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From Ashes to Fire: Trademark and Copyright in Transition

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FROM ASHES TO FIRE: TRADEMARK AND COPYRIGHT IN TRANSITION

GERARD N. MAGLIOCCA*

This Article explores the parallels between current developments in copyright law and the evolution of unfair competition doctrine in the early twentieth century. In each case, influential segments of the legal establishment responded to a major technological upheaval by rejecting gradual reform. They argued that the existing regulatory framework was so obsolete that only a radical overhaul could address the new paradigm. In the unfair competition context, that impulse led to the creation of misappropriation, dilution, and the right of publicity, all of which reshaped intellectual property even though they did not supplant traditional principles. In copyright, a similar process is underway in the wake of the Internet Revolution that may have profound consequences. The analysis concludes by examining the relationship between the three radical unfair competition proposals and their counterparts in copyright in order to project the future of the law.

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INTRODUCTION

Schechter's dilution concept was a direct, though disproportionate, response to the shortcomings of the consumer confusion test in light of burgeoning trade [I]t was originally conceived . . . as a radical alternative to the consumer protection model of trademark rights.¹

Robert N. Klieger

Giving copyright holders the sole right to exploit commercially or authorize the commercial exploitation of their works is a more constrained grant than the current capacious statutory language. . . . Is surgery that radical necessary? Probably not. It would, however, have some significant advantages.²

Jessica Litman

In 2003 the Supreme Court decided two of the most highly anticipated intellectual property cases in recent years. *Eldred v. Ashcroft*³ rejected a constitutional challenge to the Copyright Term Extension Act,⁴ which lengthened copyright protection by twenty

1. Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 797 (1997).

2. JESSICA LITMAN, DIGITAL COPYRIGHT 181 (2001).

3. 537 U.S. 186 (2003).

4. Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified as amended in scattered

years.⁵ A few weeks later, *Moseley v. V Secret Catalogue, Inc.*⁶ marked the Court's first encounter with the controversial doctrine of trademark dilution, which gives marks protection that extends far beyond the reach of traditional unfair competition law.⁷ At first glance, these opinions seem to have little in common other than their proximity in time. After all, one was a copyright case about constitutional law, while the other was a trademark decision interpreting a new federal statute.⁸

This Article contends that *Eldred* and *Moseley* actually share a close bond that illuminates the problems plaguing contemporary copyright policy. In both cases, the Court was addressing radical arguments that grew out of frustration with the law's inability to adjust to new economic conditions. Trademark dilution—the subject of *Moseley*—was a sweeping doctrine proposed in the 1920s by a scholar who contended that trademark protection needed to expand dramatically in response to the Industrial Revolution.⁹ By contrast, the failings of copyright law are an ongoing concern because its formal protection is expanding when many believe it should be contracting in response to the Internet Revolution.¹⁰ In our era, it was another scholar—Lawrence Lessig—who reacted by making the unprecedented argument in *Eldred* that the Constitution imposes judicially enforceable limits on Congress's power to expand copyrights.¹¹

This parallel between *Eldred* and *Moseley* sets the stage for a

sections of 17 U.S.C.).

5. See *Eldred*, 537 U.S. at 192–94.

6. 537 U.S. 418 (2003).

7. See *id.* at 429.

8. See *id.* at 432–33 (describing the Federal Trademark Dilution Act, Pub. L. No. 104-98, 109 Stat. 985 (1995) (codified as amended at 15 U.S.C. §§ 1125, 1127 (2000))).

9. See Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 830–33 (1927); see also Klieger, *supra* note 1, at 800–01 (outlining twentieth century developments in trademark law); Gerard N. Magliocca, *One and Inseparable: Dilution and Infringement in Trademark Law*, 85 MINN. L. REV. 949, 974–77 (2001) (describing Schechter's proposals for reform).

10. See, e.g., Raymond Shih Ray Ku, *The Creative Destruction of Copyright: Napster and the New Economics of Digital Technology*, 69 U. CHI. L. REV. 263, 267 (2002) (arguing that digital technology's effect on the cost of distributing content reduces the need for copyright protection); see also Digital Millennium Copyright Act of 1998, 17 U.S.C. § 512 (2000) (placing new restrictions on the digital transmission of data). Though this Article draws a parallel between the Industrial Revolution and the Internet Revolution, it does not state that they are equivalent. The point is that each involves a technological change of sufficient magnitude to trigger the pattern of evolutionary and revolutionary reform that the Article describes.

11. See *Eldred v. Ashcroft*, 537 U.S. 186, 192–93 (2003); Lawrence Lessig, *Copyright's First Amendment*, 48 UCLA L. REV. 1057, 1066–67 (2001).

lesson in the unanticipated consequences of reform. All legal systems must balance the desire for stability with the need to adapt old principles to new circumstances. Courts are charged with resolving these competing goals in concrete cases, but there are instances when a major technological or social shift calls for a more substantial reconsideration of doctrine. Naturally, these upheavals lead to an extended dialogue among judges, academics, and legislators seeking to reach a consensus about how to update the law by reshaping existing concepts. That was how the difficulties confronting trademark were resolved in the twentieth century, and the odds are that copyright will follow a similar path in the twenty-first century.¹²

Yet whenever a body of law goes through a period of obsolescence, some inevitably become impatient with gradual change and start proposing radical alternatives to the status quo. This usually starts with academics proclaiming that the prevailing doctrine is so outmoded that only a complete overhaul can solve the problem.¹³ If the reform process continues to stagnate, then those radical ideas may begin seeping from law reviews into courts and legislatures.¹⁴ And over time, these new doctrines can develop independent justifications that keep them alive long after the obsolescence that provoked them disappears. Thus, a central proposition of this Article is that significant reform is almost always accompanied by the creation of “satellite doctrines” that either break new ground or become a source of mischief.

Modern unfair competition law was forged by this dynamic combination of revolution and evolution. The problems that gripped trademark doctrine in the Industrial Age led directly to the creation of misappropriation, dilution, and the right of publicity.¹⁵ All of these concepts were grounded in the inadequacy of the common law, and all three responded by developing new property rights that would

12. See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (setting forth the modern eight factor test for trademark infringement); Magliocca, *supra* note 9, at 994–1005.

13. See Lessig, *supra* note 11, at 1072–73; Joseph P. Liu, *Copyright and Time: A Proposal*, 101 MICH. L. REV. 409, 409–11 (2002); Melville B. Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203, 214 (1954); Schechter, *supra* note 9, at 813.

14. See Bruce P. Keller, *Condemned to Repeat the Past: The Reemergence of Misappropriation and Other Common Law Theories of Protection for Intellectual Property*, 11 HARV. J.L. & TECH. 401, 408–12 (1998); Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 127, 177–78 (1993); Magliocca, *supra* note 9, at 994–99.

15. See *Int'l News Serv. v. Associated Press*, 248 U.S. 215, 241–42 (1918); *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, 868 (2d Cir. 1953); Nimmer, *supra* note 13, at 213–14; Schechter, *supra* note 9, at 823–24.

bring about a swift expansion of trademark protection. In so doing, however, they have been sharply criticized because their breadth threatens to destroy the delicate balance intellectual property law must strike between providing private incentives and protecting the public domain.¹⁶ Indeed, most of the debate about unfair competition doctrine still centers on what role these ideas rooted in a past crisis should have today.

The value of this history is that copyright is now in the early stages of a similar transformation. Unlike what occurred in trademark law, however, many copyright scholars are now racing to find ways to narrow its protection in the face of technologies that are sharply reducing the cost of distributing content.¹⁷ This new batch of satellite doctrines is only in its infancy. The trademark precedents indicate, though, that unless copyright law responds quickly to the Internet Revolution, these concepts may become powerful challengers to the established regulatory framework. By examining the process in midstream, this Article offers a glimpse into the future of copyright.

Part I explores how the Industrial Revolution wiped out the narrow premises underlying trademark law and how misappropriation, dilution, and the right of publicity developed in response. The text then examines the evolution of those doctrines and shows that two of them, dilution and the right of publicity, continued to gain support even after the obsolescence of mainstream doctrine was cured. Part II explains how digital technology is eroding the broad foundation of copyright protection.¹⁸ Next, the discussion looks at three ideas recently put forward by scholars who want to curtail copyright in a dramatic fashion. One is Professor Lessig's

16. See, e.g., *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 280 (2d Cir. 1929) (limiting the holding in *International News* to its facts); Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1167 (1948) (stating that whether trademark protections "further public as well as private goals" was the key inquiry).

17. See, e.g., LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* 249–59 (2001) (setting forth the ideals of information exchange and protection in the digital age and the changes in copyright law necessary to achieve them); LITMAN, *supra* note 2, at 180–86 (arguing for a "commercial exploitation" standard of copyright infringement that better captures the public's understanding of copyright law); Justin Hughes, *Fair Use Across Time*, 50 UCLA L. REV. 775, 786–87 (2003) (proposing "fair use across time" as a limit on "creeping copyright terms").

18. The claim that copyright should contract as a response to the Internet is obviously more controversial than the related argument, which is now widely accepted, that trademark rights had to expand after the Industrial Revolution.

aforementioned resort to the Constitution, another seeks to redefine drastically the test for copyright infringement, and the third offers a potentially sweeping expansion of the fair use exception. Finally, the analysis demonstrates that these novel theories are analogous to the unfair competition satellite doctrines and shows how they may evolve into the equivalents of trademark concepts related to commercial use and abandonment.

I. THE SCHISM IN UNFAIR COMPETITION

When students take a course in unfair trade practices, they are confronted by a hodge podge of doctrines that often seem totally disconnected. Yet just as the Romance languages all have a common Latin root, the major concepts in unfair competition are all offshoots of the common law action for trademark infringement. Invasions by the likes of Attila the Hun gave us our linguistic diversity, but it was the Industrial Revolution that shattered the unity of trademark. This Part looks at that process and examines how misappropriation, dilution, and the right of publicity began as radical attacks on the common law but eventually grew into respectable ideas that still exert a powerful influence on courts and legislatures.

A. *The Lost World of Trademarks*

Let us begin by reviewing the system of trademark protection that prevailed from time immemorial until the twentieth century. At common law, a mark owner had a cause of action for infringement only if the defendant (1) was a direct competitor and (2) claimed that its goods were made by the plaintiff.¹⁹ The first limitation was summarized in a statement by the Court of Chancery: "If [someone] does not carry on a trade in iron, but carries on a trade in linen, and stamps a lion on his linen, another person may stamp a lion on iron."²⁰ In other words, the rule was that relief could not be granted unless a defendant made exactly the same type of good as the plaintiff.²¹ The next element, which was called "passing off" or "palming off," held

19. See, e.g., Nimmer, *supra* note 13, at 210-12 (discussing in detail the common law requirements for infringement).

20. Ainsworth v. Walmsley, 1 L.R.-Eq. 518, 524-25 (Eng. Ch. 1866); see Edward C. Lukens, *The Application of the Principle of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 198 (1927).

21. See, e.g., Act of Feb. 20, 1905, ch. 592, 33 Stat. 724, 728 (codified as amended at 15 U.S.C. §§ 81-134 (repealed 1946)) (limiting infringement to goods of "substantially the same descriptive properties as those set forth in [the senior user's] registration"); *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510, 514 (7th Cir. 1912) (denying an infringement action because milk and ice cream were not identical products).

that liability attached only if a defendant represented that its products were from the plaintiff and that the misrepresentation caused a diversion of sales.²² Thus, a plaintiff could not prevail in an infringement action by showing that consumers were just likely to be confused by the use of a similar mark.²³

These limitations stand in sharp contrast to the way current trademark law operates. First, there is no longer a direct competition requirement. Courts do consider the competitive proximity of products in infringement suits, but now most of those cases involve different types of goods.²⁴ Plaintiffs today also do not have to show that a defendant is passing off goods in a way that caused a loss of sales. Instead, courts evaluate how a defendant's conduct affects a mark's ability to convey information to consumers.²⁵ There is little doubt, therefore, that the traditional restrictions on relief would bar most modern trademark actions.

While the common law gave marks very limited protection, that result was consistent with the pattern of trade that was in place prior to the Industrial Revolution.²⁶ At that time, most consumption came from self-sufficient agricultural households. To the extent that people shopped instead of making their own goods, they purchased almost exclusively from local craftsmen, and the primitive state of transportation made it almost impossible for consumers to afford anything that was made in a distant location. As a result, people were personally acquainted with the manufacturers of their products. They were the proverbial butcher, baker, and candlestick maker who lived in the neighborhood. When consumers were deciding whose goods to buy, therefore, they made an evaluation based on their personal knowledge of a producer's reputation for quality. A trademark in this context was a representation by a craftsman that an item was made by him and that all the weight of his individual reputation was behind it.

The common law limits on trademark infringement made sense because they were built on this consumer behavior. The direct competition requirement flowed from the fact that the local

22. See *Borden*, 201 F. at 513–14; *Schechter*, *supra* note 9, at 820–21.

23. See *Borden*, 201 F. at 513–14; *Magliocca*, *supra* note 9, at 971 n.114.

24. See, e.g., *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 350 (9th Cir. 1979). The more related the competing products are (e.g., guns and bullets as opposed to guns and ice cream), the more likely it is that a court will find an infringement.

25. See *Magliocca*, *supra* note 9, at 954–55; see also *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir. 1992) (setting forth the orthodox multi-factor test for infringement).

26. The analysis and history in the next few paragraphs is drawn from a more extensive discussion in a prior article of mine. See *Magliocca*, *supra* note 9, at 970–74.

manufacturers that people relied on typically made only one type of good.²⁷ So, if someone put a lion on iron and someone else put a lion on linen, there was no risk of injury because nobody thought that the same person would make two different items. Consequently, there was no reason to extend trademark protection beyond a direct competition scenario. As for the passing off rule, the harm that troubled a traditional economy was the concrete one that occurred when someone pretended that his or her goods were from a local competitor. It made little sense to evaluate the broader impact of that conduct on the quality of information in the marketplace because there was no market to evaluate. A market is defined by transactions where consumers get information through impersonal signals like prices. In a pre-industrial economy, however, consumers usually relied on their personal knowledge of producers and engaged in barter. Thus, unless the use of a trademark actually diverted sales from one producer to another there was no cause for alarm.

The Industrial Revolution transformed all of this by integrating scattered rural communities into a single market. This in turn led to the development of corporations that each made a variety of items and dissolved the assumption that firms made only a single good.²⁸ More important, these firms took the bulk of production away from local craftsmen. That change deprived consumers of the personal relationship with their suppliers that they used to make decisions. In this new market environment, people came to rely more on trademarks for information. Although consumers knew little about the company that a mark represented, they were confident that products bearing a particular symbol were made by the same source. Marks became abstract symbols of consistency that told purchasers that the quality of a good was the same as the quality of what they had bought before bearing the same mark.²⁹

This economic revolution demanded an equivalent shift in trademark doctrine. Since marks were now divorced from first-hand knowledge about a producer, "[a] thousand opportunities present[ed] themselves to the trade-name pirate, of which he c[ould] take advantage without overstepping the law as laid down in the more

27. See Klieger, *supra* note 1, at 796; Schechter, *supra* note 9, at 814.

28. See Lukens, *supra* note 20, at 204 (stating in 1927 that "[t]he public has become so accustomed to the idea of dissimilar articles being produced by the same company that it is hardly surprised at any combination whatever").

29. See, e.g., Sidney A. Diamond, *The Public Interest and the Trademark System*, 62 J. PAT. & TRADEMARK OFF. SOC'Y 528, 529 (1980) (stating that buyers now recognize trademarks as general symbols of quality).

conservative cases.”³⁰ Almost anybody could convince consumers that its products met the quality standard of a blue-chip firm by giving its brand a similar name. This mischief was not limited to direct competitors. So long as customers thought that a defendant’s goods could be related to the plaintiff, the use of a similar mark would create problems.³¹ In other words, once people understood that firms made many types of goods, it was easy for them to believe that someone calling itself “The Tiffany Movie Theater” might be affiliated with “Tiffany” jewelers. The harm from this conduct was broader than the mere diversion of sales from one producer to another. Allowing the unscrupulous to appropriate goodwill through misleading marks interfered with consumer efforts to obtain information in the emerging marketplace and threatened economic growth.

Unfortunately, the courts failed to meet the challenge posed by these “trademark pirates” and allowed impediments in the market to multiply. To be fair, the task of reforming trademark doctrine in a comprehensive fashion was formidable. Moreover, some judges did recognize the need for change and began moving in the right direction.³² As early as 1917, the Second Circuit held that the direct competition requirement did not apply when the competing goods were closely related.³³ Other cases held that the infringement test should examine whether the use of a mark created a likelihood of consumer confusion and not whether sales were diverted.³⁴ Most courts, however, opposed even these modest changes and adhered closely to the common-law tradition.³⁵ Indeed, infringement would

30. Lukens, *supra* note 20, at 201.

31. See *Tiffany & Co. v. Tiffany Prods., Inc.*, 264 N.Y.S. 459, 461–62 (N.Y. Sup. Ct. 1932).

32. See *Coty, Inc. v. LeBlume Imp. Co.*, 292 F. 264, 267–68 (S.D.N.Y. 1923) (L. Hand, J.), *aff’d*, 293 F. 344 (2d Cir. 1923) (describing the anonymous source theory of marks); *Walter Baker & Co. v. Slack*, 130 F. 514, 518 (7th Cir. 1904) (same).

33. See *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 409–10 (2d Cir. 1917) (holding that an infringement action could be brought in a case involving pancake mix versus syrup).

34. See *Magliocca*, *supra* note 9, at 971; *Schechter*, *supra* note 9, at 821 (noting that some cases had “extended the doctrine of ‘unfair competition’ beyond cases where there is an actual ‘diversion of custom’”).

35. See, e.g., *S.C. Johnson & Son, Inc. v. Johnson*, 116 F.2d 427, 429 (2d Cir. 1940) (limiting infringement actions in non-compete cases to situations (1) where the senior user was likely to expand into the junior user’s market or (2) where the junior user harmed the senior user’s reputation); Lukens, *supra* note 20, at 204 (stating that conservative courts stood “in the way of the natural expansion of the law to meet changing economic conditions”).

not finally break free from its obsolescence until the 1960s.³⁶

The reluctance to expand trademark protection was not just a matter of inertia. One problem was that many courts simply had a hard time understanding how unfair competition could occur if the parties did not directly compete.³⁷ That confusion exemplifies a formalism that is a particular bugaboo of trademark law. Even though these actions are equitable in nature, courts sometimes have a tendency to focus on definitions like "unfair competition" or "likelihood of confusion" rather than keeping their eye on the overarching goals of trademark law.³⁸ This behavior defies easy explanation, but perhaps judges spend so much time crafting a formula to resolve trademark disputes that they can become mesmerized by the formula itself and fail to see the pragmatic consequences of their actions.

Another factor behind the opposition to more trademark protection was that courts worried about extending the reach of these state monopolies.³⁹ The most articulate advocate of this concern was Jerome Frank, who was a leading legal realist before he ascended to the bench.⁴⁰ Dissenting in *Triangle Publications, Inc. v. Rohrlich*,⁴¹ Judge Frank emphasized that "the legal protection of trade-names does not engender competition; on the contrary, it creates lawful monopolies, immunities from competition."⁴² He acknowledged that "[s]ome writers, disturbed by the suggestion that judicially-protected trade-names are monopolies, protest that the judicial protection of trade-names rests on prevention of unfairness between competitors, not on protection of monopoly."⁴³ True to his legal realist roots,

36. See *Triumph Hosiery Mills, Inc. v. Triumph Int'l Corp.*, 308 F.2d 196, 198 (2d Cir. 1962). This case adopted the eight *Polaroid* factors for infringement. See *supra* note 12.

37. See *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510, 514 (7th Cir. 1912) ("The phrase 'unfair competition' presupposes competition of some sort."); *Brown, supra* note 16, at 1192 (calling these courts "distressingly logical"); *Lukens, supra* note 20, at 198 (noting that courts often dismissed infringement actions by citing this maxim).

38. See *Lukens, supra* note 20, at 197-98; *Magliocca, supra* note 9, at 954-55.

39. See *Fed. Tel. & Radio Corp. v. Fed. Television Corp.*, 180 F.2d 250, 252 (2d Cir. 1950); 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 24:56 (4th ed. 2000) (explaining that many judges "feared creating a judge-made 'monopoly' in trademarks").

40. See G. EDWARD WHITE, THE AMERICAN JUDICIAL TRADITION: PROFILES OF LEADING AMERICAN JUDGES 268-75 (1976) (summarizing Frank's philosophy).

41. 167 F.2d 969 (2d Cir. 1948).

42. *Id.* at 980 n.13 (Frank, J., dissenting) (internal quotations omitted); see also *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 41-42 (2d Cir. 1945) (Frank, J., concurring) (making a similar argument).

43. *Triangle*, 167 F.2d at 982 (Frank, J., dissenting).

however, Judge Frank rejected this contention because “[a] concept is what it does. If a legal concept produces a monopoly, the concept, pragmatically, is a concept favoring monopoly. Such a concept should be carefully scrutinized when the courts are asked to widen it”⁴⁴

These comments expose the deep division between those who see trademarks, copyrights, and patents as monopolies and those who describe them as property. The first view, which dates back to the Framers of our Constitution, is that these types of instruments were necessary evils that must be carefully limited to ensure free competition.⁴⁵ In modern parlance, however, they are usually characterized as intellectual property that secures the rights of the creative.⁴⁶ Of course, there is not much difference between monopoly and property. Both are based on the right to exclude. Property owners have the right to bar others from using their resources; monopolists can bar others from competing against them.

The distinction between monopoly and property lies in their connotations and the willingness of courts to apply them. A monopoly is treated with skepticism because it is seen as an unwarranted intrusion into the free market. Property, by contrast, is lauded because it is viewed as a bundle of rights that supports Lockean conceptions of freedom.⁴⁷ Thus, a lot rides on which label—monopoly or property—is attached to the interest at stake.⁴⁸ It

44. *Id.* (Frank, J., dissenting).

45. See, e.g., *Eldred v. Ashcroft*, 537 U.S. 186, 246–47 (Breyer, J., dissenting) (setting forth the Framers’ monopoly view of copyrights and patents); Andrew Jackson, Veto Message (July 10, 1832), in 2 A COMPILATION OF THE MESSAGES AND PAPERS OF THE PRESIDENTS 1789–1897, at 584 (James D. Richardson ed., 1899) (declaring the Second Bank of the United States an unconstitutional monopoly because “[o]n two subjects only does the Constitution recognize in Congress the power to grant exclusive privileges or monopolies. . . . Out of this express delegation of power have grown our laws of patents and copyrights.”).

46. See, e.g., Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687–88 (1999) (describing the “fundamental shift” in how courts and commentators view trademarks); L. Ray Patterson, *The DMCA: A Modern Version of the Licensing Act*, 10 J. INTELL. PROP. L. 33, 52–54 (2002) (discussing the ramifications of proprietary view of copyright).

47. See Julie E. Cohen, Lochner in Cyberspace: *The New Economic Orthodoxy of “Rights Management,”* 97 MICH. L. REV. 462, 464–65 (1998) (arguing that intellectual property policy is now dominated by laissez-faire premises of freedom of contract and the sanctity of private property).

48. Compare R. Polk Wagner, *Information Wants to Be Free: Intellectual Property and the Mythologies of Control*, 103 COLUM. L. REV. 995, 1013–14 (2003) (arguing that the monopoly label is misleading with respect to copyright), with Cohen, *supra* note 47, at 515 (“[R]eliance on essentialized notions of ‘contract,’ ‘market,’ and ‘property’ elides important empirical and policy questions about the extent of the monopoly that society should afford creators”).

should come as no surprise that as the law has moved away from defining trademarks and copyrights as monopolies, the protection given to them has steadily increased.⁴⁹

While the view that marks were monopolies inhibited judicial efforts to adapt trademark law, that sentiment does capture concerns that should not be dismissed. After all, infringement doctrine does restrict competition by barring the use of many convenient brand names.⁵⁰ Moreover, robust protection allows firms to turn marks into advertising powerhouses that give them a substantial advantage that often discourages new competitors.⁵¹ On the other hand, the information that these marks convey is essential for promoting competition. Thus, neither monopoly nor property accurately describes trademarks. They are unlike monopolies because they foster competition, but their anticompetitive effects have no counterpart in real or personal property. Courts and legislatures must, therefore, disregard these simple labels and weigh the competing interests to determine the proper level of trademark protection. More is not always better.

Nevertheless, the balance struck by the common law was clearly wrong after the Industrial Revolution and the failure of the courts to do much about it drew increasing criticism from scholars and a few judges. An academic in the 1920s lamented that “equity will not be entirely free to enjoin new and unusual forms of trade-name piracy until the Courts cease to bind themselves by auxiliary tests and begin freely and directly to apply to these cases the elementary equitable principle”⁵² At the same time, another scholar said that “[t]he proper expansion of trademark law has been hampered by obsolete

49. See Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, § 102, 112 Stat. 2827, 2827–28 (1998) (codified as amended at 17 U.S.C. § 301–304 (2000)) (extending the terms for all copyrights); Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (codified as amended at 15 U.S.C. §§ 1051, 1125, 1127 (2000)) (providing trademark owners with new remedies in cases of dilution); Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2546 (codified as amended at 17 U.S.C. §§ 101 et. seq. (2000)) (revising Title 17 in its entirety); LITMAN, *supra* note 2, at 78–81.

50. This is particularly true for descriptive marks, which refer to the traits of the good in question. See, e.g., *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (stating the accepted rule that descriptive marks can get protection if they have secondary meaning); Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759, 772–75 (1990) (explaining the costs created by prohibiting parties from using these terms).

51. See Brown, *supra* note 16, at 1187 (stating that a mark “is a narrow bridge over which all the traffic powered by [product] advertising must pass. . . . With time, the symbol comes to be more than a conduit through which the persuasive power of advertising is transmitted, and acquires a potency, a ‘commercial magnetism,’ of its own.”).

52. Lukens, *supra* note 20, at 205.

conceptions both as to the function of a trademark and as to the need for its protection.”⁵³ Even in the 1950s, reform-minded judges like Charles Clark were still arguing that many plaintiffs “had the misfortune—so it seems to me—to come before a panel of this court allergic to the doctrine . . . of protecting trade names against competition which will create confusion”⁵⁴ This continuing intransigence was the overture that ushered in the more drastic solutions waiting in the wings.

B. Three Radical Responses to Gridlock

Growing frustration with the pace of change eventually led some to abandon evolutionary reform in favor of new frameworks that could replace the common law. Two of these alternatives were developed by scholars and one by the Supreme Court. But all three were united by their radicalism in creating robust property rights that would provide ample, and in many eyes excessive, protection for trademark interests.⁵⁵ This Section reveals the common ancestry of misappropriation, dilution, and the right of publicity before exploring the mixed reception these satellite doctrines initially received from the legal establishment.

1. Misappropriation

Most challenges to orthodox legal thought begin—and end—in academic circles, but the first broad attack on the obsolescence of trademark doctrine came from the Supreme Court in *International News Service v. Associated Press*.⁵⁶ That case involved two competing wire services—the International News Service (“INS”) and the Associated Press (“AP”)—that gathered news and distributed stories to papers around the country.⁵⁷ AP’s articles were issued as public

53. Schechter, *supra* note 9, at 824; accord Lukens, *supra* note 20, at 204 (noting that the relationship test is used by courts as a strict rule of law rather than as a rule of thumb to guide decision making).

54. Hyde Park Clothes, Inc. v. Hyde Park Fashions, Inc., 204 F.2d 223, 226 (2d Cir. 1953) (Clark, J., dissenting); 3 MCCARTHY, *supra* note 39, § 24:56 (explaining that Judge Clark took a broad view of unfair competition protection).

55. See *Int’l News Serv. v. Associated Press*, 248 U.S. 215, 242 (1918) (creating the misappropriation doctrine); Nimmer, *supra* note 13, at 204 (addressing the right of publicity); Schechter, *supra* note 9, at 830–32 (developing dilution); see also Brown, *supra* note 16, at 1191–1201 (laying out a broad critique of dilution and misappropriation); Madow, *supra* note 14, at 228–38 (arguing that publicity rights are unnecessary to protect trademark interests).

56. *Int’l News*, 248 U.S. at 215.

57. See *id.* at 229–30.

bulletins and then transmitted to its subscribers.⁵⁸ Sensing an opportunity, INS began copying AP stories from these public bulletin boards and from early editions of East Coast papers.⁵⁹ INS then sent these articles or thinly disguised copies to its papers before the other AP publications could get them.⁶⁰ Though the AP was understandably upset by this practice, the news in its articles was not copyrightable and hence the only possible avenue of relief was unfair competition doctrine.⁶¹

The problem for the AP, however, was that the common law required a showing that INS was passing off its stories. This was an element that the plaintiff could not meet because INS presented the purloined articles as the news without referring to the AP.⁶² Yet the Justices recognized that the conduct of INS was troubling because it occurred “precisely at the point where the profit is to be reaped . . . with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news.”⁶³ That is the dilemma posed by intellectual property; it is costly to produce but easy to copy. News gathering fit this paradigm well, but trademark law offered no protection because of its antiquated premises.⁶⁴

There was an incremental solution that would have allowed the Court to give the AP relief and nudge the law in the right direction. In a separate opinion, Justice Holmes observed that “[t]he ordinary case . . . is palming off the defendant’s products as the plaintiff’s but the same evil may follow from the opposite falsehood—from saying whether in words or by implication that the plaintiff’s product is the defendant’s, and that, it seems to me, is what has happened here.”⁶⁵ Put another way, the issue was whether INS was interfering with the information conveyed by the AP byline and thereby misleading people who read AP articles into thinking that they were from INS. Holmes said that this “falsehood is a little more subtle, the injury, a

58. *See id.* at 231.

59. *See id.*

60. *See id.*

61. *See id.* at 232–33; *id.* at 234–35 (“We need spend no time, however, upon the general question of property in news matter at common law, or the application of the copyright act, since it seems to us the case must turn upon the question of unfair competition in business.”).

62. *See id.* at 239; *id.* at 247 (Holmes, J., dissenting).

63. *Id.* at 240.

64. Even progressives like Justice Brandeis were unwilling to revise the obsolete common law rules. *See id.* at 259–61 (Brandeis, J., dissenting).

65. *Id.* at 247 (Holmes, J., dissenting).

little more indirect, than in ordinary cases of unfair trade, but I think that the principle that condemns the one condemns the other.”⁶⁶ In keeping with this modest doctrinal adjustment, Holmes also suggested a narrow remedy that would allow INS to copy AP stories so long as INS gave “express credit to the Associated Press.”⁶⁷

Rather than accept Holmes’s evolutionary approach, the majority dealt with the crisis in trademark law by inventing a new property right through misappropriation.⁶⁸ The Court agreed that the passing off rule was obsolete,⁶⁹ but gave the AP relief based on the broad principle that “he who has fairly paid the price should have the beneficial use of the property.”⁷⁰ The Justices acknowledged that news was not property, but held that “if that which complainant has acquired fairly at substantial cost may be sold fairly at substantial profit, a competitor who is misappropriating it for the purpose of disposing of it to his own profit . . . cannot be heard to say that it is too . . . evanescent to be regarded as property.”⁷¹ Under these circumstances, a resource “has all the attributes of property necessary for determining that a misappropriation of it by a competitor is unfair competition because [it is] contrary to good conscience.”⁷²

This holding threatened to overthrow the entire structure of copyright, trademark, and patent law. In essence, the Court was saying that information not deemed property by Congress or by tradition could nonetheless be treated as property by a court. That would have made courts, rather than legislatures, the ultimate arbiters of what should receive property protection.⁷³ Beyond this process issue, the Court’s declaration that anything valuable could not be copied and sold reversed the conventional view that the ownership of information should be limited. As Ralph S. Brown has noted,

66. *Id.* This concept of “reverse confusion” is now well-established in infringement doctrine. See *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041, 2044–45 & n.1 (2003); 2 MCCARTHY, *supra* note 39, at § 10:49.

67. See *Int’l News*, 248 U.S. at 248 (Holmes, J., dissenting).

68. See *id.* at 242. In fairness, some of the Court’s language supported Holmes’s position, but the majority ruled that the theory of relief should be much broader.

69. See *id.* at 241–42 (stating that “the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods But we cannot concede that the right to equitable relief is confined to that class of cases.” (citation omitted)).

70. *Id.* at 240.

71. *Id.*

72. *Id.*

73. As Julie E. Cohen points out, the decision in *International News* is not so startling when one considers that during this time the Supreme Court was in the thrall of a substantive due process theory focused on liberty of contract. See Cohen, *supra* note 47, at 507–08.

misappropriation's "gross fallacy is the assumption of a general policy in favor of monopolies in ideas, systems, or any ingenious contrivance."⁷⁴

Many commentators, like Professor Brown, were sharply critical of the broad doctrine laid down by the Supreme Court. Leading the charge was Judge Learned Hand, who in 1929 rejected a claim brought by a fashion house seeking to protect its designs from copiers.⁷⁵ After noting that clothing designs were not covered by the design patent or copyright statutes, Hand declined the plaintiff's invitation to use misappropriation.⁷⁶ In that most cutting of legal insults, he said that *International News* should be confined to its facts, explaining that "[w]hile it is of course true that law ordinarily speaks in general terms . . . [w]e think that no more was covered [in that case] than situations substantially similar to those then at bar. The difficulties of understanding it otherwise are insuperable."⁷⁷ Hand could not believe that "the Court meant to create a sort of common-law patent or copyright for reasons of justice. Either would flagrantly conflict with the scheme which Congress has for more than a century devised to cover the subject-matter."⁷⁸

While the implications of misappropriation were troubling, there was one virtue in this blunt weapon—it could eliminate the obsolete limits on trademark protection. Of course, a sledgehammer can kill bugs; but that doesn't mean using one is a good idea. Nevertheless, some judges faced with a stark choice between archaic trademark law and a theory that would let them extend protection where it was sorely needed were willing to overlook the flaws of misappropriation and use it to grant relief.⁷⁹ The question was whether this desperation would gather momentum and overwhelm the common law.

2. Dilution

The next radical candidate to replace traditional unfair

74. Brown, *supra* note 16, at 1200.

75. See *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 280 (2d Cir. 1929).

76. See *id.* at 279–80. For more on the dilemma posed by the protection of aesthetic designs, see Gerard N. Magliocca, *Ornamental Design and Incremental Innovation*, 86 MARQ. L. REV. 845, 850–61 (2003).

77. *Cheney Bros.*, 35 F.2d at 280.

78. *Id.*

79. See, e.g., *Pittsburgh Athletic Co. v. KQV Broadcasting Co.*, 24 F. Supp. 490, 492 (W.D. Pa. 1938); *Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483, 489 (Sup. Ct. 1950), *aff'd*, 107 N.Y.S.2d 795 (App. Div. 1951) (*per curiam*); see also Keller, *supra* note 14, at 408–11 (explaining that some courts turned to misappropriation as "a practical necessity").

competition law was trademark dilution, which came from a proposal by Frank I. Schechter.⁸⁰ He was the scholar who did more than anyone else to explain how the Industrial Revolution altered the role of trademarks.⁸¹ To deal with these new realities, Schechter initially supported gradual reform of the infringement test.⁸² By 1927, however, he joined the disgruntled camp and concluded that the common law was probably incapable of reforming itself.⁸³

Like misappropriation, dilution began with the premise that trademark doctrine was obsolete. While misappropriation was a response to the passing off requirement, dilution focused on the direct competition rule. Schechter argued that “the *creation and retention of custom*, rather than the designation of source, is the primary purpose of the trademark today”⁸⁴ As a result, “[t]he use of similar marks on *non-competing* goods is perhaps the *normal* rather than the exceptional case of infringement.”⁸⁵ He concluded from this premise that the traditional notion that different firms could stamp lions on iron and linen was “archaic.”⁸⁶

Dilution broke with the common law and misappropriation in its assertion that the way to modernize trademark protection was by redefining the harm caused by the use of another’s mark. Schechter thought that courts should look at how a defendant’s conduct affected a mark’s advertising power rather than examining its direct impact on consumers.⁸⁷ Thus, he said that “[t]he real injury in all such cases . . . is the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use on non-competing goods.”⁸⁸ This was so because a mark’s advertising power depended on “its uniqueness and singularity” and whether “such uniqueness or singularity is vitiated or impaired by its use upon either

80. See *supra* note 9 and accompanying text.

81. See FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* 129–34 (1925); Klieger, *supra* note 1, at 801; see also *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 454 (4th Cir. 1999) (commenting on Schechter’s role).

82. See *Ringling Bros.*, 170 F.3d at 454; SCHECHTER, *supra* note 81, at 164–71; Magliocca, *supra* note 9, at 974–75.

83. I say “probably” because there is language in Schechter’s article indicating that he saw some hope for infringement, which turned out to be prophetic. See Schechter, *supra* note 9, at 826.

84. *Id.* at 822.

85. *Id.* at 825.

86. See *id.* at 822–23.

87. See *Ringling Bros.*, 170 F.3d at 454; Schechter, *supra* note 9, at 830–31.

88. Schechter, *supra* note 9, at 825. This is a subtle point that the Supreme Court misunderstood in the *Moseley* case. See *infra* note 151.

related or non-related goods.”⁸⁹

Schechter’s conclusion that “the preservation of the uniqueness of a trademark should constitute the only rational basis for its protection” was an elegant solution to the common law’s obsolescence.⁹⁰ In a single stroke, dilution broadened trademark protection by permitting courts to bar almost any use of a mark that was similar to another. Under this approach, it did not matter whether a use was by a non-competitor or involved passing off since either could disturb the uniqueness of a mark. Notwithstanding its tremendous sweep, dilution was at least narrower than misappropriation. While misappropriation could be applied to any form of intellectual property, dilution was a doctrine limited to trademarks. Schechter sought to restrict dilution further by suggesting that it should apply only to well-known marks.⁹¹

Nevertheless, the common law’s defenders still condemned dilution for being too broad.⁹² The problem was that Schechter reacted to the restrictions on trademark doctrine by wiping out almost all limits on protection.⁹³ Indeed, there is virtually no difference between dilution and misappropriation as applied to marks.⁹⁴ Both allow judges to exercise unfettered discretion in determining what could be copied. Both rest on the dubious assumption that more protection is always better.

As with misappropriation, some courts embraced the dilution model as the only remedy for trademark obsolescence.⁹⁵ Indeed, the flaws in infringement doctrine were so serious by the 1940s that dilution actually started getting enacted into law. Massachusetts led the way in 1947 and was soon followed by New York, Illinois, and

89. Schechter, *supra* note 9, at 831.

90. *Id.*

91. *See id.* at 828–30.

92. *See, e.g.,* Brown, *supra* note 16, at 1191–1201 (calling dilution “[t]he clearest, most candid, and most far-reaching claim on behalf of persuasive values”).

93. For a detailed discussion on the flaws of the original dilution proposal, see Magliocca, *supra* note 9, at 977–82.

94. *See* 2 MCCARTHY, *supra* note 39, § 10:72 (“While there neither is nor should be such a thing as ‘misappropriation’ of a trademark, the closest concept that in fact exists in the law is the theory of ‘dilution’ of a mark.”).

95. *See, e.g.,* Stork Rest., Inc. v. Sahati, 166 F.2d 348, 356–64 (9th Cir. 1948) (granting an injunction to a New York nightclub against a San Francisco club using the same name based on the confusion causing a “dilution of goodwill” earned by the plaintiff); Philadelphia Storage Battery Co. v. Mindlin, 296 N.Y.S. 176, 178 (N.Y. Sup. Ct. 1937) (stating that without dilution protection, “[t]he normal potential expansion of plaintiff’s business may be forestalled”); Magliocca, *supra* note 9, at 994–98 (putting these and other dilution cases and the commentary on them in a broader context).

Georgia.⁹⁶ These state dilution statutes went well beyond Schechter's proposal in that they applied to most marks rather than just well-known ones.⁹⁷ By taking these actions, legislators were signaling that their patience with the common law was running out.

3. Right of Publicity

The final doctrine to emerge from trademark infringement's shadow was the right of publicity, which was largely the brainchild of Professor Melville B. Nimmer.⁹⁸ Unlike misappropriation and dilution, which were comprehensive reform proposals, the right of publicity focused on one concrete interest that needed enhanced protection—the commercial value of celebrity personalities.⁹⁹ Thus, the publicity right was more modest in scope than its counterparts but still related to them because the common law's obsolescence was also the chief obstacle for famous people seeking to capitalize on their renown.

a. The Changing Nature of Celebrity

As fame presents issues that were not covered in the prior discussion, some background is necessary on how the common law treated celebrities. The headline is that until recent years, virtually anyone could slap a famous person's name or likeness on goods without that celebrity's consent.¹⁰⁰ A stroll through history reveals many examples of this opportunistic commerce, such as Benjamin Franklin handkerchiefs, Sarah Bernhardt candy, John Brown lithographs, and Oscar Wilde trading cards.¹⁰¹ At common law, these items did not infringe a mark because the firms selling them were not

96. See Act of May 2, 1947, ch. 307, § 7a, 1947 Mass. Acts 300, 307 (codified as amended at MASS. GEN. LAWS. ANN. ch. 110B, § 12 (West 1999)) ("Likelihood of injury to business reputation or of dilution of the distinctive quality of [a trade name or trademark] shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services."); Klieger, *supra* note 1, at 812.

97. See Magliocca, *supra* note 9, at 999. On the other hand, these laws replaced Schechter's uniqueness test with a "likelihood of dilution" standard that sounds narrower but eludes definition. See Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 455–56 (4th Cir. 1999).

98. See Nimmer, *supra* note 13, at 203; see also Madow, *supra* note 14, at 174 (describing Nimmer's article as seminal in the development of publicity rights).

99. See Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831, 835 (6th Cir. 1983) (stating that the celebrity has a "protected pecuniary interest in the commercial exploitation of his identity"); Alice Haemmerli, *Whose Who? The Case for a Kantian Right of Publicity*, 49 DUKE L.J. 383, 392 (1999).

100. See Madow, *supra* note 14, at 148–53.

101. See *id.* at 149–52.

direct competitors of the famous. But the development of a market economy challenged this facet of the direct competition rule by allowing celebrities to endorse products. Just as a mark conveys quality information to consumers, so a famous person's endorsement puts a seal of approval on a brand. Permitting unauthorized uses of someone's name or likeness interferes with that quality-identifying function by muddying the message that the person's reputation is intended to send. Thus, the law needed to protect famous personas as much as other marks.

The common law's refusal to safeguard this interest was particularly problematic because the Industrial Revolution created scores of new celebrities. Before the rise of mass media, very few people were famous. This may be difficult to imagine, but back then there was almost no way to become acquainted with people outside of the local community. Indeed, one scholar notes "that most of the first fifteen presidents of the United States would not have been recognized had they passed the average citizen on the street."¹⁰² By contrast, our lives are now saturated with images of the famous. Moreover, the growth of electronic media has expanded the celebrity population further by ensuring that famous people of the past will not go away. For instance, although Marilyn Monroe has been dead for decades, she remains a potent advertising symbol because anyone can watch a video and see her looking as good as new. The explosion in the number of celebrities and in the revenue that could be earned by exploiting fame posed a growing risk to a marketplace that depended, in part, on the information conveyed by endorsements.¹⁰³

The mass media did more than spur the growth of celebrity; it had a keen interest in making as many people as famous as possible. Hollywood wants celebrities because they sell tickets and attract ratings. News outlets, which are often hard to distinguish from entertainment, also need famous figures to sell papers and garner viewers. But the problem is that there are rarely enough celebrities making news to fill all of the available pages or television air time. The solution was explained by Orson Welles in his portrayal of news magnate Charles Foster Kane in *Citizen Kane*. Upon being told that a story was not big news, Kane replied, "If the headline is big enough,

102. NEIL POSTMAN, *AMUSING OURSELVES TO DEATH: PUBLIC DISCOURSE IN THE AGE OF SHOW BUSINESS* 60 (1985).

103. This is in sharp contrast to the pre-industrial era, where there were so few celebrities that allowing unauthorized uses of their likenesses probably had little impact on the market as a whole.

that makes the news big enough.”¹⁰⁴ In other words, the media guarantees a sufficient supply of news by lowering the standard of notoriety and thereby creating more celebrities.

In sum, two factors shaped the right of publicity. One was the negative impact that the unrestricted use of fame had on the quality of information in the marketplace, which was analogous to the broader concern facing trademark law after the Industrial Revolution. The other was a property incentive that spoke directly to the creative needs of the entertainment industry.¹⁰⁵ Unfortunately, the common law protected neither of these interests. This failure soon provoked a response.

b. Nimmer and the Legal Reaction

In 1953, the Second Circuit suggested that the impasse could be resolved by giving celebrities a broad property right under state law over the commercial use of their likeness.¹⁰⁶ When a baseball player’s picture was used by a trading card company without his consent, the court responded that “[a] man has a right in the publicity value of his photograph, i.e., the right to grant the exclusive privilege of publishing his picture, and that such a grant may validly be made ‘in gross’, i.e., without an accompanying transfer of a business or anything else.”¹⁰⁷ This conclusion, which was reached with little explanation, was radical because it put endorsements on a different plane from other trademarks. Marks are not in gross property rights; they are limited entitlements that secure competition.¹⁰⁸ By contrast, the court’s rule covered all commercial uses of a celebrity persona and went beyond what was necessary to protect the integrity of the

104. CITIZEN KANE (RKO Studios 1941).

105. Granted, corporations also have a property interest in their marks that has influenced the growth of dilution. See *infra* text accompanying notes 137–38. The reason for dwelling on the property aspect of publicity rights is that it has consequences for copyright law. See *infra* text accompanying notes 211–13.

106. See *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, 868 (2d Cir. 1953).

107. *Id.*

108. See, e.g., *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 414 (1916) (stating that “the trade-mark is treated as merely a protection for the good will, and not the subject of property except in connection with an existing business”); *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 967–68 (10th Cir. 1996) (describing the distinction between publicity rights and the protection afforded against false endorsement); *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 367 (2d Cir. 1959) (explaining the settled rule that marks, unlike gross property, may not be freely licensed).

market.¹⁰⁹

One year later, Melville Nimmer put flesh on this idea in an influential article entitled *The Right of Publicity*.¹¹⁰ His analysis began with the same lament that animated misappropriation and dilution—the common law was “not adequate to meet the demands of the second half of the twentieth century, particularly with respect to the advertising, motion picture, and television, and radio industries.”¹¹¹ In a masterful review of the trademark precedents, Nimmer showed how the direct competition rule barred relief in most publicity cases.¹¹² He also pointed out that the passing off element was still a substantial impediment for famous plaintiffs.¹¹³ While conceding that by the 1950s there was “a marked tendency in a number of jurisdictions to take a broader view of the scope of unfair competition,” Nimmer evidently concluded that the reform of trademark infringement had not gone far enough.¹¹⁴

Instead, the professor argued for the creation of a right of publicity defined as “the right of each person to control and profit from the publicity values which he has created.”¹¹⁵ Nimmer’s major premise was that fame was the result of individual skill and hard work.¹¹⁶ His minor premise was that “every person is entitled to the fruit of his labors unless there are important countervailing public policy considerations.”¹¹⁷ Having shifted the burden of persuasion to

109. A fascinating and overlooked aspect of the *Haelan* opinion is that it was written by Judge Frank, the great foe of trademark expansion, and joined by Judge Clark, the great proponent of broadening infringement. See *supra* text accompanying notes 40–44, 54. This unlikely alliance was a signal that the right of publicity was a compromise doctrine that could hold broad support.

110. See Nimmer, *supra* note 13, at 203; see also Madow, *supra* note 14, at 174 n.235 (explaining that most of Nimmer’s proposals were adopted).

111. Nimmer, *supra* note 13, at 203. This quote focused on the inadequacy of the right of privacy, but Nimmer was equally dismissive of that concept and of unfair competition law. For the full analysis of these points, see *id.* at 204–14. It should be noted that his views about protecting the entertainment industry were undoubtedly influenced by his role as counsel for Paramount. See *id.* at 203 n.*.

112. See *id.* at 210–11 (citing *Vassar Coll. v. Loose-Wiles Biscuit Co.*, 197 F. 982 (W.D. Mo. 1912)); see also *Loeb v. Turner*, 257 S.W.2d 800, 803 (Tex. Civ. App. 1953) (holding that a radio station in Phoenix, Arizona is not in direct competition with a radio station in Dallas, Texas).

113. See Nimmer, *supra* note 13, at 212; *id.* at 216 (stating that the publicity right “should exist (unlike unfair competition) regardless of whether the defendant is in competition with the plaintiff, and regardless of whether he is passing off his own products as those of the plaintiff”).

114. *Id.* at 213.

115. *Id.* at 216.

116. *Id.*

117. *Id.*

the opponents of a right of publicity, Nimmer quickly dismissed any remaining objections and moved on to outline the right's parameters.¹¹⁸ Since this proposal was made in the twilight of trademark's obsolescence, the substantive discussion about publicity rights will be postponed until the next section.¹¹⁹

One aspect of Nimmer's article that is worth mentioning here, however, is its contention that a publicity right was justified because it could address aspects of the common law's obsolescence "without going to the extremes" of misappropriation.¹²⁰ After discussing *International News* and a few related cases, Nimmer observed that "publicity values might be protected under such a broad theory, but in doing so the courts would be adopting a standard which by its uncertainty could prove highly detrimental to orderly commercial intercourse."¹²¹ This was a powerful insight about misappropriation that supporters of gradual trademark reform could have just as easily applied to dilution or to the right of publicity itself. While all three of these concepts offered relief from the common law's obsolescence, they also carried significant costs that would be exposed once the crisis in infringement ended.

C. *Rebels Without a Cause*

After decades of struggle, in the 1960s judges finally began to apply a new multi-factor infringement test that looked broadly at how a defendant's conduct affected a mark's ability to convey information.¹²² The development of this likelihood of consumer confusion standard was a triumph for traditional legal methods and brought the law into line with reality. Yet once infringement doctrine adapted itself to post-industrial economic reality, misappropriation, dilution, and the right of publicity all rested on shaky ground. This Section discusses how those concepts fared after the 1960s and shows

118. *See id.* at 216–18.

119. *See infra* text accompanying notes 159–73.

120. *See* Nimmer, *supra* note 13, at 214.

121. *Id.* On the other hand, Nimmer did cite some misappropriation cases as support for a publicity right by claiming that they could be narrowly construed as dealing with fame issues. *See id.* at 219–20.

122. *See, e.g.,* *Triumph Hosiery Mills, Inc. v. Triumph Int'l Corp.*, 308 F.2d 196, 198 (2d Cir. 1962) (listing the eight infringement factors as (1) the strength of the senior mark; (2) the degree of similarity between the competing marks; (3) the proximity of the products; (4) actual confusion; (5) the likelihood that the senior user would bridge the gap; (6) the defendant's good faith or lack thereof; (7) the quality of the defendant's goods; and (8) the sophistication of consumers). For a description of the long process that led to this multi-factor solution, see generally Magliocca, *supra* note 9, at 994–1005.

that one of them atrophied while the other two grew in stature. Then the analysis attempts to explain why certain satellite doctrines flourish while others fail.

1. The Sunset of Misappropriation

The first and most sweeping of the reform proposals was also the least successful at finding a new audience. Out of respect for the Supreme Court's holding in *International News*, judges presented with misappropriation claims are careful to say that the doctrine remains viable.¹²³ Since trademark infringement reformed itself, however, few courts have granted relief based on this ground.¹²⁴ As a result, misappropriation has largely become the backwater in intellectual property law that Learned Hand wanted.¹²⁵

One explanation for the failure of misappropriation relates to the legal process objections that were made against *International News* at the outset. In recent decades, the Supreme Court has taken the strong position that Congress should define the scope of intellectual property.¹²⁶ Obviously, this line of cases is in tension with misappropriation's role as an equitable doctrine designed to overrule a congressional judgment not to grant property protection. Furthermore, Congress asserted its own authority in the 1976 Copyright Act, which contained a broad preemption clause that further limited misappropriation.¹²⁷ In the end, misappropriation's advocates have never persuasively explained why courts should be

123. See, e.g., *NBA v. Motorola, Inc.*, 105 F.3d 841, 845 (2d Cir. 1997) (stating that *International News* survives Copyright Act preemption only in cases closely similar to its facts).

124. See 2 MCCARTHY, *supra* note 39, § 10:53 ("[D]uring the 1918–1964 era, there was a basic divergence of opinion among the courts as to the propriety of the misappropriation doctrine."); Douglas G. Baird, *Common Law Intellectual Property and the Legacy of International News Service v. Associated Press*, 50 U. CHI. L. REV. 411, 421–23 (1983) (noting few successful invocations of misappropriation since the 1960s and describing subsequent citations of *International News* as "simply a rhetorical flourish"); Keller, *supra* note 14, at 402 (noting that since the 1918–1964 era, misappropriation has lost its vitality).

125. See *supra* text accompanying notes 75–78.

126. See, e.g., *Eldred v. Ashcroft*, 537 U.S. 186, 216 (2003) (affirming Congress's plenary authority over copyrights); *Bonito Boats Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 165–68 (1989) (holding that a state statute protecting yacht hull designs was preempted by the federal patent laws); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964) (announcing a broad doctrine of preemption).

127. See 17 U.S.C. § 301(a) (2000). Remember that *International News* was decided before *Erie* deprived federal courts of their general common law power. See *Erie R.R. v. Tompkins*, 304 U.S. 64, 78 (1938). Thus, the misappropriation doctrine can now be applied only pursuant to state law.

able to give information protection when legislatures have not.¹²⁸

Furthermore, the *International News* opinion was terribly vague about how courts should determine when this extraordinary relief was warranted. Nine decades later, misappropriation law still resists all efforts to extract a clear principle that can guide judicial decisions. Of course, this is what made the doctrine so effective at dealing with trademark obsolescence—it gave courts broad discretion to extend property protection when it seemed necessary. But once that need was filled by other means, Nimmer's and Judge Hand's pointed criticism of misappropriation became the conventional wisdom.¹²⁹

2. The Twists and Turns of Dilution

The path taken by dilution presents a more complex picture. Unlike misappropriation, dilution did not disappear after the 1960s. Instead, Schechter's model became a respectable doctrine that is now a powerful alternative to the traditional model of trademark protection.¹³⁰ After exploring dilution's evolution through the 1990s, this Section concludes by offering some comments on the Supreme Court's recent opinion in *Moseley*.

a. The Prologue

In most courts, dilution initially followed misappropriation into oblivion. Now that judges were more concerned about the extraordinary breadth of the theory rather than its benefits in fighting trademark obsolescence, they began finding creative ways to restrict dilution laws.¹³¹ In particular, many courts held, in clear violation of statutory text, that dilution required a showing of likely consumer confusion that was exactly like the new infringement test.¹³² This rendered dilution irrelevant by erasing the distinction between

128. The only plausible explanation is the same one that motivated the creation of misappropriation in the first place; namely, that statutes regulating copyrights or patents are obsolete and need to be updated. While this might be valid in a few extreme situations, it does not provide a general justification for usurping the legislature's authority.

129. See *supra* notes 75–78, 120–21 and accompanying text.

130. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. b (1995) [hereinafter RESTATEMENT]; Klieger, *supra* note 1, at 865.

131. See Klieger, *supra* note 1, at 818–19; Magliocca, *supra* note 9, at 1005–06; Beverly W. Pattishall, *The Dilution Rationale for Trademark—Trade Identity Protection, Its Progress and Prospects*, 71 NW. U. L. REV. 618, 624 (1976).

132. See, e.g., *Esquire, Inc. v. Esquire Slipper Mfg. Co.*, 243 F.2d 540, 544, 546 (1st Cir. 1957); *Cue Publ'g Co., Inc. v. Colgate-Palmolive Co.*, 256 N.Y.S.2d 239, 246 (N.Y. Sup. Ct. 1965); Note, *Dilution: Trademark Infringement or Will-o'-the-Wisp?*, 77 HARV. L. REV. 520, 527 (1964).

Schechter's proposal, which sought to extend protection even when a likelihood of confusion was not present, and the protection offered by mainstream trademark law.

This rout in the courts, however, was mitigated by two countervailing trends. First, state legislatures kept enacting dilution statutes, a process that continued until at least half of the states had such a law by 1995.¹³³ Second, there were some cases that used dilution to stop "tarnishment" that occurred when someone produced shoddy or unwholesome goods and used a mark that was similar to a firm with an impeccable reputation.¹³⁴ Some judges ruled that this injured the plaintiff's mark yet was distinct from infringement.¹³⁵

Taking the legislative actions first, there is no doubt that mark owners continued to fight for dilution because it offered them more property rights than infringement ever could. Moreover, this powerful interest group could rely on Schechter's theory to justify its lobbying on principled grounds.¹³⁶ While that private motive may have fueled some of the new laws, a more important factor has been the tendency in recent years to view information controls more as property than as monopolies.¹³⁷ Dilution resonates with this shift in sentiment because it places more emphasis on safeguarding the investments in marks by their owners than on protecting consumers and hence looks more like a property concept. While legislators in the thrall of the property label may have found dilution appealing, judges interpreting these statutes were still somewhat imbued with the traditional idea that marks were monopolies.¹³⁸

As for the tarnishment cases, they represent the perils of formalism in trademark and dilution's role as a transitional solution. When someone uses another's mark and makes something sleazy, this

133. See *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 430 (2003).

134. See *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43 (2d Cir. 1994) (defining tarnishment); see also, e.g., *Cnty. Fed. Sav. & Loan Ass'n v. Orondorff*, 678 F.2d 1034 (11th Cir. 1982) (allowing plaintiff tarnishment relief under an anti-dilution statute); *Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.*, 642 F. Supp. 1031, 1040 (N.D. Ga. 1986) (holding that the manufacturer of "Cabbage Patch Kids" will likely prevail in a dilution claim against "Garbage Pail Kids" because sufficient evidence of tarnishment exists); *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F. Supp. 838, 841 (S.D.N.Y. 1977) (granting a preliminary injunction to prevent the manufacturer of "Gucci Goo" diaper bags from damaging Gucci's business reputation).

135. See *Chem. Corp. of Am. v. Anheuser-Busch, Inc.*, 306 F.2d 433, 437 (5th Cir. 1962); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1189 (E.D.N.Y. 1972).

136. See Klieger, *supra* note 1, at 813 (describing the United States Trademark Association's active support for dilution).

137. See *supra* text accompanying notes 47-49.

138. See *supra* text accompanying notes 43-46.

interferes with a mark's ability to convey information because some people will associate the mark with the sleaze. This harm does not fit comfortably within the likelihood of confusion standard, however, because people are less likely to be confused if the reputations of the competing products are highly dissimilar.¹³⁹ For instance, few would believe that a staid company like IBM could be affiliated with pornography even if there was a topless bar called "The IBM Palace." People would be more confused if a maker of reputable goods, such as auto parts, called itself IBN or IPM. Thus, courts reading the likelihood of confusion formula literally might have trouble calling "The IBM Palace" trademark infringement.¹⁴⁰ While Schechter said nothing about tarnishment, dilution allowed courts in these situations to grant relief because the theory was so broad.¹⁴¹

Despite these twitches of life, dilution remained a marginal player in unfair competition until the rise of the Internet in the 1990s. Once again, an upheaval in technology left infringement doctrine outdated, though not to the same extent as was the case immediately after the Industrial Revolution. Mainstream trademark doctrine had no answer when "cybersquatters" took over domain names that were similar to existing marks and tried to sell the names back to the mark owners at a substantial premium.¹⁴² The problem was that infringement law assumed that relief could be granted only if a defendant sold tangible goods or services.¹⁴³ Allowing people other than mark owners to take affiliated domain names, however, significantly impeded consumer efforts to find those firms on the Internet. To protect the important retail location information that these marks conveyed, some courts turned to dilution and ruled that cybersquatting undermined the marks' uniqueness and, in Schechter's

139. See Magliocca, *supra* note 9, at 1000-02.

140. Nevertheless, some people would think that the shady product was related to the blue-chip firm, and for them the injury to the latter's reputation is great. The overall harm is just as serious as in the situation where many people are confused and the disparity in reputations is small. See *id.* at 1002 (explaining that "the protection of the mark's quality function is best viewed along a continuum embracing two factors: potential source confusion and reputational injury").

141. There is a complex causal link between the birth of tarnishment and the reform of trademark infringement. See generally *id.* at 1008-14 (describing this causal link).

142. See, e.g., *Panavision Int'l L.P. v. Toeppen*, 141 F.3d 1316, 1324-27 (9th Cir. 1998) (holding that plaintiff's marks were diluted when defendant registered them as his Internet domain names). Eventually, Congress passed a specific statute to deal with cybersquatting. See Anticybersquatting Consumer Protection Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501A-545 (1999) (codified as amended at 15 U.S.C. § 1125 (2000)).

143. See Magliocca, *supra* note 9, at 1028-29.

parlance, whittled their value.¹⁴⁴ Just as dilution was finding this new role in the courts, Congress gave the doctrine a huge boost in 1995 by passing the Federal Trademark Dilution Act (“FTDA”) to protect “famous” marks.¹⁴⁵ The creation of a national dilution remedy was certainly a response to years of lobbying by mark owners, but its passage at a time when the Internet was creating problems for infringement may not have been a coincidence.¹⁴⁶ In any event, with the passage of the FTDA, dilution at last gained mainstream acceptance.

The difficulty with the FTDA, as with dilution more generally, is that courts have a hard time explaining what a plaintiff must show to get relief. Put another way, dilution’s extraordinary breadth makes it tricky to apply short of saying that all similar uses of a particular mark are barred. Some circuits took a narrow approach and held that only a showing of actual harm to the advertising power of a mark, such as lost sales or profits, warranted relief.¹⁴⁷ Other circuits held that plaintiffs need only show a “likelihood of dilution” and used the multi-factor infringement test to guide their analysis.¹⁴⁸ This sharp division in authority was the backdrop for the Supreme Court’s opinion in *Moseley*.

b. *Moseley*

Moseley squarely presented a fundamental issue raised by this Article: How should a satellite doctrine developed under crisis conditions be integrated into a more stable legal landscape? The Court’s answer to this question was something of an anticlimax. While the *Moseley* opinion is somewhat cryptic, the judgment does lay a solid foundation for bringing dilution into harmony with the rest of unfair competition law.

The Justices’ first encounter with dilution was a David and

144. See *Panavision*, 141 F.3d at 1326–27; *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 305–08 (D.N.J. 1998).

145. See Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98 § 3, 109 Stat. 985, 985 (1996) (codified as amended at 15 U.S.C. § 1125(c) (2000)). The FTDA provides, in pertinent part, that the plaintiff is entitled to relief if the unauthorized use “causes dilution of the distinctive quality” of a famous mark. *Id.*

146. See *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 430 (2003) (documenting the legislative history); Klieger, *supra* note 1, at 838–39 (describing corporate support for the FTDA).

147. See *Westchester Media, L.L.C. v. PRL USA Holdings, Inc.*, 214 F.3d 658, 670 (5th Cir. 2000); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 464–65 (4th Cir. 1999).

148. See *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 168–69 (3d Cir. 2000); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 223–24 (2d Cir. 1999).

Goliath tale. The plaintiff was Victoria's Secret, the lingerie firm, and the defendant was a novelty and sex toy shop in a Kentucky strip mall called "Victor's Little Secret."¹⁴⁹ In its dilution action, the plaintiff offered no evidence that defendant's mark harmed the advertising power of Victoria's Secret. The Sixth Circuit analyzed the case under a likelihood of dilution test, however, and after examining the contextual factors, held that defendant tarnished and "blurred" plaintiff's mark, employing the term of art used for Schechter's whittling concept.¹⁵⁰

The Supreme Court reversed in a brief opinion holding that the FTDA requires a showing of actual harm.¹⁵¹ That conclusion was reached over the objections of dilution supporters, who argued that evidence of actual harm "may be difficult to obtain" because "consumer surveys and other means of demonstrating actual dilution are expensive and often unreliable."¹⁵² While responding that this was "not an acceptable reason for dispensing with proof of an essential element of a statutory violation," the Court did say that meeting the actual harm standard did not require evidence of lost sales or profits.¹⁵³ But the Court did not take the next step and

149. See *Moseley*, 537 U.S. at 422.

150. See *id.* at 425–26; *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43 (2d Cir. 1994) (defining blurring as "the whittling away of an established trademark's selling power through its unauthorized use by others upon dissimilar products"). I leave it to the reader to decide whether a risqué lingerie firm can really be tarnished by another sex-oriented product.

151. See *Moseley*, 537 U.S. at 433–34. While this conclusion was sound, see *infra* text accompanying notes 155–58, some of the Court's dicta was troubling. First, the Justices incorrectly stated that dilution is "not motivated by an interest in protecting consumers." *Moseley*, 537 U.S. at 429. Dilution was designed to protect consumers by expanding trademark protection. See *supra* notes 84–91 and accompanying text. Although the means Schechter chose focused on the advertising power of marks, his goal was no different from traditional trademark law.

Next, the Court erred in suggesting that the FTDA does not cover tarnishment. See *Moseley*, 537 U.S. at 433–34. Not only was that harm mentioned in the legislative history, but the statute's definition of dilution—"the lessening of the capacity of a famous mark to identify and distinguish goods or services"—is so broad that it encompasses practically anything. *Id.* at 421; see also *id.* at 431 (stating that the purpose of the FTDA "is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it" (quoting H.R. REP. NO. 104-374, at 2 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1029)). The Court's assertion relied on the fact that state dilution laws drew a distinction between "dilution" and "injury to business reputation." See *id.* at 432. Assuming that the latter phrase referred to tarnishment, the Justices noted the absence of similar language in the FTDA. See *id.* This analysis, however, ignores the sweeping language that Congress used to define dilution, which is broader than the "dilution" text in the state statutes. See *id.* at 432–33.

152. See *Moseley*, 537 U.S. at 434.

153. *Id.*; see also *id.* at 433 (disagreeing with the Fourth Circuit's contrary suggestion in

explain what proof was necessary to show actual harm or how the lower courts should analyze whether actual harm occurs.¹⁵⁴ This silence has left the trademark bar, and most of the federal judiciary, in a quandary over how to deal with future dilution cases.

Nevertheless, the judgment in *Moseley* coheres with the broad themes underlying dilution's origin as a satellite doctrine and can be used to construct a sensible test. To achieve this goal, courts must resist the temptation to develop a multi-factor formula for dilution that apes infringement analysis. Dilution cannot be approached in this way because the doctrine is best understood as "the transitional law of trademark" that fills temporary gaps in mainstream protection.¹⁵⁵ Thus, courts presented with a dilution action should ask whether the defendant's conduct impairs a mark's ability to convey information to consumers in a way that is not already covered by infringement.¹⁵⁶ This could include tarnishment, because that involves a harm that may not always fall within the likelihood of confusion standard.¹⁵⁷ Moreover, that flexible dilution formula would encompass any obsolescence that arises following a technological change on the scale of the Industrial or Internet Revolutions. Outside of these limited contexts, however, a trademark use that is not infringement should not be barred by dilution.¹⁵⁸

3. Right of Publicity

In contrast to the troubles encountered by misappropriation and dilution, the right of publicity was showered with glowing reviews. Legislatures and courts eagerly adopted Nimmer's concept, and today most states protect the rights of celebrities.¹⁵⁹ These statutes and

Ringling Bros.).

154. The Court did indicate that circumstantial evidence would be sufficient to establish actual harm when the competing marks are identical. *See id.* at 433–34. But this situation will rarely occur. Few defendants are dumb enough to copy a famous mark exactly, and even if that did happen, infringement would almost certainly be found without reaching the dilution issue.

155. *See Magliocca, supra* note 9, at 955.

156. Any kind of evidence could establish a dilution violation under this formulation, which would have the advantage of pulling judges out of the morass of figuring out what proof can be offered in different contexts.

157. *See supra* text accompanying notes 139–41.

158. Indeed, this was the conclusion of *Moseley*, which rejected a dilution claim in a garden-variety case where a likelihood of confusion did not exist. *See Moseley*, 537 U.S. at 434. Moreover, the test articulated above is consistent with the text of the FTDA, *see* 15 U.S.C. § 1125 (2000), and with the history of dilution doctrine, *see supra* notes 131–48 and accompanying text.

159. *See, e.g., Zacchini v. Scipps-Howard Broad. Co.*, 433 U.S. 562, 575–76 (1977) ("The protection of petitioner's right of publicity provides an economic incentive for him

cases sweep broadly and give famous people control over virtually any commercial image that evokes their identity.¹⁶⁰ In many jurisdictions, this right continues beyond the celebrity's death.¹⁶¹ Like dilution, therefore, the right of publicity shed its radical skin and became a mainstream legal doctrine.

The right of publicity's march towards legitimacy swept ahead in spite of numerous criticisms lodged against the idea. Some wonder whether celebrities really need another entitlement given that they are already well compensated for their work.¹⁶² Thus, publicity rights may not provide any meaningful incentives for creativity, and they can be attacked as an unfair redistribution of wealth from consumers to famous people.¹⁶³ Furthermore, establishing property rights in celebrity images restricts free speech even though courts try to balance the right of publicity against First Amendment values.¹⁶⁴ Indeed, Michael Madow points out that those most hurt by publicity rights are marginalized groups that want to express themselves through cultural icons but can be barred from doing so by their owners.¹⁶⁵ Lastly, Nimmer's premise that fame is a result of individual

to make the investment required to produce a performance of interest to the public."); RESTATEMENT, *supra* note 130, § 46 ("One who appropriates the commercial value of a person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade is subject to liability."); Madow, *supra* note 14, at 131–33 ("[T]here is a solid, indeed an overwhelming, consensus within the American legal community that the right of publicity is a good thing.").

160. See, e.g., *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992) (holding that Vanna White stated a valid claim when she filed suit over an ad containing a robot in front of a letter board); *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 835 (6th Cir. 1983) (holding that Johnny Carson's "identity may be exploited even if his name, John W. Carson, or his picture is not used"). Strictly speaking, the right of publicity applies to everyone. As a practical matter, however, only celebrities get to take advantage of this doctrine.

161. See, e.g., *Martin Luther King, Jr., Ctr. for Social Change, Inc. v. Am. Heritage Prods., Inc.*, 296 S.E.2d 697, 706 (Ga. 1982) (holding that the right of publicity is descendible).

162. See Madow, *supra* note 14, at 208–15; see also *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 974 (10th Cir. 1996) ("[T]he additional inducement for achievement produced by publicity rights are often inconsequential because most celebrities with valuable commercial identities are already handsomely compensated.").

163. See *Cardtoons*, 95 F.3d at 973; RESTATEMENT, *supra* note 130, § 46 cmt. c.; Madow, *supra* note 14, at 208–15.

164. See *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512, 1519–21 (9th Cir. 1993); *Carson*, 698 F.2d at 840–42 (Kennedy, J., dissenting); *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 808 (Cal. 2001), *cert. denied*, 534 U.S. 1078 (2002).

165. See Madow, *supra* note 14, at 139–41, 144–45 (explaining how the heirs of John Wayne object to gay and lesbian depictions of him); see also *Comedy III Prods.*, 21 P.3d at 803 ("[B]ecause celebrities take on personal meanings to many individuals in the society, the creative appropriation of celebrity images can be an important avenue of individual expression.").

skill and effort does not withstand scrutiny.¹⁶⁶ In a world where the media has lowered the standard for fame, many people become known through random chance rather than through diligence.¹⁶⁷ Even entertainers whose fame is a deliberate choice cannot claim success as theirs alone. Actors rely on writers and directors, singers need a band, and supermodels use fashion designers.¹⁶⁸ Yet the right of publicity gives only one person from this collaborative effort control over all advertising and merchandising revenue that comes from the use of his or her persona.¹⁶⁹

Nevertheless, the right of publicity prospers because it taps into deep feelings about the nature of freedom. There is something appealing about the idea that unauthorized commercial uses of a celebrity's likeness are wrong because they violate his or her sense of self.¹⁷⁰ As one commentator explained, "From the principle of personal autonomy it follows that every human being should have the right to develop his own identity and to decide how and what aspects of this personal identity will be shown to the rest of the world."¹⁷¹ Using someone's image in an unauthorized commercial context can be viewed as a kind of assault, as harmful to that person's dignity as an unwanted sexual advance or the publication of their private diaries by a tabloid. Indeed, the need for this protection is greater now that more unwilling people are being shoved into the public spotlight by

166. See *supra* note 116 and accompanying text.

167. For example, it is hard to say that Monica Lewinsky became a celebrity and got to host a television show because of her talent and hard work. The same is true for the Hilton sisters or many other celebrities featured on the E! Network.

168. See *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 975 (10th Cir. 1996) ("[I]n the entertainment industry, a celebrity's fame may largely be the creation of the media or the audience."). A cultural deconstructionist would say that everyone who buys a ticket is responsible for an actor's success because fame cannot happen without an audience. See *id.* (" 'Stars would all be Louis B. Mayer's cousins if you could make 'em up' " (quoting Jack Nicholson's comment in JIB FOWLES, *STARSTRUCK: CELEBRITY PERFORMERS AND THE AMERICAN PUBLIC* 84 (1992))). One need not go so far, however, to see that celebrities are not the Horatio Alger figures that Nimmer described.

169. See *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 844 (6th Cir. 1983) (Kennedy, J., dissenting) (wondering why Johnny Carson was entitled to publicity rights in the phrase "Here's Johnny" when the phrase was actually invented and spoken by Ed McMahon).

170. See, e.g., Haemmerli, *supra* note 99, at 385-86 (arguing for an expansive right of publicity); William L. Prosser, *Privacy*, 48 CALIF. L. REV. 383, 389 (1960) (discussing a plaintiff's "right to be left alone").

171. JULIUS C.S. PINCKAERS, *FROM PRIVACY TOWARD A NEW INTELLECTUAL PROPERTY RIGHT IN PERSONA* 242 (1996); see Haemmerli, *supra* note 99, at 413 ("A labor-based approach is too limited to explain why publicity rights are possible and normatively desirable.").

the media. While some reject the notion that celebrities who deliberately commodify their persona can suffer any dignity harm from unwanted commercial uses, there should be more sympathy for those who did not seek fame and may be horrified to find their face on mugs or T-shirts.¹⁷²

The autonomy aspect of the right of publicity also draws support from broader legal developments since Nimmer's article was published. For example, the Supreme Court handed down a series of constitutional cases in recent decades that turned personal autonomy into a pillar of American law.¹⁷³ Likewise, the development of sexual harassment doctrine in the last few decades just reinforces the heightened protection that dignitary interests now receive. The growth of these analogous doctrines that emphasize the need to safeguard fundamental aspects of personhood from intrusion gave the right of publicity considerable, though unexpected, support that probably helped to push it from a fringe idea into a powerful force.

4. Some Concluding Thoughts

Before leaving the world of unfair competition, let us pause and reflect on what the history of trademark law reveals about satellite doctrines. Specifically, why do some of these concepts thrive while others fade? There are at least three factors that influenced the different outcomes that the prior section surveyed.

The first one is the breadth of the response to outdated law. Put simply, there are radical proposals and then there are really radical proposals. Misappropriation, dilution, and the right of publicity range across the spectrum from relatively broad to narrow, and their level of success after the stabilization of infringement doctrine moves inversely from not much (misappropriation), to some (dilution), to a lot (publicity). Thus, a logical conclusion is that the more sweeping a satellite doctrine is, the less likely it is to survive. This is not a startling result. After all, lawyers are trained to greet broad and abstract assertions with skepticism when they are confronted with

172. See Haemmerli, *supra* note 99, at 404–05. Of course, people who are drafted into celebrity still have to suffer the indignity of press scrutiny that is protected by the First Amendment.

173. See, e.g., *Lawrence v. Texas*, 123 S. Ct. 2472, 2475 (2003) (“Liberty presumes an autonomy of self that includes freedom of thought, belief, expression, and certain intimate conduct.”); *Planned Parenthood of Southeastern Pa. v. Casey*, 505 U.S. 833, 869–70 (1992) (recognizing a woman’s right to choose to have an abortion before viability and to obtain it without undue interference from the state); *Griswold v. Connecticut*, 381 U.S. 479, 485–86 (1965) (declaring that a statute prohibiting the use of contraceptives violates a married couple’s right to privacy).

concrete problems.¹⁷⁴

A second consideration is the degree to which a satellite concept rests on a deep theoretical justification. One major problem with misappropriation is that *International News* did not launch the doctrine with a compelling explanation. By contrast, dilution and the right of publicity did develop elaborate rationales, and this made them more persuasive both in genuine terms and as a handy smokescreen for private interests.¹⁷⁵ The idea that reasons matter also should not be shocking, because courts and legislatures are generally unwilling to support a sharp change in the law without them.

Lastly, the success of a satellite doctrine depends on its proximity to analogous legal concepts. In other words, the more an idea fits within an existing framework, the more likely it is to be embraced. This observation resonates with legal process methods and is demonstrated most clearly by the relationship between publicity rights and broader constitutional and statutory developments. To find a contrary example, just look at dilution. One reason the idea remains so controversial is that Schechter's innovative redefinition of the harm inflicted on trademarks does not resemble any other legal doctrine. As a result, policymakers have resisted applying something so radical when they can find no guideposts to inspire confidence in its integrity.

The turbulence in unfair competition law left behind a rich legacy. There is nothing about its transformative process, however, that is unique to trademarks. Any body of law can go through a serious bout of obsolescence, and when that occurs, a similar pattern of radicalism and retrenchment may appear.

II. THE LOOMING FRACTURE IN COPYRIGHT

This Part explores the parallels between the evolution of unfair competition and the direction of contemporary copyright.¹⁷⁶ These two bodies of law are mirror opposites. While the common law was

174. See, e.g., *Lochner v. New York*, 198 U.S. 45, 76 (1905) (Holmes, J., dissenting) ("General propositions do not decide concrete cases.").

175. Admittedly, the *Haelan* opinion that introduced the right of publicity was as cryptic as *International News*, but Nimmer quickly rectified that problem with a powerful and detailed theory. See Nimmer, *supra* note 13, at 221–22 (discussing *Haelan*); see also *supra* notes 98–121 and accompanying text (summarizing Nimmer's theory).

176. Though this Part stresses the similarity between these heads of areas of intellectual property law, I must caution that this pattern, as with any other legal comparison, is by no means perfect. What we are seeking here are analogies that can provide guidance for copyright going forward.

too narrow to protect trademarks after the enormous changes wrought by the Industrial Revolution, copyright law is too broad following the Internet Revolution. Likewise, the radical responses to trademark obsolescence proposed broad property rights, while many of the new ideas in copyright are developing sharp limitations on entitlements.¹⁷⁷ Recognizing this inverse relationship between past marks and present copyrights can be helpful for a legal community grappling with the tough issues facing copyright today.¹⁷⁸

A. *Too Much of a Good Thing*

The idea that copyright protection is now too generous cannot be evaluated without first explaining a few basic principles. The Constitution authorizes Congress to give creators of artistic and literary material an entitlement in their work for a limited time.¹⁷⁹ The privileges granted by copyrights are broader than those that a trademark provides, in the sense that they bar both commercial and many non-commercial uses of protected expression.¹⁸⁰ Congress recognizes, however, that the public has valid claims on information and has therefore codified a “fair use” exception that allows unauthorized uses of copyrighted works under certain circumstances.¹⁸¹

Copyrights are necessary because they provide incentives to the two integral players in the creative process—innovators and distributors. Although these groups have many interests in common, they must be distinguished for purposes of analyzing copyright protection.¹⁸² Innovators like authors and artists need incentives

177. One significant difference is that the satellite doctrines in trademark are fully developed while their copyright equivalents are only beginning to emerge. Accordingly, some of the discussion in this Part will be speculative. Moreover, the ideas discussed here do not encompass all of the radical copyright reforms that may be proposed.

178. Bear in mind that this Article focuses on the satellite doctrines that develop from mainstream reform. Thus, there will be no significant discussion of how orthodox copyright law should deal with the rise of digital technology.

179. U.S. CONST. art. I, § 8, cl. 8.

180. See 17 U.S.C. § 501 (2000); see also LESSIG, *supra* note 17, at 258 (discussing whether copyright law should exclude noncommercial exploitation).

181. See 17 U.S.C. § 107 (defining fair use). The parameters of fair use are explored *infra*, notes 253–60 and accompanying text. Granted, fair use is not the only limit on copyright protection, but it will be the focus in this analysis.

182. See Ku, *supra* note 10, at 266–67. The credit for this observation goes to Lyman Ray Patterson, who described how book publishers in eighteenth-century England attempted to blur the distinction and maintain their royal monopoly by arguing that authors had natural law property rights in their work. See generally LYMAN RAY PATTERSON, COPYRIGHT IN HISTORICAL PERSPECTIVE (1968) (exploring the origins of copyright and the battle of the booksellers).

because the cost of creating is greater than the cost of copying.¹⁸³ By the same token, distributors such as publishing companies or movie studios need security because the costs of bringing those creations to market are even more substantial.

As with trademark protection, however, more copyright protection is not always better. Judge Alex Kozinski eloquently explained that “[c]reativity is impossible without a rich public domain Culture, like science and technology, grows by accretion, each new creator building on the works of those who came before. Overprotection stifles the very creative forces it’s supposed to nurture.”¹⁸⁴ Undue protection of expression raises costs for subsequent creators in a way that is not true with real property because intellectual innovators rely so heavily on prior work. Furthermore, as with the right of publicity, an overly broad scheme may inhibit new creations by permitting copyright owners to bar expression that they do not like.¹⁸⁵ This goes to show that copyrights, like trademarks, are neither monopolies nor property.¹⁸⁶ Legislatures and courts must again resist these labels and focus on finding the best balance of incentives to further creativity.

1. The Internet Effect

With this introduction, let us examine how developments in digital technology are challenging creators and distributors of copyrighted material. My starting premise is that copyright incentives were appropriate before the Information Revolution got underway (i.e., the protection of the 1976 Copyright Act was a sound baseline).¹⁸⁷ From there, this Section argues that the Internet has

183. See *supra* text accompanying notes 63–64.

184. *White v. Samsung Elecs. America, Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting from the denial of rehearing en banc); see LESSIG, *supra* note 17, at 108–09.

185. See LESSIG, *supra* note 17, at 4 (describing instances when movie releases were halted by copyright holders who were upset at the unauthorized depiction of their work in the films); *id.* at 198–99 (chronicling the attempt by Margaret Mitchell’s estate to bar publication of the novel *The Wind Done Gone*).

186. For a thoughtful discussion of this issue, see Jane C. Ginsburg, *Can Copyright Become User-Friendly?*, 25 COLUM. J.L. & ARTS 71, 73–78 (2001) (reviewing LITMAN, *supra* note 2).

187. This assumption can be challenged from both ends. Even in the early 1970s, some commentators were arguing that copyright law was too expansive. See Stephen Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 350 (1970). Others undoubtedly took the opposite view, but there was certainly no clamor on either side to challenge the consensus following the enactment of the 1976 Copyright Act.

sharply reduced the cost of distributing content and left copyright law in the position of providing excessive protection.¹⁸⁸

On the creative side, the digital transformation probably has not had a significant impact on the appropriate level of copyright incentives. Advances in technology have certainly lowered the cost of creating intellectual works. Word processing makes it easier to write; software lets film directors produce once unthinkable special effects at a reasonable price; and other devices enable musicians to mix sound at home as if they were in a professional studio. Other technologies, however, make it easier to copy these same works. Indeed, many would argue that at this point the reduction in copying costs caused by CD burners, MP3 files, or scanners outweighs the creative benefits of digital technology. This contention, which I will accept for purposes of this discussion, suggests that more copyright incentives, not less, are required.¹⁸⁹

The problem with concluding that more incentives are required is that it conflates the interests of distributors and creators. Distributors, as the term suggests, earn much of their revenue from their exclusive right to reproduce and disseminate copyrighted works.¹⁹⁰ Most creators, on the other hand, do not benefit from this feature of copyright protection which is, after all, the one most affected by the new technology.¹⁹¹ To take just one example, “the vast majority of musical artists do not earn any income in the form of royalties from the sale of music.”¹⁹² Instead, their creative incentives come from other copyright privileges that are largely unaffected by the digital revolution, such as the right to perform live or the right to create derivative works.¹⁹³ A similar analysis could be applied to

188. The discussion in this part of the text draws heavily from a recent analysis by Raymond Shih Ray Ku on the distribution of music. See Ku, *supra* note 10, at 305–11.

189. See, e.g., William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325, 344 (1989).

190. See 17 U.S.C. § 106 (2000) (enunciating the exclusive reproduction and distribution rights).

191. Some types of innovators, notably book authors, do earn substantial income through royalties that depend on the exclusive reproduction right. As the subsequent text indicates, however, this is the exception rather than the rule. See *infra* text accompanying notes 192–94.

192. Ku, *supra* note 10, at 306–07.

193. See *id.* at 308–09; see also 17 U.S.C. § 106 (providing for exclusive performance and derivative work rights). This raises a point that deserves some emphasis. This Article’s contention that copyright should contract in response to the Internet Revolution, is limited to reproduction and distribution rights. The other rights granted by copyright do not need a similar modification. Moreover, the argument that reproduction and distribution privileges must be scaled back is not a call for their abolition and should not be construed as blanket approval for file sharing.

many actors, artists, comedians, architects, and other creators. Thus, the overall impact of the Information Revolution on their incentives is probably quite limited.¹⁹⁴

By contrast, on the distributive end these same technologies radically reduce costs and substantially diminish the need for copyright.¹⁹⁵ In brick-and-mortar space, private firms bear the burden of building massive distribution networks that involve copying, packaging, marketing, and shipping intellectual works.¹⁹⁶ In cyberspace, however, *consumers* pay for the construction of these distribution channels through their computers, subscriptions to Internet service providers, and applications that upload and download content.¹⁹⁷ The best known examples involve the sharing of music, first through Napster and then through peer-to-peer networks such as Kazaa.¹⁹⁸ Users of these networks do not pay for all of the supporting costs, since some entity must write the software and establish the platform to get things started. Once that project is launched, however, consumers largely take over by supplying the content and expanding the network's resources through their collective investment in computers, burners, scanners, and modems.¹⁹⁹

Thus, it may be somewhat misleading to say that the downloading of music or other digital content is theft. Those who engage in this activity could instead be described as investors in a distribution network that are drawing upon the value they helped to create.²⁰⁰ As a leading advocate of this view explains, "The Internet

194. This does not mean that creators are totally unaffected by what happens to distributive incentives. Obviously, artists and musicians need their work distributed by somebody. As the text will explain, however, the digital revolution has sharply reduced the costs of distribution. Accordingly, a reduction in the scope of the copyright monopoly for distributors is appropriate and would not harm creative activity, though certainly "superstar" creators who do earn revenues from their exclusive reproduction rights will be adversely affected. Yet even these celebrities will not suffer much because they can fall back on the right of publicity. See *infra* note 213 and accompanying text.

195. Professor Ku's analysis draws this conclusion only with respect to the distribution of music. See Ku, *supra* note 10, at 264–65. In my view, however, the same analysis applies to other, though not all, types of copyrighted content.

196. See Ku, *supra* note 10, at 295–96 (estimating that it costs over \$100 million to maintain a music distribution network in real space).

197. See LESSIG, *supra* note 17, at 126–32; Ku, *supra* note 10, at 268.

198. See LESSIG, *supra* note 17, at 130–32, 134–38; Tim Wu, *When Code Isn't Law*, 89 VA. L. REV. 679, 726–50 (2003); see also *In re Aimster Copyright Litig.*, 334 F.3d 643, 645–48 (7th Cir. 2003) (Posner, J.) (providing a comprehensive analysis of recent developments in the file-sharing area).

199. It is worth noting that the entertainment and media conglomerates who complain about downloading are often the same ones who manufacture and sell the technologies that allow people to engage in that behavior.

200. In response to this claim, which is a restatement of Professor Ku's core thesis, it

eliminates the need to create financial incentives because it eliminates the free rider problem of information distribution. When content is distributed through the Internet, the public internalizes the costs of distribution.”²⁰¹ In other words, on-line technology creates a new business structure that can be sustained by consumers without robust copyright incentives for distribution.²⁰²

If one accepts this characterization of file sharing, then the conclusion that follows is that copyright law is obsolete because it provides the old level of pre-Internet incentives for distribution, even though the need for those incentives is now dramatically lower.²⁰³ This would not be a problem if existing copyright rules were simply not enforced against the distribution of digital content on the Internet. Anyone paying attention to these issues, however, knows that the brick-and-mortar distributors are doing everything they can to stop this on-line activity because they do consider it theft.²⁰⁴ They are probably entitled to do so under current doctrine,²⁰⁵ but this may

could be argued that it applies to any burglar who invests in “redistribution” tools like guns, crowbars, and a getaway car. The difference between a thief and an investor turns on whether the resource at issue is owned by someone else and on the social utility of allowing the alternative mode of distribution. And that is precisely what the Internet Revolution is forcing the legal community to consider—who should own the right to reproduce and distribute content online.

201. See *Ku*, *supra* note 10, at 301; see also *Wu*, *supra* note 198, at 685 (agreeing that peer-to-peer networks create “a distribution network that eliminates intermediaries,” but arguing that their goal is to facilitate copyright infringement by “remov[ing] the enforcement efficiency of a gatekeeper system, leaving primary enforcement against end-users as the only option”).

202. *Ku*, *supra* note 10, at 301; see also *Wu*, *supra* note 198, at 716 (explaining the magnitude of the digital revolution with the comment that “[f]or the 270 years following copyright’s 1710 debut . . . copies could not be produced by just anyone”).

203. This does not mean that the grant of some exclusive rights to distribute or reproduce should be abolished. After all, many consumers are neither willing nor able to download content and need the traditional distribution channels. But copyright interests require less protection than they did before.

204. See *In re Aimster Copyright Litig.*, 334 F.3d 643, 645 (7th Cir. 2003); *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1011 (9th Cir. 2001); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 259 F. Supp. 2d 1029, 1031–32 (C.D. Cal. 2003). There are ongoing attempts, mainly via iTunes and BuyMusic.com, to set up an on-line distribution system on a fee basis with the approval of the record studios. While this music is less expensive than the CDs in a store, that discount is probably driven by the competition coming from the peer-to-peer networks. If copyright protection allows the brick-and-mortar distributors to shut down these “free” networks before the fee-based networks become firmly established, then the music offered on the authorized on-line services are likely to escalate in price as the traditional distributors reassert their monopoly power.

205. Almost every court that has reviewed the issue so far has ruled against the legality of file-sharing. See, e.g., *Aimster*, 334 F.3d at 655–56 (affirming a preliminary injunction against a file-sharing software service); *A&M Records*, 239 F.3d at 1039 (affirming a modified preliminary injunction to shut down Napster, Inc., a peer-to-peer file sharing

just reinforce the view that the law in this area is outdated.

Of course, many reject this sanguine view of file sharing and argue that the growth of the Internet requires more property protection to give traditional firms an incentive to build superior distribution systems.²⁰⁶ One problem with peer-to-peer networks is that their architecture must be highly decentralized to avoid copyright infringement liability. Building a network on this decentralized premise, however, does not optimize performance, and the result is that the “free” systems are not as fast, stable, or user-friendly as they could be.²⁰⁷ Moreover, one reason copyright holders are vested with broad rights over distribution and the creation of derivative works is that there is an expectation that they will do a better job, in the long run, at providing quality services.²⁰⁸ That kind of innovation can only happen, however, if the copyright owner believes that its investment in an on-line network will be protected and can earn a decent return.²⁰⁹

In spite of these powerful points, I think the proponents of reducing copyright protection in light of the Digital Age have the better of the argument. The metaphor that captures the relationship between the new technology and copyright is Schumpeter’s description of markets as an engine of “creative destruction.”²¹⁰

service). *But see MGM Studios*, 259 F. Supp. 2d at 1049 (refusing to sanction distributors of software that enabled peer-to-peer file sharing on the grounds that the distributors were not responsible for their customers’ illegal conduct).

206. *See, e.g.,* Jane C. Ginsburg, *Copyright and Control over New Technologies of Dissemination*, 101 COLUM. L. REV. 1613, 1618 (2001) (“[Copyright owners’] concern persuaded Congress that it could foster participation in digital communication only by reinforcing copyright owners’ control over the distribution of their works.”).

207. Wu, *supra* note 198, at 717; *see id.* at 722 (“The point is that P2P design represents a serious challenge for designers because it requires compromise. Fewer intermediaries means fewer targets for an infringement lawsuit. The existence of fewer intermediaries, however, makes it harder for users to use the system, creates a greater risk of system crashes, and increases the risk of anonymous attacks.”); *id.* at 731–33 (describing the problems of Gnutella, a successor of Napster that attempted to avoid copyright infringement liability by extreme decentralization).

208. *See* Ginsburg, *supra* note 206, at 1631 (explaining that Congress passed the Digital Millennium Copyright Act, not to help copyright owners “turn back the clock; rather, given adequate assurance of its amenability to copyright enforcement, copyright owners were expected to exploit the new market”).

209. Indeed, Professor Ginsburg offers a number of historical examples where this scenario played out in the context of new copying devices. *See id.* at 1620–30. She concedes, however, that these examples can be distinguished from the digital revolution because the former “involved discrete innovations, while the Internet is a whole system of communication, rather than a specific device.” *Id.* at 1631.

210. JOSEPH A. SCHUMPETER, *CAPITALISM, SOCIALISM, AND DEMOCRACY* 81–86 (1976); *see* Ku, *supra* note 10, at 268–69 (developing this insightful formulation).

Innovation often eliminates entire industries or business methods by giving competitors an overwhelming advantage. These developments are embraced by everyone outside the Luddite fringe because people recognize that the economic dislocations that result pale in comparison to the benefits that these new technologies will bring. Today it is the traditional distribution model of the recording industry (and maybe other copyright distributors) that is being creatively destroyed. Naturally, this is painful to these once-profitable distribution businesses and to their employees, but the same was true for the horse-and-buggy industry following the invention of the car. The law should embrace and try to harness innovation, not fight a rearguard action against it.

In sum, the Internet leaves chunks of the current copyright system looking like boats stuck on the beach after the tide rolls out. Just as the trademark doctrine was unable to meet the demands of the Industrial Revolution, copyright law has not adequately responded to the Internet's impact on distribution costs.

2. The Revenge of the Right of Publicity

While technology is exerting strong pressure on copyright's distributive incentives, a separate development is undercutting the need for copyright on the creative side. The right of publicity, which was a product of trademark obsolescence, is now exacerbating copyright's crisis. And, in an ironic way, this may turn out to be another good reason for supporting the right of publicity.

Simply put, publicity rights reduce the need for copyright protection because they allow famous creators to capture advertising and merchandising revenue that they could not get before. For most of our history, celebrities were not entitled to these proceeds.²¹¹ Traditional copyright incentives were therefore built around the premise that there was no such right to profit from fame. Since copyright law never reacted to the subsequent development of publicity rights, it follows that the current scheme of protection is too broad, assuming, as this analysis does, that copyright incentives were appropriate before the right of publicity gained significant support.²¹²

211. See *supra* notes 100–01 and accompanying text.

212. See *supra* note 187 and accompanying text. Admittedly, this assumption is not as robust as the one noted earlier concerning the Information Revolution. This is because some states did recognize publicity rights at the time that the 1976 Copyright Act—the baseline for traditional copyright incentives—was enacted. Nonetheless, the premise is still valid. There is no indication that Congress seriously considered the impact of the right of publicity when it established the new level of copyright protection.

The impact of the right of publicity on creators is certainly much smaller than the distributive cost revolution wrought by the Internet. After all, only a small number of artists or performers are famous enough to benefit financially from publicity rights.²¹³ Yet the growth of Nimmer's idea from a satellite doctrine into a mainstream concept weighs in favor of less copyright protection.

This observation offers a unique perspective on publicity rights that harkens back to the pragmatic arguments originally made on its behalf. When Nimmer defended his proposal as a way of updating trademark law, one of his points was that the right of publicity was a better option for dealing with the problem than was misappropriation.²¹⁴ In essence, he argued that the right was useful because the alternatives were far worse. An analogous contention can be made about the link between the right of publicity and copyright. Perhaps the value of publicity rights lies not in their effect on creative incentives, but in their utility as a tool for alleviating copyright obsolescence. In other words, the right of publicity helps expose the breadth in modern copyright law. Thus, people concerned about creativity may want to embrace publicity rights, even if they are skeptical about their intrinsic value, and use their growth as a rhetorical weapon to persuade Congress that copyright protection needs to be scaled back.

3. Going Down the Wrong Track

Confronted with these powerful technological and doctrinal forces, copyright law did not contract. Instead, Congress expanded copyright protection. That means the present situation is in some respects worse than the one trademark endured in the early twentieth century. At that time the authorities merely sat on their hands. Now they are actually compounding the problem.

In 1998, Congress fueled the fire by passing two major statutes that broadened copyright privileges. One was the aforementioned Copyright Term Extension Act ("CTEA"), which was upheld in *Eldred* and increased copyright protection by twenty years.²¹⁵ The other was the Digital Millennium Copyright Act ("DMCA"), which

213. As was mentioned earlier, these are the same people who probably are hurt by a reduction in protection for reproduction and distribution. *See supra* note 194. But since these creators are reaping a significant windfall from the right of publicity that gives them incentives over and above the optimal level established by copyright, the overall impact on their creative activity will probably be negligible.

214. *See supra* notes 120–21 and accompanying text.

215. *See supra* notes 3–5 and accompanying text.

established a regulatory framework for the Internet by vesting copyright holders with broad rights over the dissemination of digital content.²¹⁶ Of particular interest is the anti-circumvention portion of the DMCA, which bars the development of technology designed to evade protective measures for copyrighted material.²¹⁷ Many find this section troubling because it does not contain exceptions for fair use and could sweep academic research or other expressive activity under its prohibitions.²¹⁸

This move towards a more robust copyright regime fits the pattern set forth by the trademark precedents. Recall that one reason courts held fast to obsolete unfair competition doctrines for so long was that they were fixated on the idea that marks were dangerous monopolies.²¹⁹ Today, we face the other side of the coin. There is now an unsound tendency to see copyrights as property that should get the same protection as land or chattels.²²⁰ In upholding the anti-circumvention provision, the Second Circuit made this point clear by saying that “[o]wners of all property rights are entitled to prohibit access to their property by unauthorized persons. . . . In its basic function, [code] is like a lock on a homeowner’s door, a combination of a safe, or a security device attached to a store’s products.”²²¹ That string of metaphors is as misguided as the prior fallacy of calling marks monopolies. So long as the property label holds sway over Congress and the courts, however, copyright protection will remain under strong pressure to expand and provide “real” property rights.

216. See Digital Millenium Copyright Act, Pub. L. No. 105-304, § 502, 112 Stat. 2860, 2905–16 (1998) (codified as amended at 17 U.S.C. § 512 (2000)); Sonny Bono Copyright Term Extension Act, Pub L. No. 105-298, § 102, 112 Stat. 2827, 2827–28 (1998) (codified as amended in scattered sections of 17 U.S.C.). See generally David Nimmer, *A Riff on Fair Use in the Digital Millenium Copyright Act*, 148 U. PA. L. REV. 673 (2000) (offering an overview of the statute).

217. See Digital Millenium Copyright Act § 1201, 112 Stat. at 2863–64 (codified as amended at 17 U.S.C. § 1201(a) (2000)) (“No person shall circumvent a technological measure that effectively controls access to a work protected under this title.”); LESSIG, *supra* note 17, at 187; LITMAN, *supra* note 2, at 143.

218. See LESSIG, *supra* note 17, at 188–90; LITMAN, *supra* note 2, at 143–44; Pamela Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need To Be Revised*, 14 BERKELEY TECH. L.J. 519, 563–64 (1999). The Copyright Office issued interpretive rules that granted exemptions to two narrow classes of works but emphasized that its discretion to do more was limited. See LITMAN, *supra* note 2, at 149–50 n.30.

219. See *supra* notes 39–44 and accompanying text.

220. See LESSIG, *supra* note 17, at 81; Patterson, *supra* note 46, at 53–56. Jack Valenti, the chief lobbyist of the movie industry, takes this thought to its logical conclusion by arguing that copyrights should be perpetual just like the fee simple. See Hughes, *supra* note 17, at 784–85.

221. Universal City Studios, Inc. v. Corley, 273 F.3d 429, 452–53 (2d Cir. 2001).

In sum, copyright finds itself in a deepening crisis. The digital transformation and, to a lesser extent, the right of publicity leave the law saddled with a host of untenable premises. Rather than addressing copyright's excessive breadth, Congress is making the problem worse. As was the case when trademark suffered through its bout of obsolescence, impatient voices are starting to propose radical remedies.

B. The Emerging Satellite Doctrines of Copyright

Many scholars have expressed dismay at these recent developments and suggested a variety of copyright reforms. While most of the ideas involve gradual change, the academy has again become a breeding ground for more drastic solutions. This Section reviews three budding satellite doctrines that propose: (1) constitutional limits on copyright, (2) restricting protection to commercial uses, and (3) using time as an element in assessing the scope of protection. Consistent with the inverse relationship between trademarks past and copyrights present, these three responses bear a resemblance to their respective counterparts in unfair competition that may reveal something about their future prospects.²²²

1. Constitutional Scrutiny

For those who are exasperated at Congress's unwillingness to reduce copyright protection, the radical solution of first resort is to claim that the Constitution imposes limits on copyright that courts must enforce.²²³ The most sophisticated of these arguments came from Lawrence Lessig and formed the backbone of his presentation in the *Eldred* case.²²⁴ After assessing Lessig's views, this discussion shows how his unprecedented proposal for addressing copyright obsolescence is the reverse parallel of misappropriation.

Professor Lessig is one of the leading academics concerned about copyright's failure to adapt to the digital revolution. Taking a page

222. Again, these similarities should not be overstated. This Article examines the three reforms in copyright that parallel the satellite doctrines in unfair competition law. There will undoubtedly be some radical copyright proposals put forward that will not find partners in trademark precedent.

223. See, e.g., Yochai Benkler, *Free As the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 354, 386 (1999) (invoking the First Amendment as an affirmative limitation on the Copyright Clause); Julie Cohen, *A Right To Read Anonymously: A Closer Look at "Copyright Management" in Cyberspace*, 28 CONN. L. REV. 981, 981-83 (1996) (same).

224. See *Eldred v. Ashcroft*, 537 U.S. 186, 191 (2003) (citing Lessig as counsel for petitioners). See generally Lessig, *supra* note 11 (sketching his arguments).

out of the Schechter and Nimmer playbook, he justified his novel approach by focusing on “how extreme our view of copyright has become; how unbalanced, how unmitigated.”²²⁵ After taking Congress to task for defining copyrights more and more like property, Lessig pointed out that this trend is particularly distressing “[a]s we move into the Internet Age—as ordinary people can become publishers . . . [and] as we use the technology to share content, or enable others to get access.”²²⁶ He concluded that “this black hole of copyright” demanded an immediate solution.²²⁷

After defining the problem in such stark terms, Lessig proposed slashing copyright protection through aggressive judicial review of the “Limited Times” provision of the Copyright Clause and of the First Amendment.²²⁸ He argued that the Limited Times provision “must mean something when it says [copyright] terms must be limited . . . [and should] be read in light of the command that Congress exercise this power to ‘promote . . . Progress.’ ”²²⁹ Under this view, the CTEA’s extension of existing copyrights, not just future ones, was invalid “since such an extension promotes nothing except the bottom line of (mainly) publishers.”²³⁰ Once something is created, the argument continued, there is no social benefit in giving its developer additional incentives for that old work. Accordingly, Lessig wanted judges to help replenish the stock of materials in the public domain by holding that Congress can never retroactively increase copyright terms.²³¹

While the Copyright Clause discussion applied only to the length of protection, Lessig’s First Amendment analysis was broader. Drawing on doctrine holding that copyright coheres with the First Amendment because the former is the “engine of free expression,” he

225. Lessig, *supra* note 11, at 1068.

226. *Id.* at 1072; *see id.* at 1069 (“No longer may one suggest that literary property should be treated differently from other forms of property.”).

227. *See* LESSIG, *supra* note 17, at 251.

228. *See* U.S. CONST. art. I, § 8, cl. 1, 8 (“The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

229. Lessig, *supra* note 11, at 1066.

230. *Id.* at 1067. Moreover, opponents of the CTEA argued that the power to extend copyrights retroactively conflicts with the limited times text because Congress can, through repeated extensions, make them perpetual. *See Eldred v. Ashcroft*, 537 U.S. 186, 209–10 (2003).

231. *See Eldred*, 537 U.S. at 193 (“The ‘limited Time’ in effect when a copyright is secured, petitioners urge, becomes the constitutional boundary, a clear line beyond the power of Congress to extend.”). Dissenting in *Eldred*, Justice Breyer argued that the limited times argument could also invalidate the extension of future copyrights beyond a certain term of years. *See id.* at 264–65 (Breyer, J., dissenting).

contended that the obsolete scope of copyright protection now casts doubt on that conclusion.²³² Extending creative and distributive incentives beyond a certain point, he said, only restricts expression and cannot survive the heightened scrutiny that courts normally give to content-neutral regulations of speech.²³³ Thus, unlike the Copyright Clause argument, which only inquired into whether Congress had a rational basis for its retroactive copyright decisions, the First Amendment theory subjected both retroactive and prospective expansion to a searching judicial inquiry.²³⁴

Either of these interpretations, if accepted, would have dramatically changed copyright law. Never in the history of the Republic has a court struck down an exercise of Congress's plenary copyright power. Yet Lessig wanted to give judges the power to invalidate these statutes based almost entirely on a policy determination that the decision granting protection was erroneous.²³⁵ The timing of this assertion was no coincidence. Like his academic forebears, Lessig responded to a serious case of legal obsolescence by developing a doomsday weapon that addressed the problem but also carried enormous collateral costs.

That insight invites the conclusion that the constitutional attacks on copyright are the functional equivalent of using misappropriation to solve the problems of trademark obsolescence. Both Lessig's writings and *International News* support doctrines that would transfer congressional authority over intellectual property to the judiciary. Both provide little guidance about how judges should ascertain when to overrule Congress's decisions.²³⁶ Finally, each was designed to remedy legal backwardness by giving judges unfettered discretion to act on equitable grounds. The only difference between Lessig's theory and misappropriation is that one reduces protection while the other expands protection. The concepts are best understood as mirror opposites that are similarly situated with respect to their

232. See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985); Lessig, *supra* note 11, at 1067; see also Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180, 1202 (1970) (concluding that the idea/expression dichotomy in copyright doctrine was sufficient to meet constitutional concerns).

233. See *Eldred*, 537 U.S. at 193; Lessig, *supra* note 11, at 1067.

234. See Lessig, *supra* note 11, at 1067.

235. As *Eldred* explains, the legal support for Lessig's interpretation was weak. See *Eldred*, 537 U.S. at 197-98. Policy concerns were really his only ammunition and the only guidance that courts could use. See *infra* notes 265-70 and accompanying text.

236. To be fair, Lessig's principle barring retroactive expansions of copyright is relatively clear. But when it comes to his First Amendment analysis, the clarity of the proposal disappears.

particular obsolescence crises. And, as befits their parallel relationship, they ultimately received the same negative treatment.²³⁷

2. Professor Litman and the Commercial Angle

The most dramatic reform that does not rely on the Constitution comes from Jessica Litman. In her recent book, *Digital Copyright*, Litman provides a fine summary of the obsolescence problem and argues that the solution lies in recasting the harm of copyright infringement.²³⁸ Specifically, she contends that only uses that harm “the copyright holder’s opportunities for commercial exploitation” should be prohibited.²³⁹ This idea, which Litman herself describes as “radical,” would strip significant protection from copyright owners who can currently bar many non-commercial uses of their work.²⁴⁰

Litman lays the predicate for her formula by emphasizing the conflict between the digital revolution and established copyright law. The core of her analysis is set forth in the following crisp passage:

Digital technology changed the marketplace. It’s a cliché that digital technology permits everyone to become a publisher. If you’re a conventional publisher, though, that cliché doesn’t sound so attractive. If you’re a record company, the last thing you want is a world in which musicians and listeners can eliminate the middleman. But can you stop it, or at least delay it? Is the copyright law one tool that might help you do so?²⁴¹

Litman goes on to explain that copyright law is, in fact, being used as a tool against digital distribution and is imposing significant costs on society.²⁴² The root cause of this trend is that “[c]opyright laws become obsolete when technology renders the assumptions on which they were based outmoded.”²⁴³ Writing with palpable alarm, Litman contends that we are “in very real danger of adopting a set of rules for our information society that few of us can live with.”²⁴⁴

Prompted by this danger, Litman proposes overturning a century of precedent by eliminating the exclusive right to reproduce a copyrighted work and replacing it with a more limited commercial

237. See *infra* notes 271–77 and accompanying text.

238. See LITMAN, *supra* note 2, at 22–34, 77–88, 151–65.

239. *Id.* at 180.

240. See *supra* note 2 and accompanying text.

241. LITMAN, *supra* note 2, at 19.

242. See *id.* at 25–33.

243. *Id.* at 22. Litman, like Lessig, is also critical of the drift towards viewing copyrights as property. See *id.* at 81.

244. *Id.* at 32.

exploitation right.²⁴⁵ She notes that “[t]he public appears to believe that the copyright law incorporates a distinction between commercial and noncommercial behavior.”²⁴⁶ Building on this observation, she proposes that only “[m]aking money (or trying to) from someone else’s work without permission would be infringement, as would large-scale interference with the copyright holders’ opportunities to do so.”²⁴⁷ Through this commercial exploitation test, Litman exempts most people who download content from copyright infringement because they are not trying to make money and are not engaged in large-scale activity.²⁴⁸

From the perspective gained by comparing trademark with copyright, Litman’s theory is best understood as the modern parallel of dilution. In each instance, the response to legal obsolescence drastically redefined the pertinent harm in order to transform the level of protection.²⁴⁹ Schechter lowered the bar for trademark plaintiffs by asserting that a harm to the mark’s uniqueness was sufficient to justify relief.²⁵⁰ Litman, by contrast, wants to raise the bar for copyright plaintiffs by requiring them to prove a commercial harm that they do not have to prove now. Furthermore, both reforms were narrower than the ones represented in the misappropriation/Lessig pair because they applied only to a specific type of intellectual property rather than to all such property.²⁵¹ Yet the dilution/Litman coupling also has a similar drawback—they are hard to apply in a coherent fashion because they replace a concrete

245. See *id.* at 177–78, 180; see also LESSIG, *supra* note 17, at 258 (explaining that the current system regulating non-commercial activity dates back at least to the 1909 Copyright Act). Litman tries to take some of the sting out of her remedy by saying that “[t]he right to make copies . . . is not fundamental to copyright in any sense other than the historical one.” LITMAN, *supra* note 2, at 177. That is a bit like saying that the sky is not blue in any sense other than the visual one.

246. LITMAN, *supra* note 2, at 180.

247. *Id.*

248. See *id.* at 180–81, 183.

249. The presence of this connection, along with the others identified in this section, is not really that remarkable. After all, there are only so many ways to transform the scope of an entitlement. One creates a new equitable doctrine that allows courts to adjust protection (Lessig’s theory of misappropriation). Another redefines the actionable harm to the interest at stake (Litman’s theory of dilution). A third involves hiving off a specific part of the interest at stake and giving it special treatment (right of publicity/time-abandonment).

250. See *supra* text accompanying notes 87–90.

251. Learned Hand made this point about misappropriation, see *supra* text accompanying notes 75–78, and there was nothing about Lessig’s constitutional approach that was limited to copyright. For example, the “Limited Times” provision of the Constitution, which Lessig sought to recast, applies to both patents and copyrights. U.S. CONST. art. I, § 6, cl. 8.

harm with a more amorphous one. Indeed, Litman concedes that her test would replace a clear infringement rule with an uncertain standard because the analysis of whether a use is commercial or whether a non-commercial use is large enough to interfere with a copyright owner's commercial rights is highly contextual.²⁵² And, as was the case with misappropriation and Lessig's theory, the similarities between Litman's proposal and Schechter's article are matched by the distinction that the former diminishes protection while the latter enlarges it. This parallel with dilution suggests that Litman's views have a viable, though not uncomplicated, future.

3. The Flow of Time

A third potential satellite doctrine comes from two scholars, writing independently, who contend that copyright should be limited by making the age of a work an element in fair use analysis.²⁵³ This idea is different from those discussed earlier because it actually fits within mainstream copyright law. Nevertheless, including this reform in the present analysis is appropriate because its implications are far reaching and may deepen if the pressures of copyright obsolescence are not relieved.

The fair use exception is an obvious resource for lawyers who want to curtail copyright protection. From its origin as a gloss on congressional statutes, fair use is now codified in a set of non-exclusive factors that permit unauthorized copyright uses when they serve the public interest.²⁵⁴ In this sense, copyright contains an escape valve, absent from common-law trademark, that allows courts to adjust protection in light of new realities. So far, however, judges have not used this authority to address the difficulties of modern copyright law. This should not be surprising given the new orthodoxy that copyrights are property, which makes fair use look more like an annoying impediment to exclusive control than an integral part of a balanced system of incentives.

Responding to the threat posed by the breadth in copyright protection, at least two scholars suggest that judges use the age of a

252. See LITMAN, *supra* note 2, at 180–81.

253. See Hughes, *supra* note 17, at 778; Liu, *supra* note 13, at 409–10.

254. See 17 U.S.C. § 107 (2000) (listing four major fair use factors as: (1) “the purpose and character of the use;” (2) “the nature of the copyrighted work;” (3) “the amount and substantiality of the portion used in relation to the copyrighted work as a whole;” and (4) “the effect of the use upon the potential market for or value of the copyrighted work”); *Folsom v. Marsh*, 9 F. Cas. 342, 344–45 (C.C.D. Mass. 1841) (No. 4,901) (Story, J.) (inventing the fair use doctrine).

work to enlarge fair use.²⁵⁵ They argue that the older something is the more people ought to be able to use it without restriction.²⁵⁶ Justin Hughes reaches this conclusion through a law and economics analysis emphasizing that old works have less commercial value than new creations.²⁵⁷ Joseph P. Liu concurs with a holistic approach explaining that “copyright seeks a diversity of expression” and that “society’s interest in seeing different perspectives and re-interpretations of the original work increases over time.”²⁵⁸

To continue with the comparative approach that underlies this Article, using time as a limit on copyright protection as Hughes and Liu suggest mirrors the right of publicity’s relationship with trademark. In both instances, the obsolescence response was focused on a concrete facet of the problem—time in copyright and fame in trademark—and argued that this facet should be addressed separately with a special set of principles. That narrower focus makes it much easier for these reforms to garner support while avoiding the pitfalls inherent in developing a comprehensive solution.²⁵⁹ As with the other two satellite doctrine pairs, the critical difference between the use of time analysis and the right of publicity rests with their opposing orientations—one contracting entitlements and the other expanding them.

This time, however, the analogy with the other satellite pairs is incomplete. After all, Hughes and Liu are proposing an evolutionary reform, while Nimmer was putting forward something more sweeping. The time element they embrace, however, could become

255. Having recounted the obsolescence problem and how it has motivated the radical proposals reviewed in Part I.B, there is no need to raise the point again. Suffice it to say, the proponents of using time in fair use analysis are as worried about the expansion of copyright as everybody else. See Hughes, *supra* note 17, at 785–86 (complaining that “every ten or twenty years, Congress can pass a law extending copyrights another ten or twenty years”); Liu, *supra* note 13, at 427 (“Like many other commentators, I am troubled by the continuing expansion of copyright protection on a number of different fronts. Specifically, I believe that many of these expansions find little or no support under any of the policy justifications underlying copyright law.”).

256. See Hughes, *supra* note 17, at 778; Liu, *supra* note 13, at 412. This principle fits within the established framework because the factors listed in the fair use section of the copyright statute are non-exhaustive. See 17 U.S.C. § 107. Moreover, the advocates of this approach contend that the age of a work is also relevant to the enumerated fair use factors. See Hughes, *supra* note 17, at 776–78; Liu, *supra* note 13, at 454–57.

257. See Hughes, *supra* note 17, at 781–84; *id.* at 781 (“Tolerating a small unauthorized use in 2002 of a 1962 film cannot have any widespread impact on the market that the film enjoyed for the first forty years of the ninety-five-year copyright. Tolerating the same infringement of the film in 2022 has even less possible impact . . .”).

258. Liu, *supra* note 13, at 437–38.

259. See *supra* notes 179–81 and accompanying text.

much more aggressive if the need for a copyright correction is not met. What if courts started declaring that the failure to use a copyright for a short period of time caused an irrevocable forfeiture of the owner's rights? The potential for this muscular form of "copyright abandonment" is addressed in the next section.²⁶⁰

Accordingly, the inversely parallel obsolescence crises that trademark and copyright faced extended through the satellite doctrines that developed in each era. With that insight in hand, let us now try to project the future of copyright.

C. *Looking into the Crystal Ball*

This Section offers some concluding thoughts on how the satellite doctrines of copyright may unfold. In one case, the answer is clear. Lessig's effort to create rigorous constitutional restrictions on copyright protection was rejected in *Eldred*.²⁶¹ As for the other two reform proposals, no clear trend has emerged. The guidance that flows from matching past trademark patterns with present copyright developments, however, suggests that there is some promise in Litman's proposal and even more in the use of time to rein in copyright incentives.²⁶²

1. *Eldred*

In *Eldred*, the Court faced a problem similar to the one it addressed in *Moseley*, except here the issue was what to do when the

260. See *infra* notes 283–90 and accompanying text. There is already an abandonment concept in copyright, but that doctrine is highly circumscribed because it can only be invoked if an owner of a work takes an overt action to relinquish his or her rights. See *Nat'l Comics Publ'ns, Inc. v. Fawcett Publ'ns*, 191 F.2d 594, 598 (2d Cir. 1951) (L. Hand, J.). The potential abandonment doctrine discussed *infra*, notes 283–90 and accompanying text, would look more like its strict liability counterpart in trademark.

261. See *infra* text accompanying notes 265–71.

262. At this point a broad objection can be raised about how strong the connection is between what happened in trademark and what will happen in copyright. Specifically, one could say that it is more likely, for public choice reasons, that legislatures will expand property rights than contract them. According to this view, the response to trademark obsolescence through such an expansion was not surprising, but we should not expect an analogous reduction in copyright protection by a Congress that is strongly influenced by movie studios, the recording industry, and other supporters of the status quo.

This observation has force, but I reject the conclusion that copyright will not adjust to the Digital Age through a reduction in protection. In fact, the level of copyright incentives has already dropped dramatically when one considers that the traditional distributors of music and movies are unable to stop file sharing. Granted, copyright law has not moved in this direction, but Congress will eventually be compelled to acknowledge the reality of this Schumpeterian creative destruction. See *supra* note 210 and accompanying text.

obsolescence animating a satellite doctrine is ongoing rather than a distant memory.²⁶³ The response this time was more emphatic as the Justices rejected Lessig's argument against the CTEA's retroactive extension of protection. Given the parallels between his approach and misappropriation, this outcome was not unexpected.²⁶⁴ Indeed, once the constitutional jargon is cleared away, it is clear that Lessig's response to legal obsolescence failed for the same reasons that undermined misappropriation.

Eldred focused on legal process concerns in concluding, as Hand did for misappropriation,²⁶⁵ that Congress alone should define the scope of intellectual property protection.²⁶⁶ The Court stated that "[b]eneath the facade of their inventive constitutional interpretation, petitioners forcefully urge that Congress pursued very bad policy in prescribing the CTEA's long terms. The wisdom of Congress's action, however, is not within our province to second guess."²⁶⁷ Of particular interest in assessing the "limited times" argument was the unbroken congressional practice of extending copyright protection retroactively each time terms were increased.²⁶⁸ As for Lessig's First Amendment theory, the Court was not persuaded. Repeating the mantra of prior cases, *Eldred* opined that "[t]he Copyright Clause and First Amendment were adopted close in time. This proximity indicates that, in the Framers' view, copyright's limited monopolies are compatible with free speech principles."²⁶⁹ In response to Lessig's view that this insight is now being strained beyond its breaking point, the Court answered that when "Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary."²⁷⁰ This conclusion, along with the Justices' analysis of the limited times issue, slams the door on any

263. See *supra* text accompanying notes 149–54.

264. Of course, the Court did embrace misappropriation in *International News*, so one question is why Lessig's proposal could not match this success. The best explanation is that the never-to-be-repeated embrace of misappropriation by the Court was driven by the fact that the obsolescence in trademark was a prolonged event by the time the Court heard the case. By contrast, *Eldred* came along early in the cycle of copyright obsolescence and therefore the perceived need for a remedy was not as great. Had the case been brought five or ten years from now, things might have turned out differently.

265. See *supra* text accompanying note 78.

266. See, e.g., *Eldred v. Ashcroft*, 537 U.S. 186, 205 (2003) ("The CTEA reflects judgments of a kind Congress typically makes, judgments we cannot dismiss as outside the Legislature's domain.").

267. *Eldred*, 537 U.S. at 222.

268. See *id.* at 200–01 (citing the Copyright Acts of 1790, 1831, 1909, and 1976); *id.* at 211–14 (relying on practice).

269. *Id.* at 219.

270. *Id.* at 221.

future constitutional challenge to copyright.²⁷¹

The demise of Lessig's proposal, like the failure of misappropriation, can be explained by two of the factors set forth earlier about the viability of satellite doctrines.²⁷² First, a major weakness in the constitutional attacks on copyright lies in their sheer breadth. In essence, the Court was asked to embrace a theory that would lead to regular judicial review over congressional copyright decisions without a clear limiting principle.²⁷³ Under these circumstances, one can understand why the Court might decline the invitation. Second, Lessig's approach is hard to relate to any other legal concept and hence is more difficult for courts to accept. For instance, his "limited times" argument is alien to constitutional law and finds no support in precedent. Furthermore, while his First Amendment theory can draw upon a rich background, those sources, as the Court explained, are about the right to speak rather than the right to use other people's expression.²⁷⁴ This weakness was illustrated by Lessig's heavy reliance on *Turner Broadcasting System, Inc. v. FCC*, which involved the "must-carry" requirements for cable television broadcasters that were imposed by Congress and unsuccessfully challenged as a First Amendment violation of the cable companies' expressive rights.²⁷⁵ He argued that *Turner's* intermediate scrutiny standard should be applied to the CTEA and, citing Justice O'Connor's dissent, that the CTEA involved "speech restrictions for the benefit of some speakers [copyright owners] at the expense of other speakers and listeners . . . [that] are no more sanctioned by the First Amendment than a tax on CNN to benefit C-SPAN."²⁷⁶ That strained analogy was the best he could do, and the Court answered brusquely that *Turner* "bears little on copyright."²⁷⁷

271. See *id.* at 242 (Stevens, J., dissenting) ("Fairly read, the Court has stated that Congress's actions under the Copyright/Patent Clause are, for all intents and purposes, judicially unreviewable.").

272. See *supra* text accompanying notes 174–75. The second of those three factors, the existence of a deep theoretical account, is not particularly helpful, since the Supreme Court rejected Lessig's arguments in spite of his efforts to provide such a framework. See *Eldred*, 537 U.S. at 219; *supra* note 269 and accompanying text.

273. Admittedly, Lessig's argument before the Court was more concrete in that it focused only on retroactive extensions of copyright. See *Eldred*, 537 U.S. at 193. Nevertheless, the broader implications of his approach were clear enough to get the attention of Justice Breyer. See *supra* note 231 and accompanying text.

274. See *Eldred*, 537 U.S. at 219–20.

275. 512 U.S. 622, 641 (1994); see *Eldred*, 537 U.S. at 220.

276. See Brief for Petitioners at 41, *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (No. 01-618), available at 2002 WL 1041928 (citing *Turner I*, 512 U.S. at 676 (O'Connor, J., dissenting)).

277. See *Eldred*, 537 U.S. at 220.

With its scope and its *sui generis* character, Lessig's solution to copyright obsolescence mirrored misappropriation in substance and in fate.

2. The Future of Radical Reform

The proposals to redefine infringement as a commercial exploitation test or to use time to limit protection have not yet reached the courts. Upon reviewing the factors that shape the success of satellite doctrines, however, one can see that these copyright ideas have a growth potential that matches their unfair competition counterparts of dilution and the right of publicity. Both Litman's idea and the time suggestions have a strong theoretical base and have the advantage of being narrower than a constitutional approach. The point that this Section dwells on, however, is that these initiatives have legs largely because they resemble concepts that are already robust in trademark. That proximity should give courts and legislatures the confidence to push these satellite doctrines further.

a. Commercial Exploitation

The idea that copyright infringement should be restricted to uses that harm commercial exploitation finds a parallel in the trademark rule that only unauthorized commercial uses may be enjoined.²⁷⁸ In the unfair competition context, the limitation is sound because non-commercial uses simply do not have a significant impact on a mark's ability to convey information in the marketplace. More broadly, that rule represents a wise judgment about the balance the law should strike between protecting mark owners and facilitating expression.²⁷⁹ When legislators and courts are eventually presented with some version of Litman's test, they may be more receptive to the idea because a related doctrine exists elsewhere in intellectual property. The presence of a developed body of law analyzing the boundary between commercial and non-commercial trademark uses also supplies a guidepost that should give policymakers confidence that an analogous system can be worked out in copyright.²⁸⁰

278. See 15 U.S.C. § 1114(1)(a) (2000) (limiting infringement relief to a "use in commerce" by a junior mark); *id.* § 1125(a)(1) (stating that dilution can only occur through "uses in commerce").

279. For examples of how trademarks contribute to expression, consider the use of "Star Wars" to denote the SDI missile defense system, the use of the Wendy's slogan "Where's the Beef" in the 1984 Democratic presidential primaries, or the phrase "It's a Dusey" to describe something amazing, which started as the slogan of the Dusenburg auto company.

280. In this respect, Litman's reform is distinguishable from dilution. Schechter's

This does not mean, however, that Litman's proposed reform of the copyright infringement test will sail through without difficulties. Weighing against the legal proximity factor is the fact that Litman's redefinition of infringement is a sweeping change that breaks with decades of copyright precedent. The best way of projecting how this may play out is by drawing upon the link between her proposal and trademark dilution. If that comparison holds, then efforts to restrict copyright infringement to commercial exploitation may have a relatively easy time getting accepted but a hard time getting applied. After all, courts still cannot make sense out of dilution and therefore use it sparingly even though legislatures find it appealing.

The comparison with dilution, however, also suggests a path that this new copyright concept might take towards mainstream acceptance. Just as some courts faced with trademark obsolescence used dilution to extend protection even before it was codified, courts confronting copyright obsolescence may start declaring more non-commercial acts to be fair use or otherwise exempt from protection in a manner that will stretch existing doctrine to its limit. This type of bottom-up activity may, in turn, lead to congressional action, just as the early embrace of dilution theory by courts laid the foundation for legislative action there.²⁸¹ Such a projection, of course, depends on how long copyright obsolescence persists and on whether other justifications for Litman's proposal emerge. If history is any guide, however, those rationales will develop and sustain this satellite doctrine even after copyright's crisis passes.²⁸²

b. Abandonment

Using time as a factor in restricting copyright protection, as Hughes and Liu suggest, finds a reliable ally in the trademark concept of abandonment. The Lanham Act states, in relevant part, that a mark falls into the public domain if its use is "discontinued with intent not to resume such use."²⁸³ To guide courts in this analysis, the statute also provides that "[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment."²⁸⁴ Abandonment doctrine

proposal had no analog elsewhere in the law. Thus, while there are considerable problems with applying Litman's test, they are not as severe as was the case in the dilution analysis.

281. See *supra* note 95 and accompanying text.

282. At this point, it is difficult to say how Litman's idea might be conceptualized as an independent doctrine. After all, it took years for Schechter's trademark proposal to develop the moniker "dilution."

283. 15 U.S.C. § 1127.

284. *Id.*

recognizes that trademarks are a creature of the marketplace and cannot exist in the absence of commercial activity.²⁸⁵ A mark tells consumers nothing if it is not being used, and the message of a defunct brand name, e.g., Pan Am, fades over time. Thus, there is no reason to keep giving these mark owners protection. Again though, a temporal limit on trademark rights can be seen as part of a broader conclusion about the best way to balance private incentives with public access.²⁸⁶

While the calls for introducing time as a factor in fair use are modest, under the unrelenting pressure of copyright obsolescence they may well evolve into a rigorous abandonment doctrine. The modification Hughes and Liu propose is an excellent idea and probably will be adopted eventually, but tinkering with the fair use exception will not do much because that concept cannot reach the bulk of copyrighted material, which is, of course, not old at all. On the other hand, using time as the determinative factor, rather than just one of many, in whether a copyright is valid could affect almost all protected material. A rule may well evolve that copyright owners forfeit all rights if they fail to use a work for a defined period of time.²⁸⁷ Unless a copyright is particularly valuable, many owners will probably allow their work to pass into the public domain under this system and concentrate on new products rather than on spending money to keep their old material secure.²⁸⁸ Incorporating a more robust abandonment idea into copyright could significantly reduce the duration of copyright protection and alleviate its obsolescence.

Thus, abandonment is another satellite doctrine that may spring forth from the crisis in copyright. Granted, this radical change would

285. See, e.g., *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*, 304 F.3d 1167, 1173 (11th Cir. 2002) (explaining that trademark rights flow from use because a mark represents the reputation of the goods and services associated with it).

286. See, e.g., *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 411 (9th Cir. 1996) (“Rather than countenancing the ‘removal’ or retirement of the abandoned mark from commercial speech, trademark law allows it to be used by another.”).

287. Unlike the Litman proposal, the development of this doctrine does not require congressional action. The current (and much more limited) abandonment doctrine in copyright is a judicial creation that is not mentioned in the copyright statute. Kathleen M. Bragg, Comment, *The Termination of Transfers Provision of the 1976 Copyright Act: Is it Time to Alienate It or Amend It?*, 27 PEPP. L. REV. 769, 798 (2000); see *supra* note 260. Accordingly, courts could simply adapt existing statutory common law to achieve this contraction in protection.

288. Lessig makes a related proposal that copyright owners should be required to reregister their work every five years. See LESSIG, *supra* note 17, at 251–52. The early copyright statutes contained a similar rule except that the term between registrations was longer. See William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 472–73 (2003).

address only part of the problem, since abandonment deals with the length of copyright protection and not with its breadth. But that just reinforces the deep analogy between copyright abandonment and the right of publicity.²⁸⁹ Not only do both focus on a concrete intellectual property interest that needs more consideration, but both are modest in the sense that they do not claim to be comprehensive solutions to the legal obsolescence wrought by technological change. Furthermore, these similarities suggest one other thing—abandonment has the best chance of garnering broad support and of matching the right of publicity's success.²⁹⁰

In sum, the relationship between the satellite doctrines in copyright and trademark can offer useful guidance on the potential of the new efforts to transcend copyright's obsolescence. This is critical not only for its illumination of contemporary policy, but as a way of assessing the splintered future of intellectual property law with respect to the creative arts.

CONCLUSION

It is a truism that necessity spurs action. This principle applies to individual lives and to the collective expression of human values that the law represents. Twice in the last century profound technological change turned trademark and then copyright law upside down. In each instance, a minority that could be described as innovative, reckless, bold, or impatient proposed drastic remedies to deal with the obsolescence left behind. Although these ideas have not replaced the traditional frameworks of protection, they still exert a profound influence on intellectual property law.

Moreover, by revealing the inverse parallels between the

289. See *supra* text accompanying notes 259–62.

290. The discussion of how Litman's reform and the time proposals connect with equivalent doctrines in trademark suggests a final paradox. While past unfair competition law and present copyright law are mirror opposites, the result of this inverse relationship may be a convergence of copyright and trademark law around a similar set of concepts.

Explaining this development is not hard when one considers that trademark and copyright are both pursuing moderation in protection. Trademark lawyers struggled for decades to expand its reach and overcome the obsolete restrictions of the common law. Meanwhile, copyright lawyers are currently grappling with the dilemma of how to circumscribe its obsolete breadth. In other words, one body of law moved from no protection to some, while the other is moving from broad protection to some. The outcome, roughly speaking, is the same—moderate protection. In light of this move in the direction of a similar level of incentives, it should come as no surprise that trademark and copyright are also stumbling towards a similar mix of doctrines to set the boundaries of that protection. Scholars in both areas may want to explore this gathering trend as a fruitful source of insights.

evolution of unfair competition and copyright, this Article demonstrates the power of a comparative historical approach. In an era where most lawyers and academics have convinced themselves that pragmatism is their lodestar, the analysis here contains both a comfort and a warning. The comfort is that history, which is often the best evidence of pragmatism, can be a useful guide for policy judgments. The warning is that, despite all of the advances in social science over the past century, policymakers in a pinch are basically behaving the same way now as they did back then. Greater self-awareness does not always lead to better decisions.