RECENT DEVELOPMENTS IN TRADEMARK LAW: THE ONGOING REFINEMENT OF RIGHTS

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ABSTRACT

The year 2003 saw a great deal of activity in the ongoing development of trademark law. While the law both reconnected with its bricks-and-mortar roots and expanded to accommodate new fact patterns in the late 1990's and early 2000's, 2003 saw the beginning of a doctrinal contraction, with a requirement to tie inchoate harms to empirical foundations. Additionally, several issues of first impression were resolved, including the conclusion that domain names are a form of property. While 2003 saw a contraction of trademark rights, this is not necessarily a negative development for trademark owners. Instead, courts are merely refining the underlying doctrine and requiring the same types of empirical foundations that have been required in trademark law for decades. This article will explore these recent developments and discuss where they leave the area of trademark law today.

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INTRODUCTION

"It is indisputable that in very recent years the Internet has drastically changed the way the world does business."[1] With the advent and proliferation of the Internet, everyone quickly proclaimed a new era of both law and society:

> The Internet represents a revolutionary advance in communication technology. It has been suggested that the Internet may be the 'greatest innovation in speech since the invention of the printing press.' It allows people from all over the world to exchange ideas and information freely and in 'real-time.' Through the use of the Internet, 'any person with a phone line can become a town crier with a voice that resonates farther than it could from any soapbox.'[2]

Nevertheless, the law had not yet fully caught up to this revolution. As a result, the legal landscape surrounding intellectual property law resembled the Wild West. Many trademark owners were making poor decisions and trademark attorneys were providing even poorer advice. Some were paying cybersquatters exorbitant amounts of money in exchange for domain names. Others were filing lawsuits that produced harmful results because they failed to recognize the courts' reluctance to create new law when existing law would do. Many were overreaching and acting inadvisably in an ad hoc manner or without adequate evidence. This practice continued into the late 1990's.

Just as the Internet began to explode however, Judge Easterbrook gave surprising advice: "[K]eep doing what you have been doing. Most behavior in cyberspace is easy to classify under current property principles."[3] Following the initial Hobbesian chaos and early infatuation with the new and revolutionary medium, this advice was heeded by courts. They recognized that the brick-and-mortar law applies to the Internet:

> Some of the evidence in this case strongly suggests that some companies operating in the area of the Internet may have a misconception that,

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[1] Resnick v. Manfredy, 52 F. Supp. 2d 462, 466–67 (E.D. Pa. 1999) (citation omitted).

[2] Doe v. 2TheMart.com, Inc., 140 F. Supp. 2d 1088, 1091 (W.D. Wash. 2001) (emphasis added) (internal citation omitted) (quoting Reno v. Am. Civil Liberties Union, 521 U.S. 844, 870 (1997)).

[3] Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, U. CHI. LEGAL F. 207, 210 (1996).

> because their technology is somewhat novel, they are somehow immune from the ordinary application of the laws of the United States . . . . They need to understand that *the law's domain knows no such limits.*[4]

Similarly, courts demanded that the traditional balance of trademark rights be mirrored in cyberspace: "The challenge for the courts is to recognize that the Internet has erased boundaries while still respecting both trademark rights and the *limits* of those rights."[5]

Thus, courts applied traditional principles of trademark law and went back to business as usual, or so they thought. Unfortunately, courts' application of traditional doctrines to these new fact patterns highlighted an ongoing problem in the development of the law: an infatuation with judge-made doctrines and a willingness to accept ephemeral, amorphous, and often empirically unsupported harms.

The year 2003 ushered in a new phase in the ongoing development of trademark law. While the law both reconnected with its bricks-and-mortar roots and expanded to accommodate new fact patterns in the late 1990's and early 2000's, 2003 saw the beginning of a doctrinal contraction, with a requirement to tie inchoate harms to empirical foundations.

I. THE SUPREME COURT'S ONGOING INTEREST

The Supreme Court has shown interest in trademark law over the last fifteen years deciding *Bonito Boats*[6] (1989), *Two Pesos*[7] (1992) and *Qualitex*[8] (1995). Since 2000, the Supreme Court's interest has significantly increased with *Wal-Mart Stores*[9] (2000), *TrafFix*[10] (2001), *Moseley*[11](2003), and *Dastar*[12] (2003). This interest does not appear to be waning with the Court's granting of certiorari in another case for 2004.[13] This recent flurry of cases demonstrates the importance of trademark law in helping to shape societal institutions and manage business expectations both in the bricks-and-mortar world and cyberspace.

While not involving cyberspace per se, the flurry of Supreme Court cases since the explosion of the Internet can be viewed as a reaction to lower courts' use of trademark law in cyberspace. As noted, 2003 signifies a shift towards the contraction of trademark rights. This shift began in 2000 with *Wal-Mart Stores*, where the Court narrowed the principle from *Two Pesos* by holding that a product design can never be inherently distinctive and thus can only be protected trade dress

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[4] UMG Recordings, Inc. v. MP3.COM, Inc., No. 00 Civ. 427(JSR), 2000 WL 1262568, at *6 (S.D.N.Y. Sept. 6, 2000).

[5] Simon Prop. Group v. mySimon, Inc., 104 F. Supp. 2d 1033, 1037 (S.D. Ind. 2000).

[6] Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989).

[7] Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992).

[8] Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995).

[9] Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205 (2000).

[10] TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23 (2001).

[11] Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003).

[12] Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003).

[13] *See* KP Permanent Make-Up, Inc. v. Lasting Impression, Inc., 124 S. Ct. 981 (2004).

upon acquiring secondary meaning.[14] While acknowledging that *Two Pesos* established the legal principle that trade dress can be inherently distinctive, Justice Scalia restricted the holding in *Two Pesos* to "product packaging" trade dress or some "*tertium quid* that is akin to product packaging trade dress."[15] Justice Scalia then concluded that the *Two Pesos* holding therefore had no relevance in the *Wal-Mart Stores* case because that case involved "product-design trade dress."[16]

In *TrafFix*, the Supreme Court held that an expired utility patent created a strong presumption of functionality, and thus the design in question was not eligible for trademark protection.[17] This once again cut down on trademark owners' (and courts') efforts to expand trademark rights. This contraction continued with the Court's most recent decisions in *Moseley* and *Dastar*.

A. V Secret Catalogue, Inc., v. Moseley

In February of 1998, Victor and Cathy Moseley opened a store in Elizabethtown, Kentucky, which they called "Victor's Secret," specializing in men's and women's lingerie, adult videos, sex toys and "adult novelties."[18] Before long, the Moseleys received a cease and desist letter from V Secret Catalogue, claiming that the Moseleys' store name violated V Secret's rights in the VICTORIA'S SECRET trademark.[19] In an effort to solve the problem, the Moseleys changed the name of their store to "Victor's Little Secret."[20] Unsatisfied, V Secret filed suit.[21] While the trial court dismissed the claim of trademark infringement, on grounds that there was no likelihood of confusion between the two marks, the court granted V Secret summary judgment on its federal trademark dilution claim.[22] On appeal the United States Court of Appeals for the Sixth Circuit affirmed the district court's decision.[23] The Moseleys appealed to the United States Supreme Court.[24] The question before the Court was whether a plaintiff must establish actual dilution or merely a likelihood of dilution.[25]

The Court held that the Federal Trademark Dilution Act (FTDA) requires proof of "actual dilution," but proof of "actual economic harm" is not required.[26] Nevertheless, the Court's holding has provided little, if any, guidance for the lower courts to follow. The post-*Moseley* decisions demonstrate the uncertainty of the FTDA. The Court did not address the type of evidence or the factors that courts should examine in determining whether actual dilution has occurred. Nevertheless,

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[14] *Wal-Mart Stores*, 529 U.S. at 216.
[15] *Id.* at 215.
[16] *Id.*
[17] *TrafFix Devices*, 532 U.S. at 29–30.
[18] V Secret Catalogue, Inc., v. Moseley, 259 F.3d 464, 466 (6th Cir. 2001).
[19] *Id.* at 466–67.
[20] *Id.*
[21] *Id.* at 467; *see also* V Secret Catalogue, Inc. v. Moseley, No. 3:98CV–395–S, 2000 WL 370525 (W.D. Ky. Feb. 9, 2000).
[22] *V Secret Catalogue*, 259 F.3d at 467.
[23] *See id.* at 477.
[24] Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003).
[25] *Id.* at 421–22.
[26] *Id.* at 432–33.

it is clear the Court was bothered by the expansive property-like protection that the FTDA allowed. The Court had difficulty conceptualizing the abstract harm the FTDA was allegedly meant to protect against. For example, during oral argument, one Justice reacted to counsel's hypothetical case of dilution involving Tiffany's Jewelry Store and a hypothetical TIFFANY'S Restaurant: "That was bad? I mean, you see, I am so far behind understanding you that I don't know whether you have just asserted that that's obviously a bad. I think you have. Tiffany's Restaurant is bad."[27] This uncertainty likely led to the Court's contraction of the doctrine (through its choice to provide no guidance to lower courts).

Because of the lack of guidance given in *Moseley*, appellate courts faced with reviewing a finding of dilution prior to *Moseley* are all but forced to reverse and remand for additional consideration.[28] Some courts have expressed their displeasure with the lack of guidance in applying dilution cases. For example, in *Ty Inc. v. Softbelly's, Inc.*, the Seventh Circuit reversed the district court's judgment in favor of the plaintiff on a dilution claim.[29] Emphasizing the intervening decision in *Moseley*, the court held that the plaintiff had failed to present any evidence to establish actual dilution.[30] While acknowledging the need for "trial-type" evidence, the court focused on the lack of guidance provided in *Moseley*: "The [Supreme] Court did not explain and no one seems to know what that 'circumstantial evidence' might be."[31] The court further expressed its doubt about the ability of a plaintiff to conduct a survey: "We are not sure what questions could be put to consumers that would elicit a meaningful answer either in [*Moseley*] or this [case]."[32]

Other courts have similarly contemplated the type of evidence necessary, attempting to remain faithful to *Moseley*. One court suggested an appropriate survey to establish actual dilution might involve two surveys: one before the junior use entered the market and one after.[33] If, after the entry of the junior user, the survey shows people are less likely to associate the famous trademark with the senior user, then actual dilution has occurred.[34] This leaves a trademark holder in the difficult position of needing a survey at a time period prior to the entry of a junior user. In other words, once the junior user has entered the market (and the senior user is aware of the junior user), it would be too late to conduct a survey to establish dilution. This "guidance" makes a plaintiff's job nearly impossible.

While some courts struggle with applying an unarticulated rule, others have proceeded by merely recasting old arguments involving a likelihood of dilution in terms of actual dilution. For example, the District Court for the Middle District of North Carolina applied *Moseley* in the domain name context and found actual dilution because the defendant registered and used a domain name identical to the

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[27] Transcript of Oral Arguments before the Supreme Court of the United States at *23, Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003) (No. 10-1015), *available at* 2002 WL 31643067.

[28] *See, e.g.*, Horphag Research, Ltd. v. Pellegrini, 337 F.3d 1036 (9th Cir. 2003); Visa Int'l Serv. Ass'n. v. JSL Corp., Nos. 02–17353, 03–15420, 2003 WL 23018942 (9th Cir. Dec. 22, 2003).

[29] 353 F.3d 528 (7th Cir. 2003).

[30] *Id.* at 535.

[31] *Id.* at 536.

[32] *Id.* at 535.

[33] *See* Kellogg Co. v. Toucan Golf, Inc., 337 F.3d 616 (6th Cir. 2003).

[34] *Id.*

plaintiff's famous mark.[35] This holding relied a great deal on *Panavision International, L.P. v. Toeppen*[36], an early FTDA decision that predated *Moseley*. The court reasoned:

> Through Defendants' registration and use of their Pinehurst domain names they have reduced Plaintiff's control over its unique association with its service marks. Plaintiff has been unable to obtain the registration of Defendants' Pinehurst domain names. Consequently, Plaintiff is unable to engage in electronic commerce under these domain names, which has reduced the selling power of Plaintiff's marks.
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> 'A significant purpose of a domain name is to identify the entity that owns the web site.' Customers searching for a company's website will often search using a domain name identical or similar to the company's name or mark. Defendants' use of domain names identical or confusingly similar to Plaintiff's marks is likely to prevent or hinder Internet users from accessing Plaintiff's golf services on the Internet. Customers unable to locate Plaintiff's website using domain names identical to its marks, such as 'PinehurstResort.com,' 'may fail to continue to search for [P]laintiff's own home page, due to anger, frustration, or the belief that [P]laintiff's home page does not exist.' As a result, the economic value of Plaintiff's marks is diminished.
>
> Because of the unique nature of domain names in electronic commerce and the resulting economic harm when marks are registered as domain names by cyberpirates, Defendants' use of Plaintiff's service marks in their Pinehurst domain names constitutes dilution. A customer using the Internet will be unable to discern any appreciable difference between Defendants' domain names and Plaintiff's marks. Therefore, the court finds that Defendants have diluted Plaintiff's service marks in violation of the FTDA.[37]

It is difficult to understand what evidence, beyond conclusory allegations of actual dilution, the court relied on. The District Court for the Southern District of Georgia made a similar ruling, but attempted to support its decision with the language of *Moseley*. In *Nike, Inc. v. Variety Wholesalers, Inc.*, the court applied *Moseley* and found actual dilution was established "when the junior and senior marks are identical" without additional evidence.[38] The court referred to the statement in *Moseley* that "it may not be necessary to present direct evidence of dilution 'if actual dilution can reliably be proven through circumstantial evidence–the obvious case is one where the junior and senior marks are identical.'"[39] Under the *Nike* court's interpretation of *Moseley*, the only circumstantial evidence necessary to prove actual dilution when the marks are identical is evidence that the

[35] Pinehurst, Inc. v. Wick, 256 F. Supp. 2d 424, 431–32 (M.D.N.C. 2003).

[36] Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir. 1998).

[37] *Pinehurst*, 256 F. Supp. 2d at 431–32 (citations omitted).

[38] Nike, Inc. v. Variety Wholesalers, Inc., 274 F. Supp. 2d 1352, 1372 (S.D. Ga. 2003).

[39] *Id.* (quoting Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 434 (2003)).

marks are identical.[40] This circular and strained reading of what is arguably dicta is difficult to support.

Nevertheless, the Northern District of Illinois has also recognized this "domain name dilution" position in *Avalon Indus., Inc. v. Robinson.*[41] In denying a defendant's motion to dismiss a dilution claim, the *Avalon* court held that the plaintiff might be able to establish actual dilution in the domain name context for three reasons: (1) "Internet users generally will assume that a domain name is associated with or sponsored by the owner of that mark;" (2) "[the defendant]'s use of the [disputed] domain name may diminish [the plaintiff]'s capacity to identify its own website and products using its marks;" and (3) "[the defendant]'s [disputed] domain name has the potential to dilute [the plaintiff]'s marks because it permits [the defendant] to decide what messages and goods are associated with [its] web site and by extension, with [the plaintiff's] mark."[42] Other courts have rejected this plaintiff-friendly interpretation of dilution, instead requiring circumstantial evidence of actual dilution beyond the mere fact that the marks are identical.[43]

Another question left open by *Mosley* is whether non-inherently distinctive marks are even eligible for protection under the FTDA. The FTDA requires that a mark be both distinctive and famous in order to qualify for protection.[44] The Second Circuit has interpreted the FTDA to mean that only *inherently distinctive* marks can be protected. The Second Circuit first announced this view in *Nabisco, Inc., v. PF Brands, Inc.*, where the court held that "[i]t is quite clear that the statute intends distinctiveness, in addition to fame, as an essential element. . . . A mark that, notwithstanding its fame, has no distinctiveness is lacking the very attribute that the antidilution statute seeks to protect."[45]

In *Moseley*, the Supreme Court cited with approval the *Nabisco* holding that distinctiveness and fame are separate statutory requirements, both of which must be independently proved.[46] The Court also quoted at length an article in the 1927 Harvard Law Review that first proposed the claim of dilution.[47] Dilution should protect only "an established arbitrary mark that had been 'added to rather than

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[40] *Nike,* 294 F.Supp.2d at 1372.

[41] Avalon Indus. V. Robinson, No. 01 C 3615, 2003 U.S. Dist. LEXIS 14920, at *5–6 (N.D. Ill. Aug. 21, 2003).

[42] *Id.* (citations omitted).

[43] *See* Savin Corp. v. Savin Group, No. 02 Civ. 9377 (SAS), 2003 U.S. Dist. LEXIS 19220, at *44 (S.D.N.Y. Oct. 24, 2003) (granting the defendant's motion for summary judgment because the plaintiff presented "no circumstantial evidence of any kind tending to show actual dilution other than the fact that the marks are identical"); *see also* Nitro Leisure Prods., L.L.C. v. Acushnet Co., 341 F.3d 1356, 1366 (Fed. Cir. 2003) (holding that conclusory statements regarding dilution are insufficient to establish actual dilution' under *Moseley*).

[44] 15 U.S.C. § 1125(c)(1) (2000).

[45] 191 F.3d 208, 216 (2d Cir. 1999); *see also* TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 98 (2d Cir. 2001) (holding that "[b]ecause TCPIP's mark, 'The Children's Place,' as a designator of stores for children's clothing and accessories, is descriptive, and thus, lacks inherent distinctiveness, it cannot qualify for the protection of the Dilution Act"); N.Y. Stock Exch. v. N.Y., N.Y. Hotel, L.L.C., 293 F.3d 550, 556–57 (2d Cir. 2002) (agreeing with the trial court's conclusion "that the scope of the Lanham Act's anti-*dilution* protection extends only to those marks that are inherently distinctive, not to those that derive distinctiveness only from secondary meaning").

[46] *See* Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 426 n.5 (2003).

[47] *Id.* at 429 n.10.

withdrawn from the human vocabulary.'"[48] The Court's quote from Schechter includes a passage stating that marks such as STAR, ANCHOR, BULL DOG and GOLD MEDAL are not sufficiently distinctive to be protectable via dilution claims.[49] *Moseley* stated in dicta that "the statute intends distinctiveness, in addition to fame, as an essential element,"[50] which might be interpreted to provide support for the Second Circuit's decision to exclude from the purview of the FTDA those marks with acquired distinctiveness. Therefore, *Moseley* allows for the possibility that subsequent courts will adopt the Second Circuit's view and only provide protection to inherently distinctive marks.

Moseley therefore raised more questions than it resolved. However, one thing is certain: the ability of trademark owners to use the FTDA was greatly restricted. The fate of the FTDA following *Moseley* is unknown, and one that likely can only be remedied through legislative action. Until that point, the FTDA ceases to be a viable cause of action because of the uncertainty as to what is necessary to prove actual dilution, and the unpredictability of court decisions as they struggle with that question.

B. Dastar Corp. v. Twentieth Century Fox Film Corp.

In 1948, General Dwight D. Eisenhower authored a book about the allied campaign during World War II titled *Crusade In Europe*.[51] The exclusive television rights were subsequently granted to Twentieth Century Fox Film Corporation ("Fox").[52] "Fox, in turn, arranged for Time, Inc., to produce a television series . . . based on the book, and Time assigned its copyright in the series to Fox."[53] The series first aired in 1949.[54] "Fox . . . did not renew the copyright on the Crusade television series, which expired in 1977, leaving the television series in the public domain."[55]

> In 1988, Fox reacquired the television rights in General Eisenhower's book, including the exclusive right to distribute the Crusade television series on video and to sub-license others to do so. . . . SFM Entertainment and New Line Home Video, Inc., in turn, acquired from Fox the exclusive rights to distribute Crusade on video. SFM obtained the negatives of the original television series, restored them, and repackaged the series on videotape; New Line distributed the videotapes.
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> In 1995, . . . "[a]nticipating renewed interest in World War II on the 50th anniversary of the War's end, Dastar released a video set entitled World War II Campaigns in Europe. To make Campaigns, Dastar purchased eight

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[48] *Id.* (quoting Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 829 (1927)).

[49] *Id.*

[50] *Id.* at 426 n.5.

[51] Dastar Corp. v. Twentieth Century Fox Film Corp., 123 S. Ct. 2041, 2044 (2003).

[52] *Id.*

[53] *Id.*

[54] *Id.*

[55] *Id.*

> beta cam tapes of the *original* version of the Crusade television series, which was in the public domain, copied them, and then edited the series . . .
>
> Dastar manufactured and sold the Campaigns video set as its own product.[56]

Fox filed suit and prevailed at the district court level on its Lanham Act claim, namely, reverse passing off.[57] Essentially, Fox argued that Dastar failed to properly credit the Crusade television series.[58] The Court of Appeals for the Ninth Circuit affirmed the judgment on the Lanham Act claim.[59]

> [T]he Court of Appeals reasoned that 'Dastar copied substantially the entire *Crusade in Europe* series created by Twentieth Century Fox, labeled the resulting product with a different name and marketed it without attribution to Fox [,][and] therefore committed a 'bodily appropriation' of Fox's series.' It concluded that 'Dastar's 'bodily appropriation' of Fox's original [television] series is sufficient to establish the reverse passing off.'[60]

In other words, since the defendant copied the work as a whole, it then was liable for reverse passing off.

The theory of reverse passing off comes from the Lanham Act's prohibition on making a "false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion . . . as to the origin . . . of [its] goods."[61] The Supreme Court held that the defendant's copying and marketing of the plaintiff's videotape series, which had fallen into the public domain, did not violate the Lanham Act because the defendant was the origin of the series under the Lanham Act.[62]

While the Supreme Court's holding almost certainly does away with the reverse passing off sub-doctrine and its reliance on bodily appropriation,[63] the more interesting issue touched on by the *Dastar* Court is the intersection between various forms of intellectual property rights. The Supreme Court in *Dastar* again contracted trademark rights. The Supreme Court refused to protect a previously copyrighted product under a reverse passing of rationale.[64] In other words, the Court would not permit the limited time provision of the copyright and patent clause to be extended indefinitely via the Lanham Act.[65] As the Court explained, using trademark law as a "species of mutant copyright law that limits the public's federal right to copy and use

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[56] *Id.*

[57] *Id.* at 2044–45.

[58] *Id.* at 2044.

[59] *Id.* at 2045; s*ee also* Twentieth Century Fox Film Corp., v. Entm't Distrib., Nos. 00–56703, 00–56712, 01–55027, 2002 WL 649087 (9th Cir. Apr. 19, 2002).

[60] *Dastar*, 123 S. Ct. at 2045 (quoting *Twentieth Century Fox*, 2002 WL 649087, at *1).

[61] 15 U.S.C. § 1125(a) (2000).

[62] *Dastar*, 123 S. Ct. at 2050.

[63] *Cf.* Williams v. UMG Recordings, Inc., 281 F. Supp. 2d 1177 (C.D. Cal. 2003) (applying *Dastar* to bar the plaintiff's claim for relief for not having been credited for his alleged work editing a film).

[64] *Dastar*, 123 S. Ct. at 2050.

[65] *Id.*

expired copyrights"[66] is unconstitutional because it extends *indefinitely* the limited monopoly granted by copyright law.[67]

This principle conforms with the analogous controlling principle set forth in *Bonito Boats* regarding the preemption of patent law:

> Where the public has paid the congressionally mandated price for disclosure, the States may not render the exchange fruitless by offering patent-like protection to the subject matter of the expired patent. 'It is self-evident that on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property.'[68]

Thus, the Court appears unwilling to allow trademark law to be used to extend the scope or duration of protection under either patent or copyright law.[69] As the Court explained, this is not a policy-based decision but one grounded in the Constitution: "To hold otherwise would be akin to finding that § 43(a) [of the Lanham Act] created a species of perpetual patent and copyright, which Congress may not do."[70]

Prior to *Dastar*, in *Chambers v. Time Warner*[71], the court seemingly allowed an alleged trademark right to expand a then defunct copyright. In *Chambers,* the defendant operated a web site that permited users to download music.[72] Notwithstanding the fact that the defendant could permissibly offer the music for *sale*, the artists brought trademark infringement claims against the defendant.[73] The court found that the defendant's use of the plaintiffs' names on its web site that allowed users to download music was not nominative fair use and could cause confusion in violation of the Lanham Act.[74] Therefore, the court denied the defendant's motion to dismiss.[75] In holding that the trademark allegations were viable causes of action, the court explained: "The fact that the use of an artist's name or likeness is truthful does not necessarily render the use permissible under the Lanham Act; a truthful attribution does not automatically dispel false implications about the artist's affiliation or endorsement of a product or service."[76] Post-*Dastar* decisions reflect the Supreme Court's concern with using trademark law to extend protection for works previously protected under the copyright or patent laws.[77]

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[66] *Id.* at 2048 (quoting Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 165 (1989)).

[67] *Dastar*, 123 S. Ct. at 2050.

[68] 489 U.S. at 152 (quoting Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 185 (1896)).

[69] *See Dastar*, 123 S. Ct. at 2048–50.

[70] *Id.* at 2050; s*ee* U.S. CONST. art. I, § 8, cls. 1, 8 ("Congress shall have 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." (emphasis added)).

[71] 66 U.S.P.Q. 2d (BNA) 1292 (S.D.N.Y. 2003).

[72] *Id.* at 1294.

[73] *Id.* at 1293–94.

[74] *Id.* at 1294–97.

[75] *Id.* at 1297.

[76] *Id.* at 1296.

[77] *See generally* Eco Mfg. L.L.C. v. Honeywell Int'l, Inc., No. 03–2704, 2003 WL 23096007 (7th Cir. Dec. 31, 2003) (denying manufacturer's motion for a preliminary injunction after holding that a

C. KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.

Recently, on January 4, 2003, the Supreme Court granted certiorari in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*[78] This case involves a dispute between two competitors in the field of micropigmentation and their respective rights to use the phrase "micro colors."[79] Micropigmentation involves the application of permanent make-up, applied much like a tattoo.[80] Its uses can be cosmetic (e.g., permanent eye liner) or medical (e.g., correcting pigmentary disorder).[81] The district court granted summary judgment for KP on the issue of fair use.[82] The Ninth Circuit reversed because the district court did not also engage in a likelihood of confusion analysis after finding fair use.[83] The Supreme Court will resolve the issue of whether a party that qualifies for fair use must also prove the absence of a likelihood of confusion.[84]

This rather esoteric question provides the Supreme Court with another opportunity to evaluate and adjust the scope of trademark rights. On one hand, it does not seem reasonable to have a fair use defense that can only be applied in situations where defendant has established there is no likelihood of confusion. If there is no likelihood of confusion, there is no need for the defense. Thus, the Ninth Circuit's position in *KP Permanent Make-Up* appears to render the fair use defense superfluous.[85]

On the other hand, a primary purpose of trademark law is to prevent consumer confusion.[86] If a defendant's use is fair, and substantial public confusion is still present, should a court disregard this public harm? Other equitable defenses can be overcome and liability imposed if confusion is present.[87]

It is unclear what the Supreme Court will do. Following its new textualist philosophy, it seems likely that the Court will focus its attention on the statutory language. This approach however, might be problematic. The fair use defense has developed over time, stemming from common law,[88] and the scant attention paid to it in the Lanham Act does not accurately capture the nuances of the doctrine. Thus, a new textualist resolution might be unsatisfactory.

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thermostat's external round shape, formerly the subject of utility and design patents and later protected via an incontestable trademark registration, was likely functional).

[78] 124 S.Ct. 981 (2003).

[79] KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 328 F.3d 1061, 1064–66 (9th Cir. 2003).

[80] *Id.* at 1065.

[81] *Id.*

[82] *Id.* at 1066.

[83] *Id.* at 1073.

[84] Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit at *i, KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 328 F.3d 1061 (9th Cir. 2003) (No. 03–409).

[85] *See KP Permanent Make-Up, Inc.*, 328 F.3d 1061.

[86] *See, e.g.,* Anheuser-Busch, Inc. v. L. & L. Wings, Inc., 962 F.2d 316, 318 (4th Cir. 1992) (stating that "the purpose of trademark law is to protect the public from confusion").

[87] *See, e.g.,* SunAmerica Corp. v. Sun Life Assurance Co. of Can., 77 F.3d 1325 (11th Cir. 1996) (holding that a showing of inevitable confusion can overcome the estoppel effect of acquiescence).

[88] *See* Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150 (9th Cir. 2002) (stating that "the common law classic fair use defense [was] codified in the Lanham Act").

II. SUBDOCTRINES

Taking a cue from the Supreme Court's recent shift away from hypothesized harms and expansive rights towards the need for empirical evidence of confusion, subdoctrines have started to contract and have been refined to help better maintain the proper balance of rights. Given the wide variety of views on several subdoctrines, we should expect some unpredictability over the next few years as courts continue to apply and refine them to new fact patterns. There are two subdoctrines that expanded wildly during the Internet days and that are currently being scrutinized: initial interest confusion and nominative fair use.

A. The Initial Interest Confusion Doctrine

Initial interest confusion involves confusion that catches the initial interest of the consumer but is dissipated prior to a purchase.[89] In other words, it is the classic "bait and switch." While this doctrine dates back nearly thirty years,[90] its notoriety grew when the Ninth Circuit applied it in the Internet context.[91]

While the doctrine's popularity has grown, it should be noted that some courts still have refused to adopt it.[92] Nevertheless, since *Brookfield* in 1999, the application of the doctrine in the domain name and metatag context is clear. Now courts are faced with considering new fact patterns, particularly on the Internet.

One court recently applied the doctrine in the context of pop-up advertisements.[93] There, under the aegis of initial interest confusion, the defendant was enjoined from causing its competing pop-up advertisements to appear when a web user accessed the plaintiff's web site.[94] Others have rejected this extension (in identical fact patterns). The United States District Court for the Eastern District of Michigan found WhenU.com's conduct to be legitimate comparative advertising,[95] and the United States District Court for the Eastern District of Virginia agreed not to impose liability for such pop-up advertisements.[96]

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[89] *See* Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1062 (9th Cir. 1999).

[90] *See* Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331 (2d Cir. 1975).

[91] *See Brookfield,* 174 F.3d 1036.

[92] *See, e.g.,* Beacon Mutual Ins. Co. v. OneBeacon Ins. Group, 290 F. Supp. 2d 241, 246 n.4 (D.R.I. 2003) (noting that while the Second, Third, Fifth, Seventh and Ninth Circuits have adopted the doctrine, the First Circuit has yet to do so).

[93] *See* 1-800 Contacts, Inc. v. WhenU.com, Inc., 02 Civ. 8043 (DAB), 2003 U.S. Dist. LEXIS 22932, at *1–2 (S.D.N.Y. Dec. 22, 2003).

[94] *Id.* at *110.

[95] Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 761 (E.D. Mich. 2003) (noting that the tying of pop-up advertisements to a competitor's web site is not a violation of the Lanham Act because trademark laws "are not meant to protect consumer goodwill [sic] created through extensive, skillful, and costly advertising")(quoting Smith v. Chanel, Inc., 402 F.2d 562, 566 (9th Cir. 1968)).

[96] U-Haul Int'l, Inc. v. WhenU.com, Inc., 279 F. Supp. 2d 723, 729 (E.D. Va. 2003) (holding that the tying of pop-up advertisements to a competitor's web site is not a violation of the Lanham Act because the defendant's conduct does not involve use of the plaintiff's trademark in commerce).

An ongoing concern with initial interest confusion is the ease with which courts can find liability without empirical evidence or even consumer confusion. For example, in *Horphag Research, Ltd. v. Pellegrini*, the court found, as a matter of law, that the defendant had committed trademark infringement because the defendant "admit[ted] to using [the plaintiff's] trademark and specifically admit[ed] to using the . . . mark in the meta-tags for his websites."[97] In another case, only five unique users were redirected from the infringing domain name to the defendant's competing web site.[98] This was nevertheless deemed sufficient to support a finding of initial interest confusion and liability under the Lanham Act.[99] Similarly, one court explained the harmful aspect of initial interest confusion (which, surprisingly, was not customer confusion):

> The harm to [the] Plaintiff from initial interest confusion lies not in the loss of Internet users who are unknowingly whisked away from [the] Plaintiff's website; instead, the harm to the Plaintiff from initial interest confusion lies in the possibility that, through the use of pop-up advertisements the Defendant . . . "would gain crucial credibility during the initial phases of a deal."[100]

In light of the Supreme Court's current discomfort with inchoate harms and unsupported presumptions, some courts are beginning to contract the scope of the doctrine. As one court explained, "consumers diverted on the Internet can more readily get back on track than those in actual space, and thus the harm from consumers becoming trapped in a competing web site is easily avoided."[101] Recognizing the easily hypothesized (and avoidable) harm, the Second Circuit requires a "showing of intentional deception on the part of the defendant before imposing liability."[102] In granting summary judgment for the defendant and rejecting a finding of initial interest confusion, the court focused on the lack of actual evidence put forth to establish confusion.[103]

Finally, this shift is apparent in a surprising concurring opinion from the Ninth Circuit. The Ninth Circuit, having made the doctrine famous in *Brookfield*, appears now to be backing away from it. The court in *Playboy Enterprises, Inc. v. Netscape Communications Corp.*[104] reversed the lower court's granting of summary judgment for the defendant where the defendant was using the plaintiff's trademarks to key advertisements on its search engine. The court relied on the initial interest confusion doctrine. Judge Berzon, however, wrote a powerful concurrence calling the

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[97] 337 F.3d 1036, 1040(9th Cir. 2003).

[98] Flow Control Indus., Inc. v. AMHI, Inc., 278 F. Supp. 2d 1193, 1199 (W.D. Wash. 2003).

[99] *Id.* at 1199–1202 (granting the plaintiff's motion for summary judgment on trademark infringement claim brought under the Lanham Act after finding initial interest confusion).

[100] 1-800 Contacts, Inc. v. WhenU.com, Inc., 02 Civ. 8043 (DAB), 2003 U.S. Dist. LEXIS 22932, at *69 (S.D.N.Y. Dec. 22, 2003) (quoting Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 259 (2d Cir. 1987).

[101] Savin Corp. v. Savin Group, No. 02 Civ. 9377 (SAS), 2003 U.S. Dist. LEXIS 19220, at *36 (S.D.N.Y. Oct. 24, 2003).

[102] *Id.*

[103] *Id.* at *37.

[104] 354 F.3d 1020 (9th Cir. 2004).

entire sub-doctrine into question.[105] In this concurrence, Judge Berzon argued that most cases of initial interest confusion do not involve confusion at all but rather consumer choice.

> There is a big difference between hijacking a customer to another website by making the customer think he or she is visiting the trademark holder's website . . . and just distracting a potential customer with another *choice*, when it is clear that it is a choice . . . I do not think it is reasonable to find initial interest confusion when a consumer is never confused as to the source or affiliation, but instead knows, or should know, from the outset that a product or web link is not related to that of the trademark holder because the list produced by the search engine so informs him. [106]

Finally, Judge Berzon concluded by calling the doctrine itself into doubt: "Should the question arise again, in this case or some other, this court needs to consider whether we want to continue to apply an unsupportable rule."[107]

The status of the initial interest confusion doctrine is therefore uncertain. The current trend is to apply the doctrine in such a way as to require some empirical foundation (beyond mere presumptions or conclusory statements) for a finding of liability.

B. The Nominative Fair Use Defense

Nominative fair use was first articulated a little over a decade ago in *New Kids on the Block v. News America Publ'g, Inc.*[108] In *New Kids*, two newspapers were running telephone polls asking readers to vote for their favorite "New Kid."[109] The New Kids on the Block sued the newspapers for trademark infringement.[110] The Ninth Circuit found the papers' use permissible, but only after creating the then-novel nominative fair use doctrine that applied where the defendant was using the plaintiff's trademark to refer to the *plaintiff's* product.[111] In these limited situations, the court noted that the traditional likelihood of confusion analysis gives way to a special three-pronged test.[112] This nominative fair use defense insulates a commercial defendant if three requirements are met:

> (1) the product or service in question must be one not readily identifiable without use of the trademark;
> (2) only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and

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[105] *Id.* at 1034 (Berzon, J., concurring).
[106] *Id.* at 1035 (emphasis in original).
[107] *Id.* at 1036.
[108] 971 F.2d 302 (9th Cir. 1992).
[109] *Id.* at 308–09.
[110] *Id.* at 304.
[111] *Id.* at 308.
[112] *Id.*

(3) the defendant must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.[113]

Since *New Kids*, other circuits have been less than receptive to the doctrine.[114] In fact, no other Circuit has explicitly adopted the defense. Nevertheless, the Ninth Circuit continues to apply and refine the doctrine.

For example, the Ninth Circuit recently held that the use of another's trademark in metatags with the purpose of diverting consumers to a competing web site does not qualify for nominative fair use.[115] Similarly, in *Brother Records, Inc. v. Jardine*, a former member of the Beach Boys musical group was using the trademark "The Beach Boys" to advertise his current concert tour.[116] Because defendant's use suggested sponsorship by the Beach Boys, the court held that the use did not qualify as nominative fair use.[117] In other words, defendant failed the third prong of the test, namely doing nothing that would suggest sponsorship or endorsement.[118]

In contrast, in *J.K. Harris & Co. v. Kassel* the court applied the nominative fair use test to deny the plaintiff's request for injunctive relief.[119] The plaintiff, a large tax representation and negotiation company, operated a web site at www.jkharris.com.[120] The defendant operated a competing web site at www.taxes.com.[121] Unfavorable information about the plaintiff was published on the defendant's website.[122] One page was entitled "JK Harris Employees Tell of Wrongdoing While Complaints Pile Up."[123] The defendant also solicited information critical of the plaintiff to publish on its web site.[124] The defendant had also allegedly manipulated its web site so that search engine requests for the plaintiff would also produce the defendant's web site on the results lists.[125] This was allegedly done via keyword density, use of header and underline results tags, and the use of hot links.[126] The defendant's efforts had succeeded in that its web site appeared on the results list of several search engines when the plaintiff's trade name was searched.[127] Nevertheless, the court rejected initial interest confusion because the nominative fair use doctrine applied.[128] The court found that, although it was used frequently, the defendant's use of the plaintiff's trade name was not more than was reasonably

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[113] *Id.*

[114] *See, e.g.*, PACCAR, Inc. v. Telescan Techs., L.L.C., 319 F.3d 243, 258 (6th Cir. 2003) (refusing to adopt the nominative fair use defense); Basic Fun, Inc. v. X-Concepts, L.L.C., 157 F. Supp. 2d 449, 457 (E.D. Pa. 2001) (holding that "[t]he Third Circuit does not recognize 'nominative' fair use defense, which is utilized as a defense solely in the Ninth Circuit").

[115] *See* Horphag Research, Ltd. v. Pellegrini, 337 F.3d 1036, 1042 (9th Cir. 2003).

[116] Brother Records, Inc. v. Jardine, 318 F.3d 900, 902 (9th Cir. 2003).

[117] *Id.* at 908.

[118] *Id.*

[119] 253 F. Supp. 2d 1120, 1127 (N.D. Cal. 2003).

[120] *Id.* at 1122.

[121] *Id.*

[122] *Id.*

[123] *Id.*

[124] *Id.*

[125] *Id.*

[126] *Id.* at 1123.

[127] *Id.*

[128] *Id.* at 1126.

necessary to accomplish its purpose, namely to criticize the plaintiff's business.[129] Similarly, in *Mattel Inc. v. Walking Mountain Productions*, the court applied the nominative fair use defense to avoid reaching a First Amendment issue.[130] There, defendant used Barbie Dolls in a series of photographs in an attempt to "critique . . . the objectification of women associated with [Barbie], and . . . [to] lambaste . . . the conventional beauty myth and the societal acceptance of women as objects because this is what Barbie embodies."[131] In granting the photographer's motion for summary judgment, the court found his use to qualify as a nominative fair use.[132] Specifically, the photographer used Barbie to refer to the doll, used only as much as was necessary, and did nothing that would cause others to think Mattel had sponsored the exhibits.[133]

While the doctrine has not captivated many beyond the Ninth Circuit, recent decisions possibly indicate a need for such a doctrine.[134] In *Chambers*, the court held "[t]he fact that the use of an artist's name or likeness is truthful does not necessarily render the use permissible under the Lanham Act" even though the defendant was selling songs sung by the artist and that the defendant was legally permitted to sell.[135] Imposing Lanham Act liability for displaying an artist's name next to a song that one can legitimately sell is troubling. While it seems that the holding in *Dastar* should be sufficient to remedy this problem, the nominative fair use test might provide an easy (non-Constitutional) basis for getting to the right outcome.

III. THE INTERNET

Notwithstanding that all three of the most recent Supreme Court cases involved bricks-and-mortar situations, much of the recent development in trademark law has involved, and been spurred by, the Internet.

The decision with the most far-reaching implications occurred, not surprisingly, in the Ninth Circuit.[136] There, Judge Kozinski concluded that domain names are property. "Kremen . . . had an intangible property right in his domain name."[137]

Network Solutions Incorporated ("NSI") gave away Kremen's domain name, www.sex.com, based on an obviously forged letter by Cohen.[138] Kremen, unable to collect his judgment against Cohen, attempted to impose liability on NSI for unlawfully transferring his domain name to a third party.[139] The court held that Kremen could state a cause of action for conversion, because domain names were, in fact, a kind of property that could be converted.[140] Judge Kozinski held that domain

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[129] *Id.*

[130] Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 808 (9th Cir. 2003).

[131] *Id.* at 796.

[132] *Id.* at 809.

[133] *Id.* at 812.

[134] *See, e.g.*, Chambers v. Time Warner, No. 00 Civ. 2839 (JSR), 2003 U.S. Dist. LEXIS 3065 (S.D.N.Y. March 4, 2003).

[135] *Id.* at *10.

[136] Kremen v. Cohen, 337 F.3d 1024 (9th Cir. 2003).

[137] *Id.* at 1030.

[138] *Id.* at 1035.

[139] *Id.* at 1029.

[140] *Id.* at 1036.

names met the three criteria for property: (1) they constitute interests capable of precise definition; (2) they can be subjected to exclusive control; and (3) they are such that the putative owner can establish a legitimate claim to exclusivity.[141] Aside from resolving an issue of first impression and giving Kremen the potential to collect from NSI, this decision makes domain name misuse subject to the common law of torts.[142] Importantly, under a conversion theory, an alleged tortfeasor is faced with strict liability.[143]

In a different fact pattern prior to *Kremen*, a domain name registrar avoided liability when it tendered control of a domain name to the French Court after a party filed suit over the domain name in France.[144] The court would still permit the former domain name registrant to bring an action for reverse domain name hijacking against the new registrant (but not the registrar) even though the domain name was transferred pursuant to a foreign court's order.[145] In addition, the court held that it would not give deference to any prior decision by a foreign court.[146] Assuming *Kremen* is adopted, it is unclear whether registrars might potentially be held liable in situations like these.

Recently, another issue of first impression was similarly resolved. Use of another's trademark in the post-domain path of a URL (i.e., www.domainname.com/*post/domain/path*) does not likely constitute trademark infringement.[147]

> The post-domain path of a URL, however, does not typically signify source. The post-domain path merely shows how the website's data is organized within the host computer's files. Typically, web pages containing the post-domain paths are not reached by entering the full URL into a browser; instead, these secondary pages are usually reached via a link from the website's homepage, which does not contain a post-domain path.[148]

Similarly, use of another's trademark in a domain name gripe site (i.e., XXXsucks.com), without more, does not constitute commercial use, and therefore the Lanham Act does not apply.[149] In declining to grant relief, the court observed that, "[the plaintiff] concedes that [the defendant] is 'free to shout '[the plaintiff] Sucks!' from the rooftops.' Essentially, this is what he has done in his domain name. The rooftops of our past have evolved into the Internet domain names of our present."[150]

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[141] *Id.* at 1030.
[142] *Id.* at 1036.
[143] *Id.* at 1035.
[144] Hawes v. Network Solutions, Inc., 337 F.3d 377, 383 (4th Cir. 2003).
[145] *Id.* at 383.
[146] *Id.* at 386.
[147] *See* Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc., 326 F.3d 687 (6th Cir. 2003).
[148] *Id.* at 696–97 (citation omitted).
[149] *See* Taubman Co. v. Webfeats, 319 F.3d 770, 780 (6th Cir. 2003).
[150] *Id.* at 778 (citations omitted).

A. Anti-Cybersquatting Consumer Protection Act (ACPA)

The Anti-Cybersquatting Consumer Protection Act (ACPA) provides for injunctive relief and statutory damages if a party "registers, traffics in, or uses a domain name" with "a bad faith intent to profit."[151] Although the effective date of the ACPA was November 19, 1999,[152] it is now well settled that statutory damages are available for domain names registered prior to the enactment of the ACPA for "post-enactment use or trafficking."[153] In addition, the *Ford Motor* Court held that an offer to sell (with nothing more) was "trafficking" in a domain name in violation of the ACPA.[154] Also, at least one court has held that transferring a domain name pursuant to the ACPA from a foreign registrant obtained via a foreign registrar does not constitute an extraterritorial application of the Lanham Act because the *res* is located in the United States.[155]

B. Uniform Domain-Name Dispute Resolution Policy ("UDRP")

In 1999, the Uniform Domain-Name Dispute Resolution Policy ("UDRP") outlined a quasi-judicial proceeding to deal with domain name disputes. "Disputes alleged to arise from abusive registrations of domain names (for example, cybersquatting) may be addressed by expedited administrative proceedings that the holder of trademark rights initiates by filing a complaint with an approved dispute-resolution service provider."[156] These administrative hearings provide quick, inexpensive and effective means for dealing with cybersquatters. Although independent of the Lanham Act and the federal judiciary, courts have recently commented on such proceedings.

For example, a dispute-resolution proceeding pursuant to the URDP is not considered to be arbitration falling under the Federal Arbitration Act ("FAA").[157] This is significant because judicial review under the FAA is limited to a motion to vacate pursuant to section ten of the FAA, which only permits reversal in situations of "evident partiality or corruption . . . [or] misconduct" of the arbitrator.[158] Instead, an appeal of an adverse UDRP decision is pursuant to the ACPA, which provides a cause of action to challenge such decisions.[159] Court review under the ACPA (rather than the FAA) is essential because "the administrative process prescribed by the UDRP is 'adjudication lite' as a result of the streamlined nature and its loose rules."[160] Importantly, a reviewing court does not defer to a prior UDRP decision:

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[151] 15 U.S.C. § 1125(d)(1)(A) (2000).

[152] *Id.*

[153] *See, e.g.,* Ford Motor Co. v. Catalanotte, 342 F.3d 543, 548 (6th Cir. 2003).

[154] *Id.* at 549.

[155] Cable News Network, LP v. CNNews.com, No. 02–1112, 2003 WL 152846, at *2–3 (4th Cir. Jan. 23, 2003).

[156] ICANN Uniform Domain-Name Dispute-Resolution Policy General Information, *available at* http://www.icann.org/udrp/hdrp.htm (last visited Mar. 28, 2004).

[157] Dluhos v. Strasberg, 321 F.3d 365, 372 (3d Cir. 2003).

[158] 9 U.S.C. § 10(a) (2000).

[159] *See* 15 U.S.C. § 1114(2)(D)(v).

[160] Barcelona.com, Inc. v. Excelentisimo Ayuntamiento De Barcelona, 330 F.3d 617, 624 (4th Cir. 2003).

"[T]he WIPO panelist's decision is not even entitled to deference on the merits."[161] The *Barcelona.com* court made clear that a WIPO proceeding has no impact on the merits of an ACPA claim stating "any decision made by a panel under the UDRP is no more than an agreed-upon administration that is *not* given any deference under the ACPA."[162] Similarly, failing to assert a claim in a UDRP proceeding does not prevent a party from raising it in a subsequent federal action.[163]

C. Jurisdiction

The Internet jurisdiction test announced in *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, was based on a sliding scale approach classifying web sites as passive or interactive.[164] A highly interactive commercial web site supported a finding of personal jurisdiction, while a passive web site did not.[165] However, the flaws in this analysis are beginning to show as courts are returning to a traditional "minimum contacts" analysis. For example, in *Hy Cite Corp. v. Badbusinessbureau.com, L.L.C.*, the court declined to adopt the *Zippo* test:

> [I]t is not clear why a website's level of interactivity should be determinative on the issue of personal jurisdiction. . . . [R]egardless how interactive a website is, it cannot form the basis for personal jurisdiction unless a nexus exists between the website and the cause of action or unless the contacts through the website are so substantial that they may be considered 'systematic and continuous' for the purpose of general jurisdiction.[166]

The court concluded that "a rigid adherence to the *Zippo* test is likely to lead to erroneous results."[167] Going forward, plaintiffs would be well advised to ascertain whether a defendant has sufficient minimum contacts with the forum beyond merely having an interactive website.

IV. OTHER TRADEMARK USES AND RIGHTS

Section 43(a) of the Lanham Act "permits celebrities to vindicate property rights in their identities against allegedly misleading commercial use by others."[168] In *Parks*, the Sixth Circuit found that Rosa Parks had a viable cause of action under the

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[161] *Id.* at 623.
[162] *Id.* at 626.
[163] *See* Storey v. Cello Holdings, L.L.C., 347 F.3d 370, 381–82 (2d Cir. 2003).
[164] 952 F. Supp. 1119, 1124 (W.D. Pa. 1997).
[165] *Id.*
[166] 297 F. Supp. 2d 1154, 1160 (W.D. Wis. 2004).
[167] *Id*; *see also* Toys "R" Us, Inc. v. Step Two, S.A., 318 F.3d 446, 458 (3d Cir. 2003) (finding no personal jurisdiction in spite of a highly interactive commercial web site because there was no evidence of contacts with the forum state).
[168] Parks v. LaFace Records, 329 F.3d 437, 445 (6th Cir. 2003).

Lanham Act for defendant's use of her name in the title of a song.[169] Nevertheless, a famous person cannot attempt "to constitute . . . himself as a walking, talking trademark."[170] In *ETW Corp.*, the licensing agent for Tiger Woods attempted to prevent an artist from selling prints depicting Woods' 1997 victory at the Masters Tournament in Augusta, Georgia.[171] "[A]s a general rule, a person's image or likeness cannot function as a trademark."[172] Indeed, for a celebrity like Woods, the court speculated that there must be thousands of images of him in photographs, paintings, and other forms: "[n]o reasonable person could believe that merely because these photographs or paintings contain Woods' likeness or image, they all originated with Woods."[173] Only when a particular image has been "consistently used" in the advertising and sale of specific goods and services can that image or likeness be protected as a trademark.[174]

Analogously, trademark rights must give way to parodies. A company manufactured and sold tee-shirts portraying various World Wrestling Entertainment ("WWE") stars as dogs.[175] For example, WWE superstar Stone Cold Steve Austin with his catch-phrase "Open Up a Can of Woop Ass!" was caricatured (as a dog) as Bone Cold Steve Pawstin and the phrase "Open Up a Can of Woof Ass!"[176] In granting the defendant's motion for summary judgment, the court deemed the defendant's t-shirts to be deemed parodies and thus unlikely to cause consumer confusion.[177] Likewise, courts appear unwilling to provide a cause of action for "unflattering" use of a product. The popular children's toy, "Slip 'N Slide," was misused in a comedic scene in the film, "Dickie Roberts: Former Child Star."[178] In the scene, the character uses the Slip 'N Slide without water (causing large red abrasions on the character's chest) and then with cooking oil (causing the character to slide far too fast and run into a picket fence).[179] The manufacturer of the Slip 'N Slide brought suit.[180] The plaintiff's causes of action for dilution (under both the tarnishment and blurring theories) and trademark infringement were rejected as the court denied the plaintiff's motion for a temporary restraining order.[181] In addition, the court found that the defendant's use qualified as nominative fair use.[182]

Finally, courts are beginning to pay close attention to the use requirement of trademark law. In *Boule v. Hutton*, the plaintiffs sued the children of the artist of a painting they wished to sell for alleged misrepresentations regarding the paintings

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[169] *Id.* at 463.

[170] ETW Corp. v. Jireh Publ'g, Inc., 332 F.3d 915, 922 (6th Cir. 2003).

[171] *Id.* at 918–19.

[172] *Id.* at 922.

[173] *Id.* at 922.

[174] *Id.* at 923.

[175] World Wrestling Fed'n Entm't, Inc. v. Big Dog Holdings, Inc. 280 F. Supp. 2d 413, 418 (W.D. Pa. 2003).

[176] *Id.* at 420.

[177] *Id.* at 437–38.

[178] Wham-O, Inc. v. Paramount Pictures Corp., 286 F. Supp. 2d 1254, 1255 (N.D. Cal. 2003).

[179] *Id.* at 1257–58.

[180] *Id.* at 1255.

[181] *Id.* at 1264–65; *see also* Caterpillar, Inc. v. Walt Disney Co., 287 F. Supp. 2d 913 (C.D. Ill. 2003).

[182] *Wham-O*, 286 F. Supp. 2d at 1264.

authenticity.[183] One of the children had signed a certificate of authenticity for the painting.[184] Later, the children signed a letter repudiating that claim, and subsequently repeated that repudiation in articles in art publications.[185] The plaintiff sued under the Lanham Act for the statements made in the repudiation letter, as well as statements in one of the art publications.[186] On appeal, the Second Circuit affirmed the trial court's summary judgment that the defendants had not violated the Lanham Act.[187] The statements made in the context of an art magazine were not commercial speech; the article addressed a matter of public concern.[188] Furthermore, because the authenticity of the plaintiff's paintings had not been proven, no statement in the repudiation letter had been shown false or misleading.[189]

V. THE MADRID PROTOCOL

On November 2, 2003, the United States joined the Madrid Protocol.[190] The Madrid Protocol creates a centralized filing system by which trademark owners in member countries can obtain and maintain trademark rights in multiple countries by filing a single set of documents. Over sixty jurisdictions are parties to the Madrid Protocol.

Under the Madrid Protocol, a trademark owner files a single Madrid Application based on the basic application with the basic application's trademark office ("Office of Origin"). The Office of Origin examines the Madrid Application and certifies that the information in the Madrid Application is the same information contained in the basic application or registration. Following a review by the International Bureau of the World of Intellectual Property Organization ("WIPO"), WIPO publishes the Madrid Application in the *WIPO Gazette of International Marks* and conveys the information in the application to all of the member countries that the trademark owner has designated.

The member countries that receive the Madrid Application information from WIPO treat the application as a properly filed national application, independently examining the application under the same standards they use to examine national applications. If accepted, the Madrid Registration takes effect and the trademark owner enjoys the same rights as if the application had passed through the national registration system. The Madrid Registration's term is ten years. Trademark owners can renew the Madrid Registration for another ten years through a single filing with WIPO. This renews any national rights the trademark owner obtained in member countries. A single filing with WIPO can also accomplish any post-registration modifications such as changes of name or address.

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[183] 328 F.3d 84, 86–87 (2d Cir. 2003).
[184] *Id.* at 87.
[185] *Id.* at 88.
[186] *Id.*
[187] *Id.* at 95.
[188] *Id.* at 91.
[189] *Id.* at 92.
[190] This section borrows heavily from the research of Beverly W. Pattishall, David C. Hilliard and Joseph N. Welch II for the publication of their Trademarks and Unfair Competition Deskbook. Beverly W. Pattishall et al., Trademarks And Unfair Competition Deskbook (3rd ed. 1998).

VI. Conclusion

2003 saw a great deal of activity in the ongoing development of trademark law. The Supreme Court appears troubled by inchoate harms (*Moseley*), judge made subdoctrines (*Dastar*), and the use of trademark law to extend copyright and patent protection (*Dastar*). Lower courts appear to be, by and large, taking this lead and are moving away from presumptions. Similarly, several issues of first impression were resolved, including the conclusion that domain names are a form of property. While 2003 saw a contraction of trademark rights, this is not necessarily a negative development for trademark owners. Instead, courts are merely refining the underlying doctrine and requiring the same types of empirical foundations that have been required for decades.