

Abstract

Ms. Mota is a professor of legal studies at Bowling Green State University. She obtained her J.D. from The University of Toledo College of Law and her M.A. and B.A. from Bowling Green State University. Below, Ms. Mota briefly outlines recent litigation concerning the unaccredited copying of an uncopyrighted work, and provides a critical analysis of the ethical dilemma arising out of *Dastar*.

In its 2003 term, the U.S. Supreme Court decided two copyright-related cases. The first, *Eldred v. Reno*, upheld the constitutionality of the Copyright Term Extension Act. The second, *Dastar v. Twentieth Century Fox*, may have received less publicity, but is nonetheless an important case, both from academic and practical viewpoints. This case held that the Lanham Act does not prevent the unaccredited copying of an uncopyrighted work. From an academic viewpoint, this poses an interesting ethical dilemma - although the copying was deemed legal, it is probably neither ethical nor a good business strategy. If a student did the same thing, it could even be considered plagiarism. From a practical viewpoint, the original owner must maintain copyright protection for the whole statutory period, which has been extended under the Copyright Term Extension Act. Thus, this article examines the unanimous decision by the Court in *Dastar*.

**DASTAR v. TWENTIETH CENTURY FOX-ONE CAN'T GET BACK BY
TRADEMARK WHAT ONE GAVE UP UNDER COPYRIGHT**

Copyright 2003 Sue Mota

I. Introduction

On June 2, 2003, the U.S. Supreme Court released the second decision of its 2003 term concerning copyright. The first, *Eldred v. Ashcroft*,¹ upheld the constitutionality of the Copyright Term Extension Act.² The second, *Dastar Corp. v. Twentieth Century Fox Film Corporation*,³ held that the Lanham Act does not prevent the unaccredited copying of an uncopyrighted work.⁴ This author agrees with the *Dastar* decision because to hold otherwise,

¹Eldred v. Ashcroft, 537 U.S. 186 (2003). See generally Sue Ann Mota, "For Limited Times": The Supreme Court Finds the Copyright Term Extension Act Constitutional in Eldred v. Ashcroft, But When Does It End?" *intell. prop. & tech. f.* (forthcoming); Sue Ann Mota, *Eldred v. Reno – Is the Copyright Term Extension Act Constitutional?*, 12 *alb. l.j. sci. & tech.* 167 (2001).

²17 U.S.C. §§ 101, 302-305 (2000).

³*Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003).

⁴*Id.* at 2049.

would allow contravention of the Constitutional requirement for “limited times” for copyrights. However, this decision allows *Dastar* to get away with legal corporate plagiarism.

In the section below, this article will contrast the Constitutional underpinning for copyright and trademark law, as well as what is covered by copyright and trademark law, and the terms for each. Next, a closer examination of the *Dastar* case and its ramifications will be explored, as well as a very simple solution to this problem—the maintenance of copyright protection, especially since the term extension has been recently upheld.⁵ Finally, this article will examine the ethical implications of the *Dastar* case.

II. Copyright v. Trademark Law

According to the Constitution, “The Congress shall have power to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries.”⁶ From this clause, Congress has the power to enact copyright and patent law. The Framers of the Constitution seem to have been unanimous on this clause; the final form was adopted without debate.⁷ Copyright protection exists in original works of authorship fixed in any tangible form which includes: “literary works; musical works, including accompanying words; dramatic works; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.”⁸ The copyright term in the United States is currently the author’s life plus seventy years.⁹ The term for anonymous, pseudonymous, or works made for

⁵See *supra* note 1 and accompanying text.

⁶U.S. CONST. art. I, § 8, cl. 8.

⁷MELVILLE B. NIMMER, 1-1 NIMMER ON COPYRIGHT § 1.01 [A] (2003) (citing MADISON, DEBATES IN THE FEDERAL CONVENTION OF 1787 at 512-13 (1920) (Hunt and Scott ed. 1920)).

⁸17 U.S.C. § 102 (2000).

⁹17 U.S.C. § 302 (2000).

hire is currently ninety-five years from publication or one hundred twenty years from creation, whichever comes first.¹⁰

Trademark law is enacted under the Commerce Clause of the Constitution,¹¹ which gives Congress the power to regulate commerce with foreign nations and among the states. When Congress initially attempted to enact trademark law under the above mentioned clause, giving itself the power to grant authors and inventors the exclusive rights for limited times,¹² the U.S. Supreme Court in *The Trademark Cases*¹³ refused this authority.¹⁴ The current trademark law, the Lanham Act, protects “any word, name, symbol, or device, or combination” used to identify and distinguish goods from those manufactured or sold by others and to indicate the source of the goods.¹⁵ The Lanham Act goes beyond such traditional trademark protection and creates a federal remedy against one who uses in commerce either a false designation of origin or any false description or representation in connection with any goods or services.¹⁶

Since trademark law is enacted under the Commerce Clause and is not subject to the Constitutional “limited times” language, the U.S. Patent and Trademark Office allows a trademark holder to renew the mark for repeated periods of ten years.¹⁷ The mark, however, may

¹⁰*Id.* at § 302(c). This is an extension by the Copyright Term Extension Act. 17 U.S.C. §§ 101, 302-303 (Supp. V 1999). The prior U.S. copyright term was 20 years less. 17 U.S.C. § 302 (1998). This extension, including its retroactive aspects, was upheld by the U.S. Supreme Court in *Eldred v. Ashcroft*, 537 U.S. 186 (2003). The old US term was in accordance with the WTO’s Agreement on Trade Relations of Intellectual Property Rights. Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Annex 1C, Agreement on Trade Related Aspects of Intellectual Property (Apr. 15, 1994).

¹¹U.S. CONST. art. I, § 8, cl. 3.

¹²U.S. CONST. art. I, § 8, cl. 8.

¹³*In re Trade-Mark Cases*, 100 U.S. 82 (1879).

¹⁴*Id.* at 96-97.

¹⁵15 U.S.C. § 1127 (2000). A service mark is similarly defined as any word, name, symbol or device, or combination to identify and distinguish the services of one person from services of others and to indicate the source of the services. *Id.*

¹⁶*Id.*

¹⁷15 U.S.C. § 1059 (2000).

not be intentionally abandoned or become generic.¹⁸ Thus, copyright and trademark have differing Constitutional underpinnings and terms. While aspects of the same item may be covered by both copyright and patent protection, the Court in *Dastar* had to decide whether trademark law would take over when copyright law had expired.

III. *Dastar v. Twentieth Century Fox*

In 1948, Doubleday copyrighted and published General Dwight D. Eisenhower's book, *Crusade in Europe*, which was about the allied campaign in Europe during World War II. Doubleday granted exclusive television rights to an affiliate of Twentieth Century Fox, and Fox arranged for Times, Inc. to produce a television series based on the copyrighted book. The television series, also called Crusade in Europe, was first broadcasted in 1949 with twenty-six episodes. Fox held the copyright.¹⁹ Furthermore, in 1975, Doubleday renewed the copyright on the book, *Crusade in Europe*, but Fox did not renew the copyright on the television series, Crusade in Europe. The copyright on the television series expired in 1977, and the series entered the public domain.²⁰ In 1988, Fox reacquired the television rights in the book,²¹ but obviously not the copyright, which was lost when the television series entered the public domain.

In 1995, Dastar expanded its product line from music CDs to videos. For the upcoming fiftieth anniversary of World War II's end, Dastar edited the Crusade in Europe television series,

¹⁸15 U.S.C. § 1127 (2000).

¹⁹*Dastar*, 123 S. Ct. at 2044.

²⁰*Id.*

²¹*Id.* SFM Entertainment and New Line Home Video, Inc., plaintiffs in the original suit, obtained the exclusion rights to re-release the *Crusade in Europe* series on video from Fox. *Id.*

added some new material, and released a video set called World War II Campaign in Europe without attribution.²²

In 1998, Twentieth Century Fox and others²³ filed suit claiming that Dastar violated the copyright of the book *Crusade in Europe* and also infringed on the plaintiff's exclusive rights to reproduce and distribute videos based on the book.²⁴ Plaintiffs further alleged that defendants engaged in reverse passing off under the Lanham Act²⁵ and California's unfair competition law by misappropriating the Crusade in Europe television series and by falsely identifying themselves as the producers of the series.²⁶ Defendants counterclaimed for intentional and negligent misrepresentation, slander of title, and unfair competition. All counterclaims were eventually dismissed.²⁷

²²*Id.* Dastar purchased tapes of the original television series, which were in the public domain. The original series was edited; the new series is just over half as long but with a new opening sequence, credit page, and final closing. Dastar sold the video set as its own product without reference to the original television series. The new series was sold at Sam's Club, Costco, and Best Buy, among others, at \$25 per set, substantially less than what the original series sold for. *Id.*

²³*See supra* note 21.

²⁴*Twentieth Century Fox Film Corp. v. Dastar Corp.*, No. 98-7189, 2000 U.S. Dist. LEXIS 22064 (C.D. Cal. Nov.28, 2000).

²⁵15 U.S.C. § 1125(a) (2000), which states in pertinent part:

- (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation or origin, false or misleading description of fact, or false or misleading representation of fact, which –
 - (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
 - (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Passing off or palming off occurs when one misrepresents goods as someone else's; reverse passing off is when one represents someone else's as one's own. *Dastar*, 123 S. Ct. at 2044 n.1.

²⁶*Twentieth Century Fox Film Corp. v. Dastar Corp.*, No. 98-7189, 2000 U.S. Dist. LEXIS 22064, at *2 (C.D. Cal. Nov. 28, 2000).

²⁷*Id.*

In January 2000, the district court granted the plaintiff's motion for summary judgment on the three claims.²⁸ A three-day bench trial was held on remedies. The district court granted the maximum amount of statutory damages plus injunctive relief under the Copyright Act.²⁹ In addition, the district court awarded plaintiffs double the profits from the re-released video for reverse passing off under the Lanham Act in order to deter future conduct, and issued a permanent injunction.³⁰ In addition, the district court awarded attorneys' fees pursuant to the Copyright Act and the Lanham Act.³¹

The U.S. Court of Appeals for the Ninth Circuit, in an unpublished opinion in 2002, affirmed in part.³² Since Dastar copied, to a large extent, the entire Crusade in Europe television series, Dastar committed a "bodily appropriation" of this series. Thus, the appellate court affirmed the summary judgment on reverse passing off under the Lanham Act.³³ The court also affirmed the district court's ruling on profits under the Lanham Act because the trademark infringement was "deliberate and willful," credits to the original series were not included, and Dastar continued to market the series even after being informed of the possible trademark violation.³⁴ According to the appellate court, the district court did not abuse its discretion in

²⁸*Id.* at *1-2.

²⁹*Id.* at *3. One hundred fifty thousand dollars was awarded on this claim. *Id.*

³⁰*Id.* Over one million five hundred thousand dollars was awarded under this claim. *Id.*

³¹*Id.* at *3-4. Nearly one million five hundred thousand dollars in attorneys' fees were awarded. *Id.* The court considered the defendants' bad faith motivation, which was apparent from the aggressive litigation tactics of their attorneys, in their award. *Id.* at *5. The defendants' aggressive litigation tactics, such as filing motions and other pages which violated local rules and court orders, filing frivolous pleadings and motions, and obstructing discovery, also drove up the costs of litigation and consequently the size of the award of attorneys' fees. *Id.* at *17-18. The court also cited defendants' litigation abuses such as both filing motions late and early. *Id.* at *12.

³²*Twentieth Century Fox Film Corp. v. Dastar Corp.*, 34 Fed. Appx. 312 (9th Cir. 2002). *See generally* Brandi A. Karl, Note, *Reverse Passing Off and Database Protections: Daystar Corp. v. Twentieth Century Fox Film Corp.*, 9 B.U. J. SCI. & TECH. 1. 481 (2003).

³³*Id.* at 314. The minimal changes were insufficient to avoid liability. *Id.*

³⁴*Id.* at 315.

doubling the profits under the Lanham Act.³⁵ Furthermore, the court rejected the argument that the damages duplicate the statutory damages under the Copyright Act.³⁶ The copyright infringement claim was remanded for trial. Since the attorneys' fees were awarded in part based on the copyright claim, these too were remanded for recalculation after the copyright claim was resolved.

The U.S. Supreme Court granted the petition for writ of certiorari to the United States Court of Appeals for the Ninth Circuit.³⁷ In a unanimous decision authored by Justice Scalia in which Justice Breyer took no part, the U.S. Supreme Court held on June 2, 2003, that the Lanham Act does not prevent the unaccredited copying of an uncopyrighted work, thus reversing the appellate court and remanding the case.³⁸ According to the Court, the Lanham Act "was intended to make 'actionable the deceptive and misleading use of marks,' and 'to protect persons engaged in ... commerce against unfair competition.'"³⁹ One section of the Lanham Act, however, extends traditional trademark protection and creates a federal remedy against one "who use[s] in commerce either 'a false designation of origin, or any false description or representation' in connection with 'any goods or services.'"⁴⁰ The court stated that it must decide what the origin of goods means under the Lanham Act.⁴¹

³⁵*Id.*

³⁶*Id.* at 315-16.

³⁷*Dastar Corp. v. Twentieth Century Fox Film Corp.*, 537 U.S. 1099 (2003), *cert. granted.*

³⁸*Dastar*, 123 S. Ct. at 2043. See generally Amicus Brief, Brief Amici Curiae of Intellectual Property Law Professors in Support of *Dastar Corp.*, 24 Whittier L. Rev. 931 (2003).

³⁹*Dastar*, 123 S. Ct. at 2045 (citing 15 USC §1127 (2000)).

⁴⁰*Id.* at 2043 (citing 15 U.S.C. §1125 (2000)). As originally enacted and after the Trademark Law Revision Act of 1988, this section does not have boundless application, and can never be a federal codification of the overall law of unfair competition. *Id.*

⁴¹*Id.* at 2046-47. "Origin" goes beyond geographic origin to origin of source or manufacture, creating a federal cause of action for traditional trademark infringement even for unregistered marks. *Id.* at 2046. In addition, every circuit which considered the issue held that the Lanham Act protected against reverse passing off. *Id.* See *supra* note 25 for a definition of reverse passing off.

The definition of “origin” is essential to determine whether Dastar made a false designation of origin in violation of the Lanham Act. If Dastar merely repackages the television series as videos, then Dastar violated the Lanham Act. If Dastar took a work in the public domain, copied it, modified it, and produced its own series, then Dastar is not liable. In other words, according to the Court, if origin refers only to the manufacturer or producer of the actual product, then Dastar is the origin, but if origin includes the creator of the underlying work, then someone else is the origin.⁴²

The court examined the Webster’s New International Dictionary definition of “origin,” which is the “fact or process of coming into being from a source.”⁴³ The court thought that the most natural understanding of origin of goods is the producer of the tangible product sold in the marketplace, which is Dastar.⁴⁴ The Court concluded that “reading the phrase ‘origin of goods’ in accordance with the Act’s common-law foundations...and in light of the copyright and patent laws,” that “origin” refers to “the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.”⁴⁵ Thus, Dastar was the origin of the goods, and the Lanham Act claim against them cannot prevail.⁴⁶

In the Court’s view, “origin of goods” does not connote the person or entity that goods “embody or contain.”⁴⁷ To give special treatment to communication products, which have value for the intellectual content instead of the physical characteristics, would cause the Lanham Act to

⁴²*Dastar*, 123 S. Ct. at 2047.

⁴³*Id.* (citing WEBSTER’S NEW INT’L DICTIONARY 1720-21 (1949)).

⁴⁴*Id.*

⁴⁵*Id.* at 2049. The common law foundation of the Lanham Act did not protect originality or creativity; the copyright and patent laws were intended to protect creativity. *Id.*

⁴⁶*Id.*

⁴⁷*Id.* at 2047. An extension beyond this would stretch the text, go beyond the history and purpose of the Lanham Act, and be inconsistent with precedent. *Id.* The Lanham Act prohibits actions which deceive and impair a producer’s goodwill. *Id.* The Lanham Act should not go beyond this to cover matters which are typically of no consequence to consumers. *Id.*

conflict with the Copyright Act.⁴⁸ Once a patent or copyright monopoly has expired, the work passes into the public domain,⁴⁹ thus the encouragement to innovate is balanced against the public's right in those works.

There are problems if the term "origin" were further extended. When Congress chose to extend the right of attribution, it did so carefully and deliberately in the Visual Artists Rights Act of 1990,⁵⁰ unlike the Lanham Act's ambiguous use of origin.⁵¹ Furthermore, giving "origin" a broader meaning under the Lanham Act would pose further practical problems, such as determining the outer limit of "origin."⁵² Manufacturers would be in a lose-lose situation; they could be liable either for crediting a work or for not crediting a work.⁵³ In other words, if the Court had expanded the definition of "origin," a company like Dastar could be liable if the original creator was not credited. Additionally, there could also be a Lanham Act violation if the creator were credited and there was a subsequent Lanham Act suit for false designation of origin since the original creator did not assent to the repackaging. Thus, the Court did not create a Lanham Act cause of action for "plagiarism."⁵⁴

⁴⁸*Id.* at 2048.

⁴⁹*Id.*

⁵⁰17 U.S.C. § 106A (d)(1) (2000).

⁵¹*Dastar*, 123 S. Ct. at 2048-49.

⁵²*Id.* at 2049.

⁵³*Id.*

⁵⁴*Id.* At the time of this writing, three other courts have cited *Dastar*. One district court granted a motion to dismiss one count with leave to amend, and a motion to dismiss a second count, based on *Dastar*. *Boston Int'l Music, Inc. v. Austin*, No. 02-12148-GAO, 2003 U.S. Dist. LEXIS 16240, at *1 (D. Mass. Sept. 12, 2003). In this case, the plaintiffs claim that the defendants copied distinctive portions of a musical composition without permission. The first count was dismissed with leave to amend because the plaintiffs did not allege that they were the owners or the exclusive licensees of the composition, under copyright law. The second count, under trademark law, was dismissed as it is sufficiently covered under copyright. *Id.* A second district court granted a motion for reconsideration, considering *Dastar*. *Bretford Mfg., Inc. v. Smith Sys. Mfg. Co.*, No. 98-C0287, 2003 U.S. Dist. LEXIS 13224 (N.D. Ill. July 28, 2003). A third district court cited *Dastar* in a decision not intended for publication in print. *Eco Mfg. v. Honeywell Int'l*, No. 1:03-cv-0170-DFH, 2003 U.S. Dist. LEXIS 11384 (S.D. Ind. June 20, 2003).

IV. Conclusion

The Supreme Court in *Dastar v. Twentieth Century Fox* did not allow Fox to recover under trademark law what was voluntarily relinquished under the Lanham Act.⁵⁵ The very simple solution to this problem is to maintain copyright for the full statutory period. This period has been extended retroactively for an additional twenty years, and now lasts for either the author's life plus seventy years, ninety-five years from publication, or one hundred twenty years from creation, whichever comes first for pseudonymous, anonymous, or works made for hire.⁵⁶ In this sense, this author supports the Court's conclusion.

In another sense, this author also supports the Court's conclusion. The Constitution allows Congress to enact laws to grant copyright protection for limited times.⁵⁷ To extend protection beyond those limited times by getting through trademark what is unavailable through copyright, or allow to expire under copyright as in *Dastar*, would circumvent this Constitutional requirement.

A very interesting ethical dilemma arises from this case, which supports the statement that things deemed ethical are not always legal, and vice versa. *Dastar*, a company that acted aggressively in litigation⁵⁸ and used another's work without attribution, is not liable under the Lanham Act or under copyright law, since the copyright lapsed. In contrast, if a college student used another's work without attribution in a research paper, this would be considered plagiarism under university codes and handbooks. Inevitably, this double standard sends the conflicting message that corporations are legally entitled to do what college students are prohibited from

⁵⁵See *supra* note 3.

⁵⁶See *supra* notes 1 and 3.

⁵⁷U.S. CONST. art. I, § 8, cl. 8.

⁵⁸See *supra* note 33.

doing under academic codes. Nevertheless, the *Dastar* result is due in large part because Fox did not maintain the copyright in the television series. As the Court stated, “[t]he creative talent of the sort that lay behind the campaign’s videos is not left with protection.”⁵⁹

From a business viewpoint, one may want to give attribution to a communicative project, which is in the public domain. This may make the new product even more valuable, so long as no intellectual property under protection is taken. In conclusion, *Dastar* has seemingly gotten away with what could be considered plagiarism in the academic setting, because copyrights were not maintained in otherwise protected works. In other words, users of a work are always free to grant attribution where credit is due, even if credit is not due legally.

⁵⁹*Dastar*, 123 S. Ct. at 2049.