture and television program copyright owners agreed not to raise contributory liability theories, and Cablevision agreed not to assert a fair use defense.[35]

Cablevision argued that it did not directly infringe the plaintiffs' reproduction rights because it was, at most, providing customers with machinery to make copies.[36] After a full-day *Markman*-style hearing on how the technology functioned, the district court disagreed that Cablevision was merely a passive actor with respect to its subscribers' copying of programs through the RS-DVR. The court found instead that "[t]he RS-DVR is clearly a service," and "in providing this service, it is Cablevision that does the copying."

According to the district court, the RS-DVR was nothing like a stand-alone piece of machinery: it could not function without a continuing relationship between Cablevision and its customers.[37] Cablevision would (1) decide which programming channels to make available for recording; (2) provide that content; (3) house, operate, and maintain the rest of the equipment that would make the recording process possible; (4) maintain physical control of the equipment at its "head-end"; (5) monitor the programming streams at the head-end and ensure that the servers were working properly; and (6) determine how much memory to allot to each customer and reserve storage capacity for each customer on a hard drive at its facility, which could be augmented for an additional fee.[38] To make the RS-DVR operable, Cablevision had to reconfigure the linear channel programming signals received at its head-end by splitting the aggregated program stream into a second stream, reformatting it, and rerouting it to the server bank. In sum, according to the district court, Cablevision "would be 'doing' the copying, notwithstanding that the copying would be done at the customer's behest, and Cablevision would provide the content being copied."[39]

The court rejected Cablevision's reliance on *Netcom*, finding that Cablevision was not similar to an ISP, which is "confronted with the free flow of information that takes place on the Internet, which makes it difficult for ISPs to control the content they carry."[40] Cablevision, by contrast, had "unfettered discretion in selecting the programming that it would make available for recording through the RS-DVR" and was "the driving force behind the RS-DVR's recording and playback functions." The court found this to be "a far cry from the ISP's role as a passive conduit in *Netcom*" and that the copies made to the ISP's computers in *Netcom* were "incidental to the ISP's providing of Internet access," whereas the copies made through the RS-DVR were "instrumental to the RS-DVR's operation."[41]

On appeal, the Second Circuit came to an entirely different conclusion. As the court put it: "The question is *who* made this copy. If it is Cablevision, plaintiffs' theory of direct infringement succeeds; if it is the customer, plaintiffs' theory fails because Cablevision would then face, at most, secondary liability, a theory of liability expressly disavowed by plaintiffs."[42] The court observed that few cases had examined the line between direct and contributory liability and then proceeded to examine that line.[43]

The court started with the district court's rejection of *Netcom*. Just as the Fourth Circuit in *CoStar* found that *Netcom* survived the DMCA, the Second Circuit found that *Netcom*'s reasoning and conclusions "transcend[ed] the Internet."[44] With this principle established, the Second Circuit proceeded to compare the RS-DVR to the Sony VCR—despite the facts that the question of direct versus contributory liability was not presented in *Sony* and that none of the hardware providers (such as Arroyo) were defendants in *Cablevision*, as they had been in *Sony*. The court decided that either the user *or* the supplier of the equipment could be the direct infringer, but not both:

> In the case of a VCR, it seems clear—and we know of no case holding otherwise—that the operator of the VCR, the person who actually presses the button to make the recording, supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine.[45]

The court then observed that it did not believe an RS-DVR customer was "sufficiently distinguishable from a VCR user to impose liability as a direct infringer on a different party for copies that are made automatically upon that customer's command."[46]

The court went on to explain that most of the facts the district court found to be dispositive on the issue of direct liability (such as Cablevision's "continuing relationship" with RS-DVR customers, its control over recordable content, and the "instrumentality" of the system's copying) were "more relevant to the question of contributory liability"—even though, again, contributory liability was not at issue.[47] The court also emphasized the importance of maintaining "a meaningful distinction between direct and contributory copyright infringement," which it did not believe the district court had done.[48] Although the court expressly limited its holding to the facts of the case, it has proven to be an influential ruling.

C. Pushing Buttons and Pointing Fingers: The Continued Confusion Over Liability in the "Volition" Age

After *CoStar* and *Cablevision*, it is little wonder that commentators have hoped that courts would "cabin the excellent decision that Judge Whyte issued in *Netcom* under the law then applicable…."[49] Despite this wish, it has not come to pass. Instead, following *CoStar* and *Cablevision*, the courts have continued to grapple with how to apply the concept of volition to a variety of technologies—including technologies comparable to the Internet-based technology at issue in *Netcom*. The results have been far from consistent.

For example, when the New York district court addressed direct infringement and volition in *Arista Records LLC v. Usenet.com, Inc.*[50] on facts similar to those present in *CoStar*, it reached the opposite conclusion from that of the Fourth Circuit in *CoStar*, relying on a combination of the defendants' knowledge of infringement and control over newsgroups (factors associated with secondary liability). Specifically, in assessing whether the website Usenet.com could be directly liable for infringements of copies of musical works posted to the Usenet network of online bulletin boards, the court found on summary judgment that the defendants acted with the requisite volition: they were not mere "passive providers of a space in which infringing activities happened to occur" but rather were "active participants in the process of copyright infringement" because they (1) were aware that digital songs were popular files shared on their bulletin boards; (2) "took active measures to create servers dedicated to mp3 files"; and (3) "took active steps, including both automated filtering and human review, to remove access to certain categories of content" and exercise control over newsgroups.[51]

In contrast, a federal court in Florida rejected *Usenet* in holding that "cyberlocker" Hotfile was not directly liable for copyright infringement.[52] The court found hotfile.com to be more akin to Netcom—a passive system that "allows users to automatically upload or download copyrighted material"—than to Usenet.[53]

If this were not enough to illustrate the diversity of approaches to volition, in some circuits the law on volition is internally inconsistent or otherwise unsettled. For instance, the First Circuit, in *Society of the Holy Transfiguration Monastery, Inc. v. Gregory*, declined to decide whether "a volitional act *must* be shown to establish direct copyright infringement" because it found that the plaintiff—a monastery that owned the copyrights in English translations of ancient Greek religious texts—would prevail on its direct infringement claims regardless of such a requirement.[54] The defendant had "act[ed] to ensure that copies of the [infringed] Works were available on his server and posted to his Website."[55] However, the Massachusetts district court in *Hearst Stations Inc. v. Aereo, Inc.*[56] held that volitional conduct could form the basis of a claim of direct infringement of the reproduction right. In evaluating the plaintiff broadcast network's motion for a preliminary injunction against an Internet retransmitter of over-the-air cable television signals, the court held that a volition requirement "comports with the general principle that, even with a strict liability statute such as the Copyright Act, the challenged conduct must cause the harm" and that it was "likely that the [Aereo] user supplies the necessary volitional conduct to make the copy."[57] Until the Ninth Circuit decided *Fox Broad. Co., Inc. v. Dish Network L.C.C.*,[58] it appeared that certain district courts within the Ninth Circuit—like the *Gregory* court—declined to follow *Netcom*.[59]

Perhaps nowhere is the confusion regarding volition more apparent than in the recent rulings in *Dish Network* and *Capitol Records, LLC v. ReDigi Inc.*[60]—both far cries from the ISP in *Netcom*. In *Dish Network* a California district court evaluated whether Dish Network—whose DVR technology allowed viewers to copy entire prime-time television lineups—was directly liable for the copying of broadcasters' copyrighted programming. In a break from its fellow district courts that had previously declined to address the question of volition, the *Dish Network* court reviewed the line of volition cases from *Netcom* to *Cablevision*. The court analyzed various aspects of Dish Network's service, including Dish Network's discretion over (1) the selection of programming available for recording, (2) when recording begins and ends, and (3) the length of time each copy is available for viewing, and compared them to Cablevision's RS-DVR service (among other technological analogues discussed in various cases). The court concluded that while Dish "exercises a degree of discretion over the copying process beyond that which was present in *Cablevision*…the Court is not satisfied that [Dish Network's "Prime Time Any Time" copying system] has crossed over the line that leads to direct liability."[61] Accordingly, the court held that Fox had not established a likelihood of success on the merits of its direct copyright infringement claim against Dish Network. On July 24, 2013, the Ninth Circuit affirmed, finding that the district court did not abuse its discretion in finding that the user, not Dish, caused the copies to be made.[62]

By contrast, the New York district court in *ReDigi* treated *Cablevision* with less deference, placing more emphasis on the defendants' intent in programming their software and in creating their technological infrastructure. In *ReDigi*, record companies sued a website operator that offered users a service for selling legally purchased "used" digital music files through a web-based platform. A seller would use ReDigi's software to upload her music files to a cloud-based digital locker. Upon purchase by a buyer, the software would delete the purchased files from the seller's computer. The court held that ReDigi's unauthorized transfer of files from a seller's computer to ReDigi's cloud-based locker violated the plaintiffs' reproduction right, even though only one file existed both before and after the transfer. The court found that the reproduction right necessarily was implicated when a copyrighted work is embodied in a new material object and that digital music files are not "sold" in the traditional sense: they inherently are "embodied in a new material object following their transfer over the Internet,"[63] such that the first sale doctrine, which requires the transfer of a unique copy, did not apply.[64]

In evaluating whether ReDigi was a direct infringer, the court found *Cablevision* distinguishable, as ReDigi was instead like the hypothetical defendant alluded to in *Cablevision* whose "contribution to the creation of an infringing copy [is] so great that it warrants holding that party directly liable for the infringement, even though another party has actually made the copy."[65] Specifically, the court found that ReDigi had created software with the sole purpose of "build[ing] a list…of protected music purchased on iTunes" and actively chose copyrighted content, which made *ReDigi* indistinguishable from cases in which "human review of content gave rise to direct liability."[66] The court found that even though the scanning and uploading processes were automated by ReDigi's software, the site's principals had engaged in volitional conduct sufficient to render the case "indistinguishable from those [such as *Usenet*] where human review of content gives rise to direct liability."[67] Unlike Cablevision, ReDigi and its principals took a "fundamental and deliberate role" by "provid[ing] the infrastructure for its users' infringing sales and [by] affirmatively brokering sales" of copyrighted digital audio files.[68] Accordingly, the court granted the plaintiff's motion for summary judgment on its claims for direct infringement of its distribution and reproduction rights.

III. Conclusion: Is Volition an Ever-Moving Target?

For all the expressed desire to draw lines between direct and indirect liability, the volition doctrine's meaning and effects remain murky. Based on recent cases, *Netcom* appears to be here to stay, at least for a while. But as the various decisions discussed above show, there has been little explanation of what volition means and hence little predictability as to when and where it will be found. In the Second and Ninth Circuits, *Netcom* principles apply in cases beyond those involving ISPs, but this is less clear in the Fourth and perhaps other circuits. Moreover, some courts focus on the defendant's specific role, while others examine the acts of multiple parties in relation to one another, along the lines of common law principles of comparative fault or contributory negligence. And, as the networks argued in their August 2013 petition for rehearing en banc in *Dish Network*, the Ninth Circuit's conception of volition threatens to read joint and several liability out of the Copyright Act and conflicts with principles of direct liability in the law of other circuits.[69]

Even when trying to reason by analogy between old and new technology, the results seem inconsistent. One could argue that the RS-DVR and Dish's "Prime Time Anytime" look to the consumer to be functionally similar to the VCR at issue in *Sony*, but that does not explain the rejection of ReDigi's argument that its service, from the consumer's perspective, looks like the digital equivalent of a used record store.[70] Moreover, "Prime Time Anytime" copies all programming—regardless of whether the subscriber wants it—while ReDigi copies only the files that the subscriber wishes to sell. Thus, the outcomes in the two cases—with direct infringement found in the latter but not the former—suggest that control over the actual copying is irrelevant.

These cases illustrate the problem of resolving issues presented by new technology "as best we can in light of ill-fitting existing copyright law."[71] In some cases, where new technology has a perceived societal benefit that prevails over the arguable rights of copyright owners, Congress has revised the Copyright Act. It did so with the DMCA, the Family Movie Act, and countless other revisions to the statute. An outcome such as the one in *Dish Network*, where the court invoked "volition" to bless technology that arguably would cannibalize the advertising revenues that support the creation of the plaintiffs' copyrighted television programs, is a far cry from what the court in *Netcom* was concerned about, namely, crippling the Internet. Particularly given calls for the "next great Copyright Act," the best guidance may come from Justice Blackmun's dissent in *Sony*, where he wrote that "in the absence of a congressional solution [to problems created by the interaction of copyright law with a new technology], courts cannot avoid difficult problems by refusing to apply the law. We must take the Copyright Act…as we find it, [ ] and do as little damage as possible to traditional copyright principles…until the Congress legislates."[72]

Until then, the Copyright Act "as we find it" remains unsettled when it comes to volition. Provider beware.

Endnotes

1. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 n.17 (1984) ("*Sony*") ("As the District Court correctly observed, however, 'the lines between direct infringement, contributory infringement and vicarious liability are not clearly drawn….'") (citation omitted).
2. 907 F. Supp. 1361 (N.D. Cal. 1995).
3. *Id.* at 1368.
4. *Id.*
5. *Id.* at 1368.
6. *Id.* at 1369.
7. *Id.*
8. *Id.* at 1369-70.
9. *Id.* at 1369.
10. *Id.* at 1372.
11. *Id.* at 1369-70 (emphasis added).
12. The concept of volition as applied to direct liability for copyright infringement is different from the concept of "knowledge," which is an element of contributory liability—one of the forms of

secondary liability for copyright infringement. Rather, volition has generally been held to be synonymous with "causation" rather than "knowledge" or "intent." *See, e.g., Perfect 10, Inc. v. Giganews, Inc.*, No. CV11-07098 AHM (SHx), 2013 WL 2109963, at *6 (C.D. Cal. Mar. 8, 2013) ("In this Court's view, the key to understanding the so-called 'volitional conduct' requirement is to equate it with the requirement of causation, not intent."); *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 130 (2d Cir. 2008) (hereinafter *Cablevision*) (the goal of the volition inquiry is to determine "*who* made this copy" and to "identify the actor (or actors) whose 'conduct has been so significant and important a cause that [he or she] should be legally responsible'") (citations omitted); *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544, 549 (4th Cir. 2004) ("While the Copyright Act does not require that the infringer know that he is infringing or that his conduct amounts to a willful violation of the copyright owner's rights, it nonetheless requires conduct by a person who causes in some meaningful way an infringement."); *Perfect 10, Inc. v. Cybernet Ventures, Inc.*, 213 F. Supp. 2d 1146, 1168 (C.D. Cal. 2002) (noting that *Netcom* equated volition with causation); *Sega Enters., Ltd. v. MAPHIA*, 948 F. Supp. 923, 932 (N.D. Cal. 1996) (same). *But see Arista Records LLC v. Myxer Inc., f/k/a Visible Techs., Inc.*, Case No. CV 08-3935-GAF (JCx) (2011) (appearing to interpret "volition" as requiring intent).

13. *See* 17 U.S.C. § 512.
14. 373 F.3d 544 (4th Cir. 2004).
15. *Id.* at 547.
16. *Id.* at 549-50 (emphases in original).
17. *Id.* at 550.
18. *Id.*
19. *Id.* at 556.
20. *Id.*
21. *Id.* (emphasis in original).
22. *Id.* The *CoStar* court further distanced itself from the question of whether LoopNet was violating the reproduction right by calling into question whether the copies were "fixed" in the first place. It noted that the ISP was more like a "conduit" for fast-moving information rather than a copier: "the ISP transmits users' material but is itself totally indifferent to the material's content. In this way, it functions as does a traditional telephone company when it transmits the contents of its users' conversations." *Id.* at 551. Pointing to the thousands of people and entities involved in the functioning of the Internet, *CoStar* opined that "their conduct is not truly 'copying' as understood by the Act; rather, they are conduits from or to would-be copiers and have no interest in the copy itself." *Id.* The court's view was not directed toward a concern about the *amount* of infringement on the Internet, as in *Netcom*, but rather the number of people implicated: "to conclude that these persons are copyright infringers simply because they are involved in the ownership, operation, or maintenance of a transmission facility that automatically records material—copyrighted or not—would miss the thrust of the protections afforded by the Copyright Act." *Id.*
23. *Id.* at 557.
24. *Id.* at 558.
25. *Id.* at 559 (emphasis in original).
26. *Id.* at 560 (emphasis in original).
27. 338 Fed. Appx. 329 (4th Cir. 2009).
28. *Id.* at 335.
29. *Id.* at 336.
30. *Id.* (internal citations and quotation marks omitted).
31. *Id.* (citations omitted).
32. *Id.* (citations omitted).
33. *See Twentieth Century Fox Film Corp. v. Cablevision Systems Corp.*, 478 F. Supp. 2d 607, 609 (S.D.N.Y. 2007).
34. 464 U.S. 417 (1984).
35. *Id.* at 618.
36. *Id.*
37. *Id.*
38. *Id.* at 619.
39. *Id.* at 620.
40. *Id.*
41. *Id.*
42. *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 130 (2d Cir. 2008).
43. *Id.*
44. *Id.* at 131.
45. *Id.*
46. *Id.*
47. *Id.* at 132.
48. *Id.* Professor Nimmer, author of the leading treatise on copyright law, foreshadowed some of the problems with the Second Circuit's approach, one of them being that it is more logical to find Cablevision the "author of infringement" when Cablevision invested millions of dollars to engineer a system for the express and only purpose of creating copies of plaintiff's copyrighted works, using video-on-demand technology, and to be made by the press of a button on a Cablevision-supplied remote control and to be maintained on Cablevision's servers. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.08[C], at 13-290.6-7 (2013). Of concern in the context of now-pending cases, Nimmer noted that under the inquiry of whether a party's involvement was enough to rise to the level of direct liability, "it is hard to imagine more egregious facts than those presented by this very case." *Id.* In contrast to the RS-DVR, Sony "had no direct involvement with any Betamax purchasers who recorded copyrighted works off the air." 464 U.S. at 427. The question there was secondary liability—liability that could be imposed on certain parties "who have not themselves engaged in the infringing activity." *Id.* at 435, 438. Whereas Sony did not "take part in the final act," *id.* at 436 (quotation omitted), here Cablevision arguably had an active or contemporaneous role in the final act leading to infringement. Likewise, it did not provide merely the "means" to infringe; Cablevision provided the works themselves in a form processed for recording. *Cf. Sony*, 464 U.S. at 436.
49. 3 *Nimmer* at § 12B.06, 12B-129.
50. 633 F. Supp. 2d 124 (S.D.N.Y. 2009).
51. *Id.* at 148.
52. *Disney Enterprises, Inc. v. Hotfile Corp.*, 798 F. Supp. 2d 1303 (S.D. Fla. 2011).
53. *Id.* at 1309.
54. 689 F.3d 29 (1st Cir. 2013).
55. *Id.* at 56.
56. CIV.A. 13-11649-NMG, 2013 WL 5604284 (D. Mass. Oct. 8, 2013).
57. *Id.* at *7.
58. *Fox Broad. Co., Inc. v. Dish Network LLC,* 723 F.3d 1067 (9th Cir. 2013).
59. *See Warner Bros. Entm't Inc. v. WTV Sys., Inc.*, 824 F. Supp. 2d 1003, 1011 n.7 (C.D. Cal. 2011); *see also Arista Records LLC v. Myxer Inc., f/k/a Visible Techs., Inc.*, Case No. CV 08-3935-GAF (JCx) (2011) (same). This article does not analyze whether these decisions remain good law following *Dish Network.*
60. 934 F. Supp. 2d 640 (S.D.N.Y. 2013).
61. *Fox Broad. Co. v. Dish Network, LLC,* 905 F. Supp. 2d 1088, 1102 (C.D. Cal. 2012).
62. *See supra* n. 58.

63. 934 F. Supp. 2d at 649.

64. *Id.* at 655.

65. *Id.* at 657 (quoting *Cablevision*, 536 F.3d at 133).

66. *Id.* at 655.

67. *Id.* at 657.

68. *Id.*

69. *See* Case No. 12-57048, Dkt. No. 98-1 (9th Cir.).

70. Perhaps it was the Copyright Office's rejection of a "digital first sale" defense in its Section 104 report that bolstered the analysis of the issue along straight-line legal principles rather than the appearance of the technology.

71. *Sony*, 464 U.S. at 457.

72. *Id.* at 499 (citations and internal quotations omitted).

Eleanor M. Lackman is a partner and Scott J. Sholder an associate in the New York Office of Cowan, DeBaets, Abrahams & Sheppard LLP. Any views expressed in this article are their own and do not represent those of the firm or of their or its clients. The authors wish to thank Marc Pellegrino, an intern with the firm, for his contributions to this article.

Has the Transformative Use Test Replaced the Second Circuit's *Rogers* Test in Balancing the Right of Publicity Against First Amendment Rights?

By Marc J. Rachman and Dominick R. Cromartie

I. Introduction

Could the recent hit song "Moves Like Jagger" by Maroon 5 or the movie "The Butler," a historical fiction inspired by the true-life story of Eugene Allen,[1] be found to violate the right of publicity of Mick Jagger or Eugene Allen, or are they protected by the First Amendment?[2] The answer may depend on the court in which the claim is brought. Recent cases in both the Third and Ninth Circuits have addressed the proper standard for evaluating a First Amendment defense to a right of publicity claim, with both courts adopting what is referred to as the "transformative use test" initially developed by the California Supreme Court.[3] Both courts, in applying the test to the use of digital player avatars in a college football video game, found that the First Amendment did not trump the plaintiff's right of publicity. Both courts also rejected an alternative test formulated by the Second Circuit in its landmark *Rogers v. Grimaldi*[4] decision, generally referred to as the "*Rogers* test" or the "artistic relevance test."

As the name implies, the transformative use test looks to whether the plaintiff's likeness has been so transformed in the defendant's work that it has become primarily the defendant's expression rather than the plaintiff's likeness. The Second Circuit has not yet addressed the applicability of the transformative use test to a right of privacy claim under New York law.[5] However, in *Rogers*, which involved the use of a celebrity's name in a movie title, the court looked to trademark law and held that dismissal of a right of publicity claim arising out of the use of the celebrity plaintiff's name in the title of a film is warranted if it is related to the content of the movie and is not merely a means to promote the movie.

It is not clear whether the Second Circuit would apply the *Rogers* test in a case challenging the use of a celebrity's name or likeness in the content of the work itself, not just in its title. This article looks at how courts, including the Third and Ninth Circuits, have recently decided whether to apply the *Rogers* test or the transformative use test in right of publicity cases involving the content of an expressive work. As we discuss, courts have arrived at what appear to be inconsistent results in their applications of the transformative use test, and until the issue is reviewed by the Supreme Court, the scope of the more speech-protective *Rogers* test remains unclear.

II. The Rogers Test

In *Rogers*, movie star Ginger Rogers sued the producers and distributors of "Ginger and Fred," a film that Rogers claimed violated her right of publicity under Oregon law and confused consumers into believing she had endorsed the movie, in violation of the Lanham Act. Despite its title, the film was not about either Rogers or Fred Astaire. Rather, the film, written and directed by the famed Italian filmmaker Federico Fellini, told the story of two fictional Italian cabaret dancers who became known as "Ginger and Fred" during World War II for their style of dance, which was similar to the style made famous by Rogers and Astaire.

In analyzing Rogers' right of publicity claim under Oregon's free speech clause, the Second Circuit held that Oregon would not "permit the right of publicity to bar the use of a celebrity's name in a movie title unless the title was wholly unrelated to the movie or was simply a disguised commercial advertisement for the sale of goods or services."[6] Applying the test, the court concluded that the right of publicity claim should be dismissed because the title "Ginger and Fred" was related to the content of the movie and was not a disguised advertisement.[7]

The court acknowledged that right of publicity protection could apply to a movie title, explaining that a "misleading title with no artistic relevance cannot be sufficiently justified by a free expression interest."[8] However, the court balanced these concerns with the potential for celebrities to overreach in asserting right of publicity claims based on nothing more than the use of their names and/or likenesses in artistic works. The court explained that right of publicity claims, unlike Lanham Act claims, have no "likelihood of confusion" requirement and that there is, therefore, more of a need to limit the right in order to accommodate First Amendment concerns than with Lanham Act claims.[9]

III. The Transformative Use Test

The transformative use test was first articulated by the Supreme Court of California in *Comedy III Prods., Inc. v. Gary Saderup, Inc.*[10] In *Comedy III* the owners of the rights to the name and likeness of The Three Stooges claimed that an artist's charcoal renderings of the comedy trio on t-shirts, prints, and other merchandise violated their California statutory right of publicity. In balancing these rights against Saderup's First Amendment rights, the court expressed concern that because of the importance of celebrities in our society, the right of publicity has the potential to suppress expressive images of the celebrity that could be iconoclastic, irreverent, or redefining of the celebrity's meaning.[11]

In creating a test that balanced the First Amendment and the right of publicity in the context of an expressive use of a celebrity's likeness, the court looked to the Copyright Act's fair use factors. Citing *Campbell v. Acuff-Rose Music, Inc*.,[12] the court held that the first fair use factor—the purpose and character of the use, which focuses on the extent to which the new work is "transformative"—should be used to determine whether a right of publicity trumps First Amendment protection.

The *Comedy III* court set forth five factors relevant to determining whether a work is sufficiently transformative to merit First Amendment protection. First, if the celebrity likeness is "one of the 'raw materials' from which an original work is synthesized," it is more likely to be transformative than if "the depiction or imitation of the celebrity is the very sum and substance of the work in question."[13] Second, the work is protected if it is "primarily the defendant's own expression"—as long as that expression is "something other than the likeness of the celebrity."[14] This requires examination of whether a likely purchaser's primary motivation is to buy a reproduction of the celebrity or to buy the expressive work of the artist. Third, to avoid making judgments concerning "the quality of the artistic contribution," a court should conduct an inquiry "more quantitative than qualitative" and ask "whether the literal and imitative or the creative elements predominate in the work."[15] Fourth, the Court identified a "subsidiary inquiry" that would be useful in close cases: whether "the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted."[16] Finally, the court indicated that "when an artist's skill and talent is manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit his or her fame," the work is not transformative.[17]

In applying this test, the California Supreme Court held that Saderup's depictions of the Three Stooges were not protected because they were literal and conventional, lacking sufficient creative input, and were designed to exploit the Three Stooges' fame.[18] In other words, the works did not contain transformative elements that warranted First Amendment protection.

IV. *Hart v. Electronic Arts*

In *Hart v. Electronic Arts*,[19] the Third Circuit rejected the *Rogers* test and instead adopted the transformative use test in evaluating a right of publicity claim brought by former Rutgers University quarterback Ryan Hart in connection with the NCAA football video game by Electronic Arts (EA). Hart was a quarterback with the Rutgers NCAA Men's Division I Football team from 2002 through 2005. His digital likeness appeared in several versions of EA's successful NCAA Football video game.

EA's NCAA Football franchise owed its success in large part to its focus on realism and detail—from realistic sounds to game mechanics to digital avatars that resemble their real-life counterparts and share former collegiate players' vital and biographical information. In EA's NCAA Football 2006 game, the virtual Rutgers quarterback, like Hart, wears number 13, is 6'2" tall, weighs 197 pounds, and resembles the former Rutgers star. While users of the game could change the appearance of Hart's digital avatar, most of the vital statistics (e.g., height, weight, throwing distance) and certain details, such as the former athlete's home town, team, and class year, could not be changed. Hart sued EA in New Jersey federal court for violation of his right of publicity.

A. District Court Decision

The district court applied both the transformative use test and the *Rogers* test, finding that the work was protected by the First Amendment under both of them.[20] The court compared Hart's claims to those ruled on in two California appellate court decisions—*Kirby v. Sega of America, Inc*.[21] and *No Doubt v. Activision*.[22] In *Kirby*, pop singer Lady Kier, known for her hit song "Groove Is in the Heart" and "funky" catch phrases such as "groove," "ooh la la," and "dee-lish," sued Sega for violating her right of publicity by using a video game character named Ulala. In rejecting the claim, the court of appeal held that although the Ulala character had similar facial features, wore platform shoes, and used catch phrases similar to Lady Kier's, Ulala was transformative because she was digitized based on Japanese style anime, the game was set in twenty-fifth century outer space, and the character differed from Lady Kier in physique and dance movements.

In *No Doubt*, members of the pop group No Doubt sued a video game developer for exceeding the scope of a license that allowed the publisher to use No Doubt's avatars to perform two of its songs in the popular video game Band Hero. Unbeknownst to the group, the Band Hero developers programmed the game to allow the group's avatars to sing any song in the game, to allow each band member to sing solo, and to allow the group's lead singer, Gwen Stefani, to sing in a male voice. In ruling in favor of No Doubt, the California appellate court held that the game was not entitled to First Amendment protection because it showed the members doing exactly what they were famous for—performing in a rock band—and did not permit players to alter the No Doubt avatars in any way.[23]

In finding that EA's game was protected expression, the district court in *Hart* stated that Hart's claims were a closer call than those in *Kirby* and *No Doubt*, as the Hart avatar was depicted in the same setting as the real-life Hart (unlike in *Kirby*), but could be changed by a user (unlike in *No Doubt*). Ultimately, in finding that the Hart avatar was transformative, the court focused on the ability of a user to alter the image, along with creative elements of the game other than the Hart avatar, such as the virtual stadium, coaches, fans and other athletes.[24] EA appealed.

B. Third Circuit Rejects the *Rogers* Test

Unlike the district court, the Third Circuit found that the *Rogers* test was not applicable because it was limited to cases involving use of a celebrity's identity in the title of a work. In a majority opinion by Judge Joseph J. Greenaway, Jr., the court disagreed with EA's assertion that other courts had applied the *Rogers* test in cases involving the content of an artistic work. EA had argued that the Sixth Circuit used the *Rogers* test in *Parks v. LaFace Records*,[25] which, it contended, concerned not only the use of Rosa Parks' name in the title of a rap song by Outkast but also references to Parks in the song's lyrics (specifically, in the phrase "move to the back of the bus"). The Third Circuit deemed *Parks* not persuasive because just one month later the Sixth Circuit applied the transformative use test in *ETW Corp. v. Jireh Publishing, Inc.*[26] in analyzing an artistic rendering of Tiger Woods' record-breaking victory at the 1998 Masters Tournament (which the court held was transformative).

In the end, the Third Circuit found that the *Rogers* "artistic relevance" test was inappropriate because it "cannot be that the very activity by which [Hart] achieved his renown now prevents him from protecting his hard-won celebrity."[27] The court concluded instead that the transformative use test was better suited to claims involving the content of a work because it strikes the best balance between right of publicity and First Amendment interests, is more flexible, and can be uniformly applied.[28] The court explained that the transformative use test focuses solely on whether the work sufficiently transforms the celebrity's likeness and thus allows the court to evaluate claimed misappropriation in any market segment, including those related to the celebrity.[29] The court further explained that the transformative use test begins by looking at the extent to which that the work is the creator's own expression and thus restricts right of publicity claims to a very narrow universe of expressive works.[30]

The Third Circuit also disagreed with the district court in its application of the transformative use test. It found that Hart's digital avatar closely resembled the real Hart, from hair color and skin tone to the accessories that Hart wore when he played football. The court further noted that the avatar did what Hart was famous for—played quarterback for the Rutgers football team. Without more, the game elements other than the feature allowing users to alter Hart's likeness did not make the use of Hart's likeness transformative; the other elements in the game outside of the digital avatar were irrelevant to whether Hart's likeness was misappropriated.[31] The court warned that if merely allowing users to alter avatars were enough to merit First Amendment protection, "video game companies could commit the most blatant acts of misappropriation only to absolve themselves by including a feature that allows users to modify the digital likenesses."[32] The court noted that the realistic depictions of Hart and other players in the game were the "sum and substance" of the digital avatars and were central to the game's appeal. Any alterations that could be made by a user to the avatar's appearance were not enough to make the use of Hart's likeness transformative.

The Third Circuit attempted to reconcile its application of the transformative use test with the Sixth Circuit's holding in *ETW* concerning a painting and limited edition prints depicting Tiger Woods' victory at the 1998 Masters Tournament. Titled "The Masters of Augusta," the painting depicted Woods in three different poses in the foreground, with images of famous golfers of the past looking down on Woods approvingly. The Sixth Circuit held that the work was more than a mere literal likeness of Woods and contained transformative elements that portrayed a historical event, thus qualifying for First Amendment protection. The court based this conclusion in part on elements of the work other than Woods' likeness, such as the Augusta clubhouse, the leaderboard, Woods' caddy, and images of six past Masters winners.[33]

Discussing *ETW* in relation to a picture of Hart that appeared in a montage of pictures of players in the 2009 edition of EA's game, the Third Circuit arrived at a conclusion seemingly inconsistent with what it reached with respect to the avatar. The court found the photo of Hart, unlike the avatar, was transformative, as it, like the images of Woods in *ETW*, was part of a montage of players that imbued the image with additional meaning, making it more than a mere representation of Hart.[34]

In dissent, Judge Thomas L. Ambro questioned whether the majority's opinion could be reconciled with *ETW*, surmising that the Sixth Circuit would not have found the use of Woods' images transformative had it limited its analysis to images of Woods alone, as the majority did in its analysis of Hart's digital avatar. Judge Ambro further observed that looking at the EA game as a whole, as the Sixth Circuit did in *ETW* with respect to the "Masters of Augusta," the avatar of Hart was actually more transformative than the images of Woods, as it was used along with other avatars of entire football teams and placed in a medium designed to allow interaction and manipulation by the user.[35]

V. *Keller v. Electronic Arts*

In a Ninth Circuit case with facts nearly identical to *Hart*, former Arizona State quarterback Sam Keller sued EA for violating his right of publicity in the 2005 edition of EA's NCAA Football game.[36] In that game, the virtual starting quarterback for Arizona State wears the same number and has the same height, weight, skin tone, hair color, hair style, home state, play style (pocket passer), visor preference, facial features, and school year as Keller.

A. District Court Decision

In addressing EA's motion to dismiss Keller's claim under California's right of publicity statute, the district court applied the transformative use test (as dictated by California law) and found that the game was not protected by the First Amendment.[37] Focusing on the depiction of Keller, the court found that the virtual version of Keller shared many of his real-life characteristics, including jersey number, height, weight, and place of birth, and, further, that the game's setting—a football field—was identical to that in which Keller achieved fame. EA appealed.

B. The Ninth Circuit Declines to Apply the *Rogers* Test

The Ninth Circuit, citing *Hart*, rejected EA's argument that it should apply the *Rogers* test. The Ninth Circuit previously had applied the *Rogers* test to First Amendment defenses in Lanham Act cases, but, in a majority opinion by Judge Jay S. Bybee, it refused to apply the test to the right of publicity claims in *Keller*.[38] The court explained that the only other circuit to apply the *Rogers* test to a right of publicity claim was the Sixth Circuit in *Parks*—but shortly thereafter it applied the transformative use test in *ETW*.[39]

The Ninth Circuit agreed with the district court that EA's use of Keller's likeness did not contain significant transformative elements. The court found the California appellate court's analysis in *No Doubt*, in which the group's avatars appeared in a video game doing exactly what they do in real life—performing in a rock band—was persuasive. It reasoned that, as in *No Doubt*, Keller's avatar appeared in the game doing exactly what he was known for: playing quarterback for Arizona State.

In dissent, Judge Sidney R. Thomas, citing Judge Ambro's dissent in *Hart*, also applied the transformative use test but concluded that Hart's avatar was transformative.[40] Evaluating the game as a whole, Judge Thomas concluded that the digital avatar was just one of many creative and transformative elements in the game, citing the role-playing aspect of the game that allows the user to create players and teams, to engage in virtual activities, and even to coach, and the ability of users to change the characteristics of the avatars. In Judge Thomas' view, EA's game was more akin to the cartoon characters protected by the California Supreme Court in *Winter v. DC Comics*[41] and to *Kirby*, rather than to the avatars in *No Doubt* on which the majority relied.

VI. *Rogers* Revisited

The *Hart* and *Keller* decisions raise the question of whether, when it confronts the issue, the Second Circuit will adopt the transformative use test instead of its own *Rogers* test to analyze a First Amendment defense to a right of publicity claim involving the content of an artistic work. Many believe that the *Rogers* test does not adequately assess whether the artistic work is free-riding on a person's likeness. All that is required under *Rogers* is that the use of the likeness be relevant to the defendant's work, a standard that is easily met and that many believe does not fairly balance the competing interests. There is little question that the application of the *Rogers* test in *Hart* and *Keller* would have resulted in a ruling in EA's favor, as the images of the athletes were clearly related to the video games themselves and were not merely disguised advertisements. Indeed, as discussed above, this was the conclusion reached by the district court in *Hart*. Not surprisingly, in its cert petitions in *Hart* and *Keller*, EA urged adoption of the *Rogers* test over the transformative use test.[42] EA argued that the transformative use test only affords First Amendment protection to fanciful or distorted portrayals of individuals and not to accurate or realistic ones, and it warned that, if applied literally, it would not protect the use of a person's name or likeness in biographies, movies, or documentaries.

Another concern, as demonstrated by the seemingly inconsistent applications of the transformative use test in *Hart* and *ETW* and by the contrasting conclusions reached by the dissents in *Hart* and *Keller* in applying the test as compared to the majorities, is that the transformative use test is inherently subjective, making it likely that there will be inconsistencies in its application by different courts. The distinction between the depiction of Tiger Woods in *ETW*, which was held to be protected by the First Amendment, and the charcoal rendering of the Three Stooges on various merchandise in *Comedy III*, which was held unprotected, is easier to grasp than the distinction between the use of Woods's likeness in *ETW* and the avatars of Hart and Keller in EA's video games. One could even argue that the limited edition prints at issue in *ETW* are more like the merchandise in *Comedy III* and thus merit less First Amendment protection than the EA avatars, which can be altered by users and are only one component of a game that contains many other player avatars and other virtual depictions of a real football game. One way to try reconcile *ETW* with *Hart* is to apply the transformative use test as the dissents in *Hart* and *Keller* suggest, that is, by looking at the work as a whole and not merely at the depiction of the plaintiff to determine whether the use is transformative. But this also is a subjective analysis that is likely to lead to different results when applied by different courts.

It has been reported that EA has agreed to pay approximately $40 million to settle claims with thousands of current and former NCAA student-athletes, including Hart and Keller, of unauthorized use of their names and likenesses in EA's NCAA Football games. This may mean that these questions might not be resolved by the Supreme Court any time soon.[43] However, given the common use of celebrity likenesses in artistic works, these issues will "no doubt" be addressed again in the not too distant future, and may, at some point, make their way to the Supreme Court for ultimate resolution.[44]

Endnotes

1. Mr. Allen was a butler at the White House for thirty-four years. Although he passed away before the movie "The Butler" was released, many states recognize a post-mortem right of publicity.
2. These examples are given for illustration purposes only and are not to suggest that these works violate anyone's right of publicity.
3. *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387, 403-07 (Cal. 2001).
4. 875 F.2d 994 (2d Cir. 1989).
5. New York recognizes a right of privacy as opposed to a right of publicity, which is codified in N.Y. Civ. Rights Law §§ 50 & 51.
6. *Rogers*, 875 F.2d at 1005.
7. *Id.* at 1004.
8. *Id.* at 999.
9. *Id.*
10. 25 Cal. 4th at 387.
11. *Id.* at 397.
12. 510 U.S. 569, 578-79 (1994).
13. 25 Cal. 4th at 406.
14. *Id.*
15. *Id.* at 407.
16. *Id.*
17. *Id.* at 408.
18. *Id.* at 409.
19. 717 F.3d 141 (3d Cir. 2013).
20. *Hart v. Electronic Arts, Inc.*, 808 F. Supp. 757 (D.N.J. 2011).
21. 50 Cal. Rptr. 3d 607 (Cal. Ct. App. 2006).
22. 122 Cal. Rptr. 3d 397 (Cal. Ct. App. 2011).
23. *Id.* at 410-411.
24. 808 F. Supp. at 784.
25. 329 F.3d 437 (6th Cir. 2003).
26. 332 F.3d 915 (6th Cir. 2003).
27. 717 F.3d at 158.
28. The court also declined to apply what is referred to as the "predominant use test," which looks to whether the use of the person's identity is predominantly commercial or expressive. *Id.* at 153-54.
29. *Id.* at 163.
30. *Id.*
31. *Id* at 169.
32. *Id.* at 167.
33. 332 F.3d at 936.
34. 717 F.3d at 169-70.
35. *Id.* at 173 (Ambro, J., dissenting).
36. *Keller v. Electronic Arts, Inc.*, 724 F.3d 1268 (9th Cir. 2013).
37. *Keller v. Electronic Arts, Inc.*, No. C. 09-1967, 2010 U.S. Dist. LEXIS 10719 (N.D. Cal. Feb. 8, 2010).
38. 724 F.3d at 1280-81.
39. *Id.* at 1281-82.
40. *Id.* at 1285.
41. 30 Cal. 4th 881 (Cal. 2003). *Winter* concerned the use in a comic book mini-series of two half-worm, half-human villains named Johnny and Edgar Autumn, who had pale faces and long white hair and were based on the musicians Johnny and Edgar Winter, who are albino brothers. The California Supreme Court held that the characters were transformative.
42. Petitions for certiorari filed September 23, 2013 (Nos. 13-376 & 13-377).
43. *Players to receive $40 million*, ESPN.com news services (Sept. 27, 2013), http://espn.go.com/college-football/story/_/id/9731696/ea-sports-clc-settle-lawsuits-40-million-source. The NCAA is not part of this reported settlement.
44. Shortly after the announcement of the settlement, Hart moved to disqualify his counsel and claimed that he did not authorize his attorneys to settle with EA. Hart's motion may delay the approval of the class action settlement in *Hart* and *Keller*, and it could derail the settlement altogether. On October 25, 2013, the NCAA filed a motion for leave to intervene to file its own petition for certiorari in *Keller* in order to present the First Amendment arguments EA had raised in its cert petitions.

Marc J. Rachman is a partner with Davis & Gilbert LLP and co-chair of the firm's Intellectual Property Litigation Group. Dominick R. Cromartie is an associate with Davis & Gilbert LLP and a member of the Intellectual Property Litigation Group.

Criminal Liability for Source Code Theft

By Douglas A. Miro and Stephen J. Quigley

I. Introduction

In August 2013, the Second Circuit, seemingly retreating from its controversial 2012 ruling in *United States v. Aleynikov*,[1] upheld the criminal convictions for trade secret theft of proprietary source code in *United States v. Agrawal*.[2] The defendants in both *Aleynikov* and *Agrawal* were convicted under two federal criminal statutes: The Economic Espionage Act (EEA),[3] which makes it a criminal act to steal, copy without authorization, or receive with knowledge of the theft or unauthorized copying a trade secret that will benefit anyone other than the owner of the trade secret with knowledge that the offense will injure the owner of the trade secret, and the National Stolen Property Act (NSPA),[4] which prohibits the transportation of "goods, wares, merchandise, securities or money" that are known to have been stolen.

The *Aleynikov* and *Agrawal* cases reflect the legal ambiguities surrounding the theft of trade secrets which have been stored electronically and the continuing efforts by the courts and Congress to grapple with the constantly evolving nature and format of proprietary information.

II. *Aleynikov*

In *Aleynikov*, the defendant, Sergey Aleynikov, while working for Goldman Sachs, uploaded Goldman's proprietary source codes used to conduct high frequency securities trades (HFT) to a remote server in Germany and then downloaded the codes to his personal computer at his home in New Jersey. Aleynikov was convicted at trial for violating both the EEA and the NSPA. The Second Circuit, however, reversed the convictions under both statutes.

The court of appeals held that the version of the EEA in effect at the time of Aleynikov's acts applied only to the theft of a trade secret that was "related to or included in a product produced for or placed in interstate or foreign commerce." The source code stolen by Aleynikov, according to the court, related to a system that Goldman did not intend to sell or license to anyone. Therefore, since Goldman's proprietary code was never intended to enter into commerce, the court held that there could be no liability under the EEA. In response to this ruling, Congress amended the EEA to cover a trade secret that is "related to a product *or service used in or intended for use in* interstate or foreign commerce"[5]

The Second Circuit also held that Aleynikov was not liable under the NSPA because the statute criminalizes only theft of physical property, not theft of intangible property such as the bytes in the Goldman Sachs source code. Because the code was not in a tangible form when Aleynikov misappropriated it, the court concluded there was no crime.

III. *Agrawal*

In *Agrawal*, the defendant, Samarth Agrawal, was a quantitative analyst for the French bank Société Générale who, like Aleynikov, had authorization to access confidential HFT source codes. Agrawal was required to certify periodically that during and after his employment he would not disclose or furnish any of the bank's confidential or proprietary information and that, upon termination, he would return all documents, papers, files, and other materials connected to the bank that were in his possession.

Shortly before leaving Société Générale, Agrawal printed numerous pages of the HFT code to sell to Tower Research Capital, a competitor of Société Générale, for hundreds of thousands of dollars. Agrawal then accepted a lucrative offer from Tower and, several months later, left Société Générale. Agrawal's resignation triggered a leave period of several months, during which time he was paid by Société Générale.

Although Agrawal was prohibited from working for any Société Générale competitor while on leave, he continued to meet with Tower personnel, including the computer programmers who were to write the code that would replicate Société Générale's two HFT systems. On the day Agrawal was to begin work at Tower, FBI agents arrested him and seized thousands of printed pages of computer code pertaining to Société Générale's HFT systems. At trial, the jury found Agrawal guilty under both the EEA and NSPA, and he was sentenced to concurrent 36-month prison terms on the two counts.

The Second Circuit upheld the conviction. With respect to the NSPA, the court found that Agrawal's printing of his employer's code on paper brought his conduct within the statute. Although the court noted that there was little to distinguish Agrawal's conduct from that of Aleynikov in terms of moral culpability, it found that the statute dictated different treatment of the electronic copying at issue in *Aleynikov* and the paper copying in *Agrawal*. The court stated that it was "Congress' task, not the courts,' to define crimes and prescribe punishments."[6]

The court also upheld Agrawal's EEA conviction because it was shown at trial that the securities traded using the stolen HFT codes satisfied the interstate commerce element. "Because such securities satisfy the EEA's jurisdictional element without raising the concerns identified in *Aleynikov*, Agrawal cannot demonstrate that any pleading insufficiency with respect to SocGen's HFT systems affected his substantial rights, much less the fairness, integrity, or public reputation of judicial proceedings."[7] The jurisdictional nexus was satisfied, the court held, "because SocGen's stolen computer code 'related to' the securities (the product) it identified for purchase and sale."[8] Applying the pre-amendment EEA, the court added:

> [W]e easily conclude that SocGen's HFT code related to publicly traded securities in such a way as to bring the theft of the HFT code within the EEA. The code existed for the sole purpose of trading in securities, and its considerable value derived entirely from the existence of a market for securities. In short, the confidential code was valuable only in relation to the securities whose interstate trades it facilitated.[9]

IV. The Impact of *Agrawal* and *Aleynikov*

Both *Agrawal* and *Aleynikov* involved employees who (1) stole proprietary source codes used in the financial industry to execute high frequency trades; (2) sold those codes to their employers' competitors in the hope of being rewarded; and (3) were charged under the same federal statutes that criminalize misappropriation of trade secrets. Had the trade secret theft in *Aleynikov* occurred after the 2012 amendment to the EEA, it is likely that his conviction would have been upheld. On the other hand, because the codes stolen in *Aleynikov* were not "goods, wares, merchandise, securities or money," the conviction under the NSPA still may have been reversed. The apparently dispositive difference for purposes of the NSPA is that by printing the source code, Agrawal created a tangible object subject to the statute, whereas Aleynikov retained the code in an intangible electronic format not covered by the law.

In her dissent in *Agrawal*, Judge Rosemary S. Pooler stated that the majority "ignores the factual similarities of *Aleynikov* and its narrow construction of the EEA, only months after the decision was rendered, in order to, in effect, retroactively apply Congress' statutory changes made during the interim period."[10]

Because Agrawal was convicted under the earlier version of the EEA, the *Agrawal* ruling is not likely to have a lasting impact. On the other hand, *Agrawal* reflects a greater willingness to protect proprietary information on the part of the Second Circuit than the *Aleynikov* ruling had shown. When read in conjunction with broader scope of the amended EEA, it evidently will be more difficult to escape criminal liability for stealing trade secrets, regardless of the format in which the secrets are taken.[11]

Endnotes

1. 676 F.3d 71 (2d Cir. 2012).
2. 726 F.3d 235 (2d Cir. 2013).
3. 18 U.S.C. § 1832. The full text of the statute, as amended in 2012, is:

   Theft of trade secrets

   (a) Whoever, with intent to convert a trade secret, that is related to a product or service used in or intended for use in interstate or foreign commerce, to the economic benefit of anyone other than the owner thereof, and intending or knowing that the offense will, injure any owner of that trade secret, knowingly—

   (1) steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains such information;

   (2) without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys such information;

   (3) receives, buys, or possesses such information, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;

   (4) attempts to commit any offense described in paragraphs (1) through (3); or

   (5) conspires with one or more other persons to commit any offense described in paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy,

   shall, except as provided in subsection (b), be fined under this title or imprisoned not more than 10 years, or both.

   (b) Any organization that commits any offense described in subsection (a) shall be fined not more than $ 5,000,000.
4. 18 U.S.C. § 2314. The full text of the statute is:

   Transportation of stolen goods, securities, moneys, fraudulent State tax stamps, or articles used in counterfeiting

   Whoever transports, transmits, or transfers in interstate or foreign commerce any goods, wares, merchandise, securities or money, of the value of $5,000 or more, knowing the same to have been stolen, converted or taken by fraud; or

   Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transports or causes to be transported, or induces any person or persons to travel in, or to be transported in interstate or foreign commerce in the execution or concealment of a scheme or artifice to defraud that person or those persons of money or property having a value of $5,000 or more; or

   Whoever, with unlawful or fraudulent intent, transports in interstate or foreign commerce any falsely made, forged, altered, or counterfeited securities or tax stamps, knowing the same to have been falsely made, forged, altered, or counterfeited; or

   Whoever, with unlawful or fraudulent intent, transports in interstate or foreign commerce any traveler's check bearing a forged countersignature; or

Whoever, with unlawful or fraudulent intent, transports in interstate or foreign commerce, any tool, implement, or thing used or fitted to be used in falsely making, forging, altering, or counterfeiting any security or tax stamps, or any part thereof; or

Whoever transports, transmits, or transfers in interstate or foreign commerce any veterans' memorial object, knowing the same to have been stolen, converted or taken by fraud—

Shall be fined under this title or imprisoned not more than ten years, or both. If the offense involves a pre-retail medical product (as defined in section 670) the punishment for the offense shall be the same as the punishment for an offense under section 670 unless the punishment under this section is greater. If the offense involves the transportation, transmission, or transfer in interstate or foreign commerce of veterans' memorial objects with a value, in the aggregate, of less than $1,000, the defendant shall be fined under this title or imprisoned not more than one year, or both.

This section shall not apply to any falsely made, forged, altered, counterfeited or spurious representation of an obligation or other security of the United States, or of an obligation, bond, certificate, security, treasury note, bill, promise to pay or bank note issued by any foreign government. This section also shall not apply to any falsely made, forged, altered, counterfeited, or spurious representation of any bank note or bill issued by a bank or corporation of any foreign country which is intended by the laws or usage of such country to circulate as money.

For purposes of this section the term "veterans' memorial object" means a grave marker, headstone, monument, or other object, intended to permanently honor a veteran or mark a veteran's grave, or any monument that signifies an event of national military historical significance.

5. 18 U.S.C. § 1832(a) (emphasis added).
6. 726 F.3d at 253.
7. *Id.* at 243.
8. *Id.* at 246.
9. *Id.* at 248.
10. *Id.* at 262.
11. On October 23, 2013, *The New York Times* reported that Judge Kevin McNulty of the District of New Jersey ruled that Goldman Sachs had a legal obligation to pay certain of Sergey Aleynikov's attorneys' fees relating to the criminal case because Aleynikov was an officer of the bank at the time in question, and Goldman, during the past six years, had paid the lawyers for 51 of 53 employees who required a legal defense. *The Times* estimates that these fees could exceed $4 million. http://dealbook.nytimes.com/2013/10/22/judge-orders-goldman-to-pay-programmers-legal-bills/?_r=0.

Douglas A. Miro is a partner in the New York City firm Ostrolenk Faber LLP. Stephen J. Quigley is of counsel to the firm.

Information or Deception? Recent Regulatory Efforts to Help Consumers Identify Advertising in the Digital World

By Brooke Erdos Singer and Celia R. Muller

I. Introduction

Building upon its previous initiatives to "help ensure that consumers can identify advertisements wherever they appear," the Federal Trade Commission (FTC) recently announced it would be conducting a workshop in December 2013 to explore "native advertising" (defined as "the practice of blending advertisements with news, entertainment, and other content in digital media") and the boundaries between digital advertising and digital content.[1] The following week, the New York Attorney General's Office issued a press release stating that, following a year-long sting operation, it had entered into "Assurances of Discontinuance" with nineteen search engine optimization companies and small businesses which it found had engaged in "astroturfing" by posting and soliciting false third-party reviews on sites like Yelp and Citysearch.[2]

Two weeks, two major developments in online advertising policy and policing. One of these actions focused on propriety in a site's own advertising and the other on acceptable use of third-party social media. Each action was taken with an eye to preserving honesty in the increasingly complex world of online content. This article reviews these and other recent steps taken by government and industry authorities to clarify the lines between advertising and other content on the Internet and the impetus and authority for their actions.

II. The FTC

The FTC has emphasized repeatedly that truthfulness, substantiation, and fairness govern advertising practices in the online realm as well as in traditional media.[3] The FTC is guided in these principles and is authorized to act by the FTC Act which, in section 5, prohibits ''unfair or deceptive acts or practices in or affecting commerce.''[4] In its *.com Disclosures*, published in March 2013 to ensure "effective disclosures in online advertising," the FTC affirmed that basic ad principles apply online. Specifically: "(1) Advertising must be truthful and not misleading; (2) Advertisers must have evidence to back up their claims ('substantiation'); and (3) Advertisements cannot be unfair."[5]

The *.com Disclosures* highlighted the breadth of the FTC's authority and its relevance to the Internet. Its interest in native advertising indicates it is taking that role seriously.[6] Although the FTC has not indicated whether it will be developing any new formal guidelines, it is actively seeking commentary and information on various aspects of native advertising. The points on which it compiled research and recommendations for its December 4, 2013 workshop included: (1) the purpose of native advertising; (2) its use in mobile applications; (3) monetization of native content; and (4) consumer perception research related to native advertising.[7] No legislation appears imminent, but the agency's interest in these topics has begun to prompt increased scrutiny of the mechanics and perception of native advertising as such advertising increases in prominence and popularity.[8]

III. The NAD

Commentators have linked the FTC's interest in native advertising to that of the National Advertising Division (NAD) of the Better Business Bureau, another major player in advertising regulation.[9] While the NAD most frequently oversees challenges brought by one advertiser against another (on grounds similar to those outlawed by the FTC Act—misrepresentation, lack of substantiation, and unfairness),[10] it also can institute challenges on its own. It usually does so when it identifies particularly bad actors or when it wishes to highlight and provide guidance on a particular issue.[11]

The NAD recently acted on its own initiative in examining the scope of advertiser Qualcomm's disclosure obligations with respect to a series of posts it sponsored on Mashable.com. Mashable, a news and content aggregator, had been engaged to select, gather, and post preexisting articles on technology in a series titled "What's Inside?" intended to aid promotion of Qualcomm's Snapdragon microprocessors. These posts were initially labeled as sponsored content but were kept on Mashable after the fixed sponsorship period, with the "sponsor" label removed (and without the Snapdragon advertising that had accompanied the sponsored page).[12]

In discussing its general concern with native advertising and teasing out particular issues raised by the Qualcomm-backed articles, the NAD's decision harked back to the basic principles promulgated by the FTC:

> It is a *well-accepted principle that advertising must identify itself as such*—in a 1968 Advisory Opinion, the Federal Trade Commission ("FTC") reminded advertisers that a sponsored news column that "uses the format and has the general appearance of a news feature and / or article for public information which purports to give an independent, impartial and unbiased

> view…[must] clearly and conspicuously disclose that it is an advertisement."[13]

After examining this set of "sponsored" articles, the NAD found that Qualcomm and Mashable had made it sufficiently clear that the Qualcomm posts, which explored the technology behind products other than Snapdragon, were connected with a sponsor. Although the "What's Inside" articles remained on Mashable even after Qualcomm's sponsorship period expired with the original "Sponsored Content" label removed, the NAD found that this did not create any potential for deception. When the sponsor's advertising and promotional intent were stripped away, the articles went back to being neutral, news-based content.[14] The NAD's analysis illustrates how, in the online environment, the same piece of content may be deceptive in one context or at one time and innocuous at another.

IV. The New York Attorney General

The New York astroturfing settlements represent an increase in online enforcement in relation to another problem that predates the Internet, and they are also based on general, well-codified principles of honesty in advertising. "Astroturfing" refers broadly to faux grass-roots efforts, from reviews to lobbying.[15] The FTC also targeted such activity in 2010 in connection with increased interest in online disclosures and with enforcement of the *Endorsements and Testimonials Guides* promulgated in 2009.[16] In addition to the practices targeted by the New York Attorney General during "Operation Clean Turf" (as the year-long investigation that led to the recent settlements was called), false review campaigns have been organized on Amazon.com and numerous other online forums.[17]

Operation Clean Turf, however, was apparently born of concern over evidence that a wave of false posts was (and is) overwhelming sites like Yelp on which consumers rely.[18] The attorney general's office targeted astroturfers by posing as a Brooklyn yogurt shop and contacting search engine optimization ("SEO") companies to request assistance in counteracting negative ratings on consumer review sites. Representatives of multiple SEO companies offered to post false reviews on Yelp, Citysearch, and other sites. In the course of its investigation, the Attorney General found that false reviews (posted, among others, by employees or "freelancers") had been used to boost the ratings of businesses ranging from laser hair removal clinics to the adult club Scores to coach buses.[19]

The Attorney General's investigation and actions were authorized by New York General Business Law §§ 349 and 350, which prohibit, respectively, deceptive business practices and false advertising. New York's consumer protection law empowers the Attorney General to enforce these laws in the public interest.[20] The state's actions reflect its determination that these false posts pose a threat to consumers. Astroturfing has been common—both online and offline—for several decades, but the Attorney General seems to have been prompted to act by a study (cited in the press release on the astroturfing settlements) indicating that consumers rely heavily on online reviews and that by 2014, "between 10% and 15% of social media reviews will be fake."[21]

As Attorney General Schneiderman explained, "This investigation into large-scale, intentional deceit across the Internet tells us that we should approach online reviews with caution. And companies that continue to engage in these practices should take note: 'Astroturfing' is the 21st century's version of false advertising, and prosecutors have many tools at their disposal to put an end to it."[22]

V. Why Enforce? Common Concerns

The actions discussed above reflect increased concern on the part of agencies and regulatory bodies over the implications for consumer protection of longtime deceptive practices being implemented online. In particular, these enforcement efforts reflect concern over the ease with which advertisers can present themselves online as something other than what they are—and over the ways in which this ambiguity hinders the ability of consumers to effectively make purchasing decisions. This concern with advertiser self-presentation predates the Internet,[23] but it has become especially pressing in light of the opportunities online interactions present for individual or corporate actors to obscure their identities (whether intentionally or not). It is one thing for an individual to "catfish"[24] someone and another thing for a corporation to hide its involvement in online content. The latter opens up special and unique opportunities for "unfair or deceptive acts or practices in or affecting commerce."

New York, federal, and industry authorities all have expressed concern over the extent to which and how consumers are swayed by online content. The New York Attorney General's Operation Clean Turf press release, for example, noted that "90% of consumers say that online reviews influence their buying decisions."[25] False reviews are obvious lies; these harmful untruths, however, are not properly addressed by private plaintiffs under the New York consumer protection statute empowering private suits because such suits require a showing of injury.[26] While dissatisfaction may result from obtaining goods or services from a business with falsely inflated reviews, mere deception does not establish injury under N.Y. Gen. Bus. Law § 349.[27] The Attorney General evidently concluded that the harm of companies' false reviewing practices warranted action on behalf of consumers who lacked the means to protect themselves adequately against such direct deception. As the Attorney General's action reflects, the harm inheres not in any single fake review but in the overall weakening of consumers' ability to trust online sources of information.

Deception is less obvious in the context of native advertising and sponsored content, where the information contained in a given post or article may technically be truthful. In these areas, online advertising has added new dimensions to traditional issues like consumer perception and claim substantiation. As the NAD noted, for example, in discussing the challenges of online content, deception may relate to a consumer's desire to have a full picture of a given piece of information as well as to the pure content of an advertisement. "Even when the advertiser's commercial interest does not change the information presented," the NAD stated in its Qualcomm decision, "a consumer may be interested in knowing who created the content and the reason it was created as such information may shape consumers' views of and interest in the content."[28] These new dimensions raise broad concerns—not just whether a single purchasing decision is swayed by a false advertisement (the way it would be, for example, by a literally false claim about a product's performance), but whether consumers generally can trust information available online.

VI. Outlook/Takeaways

Agencies appear to be attempting to combat the vagaries of online advertising and content by solidifying the boundaries and increasing the space between acceptable and unacceptable advertising behavior. As regulatory bodies continue to probe the fabric of online information-sharing, it is essential to keep in mind, as the NAD's Qualcomm decision did, the basic principle of consumer perception. While the information shared at the FTC's December workshop will surely guide the conversation surrounding online advertising, advertisers and content providers continue to draw lines and address issues of online honesty independently. Yelp, for example, has been known to use contract law to pursue parties who persistently and obviously engage in astroturfing.[29] Although this article covers only two areas with potential for online deception, the principles the FTC, NAD, and state apply to reviews, sponsored articles, and endorsements are just as relevant to other types of advertising content, from "prankvertising" and stunt ads to content distributed through more informal channels like Twitter and Vine.

Endnotes

1. FTC Press Release: "FTC Native Advertising Workshop on December 4, 2013 Will Explore the Blurring of Digital Ads With Digital Content" (Sept. 16, 2013), http://www.ftc.gov/opa/2013/09/nativeads.shtm ("Native Ad Release").
2. New York Attorney General's Office Press Release: "A.G. Schneiderman Announces Agreement With 19 Companies To Stop Writing Fake Online Reviews And Pay More Than $350,000 In Fines" (Sept. 23, 2013), http://www.ag.ny.gov/press-release/ag-schneiderman-announces-agreement-19-companies-stop-writing-fake-online-reviews-and ("Attorney General Press Release").
3. *See* FTC Search Engine Advertising Guidance (June 25, 2013), http://www.ftc.gov/opa/2013/06/searchengine.shtm; FTC .Com Disclosures (March 12, 2013), http://www.ftc.gov/os/2013/03/130312dotcomdisclosures.pdf; and FTC Endorsements and Testimonials Guides (October 5, 2009), http://ftc.gov/os/2009/10/091005revisedendorsementguides.pdf.
4. 15 U.S.C. § 45.
5. *.Com Disclosures*, note 3, at 4, *citing* FTC Policy Statement on Deception, appended to Cliffdale Associates, Inc., 103 F.T.C. 110, 174; FTC Act, 15 U.S.C. § 45(n); FTC's Unfairness Policy Statement.
6. *See* Native Ad Release, note 1.
7. *Id.*
8. Business and technology news sources indicate the prevalence of native advertising is rising rapidly. *See, e.g.*, Cooper Smith, "The Native Ad Rush Is On: Here's Why Social Media Budgets Are Pouring Into In-Stream Ads," *Business Insider* (Oct. 15, 2013), http://www.businessinsider.com/the-rise-of-social-native-advertising-2013-10; David Taintor, "Forbes Estimates BrandVoice Will Generate 20 Percent of Total Ad Revenue This Year," *AdWeek* (Oct. 10, 2013), http://www.adweek.com/news/press/forbes-estimates-brandvoice-will-generate-20-percent-total-ad-revenue-year-153041.
9. Michael Sebastian, "Advertising Watchdog Concerned About Native Advertising," *Ad Age* (Sept. 30, 2013), http://adage.com/article/media/ad-watchdog-reveals-inquiry-sponsored-content/244468/.
10. The NAD is the investigative and adjudicatory unit of the advertising industry's system of voluntary self-regulation. *See* The Advertising Industry's Process of Voluntary Self-Regulation: Policies and Procedures by the Advertising Self-Regulatory Council (Sept. 24, 2012) at Sec. 2.1.A, http://www.asrcreviews.org/wp-content/uploads/2012/10/NAD-CARU-NARB-Procedures-Updated-10-9-12.pdf ("NAD Procedures").
11. NAD Procedures at Sec. 2.1.D; *see, e.g., Fiore RX, LLC (Antifungal Nail Lacquer)*, NAD Report No. 5600 (June 4, 2013) (NAD referred an antifungal nail polish manufacturer to the FTC after the manufacturer failed to respond to the NAD's request for claim substantiation).
12. *QUALCOMM, INC. (Snapdragon Processors)*, Case Report # 5633 (Sept. 20, 2013) ("Qualcomm Decision").
13. *Id.*, quoting FTC Advisory Opinion No. 191, 73 FTC 1307 (File No. 6693 7080, released February 16, 1968) (emphasis added).
14. *Id.*; *see also* NAD Press Release "Native Advertising Review: NAD Examines Qualcomm/Mashable Sponsored Series" (Sept. 30, 2013).
15. The term was coined in 1985 by former U.S. Senator Lloyd Bentsen to describe the heaps of letters and postcards he would get advocating for private interests: "A fellow from Texas can tell the difference between grass roots and Astroturf," he put it colorfully, "this is generated mail." Ryan Sager, "Keep Off the Astroturf," *The New York Times* (Aug. 18, 2009), http://www.nytimes.com/2009/08/19/opinion/19sager.html?_r=0.
16. FTC Press Release "Public Relations Firm to Settle FTC Charges That It Advertised Clients' Gaming Apps Through Misleading Online Endorsements" (Aug. 26, 2010), http://www.ftc.gov/opa/2010/08/reverb.shtm.
17. TechDirt, "Telco Astroturfing Tries To Bring Down Reviews Of Susan Crawford's Book" (July 29, 2013), http://www.techdirt.com/articles/20130722/17503523891/telco-astroturfing-tries-to-bring-down-reviews-susan-crawfords-book.shtml; March Communications, "Astroturfing: A PR No-No That Gave Samsung a Public Black Eye" (Aug. 6, 2013), http://www.marchpr.com/pr/2013/08/astroturfing-a-pr-no-no-that-gave-samsung-a-public-black-eye/; *see supra* note 13.
18. *See* Attorney General Press Release at n.2.
19. *Id.*
20. N.Y. Gen. Bus. Law § 349(b).

21. *See* Attorney General Press Release, note 2.

22. *Id.*

23. It was present, for example, in the original FTC's endorsement guidelines, first published in 1972. *See* 73 Fed. Reg. 72374, 72376 (Nov. 28, 2008).

24. This term is generally used to refer to creation of a false social media profile—often to deceive or seduce someone.

25. *See* Attorney General Press Release, note 2.

26. N.Y. Gen. Bus. Law § 349(h); *see also Stutman v. Chemical Bank*, 95 N.Y.2d 24 (N.Y. 2000) ("A plaintiff under section 349 must prove three elements: first, that the challenged act or practice was consumer-oriented; second, that it was misleading in a material way; and third, that the plaintiff suffered injury as a result of the deceptive act.").

27. *See, e.g.*, *Bildstein v. MasterCard Int'l Inc.*, 329 F. Supp. 2d 410 (S.D.N.Y. 2004) (finding mere payment of a deceptive credit card fee did not constitute injury).

28. Qualcomm Decision at 3.

29. Complaint, *Yelp, Inc. v. McMillan Law Group*, No. CGC 13-533654 (Sup. Ct. Cal. Aug. 16, 2013).

Brooke Erdos Singer, a partner, and Celia R. Muller, an associate, are members of the Intellectual Property and Advertising, Marketing & Promotions practice groups at Davis & Gilbert LLP. Brooke is the co-chair of the Section's new Advertising Law Committee.

ICANN and Its New gTLD Program: Risks and Challenges

By Mark Kudlacik

I. Introduction

One of the largest technical changes to the Internet's basic plumbing is under way, creating opportunities for entrepreneurs and corporate marketing departments but also generating substantial risks and challenges for trademark owners, brand managers, and their attorneys. The Internet Corporation for Assigned Names and Numbers (ICANN), a powerful Internet oversight organization, has launched a program of expansion and liberalization that could see the number of generic top-level domains (gTLDs) on the Internet increase from today's 23 to almost 1,500 in the space of just a couple of years.

While the controversial program, often likened to a "land rush," has been estimated to have the potential to add billions to the value of the domain name market annually, it also could also have a significant impact on brands, whose owners may be forced to reevaluate their domain name management and enforcement strategies.

This article will explain the background to the new gTLD program and the current state of the program and provide some recommendations for brand owners.

II. ICANN and the Origins of the New gTLD Program

ICANN is the governing policy-setting body for the Internet's naming and addressing systems. ICANN is incorporated as a California Nonprofit Public Benefit Corporation and acts under the authority of a series of agreements with the Department of Commerce. One of its most important roles is to act as a gatekeeper for the top level of the Domain Name System's multi-level addressing hierarchy.

While any individual or corporation may register a second-level domain name, such as "xxxxx.com," only ICANN may approve the creation of a new generic top-level domain (gTLD) (".xxx"). The creation of new gTLDs as a mechanism for fostering competition and choice in the domain name industry has been part of ICANN's mandate since it was formed in 1998 under the guidance of the Clinton administration.

In an attempt to remove subjectivity from the process and in view of the difficulty of the controls established in prior expansions, the New gTLD Program was designed to provide applicants with objective criteria for approval (although some may question the criteria as a practical matter, since many changes to the governing documents were made after the application deadline) set out in an authoritative Applicant Guidebook, while only restricting potential business models to the extent necessary to protect intellectual property rights, governmental and community interests, and the technical stability of the Internet.

The Applicant Guidebook does not enforce many bright-line restrictions on who may apply or how applicants may use their gTLDs in terms of registrant eligibility, pricing, or additional registry services. Applications required a $185,000 filing fee, and applicants were subject to background checks to ensure gTLDs were not acquired by abusive interests, but the business models that can be employed by successful applicants are essentially unrestricted, at least in comparison to the current competitive environment.

Only two types of application are afforded special treatment: those for labels considered "geographic" in nature and those that self-designate as "Community" bids. Geographic bids have a higher threshold for approval, requiring evidence of support or non-objection from the government of the city, region, or territory covered by the gTLD string. In the event a gTLD is contested by more than one applicant, Community applications, conceptually similar to "Sponsored" gTLDs, have the opportunity to avoid an auction by opting for a Community Priority Evaluation (CPE). CPEs require the application to undergo a set of rigidly scored tests, but the reward is that all competing applications for the same string are rejected.

III. The 2012 New gTLD Program

On January 12, 2012, ICANN began accepting new gTLD applications through an online portal. (The original three-month window to submit applications was extended due to technical problems with ICANN's custom-made TLD Application System software, and the final applications were eventually received on May 30, 2012, six weeks behind schedule.)

In mid-June 2012, ICANN revealed that it had received 1,930 new gTLD applications, consisting of several broad categories or business models. There were 230 strings applied for by more than one applicant, totaling 751 applications in what are known as "contention sets." There were also 116 applications for Internationalized Domain Names (IDNs)—domain extensions in non-ASCII characters—comprising 12 different scripts. Among the new gTLDs applied for were .shop, .app, .web, and .games, to name a few.

As of October 2013, nearly 18 months after the submission deadline, no new gTLDs have active domain registrations, although four applications have been "delegated" (i.e., assigned to the root zone, enabling a domain name registered in a TLD to resolve) and are expected to begin accepting registrations by the time this article is published. Of the initial 1930 applications, there are 1806 active applications; three applications have been rejected; and 121 applications have been withdrawn. Thirty-six registry agreements have been signed, and 416 applicants have been invited to begin discussing a contract with ICANN.

Almost half of all applications were for so-called "single registrant" gTLDs (although GAC advice, discussed below, could change this ratio). In these cases, the gTLD registry operator would own and control every second-level domain rather than selling domain names to third parties. Approximately one-third of the 1,930 applications were for dot-brand gTLDs. Hundreds of companies have applied for their most-famous trademarks as single-registrant gTLDs. This will create new and interesting possibilities for marketing departments but in some cases may merely place a stake in the ground to protect a valuable trademark.

Some companies intended to take the single registrant concept further into new territory, applying for gTLDs matching common dictionary words but with a single-registrant business model in mind. For example, Google Inc. proposed puting .blog, .game, .film, and dozens of others to its own corporate use. Amazon.com, Inc. applied for 76 strings, the vast majority of which are dictionary words that would, according to its applications, be set aside for Amazon. The viability of this approach has been impacted by ICANN Governmental Advisory Committee Advice ("GAC Advice"), discussed below.

The other large category of applications belongs to start-up portfolio applicants, which have traditional business-to-consumer models and intend to use their scores, or even hundreds, of niche and generic-word gTLDs to challenge .com's market dominance. Many of these companies were formed by domain name industry veterans, including Donuts Inc., Famous Four Media, Top Level Domain Holdings Plc., and Uniregistry Corp. Together, those four applicants have applied for more than 500 gTLDs.

IV. Timetable

The new gTLD program is divided into phases. Initially, each application is subject to an Initial Evaluation, which includes applicant background screening and a detailed assessment of its technical and financial capabilities. The applied-for string itself is also subject to evaluation to determine whether it runs the risk of causing confusion with existing TLDs, certain protected geographic and infrastructure-related terms, or other applied-for strings.

Following Initial Evaluation, applications follow divergent paths. Those that fail Initial Evaluation have the option to enter Extended Evaluation to enable them to answer questions raised in the Initial Evaluation, to attempt to justify perceived weaknesses in their applications, or to further explain any uniquely risky technical proposals their business models may entail. Applications that are in "contention sets" will be asked to attempt to settle their differences outside of the process (resulting in all but one of the applications being voluntarily withdrawn) or proceed to an ICANN auction. There have already been at least 18 private auctions resolving contention sets, thus allowing the application to proceed.

Applications that pass Initial Evaluation, are not in contention, and have no outstanding objections or GAC advice will proceed to contract negotiations and pre-delegation technical testing with ICANN. This shortest-path route to delegation is expected to be traversed by relatively low-controversy applications. Other applications will delayed into 2014 and beyond by Extended Evaluation, objections, contention resolution, and GAC Advice.

Implementation of the program has been ongoing since the close of the application period. 1749 applications have passed initial evaluation, 20 are on hold, and 37 have been subjected to extended evaluation. There has been significant progress recently. Four applications were delegated to the root on October 24. All four of these applications are IDNs. They are:

- .xn--ngbc5azd (شبكة.)—means ".web" in Arabic. Operated by dotShabaka Registry.
- .xn--unup4y (.游戏)—means ".games" in Chinese. Operated by Donuts.
- .xn--80aswg (.cfqn)—means ".site" in Cyrillic. Operated by CORE Association.
- .xn--80asehdb (.jykfqy)—means ".online" in Cyrillic. Also operated by CORE Association.

Progress on the new gTLDs program can be accessed on the ICANN micro-site, www.newgtlds.icann.org.

V. GAC Advice

Only ICANN's Governmental Advisory Committee (GAC), a multinational council of government interests, may file GAC Advice against a new gTLD application. Opponents of specific gTLD applications have lobbied the GAC and their own national government's representatives in order to potentially influence GAC Advice. For example, GAC opposition to a "dot-brand" application for .patagonia, which matches a geographic region, has resulted in the withdrawal of the .patagonia application. Similarly, GAC advice causing the delay and possible rejection of .amazon (because of the region in South America) was not met favorably by the IP community, which has spoken out in support of the brand owner.

During the Beijing ICANN meetings, the GAC issued communiqués that spelled out concerns with a wide range of TLD applications. In addition to specific statements about particular applications, the GAC has expressed particular concerns about gTLDs that purport to represent regulated industries such as banking, pharmaceuticals, and others. The GAC has stated that strings "linked to regulated or professional sectors [labeled Category 1 strings by the GAC] should operate in a way that is consistent with applicable laws. These strings are likely to invoke a level of implied trust from consumers, and carry higher levels of risk associated with consumer harm." Yet during the Durban meeting the GAC simply stated that it will "continue the dialogue with the New gTLD Program Committee (NGPC) on this issue." Since the dialogue between the GAC and NGPC has not reached a definite conclusion, there are approximately 500 TLD applications in limbo—unable to proceed to contracting but not rejected.

The other group of names addressed in the GAC's Beijing communiqué was Category 2 applications. Category 2 GAC advice affects applications for "generic words" that will be accessible only to a single registrant. The GAC position is that "exclusive registry access should serve a public interest goal," and the Category 2 list contains applications for terms the GAC "considers to be generic terms, where the applicant [was at the time] proposing to provide exclusive registry access." At the time of this communiqué, Category 2 was relevant for 186 applications. In order to proceed in the application process, applicants of Category 2 TLDs must be willing to sign a Registry Agreement that does not limit domain registration to a single entity or person. For those applicants not willing to change their original business model by opening their TLD to domain registration from third parties, the NGPC will study whether the GAC Advice to limit TLDs with generic words to a single entity is feasible within the current rules and, if so, will make a proposal for implementing the GAC Category 2 Advice.

VI. Risks for Brands

Now that the full list of applicants and their chosen strings is moving toward delegation, both participants and non-participants in the program have much better insight into their risk profiles. The large number of unrestricted business models proposed by new gTLD applicants clearly poses a risk of exacerbating any cybersquatting problem. For brands, certain applications may potentially be more troublesome. The multiple applications for .sucks, for example, may put brand owners in a defensive registration position.

In other cases, companies may find that generic terms representing their industry, or products and services they provide, may have been applied for as gTLDs by third parties. In these cases, the risks of cybersquatting and the associated brand damage may be more acute, particularly if the new gTLD applicant(s) in question have not chosen to adopt stronger intellectual property protection mechanisms than those mandated by ICANN.

In addition to the mechanisms used to oppose troublesome or infringing new gTLD applications, there are a set of ICANN-created rights protection mechanisms (RPMs), discussed below, that can be used to mitigate risk after new gTLD domain registrations begin.

VII. Post-Launch IP Protection Mechanisms

Despite objections, hundreds of new gTLDs inevitably will launch, as evidenced by the four TLDs already delegated. As the new gTLDs launch, brand owners already working to protect their intellectual property rights in a world of 23 gTLDs and over 250 more country-code TLDs will be faced with a new twist on an old predicament: in which gTLDs should they defensively register their brands, and which brands should they register? The scale of the new gTLD expansion could carry with it a commensurate expansion in the cost of trademark enforcement.

After new gTLD registries begin the sale of domain names, some increased cybersquatting is perhaps inevitable. But ICANN has created new intellectual property rights protection mechanisms that will be obligatory for all new gTLD registries and that could potentially diminish abusive registrations as new registries come online.

A. Uniform Rapid Suspension

Uniform Rapid Suspension (URS) was originally conceived of as a way for trademark owners to quickly and cheaply have obviously infringing domain names suspended. Unlike the longstanding Uniform Domain Name Dispute Resolution Policy (UDRP), a successful URS challenge would not result in the transfer of the infringing domain name. It would, however, mitigate the damage caused by the infringement because the domain would resolve to a URS splash page.

The URS is designed to be applicable to "clear cut" cases of cybersquatting but does not preclude the filing of a UDRP. The URS is a purely electronic procedure with relatively quick disposition. The domain owner has 14 days to respond to a complaint, with a decision generally rendered within five days. If the complainant succeeds, the domain is suspended, but if the respondent prevails he retains full control of the domain. Although this is intended to be a relatively quick and inexpensive procedure, there are safeguards in place to ensure the complainant makes a prima facie case.

The National Arbitration Forum and the Asian Domain Name Dispute Resolution Centre have been approved as URS providers. The costs for a URS filing will range from $375-$500 depending on the number of domain names at issue.

B. The Trademark Clearinghouse

The Trademark Clearinghouse (TMCH) is a database of trademark information, managed by Deloitte and IBM, that will be used by registries to support two mandatory rights protection mechanisms mandated by the Applicant Guidebook: Sunrise and Trademark Claims. The standards for inclusion in the TMCH are:

- Nationally or regionally registered word marks from all jurisdictions.
- Any word mark that has been validated through a court of law or other judicial proceeding.

- Any word mark protected by a statute or treaty in effect at the time the mark is submitted to the Clearinghouse for inclusion.

The TMCH will authenticate registrations, ensuring they qualify for inclusion into the TMCH, and validate proof of use of the marks. Trademark owners bear the costs of participating in the TMCH—about $150 per submission.

The TMCH will come into play prior to a new gTLD becoming generally available for registration, when it will be contractually obliged to operate a Sunrise period, during which companies that have registered their trademarks in the clearinghouse will be given the opportunity to register domain names matching that trademark before registration is open to others. However, registries may be given some flexibility in how they implement Sunrise—such as the pricing policies they choose—which has the potential to limit the utility of the policy for brand owners.

There will be two types of Sunrise Periods. The first option will provide a 30-day advance notice that the registry is going live. This will give trademark owners 30 days to decide if they want to participate in a Sunrise. The Sunrise Period then will run for at least 30 days on a first-come, first-served basis. In this type of Sunrise, trademark owners should register their domain name as soon as the sunrise registration opens to minimize the risk of a competing trademark owner in the TMCH registering the domain they are interested in because names will be allocated first-come, first-served.

The other type of Sunrise (not originally in the Applicant Guidebook) will run for 60 days. In this Sunrise option, there will be no advance notice required, but no domains will be allocated until the end of the 60-day period. This means that if more than one trademark owner is interested in registering the same domain name, the name will be allocated by a method instituted by the registry, probably an auction to the highest bidder. Under this type of Sunrise, there is no detriment to filing later in the Sunrise process, as all names will be allocated at the conclusion of the Sunrise term.

For the first 90 days after general availability, registries and participating registrars also must implement a Trademark Claims service, which serves a dual purpose: to notify would-be registrants that the name they are attempting to register is “claimed” by a trademark owner and to notify TMCH-registered trademark owners that somebody has attempted to register their mark as a domain name. The Trademark Claims service does not prevent the registration of infringing domain names; it is simply a notice feature. It is contractually required for just 90 days after the conclusion of the new gTLD Sunrise period, although nothing prevents a new gTLD operator from extending this feature.

Although the Guidebook originally permitted only domain names identically matching a trademark to be protected in the TMCH, in the spring of 2013 the scope of protection was expanded to include trademarks +50. This +50 allows registrants in the TMCH to extend Trademark Claims protection to an additional 50 variations on their trademark, providing the variations are the subject of a successful UDRP or court proceeding. The cost for this additional protection is $75 for a UDRP decision and $200 for judicial decisions plus $1 per variation per year.

In addition to the mandated RPMs discussed above, some registry operators are offering additional RPMs. For example, Donuts, the largest TLD applicant, is offering its own blocking mechanism, the domain protected marks list (DPML). This RPM allows rights owners to block a trademarked term from being registered across all of the company’s registries for up to 10 years at a fixed cost.

VIII. Conclusion

For many companies, ICANN’s new gTLD program is a marketing opportunity not to be missed. For many others, it is an nuisance that risks exacerbating the problem of online brand dilution and substantially increasing the cost of trademark enforcement. While ICANN has introduced a range of new intellectual property rights protection mechanisms, they are by no means perfect and will certainly not prevent cybersquatting. Trademark professionals should make themselves aware of the gTLD strings that have been applied for and the applicants responsible and draw up a risk profile and filing strategy.

Whether to include trademarks in the TMCH is a decision for each brand owner, balancing the cost of submitting data against the benefits of Trademark Claims and Sunrise registrations. As a practical matter, the value of Trademark Claims is limited because it only lasts for 90 days. The desire to file Sunrise applications is a valid reason for filing TMCH applications, with Trademark Claims being an ancillary benefit. However inclusion in the TMCH for Trademark Claims seems to be of limited benefit because the service lasts for only 90 days, and submission to the TMCH costs $150.

In other cases, a post-launch enforcement strategy may be more effective. The URS and Trademark Clearinghouse services are flawed, but they may offer the potential to reduce the cost of anti-cybersquatting programs.

Brand owners need to decide on their protection strategy, consisting of some combination of Sunrise applications, Trademark Claims, or ongoing monitoring of new domain registrations. Regardless of the strategy, the new gTLD program should be on the radar of brand managers and trademark counsel for the foreseeable future.

Mark Kudlacik, Esq. is the founder of CheckMark Network, a company that focuses on online brand protection services. He is active in INTA and ICANN.

Using Intellectual Property Laws to Protect Indigenous Cultural Property

By Olivia J. Greer

I. Introduction

Last April, a Paris auction house made headlines when it hosted a hotly contested sale of Hopi Indian artifacts, with items selling for as much as $210,000.[1] The prospect of the auction had produced intense debate over the propriety of the sale, a lawsuit by the Hopi tribe to enjoin the auction, and even an effort by the United States ambassador to France to intervene on behalf of the Hopi. The legal fight culminated in a ruling from a French court allowing the auction to go forward, amidst ongoing protest.[2] The Hopi argued that the objects being offered for sale were sacred artifacts, stolen from tribal lands and central to the Hopi religion. The Hopi and their supporters regarded the sale of such artifacts as sacrilege.[3]

The Paris sale is just one recent example of a centuries-old phenomenon of outsiders trying to profit from indigenous cultural property (whether physical objects like masks or intangible goods like symbols). Notwithstanding the outcry of many Americans over the auction, the unauthorized use and sale of American Indian cultural property is a longstanding practice in the United States, one that is actively challenged by indigenous communities here.

This article explores whether and to what extent U.S. intellectual property laws may prevent the unauthorized exploitation of tangible and intangible indigenous cultural property. IP does not apply neatly to these issues. At a fundamental level, there is a very real mismatch between Western individualized intellectual property rights principles (to protect and incentivize the creation of products of individual genius) and indigenous principles of community creation and ownership. "In general, indigenous peoples' worldviews hold communally owned property and stewardship as paramount."[4] Intellectual property laws provide protection that tends to be limited in scope and duration.[5] For this reason, there is a reasonable critique that intellectual property laws are "insufficient for representing indigenous interests."[6]

This is true particularly for indigenous communities that view native culture, and even its existence, as threatened by outsiders' use of cultural property.[7] From this vantage point, compensation is not an adequate remedy. The ideal—and perhaps only acceptable—solution is to prevent outsiders from making any use of sacred artifacts and symbols. Economic solutions also "may be not only inadequate, but insulting" to tribal members seeking to protect traditions and sacred practices.[8] But it is arguably impossible, in this day and age, to fully prevent outsiders from making unauthorized use of intellectual property. Therefore, others argue, if outsiders are going to benefit commercially from the appropriation of indigenous cultural objects and intangible property, the originator(s) of that property should receive at least some compensation.[9] From this perspective, the primary issue is loss of control over cultural property and the resulting loss of ability to ensure that "the investment in that culture goes back to [the] communities."[10]

Is a tribe best served by seeking to fully prevent others' use of its cultural property or by allowing such use and seeking to benefit financially from it? "Although both sets of concerns are likely to be operating simultaneously in some situations, because these two motivations are so different, it may be that the law will sometimes satisfy one while it frustrates the other."[11]

This article focuses on three examples of trademark or copyright law being used, with varying degrees of success, to assert and protect the rights of indigenous communities in their cultural property. The examples involve the Navajo Nation, which owns numerous trademarks related to its name and is currently litigating to enforce those marks; the Zia Pueblo of New Mexico, which has sought to block the registration of trademarks that use the tribe's sacred sun symbol; and the Mardi Gras Indians of New Orleans, members of which have registered copyrights in their ceremonial Mardi Gras suits in order to block their unauthorized commercial exploitation. These efforts illustrate the benefits and limitations of invoking intellectual property laws to protect indigenous cultural property.

Intellectual property laws are not the only legal protections available for indigenous cultural property. Two federal statutes directly address American Indian property: the Native American Graves Repatriation Act requires the return of certain artifacts and human remains to tribes from museums and private holders, and the Indian Arts and Crafts Act is a consumer protection law prohibiting the mislabeling of goods as crafted by American Indians.[12] Some American Indian tribes also have passed their own laws, which tend to claim ownership in, as well as decision-making authority over, a wide range of objects, writings, and cultural practices.[13] The laws draw on traditional intellectual property concepts, but they go further to prohibit unauthorized appropriation of cultural property by outsiders and (in contrast to and conflict with federal intellectual property law) allow ownership interests to be held in perpetuity.[14] These federal and tribal laws provide very limited protection, however. The federal statutes protect only physical artifacts and only in specific, limited contexts. The tribal laws, although wide-reaching in protective scope, cannot be enforced against non-Indians acting outside of Indian territories.[15] Given these limitations, intellectual property laws become a compelling option. The question is how effective they can be.

II. Trademark Law

A. Overview

A trademark is a word, symbol, or phrase used to identify a seller's goods or services and to distinguish them from goods or services provided by others.[16] Trademark law is aimed at preventing consumer confusion in the marketplace and allowing companies to establish reputations and goodwill.[17] It governs only the *use in commerce* of words, symbols, and phrases. Trademarks are governed by both state and federal law, but the federal Lanham Act has become the primary source of trademark regulation.[18]

Under the Lanham Act, to qualify as a trademark, a mark must be "distinctive," that is, capable of identifying the source of a particular good or service.[19] When a mark qualifies as a trademark, a party may establish exclusive rights in the mark by either being the first to use the mark in commerce or the first to register it with the U.S. Patent and Trademark Office (PTO).[20]

A trademark does not have to be registered with the PTO to be protected, but registration provides a number of benefits, including the ability to sue for infringement in federal court and establishing a trademark as "incontestable" after five years of use following registration. An application for trademark registration also provides an immediate test of the mark: the PTO may reject a mark for a variety of reasons, including that it will cause confusion with another mark. Once the PTO approves a mark for registration, it is "published" for a period of thirty days, during which interested parties may oppose registration.[21]

Trademark law would not have provided a remedy for the Hopi seeking to prevent the sale of sacred artifacts in Paris. The artifacts themselves are neither trademarks nor protectable trade dress, and the sale of a unique object would, in any event, be protected by the first sale doctrine.[22] But, in addition to artifacts, the words and symbols of traditional cultures have long been widely appropriated by outsiders, from the Jeep Cherokee to the American Indian words used as the names of towns on Long Island. Trademark law provides a possible tool—albeit an imperfect one—for addressing certain unauthorized uses of indigenous words and symbols. In fact, trademark law may be a particularly flexible tool, as it can be wielded as both a shield and a sword. Trademark registration is best characterized as a defensive act, proactively establishing rights that later may be asserted against infringers. In comparison, opposing the trademark registration of another party is generally offensive, challenging another party's assertion of rights. (Trademark opposition also may also be seen as defensive in seeking to prevent harm that would result if another party's trademark were registered.)

Trademark registration and opposition each have drawbacks as means of protecting indigenous words and symbols. Registration is particularly problematic because use in commerce is an absolute requirement for trademark registration. The words or symbols for which indigenous communities might seek protection are not likely to be used in commerce—in fact, commercial use could be anathema to community members and leadership.[23] Opposition to trademark registration must be based on a statutorily established ground, such as that the proposed mark will cause confusion with another trademark; is not distinctive, deceptive or fraudulent, or not in commercial use; or another specified reason.[24] Thus, the mere fact that a registrant is using an indigenous word or symbol as a mark is not, by itself, a sufficient ground for opposition. A tribe seeking to oppose registration must be able to establish one of the statutory grounds for rejecting the application, which may not always be possible.

Despite these hurdles, at least two American Indian tribes have used trademark law to challenge unauthorized uses of their marks—through both registration and opposition. The Navajo Nation, decades ago, pro-actively registered numerous trademarks related to its name and currently is litigating to enforce its rights in connection with those trademarks. The Zia Pueblo of New Mexico has sought to prevent unauthorized uses of its unregistered symbol in part by opposing the registration of marks incorporating that symbol. These two cases well illustrate the pros and cons of using trademark law to protect indigenous words, phrases, and symbols from unauthorized commercial exploitation.

B. Enforcing a Registered Mark: *Navajo Nation v. Urban Outfitters*

The Navajo Nation is one of the largest organized American Indian tribes, with an established tribal government and a history of both cooperative engagement with "outsiders" and successful litigation to protect its rights and property.[25] In a prescient move, the Navajo Nation began registering trademarks connected to the Navajo name in 1943 and now holds numerous registered trademarks in connection with the sale of goods and services, including clothing, jewelry, housewares, and accessories.[26] In February 2012, the Navajo Nation sued clothing company Urban Outfitters and its subsidiaries Anthropologie and Free People as well as the companies' websites (collectively, "UO"), alleging that UO infringed its trademarks by using the name "Navajo" in connection with its sale of goods ranging from jewelry to underwear to flasks.[27] UO entities marketed, for instance, a "Vintage Handmade Navajo Necklace," "Navajo Hipster Panty," and "Navajo Print Fabric Wrapped Flask."[28] The complaint alleged trademark infringement, trademark dilution by blurring and tarnishment, and violation of the Indian Arts and Crafts Act, which, as noted, prohibits the sale of goods labeled falsely as made by American Indians.[29]

The Navajo Nation argued that UO used the word "Navajo" in direct competition with the Navajo Nation's own sale of goods in the same channels of trade in a way that deceived and confused customers. The tribe claimed that UO's goods were "designed to convey to consumers a false association or affiliation with the Navajo Nation, and to unfairly trade off of the fame, reputation, and goodwill of the Navajo Nation's trademarks."[30] UO countered that its use was merely descriptive—that it had used the mark not as an identifier of source but as an identifier of a particular style—and that the use therefore was not actionable trademark use.[31] The parties' arguments addressing the trademark dilution claims and the Indian Arts and Crafts Act claim focused on whether the Navajo Nation had adequately alleged those claims and whether the Indian Arts and Crafts Act could be invoked in relation to contemporary goods or was limited to traditional arts and crafts.[32]

In April 2013 (the same month that the Hopi tribe was fighting in a Paris court), a federal court in New Mexico denied UO's motion to dismiss.[33] The court found that the Navajo Nation had sufficiently alleged that UO used the word "Navajo" as a trademark in a way that could lead to consumer confusion.[34] The court concluded that the word "Navajo," which UO argued was descriptive and thus unenforceable, had "a primary meaning that refers to the Navajo tribe and its people" and that the term therefore conveyed information about source even when used descriptively as an adjective.[35] The court denied UO's motion to dismiss the trademark infringement claim, finding that the Navajo Nation adequately alleged that UO's use was on similar goods that the Navajo Nation markets and sells; that the goods competed in many of the same channels of commerce; and that buyers exercising reasonable care could be deceived into thinking they were buying a product made by the Navajo Nation or a member of the tribe. The court also denied UO's motion to dismiss the remaining claims.[36]

In the wake of the district court's ruling, the parties agreed to submit to mediation, but they recently informed the court that the mediation had been unsuccessful.[37] The parties are likely to be back in court soon and could end up going to trial, with a number of possible results. It is possible that UO will be enjoined from using the Navajo mark. Such a ruling would send a strong message to "outsiders" that native culture is not freely available for appropriation. It is also possible the court could find that UO used the Navajo mark only descriptively and that the use was not likely to confuse consumers as to a connection with the Navajo people. In a worst case scenario for the tribe, it is also possible that the court could find the "Navajo" mark to be generic and not enforceable. In its motion to dismiss ruling, the court held that the tribe had adequately alleged that the term "Navajo" has secondary meaning and is not generic,[38] but the issue remains open. This is a case to watch as it progresses, as it could produce a seminal ruling on the effectiveness of trademark law in protecting indigenous names and other tribal marks.

C. Protecting an Unregistered Symbol: The Zia Pueblo of New Mexico

Even if a mark is not registered, trademark law is still an available means of policing and protecting indigenous words, phrases, and symbols—as the Zia Pueblo has established over the course of more than two decades. Zia Pueblo is an American Indian reservation in New Mexico. Its sacred sun symbol has been used in religious ceremonies since at least 1200.[39] A former governor of the Zia Pueblo has explained that the symbol "was and is a collective representation of the Zia Pueblo. It was and is central to the Pueblo's religion. It was and is a most sacred symbol. It represents the tribe itself."[40] In 1925, the State of New Mexico established its official state flag, which features a stylized version of the Zia sun symbol. Over time, the symbol has "become deeply embedded in the identity of New Mexico"[41]—so embedded, in fact, that a variety of New Mexico commercial ventures, including pest control companies, window cleaning services, motorcycles, and public toilets, has incorporated the symbol into their logos.[42]

Members of the Zia Pueblo claim that outsider appropriation of the sun symbol has harmed its sacred significance. A tribe member explained, "With the exploitation of these symbols, their meaning is depleted. This, in turn, inevitably affects our self-worth and sense of dignity."[43] But recourse has been limited. The Zia people could not assert exclusive trademark rights once the symbol became part of the state flag because section 2(b) of the Lanham Act bars registration of any mark that "consists of or comprises" the flag or other insignia of a state.[44] However, because section 2(b) prevents only the *registration* and not the *use* of the symbol, numerous business entities have been able to use the Zia sun symbol in logos, with these uses going largely unchallenged.

Instead of seeking to register the sun symbol, the Zia Pueblo embarked on a legal campaign to contest the registration of marks incorporating the symbol.[45] The tribe engaged in two separate efforts to oppose trademark registrations on the ground that, under section 2(a) of the Lanham Act, the proposed trademark would falsely suggest a connection with the Zia Pueblo.[46] In both instances, after lengthy proceedings, the commercial entities attempting to register marks that incorporated the Zia sun symbol withdrew their applications.[47]

Although these withdrawals represented isolated victories for the Zia Pueblo, the withdrawals produced no precedent that might discourage other commercial entities from registering similar marks,[48] giving the Zia Pueblo little ammunition for future challenges. However, the Zia Pueblo's legal efforts did lead to considerable local publicity that appears to have conveyed the message that the Zia sun symbol should not be used without permission. Since then, the Zia Pueblo has successfully negotiated licenses with businesses for use of the sun symbol in exchange for a donation to the Zia Pueblo's scholarship fund.[49]

In addition, in 1994, the Zia began a campaign seeking compensation from New Mexico for its use of the sun symbol on the state flag.[50] Although the campaign has not succeeded in securing compensation for what the Zia people see as seventy years of unauthorized use, it does appear to have opened lines of communication and negotiation between the Zia Pueblo and the State. First, the State issued a memorandum acknowledging that the symbol belongs to the Zia Pueblo and that the State appropriated it without proper permission and authority.[51] Then, in 2008, when the State sought to create a new state quarter, it approached the Zia Pueblo to request permission to use the Zia sun symbol in the new design, which the Zia Pueblo granted.[52]

The story of the Zia sun symbol demonstrates that even without trademark registration, trademark law can offer indigenous communities a means of exerting pressure on entities that might exploit indigenous words, phrases, or symbols. The outcome of the Navajo Nation lawsuit remains to be seen, and the Zia Pueblo tribe cannot claim sole ownership of its symbol, with "its use continu[ing] to be abused, to the detriment of the tribe."[53] But, at the very least, trademark law does provide a basis for demanding compensation for the use of a mark and thereby creating enough public awareness to meaningfully affect the interaction between indigenous communities and outsiders in connection with indigenous marks.

III. Copyright Law

A. Overview

U.S. copyright law is grounded in the Constitution, which authorizes Congress to "promote the Progress of Science and useful Arts" by creating a limited monopoly in original creative works, securing for their creators a suite of exclusive rights for a limited period of time.[54] For the duration of the copyright, its owner holds the sole right to reproduce the work, to create derivative works (new works based on or using the original work), to distribute copies, to publicly perform the work, and to publicly distribute the work.[55] Although an author must register a work with the Copyright Office to be able to enforce the copyright in court, a work need not be registered to be copyrighted; copyright rights inhere from the moment the work is "fixed" in a "tangible medium of expression."[56]

At first glance, copyright law may appear to be an ideal tool for protecting cultural property such as the Hopi artifacts auctioned in Paris. But, in fact, copyright law (like trademark law) does not prevent sale of a unique object or a lawfully acquired copy. Under the "first sale" doctrine, codified in section 109 of the Copyright Act, once a copyright owner sells or otherwise assigns an original work to another party, that party is free to resell the work (but not to reproduce it).[57]

The potential benefits of copyright protection for indigenous cultural property are also complicated by the focus of copyright law on the rights of a given work's creator. The law's focus on the creator or creators of a work, to the exclusion of others who may have an interest in or connection to the work, poses a challenge in seeking to advance the interests of a group of people in protecting their history and legacy as reflected in cultural artifacts. Relatedly—and perhaps of most practical importance—copyright protection is limited in duration, generally to the life of the author plus seventy years. This limitation prevents perpetual monopolies on works, instead dedicating them eventually to the public domain.

At least one indigenous group in the United States, the Mardi Gras Indians of New Orleans, has chosen to register the copyrights in the intricate costumes and headdresses used for parading during the city's annual Mardi Gras celebration.

B. Copyright Law and the Mardi Gras Indians of New Orleans

The Mardi Gras Indians form a culture unique to New Orleans. A spiritual and social order, the Mardi Gras Indians trace their roots back to a legend about a runaway slave who found refuge with area American Indians.[58] The culture is secretive and relies on oral tradition to transmit customs of chanting, dancing, and—most publicly—creating and displaying Mardi Gras suits, "ornate works of sculptural art featuring brightly colored ostrich feathers, reams of rich velvet, and thousands of glass beads, rhinestones, and sequins sewn into intricate, handmade details and designs."[59] Mardi Gras Indians consider their suits to be not merely works of art, but sacred, "a spiritual expression of [their] true selves."[60]

For at least 100 years, members of Mardi Gras Indian tribes have worked all year to create their suits and have displayed them on Mardi Gras, parading through the city. This public aspect of their ritual has made it possible for photographers to capture images of Mardi Gras suits, often selling their photographs for as much as $500 each without seeking permission from or providing any compensation to the suits' creators.[61]

After decades of this casual exploitation—photographs of Mardi Gras suits can be found for sale all over New Orleans, from postcard shops to fine art galleries—Mardi Gras Indians have sought to prevent unauthorized commercial exploitation of their sacred ritual by registering the copyrights in their suits.[62] As the authors of registered works of art, the creators of Mardi Gras suits have the exclusive right to create, or license the creation of, derivative works, including photographs.[63] The Mardi Gras Indians emphasize that they do not wish to prevent spectators from taking casual photographs for personal use or for educational use; they merely seek to prevent unauthorized commercial exploitation.[64]

Despite the general rule that the Copyright Act does not protect clothing or costumes, members of Mardi Gras Indian tribes have been able to register copyrights in their suits as three-dimensional sculptural works.[65] They have argued that the suits satisfy the originality, authorship, and fixation requirements of the Copyright Act under *Mazer v. Stein*, the Supreme Court ruling that first recognized the copyrightability of sculpture.[66] "As three-dimensional works of sculptural art, Mardi Gras Indian suits are created and showcased in public settings by an indigenous community of authors as part of cultural tradition, heritage, and practice."[67] The suits are worn, but over clothing and only once. In fact, many Mardi Gras Indians ritually destroy their suits after each Mardi Gras and immediately begin work on the next year's suit.[68]

Perhaps the strongest argument that Mardi Gras suits are artistic works that qualify for copyright protection is that those that are not destroyed are increasingly displayed as stand-alone objects in museums.[69] As David O. Carson, then General Counsel of the U.S. Copyright Office, stated when asked about the copyright registrations of Mardi Gras Indian suits, "I am not so sure the Mardi Gras costumes are really articles of clothing. There is a case that they are really works of art."[70]

To date, no Mardi Gras Indians have sued for infringement of their suits. However, as with the Zia Pueblo, increased attention to the intellectual property rights of the Mardi Gras Indians has led to opportunity. At least one formal licensing partnership has developed—between the New Orleans Mardi Gras Indian Council and an organization called Fotos for Humanity. Fotos for Humanity has assigned the copyright in photographs taken by its founder to the New Orleans Mardi Gras Indian Council, which has in turn licensed the images back to Fotos for Humanity under a profit-sharing scheme.[71] (It is not entirely clear how the Council manages or distributes the profits.)

The story of the Mardi Gras Indians' suits demonstrates that although copyright registration is far from a perfect solution to unauthorized commercial exploitation of indigenous cultural property—with the limited duration being one glaring problem—it has reduced uncompensated appropriation.

C. The Visual Artists Rights Act

In addition to the exclusive rights provided by section 106 of the Copyright Act, the Visual Artists Rights Act (VARA), enacted in 1990, gives the creators of visual art (paintings, sculptures, drawings, prints, and some photographs) certain "moral rights" in their work—the rights of "attribution" and "integrity."[72] These rights allow the creator of a work to prevent it from being displayed without proper attribution and to prevent intentional "distortion, mutilation, or other modification" of the work that "would be prejudicial to [the artist's] honor or reputation."[73]

However, courts have held that VARA does not apply to unauthorized *reproductions* of a work. For instance, in *Silberman v. Innovation Luggage*, when an artist licensed a company to create posters using one of the artist's photographs, and the image was ultimately used in an advertisement without the artist's consent, the district court dismissed a VARA claim on the ground that the advertisements were not signed originals of the photograph but rather reproductions, and only the artist's signed and numbered prints fell within VARA.[74] Under *Silberman*, a photograph of a Mardi Gras suit would not amount to display of an artwork without proper attribution because the photograph is not the original work; nor could a photograph of a suit qualify as a "distortion, mutilation, or other modification" of the suit itself. VARA, therefore, most likely does not cover Mardi Gras suits.

Several states have passed their own laws that provide the same rights of integrity and attribution as VARA but with broader reach. One of these is Louisiana's Artists' Authorship Rights Act (AARA), which prohibits the display or publication of a work of fine art, *or a reproduction of that work*, without attribution to the artist.[75] The statute further prohibits the display or publication of a work of fine art, or a reproduction of that work, "in an altered, defaced, mutilated, or modified form."[76] This statute on its face could plausibly apply to an unauthorized photograph of a work, but no court has yet construed the statute in this manner. Moreover, cases under a similar New York law have held that it is preempted by VARA.[77] Thus, it is unclear whether or how much assistance the Louisiana AARA—or related laws in other states—can potentially provide in protecting indigenous cultural property.

IV. Conclusion

Trademark and copyright laws are not ideally suited to the problem of modern indigenous cultural appropriation. Trademark law requires registration and careful monitoring and cannot reach each and every unauthorized use of a mark. Copyright law also has limitations, not the least of which is its life-plus-seventy-years duration. And, of course, pursuing legal remedies is expensive. Nevertheless, as we have seen, intellectual property law can provide a basis for indigenous communities to prevent at least some unauthorized exploitation of their cultural property.

The history of indigenous communities, including a great deal of unauthorized exploitation and an ongoing power imbalance, may argue for a *sui generis* regime to protect indigenous cultural property, as some have advocated.[78] But nothing along these lines appears to be imminent. The central question is how to provide recourse for those who live and create within a Western legal system but are not necessarily proponents or adopters of its commercial values. This is a question whose answer will inevitably depend on specific contexts and ultimately must involve a balancing act that will not always be fully satisfactory.

Endnotes

1. *See* Tom Mashberg, *Auction of Hopi Masks Proceeds After Judge's Ruling*, N.Y. Times ArtsBeat blog, Apr. 12, 2013, 8:20AM, http://artsbeat.blogs.nytimes.com/2013/04/12/french-judge-rules-that-auction-of-hopi-masks-can-proceed/ [hereinafter Mashberg, Apr. 12, 2013]; Tom Mashberg, *Hopis Try to Stop Paris Sale of Artifacts*, N.Y. Times, Apr. 3, 2013, available at http://www.nytimes.com/2013/04/04/arts/design/hopi-tribe-wants-to-stop-paris-auction-of-artifacts.html?pagewanted=all.
2. Mashberg, Apr. 12, 2013, *supra* note 1.
3. *Id.*
4. Erin M. Genia, *The Landscape and Language of Indigenous Cultural Rights*, 44 Ariz. St. L.J. 653, 670 (Summer 2012); *see also* Jill Koren Kelley, *Owning the Sun: Can Native Culture Be Protected Through Current Intellectual Property Law?*, 7 J. High Tech. L. 180 (2007) ("[T]his Western concept of a limited monopoly over a symbol, song or ceremony contradicts Native American conceptions of cultural property and what it means to them and their existence both as a sovereign community and as an individual.").
5. Patent law is not a subject of this paper, but it is worth noting the particularly disruptive use of patent law against the interests of indigenous communities. "Because of the array of biodiversity that exists in indigenous territories such as forests, many companies will send a researcher there to find 'new' plants that cure ailments. This has been a continuing practice, one that is very detrimental to indigenous peoples, in which companies patent seeds, genes and other parts isolated from flora that have been cultivated by indigenous people for thousands of years, in some cases effectively eliminating a tribe's ability to use them." Genia, *supra* note 4, at 668.
6. *Id.* at 667.
7. *See id.*; Stephanie B. Turner, *The Case of the Zia: Looking Beyond Trademark Law to Protect Sacred Symbols*, 11 Chi.-Kent J. Intell. Prop. 116, 120 (Spring 2012).
8. *See* Cortelyou C. Kenney, *Reframing Indigenous Cultural Artifacts Disputes: An Intellectual Property-Based Approach*, 28 Cardozo Arts & Ent. L.J. 501, 520 (2011).
9. Christine Haight Farley, *Protecting Folklore of Indigenous Peoples: Is Intellectual Property the Answer?*, 30 Conn. L. Rev. 1, 14 (1997); *see also Kenney*, *supra* note 8, at 520.
10. Kenney, *supra* note 8, at 520 (quoting Farley, *supra* note 9, at 15).
11. Farley, *supra* note 9, at 15.
12. The Native American Graves Repatriation Act, 25 U.S.C. § 3001 *et seq.* (1990); The Indian Arts and Crafts Act of 1990, Pub. L. 101-644, codified at 25 U.S.C. § 305 (1990).
13. Kenney, *supra* note 8, at 525; George P. Nicholas & Kelly P. Bannister, *Copyrighting the Past? Emerging Intellectual Property Issues in Archaeology*, 45 Current Anthropology 327, 329 (2004).
14. Kenney, *supra* note 8, at 525; Nicholas & Bannister, *supra* note 13, at 329; Kelley, *supra* note 4, at 180 (citing Suzanne Milchan, Note, *Whose Rights Are These Anyway? A Rethinking of Our Society's Intellectual Property Laws in Order to Better Protect Native American Religious Property*, 28 Am. Indian L. Rev. 157, 161 (2003)).
15. *Montana v. United States*, 450 U.S. 544 (1981) (setting out the general rule that tribes do not possess legal authority over non-Indians who come within their borders).
16. The Lanham Act § 1127, 15 U.S.C. § 1051, *et seq.* (1946).
17. 1 McCarthy on Trademarks and Unfair Competition § 2:1 (4th ed.).
18. 3 McCarthy on Trademarks and Unfair Competition §§ 22:1-22:2.
19. *See Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 381 (2d Cir. 2005) ("To qualify for registration a mark must be sufficiently "distinctive" to distinguish the registrant's goods from those of others.").
20. 2 McCarthy on Trademarks and Unfair Competition § 16:18.
21. 15 U.S.C. § 1063.
22. *See Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) (per curiam) ("[T]he right of a producer to control distribution of its trademarked product does not extend beyond the first sale of the product.").
23. Further, it has been argued that trademark protection should not be extended to traditional marks, on the grounds that such marks may be considered generic or belonging to entire communities and therefore unprotectable. Sonali Maulik, *Skirting the Issue: How International Law Fails to Protect Traditional Cultural Marks from IP Theft*, 13 Chi. J. Int'l Law 239, 245 (2012). However, the argument that such marks are generic is a limited one, given that application of an indigenous mark to a non-indigenous product would most likely not be a generic use. A generic term is one that is commonly used as the name of a *type* of goods, unlike a trademark, which identifies the *source* of a product. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Liquid Controls Corp. v. Liquid Control Corp.*, 802 F.2d 934 (7th Cir. 1986). Further, although it is true that trademarks are typically held by individuals or discrete entities, community ownership is not an insurmountable barrier to entry, given the possibility of collective ownership of a mark. The Lanham Act provides protection to "trade names"—typically, the names of corporate, professional, charitable, political, educational and religious organizations—that is identical to the protection afforded to trademarks. 1 McCarthy on Trademarks and Unfair Competition § 9:1 (4th ed.). A designation that is used as both a trade name and a trademark can be registered as a trademark. *Id.* § 9:14. At issue then is not whether an indigenous mark *may* be trademarked, but rather whether trademark law provides the type of protection that such marks require.
24. 15 U.S.C. § 1052.
25. Navajo Nation Government Official Site, "History," http://www.navajo-nsn.gov/history.htm (last visited Aug. 16, 2013).
26. *Navajo Nation v. Urban Outfitters, Inc.*, __ F. Supp. 2d __, 2013 WL 1294670, at *1 (D. New Mexico 2013).
27. *Id.* at *2.
28. *Id.*
29. Amended Complaint for Injunctive Relief and Damages, *Navajo Nation v. Urban Outfitters, Inc.*, No. 1:12-cv-00195-LH-WDS, May 21, 2012, ¶ 1.
30. *Id.* ¶ 5; The Navajo Nation's Response in Opposition to Defendants' Motion to Dismiss the Complaint, *Navajo Nation v. Urban Outfitters, Inc.*, No. 1:12-cv-00195-LH-WDS, July 24, 2012, at 1.
31. Motion to Dismiss the Amended Complaint and Memorandum in Support, *Navajo Nation v. Urban Outfitters, Inc.*, No. 1:12-cv-00195-

LH-WDS, June 22, 2012, at 2 [hereinafter UO Motion to Dismiss]; Reply in Support of Defendants' Motion to Dismiss the Amended Complaint, *Navajo Nation v. Urban Outfitters, Inc.*, No. 1:12-cv-00195-LH-WDS, August 7, 2012, at 1-2.

32. UO Motion to Dismiss, *supra* note 32, at 4-5.

33. *Navajo Nation*, 2013 WL 129670, at *1.

34. *Id.* at *13 ("The Amended Complaint alleges sufficient facts that consumers view the 'NAVAJO' mark as a source identifier for the Navajo Nation.").

35. *Id.* at *12.

36. *Id.* at *18 (allowing trademark dilution claims to proceed); *id.* at *20 ("None of the cases Defendants cited stand for the proposition that contemporary clothing, as a matter of law, cannot constitute an 'art' or a 'craft' under the IACA."); *id.* (allowing Indian Arts and Crafts Act claims to proceed). The court did reject the Navajo Nation's theory of dilution by tarnishment based on the use of the Navajo name in connection with a flask for alcohol and the spelling of "Navaho." The court found that these uses were "not sufficiently unwholesome or unsavory" and "not sufficiently 'scandalous' to state a claim for dilution by tarnishment." *Id.* at *17.

37. Joint Status Report, *Navajo Nation v. Urban Outfitters, Inc.*, No. 1:12-cv-00195-LH-WDS (Jul. 29, 2013).

38. *Navajo Nation*, 2013 WL 129670, at *15.

39. Turner, *supra* note 7, at 116.

40. *Public Hearings on Official Insignia of Native American Tribes*, Albuquerque, New Mexico (1999) (statement of Amadeo Shije, Governor, Zia Pueblo), available at http://www.uspto.gov/trademarks/law/tribal/nahear3.jsp [hereinafter *Public Hearings on Official Insignia of Native American Tribes*].

41. Turner, *supra* note 7, at 119.

42. *See id.* at 119-120; Milchan, *supra* note 14, at 157.

43. Public Hearings on Official Insignia of Native American Tribes, supra note 40 (statement of Michiko Thompson, Zia Pueblo).

44. 15 U.S.C. § 1052(b).

45. Turner, *supra* note 7, at 122.

46. 15 U.S.C. § 1052(a); Turner, *supra* note 7, at 124.

47. Turner, *supra* note 7, at 124, 126.

48. They did, however, gain sufficient attention that Congress in 1998 passed the Trademark Law Treaty Implementation Act, one section of which required the Commissioner of Patents and Trademarks to study issues surrounding the protection of the official insignia of American Indian tribes. Pub. L. No. 105-113, 112 Stat. 3064 (1998). The study led to the creation of the Native American Tribal Insignia database, aimed at aiding the USPTO in preventing the registration of marks containing American Indian symbols. Turner, *supra* note 7, at 130. It has been argued that the database has had little practical effect, as very few tribes have registered their sacred symbols—perhaps because publishing such symbols is anathema or perhaps because tribes have limited access to the resources and legal assistance that would be needed to do so. *See id.* at 130-31. However, that such action was taken by Congress is a testament to the concerted efforts of the Zia Pueblo to protect their cultural property.

49. *Id.* at 131-32.

50. *Id.* at 125.

51. Genia, *supra* note 4, at 669.

52. Turner, *supra* note 7, at 133.

53. Genia, *supra* note 4, at 669.

54. U.S. Const. art. 1, § 8, cl. 8.

55. The Copyright Act of 1976 § 102(a), 17 U.S.C. § 101, *et seq.* (1976).

56. *Id.*

57. *Id.* § 109.

58. Ashlye M. Keaton, *Using the Copyright Act to Protect Cultural Properties: Copyright Protection of Mardi Gras Indian Suits*, 15 Tul. J. Tech. & Intell. Prop. 89, 91 (2012).

59. *Id.*

60. *Id.* at 95 (quoting Interview with Howard Miller, Mardi Gras Indian Chief of Creole Wild West and president of the Mardi Gras Indian Council, in New Orleans, La. (June 26, 2011)).

61. *Id.* at 92; Mary Foster, *Mardi Gras Costumes Inspire Photographers—and a Copyright Claim*, The Washington Post, Feb. 8, 2011, http://www.washingtonpost.com/wp-dyn/content/article/2011/02/07/AR2011020706635.html.

62. Keaton, *supra* note 58, at 93-94.

63. 17 U.S.C. §§ 101, 106.

64. *Mardi Gras Indians Seek to Copyright Costumes*, NPR, Feb. 8, 2011, http://www.npr.org/2011/02/08/133600362/Mardi-Gras-Indians-Seek-To-Copyright-Costumes ("We have no problem with people taking pictures for education purpose, for, you know, if you want to take a picture for your private—you know, you have in your home. There's no problem with that. It's just—if you want to take it to make money, then that's where we say we should be also compensated."); *see also* Keaton, *supra* note 58, at 97.

65. Keaton, *supra* note 58, at 94; Rachel Waters, *Mardi Gras "Indian" Suits: Fit for Copyright Protection?*, Journal of Business & Intellectual Property Law (July 29, 2011), http://ipjournal.law.wfu.edu/2011/07/mardi-gras-%E2%80%9Cindian%E2%80%9D-suits-fit-for-copyright-protection/.

66. *Mazer v. Stein*, 347 U.S. 201 (1954). *See also* Copyright Office, *Registrability of Costume Designs*, 56 FR 56530-02, No. RM-91-5A (Nov. 5, 1991), at 56530 (a "useful article" is one that has "an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information," and is not subject to copyright protection).

67. Keaton, *supra* note 58, at 95.

68. *Id.* at 91-94.

69. *Id.* at 92; Backstreet Cultural Museum, "Exhibitions," http://www.backstreetmuseum.org/#/collections-exhibitions/4544609175 (last visited Aug. 14, 2013) ("The Backstreet Cultural Museum is proud to host an extensive collection of Mardi Gras Indian regalia…").

70. Jessica Edmundson and Elizabeth Townsend Gard, *Conversations with Renowned Professors and Practitioners on the Future of Copyright*, 14 Tul. J. Tech. & Intell. Prop. 1, 75 (2011).

71. Keaton, *supra* note 58, at 95.

72. 17 U.S.C. § 106(a).

73. *Id.*

74. *Silberman v. Innovation Luggage*, No. 01 Civ. 7109(GEL), 2003 WL 1787123 (S.D.N.Y. 2003).

75. Artists' Authorship Rights Act § 51.2154, La. Rev. Stat. Ann. § 51.2151, *et seq.* (1986) (emphasis added).

76. *Id.* § 51.2153.

77. *Bd. of Managers of Soho Int'l Arts Condo. v. City of New York*, No. 01 CIV.1226 DAB, 2003 WL 21403333, at *15-16 (S.D.N.Y. June 17, 2003); *see also Broughel v. Battery Conservancy*, No. 07-CV-7755 (GBD), 2009 WL 928280, at *10-11 (S.D.N.Y. Mar. 30, 2009) (noting that "some courts of this district have held that the VARA preempts the AARA" but ruling on the merits without addressing preemption).

78. *See, e.g.*, J. Janewa OseiTutu, *A Sui Generis Regime for Traditional Knowledge: The Cultural Divide in Intellectual Property Law*, 15 Marq. Intell. Prop. L. Rev. 147, 150 (Winter 2011).

Olivia J. Greer is an associate at Weil, Gotshal & Manges LLP in New York.

Miriam Maccoby Netter Fellowship Report

By Charles Chen

Receiving the Miriam Maccoby Netter Fellowship from the Intellectual Property Law Section has been one of the most rewarding experiences in my legal career. It gave me the opportunity to continue to work over the summer with Volunteer Lawyers for the Arts (VLA), a nonprofit organization helping low-income artists and nonprofit arts organizations with legal matters related to the arts. Established in 1969, the New York VLA has served over 250,000 members of the New York arts and cultural community.

Working at VLA was an engaging experience from day one. On my first day, I was given a quick tour of the office and an introduction to the main software VLA uses to keep track of client information. In the next hour, I was taking notes in a live attorney client consultation. My very first case involved a fashion designer who had questions about trademark registration. She wanted to start a clothing line but was afraid to put her logo on her products—even on prototypes—out of fear that someone (especially her manufacturers) might steal it. She was confused about the difference between patents and trademarks. We explained the differences and encouraged her to register her trademark and start using it on her products as soon as possible.

The VLA office is definitely a fast-paced, dynamic environment. I sought out a fellowship at VLA because I wanted the opportunity to work directly with clients in trying to address their legal problems, and I was not disappointed. One of my main responsibilities was handling daily inquiries from artists and arts organizations. VLA can receive more than 400 calls a month from as near as Brooklyn to as far as China (with a New York nexus, of course). The phones rarely stopped ringing. At first, I was shy about calling clients over the phone, but I soon began to enjoy the hands-on experience of talking to clients, hearing their stories, and then participating with VLA attorneys in client consultations. I often found myself immersed in the artists' and arts organization's stories as the process moved from the beginning of an intake to conducting legal research to writing referral memos for outside pro bono counsel.

A case I worked on extensively involved an artist who painted wall murals. The artist had painted several commissioned wall murals inside a building, but during renovations one of the murals was destroyed without the artist having been notified in advance. The artist had not signed either a contract or a waiver of rights in the work. The person who commissioned the mural conceded in a written apology that the artist had been wronged. I helped research the legal issues under the Visual Artist Rights Act and assisted the artist in gathering evidence to prepare the matter for pro bono counsel.

I gained a wealth of knowledge from the entire VLA experience. From the beginning, I spent a good portion of my time interviewing clients and researching their legal issues. I researched a variety of legal issues, ranging from copyright, trademark, art law, and publicity rights. Each legal issue was relevant to a particular client with a very real problem. I had the chance to help review contracts for writers concerned about protecting their copyrighted work; to educate young performers about protecting their intellectual property rights; and to advise elderly artists concerned about fair use. All of these artists were seeking to earn a living, and it was extremely rewarding to use my legal background to teach them how to protect their interests.

In addition to IP matters, VLA also expanded my knowledge of immigration law, in particular the visa application process for foreign artists with extraordinary talents, as well as the process of forming a nonprofit and a corporation in New York.

I also had the opportunity to attend several of VLA's educational programs. One of the boot camps covered intellectual property and contractual issues arising in the film, social media, music, and photography industries. The presenters were engaging and knew their fields well.

I want to thank the Intellectual Property Law Section for sponsoring the Miriam Maccoby Netter Fellowship and allowing me to have such a wonderful opportunity. Aside from invaluable insights into the public interest side of intellectual property law, I also established invaluable personal relationships with the VLA staff and volunteers that were a highlight of my legal fellowship experience.

Welcome New Members

Rither Alabre
Matthew Wayne Alpern
Amanda Amendola
Derek Scott Andrews
Amanda Jean Brillantes Bernardo
Norman P. Bock
Richard Buck
William T. Burke
Kelly A. Busch
Paul A. Capofari
Christina Casarella
Nicole A. Ciardulli
Jason Myles Clark
Michael T. Conroy
Eileen Daly
Rajbir Singh Datta
Patricia A. DeAngelis
Jeffery Li Ding
William A. Doherty
Charles Dunn
Lisa B. Elovich
Bernard Jerome Eyth
Jon R. Fetterolf
William K. Field
Robert Forrester
Denise Frangk
Daniel M. Gaudreau
Kimberly Gitlin
Sean Glendening
Robin Ezekiel Gordon Leavitt
Valerie Alice Gotlib
Robert D. Gould
Victoria Graf
Naima Estelle Gregory
James B. Gross
Theodore William Hastings
Marissa Hirsch
Karen Marie Ibach
Joseph Lawrence Indusi
Claire E. Knittel
Natalie V. Latchman
Sheldon Leibenstern
Joseph A. Lopiccolo
Adam Mauntah
Stephanie Mendelsohn
Todd H. Miller
Keith R. Murphy
Eugene Nathanson
David Needham
James W. Neilson
Grainne Elizabeth O'Neill
Ellen K. Pachnanda
Peter Panaro
Alexandra Chloe Papalia
Michael Papson
Anjelie Yeswant Patel
Nemanja Pavlovic
Jessica Pepe
Michael Pietruszka
Heather Pollock
Thomas F. Purcell
Marsha King Purdue
Pietrina J. Reda
Thomas Rizzuti
Victor Edward Rocha
Anne L. Rody-Wright
Frederick D. Romig
Jamie Rosner
Jon A. Sale
Asaf Jacob Sarno
Marc F. Scholl
Alexander Norman Serles
Christopher Brennan Sevier
Eric H. Sills
Jennifer Lynn Stevenson
Patrick Swanson
Rachel Sara Trauner
Margaret M. Walker
Ronald Thomas Walsh
Gregory S. Watts
Victor A. Weit
Justin J. Weitz
Benjamin Williams
Christopher York
Helen Yu
Andrew J. Zapata
Shirin Zarabi

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 Winter 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 sponsors 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. Now, with Mandatory Continuing Legal Education (MCLE) requirements, Intellectual Property Law Section membership is more valuable than ever before! The Section also sponsors joint programs with Law Schools including an annual writing contest for law students wherein the winning articles appear in an issue of *Bright Ideas*.

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 Copyright Law; Diversity Initiative; Ethics; Greentech; International IP Law; Internet & Technology Law; Legislative / Amicus; Litigation; Patent Law; Pro Bono and Public Interest; Trademark Law; Trade Secrets; Transactional Law; 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 37 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 38 of this issue.

___ Advertising Law (IPS3000)
___ Copyright Law (IPS1100)
___ Diversity Initiative (IPS2400)
___ Ethics (IPS2600)
___ Greentech (IPS2800)
___ In-House Initiative (IPS2900)
___ International Intellectual Property Law (IPS2200)
___ Internet and Technology Law (IPS1800)
___ Legislative / Amicus (IPS2300)
___ Litigation (IPS2500)
___ Membership (IPS1040)
___ Patent Law (IPS1300)
___ Pro Bono and Public Interest (IPS2700)
___ Trademark Law (IPS1600)
___ Trade Secrets (IPS1500)
___ Transactional Law (IPS1400)
___ Young Lawyers (IPS1700)

Please e-mail your committee selection(s) to IntellectualProperty@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/membership

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.

Advertising Law
A. Cassidy Sehgal-Kolbet
L'Oreal USA, Inc
575 Fifth Avenue, 34th Fl.
New York, NY 10014
csehgal@us.loreal.com

Brooke Erdos Singer
Davis & Gilbert LLP
1740 Broadway
New York, NY 10019
bsinger@dglaw.com

Copyright Law
Oren J. Warshavsky
Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111
owarshavsky@bakerlaw.com

Paul Matthew Fakler
Arent Fox LLP
1675 Broadway
New York, NY 10019
paul.fakler@arentfox.com

Diversity Initiative
Sheila Francis Jeyathurai
Rouse
2 Post Oak Central
1980 Post Oak Blvd, Ste. 1500
Houston, TX 77056
sfjeya@yahoo.com

Joyce L. Creidy
Thomson Reuters
530 Fifth Avenue, 7th Fl.
New York, NY 10036
joyce.creidy@thomsonreuters.com

Ethics
Rory J. Radding
Edwards Wildman Palmer LLP
750 Lexington Avenue
New York, NY 10022
RRadding@edwardswildman.com

Philip Furgang
Furgang & Adwar, LLP
1325 Avenue of the Americas
28th Floor
New York, NY 10019
philip@furgang.com

Greentech
Rory J. Radding
Edwards Wildman Palmer LLP
750 Lexington Avenue
New York, NY 10022
RRadding@edwardswildman.com

Gaston Kroub
Locke Lord Bissell
& Liddell LLP
3 World Financial Center
New York, NY 10281
gkroub@gmail.com

In-House Initiative
Chehrazade Chemcham
Colgate-Palmolive
300 Park Avenue
New York, NY 10022
Chehrazade_Chemcham@colpal.com

Sarah Crutcher
National Football League
345 Park Avenue
New York, NY 10154
sarah.crutcher@gmail.com

International Intellectual Property Law
Sujata Chaudhri
House 23, Sector 37
Arun Vihar Noida
UTTAR PRADESH 201303
INDIA
sujatachaudhri@ipgurus.in

Anil V. George
NBA Properties, Inc.
645 5th Ave
New York, NY 10022-5910
avgeorge@nba.com

Internet and Technology Law
Richard L. Ravin
Hartman & Winnicki, PC
115 West Century Rd
Paramus, NJ 07652
rick@ravin.com

Eric E. Gisolfi
Sabin Bermant & Gould LLP
4 Times Square
New York, NY 10036
egisolfi@sabinfirm.com

Legislative/Amicus
Charles Eric Miller
Sills, Cummis & Gross, P.C.
30 Rockefeller Plaza
New York, NY 10112
cmiller@sillscummis.com

Litigation
Marc A. Lieberstein
Kilpatrick Townsend & Stockton LLP
1114 Avenue of the Americas
21st Floor
New York, NY 10036-7709
mlieberstein@kilpatricktownsend.com

Paul W. Garrity
Sheppard, Mullin, Richter
& Hampton LLP
30 Rockefeller Plz, Fl 24
New York, NY 10112-0015
pgarrity@sheppardmullin.com

Membership
Robin E. Silverman
Golenbock Eiseman Assor Bell
& Peskoe LLP
437 Madison Avenue
New York, NY 10022
rsilverman@golenbock.com

William Robert Samuels
W.R. Samuels Law PLLC
8 W. 40th Street, 12th Fl.
New York, NY 10018
bill@wrsamuelslaw.com

Patent Law
Philip A. Gilman
Law Office of Philip Gilman
43 Byron Place
Scarsdale, NY 10583
PhilipGilman@gmail.com

Michael A. Oropallo
Hiscock & Barclay LLP
One Park Place
300 South State Street
Syracuse, NY 13202-2078
moropallo@hblaw.com

Pro Bono and Public Interest
Debra Resnick
FTI Consulting
Three Times Square, 11th Fl.
New York, NY 10036
debra.resnick@fticonsulting.com

Trade Secrets
Andre G. Castaybert
Trokie Landau LLP
11 Martine Avenue
White Plains, NY 10606
castaybert@gmail.com

Douglas A. Miro
Ostrolenk Faber LLP
1180 Avenue of the Americas
7th Floor
New York, NY 10036
dmiro@ostrolenk.com

Trademark Law
William Robert Samuels
W.R. Samuels Law PLLC
8 W. 40th Street, 12th Fl.
New York, NY 10018
bill@wrsamuelslaw.com

Transactional Law
Robin E. Silverman
Golenbock Eiseman Assor Bell
& Peskoe LLP
437 Madison Avenue
New York, NY 10022
rsilverman@golenbock.com

Joseph John Conklin
Coty Inc.
2 Park Avenue
New York, NY 10016-5675
Joseph_Conklin@cotyinc.com

Young Lawyers
Teige Patrick Sheehan
Heslin Rothenberg Farley
& Mesiti P.C.
5 Columbia Circle
Albany, NY 12203
tps@hrfmlaw.com

NEW YORK STATE BAR ASSOCIATION
INTELLECTUAL PROPERTY LAW SECTION
One Elk Street, Albany, New York 12207-1002

ADDRESS SERVICE REQUESTED

NON PROFIT ORG.
U.S. POSTAGE
PAID
ALBANY, N.Y.
PERMIT NO. 155

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 Spring / Summer 2014 issue must be received by February 18, 2014.

Accommodations for Persons with Disabilities: NYSBA welcomes participation by individuals with disabilities. NYSBA is committed to complying with all applicable laws that prohibit discrimination against individuals on the basis of disability in the full and equal enjoyment of its goods, services, programs, activities, facilities, privileges, advantages, or accommodations. To request auxiliary aids or services or if you have any questions regarding accessibility, please contact the Bar Center at (518) 463-3200.

Bright Ideas is a publication of the Intellectual Property Law Section of the New York State Bar Association. Members of the Section receive a subscription to the publication without charge. Each article in this publication represents the author's viewpoint and not that of the Editors, Section Officers or Section. The accuracy of the sources used and the cases, statutes, rules, legislation and other references cited is the responsibility of the respective authors.

ISSN 1530-3934 (print) ISSN 1933-8392 (online)

BRIGHT IDEAS