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Intellectual Property Rights in Advertising

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INTELLECTUAL PROPERTY RIGHTS IN ADVERTISING

Lisa P. Ramsey*

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I.	INTRODUCTION	190
II.	INTELLECTUAL PROPERTY PROTECTION OF ADVERTISING IN THE UNITED STATES	198
	A. <i>Copyright in Advertising</i>	199
	B. <i>Trademark Rights in Slogans</i>	206
III.	IS THERE A UTILITARIAN JUSTIFICATION FOR COPYRIGHT PROTECTION OF ADVERTISING?	214
	A. <i>Non-Copyright Incentives to Create Advertising</i>	217
	B. <i>The Costs of Protecting Copyright in Advertising</i>	223
	C. <i>The Questionable Net Social Benefit of Using Copyright Law To Encourage Advertising Creation and Dissemination</i>	229
	1. The Ongoing Debate Regarding the Social Benefit of Advertising Content	229
	2. The Amount of Advertising: Advertising is Everywhere	233
	D. <i>The Cost of Eliminating Advertising From Copyrightable Subject Matter</i>	237
	E. <i>The Proposal: Reduce Copyright Protection of Advertising</i>	246
IV.	IS THERE A UTILITARIAN JUSTIFICATION FOR TRADEMARK PROTECTION OF SLOGANS?.....	249
	A. <i>Additional Trademark Protection of Slogans May Provide No Significant Incremental Benefit To Consumers</i>	251

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B. <i>The Costs of Protecting Trademark Rights in Slogans</i>	255
C. <i>The Proposal: Eliminate Trademark Rights in Slogans</i>	261
V. CONCLUSION	263

I. INTRODUCTION

Before the twentieth century, U.S. courts refused to protect copyright in advertisements. Until the middle of the twentieth century, advertising slogans generally were not registered or protected under U.S. trademark law. Today, firms can acquire copyright protection in advertising and there is no categorical rule against trademark registration or protection of slogans. This Article questions whether this extension of copyright protection to advertising and trademark protection to slogans has a satisfactory utilitarian justification.

Utilitarianism, or welfare consequentialism, provides the primary theoretical justification for intellectual property protection in the United States.¹ Utilitarian theorists and economists generally endorse the grant of copyright to authors for a limited time as an appropriate means to encourage the production of works of authorship.² Without copyright protection, many authors cannot recoup their investment in the creation of novels, movies, or other new works. Imitators, who do not bear the cost of creation, can charge lower prices. This reduces the incentive to produce new works. By protecting exclusive rights in works for the copyright term, copyright law provides an economic incentive to invest in the creation of new works. An increase in the production of new works benefits the public and outweighs the costs of copyright protection. Thus copyright law increases net social welfare and is generally justified under utilitarian theory.

This traditional theoretical justification for U.S. copyright law may not justify copyright protection of advertising for two independent reasons: (1) most advertising works will likely be produced regardless of

1. Yochai Benkler, *Siren Songs and Amish Children: Autonomy, Information, and Law*, 76 N.Y.U. L. REV. 23, 59–60 (2001); see Peter S. Menell, *Intellectual Property: General Theories*, in 2 ENCYCLOPEDIA OF LAW AND ECONOMICS 130–55 (B. Bouckert & G. Geest, eds. 1999).

2. See Menell, *supra* note 1, at 129. “Economic theory, a particular instantiation of utilitarianism, has provided the principal framework for analyzing intellectual property.” *Id.* at 130; see generally WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* (2003) (discussing the economic rationality of intellectual property law). Instead of a limited copyright term, Landes and Posner propose a system of indefinitely renewable copyright for all works (except software) for short fixed terms upon payment of a fee. LANDES & POSNER, *supra*, 210–49.

copyright incentives and (2) government encouragement of more advertising creation and dissemination will not necessarily result in a net social benefit. First, it is questionable that protection of copyright in advertising provides the primary incentive to produce new advertising. Firms already have a strong motivation to create new commercials and print ads: effective advertising increases sales. Advertisers can recoup their investment in the production of new advertising through sales of their goods and services. MasterCard International may dislike it when others imitate or parody MasterCard's "Priceless" advertising campaign to grab the attention of consumers. But MasterCard still has an incentive to create effective advertising regardless of copyright protection because good ads can increase sales and profits. MasterCard pays for the creation of its advertising primarily with profits from the sale of its goods and services, not royalties from the license of its advertising materials. Thus, MasterCard can recoup its investment in advertising creation even if other companies imitate or parody its ads. The advertising agencies that create ad campaigns for MasterCard and other firms also have incentives to create advertising unrelated to copyright protection. Clients pay ad agencies to create ad campaigns unique to those clients. Ad agencies produce innovative advertising to attract and retain clients. For these reasons, advertisers and ad agencies will likely produce the amount and type of advertising that is most effective in selling goods and services regardless of whether their advertising is protected by copyright law. While it may be difficult to measure the actual incentive effects of copyright protection on a given work, there is no reason to assume copyright law provides an economic incentive to invest in advertising creation.

If most advertising will be created regardless of copyright protection, we should reconsider whether granting exclusive rights in advertising for the copyright term actually increases net social welfare in light of the costs of such protection. The costs of intellectual property protection normally include transaction costs, rent seeking, and enforcement costs. Copyright protection of advertising also stifles the free flow of commercial information. Today the minimum level of creativity required for copyright protection is very low. Most advertisements, and the creative elements therein, are protected by copyright for a lengthy term. Certain copyrighted images or language in commercials or print ads may be very effective in selling products. Due to copyright protection of advertising and an unpredictable fair use defense, competitors may refrain from using similar advertising expression in comparative ads rather than risk the time and expense of litigating a copyright case. Others who cannot afford to litigate may be discouraged from using another firm's advertising in parodies or satire. Strong copyright protection of

advertising therefore constrains and chills the expression we can use to advertise goods and services and otherwise communicate with the public. For other works, such costs may be justified because copyright law provides incentives for authors to create new works. But if firms will create advertising regardless of copyright protection, there is no utilitarian justification for copyright in advertising unless there are other public benefits from such protection that outweigh these costs.

Consumers benefit from watching advertisements that provide information and/or entertainment, but advertisers and ad agencies will continue to create informative and entertaining advertising regardless of copyright protection if they believe the ads sell products. If a competitor or other company is allowed to imitate or parody another firm's commercial or print ad, it is true the copied advertisement may become less effective. But allowing others to use another firm's advertising expression will likely only have a minimal effect on the amount or type of ads created. Ad campaigns are normally of a short duration. Without copyright protection for advertising, the original advertiser will likely benefit from the first mover advantage, recoup its investment in advertising creation from increased product sales, and move onto creating the next ad because consumers often ignore ads they have already seen. Some advertisers may spend less money on their ads if they have no copyright protection, or they may focus on creating informational advertising that is difficult to copy because it emphasizes distinguishing product characteristics or the advertiser's brand name, but effective advertising will still be created because it helps sell products. Other federal and state laws protect consumers from false advertising and the confusing use of another's trademark. Additional copyright protection of advertising may not provide any marginal benefit to consumers.

Second, even if copyright law does provide some incentive to create certain works in the advertising field, it is unclear whether the government should encourage the creation and dissemination of advertising by granting exclusive rights in advertisements. Advertising is different from most other copyrighted works because an increase in advertising created as a result of copyright protection may not be beneficial to and desired by the public. Some commentators argue copyright law provides incentives to shift advertising dollars from informational to "image-oriented" ads which are more likely to be protected by copyright. If this is true, critics of such ads may question why the government provides incentives for their creation. Scholars and economists have long debated whether advertising content is primarily persuasive or informational. While the informational view of advertising is now predominant, most people admit

some ads lack utility and others contend advertising still contributes to social problems.

Moreover, the public has a love/hate relationship with advertising. Consumers voluntarily expose themselves to advertising to obtain free entertainment, information, or services financed by advertising revenues. They even seek out some advertising before purchasing a product. But consumers also complain there is too much advertising and try to avoid advertising as a category by using digital video recorders, Internet pop-up blockers, and do-not-mail lists. Given the costs of copyright protection and the ongoing debate regarding the benefits of more advertising creation and dissemination, it is problematic to assume any increase in advertising encouraged by copyright law would automatically result in a net public benefit. To the contrary, net social welfare may increase if firms can advertise unhindered by government restrictions on truthful commercial speech, but not obtain exclusive rights in their advertising expression.

The best reason to continue to protect copyright in advertising is the cost of eliminating advertising from the subject matter of copyright. It may be difficult and inefficient for legislators and courts to carve out an exception for advertising. In 1903, the Supreme Court concluded—for the first time—that advertising was within the protection of U.S. copyright law because of the difficulty of distinguishing between commercial and fine art, not because copyright protection of advertising spurs its creation or increases net social welfare.³ Such line drawing may be even more complicated today. New forms of advertising, such as product placement and advertainment, are increasingly blurring the line between advertising and other copyrighted content. On the other hand, Congress has already determined it is possible for courts to distinguish between advertising and other works because it excluded “advertising” from protection under the Visual Artists Rights Act, a 1990 amendment to the U.S. Copyright Act.⁴

If it is too difficult to completely eliminate copyright protection of advertising, Congress should at least consider reducing such protection to increase the free flow of advertising expression. This Article proposes two revisions to the U.S. Copyright Act to accomplish this goal. First, Congress could amend Section 102(b) to state that advertising is only entitled to thin copyright protection against virtually identical copying of the work. Although the doctrine of “thin” copyright is used for factual compilations and other works for reasons that do not apply to original

3. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903).

4. 17 U.S.C. § 106A; 17 U.S.C. § 101 (definition of a “work of visual art” protected under 17 U.S.C. § 106A excludes “advertising”).

and creative advertising works, this framework, which requires virtual identity between the original and accused works, should more effectively balance the interests of copyright holders and later advertisers and commentators. Second, Congress could clarify in Section 107 that the first factor of the statutory fair use defense weighs in favor of a finding of fair use if the defendant used the plaintiff's copyrighted advertising expression in comparative advertising. If Congress revises Section 102 and 107 of the U.S. Copyright Act to enable more unauthorized uses of copyrighted advertising expression during the copyright term, this may reduce the harm to free expression caused by copyright protection of advertising and increase net social welfare.

Like copyright law, trademark law in the United States is also primarily justified under utilitarian or economic theory.⁵ The utilitarian justification for U.S. trademark law focuses on two primary benefits to the public. First, trademarks reduce consumer search costs by enabling consumers to easily identify and distinguish among competing products. Because trademark law prohibits the confusing use of another's distinctive mark, it minimizes consumer confusion regarding the source and quality of products sold in the marketplace. Second, trademark law encourages firms to manufacture and sell products of consistent quality by enabling a firm to reap the financial benefits of a good reputation. These benefits of trademark law generally outweigh the costs of granting exclusive trademark rights in certain words, names, symbols, or devices.

Nevertheless, granting trademark rights in slogans *in addition to other marks* may not further the utilitarian goals of trademark law. It is doubtful that trademark protection of slogans reduces consumer search costs. Slogans are often only used in advertising. When firms include slogans on product packaging or point-of-purchase displays with the brand name, any additional source-identifying information provided by the slogan is usually cumulative and unnecessary. Addition or removal of the slogan likely has little or no effect on consumer search costs. As firms can and do use product names and distinctive packaging to identify and distinguish their brands in the marketplace, additional trademark protection for slogans likely provides no significant incremental reduction in consumer search costs or corresponding marginal increase in efficiency. Moreover, removing trademark protection for slogans should not decrease the incentive of firms to manufacture products of consistent

5. See Menell, *supra* note 1, at 130, 149–50 (discussing the utilitarian justification for trademark law and noting trademark law is “amenable to economic analysis” because it “is principally concerned with ensuring that consumers are not misled in the marketplace”); Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2101, 2105–08 (2004) (“The usual approach to analyzing trademark issues focuses on the substantive benefits and costs of giving firms exclusive rights in marks.”).

quality because consumers can still use product names and other marks to identify the brands they like and dislike.

Today many slogans meet the general criteria for trademark protection. The U.S. Patent and Trademark Office (“PTO”) registers, and courts protect, trademark rights in slogans if they are distinctive—if they identify and distinguish a product source. Some slogans are deemed inherently distinctive (such as “Just Do It” for apparel sold by Nike)⁶ and are automatically entitled to protection. Many slogans are descriptive (such as “Fair & Balanced” for Fox News Network’s news reporting services)⁷ and require proof of acquired distinctiveness, or secondary meaning, before they achieve trademark status. This may not be difficult to establish for trademark holders who extensively advertise their slogans. If consumers primarily associate a descriptive slogan used as a mark with one firm’s product, that slogan is deemed to have acquired distinctiveness and is entitled to protection.⁸

Just because some slogans satisfy the distinctiveness requirement for trademark protection does not mean the public interest is served by granting trademark rights in slogans. Trademark law does not protect all consumer associations between words and certain products or firms. For example, generic terms are not entitled to trademark registration or protection even if a firm can prove the term has acquired distinctiveness because granting such rights would stifle commercial expression and harm competition. Moreover, it is circular reasoning to say we should protect trademark rights in a slogan simply due to a consumer association between that slogan and one product source. Without such protection, many companies might use an identical or similar slogan, and such associations would not exist. Even if consumers associate a slogan with a certain firm’s products, this does not mean trademark protection of slogans (in addition to the firm’s other marks) reduces consumer search costs, increases the incentive of firms to manufacture quality products, or otherwise benefits consumers. Firms spend millions of dollars selecting and advertising catchy or descriptive slogans because they

6. Nike, Inc. v. Just Did It Enter., 799 F. Supp. 894, 896 (N.D. Ill. 1992) (use of slogan “Just Do It” for apparel “makes it distinctive and arbitrary so that it is entitled to protection”), *rev’d on other grounds*, 6 F.3d 1225, 1225 n.2 (7th Cir. 1993) (noting district court found “Just Do It” mark inherently distinctive and assuming, without deciding, the mark is valid).

7. U.S. Trademark No. 2,213,427 (filed Apr. 23 1997).

8. Elsewhere I have argued that it is unconstitutional under the free speech clause of the First Amendment to protect trademark rights in all descriptive marks, including product names and slogans, regardless of proof of acquired distinctiveness. See Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095 (2003). The constitutionality under the First Amendment of protecting or refusing to protect trademark rights in slogans that are classified as inherently distinctive marks is beyond the scope of this Article.

believe slogans help advertise and sell their products. While firms understandably want to reap the benefit of their investment in a slogan, protection of money spent to advertise a slogan is not a utilitarian justification for granting and enforcing trademark rights in slogans. Trademark law should only protect rights in slogans to the extent this protection increases net social welfare.

The costs of protecting trademark rights in slogans arguably outweigh any alleged public benefits. Trademark protection of slogans restricts the language available for use in advertising. To minimize the risk of trademark litigation, airline companies should avoid using the phrases "It's Time to Fly" or "We Know Why You Fly" or similar slogans in ads, because these common phrases are registered on the principal trademark register by United and American Airlines, respectively.⁹ Car manufacturers are advised to refrain from using a slogan identical or similar to "Like Nothing Else" to sell automobiles because General Motors registered this slogan.¹⁰ Movie theater operators should omit the phrase "Silence is Golden" from their theater displays since AMC registered this slogan in connection with the sale of movie theater services.¹¹ If these slogans are deemed to be famous, companies in any industry must avoid using identical or similar marks or risk being sued for trademark dilution. Of course, in a trademark lawsuit a defendant can challenge the distinctiveness of a slogan (if it is not incontestable)¹² or argue there is no likelihood of confusion or dilution, but it is usually easier and cheaper to just eliminate these phrases from one's advertising vocabulary.

Trademark law does not protect slogans that are generic or descriptive without secondary meaning, but firms still attempt to stake a claim in such common phrases by using the trademark symbol (™) with the slogan in advertising. Many slogans do not easily fit within the trademark categories of arbitrary, suggestive, descriptive, or generic, so it may be difficult to determine if another firm has legitimate trademark rights in an unregistered slogan. Moreover, some courts hold the fair use defense does not extend to descriptive use of a trademarked word in a slogan to grab attention in advertising because this is use of the phrase

9. U.S. Trademark No. 2,919,116 (filed Jan. 22, 2004); U.S. Trademark No. 2,966,993 (filed May 20, 2004).

10. U.S. Trademark No. 2,696,730 (filed Jul. 23, 2001).

11. U.S. Trademark No. 1,737,200 (filed Sept. 16, 1991).

12. A trademark registrant's right to use a mark registered on the principal register can become incontestable, and thus immune from challenge on the ground it is not a distinctive and valid trademark, if the "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" provided the other conditions of Section 1065 are satisfied. 15 U.S.C. § 1065; *Park 'N Fly, Inc. v. Dollar Park & Fly*, 469 U.S. 189 (1985).

“as a mark.” If it is difficult to determine the likely success of an infringement allegation or fair use defense, companies may simply decide to omit slogans claimed as trademarks from their advertising rather than spend time and money litigating a trademark case. By allowing firms to claim trademark rights in advertising slogans in addition to their brand names, trademark law favors existing and established firms over new entrants to the marketplace by limiting the language available for use in advertising.

Protection of trademark rights in slogans not only chills commercial expression without any countervailing benefit, but it also creates additional social costs. Companies must spend time and money to determine whether another firm owns trademark rights in any common phrase they want to use as a slogan in advertising. A trademark search is a reasonable cost when selecting a company or product name. It is burdensome for each new ad campaign. Trademark protection also creates enforcement costs as firms register and sue to protect their rights in slogans.

No single firm should have the exclusive right to use a particular slogan to attract attention or describe its products or services. Removing trademark protection from slogans will increase the free flow of commercial information. The public will benefit if everyone can use the most effective slogans in advertising because advertising can provide information and thereby increase competition and lower prices.

Congress and state legislatures should consider eliminating trademark protection of slogans because there is no evidence it furthers the utilitarian goals of trademark law. It will be easy for courts and the PTO to distinguish between slogans and other marks used by firms to identify their products, such as brand names, logos, and distinctive product packaging. They often made such distinctions more than sixty years ago when slogans were generally refused registration and protection in the United States. In addition, Congress should revise the statutory fair use provision—15 U.S.C. § 1115(4)—to clarify that the descriptive use of another’s mark in an advertising slogan is not use of the term “as a mark” and can qualify for the fair use defense. While it may be difficult to convince legislators to eliminate trademark protection of slogans, this change should enhance competition and benefit consumers because it removes restrictions on the dissemination of advertising information. Removing trademark rights in slogans will likely increase net social welfare and further the utilitarian goals underlying U.S. trademark law.

This Article attempts to provide a full evaluation of the utilitarian justification for copyright in advertising and trademark rights in slogans. Part II explains how the United States uses copyright and trademark law to protect exclusive rights in advertising and slogans. In Part III and IV,

this Article explores whether copyright in advertising and trademark rights in slogans can be justified under traditional utilitarian theory. The answer is probably not, with the caveat that it may be too difficult and costly to distinguish between advertising and other copyrighted works in light of recent changes in the advertising industry. Since U.S. intellectual property laws are primarily based on utilitarian theory, legislators should consider reducing copyright protection of advertising and eliminating trademark protection of slogans.

II. INTELLECTUAL PROPERTY PROTECTION OF ADVERTISING IN THE UNITED STATES

The definition of “advertising” is constantly evolving.¹³ Legendary “advertising man” David Ogilvy, founder of Ogilvy & Mather, said the definition of advertising as “salesmanship in print” by John E. Kennedy “has never been improved.”¹⁴ More recently, Professor William Wells and his textbook coauthors offered the following definition of advertising: “Advertising is paid nonpersonal communication from an identified sponsor using mass media to persuade or influence an audience.”¹⁵ While this may describe print ads and 30-second spots on radio and television, some new forms of advertising do not fall within such traditional definitions. Many firms are shifting their advertising dollars from “push” advertising in mass media to new methods of “pull” or “permission” advertising that allow members of the public to consume what advertising they want, when they want it.¹⁶ An example is interactive television,

13. For information on advertising from advertising practitioners, see generally JIM AITCHISON, *CUTTING EDGE ADVERTISING* (1999); JOE CAPPO, *THE FUTURE OF ADVERTISING* (2003); JEAN-MARIE DRU, *DISRUPTION* (1996); JEAN-MARIE DRU, *BEYOND DISRUPTION* (2002); EUGENE J. HAMEROFF, *THE ADVERTISING AGENCY BUSINESS* (3d ed. 1998); CLAUDE C. HOPKINS, *MY LIFE IN ADVERTISING* (1966); CLAUDE C. HOPKINS, *SCIENTIFIC ADVERTISING* (1966); JOSEPH JAFFE, *LIFE AFTER THE 30-SECOND SPOT* (2005); HERSCHELL G. LEWIS & CAROL NELSON, *ADVERTISING AGE HANDBOOK OF ADVERTISING* (1999); DAVID OGILVY, *OGILVY ON ADVERTISING* (1985); JON STEEL, *TRUTH, LIES, AND ADVERTISING* (1998); LUKE SULLIVAN, *HEY, WHIPPLE, SQUEEZE THIS* (2d ed. 2003); WILLIAM WELLS, JOHN BURNETT & SANDRA MORIARTY, *ADVERTISING: PRINCIPALS AND PRACTICE* (6th ed. 2003); ALINA WHEELER, *DESIGNING BRAND IDENTITY* (2003).

14. OGILVY, *supra* note 13, at 190.

15. WELLS, *supra* note 13, at 10.

16. Bob Garfield, *Bob Garfield's 'Chaos Scenario': A Look at the Marketing Industry's Coming Disaster*, *ADVERTISING AGE*, April 13, 2005, <http://www.adage.com/news.cms?newsId=44782> (last visited on July 5, 2005); see JAFFE, *supra* note 13, at 147, 159–64; WELLS, *supra* note 13, at 289–90; DRU, *BEYOND DISRUPTION*, *supra* note 13, at 179; John Markoff & Nat Ives, *Web Search Sites See Clicks Add Up To Big Ad Dollars*, *N.Y. TIMES*, Feb. 4, 2005, at A1; *infra* Part III.D (discussing changes in advertising industry).

which allows consumers to customize their advertisement experience.¹⁷ Some firms are experimenting with word-of-mouth marketing on the Internet,¹⁸ such as Burger King's "Subservient Chicken" web site.¹⁹ Many new forms of advertising, such as product placement and advertainment, blend advertising and entertainment.²⁰ In this ever-changing industry, U.S. copyright and trademark laws currently play a role by protecting exclusive rights in advertising and slogans, respectively.²¹

A. Copyright in Advertising

The U.S. Constitution provides Congress shall have the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Rights to their respective Writings and Discoveries."²² This constitutional provision authorizes Congress to grant copyrights to authors in their writings (or works), and patents to inventors in their discoveries (or inventions), for a limited time to promote the progress of science and useful arts.²³ The U.S. Copyright Act protects copyright "in original works of authorship fixed in any tangible medium of expression."²⁴ The work must be "independently created by the author (as opposed to copied from other works)" and possess "at least some minimal degree of creativity" to qualify for protection.²⁵ According to the Supreme Court, "the requisite level of creativity is extremely low; even a slight amount will suffice."²⁶

In early copyright statutes, Congress did not explicitly include or exclude advertising from copyright protection. Thus courts were left to decide whether advertising fit within the broad language of the U.S.

17. Peter Grant, *Interactive Ads Start to Click on Cable and Satellite TV*, WALL ST. J., May 26, 2005, at B1 (during a commercial, viewers can click on an icon on the television screen using their remote control and switch to a special screen where they can watch a longer commercial, customize the product (such as a car), or order a brochure).

18. CAPPO, *supra* note 13, at 46–49, 85–87; E-mail from Dan Buczaczer, Vice President and Dir., Starcom Mediavest Group, to author (Feb. 13, 2006 21:44:44 CST) (on file with author).

19. Subservient Chicken, <http://www.subservientchicken.com> (last visited April 10, 2006).

20. These new forms of advertising are discussed in detail *infra* Part III.D.

21. This Article focuses on copyright in advertising and trademark rights in slogans. It does not discuss patent protection of advertising inventions, unfair competition, false advertising, trade secret, or contract law, or other federal or state laws that may protect rights in advertising content.

22. U.S. CONST. art. I, § 8, cl. 8. This constitutional provision applies to copyrights and patents, but not trademarks. Trade-Mark Cases, 100 U.S. 82, 93–94 (1879).

23. Lawrence B. Solum, *Congress's Power to Promote the Progress of Science: Eldred v. Ashcroft*, 36 LOY. L.A. L. REV. 1, 11–24 (2002).

24. 17 U.S.C. § 102(a).

25. Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991).

26. *Id.*

Copyright Act. Before the twentieth century, courts held advertising was not within the subject matter of copyright.²⁷ In the 1891 case *Higgins v. Keuffel*, the U.S. Supreme Court held the Constitution precluded Congress from protecting copyright in certain writings, such as an ink bottle label, that have “no possible influence upon science or useful arts.”²⁸ The Court said “[t]o be entitled to a copyright, the article must have by itself some value as a composition, at least to the extent of serving some purpose other than as a mere advertisement or designation of the subject to which it is attached.”²⁹ A few years later, the Seventh Circuit held “mere advertisements, whether by letter press or by picture, are not within the protection of the copyright law.”³⁰ That court denied copyright protection to illustrations of plumbing in a catalogue because the purpose of the Constitution’s copyright clause “was to promote the dissemination of learning by inducing intellectual labor in works which would promote the general knowledge in science and useful arts,” not to protect “traders in the particular manner in which they might shout their wares.”³¹

Judicial attitudes toward copyright protection of advertising changed at the beginning of the twentieth century. In 1903, in *Bleistein v. Donaldson Lithographing Co.*, the Supreme Court held for the first time that an illustration used in an advertisement is protected by copyright.³² In *Bleistein*, the plaintiffs alleged infringement of their copyright in three chromolithographs prepared for promoting a circus.³³ The lower appellate court held the “copyright statute should not be construed as including such a publication” because it “would not be promotive of the useful arts, within the meaning of the constitutional provision, to protect the ‘author’ in the exclusive use” of works that have no value aside from

27. See, e.g., *Higgins v. Keuffel*, 140 U.S. 428, 431 (1891) (“a mere advertisement” is not entitled to copyright); *J.L. Mott Iron Works v. Clow*, 82 F. 316, 318, 321 (7th Cir. 1897) (“mere advertisements . . . are not within the protection of the copyright law”); *Lamb v. Grand Rapids Sch. Furniture*, 39 F. 474, 475 (W.D. Mich. 1889) (no copyright protection for book of engravings illustrating furniture because they were advertisements published “simply for trade purposes in aid of their sales”); *Ehret v. Pierce*, 10 F. 553, 554 (E.D.N.Y. 1880) (advertisement cards displaying paints of various colors “could not be the subject of a copyright under the provisions of the act of 1831”); see also *Mary Garner Borden, Copyright of Advertising*, 35 Ky. L.J. 205, 206 (1947) (noting “historical reluctance” of certain courts “to recognize a property right in advertisements” at turn of the twentieth century).

28. *Higgins*, 140 U.S. at 431.

29. *Id.*

30. *J.L. Mott*, 82 F. at 318.

31. *Id.* at 318–19.

32. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903).

33. *Id.* at 248. The pictures contained a portrait of the circus owner in the corner and three different designs: a ballet, a group of men and women on bicycles, and another group of people whitened to represent statues. *Id.*

the purely business objective of advertising.³⁴ The Supreme Court disagreed. It held such works are “pictorial illustrations” within the subject matter of copyright regardless of whether they are used in advertisements.³⁵ The Court based its decision primarily on the difficulty in drawing the line between commercial and fine art—it found both could be valuable to the public.³⁶ The Court further noted “[i]t would be a dangerous undertaking for persons trained only in the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.”³⁷ The Court ignored the issue of whether copyright protection provides incentives to create new advertising works. It focused on whether advertising—not the grant of exclusive rights in advertising—further the goals set forth in the Constitution.³⁸ Justices Harlan and McKenna agreed with the lower appellate court and dissented.³⁹

After *Bleistein*, it was clear that copyright law protected any artistic works used in advertising, even those prepared specifically for use in advertising.⁴⁰ Some scholars believe *Bleistein*’s holding is limited to advertisements containing works independently protectable by copyright.⁴¹

34. *Courier Lithographing Co. v. Donaldson Lithographing Co.*, 104 F. 993, 996 (1903).

35. *Bleistein*, 188 U.S. at 251–52. But the Court said the special adaptation of these pictures for use in advertisements was relevant when the jury determined the extent of the copyright owner’s rights. *Id.* at 251.

36. *Id.* at 251–52.

37. *Id.* at 251.

38. *See id.* at 251–52.

39. *Id.* at 252 (Harlan, J. & McKenna, J., dissenting).

40. *See Ansehl v. Puritan Pharm. Co.*, 61 F.2d 131, 134–35 (8th Cir. 1932) (“The *Bleistein* case established a new and liberal standard with respect to the originality or artistic merit required to entitle illustrated advertising matter—now frequently referred to as ‘commercial’ art—to the protection of copyright statutes.”); *Fargo Merc. v. Brechet & Richter*, 295 F. 823, 828 (8th Cir. 1924) (“It has many times been held that though a work of art or an original intellectual composition may be used for advertising purposes, or even though it is expressly designed for such purposes, this does not prevent it from being copyrighted.”); Borden, *supra* note 27, at 207 (“There is little doubt that the pictures of noble artists such as Grant Wood, Rockwell Kent, Vertes, or Salvador Dali appearing in advertisements today are as fully protected under copyright law as are the pictures of less skillful commercial artists and of photographers.”); *see also Harbor Motor Co. v. Arnell Chevrolet-Geo, Inc.*, 265 F.3d 638, 644 (7th Cir. 2001) (affirming jury finding that plaintiff owned valid copyright in newspaper advertisement consisting of text and designs prepared specifically for automobile dealership tent sale).

41. *See e.g.*, Douglas O. Linder & James W. Howard, *Why Copyright Law Should Not Protect Advertising*, 62 OR. L. REV. 231, 234 (1983) (“The implication of *Bleistein* . . . is that an advertisement may be protected only to the extent that its individual elements—illustrations, copy, graphics, and lay-out—are protected.”); *cf.* Borden, *supra* note 27, at 207 (After *Bleistein* “there remains the problem of copyright protection for the format of an advertisement. None of the earlier cases gave any rights at all in the words used, their particular arrangement, or the size and color of the type.”).

Courts interpreted *Bleistein* more broadly to allow copyright protection of advertising material that contains only a “little originality,” such as product illustrations and language relating to a special offer and coupon in a newspaper advertisement.⁴² This liberal standard with regard to the required originality of copyrightable advertising was consistent with the tendency of courts to expand the subject matter of copyright in general.⁴³ Copyright protection is now available for the illustrations of products by commercial artists,⁴⁴ as well as television commercials, jingles, photographs of products, and point-of-purchase advertising displays, among other things.⁴⁵ Some graphic images used in advertising, such as logos and cartoon characters, can be protected under both trademark and copyright law.⁴⁶ In sum, advertising material is copyrightable today if it contains only a minimal amount of original and creative expression.⁴⁷ As noted by the Eighth Circuit, “[i]t requires very little originality, indeed, to render proposed advertising matter copyrightable.”⁴⁸

42. *E.g.*, *Ansehl*, 61 F.2d at 134–38; *see also* Linder & Howard, *supra* note 41, at 234 (“[S]ubsequent courts considering the applicability of copyright laws to commercial advertising have read *Bleistein* to stand for the broad proposition that advertising is copyrightable unless it is a label or descriptive phrase so lacking in originality that it cannot be considered a ‘writing.’”); Borden, *supra* note 27, at 207.

43. *Ansehl*, 61 F.2d at 136.

44. *E.g.*, *Westermann v. Dispatch Printing*, 249 U.S. 100 (1919) (women’s apparel); *No-Leak-O Piston Ring v. Norris*, 277 F. 951 (4th Cir. 1921) (piston rings); *Cambell v. Wire-back*, 269 F. 372 (4th Cir. 1920) (orthopedic devices); *Stecher Lithographic Co. v. Dunston Lithograph*, 233 F. 601 (W.D.N.Y. 1916) (vegetables); *J.H. White Mfg. v. Shapiro*, 227 F. 957 (S.D.N.Y. 1915) (brass trimmings for light fixtures); *Nat’l Cloak & Suit Co. v. Kaufman*, 189 F. 215 (M.D. Pa. 1911) (dress fashions).

45. *E.g.*, *E.T.S.-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068 (9th Cir. 2000) (professional photographer’s product shots); *Reed-Union Corp. v. Turtle Wax, Inc.*, 77 F.3d 909 (7th Cir. 1996) (television commercial for car wax); *Kleier Adver. v. Premier Pontiac*, 2 U.S.P.Q.2d 1152 (N.D. Okla. 1987), *aff’d*, 921 F.2d 1036 (10th Cir. 1990) (advertising display); *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486 (11th Cir. 1990) (advertising flyer); *Elsmere Music, Inc. v. Nat’l Broad. Co.*, 482 F. Supp. 741 (S.D.N.Y.), *aff’d*, 623 F.2d 252 (2d Cir. 1980) (four notes of commercial jingle); *Comptone Co. v. Rayex Corp.*, 251 F.2d 487 (2d Cir. 1958) (sunglass display cards); *Cleland v. Thayer*, 121 F. 71 (8th Cir. 1903) (colored photographs of Colorado scenery); *Small v. Exhibit Enters., Inc.*, 364 F. Supp. 2d 846 (E.D. Mich. 2005) (display scheme that included hanging of advertising banners in municipal exhibition hall); *Smart Inventions, Inc. v. Allied Comm. Corp.*, 94 F. Supp. 2d 1060 (C.D. Cal. 2000) (television commercials for battery powered portable lights); *Chuck Blore & Don Richman v. 20/20 Advertising*, 674 F. Supp. 671 (D. Minn. 1987) (television commercials for newspaper and radio station); *Dr. Pepper Co. v. Sambo’s Rests., Inc.*, 517 F. Supp. 1202, 1206–07 (N.D. Tex. 1981) (“Be a Pepper” commercial and jingle).

46. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 6:18 (4th ed. 2005).

47. *Jacobs v. Robitaille*, 406 F. Supp. 1145, 1149–50 (D.N.H. 1976) (citing *Donald v. Uarco Bus. Forms*, 478 F.2d 764, 765 (8th Cir. 1973)).

48. *Ansehl*, 61 F.2d at 134–38 (“[C]atalogues and other advertisements having originality, or a quasi-artistic character, are copyrightable.”).

There are some limits to copyright protection for advertising. Copyright law does not protect basic factual information in ads, such as lists of goods or prices.⁴⁹ Ad agencies and commercial artists cannot get copyright protection for their ideas, such as the idea of using cartoon characters Snap, Crackle, and Pop to advertise Kellogg's Rice Krispies cereal.⁵⁰ If the idea in an advertisement can only be expressed in a small number of ways, "the more the allegedly infringing work must resemble the copyrighted work in order to establish substantial similarity."⁵¹ In other words, when the idea and expression of the advertisement coincide or merge, that "expression will only be protected against verbatim copying" under the merger doctrine.⁵² In addition, certain elements of an advertisement may not be protected if they are *scenes a faire*, or standard treatment of a particular idea.⁵³ Advertisers also cannot use copyright law to prevent competitors from using the same theme for an ad campaign.⁵⁴

Furthermore, copyright law does not protect slogans or other short phrases used in advertising "even if they are distinctively arranged or printed."⁵⁵ For example, courts denied independent copyright protection

49. *Id.* at 136 ("A mere advertisement of a bare list of articles, prices or facts would not seem copyrightable. It would lack the minimum of originality necessary for copyright.").

50. *Grant v. Kellogg Co.*, 58 F. Supp. 48 (S.D.N.Y. 1944), *aff'd* 154 F.2d 59 (2d Cir. 1946); *see also* Borden, *supra* note 27, at 208. But commercial artists and ad agencies may be able to protect their ideas under contract law. *See* Wrench LLC v. Taco Bell Corp., 256 F.3d 446 (6th Cir. 2001) (idea of "Psycho Chihuahua" cartoon character, including a live dog manipulated by computer graphics); *Liggett & Meyer Tobacco Co. v. Meyer*, 19 N.E. 206 (Ind. App. 1935) (idea of slogan and illustration); *see also* Borden, *supra* note 27, at 209-10.

51. *Cooling Sys. & Flexibles, Inc. v. Stuart Radiator, Inc.*, 777 F.2d 485, 491-92 (9th Cir. 1985), *overruled on other grounds*, *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994).

52. *Miracle Blade, LLC v. Ebrands Commerce Group, LLC*, 207 F. Supp. 2d 1136, 1150 (D. Nev. 2002); *Smart Inventions, Inc. v. Allied Comm. Corp.*, 94 F. Supp. 2d 1060, 1067 (C.D. Cal. 2000).

53. *Miracle Blade*, 207 F. Supp. 2d at 1150; *Smart Inventions*, 94 F. Supp. 2d at 1067; *Am. Direct Mktg. v. Azad Int'l*, 783 F. Supp. 84, 94-95 (E.D.N.Y. 1992).

54. *Reed-Union Corp. v. Turtle Wax*, 77 F.3d 909, 914 (7th Cir. 1996); *Miller Brewing Co. v. Carling O'Keefe Breweries of Canada, Ltd.*, 452 F. Supp. 429, 440-41 (W.D.N.Y. 1978); *Am. Direct Mktg.* 783 F. Supp. at 94; *McCarthy*, *supra* note 46, § 6:22 at 6-51.

55. *Kitchens of Sara Lee, Inc. v. Nifty Foods*, 266 F.2d 541, 544 (2d Cir. 1959); *see* 37 C.F.R. § 202.1(a) (copyright protection does not extend to "[w]ords and short phrases such as names, titles, and slogans"); *see also* *Perma Greetings v. Russ Berrie*, 598 F. Supp. 445, 448 (E.D. Mo. 1984) ("Clichéd language, phrases and expressions conveying an idea that is typically expressed in a limited number of stereotypic fashions are not subject to copyright protection."); "Hang in There" on coaster not copyrightable); *Signo Trading Int'l v. Gordon*, 535 F. Supp. 362, 365 (N.D. Cal. 1981) (Copyright is unavailable for "a single word or a commonly used short phrase, in any language."; no copyright for individual words translated from English into Arabic and used in electronic translator, such as "How are you?"); *E.H. Tate Co. v. Jiffy Enters.*, 16 F.R.D. 571 (E.D. Pa. 1954) ("Apply hook to wall" not protectable under copyright); *but see* *McCarthy*, *supra* note 46, § 6:19 at 6-41 to 6-42 (copyright law can protect short phrases "[b]ecause of the low level of required 'creativity' in the form of a 'creative spark'"); *Dawn Assoc. v. Links*, 203 U.S.P.Q. 831, 834-35 (N.D. Ill. 1978) ("[w]hen

for the phrases "Safety Core,"⁵⁶ "Retail Plus,"⁵⁷ "the most personal sort of deodorant,"⁵⁸ and "test market pricing."⁵⁹ Professor Landes and Judge Posner note there are several economic reasons to refuse copyright protection in slogans. "Since the cost of thinking up a short phrase is normally small," they say "copyright protection should not be necessary to create adequate incentives for its creation."⁶⁰ Allowing the copyrighting of short phrases would also encourage rent seeking, and may harm competition if one firm in an industry obtains copyright in terms essential to the sale and marketing of a product.⁶¹

When original and creative expression in an advertisement is protected, it may be classified under copyright law as a literary work (e.g., written text), musical work or sound recording (e.g., jingles), pictorial, graphic, or sculptural work (e.g., illustrations, photographs, or three-dimensional advertising displays), or audiovisual work (e.g., commercials).⁶² Under the Copyright Act, copyright "vests initially in the author or authors of the work."⁶³ The author of the work is the person (or persons) who created the expression in the ad, unless the ad is a "work made for hire."⁶⁴ While some advertisers have in-house advertising de-

there is no room in hell . . . the dead will walk the earth" used in ad for horror film protected by copyright as part of whole work).

56. *J. Racenstein & Co. v. Wallace*, No. 96 Civ. 9222(TPC), 1999 WL 632853 at *2 (S.D.N.Y. 1999) (slogan for safety rope product not copyrightable because words "do not exhibit the minimal level of creativity").

57. *Arvelo v. Am. Int'l Ins. Co.*, 875 F. Supp. 95, 100 (D.P.R. 1995), *aff'd*, 66 F.3d 306 (1st Cir. 1995) (slogan for business insurance not copyrightable component of advertising campaign).

58. *Alberto-Culver Co. v. Andrea Dumon, Inc.*, 466 F.2d 705, 711 (7th Cir. 1972) ("phrase 'most personal sort of deodorant' is not subject to copyright protection" when used in text on a label for FDS deodorant).

59. *Johnson v. Auto. Ventures*, 890 F. Supp. 507, 511-12 (W.D. Va. 1995) (phrase "test market pricing" used in context of automobile advertising "is a short phrase that is not copyrightable in and of itself").

60. LANDES & POSNER, *supra* note 2, at 89. Another reason is "[t]he shorter the phrase, the likelier is independent duplication; and it is difficult by the methods of litigation to distinguish between it and deliberate copying." *Id.*

61. *Id.* at 93, 99.

62. 17 U.S.C. §§ 101, 102(a); *Chuck Blore & Don Richman, Inc. v. 20/20 Adver., Inc.*, 674 F. Supp. 671, 677 (D. Minn. 1987) (commercials constitute audiovisual works as defined by 17 U.S.C. § 101).

63. 17 U.S.C. § 201(a).

64. *Id.* § 201(a) & (b); *Lulirama Ltd. v. Access Broad. Servs., Inc.*, 128 F.3d 872, 876 (5th Cir. 1997) (advertising jingles). A "work made for hire" is "(1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire." 17 U.S.C. § 101.

partments, many hire outside agencies to plan, create, and communicate their advertising.⁶⁵ After a strategy for the ad campaign is selected, the creative team develops and executes the advertising idea.⁶⁶ If an ad is created in-house by employees working within the scope of their employment, the advertiser owns the copyright in the ad—it is considered the author of the “work made for hire”—unless there is a written and signed agreement to the contrary.⁶⁷

When a firm hires an outside agency to create its advertising, ownership of copyright in the ads becomes more complicated. Many ad agencies are paid by commissions or fees.⁶⁸ Some smaller ad agencies provide their services in exchange for a share of the client’s revenue generated by product sales.⁶⁹ Despite such payments to the agency for its services, the agency—not the advertiser—is the author of the advertising works created unless the ads are works made for hire.⁷⁰ If there is no work made for hire or other assignment contract between the advertiser and ad agency, the agency retains copyright in the commissioned work.⁷¹

65. WELLS, *supra* note 13, at 17–18; see HAMEROFF, *supra* note 13, at 34.

66. The idea or strategy for the ad campaign may come from the client, account executive, consumers, see OGILVY, *supra* note 13, at 20, 35–36, 103, 158–63; STEEL, *supra* note 13, at 250, 252, 254–56 (idea for “Baby and Cat” commercial for “got milk?” ad campaign came from focus groups), or other individuals involved in the advertising process, such as media experts. See Buczaczer, *supra* note 18. In many agencies, copywriters and art directors “are responsible for developing the creative concept and crafting the execution of the advertising idea.” WELLS, *supra* note 13, at 305. Copywriters write the ads, while art directors (usually with training in film, layout, photography, typography, or television) create the print layout or commercial. OGILVY, *supra* note 13, at 20–21, 32, 65, 113.

67. 17 U.S.C. § 201(b).

68. WELLS, *supra* note 13, at 87. “A commission is paid to the agency by the medium—print, television, radio—in which the agency has bought space on behalf of its client.” OGILVY, *supra* note 13, at 55. “A commission is the amount an ad agency charges the client as a percentage of the media cost. For example, if the \$85,000 cost of media to the agency has a 15 percent commission allowance, the agency adds \$12,750 to the \$85,000 when billing the client.” WELLS, *supra* note 13, at 87. Under a fee system, the client pays the agency an hourly fee and may also pay for standard expenses incurred during the campaign. *Id.*

69. Christopher Lawton, *Small Ad Agencies Turn to Revenue-Sharing Deals*, WALL ST. J., Sept. 19, 2005, at B5.

70. *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 743–51 (U.S. 1989).

71. Kimberly W. Alcantara, *Current Issues Facing Advertisers and Advertising Agencies: Rights Clearance Overview*, in *ADVERTISING LAW IN THE MEDIA AGE 2000*, at 347, 357–58 (PLI Corporate Law and Practice, Course Handbook Series No. B0-00JG, 2000). Unless there is an agreement to the contrary, advertising materials created by agency employees within the scope of their employment are works made for hire of the agency. 17 U.S.C. §§ 101, 201(b); see *Brown v. Molle*, 20 F. Supp. 135, 135–36 (D.C.N.Y. 1937) (holding theme song created by employee of ad agency for client was the property of the ad agency); Mark G. Tratos & Lauri S. Thompson, *Perils and Privileges in the Digital Age of Advertising: Intellectual Property Considerations for Advertisers and Agencies*, available at http://www.quirkandratos.com/article_digital_perils.htm (last visited on April 10, 2006). If the advertisement is not a work made for hire and the agency retains copyright in the ad, a court may find the agency granted the advertiser an oral or implied nonexclusive license to use the

Moreover, if the advertising materials are created by an individual working as an independent contractor for the agency or advertiser, that person retains copyright in the ads unless the ads are works made for hire or the copyright is assigned to the advertiser or agency.⁷² If the ads include existing works protected by copyright, such as music or stock photography, advertisers must receive written permission to use the work via a copyright assignment or license agreement.⁷³ If the underlying works are in the public domain because the copyright term expired, or because they were never protected by copyright, permission to use the work is not required.

Firms spend large sums of money to advertise their goods and services.⁷⁴ While copyright law gives them exclusive rights in their advertising expression, it is not clear copyright protection of advertising results in a net social benefit. Part III of this Article explores whether protection of copyright in advertising is justified under utilitarian theory.

B. *Trademark Rights in Slogans*

The U.S. Constitution's commerce clause gives Congress the power to regulate trademarks under federal law.⁷⁵ The U.S. Trademark Act, better known as the Lanham Act, protects words, names, symbols, or devices, or any combination of these, that identify and distinguish goods from those manufactured or sold by others and indi-

advertisements. *Lulirama Ltd. v. Access Broad. Servs., Inc.*, 128 F.3d 872, 879–83 (5th Cir. 1997).

72. *Tratos & Thompson*, *supra* note 71 (“Complications arise when the agency farms out the work to outside vendors or independent contractors. Without an express written agreement, called a ‘work-made-for-hire’ agreement, the agency will not own the resulting copyright in the work done outside nor will the agency’s client.”); *Alcantara*, *supra* note 71, at 352 (“[When] the agency specially commissions a freelancer to design, photograph, or record creative elements in an advertisement, the advertiser generally will own these materials pursuant to a ‘work for hire’ arrangement reflected in a written agreement between the freelancer and the agency (acting on behalf of the advertiser).”).

73. “Commonly licensed elements in advertising materials include music, talent and right of publicity rights, stock photography, stock footage, characters and third-party trademarks.” *Alcantara*, *supra* note 71, at 353.

74. In 2004, firms spent a total of \$264 billion on advertising in all U.S. media. *Markoff & Ives*, *supra* note 16, at A1. The estimated average cost of a 30-second spot for the 2006 Super Bowl was \$2.5 million. Stuart Elliott, Addenda, *Advertisers Signing Up for Super Bowl XL*, N.Y. TIMES, Jan. 9, 2006, at C8. “[I]t cost \$6.9 million—\$628,000 per min.—for 11 minutes of TV spots during Fox’s *The Simpsons*.” *Videogames continue to offer a great opportunity for advertising . . .*, CONSUMER ELECTRONICS DAILY, 2006 WLNR 600513.

75. *McCarthy*, *supra* note 46, § 5:3 (quoting U.S. CONST., art. I § 8, cl. 3). Trademarks are also protected under state statutory and common law. For the sake of brevity, this Article focuses on federal trademark law.

cate the source of the goods.⁷⁶ To be capable of registration or protection, a trademark must be distinctive.⁷⁷ A word or phrase used as a mark is distinctive if “the primary significance of the term in the minds of the consuming public is not the product but the producer.”⁷⁸ In addition to words and phrases, it is possible to obtain trademark rights in distinctive logos (e.g., the Starbucks logo), cartoon characters (e.g., Mickey Mouse), colors (e.g., green gold on press pads), sounds (e.g., NBC’s three chimes), scents (e.g., Plumeria blossoms on sewing thread), and product packaging (e.g., a Coca-Cola bottle), among other things.⁷⁹

A well-chosen company and product name can be a valuable asset.⁸⁰ Firms may use a strong, single master brand name for the parent firm and its line of products, such as FedEx or Hewlett-Packard.⁸¹ Another option is to combine a branded product or service with the core brand name of the parent firm, such as Sony Walkman or Nike Air Jordan.⁸² Firms can also take advantage of marketing synergy between the product and parent name, even where the product has a clearly defined market presence, such as Apple Computer’s iPod or Microsoft’s PowerPoint.⁸³ Finally, some firms have a series of products that are well-known consumer brands, but the parent’s name is either invisible

76. 15 U.S.C. § 1127 (definition of “trademark”). For the sake of brevity, this Article will use the words “trademarks” or “marks” to refer to both trademarks (for goods) and service marks (for services) because the Lanham Act provisions governing trademarks are applicable to service marks. *See id.* § 1053; *Park ‘N Fly, Inc. v. Dollar Park & Fly*, 469 U.S. 189, 191 n.1 (1985). It also will use the word “products” or “goods” to refer to both goods and services.

77. *See* 15 U.S.C. § 1052 (trademarks registrable on the principal register); *see id.* § 1127 (definition of “trademark”); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (stating “the general principles qualifying a mark for registration under [15 U.S.C. § 1052] are for the most part applicable in determining whether an unregistered mark is entitled to protection under” the Lanham Act). To conceptualize distinctiveness, Judge Friendly proposed using the following categories of trademarks: fanciful (Clorox bleach), arbitrary (Arrowhead water), suggestive (Tide laundry detergent), descriptive (SoftSoap liquid soap), and generic (Shredded Wheat breakfast cereal). *See Abercrombie & Fitch v. Hunting World*, 537 F.2d 4, 9–11 (2d Cir. 1976). Fanciful, arbitrary, and suggestive marks are inherently distinctive and are always capable of protection, descriptive marks can be protected with evidence of secondary meaning, and generic terms are never entitled to trademark protection. *Id.*

78. *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 118 (1938).

79. *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 209–10 (2000); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995). Harley Davidson applied to register “the sound of its 45-degree, overhead valve, air-cooled V-Twin engine, but withdrew the request after more than a year of responding to competitors’ protests.” WHEELER, *supra* note 13, at 152.

80. *See* WHEELER, *supra* note 13, at 40.

81. *Id.* at 39.

82. *Id.*

83. *Id.*

or inconsequential to consumers in the marketplace, such as Campbell Soup's Godiva Chocolates or DaimlerChrysler's Jeep Cherokee.⁸⁴ If it is entitled to trademark protection, the company name (such as Ford) is called the "house mark," while the name of a particular brand of product (Mustang for an automobile) is the "product mark."⁸⁵

Along with a house and product mark, a company may also select one or more slogans to use in advertising. According to Anita Wheeler, slogans or "taglines" are short words or phrases that capture a company's brand essence, personality, and positioning, and distinguish the firm from competitors.⁸⁶ Jim Aitchison says slogans "were intended to deliver the final convincing clincher in the ad, or to make some meaningful statement about the advertiser or the brand."⁸⁷ Quoting the *Random House Unabridged Dictionary*, the Sixth Circuit defined a slogan as a "'distinctive cry, phrase, or motto of any party, group, manufacturer, or person; catchword or catch phrase.'"⁸⁸ Per the California Supreme Court, "[a] slogan is a brief attention-getting phrase used in advertising or promotion, or a phrase used repeatedly, as in promotion."⁸⁹ In the context of trademark law, Professor McCarthy explains that a slogan "is an advertising phrase which accompanies other marks, such as house marks and product line marks."⁹⁰ In this Article, I use the word "slogan" to refer to an advertising word or phrase used by a firm in addition to the firm's primary house marks or product marks.

Slogans frequently have a shorter life span than product names and logos because they are more susceptible to marketplace and lifestyle changes.⁹¹ Some firms use the same slogan for an extended period of time, such as Nike's slogan "Just Do It,"⁹² while other slogans may be used only as long as the latest advertising campaign.⁹³ Often advertisers and ad agencies select slogans from common words

84. *Id.*

85. *Hugo Boss Fashions v. Fed. Ins. Co.*, 252 F.3d 608, 619 n.7 (2nd Cir. 2001); MCCARTHY, *supra* note 46, § 7:5.

86. WHEELER, *supra* note 13, at 42. "The origin of the word slogan came from the Gaelic *sluaghairm*, used by Scottish clans to mean 'war cry.' Slogans have been an integral part of consumer advertising since the Civil War." *Id.*

87. AITCHISON, *supra* note 13, at 58.

88. *Cincinnati Ins. v. Zen Design Group*, 329 F.3d 546, 556 (6th Cir. 2003) (quoting *RANDOM HOUSE UNABRIDGED DICTIONARY 1800* (2d ed.1993)).

89. *Palmer v. Truck Ins. Exch.*, 21 Cal.4th 1109, 1120 (1999).

90. MCCARTHY, *supra* note 46, § 7:19; *see also Hugo Boss*, 252 F.3d at 618 (slogans "are phrases used to promote or advertise a house mark or product mark").

91. WHEELER, *supra* note 13, at 42.

92. U.S. Trademark No. 1,875,307 (registered by Nike, Inc. Corp. for clothing, with first use on Jan. 26, 1989; filed Oct. 3, 1989).

93. WHEELER, *supra* note 13, at 42.

or phrases used in popular culture, literary or musical works, news stories, or chance conversation.⁹⁴ Wheeler believes that slogans can distill the essence of a brand, such as Apple Computer's "Think Different," Target's "Pay Less. Expect More," eBay's "The World's Online Marketplace," Saturn's "A Different Kind of Car Company," TAZO's "The Reincarnation of Tea," and FedEx's "The World on Time."⁹⁵ She says slogans can be: (1) imperative—command action (e.g., Hewlett-Packard's "Invent" or Nike's "Just Do It"); (2) descriptive—describe the brand, service, or brand promise (e.g., Allstate's "You're in Good Hands" or GE's "We Bring Good Things To Life"); (3) superlative—position the company as best in its class (e.g., BMW's "The Ultimate Driving Machine" or DeBeers' "A Diamond is Forever"); (4) provocative—thought-provoking (e.g., "got milk?" or Sears' "Where Else?"); and (5) specific—establish leadership in a category (e.g., Cisco Systems' "Empowering the Internet Generation" or Volkswagen's "Drivers Wanted").⁹⁶ Slogans often consist of a startling or unexpected phrase (e.g., NYNEX's "If It's Out There, It's In Here"); rhyme, rhythm, or alliteration (e.g., the *Wall Street Journal's* "The Daily Diary of the American Dream"); or parallel construction (e.g., the U.S. Army's "Be All That You Can Be").⁹⁷ Another commentator notes "some marketers have reduced their slogans and product names to the most commonplace bits of the English language."⁹⁸ Examples of one-word slogans include Coca Cola's "Always," "Enjoy," and "Real"; Wal-Mart's "Always"; MasterCard International's "Priceless"; and Nextel's "Done."⁹⁹

If a firm's slogan is deemed sufficiently distinctive, that firm can get exclusive trademark rights in the slogan. The PTO allowed firms to register on the principal register slogans such as "All The News That's Fit To Print,"¹⁰⁰ "Dedicated To Achieving The Highest Level Of

94. *E.g.*, *Acuff-Rose Music v. Jostens*, 988 F. Supp. 289 (S.D.N.Y. 1997) (Jostens' slogan "If you don't stand for something, you'll fall for anything" was similar to song title and lyrics); OGILVY, *supra* note 13, at 201 (Leo Burnett, leader of the Chicago school of advertising and creator of the successful Marlboro ad campaign, sometimes used phrases from newspaper stories or chance conversation in his ads).

95. WHEELER, *supra* note 13, at 75.

96. *Id.* at 43.

97. WELLS, *supra* note 13, at 337.

98. Brian Steinberg, *Advertisers Attempt to Say a Lot Using Very Little Words*, WALL ST. J., Nov. 29, 2004, at B1.

99. *Id.*

100. U.S. Trademark No. 663,495 (registered by New York Times for newspapers; filed Oct. 2, 1957); U.S. Trademark No. 2,136,993 (registered by New York Times for computer services relating to news; filed Jan. 6, 1997).

Professionalism,”¹⁰¹ “Hair Color So Natural Only Her Hairdresser Knows For Sure,”¹⁰² “It’s Everywhere You Want To Be,”¹⁰³ “Hot N Juicy,”¹⁰⁴ “I’m Lovin’ It,”¹⁰⁵ “It’s Time to Fly,”¹⁰⁶ “Like Nothing Else,”¹⁰⁷ “Moving Air Is Our Business,”¹⁰⁸ “Silence is Golden,”¹⁰⁹ “Take A Closer Look,”¹¹⁰ “The First Name in Floorcare,”¹¹¹ “The Most Powerful Name In Cleaning,”¹¹² “Playing What We Want,”¹¹³

101. U.S. Trademark No. 1,385,196 (registered by National Training Center of Lie Detection for journals directed to the polygraph profession; filed July 26, 1982, registered Mar. 4, 1986, and cancelled Nov. 4, 1992); *see also In re Nat’l Training Ctr. of Lie Detection, Inc.*, 226 U.S.P.Q. 798 (T.T.A.B. 1984) (reversing examiner’s refusal to register slogan used near masthead of *The Journal of Polygraphic Science*).

102. U.S. Trademark No. 905,961 (registered by Clairol for hair tinting, dyeing and coloring preparation; filed May 21, 1962; registration expired and is now dead); *see also Roux Labs. v. Clairol*, 427 F.2d 823 (C.C.P.A. 1970) (dismissing opposition to registration of slogan used with Miss Clairol products).

103. U.S. Trademark No. 1,390,241 (registered by Visa International for broad based financial and banking card services and providing hotel reservation services; filed Aug. 21, 1985).

104. U.S. Trademark No. 1,186,182 (stylized mark registered by Wendy’s International for restaurant and carry out restaurant services; filed April 17, 1978; assigned to Markdel); *see also Wendy’s Int’l, Inc. v. Big Bite*, 576 F. Supp. 816, 820 (S.D. Ohio 1983) (noting competitor Big Bite used Wendy’s registered slogan in radio ads).

105. U.S. Trademark No. 2,978,887 (registered by McDonald’s for restaurant services; filed June 2, 2003); U.S. Trademark No. 2,978,888 (registered by McDonald’s for prepared entrees; filed June 2, 2003); U.S. Trademark No. 2,978,889 (registered by McDonald’s for edible sandwiches for consumption on or off the premises and other foods and drinks; filed June 2, 2003).

106. U.S. Trademark No. 2,919,116 (registered by United Air Lines for transportation of persons, property and mail by air; filed Jan. 22, 2004).

107. U.S. Trademark No. 2,696,730 (registered by General Motors for motor land vehicles; filed July 23, 2001).

108. U.S. Trademark No. 605,698 (registered by Robbins & Myers for electric fans for circulating air; filed May 24, 1952; registration expired and is now dead); *see also Ex parte Robbins & Myers, Inc.*, 104 U.S.P.Q. 403, 405 (Comm’r Pat. 1955) (slogan distinguishes the applicant’s goods even when used with primary mark “Propellair”).

109. U.S. Trademark No. 1,737,200 (registered by American Multi-Cinema for movie theater services; filed Sept. 16, 1991).

110. U.S. Trademark No. 1,305,261 (registered by First Union National Bank for banking services; filed May 26, 1982; cancelled Aug. 20, 2005); *see also In re First Union Nat’l Bank*, 223 U.S.P.Q. 278 (T.T.A.B. 1984) (reversing examiner’s refusal to register slogan used with primary service mark “First Union”).

111. U.S. Trademark No. 2,463,035 (registered by Royal Appliance for electrical vacuum cleaners; filed Nov. 23, 1993); *see also Hoover v. Royal Appliance*, 238 F.3d 1357 (Fed. Cir. 2001) (affirming Trademark Trial and Appeal Board’s dismissal of opposition by holder of unregistered slogan “Number One in Floor Care”).

112. U.S. Trademark No. 835,618 (registered by Colgate-Palmolive for cleaner, cleanser, and detergent; filed Aug. 19, 1963); *see also In re Colgate-Palmolive Co.*, 153 U.S.P.Q. 695, 696 (T.T.A.B. 1967) (reversing examiner’s refusal to register slogan used with principal mark “Ajax”).

113. U.S. Trademark No. 2,884,476 (registered by Robert Perry for streaming of audio material on the internet; filed Oct. 21, 2003; assigned to SparkNet Holdings); *see also Sparknet Comm. v. Bonneville Int’l Corp.*, 386 F. Supp. 2d 965 (N.D. Ill. 2005) (holding

“TwoAllBeefPattiesSpecialSauceLettuceCheesePicklesOnionsOnASesameSeed Bun,”¹¹⁴ “We Know Why You Fly,”¹¹⁵ “We’ll Pick You Up,”¹¹⁶ “We Smile More,”¹¹⁷ “We Try Harder,”¹¹⁸ and “Your Financial Security Is Our Business.”¹¹⁹ If a firm registers its slogan on the principal register, that slogan is presumed to be a valid trademark.¹²⁰ Moreover, slogans registered on the principal register can become incontestable after five years.¹²¹ Once a slogan becomes incontestable, a defendant cannot challenge the validity of the slogan on the ground it is descriptive without secondary meaning.¹²²

While registration of slogans on the principal register is commonplace today, slogans were not always protected by trademark law.¹²³ In

competitors’ use of “70s, 80s . . . Whatever We Want,” “70s, 80s . . . Whatever We Feel Like,” and “Today’s New Music . . . And Whatever We Want” slogans were not likely to cause confusion with registered slogan “Playing What We Want”).

114. U.S. Trademark No. 1,245,628 (registered by McDonald’s for restaurant services; filed Mar. 5, 1975); U.S. Trademark No. 1,253,001 (registered by McDonald’s for a hamburger sandwich for consumption on or off the premises; filed Feb. 17, 1976); *see also In re McDonald’s Corp.*, 199 U.S.P.Q. 490 (T.T.A.B. 1978) (reversing examiner’s refusal to register slogan).

115. U.S. Trademark No. 2,966,993 (registered by American Airlines for transportation services, namely, transportation of passengers and cargo by air; filed May 20, 2004).

116. U.S. Trademark No. 2,085,472 (registered by Enterprise Rent-A-Car for rental and leasing of vehicles and arranging for the rental and leasing of vehicles; filed Feb. 21, 1996); *see also Advantage Rent-A-Car, Inc. v. Enter. Rent-A-Car, Co.*, 238 F.3d 378, 379 (5th Cir. 2001) (noting Enterprise registered slogan).

117. U.S. Trademark No. 1,036,453 (registered by Marriott for hotel, restaurant, and convention services; filed May 2, 1968; registration expired); *In re Marriott Corp.*, 517 F.2d 1364, 1366 (C.C.P.A. 1975) (noting Marriott filed opposition to Ramada’s application to register “We Smile More,” filed its own application to register the slogan, and filed suit to enjoin Ramada’s use of the slogan; with regard to Marriott’s application, the court held mark was not descriptive and evidence indicated purchasers of Marriott’s services recognize slogan as indicative of a single source of those services).

118. U.S. Trademark No. 967,829 (registered by Avis Rent-A-Car for vehicle rental and leasing services; filed Aug. 7, 1972; registration assigned to Wizard Co, Inc.).

119. U.S. Trademark No. 849,984 (registered by Frank Sottile for insurance planning services; filed June 3, 1964); *see also In re Sottile*, 156 U.S.P.Q. 655 (T.T.A.B. 1968) (reversing examiner’s refusal to register slogan).

120. 15 U.S.C. § 1115(a) (registration on the principal register is “prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark” on those particular goods).

121. 15 U.S.C. § 1065.

122. *Park ‘N Fly, Inc. v. Dollar Park & Fly*, 469 U.S. 189 (1985). The defendant can argue the slogan is invalid because it is generic, 15 U.S.C. § 1065(4), among other things. *Id.* § 1065.

123. *See* Martin J. Beran, *Protection of Slogans in the Patent Office and the Courts*, 57 TRADEMARK REP. 219, 219–26 (1967); Gerald E. Helget, *Slogans—Protectable Marketing Tools?* 20 AIPLA Q.J. 35, 37–38 (1992); Saul Lefkowitz, *I Remember It Well—I Think!* 79 TRADEMARK REP. 395, 399, 405 (1989); 4A LOUIS ALTMAN, CALLMAN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 26:30 (4th ed. 2004); Eynne Grover, Note, *The Trademark Protection of Advertising Slogans: A Modern Perspective*, 1 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 213 (1991).

the early part of the twentieth century, the U.S. Patent Office (the precursor to the PTO) usually denied applications to register slogans on the principal register. Back then, descriptive terms were generally not considered worthy of registration on the principal register regardless of whether they were used in product names or slogans.¹²⁴ But an independent reason Patent Office Examiners and the Commissioner refused to register slogans on the principal register was because slogans were considered a form of advertising.¹²⁵ In *Burmel*, a case under the Trademark Act of 1905, the U.S. Court of Customs and Patent Appeals affirmed the Patent Office's decision to deny registration of the slogan "Handkerchiefs Of The Year" because it concluded the slogan was descriptive and "inherently cannot function as a trade-mark."¹²⁶

After the Lanham Act was enacted in 1946, the Patent Office refused to register some slogans on the principal register based on the conclusion that Congress only intended for slogans to be registered on the supplemental register.¹²⁷ The supplemental register is for marks that are merely "capable of distinguishing the applicant's goods or services."¹²⁸ Marks listed on this register do not receive the same substantive protections as marks on the principal register, such as a presumption of validity.¹²⁹ Ac-

124. Ramsey, *supra* note 8, at 1113-15.

125. See e.g., *Ex parte* William Skinner & Sons, 82 U.S.P.Q. 315, 318 (Comm'r Pat. 1949) (affirming examiner's refusal to register words "Look for the Name in the Selvage" for fabrics and concluding "[t]he words here sought to be registered do not distinguish or identify any particular goods, but are an advertising feature used in connection with the actual trade marks used by applicant upon the goods"); *Ex Parte* Nat'l Geographic Soc'y, 82 U.S.P.Q. 446, 447 (Comm'r Pat. 1949) (noting examiner refused registration for slogan "Mention the Geographic—It Identifies You" for magazine because "(1) it is merely a form of advertising not used as a mark upon the goods described in the application; and (2) slogans capable of distinguishing goods are eligible for presentation on the Supplemental Register only and do not qualify for registration on the Principal Register"; Commissioner did not disapprove of this reasoning and affirmed the examiner's refusal to register the slogan); see Beran, *supra* note 123, at 221; Lefkowitz, *supra* note 123, at 422-23; see Glynn S. Lunney, *Trademark Monopolies*, 48 EMORY L.J. 367, 373-74 (1999). Years later, the Trademark Review Commission was concerned "that acceptance of advertisements as [a qualifying use of the mark] may result in the registration of many short-lived advertising slogans which would further clog Trademark Registers." Richard J. Taylor, *Loss of Trademark Rights Through Nonuse: A Comparative Worldwide Analysis*, 80 TRADEMARK REP. 197, 232 (1990) (citing *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 396 (1987)).

126. *Burmel Handkerchief Corp. v. Cluett, Peabody & Co.*, 127 F.2d 318, 321 (C.C.P.A. 1942); see Beran, *supra* note 123, at 220-21.

127. E.g., *Nat'l Geographic Soc'y*, 82 U.S.P.Q. at 447; see Helget, *supra* note 123, at 37-38 ("The reason for the Patent Office policy of rejecting slogans from the Federal Register was based on the inclusion of the word 'slogan' in Section 23 of the Act [15 U.S.C. § 1091] dealing with the Supplemental Register.").

128. 15 U.S.C. § 1091(c).

129. See 15 U.S.C. § 1115(a). If a mark is registered on the supplemental register, the trademark holder can use the trademark registration symbol (®) with the mark and it is easier

ording to Walter Derenberg, a trademark attorney at the Patent Office, “[i]t was not by accident but on purpose that the word ‘slogan’ was omitted from the definition of a trademark under Section 45 [of the Act, 15 U.S.C. § 1127], while it was expressly included in connection with the definition of service marks and marks registrable on the supplemental register.”¹³⁰ Derenberg said “[t]he Patent Office will not accept for registration on the principal register any advertising slogan which is used collaterally and apart from the name of the product which it advertises.”¹³¹ Derenberg concludes that advertising slogans are not trademarks: “Such common phrases and terminology do not rise to the dignity of a trademark under Section 2 of the new Act [15 U.S.C. § 1052].”¹³²

During the second half of the twentieth century, courts, the Patent Office, and the Trademark Trial and Appeal Board (the “Board”) increasingly began to recognize trademark rights in slogans. In a 1952 case, *American Enka*, involving a composite trademark with the slogan “The Fate Of A Fabric Hangs By A Thread” for rayon yarns, the District Court for the District of Columbia stated that “certain combinations of words, albeit that they are also slogans, may properly function as trademarks.”¹³³ Subsequent decisions by the Commissioner cited *American Enka* for authority that slogans can be registered on the principal register.¹³⁴ But the Board still required proof of secondary meaning before allowing registration on the principal register of slogans displayed with other marks.¹³⁵ According to the Board in *Zirin*, proof of acquired distinctiveness in a slogan is required because “[a] slogan, when used on a label in

to obtain registration of the mark in foreign countries offering reciprocal trademark rights. Ramsey, *supra* note 8, at 1117–18 & n.118–19.

130. Walter J. Derenberg, *The Lanham Trademark Act of 1946*, 38 TRADEMARK REP. 831, 835 (1948).

131. *Id.* at 836.

132. *Id.*

133. *Am. Enka Corp. v. Marzall*, 92 U.S.P.Q. 111, 112 (D.D.C. 1952) (as mark was arbitrary and fully complied with definition of a trademark, Patent Office erred in denying registration on principal register just because applicant refused to disclaim rights in the slogan).

134. *E.g., Ex parte Robbins & Myers, Inc.*, 104 U.S.P.Q. 403, 404 (Comm’r Pat. 1955) (“Moving air is our business” for electric fans could be registered on principal register based on evidence of acquired distinctiveness); Beran, *supra* note 123, at 223–24.

135. *In re Zirin*, 125 U.S.P.Q. 587, 588 (T.T.A.B. 1960) (affirming refusal of registration of “The Choice of Animal Champions” for veterinary medicines displayed with house and product marks because no evidence of acquired distinctiveness); *In re Hehr Manufacturing Co.*, 120 U.S.P.Q. 541, 542 (T.T.A.B. 1959) (affirming refusal of registration of “Out of this World” for windows for automobile trailers displayed with applicant’s other trademarks because slogan “is but a trite, hackneyed, banal phrase utterly without novelty, and there is nothing to suggest that the term has acquired a secondary meaning for applicant’s goods”); *see* Beran, *supra* note 123, at 224.

association with trademarks, would not ordinarily be relied upon by purchasers to identify the goods on or in connection with which it is used.”¹³⁶

Starting in the 1960s, courts and the Board began to treat slogans just like other marks. In 1961, in *Wisconsin Wire Works*, the Court of Customs and Patent Appeals held submission of the sworn statement of the applicant that the slogan “Use Me Next—I’m Ready for Service” has been used as a trademark to identify and distinguish its goods (Fourdrinier Wire Cloth) was sufficient to bring the slogan within the provisions of the Lanham Act.¹³⁷ The court rejected the Board’s conclusion that the slogan did not fit within the definition of a trademark under 15 U.S.C. § 1127 of the Act.¹³⁸ If the slogan is used as a mark, the court said “registration is mandatory unless it is prohibited for one of the reasons expressly set forth in Section 2 of the Lanham Act [15 U.S.C. § 1052].”¹³⁹ Today, slogans can be registered and protected as trademarks, even when they are displayed with the firm’s primary trademark.¹⁴⁰ In Part IV, this Article explores whether this recent grant of trademark rights in slogans is justified under utilitarian theory.

III. IS THERE A UTILITARIAN JUSTIFICATION FOR COPYRIGHT PROTECTION OF ADVERTISING?

Scholars primarily justify intellectual property protection in the United States under utilitarian theory, rather than Lockean natural rights

136. *Zirin*, 125 U.S.P.Q. at 588.

137. *In re Wisconsin Wire Works, Inc.*, 291 F.2d 958, 959 (C.C.P.A. 1961).

138. *Id.*

139. *Id.*; *In re Sottile*, 156 U.S.P.Q. 655, 656 (T.T.A.B. 1968); *see also In re David Crystal, Inc.*, 145 U.S.P.Q. 95, 95 (T.T.A.B. 1965) (“While the subject matter presented for registration is in the nature of a slogan such fact does not preclude it from registration on the Principal Register unless it is either merely descriptive of applicant’s goods or consists of wording which, by its very nature, is incapable of distinguishing applicant’s goods from the goods of others.”).

140. Helget, *supra* note 123, at 38–39 (slogans became more easily registrable after the mid-1960s and “the protectability and registrability of slogans were decided each upon their own merits” by the 1970s); McCARTHY, *supra* note 46, § 7:20 at 7–54 (“A slogan or any other combination of words is capable of trademark significance, if used in such a way as to identify and distinguish the seller’s goods and services from those of others.”); *Id.* at § 7:21 at 7–55 (“The fact that a slogan is used in conjunction with a previously existing trademark does not mean that the slogan does not also function as a mark, for a product can bear more than one trademark.”); *In re Colgate-Palmolive Co.*, 153 U.S.P.Q. 695, 696 (T.T.A.B. 1967) (“a slogan which is used in association with a principal mark may be registered apart therefrom”); *In re Nat’l Tea Co.*, 144 U.S.P.Q. 286, 287 (T.T.A.B. 1965) (“There is . . . no statutory limitation on the number of trademarks that one may use on a single label to indicate origin of a particular product in commerce.”).

or Hegelian personhood theories.¹⁴¹ Utilitarianism is a type of welfare consequentialism; this theory evaluates laws by their consequences, and evaluates consequences using net social welfare as a measure.¹⁴² The copyright and patent clause of the U.S. Constitution states a utilitarian purpose.¹⁴³ It gives Congress power to grant exclusive copyright and patent rights for limited times “[t]o promote the Progress of Science and useful Arts.”¹⁴⁴ According to the U.S. Supreme Court, “[t]he economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in ‘Science and useful Arts.’”¹⁴⁵ While authors and inventors are rewarded with copyright and patent rights for a

141. E.g., Benkler, *supra* note 1, at 59–60; Robert P. Merges, Peter S. Menell & Mark A. Lemley, *Intellectual Property in the New Technological Age* 11–18 (3d ed. 2003). “In practice, courts draw upon an uneasy and sometimes conflicting mix of different theoretical frameworks.” Joseph P. Liu, *Owning Digital Copies: Copyright Law and the Incidents of Copy Ownership*, 42 WM. & MARY L. REV. 1245, 1299 (2001). Scholars that justify or explain intellectual property protection under John Locke’s natural law or labor-desert theory of property include Wendy J. Gordon, *A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 YALE L.J. 1533 (1993); Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 296–330 (1988); David McGowan, *Copyright Nonconsequentialism*, 69 MO. L. REV. 1, 3 (2004) (using “a secularized version of Locke’s theory of property” which he calls the “property libertarian view”); Adam Mossoff, *Rethinking the Development of Patents: An Intellectual History, 1550–1800*, 52 HASTINGS L.J. 1255 (2001); Alfred C. Yen, *Restoring the Natural Law: Copyright as Labor and Possession*, 51 OHIO ST. L.J. 517, 524–29 (1990). Scholars that discuss the personhood or personality theory of intellectual property include Steven Cherensky, *A Penny for Their Thoughts: Employee-Inventors, Preinvention Assignment Agreements, Property and Personhood*, 81 CAL. L. REV. 597, 641–66 (1993); Hughes, *supra*, at 330–65; Neil W. Netanel, *Copyright Alienability Restrictions and the Enhancement of Author Autonomy: A Normative Evaluation*, 24 RUTGERS L.J. 347 (1993). This Article does not address whether these theoretical frameworks justify copyright protection of advertising or trademark rights in slogans.

142. Amartya Sen & Bernard Williams, *Introduction: Utilitarianism and Beyond*, in UTILITARIANISM AND BEYOND 3–4 (Amartya Sen & Bernard Williams, eds., 1982) (“Utilitarianism is . . . a species of *welfarist consequentialism*—that particular form of it which requires simply *adding up* individual welfares or utilities to assess the consequences . . .”) (emphasis in original); McGowan, *supra* note 141, at 8 (“This means utilitarian ethics evaluates acts, rules, or states of affairs by their consequences, and evaluates consequences using welfare as a measure.”).

143. Benkler, *supra* note 1, at 60; Menell, *supra* note 1, at 130. Professor McGowan argues U.S. copyright law is not inherently utilitarian because it seeks to maximize the production of expression rather than social welfare. McGowan, *supra* note 141, at 4, 11. For a detailed summary of the utilitarian justification for intellectual property *see generally* Menell, *supra* note 1; William W. Fisher, III, *Theories of Intellectual Property*, in NEW ESSAYS IN THE LEGAL AND POLITICAL THEORY OF PROPERTY 168 (Stephen R. Munzer ed., 2001).

144. U.S. CONST. art. I, § 8, cl. 8. “Although the exact parameters of this limitation are not always clear, one aspect of the limitation shines through: Copyright may not serve solely or primarily to enrich copyright owners. The public must receive something in return.” Glynn S. Lunney, *The Death of Copyright: Digital Technology, Private Copying, and the Digital Millennium Copyright Act*, 87 VA. L. REV. 813, 870 (2001) (internal footnotes omitted).

145. *Mazer v. Stein*, 347 U.S. 201, 219 (1954).

limited time in exchange for their efforts, the ultimate goal of copyright and patent law is to stimulate creativity and innovation to benefit the general public interest.¹⁴⁶ U.S. copyright and patent laws exist primarily to provide economic incentives for authors and inventors to create and innovate for the benefit of the public.¹⁴⁷

Some scholars question whether copyright and patent incentives are necessary to spur creativity and innovation. They note other incentive structures exist to stimulate the creation of new works and inventions, such as government subsidies, prizes, tournaments, regulatory programs, and the open-source software movement.¹⁴⁸ Scholars have argued “that being first in the market, the desire of authors to have their works and ideas widely distributed and other factors, provide adequate rewards for the production of literary works without the need for copyright protection.”¹⁴⁹ Academics, the scientific research community, amateur authors, architects, and news reporters may all have non-copyright incentives to create new works.¹⁵⁰

If certain authors will create new works regardless of copyright incentives, it may be more efficient to eliminate such works from copyright protection. “Ideally, in deciding how broad or narrow an intellectual property right to recognize,” Professor Landes and Judge Posner explain “one would want to classify different forms of intellectual property according to the output likely to be produced with and without the

146. *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 526–27 (1994); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984); *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975); *United States v. Paramount Pictures*, 334 U.S. 131, 158 (1948); *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932); Lunney, *supra* note 144, at 817 (“Congress may enact a copyright statute, but only if, and to the extent that, it serves the public, and not merely private, interests.”); see *Eldred v. Ashcroft*, 537 U.S. 186, 212 (2003).

147. See Benkler, *supra* note 1, at 59; Mark A. Lemley, *The Economics of Improvement in Intellectual Property*, 75 TEX. L. REV. 989, 993 (1997); Robert Merges & Glenn Reynolds, *The Proper Scope of the Copyright and Patent Power*, 37 HARV. J. ON LEGIS. 45, 47 (2000); see *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 558 (1985); *Sony*, 464 U.S. at 450–51. According to Professor Menell, economic studies from the 1970s and 1980s “suggest a growing consensus among economists that intellectual property rights offer a real, but limited, incentive to innovate in some industrial sectors,” but “the importance of such rights vary significantly across industries and fields of innovation and the linkage between intellectual property rights and social welfare improvement is extraordinarily complex.” Menell, *supra* note 1, at 136.

148. Menell, *supra* note 1, at 142–44 (government subsidies, regulatory programs); Michael Abramowicz, *Perfecting Patent Prizes*, 56 VAND. L. REV. 115 (2003) (reward systems); Yoichi Benkler, *Coase’s Penguin, or, Linux and The Nature of the Firm*, 112 YALE L.J. 369 (2002) (open-source software movement); Steven Shavell & Tanguy van Ypersele, *Rewards Versus Intellectual Property Rights*, 44 J.L. & ECON. 525, 537–40 (2001) (reward systems).

149. Menell, *supra* note 1, at 148 (summarizing scholarship).

150. Menell, *supra* note 1, at 144 (scientific research community); Dan Hunter & F. Gregory Lastowka, *Amateur-To-Amateur*, 46 WM. & MARY L. REV. 951, 1025 (2004) (amateur authors); Stewart E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197, 1198 (1996) (architects); see McGowan, *supra* note 141, at 28–29 (news).

recognition of such a right and grant such recognition only to those forms in which output would be seriously suboptimal without it.”¹⁵¹ For example, copyright protection would be reduced or eliminated for works “where fixed costs were low or other incentives besides the prospect of royalty income were present in force.”¹⁵² To institute such a classification system, we would need empirical studies and strong political support in favor of such a change.¹⁵³

Net social welfare may increase if Congress carves out exceptions to the copyright law for works that would be created regardless of copyright protection. Unfortunately, it is unclear whether empirical research can accurately measure the incentive effects of copyright or determine whether proposed revisions to the copyright law will advance public welfare.¹⁵⁴ It may also be difficult to convince Congress to revise the copyright laws and inefficient for courts to interpret and apply new exceptions to copyrightable subject matter. Below, this Article explores in theory whether copyright provides incentives to invest in the creation of new advertising works and, if so, whether net social welfare increases when more advertising is created as a result of copyright protection.

A. Non-Copyright Incentives to Create Advertising

It is unlikely copyright law provides the primary economic incentive to invest in advertising creation. In the advertising industry, there are other strong incentives to produce advertising besides the prospect of royalty income provided by copyright law. Firms create advertising because advertising can increase sales of the advertised product. Advertising practitioners say increased product sales are the result and ultimate goal of advertising. According to Jon Steel, “[c]ompanies with higher advertising-to-sales ratios tend to dominate in their categories and on the whole are more profitable. Companies who have advertised during and after recessions have grown at the expense of competitors who

151. LANDES & POSNER, *supra* note 2, at 24.

152. *Id.*

153. *See id.* “Unfortunately, the empirical studies required to make such a classification have never been undertaken; and there is a danger that such a classification could become a political football, with politically favored producers of intellectual property being granted broader rights than others (to some extent this may already be happening).” *Id.*

154. McGowan, *supra* note 141, at 1 (“It is hard to show that any particular rules provide optimal incentives.”); *Id.* at 6 (“Neither Congress nor the courts nor scholars can make very good predictions about the marginal effects of different rules in the real world. Even assuming copyright’s purpose is to advance welfare, or either the amount or variance of expression, no one knows what scope and term of rights would best advance any one of these goals, much less each of them.”). McGowan notes “[i]t would be impractical to set different rights for each author, of course, but we do not know at what point gains (however counted) from tailored rights would exceed increased administrative costs from tailoring.” *Id.*

have reduced their budgets.”¹⁵⁵ Joseph Jaffe says “[n]obody disputes the fact that when hundreds of millions of dollars are poured into television [advertising], sales go up.”¹⁵⁶ Luke Sullivan notes Procter & Gamble’s “Don’t squeeze the Charmin” television commercials with Mr. Whipple sold “literally billions of rolls of toilet paper.”¹⁵⁷ According to Bill Bernbach, who is famous for his creative Volkswagen and Avis ad campaigns, “[a]nybody in advertising who doesn’t say his purpose is to sell that piece of merchandise is a phony.”¹⁵⁸ While many in the advertising field dislike hard-sell advertising tactics, advertising practitioners admit effective “advertising must sell.”¹⁵⁹ Moreover, economists have demonstrated that “advertising intensity is positively associated with profitability” in many industries.¹⁶⁰ In sum, increased profits from product sales provide the primary incentive to create advertising.

Authors of other copyrighted works usually recoup their investment in creating a novel or film by selling their copyright in the work or collecting royalties from licensing the work. Advertisers, on the other hand, ordinarily recoup the cost of creating advertising through sales of their products.¹⁶¹ Though advertising helps firms sell products, it is usually not the firm’s ultimate product. As noted by Gary Becker and Kevin Murphy, “very few advertisements are sold separately and directly to consumers.”¹⁶² Advertising is often given away (such as billboard ads), or bundled or sold with other goods (such as newspaper articles).¹⁶³ Sometimes consumers are paid to view advertising.¹⁶⁴ For these reasons,

155. STEEL, *supra* note 13, at xi–xii.

156. JAFFE, *supra* note 13, at 18.

157. SULLIVAN, *supra* note 13, at 1–4.

158. LEWIS & NELSON, *supra* note 13, at 89.

159. *E.g.*, SULLIVAN, *supra* note 13, at 4 (quoting Norman Berry, WALL ST. J. *Creative Leaders Series*, at 12).

160. Kyle Bagwell, *The Economics of Advertising, Introduction*, in THE ECONOMICS OF ADVERTISING, 5 (Kyle Bagwell ed., 2001) (summarizing scholarship), available at <http://www.columbia.edu/~kwb8/advertisingintrofv2.pdf>.

161. See Richard A. Posner, *Free Speech in an Economic Perspective*, 20 SUFFOLK U.L. REV. 1, 39–40 (1986) (“The creator of product-specific information ordinarily can recoup all or at least most of his investment through selling the product . . .”). “To maximize profits a producer will advertise to the point where his marginal revenue of advertising is equal to his marginal cost of advertising.” Phillip Nelson, *Advertising as Information*, 82 J. POL. ECON. 729, 735 (1974).

162. Gary S. Becker & Kevin M. Murphy, *A Simple Theory of Advertising as a Good or Bad*, 108 Q. J. ECON. 941, 942 (1993). While some advertisers do license their jingles, see *e.g.*, *Dr. Pepper Co. v. Sambo’s Rests., Inc.*, 517 F. Supp. 1202 (N.D. Tex. 1981) (Dr. Pepper occasionally licenses its jingle), or other advertising materials, it is unlikely this royalty income provides the primary incentive to create the advertising material.

163. Becker & Murphy, *supra* note 162, at 942.

164. The “Attention Brokerage” patent—U.S. Patent No. 5,855,008—assigned to Cybergold is an invention that provides financial incentives for members of the public to view political messages, and may also “cover any instance in which someone is paid any reward for

advertising is different than other copyrighted works and advertisers have different incentives to create advertising.

When deciding for the first time that advertising is protected under U.S. copyright law, the Supreme Court in *Bleistein* did not discuss whether copyright protection provides incentives to create advertising works. Instead, the Court focused its analysis on whether illustrations used in advertisements are sufficiently artistic to warrant copyright protection, and noted the difficulty in drawing the line between commercial and fine art.¹⁶⁵ But the question is whether copyright in advertising—not advertising itself—provides a net benefit to the public by furthering the progress of science and useful arts. If advertising will be created regardless of copyright protection, copyright laws that protect exclusive rights in advertising do not further the goals set forth in the Constitution. They restrict the free flow of commercial expression without providing a marginal benefit to consumers. The public benefits from information and/or entertainment provided by advertising, but advertising creation and dissemination will likely continue without copyright protection.

Some scholars contend firms will not invest in quality advertising without copyright protection.¹⁶⁶ For example, Jon Garon argues “[i]f any ad created for a product could be copied by a competitor by merely deleting references to the particular brand, the investment in the advertising would drop considerably, with a concomitant loss of information and quality for the public.”¹⁶⁷ It is true that eliminating copyright protection of advertising will result in some copycat advertising. A firm’s advertising may not be as valuable if others imitate or parody the ads,¹⁶⁸ but it is unlikely that removing copyright in advertising will have a significant effect on the amount, type, or quality of advertising created for several reasons.

First, advertisers will likely use ads they think are most effective in increasing product sales—whether informational or entertaining—even

paying attention—going to a web site, reading an ad, filling out a survey, etc.” See Consumer Project on Technology, <http://www.cptech.org/ip/business/admarketing.html> (last visited on April 10, 2006).

165. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903); *supra* Part II.A.

166. *E.g.*, Jon M. Garon, *Entertainment Law*, 76 TUL. L. REV. 559, 595 n.192 (2002) (“A proper economic argument would still protect [copyright in] advertisements because the investment in their quality would depend on the ability to protect their exclusive use.”).

167. *Id.* at 595 n.192. But Garon admits “[a]dvertising needs no external incentive to be created, because the incentive to advertise comes from the reward of sales of the advertised product or service.” *Id.* at 595.

168. Linder & Howard, *supra* note 41, at 240 (“Advertisements that substantially copy other advertisements reduce the value of the original because of overexposure to the target market.”).

without exclusive control over expression in their ads.¹⁶⁹ Simple informational ads with lists of prices or product descriptions are not protected by copyright, but firms still use such ads because they can be effective in attracting customers to local stores. Some advertising practitioners, such as David Ogilvy, do “not regard advertising as entertainment or an art form, but as a medium of information.”¹⁷⁰ Ogilvy claims his ads gave consumers facts—“no hot air, no adjectives”—which he says “*always* sells better than empty advertising.”¹⁷¹ Many advertisers use informational or factual ads because they believe these ads can move people to make purchase decisions.¹⁷²

Other advertising practitioners think creative ads are most effective in selling the advertised products.¹⁷³ Advertisers that believe entertaining ads sell products will likely continue to invest in creating such ads even if the expression therein is not protected by copyright. The usual life span of commercials and advertising layouts is shorter than for other copyrighted works; it “tends to be no longer than the advertising campaign.”¹⁷⁴ Advertisers sometimes use the same ideas or themes, but constantly change the protected expression in commercials and print ads to attract the attention of consumers, who often ignore ads they have already seen.¹⁷⁵ Even if a competitor or other company decides to imitate or parody the ad, the first advertising firm will likely recoup its investment in creating that ad from product sales, and move onto developing the next ad. That firm will benefit from the first mover advantage as long

169. See Jessica Litman, *Breakfast with Batman: The Public Interest In the Advertising Age*, 108 *YALE L.J.* 1717, 1730 (1999) (“An argument that we would have an undersupply of good commercials if advertisers were not given plenary control over the elements in their ads cannot be made with a straight face.”); Sterk, *supra* note 150, at 1214 n.76 (“in an environment where the cost of advertising space in the media may dwarf the monies spent on the creative aspects of an ad campaign and where advertisers feel the competitive need to change campaigns frequently, the claim that copyright induces creativity in advertising becomes especially implausible”).

170. OGILVY, *supra* note 13, at 1. Ogilvy says “When I write an advertisement, I don’t want you to tell me that you find it ‘creative.’ I want you to find it so interesting that you *buy* the product.” *Id.* at 1, 24.

171. *Id.* at 216.

172. WELLS, *supra* note 13, at 177; LEWIS & NELSON, *supra* note 13, at 89.

173. AITCHISON, *supra* note 13, at 33, 71. In order for creativity in ads to be effective, “it must sell the benefits of the product or service.” HAMEROFF, *supra* note 13, at 159. Entertainment may attract and keep attention, but “some people believe that it doesn’t sell products very well.” WELLS, *supra* note 13, at 322. Award-winning creative ads, such as the Nissan “Enjoy the Ride” ad campaign, do not always sell products. *Id.* at 5. Moreover, an advertisement is ineffective if viewers remember the commercial, but do not know the name of the product or manufacturer. OGILVY, *supra* note 13, at 110. For example, the “Energizer Bunny” television commercials have won advertising awards, but many people do not know the company behind the Energizer Bunny ad campaign is Eveready. WELLS, *supra* note 13, at 154.

174. LANDES & POSNER, *supra* note 2, at 243–44.

175. OGILVY, *supra* note 13, at 157.

as others cannot instantaneously duplicate and distribute the new ad.¹⁷⁶ Although most ads are only used for a short duration, copyright law currently protects exclusive rights in commercials, print ads, and other advertising materials with a minimal level of creativity for a lengthy copyright term.¹⁷⁷ If Congress reduced or eliminated the copyright term for advertising, this change would likely have only a minimal effect on the amount or quality of the ads created by advertisers.

Like advertisers, advertising agencies also have financial incentives to create quality advertising unrelated to copyright law. Ad agencies and their employees (such as copywriters and art directors) produce effective advertising to attract and retain advertising clients.¹⁷⁸ Usually the expression in a commercial or print ad is created by an ad agency for one particular client, not for sale to the public or to any advertiser. When a firm hires an agency to create and disseminate its advertising, the agency is compensated by commission, flat fee, or a percentage of client revenues.¹⁷⁹ Moreover, the prospect of winning awards is a significant motivation to ad agencies to produce imaginative and effective advertising.¹⁸⁰ Each year, advertising award programs, such as the CLIOs or the Cannes Lions International Advertising Festival, celebrate the industry's most creative advertising.¹⁸¹ Other advertising award programs, such as the EFFIE Awards, recognize "the year's most effective advertising campaigns—campaigns that have delivered superior results in meeting the objectives they were designed to achieve."¹⁸² Newspapers include articles about the best ads of the year.¹⁸³ Such recognition helps agencies attract new clients who want to increase product sales by hiring a cutting-edge ad agency. Ad agencies will create effective advertising for their clients regardless of copyright protection for their ads as long as they are paid for their services.

176. See LANDES & POSNER, *supra* note 2, at 40. In this digital age, however, it takes less time and expense to duplicate another's work. *Id.*

177. For works created on or after January 1, 1978, the current term of copyright consists of the life of the author plus 70 years. 17 U.S.C. § 302(a). For anonymous works, pseudonymous works, and works made for hire, the term is 95 years from first publication or 120 years from creation, whichever occurs earlier. 17 U.S.C. § 302(c).

178. AITCHISON, *supra* note 13, at 12–13; OGILVY, *supra* note 13, at 58 ("The easiest way to get new clients is *do good advertising.*"); cf. Sterk, *supra* note 150, at 1226 ("Copyright protection adds little incentives for excellence that already compel the architect.").

179. *Supra* Part II.A.

180. AITCHISON, *supra* note 13, at 12.

181. WELLS, *supra* note 13, at 7; Theresa Howard, *Ads from USA dominate in online category at Cannes*, USA TODAY, June 24, 2004, at 6B.

182. *About the Effie Awards*, available at <http://www.effie.org/about/index.html> (last visited April 10, 2006); WELLS, *supra* note 13, at 4.

183. Suzanne Vranica & Brian Steinberg, *The Feathers Did Fly*, WALL ST. J., Dec. 20, 2004, at B1.

In addition, removing copyright in advertising may result in only a minimal amount of copycat advertising. Most advertisers and ad agencies have an incentive to create and use their own advertising, not copy the ads of others, because copycat ads do not distinguish a firm from its competitors.¹⁸⁴ The culture of the advertising industry encourages originality and creativity, not imitation.¹⁸⁵ Moreover, those who imitate or parody ads unprotected by copyright will still be constrained by other laws, such as trademark, false advertising, and right of publicity laws. If firms emphasize their trademarks in advertising, competitors cannot copy such ads closely without infringing that firm's trademarks. False advertising laws prohibit competitors from copying factual assertions in ads regarding price or product features that are inapplicable to the competitor's products. If an ad contains an actor, celebrity, or other person, unauthorized use of that person's image or voice in copycat advertising may violate right of publicity laws. Some copycat advertising will occur if we remove copyright protection from advertising, but the amount will likely be negligible and have an insignificant effect on the creation of original advertising.

If advertising is not fully protected by copyright, some people may also argue advertisers and ad agencies will engage in inefficient activity to obtain copyright protection for their ads, such as by first displaying in a museum the images they plan to use in advertising.¹⁸⁶ It is more likely firms and ad agencies will focus their efforts on creating and using what they think is the most effective advertising, rather than obtaining copyright protection in their ads, because effective ads increase product sales and ad campaigns change frequently. If there is no copyright in works created specifically for advertising, some advertisers and ad agencies may focus their efforts on licensing existing copyrighted works, such as songs or short films, for use in advertising materials. It is unclear whether such a change would harm or benefit the public. Removing copyright protection from advertising may create incentives for advertisers to act in inefficient or different ways but, as explained below, there are also social costs of protecting copyright in advertising.

Empirical studies are needed to measure the incentive effects of copyright protection on the production of advertising by firms and ad

184. See Sterk, *supra* note 150, at 1214–15.

185. AITCHISON, *supra* note 13, at 13; HAMEROFF, *supra* note 13, at 159.

186. Cf. John R. Allison & Emerson H. Tiller, *The Business Method Patent Myth*, 18 BERKELEY TECH. L.J. 987, 1020 (2003) (“[T]reating different technologies differently places too great a premium on ex ante definitions, such that the definitional scheme will be at least partially defeated because of the significant transaction costs associated with attorney efforts to opt into or out of a definition by carefully tailoring invention descriptions and patent claims.”).

agencies. If this is difficult to measure, it is not clear the next step is to assume such incentives exist and fully protect copyright in advertising. Utilitarian theory evaluates laws based on their consequences, and there is no evidence copyright laws provide an independent incentive to create advertising works. It is unlikely the prospect of copyright royalties from the license of an ad are relevant when a firm is deciding whether to create a commercial or print ad for a specific ad campaign; the main goal is increased product sales. Advertisers and ad agencies want to utilize copyright law to control use of their ads, but they probably do not create ads because of copyright incentives. Moreover, they will likely continue to create effective advertising even if they do not have exclusive control over the creative elements in their advertising. If advertising will occur regardless of copyright protection, granting exclusive rights in advertising may not increase net social welfare in light of the costs of such protection.

B. *The Costs of Protecting Copyright in Advertising*

The most significant cost of the copyright protection of advertising is the harm to competitors and the public caused by copyright restrictions on the free flow of commercial information. Today, most original advertising expression with at least a minimal degree of creativity is protected for a lengthy copyright term. It is unlikely advertisers will license their advertising to competitors or other companies. Their main focus in creating advertising is increased product sales, not collecting royalties from licensing their commercials or print ads.¹⁸⁷ In preparation for a new ad campaign, advertisers and ad agencies often conduct systematic audits of competitors' advertisements.¹⁸⁸ If the images, language, or other expression used in a new ad are too similar to existing advertising, the second advertiser and its ad agency may be sued for copyright infringement.¹⁸⁹ If new advertisers cannot use creative elements first used in

187. If ad agencies create advertising that can be used for any company, they could license this advertising expression to many different advertisers. But many ad agencies are hired to create ads tailored to a specific client's product brand for a fee or commission, and do not license these ads to other firms.

188. WELLS, *supra* note 13, at 136. "These audits might include only informal summaries of the slogans, appeals, and images used most often, or they might include more formal and systematic tabulation of competitors' approaches and strategies. The basic questions always is, 'What are competitors doing and how can we do it better?'" *Id.*

189. In *Chuck Blore*, the defendant's commercial for eyewear products featured the same actress—Deborah Shelton—and had a similar style as the plaintiff's commercial for a newspaper and radio station. *Chuck Blore & Don Richman Inc. v. 20/20 Advertising*, 674 F. Supp. 671, 679–80 (D. Minn. 1987). Using the "total concept and feel" test for infringement, the court found the commercials were substantially similar and denied defendant's motion for summary judgment. *Id.*

other advertising works, this raises the cost of advertising creation,¹⁹⁰ and may increase the price of the advertised goods. Competition may suffer if companies cannot use certain advertising images or language to communicate with consumers because another firm has exclusive rights in that expression.¹⁹¹ Competitors may refrain from using any elements of another firm's advertising in comparative ads rather than risk litigating a copyright case.¹⁹²

Another problem for companies creating new advertising is that the Copyright Act's statutory fair use defense (17 U.S.C. § 107) is unpredictable in cases involving advertising protected by copyright. When determining whether a particular use of a copyrighted work qualifies for

190. See LANDES & POSNER, *supra* note 2, at 68 ("The less extensive copyright protection is, the more an author, composer, painter, or other creator can borrow from previous works without a license yet without thereby infringing copyright, and the lower, therefore, the costs of creating a new work.").

191. For example, a light manufacturer obtained a preliminary injunction against a competitor accused of infringing the copyright in its commercials. *Smart Inventions, Inc. v. Allied Commc'n Corp.*, 94 F. Supp. 2d 1060, 1070-73 (C.D. Cal. 2000). With regard to Alleged Similarity #1, where "the idea at issue is the use of the Light as a nighttime visual aid in the bedroom," the court found the defendant's version contained some dissimilar details but "this scene is substantially similar to the expressive idea in Plaintiff's commercial in that they both contain a similar manner of expression, namely: (1) a woman getting up from a bed in a dark room; (2) the woman reaching for her bed-side lamp; (3) the woman knocking something over in the process; and (4) similar placement of this scene (as the first segment in the commercial)." *Id.* at 1070. After analyzing the other alleged similarities, the court found "the two commercials contain substantially similar scenes" and, taken as a whole, "an ordinary person could perceive a substantial taking of protected expression. Indeed, in certain areas Defendants appear to have lifted wholesale creative elements from Plaintiff's commercial." *Id.* at 1070-73. According to the court, "[t]he many elements deserving of protection . . . are the equivalent of mini-dramatic works that involve plot, setting and characters." *Id.* at 1073.

In *Ansehl*, the court held a pharmaceutical company and its ad agency were liable for copyright infringement based on use of product illustrations and language in a print ad that were similar to protected elements of the plaintiff competitor's newspaper ad. *Ansehl v. Puritan Pharm. Co.*, 61 F.2d 131, 136-138 (8th Cir. 1932). The plaintiff sold cosmetic and toiletry articles under the name Vivani in a full page newspaper ad which contained illustrations of various cosmetics and a written portion discussing a coupon which entitled the reader to take advantage of a special offer. The defendant's ad contained illustrations of defendant's own products and paraphrased the words used in plaintiff's ad. The court found the arrangement, size type, and idea of the special offer and coupon were the same, and held defendants "could not appropriate the plaintiff's advertisement by copying his arrangement of material, his illustrations and language, and thereby create substantially the same composition in substantially the same manner, without subjecting themselves to liability for infringement." *Id.*

192. In *Procter & Gamble Co. v. Colgate-Palmolive Co.*, 199 F.3d 74 (2nd Cir. 1999), toothpaste manufacturer Procter & Gamble ("P&G") claimed Colgate infringed its compilation copyright in its commercials for Crest toothpaste. P&G's commercials used an egg to demonstrate the effectiveness of Crest toothpaste. Colgate used a similar demonstration in its advertising. The court held P&G's demonstration in the commercials was not entitled to copyright protection because it was not original and creative. *Id.* While Colgate ultimately prevailed in this case, a smaller toothpaste competitor with less funds for litigation may decide not to imitate P&G's future demonstrations in comparative advertising because of the risk of being sued for infringement.

the fair use defense, courts consider four factors set forth in Section 107.¹⁹³ The first fair use factor is “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.”¹⁹⁴ Use by a defendant of another’s copyrighted work in advertising weighs against a finding of fair use because the use is commercial.¹⁹⁵ On the other hand, the Fifth Circuit has explained this factor should not be given too much weight if the use was for comparative advertising “done in a manner which is generally accepted in the advertising industry.”¹⁹⁶ According to the Ninth Circuit, use of the copyrighted work in “comparative advertising is *more* likely to lead to a conclusion of fair use.”¹⁹⁷ It is unclear whether courts in other circuits will agree with the Ninth Circuit’s conclusion, and thus competitors who want to use another firm’s advertising expression in comparative advertising may refrain from such use rather than risk a finding of infringement.

193. 17 U.S.C. § 107. Section 107 provides a nonexclusive list of four factors for courts to consider in the fair use analysis, but fair use always “calls for case-by-case analysis” and the fair use examples and factors in Section 107 are “illustrative and not limitative” and “provide only general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses.” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994).

194. 17 U.S.C. § 107(1).

195. *Triangle Publ’ns, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1175 (5th Cir. 1980) (with regard to the first factor, “any commercial use tends to cut against a fair use defense”); *Columbia Pictures v. Miramax Films Corp.*, 11 F. Supp. 2d 1179, 1187 (C.D. Cal. 1998) (holding poster and film trailer parody of the film *Men in Back* for the film *The Big One* had a commercial purpose because such uses “are part of an advertising campaign intended to attract viewers to see the film”).

196. *Triangle*, 626 F.2d at 1176. In a footnote, the Fifth Circuit explained “the fact that the commercial use occurred in the course of a truthful comparative advertisement undercuts the significance of the commercial nature of the use. Congress emphasized that the doctrine of fair use must be flexible. . . . Today, the public interest in comparative advertising is well-recognized. As the Federal Trade Commission has stated: ‘The Commission has supported the use of brand comparisons where the bases of comparison are clearly identified. Comparative advertising, when truthful and nondeceptive, is a source of important information to consumers and assists them in making rational purchase decisions. Comparative advertising encourages product improvement and innovation, and can lead to lower prices in the marketplace. For these reasons, the Commission will continue to scrutinize carefully restraints upon its use.’” *Id.* at 1176 n.13 (quoting 16 C.F.R. § 14.15(c) (1980)); *see also* *Dr. Pepper Co. v. Sambo’s Rests., Inc.*, 517 F. Supp. 1202, 1208 (N.D. Tex. 1981) (commercial use cuts against a fair use defense, but “this factor should not be given too much weight as the use was for comparable advertising which is a use generally accepted in the advertising industry”; “Defendants did come forth with some evidence that could be said to show that parody is acceptable in the advertising industry.”).

197. *Sony Computer Entm’t Am., Inc. v. Bleem, LLC*, 14 F.3d 1022, 1026–27 (9th Cir. 2000) (holding the first fair use factor weighs in defendant’s favor because defendant’s “comparative advertising redounds greatly to the purchasing public’s benefit with very little corresponding loss to the integrity of Sony’s copyrighted material”).

If the defendant's ad is transformative and purely noncommercial, such as a political advertisement, the first fair use factor will likely favor the defendant. For example, in a lawsuit by MasterCard International against 2000 presidential candidate Ralph Nader for copyright and trademark infringement based on Nader's use of an ad similar to MasterCard's "Priceless" ad campaign, the court held Nader's ad parody was sufficiently transformative and served a different purpose than MasterCard's ads—"a political non-commercial purpose."¹⁹⁸ While political, non-commercial, and transformative use of another's advertising expression may qualify as a fair use of the work, others may decline to use the commercial expression in parody or satire if they cannot afford to litigate.

The second factor of the fair use analysis is "the nature of the copyrighted work."¹⁹⁹ Some courts focus on whether the plaintiff's ad was creative, rather than factual, and hold the creative nature of a commercial places it in the "core of intended copyright protection," which normally favors the plaintiff.²⁰⁰ Other courts hold this factor is neutral if the plaintiff's work is an advertisement.²⁰¹

Analysis of the third factor of the fair use analysis—"the amount and substantiality of the portion used in relation to the copyrighted work as a whole"²⁰²—depends on the circumstances of each case. Courts are less likely to find fair use of the advertising work if the defendant has copied all or most of the work or the essence of the plaintiff's advertisement.²⁰³

198. *MasterCard Int'l Inc. v. Nader 2000 Primary Comm., Inc.*, 70 U.S.P.Q.2d 1046, 2004 WL 434404, *15 (S.D.N.Y. Mar. 08, 2004). Nader was trying to focus attention on the role of financial contributions in the 2000 presidential campaign. His ad shows video clips of George W. Bush and Al Gore while the announcer says: "Grilled tenderloin for fund-raiser: \$1,000 a plate. Campaign ads filled with half-truths: \$10 million. Promises to special interest groups: over \$10 billion. . . . Finding out the truth: Priceless." The announcer concludes: "There are some things money can't buy. Without Ralph Nader in the presidential debates, the truth will come in last." *Id.* at *1.

199. 17 U.S.C. § 107(2).

200. *Nader* at *14 (citing *Campbell*, 510 U.S. at 586). While this factor would normally favor the plaintiff, the court said this factor may be of less or even no importance if the defendant's use of the plaintiff's work is transformative. *Id.*

201. *Dr. Pepper*, 517 F. Supp. at 1208; *cf.* *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 447 (N.D. Ill. 1991) (if the nature of the copyrighted work is a commercial, "the second factor is at best neutral but certainly does not weigh in favor of" plaintiff).

202. 17 U.S.C. § 107(3).

203. *Bleem*, 14 F.3d at 1028 ("Clearly, the greater the degree of copying involved and the closer those copies are to the essence of the copyrighted work, the less likely the copying is a fair use."); *Triangle Publ'ns, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1177 (5th Cir. 1980) (defendant only copied the cover of old TV Guide issues, not "what is the essence of TV Guide—the television schedules and articles," and thus this factor was not entitled to much weight); *Dr. Pepper*, 517 F. Supp. at 1208 ("Defendants have copied the essence of the copyrighted commercials and jingle. So this factor would tend to show no fair use.").

The fourth and most important factor of the fair use analysis is “the effect of the use upon the potential market for or value of the copyrighted work.”²⁰⁴ As explained by the Supreme Court, “[i]t requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market for the original.”²⁰⁵ Courts approach this factor differently in cases involving advertising works. In *Dr. Pepper*, the court focused on the harm to the plaintiff’s “business goodwill which reposes in this advertising campaign” and rejected Sambo’s argument that its “Dancing Seniors” commercial and jingle “Don’t you want to be a Senior too?” were a parody fair use of Dr. Pepper’s “Be A Pepper” commercials and jingle.²⁰⁶ The court also noted in a footnote that Dr. Pepper occasionally licenses its “Be A Pepper” jingle to others.²⁰⁷ Thus, some courts may hold the fourth fair use factor favors the plaintiff if the defendant’s use of the copyrighted expression would cause a trademark-like harm to the plaintiff’s ad campaign or if the plaintiff licenses the advertising materials copied by the defendant. On the other hand, when Coors created a commercial that poked fun at Eveready’s Energizer Bunny Rabbit commercials, the *Eveready* court explained “the type of harm to the market with which the court is concerned is limited to the harm likely to be caused by the challenged work usurping or replacing the demand for the original.”²⁰⁸ The court held Coors qualified for the fair use defense after finding the Coors commercial did not supplant the market for the Eveready commercial: “Viewers will not stop watching the Eveready commercials in order to watch the Coors commercial on another channel.”²⁰⁹ As courts vary in their interpretation of the fair use defense in

204. 17 U.S.C. § 107(4).

205. *Campbell*, 510 U.S. at 590 (internal quotations omitted).

206. *Dr. Pepper*, 517 F. Supp. at 1208. Per the court, “[d]istractions from the uniqueness and originality of the ‘Be A Pepper’ commercials would logically shorten the life of the campaign which would be a loss of the business goodwill of Plaintiff.” *Id.*

207. *Id.* at 1209 n.14 (Dr. Pepper “gets numerous requests each year to use the ‘Be A Pepper’ jingle. It licenses those performances that it believes will add value to its ‘Be A Pepper’ campaign and refuses to do so for those that it believes will detract from its campaign. This is clearly a logical and permitted use of the copyright laws to control Plaintiff’s valuable property.”).

208. *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 448 (N.D. Ill. 1991). Battery manufacturer Eveready, whose “Energizer Bunny” commercials feature a pink mechanical rabbit that beats a bass drum with the slogan “It keeps going and going and going,” sued beer manufacturer Coors for infringement when Coors produced a commercial starring actor Leslie Nielson in a bunny costume beating a bass drum and interrupting a fictional commercial with the voiceover, “It keeps growing and growing and growing.” *Id.*

209. *Id.*

cases involving advertising, it is difficult to predict whether use of another firm's advertising expression would be deemed infringing or a fair use of the work.

Coors and Nader prevailed in copyright litigation under the fair use defense, but many copyright disputes are never litigated because imitators voluntarily cease use of the advertising materials upon notification of a claim of infringement.²¹⁰ Copyright infringement litigation is expensive and time-consuming. If certain uses of another's advertising expression would qualify for the fair use defense, but imitators cannot afford to litigate, copyright protection of advertising can deprive the public of useful criticism and humorous parodies and satire of advertisers and their products.²¹¹

In addition to stifling the free flow of advertising information, copyright protection in advertising also results in transaction and enforcement costs.²¹² To use advertising images or language protected by copyright, companies must spend time and money searching for the owner of the copyright in the advertising material and negotiating for permission to use the protected work.²¹³ Transaction costs may be too high for the parties to reach an agreement. Most advertisers will likely refuse to license their advertising expression to competitors at any price. Enforcement costs include registration of the copyright and attorneys' fees and other costs associated with copyright litigation.²¹⁴

Since copyright protection of advertising results in transaction and enforcement costs and constrains and chills the expression companies and others can use to communicate with the public, there may be no utilitarian justification for copyright in advertising since firms already have non-copyright incentives to create advertising. As set forth below, an independent reason to question the utilitarian justification for copy-

210. *E.g.*, Joel Ryan, *ABC Ad Falls into The Gap*, E! ONLINE NEWS, Sept. 1, 1999, <http://www.eonline.com/News/Items/Pf/0,1527,5252,00.html>. When ABC used an ad promoting "Good Morning America" which almost perfectly imitated a commercial of The Gap clothing store, The Gap complained, and ABC eventually took the commercial off the air. *Id.*

211. The constitutionality under the First Amendment's free speech clause of protection or elimination of copyright in advertising is beyond the scope of this Article. If Congress declines to protect copyright in advertising (as it does for facts and ideas), firms can still create and disseminate advertising and cannot use copyright law to prevent other firms from using advertising expression. Thus free speech interests are likely furthered, not harmed, by eliminating or reducing copyright protection of advertising.

212. LANDES & POSNER, *supra* note 2, at 16–21, 213–22. Rent seeking—over-investment in the creation of expression with the hope of later profiting from the license of such expression—is another cost of intellectual property protection, *id.* at 17–18, but it is not clear this will take place if there is copyright protection of advertising since advertisers rarely license their ads and ad agencies usually create ads for specific clients.

213. *See id.* at 16.

214. LANDES & POSNER, *supra* note 2, at 18; Sterk, *supra* note 150, at 128.

right in advertising is that there is disagreement regarding the benefits of government encouragement of more advertising creation and dissemination.

C. The Questionable Net Social Benefit of Using Copyright Law To Encourage Advertising Creation and Dissemination

Even if copyright protection does provide an incentive to create advertising, it is not clear the government should encourage advertising creation and dissemination by granting exclusive rights in advertising. Copyright protection of advertising may not increase net social welfare due to the above-mentioned costs of copyright protection, disagreement regarding the public benefits of advertising content, and complaints regarding the pervasiveness and intrusiveness of advertising.

1. The Ongoing Debate Regarding the Social Benefit of Advertising Content

To determine whether a utilitarian copyright system should protect exclusive rights in advertising, the relevant question is whether copyright protection of advertising—not advertising itself—benefits the public. If copyright does provide some incentive to produce advertising, we need to ask what kind of advertising is created as a result of such protection. Douglas Linder and James Howard argue copyright in advertising encourages firms to invest in “image-oriented” advertising—persuasive or entertaining advertising—at the expense of informational advertising because image-oriented ads are more likely to be protected by copyright.²¹⁵ If empirical studies can show that copyright law creates incentives to shift advertising dollars into image-oriented, rather than informational, advertising, Congress should reevaluate whether it should use copyright law to encourage production of this type of advertising.

In scholarship regarding the benefits of proposed government restrictions on advertising, one debate among economists is between the “long-established tradition that stresses the ‘combative’ and manipulative, or persuasive, nature of advertising” and “a more recent tradition that favors the hypothesis that advertising provides constructive information.”²¹⁶ Persuasive advertising “conveys no information about the properties of

215. LINDER & HOWARD, *supra* note 41, at 241–49.

216. Isaac Ehrlich & Lawrence Fisher, *The Derived Demand for Advertising: A Theoretical and Empirical Investigation*, 72 AM. ECON. REV. 366, 366 (1982). In addition to the persuasive and informational views of advertising, some economists believe in a complementary view of advertising, which treats advertising and goods as complements. See Becker & Murphy, *supra* note 162, at 942. “The complementary view holds that advertising primarily affects demand by exerting a complementary influence on the consumer’s utility function with the consumption of the advertised product.” Bagwell, *supra* note 160, at 4.

the goods and services being advertised but achieves its effect through an emotional appeal.²¹⁷ Scholars who believe in the persuasive view of advertising argue “advertising primarily affects demand by changing tastes and creating brand loyalty.”²¹⁸ According to this theory, advertising raises prices by reducing the elasticity of demand for the advertised product and harms competition when heavy advertising by established firms deters entry into the market.²¹⁹ This negative view of advertising was common once mass advertising became widespread during the late 1940s and 1950s.²²⁰ For example, in 1948, Ralph Brown said persuasive advertising is, with only some qualifications, “just a luxurious exercise in talking ourselves into spending our incomes. For the individual firm, however, it is a potent device to distinguish a product from its competitors, and to create a partial immunity from the chills and fevers of competition. The result of successful differentiation is higher prices than would otherwise prevail. The aim, not always achieved, is higher profits. Whether persuasive advertising enhances the total flow of goods by promoting cost reductions is disputable. Whether it swells the flow of investment by the lure of monopoly profits is doubtful.”²²¹

Based on empirical research in the 1960s and 1970s, scholars questioned whether an anti-competitive theory of advertising is justifiable.²²² In 1964, Lester Telser argued the data showing advertised goods are generally more expensive than non-advertised goods does not permit the conclusion that advertising is a source of monopoly profit.²²³ Because price comparisons are ambiguous, Telser said “it appears simpler to estimate directly the relation between monopoly power and advertising intensity.”²²⁴ After evaluating this relationship across 42 consumer-good industries, Telser concluded the evidence “does not support the contention that advertising impairs competition”; rather, it shows advertising is frequently a means of entry and a sign of competition between firms.²²⁵ In 1972, Lee Benham established that the price of eyeglasses is lower in states which permit advertising for eyeglasses and eye examinations, and

217. Ronald H. Coase, *Advertising and Free Speech*, 6 J. LEGAL STUD. 1, 9 (1977).

218. Bagwell, *supra* note 160, at 3 (summarizing scholarship that developed the persuasive view of advertising).

219. *Id.*

220. See Menell, *supra* note 1, at 149 (some early industrial economists were critical of advertising); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1689 n.10 (1999) (citing scholars who oppose advertising unless it provides information).

221. Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1183 (1948), *reprinted in* 108 YALE L.J. 1619 (1999).

222. Lemley, *supra* note 220, at 1689 & n.11; Menell, *supra* note 1, at 149.

223. Lester G. Telser, *Advertising and Competition*, 72 J. POL. ECON. 537, 542 (1964).

224. *Id.*

225. *Id.* at 551, 558.

higher in states which ban such advertising.²²⁶ In light of these and other empirical studies, in 1977 Ronald Coase said “it is now becoming apparent as a result of recent studies that advertising tends to make the economic system more competitive.”²²⁷ Years later, in 1993, Gary Becker and Kevin Murphy argued “advertising is profitable not because it lowers the elasticity of demand for the advertised good, but because it raises the level of demand.”²²⁸ They argue “advertising may help price a good *effectively* lower to marginal consumers” unless there is explicit price discrimination.²²⁹

Today many economists and scholars believe advertising generally increases net social welfare by providing important commercial information to consumers.²³⁰ The U.S. Supreme Court also has acknowledged the informational function of advertising in cases involving government restrictions of commercial speech.²³¹ Under the “informative view” of advertising, advertising creates demand for the advertised product by conveying product information and ultimately results in lower prices.²³² Advertising helps buyers identify sellers, and thereby reduces consumer search costs.²³³ It can also provide information on seller “reliability, price and terms of sale, and instruction on the use of the product,” all of which facilitate competition.²³⁴ Advertising can remind current customers why they like a certain brand and thereby reinforce their past purchasing decisions.²³⁵ Market share information in advertising may be useful to people who prefer to purchase goods or services popular among other members of the public.²³⁶ Advertising can inform consumers regarding search attributes (which consumers can verify by inspection before the

226. Lee Benham, *The Effect of Advertising on the Price of Eyeglasses*, 15 J.L. & ECON. 337, 344 (1972).

227. Coase, *supra* note 217, at 11.

228. BECKER & MURPHY, *supra* note 162, at 955.

229. *Id.* (emphasis in original).

230. *E.g.*, Nelson, *supra* note 161, at 751; Telser, *supra* note 223, at 558; Lemley, *supra* note 220, at 1691; *see* LANDES & POSNER, *supra* note 2, at 173.

231. Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc., 425 U.S. 748, 765 (1976) (“Advertising, however tasteless and excessive it sometimes may seem, is nonetheless dissemination of information as to who is producing and selling what product, for what reason, and at what price. So long as we preserve a predominately free enterprise economy, the allocation of our resources in large measure will be made through numerous private economic decisions. It is a matter of public interest that those decisions, in the aggregate, be intelligent and well informed. To this end, the free flow of commercial information is indispensable.”); *see also* Edenfield v. Fane, 507 U.S. 761, 767 (1993); Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n, 447 U.S. 557, 563 (1980).

232. Bagwell, *supra* note 160, at 3–4.

233. George J. Stigler, *The Economics of Information*, 69 J. POL. ECON. 213, 216 (1961).

234. Telser, *supra* note 223, at 541.

235. WELLS, *supra* note 13, at 15.

236. Lemley, *supra* note 220, at 1693 n.28.

item is purchased or used, such as color), experience attributes (verifiable only after purchase or use, such as taste), and credence attributes (which are never verifiable or are difficult to verify, such as prolonged life expectancy).²³⁷ Moreover, the very fact that a firm advertises signals the likely high quality of that company's products.²³⁸ This indirect information—a “signaling” function of advertising—is especially important for goods with experience and credence attributes.²³⁹ Thus, “even seemingly uninformative advertising may provide the indirect information that the quality of the advertised product is high.”²⁴⁰

Although much advertising is informative, Telser admits “not even its staunchest defender claims this of all advertising.”²⁴¹ Coase agrees: “Even though most advertising elevates taste to some degree, there is presumably some which corrupt it and though most advertising conveys information which makes the system more competitive, there is also no doubt some which, either because the information is misleading or fraudulent, worsens the performance of the economic system.”²⁴² Becker and Murphy admit many ads provide essentially no information. They note advertising can “entertain, create favorable associations between sexual allure and the products advertised, instill discomfort in people not consuming products popular with athletes, beauties, and other elites, and in other ways induce people to want the products.”²⁴³ They say “many advertisements lower utility and yet raise demand for the advertised goods. These ads produce anxiety and depression, stir up envious feelings toward the success or happiness of others, or arouse guilt toward parents or children.”²⁴⁴ Some commentators believe commercial advertising may contribute to various problems in society, including the objectification of women, violence against women, and the consumption of harmful products (such as cigarettes), among other things.²⁴⁵

237. Bone, *supra* note 5, at 2139; see Phillip Nelson, *Information and Consumer Behavior*, 78 J. POL. ECON. 311, 312, 318–20 (1970).

238. I.P.L. Png & David Reitman, *Why Are Some Products Branded and Others Not?* 38 J.L. & ECON. 207, 207 (1995); Benjamin Klein & Keith B. Leffler, *The Role of Market Forces in Assuring Contractual Performance*, 89 J. POL. ECON. 615, 630–31 (1981); Nelson, *supra* note 161, at 730; but see Becker & Murphy, *supra* note 162, at 944 (noting intensive advertising does not always signal exceptionally high product quality).

239. Bone, *supra* note 5, at 2139–42; Nelson, *supra* note 161, at 752.

240. Bagwell, *supra* note 160, at 3.

241. Telser, *supra* note 223, at 537.

242. Coase, *supra* note 217, at 12.

243. BECKER & MURPHY, *supra* note 162, at 943.

244. *Id.* at 962.

245. *E.g.*, JEAN KILBOURNE, *DEADLY PERSUASION: WHY WOMEN AND GIRLS MUST FIGHT THE ADDICTIVE POWER OF ADVERTISING* (1999); RICHARD KLUGER, *ASHES TO ASHES: AMERICA'S HUNDRED-YEAR CIGARETTE WAR, THE PUBLIC HEALTH, AND THE UNABASHED TRIUMPH OF PHILIP MORRIS* (1996); see also Tamara R. Piety, *Merchants of Discontent: An*

It is critical to recall that the above-mentioned commentators (except for Linder and Howard) are debating the benefits of advertising and government restrictions of it, not whether the government should protect copyright in advertising and thereby encourage its creation. The informational view of advertising may compel the removal of certain government restrictions on commercial speech, but not the grant of exclusive rights in advertising for the copyright term. If copyright protection encourages the creation of “image-oriented” advertising at the expense of informational advertising, we should question whether the government should provide incentives to create this type of advertising. In light of the ongoing debate regarding the harms and benefits of certain types of advertising, it is problematic to assume an increase in advertising produced as a result of copyright protection will increase net social welfare.

2. The Amount of Advertising: Advertising is Everywhere

For most works protected by copyright, it is generally assumed the public benefits if more works are created and disseminated. Most people would agree we do not yet have an optimal level of art, movies, or music. We want more of such works. There is no such consensus for advertising. The public has a love/hate relationship with advertising. Many consumers take advantage of the benefits of advertising. Before purchasing a product, some seek out advertising to learn about different product brands and features. Advertising enables consumers to obtain free television and radio programming. Many Internet services, such as Google’s search engine, are also free because they are financed by advertising revenues. Citizens of a small town in Texas recently voted to change the town’s name from Clark to Dish in exchange for ten years of free satellite-TV service provided by Echostar Communications, owner of the Dish-brand Network.²⁴⁶ In the future, advertisers will likely come up with other new ways for consumers to benefit from the creation and dissemination of advertising.

Despite the benefits of advertising, many people, including advertising practitioners, believe advertising is currently too pervasive and intrusive. For example, Wells and his coauthors note “many people complain that society is becoming overrun with advertising, and in many respects this criticism is valid. Ads are everywhere these days: on beaches and in public restrooms; in sports arenas and on supermarket

Exploration of the Psychology of Advertising, Addiction, and the Implications for Commercial Speech, 25 SEATTLE U. L. REV. 377, 381, 386–87 (2001).

246. Steve Levine, *Small Texas Town of Dish Has A Lot On Its Plate*, WALL ST. J., Nov. 23, 2005, at B8.

receipts; on municipal garbage cans and granny apples . . . and cell phone screens.”²⁴⁷ Jaffe agrees “it’s pretty difficult to find a place that isn’t overrun with marketing messages—from advertising on pregnant bellies to foreheads to even tombstones!”²⁴⁸ Steel recounts, “As I travel around [America] conducting research for the agency, talking to people from all walks of life and economic strata, I hear consistent and heartfelt criticism of the way that advertising invades all parts of their lives. Their TV and radio programs are interrupted, their magazines are difficult to read because of all the ads that consume the features, their mailboxes are routinely jammed with unsolicited material, blimps and planes carry messages over their cities, moving images are projected onto the sides of buildings, and their dinnertime conversations are interrupted by telemarketers.”²⁴⁹ Ogilvy says he is “enraged” by the barrage of advertising to which he is subjected in the United States.²⁵⁰

Many advertising practitioners admit the public dislikes and mistrusts the advertising industry.²⁵¹ In Gallup’s yearly poll of most- and least-trusted professions, advertising practitioners are often in last or second-to-last place, along with used-car salesmen or members of Congress.²⁵² In an annual survey conducted by Atlanta-based marketing consulting firm Emergence, almost 75 percent of respondents said television commercials bother them.²⁵³ Consumers complain about Internet pop-up ads, unsolicited emails (or “spam”), and ads on web sites that were initially free of advertising, such as search engines and blogs.²⁵⁴

247. WELLS, *supra* note 13, at 30–31.

248. JAFFE, *supra* note 13, at 12.

249. STEEL, *supra* note 13, at x.

250. OGILVY, *supra* note 13, at 208.

251. STEEL, *supra* note 13, at 22 (“Advertising in general is not liked or trusted.”); SULLIVAN, *supra* note 13, at 20 (Sullivan tells would-be copywriters: “You are writing something most people try to avoid. That is the sad, indisputable truth at the bottom of this business. Nobody wants to see what you are about to put down on paper. People not only dislike advertising, they’re becoming immune to most of it—like insects building up resistance to DDT.”); *Id.* (“When people aren’t indifferent to advertising, they’re angry at it.”).

252. SULLIVAN, *supra* note 13, at 4; STEEL, *supra* note 13.

253. David Kiley, *Can You Name That Slogan?* BUSINESSWEEK ONLINE, Oct. 14, 2004.

254. Markoff & Ives, *supra* note 16, at A1 (Bill Gross “recalls how resistant users were in the early days of the Web to pop-up ads that interfered with, rather than supplemented a person’s search session. . . . When he introduced his keyword search system, GoTo.com, at an industry conference in Monterey, Calif., in 1998, some people in the audience hissed. ‘They were upset that somebody would attempt to monetize search, which was widely believed to be a free good at the time.’”); WELLS, *supra* note 13, at 290 (“generally people do not welcome unsolicited e-mail, also known as spam”); *Id.* at 289, 355–56 (pop-up ads “can be intrusive and annoying”); Mike Hughlett, *Bloggers Blend Business with Stuff They Like*, CHI. TRIB., Feb. 20, 2005, at 1 (When Dr. Pepper signed up teenagers to blog about Raging Cow in exchange for free samples, but failed to disclose sponsorship of the blog, this stirred “enough anger in blog land to spark a boycott against Raging Cow. ‘People were upset with the premise that marketing dollars were invading the blog community.’”). A 1970 Monty Python’s

Today many movie theaters run commercials for products before the trailers and feature film.²⁵⁵ Some members of the movie-going public, who see themselves as a captive audience, resent such advertising.²⁵⁶ With regard to a new method of advertising which distributes video ads by mobile phone, one woman said: "I think there is enough advertising around and I don't see why they have to use mobile phones."²⁵⁷

According to some studies, Americans are exposed to several thousand commercial messages per day.²⁵⁸ Regardless of whether this number is accurate, we undoubtedly see large amounts of advertising.²⁵⁹ It is likely advertisers will continue to find new ways to invade our time and space with advertising messages. Satellite radio, once an almost advertising-free medium, is becoming more and more dependent on advertising, and now includes personal pitches of products by talk-show hosts such as Howard Stern.²⁶⁰ In June 2005, the *Wall Street Journal* reported San Francisco start-up company Odeo "plans to introduce an online system that lets advertisers insert audio commercials into podcasts."²⁶¹ Advertising may become even more invasive in the future, as it is in the Tom Cruise film *Minority Report*, set in the year 2054. In that film, several

Flying Circus skit about the food product "Spam" is the source of the use of the word "spam" for unsolicited email. Adam Mossoff, *Spam—Oy, What a Nuisance!*, 19 BERKELEY TECH. L.J. 625, 631 (2004). "Blog is short for Web log. It is generally a site featuring a journal or report, written by the blog keeper, or a forum for visitors to post opinions." Hughlett, *supra*.

255. WELLS, *supra* note 13, at 384.

256. *Id.* In 1998, Steel's clients rejected his suggestion to run a commercial in movie theaters. They said, "[p]eople would go nuts. The movies are the one place where they're not assaulted by advertising. They go there to escape, and we don't want to be the ones to piss them off." STEEL, *supra* note 13, at x. Today such advertising is common in theaters.

257. Aaron O. Patrick, *Commercials by Cellphone—Some U.K. Advertisers Beam Video Ads to Phone Screens; New Medium, or Annoyance?*, WALL ST. J., Aug. 22, 2005, at B1.

258. STEEL, *supra* note 13, at x ("In 1990, a study conducted by *The Economist* estimated that the average American is exposed to 3,000 commercial messages a day in 'all media.'"); WELLS, *supra* note 13, at 31 ("A recent *Advertising Age* study found that we (Americans) are exposed to 5,000 commercial messages a day, most of which we never notice.") (citing Barbara Nachman, *Ad Nauseum: 5,000 Commercials Barrage Average Americans Every Day*, DENVER POST, Sept. 25, 2000, at 16, 46; Chris Woodyard, *Look Up, Down, All Around—Ads Fill Airports, Planes, Revenue Helps as Business Travel Slows Down*, USA TODAY, July 10, 2001, at 12B).

259. STEEL, *supra* note 13, at x–xi.

260. Brian Steinberg & Christopher Lawton, *Satellite Radio Latches On to Ads; Martha Stewart Living To Laudy Sirius Channel; Pitches to be Part of Shows*, WALL ST. J., April 19, 2005, at B9.

261. Nick Wingfield, *Podcasting for Dummies; Apple iTunes Adds Directory of Internet Audio Programs, Boosting Fledgling Technology*, WALL ST. J., June 29, 2005, at D1 ("[F]ew podcasters are selling advertisements, much less charging subscription fees for their content. The more commercial podcasts become, the more likelihood that they may come to resemble aspects of radio that turn off some consumers."). Podcasts are "radio shows and other audio programs posted on the Internet for anyone to download." *Id.*

interactive ads identify Cruise's character using a scan of his eyes and call to him by name.²⁶² Jaffe believes:

[t]he problem is actually worse than the oversimplified predicament of consumers being bombarded with marketing messaging; the real problem is the fact that consumers have lost patience with the implicit mutual agreement between commercials and content. Slowly but surely, the sacrosanct borders between content and an acceptable level of commercialism have been invaded, to the point where there is no going back as far as acceptability is concerned.²⁶³

As noted by Steel, "people *choose* to experience art, movies, and music, whereas advertising is forced on them. The audience for pure art is self-selecting, but advertising has to find them and draw them in."²⁶⁴ Consumers often try to avoid advertisements by using digital video recorders to skip commercials, downloading Internet pop-up ad blockers, or registering on telemarketer opt-out or do-not-mail lists.²⁶⁵ No such methods are used for avoiding other copyrighted works *as a category*. Members of the public may complain about a certain work, because it is obscene or violent or otherwise offensive, but most do not try to avoid art, movies, and music in general. This is not true for advertising.

Even if advertising generally benefits the public, it is not clear we need an ever-expanding amount of advertising or that the government should be involved in providing incentives to create more advertising. Copyright protection of advertising may lead to the production of too much advertising and a type of advertising that is less beneficial to consumers. Reasonable people may disagree regarding the optimal amount of advertising. Without a clear public consensus that we need *more* advertising, Congress should reconsider whether copyright protection of advertising results in a net social benefit.

262. "According to the 20th Century Fox website for *Minority Report*, the movie production crew brought together 'experts' who could help create a plausible world that might exist in Washington, D.C. in 2054." Bruce Ledewitz, *Corporate Advertising's Democracy*, 12 B.U. PUB. INT. L.J. 389, 414 (2003) (citing *Minority Report*, available at <http://www.minorityreport.com> (last visited Apr. 3, 2003)). "The hall of advertising holograms that Tom Cruise strolls through in *Minority Report*—each ad calling him by name as he comes near—is at once the triumph of product placement and a vision of a peculiarly painless hell." Geoffrey O'Brien, *Prospero on the Run*, N.Y. REV. OF BOOKS, Aug. 15, 2002, at 21.

263. JAFFE, *supra* note 13, at 12.

264. STEEL, *supra* note 13, at 13.

265. Because cable customers record shows on digital video recorders and fast-forward through commercials, some analysts say "advertising will increasingly need to happen on the DVR box through menu advertisements and interactive overlays, like pop-up windows while consumers scroll through their recorded content." Deborah Finestone, *TiVo up 6.5%: S Barney Cites Comcast Ad Deal for Upgrade*, DOW JONES NEWSWIRES, April 12, 2005.

D. *The Cost of Eliminating Advertising From Copyrightable Subject Matter*

The best reason to continue to protect copyright in advertising is the cost of revising copyright law and distinguishing between advertising and other copyrightable content. It can be difficult and inefficient to carve out exceptions to the copyright laws. As advertising is already protected by copyright law, it may be too costly and time-consuming to convince Congress to change the law. There will likely be substantial opposition from established advertisers and ad agencies to any proposal to reduce or eliminate the copyright term for advertising works. On the other hand, certain advertisers, ad agencies, artists, and public-interest groups may support the removal of copyright restrictions on the use of advertising expression.²⁶⁶ Critics of advertising may support such a revision to the copyright law if they believe it will change advertising content to benefit consumers or reduce the amount of advertising. Compared to other copyrighted works, such as art, movies, or music, there may be strong political support in favor of removing copyright protection of advertising expression.

If copyright law is changed to eliminate advertising from protection, it may not be easy for courts and the Copyright Office to determine whether certain works should be classified as “advertising.”²⁶⁷ In 1903, the Supreme Court in *Bleistein* concluded that advertising is protected under U.S. copyright law because of the difficulty of distinguishing between advertising and traditional artistic works—it found both had value to the public.²⁶⁸ Due to recent changes in the advertising industry, it may be even more difficult for courts today to draw the line between certain advertising works and other copyrightable content.

Advertising is communicated to the public through a variety of means, including print, television, radio, film, and the Internet. Advertising can clearly be labeled “advertising” when it is disseminated in outdoor print media, or “out-of-home advertising,” such as billboards,

266. Cf. LANDES & POSNER, *supra* note 2, at 69 (“[C]opyright holders may well find it in their self-interest, *ex ante*, to limit the scope and duration of copyright protection. To the extent that a later author is free to borrow material from an earlier one, the later author’s cost of expression is reduced; and from an *ex ante* viewpoint every author is both an earlier author from whom a later author might want to borrow material and the later author himself. In the former role he desires maximum copyright protection for works he creates, but in the latter he prefers minimum protection for works created earlier by others.”).

267. Cf. Alex Kozinski & Stuart Banner, *Who’s Afraid of Commercial Speech*, 76 VA. L. REV. 627, 638–48 (1990) (discussing the difficulty of defining the distinction between commercial and noncommercial speech); Nat Stern, *In Defense of the Imprecise Definition of Commercial Speech*, 58 MD. L. REV. 55, 83–87 (1999) (summarizing criticism of attempts at definition of commercial speech).

268. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903).

hot-air balloons, blimps, telephone kiosks, semi-trucks, taxi signs, transit and rail platforms, airport and bus terminal displays, bus shelter displays, bus benches, shopping mall displays, grocery store carts, public restroom walls, skywriting, and aisle displays.²⁶⁹ In newspapers and magazines, advertisements are usually easy to identify and distinguish from other printed content.²⁷⁰ But “advertorials” that appear in a newspaper’s editorial section can blur the distinction between commercial and noncommercial expression.²⁷¹ When advertisers pay for 10–60 seconds of commercial time during a radio or television program, it is fairly simple to identify the commercials broadcast during the break of the program. On the other hand, it may be difficult to separate advertising and other copyrighted content when firms sponsor entire programs on television or radio.²⁷² In movie theaters, consumers can usually tell the difference between the feature film, movie trailers, and commercials for products. But some commercials shown in theaters are as creative and entertaining as a short film; consumers may not even realize they are watching a commercial until the very end when they see the advertiser’s trademark on the screen.

Internet advertising is the fastest-growing medium of all the new advertising media.²⁷³ Many firms are shifting their advertising dollars from print, radio, and television to the Internet.²⁷⁴ The Internet combines sound, sight, motion, and interactivity, and thus results in full engagement by consumers.²⁷⁵ Firms can advertise on the Internet in many ways. Internet web sites provide information about the company and its products. They range from simple web pages with static text, photographs, and graphics, similar to an on-line version of a printed brochure, to more advanced web sites with moving text, animation, streaming video, audio, pull-down menus, fill-in forms, search boxes, and other interactive elements. Firms also pay to advertise on other web sites of interest to consumers, such as sites with news (e.g., CNN.com), search engines (e.g., Google.com), blogs (e.g., TheMovieBlog.com), or children’s pro-

269. WELLS, *supra* note 13, at 254, 258, 342.

270. In print media, the advertising layout often consists of a headline, body copy, and picture. WELLS, *supra* note 13, at 334–38; OGILVY, *supra* note 13, at 74–80, 88–89.

271. See, e.g., Mobil Corp., *Capital Follows Opportunity*, WALL ST. J., Jan 4, 1990, at A10, discussed in Kozinski & Banner, *supra* note 267, at 643–44 & n.61.

272. Borden, *supra* note 27, at 210–11 (radio); Christopher Lawton, *PepsiCo’s Mountain Dew Backs Film*, WALL ST. J., Sept. 12, 2005, at B4 (“Hallmark Cards helped build its brand name through Hallmark Hall of Fame movies on television.”).

273. JAFFE, *supra* note 13, at 109.

274. Markoff & Ives, *supra* note 16; Scott Hensley, *Some Drug Makers Are Starting to Curtail TV Ad Spending*, WALL ST. J., May 16, 2005, at B1.

275. JAFFE, *supra* note 13, at 119.

gramming (e.g., Nickelodeon's TurboNick).²⁷⁶ Firms advertise on these web sites using various methods, including text ads, banner ads, skyscrapers, pop-up ads, superstitials, leave behinds, and Internet commercials that can't be skipped.²⁷⁷ Advertisers also send consumers unsolicited emails about their products.²⁷⁸ Such content is clearly advertising.

But advertisers also sponsor web sites containing entertainment information of interest to consumers.²⁷⁹ They sponsor blogs and hire bloggers, or offer bloggers free samples, to write about a product.²⁸⁰ Some advertisers use on-line advergimes, such as Orbitz's three-hole mini golf ad, to attract the attention of consumers surfing the Internet.²⁸¹ Such sponsored web sites, blogs, and advergimes are a form of advertising, but their content may be indistinguishable from other non-commercial web sites, blogs, and videogames available on the Internet.

There are other significant changes in the advertising industry that blur the line between advertising and other copyrighted content. Due to new technologies (such as digital video recorders and the Internet) and the erosion of the network television audience, some advertising practitioners believe the broadcast television model will collapse in the near future.²⁸² Many industry experts believe the 30-second TV spot is no

276. *Spiders in the web: searching for profit has become highly competitive*, THE ECONOMIST, May 15, 2004, at 16–20 (search engines); Hughlett, *supra* note 254 (The Movie Blog); Joe Flint, *Nickelodeon Gears Up New Web Site*, WALL ST. J., July 6, 2005, at B3 (children's programming).

277. WELLS, *supra* note 13, at 289–90, 355, 357–58; Flint, *supra* note 276; *Id.* (“ads running on TurboNick, like on some other Web sites, can't be skipped”). “The extra-long, skinny ads running down the right or left side of a Web site are called skyscrapers.” WELLS, *supra* note 13, at 290 “Superstitials, unveiled by online marketer Unicast in April 1999, are thought of as ‘the Internet's commercial,’ designed to work like TV ads. When you go from one page on a Web site to another, a 20-second animation appears in a window.” *Id.* A “leave behind” is “a static display ad from the same brand that doesn't disappear from the screen until a new ad comes up.” Flint, *supra* note 276.

278. WELLS, *supra* note 13, at 289–90.

279. Brian Steinberg, *TV Networks Find New Ways to Attract Ads*, WALL ST. J., June 27, 2005, at B1 (sponsorship by Pepsi of text alerts and website about new show *Laguna Beach*); Patrick, *supra* note 257, at B1 (video ads).

280. See Hughlett, *supra* note 254.

281. JAFFE, *supra* note 13, at 140.

282. Garfield, *supra* note 16 (Nielsen reports the “network TV audience has eroded an average of 2% a year for a decade, although in the same period the U.S. population increased by 30 million.”); *cf.* *The Harder Hard Sell*, THE ECONOMIST, June 24, 2004, at 69 (ad industry is changing due to “the growing diversity of media, and the arrival of new technologies, notably the Internet”); Joe Flint & Brian Steinberg, *Ad Icon P&G Cuts Commitment to TV Commercials*, WALL ST. J., June 13, 2005, at A1 (consumers fast-forward through commercials in television programs recorded using DVRs; television is competing for consumer time with Internet and videogames).

longer effective.²⁸³ For these reasons, firms are moving away from traditional television commercials into new forms of advertising, such as product placement.²⁸⁴ Product placement is the act of embedding a product within entertainment, such as a television program or film.²⁸⁵ The product may be part of the background set (such as a box of Tide laundry detergent), the characters' dialogue, or even the plot of the show.²⁸⁶ For example, in one episode of the HBO series *Sex and the City*, Samantha Jones arranged for her actor boyfriend to star in the "Absolut Hunk" ad campaign for Absolut vodka.²⁸⁷ Product placement during the 2004–05 television season includes "a *Desperate Housewives* fawning over a Buick, *Bernie Mac* popping Roloids, a character in *According to Jim* declaring she only wants 'the shrimp at Red Lobster,' and an episode of *Arrested Development* set in a Burger King."²⁸⁸ Entire episodes of the reality show *The Apprentice* have been built around brands such as Levi's, M&M's, Crest, and Mattel.²⁸⁹ New companies have formed that specialize in matching the interests of advertisers and television producers, including some firms that conceive of full-length shows with ad clients in mind and pitch them to the networks.²⁹⁰

283. JAFFE, *supra* note 13; cf. Chris Anderson, *The Zen of Jeff Bezos*, WIREd, Jan. 2005, at 167 (Amazon.com stopped television advertising after doing a 15 month test in Portland and Minnesota to see the effect of television ads on sales. Sales increased, "but not as much as the kind of price elasticity we knew we could get back from taking those ad dollars and giving them back to consumers. So we put all that money into lower product prices and free shipping.").

284. Brian Steinberg, *A New Wave of 'Advertising' Pays Producer, Not Network*, WALL ST. J., June 20, 2005, at B1 ("for the coming prime-time TV season, advertisers shifted between \$100 million and \$125 million out of traditional ads into fees associated with product placement"). "Since 1999, television product-placement deals have surged in value from \$709 million to \$1.9 billion" in 2005. Daren Fonda, *Prime-Time Peddling*, TIME, May 30, 2005, at 50 (per the research firm PQ Media).

285. JAFFE, *supra* note 13, at 256–57; *Id.* at 264 (FedEx's product placement in the film *Castaway*); Lawton, *supra* note 272, at B4 (describing Mountain Dew's product placement in documentary on snowboarding called "First Descent," which was also financed by a newly formed film unit at the company, MD Films, to create buzz for the drink). Firms also hire TV experts to mention their products on news programs. James Bandler, *Advice for Sale: How Companies Pay TV Experts for On-Air Product Mentions*, WALL ST. J., April 19, 2005, at A1.

286. Flint & Steinberg, *supra* note 282, at A1 (Tide); see also AFLAC duck lands a spot in '*Lemony Snicket*' movie, SEATTLE POST-INTELLIGENCER, November 29, 2004, available at http://seattlepi.nwsource.com/movies/201326_aflacduck29.html (AFLAC duck); *Advertising Spotlight: Big Spenders*, WALL ST. J., May 25, 2005, at B2 (on *Gilmore Girls*, on the WB network on May 20, 2005, Emily and Lorelai discuss the Magic 8 Ball toy over the phone; in *JAG*, on the CBS network on April 22, 2005, Ferro says the officer he killed once tried to steal a PowerBar).

287. Claire Atkinson, *Absolut Hunk: Story of a Widely Successful Product Placement*, ADVERTISING AGE, Aug. 04, 2003, <http://www.adage.com/news.cms?newsId=38439#>.

288. Fonda, *supra* note 284, at 50.

289. JAFFE, *supra* note 13, at 258.

290. Fonda, *supra* note 284, at 50.

Product placement also occurs in other media, such as songs and video games. Samsung paid to produce the song “Anymotion,” sung by a South Korean pop star, and music video in which she dances with a Samsung mobile phone and sings she can “watch anybody, sing any rhythm, show any people, call any number.”²⁹¹ Product placement in videogames, or “advergaming,” allows advertisers to reach a younger, predominantly male demographic.²⁹² In the past, game designers paid firms to use their brands; now advertisers pay game designers to showcase their brands.²⁹³ Examples of advertising in videogames include *Tom Clancy’s Splinter Cell Pandora Tomorrow*, “in which players draw on a suite of Sony Ericsson Mobile phones to achieve their mission,” and EA’s *FIFA Soccer*, which includes ads by Sharp, Cannon, and the airline Emirates that “contribute vital touches of authenticity to the playing experience because they replicate reality.”²⁹⁴ In EA’s game *NASCAR 2005: Chase for the Cup*, Procter & Gamble introduced a new product line (Mr. Clean AutoDry) into the gaming space with “signage, race ticker sponsorship, unlockable Mr. Clean Pit Crew, and a create-a-car feature” which “were all well received by gamers for increasing the realism of the game and aligning well with the game experience.”²⁹⁵ Product placement is most effective when “it leaves the viewer guessing whether it was paid or, even better, elicits no response at all from consumers,” such as Tom Hanks’ role as a FedEx employee in the film *Castaway*.²⁹⁶ But when entire television episodes are built around brands, some advertising experts say product placement is gratuitous and transparent.²⁹⁷ For certain types of product placement, it is not unreasonable to argue the work featuring the product is primarily an advertisement for that product.

Another related development in the advertising field that increasingly blurs the line between advertising and entertainment is “advertainment.”²⁹⁸ According to Wells and his coauthors, “[a]dvertisers have found that commercials that look like TV shows and provide high entertainment value seem to be better liked by audiences than ads with high levels of information.”²⁹⁹ One early example is BMWFilms, a series

291. Geoffrey A. Fowler, *In Asia, It’s Nearly Impossible to Tell A Song From an Ad*, WALL ST. J., May 31, 2005, at A1.

292. See JAFFE, *supra* note 13, at 133–34. Advergaming is “the practice of larding online games with brands of candy, soft drinks and cereal.” Sarah Ellison, *Food Makers Propose Tougher Guidelines For Children’s Ads*, WALL ST. J., July 13, 2005, at B1.

293. JAFFE, *supra* note 13, at 136.

294. *Id.* at 136, 138–39.

295. *Id.* at 136–37.

296. *Id.* at 260–64.

297. *Id.* at 258–59.

298. WELLS, *supra* note 13, at 322.

299. *Id.*

of short films by well-known Hollywood directors featuring BMW cars.³⁰⁰ American Express attracted consumers to its web site with two five-minute webisodes starring Jerry Seinfeld and an animated Superman.³⁰¹ Tiger Woods appeared in Buick's four-minute "Tiger Trap" mini-movies, in which Woods pops out of a bush at a golf course, asks if anyone has seen his ball, challenges four golfers to a nearest-the-pin competition, and offers a new Buick as the prize.³⁰² Procter & Gamble created a two-minute show-mercial which included stories about 13 women made over by the "Glam Squad" with the company's health and beauty products.³⁰³ Mattel produced a new animated direct-to-video movie called *My Scene Goes to Hollywood* which casts Barbie and her friends in an 8–10-year old version of the television show *Friends*.³⁰⁴ For these works, it is difficult to distinguish the advertising from the entertainment.

One new method of attracting customers to a web site, called "experiential marketing" or a "branded experience," seems more like entertainment than advertising. An example is Amazon.com Theater, a series of free short films on Amazon.com's web site that featured well-known actors and actresses, such as Chris Noth, Minnie Driver, and Darryl Hannah, and directors Tony and Ridley Scott.³⁰⁵ For example, in one film called "Tooth Fairy," Chris Noth stars as a father on an odyssey for a tooth hidden by his daughter.³⁰⁶ For this project, Amazon asked the ad agency "to create pure entertainment for the company's customers, not commercials."³⁰⁷ Amazon is not mentioned anywhere in the films, but the credits include a list of products used in the film with links to Amazon's web pages that sell the products. Due to the success of the films, Amazon.com is considering other ways to feature the creative output of everyone from musicians to fiction writers to bloggers on its web site.³⁰⁸

300. JAFFE, *supra* note 13, at 188–89; *Ad Notes*, WALL ST. J., June 20, 2005 at B3.

301. JAFFE, *supra* note 13, at 191, 197–98; Fonda, *supra* note 284, at 50.

302. JAFFE, *supra* note 13, at 265–66. After the golfers signed consent forms, the "mini-movie was digitized and delivered primarily via the Web," and later ESPN's *SportsCenter* did a segment on it. *Id.* at 266.

303. Flint & Steinberg, *supra* note 282, at A1.

304. Stephanie Kang & Kate Kelly, *Doll Face-Off: Barbie, Bratz, to Compete with Movies, Tunes*, WALL ST. J., Feb. 17, 2005, at B1.

305. Nick Wingfield, *Amazon Offers Free Short Films in Holiday Push*, WALL ST. J., Nov. 9, 2004, at B1. "There was no paid media component . . . and according to reports, traffic doubled to the site, and that can only be good for business." *Id.* Jaffe notes this is "a good example of experiential marketing." JAFFE, *supra* note 13, at 181.

306. Wingfield, *supra* note 305, at B1.

307. *Id.*

308. *Id.*

One of the hottest methods of online marketing today—viral advertising³⁰⁹—is also difficult to classify as either advertising or entertainment. “Viral is today’s electronic equivalent of old-fashioned word of mouth. It is a marketing strategy that involves creating an online message that’s novel or entertaining enough to prompt consumers to pass it on to others—spreading the message across the Web like a virus at no cost to the advertiser.”³¹⁰ Examples of viral advertising include the campaign for Microsoft’s xBox video game Halo 2,³¹¹ seafood chain Long John Silver’s two-minute Shrimp Buddy film,³¹² Audi’s fictional tale about the theft of its new A3 car,³¹³ paper-towel giant Georgia Pacific’s Brawny Innocent Escapes web site,³¹⁴ Best Buys’ holiday web site for Kevin Kringle (the supposed brother of Kris Kringle),³¹⁵ and fast-food restaurant Burger King’s “Subservient Chicken” ad campaign,³¹⁶ which has

309. JAFFE, *supra* note 13, at 200–01.

310. Theresa Howard, ‘Viral’ advertising spreads through marketing plans, USA TODAY, June 22, 2005, at 6B.

311. *Id.* (“To build [buzz for Halo 2], Chris DiCesare, director of marketing for Microsoft Game Studios, created a complex marketing scheme that began online with an apparent *War of the Worlds*-style invasion. A beekeeper’s website, *ilovebees.com*, appeared to have been overtaken by the evil force—the Covenant. The campaign then involved calling random pay phones, messaging and calling consumers’ cellphones and blogs and live chats online. The game tallied first-day sales of \$125 million last November.”).

312. *Id.* (Long John Silver’s “fast-seafood chain has launched *shrimpbuddy.com*, a Web site that features a two-minute, feel-good film about a road trip by a guy and his buddy, who is a shrimp. The guy narrates a series of flashback images showing the two pals enjoying laughs, meals and traveling together. In the end, the guy eats his shrimp buddy at a Long John Silver’s restaurant—to promote the chain’s Popcorn Shrimp.”).

313. Brian Steinberg, *Audi Wraps Up Its Web Mystery*, WALL ST. J., June 29, 2005, at B2 (“To generate buzz for its new car, Audi invented the tale about the theft of the sporty new vehicle, filling in details like characters and plotlines on its websites. Fans have been able to follow the exploits of fictional characters hired to retrieve the stolen A3. To get people to play along, Audi sprinkled allusions to the theft in TV and print ads, billboards and anonymous newspaper classified ads. The references directed the curious to Audi’s websites where the drama played out.”).

314. See *Innocent Escapes*, <http://www.brawnyman.com/innocentescape/indexbroadband.html> (last visited February 23, 2006). Georgia Pacific’s web site contains several short “movies” featuring a strong but sensitive Brawny man who offers compliments in a cabin with a roaring fire in the background. *Id.* You can play the movie or send it to a friend. *Id.*

315. Hughlett, *supra* note 254. Starcom’s Dan Buczaczer set up the holiday Internet campaign for Best Buy which “started with a Web site for ‘Kevin Kringle,’ Kris Kringle’s supposed ne’er-do-well brother. At first, the site didn’t mention Best Buy. Starcom dropped references to the site on several Web sites and blogs that cater to electronics, video gaming and pop culture buffs. The goal: to get visitors at those sites to pass around information or questions about Kevin Kringle, creating a buzz in the process. ‘We had a lot of people trying to figure out who he was,’ Buczaczer said. People found out when Best Buy rolled out Kevin Kringle in a television ad campaign.” *Id.*

316. See <http://www.subservientchicken.com> (last visited April 10, 2006). “Total hits on the Subservient Chicken web site through March 2005 were 398,958,278” per Burger King’s ad agency Crispin Porter + Bogusky. JAFFE, *supra* note 13, at 217.

won several awards.³¹⁷ While the content of Burger King's Subservient Chicken web site—"a large man dressed in a chicken costume adorned with a garter belt and leather straps"—is "undoubtedly jarring," marketing expert Dan Buczaczer says "part of the shock comes from what makes it effective—it doesn't play by the typical rules of advertising. It's meant to get people chatting . . . [a]nd it's meant to be part of a greater whole, not Burger King's stand-alone effort to sell chicken sandwiches."³¹⁸ Hundreds of Subservient Chicken fan sites "mushroomed virtually overnight and offered exhaustive lists of what the chicken would do, would not do, and might do, including playing the Hokey Pokey, playing dead, dancing on the ceiling . . . , eating a Big Mac (which makes it gag), and some unmentionable acts as well."³¹⁹ According to Jaffe, such consumer-generated content is not advertising, but it "is the Mount Everest of the world of advertising accomplishments."³²⁰ Consumer interest in Burger King's "Subservient Chicken" web site shows it is just as entertaining as a videogame or television show. On the other hand, Burger King undoubtedly believes this web site helps it advertise and sell Burger King products.

These recent developments in the advertising industry make it extremely difficult for courts to distinguish between certain new forms of advertising and other copyrighted content. Back in 1983, Douglas Linder and James Howard proposed that Congress eliminate copyright protection for advertising to reduce the incentive of advertisers to create image-oriented rather than informational advertising. Linder and Howard suggest that Congress amend 17 U.S.C. § 102 to add: "(c) In no case does copyright protection for an original work of authorship extend to any work used primarily to advertise a service or product."³²¹ According

317. Howard, *supra* note 181 (Burger King's ad agency "won the Grand Prix (best overall), as well as four Cannes Lions, in the online ad category at this week's International Advertising Festival."); Suzanne Vranica & Brian Steinberg, *The Feathers Did Fly*, WALL ST. J., Dec. 20, 2004, at B1 (voting "Subservient Chicken" one of best ad campaigns of 2004).

318. Dan Buczaczer, *The Bird's The Word*, MEDIAPOST, May 14, 2004, available at http://publications.mediapost.com/index.cfm?fuseaction=Articles.showArticle&art_aid=4664. "Subservient Chicken's Web experience was followed up with the chicken-on-chicken caged death match, broadcast on DirectTV—an absurdly abstruse WWE-meets-Foghorn-Leghorn-on-acid event, interspersed with several other commercials for Burger King." JAFFE, *supra* note 13, at 193.

319. JAFFE, *supra* note 13, at 222–23.

320. *Id.* at 221.

321. Linder & Howard, *supra* note 41, at 250. Linder and Howard admit application of the proposed subsection to specific situations may not always be clear. *Id.* "The provision would apply only to advertisements. Copyright protection would remain available for many other works informing consumers about services and products. Only when a work is prepared primarily to persuade consumers to buy a particular good or service does it fall within the exclusion of subsection (c)." *Id.* Thus, *Consumer Reports* articles about products, restaurant reviews, and works "where an author merely expresses an opinion about the desirability of

to Linder and Howard, “subsection (c) is meant to exclude copyright protection for those works prepared at the direction of those who stand to gain, usually in a direct financial sense, . . . by the increased sales of a service or product.”³²² This proposed revision to the copyright law is easy to apply if firms are using traditional print ads or television commercials, but increasingly firms are using the non-traditional methods of advertising discussed above that blend advertising and entertainment.

For example, if the producer of a television show receives money for placing a product in the plot of her show,³²³ or receives a percentage of revenue from product sales, is this television show excluded from copyright protection under the proposed statutory provision? Are the “Anymotion” song and music video “used primarily to advertise” because they were produced by Samsung and feature its mobile phones? Are music videos generally a form of advertising that would be refused copyright protection because they help increase sales of the latest CD or song on iTunes? If consumers spend hours playing advergames or seek out entertaining web sites set up under viral ad campaigns, but never purchase products from the companies who use these advertising methods, are these works protected entertainment or unprotected advertising? Reasonable persons may disagree on the answers to these questions. Moreover, the line between advertising and other content will likely blur even more in the future. Advertising will constantly change as advertisers, ad agencies, and content-providers come up with new ways to grab and retain the attention of consumers.

Despite the line-drawing challenges, the benefits of eliminating copyright in advertising may exceed the administrative costs of such a change. Line drawing, while difficult, is not uncommon in copyright law. Courts must often distinguish between unprotectable ideas and protectable expression, among other things.³²⁴ More importantly, Congress must believe it is possible to draw the line between advertising and other works because “advertising” is not protected under the Visual Artists Rights Act (“VARA”), a 1990 amendment to the Copyright Act. VARA grants authors a lifetime right to protect against “intentional

purchasing a service or product, and where he has no personal interest in the sale of these services or products” would not be treated as advertisements under this provision. *Id.*

322. *Id.* (footnote omitted).

323. Steinberg, *supra* note 284 (describing how product placement fees may be paid to the TV outlet that airs the show, networks, ad-space-buying firms, third-party consultants, or the show’s producer).

324. 17 U.S.C. § 102(b) (“In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principal, or discovery . . .”); *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 122 (2d Cir. 1930) (wherever the line is drawn between idea and expression, it may seem arbitrary, but “that is no excuse for not drawing it . . .”).

distortion, mutilation, or other modification” of a “work of visual art,”³²⁵ among other things. But VARA provides that “a work of visual art does not include— . . . any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container.”³²⁶ Congress does not define “advertising” in VARA. Courts are instead instructed to “use common sense and generally accepted standards of the artistic community in determining whether a particular work falls within the scope of the definition” of “a work of visual art.”³²⁷ Some courts interpreting VARA use dictionaries to define “advertising.”³²⁸ The Second Circuit broadly read the term “advertising” in VARA to encompass paintings, drawings, or sculptures used to advertise.³²⁹ As courts are currently distinguishing between “advertising” and other works protected by VARA, it is possible for them to make these same distinctions if Congress decides to eliminate advertising from the subject matter of copyright protection.

E. *The Proposal: Reduce Copyright Protection of Advertising*

It may be difficult to measure whether protecting or eliminating copyright in advertising will actually advance social welfare.³³⁰ For this reason, Congress may prefer the status quo and refuse to completely remove advertising from the subject matter of copyright. Nonetheless, Congress and courts should treat advertising differently from other copyrighted works because most advertising is likely created for reasons unrelated to copyright incentives and the net public benefit of an increase in advertising creation and dissemination is debatable compared to other works. One solution is to revise statutory copyright law to in-

325. 17 U.S.C. §§ 106A(a)(3) and (c).

326. 17 U.S.C. § 101; *see* Pollara v. Seymour, 344 F.3d 265, 270–71 (2d Cir. 2003) (artist could not get protection under VARA for hand-painted banner with promotional and advertising purpose; “We steer clear of an interpretation of VARA that would require courts to assess either the worth of a purported work of visual art, or the worth of the purpose for which the work was created. Congress chose to protect in VARA only a narrow subset of the many different forms and types of what can be called art, and expressly left unprotected works created for the primary purpose of promoting or advertising.”).

327. H.R. Rep. 101–514 (1990), *as reprinted in* 1990 U.S.C.C.A.N. 6915, 6921; *see also* Carter v. Helmsley-Spear, 71 F.3d 77, 84 (2d Cir. 1995) (quoting house report).

328. *E.g.*, Pollara v. Seymour, 206 F. Supp. 2d 333, 337 (N.D.N.Y. 2002) (citing the *American Heritage Dictionary*, the court defined “advertising” as “the act of attracting attention to a product or business’”), *aff’d*, 344 F.3d 265 (2d Cir. 2003).

329. *Pollara*, 344 F.3d at 270 (“Congress chose to exclude from the scope of VARA all advertising and promotional materials, regardless of whether the thing being promoted or advertised was a commercial product or (as here) a particular advocacy group’s lobbying efforts, and regardless of whether the work being used to promote or advertise might otherwise be called a painting, drawing, or sculpture.”).

330. *Cf.* McGowan, *supra* note 141, at 6.

crease the free flow of advertising information but still protect some exclusive rights in advertising.

Congress should consider reducing copyright protection of advertising by revising Sections 102 and 107 of the U.S. Copyright Act.³³¹ First, Congress could amend Section 102(b) of the Copyright Act to provide that advertising works are only entitled to thin copyright protection against virtually identical copying. Such a revision would mean that advertising does not have the same strong copyright protection as other copyrighted works, such as art, movies, or music.³³² Courts have applied this concept of a “thin” copyright in various contexts, including cases where there are only a limited number of ways an idea may be expressed,³³³ and when the plaintiff claims copyright in a factual compilation.³³⁴ As advertising materials are often very creative and contain expression original to the author, the rationale for thin copyright in advertising is different than for these other works, but the framework is useful because it balances the interests of current and future advertisers. If virtually identical copying of an advertising work is required for infringement, advertisers and ad agencies can obtain copyright protection in their advertising, but competitors and other companies can still loosely imitate or parody the advertising expression.

331. Whether such a revision to U.S. copyright law would violate the United States' obligations under international copyright treaties and agreements is beyond the scope of this Article.

332. Under this proposal, pre-existing copyrighted works, such as songs, drawings, photographs, or audiovisual materials, incorporated into advertisements would continue to receive full protection under copyright law.

333. *E.g.*, *Apple Computer Corp. v. Microsoft Corp.*, 35 F.3d 1435, 1442 (9th Cir. 1994) (“[C]onsidering the license and the limited number of ways that the basic idea of the Apple GUI can be expressed differently, we conclude that only ‘thin’ protection, against virtually identical copying, is appropriate.”); *Ets-Hokin v. Skyy Spirits, Inc.*, 323 F.3d 763, 766 (9th Cir. 2003) (“Though the . . . photographs are indeed similar, their similarity is inevitable, given the shared concept, or idea, of photographing the Skyy bottle. When we apply the limiting doctrines, subtracting the unoriginal elements, *Ets-Hokin* is left with only a ‘thin’ copyright, which protects against only virtually identical copying.”).

334. *E.g.*, *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348–49 (1991) (“copyright in a factual compilation is thin”); *Ad Assocs., Inc. v. Coast to Coast Classifieds, Inc.*, 2005 WL 3372968, *4 (D. Minn. Dec. 12, 2005) (“Ad Associates’ marketing brochure qualifies for copyright protection as a factual compilation. . . . Because copyright law affords only ‘thin’ protection to factual compilations, a competitor may take ‘the bulk of factual material from a pre-existing compilation’ without infringing on the author’s copyright. . . . [I]t takes virtually ‘extensive verbatim copying’ to constitute infringement of a compilation.”); 4 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 13.03(A) at 13–28 (1997) (“It would seem to follow analytically that more similarity is required when less protectable matter is at issue. Thus, if substantial similarity is the normal measure required to demonstrate infringement, ‘supersubstantial’ similarity must pertain when dealing with ‘thin works’ . . . At the limiting case of ‘the thinnest of copyright protection,’ entire duplication would be required.”).

Second, Congress should consider revising the statutory fair use defense in Section 107 of the Copyright Act to enable more uses of advertising expression in comparative advertising. As noted previously, the first fair use factor—“the purpose and character of the use”—currently weighs against a finding of fair use when the defendant uses the plaintiff’s expression in commercial advertising because the “use is of a commercial nature.” While the Ninth Circuit has held use of another’s copyrighted work in comparative advertising favors a finding of fair use despite the fact the use is commercial,³³⁵ Congress should clarify this fact in Section 107. Specifically, Congress could amend the first sentence of Section 107 to add “comparative advertising” to the list of works with a certain “purpose” that often qualify for the fair use defense: “criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.”³³⁶ Or Congress could add language regarding comparative advertising to the end of the first fair use factor: “the purpose and character of the use, including whether such use is of a commercial nature, is for nonprofit educational purposes, or is for comparative advertising.” Companies should be able to imitate portions of a competitor’s ads to compare their products for sale.³³⁷ Allowing such uses of another firm’s advertising expression can increase competition and freedom of expression without harming the incentive to create advertising.

Congress need not amend the second, third, and fourth factors of the statutory fair use defense, but the proposed amendments above should influence how courts apply these factors. The second fair use factor—“the nature of the copyrighted work”—should weigh in favor of a finding of fair use by the defendant if the plaintiff’s work is an advertisement because, under this proposal, ads are only protected by a “thin” copyright. In addition, since virtual identity between the copyrighted advertisement and the accused work would be required for a finding of infringement, the third fair use factor—“the amount and substantiality of the portion used in relation to the copyrighted work as a whole”—would usually weigh against a finding of fair use because the defendant copied

335. *Sony Computer Entm’t Am., Inc. v. Bleem, LLC*, 14 F.3d 1022, 1026–27 (9th Cir. 2000); cf. *Triangle Publ’ns, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1175 (5th Cir. 1980) (the commercial nature of the work is not as significant if the use occurred in commercial advertising).

336. 17 U.S.C. § 107.

337. For example, Anheuser-Busch’s ads for Bud Light imitated the commercials of Miller Beer and United Online’s Net Zero ads spoofed America Online’s “Want a better Internet” commercial. Brian Steinberg, ‘*Spoofing*’ Ratchets Up the Ad Wars, *WALL ST. J.*, Nov. 30, 2004, at B4. While Miller and America Online did not sue for copyright infringement, other firms might file suit in such circumstances due to strong copyright protection of advertising and an unpredictable fair use defense.

most or all of the plaintiff's advertisement. Finally, the fourth fair use factor—"the effect of the use upon the potential market for or value of the copyrighted work"—should weigh against the defendant if the plaintiff licensed its advertising materials to others at the time the defendant copied that advertising.

For the reasons set forth above, Congress should question whether copyright protection of advertising actually increases net social welfare and consider revising the Copyright Act to reduce the exclusive rights granted to authors of advertising works. The public benefits of reduced copyright protection of advertising—primarily an increase in the free flow of advertising information—should outweigh the costs of this proposed change to copyright law.

IV. IS THERE A UTILITARIAN JUSTIFICATION FOR TRADEMARK PROTECTION OF SLOGANS?

Utilitarianism also provides the main theoretical justification for trademark law in the United States. Unlike copyright and patent law, which seek to encourage the creation of more works and inventions to benefit the public, trademark law is not concerned with providing incentives to create more trademarks.³³⁸ Rather, there are two primary utilitarian or economic arguments for trademark law: trademarks reduce consumer search costs and encourage firms to maintain high and uniform product quality.³³⁹

As explained by Judge Posner, "[t]he fundamental purpose of a trademark is to reduce consumer search costs by providing a concise and

338. Mark A. Lemley, *Ex Ante versus Ex Post Justifications for Intellectual Property*, 71 U. CHI. L. REV. 129, 143 n.50 (2004). Even though this is not the primary goal of trademark law, Landes and Posner note trademark protection may also benefit the public by creating incentives to invest resources in inventing new words and symbols. LANDES & POSNER, *supra* note 2, at 168–69. They claim trademarks can improve language by increasing the stock of nouns, creating new generic words that denote entire products, and by “creating words or phrases that people value for their intrinsic pleasingness as well as their information value” *Id.* at 169.

339. Menell, *supra* note 1, at 149 (“The primary justifications for trademark law are ‘to facilitate and enhance consumer decisions’ and ‘to create incentives for firms to produce products of desirable qualities even when these are not observable before purchase.’”); Bone, *supra* note 5, at 2105 (“The standard economic arguments stress two main benefits of protecting marks: reducing consumer search costs and creating incentives to maintain and improve product quality.”); LANDES & POSNER, *supra* note 2, at 168, 173. Moreover, Landes and Posner note “[t]he legal protection of trademarks has a more secure efficiency rationale than the legal protection of inventive and expressive works.” LANDES & POSNER, *supra* note 2, at 166.

unequivocal identifier of the particular source of particular goods.³⁴⁰ When a mark distinguishes one product brand from another, such as Coca-Cola, a consumer can rely on the mark to assure that this product in the store with the Coca-Cola mark has the same taste and qualities as the soft drink she consumed last week or saw yesterday on television.³⁴¹ By prohibiting competitors from copying another's distinctive mark, trademark law "reduces the customer's costs of shopping and making purchasing decisions, . . . for it quickly and easily assures a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past."³⁴² If competitors can use another firm's mark to attract consumers to their inferior products, consumers will begin to discount the information value of the mark and may turn to more costly methods to verify the source or quality of the product.³⁴³

The second major utilitarian goal of trademark law is to encourage firms to maintain and improve the quality of their products.³⁴⁴ Granting trademark holders exclusive rights in their marks creates incentives for firms to sell products of consistent quality.³⁴⁵ A firm's distinctive trademark can communicate the product is of high quality and justify a more expensive price. Unauthorized use of a trademark by competitors reduces the ability of the mark to convey information about quality. This, in turn, reduces the incentive for the trademark holder to manufacture and sell goods with more costly but better quality characteristics since consumers will not pay a higher price for what they think are comparable goods.³⁴⁶ Trademark protection of distinctive marks therefore promotes the maintenance of quality by allowing a firm to reap the benefits of a good reputation.³⁴⁷ These benefits of trademark protection outweigh the social costs of such protection for most trademarks.³⁴⁸ Be-

340. *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir. 2002); *see also* Lemley, *supra* note 220, at 1690; Menell, *supra* note 1, at 149; Stigler, *supra* note 233, at 216; LANDES & POSNER, *supra* note 2, at 168, 173, 422.

341. Bone, *supra* note 5, at 2105–06.

342. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995) (internal quotations and citations omitted); Bone, *supra* note 5, at 2106.

343. Bone, *supra* note 5, at 2106.

344. *Id.* at 2107.

345. *Qualitex*, 514 U.S. at 164; *Ty*, 306 F.3d at 510.

346. Bone, *supra* note 5, at 2107–08.

347. *Park 'N Fly, Inc. v. Dollar Park & Fly*, 469 U.S. 189, 198 (1985) (citing S. Rep. No. 1333 at 3, 5 (1946)); *see* LANDES & POSNER, *supra* note 2, at 168, 173; *Id.* at 174–79 (showing how their formal model of the economics of trademarks "yields the intuitive result that legal protection of trademarks encourages the production of higher-quality products").

348. *See* LANDES & POSNER, *supra* note 2, at 173 ("At least in the case of a fanciful mark, then, the social costs of legal protection of trademarks are modest, both absolutely and in relation to the benefits discussed earlier. Other kinds of mark involve higher but still manageable costs, and marks that involve costs in excess of their benefits are denied legal

low, this Article explores in theory whether this is true when trademark rights are granted in slogans.

*A. Additional Trademark Protection of Slogans
May Provide No Significant Incremental
Benefit To Consumers*

While trademark law generally helps reduce consumer search costs and encourages firms to invest in manufacturing products of uniform quality, trademark protection of slogans *in addition to other marks* may not further these utilitarian goals. First, the marginal reduction in search costs attributable to giving slogans trademark protection is likely small. As noted by Professor Lunney, once consumers have one method of identifying a certain product, such as a primary word mark (Coca-Cola), the marginal efficiency advantages from protecting additional marks for the product are slight and decreasing.³⁴⁹ Slogans (such as “Make it Real”)³⁵⁰ used in addition to house or product marks provide consumers with little, if any, source-identifying information. Slogans consist of advertising words or phrases. Many slogans are used exclusively in advertising, not on or near the product for sale, and thus do not provide any source-identifying information at the time of purchase. Even if a firm includes a slogan with its trademarked brand name on product packaging or point-of-purchase displays, it is likely the information provided by the slogan is superfluous.³⁵¹ Slogans largely duplicate the source-identifying information already provided by the brand name.³⁵² At most, protecting trademark rights in slogans is likely to generate only small marginal increases in the information-based efficiencies associated

protection.”) (footnote omitted). Landes and Posner do not distinguish between trademark protection of slogans and other marks.

349. Lunney, *supra* note 125, at 435 n.256; *see id.* at 435 (“If consumers already have one trademark available as a source of information concerning a product, they gain little from having a second, third, or fourth for the same information.”). Lunney makes this argument with regard to trade dress, product features, and product designs, but not slogans.

350. *Coke to Start Ad Campaign with New Tagline*, Atlanta Business Chronicle, Jan. 14, 2005, available at <http://atlanta.bizjournals.com/atlanta/stories/2005/01/10/daily48.html> (Coca-Cola’s new ad campaign features the slogan “Make it Real,” which references its earlier taglines such as “The Real Thing” and “Real”). Coca-Cola applied to register this slogan on the principal register for various products. See U.S. Trademark Serial No. 78,527,763 (filed Dec. 6, 2004); U.S. Trademark Serial No. 78,505,276 (filed Oct. 25, 2004).

351. If consumers only recall the slogan from a commercial, and not the product name, the slogan may provide relevant source-identifying information in the marketplace if it appears on the product packaging or a point-of-purchase display. Such circumstances are likely rare and not sufficient reason to protect trademark rights in slogans given the costs of such protection. Trademark law should provide incentives for firms to emphasize their product names, not their slogans, in advertising.

352. *Cf.* Lunney, *supra* note 125, at 435–36.

with protection when compared to a trademark regime that does not protect slogans.³⁵³

Moreover, firms still have a strong incentive to manufacture quality products even if their slogans are not protected by trademark law because their other marks *are* still protected. If McDonald's is denied the exclusive right to use the slogan "I'm Lovin' It," trademark law still encourages it to sell hamburgers of consistent quality because consumers can use the "McDonald's" mark to identify McDonald's as the source of the products. If competitors or others³⁵⁴ are allowed to use the slogan "Just Do It," Nike will still have an incentive to manufacture and sell its costly and high-quality shoes because consumers can use the "Nike" mark to distinguish Nike's shoes from inferior products. If several firms use the same slogan, it is likely purchasers in the marketplace will easily distinguish between them using their brand names. Protection of trademark rights in slogans probably has little or no effect on consumer search costs or the incentive of firms to manufacture and sell quality products. Empirical research on this topic would be useful to determine whether the traditional consumer-oriented justifications for trademark rights apply to slogans.

The question, then, is whether granting trademark rights in slogans results in a benefit to the public that outweighs the costs of such protection. Trademark law generally benefits consumers by prohibiting confusing uses of source-identifying marks.³⁵⁵ Advocates of trademark protection of slogans may argue we should protect the associations that consumers have between slogans and a single product or firm³⁵⁶ because otherwise consumers may be confused regarding the source or sponsorship of the product if a competitor uses that slogan.

There are several problems with this argument. First, trademark law does not protect all consumer associations between words and certain products or firms. Even with proof of secondary meaning, generic terms such as "Shredded Wheat" for cereal and "You Have Mail" for email services are never entitled to trademark protection.³⁵⁷ We refuse to grant

353. *Cf. id.* at 436.

354. When John Sanders registered the domain name just-do-it.org, Nike filed a complaint under the Uniform Domain Name Dispute Resolution Policy and obtained transfer of the domain name based on its trademark rights in the slogan "Just Do It." Nike, Inc. v. John Sanders, WIPO Domain Name Decision No. D2002-0390 (June 15, 2002).

355. Bone, *supra* note 5, at 2100 (noting this "central function of protecting trademarks" does not explain some important trademark doctrines, such as the application of trademark law to trade dress).

356. In one survey, 87%, 70%, and 67% of survey respondents recognized the slogans of Allstate ("You're in Good Hands"), State Farm ("Like a Good Neighbor"), and Wal-Mart ("Always low prices. Always."), respectively. Kiley, *supra* note 253.

357. Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111 (1938) (noting public associated term "Shredded Wheat" with a single manufacturer, but refusing to attach any legal signifi-

exclusive rights in generic terms because trademark protection would put rivals at a competitive disadvantage and stifle free expression in the marketplace.³⁵⁸ For reasons of public policy, we refuse to protect trademark rights in certain words despite consumer associations that would normally entitle a firm to trademark protection.

Second, it is circular reasoning to argue that a slogan must be protected by trademark law because consumers associate it with a single firm's product. If slogans were never granted trademark protection, others could use the same slogan and consumers would understand that a slogan used by multiple firms does not designate source. But today firms can obtain trademark rights in slogans and use trademark symbols (™ or ®) to stake a claim in slogans. Competitors who might otherwise use a similar phrase in advertising may engage in self-censorship rather than risk being sued for infringement by the firm who claims trademark rights in the slogan. If other companies do not use the slogan, the first firm's use of the slogan becomes exclusive and consumers may begin to associate that particular slogan with only one firm's product. Ultimately, it is the grant of trademark rights that allows the creation of a consumer association between the slogan and a single firm or its product.

If some consumers are confused regarding the source or sponsorship of products when two firms use the same slogan (such as "Just Do It"), they can immediately turn to the brand names (Nike or Adidas) to identify the source or sponsor of the product.³⁵⁹ Consumer search costs will not increase significantly, if at all, if Nike does not have exclusive rights in the slogan "Just Do It." Consumers do not need to turn to more costly methods of verifying the source or quality of the products because the brand name provides the relevant source-identifying information. Consumers will easily find and purchase the desired Nike product. Nike will still manufacture high quality shoes if competitors and other firms use this slogan. If we refuse to protect slogans under trademark law, it is likely that any consumer confusion generated by multiple firms using a single slogan will rapidly decrease as consumers focus on brand names, and not slogans, for source-identifying information.

cance to this fact); *America Online, Inc. v. AT & T Corp.*, 243 F.3d 812, 818–23 (4th Cir. 2001) (where AOL argued its survey evidence "indicates an association in the public's eye between 'You Have Mail' and AOL," court held "You Have Mail" is generic for informing email subscribers they have mail and was unenforceable as a mark regardless of evidence of secondary meaning).

358. Ramsey, *supra* note 8, at 1159–61 (summarizing reasons why generic terms are not protected by trademark law).

359. Cf. Lunney, *supra* note 125, at 435–36 ("If the information really matters, a reasonable consumer would both know to rely, and can rely, on the information source already available.").

Advocates of trademark protection for slogans may also argue the public would benefit from protection of property rights in slogans. Some scholars have argued that strong trademarks should be protected against dilution, or the “gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name,” regardless of consumer confusion regarding the product source.³⁶⁰ For example, one court allowed food manufacturer Pillsbury to pursue a state trademark dilution claim against *Screw Magazine* based on the magazine’s use of the slogan “Nothin’ Spells Lovin’ Like Something From The Oven” and portrayal of the “Poppin’ Fresh” dough boy and girl having sex.³⁶¹ Advertisers and advertising practitioners may argue we should protect trademark rights in slogans due to the millions of dollars firms spend selecting and advertising their slogans.³⁶² Companies are increasingly using slogans as the centerpiece of their branding or positioning strategy.³⁶³ Some brands,

360. *E.g.*, Frank Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927). Schechter’s analysis focused on protecting trademark rights in fanciful and arbitrary marks, not slogans. As most slogans used today are generic, descriptive, or suggestive, it is not clear Schechter would have advocated protecting slogans from dilution. The federal trademark dilution statute is 15 U.S.C. § 1125(c). Dilution is defined in 15 U.S.C. § 1127 as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of—(1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception.”

361. *Pillsbury Co. v. Milky Way Prods.*, 215 U.S.P.Q. 124, 131 (N.D. Ga. 1981).

362. In 2003, one marketing director said law firm clients can spend as much as \$125,000 to develop a slogan. Steven A. Meyerowitz, *Your Firm in a Nutshell*, PA. LAW. MAG., May-June 2003, at 24.

363. WHEELER, *supra* note 13, at 42. Some advertising practitioners, however, think slogans are ineffective advertising tools, and only use them at the insistence of clients. *See, e.g.*, SULLIVAN, *supra* note 13, at 105 (“From what I see, few tag lines bring any new information to an ad. They’re usually piffle.”); AITCHISON, *supra* note 13, at 58 (Slogans “were intended to deliver the final convincing clincher in the ad, or to make some meaningful statement about the advertiser or the brand. Mostly, they have become either shallow wordplays or meaningless phrases like *Progress is our most important product*. Technology companies promise *Tomorrow’s Technology Today*. Telephone companies are invariably *In Touch With Tomorrow*. Should we persist with such nonsense?”); *Id.* at 9, 59 (Bill Oberlander of New York’s Kirshenbaum Bond & Partners says slogans are “more of a convenience than something that’s necessary. At the end of the day we always ask ourselves, does it really need a tagline? Because the truth is, Oberlander warns, ‘consumers hate advertising, and taglines and jingles are the biggest clichés within the parameters of advertising.’”); *Id.* at 1, 13, 59 (Roy Grace, a Hall of Fame art director and veteran of the Bill Bernbach-Volkswagen era at DDB, says his “‘basic instinct is *not* to do [slogans]. They’re usually a waste of time.’”); *Id.* at 3, 59 (Neil French, worldwide creative director at Ogilvy & Mather, says “‘When clients say they want a tagline, I write down half a dozen from large companies. When I ask the clients which companies they apply to, they can never remember. Pick up any magazine on your desk and read out the taglines,’ suggests French, ‘they’re a complete waste of time and energy.’”); *Id.* at 12, 60 (“‘I think some of them [—slogans—] actually do a lot of harm,’ cautions [Lowe & Partner’s Gary] Goldsmith. ‘I hate using them, and almost never do. I can’t think of too many that are very good. They’re just stuck on to please the client or someone in the agency. I’ve always thought that if the ad does what it’s supposed to do, then you don’t need them.’”); AITCHISON, *supra* note 13, at 59–60 (Bruce Bildsten says “I don’t think anyone even feels

such as Coca-Cola, have even created a sense of community for their users beyond the physical product to which their marks are attached.³⁶⁴ Fans of these products may complain if others use the firm's slogans.

Slogans are valuable advertising tools, but this does not mean the public interest is served by granting them trademark protection. While slogans may cease to be catchy if they are used by several firms, utilitarian trademark laws should not be concerned with preserving the catchiness of slogans or maintaining a sense of community for fans of a certain product. Any potential benefits of protecting a firm's investment in developing and advertising a slogan are outweighed by the social cost of restricting the use of language in the marketplace, which is discussed below.

B. *The Costs of Protecting Trademark Rights in Slogans*

Trademark protection of slogans deprives advertisers of the ability to use certain words to attract consumer attention or concisely describe their wares.³⁶⁵ For example, courts have enjoined competitors from using trademarks identical or similar to the marks "Ain't No Reason To Go Any Place Else" for restaurant services,³⁶⁶ "Extra Strength Pain Reliever" for analgesic products,³⁶⁷ and "King Of Beers" for beer.³⁶⁸ As slogans usually consist of common words and phrases, not coined terms, there are a finite number of effective attention-grabbing and descriptive

compelled to write a slogan these days. It feels so tacked on, so forced. It becomes almost a crutch more than an aid to anything. It's usually reinforcing something that you weren't able to get across in the rest of the work, or for the benefit of a corporation's ego. But it's still possible to write ones that really reinforce the message; he concedes, 'got milk?' for example.'")

364. AITCHISON, *supra* note 13, at 81. Some consumers may value the display of a firm's trademark on the product, such as a T-shirt, more than the product itself. See Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 Notre Dame L. Rev. 397 (1990); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960 (1993).

365. *Cf. In re Boston Beer Co.*, 47 U.S.P.Q.2d 1914 (T.T.A.B. 1998) (refusing registration of "The Best Beer in America" for beer because "any brewer should be free to make the same claim or boast about his own beer").

366. *Wendy's Int'l v. Big Bite*, 576 F. Supp. 816 (S.D. Ohio 1983) (granting preliminary injunction enjoining Big Bite restaurant from using Wendy's trademarks, including registered slogan "Ain't No Reason To Go Any Place Else").

367. *Bristol-Myers Co. v. Approved Pharm. Corp.*, 149 U.S.P.Q. 896, 899-900 (N.Y. Sup. Ct. 1966) (enjoining defendant pending trial from using the slogan "Extra Strength Pain Reliever").

368. *Anheuser-Busch Inc. v. Customer Co.*, 947 F. Supp. 422 (N.D. Cal. 1996) (finding infringement based on competitor's use of "The Beer of Beers"); *but see Anheuser-Busch Inc. v. L&L Wings, Inc.*, 962 F.2d 316, 318-19 (4th Cir. 1992) (reversing judgment notwithstanding verdict and agreeing with the jury that there was no infringement based on use of "King of Beaches" and "This Beach is For You" on T-shirts sold in Myrtle Beach).

slogans for each industry.³⁶⁹ Moreover, use of an identical slogan is not required for infringement. Courts hold defendants liable for imitating a trademarked slogan even when they significantly modify the slogan, such as by replacing the plaintiff's brand name in the slogan with another word.³⁷⁰ Thus trademark law not only removes from the advertising vocabulary of other companies certain slogans claimed as marks, but also common phrases similar to those slogans. Even if the slogan is descriptive of a defendant's advertised product, unauthorized use of a protected slogan does not qualify for the fair use defense because attention-grabbing use of a trademarked descriptive phrase in a slogan is "use" of the phrase "as a mark."³⁷¹ If firms can get exclusive rights to use descriptive slogans essential to the sale and marketing of products in an industry, this will stifle commercial expression and it will be difficult for competitors to compete effectively with them.³⁷²

Trademark protection of slogans also chills commercial expression that would be permitted under trademark law. It may be difficult for a competitor or other company to determine if a slogan claimed as a trademark is actually protected under the law.³⁷³ Compared to product names, slogans often do not easily fit within the categories of arbitrary, suggestive, descriptive, or generic. Moreover, "[o]ne of the problems unique to slogans is that many were designed primarily to sell more products, and not to identify the advertiser or distinguish his goods from

369. Cf. Stephen L. Carter, *The Trouble With Trademark*, 99 YALE L.J. 759, 768–75 (1990) (some words or symbols are cheaper or more effective at branding certain products or services than others).

370. E.g., *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433, 434 (5th Cir. 1962) (holding defendant's slogan "Where There's Life . . . There's Bugs" infringed plaintiff's slogan "Where There's Life . . . There's Bud").

371. See, e.g., *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 954 (7th Cir. 1992) (fair use defense did not apply to use of plaintiff's mark "Thirst Aid" as an attention-getting symbol in advertising slogan describing Gatorade's sports drink ("Gatorade is Thirst Aid")) because phrase was used "as a mark").

372. Cf. LANDES & POSNER, *supra* note 2, at 99 ("If a seller could copyright phrases that were essential to the sale and marketing of his product, it would be difficult for other sellers to compete effectively with him."); Fisher, *supra* note 143, at 170 ("To be sure, trademarks can sometimes be harmful—for example by enabling the first entrant into a market to discourage competition by appropriating for itself an especially attractive or informative brand name.").

373. The Trademark Trial and Appeal Board said "it may be true that the nature of some commonly used phrases, such as 'Sale Today' or 'We Sell at Low Prices,' make it virtually impossible to use them in a way that would be perceived as identifying and distinguishing services," [but] this is certainly not the case" for the slogan "Take a Closer Look" for banking services. *In re First Union Nat'l Bank*, 223 U.S.P.Q. 278, 280 (T.T.A.B. 1984). While the Board implies it is easy to tell the difference between the source-identifying capacity of the slogans "Take a Closer Look" and "We Sell at Low Prices," it is not clear companies can so easily determine which commonly used phrases are entitled to trademark protection. Moreover, they risk being sued for trademark infringement or dilution if they are wrong.

others.”³⁷⁴ Even if a slogan is not distinctive, that does not stop some firms from claiming trademark rights in common phrases used in advertising materials. Many companies currently use trademark symbols (™ or ®) with slogans to stake their claim in generic or descriptive phrases in which they have no trademark rights.³⁷⁵ Businesses spend millions promoting slogans which consumers later cannot link to a certain product.³⁷⁶ Firms who want to protect their investment in promoting an advertising slogan may sue others who use the slogan or just send them a cease and desist letter threatening a trademark lawsuit.

The recipient of such a trademark complaint or letter will often agree to stop using the slogan, even if the slogan is generic or merely descriptive without secondary meaning, to avoid litigation. Litigation is expensive and time-consuming, even for those who ultimately prevail. Advantage Rent-A-Car and Enterprise Rent-A-Car spent several years litigating over the right to use the slogans “We’ll Even Pick You Up” and “We’ll Pick You Up.”³⁷⁷ Less-established car rental companies will likely omit these phrases from their advertising because they cannot afford to fight a lengthy trademark lawsuit. Thus trademark protection of slogans

374. JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE, § 2.10 at 2-151 (Matthew Bender & Co. 1996); see also MCCARTHY, *supra* note 46, § 7:20 at 7-55 (“Sometimes, advertising slogans are not in fact used as trademarks. Slogans often appear in such a context that they do not identify and distinguish the source of goods or services. In such cases, they are neither protectable nor could be registered as trademarks.”); *MicroStrategy v. Motorola*, 245 F.3d 335, 342 (4th Cir. 2001) (same); *MicroStrategy* did not prove it used slogan “Intelligence Everywhere” as a mark); *In re Remington Products, Inc.*, 3 U.S.P.Q.2d 1714 (T.T.A.B. 1987) (“Proudly made in USA” for electric shavers not used as a mark); *Roux Labs. v. Clairol Inc.*, 427 F.2d 823, 828 (C.C.P.A. 1970) (“The mere fact that a combination of words or a slogan is adopted and used by a manufacturer with the intent Clairol has manifested here—that it identify its goods and distinguish them from those of others—does not necessarily mean that the slogan accomplishes that purpose in reality.”).

375. Federal trademark law allows use of a trademark symbol (™) after an unregistered word or phrase used as a mark, regardless of whether that “mark” has acquired distinctiveness, to inform others that this term is being used as a mark. MCCARTHY, *supra* note 46, § 19:148 (general information regarding notice of trademark registration). A firm can only use the registration symbol (®) with a word or phrase if the mark is registered on the principal or supplemental trademark register. 15 U.S.C. § 1111. Registration on the supplemental register means the PTO believes the mark is only “capable of distinguishing applicant’s goods or services,” 15 U.S.C. § 1091(a), not that it is distinctive. See Ramsey, *supra* note 124, at 1117. Thus, the trademark registration “symbol can be used with a mark even after the PTO has actually determined that a mark is *not yet distinctive*.” *Id.* at 1166 (emphasis in original).

376. Kiley, *supra* note 253. “In an annual survey conducted by Atlanta-based marketing consulting firm Emergence, just a measly 1% of those surveyed matched [the Miller Beer, Knart, and Buick] brands with their slogans.” *Id.* “Wendy’s scored zero recognition after more than two years of advertising ‘It’s Better Here.’ Coke’s 18-month-old ‘Real’ effort scored just 5%. On the other hand, McDonald’s, which launched ‘I’m Lovin’ It’ in early 2003, scored a better than respectable 33%.” *Id.*

377. *Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Co.*, 238 F.3d 378, 379 (5th Cir. 2001).

can chill advertising expression even if courts apply trademark law correctly and only protect distinctive slogans from unlawful trademark uses. Unnecessary self-censorship in advertising harms competition. If cautious competitors opt to include a lengthy description of the product in advertising, rather than an easy-to-recall generic or descriptive slogan, this may increase consumer search costs because a sentence or paragraph may convey less usable product information than a short phrase.³⁷⁸

Some companies do choose to defend their right to use a particular slogan in trademark litigation. Courts have held certain descriptive slogans were not protected by trademark law because there was no evidence of secondary meaning, such as “Changing For The Better Every Day,”³⁷⁹ “Escape From The Ordinary,”³⁸⁰ “Use Arrid To Be Sure,”³⁸¹ and “We’ll Take Good Care Of You.”³⁸² Courts also rejected trademark protection for the slogans “Come On Strong”³⁸³ and “Damn I’m Good.”³⁸⁴ In addition, courts refused to enjoin certain defendants from using slogans identical or similar to the trademarked slogans “Any Way You Want It,”³⁸⁵ “Be Prepared,”³⁸⁶ “Don’t Leave Home Without It,”³⁸⁷ “Goin’ The Extra Mile,”³⁸⁸ “I Love You,”³⁸⁹ “It’s That Simple,”³⁹⁰ “The Greatest Show On

378. Cf. LANDES & POSNER, *supra* note 2, at 175.

379. *K’s Merch. Mart v. Kmart Corp.*, 81 F. Supp. 2d 923, 929 (C.D. Ill. 2000) (general retail).

380. *Norm Thompson Outfitters v. Gen. Motors Corp.*, 448 F.2d 1293, 1296–98 (9th Cir. 1971) (clothing).

381. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) (deodorant).

382. *Genovese Drug Stores, Inc. v. TGC Stores*, 939 F. Supp. 340, 347 (D.N.J. 1996) (drug store).

383. *B&L Sales Assoc. v. Daroff & Sons*, 421 F.2d 352, 354 (2nd Cir. 1970) (clothing).

384. *Damn I’m Good Inc. v. Sakowitz, Inc.*, 514 F. Supp. 1357, 1363 (S.D.N.Y. 1981) (bracelets).

385. *Captain Tony’s Pizza v. Domino’s Pizza*, 23 U.S.P.Q.2d 1552, 1554 (W.D.N.Y. 1992) (granting defendant’s motion for summary judgment after finding no infringement of slogan for pizza and holding ad campaign qualified for fair use defense).

386. *Girl Scouts of USA v. Personality Posters Mfg.*, 304 F. Supp. 1228, 1230 (S.D.N.Y. 1969) (denying preliminary injunction where defendant created contraceptive ad showing pregnant Girl Scout with slogan “Be Prepared”).

387. *Am. Express v. CFK*, 947 F. Supp. 310, 312, 318–19 (E.D. Mich. 1996) (where defendant used slogan “Don’t Leave Home Without Me Pocket Address Books,” court denied plaintiff’s motion for summary judgment on dilution claim at this stage of the litigation).

388. *Jerry Reed v. Amoco Oil Co.*, 611 F. Supp. 9, 13–15 (M.D. Tenn. 1984) (holding slogan for tire was descriptive with secondary meaning, but denying request for preliminary injunction against Amoco gas stations using slogan “We go that extra mile”).

389. *M.B.H. Enterprises, Inc. v. WOKY, Inc.*, 633 F.2d 50, 55–56 (7th Cir. 1980) (finding no infringement of slogan for radio station’s marketing services and fair use when competitor used slogans “WOKY loves you Milwaukee” and “Ron Edwards loves you Milwaukee”).

390. *Stop & Shop Supermarket Co. v. Big Y Foods, Inc.*, 943 F. Supp. 120, 123–24 (D. Mass. 1996) (denying preliminary injunction because no likelihood of confusion when competing supermarket chain used “We Make Life Simple”).

Earth,³⁹¹ “The Joy Of Six,”³⁹² and “Where Pets Are Family.”³⁹³ Some defendants do prevail when firms file lawsuits based on alleged trademark rights in slogans, but they must spend time and money on their defense. If there is no significant benefit from trademark protection of slogans, this cost is unjustifiable in our utilitarian trademark system.

Firms should not be able to obtain trademark protection for slogans, as such trademark rights unnecessarily restrict the language companies can use in advertising without any countervailing public benefit. Advertising can provide useful information to consumers, and thereby foster competition and lower prices. But advertising is not as useful to consumers if companies cannot use the best slogan to attract attention or convey certain information in their ads. Removing trademark protection from slogans will likely increase competition and the free flow of advertising information.

Trademark protection for slogans also harms the incentive to create noncommercial parodies or satire incorporating well-known slogans. Many slogans have become part of our popular culture.³⁹⁴ For example, during the primaries of the 1984 presidential campaign, Walter Mondale taunted Gary Hart with the phrase “Where’s the Beef?”—a Wendy’s slogan used in commercials starring Clara Peller.³⁹⁵ According to Jon Steel, who worked on the “got milk?” campaign for The California Fluid Milk Processors’ Advisory Board, the “got milk?” slogan “has appeared unsolicited in cartoons and on popular television shows, like *Cybil*, *Mad About You*, *The Cosby Show*, and *The Tonight Show with Jay Leno*. On an

391. *Ringling-Bros-Barnum & Bailey Combined Shows, Inc. v. Chandris Am. Lines, Inc.*, 321 F. Supp. 707, 711–13 (S.D.N.Y. 1971) (granting defendant summary judgment and finding “The Greatest Show on Earth Isn’t” did not infringe slogan protected by trademark); *Ringling-Bros-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp.*, 937 F. Supp. 204, 208 (S.D.N.Y. 1996) (refusing preliminary injunction against use of “The Greatest Bar on Earth” by restaurant despite fact slogan was famous); *Ringling-Bros-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 452 (4th Cir. 1999) (finding use of slogan “Greatest Snow on Earth” by Utah did not dilute slogan).

392. *Packman v. Chicago Tribune Co.*, 267 F.3d 628 (7th Cir. 2001) (PTO registered mark “The Joy of Six” for “entertainment services,” but court held not infringed when Chicago Tribune used phrase on front page, T-shirts and posters after Chicago Bulls won sixth NBA championship).

393. *Cohn v. Petsmart, Inc.*, 281 F.3d 837 (9th Cir. 2002) (affirming summary judgment for Petsmart on state infringement claim because veterinarian failed to prove pet supply store’s use of identical slogan caused likelihood of confusion).

394. WHEELER, *supra* note 13, at 42. The web site TV Acres currently contains a large collection of popular advertising slogans. See Advertising Slogans, http://www.tvacres.com/advertising_slogans.htm (last visited on April 10, 2006).

395. David I. Kertzer, *The Rite Stuff: Politics and Symbolism*, WASH. POST, July 24, 1988, at C3; Howell Raines, *Wedding Mondale to a Poor Strategy*, N.Y. TIMES, Sept. 11, 1984, at A27.

episode of *Rosanne*, Rosanne poured an entire gallon of milk over her sister's head, then asked her if she'd 'got milk?'³⁹⁶

Some advertisers complain when their well-known slogans are used by others to grab the public's attention.³⁹⁷ Hallmark, who uses the slogan "When you care enough to send the very best" in its advertising of greeting cards, protested when Barbara Kennelly used the slogan "When you care enough to send the very best to Congress" during her 1988 Congressional election campaign.³⁹⁸ Nike complained when Bob Dole used the slogan "Just Don't Do It" during the 1996 presidential campaign when discussing the war on drugs.³⁹⁹ MasterCard International unsuccessfully sued Ralph Nader for trademark infringement of MasterCard's slogans "There are some things money can't buy. For everything else there's MasterCard." and "Priceless."⁴⁰⁰ Citing trademark rights in the slogan "One Taste And You'll Drink It Dry" for Michelob beer, Anheuser-Busch prevailed in a lawsuit against an environmental group that used the slogan "One Taste And You'll Drink It Oily" in a fake ad commenting on water pollution in a humor magazine.⁴⁰¹ The public can benefit from such uses of well-known slogans because they are amusing and draw attention to the underlying political or social commentary. If firms increasingly sue to stop unauthorized use of their slogans, politicians, commentators, and the entertainment industry may think twice about using slogans claimed as trademarks to communicate with the public.

Finally, in addition to harming the free flow of advertising expression, protection of trademark rights in slogans also creates other social costs.⁴⁰² Due to such rights, responsible companies should pay for a trademark search each time they want to use a slogan to advertise their products to confirm no other company claims trademark rights in that phrase. While it

396. STEEL, *supra* note 13, at 267. Steel further notes "[i]n San Francisco, we've seen 'got porn?' on signs on the outside of sex clubs, graffiti on the side of a bus where the not-too-substantial breasts of a well-known 'waif' model had been covered with the words, 'got milk?', and (my personal favorite) one of our copywriters recently spotted a billboard at a county fair, featuring a large picture of a goat and the line, 'goat milk?'" *Id.*

397. John D. Shakow, Note, *Just Steal It: Political Sloganeering and the Rights of Trademark Holders*, 14 J.L. & POL. 199 (1998) (discussing unauthorized use of commercial slogans by politicians).

398. Amy Keller, *Not in the Cards*, ROLL CALL, July 16, 1998.

399. Michael Wines, *Politics: Campaign Trail; The Presidential Race*, N.Y. TIMES, Sept. 20, 1996, at A28; Sports Digest, *Nike to Dole: Just Stop It*, CINCINNATI ENQUIRER, Sept. 20, 1996.

400. *MasterCard Int'l v. Nader* 2000 Primary Comm., 70 U.S.P.Q.2d 1046, 2004 WL 434404 (S.D.N.Y. Mar. 08, 2004).

401. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994).

402. Trademark protection normally creates transaction costs, enforcement costs, and rent seeking costs. LANDES & POSNER, *supra* note 2, at 16-21, 172-74, 179-80.

is reasonable for companies to incur the cost of a trademark search when selecting a company or product name, such an expense is burdensome for each new ad campaign. These transaction costs will likely be passed onto the consumer in the form of higher product prices.⁴⁰³ Granting trademark rights in slogans also creates enforcement costs when firms register their slogans with the PTO and sue to protect their trademark rights. Finally, trademark law may provide an incentive for firms to over-invest in obtaining trademark rights in slogans so they can prevent their competitors from using similar catchy or descriptive phrases in advertising.

While the U.S. trademark system is generally justified under utilitarian theory, it is unlikely the costs of protecting trademark rights in slogans are outweighed by the questionable benefits of such protection. Congress and state legislatures should therefore consider eliminating trademark protection for slogans.

C. The Proposal: Eliminate Trademark Rights in Slogans

If Congress and state legislatures decide to eliminate trademark protection for slogans, they have different options. First, they can revise trademark statutes to state that slogans cannot be registered or protected. For example, Congress can add "slogans" to the list of trademarks that are not registrable on the principal register in Section 1052.⁴⁰⁴ Congress could then define the term "slogan" in Section 1127,⁴⁰⁵ or allow courts to determine the meaning of this word using dictionary definitions or trademark treatises for guidance.⁴⁰⁶

Another option is for legislators to prohibit independent registration and protection of all advertising words or phrases except primary house marks (the company name or line of products) and product marks (the name of a particular brand of product). For example, Congress can revise Section 1052 to state that the PTO may not register on the principal register any word or phrase used in connection with the sale or advertising of goods or services except the primary house and product marks. This language would cover slogans and other currently unprotectable text used in advertisements, such as advertising copy. If a composite mark (such as a logo) includes a slogan, the trademark applicant would be required to disclaim any trademark rights in that word or phrase.

If Congress and state legislatures eliminate trademark rights in slogans, it will be easy for the PTO and courts to distinguish between slogans

403. See Lunney, *supra* note 125, at 421 (trademark's "prohibition on using another's mark . . . increases the cost of introducing a competing product").

404. 15 U.S.C. § 1052.

405. 15 U.S.C. § 1127.

406. See *supra* Part II.B for examples of definitions of the word "slogan."

and other marks. Such line drawing is not only possible, but it was actually done by the Patent Office and courts until the middle of the twentieth century, before slogans were protected by trademark law.⁴⁰⁷ For example, “Nike” is a house mark and product mark for shoes, “Air Jordan” is a product mark for a certain type of Nike shoes, and “Just Do It” is a slogan used by Nike. “McDonald’s” is a house mark and service mark for a restaurant, “Big Mac” is a product mark for a hamburger sold at McDonald’s, and “I’m Lovin’ It” is a slogan used by McDonald’s. Under this proposal, Nike and McDonald’s can get trademark rights in their primary house and product marks, but not their slogans.

This proposal does not prevent a firm from obtaining trademark rights in a distinctive common phrase once used as a slogan and now used as the primary means of identification for its product. But that phrase must be used as the primary product name, not in addition to the product name, for the firm to obtain trademark rights in it. Firms should not be able to procure trademark rights in a product name *and* one or more slogans for a single product. Eliminating trademark protection for slogans may increase the incentive for firms to promote their product names, rather than slogans, when they advertise and sell their products. If so, this is not a bad result for firms or consumers. Distinctive product names are very effective in providing source-identifying information and enabling consumers to identify and distinguish among competing product brands. If firms believe they can increase sales by also using slogans to grab attention or provide information in their advertising, they will use them regardless of trademark protection. Other companies should be able to use the same slogans to compete effectively in the marketplace.

Finally, Congress and state legislatures should also clarify that good faith use of another’s mark in a slogan to describe one’s own products is not use of that term “as a mark.” As noted previously, at least one court has held that use of a trademarked term in a slogan does not qualify for the fair use defense, even if the use is descriptive and in good faith, because attention-grabbing uses of a term do not qualify as a “use, otherwise than as a mark.”⁴⁰⁸ Competition suffers when companies cannot use common phrases in advertising slogans to describe their products. Thus, Congress should revise Section 1115(4) to provide that a company’s good faith use of another’s trademarked word or phrase *in a slogan* to describe its own product should qualify for the fair use defense and is not use of that term “as a mark.”

407. See *supra* Part II.B.

408. E.g., *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 954 (7th Cir. 1992).

It may be difficult to change U.S. trademark law to eliminate trademark protection of slogans.⁴⁰⁹ Some firms that have acquired trademark rights in slogans will fight this proposed revision to the trademark laws. But other companies, politicians, and public interest groups may recognize that removing trademark protection from slogans and revising the fair use defense will enhance competition and the free flow of advertising information. Given the costs of protecting trademark rights in slogans and the questionable benefits of such protection, granting trademark rights in slogans is probably not justified under utilitarian theory. Eliminating trademark protection from slogans should increase net social welfare and further the utilitarian goals underlying U.S. trademark law. Firms can still use slogans to advertise and sell their products. They just cannot stop competitors and other members of the public from using the same or similar slogans.

V. CONCLUSION

Utilitarian theory may not justify protection of copyright in advertising or trademark rights in slogans. For this reason, legislatures should consider eliminating or reducing such protection under any intellectual property system that has a utilitarian purpose. This Article does not advocate government restrictions of advertising. Rather, it suggests *removing* current government restrictions on the use of advertising expression and slogans. Copyright in advertising and trademark rights in slogans limit what competitors can say in their advertising. Removing such protection may enhance competition because it will increase the images and language available for use in advertising. Advertisers and ad agencies will still create and disseminate the advertising they think is most effective in selling products. Reducing copyright in advertising and eliminating trademark rights in slogans will likely increase net social welfare and further the utilitarian goals of U.S. intellectual property law.

409. In addition, if the United States revises its trademark law to remove trademark protection of slogans, some countries may argue the United States is not meeting its obligations under international trademark treaties and agreements; this issue is beyond the scope of this Article.