

Trademarks & Unfair Competition, Summer 2007
Final Exam with Model Answer

Scenario Two

A rush “due diligence” job has just landed on your desk, and the results are due in less than two hours.

Your client Ginormous Media has been acquiring “Web 2.0” businesses at a furious pace to provide “eyeballs” for its huge catalog of online advertisements. It assesses sites based on “stickiness” (how well they attract and hold users over the course of hours, weeks, and years) and “targeting” (how narrowly they slice users to make them of maximum interest and value to the advertisers). The company has set its sights on a new target.

The following background information was provided for the IP, corporate, and tax teams working on the project:

Brandtopia is a web site where groups form based on brand affinity rather than school, employer, hobby, political inclination, religion, or other criterion. Sub-sites run the range from “A” (AcmeBread@brandtopia.org, a local Bay Area brand) to “Z” (Zyrtec@brandtopia.org, a national pharmaceutical brand) and include such recognizable names as Prada@brandtopia.org, for fans of Prada fashions; Prius@brandtopia.org, for owners and wanna-be owners of the Toyota Prius hybrid automobile; and Propel@brandtopia.org, for people who enjoy Propel fitness water. Brandtopia depicts its community names in a consistent typeface and font size on both sides of the “@” sign.

The idea of a “brand community” is not new, but Brandtopia prizes courteous and useful contributions, and moderators actively remove off-topic postings and other “spam” to maintain the quality of the community. Cross-talk between competing brands is kept civil. As a result, anyone visiting the site finds it a tremendously valuable resource, full of helpful and enthusiastic volunteers; they just can’t help getting sucked in. Launched in November 2005, member registration now seems to be doubling every few months.

A few months ago, the administrators added two discussion boards to each community to allow members to carry on “unrelated” business, subject to the restriction that it be family friendly. The “members only” SideTalk and FleaMarket boards look like the site’s other boards, but keep posts only for two weeks. (The FleaMarket is more like Craig’s List than like eBay.) These services have become extremely popular, with some members staying on the site several more hours per week to chit-chat or shop.

Ginormous views Brandtopia as an excellent opportunity, and a potential bargain. While there is competition in the marketplace from MySpace Groups and Yahoo Groups, neither of those sites will ever have the singular focus of Brandtopia — and the results so far speak for themselves: Brandtopia’s strategy of adding new communities based on member interest, without engaging in the time-consuming

process of entering into a license or sponsorship agreement with the trademark owner, is paying off. Ginormous plans to continue Brandtopia's current naming strategy, which is to identify its community pages with the "@" format (BrandName@brandtopia.org) and to host pages on matching subdomains (http://BrandName.brandtopia.org/). Ginormous also relishes the advertising possibilities offered by Brandtopia's "opt-in" RSS feeds, which nearly all members wish to receive.

As the only trademark attorney working on the deal, it is your task to assess risks relating to trademark infringement and dilution, and cybersquatting. For the most part, you are expected to apply Ninth Circuit law, but where Ninth Circuit precedent is absent, inconclusive, or inapplicable, you may be guided by decisions from other circuits.

The following answers are not necessarily complete and comprehensive, and partial credit was given for various additional pertinent observations and arguments. All multiple choice questions were worth a maximum of 5 points.

Q6. In applying the likelihood of confusion test to Brandtopia, there are a number of different doctrines that bear on the similarity or perceived similarity of the Brandtopia community name (BrandName@brandtopia.org) and the brand name around which it is built (BrandName). In evaluating the similarity of marks, which propositions seem most likely to be accepted by a court?

- I. The addition of "@brandtopia.org" distinguishes the community name from the mark because it is very prominent in the mark, whether assessed as a matter of appearance, sound or meaning.

This is a reasonable, but not foolproof argument. As illustrated in the cases involving the "sucks.com" suffix, when a recognized mark is combined with other wording, the recognized mark often is understood to indicate source, affiliation or sponsorship regardless of the other wording. Proposition I does not address this.

- II. The addition of "@brandtopia.org" distinguishes the community name from the mark because when viewing email addresses, relevant consumers perceive the text on the right-hand side of the "@" sign as the best indication of source, sponsorship or affiliation.

This is a doubtful argument. Users are indeed most accustomed to seeing the "@" sign in an email address. On the other hand, users often see email addresses that contain yahoo.com, hotmail.com, and aol.com, so they know that the domain portion of an address does not necessarily indicate the source.

- III. The addition of "@brandtopia.org" fails to distinguish the community name from the mark because relevant consumers

would consider it similar to a physical location — such as “BrandName at Valley Fair Mall” — and would give it little weight in how they perceive the site’s source, sponsorship or affiliation.

This is a reasonable, but not foolproof argument. Some web sites offers “storefronts” to vendors in which those vendors control the products listed, look and feel (for example, Amazon marketplace). But it is a bit more of a logical leap to compare a Brandtopia community to a shopping mall. Proposition III does not cite any expert authority or case law supporting that leap. If only a handful of people might understand the community name that way, then such de minimis confusion would be ignored.

- A. I only, because the considerations in II and III are not part of any multi-factor test for likelihood of confusion.

“Beware of the because.” Propositions II and III are arguments about how the marks would be understood within the meaning of the “similarity of marks” factor, so the “because” here is irrelevant.

- B. I and II together, but not III because only a *de minimis* number of web users would consider a Web 2.0 site analogous to a shopping mall.

This is not the best answer. See the notes under Propositions I, II, and III.

- C. III only, because web users know that, for example, AOL doesn’t generate or approve all messages from SomeUser@aol.com, and thus they do not perceive email addresses that way.

This is not the best answer, although it has more going for it than most of the others. See the note under Proposition III.

- D. There is some truth to each of these, at least for some users, but there is simply no doubt that the brand name will dominate the commercial impression of the mark because that is the whole point of the site.

“Beware of the because.” The reasoning of this argument, as they say, “proves too much.” Under this theory, even the mark “Brandtopia — The Unofficial Place to Hang Out and Discuss BrandName” would be dominated by the BrandName mark.

- E. None of the above.

I believe that by default, this is the best answer. However, you did not agree with me. Three students chose A, three chose D, and two chose C.

Q7. In applying the likelihood of confusion test to Brandtopia, what, if anything, is likely to be considered persuasive evidence that a particular trademark's Brandtopia community is within the natural scope of expansion of the trademark owner's business?

I. Many companies take advantage of Web 2.0 features to promote themselves, including having their executives blog on their sites and, in some cases, creating their own YouTube channels.

This observation is true.

II. Many companies host or sponsor support forums on the web (or via old fashioned news groups) in which customers can receive user-to-user advice on problems with the companies' products.

This observation is true.

III. Many companies offer email subscriptions for announcements of new products and/or special offers.

This observation is true.

A. I and II, but not III because RSS is technically quite different than email.

This is not the best answer. It is true that RSS "feeds" are not sent via email, and despite the strong similarity between receiving messages through a traditional email mailing list and an RSS feed, historically they have required different readers. However, the issue is not the technical difference, but whether that next step is so far that it is beyond the scope of "natural" expansion.

B. I and III, but not II because company controlled web sites never allow any criticism of the companies' products.

This is not the best answer. It is true that companies prefer never to be criticized, and that some support boards are "pruned" of posts that are not positive or at least respectful. However, the issue is not the current policing policy, but whether a Brandtopia-style forum is so different that it is beyond the scope of "natural" expansion.

C. II and III, but not I because these are one-way communications that allow, at best, user comments, but no actual discussion among users.

This is not the best answer. It is true that blogs and YouTube channels generally offer more limited opportunities for interaction than discussion forums. However, the issue is not the technical difference, but whether that next step is so far that it is beyond the scope of "natural" expansion.

- D. I, II, and III. Although these items, even in combination, fall short of Brandtopia's full range of services, nevertheless, consumers may well see a Brandtopia community as the "next logical step" for the mark owner.

This is the best statement of the "natural" expansion factor, and best fits the facts.

- E. None of the above. Each example individually, and the combination of all of them, fails to demonstrate the obviousness of the Brandtopia site.

No! "Obviousness" is a patent law standard that we should not import.

Q8. In applying the likelihood of confusion test to Brandtopia, different circuits would emphasize different factors in relation to the sophistication of relevant consumers and the care with which they are likely to regard the mark. However, the general principle that sophisticated and careful customers are less vulnerable to confusion applies in all circuits. If each of the following propositions is found to be supported by both the evidence and the law, what significance are they likely to be given in the context this case?

- (1). Fans of "famous brand" products — such as Prada fashions and Prius automobiles — are closely attuned to their respective trademarks, and would immediately take notice of even small variations from those familiar marks. E.g., *Marshall Field vs. Mrs. Field's*; cover design of *Farmer's Almanac*.
- (2). The Web 2.0 generation is very well informed about the web and interactive technologies, and savvy in distinguishing official sites from other sites, such as fan, reseller, and parody sites.

- A. (1) is likely to be very persuasive overall, but (2) is not because many people over 30 are not so savvy about web sites.

The critique of (2) is well taken, but this is not the best answer.

- B. (2) is likely to be very persuasive overall, but (1) is not because many people will stumble into the web site accidentally when doing web searches, and might suffer from initial interest confusion.

The initial interest confusion doctrine is controversial. In some circuits, it might apply even though Brandtopia is unlikely to provide a good substitute for the original goods or services. Even if the critique of (2) is well taken, this is not the best answer.

- C. Both (1) and (2) leave many potentially "unsophisticated" and "careless" Internet users, and even if they are a minority of web users, they deserve protection against confusion as long as their number is not insubstantial.

This is the best statement of how courts apply the “sophistication” or “care” factor, and best fits the facts.

- D. Neither (1) nor (2) is particularly compelling alone, but taken together, they make a compelling case against likelihood of confusion.

Answer C is better.

- E. The “sophistication” or “care” factor is so far down the list that, as a practical matter, it would be irrelevant.

This factor may in fact be given little weight, but being “far down on the list” is not a useful explanation of why that might be the case. The most common reason is that the similarity of the marks and proximity of the goods and services typically are given the most weight, and too many relevant consumers are “unsophisticated” or “careless” to be confident that there will not be a likelihood of confusion.

Q9. Because Brandtopia clearly intends to refer to third party trademarks in a “nominative” or “referential” manner, it is very likely that the company would defend the use of community names in the form of BrandName@brandtopia.org under *New Kids on the Block*. Do the community names pass that test?

- A. Yes, because there is no efficient way to identify “Prada,” for example, without using the word “Prada,” and the site uses no logos or stylization implying a special relationship.

This answer is a good fit to the test. Setting aside the issue raised under Answer B, it clearly is the best answer.

- B. No, because the third party mark is used to identify Brandtopia’s services rather than (or in addition to) the trademark owner’s products/services, and therefore would be perceived as a source indicator, not a reference.

Answer B raises a complex issue: The New Kids test assumes that BrandName is used purely to refer to BrandName or its source, and not as a mark of Brandtopia. As far as we know, Brandtopia is not claiming that its community names are trademarks, and is focusing its branding efforts on the Brandtopia mark itself. However, if relevant consumers view the community name as a mark identifying Brandtopia’s services, then arguably it might not qualify for consideration as a nominative fair use.

Users familiar with Brandtopia would know that there are hundreds of like-named communities, making it extremely implausible that each community name is a trademark. New arrivals, on the other hand, might not venture out of a single community for some time. For these users, a misunderstanding of the community name is a greater risk. How these users would understand the “@” construction, and whether they would perceive the name as more in the nature of a

service mark, or more in the nature of a literary title (as we have learned, the titles of books and other literary works generally are not perceived as trademarks), may be factors in determining whether such users get the wrong idea.

On balance, Answer A appears to better fit the facts than Answer B, but a spirited defense of Answer B will earn points.

- C. Yes, because there is a strong public policy in favor of free expression on the Internet, particularly for content that the trademark holder would not approve on its own.

Amorphous notions of public policy generally do not provide the best reasoning.

- D. No, because the community name creates the misleading impression that the user can email the trademark owner through Brandtopia.

It's possible that some number of people would think this. However, this type of reference doesn't violate any the three prongs of the New Kids test. Perhaps it should?

- E. Maybe; it really depends on what the judge had for breakfast.

Humor value = 2; points on the exam = 0.

Q10. How is a court likely to analyze the use of third party brand names in community addresses, e.g., <http://BrandName.brandtopia.org/>, under trademark infringement principles?

- A. Because users are likely to use the address whenever they visit the site, and whenever they send someone a link to the site, a court is likely to analyze it as the primary trademark consumers would use to refer to the community.

This is not completely inconceivable, but web addresses usually are not considered to be trademarks unless they are used as trademarks. Use only as an address — consider the USPTO position on registration of domain names as trademarks — generally does not impress consumers as trademark use.

- B. Because consumers are likely to recognize the community name BrandName@Brandtopia.org as the principal source identifier, and the address as a short-hand reference thereto, the address would receive little separate consideration.

This is reasonable and by default is the best answer.

- C. Because Brandtopia’s addresses fail to convey the dual message that they are “not the original,” they would not qualify for a free expression exception from the theory of initial interest confusion.

The “is the original” and “is not the original” test refers to domains claimed to be parodies. This is not likely to be relevant to the Brandtopia site.

- D. Because Brandtopia’s addresses all contain its brandtopia.org server name, they do not fit the usual paradigm of tricking users away from the trademark owner’s site and thus cannot cause initial interest confusion.

This is too extreme: an appreciable number of people are fooled by the use of recognized trademarks in “phishing” scam domains.

- E. Courts no longer apply trademark infringement principles to domain names, and thus would apply only the anti-cybersquatting law.

This is not true.

Q11. Many Brandtopia communities are built around famous marks (or marks their holders think are famous). Which is the best assessment of the legal analysis of “dilution by blurring” under the Lanham Act as amended?

- I. Use of BrandName@brandtopia.org is likely to impair the distinctiveness of BrandName as a source identifier because it associates an additional, unauthorized web site with the owner of BrandName and/or its products.

Proposition I seems to be saying that infringement (associating a second provider with the first) is the same as blurring, which is incorrect as a legal matter. Dilution by blurring traditionally occurs when one mark identifies more than one source of goods or services. If relevant consumers would perceive that there is only one source, then there cannot be blurring.

- II. In assessing the famousness of BrandName, the fact that Brandtopia created a community for a specific mark would prove that there is a high degree of “actual recognition” of the mark by the general consuming public across the nation.

Based on the facts before us, Brandtopia does not impose criteria like “nationwide recognition” or “of general interest” on its communities, so there is no foundation for this proposition.

- III. Brandtopia qualifies for the “noncommercial use” exclusion because the site is not limited to “commercial speech” — despite the operation of the user-to-user FleaMarket.

This appears to be correct under Mattel.

- A. I and II.

This was the most popular answer (3 out of 8). However, there really is a statutory exception for noncommercial speech for dilution.

- B. III only.

This is the best answer.

- C. I and III.

- D. II and III.

- E. I, II and III.

Q12. Many Brandtopia communities are built around famous marks (or marks their holders think are famous). Which is the best assessment of the legal analysis of “dilution by tarnishment” under the Lanham Act as amended?

- I. Use of BrandName@brandtopia.org is likely to harm the reputation of BrandName because it associates criticism of the company and its products with the BrandName mark.

While the scope of the TDRA is untested, historically tarnishment required much more than mere criticism, and courts probably would be quite reluctant to retreat from the old “unwholesome”/“unsavory”/“degrading” approach. Unlike the unique advertisement in Deere vs. MTD, Brandtopia is not modifying BrandName by simply presenting it in plain text next to its own name.

- II. In applying the likelihood of dilution factors, the fact that Brandtopia created a community for a specific mark would prove that there is “actual association” between Brandtopia’s services and the BrandName mark.

A community is focused on a particular brand, so it makes sense to say that Brandtopia fosters an “association” of some kind. The statute refers more specifically to “actual association between the mark or trade name and the famous mark,” which was adopted by analogy to “actual confusion” in the likelihood of confusion test. Technically, then, Proposition II goes too far by focusing on the

subject matter of the community as opposed to its name or its references to BrandName. As a matter of evidence, the mere creation of a community does not prove that there has come to be an “actual association” among users of the service. As a practical matter, a trademark holder would have little difficulty proving (through a survey) that an established community’s users read the BrandName@brandtopia.org as a reference to BrandName. But for purposes of showing “actual association” (as with “actual confusion”), such association cannot simply be assumed. Insofar as a trademark holder wishes to infer a likelihood of dilution from Brandtopia’s intent to associate a community with BrandName, that is a separate factor in the test.

III. Brandtopia qualifies for the “noncommercial use” exclusion because the site is not limited to “commercial speech” — despite the operation of the user-to-user FleaMarket.

This appears to be correct under Mattel.

A. I and II.

This was the most popular answer (4 out of 8). However, there really is a statutory exception for noncommercial speech for dilution.

B. III only.

This is the best answer.

C. I and III.

D. II and III.

E. I, II and III.

Q13. In examining the Brandtopia site, you discover that the company is “beta testing” a new feature, currently called the “Brand Bling Shop.” Co-developed with Zazzle, each community’s Brand Bling Shop will feature member-created merchandise — such as mugs, mousepads, and t-shirts (“identi-Tees”) — incorporating the BrandName@brandtopia.org community name along with the user’s choice of text and images. Brandtopia receives a very small portion of the proceeds. Should Ginormous be concerned?

A. Yes, because people glancing quickly at these products will experience post-sale confusion about whether they saw BrandName or not.

Answer A is confused. The theory of post-sale confusion refers to the assumption or belief that goods originate from or are sponsored or endorsed by, or are otherwise affiliated with, the trademark owner. The “quick glance” scenario in Answer A falls short of an actual legal theory.

- B. No, because such displays constitute advertising, not use in commerce in connection with goods.

This answer attempts to sidestep the problem of post-sale confusion by recharacterizing the merchandise as mere advertising. But goods actually are being sold here. Courts (and the PTO) often analyze whether material printed on a t-shirt would be perceived as merely “ornamental,” and therefore potentially not source identifying. However, they do not dismiss such goods from consideration as mere vehicles for advertising.

- C. Yes, because in many cases the likelihood of confusion analysis would be less favorable for such merchandise than for the Brandtopia site itself.

This is the best answer.

- D. No, because nominative fair use must extend to ancillary goods or it would be a hollow right.

Nominative fair use may apply to ancillary goods — with the same requirement that the reference be necessary. Answer D fails to propose any reason that use of BrandName on affinity “bling” meets the New Kids test. On the contrary, it seems to claim that the defense for the online community covers any and all ancillary goods, which cannot be correct.

- E. Yes, because it would support an argument under the Anti-Cybersquatting Consumer Protection Act that Brandtopia is using brandtopia.org for profit, rather than making fair noncommercial use.

This is beside the point. The ACPA would provide relief only for the brandtopia.org domain name, and the owner of BrandName does not own rights in Brandtopia..

Q14. After reading about the conflicting results of targeted or “keyword” advertising cases, you realize you need to assess whether Brandtopia might “cross a line” by selling ad space on BrandName@brandtopia.org to a competitor of BrandName. What is your best thinking based on the evolving law?

- A. The *Playboy*, *GEICO*, and *WhenU* cases are not relevant — as long as Brandtopia pre-sells advertising in a specific community and does not link advertisements to the presence of a particular BrandName in real time.

The key concern of the trademark owners in *Playboy*, *GEICO*, and *WhenU* was the potential for substitution if a competitor’s advertisement appeared in a context where the user had shown

interest in their products (either by conducting a search or by visiting the trademark owners' web sites). The courts have concluded that trademark owners have to accept some risk of diversion, if the publisher did not "sell a trademark" and the advertiser's ads do not cause confusion.

Answer A refers to the timing of association of an ad with a community. From the perspective of the end user, it is not particularly significant when an ad on Prius@brandtopia.org was assigned to that page; in any case, it appears there when the user first views the page. What matters is whether the context clearly avoids confusion as to source, sponsorship and affiliation. From the perspective of the advertiser, it is not particularly significant that it is purchasing an ad on the Prius@brandtopia.org community rather than buying ads on "pages that contain the name Prius." Unlike a more generalized web site with subject matter sections (e.g., news, sports, business), Brandtopia communities are intimately linked to a particular trademark. While a courts might distinguish "selling a trademark-based community" from "selling a trademark," that is far from obvious, and the parallels seem too close to be resolved by reference to timing.

- B. The reasoning of the *WhenU* cases is more applicable — as long as Brandtopia only links the advertisement to BrandName invisibly, in software code.

One of the key facts in the WhenU case was that advertisers were associated with a list of neutral, non-brand keywords, and then WhenU associated these keywords with different web sites. On Brandtopia, advertisers could in theory directly target a competitor by name; there is no indication that Brandtopia uses an intermediate layer of descriptive or generic terms.

Another key fact was that WhenU popups appeared in a distinct, WhenU-branded window rather than in the competitor's page. This also would not be true here.

- C. The reasoning of the *Playboy* and *GEICO* cases is more applicable, because Brandtopia is effectively selling a trademark — if it offers advertisers the option to advertise in communities of their choice.

This is the best answer, as far as it goes. Obviously a search engine is quite a different context, because many searchers really are looking for a direct route to the trademark holder.

- D. As courts increasingly question the validity of applying initial interest confusion theory on the Internet, competitors will no longer be liable for targeted advertising, and therefore Brandtopia would not have any secondary liability.

Assuming, for a moment, that this statement were true, it may still leave open the possibility of primary liability for "selling trademarks." In any event, such a legal transition would take many years, and Ginormous would be exposed to potential secondary liability claims in the interim.

- E. The company should move out of the Ninth Circuit because the courts here show no sign of moderating their protection for trademarks on the Internet.

This is not helpful, since the company might be sued in numerous different courts. It also isn't completely true (consider the concurring opinion in Playboy vs. Netscape, the high standard set in Avery-Dennison v. Sumpton, and the result in Playboy v. Wells).

Q15. Suppose you learn, upon further inquiry, that Brandtopia has a secret policy of preventing companies from advertising in a direct competitor's community (e.g., no Chevrolet ads on Ford@brandtopia.org). However, companies that offer only "aftermarket" parts, accessories, and supplies are allowed to advertise in those communities. Brandtopia currently places the message "Sponsored Links" near these advertisements, but is thinking of relabeling them "Marketplace." How does this additional information affect your likelihood of confusion analysis?

- I. There may be confusion as to source, sponsorship, or affiliation whether the advertisers are either direct competitors or suppliers of complementary goods or services.

True.

- II. All web users recognize "Sponsored Links" as identifying third party advertising, but that is far less clear from the word "Marketplace," raising the concern that Brandtopia might have some liability for the appearance of recommending those products.

Hmmm, do all users really understand "Sponsored Links"? Setting aside that question, the potential liability described in Proposition II isn't likelihood of confusion, but more akin to breach or warranty or products liability.

- III. The "secret policy" demonstrates a good faith intention to avoid causing a likelihood of confusion, which would be given significant weight in the multi-factor test.

Unfortunately for defendants, "good faith" usually does not count as a factor in their favor, even though "bad faith" would count against them.

- A. I only.

This is the best answer.

- B. II only.

- C. III only.
- D. I and II.
- E. I and III.
- F. II and III.

Q16. A brief online investigation reveals that the domain name brandtopia.com is registered to a person or company in Belgium, and the domain record was created in September 1999. The site currently displays brandtopia.com atop a page of shopping related links generated by ad syndication; it also prominently lists the domain for sale on the Sedo aftermarket for an asking price of 10,000 Euros (over \$13,700 at current exchange rates). The page's footer states: "This page provided to the domain owner free by Sedo's Domain Parking. Disclaimer: Domain owner and Sedo maintain no relationship with third party advertisers. Reference to any specific service or trade mark is not controlled by Sedo or domain owner and does not constitute or imply its association, endorsement or recommendation." What is your assessment of this information?

- I. Under common law principles, brandtopia.com's priority is determined from the September 1999 domain registration date, as long as ownership was continuous.

Under common law principles, priority commences from use, not registration, of a domain name.

- II. The owner of brandtopia.com is simply "parking" the domain and rather than having "under construction" or "page not found" displayed, the host displays a "default" page of advertising. Such merely passive behavior cannot constitute use of a mark.

The underpinning of protection for trademarks is that they symbolize the goodwill of a business. Can a "merely passive" business develop goodwill? In theory, the brandtopia.com site might be useful; people might return and use it again. In that sense it might develop a reputation. Proposition II probably goes too far.

On the other hand, the proprietor appears not to be exercising quality control over this use. If brandtopia.com had become established as a trademark, allowing Sedo to apply it to its ever-changing domain parking content likely would constitute naked licensing, thus risking the forfeiture of any rights it may have developed.

- III. If the domain was listed for sale after the public launch of Brandtopia, it could constitute bad faith "trafficking" in the

brandtopia.com domain under the ACPA, even if the original registration and all actual use on the web has been in good faith.

This is true. Unlike the UDRP, which requires proof of bad faith registration as well as bad faith use, liability may attach under the ACPA for any one of these transgressions.

- A. I only.
- B. II only.
- C. III only.

This is the best answer. You did not agree. In fact, no one chose this answer.

- D. I and II.
- E. I and III.
- F. II and III.

This was the most popular answer (3 out of 8). Many of my clients would like Proposition II to be true, but for the reasons stated above, I believe it is too extreme. (Note: No grades would have changed if I gave partial credit for this answer.)

Q17. Further investigation of brandtopia.com at The Internet Archive (at Archive.org) shows that from May 25, 2001 through as recently as June 22, 2006, the site had quite different content: “Brandtopia.com offers direct links to the official sites of more than 1000 brand-name retailers, catalogs, manufacturers and service providers. Brandtopia helps you cut through the clutter of the Internet, to find your favorite brands quickly and easily.” In its footer was the notice: “The ‘Brandtopia’ name is a registered Benelux trademark of John Bogaert.” Archive.org first captured the “domain parking” site on August 30, 2006, at which time the former ownership information disappeared. Although more investigation is required, it appears very likely that the domain might have changed hands around that time. If that is true, what are the implications?

- I. There might be a written agreement between the earlier user and the current user transferring not just the domain, but also assigning the trademark, and nothing else need be proven to acquire priority at least as far back as May 2001, if not September 1999.

Actually, something else does need to be proven: continuity of the business, in order to preserve the goodwill.

- II. The domain might have been acquired through an “expired domain auction” as a result of loss of interest by the original site operator, and in this case, the acquisition of the major asset of the earlier business would effectively transfer the trademark rights.

While the Brandtopia trademark was embedded in the brandtopia.com domain name, the earlier business constituted not just a domain but also a lot of content. Users likely associated the brand with this content; it was this content that gave rise to the goodwill of the business. From this perspective, the domain name, while not unimportant, is not the most essential asset. Without the content, and in the absence of any other indication (such as a written agreement) to the contrary, the domain purchase does not transfer the goodwill of the earlier business, and therefore does not effectively transfer the mark.

- III. If he did *not* assign his trademark rights, the original owner might be deemed to have abandoned those rights by no longer displaying his site, but that is only legally guaranteed under U.S. law after three years have passed without resumption of use.

First, there are never any guarantees when it comes to abandonment! There is a presumption that three years’ non-use proves abandonment. But other evidence may be used to show an abandonment well before that period has elapsed.

- A. I only.
B. I and III.
C. II only.
D. II and III.
E. None of the above.

This is the best answer.

Q18. Some communities are built around a brand that also is the name of a celebrity, such as JLo@brandtopia.org, for fashions, GeorgeForeman@brandtopia.org, for grills, and MarthaStewart@brandtopia.org, for linens, housewares and furniture. What liability might this create under the laws that protect a celebrity’s right of publicity in her or his name (State statutes and common law)?

- A. The right of publicity is limited to the scope of the celebrity’s activities, and since none of them is known for operating Web 2.0 sites like Brandtopia, there can be no liability.

The right of publicity under State statutes and common law is not as limited as the Lanham Act because “likelihood of confusion” is not the issue.

- B. Because the Brandtopia site has proven to be at least as socially valuable as a parody, a court likely would apply the free expression analysis articulated in the *Cardtoons* case and conclude that the use was excusable.

In Cardtoons, the majority held that players’ names and likenesses could be used to deliver important social commentary on professional athletes in a particularly fitting format. It was justified to override the players’ interests because celebrities become part of our vocabulary and therefore are more justifiably parodied. While Brandtopia is useful, it is not subject to the special justification for parodies: that the person being parodied normally would not approve or license it. On the contrary, there are many “fan sites” that celebrities approve or even operate themselves. Insofar as a Brandtopia community is a kind of “fan site,” then the Cardtoons analysis of the importance of free expression is not really on point.

- C. Because a community name is closely analogous to the title of an artistic work, a court likely would apply the *Rogers* test to these uses and conclude that they were “artistically relevant” to the content, and “not explicitly misleading” as to the source, of Brandtopia’s services.

While CelebrityName@brandtopia.org might pass the Rogers test, it is not clear that “a community name is closely analogous to the title of an artistic work” so that the Rogers test should be applied. Titles of books, songs and films have been treated specially in a number of contexts. In Rogers, the court considered that in addition to its “marketing” function, a title constitutes “artistic expression.” This is why the defendant must demonstrate that the title has actual relevance to the artistic work itself. But the Brandtopia site is not an artistic work created by Brandtopia: it is more of a blank slate for content contributed by users. Perhaps users will post poetry inspired by the product; perhaps they will post instructions on how to “hack” its electronics; or perhaps they will post complaints about the manufacturer’s warranty service. While a collage of disparate elements may constitute art, in this case there is no artist or artistic vision to which the purported title has been attached. For that reason, Answer C probably goes too far.

- D. Because the celebrities licensed their names for use as trademarks in connection with products or services, they must tolerate nominative use of their names to refer to those products and services under the same legal standards as any other mark, so there is no additional issue.

By default, this is the best answer. And it certainly sounds like a logical rule because the underlying principle of maximizing competition so long as it is not unfair competition supports the idea that there should be a free flow of information about product and services. If celebrities were given a special dispensation to avoid unlicensed commentary on the products and services sold under their names, other traders would be at a disadvantage. Now that would be unfair.

- E. Liability for using a celebrity’s name requires that the usage be commercial, and because Brandtopia is almost entirely noncommercial — the FleaMarket boards and future Brand Bling Shop are *de minimis* — the site is free to use celebrity names any way it likes.

This answer is reminiscent of the following reasoning from the Model Answer for Q20 on the Summer 2005 exam:

On page 643, the textbook refers to use “for advertising purposes or purposes of trade.” Is a blog supported by advertising and sales of various merchandise the type of exploitation the right of publicity was intended to reach? Based on the scenario, the blog is a form of entertainment in which Sam and others share stories with one another based on the plot lines of the discontinued program [Friends], “in character” as one of the characters from the show. In this respect, the advertising and merchandise sales are peripheral to the “purposes” of the site, and the photos [of celebrities who played the characters in Friends] are purely referential.

However, Answer E ends with a rather extreme conclusion that reaches far beyond the typical limitations on referential use (just enough for a parody, artistic relevance for titles, etc.).

Grading Notes

Up to 35 points were possible on the essay portion (7 points per question), and up to 65 points on the multiple choice portion (5 points per question). The best essay score was 30 points, and the best multiple choice score was a tie at 45 (one student with 9 correct; another with 7 correct and 10 “partial credit” points). Grades were assigned to points using the following scale:

Score	Grade	Number
67-100	A	2
60-66	A-	1
53-59	B+	3
46-52	B	1
38-45	B-	1

Thank you for your attention this Summer. I hope you found the course challenging and practical, and wish you the best in your studies.