

Dentop Studios,

Appellant,

-against-

The Pilton Company,

Appellee.

Memorandum of Law

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**QUESTIONS PRESENTED**

(1) Whether trademark protection can subsist in visual characters in the public domain.

(2) If so, whether that protection extend to reproductions of the work featuring the public domain visual character.

**STATEMENT OF FACTS**

This case concerns a claim of trademark infringement by The Pilton Company (“Pilton”) against Dentop Studios (“Dentop”). Pilton was founded in 1920 and made $63.4 billion in revenue in 2018, while Dentop was founded in 2009 and made only $300 million in revenue in the same year. Both companies are incorporated in the state of Dreamville.

Pilton debuted to audiences in 1923 when it published the animated short film, “Racecar Richard,” the debut appearance of Ricky the Raccoon (“Ricky”), one of the most famous animated characters of all time and which has become the internationally recognizable mascot of Pilton. Although Ricky has since undergone changes to his appearance, name, and backstory, the parties do not dispute that the short was his first appearance.

Celebrating Ricky’s 95th birthday in 2018, Pilton undertook a marketing blitz to revitalize “Racecar Richard.” This included merchandising and playing the short in theaters alongside other classic Pilton shorts. Furthermore, Pilton’s animated logo which is played at the start of its theatrical releases, now prominently features a sequence straight from “Racecar Richard.”

“Racecar Richard” entered the public domain on January 1, 2019, when its copyright expired. Dentop seized this opportunity and created a promotional short for their upcoming movie, “Macko Saves the Aniverse,” that featured the titular character Macko visiting “Racecar Richard.” Dentop’s short consists mostly of the original footage from “Racecar Richard,” redrawn in high-definition, with Macko and another of Dentop’s characters, Esquire Evil, fighting in the background of the cartoon. There is a segment where Macko directly interacts with Ricky the Raccoon. Ricky the Raccoon’s appearance was unaltered, but Macko did make a reference to “saving [Ricky’s] future.” The short ends with a screen advertising “Macko Saves the Aniverse.”

Dentop’s clip was not included in its final film version of “Macko Saves the Aniverse.” However, it was released online on YouTube, where it received over 35 million views by the time the district court of Dreamville enjoined Dentop from distributing these clips. Dentop also cut its short into several shorter clips, from five-seconds to one-minute long clips, that it distributed through other channels such as Facebook, Instagram, and broadcast television. These truncated shorts were seen over 27 million times by the time of the injunction.

Pilton sued under both copyright infringement and trademark infringement, although it did not allege any trademark “dilution” injuries under 15 U.S.C. § 1125(5). Originally, the basis for the copyright was that Pilton still owned the copyright for the more recent depictions of Ricky the Raccoon. The District Court of the District of Dreamville dismissed this claim pursuant to the Federal Rule of Civil Procedure 12(b)(6), holding that the copyright arising from a newer depiction of a character cannot serve as the basis for copyright infringement of a public domain work featuring said character.

The trademark claim, however, was allowed to go forward. The district court rejected Dentop’s original argument that *Dastar Corp. v. Twentieth Century Fox Film Corp.*,539 U.S. 23 (2003), directly blocked Pilton’s claim. Dentop argued that *Dastar* held that trademark infringement can only attach to physical products and cannot be triggered by film footage. The district court disagreed and held that *Dastar* only applies directly to complaints alleging confusion over origin. The court found that Pilton was not arguing that there would be any confusion as to *origin* since Pilton only claimed that the inclusion of Ricky the Raccoon in advertisements would confuse audiences into thinking that Pilton was *sponsoring* the short. Accordingly, the district court found *Dastar* inapplicable and allowed the trademark claim to go forward.

While the claim originally alleged that two registered trademarks were infringed—one on the modern depiction of Ricky and one on his 1923 appearance, both registered for uses in connection with films and animations—Pilton voluntarily dropped the trademark claim with respect to the trademark on the modern depiction of Ricky.

When ruling on a Motion and a Cross-Motion for Summary Judgment, the district court held that the trademark on the “Racecar Richard” version of Ricky was unaffected by the short entering the public domain because copyright and trademark are distinct forms of protection. The district court then found that while *Dastar* did create a safe harbor against trademark infringement for reproductions of public domain works, the safe harbor only applies to nearly exact reproductions. The court found that the alterations by Dentop went beyond this limited safe harbor. Accordingly, the district court found that the inclusion of Ricky the Raccoon in the advertisements was textbook trademark infringement and granted summary judgment to Pilton. Indeed, Dentop had earlier conceded that if the trademark were valid and if a *Dastar* exception did not apply to them, there would be trademark infringement. Pilton was awarded a permanent injunction but did not receive any damages as Pilton did not seek any.

The Fourteenth Circuit initially reversed. Without discussing if the modern version of Ricky might form the basis of a valid trademark, the court found that the 1923 version of the character could not receive trademark protection, at least in the context of creative works. The Fourteenth Circuit held that trademark protection cannot extend to a creative work if the creative work which gives rise to the trademark has since entered the public domain. The panel concluded by saying “we interpret the Lanham Act to carry an implicit exception to trademarkability under which a visual character cannot receive trademark protection in areas relating to creative works after the copyright on the underlying work expires.” (R. at 19).

On alternative grounds, the Fourteenth Circuit panel held that even if the trademark was valid there is a clear exception of trademark liability for reproductions of public domain works, regardless of whether those reproductions are used in advertisements or are slightly altered. While the district court determined that *Dastar* creates a safe harbor, the Fourteenth Circuit instead said *Dastar* bars trademark claims which are actually disguised copyright claims and that the relevant inquiry is not how closely the defendant reproduced the public domain work, but the nature of the plaintiff’s supposed injury. Here, Fourteenth Circuit said that Pilton’s injury stems from loss of control over the character—a copyright injury—but did not mention Pilton’s dismissed copyright claim.

Chief Judge Whitmer dissented from the Fourteenth Circuit majority panel ruling for many of the same reasons outlined by the district court. He also discussed the far-ranging policy impacts of the majority’s decision.

Due to the importance of this holding to Pilton, as well as to all owners of trademarked visual characters soon to enter the public domain, the Fourteenth Circuit decided to rehear the case *en banc*, bringing the case to the present argument.

**BACKGROUND LAW**

The Lanham Act grants federal protection for trademarks.[[1]](#footnote-2) 15 U.S.C. § 1051. Trademarks exist to guard against the use of deceptive practices and unfair competition*. See Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003) (“Federal trademark law . . . reduce[s] the customer’s costs of shopping and making purchasing decisions, and helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.”) (alteration in original) (citations omitted). In particular, the Lanham Act prevents trademarks from being used by others, in connection with goods and services, in such a way that could cause confusion as to origin, sponsorship, or approval. 15 U.S.C. § 1125(d)(1). So long as the owner of the trademark continuously uses the trademark, trademarks can last indefinitely. *Id*. § 1059.

The Copyright Act protects creative works. 17 U.S.C §§ 101–810. Unlike trademarks, which Congress regulates pursuant to the Commerce Clause, the Constitution explicitly empowers Congress to grant copyright protections. U.S. Const. art. I, § 8, cl. 8 (granting Congress the power “[t]o 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 . . . .”); *see In re Trade-Mark Cases*, 100 U.S. 82, 85–86 (1879) (explaining that, due to the differences between trademarks and both patents and copyrights, Article I, Section 8, Clause 8 of the U.S. Constitution does not grant Congress the power to regulate trademarks). However, the Constitution also imposes a restriction on copyright: it can last only for a *limited* time. U.S. Const. art. I, § 8, cl. 8. While Congress has stretched the meaning of “limited” to the life of the author plus seventy years for most works and, in the case of works made for hire, ninety-five years from its first publication, copyrights *do* eventually expire. *See* 17 U.S.C § 302 (setting expiration time of copyright for works made for hire). When copyrights expire, works enter the public domain and become free for all to “copy and use.” *Dastar*, 539 U.S. at 34 (quoting *Bonito Boats v. Thunder Craft Boats*, 489 U.S. 141,165 (1989)).

Trademark protection can extend to names, logos, colors, and visual characters. *See*, *e.g., Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 161–62 (1995) (holding that words, names, symbols, and sometimes colors can be trademarked); *Warner Bros. Ent. v. X One X Prods.*, 840 F.3d 971, 980 (8th Cir. 2016) (accepting, without question, that Warner Bros. could have trademarks in characters such as the cartoons Tom and Jerry); *see also* *Warner Bros., Inc. v. Gay Toys, Inc.*, 658 F.2d 76, 78 (2d Cir. 1981) (finding that trademark protection existed within the appearance of a distinctive car from the television show “The Dukes of Hazard”). These same characters can also receive copyright protection, not only because the characters are depicted in works that are protected by copyright, but because the characters themselves may receive independent copyright protection. *See Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754 (9th Cir. 1978) (finding that appropriation of the appearance of Mickey Mouse was copyright infringement, even though the work was otherwise unrelated in plot and characterization).

**SUMMARY**

The central problem in this case is what happens when a character, protected by both trademark and copyright, enters the copyright public domain. Can the owner of the trademark continue to assert their trademark? May they assert it even for what is essentially reproducing the public domain work with alterations?

For the purpose of this problem, it is accepted that if there are no special limiting principles from any of the cases discussed below, there will be confusion over sponsorship in the case at hand, thus constituting trademark infringement by Dentop Studios (“Dentop”). In other words, the parties should not argue over the various factors involved when determining if there is a likelihood of confusion. However, Dentop is free to argue that confusion over sponsorship is categorically inapplicable in this case.

Appellee, The Pilton Company (“Pilton”), will argue that the trademark protection should continue to exist normally, even if that means the work *de facto* does not enter the public domain. Appellee’s central argument will likely be that the two regimes are independent forms of protection, each with their own purposes. Copyrights exist to promote innovation in the arts. U.S. Const. art. I, § 8, cl. 8. Trademarks, on the other hand, exist to promote investment in brands and prevent consumer confusion, among other purposes. *See* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:2 (5th ed. 2020) (“Trademark law serves to protect consumers from deception and confusion over trademarks as well as to protect the plaintiff’s infringed trademark as property.”)

Appellant’s main argument will likely be that allowing the trademark to survive the expiration of the underlying copyright not only undermines the policies related to the public domain, but also turns the trademark into an impermissible eternal copyright. Copyright law embodies a “carefully crafted bargain” where the author receives a monopoly in return for eventually giving the work to the public. *Dastar Corp. v. Twentieth Century Fox Film Corp.*,539 U.S. 23, 33–34 (2003). Allowing the author to continue to exert control over the work thus impermissibly violates this bargain.

The leading Supreme Court case on this topic is *Dastar*. In *Dastar*, Twentieth Century Fox produced a documentary series, based on a book which had entered the public domain. 539 U.S. at 25–26. The Dastar Corporation published the documentary under its own name, making edits such as changing the title, adding introductions to the various chapters, and removing references to other works which were still under copyright. *Id*. at 26–27. The plaintiffs sued Dastar for trademark infringement as they had subsequently reacquired the rights to the television adaptation of the book. *Id*. at 25–27. Specifically, they sued Dastar for “reverse passing off,” which is the act of selling another’s product as one’s own. *Id*. at 25–27 & n.1.

The Supreme Court soundly rejected the trademark claim. The direct holding was that the phrase “origin of goods” in the Lanham Act “refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.” *Id.* at 37. In other words, trademark does not grant protection against unauthorized copying.

One of the main reasons driving the Court’s decision was a fear that allowing trademark infringement in this situation would create “a species of mutant copyright law.” *Id*. at 34. Further, the Court stressed the importance of the copyright bargain, and was concerned over allowing trademark to disrupt the process of works entering the public domain. *See* *id*. at 33–34.

Also, both parties will likely discuss cases dealing with the intersection of patent and trademark law. Because both patent and copyright share similar policies regarding the public domain, the case law dealing with the patent public domain and trademark should be considered very persuasive. *See generally* U.S. Const.art. I, § 8, cl. 8 (referring to both patents and copyrights as having exclusive use for a limited time). Indeed, in *Dastar* itself, the Supreme Court borrowed language concerning the affirmative right to copy public domain material from its cases dealing with patent and trademark. *Dastar*, 539 U.S. at 33 (“The right to copy, and to copy without attribution, once a copyright has expired, like ‘the right to make [an article whose patent has expired]—including the right to make it in precisely the shape it carried when patented—passes to the public.’”) (alteration in original) (quoting *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230 (1964)).

In order to prevail in this case, Appellee will need to win on both the issue of the existence of a valid trademark and the second issue of if there is an exception to trademark liability when reproducing public domain works. However, because the first issue deals with the validity of the trademark in general, while the second issue deals with its applicability in the current circumstances, Appellee has a vested interest in winning on the first issue even if they lose on the second issue, as that would still preserve their trademark.

**DISCUSSION**

**I. Is There an Enforceable Trademark?**

The first question is whether the Ricky the Raccoon trademark on the 1923 depiction of Ricky, which is registered in connection with films and animations, is enforceable. The parties will focus on statutory interpretation and a detailed examination of case law.

Appellee will argue that the trademark should survive because trademark and copyright are two distinct forms of protection. To support this claim, Appellee might cite to various cases explaining the differences between trademark and copyright. *See, e.g.*, *Warner Bros. Ent. v. X One X Prods.*, 840 F.3d 971, 982 (8th Cir. 2016) (explaining that “[c]opyright law and trademark law are distinct from each other.”). Appellee might also make textual arguments based on the respective statutes failing to mention the other. *Compare* 15 U.S.C. §§ 1051–1141, *with* 17 U.S.C §§ 101–810. Appellee will also likely draw from cases dealing with patents and trademarks, which often came to the conclusion that the expiration of patents has no effect on trademarks, even if the two forms of protection covered the same material. *See Application of Mogen David Wine Corp.*, 328 F.2d 925, 928–30 (C.C.P.A. 1964) (holding that the expiration of either a trademark or patent would have no effect on the other). Those cases generally stated that their holdings stemmed from patent and trademark being distinct forms of protection.

Appellant will argue that allowing trademark protection to continue past the expiration of a related copyright *de facto* prevents that copyright from entering the public domain, which disrupts the copyright bargain. Appellant will claim that the Supreme Court in *Dastar* made clear that trademark law should not invade the core principles of copyright in this manner. *Dastar Corp. v. Twentieth Century Fox Film Corp.*,539 U.S. 23, 34 (2003). Additionally, Appellant might use *Dastar* to suggest that trademark law should be interpreted in such a way that the trademark on Ricky the Raccoon becomes unenforceable or that, if the conflict is unavoidable via interpretation, the trademark loses in a conflict with the copyright. Finally, Appellant will likely argue the trademark loses either because the “copyright bargain” is a constitutional requirement or, as suggested by the Tenth Circuit in a patent-trademark case, the public domain policies of copyright are simply more important than trademarks in visual characters. *See Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1508 (10th Cir. 1995) (holding that allowing trademarks on the same core material also protected by patents impermissibly impinges on patent’s public domain).

**A. Parties Will Differ in Framing the Issue.**

**1. Appellee will claim that trademark and copyright are independent forms of protection.**

Appellee’s argument will likely revolve around the fact that trademark and copyright are both distinct forms of protection, each with their own regulatory goals. *See X One X Prods.*, 840 F.3d at 982 (stating that “[c]opyright law and trademark law are distinct from each other” and warning against conflating the two); *Univ. of Ala. Bd. of Trustees v. New Life Art, Inc.*, 683 F.3d 1266, 1280 (11th Cir. 2012) (holding that owning a copyright on an image does not provide a defense against trademark liability from using that image). Appellee might cite *Frederick Warne & Co. v. Book Sales Inc.*, 481 F. Supp. 1191 (S.D.N.Y. 1979) for the proposition that an expired copyright should not affect trademark protection due to the independent nature of the statutes.

Appellee should use the fact that the underlying statutes empowering trademark and copyright are separate to create a textualist argument that the expiration of a copyright has no effect on related trademarks. The federal trademark statute—the Lanham Act or 15 U.S.C. §§ 1051–1141—shows no reference to the copyright statute—17 U.S.C §§ 101–810—and vice versa. Appellee could point to 15 U.S.C. § 1064, the section covering cancellation of registered trademarks, which only enumerates very specific grounds—genericization, abandonment, functionality, and fraud-related reasons—for cancellation after five years. The canon of *expressio unius* would suggest that the expiration of related copyrights would not be grounds for cancelation after five years of registration. *See*, *e.g., Jennings v. Rodriguez*, 138 S. Ct. 830, 844 (2018) (explaining that under the canon of *expressio unius*, a statute expressly listing certain categories suggests that the list is exhaustive and exclusive). Note that the trademark at issue is *not* incontestable.

Further, the Copyright Act makes no mention of an affirmative right to copy expired works. *See* 17 U.S.C. § 106 (listing the exclusive rights to copyright but not listing any public rights in expired copyrights). An argument could be made that any conflict is purely policy-based and thus best left to Congress to resolve.

One counterargument will be that *because* they are separate forms of protection, the Supreme Court has stated that the Lanham Act should be interpreted in such a way that trademark does not overly encroach on the Copyright Act. *Dastar*,539 U.S. at 34 (interpreting the Lanham Act so as not to cause “the Lanham Act to conflict with the law of copyright” in order to prevent trademark law from becoming “a species of mutant copyright law”). Thus, Appellee might use the record to show how the trademark at issue has been used in a way that generally conforms with the purpose of trademark law, not copyright law. And Appellee might argue that since Appellant tried to reference the character in general, it is analogous to *X One X Productions*. In that case, trademark infringement was found, notwithstanding that the images at issue were in the public domain because the Appellee had “employ[ed] iconic film characters’ pictures to associate the products with Warner’s films, not to copy the film itself.” *X One X Prods.*, 840 F.3d at 980.

**2. Appellant will claim that the “copyright bargain” would be violated by letting the trademark survive.**

Appellant will cite to Supreme Court cases which have made clear that “[t]he rights of a patentee or a copyright holder are part of a ‘carefully crafted bargain,’ under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution.” *Dastar*, 539 U.S. at 33–34 (quoting *Bonito Boats, Inc. v. Thunder Craft Boats*, *Inc.*, 489 U.S. 141, 150–51 (1989)). Appellant might even go so far as to say this bargain is more than congressional policy and is mandated by the Constitution. *See* U.S. Const. art. I, § 8, cl. 8 (granting Congress the power “[t]o 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 . . . .”) (emphasis added); *see also Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989) (explaining that Congress cannot grant patents which are unlimited in duration).

Appellant would then contend that allowing the trademark on a visual character whose copyright has expired will violate this bargain. Appellant might cite to *Dastar* to say that when such a conflict arises, the copyright bargain prevails over trademark concerns. However, the counterargument for this is that *Dastar* itself only held that the Lanham Act should be interpreted in such a way that a conflict can fairly be avoided*. Dastar*, 539 U.S. at 34. If Appellant says the copyright bargain is constitutional in stature, they should also invoke the canon of constitutional avoidance and say that any interpretation which disrupts the bargain raises serious questions of constitutionality and should therefore be avoided. *See Jennings*, 138 S. Ct. at 836 (explaining that under the canon of constitutional avoidance, courts should avoid statutory interpretations which *raise* serious constitutional questions if fairly possible).

Appellant will have several options for how to interpret the Lanham Act to find the trademark unenforceable. The most obvious would be to read in the public domain status of a work as grounds for cancellation under 15 U.S.C. § 1064, which is what the original Fourteenth Circuit opinion did. If appellant makes such an argument, they should be prepared to distinguish, if at all, between creative works which later gave rise to trademarks, and visual mascots and logos which were originally created as trademarks and received copyright protection inadvertently. Appellant might urge the court to interpret the functionality grounds for cancellation under 15 U.S.C. § 1064 as a reason to cancel trademarks on works in the public domain for being aesthetically functional. Aesthetic functionality is a preexisting doctrine, although it does not yet clearly extend to the trademarks at issue because Appellant could have used alternative footage for their advertisement. *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995) (holding that a feature is aesthetically functional “if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage”); *Moldex-Metric, Inc. v. McKeon Prods., Inc.*, 891 F.3d 878, 883–86 (9th Cir. 2018) (explaining that the availability of alternative designs may be considered in determining if a particular design is aesthetically functional).

If Appellee anticipates this argument, they may argue that although there could be some conflict, there is no permissible interpretation of the Lanham Act which avoids the conflict without rewriting the statute.

Successfully persuading the court to interpret the Lanham Act favorably wins the case for Appellant. In considering if Appellant’s interpretation is persuasive, judges should feel free to weigh not only statutory arguments, but also policy positions and the extent to which (if at all) the “copyright bargain” conflicts with Appellee’s position as shown through case law, especially the patent-trademark cases discussed below.

If the Appellant loses on this argument, they may still prevail in this case by winning on the second issue.

**B. Parties Will Disagree Over the Application of Patent-Trademark Cases.**

Because both copyright and patent have similar concerns about the public domain, both parties will reference older patent-trademark cases which also dealt with similar issues regarding trademarking public domain material. *See Dastar Corp.*, 539 U.S. at 33–34 (explaining that both copyright and patent have a public domain).

Appellee will claim that the case law generally supports their position. For instance, in the seminal case on the subject, *Application of Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964), the Court of Customs and Patent Appeals—the precursor to the Federal Circuit—unequivocally stated that a patented design entering the public domain has no effect on said design’s trademarkability. *Application of Mogen David Wine Corp.*, 328 F.2d at 928–930 (“The termination of either has no legal effect on the continuance of the other.”) The court stated that “trademark rights, or rights under the law of unfair competition, which happen to continue beyond the expiration of a design patent, do not ‘extend’ the patent monopoly. They exist independently of it, under different law and for different reasons.” *Id.* at 930.

Other circuit courts reached similar conclusions. The Seventh Circuit declared that the disclosure of a particular design in an expired patent did not “automatically preclude[] trademark protection.” *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 290 (7th Cir. 1998). The Seventh Circuit, however, was careful to note that the design had not been claimed by the patent, and thus understood the design as not having been formally protected. *See Id.* The Fifth Circuit likewise found that an expired patent on certain features did not prevent those features from being protected by the Lanham Act. *Sunbeam Prods., Inc. v. W. Bend Co.*, 123 F.3d 246, 255–56 (5th Cir. 1997). The Federal Circuit reaffirmed the decision of its precursor court and held that an expired patent on a design was no bar to trade dress protection. *See Midwest Indus. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1364 (Fed. Cir. 1999) (stating that the only reason why a patented design *might* be ineligible for trademark protection is because it happens to be functional, but the overlap itself is of no concern).

The Tenth Circuit, however, came to an opposite conclusion in *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*,58 F.3d 1498 (10th Cir. 1995). There, the court held that a trademark on a product configuration could not be given to a “significant inventive component of an invention” that had been claimed by a patent*. Id.* at 1500. The Tenth Circuit’s reasoning was not based on the functionality doctrine. Instead, the court reasoned that “the inability freely to [sic] copy significant features of patented products after the patents expire impinges seriously upon the patent system's core goals,” and extending trademark protection to features claimed by a patent “undermines the principle that ideas in the public domain should stay there.” *Id.* at 1508. Appellants can claim the same reasoning applies in this case, perhaps even more so. In *Vornado*, both parties agreed that, due to differences in the defendant’s product, the patent had not actually been infringed. *See id.* at 1501. In contrast, the trademark on Ricky the Raccoon gives protection that is largely coextensive with commercial reproductions of the character, especially if infringement was to be found in this case.

Appellant might also cite to *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111 (1938). In that case, the Supreme Court held that the name “Shredded Wheat” and the pillow shape of the cereal were not eligible for trademark protection by the previous owners on the patent covering the creation of said cereal. *Id.* at 118–20. While losing the trademark for the name might be explained by the Court applying the “genericide” doctrine,[[2]](#footnote-3) the loss of protection for the actual shape itself is more interesting. *Id.* at 118 (stating that the name was the “generic designation” of the product). Since the form of the cereal had been protected by a design patent and use of the patented machine would necessarily produce the pillow shape, “upon expiration of the patents the form, as well as the name, was dedicated to the public.” *Id.* at 119–20.

When arguing over which case law is more persuasive, Appellee will likely point to the greater number of cases on their side. Appellant will claim that *Dastar* —more recent than any of these cases—clearly favors the *Vornado* reasoning because it valued the right to copy public domain material over trademark protection. Appellant might also claim that the courts which found pre-existing patents to be no barrier to trademark protection understood functionality as an adequate guardian of the public domain. *See, e.g.*, *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1580 (Fed. Cir. 1995) (explaining that functionality prevents trademarks from being “coextensive with, and in fact broader than” patent claims, and thus protects the right to copy and use expired patents). Appellant would then say that because the functionality safeguard does not protect the copyright public domain to the same extent, the above cases should not be seen as favoring Appellee.

It is important to note that the Supreme Court resolved the circuit split described above by clarifying the functionality doctrine to greatly reduce the overlap between patent and trademarks. *See TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 28–29 (2001) (acknowledging the circuit split and explaining that “[a] utility patent is strong evidence that the features therein claimed are functional.”) The Court, however, expressly avoided the issue of the public domain principles of patent—and, by extension, copyright—conflicting with trademark. *Id.* at 35 (stating that while some people claim the Constitution prohibits trademark protection for what amounts to the practical equivalent of an expired patent, they “need not resolve this question”). As a result, none of the above cases, except for their discussions on functionality, have been overruled.

**II. If the Trademark Is Enforceable, Is There Infringement in This Case?**

Even if the trademark for Ricky the Raccoon is enforceable generally, *Dastar* and the cases which followed it have suggested that there may be an exception to trademark liability when the trademark is being wielded like a copyright. The parties will disagree on the scope and possibly the existence of that exception.

Appellant will say that even if the trademark in Ricky the Raccoon is enforceable generally, *Dastar* created a clear exception to trademark infringement when reproducing public domain material. *See Dastar Corp. v. Twentieth Century Fox Film Corp.*,539 U.S. 23 (2003). Appellant will point to the various circuit court cases which largely interpret *Dastar* in this manner. Appellant might also point to the fact that Appellee originally brought a copyright claim to show that this is just a copyright claim disguised as a trademark claim.

Appellee will disagree on the interpretation of *Dastar*. They might point out that the direct holding of *Dastar* does not apply in this case because Appellee claimed confusion over sponsorship, not origin. They might also claim that the public domain reproduction exception was, at best, dicta. Appellee could finally argue that even if the exception does exist, it only covers nearly exact reproductions, and that the alterations by Appellant, which change the narrative substance of the short, go too far.

**A. Appellee Might Claim *Dastar* Does Not Apply in This Context.**

Appellee has several arguments they could make as to why *Dastar* is not binding on the Court. First, they can claim that the direct holding of *Dastar*—defining the definition of “origin” in § 43(a) of the Lanham Act—does not apply in this case. *Dastar Corp.*, 539 U.S. at 32 (interpreting “origin” in the Lanham Act). Appellee should explain how they are claiming that Appellant’s use of Racecar Richard in the advertisement would confuse as to *sponsorship*, and not origin. *See* 15 U.S.C. § 1125(a) (extending liability to both confusion over “origin” and “sponsorship”). Appellee should use the record to show why there is plainly confusion as to sponsorship.

Second, Appellee can point out that *Dastar* addressed interpretation of the Lanham Act and, consequentially, its warnings against trademark becoming a mutant copyright act applied to the Lanham Act as a whole, not individual trademark and copyright pairs. In other words, the plaintiffs in *Dastar* would not have had a cause of action regardless of whether the copyright had expired. Because it remains essentially undisputed that visual characters can give rise to trademark, Appellee can argue that so long as there would have been infringement before the copyright expired, there should be infringement now. *See, e.g.*, *Warner Bros. Entm’t, Inc. v. X One X Prods.*, 840 F.3d 971, 982 (8th Cir. 2016) (finding valid trademarks in visual characters without question); *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 966 (9th Cir. 2011) (same).

Winning on this point will strengthen Appellee’s position, especially if Appellant relies heavily on *Dastar*. Appellant, however, can still prevail by persuasively using *Dastar*’s dicta or some of the cases which have subsequently applied *Dastar*.

**B. Appellant Will Argue that *Dastar* Recognized Reproduction of Public Domain Material as an Exception to Trademark Liability.**

As discussed above, the direct holding of *Dastar* (interpreting “origin”) likely does not apply in the present case where the Appellee is alleging confusion over sponsorship. However, Appellant can utilize strong language from the case itself for their side. In *Dastar*, the Court recognized that the expiration of a copyright gives an *affirmative* right to copy and use, which goes beyond merely the loss of a right to exclude in the previous owner. *Dastar Corp.*, 539 U.S. at 33–34. The Court cautioned against trademark liability becoming “a species of mutant copyright law.” *Id.* at 34. Appellant might take this to mean that reproducing public domain material is a categorical exception to trademark liability. However, if Appellant employs this argument, they will need to be ready to explain whether this reasoning applies to logos and mascots, which also receive copyright protection. For instance, would that mean the expiration of the Coca-Colalogo copyright (assuming its stylized lettering made it eligible for copyright) allows anyone to use that logo on their beverages? *See Coca-Cola Co. v. Rodriguez Flavoring Syrups, Inc.*, 89 U.S.P.Q. 36, 40 (Chief Examiner 1951)(rejecting the idea that the expiration copyright of an advertisement featuring the *Coca-Cola* logo meant the trademark also expired).

Appellant is more likely to argue that *Dastar* stands for the legal proposition that trademarks cannot be used to enforce what is essentially a copyright claim and apply that to the issue at hand. Several circuits have interpreted *Dastar* in this manner. *See Phx. Entm’t Partners, LLC v. Casey Rd. Food & Beverage, LLC*, 728 F. App’x 910, 913 (11th Cir. 2018); *Slep-Tone Entm’t Corp. v. Wired for Sound Karaoke & DJ Servs., LLC*, 845 F.3d 1246, 1250 (9th Cir. 2017); *Warner Bros. Entm’t v. X One X Prods.*, 840 F.3d 971, 980 (8th Cir. 2016); *Phx. Entm’t Partners v. Rumsey*, 829 F.3d 817, 826 (7th Cir. 2016).

The Ninth Circuit said that “*Dastar* held that where a copyright is in the public domain, a party may not assert a trademark infringement action against an alleged infringer if that action is essentially a substitute for a copyright infringement action.” *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1124 (9th Cir. 2011), *opinion withdrawn and superseded on denial of reh’g*, 654 F.3d 958 (9th Cir. 2011). However, the Ninth Circuit withdrew this opinion and ruled that Fleischer Studios did not own the trademark in the image in the first place. *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 966–67 (9th Cir. 2011). The case thus has diminished persuasive authority. That being said, the Ninth Circuit issued an opinion interpreting *Dastar* in essentially the same way six years later. *Slep-Tone Entm’t Corp*, 845 F.3d at 1250 (saying that courts should not allow trademark claims which are “more accurately conceived of as attacking unauthorized copying”).

The Eighth Circuit largely reached the same interpretation, holding that *Dastar* bars trademark claims which are actually “disguised copyright claims.” *X One X Prods.*, 840 F.3d at 980. In that case, the defendant had sold promotional posters for a variety of films and shows, such as the *Wizard of Oz* and *Gone with the Wind*. *Id*. at 975. The films themselves were still under copyright, but the posters were not. *Id*. The Eighth Circuit found that the trademark claim was not a disguised copyright claim because the images were used by the defendant to “associate the products with Warner’s films, not to copy the film itself.” *Id*. at 980. Both parties will claim this case favors their side. Appellant can claim that what is occurring is more akin to copying the short “Racecar Richard” itself, while Appellee can argue that Appellants chose that short specifically to associate their film with Appellee’s Ricky the Raccoonfranchise generally.

The Seventh Circuit likewise adopted a similar standard, saying “the law of trademark cannot be invoked to assert what in fact is really a claim of copyright infringement.” *Rumsey*, 829 F.3d at 826. Appellant may point out that the Seventh Circuit held that this standard applies not just to confusion over origin, but also confusion over sponsorship. *Id.* at 830 (“There is, consequently, no reason to believe that its patrons will think that Slep-Tone is sponsoring the performance of the copied karaoke tracks.”) The Eleventh Circuit agreed with this logic in an unpublished opinion, holding that “a trademark claim cannot serve as a vehicle for what is really a copyright claim.” *Casey Rd. Food & Beverage*, 728 F. App’x at 913.

Appellant will need to convince the Court to adopt this standard and then also convince the Court that Appellee’s claim is really just a disguised copyright claim. They will likely point to the fact that Appellee first brought a copyright claim alongside the trademark claim. They may also point out that depictions of characters in cartoons would traditionally be within the sphere of copyright. Appellant might also employ the same logic as the Fourteenth Circuit panel and say that Appellee’s true injury is loss of control over the character, not a confusion over sponsorship. If the Appellee wins on both fronts, they will win their case unless Appellee can distinguish the above cases from the current problem.

Appellee will counter that, even if the Court adopts this standard, they are suing for the depiction in an advertisement, something clearly within the realm of trademark. They might also say that the fame of Ricky Raccoon as the mascot of Appellee and his ubiquity in the advertisement greatly increases the likelihood of confusion as to sponsorship.

**C. Appellee Might Claim Only Near-Exact Copying Is Protected by *Dastar*.**

Finally, Appellee might say that the *Dastar* exception to trademark liability only applies to near exact reproductions of the public domain material. Because the material was meaningfully altered by Appellant, Appellee would say there should be trademark liability. Like the District Court, Appellee might frame the *Dastar* exception as creating a safe harbor, and that the inquiry is if Appellant’s actions fall within this narrowly defined safe harbor.

This argument stems from *Dastar* discussing a right to “copy” but not a right to create derivative works. *Dastar Corp*., 539 U.S. at 34. Copyright law distinguishes the creation of “copies” and the creation of “derivative works.” 17 U.S.C § 106. The D.C. Circuit seems to endorse this understanding of *Dastar. Am. Soc’y for Testing & Materials v. Public.Resource.Org, Inc.*, 896 F.3d 437, 455 (D.C. Cir. 2018). In *Public.Resource.Org*, the D.C. Circuit found trademark infringement for scanning and retyping technical standards that the plaintiff owned under copyright. *Id.* at 444. Because what the defendant had uploaded were reproductions with “errors and differences,” the D.C. Circuit said *Dastar* did not bar the trademark claim which might otherwise have been barred if the defendant were “accused of reproducing identical copies of ASTM’s standards.” *Id*. at 455. The court noted that “[i]t is perhaps unsurprising, then, that the post-*Dastar* cases where courts have found trademark claims foreclosed involved instances of virtually identical copies.” *Id*. The Eighth Circuit hinted at a similar understanding in *X One X*, by pointing out that the injunction against the defendant—enjoining the defendant from reproducing public domain images on merchandise such as cups—was perfectly in compliance with *Dastar* because the injunction made “an exception for the reproduction of publicity materials in the public domain in their entirety and without alteration*.*” *X One X Prods.*, 840 F.3d at 982.

The argument that reproductions must be *exact* in order to fall into the *Dastar* exception faces at least three hurdles that Appellant might point out. First, although copyright law distinguishes between creating derivative works and copying, the only important difference between the two is that the addition of the exclusive right to make derivative works expands the scope of liability. *See* 17 U.S.C § 106 (subjecting derivative works and copies to the same limitations). Second, *Dastar* itself recognized the right to “copy and to *use*” public domain material. *Dastar Corp.*, 539 U.S. at 34 (emphasis added) (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,* 489 U.S. 141, 165 (1989)). Appellant will argue that “to use” covers all other exclusive rights listed in section 106 such as the rights to perform and distribute a work. 17 U.S.C § 106. Appellant will say that if those rights, which were all implicated in the above-mentioned cases, are included, there is no reason why the right to prepare derivative work would be the sole section 106 right that would not pass to the public upon expiration of the copyright. Third and finally, Appellant could raise the fact that *Dastar* itself involved a derivative work*. Dastar Corp.*, 539 U.S. at 26 (saying the defendant “edited the series”). The defendant in that case “substituted a new opening sequence, credit page, and final closing for those of the Crusade television series; inserted new chapter-title sequences and narrated chapter introductions; moved the ‘recap’ in the Crusade television series to the beginning and retitled it as a ‘preview’; and removed references to and images of the book.” *Id*.

Appellee might argue that there should be a distinction between claims involving reverse passing off, which *Dastar* dealt with, and confusion over sponsorship, which Appellee is claiming and *Public.Resource.Org* dealt with. When dealing with reverse passing off of creative works, the supposed injury is lack of attribution, which the Supreme Court made clear in *Dastar* is not a concern of trademark law. *Dastar Corp.*, 539 U.S. at 33. However, when dealing with confusion as to sponsorship, one possible injury is *misattribution* of an inferior product, which is possible if the work is derivative instead of a nearly exact replica. *Public.Resource.Org*, 896 F.3d at 455 (calling distribution of “meaningfully inferior versions” of a work “a cognizable injury under the Lanham Act”). Thus, if the claim is reverse passing off, there may be more leeway to allow alterations. But when the claim is confusion over sponsorship, as it is here, it may make more sense to only allow near-exact reproductions. This argument could be framed as: because the trademark injury is different in sponsorship cases as opposed to reverse passing off cases, Appellant is not making a disguised copyright claim in this case.

**CONCLUSION**

Trademarks have their own purposes, and, on its face, the Lanham Act gives no reason to treat a trademark differently once a related copyright expires. On the other hand, it is also perfectly clear that a work entering the public domain is a principle design feature of copyrights, and allowing the trademark to exist and prevent Appellant from using the public domain work in this particular manner harms that important policy objective. While *Dastar* has language which, on its face, strongly favors Appellant, the limited nature of its direct holding and the holdings of lower courts make the applicability of *Dastar* uncertain.

*End of Memorandum of Law*

1. The Lanham Act also protects trade dress and protects against certain types of unfair competition. The differences between these lie in the subject matter covered and certain formalities in acquisition. For the purpose of this case, these types of protections should be regarded as interchangeable with trademark protection, and any cases dealing with trade dress and unfair competition should extend to trademarks as well. [↑](#footnote-ref-2)
2. “Genericide” is the doctrine by which trademarks on words are deemed unprotectable because the trademark has become the generic designation of the product the trademark covers. *See* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:1 (5th ed. 2020). [↑](#footnote-ref-3)