

Chapter 7, § A

Note that § 43(a) is how we bring claims based on unregistered (common law, state registered) marks under the Lanham Act.

Dastar Corp. v. 20th Century Fox (US 2003) [Supp @ 50]

In which the Supreme Court explicates the reach of §43(a). While once upon a time it might reasonably have been read to make actionable only misrepresentations of *geographic* origin, today, especially after the 1988 amendments to the Lanham Act, we understand § 43(a) to mean "origin" in the sense of "who made it".

However, neither §43(a) nor other parts of the Lanham Act, should be read to allow firms to create property rights in material that has passed into the public domain.

§43(a) also makes "reverse passing off" actionable. (Reverse passing off is when Seller sells Manufacturer's goods after removing the manufacturer's trademark from the goods. Seller then either affixes a new TM on the goods, or leaves the goods unbranded.) But Dastar isn't guilty of that because it copied material in the public domain. Once something is in the public domain there is no legal duty to give credit to the original creator.

Here's nice summary of the Dastar case:

The Supreme Court's recent decision in *Dastar Corporation v. Twentieth Century Fox Film Corporation*, 123 S.Ct. 2041, 2042 (2003), emphasizes that Section 43(a) of the Lanham Act cannot be used to protect one's right to claim authorship of a creative work. The *Dastar* case involved a book written by General Dwight D. Eisenhower entitled *Crusade in Europe*. The book chronicled his experiences during World War II.

The *Crusade in Europe* book was copyrighted by its publisher, Doubleday, and the publisher originally granted the exclusive television rights in the book to Twentieth Century Fox. Pursuant to this grant, Fox produced a television series based upon the book. Although Doubleday renewed its copyright in the book, Twentieth Century Fox did not renew the copyright on the television series.

With the approach of the fiftieth anniversary of the end of World War II, Dastar produced and sold a video in which it copied significant portions of the Fox series without crediting Fox as the creator of the copied portions. Fox alleged that Dastar's production and sale of the video constituted "reverse passing off" in violation of the Lanham Act in that it failed to assign proper credit to Fox as the creator of the portions copied by Dastar.

"Passing off" occurs when a business sells its product under the trade-mark of a competitor, for example, if the Coca-Cola Company sold its product as Pepsi. On the other hand, "reverse passing off," as alleged by Fox, occurs when a business

sells the product of its competitor as its own, such as if Coca-Cola Company sells Pepsi as Coke.

In reviewing the reverse passing off claim, the Supreme Court considered whether the Lanham Act prohibition of “false designation of origin” of “goods or services” applied to copying of a work whose copyright had expired without acknowledging the original creator of the work. The Court closely examined the meaning of the term “origin” and “goods,” and noted the Lanham Act’s common-law foundations, which were not designed to protect originality or creativity. On the other hand, the Court noted that copyright and patent laws were designed to protect authorship and inventions. From this review, the Court reasoned that the “origin” of “goods” refers to the producer of the tangible goods that are offered for sale, and not to the original author of any idea, concept, or communication embodied in those goods.

The literal interpretation of the Lanham Act adopted by the Court served to restrict application of the Lanham Act to cases involving trade-mark and trade dress, instead of allowing the Act’s applicability to expand into the area of copyright and patent. the public domain. Otherwise, as the Court noted, the Lanham Act could be used to create a species of perpetual patent and copy-right. The Constitution, which give Congress the power to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries,” would prohibit such perpetual patents and copyrights.

Or, as another commentator put it, "Trademark law cannot and does not create a cause of action for what is effectively a claim of plagiarism."

Yarmuth-Dion v. D'ion Furs, inc (CA2 1987)

DCT held that P. failed to prove 2ndary meaning. (also dismissed state law claim for dilution & use of a misleading trade name).

Issue: "whether an unregistered mark – "Peter Dion" (his name) – has acquired 2ndary meaning so as to be entitled to Lanham Act protection.

P sells fancy furs wholesale nationally
D sells cheap furs retail in Chicago

DCT held that relevant market was Chicago retail market, and there was little evidence of 2ndary meaning.

NB discussion of Thompson factors [506]

2-part test:

1) P must demonstrate that mark merits protection under the Lanham act

2) If protectible, P must establish likelihood of confusion, ie. "that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question."

Here, personal name is "descriptive", so needs 2ndary meaning

To find whether there's 2ndary meaning, first must define where you look (industry/geography) then look to stuff at top [508] (ads, time, studies, all strength stuff)

CTA says DCA ignored whether people might think wholesaler went into retail market. should instead focus on whether it's a protectible mark FIRST (in it's market) then ask about confusion. So 2ndary meaning is tested in first ste, where mark is strongest, not 2nd step where it may be weaker...2nd step is more like (query - but different from?) Polaroid factors.

Two Pesos v. Taco Cabana (US 1992) [510]

Held, restaurant decor is protectable trade dress. Trade dress can be 'inherently distinctive' in which case no 2ndary meaning is needed, and evidence of lack of 2ndary meaning is not relevant.

NB. fn1 [510] on definition of 'trade dress'

Statute, §43(a) doesn't give symbolic trade dress any less protection than a word mark – so long as it is non-functional. Adding a 2ndary meaning requirement might be anti-competitive.

HARD QUESTION: question 2 on p. 518 - incentive effects

Wal-Mart (US 2000) [519] (per Scalia)

What is inherently distinctive?

Not colors (cf. *Qualitex*)

Not design

Two Pesos unquestionably establishes the legal principle that trade dress can be inherently distinctive, see, e.g., 505 U.S. at 773, but it does not establish that product-design trade dress can be. *Two Pesos* is inapposite to our holding here because the trade dress at issue, the decor of a restaurant, seems to us not to constitute product design. It was either product packaging – which, as we have discussed, normally is taken by the consumer to indicate origin – or else some tertium quid that is akin to product packaging and has no bearing on the present case.

Respondent replies that this manner of distinguishing *Two Pesos* will force courts to draw difficult lines between product-design and product-packaging trade dress. There will indeed be some hard cases at the margin: a classic glass Coca-Cola bottle, for instance, may constitute packaging for those consumers who drink the Coke and then discard the bottle, but may constitute the product itself for those consumers who are bottle collectors, or part of the product itself for those consumers who buy Coke in the classic glass bottle, rather than a can, because they think it more stylish to drink from the former. We believe, however, that the frequency and the difficulty of having to distinguish between product design and product packaging will be much less than the frequency and the difficulty of having to decide when a product design is inherently distinctive. **To the extent there are close cases, we believe that courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning.** The very closeness will suggest the existence of relatively small utility in adopting an inherent-distinctiveness principle, and relatively great consumer benefit in requiring a demonstration of secondary meaning.

We hold that, in an action for infringement of unregistered trade dress under § 43(a) of the Lanham Act, **a product's design is distinctive, and therefore protectible, only upon a showing of secondary meaning.** The judgment of the Second Circuit is reversed, and the case is remanded for further proceedings consistent with this opinion.

15 U.S.C. § 1125(a)(3)[Lanham Act § 43(a)(3)]

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

Traffix Devices, Inc., V. Marketing Displays, Inc. US (2001) [525]

Existence of prior utility patent suggests pretty strongly that something is functional and hence not protectable as 'trade dress'. "Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device." [530]

Note that restaurant design in *Two Pesos* was non-functional (by assumption).