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TRADE MARK PROTECTION FOR DIGITAL GOODS

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Chapter 18

Trade mark protection for digital goods

Mark P. McKenna and Lucas S. Osborn

1. Introduction

A number of recent US cases involve attempts by authors or publishers of creative works to use trade mark or unfair competition law to control the reproduction or use of those works. For example, consider a movie the copyright protection for which has lapsed. Can the creator of the movie claim that copiers of the film commit trade mark infringement by including in their copies some content that appears in the original movie – perhaps the movie studio’s logo, or a famous scene? Or consider a website that allows artists to upload and offer for sale digital models of various goods where the models include recognisable designs and/or logos. Does the website operator commit trade mark infringement simply by distributing the digital files, from which someone might print a physical good that bears the trade mark?

These sorts of claims raise important questions about the boundaries of different forms of intellectual property, particularly the distinctions between trade mark, copyright, and design laws.¹ In this chapter, we describe US courts’ approaches to these cases, particularly in light of the US Supreme Court decision in *Dastar Corp. v. Twentieth Century Fox Film Corp*². We then turn to the European experience, which is surprisingly thinner. We offer some hypotheses for the relative lack of these cases in Europe.

2. The United States’ Experience

Claimants in the US have asserted trademark-related claims in a variety of contexts involving intangible works. In some cases, the defendants produced tangible goods, but the plaintiff’s

¹ For a thorough discussion of the range of overlapping intellectual property protections, see Neil Wilkof and Shamnad Basheer (eds), *Overlapping Intellectual Property Rights* (Oxford 2012). See also Estelle Derclaye and Matthias Leistner (eds), *Intellectual Property Overlaps: A European Perspective* (Hart 2011).

² 539 US 23 (2003).

claims were based on allegations of unauthorised copying of the design of those articles (rather than on allegations that the defendant misrepresented the origin of the physical goods themselves). In one case, for example, the plaintiff alleged that the defendant falsely designated the origin of its specialized lighting products when it copied the design of those products and sold under its own trade mark the copies it physically produced.³ Other cases have involved allegations of unaccredited copying of the plaintiff's architectural design.⁴ Still other cases have involved allegations of copying and/or inaccurate attribution of works of authorship, including books,⁵ exam questions,⁶ website content,⁷ and research projects.⁸

These sorts of claims increasingly arise in the digital context. Parties have pursued trade mark claims, for example, against bars and restaurants that copied and permitted the performance of the plaintiff's karaoke tracks, in which the plaintiff's trade marks were embedded;⁹ against a web site that used plaintiff's trade-marked logo in a digital model of a car;¹⁰ and against a video game producer that gave a fictional strip club a name similar to the name of the plaintiff's real-life establishment.¹¹

In some of these cases the plaintiffs asserted trade mark or false designation of origin claims in addition to their copyright claims. In other cases, the conduct of which the plaintiff complained seemed suited to a copyright claim, but for one reason or another those copyright claims were not available (either because the copyright had expired, or the plaintiff did not own the copyright). Thus, the trademark-related claims stood alone. In still other cases, the allegedly copied material was not subject to copyright protection but might have been protected by a design patent. These cases thus raise fundamental questions regarding the boundaries between trade mark law and other modes of intellectual property protection.

³ *Kehoe Component Sales Inc v Best Lighting Prods Inc*, 796 F3d 576 (6th Cir 2015).

⁴ *M Arthur Gensler Jr & Assocs v Strabala*, 764 F3d 735 (7th Cir 2014); *Dorchen/Martin Assocs Inc v Brook of Cheboygan Inc*, 838 F Supp 2d 607 (ED Mich 2012).

⁵ *Zyla v Wadsworth, Div of Thomson Corp*, 360 F3d 243 (1st Cir 2004).

⁶ *Cisco Tech, Inc v Certification Trendz, Ltd*, 177 F Supp 3d 732 (D Conn 2016).

⁷ *Cvent, Inc v Eventbrite, Inc*, 739 F Supp 2d 927 (ED Va 2010); *Craigslist Inc v 3Taps Inc*, 942 F Supp 2d 962 (ND Cal 2013).

⁸ *Romero v Buhimschi*, 396 F App'x 224 (6th Cir 2010).

⁹ *Phx Entm't Partners v Rumsey*, 829 F3d 817 (7th Cir 2016) 823.

¹⁰ Complaint at 1, *BMW of N Am, LLC v TurboSquid, Inc*, No. 2:16-CV-02500 (DNJ 3 May 2016).

¹¹ *ESS Entm't 2000, Inc v Rock Star Videos, Inc*, 547 F3d 1095 (9th Cir 2008).

All the cases implicate the US Supreme Court's decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.* That case dealt with the meaning of the term 'origin of goods' in the Lanham Act,¹² and particularly the question of whether a party could assert a false designation of origin claim based on unaccredited copying of intangible content. Dastar edited Fox's public domain television series¹³ and relied extensively on footage from that series to create its own videos, which Dastar distributed without reference to Fox, crediting Dastar's subsidiary as the producer and distributor of the videos. According to Fox, Dastar was falsely designating the origin of the content by passing it off as though it was Dastar's own.

The Supreme Court rejected Fox's claim, holding that 'origin of goods' for purposes of the Lanham Act referred only to the origin of tangible goods, not the origin of intangible creative content.¹⁴ In that sense, 'origin' refers most naturally to the producer of the tangible product sold in the marketplace,¹⁵ though the Court allowed that the origin could 'include not only the actual producer', but also the party who ("stood behind") production of the physical product'.¹⁶ But, the Court made clear, 'origin of goods' is 'incapable of connoting the person or entity that originated the ideas or communications that "goods" embody or contain.'¹⁷

It is not that the Court was unaware that consumers sometimes care about the source of intellectual contributions; it simply maintained that the origin of creative work is irrelevant to trade mark law. As the Court said, 'according special treatment to communicative products would put the Lanham Act into conflict with the law of copyright, which addresses [use of creative works] specifically.'¹⁸ Indeed, allowing parties to assert false designation of origin claims based on the origin of intellectual content 'would create a species of mutant copyright law, limiting the public's "federal right to 'copy and to use'" expired copyrights'.¹⁹

¹² The Lanham Act is the United States statute that provides protection for, inter alia, registered and unregistered trade marks. See 15 USC ss 1114 (2012) 1125.

¹³ Fox failed to renew the copyright in the television series, causing them to fall into the public domain.

¹⁴ 539 US 23, 31–8 (2003).

¹⁵ *ibid* 31.

¹⁶ *ibid* 31–2.

¹⁷ *ibid* 32.

¹⁸ *ibid*.

¹⁹ *ibid* 34.

Dastar was fairly controversial, and courts have sometimes had trouble accepting its holding, even in the non-digital context.²⁰ Courts have had particular difficulty in cases involving claims of false designation of the origin of services rather than goods,²¹ perhaps because the *Dastar* decision did not address services (an omission for which it has been justly criticized²²).

Adapting *Dastar* to the digital context has proven especially challenging. One reason is that courts have sometimes struggled with the Court's 'repackaging' language in cases that obviously do not involve physical goods. In the process of explaining its focus on physical goods, the Supreme Court in *Dastar* distinguished Fox's claim from one in which 'Dastar had bought some of [Fox's] videotapes and merely repackaged them as its own'.²³ According to the Court, the passing off claim based on unaccredited copying was barred, but the claim based on repackaging 'would undoubtedly [have been] sustained'.²⁴ That distinction between physical repackaging and unaccredited copying to content makes sense in a world in which parties distribute their content in physical form (on videotapes, for example). It is obviously a more difficult distinction when digital distribution is the norm.

In *Cisco Technology, Inc. v. Certification Trendz, Ltd*²⁵, the plaintiff claimed that the defendant falsely designated the origin of its practice tests by including in the practice tests questions it copied from the plaintiff's exams. The court dismissed the claim, however, finding that the defendant had created a new product (of which it was the unambiguous source) when it added original material, including explanations, in the practice tests.²⁶ But notably, the court thought a claim might have been available if the defendant had simply copied the questions and answers from Cisco's exams without adding anything new, since in that case the defendant would

²⁰ The authors of this chapter have elsewhere provided a thorough analysis of US courts' application of *Dastar*, and we direct interested readers to those works. Mark P McKenna and Lucas S Osborn, 'Trademark and Digital Goods' (2017) 92 Notre Dame L Rev 1425; Mark P McKenna, '*Dastar*'s Next Stand' (2012) 19 J Intell Prop L 357.

²¹ See *Gensler* (n 4) (refusing to apply *Dastar* where an architectural firm claimed its former employee committed reverse passing by claiming to have designed five buildings, even though the case was unquestionably about intellectual origin).

²² See, for example, Mary LaFrance, 'When You Wish Upon *Dastar*: Creative Provenance and the Lanham Act' (2005) 23 Cardozo Arts & Ent LJ 197, 244–6.

²³ *Dastar* (n 2) 31.

²⁴ *ibid.*

²⁵ 177 F Supp 3d 732 (D Conn 2016).

²⁶ *ibid.*

merely have been ‘repackaging’ the content.²⁷ That explanation misses the point of the Supreme Court’s distinction, since even by simply reproducing Cisco’s questions and answers, the defendant still would not have obtained the plaintiff’s tangible goods and physically repackaged them. The only thing the defendant could have ‘repackaged’ was the intangible content; the defendant’s digital files were necessarily separate, independent copies of the content of plaintiff’s files, just as Dastar’s videos copied the content of Fox’s television series.²⁸

More fundamentally, courts have had to determine when digital files can and should be treated as relevant ‘goods’ under *Dastar*. Given the Court’s directive that ‘origin of goods’ is ‘incapable of connoting the person or entity that originated the ideas or communications that ‘goods’ embody or contain’,²⁹ it is clear that the relevant good cannot be the intangible content of the file – whether a movie or song or a digital image or text – just as Fox’s television series content could not be treated as a relevant good. Yet some courts have had more difficulty with that conclusion in the digital context.³⁰

Take, for example, the series of cases brought by Phoenix Entertainment (previously Slep-Tone Entertainment).³¹ Phoenix produces audio-visual karaoke tracks that display a song’s lyrics in time with (usually famous) pre-recorded music that does not include vocals, and it distributes those karaoke tracks on CDs or as downloadable digital files. Each track displays Phoenix’s Sound Choice mark at the beginning and end of the track. Over the course of several years, Phoenix sued a large number of bars and restaurants for allegedly making illegal copies of its karaoke tracks (either from another’s CDs or from internet downloads).

Reproducing another’s audio-visual works would obviously constitute copyright infringement, but Phoenix did not assert copyright claims in these cases (apparently because they did not own copyright in the works). Instead, Phoenix alleged that use of the Sound Choice mark

²⁷ See *ibid* 737.

²⁸ See also *Do It Best Corp v Passport Software, Inc*, 2004 WL 1660814 (ND Ill, 23 July 23 2004) (confusing new digital copies with repackaged physical goods); *Cvent* (n 7) (same).

²⁹ *Dastar* (n 2) 32.

³⁰ See, for example, *Eastland Music Group, LLC v Lionsgate Entertainment, Inc*, 707 F3d 869 (7th Cir 2013) (treating a song as a ‘work of intellectual property’ as the relevant good); *Harbour v Farquhar*, 245 F App’x 582, 582–3 (9th Cir 2007) (treating television programs as the relevant good); *Bob Creeden & Assocs v Infsoft, Inc*, 326 F Supp 2d 876 (ND Ill 2004) 877-88 (treating a software system in the abstract as the relevant good).

³¹ Disclosure: One of the authors of this chapter, Professor McKenna, was the lead author on two amicus briefs arguing against Slep-Tone’s position.

within the unauthorised tracks falsely represented the origin of the tracks and therefore constituted trade mark infringement.³² In the first round of cases, Phoenix (then Slep-Tone) argued that the unauthorised uses would confuse consumers as to the authorship of the tracks, claims that are clearly precluded by *Dastar*. Yet some courts misapplied *Dastar*, perhaps bewitched by the defendants' reproduction of the Sound Choice trade mark within the content. In some of those cases, courts fixated on the fact that the defendants created copies of the karaoke tracks, which courts treated as new 'goods' that somehow distinguished *Dastar*,³³ despite the fact that *Dastar* itself involved copies of the content of Fox's television series.

Over time, Phoenix's legal theory became more sophisticated, and it argued that the digital files made by the bars and restaurants were tangible goods, and that the presence of the Sound Choice mark within the track (that is, on the screen when the tracks are played) would cause confusion about the origin of those files.³⁴ That argument raised the difficult legal question of whether, and when, digital files should be considered tangible goods. But on the facts of the Phoenix cases, it ran into a problem – the bar's patrons were extremely unlikely to be confused about the source of the actual files, which resided on the bar's unquestionably tangible hard drive, because the patrons were almost certainly unaware of how the bar was generating the karaoke sound and video. Consumers neither knew (and presumably would not care) whether the track was played from a CD or from the hard drive, or whether it was streamed from the internet.³⁵ Because Phoenix could not connect any confusion to the digital files as such, courts considering these cases could simply find no likelihood of confusion.

But other cases will surely continue to raise the issue of whether digital files should count, and the analogies to *Dastar* will be difficult. Digital files are in one sense tangible in that they reside on a computer-readable medium. But digital files are not typically sold or transferred in the same manner as videotapes and DVDs. When a user downloads a file from the internet, for example, she is not taking a physical object from one place and moving it to another. Rather, a new copy is created with each download.

³² See, for example, *Slep-Tone Entm't Corp v Sellis Enters, Inc*, 87 F Supp 3d 897 (ND Ill 2015); *Slep-Tone Entm't Corp v Canton Phoenix Inc*, 2014 WL 5817903 (D Or 7 November 2014).

³³ *ibid*, *Slep-Tone v Sellis*, 905.

³⁴ See, for example, *Rumsey* (n 9).

³⁵ *ibid* 829.

At the same time, this difference does not mean that *Dastar* has nothing to say in the digital era. Indeed, just as computer memory containing a file's data is tangible, so were Dastar's videotapes. Yet the Court refused to infer anything about the source of the physical videotapes from the content embodied in those tapes. That is to say that only indications external to the content of the tapes mattered when the court was assessing whether Dastar had falsely designated the origin of those tapes; the intangible content (the video in the abstract and as played on a screen) could not, according to the Court, be used as an indication of the tangible good's origin.

In this sense, *Dastar* makes tangibility a necessary, but not sufficient, condition. With respect to digital files, courts must determine that any alleged confusion relates to the origin of files as such, rather than their content. But importantly, confusion about the origin of the files is only relevant to the extent it is attributable to something external to the content of the file. As one court astutely noted,

That the Sound Choice mark is embedded in the creative content of the karaoke track and is visible to the public whenever the track is played does not falsely suggest that Slep-Tone is endorsing the performance, as the plaintiffs have alleged. The producers of communicative goods often embed their marks not only on the packaging of the good but in its content. . . [A] movie theatre may freely exhibit a copy of Universal Studios' 1925 silent film, *The Phantom of the Opera*, which is now in the public domain, without fear of committing trade mark infringement simply because Universal's registered trade mark will be displayed when the film is played.³⁶

In our view, material confusion about the origin of the digital files themselves is likely to be rare, and as a result, application of *Dastar* should preclude most claims in the digital context. Thus, for example, a three-dimensional (3D) digital model of a BMW car that includes the BMW logo cannot be argued to cause confusion based on the logo appearing on the model car.³⁷ And a 3D

³⁶ *ibid* 829–30.

³⁷ Digital models bearing a variety of trade marks are widely available on the internet. See, for example, <www.turbosquid.com> accessed 17 May 2019.

printable file of a handbag or mobile phone case that includes another's trade mark cannot be argued to cause confusion based on the logo appearing in the digital file. Likewise, a digital file that would run Microsoft Word cannot cause actionable confusion based on Microsoft trade marks appearing inside the file. But material confusion is possible in some contexts, including, perhaps, when a party uses a Microsoft trade mark on a website on which digital files labelled as Microsoft Word are made available for download.³⁸ In those cases, one could imagine that consumers would be confused about the origin of the digital files they are downloading, and that the origin might be quite material to their willingness to download from that site.

These results resonate with trade mark law's core focus on relevant consumer confusion. If a user visits a website and understands from its context that it is not BMW or Microsoft's website, the user is unlikely to believe that the file it is downloading is made by BMW or Microsoft based purely on the presence of trade marks within digital files on those sites. This is especially so where the website indicates that someone else made the file (for example, 'this digital model was uploaded by Username123'). In that case, the downloader knows the source or origin of the file as such is 'Username123'. (The website and or the file creator may be violating copyright law or design patent law, but not trade mark law.) Obviously, the downloader would recognise BMW or Microsoft as the intellectual origin of the content, but the downloader will not blame BMW if the digital model is imperfect. On the other hand, if the website claims to be offering 'authentic, authorised Microsoft Word programs,' such external indicia would result in trade mark harm: confusion as to the origin of the file.

3. The European Experience

Interestingly, given the increasing frequency of cases in the US involving digital goods, few such cases seem to have arisen in Europe, even though some of the policy concerns of *Dastar* have occasionally surfaced.

Take, for example, the recent decision of the Court of Justice of the European Free Trade Association States (EFTA court) regarding the city of Oslo's applications to register as trade marks

³⁸ For a more in-depth discussion, see McKenna & Osborn (n 20) 1451–6.

several works of the Norwegian artist Gustav Vigeland.³⁹ By its own account, Oslo sought to register the works as trade marks because the copyright protections for the works (which Oslo owned) were expiring. The Norwegian trade mark office rejected the applications on distinctiveness grounds, and the Board of Appeal referred an additional ground for rejection to the EFTA court, specifically asking whether registration of trade marks that consist of works for which the copyright has expired should be refused under the provision of the EU Trade Mark Directive that prohibits registration of marks that are ‘contrary to public policy or accepted principles of morality’.⁴⁰ While the EFTA court recognised the potential conflict entailed in registration of such works, it nevertheless held that ‘the fact that an artwork has previously enjoyed copyright protection may not in itself form the basis for refusing trade mark registration [on the ground that registration is against public policy].’⁴¹ Instead, ‘registration of a sign may only be refused on basis of the public policy exception provided for in Article 3(1)(f) of the Trade Mark Directive if the sign consists exclusively of a work pertaining to the public domain and the registration of this sign constitutes a genuine and sufficiently serious threat to a fundamental interest of society.’ When making this determination, the EFTA court emphasised that applications for registration must be assessed in light of the goods or services for which protection is claimed.⁴²

Notably, following the EFTA court’s elucidation of the proper approach, the Norwegian Trade Mark Board of Appeal held that registration of the Vigeland works did in fact ‘constitute[] a genuine and sufficiently serious threat to a fundamental interest of society’ such that registration should be refused under Article 3(1)(f).⁴³ Perhaps not surprisingly, given the EFTA court’s refusal to adopt a categorical rule and its emphasis on assessing applications in light of the goods or services for which protection is claimed, the Norwegian Board of Appeal believed that the determining factor was the Oslo Municipality’s ‘systematic attempts to register

³⁹ Case E-5/16 *Municipality of Oslo*, EFTA, 6 April 2007.

⁴⁰ *ibid*; see Council Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks [2008] OJ L299/25, art 3(1)(f).

⁴¹ *Municipality of Oslo* (n 39) 20.

⁴² *ibid* 22, para 100.

⁴³ 2017 KFIR 16/00148, 16/00149, 16/00150, 16/00151, 16/00153, 16/00154.

practically all works found in the Vigeland Park and Museum as trade marks'.⁴⁴ The obvious implication is that, had the Municipality sought only to register one or a small number of the Vigeland works to use as marks for particular goods or services, the result may well have been different.⁴⁵

The EFTA court's decision suggests that concerns about extending control over copyright-expired works are to some extent on the radar of European courts. Indeed, the EFTA court's emphasis on the particular goods and services for which a party seeks registration reflected the court's concern about attempts to use trade mark law to protect works as such rather than as indications of the origin of those goods or services. But the decision obviously stops short of *Dastar* in refusing to adopt a categorical rule. The context of the decision also differentiates it from *Dastar*, as the next section explains.

3.1 The Significance of Registration Systems

The EFTA court made its decision in the context of the Municipality of Oslo's attempt to register various Vigeland works as trade marks. In that way, the case is quite different from *Dastar*, which was concerned with the enforcement side of the equation. Obviously, *Dastar* has implications for protectability; in particular the decision would seem to render invalid claims of rights based on use that merely indicates the origin of creative content. But since Fox's claim in *Dastar* was based on a lack of attribution and the Court resolved it by interpreting the language of section 43(a) of the Lanham Act, nothing in the decision speaks directly to the question of whether, and under what circumstances, a party may claim valid trade mark rights in a previously copyright protected work. *Dastar* might even implicitly accept that one can assert legitimate claims of ownership to marks based on copyright protected works, so long as those marks are used in connection with tangible goods and claims are based on allegations of confusion regarding the origin of those tangible goods.

⁴⁴ *Municipality of Oslo* (n 39) 24.

⁴⁵ A similar question arose when someone claimed rights in the Mona Lisa as a trade mark for their goods. Case 24 W (pat) 188/96, GRUR 1998, 1021.

Moreover, because the EFTA court's decision focused on registrability and the grounds for refusing registration are specifically iterated in the Trade Mark Directive, the court had limited tools at its disposal; hence the court's discussion of the conflict with copyright in the context of a provision prohibiting registration of marks 'contrary to public policy or accepted principles of morality'⁴⁶ – a provision that is not especially well suited to the policy concerns at issue.

There is a more general point here. As a matter of trade mark law proper, it seems clear that one significant reason we do not see *Dastar*-style claims to control creative content in Europe has to do with the greater significance of registration in European trade mark systems. Specifically, the goods and services in the registration shape the scope of a party's rights much more powerfully in Europe than in the US.⁴⁷

To begin with, US law protects unregistered marks on substantially the same basis as registered marks.⁴⁸ In cases involving unregistered marks, there obviously is no registration that could determine the scope of a party's rights. But even in cases involving registered rights, the registrations do very little to determine the scope of a party's rights. While the existence of a registration confers a presumption of trade mark validity, courts evaluating likelihood of confusion rarely pay attention to the form or content of registration, or even to the identified goods or services.⁴⁹ Instead, courts focus on consumer understanding of a mark as used in the marketplace.⁵⁰

The fact that the substantive rights are the same in the US regardless of registration status also has a subtler effect. One significant reason to emphasise the content of the registration in a registration system is that going beyond the registration would blur the line between trade mark law and unfair competition; it is the registration itself that draws the line in the first place. But there is no longer nearly such a clean distinction between trade mark and unfair competition in

⁴⁶ *Municipality of Oslo* (n 39); see Council Directive 2008/95/EC (n 40), art 3(1)(f).

⁴⁷ Indeed, that insight has much to say about the EFTA court's implicit confidence that, by focusing on the particular goods or services for which registration is sought, any resulting registrations would not effectively enable the registrant to control use of the work as such.

⁴⁸ Unregistered marks are enforced under section 43(a) of the Lanham Act 15 USC section 1125(a).

⁴⁹ See Rebecca Tushnet, 'Registering Disagreement: Registration in Modern American Trademark Law' (2017) 130 Harv L Rev 867, 909 (citing cases).

⁵⁰ *ibid.*

US law, so there is less need for courts to be scrupulous about limiting the scope of a party's rights to what is contained in the registration.

The merger of trade mark and unfair competition is evidenced by the fact that, even though *Dastar* involved a reverse passing off claim and not a claim of trade mark infringement, courts have had no trouble applying the decision in cases alleging infringement of unregistered or even registered marks. After all, *Dastar* was based on an interpretation of the text of the same provision in section 43(a) under which parties assert claims for infringement of unregistered marks, and all of the concerns animating the Court's decision seem equally applicable in trade mark infringement cases.

At least some of the cases that in the US have been or will be resolved under *Dastar* would have more difficulty succeeding in a registration system. Take, for example, a case in which the plaintiff has registered its mark for pre-recorded music or for musical performances. If that party were to assert its rights against another party that made copies of the music and argue that consumers are likely to be confused about the source of the digital files in which those copies were fixed, the registrant would be claiming infringement based on use in connection with goods or services outside the scope of its registration. And it would be difficult to register many marks for digital files where the registrant does not transfer the physical medium.

This cannot, of course, be a complete explanation, since some US cases resolved by *Dastar* do involve uses of a trade mark, and even marks registered for goods and services similar to the defendant's use. So even a greater emphasis on the goods and services in the registration would not resolve all of the cases in which US courts have applied *Dastar* to bar the claims.

It is possible that even apart from the way the goods and services listed in a registration limit the scope of enforcement, European courts are simply more sceptical that consumers infer anything about the source of the file from a mark which designates the source of the content. In one German decision, the court rejected Opel's claim against the creator of a remote-control scale-model replica of an Opel Astra, even though the model bore the Opel logo.⁵¹ Opel had registered its logo for both automobiles and toys,⁵² and yet, after noting the long history of a

⁵¹ Case 48/05, *Adam Opel AG v Autec AG*, 2007 ECR I-01017, 2007 ECJ EUR-Lex LEXIS 1972 (GER); Bundesgerichtshof [BGH] [Nuremberg Higher Regional Court] 14 January 2010, Case I ZR 88/08 (GER).

⁵² *ibid.*

sophisticated replica model market in Germany,⁵³ the court maintained that there would be no liability if the lower court finds that ‘the relevant public does not perceive the [allegedly infringing use] as an indication that those products come from Adam Opel or an undertaking economically linked to it’.⁵⁴

Still, even if EU trade mark law is less amenable to *Dastar*-type claims because of the significance of registration or because courts are more sceptical of broader confusion claims, most European jurisdictions recognise unfair competition claims. Indeed, notwithstanding its doubts about Opel’s trade mark claims, the German court left the lower court to determine whether the use on model cars ‘constitutes use without due cause which takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the registered mark’ under Article 5(2) of the Trade Mark Directive.⁵⁵ In the UK, the torts of passing off and reverse passing off persist and can be used not only in a manner that overlaps with copyright and rights of attribution and integrity, but in ways that might effectively extend those rights.⁵⁶

3.2 Passing Off, Reverse Passing Off, and Unfair Competition

Parties can assert passing off claims in the UK when they can establish the ‘classic trinity’ of elements: (1) the goods or services have acquired goodwill or reputation in the marketplace that distinguishes such goods or services from competitors; (2) the defendant misrepresents his goods or services, either intentionally or unintentionally, so that the public may have the impression that the offered goods or services are those of the claimant; and (3) the claimant may suffer damages because of the misrepresentation.⁵⁷

That parties can use passing off to prevent something like misattribution is established by a nineteenth-century case in which the defendant used a title for its instructional piano book that was very similar to that of the plaintiff’s previously produced instructional piano book.⁵⁸ More

⁵³ *ibid.* See also Birgit Clark, ‘Bundesgerichtshof Decides in the Opel/Autec Toy Car Case’ (2010) 5 J Intell Prop L & Prac 212, 213.

⁵⁴ *Adam Opel* (n 51) [23].

⁵⁵ *ibid* [36].

⁵⁶ Jonathan Griffiths, ‘Misattribution and Misrepresentation—the Claim for Reverse Passing Off as “Paternity” Right’ (2006) 41 IPQ 34.

⁵⁷ For example, *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 All ER 873.

⁵⁸ *Metzler v Wood*, (1877) Ch D 606 (CA).

recently, Alan Clark, a former member of Parliament, succeeded in a passing off action against a newspaper that created a parody version of his published diaries.⁵⁹ According to the court, the parody harmed Clark's goodwill as an author and was capable of confusing a substantial number of readers into believing that the plaintiff authored the parody version. The newspaper's identification of a newspaper employee as the author of the parody (who was imagining how plaintiff's diary might look for recent events) was apparently too subtle for the court.

In addition to traditional passing off claims, UK law recognises reverse passing off claims that overlap with the right of attribution.⁶⁰ In *Bristol Conservatories v. Conservatories Custom Built*,⁶¹ for example, the defendants, manufacturers of conservatories (greenhouses or sunrooms), allegedly showed prospective customers photographs of plaintiffs' ornamental conservatories and represented that the conservatories in the photos were made by defendants. The court, while avoiding any commitment to the label of reverse passing off, held that 'the goodwill was asserted and demonstrated as the photographs were shown and was at the same moment misappropriated by Custom Built'.⁶²

The particular claim in *Bristol Conservatories* does not seem to be ruled out by *Dastar*, since the allegations focused on misrepresentation of the origin of the tangible conservatories shown in the photos. But neither is there anything in the decision that makes a distinction between the tangible and intangible, leaving open the possibility that reverse passing off claims are more broadly available.

According to Jonathan Griffiths, as of 2006 'the only reported example of a case in which the action for reverse passing off ha[d] been employed successfully against the misattribution of creative works' was a decision of the Singapore Court of Appeal in *John Robert Powers School Inc. v. Tessensohn*.⁶³ In that case, the plaintiff, an internationally-known school offering 'courses on social development and self-improvement', sued for reverse passing off when its former franchisee set up her own competing school using course materials the plaintiff had authored without any acknowledgement of their source. The plaintiff apparently did not assert that use of

⁵⁹ *Clark v Associated Newspapers*, [1998] 1 All ER 959.

⁶⁰ Griffiths (n 56) 43–4.

⁶¹ [1989] RPC 455.

⁶² *ibid* 465.

⁶³ [1995] FSR 947.

the course materials constituted copyright infringement, perhaps because the defendant did not copy the materials but simply retained the copies after her franchise relationship with the plaintiff ended. In finding for the plaintiff, the appellate court focused on the fact that the defendant left the notes on shelves that students could access, even though there was no evidence that students actually did access them. The court stated that, 'by making the [plaintiff's] notes available in that manner, she was in fact holding out to her students and customers that the notes were the product of her own efforts. That clearly was a misrepresentation.'⁶⁴

On one hand, *Tessensohn* differs from *Dastar* in that *Tessensohn* did not involve copying at all – the claim alleged misrepresentation of the origin of the original materials printed by the plaintiff.⁶⁵ At the same time, it seems hard to believe that the plaintiff's concern in *Tessensohn* had to do with who printed the paper. Nor does there seem to have been any sort of packaging of the tangible papers, so the case was not one of 'repackaging'. But of course, not being bound by *Dastar*, the court had no need to focus on the distinction between designations of the origin of tangible goods and designations of the origin of the intangible content, so it is difficult to know how broadly its reasoning applies.

Griffiths explores possible extensions of the case, both where statutory rights of attribution existed at the time of his writing, and where they did not.⁶⁶ Although he recognises that the required elements of misrepresentation and materiality will preclude many cases, he also wonders why 'this potential [to use passing off claims] has not been more widely appreciated'.⁶⁷

Although passing off and reverse passing off can be considered types of unfair competition, unfair competition is broader in scope.⁶⁸ Passing off involves some type of deception,⁶⁹ whereas unfair competition focuses on unfairness even in the absence of

⁶⁴ *ibid* 956.

⁶⁵ *ibid* 952 (stating that the appellant 'had kept some printed sheets of JRP notes after termination of the franchise').

⁶⁶ Griffiths (n 56) 46-8.

⁶⁷ Griffiths (n 56) 49.

⁶⁸ See generally, Mary LaFrance, 'Passing Off and Unfair Competition: Conflict and Convergence in Competition Law' (2011) 2011 Mich St L Rev 1413.

⁶⁹ For example, *Hodgkinson & Corby Ltd v Wards Mobility Services Ltd*, [1994] 1 WLR 1564 ('Never has the tort shown even a slight tendency to stray beyond cases of deception.').

deception.⁷⁰ Though English law has no cause of action for unfair competition as such,⁷¹ countries in continental Europe have strong jurisprudential traditions in the area.⁷²

Because unfair competition law has been used at times to prevent even truthful, non-deceptive comparative advertising⁷³ and protections for titles of films and videogames,⁷⁴ one might conclude that courts applying the doctrine would apply it in the karaoke cases or in those involving 3D digital models of branded items. Although there is clearly room in the wide, if unwieldy, umbrella of unfair competition to stop such uses, we have been unable to locate cases where digital uses of trade marks like these have been condemned.⁷⁵

3.3 Moral Rights

To the extent the *Dastar* cases genuinely are concerned with attribution (rather than simply reflecting efforts to control content in the absence of copyright), one obvious explanation for the lack of similar cases in Europe is that parties can often directly protect their rights of attribution

⁷⁰ See, for example, Case C-487/07 *L'Oréal SA v Bellure NV*, [2009] ECR I-5185 (holding that comparative advertising, even where not jeopardizing the essential function of the trade mark, can be prohibited under the Trade Mark Directive 89/104/EEC). Judicial and academic writers have criticised the decision. *L'Oréal SA v Bellure NV*, [2010] EWCA Civ 535, [2010] RPC 23; Dev Gangjee and Robert Burrell, 'Because You're Worth It: L'Oréal and the Prohibition on Free Riding' (2010) 73 MLR 282.

⁷¹ Lord Justice Aldous caused a stir when he stated in dicta in *Arsenal v Reed* that passing off is 'perhaps best referred to as unfair competition'. *Arsenal Football Club plc v Matthew Reed* [2003] EWCA Civ 696, para 70. See also Richard Arnold, 'English unfair competition law' (2013) 44 IIC 63.

⁷² See, for example, B Steckler, 'Unfair Trade Practices Under German Law: "Slavish Imitation" of Commercial and industrial Activities' (1996) EIPR 390.

⁷³ See, for example, Irene Calboli, 'Recent Developments in the Law of Comparative Advertising in Italy-Towards an Effective Enforcement of the Principles of Directive 97/55/EC Under the New Regime' (2002) 33 Int'l R Indus Prop & Copyright L 415, 421-3.

⁷⁴ *LaFrance* (n 68) 1428.

⁷⁵ The digital use of trade marks has garnered particular attention in the area of keyword advertising. Two of the ECJ's leading opinions in this area are C-236/08 *Google France, Google Inc v Louis Vuitton Malletier* [2010] ECR I-2467 and C-323/09 *Interflora, Inc v Marks & Spencer Plc* [2011] ECR I-8625, the latter of which involves an unfair competition claim. The *Interflora* court was more conservative in its application of unfair competition than some lower courts had been. It limited unfair competition to use of keywords without due cause, with due cause existing when the advertiser offered an alternative product or service and not existing when the competitor offered a mere imitation. The distinction between an imitation and an alternative is not a clear one, and in any event the keyword cases are distinguishable as keyword uses are not visible to consumers.

through moral rights protection, which is generally available in Europe.⁷⁶ In the UK, for example, the Copyright, Designs and Patents Act of 1988 governs moral rights, which include:

- the author's right to be identified as the creator of a work,
- the author's right to object to the work being used in a way the author opposes,
- the right of a person not to be attributed as author of something she has not created, and
- the right to privacy in certain commissioned photographs.⁷⁷

Claims like those in *Dastar* would fit comfortably within the right of attribution in the UK, at least when brought by the principal director (in other jurisdictions that might also include screenwriters and composers). And the right is perpetual in some countries (France), though it is only applicable to natural persons (not legal persons).

Neither Fox nor the director had the option of such an attribution claim in the US. The only explicit protection for moral rights in the US is found in the Visual Artists Rights Act of 1990 (VARA),⁷⁸ which applies only to a narrow range of visual art – specifically paintings, drawings, prints, sculptures, and still photographs existing in 200 or fewer copies.⁷⁹ Indeed, before *Dastar*, courts sometimes allowed parties to maintain reverse passing off claims precisely because no general attribution right existed.⁸⁰

Obviously not all of the cases that implicate *Dastar* are really attribution cases; some are just attempts to use trade mark law to control creative content. But at least a subset of the cases are about attribution, and it seems likely that those cases are not brought as trade mark cases in Europe at least in part because they do not need to be.

3.4 Design Rights

⁷⁶ The Berne Convention requires that certain 'moral rights', including a right of attribution, be recognised '[i]ndependently of the author's economic rights, and even after the transfer of the said rights'. Berne Convention for the Protection of Literary and Artistic Works 1886 (Revised 1971) (hereafter 'Berne Convention') art 6bis.

⁷⁷ Copyright, Designs and Patents Act 1988 (CPDA 1988) ss 77–85. For simplicity we refer generally to 'authors', though the legislation separately refers to directors of films.

⁷⁸ 17 USC sec 106(A).

⁷⁹ 17 USC sec 101.

⁸⁰ See, for example, *Gilliam v Am Broad Cos*, 538 F2d 14 (2d Cir 1976) 23-5 (holding that attribution of a significantly modified work to the creator of the original work is actionable as passing off).

Broader availability of design protection in Europe might explain the lack of trademark-related cases in a different subset of disputes. Indeed, according to one European lawyer, design rights are preferable for precisely the reasons we discussed above – specifically, because trade marks are ‘difficult to be obtained, and the scope is limited to the class and goods you have registered’.⁸¹ Although design is protected in a variety of ways in the US, including under an increasingly popular design patent system, the EU (and the UK, which may soon need to be separated for analysis) has a stronger tradition of design rights, and by most accounts, it is easier to obtain design protection in the EU and the protections more robust. Design rights protect designs that are new and have individual character, a relatively low threshold for protection that does not require personal expression or creativity.

Under the EU design protection regimes, designs are registered without examination, making them an attractive option for protection.⁸² Registered EU design rights enjoy a term of 25 years (subject to renewal payments every five years) from the time of filing.⁸³ And, importantly, there is no need to prove copying to prove infringement of a registered design.⁸⁴

Design rights would, of course, be irrelevant in cases involving karaoke tracks or unattributed copying of television series, but they may play an important role with digital models and 3D printable files.⁸⁵ At this moment, the role of design rights in this context is somewhat uncertain, since the extent to which design rights protect digital representations of physical objects is not yet clear.⁸⁶ The problem involves the meaning of ‘product’ in the various articles of

⁸¹ Rainer Filitz, Joachim Henkel and Jörg Ohnemus, ‘Digital Design Protection in Europe: Law, Trends, and Emerging Issues’ (2017) Centre for European Economic Research Discussion Paper <<http://ftp.zew.de/pub/zew-docs/dp/dp17007.pdf>> accessed 17 May 2019.

⁸² Design rights in Europe exist both at the national level and the EU level. For simplicity, unless otherwise noted, we refer here primarily to the EU level. National laws for registered designs are supposed to be harmonised to the extent of Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (hereinafter DD). At the EU level, design rights, registered and unregistered, are governed by Council Regulation (EC) no. 6/2002 of 12 December 2001 on Community Designs (hereinafter CDR).

⁸³ Unregistered design rights accrue automatically without any filing by the owner, but those rights only last three years from the date of disclosure to the public. Because unregistered design rights terminate so quickly, their availability is unlikely to be a major factor in the lack of trademark-based claims.

⁸⁴ CDR, art 19(a). Unregistered designs are protected only against copying. CDR, art 19(2).

⁸⁵ For a more in-depth analysis of 3D printable files and EU design rights, see generally Dinusha Mendis, ‘Fit for Purpose? 3D Printing and the Implications for Design Law: Opportunities and Challenges’, in Tanya Aplin (ed), *Research Handbook on Intellectual Property and Digital Technologies* (Edward Elgar forthcoming 2019).

⁸⁶ Thomas Margoni, ‘Not For Designers’ (2013) 3 JIPITEC 225.

the Regulation. The Regulation defines design broadly to include the ‘the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.’⁸⁷ A ‘product’ is ‘any industrial or handicraft item’ – a definition which seems to focus on tangible products. But the definition continues, potentially paradoxically, to include ‘graphic symbols’. That term could be interpreted to include ephemeral images on a computer screen, though the definition does not include ‘computer programs’.⁸⁸ Indeed, registrations for computer icons and GUIs have grown quickly in recent years, led by Microsoft, Apple, and Samsung.⁸⁹

Moreover, EU design law has trended in the direction of protecting the design *per se*, that is, allowing enforcement of the design rights regardless of the similarity of products on which the design is used.⁹⁰ Taken to the extreme, a registered design for a physical object could be infringed by a digital version of the object.⁹¹ But Article 19 of the Regulation does not protect designs in the abstract; rather, it protects ‘the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied’.⁹² Keying protection to a ‘product’ seems to connote tangibility and might exclude a digital version that appears on a computer screen temporarily, unless the design is deemed to be applied to the computer or is protected because it will eventually form the appearance of a tangible article.⁹³

Neither the Regulation nor the Directive lends itself to easy answers on this score. Some commentators support an interpretation that would trigger design infringement for designs incorporated into 3D printable files, while acknowledging the lack of certainty in the area.⁹⁴ It should be noted that some countries’ laws explicitly state that manufacturing drawings can

⁸⁷ CDR, art 3(a); see also DD, art 1(a).

⁸⁸ CDR, art 3(b); see also DD, art 1(b).

⁸⁹ Filitz, Henkel, & Ohnemus (n 81).

⁹⁰ See Sarah Burstein, ‘The Patented Design’ (2015) 83 Tenn L Rev 161, 165; Viola Elam, ‘CAD Files and European Design Law’ (2016) 2 JIPITEC 146, 160; Margoni (n 86) 230.

⁹¹ Ibid, Burstein, 165.

⁹² CDR, art 19(a); see also DD, art 12(1).

⁹³ Margoni (n 86) 231–2; Elam (n 90) 160. Mendis argues that under RDA 1949 digital designs displayed on any computer interface should be considered designs if those designs will eventually form the appearance of a product, but she does not consider CAD files as falling into that category. Mendis (n 85) PAGE. Mendis builds on a decision by Jacob J (as he then was) under the old RDA 1949, in which Jacob J noted that a computer icon is protectable as a design insofar as it is inherently built into a machine. See *Apple Computer Incorporated v Design Registry* [2002] ECDR 19 (Chancery Division).

⁹⁴ Margoni (n 86) 232.

trigger design infringement.⁹⁵ But at the EU level, the uncertainty has drawn significant attention. A recent report for the European Commission expressed angst about 3D printing technology's effects on the design regime.⁹⁶ The primary concerns relate to the ability of individuals to manufacture the tangible objects using personal 3D printers and avoid liability because their conduct falls within the safe harbour for 'acts done privately and for non-commercial purposes'.⁹⁷ The report also notes the possibility of registered design owners seeking legal relief against the online intermediaries that host the digital files, though the report implies that a change in the law would be required for such relief to be available.⁹⁸ The report recommends considering extending intermediary liability to design law and creating a direct infringement avenue through a 'making available' right.⁹⁹ Finally, it recommends exploring whether to make the mere creation of a 3D printable file an act of infringement.

Regardless of the outcome of the debate, for our purposes it is enough to point out that design rights may play an important role for protecting some digital works. The more significant the role, the less pressure there will be for others to claim trade mark like protections. At the same time, however, because design rights last at most 25 years, parties will always be tempted to claim the potentially unlimited term of protection that trade marks can bring.

4. Conclusion

We live in a world in which goods are increasingly distributed in non-physical form. That raises difficult problems for trade mark law, which has always been oriented to physical goods. One manifestation of that problem is the increasing number of US cases involving digital goods. Many of those cases implicate the US Supreme Court's decision in *Dastar*, which held that only claims involving confusion regarding the source of tangible goods is actionable under the Lanham Act.

Given similar marketplace trends, the lack of analogous cases in the EU is notable. The relatively greater role of trade mark registration may be a partial explanation – many of these

⁹⁵ See CDPA 1988 s 226 (providing the exclusive right to reproduce the design 'by making a design document recording the design for the purpose of enabling such articles to be made').

⁹⁶ Commission, 'Legal Review on Industrial Design Protection in Europe' COM (2016) 2582936 pt 6.1.

⁹⁷ See Council Directive 98/71 of 13 October 1998 on the legal protection of design [1988] OJ L41/289 art 13.

⁹⁸ Commission (n 87) 131–3.

⁹⁹ *ibid* 132–3.

cases involve assertions of rights against different types of goods or services than those for which the plaintiff could register its mark. But that seems unlikely to be a complete explanation, given the availability of passing off and unfair competition claims. Perhaps a better explanation is that at least some of the *Dastar*-type claims are better seen as attribution claims, which can be addressed directly via moral rights. Others, particularly involving digital models, might be easier to bring under various design protection systems.