No. 02-428

IN THE
Supreme Court of the United States

DASTAR CORPORATION

Petitioner,

v.

TWENTIETH CENTURY FOX FILM CORPORATION, *et al.*,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

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BRIEF AMICUS CURIAE OF THE ASSOCIATION FOR COMPETITIVE TECHNOLOGY, CAMBRIDGE INFORMATION GROUP, INC., eBAY INC., REED ELSEVIER INC., SOFTWARE & INFORMATION INDUSTRY ASSOCIATION AND THE THOMSON CORPORATION IN SUPPORT OF RESPONDENT

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TABLE OF CONTENTS

TABLE OF CONTENTS — Continued

TABLE OF AUTHORITIES

Page

FEDERAL CASES

TABLE OF AUTHORITIES—Continued

Page

FEDERAL STATUTES

OTHER AUTHORITIES

INTEREST OF AMICI[1]

The Association for Competitive Technology is a 3000 member trade association representing information technology companies and professionals. Its members include software developers, hardware manufacturers, consultancies, and training firms. ACT members both develop and market databases for a wide range of uses.

eBay Inc. with over 62 million registered users, is the world's largest online marketplace and the most popular shopping site on the Internet. Using eBay's online services, buyers can search for and buy goods and services in 18,000 categories. Underlying the eBay service is a database that contains massive amounts of data.

Through its subsidiary, Cambridge Scientific Abstracts, Cambridge Information Group, Inc. publishes databases of abstracts in the physical, materials and engineering, life, environmental, aquatic, computer, aerospace and social sciences, as well as the arts and humanities. It also publishes comprehensive databases about books in print and serials in print through its subsidiary R.R. Bowker LLC.

Reed Elsevier Inc. is a publisher of information products and services for the business, professional and academic communities. Its products include scientific journals, legal, educational, medical and business information, reference books and textbooks, business

[1] No entity or counsel other than those whose names appear on this brief has contributed substantively or monetarily to it. Written consent of the parties to the filing of this brief has been lodged with the clerk of the Court.

magazines, and fact-based databases as LexisNexis, a provider of decision-support information and services to legal, business and government professionals.

The Software & Information Industry Association ("SIIA") is the leading trade association committed to promoting the interests of the software and information industries. SIIA represents over 600 member companies, among them prominent publishers of software and information products, including fact-laden databases for reference, education, business, consumer, the Internet and entertainment uses.

The Thomson Corporation provides integrated information solutions to business and professional customers in the United States and around the world. Thomson provides value-added information, software tools and applications to users in the fields of law, tax, accounting, financial services, higher education, reference information, corporate training and assessment, scientific research and healthcare.

Amici file this brief in support of respondents for two reasons. First, *amici* believe that the court of appeals correctly held that defendant engaged in reverse passing off in violation of the Lanham Act. Second, *amici* are producers of fact-based databases who rely on federal and state laws to protect their valuable products from misappropriation. *Amici* cannot leave unanswered *amici* American Library Association, et al.'s erroneous assertion that neither Congress nor the States can protect factual databases from misappropriation.

SUMMARY OF ARGUMENT

1. The court of appeals correctly held that petitioner engaged in reverse passing off in violation of Section 43(a) of the Lanham Act by copying an original television series based on General Eisenhower's book, *Crusade in Europe*, and by mis-crediting itself as the producer of the series. In so holding, the court below did not ignore the statutory requirement that petitioner's conduct create a likelihood of confusion. The court relied upon the detailed findings of the district court, which included an explicit determination that petitioner deliberately created a mis-impression in the minds of consumers as to the source of the series.

2. The brief submitted by the American Library Association, *et al*. ("ALA") in this case argues that Section 43(a) of the Lanham Act cannot constitutionally apply to misleading marketing of factual materials. That brief argues further that neither Congress nor the States can protect factual materials from *any* unfairly competitive practices. Those arguments are entirely irrelevant to this case, which does not involve factual materials. *Amici*, however, who are the proprietors of valuable factual databases, cannot permit these erroneous contentions to go unanswered.

ALA's contentions are based on this Court's decision in *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991), in which the Court held that purely factual materials are not original works of authorship within the meaning of the Constitution's Copyright Clause and therefore cannot be the subject of federal copyright. While *Feist* thus limits Congress's powers under the Copyright Clause, it does not negate congressional authority to prohibit deceptive or unfair competitive practices in non-copyrightable materials in interstate commerce. Nor does *Feist* preclude the application of state

causes of action, such as those based on breach of contract and trespass to chattels laws, to cases involving factual materials. If State law is not pre-empted by Congress, States retain their ordinary legislative powers.

3. Lanham Act protection against deception or confusion as to the authorship or source of a work after the work's term of copyright protection expires does not create perpetual copyright. The petitioner and others may copy works that have fallen into the public domain, but that right does not include the right to mislead the public as to source or authorship.

ARGUMENT

I. THE COURT OF APPEALS CORRECTLY HELD THAT THE DEFENDANT ENGAGED IN REVERSE PASSING OFF IN VIOLATION OF THE LANHAM ACT.

The court of appeals correctly affirmed the district court's grant of summary judgment on respondents' reverse passing-off claim under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). The court held that respondent had committed a "bodily appropriation" of respondent Fox's *Crusade in Europe* television series by substantially copying it with only "minimal changes," by "label[ling] the resulting product with a different name," and by "market[ing] it without attribution to Fox."[2] Such affirmatively misleading conduct, the court reasoned, satisfies Section 43(a)'s requirement that a defendant's conduct be "likely to cause confusion."[3] The Ninth Circuit's conclusion that petitioner's actions were misleading and likely to cause consumer confusion

[2] Pet. App. at 3a.

[3] 15 U.S.C. § 1125(a)(1).

was clearly supported by the district court's detailed factual findings,[4] and is entirely consistent with other appellate rulings that have held that such misattributions violate the Lanham Act.[5]

II. AMERICAN LIBRARY ASSOCIATION, ET AL.'S ARGUMENT THAT NEITHER CONGRESS NOR THE STATES CAN PROTECT DATABASES FROM UNFAIR COMPETITION IS IRRELEVANT AND INCORRECT.

Although this case does not involve the protection of databases, the American Library Association *et al.* have submitted a brief that focuses entirely on that subject. ALA's argument that neither Congress nor the States may constitutionally protect factual databases from deceptive or unfair competitive practices is irrelevant to this case, and ordinarily would not require a response. *Amici,* however, are database producers whose products have increasingly become subject to misappropriation and who have made use of federal and state law in order to

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[4] *See, e.g.,* Pet. App. at 18a ("Dastar purposefully and intentionally deleted all references to the fact that [its video] was based on [General Eisenhower's book] and all the images of the [b]ook that appeared in the [Fox] series. Dastar also failed to include in [its video] any of the other credits that appeared in the [Fox] series. In fact, *Dastar deleted these images and omitted the [Fox series] credits to give the impression that [its video] was an original work*") (emphasis added); *id*. at 26a (noting that each Plaintiff lost valuable goodwill as a result of defendant's misleading acts); *id*. at 53a (finding that the defendant gave the "false impression that the series contains only the work of those listed in the credits"); *id.* at 54a (noting that the finding that consumers are misled controls the resolution of the claim under the Lanham Act).

[5] *See, e.g., Smith v. Montoro,* 648 F.2d 602, 607 (9th Cir. 1980) (misattribution violates the Lanham Act); *Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775 (2d Cir. 1994) (stating that reverse passing off occurs when one takes another's product, makes minor changes and misrepresents it to the public as his own).

protect their substantial investment in their products and their economic ability to make valuable compilations of factual information available to the public. *Amici* cannot permit ALA's incorrect and destructive assertions that these laws are unconstitutional to go unanswered.

A. This Court's Decision In *Feist v. Rural Telephone Co.* Does Not Prevent Congress From Protecting Factual Compilations From Unfair Competition Practices Under Its Commerce Clause Power.

For much of United States history, copyright protection was available for compilations of facts under the so-called "sweat of the brow" doctrine—a doctrine predicating protection on the compiler's effort and financial investment. In *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991), the Court rejected the sweat-of-the-brow approach as inconsistent with Congress's authority under the Constitution Copyright Clause and made clear that (1) facts are not copyrightable; and (2) a factual compilation can enjoy copyright protection only if sufficient originality is present in the manner in which the facts are arranged, selected or coordinated. *Feist* thus limits Congress's ability to use its copyright power to protect databases.

ALA now asserts, however, that *Feist* is far more than an authoritative interpretation of the scope of the Copyright Clause. It is, ALA says, a "fundamental information policy" which trumps every other Congressional power, and which the decision below will "undermine" if affirmed. ALA Br. at 20. Ranging far beyond the Lanham Act, ALA claims that *Feist* is under "attack" or "assault" through the application of other federal statutes, such as the Computer Fraud and Abuse Act (CFAA, 18 U.S.C. § 1030), and is also under attack from common law doctrines such as

contract enforcement and trespass to chattels. *See, e.g.*, ALA Br. at 5. ALA's brief asserts that, after *Feist*, Congress has *no* power to protect factual databases in commerce from unauthorized misappropriation, no matter how deceptive or unfairly competitive that misappropriation may be, and that the common law must also be curtailed if it seeks to provide such protection.

ALA's assertions are incorrect. This Court's holding in *Feist* does not bar Congress from using its Commerce Clause authority to protect informational databases by prohibiting their unauthorized duplication in ways that cause unfair commercial harm to the compiler or misleading confusion to consumers.

The fact that Congress cannot enact legislation on a particular subject under one of its enumerated powers does not mean, as the ALA brief assumes, that it is forbidden from enacting such legislation under *any* of its powers. Congress's affirmative powers are cumulative, not exclusive of each other. In the *Civil Rights Cases*, for example, this Court struck down Congress's 1875 Civil Rights Act, which prohibited racial discrimination in places of public accommodation, as an impermissible exercise of Congress's power to enforce the Fourteenth Amendment. It so held because that Amendment bans only discrimination by States, not discrimination by owners of private establishments and facilities.[6] Without overturning this decision, the Court subsequently upheld Congress's ability to ban private racial discrimination as an exercise of its Commerce Clause powers when the discriminatory actions substantially affect interstate

[6] *Civil Rights Cases*, 109 U.S. 3 (1883).

commerce.[7]

This basic structural principle—that limitations on the subjects that Congress can address under one of its legislative powers do not limit the subjects it can address under other, different, affirmative powers—was applied to the areas of copyright and trademarks in the Court's 1879 *Trade-Mark Cases*.[8] There, the Court held unconstitutional the first federal trademark law. As was the case in *Feist* more than 100 years later, the Court's ruling in the *Trade-Mark Cases* was based on its holding that trademarks were not sufficiently "original" to qualify as constitutionally copyrightable writings.[9] While holding trademarks non-copyrightable, however, the Court stated that Congress *might* enact a valid trademark law through its commerce power, so long as the legislation was limited to protecting marks used in interstate or foreign commerce.[10] Congress has subsequently enacted a series of such commerce-clause-based trademark laws. No doubt has been cast on its ability to afford commerce-based protection to materials that lack sufficient originality to qualify for copyright-based protection.

The Court's decision in *International News Service v. Associated Press*, 248 U.S. 215 (1918) (*INS*), provides further confirmation that ALA is incorrect in asserting that Congress cannot use its commerce power to protect non-copyrightable factual materials from deceptive or unfairly competitive misappropriation. In *INS*, the Court affirmed a federal court injunction prohibiting INS from appropriating facts taken from

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[7] *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241, 277-79 (1964); *Katzenbach v. McClung*, 379 U.S. 294, 304-05 (1964).

[8] 100 U.S. 82 (1879).

[9] *Id.* at 94.

[10] *Id*. at 97.

Associated Press (AP) news bulletins and selling those facts to INS's clients. Despite expressly assuming, as *Feist* later decided, that the facts of the news are non-copyrightable,[11] the Court nevertheless found that protecting AP against INS's copying was proper as a matter of "unfair competition in business."[12] It is entirely reasonable to assume that the *INS* Court would have sustained the constitutionality of federal legislation (rather than a federal-court injunction) similarly preventing INS from unfairly appropriating AP's non-copyrightable work product.[13]

The ALA nonetheless invokes *Feist*'s observation that "raw facts may be copied at will," 499 U.S. at 372, as a talisman that trumps Congress's ability to legislate under the Commerce Clause against unfair or deceptive commercial practices or against disruptions of network security. If this reading is correct, Congress would not possess the power under the Commerce Clause to protect privacy by regulating the copying and dissemination of personal financial information, 12 U.S.C. §§ 24a *et seq.*, or of individuals' health records, 42 U.S.C. §§ 130d *et seq.* Nor could federal law prohibit unauthorized copying of non-copyrightable trade secrets, 18 U.SC. §§ 1831 *et seq.*[14]

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[11] 248 U.S. at 241.

[12] *See id.* at 240. It should be noted that the technology that gave rise to the *INS* decision was the telegraph; INS transmitted AP's stories from the East Coast in time to be included West Coast morning papers. *See id.* at 230.

[13] *See also United States v. Moghadam*, 175 F.3d 1269 (11th Cir. 1999) (upholding federal "bootleg" record legislation, 18 U.S.C. § 2319A, protecting non-copyrightable live musical performances from unauthorized reproduction).

[14] *See also* S. Rep. No. 104-359, at 14 (1996) ("[I]t is intended that the provisions of the Act should apply regardless of whether the conduct at issue could also fall within the prohibitions of the copyright laws.").

Even a cursory application of ALA's reading of *Feist* reveals its fundamental infirmity. Assume that a user—by using a false password, for example —hacks his way into LexisNexis' web site (which is "publicly accessible", ALA Br. at 11), steals millions of dollars worth of financial or other information, and requires LexisNexis to spend thousands more to repair the breach. That theft would lead to liability under 18 U.S.C. 1030. Under the ALA's approach, Congress has no power to protect against that theft because its power to regulate interstate computer networks does not extend to "facts."[15]

None of the laws that the ALA attacks as undermining *Feist* prohibit or regulate the mere copying or dissemination of factual data. In this case, for example, the lower courts found petitioner liable under the Lanham Act, not for copying and distributing respondent's work, but for doing so in a way that deliberately created a misimpression as to its source. In CFAA cases, liability turns, not merely upon copying information, but upon accessing a computer without authority in order to do so. In neither instance does it "undermine" *Feist* in the least to apply these laws to

[15] The CFAA is motivated by security as well as commercial considerations and is aimed at protecting the integrity of computer networks, a goal which has taken on even greater national importance in light of recent world events. Originally a criminal statute, CFAA now includes a civil component. 18 U.S.C. § 1030(g). Among other things, the statute prohibits anyone from intentionally accessing a computer used in interstate or foreign commerce without authorization (or by exceeding authorized access), thereby obtaining access to information, 18 U.S.C. § 1030 (a)(2)(c). It also provides a cause of action against someone who intentionally accesses a protected computer without authorization, and as a result of such conduct causes damage, 18 U.S.C. § 1030(a)(5)(iii). Additionally, ALA gives no reason why the limitations it erroneously believes the *Feist* decision imposes on Congress would be limited to legislation enacted under the Commerce Clause. Information classified under the national security laws may consist solely of a single "raw fact."

information that, for copyright purposes, is in the public domain.[16]

B. *Feist* Does Not Bar The Application of State-Based Causes Of Action To Protect Against Unauthorized Misappropriation Of Factual Compilations.

ALA also argues that *Feist* invalidates the application of state laws to the unauthorized copying or misappropriation of factual data. Its *amicus* brief particularly targets suits sounding in breach of contract and the cause of action for trespass to chattels.

Feist's holding that non-original factual compilations cannot constitutionally qualify for federal copyright protection does not preclude the States applying their own statutes or from common law to combat commercial misappropriation. *Feist's* conclusion that factual statements are not protectible by *Congress* under its copyright power is not a constraint on *State* action. The limitations placed by Article I of the Constitution on the powers delegated to Congress by that Article are limitations that apply to Congress, not to States. As the Court observed in *Goldstein* v. *California,*[17] the Constitution's Copyright Clause "enumerates

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[16] ALA also asserts that using a commerce-based law to protect factual compilations from misappropriation would raise serious First Amendment concerns. ALA brief at 18-19. Whether a federal database protection law would be consistent with the First Amendment would turn on the scope of the prohibitions and exclusions contained in that legislation.

[17] 412 U.S. 526 (1973). In *Goldstein,* petitioner appealed his conviction under a California statute making it a criminal offense to "pirate" recordings produced by others. The Court rejected petitioner's argument that the California law, which was of unlimited duration, violated the "Limited times" provision of the Copyright Clause.

those powers which have been granted to Congress; *whatever limitations have been appended to such powers can only be understood as a limit on congressional, and not state, action."*[18]

Where State protections are concerned, therefore, the relevant question is not whether a particular State cause of action is at odds with the limitations placed by the Constitution on Congress's copyright authority, it is whether Congress has validly chosen to pre-empt State protection.[19] Under Section 301 of the present Copyright Act, Congress has chosen to pre-empt State protections only: (1) when they apply to works that fall within the subject matter of federal copyright; and (2) when those State protections accord rights equivalent to those offered by federal copyright law. Federal courts, faced with the two State causes of action that most draw ALA's ire (breach of contract and trespass to chattels), have concluded that statutory pre-emption is inapplicable in cases involving misappropriation of factual data.[20]

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[18] *Id*. at 561 (emphasis supplied). *See also Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974) (states may constitutionally provide protection to non-copyrightable, non-patentable trade secrets).

[19] *See* H. Rep. No. 94-1476 at 130. "The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law. The declaration of this principle in section 301 is intended to be stated in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation of its unqualified intention that Congress shall act preemptively, and to avoid the development of any vague borderline areas between State and Federal protection." *Id.*

[20] The Seventh Circuit in *ProCd, Inc. v. Zeidenberg*, 86 F.3d 1447, 1455 (7th Cir. 1996), held that a state contract claim was not pre-empted because it contained an element that made it qualitatively different in nature from a copyright claim. In *eBay Inc. v. Bidder's Edge*, 100 F. Supp. 2d 1058, 1072 (N.D. Ca. 2000), the district court held that "the right to exclude others from using physical personal property is not equivalent to

any rights protected by federal copyright and therefore constitutes [the necessary] extra element" to avoid pre-emption.

III. THE PUBLIC'S RIGHT TO COPY WORKS IN THE PUBLIC DOMAIN DOES NOT INCLUDE THE RIGHT TO MISLEAD THE PUBLIC AS TO THE SOURCE OF THE WORK.

Amici Intellectual Property Law Professors argue that applying the Lanham Act's prohibition of reverse passing off after a work's term of copyright protection has expired is "a brazen attempt to use the Lanham Act to stifle and penalize the lawful use of a formerly copyrighted work that has entered the public domain."[21] That contention is incorrect.[22] The Lanham Act prevents no one from making a copy of the work; it prevents the deception of the public as to the source or authorship of the work. As *amicus* American Intellectual Property Law Association correctly explains, "while members of the public are free to copy articles in the public domain, they may not market those articles in a manner likely to confuse or deceive consumers as to the origin of the article."[23] Professor McCarthy's Treatise makes the point directly and succinctly:

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[21] Br. of *Amici* Intellectual Property Law Professors at 2.

[22] A*mici* Intellectual Property Law Professors' contention that the Ninth's Circuit "bodily appropriation" test "enable[s] an action to be maintained under the Lanham Act based entirely on the copying of a work in the public domain," Br. at 16, is also incorrect. As shown above, the Ninth Circuit in this case had before it an express finding of false attribution and consumer confusion. The courts below did not find a Lanham Act violation for mere copying.

[23] Br. *Amicus Curiae* of the American Intellectual Property Law Association at 13. *See also* Br. *Amicus Curiae* of the U.S., at 22 ("[T]he [Supreme] Court has also emphasized that the public's right to copy such goods is conditioned by laws, such as the Lanham Act, designed to 'protect businesses in the use of their trademarks, labels, or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods.'") (quoting *Bonito Boats v. Thundercraft Boats, Inc*., 489 U.S. 141 at 154).

> Copyright law gives the author the right to prevent copying of the copyrighted work in any medium. Trademark prevents the use of a similar mark on such goods or services as would probably cause confusion. Thus the scope of rights in copyrights is defined quite differently.[24]

Courts have uniformly held that the end of a copyright term does not categorically terminate protection under the Lanham Act and that copying after the end of a copyright term that leads to consumer confusion may constitute a trademark infringement. For example, in *Fredrick Warne & Co., Inc. v. Book Sales, Inc.*, the district court found that, despite the expiration of the copyright in the well-known series of Peter Rabbit books, plaintiff could nonetheless maintain a trademark infringement suit with respect to character illustrations contained in the books where the defendant's actions went beyond mere copying and caused consumer confusion:[25]

> Defendant argues that its use of the illustrations and marks is legally protected because they are part of copyrightable works now in the public domain. This argument is not persuasive. The fact that a

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[24] McCarthy on Trademarks and Unfair Competition § 6:14. When Congress enacted the Copyright Revision Act of 1976, it expressly provided that nothing contained in the Act annuls or limits any rights or remedies under any other Federal statute, including the Lanham Act. *See* 17 U.S.C. § 301 (d).

[25] 481 F. Supp. 1191 (S.D.N.Y. 1979). *See also* McCarthy, § 6:12. Courts have rejected the argument that the "trademark of a patented article automatically falls into the public domain when the patent expires." *Id.* § 6:31. *See also id.* § 6:12. For a discussion of cases holding that expiration of a patent does not preclude Lanham Act protection, see Br. *Amicus Curiae* of the International Trademark Association at 21-22.

> copyrightable character or design has fallen into the public domain should not preclude protection under the trademark laws so long as it is shown to have acquired independent trademark significance, identifying in some way the source or sponsorship of the goods.[26]

Amici's assertion that works in the public domain may be copied and marketed in a way that misleads the public as to the source or authorship of the work is completely unfounded.

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[26] 481 F. Supp. at 1196. The court stated that "the proper factual inquiry in this case is not whether the cover illustrations were once copyrightable and have fallen into the public domain, but whether they have acquired secondary meaning, identifying Warne as the publisher or sponsor of goods bearing those illustrations, and if so, whether defendant's use of these illustrations in 'packaging' or 'dressing' its editions is likely to cause confusion." *Id.* at 1198. *See also Coca-Cola Co. v. Rodriguez Flavoring Syrups, Inc.*, 89 U.S.P.Q. 36, 40 (Chief Examiner 1951) ("Applicant's contention would mean that, on the expiration of the copyright in any matter of this kind, any trademark rights in connection with trademarks which might have been mentioned in the copyrighted matter lapse and pass into the public domain. The mere statement of the proposition is sufficient to show its absurdity."); *Tempo Communications Inc. v. Columbian Art Works, Inc.*, 223 U.S.P.Q. 721, 726 (N.D. Ill. 1983) ("an expired patent or copyright does not convert perpetual trademark protection into perpetual patent or copyright protection.").

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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