

# Dastar Through European Eyes: Effects of the Public Domain on Transatlantic Trade

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## I. INTRODUCTION

On June 2, 2003, the United States Supreme Court handed down its decision in Case No. 02-428, *Dastar Corp. v. Twentieth Century Fox Film Corp.*<sup>1</sup> It turned out to be an astounding victory not only for petitioner *Dastar*, a small-time producer of compact discs and videos,<sup>2</sup> but also for the general public's access to public domain works in the United States. The public is now free to use any work in the public domain, to any extent and without concern for attribution or misattribution, in the creation of derivative works.<sup>3</sup> Henceforth, allegations of misattribution of creative credit based on the Lanham Act's designation of origin requirements will fail as a matter of law.<sup>4</sup> Particularly where a work's copyright has lapsed, U.S. courts must dismiss suits claiming extended legal protections under unfair competition law.<sup>5</sup>

Despite the unanimity of the Court's opinion, this ruling engenders further controversy and gives rise to potential problems. For example, *Dastar* may have a distorting effect on trade in intellectual property

<sup>1</sup> 539 U.S. 23 (2003).

<sup>2</sup> *Id.* at 26.

<sup>3</sup> *See id.* at 33-34.

<sup>4</sup> *See id.* at 31-33.

<sup>5</sup> *See id.* at 33-34.

(IP) by causing the migration from less public domain-friendly countries to the United States by those who wish to use public domain works in derivative works. Because the European Union (EU) is the largest trading partner of the United States,<sup>6</sup> the greatest cause for concern is with European law on public domain, copyright and trademark. Hence, the question that must be answered is: does European law prevent the unaccredited copying of an uncopyrighted work? More specifically, does European Union law grant the former owner of the copyright in a “work made for hire”<sup>7</sup> a right of attribution even after the formerly copyrighted work has fallen into the public domain?

Though in some respects this question is purely academic, as will become apparent below, the answer may nevertheless impact the functionality of the public domain in both the United States and the European Union, since the migratory behavior alluded to may be curtailed unless those who seek to use the public domain in derivative works can market their wares in Europe. Should European countries find that the United States is effectively undermining their copyright and trademark laws, they may create barriers to trade in these products, thereby quashing in some measure the impulse to take advantage of American law.

Regardless of the answer though, and to the extent that one considers unattributed use of formerly copyrighted works a form of piracy or plagiarism, the greatest impact will be felt by the IP-reliant industries with the most at stake: the music, film and computer software industries, which are also those that suffer most from counterfeiting.<sup>8</sup> In this sense, the *Dastar* decision is somewhat counterintuitive, since these are three industries that contribute substantially to the gross domestic product of the United States as a result of their global exportation.<sup>9</sup> In

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<sup>6</sup> Aggregating trade figures for all EU member states. See DEP'T OF COMMERCE, INT'L TRADE ADMIN., TRADE AND ECON.: DATA AND ANALYSIS, *Top 50 Partners in Total U.S. Trade in 2002*, at <http://www.ita.doc.gov/td/industry/otea/usfth/aggregate/H02T09.html> (last modified Aug. 27, 2003).

<sup>7</sup> For the legal definition of a “work made for hire,” as well as interpretive notes and relevant decisions, see 17 U.S.C.S. § 101 (Lexis 2003).

<sup>8</sup> See Paul Meller, *Europe's Antipiracy Proposal Draws Criticism*, N.Y. TIMES, Oct. 20, 2003, at C2.

<sup>9</sup> Jack Valenti, former president and CEO of the Motion Picture Association of America (MPAA), stated in congressional testimony that American producers of intellectual property comprise almost four percent of the U.S. gross domestic product and earn some \$45 billion abroad. *Copyright Term Extension Act of 1995: Hearing on S. 483 Before the Senate Comm. on the Judiciary*, 104th Cong. 40-42 (1995) (statement and prepared statement of Mr. Jack Valenti, Chairman and Chief Executive Officer, Motion Picture Association). Though Mr. Valenti is admittedly not the most objective of sources, there is little argument that the United States is a major exporter of entertainment- and technology-related intellectual property. For detailed reports, see BUREAU OF ECONOMIC ANALYSIS, *Gross Domestic*

the event that the European answer differs from the American answer, it will hinder the use of European and other public domain works, contrary to the public interest in competitive copying and dissemination of such works urged in the American context.<sup>10</sup>

## II. INTERNATIONAL IP LAW AND POLICY CONSIDERATIONS

International agreements regarding intellectual property<sup>11</sup> establish a minimum level of protection on the basis of reciprocity and national treatment; this is their sole objective.<sup>12</sup> However, they also allow states significant law-making latitude on the basis of cultural, philosophical and socioeconomic concerns.<sup>13</sup> Reference to such agreements for the purpose of emphasizing harmonization of international IP law is therefore deceiving. This deception is aggravated by the inherently territorial nature of IP law.<sup>14</sup> Furthermore, the objectives of harmonization – the reduction of cost, time and uncertainty in determining the rights of IP owners and a consequent reduction of barriers to innovation and the free flow of goods between states<sup>15</sup> – differ from that of the “minimum standards” strategy, which is simply to ensure a “floor” of protection.<sup>16</sup> Indeed, it would be nearly impossible for multilateral

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*Product by Industry in Current Dollars*, at <http://www.bea.doc.gov/bea/dn2/gpoc.htm>, chart (last visited Feb. 27, 2004) and BUREAU OF ECONOMIC ANALYSIS, *Gross Domestic Product by Industry in Current Dollars As a Percentage of Gross Domestic Product*, at <http://www.bea.doc.gov/bea/dn2/gposhr.htm>, chart (last visited Feb. 27, 2004).

<sup>10</sup> See Tyler T. Ochoa, *Amicus Brief: Introduction: Rights of Attribution, Section 43(a) of the Lanham Act, and the Copyright Public Domain*, 24 WHITTIER L. REV. 911, 928 (2003); Brandy A. Karl, *Legal Update: Reverse Passing Off and Database Protections: Dastar Corp. v. Twentieth Century Fox Film Corp.*, 9 B.U. J. SCI. & TECH. L. 481, 487 (2003).

<sup>11</sup> Specifically referring to treaties such as the Berne Convention for Protection of Literary and Artistic Works, July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221 (Paris Revision) [hereinafter Berne Convention]; the Universal Copyright Convention, Sept. 6, 1952, 6 U.S.T. 2731, 216 U.N.T.S. 132; and the Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization (“WTO”), Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994) [hereinafter TRIPs]. For a general survey of these and similar treaties, see 1 INT’L COPYRIGHT L. & PRAC. § 3(3) (MB 2003).

<sup>12</sup> Graeme B. Dinwoodie, *International Intellectual Property Litigation: A Vehicle for Resurgent Comparativist Thought?* 49 AM. J. COMP. L. 429, 437-438 (2001) [hereinafter *Int’l IP Litigation*]; Graeme B. Dinwoodie, *A New Copyright Order: Why National Courts Should Create Global Norms*, 149 U. PA. L. REV. 469, 497 (2000) [hereinafter *A New Copyright Order*].

<sup>13</sup> *Int’l IP Litigation*, *supra* note 12, at 436-438.

<sup>14</sup> *Id.* at 436-437.

<sup>15</sup> *A New Copyright Order*, *supra* note 12, at 497; Graeme B. Dinwoodie, *The Integration of International and Domestic Intellectual Property Lawmaking*, 23 COLUM.-VLA J.L. & ARTS 307, 308-309 (2000) [hereinafter *Integration of IP Lawmaking*]. There are, of course, other objectives as well. See, e.g., *infra* text accompanying note 177.

<sup>16</sup> See *supra* notes 11, 12 and accompanying text.

treaties to have the express goal of harmonization because it would be at the expense of ceding of national sovereignty.<sup>17</sup> The closest such treaties have come to requiring ceding of sovereignty is TRIPs, which, due to its falling under the WTO's aegis, has the potential for lawmaking by adjudicatory panels.<sup>18</sup>

These agreements can nevertheless serve to establish the existence of fundamental shared principles of signatory parties regarding the bases for trademark and copyright protection. These principles – utility, good will, free expression and morality<sup>19</sup> – in turn translate into policy considerations when applied to the political decision to ratify or abstain from a treaty and, consequently, to legislate domestically. In this macroscopic view, then, there are few practical reasons why the United States and European Union should not be able to harmonize their laws regarding derivative uses of public domain works, because the two political entities largely share both these principles and the objectives of harmonization.<sup>20</sup>

Naturally, it is not so simple. In fact, European and American legal perceptions of intellectual property, and copyright in particular, differ in significant ways. For example, a 1994 European Commission Recommendation relating to the legal aspects of electronic data interchange defines “information in the public domain” as “any information which is commonly known and to which a member of the public might have easy access,”<sup>21</sup> whereas a cogent American definition would simply define it as any information included in a creative work lacking copyright protection.<sup>22</sup> Further, the United States and the European Union even have different conceptions of who constitutes the

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<sup>17</sup> *A New Copyright Order*, *supra* note 12, at 497.

<sup>18</sup> *Id.*

<sup>19</sup> As identified by Judge Alex Kozinski of the United States Court of Appeals for the Ninth Circuit. Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U.L. REV. 960 (1993). Though Judge Kozinski specified these principles in the context of trademark only, they can be extended by analogy to other forms of intellectual property. See, e.g., PETER JOACHIM KAUFMANN, *PASSING OFF AND MISAPPROPRIATION: AN ECONOMIC AND LEGAL ANALYSIS OF THE LAW OF UNFAIR COMPETITION IN THE UNITED STATES AND CONTINENTAL EUROPE*, 73-77, 119-128, 157-161 (Friedrich-Karl Beier & Gerhard Schrickler eds., 1986) (reciting similar principles though attributing to them different names).

<sup>20</sup> As do all members of the EU certainly, *cf.* EC harmonization directives, discussed in Part IV., *infra*, and members of the WTO presumably, *cf.* WORLD TRADE ORGANIZATION, *A SUMMARY OF THE FINAL ACT OF THE URUGUAY ROUND, Agreement on Rules of Origin* (“The agreement aims at long-term harmonization of rules of origin . . . .”) and *General Agreement on Trade in Services* (“[The Agreement] encourages recognition requirements achieved through harmonization and internationally-agreed criteria.”) at [http://www.wto.org/english/docs\\_e/legal\\_e/ursum\\_e.htm](http://www.wto.org/english/docs_e/legal_e/ursum_e.htm). See generally KAUFMANN, *supra* note 19.

<sup>21</sup> Commission Recommendation 94/820/EC, annex 2, art. 7.2, 1994 O.J. (L 338) 37, 109.

<sup>22</sup> See *infra* note 37.

“author” of a work.<sup>23</sup> Even if the language of their respective laws were identical, judicial interpretation would nevertheless vary as a result of differences of fact, social context and competitive climate in which the laws are applied.<sup>24</sup>

The most important difference between EU and American IP law stems from Article 6*bis* of the Berne Convention,<sup>25</sup> the earliest multi-lateral copyright agreement.<sup>26</sup> The Berne Convention was developed by European countries to address the problem of migration of creative works across national borders<sup>27</sup> and therefore incorporates a particularly European perspective on the nature of these works. Article 6*bis* concerns the so-called “moral rights” of authors, granting them the “paternity right”—right to claim authorship—and the “integrity right”—the right to object to “any distortion, mutilation or other modification of, or other derogatory action in relation to” the author’s work that would be “prejudicial to his honor or reputation.”<sup>28</sup> These rights are generally non-transferable, even in works made for hire.<sup>29</sup> The Berne Convention makes the minimum postmortem term for these moral rights coterminous with the correlating term for economic rights granted by a signatory state.<sup>30</sup> However, while signatory states are required to recognize moral rights, each is free to safeguard them in the method of its choosing.<sup>31</sup>

The result of this last allowance is that there is neither a harmonized method of protecting moral rights, nor a harmonized term for such rights even among those states that have identical methods for their protection.<sup>32</sup> These discrepancies are amplified when a Berne signatory extends moral rights protection begrudgingly. For example, the

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<sup>23</sup> *Int’l IP Litigation*, *supra* note 12, at 436.

<sup>24</sup> *Id.* at 436-437.

<sup>25</sup> Berne Convention, *supra* note 11, art. 6*bis*(1), 828 U.N.T.S. at 235.

<sup>26</sup> Dating back to 1886. See Tung Yin, *Reviving Fallen Copyrights: A Constitutional Analysis of Section 514 of the Uruguay Round Agreements Act of 1994*, 17 *LOY. L.A. ENT. L. REV.* 383, 388 (1997).

<sup>27</sup> *Id.*

<sup>28</sup> Berne Convention, *supra* note 11, art. 6*bis*(1), 828 U.N.T.S. at 235. See IPR-HELPDESK, GUIDE ON COPYRIGHT § 5, *Which rights are granted to the author?* at <http://www.ipr-helpdesk.org/guias/imprimible/cuerpo.jsp?guia=guia2&len=EN> (last visited Nov. 26, 2003). The IPR Helpdesk is a project of the European Commission Directorate General Enterprise.

<sup>29</sup> See IPR-HELPDESK, GUIDE ON EMPLOYEES’ CREATIONS § 1.1, *Copyright*, at [http://www.ipr-helpdesk.org/guias/guia3/en/contenido/4\\_12\\_1\\_1.html](http://www.ipr-helpdesk.org/guias/guia3/en/contenido/4_12_1_1.html) (last visited Nov. 26, 2003).

<sup>30</sup> A minimum of fifty years after the death of the author. Berne Convention, *supra* note 11, art. 6*bis*(2)-7, 828 U.N.T.S. at 235.

<sup>31</sup> *Id.* art. 6*bis*(3), 828 U.N.T.S. at 235.

<sup>32</sup> See 2-US INT’L COPYRIGHT L. & PRAC. § 7(1) (MB 2003).

United States ratified the Berne Convention in 1988<sup>33</sup> without express recognition for moral rights,<sup>34</sup> though their very limited application was subsequently granted.<sup>35</sup> The United States also refused to wholeheartedly embrace Article *6bis* by insisting on the exemption of its provisions from integration into TRIPs, thereby rendering a binding adjudication of the issue impossible.<sup>36</sup> Hence, even if the *Dastar* opinion were indicative of American non-compliance with Article *6bis*, there is no American judicial body that has the power to say so and no international judicial body that can apply an effective remedy.

Having acknowledged the potential for facial and sub contextual variances, the following review and analysis predicts the European position on derivative uses of public domain works and contrasts it with current U.S. law as reflected in *Dastar*, based on literal readings of the relevant texts and their actual interpretation.

### III. UNITED STATES LAW

#### A. *Public Domain, Unfair Competition and the Lanham Act*

A public domain work is a creative work that lacks copyright protection and may be freely used by anyone.<sup>37</sup> Such work is not protected because 1) the term of the copyright has expired,<sup>38</sup> 2) the author has not satisfied statutory formalities required to “perfect” the copyright<sup>39</sup> or 3) the work was made for or by the United States government.<sup>40</sup> Under American law, copyrighted works published before 1923 have passed into the public domain by virtue of expiry of the then-applicable copyright term.<sup>41</sup> Salient to the *Dastar* case, works published between

<sup>33</sup> Berne Convention Implementation Act, Pub. L. No. 100-568, 102 Stat. 2853-54 (1988).

<sup>34</sup> The United States ratified the Berne Convention more than a century after it was opened, in large part due to opposition to its moral rights provisions. Ochoa, *supra* note 10, at 925.

<sup>35</sup> Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089, 5128-5133 (1990). Moral rights in the federal statute are limited to “works of visual art.” *Cf.* 17 U.S.C. § 101 (2005). See Ochoa, *supra* note 10, at 926.

<sup>36</sup> Ochoa, *supra* note 10, at 927. See also 1 INT’L COPYRIGHT L. & PRAC. § 5(5)(b)(ii) (MB 2003).

<sup>37</sup> This definition is adopted from Lolly Gasaway, *When U.S. Works Pass Into The Public Domain*, at <http://www.unc.edu/~uncclng/public-d.htm> (last updated Nov. 4, 2003), which includes a very useful and much-cited chart.

<sup>38</sup> 17 U.S.C. § 303 (2005).

<sup>39</sup> For a list of these formalities, see 17 U.S.C. §§ 401-412 (2005).

<sup>40</sup> 17 U.S.C. § 105 (2005).

<sup>41</sup> 17 U.S.C. § 304 (2005). Such works were subject to the 1909 Copyright Act, which provided for a maximum of 56 years of copyright protection (28 year initial term plus 28 year renewal term). 17 U.S.C. § 24 (repealed 1976); see Ochoa, *supra* note 10, at 913 n.13. Because the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976), changed the method of calculating copyright term from a specific number of years to the author’s life plus

1923 and 1963 either passed into the public domain after expiration of their initial 28-year term (if no renewal was filed with the United States Copyright Office) or had their copyrights extended for an additional 67-year term upon such filing.<sup>42</sup>

Relevant to *Dastar*, Lanham Act section 43(a), 15 U.S.C. § 1125(a), creates federal civil liability for “[a]ny person who, on or in connection with any goods or services . . . uses in commerce any . . . false designation of origin . . . which [ ] is likely to cause confusion . . . as to the origin . . . of his or her goods, services or commercial activities by another person . . . .”<sup>43</sup> Section 43(a) thus explicitly includes a “consumer confusion” test; a defendant will only incur liability if his actions have caused such confusion. This reflects one of the purposes of unfair competition law as it relates to trademark usage; the protection of consumers.<sup>44</sup>

There are several ways products in the marketplace can confuse consumers. One is where a “junior user”—a later arrival to the market for a particular product—of a trademark falsely identifies it as that of a “senior user.” In other words, a new producer of a particular product employs a mark that is identical or similar to that of a manufacturer already marketing a like product, thereby making the public believe that the new product is actually that of the senior user.<sup>45</sup> This is known as “passing off” or “palming off,” and constitutes trademark infringement and unfair competition where actual consumer confusion is proven.<sup>46</sup>

A corollary of passing off is “reverse passing off,” where a junior user falsely identifies itself as the originator of the product for sale.<sup>47</sup> In this case, the mark of the senior user – and hence the possibility of attributing the product’s origin to that entity – is erased and replaced

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50 years, it is impossible for a *Dastar*-like situation to arise for works created after January 1, 1978, the date the Act went into effect.

<sup>42</sup> 17 U.S.C. § 304. Prior to the passage of the Sonny Bono Copyright Term Extension Act of 1998, Pub. L. No. 105-298, 112 Stat. 2827 (1998), which amended various parts of Title 17, this additional term was 47 years, not 67 years. In other words, had Fox timely renewed its copyright in “Crusade” in 1975, it would have received only an additional 47 years’ protection at the time of renewal.

<sup>43</sup> 15 U.S.C. § 1125(a)(1) (2005).

<sup>44</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 cmt. b (1995).

<sup>45</sup> 2-5 TRADEMARK PROTECTION AND PRACTICE § 5.07(3)(a) (2003); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 4 (1995).

<sup>46</sup> 2-5 TRADEMARK PROTECTION AND PRACTICE § 5.07(3)(a) (2003); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 4 (1995).

<sup>47</sup> 2-5 TRADEMARK PROTECTION AND PRACTICE § 5.07(3)(b) (2003); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 5 (1995).

with that of the newcomer, thereby generating consumer confusion.<sup>48</sup> Reverse passing off is likewise an infringement of Lanham Act section 43(a).<sup>49</sup> One critical difference between “passing off” and “reverse passing off” is that the latter does no direct reputational harm to the senior user, though future harm may be inflicted due to the diversion of trade away from the senior user.<sup>50</sup>

Findings of reverse passing off have not been limited to the consumer goods arena. In *Smith v. Montoro*,<sup>51</sup> the Ninth Circuit Court of Appeals found that the replacement of an actor’s name in film credits with that of another actor amounted to an “attempt to misappropriate or profit from another’s talents and workmanship” and held that such deception qualified as reverse passing off.<sup>52</sup> The Court so held primarily because, by depriving the actor of recognition, the misattribution harmed his future value and marketability.<sup>53</sup>

Generally, use of public domain works does not require attribution, and therefore cannot be misattributed. However, precedent provides that misrepresentation actionable under 15 U.S.C. § 1125(a) is not limited to passing off or activity similar to trademark infringement, but extends to misrepresentations that can divert sales and harm competitors.<sup>54</sup> This extension of the Lanham Act is of particular significance to competitors who are senior in the marketplace because the sale of confusingly similar products supports the inference that the junior competitor is trying to engage in such sales diversion.<sup>55</sup>

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<sup>48</sup> 2-7 TRADEMARK PROTECTION AND PRACTICE § 7.02(5)(b) (2003); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 5 (1995); Deborah F. Buckman, Annotation, *Reverse Confusion Doctrine Under Lanham Trademark Act*, 187 A.L.R. FED. 271 (2003).

<sup>49</sup> 2-5 TRADEMARK PROTECTION AND PRACTICE § 5.07(3)(b) (2003).

<sup>50</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 5 cmt. a (1995).

<sup>51</sup> 648 F.2d 602 (9th Cir. 1981).

<sup>52</sup> *Id.* at 607-608. See also Colby B. Springer, *Redefining the Balance Between Trademark and Copyright Law A Recently Argued Case Asks the Supreme Court to Decide*, Apr. 8, 2003, at [http://writ.findlaw.com/commentary/20030408\\_springer.html](http://writ.findlaw.com/commentary/20030408_springer.html) (last visited Nov. 26, 2003).

<sup>53</sup> *Montoro*, 648 F.2d at 607.

<sup>54</sup> See 15 U.S.C. § 1125(a) (2005). See also *In re Uranium Antitrust Litig.*, 473 F. Supp. 393, 408 (N.D. Ill. 1979) (“[S]ales diversions . . . can be equally harmful to competitors regardless of whether the misrepresentations falsely describe defendant’s products in isolation or falsely connect its products with plaintiff’s products.”).

<sup>55</sup> See 15 U.S.C. § 1125(a). See also *In re Uranium Antitrust Litig.*, 473 F. Supp. at 407-408 (citing *Chromium Indus., Inc. v. Mirror Polishing & Plating Co.*, 448 F. Supp. 544, 554-555 (N.D. Ill. 1978)).

B. *Judicial Interpretation: Dastar Corp. v. Twentieth Century Fox Film Corp.*

1. Factual History

The factual origins of the *Dastar* case are more than 50 years old. In 1948, Doubleday published General Dwight D. Eisenhower's memoir, "Crusade in Europe" ("Crusade"), about his time as commander of the Allied troops during World War II.<sup>56</sup> Contractually, the book was a "work made for hire" meaning that Doubleday, and not Eisenhower, owned "all rights of every nature," including the copyright.<sup>57</sup> Doubleday granted exclusive television rights to Twentieth Century Fox Television Productions ("Fox"), who in 1949 broadcast a television series by the same name, produced by Time, Inc. ("Time"), that closely followed the book's unique structure and format<sup>58</sup> and included film footage from various public sources.<sup>59</sup> Time assigned its copyright to Fox, which registered it.<sup>60</sup> Before expiration of the initial 28-year term, Doubleday renewed its copyright in the book for an additional term.<sup>61</sup> However, though Fox renewed its agreement with Doubleday for television and home video distribution rights in 1988, it failed to renew its copyright in the TV series itself and thereby left it in the public domain.<sup>62</sup> Nonetheless, Fox and co-plaintiffs SFM Entertainment ("SFM") and New Line Home Video, Inc. ("New Line") restored, re-packaged and distributed "Crusade" as a six-part home video series that same year.<sup>63</sup>

Two *Dastar* employees, Lanny Tarter and Norman Anderson, had seen the "Crusade" series as children and decided the company should release a video in commemoration of the 50th anniversary of World War II using footage from it.<sup>64</sup> Tarter and Anderson bought eight Betacam copies of the original "Crusade" television series and edited them for sale and distribution by *Dastar* and its wholly-owned subsidiary, Entertainment Distributing.<sup>65</sup> The *Dastar* version of "Crusade,"

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<sup>56</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 25 (2003); DWIGHT D. EISENHOWER, *CRUSADE IN EUROPE* (1948); Carrie Seim, Brief, *Dastar Corp. v. 20th Century Fox Film, et al.*, ON THE DOCKET—MEDILL SCHOOL OF JOURNALISM, at <http://journalism.medill.northwestern.edu/docket/action.lasso?-database=docket&-layout=lasso&-response=%2fdocket%2fdetail.srch&-recordID=33135&-search> (last visited Nov. 26, 2003).

<sup>57</sup> *Dastar*, 539 U.S. at 26.

<sup>58</sup> Seim, *supra* note 56.

<sup>59</sup> *Dastar*, 539 U.S. at 26.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*; Seim, *supra* note 56.

<sup>64</sup> *Dastar*, 539 U.S. at 26; Seim, *supra* note 56.

<sup>65</sup> *Dastar*, 539 U.S. at 26.

re-titled “World War II Campaigns in Europe” (“Campaigns”), was slightly more than half as long as the television series version.<sup>66</sup> Otherwise, it differed only marginally from the original, primarily due to the alteration of the title sequences and deletion of all the original television and video credits and references to the book.<sup>67</sup> Notably, the video directly copied or very closely paraphrased more than half of the original book<sup>68</sup> and used the original narration of “Crusade.”<sup>69</sup> The Dastar tapes and advertisements credited the company, its employees and its subsidiary, but omitted any credit to Eisenhower, Fox or any other entities involved in the creation of the original television series.<sup>70</sup> Particularly galling to the plaintiffs, one would imagine, was the fact that the “Campaigns” video was priced at significantly less than that charged by New Line for Fox’s re-released version.<sup>71</sup> Among other causes of action,<sup>72</sup> the plaintiffs sued Dastar under Lanham Act section 43(a), alleging that Dastar’s failure to credit the original television series amounted to reverse passing off.<sup>73</sup> Taking the principle of *In re Uranium Antitrust Litigation* (actionable Lanham Act misrepresentations include those that can divert sales and harm competitors) together with that enumerated in *Smith v. Montoro* (deception achieved by substituting one name in film credits with that of another qualifies as reverse passing off because of harm to value and marketability),<sup>74</sup> a case could be made that “Crusade” did in fact have a “false designation of origin” used “in connection with . . . goods.”<sup>75</sup> It also comports with the instinct that cashing in on someone else’s efforts *should* be punishable, especially when the products in question share market segments and sales of one may detract from sales of the other.

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<sup>66</sup> *Id.* at 25.

<sup>67</sup> *Id.*

<sup>68</sup> Seim, *supra* note 56.

<sup>69</sup> Jeanne M. Hamburg, *Trademark Law and the ‘Bodily Appropriation’ of a Creative Work*, 3/19/2003 N.Y.L.J. 4 (col. 4), available at <http://www.bakerbotts.com/news/printpage.asp?pubid=1320383272003> (last visited Jan. 25, 2004). The copying and close paraphrasing of the book, and the use of the original “Crusade” narration, each implicate both types of moral rights – those of Eisenhower in the first instance, and those of the narrator in the second.

<sup>70</sup> *Dastar*, 539 U.S. at 25.

<sup>71</sup> *Id.*

<sup>72</sup> Specifically, infringement on Doubleday’s copyright in “Crusade” (and thus also on the exclusive television rights extending therefrom), and violation of California state unfair competition law. *Id.* at 26.

<sup>73</sup> *Id.*

<sup>74</sup> See *supra* Part III.A.

<sup>75</sup> 15 U.S.C. § 1125(a) (2005).

## 2. Procedural History

United States District Judge Florence-Marie Cooper of the Central District of California was the first to hear the *Dastar* case. She granted summary judgment in favor of Fox on January 6, 2000 on two premises.<sup>76</sup> First, *Dastar*'s actions both violated the copyright of General Eisenhower's book and infringed upon the plaintiffs' exclusive rights to reproduce and distribute videos derived from the book.<sup>77</sup> Second, *Dastar*'s creation of "Campaigns" involved "bodily appropriat[ion]"<sup>78</sup> of the "Crusade" series which, combined with the false identification of *Dastar* as the producers of the "Campaigns" videotapes, violated the Lanham Act and state unfair competition law.<sup>79</sup>

Having determined that *Dastar* infringed on the plaintiffs' rights, the Court's August 30, 2000 "Findings of Fact" and "Conclusions of Law" permanently enjoined *Dastar* from further production and distribution of the "Campaigns" videos and awarded the plaintiffs \$150,000 in statutory damages under the Copyright Act.<sup>80</sup> In addition, "to deter further infringing conduct" as allowed under the Lanham Act,<sup>81</sup> the Court awarded the plaintiffs more than \$1.4 million—nearly double *Dastar*'s "Campaigns" profits—because of *Dastar*'s willful infringement.<sup>82</sup> Judge Cooper's November 27, 2000 opinion thus concentrates on the issue of attorneys' fees, concluding that the plaintiffs were due a further \$1,481,898.00 to cover such fees.<sup>83</sup> *Dastar* appealed Judge Cooper's initial grant of summary judgment.

In a very brief unpublished April 19, 2002 opinion, the Ninth Circuit Court of Appeals affirmed Judge Cooper's decision in part, reversed in part, vacated in part, and remanded in part.<sup>84</sup> Pertinent to this discussion, the Court affirmed the lower court's summary judgment grant on the Lanham Act claim, again deeming *Dastar*'s "bodily appropriation" of Fox's video sufficient grounds to establish reverse passing off.<sup>85</sup> The Court refused to apply the "'less demanding' consumer con-

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<sup>76</sup> *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).

<sup>77</sup> *Id.*

<sup>78</sup> Defined in the Ninth Circuit as the "copying or unauthorized use of substantially the entire item." *Cleary v. News Corp.*, 30 F.3d 1255, 1261-1262 (9th Cir. 1994) (citing *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 205 (9th Cir. 1989)).

<sup>79</sup> *Twentieth Century Fox Film Corp.*, 2000 U.S. Dist. LEXIS 22064, at \*2.

<sup>80</sup> *Id.* at \*3.

<sup>81</sup> 15 U.S.C. § 1117(a) (2005).

<sup>82</sup> *Twentieth Century Fox Film Corp.*, 2000 U.S. Dist. LEXIS 22064, at \*3.

<sup>83</sup> *Id.* at \*3-4.

<sup>84</sup> *Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 34 Fed. Appx. 312, 316 (9th Cir. April 19, 2002).

<sup>85</sup> *Id.* at 314.

fusion standard” on the grounds that it was “subsume[d]” under the “bodily appropriation” test.<sup>86</sup>

### 3. Supreme Court Opinion

Despite the fact that the appellate court opinion was unpublished, the United States Supreme Court granted Dastar’s petition for certiorari.<sup>87</sup> Dastar’s petition contended that the ambiguity of attribution has a chilling effect on copying from the public domain.<sup>88</sup> Were Fox’s claims validated, an author’s copyright would be implicitly indefinitely extended based on his reputational interests, so long as the trademark was still recognizable.<sup>89</sup> The Supreme Court agreed.

In order to resolve Fox’s Lanham Act section 43(a) claims, the Court had to determine the meaning of “origin” as used in the phrase “origin of goods.”<sup>90</sup> Use of the term to refer to geographic origin is quite common, particularly in European law for the purposes of identifying, for example, the source of various foods and beverages whose characteristics inhere in their names.<sup>91</sup> Alternatively, and equally plausible, the term can simply mean the actual producer of a tangible good, i.e., the origin of source or manufacture.<sup>92</sup>

Justice Scalia, writing for a unanimous court, interpreted both the words “origin” and “goods.”<sup>93</sup> After noting that “origin” could be interpreted in these two ways, he found that, as used in section 43(a), it meant simply the “producer of the tangible product,” ostensibly its most “natural understanding” in the given context.<sup>94</sup> As for “goods,” Justice Scalia adopted the dictionary definition of “wares” or “merchandise.”<sup>95</sup> He thus went on to say that, for Lanham Act purposes, the phrase “origin of goods” could not possibly mean the origin,

<sup>86</sup> *Id.* (citing *Cleary v. News Corp.*, 30 F.3d 1255, 1261-1262 (9th Cir. 1994)).

<sup>87</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 537 U.S. 1099 (2003). With regard to Supreme Court review of unpublished appellate court opinions, see Marla Brooke Tusk, *No-citation Rules as a Prior Restraint on Attorney Speech*, 103 COLUM. L. REV. 1202, 1216 n.75 (2003).

<sup>88</sup> Seim, *supra* note 56.

<sup>89</sup> See Karl, *supra* note 10, at 487.

<sup>90</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31 (2003).

<sup>91</sup> See, e.g., Council Regulation 2081/92/EEC of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, 1992 O.J. (L 208) 35. For interpretation of the Regulation, see *Case C-312/98, Schutzverband gegen Unwesen in der Wirtschaft eV v. Warsteinger Brauerei Haus Cramer GmbH & Co. KG*, 2000 E.C.R. I-9187 (2002).

<sup>92</sup> This has apparently been the preferred interpretation in lower courts for some time. See, e.g., *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405, 408 (6th Cir. 1963).

<sup>93</sup> *Dastar*, 539 U.S. at 31-33.

<sup>94</sup> *Id.* at 31.

<sup>95</sup> *Id.* (citing Webster’s New International Dictionary 1720-1721 (2d ed. 1949)).

whether person or corporate entity, of the “ideas or communications” embodied or contained in the goods.<sup>96</sup> This is so because the Lanham Act concerns itself with consumer confusion, and the originator of the idea for a product is “typically of no consequence to purchasers.”<sup>97</sup> In essence, Justice Scalia makes the point that “origin” is not the equivalent of “authorship.”

Indeed, though “communicative” products are valued by consumers more for their intellectual content than for their physical qualities, a reading of section 43(a) to include the creator of that content would necessarily conflict with the underlying “carefully crafted bargain”<sup>98</sup> of intellectual property law: a fixed period of monopoly in exchange for public use “at will and without attribution” upon expiration of that period.<sup>99</sup> Furthermore, such a reading would put creators of derivative works from the public domain in a double-jeopardy situation in that they could be held liable either for failing to credit the origin (on the basis of a right of attribution) or crediting the origin (implying sponsorship or approval).<sup>100</sup> In any case, early Supreme Court decisions regarding expired patents necessitated the outcome in *Dastar* if the Court were to apply IP law uniformly.<sup>101</sup> The Court’s decision also comports with the established principle that non-disclosure cannot be equated with affirmative misrepresentation, and thus cannot create Lanham Act liability.<sup>102</sup>

On one hand, the Supreme Court’s decision addresses the problem created by the decisions of the lower courts: an obligation to clearly distinguish and provide attribution to the original creator(s) of public domain elements included in a derivative work effectively creates a perpetual copyright under the guise of trademark law.<sup>103</sup> On the other

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<sup>96</sup> *Dastar*, 539 U.S. at 32.

<sup>97</sup> *Id.* at 32-33.

<sup>98</sup> *Id.* at 33-34 (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-151 (1989)).

<sup>99</sup> *Dastar*, 539 U.S. at 33-34. The phrase “without attribution” indicates on-point conflict with the moral paternity right, and hence with European law. See Madhavi Sunder, *In a Trademark Case, The Supreme Court Recognizes That Art Flows From Multiple Sources*, June 12, 2003, at [http://writ.findlaw.com/commentary/20030612\\_sunder.html](http://writ.findlaw.com/commentary/20030612_sunder.html).

<sup>100</sup> *Dastar*, 539 U.S. at 36.

<sup>101</sup> *Id.* at 33-34, 36-37 (referring to *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), *TraFFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001), *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000), et al.).

<sup>102</sup> See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 5, cmt. b (1995) (citing *Vargas v. Esquire, Inc.*, 164 F.2d 522 (7th Cir. 1947)).

<sup>103</sup> Springer, *supra* note 52. The Court referred to this problem specifically, refusing to create neither “a species of mutant copyright law” nor “a species of perpetual patent and copyright.” *Dastar*, 539 U.S. at 34, 37.

hand, the *Dastar* decision seemingly permits commercial plagiarism by allowing copying of any kind unless current IP rights exist.<sup>104</sup> In the “amoral” business context, this may seem fair since plagiarism is not the legal equivalent of infringement; however, in a personal or moral context, this postulate is decidedly problematic.<sup>105</sup>

Justice Scalia tangentially addressed this latter problem by suggesting that the actual “creative talents” of the video do have existing legal remedies on two counts: 1) copyrighted film footage, as well as compiled film footage (including that taken from the public domain), has copyright protection, and 2) videos that have been substantially copied can lead to a claim for misrepresentation if there is deception in advertising or promotion.<sup>106</sup> These observations may give hope to the estate of General Eisenhower but offers little to Fox, SFM or New Line.

Nor did the plaintiffs find solace on remand. On August 19, 2003, the Ninth Circuit remanded the *Dastar* case to the District Court “with instructions that the district court dismiss with prejudice plaintiffs’ reverse passing off claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), in conformity with the Supreme Court’s opinion.”<sup>107</sup> Adding salt to the wound, the District Court found the plaintiffs’ state-law-based reverse passing off claim to be “congruent” with their Lanham Act claim and therefore resolved it by applying the same consumer confusion test, i.e., the claim failed as a matter of law.<sup>108</sup>

### C. *Dastar’s Significance*

The Supreme Court’s verdict in *Dastar* reflects two important beliefs of the current court with regard to copyright law.<sup>109</sup> First is the recognition that creative works frequently have multiple sources and that the term “origin” must be defined to countenance this fact. Simply owning the copyright on a creative work does not equate one with being its creator. As the Court noted, both the “Crusade” and “Campaigns” videos owe their existence, at least in part, to General Eisenhower; the United States Army, Navy, and Coast Guard; the British Ministry of Information and War Office; and various unidentified

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<sup>104</sup> *Dastar*, 539 U.S. at 33-34.

<sup>105</sup> See Eugene Quinn, *Dastar v. Fox: Public Domain Wins in the US Supreme Court*, at <http://jurist.law.pitt.edu/forum/forumnew112.php>.

<sup>106</sup> *Dastar*, 539 U.S. at 37-38.

<sup>107</sup> *Twentieth Century Fox Film Corp. v. Dastar Corp.*, No. 98-7189, 2003 U.S. Dist. LEXIS 21194, at \*2 (C.D. Cal. Oct. 14, 2003).

<sup>108</sup> *Id.* at \*4-5.

<sup>109</sup> Adopted from Sunder, *supra* note 99.

“Newsreel Pool Cameramen.”<sup>110</sup> These unsung heroes of the public domain are nonetheless to remain in obscurity because, as Justice Scalia so eloquently put it, “[w]e do not think the Lanham Act requires this search for the source of the Nile and all its tributaries.”<sup>111</sup>

The second point of significance is the Court’s implicit emphasis on the free accessibility of the public domain for the purposes of creative innovation. The *Dastar* opinion does not differentiate between statutory public domain,<sup>112</sup> which benefited Fox in the creation of the original “Crusade” television series, and accidental public domain,<sup>113</sup> which benefited Dastar in creating its derivative version. Besides being essential for creativity, the benefits of the public domain include lowering costs through competition (as Fox bitterly discovered) and allowing authors of derivative works to share with the public those elements of the public domain that would otherwise remain forgotten.

#### D. *Dastar’s Injustice?*

After ascension to the Berne Convention, and following the WTO’s Uruguay Round, the United States was compelled not only to extend moral rights to authors but also to restore copyrights on foreign works that held valid copyrights in their home country but had, due to failure to perfect copyright, accidentally fallen into the public domain in the United States.<sup>114</sup> The restored term would be equivalent to that which the work would have received had it not fallen into the public domain.<sup>115</sup>

The United States became WTO-compliant, and fully Berne-compliant, through the enactment of Section 514 of the Uruguay Round Agreements Act of 1994.<sup>116</sup> However, American works that had fallen into the public domain due to the same type of failure were expressly excepted from having their copyrights restored.<sup>117</sup> Thus, to all appearances, American works received less protection than their foreign counterparts. And though Section 514 has a “reliance” exception that

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<sup>110</sup> *Dastar*, 539 U.S. at 35.

<sup>111</sup> *Id.* at 35-36.

<sup>112</sup> In other words, expired copyrights and exempted governmental works. See *supra* notes 38, 40 and accompanying text.

<sup>113</sup> In other words, those works falling into the public domain for failure to renew or perfect the copyright. See *supra* notes 39, 41, 42 and accompanying text.

<sup>114</sup> Yin, *supra* note 26, at 390.

<sup>115</sup> 17 U.S.C. § 104A(a)(1)(B) (2005); see Yin, *supra* note 26, at 390.

<sup>116</sup> Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4976, 4980 (1994); see Yin, *supra* note 26, at 389.

<sup>117</sup> The work’s country of origin must be one “other than the United States.” 17 U.S.C. § 104A(h)(3) (2005). See Yin, *supra* note 26, at 390.

allows for continued exploitation of a derivative work based on works whose copyrights have been restored,<sup>118</sup> the fact remains that had Fox held a valid copyright on the “Crusade” video in a foreign country that lapsed in precisely the same way as it had in the United States, its domestic copyright would be restored as if it had met the Copyright Office’s renewal requirements.<sup>119</sup> Because the copyright in “Crusade” had lapsed in the United States, the copyright owner’s home country, Fox has no claim for restoration of that right in any of the other WTO signatory states.<sup>120</sup>

Furthermore, Congress expressly rejected any moral right of attribution for motion pictures, as well as works made for hire, in its enactment of the Visual Artists Rights Act of 1990.<sup>121</sup> This exclusion means that any right Fox might have had in claiming authorship, regardless of its dubiousness in fact, would be worthless in actuality.

Finally, another seeming injustice was perpetrated against Fox in the form of the Copyright Renewal Act of 1992.<sup>122</sup> This Act eliminated the contingent nature of second-term copyright by abolishing the renewal registration requirement.<sup>123</sup> However, the Act applied only to prospective works and those whose second copyright term commenced in 1992 and thereafter;<sup>124</sup> in other words, works created before 1964 would still be required to file renewal registration with the United States Copyright Office before expiry of the initial 28-year term. Had Fox’s “Crusade” series been published or republished a mere fifteen years later than its actual publication date, its copyright would not have lapsed. Though revival of copyright for “Crusade” and similarly-situated works is arguably due Fox, and could yet be granted by Congress in a constitutionally-valid manner,<sup>125</sup> until that happens Fox will remain

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<sup>118</sup> Cf. 17 U.S.C. § 104A(d) (2005). Yin, *supra* note 26, at 411. See, e.g., *Hoepker v. Kruger*, 200 F. Supp. 2d 340, 345-46 (S.D.N.Y. 2002); *Dam Things From Denmark v. Russ Berrie & Co.*, 290 F.3d 548, 555 (3d Cir. 2002).

<sup>119</sup> It is, however, arguable that Dastar would qualify as a “reliance party” and thus be eligible for one year free of liability for infringement; thereafter, its liability would be conditioned on the receipt of a “notice of intent to enforce a restored copyright.” See 17 U.S.C. §§ 104A(h)(4), 104A(e) (2005); Yin, *supra* note 26, at 390.

<sup>120</sup> Cf. TRIPs, *supra* note 11, art. I(3) (“national treatment” provisions).

<sup>121</sup> Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089, 5128-33 (1990). See 17 U.S.C. § 101 (2005) (defining a “work of visual art”); see also Ochoa, *supra* note 10, at 926.

<sup>122</sup> Copyright Renewal Act of 1992, Pub. L. No. 102-307, 106 Stat. 264, 264-266 (1992).

<sup>123</sup> 17 U.S.C. §§ 304(a)(2)(A)(ii), 304(a)(2)(B)(ii) (2005); see Richard Raysman et al., *Copyright, Attribution and Integrity Rights and the Development of Emerging Technology Products*, EMERGING TECHNOLOGIES AND THE LAW § 5.07 (Law Journal Press 2003).

<sup>124</sup> Raysman, *supra* note 123, § 5.07.

<sup>125</sup> Yin, *supra* note 26, at 411.

a victim not only of its own poor management practices, but also of bad timing.

#### IV. EUROPEAN LAW

##### A. Introduction

Due to the fragmented nature of law creation in Europe, it is impossible to speak of “European law” as a unitary code. Every state in Europe has its own domestic laws, including laws regarding intellectual property. Thus, there is no formal “European IP law.”<sup>126</sup> However, because the European Union includes most European states and has its own law-making bodies, it is possible to give a limited definition of “European IP law” as those laws regarding intellectual property required of member states by the European Union’s constituent bodies: the Council of the European Union, the European Commission, the European Parliament, the Court of Auditors and the Court of Justice.<sup>127</sup> For the purposes of this article, the European position on the *Dastar* issue will be extrapolated from the relevant dictates of the European Council (EC), which take the form of “directives,” and some key decisions by the Court of Justice of the European Communities<sup>128</sup> elucidating judicial interpretation thereof. Because all member states of the European Union are required to enact domestic legislation that accords with the minimal requirements of EC Directives,<sup>129</sup> these directives serve as a good lowest-common-denominator benchmark. While EU law is rooted in international treaties,<sup>130</sup> these treaties will be discussed only to the extent that they are relevant to the state of current European law as explicated by EC Directives and ECJ cases.

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<sup>126</sup> The notable exception is Council Regulation 40/94 of 20 December 1993 on the community trademark, 1994 O.J. (L 11) 37, a unitary supranational law providing for the grant of a single trademark covering all EU territory and adopting the same infringement criteria as Directive 89/104/EEC, which is discussed in detail below. See *Int'l IP Litigation*, *supra* note 12, at 434; see also Jeremy Phillips, *Trademark Law In Europe: A primer for American trademark professionals*, 11 THOMSON & THOMSON CLIENT TIMES 2, at 2, at <http://www.thomson-thomson.com/marketing/ClientTimesfinal.pdf> (last visited Jan. 19, 2004).

<sup>127</sup> See [http://europe.eu.int/abc/index\\_en.htm](http://europe.eu.int/abc/index_en.htm) (last visited February 1, 2005).

<sup>128</sup> The Court of Justice of the European Communities [hereinafter European Court of Justice or ECJ], is the court to which the national courts of EU member states refer conflicts arising out of the implementation of EC Directives, the Treaty Establishing the European Community, and other law that has Community-wide applicability. See Phillips, *supra* note 126, at 2. This mechanism ensures uniformity of interpretation, and is akin to the referral of federal constitutional conflicts to the U.S. Supreme Court by the Supreme Courts of the several states.

<sup>129</sup> See *Calendar for transposition of Directives*, at [http://europa.eu.int/comm/secretariat\\_general/sgb/droit\\_com/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/sgb/droit_com/index_en.htm) (“Member States shall adopt the laws, regulations and administrative provisions necessary to comply with these Directives . . .”).

<sup>130</sup> See generally 1 INT'L COPYRIGHT L. & PRAC. §§ 2(3)(a), 3(3)(a), 5(1)(c) (MB 2003).

To reiterate, this analysis is largely an academic exercise. Because current European law is similar to American law in that the term of a copyright is generally measured as a fixed number of years from the date of the author's death,<sup>131</sup> copyrighted works cannot fall into the public domain during the life of the author; hence, there can be no "former" owner of a copyrighted work. And because moral rights generally die with their authors,<sup>132</sup> the paternity right will not normally survive the work's entry into the public domain.

The question remains important, even if its import is either fleeting or tentative, for the following reasons. In the first instance, American law in its current form affects works of European origin,<sup>133</sup> which means that they are also subject to fall into the public domain in the United States. Therefore, derivative products based on such works, though legally produced in the United States, may clash with European law.<sup>134</sup> In the second instance, American copyright law is subject to change in significant ways yet again, as it has at least twice in the past 30 years.<sup>135</sup> The next time such change occurs, it may well be for the liberalization of copyright law and consequent narrowing of authors' rights.<sup>136</sup>

## B. *European Trademark Directive and Its Judicial Interpretation*

### 1. First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks

One of the earliest directives issued by the European Council regarding intellectual property was 89/104/EEC, the First Council Directive of 21 December 1988 to approximate the laws of the Member

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<sup>131</sup> Cf. Council Directive 93/98/EEC, 1993 O.J. (L 290) 36, art. 1.

<sup>132</sup> Though this is generally the case, in some European countries moral rights have no set term, and are indeed superior to economic rights. 1 INT'L COPYRIGHT L. & PRAC. § 2(2)(b) (MB 2003).

<sup>133</sup> Cf. 17 U.S.C. § 101 (2005), whose definitions of the various types of works subject to copyright law (e.g., "anonymous work," "architectural work," "[a]udiovisual works," etc.) do not distinguish between the original sources of said works.

<sup>134</sup> This point is expanded upon in *infra* Part VII.

<sup>135</sup> First, with the passage of the Copyright Act of 1976, *supra* note 41, and then with the passage of the Sonny Bono Copyright Term Extension Act of 1998, *supra* note 42. One might also count as "significant" the passage of the Visual Artists Rights Act of 1990, *supra* note 121, the Berne Convention Implementation Act of 1988, *supra* note 33, the Audio Home Recording Act of 1992, Pub. L. No. 102-563, 106 Stat. 4237 (1992), the Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998), and similar congressional acts amending Title 17 of the United States Code.

<sup>136</sup> This point is expanded upon in *infra* Part VII.

States relating to trade marks.<sup>137</sup> Though it was intended to harmonize the laws of the several EU states, its preamble and articles contain explicit statements regarding the consensual importance of certain elements of trademark law.

In its preamble, EC Directive 89/104/EEC states that it “does not exclude the application to trademarks of provisions of law of the Member States . . . such as the provisions relating to unfair competition [.]”<sup>138</sup> It goes on to say that “the ways in which likelihood of [consumer] confusion may be established, and in particular the onus of proof, are a matter for national Procedural rules which are not prejudiced by the Directive[.]”<sup>139</sup> Thus, though harmonization is the goal, the ultimate adjudicator of violation of trademark and unfair competition laws is to be the national courts of the EU state in which suit is brought.

The articles of EC Directive 89/104/EEC indicate some principles that are fundamental to the European conception of the rights trademark bestows, along with the minimum requirements for a mark to receive protection. For example, Article 2 requires that marks be capable of graphical representation and of distinguishing the goods or services of one undertaking from those of others.<sup>140</sup> Article 3 precludes registration of deceptive marks, giving as examples those that deceive the public as to their “nature, quality or geographical origin[.]”<sup>141</sup> Though not used as a limitation, the adjectival modification of “origin” here (specifying “geographical”) is at variance with the use of the term “origin” in Lanham Act section 43(a).<sup>142</sup> Registration is also precluded for marks that, due to their “identity with, or similarity to, the earlier trademark *and* the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark.”<sup>143</sup> In other words, a mark is prohibited from registry if the mark itself is similar to that of another and the goods or services provided under that mark are also similar to those of another. This principle is reaffirmed in Article 5(1)(b), which includes among the rights conferred by trademark registration the right to prevent others from using in commerce:

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<sup>137</sup> Council Directive 89/104/EEC, 1988 O.J. (L 40) 32.

<sup>138</sup> *Id.* p.mbl.

<sup>139</sup> *Id.* p.mbl.

<sup>140</sup> *Id.* art. 2.

<sup>141</sup> *Id.* art. 3(g).

<sup>142</sup> See *supra* Part III.B.3.

<sup>143</sup> Council Directive 89/104/EEC, art. 4(1)(b) (emphasis added).

[A]ny sign where, because of its identity with, or similarity to, the trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trademark.<sup>144</sup>

Finally, Articles 10 and 12 both require that a registered trademark be put to “genuine use,” or else be subject to revocation.<sup>145</sup>

These principles raise several questions. First, can state-specific determinations of consumer confusion be reconciled with harmonization of trademark laws? Second, are Europeans concerned with geographical origin to the exclusion of origin of source or manufacture? Third, how similar must goods or services be to qualify for the “similarity” preclusion? And finally, can a parallel be drawn between the European “genuine use” requirement for trademarks and the American registration renewal requirement for copyright? Not all of these questions need be answered on point for the purposes of determining whether EU law grants the former owner of the copyright in a “work made for hire” a right of attribution even after the formerly copyrighted work has fallen into the public domain; however, the way the ECJ has answered some of these questions may shed light on this ultimate issue.

## 2. Judicial Interpretation of First Council Directive 89/104/EEC

In the case of *Fratelli Graffione SNC v. Ditta Fransa*,<sup>146</sup> the Court answered the first question. The reason state-specific determination of consumer confusion is necessary is that “because of linguistic, cultural and social differences between the Member States a trademark which is not liable to mislead a consumer in one Member State may be liable to do so in another.”<sup>147</sup> In other words, the fragmentary circumstances of European States necessitate an equally-fragmentary state of trademark law. European consumers in one state may be confused by a similarity between competing products – thereby giving rise to potential liability for such similarity – where those in another state may not.

More on point for our purposes is *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer, Inc.*<sup>148</sup> There, the European Court of Justice interpreted Articles 2 and 4 of EC Directive 89/104/EC and, in some respects, offered answers to the second and third questions posed

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<sup>144</sup> *Id.* art. 5(1)(b).

<sup>145</sup> *Id.* arts. 10(1), 12.

<sup>146</sup> Case C-313/94, *F.lli Graffione SNC v. Ditta Fransa*, 1996 E.C.R. I-6039 (1996).

<sup>147</sup> *Id.* ¶ 2, at 6041.

<sup>148</sup> Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer, Inc.*, 1998 E.C.R. I-5507 (1998).

above. In particular, the Court made two findings that enlighten as to the European perspective on the nature of trademark law. First, an earlier trademark's distinctive character, particularly its reputation/recognition in the marketplace, must be taken into account when determining whether the similarity between goods or services is sufficient to give rise to a likelihood of confusion.<sup>149</sup> In other words, the more similar a junior mark is to a distinctive senior mark, the less similar its goods or services must be to establish a likelihood of confusion and, hence, unfair competition. However, even if the two marks are identical, it is *still* necessary to show evidence of similarity between the goods or services of the two entities.<sup>150</sup> Second, all relevant related factors must be taken into account in assessing the similarity of goods or services including their nature, end users, method of use, and whether the goods or services are in competition with one another.<sup>151</sup> In summary, there may be a likelihood of confusion even when the public perceives that the goods or services have different places of production.<sup>152</sup>

The final, and most recent, case interpreting the relevant provisions of EC Directive 89/104/EEC is *Arsenal Football Club plc v. Matthew Reed*.<sup>153</sup> The case also happens to be the most germane to this discussion because the plaintiff's causes of action were for "passing off" and trademark infringement.<sup>154</sup> Of particular importance, the *Arsenal* Advocate General indicated that the second question posed above is based on false premises, stating that in interpreting the provisions of Article 5(1)(a) of the Directive, "[T]he registered proprietor [of a trademark] is entitled to prevent third parties from using, in relation to the same goods or services, signs identical with those of which the trademark consists, which are capable of giving a misleading indication as to their origin, provenance, quality or reputation."<sup>155</sup> Hence, for *Dastar* purposes, origin is not necessarily the sole controlling factor to be taken into account when determining the possibility of consumer confusion in European eyes; rather, it is one of (at least) four possible elements that can cause such confusion.

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<sup>149</sup> *Id.* ¶¶ 17, 24, at 5532, 5534.

<sup>150</sup> *Id.* ¶ 22, at 5533.

<sup>151</sup> *Id.* ¶ 23, at 5534.

<sup>152</sup> *Id.* ¶ 30, at 5535.

<sup>153</sup> Case C-206/01, *Arsenal Football Club plc v. Matthew Reed*, 2002 E.C.R. I-10273 (2002), available at [http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001J0206&model=guichett](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001J0206&model=guichett).

<sup>154</sup> *Arsenal Football Club*, Opinion of Advocate General Colomer, ¶ 7, available at [http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001C0206&model=guichett](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001C0206&model=guichett).

<sup>155</sup> *Id.* ¶ 49.

One other critical notion stemming from the *Arsenal* case, and which addresses the fourth and final question, is that “effective use”<sup>156</sup> is a prerequisite for retention of trademark-related rights; failure to commercially exploit a registered trademark will result in “lapse” and “atrophy” of those rights.<sup>157</sup> Regardless of the *method* by which such lapse is triggered (failure-to-use versus failure-to-renew), failure-by-neglect will have *consequences* in European courts akin to those in American courts.

### C. *European Copyright Directives and Their Judicial Interpretation*

#### 1. Council Directive 93/98/EEC of 29 October 1993 Harmonizing the Term of Protection of Copyright and Certain Related Rights

Like EC Directive 89/104/EEC, EC Directive 93/98/EEC was intended to harmonize the laws of European states, though only regarding the term of copyright protection and “certain related rights.”<sup>158</sup> It likewise contains explicit statements regarding the consensual importance of certain elements of copyright law. Unfortunately, the directive also leaves to the national courts the decisions on the most central of these elements.

In its preamble, EC Directive 93/98/EEC states that “the question of authorship in the whole or a part of a work is a question of fact which the national courts may have to decide.”<sup>159</sup> As a result, the national courts of the European state in which suit is brought are free to decide who the author of a work is for the purpose of determining copyright.

The preamble later states that “the harmonization brought about by this Directive does not apply to moral rights;”<sup>160</sup> Article 9 of the Directive codifies this point.<sup>161</sup> Both are consistent with Article 6*bis* of the Berne Convention, which allows “[t]he means of redress for safe-

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<sup>156</sup> The actual phrasing of EC Directive 89/104/EEC is “genuine use.” Council Directive 89/104/EEC, *supra* note 137, art. 12(1). “Genuine use” was defined by the European Court of Justice to mean “actual,” “real” use “on the market” which allows a trademark to guarantee the identity of the origin of the goods or services without any possibility of confusion, taking into account all relevant facts and circumstances. Case C-40/01, *Ansul BV v. Ajax Brandbeveiliging BV*, 2003 E.C.R. I-02439 (2003), ¶¶ 35-38, available at [http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001J0040&model=guichett](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62001J0040&model=guichett). How helpful this definition is in adjudication has yet to be determined.

<sup>157</sup> *Arsenal Football Club*, Opinion of Advocate General Colomer, ¶ 70.

<sup>158</sup> Council Directive 93/98/EEC, 1993 O.J. (L 290) 36.

<sup>159</sup> *Id.* pmb. ¶ 13.

<sup>160</sup> *Id.* pmb. ¶ 21.

<sup>161</sup> *Id.* art. 9 (“This Directive shall be without prejudice to the provisions of the Member States regulating moral rights.”).

guarding [moral] rights” to be “governed by the legislation of the country where protection is claimed.”<sup>162</sup> Article 9 simply recognizes the existing state of affairs – non-harmonized terms for moral rights between European states<sup>163</sup> – rather than attempting to change it. The framework sketch of EC Directive 93/98/EEC thus seems akin to that of EC Directive 89/104/EEC as interpreted by *Fratelli Graffione SNC*,<sup>164</sup> that is, a necessarily-fragmented state of copyright law arising from different conceptions of authorship and moral rights.

The Directive nevertheless adopts an apparently concise definition of “author” for the purposes of cinematographic or audiovisual works,<sup>165</sup> stating, “[T]he principal director of a cinematographic or audiovisual work shall be considered as its author or one of its authors. Member States shall be free to designate other co-authors.”<sup>166</sup> This seeming clarity does not eliminate the problem of dueling definitions because states may still designate coauthors at will, thereby implicating those coauthors’ moral rights.

The problem is further complicated by Article 2(2). While granting a 70-year postmortem term of protection for these types of works, the term is to be measured from “the death of the last of the following persons to survive, whether or not these persons are designated as co-authors: the principal director, the author of the screenplay, the author of the dialogue and the composer of music specifically created for use in the cinematographic or audiovisual work.”<sup>167</sup> In other words, copyright terms may be measured from the death of the author, coauthor (as defined by the European states severally), or a Directive-designated non-author.

Finally, the Directive makes it clear that the term of protection for broadcasts “should not be perpetual” (i.e. renewed every time a program is rebroadcast) and must run “from the first transmission of a particular broadcast only.”<sup>168</sup> Indeed, the term of the rights of the

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<sup>162</sup> Berne Convention, *supra* note 11, art. 6bis(3), 828 U.N.T.S. at 235.

<sup>163</sup> See IPR-HELPDESK, GUIDE ON COPYRIGHT § 5, *Which rights are granted to the author?* available at <http://www.ipr-helpdesk.org/guias/imprimible/cuerpo.jsp?guia=guia2&len=EN> (last visited Nov. 26, 2003).

<sup>164</sup> See *supra* text accompanying notes 146, 147.

<sup>165</sup> Cinematographic or audiovisual works are commonly known as “films.” Article 3(3) of EC Directive 93/98/EEC helpfully states that “[t]he term ‘film’ shall designate a cinematographic or audiovisual work or moving images, whether or not accompanied by sound.” Council Directive 93/98/EEC, *supra* note 158, art. 3(3).

<sup>166</sup> *Id.* art. 2(1).

<sup>167</sup> *Id.* art. 2(2).

<sup>168</sup> *Id.* pmb. ¶ 19.

broadcasting organization is based on the date of first transmission rather than fixation.<sup>169</sup> Article 3(3) further clarifies:

The rights of producers of the first fixation of a film shall expire 50 years after the fixation is made. However, if the film is lawfully published or lawfully communicated to the public during this period, the rights shall expire 50 years from the date of the first such publication or the first such communication to the public, whichever is the earlier.<sup>170</sup>

Thus, in the event that a film is broadcast, the rights of the producers and the broadcasting organization are coterminous; the rights of the author(s) are not.

Once again, the principles embedded in the EC Directive raise several questions. First, can state-specific determinations of authorship and moral rights be reconciled with harmonization of copyright laws? Second, should the copyright term of a film that is made especially for television broadcast be measured from the death of an author, coauthor or non-author (i.e. as a film), or rather should it be measured from the first transmission (i.e. as a broadcast)? Third, if the copyright term is to be measured from the death of an author, coauthor or non-author, can states gain unfair advantage by manipulating the definition of “coauthor” (i.e. by artificially postponing a film’s lapse into the public domain)? Unfortunately, these questions remain unanswered. However, at least some relevant information can be gleaned from the single ECJ case interpreting EC Directive 93/98/EEC.

## 2. Judicial Interpretation of Council Directive 93/98/EEC

Much to the chagrin of those who seek black letter law on the European position regarding the unaccredited copying of an uncopyrighted work, the only case interpreting EC Directive 93/98/EEC is *Butterfly Music Srl v. Carosello Edizioni Musicali e Discografiche Srl*.<sup>171</sup> The issue in that case was whether the acquired rights of third parties survived the revival of copyright in national law, instituted pursuant to Article 10 of EC Directive 93/98/EEC, in a previously-public domain musical work.<sup>172</sup>

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<sup>169</sup> *Id.* art. 3(4).

<sup>170</sup> *Id.* art. 3(3).

<sup>171</sup> Case C-60/98, *Butterfly Music Srl v. Carosello Edizioni Musicali e Discografiche Srl* CEMED, 1999 E.C.R. I-3939 (1999). Due to the dearth of other case law interpreting Council Directive 93/98/EEC, and the fact that the opinion of Advocate General Cosmas is a significantly deeper analysis of the law than that of the Court, I refer to that opinion in both text and notes.

<sup>172</sup> *Butterfly Music*, Opinion of Advocate General Cosmas, ¶ 1, at 3941.

The opinion observes that the EU legislature seeks to ensure the “broadest possible protection of copyright and related rights,” though these rights may vary between different types of creative works.<sup>173</sup> Given this basic breadth of protection, third parties who exploited works in the public domain prior to the revival of their copyright – whether via distribution, reissue or updating – may nevertheless continue such exploitation.<sup>174</sup> The Advocate General then puts a gloss on that right by stating that traders in public domain works cannot legitimately expect that a status quo that is capable of being altered by a supranational legislature will be maintained.<sup>175</sup> In sum, though the right to trade in public domain works exists, it is subject to change according to the whims of European legislative bodies: *caveat vendor*.

3. Council Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society

Though EC Directive 2001/29/EC<sup>176</sup> has not yet been subject to interpretation by European courts, it provides a more recent glimpse of the European governmental mindset with regard to the limits of copyright. In its preamble, the Directive explicitly states the purposes and goals for harmonization of member states’ copyright laws: increasing legal certainty, fostering “substantial” investment in creativity and innovation, safeguarding employment and encouraging new job creation.<sup>177</sup> The Directive then hedges a bit, by granting that “differences [in the domestic laws of Member States] not adversely affecting the functioning of the internal [EU] market need not be removed or prevented.”<sup>178</sup> On the other hand, any such differences must still account for a “high level” of copyright protection.<sup>179</sup>

It is also clear that Europe is still concerned with the rights of creators. For example, with regard to creators of films, the Directive notes the “considerable” investment required<sup>180</sup> and mandates that states provide these creators the exclusive right to authorize or prohibit the reproduction<sup>181</sup> and distribution<sup>182</sup> of their films. The only exceptions

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<sup>173</sup> *Id.* ¶¶ 22, 33, at 3948, 3954.

<sup>174</sup> *Id.* ¶ 33, at 3953-3954.

<sup>175</sup> *Id.* ¶ 36, at 3955.

<sup>176</sup> Council Directive 2001/29/EC, 2001 O.J. (L 167) 44.

<sup>177</sup> *Id.* pmb. ¶ 4.

<sup>178</sup> *Id.* pmb. ¶ 7.

<sup>179</sup> *Id.* pmb. ¶ 9.

<sup>180</sup> *Id.* pmb. ¶ 10.

<sup>181</sup> *Id.* art. 2.

to these rights are for “incidental” inclusion in other works,<sup>183</sup> provided such inclusion does not “unreasonably prejudice the legitimate interests of the rightholder.”<sup>184</sup> These considerations indicate that in order to pass judicial muster, any copyright infringement must be trifling and inoffensive.

Nevertheless, even this concern has limits. Per paragraph 11 of the preamble, effective copyright protection is valuable because it is a good way of ensuring “European” cultural creativity and safeguarding the “independence and dignity” of artists.<sup>185</sup> On the one hand, this wording seems to exclude the creative acts of non-Europeans; on the other hand, it reinforces the rights of all creators. “Independence and dignity,” however, are unambiguously *not* the same as moral rights, because moral rights “remain outside the scope of this Directive.”<sup>186</sup> In other words, whether or not the European government cares to extend global protection to creators, their moral rights will still vary from state to state as a difference “not adversely affecting the functioning of the internal market.”<sup>187</sup>

#### D. *European Unfair Competition Law and Its Judicial Interpretation*

Articles 30 through 36 of the Treaty Establishing the European Community contain the provisions regarding the free movement of goods between member states.<sup>188</sup> In order to guarantee free trade, states must not manipulate their home markets by creating or maintaining actual, artificial or disguised barriers to trade, specifically in the form of quantitative restrictions (commonly known as quotas) or “measures having equivalent effect” with regard to imports and exports.<sup>189</sup>

The first crucial case arising out of these articles – at least for the purposes of extrapolating European views on *Dastar* – was *SA CNL-SUCAL NV v. HAG GF AG*.<sup>190</sup> There, the issue was whether the term “origin” meant the historical origin of a trademark or the commercial origin of the goods; the Advocate General opted for the latter defini-

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<sup>182</sup> *Id.* art. 4(1).

<sup>183</sup> *Id.* art. 5(3).

<sup>184</sup> *Id.* art. 5(5).

<sup>185</sup> *Id.* pmb. ¶ 11.

<sup>186</sup> *Id.* pmb. ¶ 19.

<sup>187</sup> *Id.* pmb. ¶ 7.

<sup>188</sup> TREATY ESTABLISHING THE EUROPEAN COMMUNITY, arts. 30-36, Aug. 31, 1992, O.J. (C 224) 35.

<sup>189</sup> *Id.*

<sup>190</sup> Case C-10/89, *SA CNL-SUCAL NV v. HAG GF AG*, 1990 E.C.R. I-3711 (1990). Since the opinion of Advocate General Jacobs addresses the central *Dastar* issue nearly on point, I refer to it in both text and notes.

tion.<sup>191</sup> In language very similar to that of the United States Supreme Court in the *Dastar* decision,<sup>192</sup> the *SA CNL-SUCAL NV* Advocate General stated that “the consumer is not . . . interested in the genealogy of trademarks; he is interested in knowing who made the goods that he purchases.”<sup>193</sup> Taken together with the number of bases on which consumer confusion can be grounded, as related in the *Arsenal* decision,<sup>194</sup> it is clear that the ECJ interprets “origin” in the same way as the United States, so long as the word is unencumbered by adjectival modification.

With regard to European public domain law, mention must be made of *Ottung v. Klee & Weilbach*,<sup>195</sup> another competition case. The relevant issue there was whether continuing royalty payments for a patent could be required under a licensing agreement with no determinate expiration date even after the patent had entered the public domain.<sup>196</sup> Though the Court determined that a contractual clause “does not in itself constitute a restriction of competition,”<sup>197</sup> the Advocate General in the case nevertheless contended that after expiry of a patent, no further reward is due the patent-holder. Further continuing royalty obligations are an exploitation of the available IP rights protection unless they are “merely a method of payment of the inventor’s fair reward.”<sup>198</sup>

Finally, *BV Industrie Diensten Groep v. J.A. Beele Handelmaatschappij BV*<sup>199</sup> can shed light on European views regarding precise imitation. There, the lower (national) court, whose rationale was affirmed by the ECJ, allowed an injunction against the importation of a product into a market where precise imitation of expired patented product could be legally marketed, on the grounds that such importation could potentially give rise to needless consumer confusion.<sup>200</sup> The ECJ’s opinion hinged on the fact that an alternative design was both economically feasible and available.<sup>201</sup> In particular, the Court stated that EC unfair competition rules permit:

[A] rule of national law . . . allowing a trader, who for some considerable time in the Member State concerned has marketed a product

<sup>191</sup> *SA CNL-SUCAL NV*, Opinion of Advocate General Jacobs, ¶ 24, at 3735.

<sup>192</sup> See *supra* Part III.B.3.

<sup>193</sup> *SA CNL-SUCAL NV*, Opinion of Advocate General Jacobs, ¶ 24, at 3735.

<sup>194</sup> See *supra* Part IV.B.2.

<sup>195</sup> Case 320/87, *Kai Ottung v. Klee & Weilbach A/S*, 1989 E.C.R. II-1177.

<sup>196</sup> *Id.* ¶ 6, at 1196-1197.

<sup>197</sup> *Id.* ¶ 15, at 1199-1200.

<sup>198</sup> *Id.* Opinion of Advocate General Tesouro ¶ 6, at 1186.

<sup>199</sup> Case 6/81, *BV Industrie Diensten Groep v. J.A. Beele Handelmaatschappij BV*, 1982 E.C.R. I-707.

<sup>200</sup> *Id.* ¶ 15, at 718.

<sup>201</sup> *Id.* ¶ 11, at 717.

which differs from similar products, to obtain an injunction against another trader restraining him from continuing to market in that Member State a product coming from another Member State in which it is lawfully marketed but which *for no compelling reason is almost identical* to the first-mentioned product and thereby *needlessly causes confusion between the two products*.<sup>202</sup>

Hence, the key element in the decision to enjoin precisely imitative products, at least with regard to European patent law, is a lack of compelling reason for identity.<sup>203</sup>

## V. APPLICATION OF EUROPEAN LAW TO *DASTAR* FACTS

So how would a European court have decided *Dastar*? The above ECJ opinions can be grafted onto the *Dastar* facts, eliciting the following observations:

### A. *Trademark Law*

While member states of the EU agree that harmonization of their IP laws is a noble goal, they also agree that the power of adjudicating alleged violations of these laws must remain in their own national courts (EC Directive 89/104/EEC). Because of the linguistic, cultural and social differences of European states, the similarities between “Crusade” and “Campaigns” may not mislead a consumer in one state, but may be liable to do so in another (*Fratelli Graffione SNC*). In other words, the outcome of a *Dastar*-like case may be highly contingent on where suit is initially brought.

At any rate, the hypothetical adjudicating court would take into account the distinctive character, and in particular the marketplace reputation and recognition, of Fox and “Crusade” when determining whether the similarity between “Crusade” and “Campaigns” would be sufficient to give rise to a likelihood of confusion (*Canon Kabushiki Kaisha*). In assessing this similarity, the court would take into account factors such as the nature of the production (home video), the targeted end users (World War II history buffs), and the fact that the two goods were in competition with one another (*Canon Kabushiki Kaisha*). It is probable that the court would find sufficient similarity to establish a prima facie case of infringement.

Of course, in order to successfully litigate such a suit, the plaintiffs would have to show that consumers confused the two products (*Canon Kabushiki Kaisha*). Here, the question is not about the strength of Fox’s trademark, but rather whether the public associates Fox with the

<sup>202</sup> *Id.* ¶ 15, at 718 (emphasis added).

<sup>203</sup> For further analysis of the *Beele* case, see KAUFMANN, *supra* note 19, at 109-112.

production of World War II home videos. Plaintiffs would also be able to argue that the confusion arose not only because of misleading origin, but possibly due to misleading provenance, quality or reputation as well (*Arsenal*). Because a likelihood of confusion may exist even when the public perceives that the goods or services have different places of production (*Canon Kabushiki Kaisha*), it is probable that the court would find a likelihood of confusion between “Campaigns” and “Crusade.”

The preceding would not guarantee defendants’ liability though. Plaintiffs would still be subject to the “genuine use” prerequisite to retain their trademark-related rights; failure to commercially exploit “Crusade” prior to the release of “Campaigns” – what I term “failure-by-neglect”<sup>204</sup> – may have resulted in a “lapse” and “atrophy” of those rights (*Arsenal*). Though perhaps tilting towards a finding of infringement, European trademark law is nevertheless inconclusive.

## B. *Copyright Law*

Not only is the power of adjudication left to the national courts, but the power of defining key terms (“author,” with consequent implications for copyright term) and statutory restrictions (i.e. moral rights) is left to the national legislatures – to be interpreted, in turn, by the national courts (EC Directives 93/98/EEC and 2001/29/EC). Certain helpful statutory distinctions (between a “film” and a “broadcast,” also with consequent implications for copyright term) are absent from the EC directives, despite the recognition of the costs associated with such productions.<sup>205</sup> Furthermore, the right to exploit public domain works is subject to change according to the whims of the European legislature (*Butterfly Music Srl*). On the other hand, the EU is clearly concerned with maintaining the rights of producers of audiovisual works, whether film or broadcast, by essentially prohibiting anything more than “incidental” infringement that is non-prejudicial to the rights holder (EC Directive 2001/29/EC). In summary, there is no clear predictive value to be derived from European copyright-related directives and their judicial interpretation regarding how a European court would resolve the *Dastar* problem, though they again seem to tilt towards a finding of infringement.

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<sup>204</sup> See *supra* notes 156, 157 and accompanying text.

<sup>205</sup> See *supra* notes 168-170 and accompanying text.

### C. *Competition Law*

Judicial interpretation of EU competition law complicates the matter. First, the term “origin” is to be interpreted simply to mean the commercial origin of the goods, i.e. the entity that manufactured the goods purchased (*SA CNL-SUCAL NV*). Second, no further reward is due to an IP rights holder once the IP right has expired (*Ottung*). Finally, if an economically feasible and available alternative exists that might prevent needless potential consumer confusion resulting from identical products, it must be used (*Beele*). European competition law, then, appears to adhere more closely to the logic of *Dastar* than do European trademark and copyright law.

## VI. IMPLICATIONS

Given the above exposition, European law on attribution of works in the public domain will certainly differ from American law, if not on the determination of infringement then on the basis of moral rights considerations. This incongruity of law has an extremely important implication: the market forces of supply and demand will necessitate a European rethinking of the extent of moral rights and standards of copyright and trademark infringement in light of the possible economic harm they may cause. In essence, where goods derived from materials in the public domain are produced in the United States unencumbered by attribution considerations – and the costs of consequent royalty requirements or infringement damages – those goods will provide a cheaper substitute for equivalent works produced in the EU. Of course, law is mutable; hence, both the United States and Europe will have to take into account this external, uncontrollable power when determining future policies regarding copyright and the public domain. Ultimately, it is in the interest of both to avert trade disputes resulting from non-harmonized copyright and trademark law.

It may already be too late to avoid copyright-related trade disputes between the United States and the European Union due to differences in copyright terms for musical works. European law protects such works for a flat fifty years from the earliest date of fixation, publication, or communication to the public,<sup>206</sup> in line with the Berne Convention’s minimum requirement.<sup>207</sup> Musical works published in the 1950s and early 1960s – many of which still have great commercial value<sup>208</sup> – are

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<sup>206</sup> Council Directive 93/98/EEC, *supra* note 158, art. 3(2).

<sup>207</sup> Berne Convention, *supra* note 11, art. 7(2), 828 U.N.T.S. at 237.

<sup>208</sup> Works by pop legends such as Elvis Presley, the Beatles, Bob Dylan and the Rolling Stones, not to mention those by jazz greats like Miles Davis and Thelonious Monk, come to

therefore falling or will soon fall into the public domain in Europe. Meanwhile, the United States does not differentiate music from other copyrightable works, giving these same works a full ninety five years' protection presuming timely renewal upon expiry of the initial twenty eight year term.<sup>209</sup> The Recording Industry Association of America (RIAA),<sup>210</sup> fearing that domestic CD prices on these works will be severely undercut by European public domain (i.e. royalty-free) imports, is already lobbying Congress to erect trade barriers in response.<sup>211</sup> Congress may well respond to such pleas, considering the probable transfer of substantial revenues from American copyright holders to the European producers of "piratical products."<sup>212</sup> Unless the EU law on music copyright terms changes in the interim, the likely European reaction would be the filing of a suit with the WTO.<sup>213</sup>

This conflict is worth mentioning because it mirrors the situation in which Europe might find itself should it be faced with a *Dastar*-like conflict involving European-created<sup>214</sup> public domain works. In other words, the EU might be compelled to institute protectionist policies regarding trade in derivative works that utilize the public domain where such works infringe on the European definition of moral rights, or copyright or trademark standards, but not on those of the United States. Market forces and national economic interests are often implicated in governmental policy decisions and copyright and trademark laws are no exception.

One possible solution might be that suggested by the ECJ in *Boehringer Ingelheim KG v. Swingward Ltd.*<sup>215</sup> There, the Court condi-

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mind. See Ron Synovitz, *EU: Copyright Loophole Exposes 'Golden Oldies' Of Pop Music*, RADIO FREE EUROPE/RADIO LIBERTY at <http://www.rferl.org/nca/features/2003/01/09012003173448.asp> (Jan. 9, 2003).

<sup>209</sup> *Id.*

<sup>210</sup> The RIAA is an influential lobby group representing U.S. music corporations. See *id.* For various position papers regarding copyright matter from the RIAA and the MPAA, see <http://www.riaa.com> and <http://www.mpaa.org>.

<sup>211</sup> Synovitz, *supra* note 208. The RIAA also emphasizes that the quality of these cheaper European public domain versions of the relevant works will be highly variable. See Anthony Tommasini, *Companies in U.S. Sing Blues As Europe Reprises 50's Hits*, N.Y. TIMES, January 3, 2003, at A1.

<sup>212</sup> This is the phrase used by Neil Turkewitz, executive vice president international of the RIAA, as quoted in Tommasini, *supra* note 211. The same point was made by Jack Valenti in congressional testimony arguing for passage of the Sonny Bono Copyright Term Extension Act of 1998, Pub. L. No. 105-298, 112 Stat. 2827 (1998). See *supra* note 9.

<sup>213</sup> Synovitz, *supra* note 208.

<sup>214</sup> Bearing in mind the concern of Council Directive 2001/29/EC with "European cultural creativity." See *supra* note 185 and accompanying text.

<sup>215</sup> Case C-143/00, *Boehringer Ingelheim KG v. Swingward Ltd.*, 2002 E.C.R. I-03759 (2002), available at [http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62000J0143&model=guichett](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=62000J0143&model=guichett).

tioned the legality of the repackaging of trademarked pharmaceutical products by a parallel importer on the importer's giving notice to the trademark proprietor and granting the proprietor reasonable time to react.<sup>216</sup> Likewise, American exporters of derivative works that include European-originated creative works that are, for American purposes, in the public domain could give the European rights holder (author, coauthor and/or statutorily-designated author) reasonable notice of intent to export its product to Europe, perhaps under a bilateral treaty explicitly recognizing the disharmony of copyright protections. The rights holder would then have some defined period of time in which to respond, the expiry of which would automatically allow such exportation. In the event that the rights holder objects, the exporter would be required to pay a compulsory mechanical license royalty.<sup>217</sup>

Even if no solution is implemented to resolve this legal disharmony, the availability of American products based on derivative works that are free of attribution requirements will put pressure on the European Union to come to some mutually-agreeable resolution. This is so because the American products will be priced substantially lower than the equivalent European works, and it will be nearly impossible to keep these products from filtering into the European market regardless of the degree of rigidity of customs enforcement – just as European public domain CDs are bound to filter into the United States despite probable congressional response to the RIAA.

Furthermore, all indications, starting with the *Dastar* opinion, are that the public domain will be strengthened, not weakened, in the United States in the foreseeable future. For example, Congress is currently considering the Public Domain Enhancement Act.<sup>218</sup> This Act would require copyright holders to take an affirmative step – the payment of \$1 to the United States Copyright Office – to secure copyright renewal after an initial 50 year term.<sup>219</sup> The United States would thus return to the pre-1976 Copyright Act fixed-year method of calculating copyright terms, thereby presumably increasing the number of works accidentally falling into the public domain à la “Crusade.”<sup>220</sup>

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<sup>216</sup> *Id.* ¶¶ 61, 66, 68.

<sup>217</sup> The royalty rate would be predetermined in negotiations between the United States and the European Union. *See, e.g.*, 17 U.S.C. § 115 (2005).

<sup>218</sup> Public Domain Enhancement Act, H.R. 2601, 108th Cong. (2003). The bill was referred to the House Subcommittee on Courts, the Internet, and Intellectual Property on September 4, 2003.

<sup>219</sup> *Id.* § 3(c).

<sup>220</sup> *See* Sunder, *supra* note 99; *see also* “Reclaim the Public Domain” petition, initiated by Stanford law professor Lawrence Lessig, at <http://www.petitiononline.com/eldred/petition.html> (last visited Oct. 7, 2004). The effort to expand the public domain is supported by

In contrast, European Parliament recently approved a law targeting the counterfeiting and piracy of IP.<sup>221</sup> Though it does not necessarily address public domain “borrowing” such as that in which *Dastar* engaged, the “wide-reaching”<sup>222</sup> measure may encompass such a scenario. Its applicability will depend on where European courts draw the line between permissible innovation and copyright and trademark infringement. The proposed law could have an effect on copyrightable IP similar to that feared on patentable IP, i.e., that IP rights owners could use the law to extend their monopolies beyond current expiry dates.<sup>223</sup> While the EU is still seized of the copyright issue, its tendencies seem diametrically opposed to those of American lawmakers.<sup>224</sup>

## VII. CONCLUSION

The United States Supreme Court made a strong statement in its unanimous *Dastar* opinion: the public domain is an essential part of American creative discourse, and unfair competition laws cannot be used as a shield against its effects. This logical trajectory is also subject to the law of unintended consequences, and its impact may be felt in international trade. The United States and European Union both have an interest in maintaining good trade relations, but conflicting approaches regarding the extent and method of intellectual property protection may result in reciprocal trade conflicts.

With the continually-increasing importance of intellectual property in modern society, these powerful trading partners will have to resolve

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the American Library Association, whose attorney, Jonathan Band of Morrison Foerster’s Washington, D.C. office, wrote an amicus brief on its behalf in support of *Dastar*. See Tony Mauro, *High Court Hands Fox Copyright Defeat*, LEGAL TIMES, June 3, 2003, available at <http://www.law.com/jsp/article.jsp?id=1052440822405> (last visited Jan. 14, 2004). The movement is also getting support from the Committee for Economic Development, a 60-year-old policy group perceived as a more traditional, conservative organization, which recently published a report, “Promoting Innovation and Economic Growth: The Special Problem of Digital Intellectual Property,” discussing the issue. See John Schwartz, *Report Raises Questions About Fighting Online Piracy*, N.Y. TIMES, March 1, 2004, at C2 (“The [Committee for Economic Development] also recommended finding economic tools that could encourage copyright holders to allow their works to enter the public domain somewhat earlier than the law allows.”).

<sup>221</sup> See Meller, *Europe’s Anti Piracy Proposal Draws Criticism*, *supra* note 8; see also Paul Meller, *Europe Moves To Strengthen Piracy Laws*, N.Y. TIMES, March 10, 2004, at W1.

<sup>222</sup> The phrase is that used by journalist Paul Meller. Meller, *Europe Moves To Strengthen Piracy Laws*, *supra* note 221, at W1.

<sup>223</sup> A fear expressed by Greg Perry, director general of the European Generic Medicines Association, as quoted in Meller, *Europe’s Anti Piracy Proposal Draws Criticism*, *supra* note 8.

<sup>224</sup> Specifically with regard to the public domain. Recent legislative trends in Congress, including the so-called “Induce Act,” show that in other areas of copyright law, the United States and European Union are still very much in harmony.

this conflict soon, preferably through a true harmonization of their respective laws.<sup>225</sup> Though their differences in public domain and unfair competition law may derive from genuine differences in philosophy, culture and economic imperatives – and thus political necessity on the part of their respective legislative bodies – failure to come to agreement may mean that the free market will be the ultimate adjudicator, perhaps to the liking of neither.

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<sup>225</sup> Graeme B. Dinwoodie, a law professor and Director of the Program in Intellectual Property Law at Chicago-Kent College of Law, has posited that no state can effectively regulate economic activity unilaterally in an age of globalization, and that integrated international and domestic lawmaking processes under the aegis of international treaty-making bodies with adjudicatory powers, e.g. the WTO, can avoid problems such as those raised herein. See Dinwoodie, *Integration of IP Lawmaking*, *supra* note 15, at 307.

