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FAIR USE ON THE NET

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PUBLISHED IN *IP WORLDWIDE*
APRIL 2000



The Internet continues to test familiar concepts of intellectual property law and, in many cases, to prove that those concepts are supple and adaptable to changes in technology. Courts have grappled with the application of familiar copyright and trademark concepts in cases involving new Internet technologies such as linking and metatagging. Two recent cases dealing with the doctrine of fair use illustrate the flexibility of copyright law.

In *Kelly v. Arriba Soft Corp.*, 77 F. Supp. 2d 1116 (C.D. Ca. 1999), defendant Arriba operated a new form of Internet search engine—the Arriba Vista Image Searcher, a “visual search engine” that gathers images from other Internet sites. Users of Arriba's Web site are able to enter a query and receive a list of images, rather than text or Web site addresses. The images are displayed as “thumbnails,” and clicking on them reveals a description of the full image and the address of the Web site it came from. Arriba does not obtain permission from the owners of the copyrights in the underlying images, apparently because most owners are grateful for the exposure.

The plaintiff, Leslie A. Kelly, a California photographer, was not. He sued for copyright infringement after about 35 of his images were indexed by Arriba's crawler and found their way into the image database. Infringement of Kelly's copyrights was clear, but the district court found that Arriba's use was fair under Section 107 of the Copyright Act. A key to the holding was the court's view that the visual search engine—“designed to catalog and improve access to images on the Internet”—was “transformative.” In addition, the court was influenced by the fact that the thumbnails themselves could not substitute for Kelly's images. Enlarging a thumbnail does not create a useable photo.

The U.S. Court of Appeals for the Ninth Circuit dealt with similar issues in *Sony Computer Entertainment, Inc. v. Connectix Corp.*, No. 99-15852, 2000 WL 144399 (9th Cir. Feb. 10, 2000), where it decided that reverse engineering of copyrighted software amounted to fair use. Defendant Connectix produced software that permitted games designed for Sony's Playstation to play on some personal computers. In order to design its software, however, Connectix had to repeatedly duplicate copyrighted Playstation software. While each of these “intermediate” copies infringed Sony's copyright, the end result of the process did not. As in *Kelly*, in finding fair use, the court of appeals held that the activity was transformative, because it allowed new uses of the games.

Cases like these show that—at least where there is no showing of inequity or unfairness—many federal courts are willing to shape principles of intellectual property law to allow the public to get maximum benefit from new technology.

Copyright

Oy Marie

Prima v. Darden Restaurants, Inc., 78 F. Supp. 2d 337 (D.N.J. 2000).

The court confronted the question whether the Copyright Act preempted a state misappropriation claim. Louis Prima was a well-known singer and composer of swing

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music. His widow brought suit after seeing one of the defendant's television commercials in which an original arrangement of Prima's "Oh Marie" plays in the background. For purposes of a motion to dismiss, defendant conceded that the person who was hired to sing the "Oh Marie" arrangement sounded like Louis Prima. The court held that plaintiff's allegations were sufficient to state a claim under New Jersey law, and then turned to preemption. It found that there was no preemption, because imitation of a sound in a work is not subject to copyright protection and the tort of unfair competition requires an extra element beyond copying, such as creating the impression that it is actually the voice of the person being imitated.

Persona Not Preempted

Brown v. Ames

No. 98-20736, 2000 WL 48992 (5th Cir. Feb. 7, 2000).

The U.S. Court of Appeals for the Fifth Circuit also addressed a preemption claim. Defendants had placed images of the plaintiffs in catalogues and posters used to sell CD collections. In affirming a verdict for plaintiff, the court rejected defendants' preemption claim. First, the court held that misappropriation protects a "person's persona" which is not "a writing of an author within the meaning of the copyright clause." As the subject matter of the misappropriation claim did not fall into the subject matter of copyright, it was not directly preempted.

Turning to the issue of whether the misappropriation claim was indirectly preempted under the supremacy clause, the court held that the tort promotes—rather than conflicts—with the purposes of the Copyright Act. Moreover, Congress, in enacting the Copyright Act, was aware of state law tort claims like misappropriation "and indicated its intention that such state law causes of action remain."

No Spike Lee 'Joint'

Aalmuhammed v. Lee

No. 99-55224, 2000 WL 126612 (9th Cir. Feb. 4, 2000).

The U.S. Court of Appeals for the Ninth Circuit addressed the question of who was an "author" for purposes of the joint author provision of the Copyright Act. Aalmuhammed worked on Spike Lee's film, *Malcolm X*. He produced evidence of his substantial role in the making of that film, for which he was paid \$25,000 and credited as a technical assistant on the project. Aalmuhammed claimed copyright in the film as a joint author. The Ninth Circuit found that Aalmuhammed might be able to show that he had made independently copyrightable contributions to the work—script revisions that ended up in the film—and that the film as a whole was intended by its authors to be a unitary work.

The court held, however, that Aalmuhammed also had to show that he was an "author." Consulting authorities as wide-ranging as Chaucer, Eisenstein, and Grenier, the Ninth Circuit concluded that an author is one who is a "superintendent" of the work, "the inventive or creative master-mind," one who, ultimately, exercises control. Analyzing these

factors, the court found that Aalmuhammed could not show any control: ultimately, Lee was free to incorporate Aalmuhammed's contributions or ignore them.

Trademarks

Cybersquatters Are Punished

In the realm of trademarks, cybersquatting—the act of registering a domain name that is, or is similar to, a senior mark in order to sell the registration to the mark holder at a premium—remains a concern. Recent enactments—the Anticybersquatting Consumer Protection Act and the World Intellectual Property Organization's arbitration rules—are intended to prohibit and, in some cases, punish, cybersquatting.

Christmas Trees Can't Be “Sporty”

Sporty's Farm, L.L.C. v. Sportsman's Market, Inc.

Nos. 98-7452, 98-7538, 2000 WL 124389 (2d Cir. Feb. 2, 2000)

In an apparent case of first impression, the U.S. Court of Appeals for the Second Circuit applied the Anticybersquatting Act. Defendant, a well-known merchandiser of pilot and aviation supplies, has used the “Sporty's” mark on its catalogues and products for decades. In early 1995 plaintiff registered the *sportys.com* domain name for use with a new aviation catalogue company. Nine months after its registration, plaintiff sold the domain registration to one of its subsidiaries which then used it to sell Christmas trees. Plaintiff sued for declaratory judgment and defendant counterclaimed under the Federal Trademark Dilution Act.

After the case was appealed, the Anticybersquatting Act took effect and the appeals court accordingly reviewed the case under that act. The Court of Appeals first found that, under the Anticybersquatting Act, the Sporty's mark is famous. It is also, the court held, confusingly similar with the domain name “sportys.” The court also found that plaintiff initially planned to use the domain name to enter into direct competition with defendant and only later transferred the domain name to a noncompeting subsidiary. This, the court held, was plainly bad faith. The injunctive relief awarded by the district court under the federal dilution law was, the court found, appropriate under the Anticybersquatting Act as well. No damages were available under the Anticybersquatting Act as the domain name was registered and used before passage of that law.

No Wrestling Away This Name

World Wrestling Federation Entertainment, Inc. v. Bosman

Case No. D99-0001 (WIPO Jan. 14, 2000)

The ACPA is not the only recourse for victims of cybersquatting. In another case of first impression, indeed, the first case to be decided by a brand-new forum, the WIPO Arbitration and Mediation Center confronted a straightforward cybersquatting claim. In

World Wrestling, the respondent registered the domain name *worldwrestlingfederation.com* on October 7, 1999. Three days later, he contacted the complainant—the World Wrestling Federation—and offered to sell the domain name registration. The respondent never developed a Web site or made any other good faith use of the domain name.

The panel found that the domain name at issue was confusingly similar to the complainant's service and trademarks, that the respondent had no legitimate interests in the name, and that respondent's almost immediate offer to sell the domain name sufficiently demonstrated a bad faith intent and bad faith “use.” On the strength of these findings, the panel ordered that the domain name registration be transferred to complainant.

Disney's “Go Network” Logo: Gone

Goto.com v. Walt Disney Co.

No. 99-56691, 2000 WL 126918 (9th Cir. Feb. 2, 2000).

The U.S. Court of Appeals for the Ninth Circuit addressed the likelihood of confusion between marks used on the Internet. *Goto.com* operates a search engine and related sites on the Web. It has registered its logo as a trademark. Some time after *Goto.com* began using it, Disney started operating a network of Web sites all containing a common “Go Network” logo using a graphical scheme similar to *Goto.com*'s. The court of appeals affirmed a preliminary injunction preventing Disney from using its logos.

The Ninth Circuit has an eight-factor test for determining likelihood of confusion, but in the context of the Internet, the court held that the most important factors were similarity of the marks, relatedness of the goods and services, and “simultaneous use of the Web as a marketing channel.” First, the court found the logos “glaringly” and “overwhelmingly” similar. As to the second factor, the court held that with respect to the Internet, “even services that are not identical are capable of confusing the public” because of the prevalence of common sponsorship of disparate sites, such as by Yahoo. Finally, the court “reiterated” that “the Web, as a marketing channel, is particularly susceptible to a likelihood of confusion” as competing marks may be encountered at the same time on the same screen.

Three Stooges Rights Holder Clipped

Comedy III Productions, Inc. v. New Line

200 F.3d 593 (2d Cir. 1999).

This case involved a 30-second Three Stooges clip shown on a television that was playing in the background during a scene in the movie *A Long Kiss Goodbye*. Plaintiff alleged that showing the Three Stooges clip was a violation of its trademark rights. The U.S. Court of Appeals for the Second Circuit held that plaintiff could not claim trademark rights in a film clip. Plaintiff argued that it had a right to the “name, the characters, the likeness, and the overall ‘act’ of the Three Stooges.” It disavowed—as it had to—copyright protection in the clip since any copyright had expired. The appeals court found, however, that the Lanham Act cannot be used to sidestep the limits on copyright protection. Plaintiffs'

argument that the clip was protected under the Lanham Act “because it contains elements that in other contexts might serve as trademarks” therefore failed.

Patents

That's Just Tough Luck

Bausch & Lomb, Inc. v. Alcon Laboratories, Inc.

79 F. Supp. 2d 252 (W.D.N.Y., Jan. 5, 2000).

This decision exemplifies the strict limits courts have placed on the testimony of patent law experts. The district court ruled inadmissible much of the testimony defendant sought to elicit from its expert, including testimony as to the requirements for validity of a patent and the effective filing date of the patent at issue. The court specifically found that testimony about general problems in the Patent Office, including the “difficulties” examiners face in locating prior art, and the “time constraints” under which they operate would not be admitted.

Doctrine of Equivalents: Less Murky?

Kraft Foods, Inc. v. International Trading Co.

No. 99-1240, 2000 WL 156556 (Fed. Cir., Feb. 14, 2000).

The decision concerned the murky doctrine of equivalents, under which an accused device that does not literally infringe may be found to contain an “equivalent” to a claim. Relying on *Chiuminatta Concrete Concepts, Inc. v. Cardinal Industries, Inc.*, 145 F.3d 1303 (Fed. Cir. 1998), the district court had held that the doctrine of equivalents would not be applied to an accused device that embodied technology that was in existence at the time of an application—potentially a significant limit on use of the doctrine. Reversing, the court of appeals found that *Chiuminatta* applied only to means-plus-function claims under § 112, ¶ 6—a provision that permits an element of a claim for a combination to be expressed as a means without reciting the structure, material, or acts necessary to support it. In those cases, the court of appeals said, “litigating the question of infringement under the doctrine of equivalents for preexisting technology after holding that such technology did not literally infringe as an ‘equivalent’ under § 112, ¶ 6 would give the patentee ‘two bites at the apple.’” That problem does not exist, the court found, where there is no means-plus-function claim.

Privilege Prevails

In re Spalding Sports Worldwide, Inc.

No. Misc. 595, 2000 WL 146096 (Fed. Cir., Feb. 11, 2000)

The Federal Circuit took the extraordinary step of granting a writ of mandamus and ruled that an invention record submitted to patent counsel is protected by the attorney-client privilege—a question it called “an important issue of first impression.” The

district court had appeared to suggest that the “conduit” theory, under which patent attorneys are considered mere “conduits” for the transmission of information to the Patent Office, applied. The circuit court rejected this argument and held that invention records are privileged, as long as they are provided to an attorney in order to get legal assistance.

The court of appeals also rejected application of the “crime-fraud” exception to the privilege, where there was no evidence of the patentee's fraudulent intent.