

BY STEVEN T. LOWE AND ABHAY KHOSLA

WHERE CREDIT IS DUE

IN *DASTAR*, THE U.S. SUPREME COURT NARROWED THE MEANING OF “FALSE DESIGNATION OF ORIGIN” IN THE LANHAM ACT

ARTISTIC CREATORS USED to have an independent right under the Lanham Act to redress false attribution or obliteration of their credit.¹ Recent years, how-

ever, have been tough for creators.² In June 2003, in *Dastar Corporation v. Twentieth Century Fox Film Corporation*, the U.S. Supreme Court “considerably narrowed” the scope of these Lanham Act claims, and perhaps abolished them entirely.³

Lanham Act claims protected the significant interest of creators in getting credit for their contributions. In the entertainment industry, credit is often more valuable than the direct compensation a creator receives for a particular project.⁴ With each credit, artists gain in the ability to obtain additional work.⁵ Agents use credit in negotiating client fees and participation in the revenue streams generated by DVD, cable, and foreign television.⁶ Lanham Act claims also provided the additional bite of treble damages for intentional violations and, in exceptional cases, attorney’s fees.⁷ Unfortunately for creators, the Copyright Act does not provide a moral right to attribution nor a right to prevent false attribution.⁸ This leaves few avenues for creative talent to redress the denial of proper credit.

Before *Dastar*, when people contributed intellectual property to a creative project, whether or not the intellectual property was separately copyrightable, they possessed a right to sue under the Lanham Act if others were falsely credited for the contribution or if credit was obliterated. This important right was recognized in the 1981 Ninth

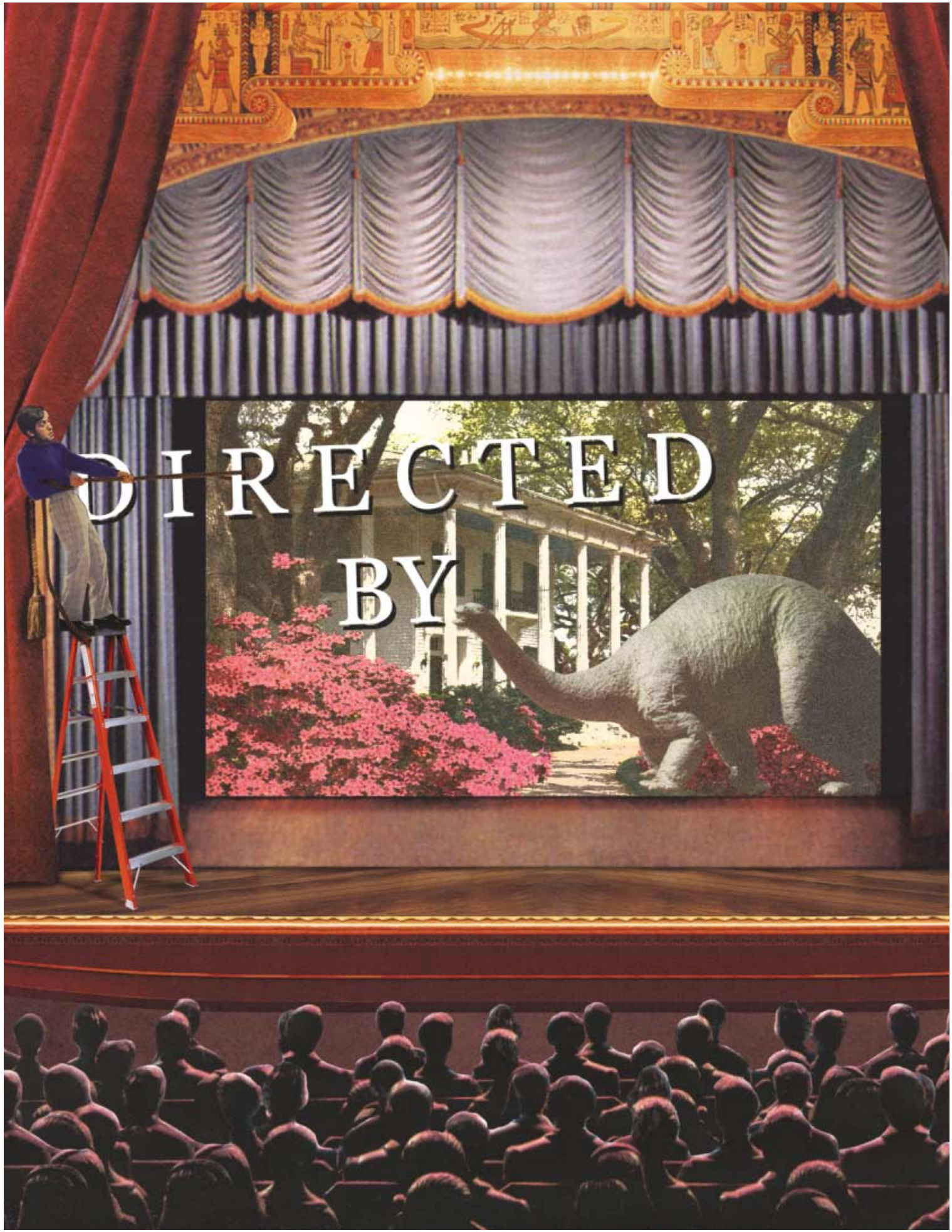
Circuit case *Smith v. Montoro*.⁹

In *Smith*, the defendants had removed the name of an actor from the credits of a film and had

substituted the name of another actor in his place. The Ninth Circuit held that this misattribution of credit could be classified as “reverse passing off,” in which a wrongdoer removes the name or trademark on another party’s product and sells that product in an unbranded state or under a name chosen by the wrongdoer. The Ninth Circuit held, therefore, that the defendants had violated Section 43(a)(1)(A) of the Lanham Act, which provides:

Any person who, on or in connection with any goods or services...uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which...is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person...shall be liable in a civil action by any person who believes that he

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or she is or is likely to be damaged by such act.¹⁰

Later, in 1988, the Ninth Circuit similarly applied the Lanham Act in *Lamothe v. Atlantic Recording Corporation*,¹¹ which concerned four cowriters who had written two songs released by the band Ratt. Two of the cowriters brought a Lanham Act claim against the other two cowriters (and their licensees) for falsely claiming to be the sole authors of the compositions. The defendants argued that the credits were partially correct in that they correctly identified two of the coauthors, and the failure to credit the remaining two was a “mere omission.” The Ninth Circuit rejected the defendants’ argument. Instead, the court expressly held that the failure to credit some of the authors violated the Lanham Act’s policy goal that “the producer of a good or service receives appropriate recognition and that the consuming public receives full information about the origin of the good.”¹²

The Lanham Act claim was crucial to the plaintiffs in *Lamothe* because the license that was granted by the coauthor defendants barred any claim for copyright infringement. Under the Copyright Act, any coauthor has the right to license the work without the consent of the other coauthors.¹³ Thus, the Lanham Act provided an important remedy in cases in which a copyright infringement claim could not be asserted and in which claims for breach of contract afforded remedies that were insufficient. Neither the cowriters in *Lamothe* nor the actor in *Montoro* had separate claims for copyright infringement.¹⁴ In fact, copyright infringement claims are often unavailable for creators. For example, a copyright infringement claim will not survive when a court finds that the artist gave the infringers an implied license to exploit the work.¹⁵ Perhaps most commonly in the entertainment industry, a copyright infringement claim will not lie when only ideas are utilized.¹⁶ However, misappropriation of ideas can nevertheless become actionable,¹⁷ and the credit for an idea (for example, a “story by” credit) can be an important consideration for creators.

When copyright infringement claims did not exist, creators could make a Lanham Act claim to recover for false attribution for creation.¹⁸ This was an important deterrent to potential wrongdoers.¹⁹

Dastar

In 2003, without expressly overruling any of the foregoing misattribution cases, the U.S. Supreme Court all but abolished misattribution claims. In *Dastar v. Twentieth Century Fox*, defendant Dastar created derivative works based upon a television series that had been produced in Europe by

Twentieth Century Fox. After the television series fell into the public domain in 1977, Dastar edited the content of the series and added some new content, producing a video series titled *World War II Campaigns in Europe*. Dastar listed itself and its employees in the credits and on advertising materials as the producers of the series. Twentieth Century Fox and its sublicensees brought a Lanham Act claim against Dastar, in which it was alleged that Dastar falsely designated the origin of the goods when it failed to give credit to Fox and when it designated itself, not Fox, as the producer of the video series.

The Supreme Court held that there was no violation of the Lanham Act because the term “origin,” as used in Section 43(a) of the Lanham Act, referred only to the manufacturer or producer of the tangible physical goods and not to the creator of the intellectual property contained in those goods.²⁰

The Supreme Court based this interpretation on three grounds. First, because the underlying creative work was no longer subject to copyright protection, the defendants in *Dastar* were merely benefiting from works in the public domain. The court reasoned that to allow the Lanham Act to redress false attribution when copyright protection was lacking would cause the act to conflict with copyright law, and would “be akin to finding that §43(a) created a species of perpetual patent and copyright, which Congress may not do.”²¹ (In addition, the court noted the practical difficulties of determining the origin of a creative work in a case in which the origin encompassed authorship.²²)

Second, the Court found that the Lanham Act should not allow a lawsuit when a copier gives credit (for falsely implying a creator’s “sponsorship or approval”) and when a copier does *not* give credit (for reverse passing off).²³ It did not seem logical that Lanham Act claims could be justified by an action and by the opposite action.

Third, the Supreme Court reasoned that requiring attribution of the creative source of goods would be inconsistent with previous interpretations of the Lanham Act.²⁴ For example, the Court previously had held that product design trade dress always required proof of secondary meaning to be valid.²⁵ Thus, the Court feared that if it ruled against Dastar, future plaintiffs could maintain a Lanham Act claim for a product design trade dress, even when it lacked secondary meaning, simply by means of bringing a claim for false attribution.

The holding of *Dastar* appeared to be that there is no right for creators or owners of works that have fallen into the public domain to redress false attribution that is contained on products placed into the stream of interstate commerce. However, the U.S.

Central District Court has applied *Dastar* far more expansively.

In *Williams v. UMG Recordings, Inc.*, the Central District applied *Dastar* in dismissing a Lanham act claim arising from the misappropriation of a copyrighted work.²⁶ In *Williams*, the plaintiff worked on the production of a film, but the parties disagreed about the nature and extent of the plaintiff’s involvement. The plaintiff contended that he reedited and rescored the film and that the film incorporated his copyrighted narration script. The plaintiff was not credited for any of this work.

The plaintiff filed a lawsuit that included claims for copyright infringement and violation of the Lanham Act. Before *Dastar* was published, the defendants filed a motion for summary judgment that attacked the Lanham Act claim, and the motion was dismissed. However, after *Dastar*, the district court granted partial summary judgment and, following *Dastar*, dismissed the Lanham Act claim. In contrast to *Dastar*, the works at issue in *Williams* were protected by copyright law and were not in the public domain. The district court held, however, that the definition of “origin” established in *Dastar* “did not depend on whether the works were copyrighted or not.”²⁷

In two subsequent cases, federal courts, including the First Circuit, have dismissed Lanham Act claims without making any distinction about whether the disputed work was within the public domain.²⁸ Thus, for courts that follow the holding in *Williams*, Section 43(a)(1) of the Lanham Act is a closed avenue for creators seeking to redress false attribution or obliteration of credit.

What Options Remain?

In the wake of *Dastar*, aggrieved creators who have been improperly denied credit should consider an alternative to a claim under the Lanham Act. For their attorneys, the first line of prosecution is to check applicable collective bargaining agreements. The Directors Guild of America, for example, requires its signatories to credit directors in the film as well as in publicity materials for the film. Similarly, the Writers Guild of America has credit requirements for screenwriters.²⁹ Signatories to the agreements that fail to accord credit to a director, creator, or writer may be subject to arbitration, liability, and, in some cases, expulsion from the guild.³⁰

However, there are numerous situations that are not covered by collective bargaining agreements. If one of the parties to an agreement is not a member of a guild, for example, then the bargaining agreement does not apply. This is often the case for young artists looking for their first big break into a creative profession. If a collective bargaining agree-

ment is not applicable or does not provide sufficient protection, creative participants are left to pursue their rights, if any, under the law.

In limited situations, visual artists are protected by the 1990 Visual Artist's Rights Act (VARA), found in Section 106A of the Copyright Act. VARA protects the moral rights of certain artists.³¹ These rights spring from a reasoning that because an artist "injects his spirit" into an artistic work, the artist's personality and the integrity of the

creation, scope, and placement of credit. However, artists are often persuaded to work on a handshake. Even in this situation, however, creators can bring claims for breach of an implied or oral contract.

The principle of an implied contract claim is simple—nothing is free. Thus, whenever one party uses another's intellectual property, that person must compensate the creator on terms that are customary and reasonable.³⁷ Since credit is valuable, it is a term of the

be the law. In *Williams v. UMG Recordings, Inc.*, after striking a Lanham Act claim based on misattribution or obliteration, the Central District denied the plaintiff's request to amend to state an unfair competition claim.⁴⁴

The court relied upon cases that held that Lanham Act claims are "substantially congruent" to state unfair competition claims.⁴⁵ However, congruent is not identical, and the language of Section 43a of the Lanham Act is not even remotely similar to that of Section

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work should be protected and preserved.³² Accordingly, moral rights exist independently of an artist's ownership of copyright.³³

The rights granted under VARA include the rights to claim authorship in a work as well as limited rights to prevent distortion, mutilation, or modification of a work—even after it is sold. However, only a work of visual art, as defined by the Copyright Act, is covered by VARA. This definition encompasses exhibition photographs and single or limited edition paintings, drawings, prints, or sculptures. Posters, magazines, films, advertising material, and several other types of works are expressly excluded from the protection of VARA.³⁴ Furthermore, Section 106A(c)(3) creates an exception that effectively means that only works in an "artistic setting" (e.g., a museum) are protected from misattribution.³⁵

California has adopted its own protective statute for fine art. Civil Code Section 987(d) provides: "[T]he artist shall retain at all times the right to claim authorship, or, for a just and valid reason, to disclaim authorship of his or her work of fine art." The California statute authorizes injunctive relief, actual and punitive damages, and attorney's and expert witness fees.³⁶ However, these terms also are narrowly defined to exclude a number of major categories of visual art.

Another potential avenue of legal redress is the implied contract. Ideally, before contributing to a creative work, creators enter into written contracts that govern the allo-

implied contract that constitutes an item of damage in a breach of implied contract case. The theory of "expectancy damages" appears to require this result.³⁸ Evaluating damages for failure to credit can be difficult because ascribing a precise economic value is far from an accounting exercise. Thus, expert testimony may be attacked as speculative,³⁹ but despite this possible difficulty, damages for loss of credit have been awarded.⁴⁰

A famous example concerns the Taco Bell chihuahua. The creators of the Taco Bell chihuahua presented their idea to Taco Bell, which proceeded to use it without compensating the creators. On June 4, 2003, a Michigan jury awarded them \$30.1 million, based in part on implied contract claims. The court also awarded \$11.8 million in interest.⁴¹ Although this case does not involve misattribution, the judgment indicates that damages for breach of an implied contract can be significant.

In most cases, a breach of implied contract claim does not arise until after the damage has been done. In contrast, under the Lanham Act, one remedy was a judgment compelling proper attribution of credit, which is often the goal of creators in the entertainment industry.⁴²

California Business and Professions Code Section 17200 prohibits "unlawful, unfair, or fraudulent" business practices. Prior to *Dastar*, misattribution qualified as an unfair business practice and entitled plaintiffs to injunctive relief.⁴³ This appears to no longer

17200 of the Business and Professions Code.⁴⁶ California courts consistently have interpreted Section 17200 broadly "precisely to enable judicial tribunals to deal with the innumerable 'new schemes which the fertility of man's invention would contrive.'"⁴⁷ Certainly, if one person takes credit for creating intellectual property that was created by another, an unfair business practice has occurred; to the extent that interpretation of the Lanham Act has changed to no longer prohibit a particular unfair business practice, this should indicate only that the two sections are no longer congruent and not that the dismissal of one should compel the dismissal of the other.

Where the false attribution is contained "in commercial advertising or promotion" and misrepresents "the nature, characteristics or qualities" of the work, a claim under Section 43(a)(1)(B) of the Lanham Act is still viable.⁴⁸ In one of the leading treatises, *McCarthy on Trademarks and Unfair Competition*, the authors conclude that the holding in *Smith v. Montoro* could be justified under the false advertising prong of the Lanham Act.⁴⁹ Advertising for a film that misrepresents the performers, for example, would constitute a misrepresentation of the "nature, characteristics or qualities" of a film.

Although the Supreme Court's recent definition of "origin" was motivated out of a refusal to extend protection to copyrighted works that lapsed into the public domain, the

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law appears to no longer provide an independent right to creators to redress false attribution. As a result, misattribution must be addressed with alternative claims, none of which offer the treble damages of a Lanham Act claim.

In the wake of *Dastar*, Congress should extend the moral rights of copyright beyond its current limited state to ensure that artists receive credit for their work or, at least, that others do not falsely take credit for the work. Until then, creators can become the victims of case law. ■

¹ The Lanham Act, 15 U.S.C. §§1051-1129. False attribution occurs when one person takes credit for another person's creation or contribution to a creative work. *See, e.g.,* Lamothe v. Atlantic Recording Corp., 847 F. 2d 1403, 1406 (9th Cir. 1988) (holding that a partially correct credit did not excuse defendants); Smith v. Montoro, 648 F. 2d 602, 607 (9th Cir. 1981).

² *See, e.g.,* Newton v. Diamond, 349 F. 3d 591 (9th Cir. 2003) (holding that a composer, who typically transfers sound recording copyright to record company, has no claim for infringement of composition copyright in a sample utilized by rap artists).

³ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. ___, 123 S. Ct. 2041 (2003); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §10:28 (4th ed., updated Dec. 2003) [hereinafter MCCARTHY]. *See also* Williams v. UMG Recordings, Inc., 281 F. Supp. 2d 1177 (C.D. Cal. 2003) (holding that, based upon the *Dastar* definition of origin of goods, a Lanham Act cause of action based upon failure to credit an author and an editor was barred as a matter of law).

⁴ *See, e.g.,* Tad Friend, *Credit Grab*, THE NEW YORKER, Oct. 20, 2003, at 160-69 [hereinafter Friend]; Robert L. Gordon, *Giving the Devil Its Due: Actors' and Performers' Right to Receive Attribution for Cinematic Roles*, 4 CARDOZO ARTS & ENT. L.J. 299 (1985). *See also* Smith, 648 F. 2d at 607; Poe v. Michael Todd Co., 151 F. Supp. 801, 803 (S.D. N.Y. 1957).

⁵ Robert Davenport, *Screen Credit in the Entertainment Industry*, 10 LOY. L.A. ENT. L. REV. 129 (1990). [hereinafter Davenport]; Smith, 648 F. 2d at 607; Colvig v. R.K.O. Gen., Inc., 232 Cal. App. 2d 56 (1965).

⁶ *See* Friend, *supra* note 4, at 160-69.

⁷ 15 U.S.C. §1117(b).

⁸ 17 U.S.C. §§101 et seq.; D. & M. NIMMER, NIMMER ON COPYRIGHT §8D.01 (2003).

⁹ Smith, 648 F. 2d at 607.

¹⁰ 15 U.S.C. §1125(a)(1)(A).

¹¹ Lamothe v. Atlantic Recording Corp., 847 F. 2d 1403, 1405-06 (9th Cir. 1988).

¹² *Id.*

¹³ Thomson v. Larson, 147 F. 3d 195, 199 (2d Cir. 1998) (citing 17 U.S.C. §201(a)). *See also* Community for Creative Non-Violence v. Reid, 846 F. 2d 1485, 1498 (D.C. Cir. 1988); Oddo v. Ries, 743 F. 2d 630, 632-33 (9th Cir. 1984).

¹⁴ Lamothe, 847 F. 2d 1403, 1405-06; Smith, 648 F. 2d 602, 603.

¹⁵ *See* Effects Assocs., Inc. v. Cohen, 908 F. 2d 555 (9th Cir. 1990) (granting summary judgment to a copyright infringement claim that resulted from the plaintiff's grant to the defendants of an implied license to reproduce special effects sequence in a film). *See also* 17 U.S.C. §102(b).

¹⁶ 17 U.S.C. §102(b).

¹⁷ Desny v. Wilder, 46 Cal. 2d 715, 729 (1956); 1 WITKIN, SUMMARY OF CALIFORNIA LAW: CONTRACTS §12 (9th ed. 1987).

¹⁸ *See, e.g.,* Salim v. Lee, 202 F. Supp. 2d 1122 (C.D. Cal. 2002) (Lanham Act claim concerning reverse passing off of animation project); Zito v. Steeplechase Films, Inc., 267 F. Supp. 2d 1022 (N.D. Cal. 2003) (Lanham Act claim concerning inclusion of copyrighted photograph in film).

¹⁹ 15 U.S.C. §1117(b).

²⁰ 15 U.S.C. §2050.

²¹ *Id.*

²² 15 U.S.C. §2049.

²³ *Id.*

²⁴ 15 U.S.C. §§2049-50.

²⁵ Wal-Mart Stores, Inc. v. Samara Bros., Inc., 120 S. Ct. 1339 (2000).

²⁶ Williams v. UMG Recordings, Inc., 281 F. Supp. 1177 (C.D. Cal. 2003).

²⁷ *Id.* at 1185.

²⁸ Zyla v. Wadsworth, 360 F. 3d 243, 251-52 (1st Cir. 2004); Keane v. Fox Television Stations, Inc., 297 F. Supp. 2d 921, 935 (S.D. Tex. 2004).

²⁹ *See* Directors Guild of America, Basic Agreement of 2002, §§8-100 et seq; Writers Guild of America, Minimum Basic Agreement of 2001, art. 8; WRITERS GUILD OF AMERICA, SCREEN CREDITS MANUAL (Nov. 15, 2002).

³⁰ *See, e.g.,* Friend, *supra* note 4, at 160-69.

³¹ Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089, 17 U.S.C. §106A; *see also* MCCARTHY, *supra* note 3, at §10:29.

³² Carter v. Helmsley-Spear, Inc., 71 F. 3d 77, 81 (2d Cir. 1995).

³³ *Id.* (citing 2 NIMMER ON COPYRIGHT 8D-4 & n.2 (1994)).

³⁴ 17 U.S.C. §101.

³⁵ MCCARTHY, *supra* note 3, at §10:29.

³⁶ CIV. CODE §987(e).

³⁷ *See, e.g.,* Desny v. Wilder, 46 Cal. 2d 715, 729 (1956); 1 WITKIN, SUMMARY OF CALIFORNIA LAW: CONTRACTS §12 (9th ed. 1987). *See also* Steven T. Lowe, *Preemptive Strike*, LOS ANGELES LAWYER, May 2003, at 37 (discussing implied contract claims and copyright preemption in the entertainment industry).

³⁸ RESTATEMENT (SECOND) OF CONTRACTS §347 (2003).

³⁹ *See* Baker v. Urban Outfitters, Inc., 254 F. Supp. 2d 346 (S.D. N.Y. 2003). *Baker* is an extreme case, one in which the district court found the expert's opinions "grossly unreliable."

⁴⁰ Tamarind Lithography Workshop, Inc. v. Sanders, 143 Cal. App. 3d 571, 577 (1983).

⁴¹ *Judge Orders Taco Bell to Pay Additional \$11.8 Million in Lawsuit*, ASSOCIATED PRESS, Sept. 12, 2003, available at <http://www.detnews.com/2003/business/0309/11/business-268644.htm>.

⁴² *See* Davenport, *supra* note 5.

⁴³ Meta-Film Assocs., Inc. v. MCA, Inc., 586 F. Supp. 1346, 1362 (C.D. Cal. 1984) (limiting damages to injunctive relief on the grounds that the plaintiff's unfair competition claim was not "restitutionary in nature").

⁴⁴ Williams v. UMG Recordings, 281 F. Supp. 2d 1177, 1186 (C.D. Cal. 2003).

⁴⁵ *Id.* (citing Rice v. Fox, 330 F. 3d 1170, 1181 (9th Cir. 2003) and Cleary v. News Corp., 30 F. 3d 1255, 1262-63 (9th Cir. 1994)).

⁴⁶ *See* 15 U.S.C. §1125(a)(1)(A).

⁴⁷ American Philatelic Soc. v. Claibourne, 3 Cal. 2d 689, 698, 46 P. 2d 135 (1935) (quoting Weinstock, Lubin & Co. v. Marks, 109 Cal. 529, 539, 42 Pac. 142, 50 Am. St. Rep. 57, 30 L. R. A. 182 (1895)). *See also* Cel-Tech Communications, Inc. v. Los Angeles Cellular Tel. Co., 20 Cal. 4th 163, 181 (1999).

⁴⁸ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. ___, 123 S. Ct. 2041, 2050 (2003); MCCARTHY, *supra* note 3, at §27:77:1, 27-152 and §27:85, 27-169, 27-170.

⁴⁹ MCCARTHY, *supra* note 3, at §27:85, 27-169, 27-170.

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