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Intellectual Property

by Michael W. Rafter*

Previous issues of the Eleventh Circuit Survey have not included articles addressing developments in the Eleventh Circuit's intellectual property jurisprudence. But as the Internet and other forms of media make an ever-increasing amount of information available to anyone anywhere, intellectual property rights are becoming increasingly significant and valuable. Therefore, no better time exists than now to add an intellectual property article to the Survey. Accordingly, this Article examines several noteworthy cases involving intellectual property rights decided by the Eleventh Circuit during 1999.

I. THE CONSTITUTIONAL FOUNDATIONS OF THE ANTIBOOTLEGGING STATUTE

Perhaps one of the most interesting cases decided by the Eleventh Circuit in 1999 was United States v. Moghadam.1 Moghadam involved the nation's first constitutional challenge to the quasi-copyright protections afforded musicians under 18 U.S.C. § 2319A,2 which, along with 17 U.S.C. § 1101,3 is commonly known as the Antibootlegging Statute.4 This statute, enacted as part of the Uruguay Round Agree-

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1. 175 F.3d 1269 (11th Cir. 1999).
ments Act in 1994,5 was an effort to comply with the United States’s obligations under the Agreement on Trade Related Aspects of Intellectual Property.6 The legislative history of the Antibootlegging Statute—which is scant—indicates that Congress believed that it had authority to enact the Statute under the Copyright Clause of the Constitution.7

The Copyright Clause authorizes Congress “to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their Respective Writings and Discoveries.”8 The term “Writings” has been interpreted broadly to encompass works not traditionally reduced to paper,9 but only if such works are “fixed” in some tangible form.10 For example, in 1971 Congress granted copyright protection to sound recordings.11 But this protection did not apply to the unauthorized recording of live musical performances, which, by their nature, are not “fixed” in a tangible form.12

The Antibootlegging Statute ostensibly closed that loophole. Put simply, the statute imposes civil liability upon persons who record (or more properly, “fix”) live musical performances without the consent of the performers, or who reproduce, transmit, or distribute such recordings.13 If these acts are done “for purposes of commercial advantage or private financial gain,” the statute also provides for criminal penalties.14

Ali Moghadam, convicted of violating the criminal provisions of the Antibootlegging Statute, claimed that the statute was unconstitutional because it violated the “fixation” requirement of the Copyright Clause.15 Declining to decide “whether the fixation concept of the Copyright Clause can be expanded so as to encompass live performances that are merely capable of being reduced to tangible form, but have not been,” the
Eleventh Circuit instead analyzed the case under the Commerce Clause.\textsuperscript{16}

Not surprisingly, the court found a sufficient connection between bootleg recordings and interstate commerce to satisfy the requirements of \textit{United States v. Lopez}.\textsuperscript{17} But the court did not stop there. The more challenging—and interesting—question the court faced was whether Congress could use its Commerce Clause power to avoid limitations that the Copyright Clause would impose on the same legislation.\textsuperscript{18} More specifically, could Congress avoid the fixation requirement of the Copyright Clause by enacting the Antibootlegging Statute pursuant to the Commerce Clause?\textsuperscript{19}

The court concluded that Congress could indeed avoid the fixation requirement.\textsuperscript{20} In effect the court determined that the term "Writings"—and therefore the fixation requirement—in the Copyright Clause is not an absolute limitation on Congress's power:

\begin{quote}
We hold that the Copyright Clause does not envision that Congress is positively forbidden from extending copyright-like protection under other constitutional clauses, such as the Commerce Clause, to works of authorship that may not meet the fixation requirement inherent in the term "Writings." The grant itself is stated in positive terms, and does not imply any negative pregnant that suggests that the term "Writings" operates as a ceiling on Congress’ ability to legislate pursuant to other grants.\textsuperscript{21}
\end{quote}

Noting that extending "quasi-copyright protection to unfixed musical performances is in no way inconsistent with the Copyright Clause" and indeed "complements and is in harmony with" existing copyright protections, the court concluded that the Antibootlegging Statute was valid under the Commerce Clause.\textsuperscript{22}

Yet, \textit{Moghadam} is not likely to be the last constitutional challenge to the Antibootlegging Statute. The Eleventh Circuit's holding is narrow—the only issue properly before the court was based on the fixation requirement inherent in the term "Writings" of the Copyright Clause.\textsuperscript{23} For one thing, as the court observed, the Copyright Clause also provides

\begin{footnotes}
16. \textit{Id.}
18. \textit{Id.} at 1277.
19. \textit{Id.}
20. \textit{Id.} at 1281.
21. \textit{Id.} at 1280.
22. \textit{Id.} at 1280-82.
23. \textit{Id.} at 1280, 1282 & n.17 (characterizing the court’s holding as “narrow” and noting that \textit{Moghadam} waived other potential constitutional challenges to the statute).
\end{footnotes}
that Congress may grant copyright protection for “Limited Times.”\(^{24}\)

It is difficult to imagine a court interpreting this provision, as the Eleventh Circuit did with the “Writings” provision,\(^{25}\) to constitute anything other than an express limitation on Congress’s power.\(^{26}\) Although the court did not explore this issue, the rationale employed in its opinion suggests that Congress could not use its powers under the Commerce Clause to enact the Antibootlegging Statute, and it seems likely that a court will sooner or later so decide. Otherwise, as one commentator wondered, “[I]s there any amendment to copyright law [Congress] cannot make under the commerce banner?”\(^{27}\) Moreover, future challengers may raise First Amendment issues because the statute provides no affirmative defense for fair use.\(^{28}\) It thus seems likely that courts will soon revisit questions regarding the constitutional foundations of the Antibootlegging Statute.

II. COPYRIGHT

A. Copyright Licenses of Indefinite Duration

Copyright licenses executed after January 1, 1978 are governed by 17 U.S.C. § 203, which provides that “[t]ermination of the grant may be effected at any time during a period of five years beginning at the end of thirty-five years from the date of execution.”\(^{29}\) In Korman v. HBC Florida, Inc.,\(^{30}\) the Eleventh Circuit considered whether that statute creates a minimum thirty-five year duration for copyright licenses that are otherwise silent as to duration or termination.\(^{31}\) This question

\(^{24}\) Id. at 1281.
\(^{25}\) Id. at 1280.
\(^{26}\) A recent decision by the District Court for the District of Columbia recognized that Congress has discretion to define “Limited Times” and to extend the term of copyright protection retrospectively. See Eldred v. Reno, 74 F. Supp. 2d 1, 3-4 (D.D.C. 1999). But as that court observed, “Within the discretion of Congress, any fixed term is a limited time because it is not perpetual. If a limited time is extended for a limited time then it remains a limited time.” Id. at 3 n.7.
\(^{27}\) 3 NIMMER & NIMMER, supra note 9, § 8E.01(C), at 8E-8.
\(^{28}\) See Nimmer, supra note 4, at 1400 & n.100 (observing that the legislative history of the statute indicates that Congress did not intend the statute to apply “in cases where First Amendment principles are implicated, such as . . . in a news broadcast or for other purposes of comment or criticism”); Deas, supra note 4, at 580.
\(^{30}\) 182 F.3d 1291 (11th Cir. 1999).
\(^{31}\) Id. at 1294.
previously resulted in a split between the Seventh Circuit and the Ninth Circuit.\textsuperscript{32}

Over a period of seven years, Mimi Korman wrote several jingles for a Florida radio station. With Korman's permission, the station used one of these jingles as a station identifier. Korman later ended her relationship with the station and objected to the continued use of the jingle by the station. Still later, she applied for and received a copyright registration for the jingle and again demanded that the station cease using the jingle. When the station refused, she sued for copyright infringement.\textsuperscript{33}

The district court held that Korman had granted the station a nonexclusive license to use the jingle. That court then concluded that the provisions of 17 U.S.C. § 203(a)(3) prevented Korman from terminating the license for a period of thirty-five years from the date on which it was granted. Needless to say, Korman appealed.\textsuperscript{34}

The Eleventh Circuit agreed that Korman had, in fact, granted an implied license to the station.\textsuperscript{35} It likewise agreed that 17 U.S.C. § 203 applied to the license.\textsuperscript{36} However, the Eleventh Circuit disagreed with the district court's conclusion that the statute mandates a minimum term for copyright licenses of indefinite duration.\textsuperscript{37}

The court first observed that nothing in Section 203 prevents parties from entering into license agreements that provide for termination in less than thirty-five years.\textsuperscript{38} The more interesting question, the court noted, was "whether section 203 imposes a 35-year term for a license of indefinite duration that would otherwise be subject to earlier termination under state contract law."\textsuperscript{39} The Ninth Circuit concluded that it does,\textsuperscript{40} and the Seventh Circuit concluded that it does not.\textsuperscript{41}

\textsuperscript{32} Id. (citing Walthal v. Rusk, 172 F.3d 481, 484-85 (7th Cir. 1999) (holding that Section 203 does not create a minimum 35-year term); Rano v. Sipa Press, Inc., 987 F.2d 580, 585 (9th Cir. 1993) (holding that Section 203 does create a minimum 35-year term)).

\textsuperscript{33} Id. at 1292.

\textsuperscript{34} Id. at 1292-93.

\textsuperscript{35} Id. at 1293.

\textsuperscript{36} Id.

\textsuperscript{37} Id. at 1293-94.

\textsuperscript{38} Id. at 1295. The court observed that the legislative history of the Copyright Act "clearly indicate[s] that section 203 was not intended to preclude or affect the duration of licensing agreements made for terms of less than 35 years." Id. (citing H.R. REP. No. 94-1476, at 128 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5743; S. REP. No. 94-473, at 111 (1975)).

\textsuperscript{39} Id.

\textsuperscript{40} Rano, 987 F.2d at 585.

\textsuperscript{41} Walthal, 172 F.3d at 484-85.
The Eleventh Circuit concluded that both the plain language and the legislative history of the statute favored the Seventh Circuit’s approach. The court observed that the language of Section 203(a)(3) cannot be construed to impose a minimum duration unless the word “only” is read into the phrase “may be effected.” The court refused to adopt this interpretation, however, stating that Congress did not include the word “only” in Section 203(a)(3) and that reading the word into the section would change the provision’s plain meaning. Moreover, the court noted, if Congress meant to create a minimum thirty-five year term for copyright licenses of indefinite duration, then allowing parties to agree to shorter terms would seem inconsistent. Finally, the legislative history indicated that Congress intended Section 203 to benefit authors, “not publishers or broadcasters or others who benefit from the work of authors.” In the court’s view, a minimum thirty-five year term would defeat that congressional intent rather than further it.

The court recognized, however, that Section 203(b)(6) could lend support to the Ninth Circuit’s contrary reading of Section 203(a)(3): “Unless and until termination is effected under this section, the grant [of a copyright license], if it does not provide otherwise, continues in effect for the term of copyright provided by this title.” Read together with Section 203(a)(3), this section suggests that a license can be terminated before thirty-five years only if a license agreement contains an express provision to that effect. But the Eleventh Circuit reconciled these sections, observing that state contract laws are read into license agreements and “provide otherwise’ within the meaning of section 203(b)(6).” Accordingly, the court held that “if state law provides that licenses of indefinite duration may be terminated in less than 35 years, it is state law and not section 203 that governs the question of termination before 35 years.”

42. 182 F.3d at 1295.
43. Id. at 1295-96.
44. Id. at 1296.
45. Id. (citing 3 NIMMER & NIMMER, supra note 9, § 11.01(B), at 11-8).
47. 182 F.3d at 1295.
49. 182 F.3d at 1296.
50. Id. at 1296-97.
51. Id. at 1297.
B. General Publication Under the Copyright Act of 1909

Another copyright case decided by the Eleventh Circuit during 1999, Estate of Martin Luther King, Jr., Inc. v. CBS, Inc.,52 received widespread publicity and attention.53

During the historic March on Washington on August 28, 1963, Dr. Martin Luther King, Jr. delivered the speech in which he uttered the now-famous phrase, “I have a dream . . . .” The speech was broadcast live by radio and television to millions of people. About one month later, Dr. King registered audio and printed versions of the speech with the Copyright Office and soon thereafter successfully sued to prevent the sale of unauthorized recordings of the speech.4 In subsequent years Dr. King’s Estate renewed the copyright and licensed it for use by third parties.55

In 1994 CBS produced a video documentary episode that included film footage of more than sixty percent of Dr. King’s speech. However, CBS did not seek authorization from Dr. King’s Estate and refused to pay royalties to the Estate. Consequently, the Estate sued CBS for copyright infringement. CBS argued, among other things, that the presentation of Dr. King’s speech, combined with the unrestricted, simultaneous, and widespread dissemination of the speech, constituted a general publication. This meant that the speech entered the public domain at the time it was given and that Dr. King’s subsequent attempt to obtain federal copyright protection was invalid.56 The district court agreed and granted summary judgment in favor of CBS.57

The Estate appealed and, in a two-to-one decision, the Eleventh Circuit reversed.58 Judge Anderson and Judge Cook (a senior district

52. 194 F.3d 1211 (11th Cir. 1999).
55. 194 F.3d at 1213.
56. See generally 1 NIMMER & NIMMER, supra note 9, §§ 4.01-4.13.
57. 194 F.3d at 1213-14.
58. Id.
court judge sitting by designation) wrote separate opinions in which they reached the same result, while Judge Roney dissented.

Judge Anderson began his opinion by noting that the case was properly analyzed under the Copyright Act of 1909, as that was the law in effect at the time in question.59 He then recognized that, under the applicable law, general publication of a work divested an author of common law copyright protection.60 Unless the author had complied with certain statutory formalities of the Copyright Act, the work entered the public domain.61

Because the consequences of general publication were severe, he noted, courts have deemed certain acts “limited publications” rather than “general publications”:

A general publication occurred when a work was made available to members of the public at large without regard to their identity or what they intend to do with the work. Conversely, a non-divesting limited publication was one that communicated the contents of a work to a select group and for a limited purpose, and without the right of diffusion, reproduction, distribution or sale.62

Judge Anderson then began a relatively detailed examination of cases supporting the general rule that the performance of a work does not constitute a general publication.63 In light of those cases, he concluded that there were genuine issues of fact as to whether the presentation of Dr. King's speech constituted a general publication.64 Accordingly, he held that the district court erred in granting summary judgment to CBS.65

In a separate opinion, Judge Cook concurred in the result reached by Judge Anderson.66 In his view, however, the district court erred because its opinion was based solely on Dr. King's performance of the speech.67 As Judge Cook interpreted the law, performed works, such as a speech, must be treated differently than nonperformed works.68 The principle under the common law and the 1909 Act recognizes that "neither a general nor a limited publication can ever occur merely from

59. Id. at 1214.
60. Id.
61. Id.
62. Id. at 1214-15 (citations and internal quotation marks omitted).
63. Id. at 1215-16.
64. Id. at 1217.
65. Id. at 1220.
66. Id. (Cook, J., concurring in part and dissenting in part).
67. Id. at 1221.
68. Id.
Because the district court did not rely on any evidence that Dr. King disseminated tangible copies of the speech without a reservation of rights, it erred in finding that a general publication occurred.

Judge Cook's analysis seems the better reasoned of the two opinions. Under the 1909 Act, authors generally obtained federal copyright protection by publishing their work with a copyright notice. Congress created an exception, however, for certain "works not reproduced for sale" such as lectures and dramatic or musical compositions. Authors could obtain copyright protection for these works without publishing them by depositing a copy of the work with the Copyright Office. If the work was "later reproduced in copies for sale," the Act required the author to register the copyright as a published work. "The interesting point is that the language [in this section] in effect defined publication as the reproduction of copies for sale. This idea was reinforced by the provision that 'where the work is later reproduced in copies for sale' it was to be registered as a published work." It seems, then, that Congress acknowledged that the mere performance of such works did not constitute publication. Moreover, as one commentator has observed, a contrary rule would have imposed an unreasonable burden on authors of these works:

[W]ith respect to ... television (and to a lesser extent, radio), the volume of such performances and exigencies of time in connection with the preparation of material therefor rendered the burden of prior deposit almost insurmountable. At the other end of the dramatic spectrum—the legitimate stage production—there are generally no problems of volume or of limited time for preparation. Yet, here too a

69. Id. at 1222.
70. Although CBS presented evidence that advance copies of Dr. King's speech were distributed to the press and that a copy of the speech was later printed in a Southern Christian Leadership Conference newsletter, the district court noted that there were material facts in dispute regarding these issues. Estate of Martin Luther King, Jr., Inc. v. CBS, Inc., 13 F. Supp. 2d 1347, 1353 (N.D. Ga. 1998). The court therefore expressly stated that it did "not rest its holding upon the newsletter or the advance text but upon the context of Dr. King's speech itself." Id. at 1353 n.5.
71. 194 F.3d at 1222-23 (Cook, J., concurring in part and dissenting in part).
74. Id.
75. Id.
76. L. Ray Patterson, Copyright Complexities; Dream Speech Litigation Illustrates Tough Issues, Conflicting Rights, FULTON COUNTY DAILY REP., Mar. 23, 1999, at 7.
prior deposit requirement would have proven most burdensome. The practice of making numerous revisions in a play during the period of public performance is well-known. To require a deposit in the Copyright Office before permitting a revision to be performed in the pre-Broadway runs or even thereafter would obviously seriously hamper the development of a play. 77

Lectures and speeches certainly fall somewhere in the middle of this spectrum. Indeed, the most famous portions of Dr. King's speech, including the words “I have a dream,” were extemporaneous and therefore not included in the prepared text of the speech. 78 In light of these principles, it seems that Judge Cook was correct in recognizing the unique nature of performed works and the principle that performance alone does not constitute publication.

III. LANHAM ACT

The Eleventh Circuit decided at least three cases involving Lanham Act claims that deserve comment.

A. Trademark Infringement: A Straightforward Application of the Likelihood-of-Confusion Analysis

Section 32(1) of the Lanham Act grants the owner of a federally registered trademark the right to bring a civil action against a junior user of a mark that “is likely to cause confusion” with the registrant’s mark. 80 In determining whether there is a likelihood of confusion, courts in the Eleventh Circuit consider essentially the same factors considered by courts throughout the country. 81 These include: (1) the strength of the plaintiff’s mark, (2) the similarity of the parties’ marks, (3) the similarity of the products or services on or in connection with which the marks are used, (4) the similarity of the parties’ trade channels and customers, (5) the similarity of advertising media, (6) the

77. 1 NIMMER & NIMMER, supra note 9, § 4.08(B), at 4-46 to 4-47 (footnotes omitted).
78. See King, 13 F. Supp. 2d at 1348 (observing that “[t]he Estate points out that the advance text differed significantly from the speech as actually delivered” and that the “speech itself contained 682 words not included in the advance text”).
81. While the factors applied by the Eleventh Circuit are similar to those applied in other circuits, they are not necessarily identical. See 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 24:30 to 24:43 (4th ed. 2000) (describing the factors applied in each circuit).
defendant's intent in adopting its mark (e.g., good faith), and (7) the existence of any actual confusion.\textsuperscript{82}

In \textit{Frehling Enterprises, Inc. v. International Select Group, Inc.},\textsuperscript{83} the Eleventh Circuit concluded that the district court misapplied nearly all of these factors in finding that defendant's BELL'OGGETTI mark, used for ready-to-assemble furniture, did not infringe plaintiff's OGGETTI mark, used for high-end furniture and decorative accessories.\textsuperscript{84} The Eleventh Circuit's opinion is unusual in two respects. First, the court took the rare, though not unheard of, step of finding infringement as a matter of law.\textsuperscript{85} Second, the court independently analyzed nearly all the factors listed above,\textsuperscript{86} most appellate decisions focus on fewer factors. Therefore, \textit{Frehling} serves as an unusually thorough and straightforward example of the likelihood-of-confusion analysis.

\section*{B. Priority and the Natural Expansion Doctrine}

Unfortunately, the court's opinion was less straightforward and thorough in \textit{Carnival Brand Seafood Co. v. Carnival Brands, Inc.}\textsuperscript{87} The court undoubtedly reached the right result, but only after an unnecessary analysis of the case under the natural expansion doctrine.\textsuperscript{88}

\subsection*{1. Related Goods and the Natural Expansion Doctrine.} It is generally accepted that a trademark owner's rights may extend beyond the specific goods or services for which the mark is used to cover related goods or services.\textsuperscript{89} "Thus, an owner of a . . . trademark may use its

\begin{itemize}
\item \textsuperscript{83} 192 F.3d 1330 (11th Cir. 1999).
\item \textsuperscript{84} \textit{Id.} at 1342.
\item \textsuperscript{85} \textit{Id.}
\item \textsuperscript{86} \textit{Id.}
\item \textsuperscript{87} 187 F.3d 1307 (11th Cir. 1999).
\item \textsuperscript{88} There are actually two different doctrines in trademark law sometimes referred to by this term. One natural expansion doctrine concerns the territorial extent of common-law trademark rights. \textit{See} 4 \textit{McCarthy, supra} note 81, \S\ 26:20, at 26-31 to 26-33. The other natural expansion doctrine—and the one at issue in \textit{Carnival}—concerns a trademark owner's right to expand its use of the mark to other related goods. \textit{See} \textit{id.} \S\ 24:20, at 24-38 to 24-39.
\item \textsuperscript{89} \textit{See} \textit{id.} \S\ 24:6, at 24-13 ("The modern rule of law gives the trademark owner protection against use of its mark on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner.").
\end{itemize}
mark on related products or services and may enjoin a junior user's use of the mark on such related uses. But the right to use one's trademark on related goods is not without limitation:

"[A] trademark owner cannot by the normal expansion of its business extend the use or registration of its mark to distinctly different goods or services not comprehended by its previous use . . . where the result could be a conflict with valuable intervening rights established by another through extensive use . . . of the same or similar mark for like or similar goods and services."

The natural expansion doctrine purports to keep this from happening. Essentially, the doctrine posits that the first trademark owner has priority—that is, superior rights—over subsequent users, but only with respect to goods on which the mark has either already been used or that lie within the realm of natural expansion. If the related goods are not within the first user's realm of natural expansion, the subsequent user has priority with respect to those goods.

Related goods are deemed to be within the first user's realm of natural expansion if, at the time the subsequent user began using its mark, consumers would have assumed that the goods or services of both parties originated from the same source or were in some way affiliated. The doctrine thus requires courts to apply the likelihood of confusion factors retrospectively, focusing not on the present-day situation, but rather on the time of the subsequent user's entry into the market.

A finding that confusion is likely does not, however, give the first user the right to enjoin the subsequent user; it merely establishes that the first user's priority extends to the related goods. Thus, to prevail in an infringement action against an intervening user, the first user must prove likelihood of confusion twice—once to establish that it has priority

90. Carnival, 187 F.3d at 1310.
92. See 4 McCarthy, supra note 81, § 24:20, at 24-38 to 24-39.
93. See id. § 24:20, at 24-39. "[T]he rule has been limited by a recognition that a senior user cannot by expansion prevail where the result would be a likelihood of confusion in derogation of established rights of the intervening user." Id. In such cases it follows that the intervening user would be deemed to have priority with respect to its goods.
94. Carnival, 187 F.3d at 1311; see also 4 McCarthy, supra note 81, § 24:20, at 24-39.
95. See supra text accompanying note 82.
96. Carnival, 187 F.3d at 1311-12; see also 4 McCarthy, supra note 81, § 24:20, at 24-39 ("What is or is not a 'natural expansion' in fact is apparently determined by the perception of customers at the time of the junior user's first use of mark A on product line Z.").
97. Carnival, 187 F.3d at 1311 n.4.
with respect to the related goods, and again to establish that the present
use of both parties' marks is likely to create confusion as to the
affiliation or sponsorship of those goods.\textsuperscript{98}

As discussed below, the natural expansion doctrine is confusing and
unnecessary. Unfortunately, that did not stop the Eleventh Circuit from
applying the doctrine in \textit{Carnival}.

using the \textit{CARNIVAL} trademark in connection with the sale of raw
shrimp. In 1990 Carnival Brands, Inc. ("CBI") began using the
\textit{CARNIVAL} trademark in connection with the sale of chicken gumbo and
seafood gumbo. In 1992 CBI expanded the line of products it sold under
the \textit{CARNIVAL} mark to include other precooked seafood products.\textsuperscript{99}

In 1996 Mariscos assigned all of its rights in the \textit{CARNIVAL} mark to
Carnival Brand Seafood Company ("CBSC"), which continued to sell raw
shrimp and, later that year, began selling other seafood entrees under
the \textit{CARNIVAL} mark.\textsuperscript{100} In 1997 CBSC sued CBI, alleging trademark
infringement. The district court granted summary judgment in favor of
CBI, concluding as a matter of law that there was no likelihood of
confusion between the two marks.\textsuperscript{101}

The Eleventh Circuit vacated the district court's decision.\textsuperscript{102} The
court correctly observed that "Mariscos was unquestionably the senior
user with respect to raw shrimp."\textsuperscript{103} The court also correctly concluded
that CBSC stood in the shoes of Mariscos for purposes of determining
priority.\textsuperscript{104} The court might well have moved on to determine whether
the parties' present-day use of their marks created a likelihood of
confusion. Instead, the court attempted to determine whether CBSC had
priority with respect to the related goods—namely, the seafood gumbo,
chicken gumbo, and other seafood products sold under the CBI
mark.\textsuperscript{105} Applying the natural expansion doctrine, the court concluded

\textsuperscript{98} Id.
\textsuperscript{99} Id. at 1308-09.
\textsuperscript{100} CBSC also received an assignment from another company using the \textit{CARNIVAL} mark. Id. at 1309. The court in \textit{Carnival} also addressed issues regarding CBSC's rights pursuant to that assignment. Id. at 1315-16. However, this Article will not discuss those issues because the most noteworthy aspects of the decision concern CBSC's rights pursuant to the Mariscos assignment.
\textsuperscript{101} Id. at 1308-09.
\textsuperscript{102} Id. at 1316.
\textsuperscript{103} Id. at 1310.
\textsuperscript{104} Id.
\textsuperscript{105} Id. at 1311-15.
that there were genuine issues as to whether, at the time CBI began
using its marks, consumers would have assumed that Mariscos's raw
shrimp and CBI's seafood products came from the same source or that
the sources were somehow affiliated. Accordingly, the Eleventh
Circuit held that the district court erred in effectively finding no
infringement as a matter of law by granting summary judgment to
CBI.

3. An Unnecessarily Complicated and Misleading Analysis. In
explaining the natural expansion doctrine, the Eleventh Circuit quoted
Professor McCarthy's treatise, but seemingly missed his point:

"[T]he 'natural expansion' thesis seems to be nothing more than an
unnecessarily complicated application of the likelihood of confusion of
source or sponsorship test to a particular factual situation. If the
'intervening' use was likely to cause confusion, it was an infringement,
and the senior user has the right to enjoin such use, whether it had in
fact already expanded itself or not."

Specifically, the natural expansion doctrine is unnecessary because the
ordinary likelihood-of-confusion analysis and the affirmative defense of
laches (and, in appropriate cases, acquiescence) serve to prevent the
same harm that the natural expansion doctrine seeks to prevent. The
doctrine is also misleading because it confuses the concept of priority
with the scope of protection to which a mark is entitled.

It is beyond dispute that trademark rights are acquired by using a
mark in commerce. A prior user enjoys superior rights over a
subsequent user, including the right to enjoin any subsequent user
whose mark creates a likelihood of confusion. This is true even if

106. Id. at 1315-16.
107. Id. at 1316.
108. Id. at 1311 (quoting 4 McCarthy, supra note 81, § 24:20, at 24-39 (emphasis
added)).
109. See 4 McCarthy, supra note 81, § 24:20, at 24-41 (recognizing that "laches is the
obvious rebuttal to a tardy assertion of rights").
110. See Restatement (Third) of Unfair Competition § 18 (1995) ("Rights can be
acquired in a designation only when the designation has actually been used as a trademark
... or when an applicable statutory provision recognizes a protectable interest in the
designation prior to actual use. A designation is "used" as a trademark ... when the
designation is displayed or otherwise made known to prospective purchasers in the
ordinary course of business in a manner that associates the designation with the goods,
services, or business of the user ... ").
111. See id. § 19; 2 McCarthy, supra note 81, § 16:4, at 16-5.
112. See 2 McCarthy, supra note 81, § 16:4, at 16-5 ("The first to use a designation
as a mark in the sale of goods or services is the ... 'senior user.' These marks are given
the parties use their marks on different goods. To establish infringement, trademark owners are not required to establish that both marks are used on identical goods. Indeed, one of the factors courts consider in determining whether confusion is likely is the similarity of the parties' goods, which presupposes that a trademark owner's rights can extend to goods on which the mark has not been used. Of course, the degree of similarity necessary to find infringement may depend on the various other likelihood-of-confusion factors. The stronger the first user's mark, for example, the less similar the parties' goods may need to be.

Thus, there is no need to apply a separate, retrospective likelihood-of-confusion analysis to determine the extent of the first user's priority. Whichever party used the mark first has priority. The next question should be whether, given both parties' use of their marks, confusion is likely today. This, of course, involves assessing the similarity of the parties' goods. For this purpose alone, the court should look back in time—an intervening user's goods are properly compared to the senior user's goods at the time the junior user entered the market. However, this does not involve redefining the senior user's priority; it simply recognizes the proper scope of protection to which the senior user's mark is entitled.

Moreover, it seems likely that in nearly every case involving an intervening use, the junior user will have a laches defense. Thus, even if the senior user establishes that confusion is likely, the senior user may find itself estopped from enjoining the junior user if the senior user sat on its rights and knowingly allowed the junior user to build goodwill in its mark before bringing the infringement action. Likewise, although less common, if the senior user indicated through some affirma-

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113. See supra note 89.
114. See 4 McCarthy, supra note 81, § 24:2, at 24-7 (discussing the historical development of the modern rule).
115. See, e.g., Carnival, 187 F.3d at 1311.
116. See 3 McCarthy, supra note 81, § 23:20.1, at 23-55 (“The degree of similarity of the marks needed to prove likely confusion will vary with the difference in the goods and services of the parties.”).
117. See Davis, supra note 82, at 105-06 (“A mark or trade dress deemed to be strong can slice across wide gulfs in goods or services to secure protection against infringing uses for its owner.”); see, e.g., Chemical Corp. of Am. v. Anheuser-Busch, Inc., 306 F.2d 433, 434 (5th Cir. 1962) (deeming the WHERE THERE'S LIFE . . . THERE'S BUGS mark, used for combination insecticide and floor wax, to infringe the WHERE THERE'S LIFE . . . THERE'S BUD mark, used for beer).
118. See supra note 112 and accompanying text.
119. See 5 McCarthy, supra note 81, § 31:1, at 31-8.
tive act that it did not object to the intervening use, the junior user may also assert the defense of acquiescence.\textsuperscript{120} This would also estop the senior user from enjoining the otherwise infringing use.\textsuperscript{121} Together, the ordinary likelihood-of-confusion analysis and the affirmative defenses of laches and acquiescence thus accomplish the same purpose as the natural expansion doctrine.

Thus, in \textit{Carnival} the Eleventh Circuit should have ended its analysis of CBSC's priority with the observation that "Mariscos [and, by virtue of the assignment, CBSC] was unquestionably the senior user with respect to raw shrimp."\textsuperscript{122} The next question should have been whether, as a matter of law, confusion was unlikely. In addition to the other likelihood-of-confusion factors, this analysis should have involved assessing the similarity of the parties' goods—CBSC's raw shrimp and CBI's seafood gumbo, chicken gumbo, and other seafood products. It is difficult to imagine how this factor could not present a genuine issue of fact considering previous decisions in this jurisdiction holding there to be confusion between similar marks used for wine and brandy,\textsuperscript{123} food and gin,\textsuperscript{124} whiskey and cigars,\textsuperscript{125} bus transportation and sightseeing tours,\textsuperscript{126} golf courses and golf associations,\textsuperscript{127} and shrimp processing services and processed shrimp.\textsuperscript{128} The Eleventh Circuit, then, should have vacated the district court's decision on the ground that there were genuine issues of fact regarding the similarity of the parties' goods, a significant factor in the likelihood-of-confusion analysis.

C. \textit{Cancellation of Registrations For Functionality}

In \textit{Wilhelm Pudenz, GmbH v. Littlefuse, Inc.},\textsuperscript{129} the Eleventh Circuit held that a "trademark registration that has achieved incontestable status ... is still subject to attack based on functionality."\textsuperscript{130}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{120} See SunAmerica Corp. v. Sun Life Assurance Co. of Can., 77 F.3d 1325, 1334 (11th Cir. 1996); 5 MCCARTHY, supra note 81, §§ 31:41 to 31:42, at 31-79 to 31-84.
\item \textsuperscript{121} See SunAmerica Corp., 77 F.3d at 1334.
\item \textsuperscript{122} 187 F.3d at 1310.
\item \textsuperscript{123} E. Remy Martin & Co. v. Shaw-Ross Int'l Imports, Inc., 756 F.2d 1525, 1530 (11th Cir. 1985).
\item \textsuperscript{124} Beef/Eater Restaurants, Inc. v. James Burrough, Ltd., 398 F.2d 637, 639 (5th Cir. 1968).
\item \textsuperscript{125} Tampa Cigar Co. v. John Walker & Sons, Ltd., 222 F.2d 460, 461 (5th Cir. 1955).
\item \textsuperscript{126} Greyhound Corp. v. Goberna, 128 F.2d 806, 807 (5th Cir. 1942).
\item \textsuperscript{127} Professional Golfer's Ass'n v. Banker's Life & Cas. Co., 514 F.2d 665, 670 (5th Cir. 1975).
\item \textsuperscript{128} Conagra, Inc. v. Singleton, 743 F.2d 1508, 1514 (11th Cir. 1984).
\item \textsuperscript{129} 177 F.3d 1204 (11th Cir. 1999).
\item \textsuperscript{130} Id. at 1211-12.
\end{itemize}
\end{footnotesize}
1. Incontestability, Cancellation of Five-Year-Old Marks, Trade Dress, and Functionality. Section 15 of the Lanham Act permits owners of marks that have been registered and used for at least five years to apply for incontestable status, provided certain statutory requirements are met. Subject to several defenses enumerated in Section 33(b) of the Lanham Act, incontestable status constitutes "conclusive evidence of the validity of the ... registrant's exclusive right to use the registered mark in commerce." Attaining such status is,

131. This section provides:

Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired ... prior to the date of registration under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable:

*Provided, That—*

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and
(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and
(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified in paragraphs (1) and (2) of this section; and
(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.


132. *Id.* § 1115(b). At the time Pudenz filed suit, the enumerated defenses included:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or
(2) That the mark has been abandoned by the registrant; or
(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or
(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or
(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use of has been continuously used by such party or those in privity with him from a date prior to (A) the date
therefore, quite valuable in the event of any future infringement proceedings.

Section 14 of the Lanham Act limits the grounds upon which any registration can be canceled after five years. These enumerated grounds are not identical to the defenses enumerated in Section 33(b). Moreover, Section 14(3) applies to any mark that has been registered for five years or more regardless of whether the registration has attained incontestable status under Section 15. For this reason Section 14(3) has been compared to a statute of limitations.

These provisions of the Lanham Act apply not only to registrations of trademarks and service marks, but also to registrations for trade dress. Unlike trademarks and service marks, which typically consist of words, design elements, or both, trade dress generally refers to "the
overall image used to present a product or service to purchasers" and "can include such characteristics of a good as its size, shape, and color."

However, trade dress rights cannot be acquired in any feature that "is essential to the use or purpose of the article or . . . [that] affects the cost or quality of the article." This principle, known as functionality, is rooted in the notion that free market competition is good for society. Although functional features can be protected by acquiring utility patents, patents have a limited duration; competitors will eventually be free to copy the useful feature protected by the patent, and society will benefit from the new competition. Unlike patent rights, trademark and trade dress rights can be perpetual. Thus, if parties were allowed to obtain perpetual trade dress rights in functional features, society might forever miss the benefit of allowing competitors to copy those useful features.

Significantly, however, the functionality doctrine was not mentioned in the text of the Lanham Act until 1998. The 1998 amendments, enacted as part of the Trademark Law Treaty Implementation Act added functionality to the list of enumerated grounds upon which five-year-old registrations can be canceled under Section 14. The amendments also added functionality to the list of Section 33(b) defenses that can be asserted against incontestable registrations.

2. Pudenz v. Littlefuse, Inc.: Five-Year-Old Trade Dress Registrations Can Be Canceled for Functionality. Littlefuse, a manufacturer of automobile blade fuses, owned two incontestable registrations covering the two-dimensional and three-dimensional outlines of one of its fuses. Littlefuse objected when Pudenz later began marketing similar fuses in the United States. Pudenz filed suit seeking a declaratory judgment that its fuses did not infringe the Littlefuse

139. Id. at 1265-66. See generally 1 MCCARTHY, supra note 81, §§ 8:1 to 8:21 (discussing the basic rules and defenses of trade dress protection).
140. Davis, supra note 138, at 1267.
141. Id. at 1267-68.
142. Pudenz, 177 F.3d at 1207-08.
143. Id.
144. Id.
145. Id. at 1208.
148. Id. § 1115(b).
trade dress. Littlefuse counterclaimed, alleging that the Pudenz fuses were infringing. Pudenz defended the infringement action under Section 33 of the Lanham Act and attacked the registrations themselves under Section 14 on the ground that the registrations were functional. The district court agreed that the features that the registrations sought to protect were functional and therefore held the registrations to be invalid.149

On appeal Littlefuse argued that its registrations could not be canceled for functionality because they had attained incontestable status.150 In making this argument, Littlefuse relied on the Fourth Circuit's decision in *Shakespeare Co. v. Silstar Corp. of America.*151 There, the Fourth Circuit interpreted the Supreme Court's holding in *Park 'N Fly v. Dollar Park & Fly, Inc.*152 to mean that incontestable registrations can be canceled only for the reasons enumerated in Section 14(3) of the Lanham Act.153 Littlefuse argued that because functionality was not one of the defenses enumerated in Section 33(b) of the Lanham Act at the time Pudenz filed suit, Littlefuse's registrations could not be canceled on that ground under Section 14(3) of the Act. In addition, Littlefuse argued that the 1998 amendments that added functionality to Section 14 were not effective until October 1998. This, Littlefuse maintained, indicated that functionality was not an available defense against registrations that became incontestable before that time.154

The Eleventh Circuit began its analysis by recognizing that the Supreme Court's decision in *Park 'N Fly* was narrower than the Fourth Circuit's decision in *Shakespeare.*155 In *Park 'N Fly* the Supreme Court held that an incontestable registration cannot "be defended against on the ground that it is merely descriptive."156 In reaching that holding, the Supreme Court relied on the fact that "mere descriptiveness" is not listed in Section 33(b) of the Lanham Act.157 In *Shakespeare* the Fourth Circuit applied this rationale to Section 14(3), holding that registrations more than five years old may not be canceled on grounds not specifically listed in Section 14(3).158 The Eleventh Circuit ob-

149. 177 F.3d at 1206-07.
150. Id. at 1209.
151. 9 F.3d 1091 (4th Cir. 1993).
153. 9 F.3d at 1097.
154. 177 F.3d at 1209-10.
155. Id. at 1209.
156. 469 U.S. at 205.
157. Id.
158. 9 F.3d at 1097.
served, however, that the Supreme Court did not decide in Park 'N Fly whether other defenses not then enumerated in Section 33(b) (such as laches) would likewise be unavailable.\textsuperscript{159} Thus, in declaring that Section 14(3) lists the exclusive grounds for cancellation of five-year-old marks, the Fourth Circuit actually went beyond the Supreme Court's rationale in Park 'N Fly.\textsuperscript{160}

Likewise, the Eleventh Circuit distinguished the issue presented in Park 'N Fly from the issue presented in both Shakespeare and Pudenz.\textsuperscript{161} Unlike functionality, "mere descriptiveness" was mentioned elsewhere in the Lanham Act, and the legislative history of the Act demonstrates that Congress specifically intended to eliminate it as a defense under Section 33(b).\textsuperscript{162} In contrast, functionality was a judicially created concept that predated the Lanham Act, and nothing in the Act's legislative history indicates that Congress meant to abolish the doctrine.\textsuperscript{163}

Finally, the Eleventh Circuit addressed Littlefuse's argument that functionality could not be applied to registrations that became incontestable before the effective date of the amendments adding functionality to the Lanham Act.\textsuperscript{164} The court dismissed this argument, noting that Congress characterized the amendments as "technical corrections," which suggested that they were merely "meant to clarify existing law."\textsuperscript{165} Likewise, the court quoted provisions from the legislative history of the amendments suggesting that Congress specifically intended to "correct the flawed result reached by the Fourth Circuit in Shakespeare."\textsuperscript{166} In light of these reasons, the court had little problem concluding that registrations that achieved incontestable status before October 1998 can nevertheless be canceled on the ground that they are functional.\textsuperscript{167}

It is interesting that the court chose to support its holding, which applies only to the Section 14(3) grounds for canceling marks registered five or more years, with rationale dealing largely with the Section 33(b) defenses to an incontestable registration. This was, of course, the

\textsuperscript{160} 177 F.3d at 1209.
\textsuperscript{161} Id. at 1210.
\textsuperscript{162} Id.
\textsuperscript{163} Id.
\textsuperscript{164} Id. at 1210-11.
\textsuperscript{165} Id.
\textsuperscript{166} Id. at 1211.
\textsuperscript{167} Id. at 1211-12.
But was it necessary to analogize these sections? Perhaps not. The fact that the Littlefuse registrations had achieved incontestable status was irrelevant to the issue before the court—namely, whether the Littlefuse registrations were subject to attack and cancellation under Section 14(3). Section 33(b) provides that "[t]o the extent that the right to use the registered mark has become incontestable under section 1065 . . . the registration . . . shall be subject to the following defenses." Section 15, in turn, provides that "[e]xcept on a ground for which an application to cancel may be filed at any time under paragraph[] (3) . . . of section 1064 . . . the right of the registrant . . . shall be incontestable." Read together, these sections indicate that the grounds enumerated in Section 14(3) for attacking registrations apply regardless of a registration's incontestable status. Thus, it seems that the court could have framed the issue without regard to Section 33(b). Based upon the history of the functionality doctrine and the legislative history of the Trademark Law Treaty Implementation Act, the court should have had no problem concluding that functionality was available under Section 14(3) to attack and cancel registrations more than five years old.

IV. CONCLUSION

Of the decisions surveyed in this Article, only Carnival seems to have been wrongly decided, and even there the court reached the right result, though for the wrong reasons. Moghadam may prove to be the most significant because the court's rationale suggests that the Antibootlegging Statute may not survive an attack based on the "Limited Times" provision of the Copyright Clause, and any future decision to the contrary would leave the true Copyright Clause limitation provisions meaningless. Though the Eleventh Circuit may not necessarily be the first court to reach that issue, it seems virtually certain that the court will have no shortage of intellectual property issues to deal with in coming years.

168. See 9 F.3d at 1097.
170. Id. § 1065.
171. See Pudenz, 177 F.2d at 1210.
172. See id. at 1211.