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GIVING CREDIT WHERE CREDIT IS DUE: REVISITING THE DOCTRINE OF REVERSE PASSING OFF IN TRADEMARK LAW

John T. Cross*

Abstract: During the past twenty years, courts have increasingly come to accept a cause of action for "reverse passing off." Unlike the more typical case of passing off, reverse passing off occurs when a defendant sells a product manufactured by a plaintiff under the defendant's own mark. Despite this difference, courts regularly invoke federal and state trademark laws, including the Lanham Act, to give the plaintiff a right to recover. This Article challenges that conclusion. It argues that the Lanham Act does not actually support a cause of action against a defendant who engages in reverse passing off. In addition, most producers should not have a right to insist that they be acknowledged as the source of a product. The only exception to this conclusion is for artists, who, for several reasons, warrant this sort of protection.

I. INTRODUCTION

A few years ago the world of popular music was rocked when the members of the band "Milli Vanilli" admitted that they had not actually performed the songs on the group's hit album.¹ Car owners in the late 1970s were similarly irate when they learned that General Motors had been installing Chevrolet engines in supposedly more upscale Oldsmobile automobiles.² Courts have been asked to determine whether NBC "stole" the idea for "The Cosby Show,"³ and whether Steven Spielberg properly acknowledged the person who came up with the plot for the movie "E.T."⁴ Although the individual cases are not as well-publicized, charges of plagiarism have destroyed the reputations, and in some cases even the careers, of many promising scholars and students.⁵

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1. This uproar even spawned litigation. See *Freedman v. Arista Records, Inc.*, 137 F.R.D. 225 (E.D. Pa. 1991), where buyers of the ill-fated album brought suit against the marketer of the recording.

2. See *Skelton v. General Motors Corp.*, 660 F.2d 311 (7th Cir. 1981); *In re General Motors Corp. Engine Interchange Litig.* (*Oswald v. General Motors Corp.*), 594 F.2d 1106 (7th Cir. 1979); *State ex rel. Guste v. General Motors Corp.*, 370 So. 2d 477 (La. 1978); *Gour v. Darary Motor Co.*, 373 So. 2d 571 (La. Ct. App. 1979); *Amato v. General Motors Corp.*, 463 N.E.2d 625 (Ohio Ct. App. 1982); see also *Szajna v. General Motors Corp.*, 503 N.E.2d 760 (Ill. 1986).

3. *Murray v. NBC, Inc.*, 844 F.2d 988 (2d Cir. 1988).

4. *Litchfield v. Spielberg*, 736 F.2d 1352 (9th Cir. 1984).

5. See, e.g., *Albright v. State Farm Fire & Cas. Co.*, No. 94-1320, 1995 U.S. App. LEXIS 961 (4th Cir. Jan. 18, 1995); *Yu v. Peterson*, 13 F.3d 1413 (10th Cir. 1993); *McMillan v. Hunt*, No.

A common theme runs through all of these situations. In each, someone receives credit for something produced by another.⁶ This false credit offends our basic sense of fairness, regardless of whether it occurs in the ivory towers of academics or the more rough-and-tumble world of the automobile sales lot. It is therefore not surprising that the law has intervened to deal with the problem of those who claim credit for the work of others. The legal claim takes one of many forms, depending on the situation. Most academic institutions view plagiarism as grounds for censure or dismissal. A consumer who buys a Milli Vanilli album or an Oldsmobile with a Chevrolet engine can sue for misrepresentation.⁷ Even the Federal Trade Commission has stepped into the fray, using its powers to supervise the market to prohibit sellers from taking false credit.⁸

The person with the greatest incentive to prevent a seller from taking false credit is the person who actually produced the product. At present, the law clearly affords this producer a remedy, the cause of action for "reverse passing off."⁹ Many cases have allowed a party who actually designed or produced a product to recover against a competitor who, while falsely claiming to be the source, either resells that product or

91-3843, 1992 U.S. App. LEXIS 17475 (6th Cir. July 21, 1992); *Hand v. Matchett*, 957 F.2d 791 (10th Cir. 1992); *Newman v. Burgin*, 930 F.2d 955 (1st Cir. 1991); *Easley v. University of Mich. Bd. of Regents*, 853 F.2d 1351 (6th Cir. 1988); *Agarwal v. Regents of the Univ. of Minn.*, 788 F.2d 504 (8th Cir. 1986); *Hill v. Trustees of Ind. Univ.*, 537 F.2d 248 (7th Cir. 1976); *Tully v. Orr*, 608 F. Supp. 1222 (E.D.N.Y. 1985); *Abdelsayed v. Narumanchi*, 668 A.2d 378 (Conn. App. Ct.), *cert. denied*, 676 A.2d 397 (Conn. 1995), *cert. denied*, 117 S. Ct. 80 (1996); *Woodruff v. Georgia State Univ.*, 304 S.E.2d 697 (Ga. 1983); *In re Lamberis*, 443 N.E.2d 549 (Ill. 1982); *In re Zbiegien*, 433 N.W.2d 871 (Minn. 1988); *Napolitano v. Trustees of Princeton Univ.*, 453 A.2d 263 (N.J. Super. Ct. App. Div. 1982); *In re Harper*, 645 N.Y.S.2d 846 (N.Y. App. Div. 1996); *Klinge v. Ithaca College*, 634 N.Y.S.2d 1000 (N.Y. Sup. Ct. 1995); *Kalinsky v. State Univ.*, 624 N.Y.S.2d 679 (N.Y. Sup. Ct. 1995); *Gilbert v. Wright State Univ.*, No. 12358, 1991 Ohio App. LEXIS 2990 (Ohio Ct. App. June 19, 1991); *Faulkner v. University of Tenn.*, No. 01-A-01-9405-CH-00237, 1994 Tenn. App. LEXIS 651 (Tenn. Ct. App. Nov. 16, 1994); *Heyliger v. State Univ. & Community College Sys.*, No. 01-A-01-9402-CH-0058, 1994 Tenn. App. LEXIS 392 (Tenn. Ct. App. July 27, 1994); *Goodman v. Gallerano*, 695 S.W.2d 286 (Tex. App. 1985).

6. In the Oldsmobile case, of course, the parent company General Motors did produce the engine. However, the Oldsmobile Division was taking credit for engines actually produced by the Chevrolet Division. See *In re General Motors*, 594 F.2d at 1113; *Gour*, 373 So.2d at 573.

7. See cases cited *supra* notes 1-2.

8. *United States v. American Greetings Corp.*, 168 F. Supp. 45 (N.D. Ohio 1958), *aff'd*, 272 F.2d 945 (6th Cir. 1959).

9. The phrase "reverse passing off" comes from the concept of "passing off," which has long been recognized as actionable under the law of unfair competition. The terms "palming off" and "passing off" are synonymous. A party engages in passing off when it sells its own goods using someone else's name or mark. "Reverse" passing off, by contrast, occurs when a party sells goods that originate from someone else under circumstances that suggest that the selling party is itself the source.

markets a similar product.¹⁰ These courts generally find a cause of action in the common law of unfair competition, state unfair competition statutes, or section 43(a) of the Lanham Act.¹¹ Like regular passing off, the customer deception caused by reverse passing off arguably fits within the spirit, if not the letter, of all of these laws. Accordingly, the vast majority of courts and commentators have concluded that reverse passing off is actionable.

This Article reevaluates the doctrine of reverse passing off. Rejecting the prevailing view, it argues that reverse passing off should *not* ordinarily be actionable by competitors.¹² Although the practice may seem unfair at first glance, a closer analysis of reverse passing off shows that it really does not harm either competitors or consumers in the same ways as regular passing off or other deceptive practices. Absent such harm, giving the source a right to recover either damages or specific relief is little more than a windfall.

Part I of the Article traces the evolution of the cause of action for reverse passing off. It also analyzes the elements that courts consider in deciding these cases. In the process of exploring these elements, Part I

10. See, e.g., *Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226 (8th Cir. 1994) (defendant sold seeds that had been developed from plaintiff's genetic sources); *Kasco Corp. v. General Servs., Inc.*, 905 F. Supp. 29 (D. Mass. 1995) (defendant, in servicing plaintiff's meat choppers, allegedly replaced knives with reconditioned knives manufactured by plaintiff); *Classic Font Corp. v. Fontbank, Inc.*, No. 94 C 607, 1994 U.S. Dist. LEXIS 4647 (N.D. Ill. Apr. 13, 1994) (plaintiff licensed typeface to defendant, but defendant sold it as its own); *Playboy Enters. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (defendant used plaintiff's photographs on its computer billboard); *Additive Controls & Measurement Sys., Inc. v. Flowdata, Inc.*, 29 U.S.P.Q.2d (BNA) 1890 (S.D. Tex. 1993) (defendant produced similar item, but used photograph of plaintiff's product in its marketing materials); *Childress v. Taylor*, 20 U.S.P.Q.2d (BNA) 1181 (S.D.N.Y. 1991) (plaintiff wrote play based on idea of defendant's; plaintiff sued when defendant later starred in similar play); *Singh v. Xytel Corp.*, 1 U.S.P.Q.2d (BNA) 1741 (N.D. Ill. 1986) (defendant marketed software designed and written by plaintiff); *By-Rite Distrib., Inc. v. Coca-Cola Co.*, 577 F. Supp. 530 (D. Utah 1983) (defendant sold plaintiff's soft drinks in refillable bottles marked with defendant's name); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292 (E.D. Penn. 1976), (defendant sold reproduction penny banks similar to those sold by plaintiff), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978). Numerous other cases are cited throughout this Article.

11. 15 U.S.C. § 1125(a) (1994). The Lanham Act was enacted in 1946. Although the original version contained § 43(a), that provision was much more limited than the current form. Congress has broadened the scope of § 43(a) by several amendments, most notably in 1988. The effect of the 1988 amendments on Reverse Passing Off is discussed *infra* at text accompanying notes 119–27.

12. The gist of this Article is that reverse passing off actually does not harm the market. Therefore, the private right given to competitors is unnecessary. However, not all legal rules that deal with reverse passing off are designed with the market in mind. Plagiarism codes, for example, exist because the academy considers false claims of authorship to be morally wrong, not because it affects the "market" for scholarship. This Article's criticism of the private cause of action does not apply to laws that prohibit reverse passing off for non-economic reasons. Indeed, the author fully agrees that reverse passing off is immoral.

establishes a basic analytical framework for classifying the various types of reverse passing off cases.

Part II deals with the question of whether any of the various bodies of law cited as a basis for the cause of action for reverse passing off actually covers the situation. Most cases invoke section 43(a) of the Lanham Act.¹³ A careful review of that section, however, reveals that it does not actually reach reverse passing off. Therefore, the only possible source for a general cause of action is state law. Although Part II recognizes that some state laws may be preempted by federal copyright and patent laws, it concludes that states are generally free to regulate reverse passing off.

Given that states can regulate the practice, Part III addresses the more fundamental question of whether the law *should* impose liability for reverse passing off. To answer this question, Part III carefully considers the policy goals that the cause of action is meant to further. This analysis shows that the cause of action really does not accomplish these goals. First, contrary to the popular notion that a cause of action reduces market deception, reverse passing off cannot actually result in any meaningful consumer deception. Second, although the cause of action certainly provides an additional benefit to the source of the product, that benefit is unnecessary to stimulate innovation. Therefore, Section A of Part III argues that legislatures should refrain from creating a general cause of action for reverse passing off.

Section B considers whether that same conclusion should obtain when the plaintiff is an artist, author, or composer. The law often treats producers of art and literature differently than other sellers. These different policy concerns, coupled with the United States' existing obligations under the Berne Convention,¹⁴ support granting artists and authors a very limited cause of action for reverse passing off. Part III concludes that a limited cause of action should be available to artists, and offers a proposal of how this right could be put into law.

Before embarking on the analysis, it may be helpful to establish a uniform terminology.¹⁵ This Article will use the term *plaintiff* to refer to

13. 15 U.S.C. § 1125(a). See cases cited *infra* note 98.

14. Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised in Paris, July 24, 1971, 828 U.N.T.S. 221 [hereinafter Berne Convention].

15. The cases and commentary employ a clumsy, inconsistent terminology. Perhaps because of this, some courts have confused reverse passing off with other forms of unfair competition. In *Groden v. Random House, Inc.*, 61 F.3d 1045 (2d Cir. 1995), for example, the court erroneously labeled what was actually a privacy or right of publicity claim as one of reverse passing off. *Id.* at 1051. Similarly, *U-Haul, Int'l v. Jartran, Inc.*, 681 F.2d 1159 (9th Cir. 1982), although commonly

a party who has played a major role in producing or designing a product. The *defendant* is the party who advertises or sells the product to the public. *Reverse passing off* occurs when the defendant sells the product under its own name, without acknowledging the role of the plaintiff. Finally, this Article will use the capitalized phrase *Reverse Passing Off* in lieu of the cumbersome phrase “cause of action for reverse passing off.”

It should be noted that the above definition of reverse passing off is much broader than that used in some other discussions. It includes not only the classic case in which the defendant resells a product that was manufactured by the plaintiff,¹⁶ but also situations in which the defendant sells its own copy of the original¹⁷ and hybrid cases involving elements of both resale and copying.¹⁸ Further, a defendant engages in reverse

cited in discussions of reverse passing off, is not itself a reverse passing off case. *U-Haul* actually involves false comparative advertising.

16. See, e.g., *Cleary v. News Corp.*, 30 F.3d 1255 (9th Cir. 1994); *Summit Mach. Tool Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434 (9th Cir. 1993); *Web Printing Controls Co. v. Oxy-Dry Corp.*, 906 F.2d 1202 (7th Cir. 1990); *Roho, Inc. v. Marquis*, 902 F.2d 356 (5th Cir. 1990); *Williams v. Curtiss-Wright Corp.*, 691 F.2d 168 (3d Cir. 1982); *Alexander Binzel Corp. v. Nu-Tecsys Corp.*, 785 F. Supp. 719 (N.D. Ill. 1992); *Grambs v. Image Bank, Inc.*, No. 90 Civ. 7291, 1991 U.S. Dist. LEXIS 6505 (S.D.N.Y. May 16, 1991); *Feerick v. Arthur Young & Co.*, 715 F. Supp. 1234 (S.D.N.Y. 1989).

For a variation on this theme, see *Commodore Import Corp. v. Hiraoka & Co.*, 422 F. Supp. 628 (S.D.N.Y. 1976). In this case, plaintiff had originally ordered the goods from a third party, but had refused delivery. Defendant purchased and resold the same goods after attempting to eradicate the plaintiff's trademark. The court in *Commodore Import* refused to hold defendant liable. *Id.* at 632.

17. Most reverse passing off cases involve copying instead of resale. See, e.g., *EFS Mktg., Inc. v. Russ Berrie & Co.*, 76 F.3d 487 (2d Cir. 1996); *Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226 (8th Cir. 1994); *Takeall v. Pepsico, Inc.*, 14 F.3d 596, 1993 WL 509876 (4th Cir. Dec. 8, 1993); *Shaw v. Lindheim*, 919 F.2d 1353 (9th Cir. 1990); *Banff Ltd. v. Express, Inc.*, 921 F. Supp. 1065 (S.D.N.Y. 1996); *Blank v. Pollack*, 916 F. Supp. 165 (N.D.N.Y. 1996); *Florentine Art Studio, Inc. v. Vedet K. Corp.*, 891 F. Supp. 532 (C.D. Cal. 1995); *Woodke v. Dahm*, 873 F. Supp. 179 (N.D. Iowa 1995), *aff'd*, 70 F.3d 983 (8th Cir. 1996); *Offbeat, Inc. v. Cager*, No. 94-2796, 1995 WL 214479 (E.D. La. Apr. 11, 1995); *CD Law Inc. v. LawWorks Inc.*, 35 U.S.P.Q.2d (BNA) 1352 (W.D. Wash. 1994); *FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334 (N.D. Ill. 1994); *Playboy Enters. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993); *Beacham v. MacMillan, Inc.*, 837 F. Supp. 970 (S.D. Ind. 1993); *Debs v. Meliopoulos*, No. 1:90-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864 (N.D. Ga. Dec. 18, 1991). Other examples are cited throughout this Article.

Not all authors consider copying cases as true reverse passing off cases. One influential article, for example, entirely omits copying cases from its analysis of reverse passing off. See William M. Borchard, *Reverse Passing Off—Commercial Robbery or Permissible Competition?*, 67 *Trademark Rep.* 1 (1977). However, because courts use the label “reverse passing off” for both copying and resale cases, this Article will include both. Nevertheless, Part III.B of this Article ultimately draws a distinction between the two categories.

18. See, e.g., *Cleary*, 30 F.3d 1255.

There is also an entire subcategory of what can be dubbed “sample” cases, in which the defendant sells a product similar to plaintiff's, but uses either plaintiff's product or a photo of that product as a

passing off in any situation where its actions cause consumers to believe that the product originates from the defendant, regardless of whether the defendant makes an express statement to that effect.¹⁹ Because all of the cases revolve around the essential issue of whether the plaintiff is

sample in its sale. *See, e.g.*, *Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410 (2d Cir. 1982); *Knickerbocker Toy Co. v. Azrak-Hamway Int'l, Inc.*, 668 F.2d 699 (2d Cir. 1982); *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107 (5th Cir. 1976); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976); *Additive Control & Measurement Sys., Inc. v. Flowdata Inc.*, 29 U.S.P.Q.2d (BNA) 1890 (S.D. Tex. 1993); *CCS Communication Control, Inc. v. Law Enforcement Assocs., Inc.*, 628 F. Supp. 1457 (S.D.N.Y. 1986); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292 (E.D. Pa. 1976), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978); *Matsushita Elec. Corp. v. Solar Sound Sys., Inc.*, 381 F. Supp. 64 (S.D.N.Y. 1974); *American Precast Corp. v. Maurice Concrete Prods., Inc.*, 360 F. Supp. 859 (D. Mass.), *aff'd*, 502 F.2d 1159 (1st Cir. 1973); *Ideal Toy Corp. v. Fab-Lu, Ltd.*, 261 F. Supp. 238 (S.D.N.Y. 1966); *George O'Day Assocs., Inc. v. Talman Corp.*, 206 F. Supp. 297 (D.R.I.), *aff'd*, 310 F.2d 623 (1st Cir. 1962). Of course, defendant has removed any reference to plaintiff from the sample, for otherwise the case would be an ordinary trademark infringement case. In addition, defendant's product is sufficiently similar to plaintiff's to forestall a claim that use of the photo or sample is false advertising. *But cf.* *L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.*, 214 F.2d 649 (3d Cir. 1954) (recognizing false advertising claim where products are different).

The sample cases could be treated as a third category. However, the analysis used in this Article would ultimately treat the sample cases exactly the same as the copying cases. After all, any harm that plaintiff suffers is attributable to the purchase of defendant's similar product, not from the use of the sample. *See infra* note 69.

19. Several courts and commentators distinguish between "express" and "implied" reverse passing off. *Cleary*, 30 F.3d at 1261; *Summit Mach.*, 7 F.3d at 1443; *Woodke*, 873 F. Supp. at 190; *CD Law*, 35 U.S.P.Q.2d at 1357; *Debs*, 1991 U.S. Dist. LEXIS 19864, at *20 n.8; *Xerox Corp. v. Apple Computer, USA, Inc.*, 734 F. Supp. 1542, 1551-52 (N.D. Cal. 1990); *Rosenfeld v. W.B. Saunders*, 728 F. Supp. 236, 241 (S.D.N.Y.), *aff'd*, 923 F.2d 845 (2d Cir. 1990); *PIC Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106, 115 (S.D.N.Y. 1964); *Borchard*, *supra* note 17, at 2; *Lori H. Freedman, Reverse Passing Off: A Great Deal of Confusion*, 83 Trademark Rep. 305, 305 (1993); *Leon H. Rittenberg III, Roho, Inc. v. Marquis: A Conservative Interpretation of Reverse Palming Off*, 65 Tul. L. Rev. 1755, 1759 (1991); *Randolph Stuart Sergeant, Building Reputational Capital: The Right of Attribution Under Section 43 of the Lanham Act*, 19 Colum.-VLA J.L. & Arts 45, 50-51 (1995). In a case of express reverse passing off, the defendant makes a positive claim to be the source of the product. Implied reverse passing off, by contrast, occurs when the defendant removes all reference to the plaintiff from the product, but does not add its own name or mark.

The line between express and implied reverse passing off is not always clear. For example, while both *Borchard* and *Freedman* argue that defendant's use of its own mark constitutes an express claim of source, the Southern District of New York disagrees. *Banff*, 921 F. Supp. 1065; *see also* Restatement (Third) of Unfair Competition, § 5 cmt. b (1995) (arguing that defendant's substitution of its mark is ordinarily not enough to deceive consumers as to source of product). For a discussion of whether use of a false copyright or patent notice constitutes a false representation, *see infra* notes 81-82.

This Article rejects any bright-line distinction between express and implied reverse passing off. As discussed *infra* note 85, a more useful distinction is between cases of misattribution and non-attribution.

entitled to receive credit, it is useful to consider all of them in a general discussion of reverse passing off.

II. THE CURRENT LAW GOVERNING REVERSE PASSING OFF

Most of the cases that use the phrase “reverse passing off” were decided during the last fifteen years.²⁰ Nevertheless, although the label is of a fairly recent vintage, courts have been wrestling with reverse passing off cases throughout this century. This section briefly reviews the development of the law governing reverse passing off. Following that, it analyzes the elements of the action and provides a conceptual framework for classifying the various types of reverse passing off cases. This framework will prove useful later in the analysis.

A. *Evolution of the Doctrine*

Courts throughout this century have indicated that there is something wrong with failing to acknowledge the source of a commercial product. The U.S. Supreme Court said as much in *International News Service*²¹ (*INS*), a decision that has had a major impact on intellectual property law. In *INS*, the defendant had copied the content of news that had been collected and originally published by a rival news organization.²² Although the majority opinion focused on the appropriation of the news itself, it also indicated that the defendant had made an actionable “false representation” when it published the copied news under its own name.²³ Justice Holmes elaborated upon the theme of deceit in his concurrence, arguing that although the defendant should be free to copy the news, it was required to inform readers that the original publisher was the source of that news. To Holmes, the defendant’s act involved the same basic “evil” as a normal passing off case.²⁴

20. See *infra* note 33 for a discussion of the phenomenal recent growth of the doctrine.

21. *International News Serv. v. Associated Press*, 248 U.S. 215 (1918).

22. *Id.* at 231.

23. *Id.* at 242. For an even earlier discussion of the idea that false claims of origin constitute an actionable false representation, see the concurring opinion of Justice Seabury in *Clemens v. Press Publishing Co.*, 122 N.Y.S. 206, 207–08 (N.Y. App. Div. 1910).

24. *INS*, 248 U.S. at 247–48 (Holmes, J., concurring).

The argument that reverse passing off involves the same basic wrong as ordinary passing off survives to this day. See, e.g., *Pioneer Hi-Bred Int’l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226, 1241 (8th Cir. 1994); *Roho, Inc. v. Marquis*, 902 F.2d 356, 359 (5th Cir. 1990); *Smith v. Montoro*, 648 F.2d 602, 607 (9th Cir. 1981); *Rittenberg*, *supra* note 19, at 1758.

A case more directly on point is the Seventh Circuit's 1929 decision, *Federal Electric Co. v. Flexlume Corp.*²⁵ This case involved a defendant who serviced signs that had been manufactured by the plaintiff. When servicing a sign, the defendant would replace the plaintiff's mark with defendant's own, thereby suggesting to passers-by that it had manufactured the sign.²⁶ The court held that defendant's false representation constituted common law unfair competition.²⁷

Over the next fifty years, several courts upheld claims of Reverse Passing Off.²⁸ Others disagreed, however, finding that a failure to acknowledge was not actionable.²⁹ Reviewing the cases from the fifty year period following *Federal Electric*, it is apparent that reverse passing off had not yet gelled into a cohesive legal doctrine. Courts recognized that some injury could result from a failure to acknowledge, but could not agree on whether that harm was compensable under tort law.³⁰

Widespread acceptance of a cause of action began around 1980. In retrospect, two factors were instrumental in giving life to the cause of action. The first was a highly influential 1977 law review article in which William M. Borchard reviewed and categorized the case law as it stood at the time.³¹ Borchard's analysis, especially his discussion of the harm

25. 33 F.2d 412 (7th Cir. 1929).

26. *Id.* at 414.

27. *Id.* at 414-15.

28. *See, e.g.*, *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107 (5th Cir. 1976); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292 (E.D. Pa. 1976), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978); *FRA S.p.A. v. Surg-O-Flex of Am., Inc.*, 415 F. Supp. 421 (S.D.N.Y. 1976); *Middletown Mfg. Co. v. Super Sagless Corp.*, 382 F. Supp. 979 (N.D. Miss. 1974), *aff'd*, 515 F.2d 509 (5th Cir. 1975); *American Precast Corp. v. Maurice Concrete Prods., Inc.*, 360 F. Supp. 859 (D. Mass.), *aff'd*, 502 F.2d 1159 (1st Cir. 1973); *Ideal Toy Corp. v. Fab-Lu, Ltd.*, 261 F. Supp. 238 (S.D.N.Y. 1966); *National Dynamics Corp. v. John Surrey, Ltd.*, 238 F. Supp. 422 (S.D.N.Y. 1963); *cf.* *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976) (although court treats as reverse passing off case and allows plaintiff to recover, it is not entirely clear that defendant's use of photo was actually reverse passing off); *C.M. Peula Co. v. Logan*, 355 F. Supp. 189 (N.D. Tex. 1973) (although court dismisses copyright claim, it orders defendant, who had incorporated plaintiff's photos into its own product, to acknowledge plaintiff as source of photos).

29. *See, e.g.*, *Vargas v. Esquire, Inc.*, 164 F.2d 522, 526 (2d Cir. 1947); *L&L White Metal Casting Corp. v. Joseph*, 387 F. Supp. 1349, 1356 (E.D.N.Y. 1975); *Pezon et Michel v. Ernest R. Hewin Assoc., Inc.*, 270 F. Supp. 423, 429-30 (S.D.N.Y. 1967); *George O'Day Assocs., Inc. v. Talman Corp.*, 206 F. Supp. 297, 299-300 (D.R.I.), *aff'd*, 310 F.2d 623 (1st Cir. 1962); *Mastro Plastics Corp. v. Emenee Indus., Inc.*, 228 N.Y.S.2d 514 (N.Y. App. Div. 1962).

30. *See* the extensive discussion in *Blazon, Inc. v. DeLuxe Game Corp.*, 268 F. Supp. 416, 426 (S.D.N.Y. 1965), in which the court, although expressing doubt about whether a cause of action exists, chose to dispose of the case on the ground that plaintiff failed to demonstrate customer confusion.

31. *See* Borchard, *supra* note 17.

that could result from a failure to give credit, continues to influence the courts to this day.³²

The second factor was the Ninth Circuit's 1981 opinion in *Smith v. Montoro*.³³ In *Smith*, an actor who had performed in a film sued when the distributor removed the actor's name from the film credits and advertising material, and substituted the name of another actor.³⁴ The aggrieved actor brought several different claims. The Ninth Circuit's opinion, however, dealt only with plaintiff's claim under section 43(a) of the Lanham Act.³⁵ The court held that the substitution constituted a "false designation or representation" within the meaning of section 43(a), and that the plaintiff could therefore use that federal law to recover.³⁶

Although *Smith* was not the first case to recognize a cause of action for reverse passing off, the court's in-depth analysis proved quite influential. At last count, Reverse Passing Off is recognized by the Second,³⁷ Third,³⁸ Fifth,³⁹ Seventh,⁴⁰ Eighth,⁴¹ Ninth,⁴² and probably the Eleventh⁴³ circuits. In addition, at least one trial court in the Fourth,⁴⁴

32. *Witco Chem. Corp. v. United States*, 742 F.2d 615, 625 n.12 (Fed. Cir. 1984); *Smith v. Montoro*, 648 F.2d 602, 605 (9th Cir. 1981).

33. 648 F.2d 602. *Smith* has been cited extensively in later cases. Its influence can perhaps be suggested by the fact that a LEXIS search revealed only six pre-*Smith* cases using the phrases "reverse passing off" or "reverse palming off." In the 16 years since *Smith*, no fewer than 85 cases have used one or both of these phrases.

34. *Id.* at 603.

35. *Id.* The trial court had dismissed that claim. Because that court had only ancillary jurisdiction over the state law claims, the trial court had dismissed those claims for lack of jurisdiction at the same time it dismissed the Lanham Act claim. *Id.*

36. *Id.* at 605-07. *Smith's* interpretation of § 43(a) is noteworthy for another reason. The court also held that the actor had standing to bring a § 43(a) claim notwithstanding the lack of any direct competition between him and the distributor. *Id.* at 607-08.

37. *See, e.g., Waldman Publ'g Corp. v. Landoll*, 43 F.3d 775, 780 (2d Cir. 1994); *Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410, 415 (2d Cir. 1982).

38. *See, e.g., Williams v. Curtiss-Wright Corp.*, 691 F.2d 168, 172 (3d Cir. 1982).

39. *See, e.g., Roho, Inc. v. Marquis*, 902 F.2d 356, 359 (5th Cir. 1990); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107, 1109 (5th Cir. 1976).

40. *See, e.g., Web Printing Controls Co. v. Oxy-Dry Corp.*, 906 F.2d 1202, 1204 (7th Cir. 1990); *F.E.L. Publications Ltd. v. Catholic Bishop of Chicago*, 214 U.S.P.Q. (BNA) 409, 416 (7th Cir. 1981); *see also* discussion *supra* text accompanying notes 25-27.

41. *See, e.g., Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226, 1241 (8th Cir. 1994).

42. In addition to *Smith*, *see Cleary v. News Corp.*, 30 F.3d 1255, 1260-62 (9th Cir. 1994) and *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403, 1406-08 (9th Cir. 1988).

43. The Eleventh Circuit has not itself faced the issue. However, the Eleventh Circuit was carved out of the Fifth in 1981. Precedent from the Fifth Circuit rendered prior to the split applies in the

Tenth,⁴⁵ and, most recently, the First⁴⁶ Circuits have recognized Reverse Passing Off in certain circumstances. Many of these cases cite *Smith* as authority. The Sixth,⁴⁷ District of Columbia, and Federal Circuits have not yet faced the issue.

Eleventh. As the Fifth Circuit had accepted reverse passing off by 1976, *see supra* note 39, the doctrine should also be valid in the Eleventh Circuit.

Trial court opinions from the new Eleventh Circuit bear this out. *See Playboy Enters. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (granting summary judgment for plaintiff); *Marling v. Ellison*, 218 U.S.P.Q. (BNA) 702 (S.D. Fla. 1982) (allowing recovery); *see also Debs v. Meliopoulos*, No. 1:90-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864 (N.D. Ga. Dec. 18, 1991) (although recognizing cause of action, holding that defendant prevailed because plaintiff had failed to demonstrate both that it was creator of class notes in question and that readers would be confused by failure to acknowledge plaintiff as source).

44. *See, e.g., Hospital for Sick Children v. Melody Fare Dinner Theatre*, 516 F. Supp. 67, 73 (E.D. Va. 1980) (holding that defendant's use of title of play "Peter Pan," to which plaintiff held copyright for musical, constitutes reverse passing off).

Admittedly, the Fourth Circuit itself recently upheld the grant of a summary judgment dismissing a reverse passing off claim in its unpublished opinion in *Takeall v. Pepsico, Inc.*, 14 F.3d 596, 1993 WL 509876, at *6-7 (4th Cir. Dec. 8, 1993). However, the plaintiff in *Takeall* had based its reverse passing off claims only on state law. The court found that these state law claims were preempted by the federal copyright laws. *Id.* at *6. Most plaintiffs in reverse passing off cases rely on a federal law, § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (1994), as the basis for at least one of their claims. The copyright laws, of course, would not preempt a Lanham Act claim.

Takeall is nevertheless relevant for its discussion of copyright preemption, an issue discussed in greater depth *infra* notes 146-70.

45. *By-Rite Distrib., Inc. v. Coca-Cola Co.*, 577 F. Supp. 530, 541 (D. Utah 1983) (allowing recovery, citing Ninth Circuit precedent).

46. *Kasco Corp. v. General Servs., Inc.*, 905 F. Supp. 29, 35 (D. Mass. 1995) (allowing claim under Lanham Act where defendant failed to indicate plaintiff as source, although explicitly rejecting labels "reverse passing off" and "reverse palming off" as not particularly helpful).

The *Kasco* court's recent acceptance of Reverse Passing Off is particularly significant insofar as the Massachusetts district court had previously refused to recognize the cause of action. *General Elec. Co. v. Iljin Corp.*, Civ. A. No. 89-40094-GN, 1993 WL 41752 (D. Mass. Feb. 12, 1993); *Boothroyd Dewhurst, Inc. v. Poli*, 783 F. Supp. 670 (D. Mass. 1991). The *General Electric* and *Boothroyd* decisions were based on language in the influential 1949 case of *Samson Crane*, where the district court interpreted recently-enacted § 43 of the Lanham Act as applying only to acts "closely associated with the misuse of trademarks, i.e., the passing off of one's own goods as those of a competitor." *Samson Crane Co. v. Union Nat'l Sales, Inc.*, 87 F. Supp. 218, 222 (D. Mass. 1949), *aff'd*, 180 F.2d 896 (1st Cir. 1950). Not only was *Samson Crane* itself affirmed by the First Circuit, but its restrictive language was cited with approval in later First Circuit cases, most recently in *Clamp-All Corp. v. Cast Iron Soil Pipe Institute*, 851 F.2d 478, 491 (1st Cir. 1988), a case that did not involve reverse passing off. The *Kasco* court nevertheless reasoned that this restrictive interpretation was in error, especially in light of the 1988 amendments to § 43(a) and the indications of Congressional intent behind those amendments. *Kasco*, 905 F. Supp. at 34. Whether *Kasco's* acceptance of the cause of action accurately reflects the views of the First Circuit remains to be seen.

47. The Northern District of Ohio and Sixth Circuit were presented with a situation involving reverse passing off in *United States v. American Greetings Corp.*, 168 F. Supp. 45 (N.D. Ohio 1958), *aff'd*, 272 F.2d 945 (6th Cir. 1959). However, this was not a private cause of action; it was instead an

Virtually all of the reverse passing off cases have been litigated in the federal courts, with only a handful in the state courts.⁴⁸ Illinois has recognized that reverse passing off may be actionable under the law of misappropriation.⁴⁹ California apparently allows a similar claim under a theory of fraud or misrepresentation.⁵⁰ New York, by contrast, held in 1962 that reverse passing off did not qualify as unfair competition.⁵¹ However, given the vintage of the decision and the substantial development of the cause of action over the past thirty years, the continued vitality of this New York precedent is open to question.⁵²

action brought by the Federal Trade Commission under § 5(1) of the FTC Act, 15 U.S.C. § 45(1) (1994).

The possibility of using federal agencies to police reverse passing off is discussed *infra* at text accompanying notes 250–51.

48. As will be discussed *infra* at text accompanying notes 97–98, most plaintiffs include a claim under § 43(a) of the Lanham Act, and therefore easily qualify for federal subject-matter jurisdiction under 28 U.S.C. § 1338 (1994). If the plaintiff also adds one or more state law claims, the federal court may hear the entire case under the expansive language of § 1338(b).

Not all cases involve a Lanham Act claim. In many of these cases, however, the plaintiff will have included a claim under the patent or copyright law. *See, e.g.*, *Fisher v. Dees*, 794 F.2d 432 (9th Cir. 1986) (copyright and state law defamation, unfair competition, and product disparagement); *FASA Corp. v. Playmates Toys, Inc.*, 869 F.Supp. 1334 (N.D. Ill. 1994) (copyright and state law misappropriation); *American Precast Corp. v. Maurice Concrete Prods., Inc.*, 360 F.Supp. 859 (D. Mass.) (patent and state law unfair competition), *aff'd*, 502 F.2d 1159 (1st Cir. 1973). Section 1338(b) also allows jurisdiction over the state law claims in these cases.

49. *Board of Trade v. Dow Jones & Co.*, 439 N.E.2d 526, 537 (Ill. App. Ct. 1982), *aff'd*, 456 N.E.2d 84 (Ill. 1983). Because the court allowed recovery under state law, it found it unnecessary to deal with plaintiff's Lanham Act claim. *Id.*

50. *Parsons v. Tickner*, 37 Cal. Rptr. 2d 810, 818 (Cal. Ct. App. 1995). In *Parsons*, the daughter of a deceased composer sued the composer's former business partners after she learned that the partners had taken control of the composer's music. *Id.* at 813. Although the daughter's complaint relied primarily on the theory of conversion, she also asserted that the partners committed fraud or misrepresentation when they alleged that the songs belonged to them. *Id.* The court of appeals reversed the trial court's grant of a demurrer regarding plaintiff's entire case. However, the court focused primarily on the issues of standing and the statute of limitations, and never directly addressed the merits of the reverse passing off claim. *Id.* at 815–20. Nevertheless, the fact that the court overturned the demurrer in its entirety suggests that it recognizes a cause of action.

51. *Mastro Plastics Corp. v. Emenee Indus., Inc.*, 228 N.Y.S.2d 514, 515–16 (N.Y. App. Div. 1962).

The earlier case of *Benelli v. Hopkins*, 103 N.Y.S.2d 526 (N.Y. Sup. Ct. 1950), although dealing with a case facially similar to reverse passing off, is not really on point. The defendant in *Benelli* had been granted a license to produce plaintiff's play. *Id.* at 528. When plaintiff attempted to market a newer version of the play, defendant threatened the potential licensees with legal action. *Id.* Because defendant was not taking credit for the newer version of the play, *Benelli* is not a reverse passing off case.

52. The federal courts in New York are apparently convinced that an action lies under state law. In *Blank v. Pollack*, 916 F.Supp. 165 (N.D.N.Y. 1996), the court denied a motion to dismiss plaintiff's fraud and misappropriation claims under New York law. *Id.* at 170.

Courts have invoked Reverse Passing Off in a wide variety of situations. Like the plaintiff in *Smith v. Montoro*,⁵³ a number of authors and artists have sued when a publisher or producer failed to acknowledge their work.⁵⁴ Courts have applied the doctrine not just to film, but also to books,⁵⁵ songs,⁵⁶ scripts,⁵⁷ and other artistic works. Plaintiffs other than artists have also sued for Reverse Passing Off when their commercial products are resold with the original mark removed, incorporated into new products, copied, or used as samples for the sale of competing products.⁵⁸ For some reason, a surprising number of cases involve the copying of dolls.⁵⁹

53. 648 F.2d 602 (9th Cir. 1981).

54. Some of these cases resemble *Smith*, where an original work that an artist or author helped to produce is attributed to someone else. *See, e.g.,* *Beacham v. MacMillan, Inc.*, 837 F. Supp. 970 (S.D. Ind. 1993) (publisher failed to include author's name on book); *Feerick v. Arthur Young & Co.*, 715 F. Supp. 1234 (S.D.N.Y. 1989) (partner helped to create work for use of partnership; partnership distributed work without acknowledging his role); *Dodd v. Fort Smith Special Sch. Dist.*, 666 F. Supp. 1278 (W.D. Ark. 1987) (failure to acknowledge authorship of book). More commonly, however, the author or artist complains that someone else has copied a work without disclosing the original. *See, e.g.,* *Cleary v. News Corp.*, 30 F.3d 1255 (9th Cir. 1994) (failure to give credit for author's work on prior edition of revised book); *Kregos v. Associated Press*, 3 F.3d 656 (2d Cir. 1993) (plaintiff alleges copyright infringement and state law claims); *Kregos v. Associated Press*, 937 F.2d 700 (2d Cir. 1991) (same; defendant put false copyright notice in its name on pitching form created by plaintiff); *Berkic v. Crichton*, 761 F.2d 1289 (9th Cir. 1985) (defendant produced screenplay similar to plaintiff's); *Offbeat, Inc. v. Cager*, No. 94-2796, 1995 WL 214479 (E.D. La. Apr. 11, 1995) (defendant copied plaintiff's mailing list); *CD Law Inc. v. LawWorks Inc.*, 35 U.S.P.Q.2d (BNA) 1352 (W.D. Wash. 1994) (defendant copied plaintiff's computer software); *Playboy Enters. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993) (defendant copied plaintiff's pictures onto computer bulletin board, adding its own name in process); *Childress v. Taylor*, 20 U.S.P.Q.2d (BNA) 1181 (S.D.N.Y. 1991) (play performed without acknowledging playwright as author); *Nash v. CBS, Inc.*, 704 F. Supp. 823 (N.D. Ill. 1989) (defendant produced series based on plaintiff's story), *aff'd on other grounds*, 899 F.2d 1537 (7th Cir. 1990); *Hartman v. Hallmark Cards, Inc.*, 639 F. Supp. 816 (W.D. Mo. 1986) (defendant produced similar greeting cards), *aff'd*, 833 F.2d 117 (8th Cir. 1987); *Marling v. Ellison*, 218 U.S.P.Q.2d (BNA) 702 (S.D. Fla. 1982) (defendant copied much of plaintiff's work in cookbook). The distinction between a "resale" case like *Smith* and a case involving copying will prove important to many issues in this analysis, and will therefore be explored in greater depth *infra* at text accompanying notes 63-70.

55. *Cleary*, 30 F.3d 1255; *Beacham*, 837 F. Supp. 970; *Dodd*, 666 F. Supp. 1278; *Clark Equip. Co. v. Lift Parts Mfg. Co.*, No. 82 C 4585, 1985 WL 2917 (N.D. Ill. Oct. 1, 1985); *R.H. Donnelley Corp. v. Illinois Bell Tel. Co.*, 595 F. Supp. 1202 (N.D. Ill. 1984) (telephone book).

56. *See, e.g.,* *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403 (9th Cir. 1988); *F.E.L. Publications, Ltd. v. Catholic Bishop of Chicago*, 214 U.S.P.Q. (BNA) 409 (7th Cir. 1982).

57. *See, e.g.,* *Shaw v. Lindheim*, 919 F.2d 1353 (9th Cir. 1990); *Murray v. NBC, Inc.*, 844 F.2d 988 (2d Cir. 1988); *Nash*, 704 F. Supp. 823.

58. *See, e.g.,* *Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226 (8th Cir. 1994) (copying of hybrid seeds); *Roho, Inc. v. Marquis*, 902 F.2d 356 (5th Cir. 1990) (parts incorporated into new product); *Williams v. Curtiss-Wright Corp.*, 691 F.2d 168 (3d Cir. 1982) (resale of unused and reconditioned parts under defendant's own mark); *Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410 (2d Cir. 1982) (use of plaintiff's damper as sample for selling defendant's

Courts have allowed recovery in all of these situations. In fact, since 1980, Reverse Passing Off has been warmly embraced by courts across the country. All of the federal courts that have actually considered the question have ultimately come to the conclusion that at least some types of reverse passing off are actionable.⁶⁰ A number of scholars have also championed the cause of action.⁶¹

B. *The Elements of Reverse Passing Off*

Courts not only agree that reverse passing off is actionable, but also agree on the general elements of a successful claim. Although no court states the elements this precisely, the following five-part test reflects a typical analysis.

1. *The Product Must Originate with the Plaintiff*

The crux of reverse passing off is that defendant is taking credit for someone else's work. Accordingly, there can be no Reverse Passing Off claim if the product originates with the defendant or a third party.⁶²

product); *Knickerbocker Toy Co. v. Azrak-Hamway Int'l, Inc.*, 668 F.2d 699 (2d Cir. 1982) (use of photograph of plaintiff's product to sell defendant's copy); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107 (5th Cir. 1976) (use of photograph of plaintiff's boat in defendant's advertising); *CyberOptics Corp. v. Yamaha Motor Co.*, No. 3-95-1174, 1996 U.S. Dist. LEXIS 12614 (D. Minn. July 30, 1996) (resale of plaintiff's international laser system in domestic market); *Summit Tech., Inc. v. High-Line Med. Instruments Co.*, 933 F. Supp. 918 (C.D. Cal. 1996); *By-Rite Dist., Inc. v. Coca-Cola Co.*, 577 F. Supp. 530 (D. Utah 1983) (resale of soft drinks in bottles with other party's mark); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292 (E.D. Penn. 1976) (copying of coin banks), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978); *Mastro Plastics Corp. v. Emence Indus., Inc.*, 228 N.Y.S.2d 514 (N.Y. App. Div. 1962) (resale of bongo drums).

59. *EFS Mktg., Inc. v. Russ Berrie & Co.*, 37 U.S.P.Q.2d (BNA) 1646 (2d Cir. 1996); *Kamar Int'l, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059 (9th Cir. 1981); *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905 (2d Cir. 1980); *Ideal Toy Corp. v. Fab-Lu, Ltd.*, 261 F. Supp. 238 (S.D.N.Y. 1966); *see also Eden Toys, Inc. v. Florelee Undergarment Co., Inc.*, 697 F.2d 27 (2d Cir. 1982) (defendant made dolls that represented plaintiff's fictional character "Paddington Bear").

60. *See supra* notes 37-46.

61. Borchard, *supra* note 17, at 23-24; Freedman, *supra* note 19, at 320-23; Rittenberg, *supra* note 19, at 1765-66. For a related but more general consideration, see Edward J. Damich, *The Right of Personality: A Common Law Basis for the Protection of the Moral Rights of Authors*, 23 Ga. L. Rev. 1 (1988).

Not all of the commentary supports the cause of action. For a criticism of the cases that allow artists and authors to recover for non-attribution under § 43(a), see Sergeant, *supra* note 19, at 69-77.

62. *Jacobs v. Transocean Entertainment*, No. 95-55804, 1996 U.S. App. LEXIS 27591 (9th Cir. Oct. 22, 1996) (finding plaintiff's contribution to end product insufficient to give right to claim to be source); *EFS Mktg.*, 37 U.S.P.Q.2d 1646 (refusing to hold that plaintiff is source of design because

The problem, of course, is determining where a given product actually originates. *Smith* is an exceptionally easy case in this regard, for the actor's performance could by definition only originate with him. Other cases are much more difficult. In many ways the question of origin is one of both physics and metaphysics. One basic concern underlying Reverse Passing Off is that consumers are deceived if defendant falsely takes credit for the product. That deception cannot exist if customers, knowing all of the facts, would still consider defendant the origin. Therefore, a court must determine origin from the perspective of the customer, not the scientist or engineer.

In analyzing the first element of Reverse Passing Off, it is useful to divide the Reverse Passing Off cases into two categories, the "resale" and "copying" cases. Each category raises fundamentally different questions of origin. Accordingly, application of the first element may well differ in each.

In a resale case, the plaintiff is responsible for the actual manufacture of the product. Plaintiff may have built the product itself,⁶³ or arranged with a third party to build something to specification.⁶⁴ *Smith* and many of the other cases involving artists and authors also fall into this category, for in each the plaintiff was directly responsible for the final product.⁶⁵

defendant's troll dolls similar to those produced by other sellers); *Roho*, 902 F.2d 356 (finding that although defendant's product was made of parts produced by plaintiff, the product was new and discrete); *Murray*, 844 F.2d 988 (holding that where plaintiff's work completely lacks originality, plaintiff not entitled to be named as source); *Kamar*, 657 F.2d 1059 (finding that plaintiff cannot win absent proof that defendant either copied or resold plaintiff's product); *Debs v. Meliopoulos*, No. 1:90-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864 (N.D. Ga. Dec. 19, 1991) (finding that class notes used by defendant were produced mainly by defendant, not plaintiff); *Feerick v. Arthur Young & Co.*, 715 F.Supp. 1234 (S.D.N.Y. 1989) (finding that book written mainly by defendant, not plaintiff).

63. See, e.g., *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434 (9th Cir. 1993) (although products produced in China, they were designed by plaintiff; plaintiff sought credit in part for design); *Web Printing Controls Co., Inc. v. Oxy-Dry Corp.*, 906 F.2d 1202 (7th Cir. 1990); *Roho*, 902 F.2d 356; *Williams*, 691 F.2d 168; *Federal Elec. Corp. v. Flexlume Corp.*, 33 F.2d 412 (7th Cir. 1929); *Summit Tech.*, 933 F. Supp. 918; *Kasco Corp. v. Gen. Servs. Inc.*, 905 F. Supp. 29 (D. Mass. 1995); *Yarway Corp. v. Eur-Control USA, Inc.*, 225 U.S.P.Q. (BNA) 45 (N.D. Ga. 1984); *By-Rite Distrib.*, 577 F. Supp. 530; *Nike, Inc. v. Rubber Mfrs. Ass'n*, 509 F. Supp. 919 (S.D.N.Y. 1981); *PIC Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106 (S.D.N.Y. 1964).

64. See, e.g., *Alexander Binzel Corp. v. Nu-Tecsys Corp.*, 785 F. Supp. 719 (N.D. Ill. 1992); *Commodore Import Corp. v. Hiraoka & Co.*, 422 F. Supp. 628 (S.D.N.Y. 1976). *But cf.* *Display Producers, Inc. v. Shulton, Inc.*, 525 F. Supp. 631 (S.D.N.Y. 1981) (holding for defendant because there was no evidence that defendant knew that third party producer would claim to be origin).

65. *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403 (9th Cir. 1988); *Smith v. Montoro*, 648 F.2d 602 (9th Cir. 1981); *Grambs v. Image Bank, Inc.*, No. 90 Civ. 7291, 1991 U.S. Dist. LEXIS

Ascertaining the origin of a product is relatively easy in the resale cases. If defendant acquires a product originally manufactured by plaintiff and merely resells it as its own, it is clear that plaintiff is the “origin,” at least in the absolute sense of that word.⁶⁶ But difficult issues can arise even here. In some of the cases, for example, the defendant made significant changes to the product before reselling it as its own.⁶⁷ Courts must weigh the input of each party in the final product in order to determine who consumers would consider to be the source.

Although there are a good number of resale cases, most Reverse Passing Off cases are copying cases. The defendant in a copying case actually builds, or arranges to have built, its own product. However, defendant’s product is a close copy of something that was designed or produced by the plaintiff. Of course, a defendant who copies a distinct product may be liable for copyright, patent,⁶⁸ or regular trademark

6505 (S.D.N.Y. May 16, 1991); *Feerick*, 715 F. Supp. 1234; *C.M. Paula Co. v. Logan*, 355 F. Supp. 189 (N.D. Tex. 1973).

66. However, *see infra* text accompanying notes 190–200 for a discussion of how the meaning of the word “origin” may differ depending upon the context. The dictionary meaning of that word, although useful in a copyright or patent case, is not necessarily appropriate in a reverse passing off case.

67. *Roho*, 902 F.2d at 357; *Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410, 412 (2d Cir. 1982); *Alexander Binzel*, 785 F. Supp. at 720; *see also Summit Tech.*, 933 F. Supp. 918 (defendant imported and sold international versions of plaintiff’s product, which differed from domestic version).

68. Copying is the gist of a patent or copyright infringement claim. It should therefore not be surprising that plaintiffs in copying-type Reverse Passing Off cases frequently add a claim under the copyright or patent laws. *See, e.g.*, *Lipton v. Nature Co.*, 71 F.3d 464 (2d Cir. 1995) (copyright); *Kregos v. Associated Press*, 3 F.3d 656 (2d Cir. 1993) (copyright); *Takeall v. Pepsico*, 14 F.3d 596, 1993 WL 509876, at *6–7 (4th Cir. Dec. 8, 1993) (copyright); *Shaw v. Lindheim*, 919 F.2d 1353 (9th Cir. 1990) (copyright); *Litchfield v. Spielberg*, 736 F.2d 1352 (9th Cir. 1984) (copyright); *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27 (2d Cir. 1982) (copyright); *F.E.L. Publications, Ltd. v. Catholic Bishop of Chicago*, 214 U.S.P.Q. (BNA) 409 (7th Cir. 1982) (copyright); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107 (5th Cir. 1976) (copyright); *Campbell v. Osmond*, 917 F. Supp. 1574 (M.D. Fla. 1996) (copyright); *Banff Ltd. v. Express, Inc.*, 921 F. Supp. 1065 (S.D.N.Y. 1995) (copyright); *Offbeat, Inc. v. Cager*, No. 94-2796, 1995 WL 214479 (E.D. La. Apr. 11, 1995) (copyright); *FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334 (N.D. Ill. 1994) (copyright); *Cognotec Servs. Ltd. v. Morgan Guar. Trust Co.*, 862 F. Supp. 45 (S.D.N.Y. 1994) (copyright); *Additive Controls & Measurement Sys., Inc. v. Flowdata, Inc.*, 29 U.S.P.Q.2d (BNA) 1890 (S.D. Tex. 1993) (patent); *Boothroyd Dewhurst, Inc. v. Poli*, 783 F. Supp. 670 (D. Mass. 1991) (copyright); *Bull Publ’g Co. v. Sandoz Nutrition Corp.*, 13 U.S.P.Q.2d (BNA) 1678 (N.D. Cal. 1989) (copyright); *Dodd v. Fort Smith Special Sch. Dist. No. 100*, 666 F. Supp. 1278 (W.D. Ark. 1987) (copyright); *Hartman v. Hallmark Cards, Inc.*, 639 F. Supp. 816 (W.D. Mont. 1986) (copyright), *aff’d*, 833 F.2d 117 (8th Cir. 1987); *American Precast Corp. v. Maurice Concrete Prods., Inc.*, 360 F. Supp. 859 (D. Mass.) (patent), *aff’d*, 502 F.2d 1159 (1st Cir. 1973). This same overlap, however, also raises the possibility that the Reverse Passing Off claim may be preempted, an issue to be addressed *infra* at text accompanying notes 145–82.

infringement.⁶⁹ Reverse Passing Off is not a substitute for these claims, but instead deals with a separate and discrete injury. The plaintiff who sues for Reverse Passing Off is not directly challenging the defendant's right to copy. Plaintiff is merely claiming that if defendant does copy, it must tell consumers who actually designed the product. Because it deals with a separate wrong, the success or failure of a Reverse Passing Off claim does not turn on plaintiff's ability to recover for ordinary infringement.

The question of origin is far more complex in a copying case. Even in the simplest case, where defendant produces an exact duplicate of plaintiff's product, the final product is the result of both plaintiff's and defendant's labors. A court must determine if, from the consumer's perspective, the origin of a particular product is the person who designs it or the person who controls its actual manufacture. This may differ from product to product, or even from consumer to consumer.

The issue is even more complex when defendant's copy is not exact. Much of the discussion of the question of origin in the copying cases is dedicated to the question of how similar the products must be. An excellent example is the disagreement between the Second and Ninth Circuits concerning the test to use for determining the "source" of a literary work. The Second Circuit requires only that the works be

69. Courts have increasingly turned to the "trade dress" branch of trademark law to protect a producer against someone who copies a unique product design. The Supreme Court greatly facilitated the law of trade dress in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), in which the Court allowed a restaurant to protect its decorative motif. Since *Two Pesos*, other courts have allowed trade dress to be protected. *See, e.g.*, *Krueger Int'l, Inc. v. Nightingale Inc.*, 915 F. Supp. 595 (S.D.N.Y. 1996). The question of trade dress and the related question of product configuration have proven terribly difficult for courts and commentators, and are likely to dominate the discussion of trademark law for some time to come.

However, that debate is of little relevance here, for there is a fundamental difference between these trade dress/product configuration cases and a case of reverse passing off. In the former, the design of plaintiff's product serves, or is capable of serving, as an indication of source. If defendant markets a product of similar design, consumers may conclude that defendant's product comes from plaintiff. In a reverse passing off case, by contrast, the product design does not serve as an indication of source, either because it is functional or because it is not perceived by consumers as an indication of source. Absent any reference to plaintiff, purchasers assume that plaintiff's product comes from defendant or a third party. In this sense, then, reverse passing off is truly the reverse of ordinary infringement.

Courts have sometimes confused the distinction between product configuration and reverse passing off claims. *See, e.g.*, *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981). In *Vibrant*, defendant used a photograph of plaintiff's product in advertising its own product. The court rejected plaintiff's § 43(a) claim, finding that none of the features of plaintiff's product indicated source. In so doing, the court failed to recognize that this very finding made the dispute a paradigmatic reverse passing off case.

“substantially similar.”⁷⁰ The Ninth Circuit, however, permits the defendant to claim to be the source unless its work is a “bodily appropriation” of plaintiff’s work. This standard is satisfied only if the works are virtually identical.⁷¹

Both of these standards borrow heavily from the law of copyright. The substantial similarity test is the test used to determine copyright infringement.⁷² The bodily appropriation test, by contrast, incorporates copyright’s concept of originality. Under the law of copyright, a party is treated as an author even if his work consists only of making a few significant changes to an earlier work produced by another.⁷³ If such minor changes are enough to garner copyright protection, they should perhaps be enough for a defendant in a Reverse Passing Off case to make an honest claim to be the origin.

Each test has its advantages and disadvantages.⁷⁴ However, as will be discussed below, borrowing from principles of copyright and patent law

70. The Second Circuit’s most recent applications of this standard are *Waldman Publishing Corp. v. Landoll, Inc.*, 43 F.3d 775, 783 (2d Cir. 1994), and *Kregos*, 3 F.3d at 663.

Other courts agree with the Second Circuit. *See, e.g., Campbell*, 917 F. Supp. at 1582–83; *Debs v. Meliopoulos*, No. 1:90-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864, at *39–40 (N.D. Ga. Dec. 18, 1991).

71. During the 1980s, the Ninth Circuit twice considered, but refused to decide, whether it would follow the Second Circuit’s “substantial similarity” test or the stricter “bodily appropriation” test. *Litchfield*, 736 F.2d at 1358; *Kamar Int’l, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059, 1064 (9th Cir. 1981). The court finally opted for the bodily appropriation standard in 1990 in *Shaw*, 919 F.2d at 1364–65. The *Shaw* court construed its earlier precedent in *Smith*, 648 F.2d 602, and *Lamothe*, 847 F.2d 1403, as limiting Reverse Passing Off to cases where defendant takes credit for a product physically produced by the plaintiff. *Shaw*, 919 F.2d at 1364. Because the defendant in *Shaw* had not engaged in such bodily appropriation, the court refused to recognize a Reverse Passing Off claim. *Id.*

Shaw is ambiguous about whether a party can ever assert a Reverse Passing Off claim under the Lanham Act in a copying case involving a work of art or literature. In the penultimate sentence of the opinion, for example, the court states flatly, “We decline to expand the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy.” *Id.* at 1364–65. However, the court soon cleared up any misunderstanding on that note in *Cleary v. News Corp.*, 30 F.3d 1255 (9th Cir. 1994). *Cleary* expressly recognizes that a cause of action can exist, and provides a precise definition of bodily appropriation. A defendant appropriates a plaintiff’s work when it copies it without making any significant variations. *Id.* at 1261. Whether a variation is significant is measured by whether consumers of the copy would confuse it for the original.

72. *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022 (2d Cir. 1966). For a general analysis and criticism of the standard, see Amy B. Cohen, *Masking Copyright Decisionmaking: The Meaninglessness of Substantial Similarity*, 20 U.C. Davis L. Rev. 719 (1987).

73. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345–51 (1991); *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 102–03 (2d Cir. 1951).

74. The bodily appropriation standard has a greater logical appeal. The problem with the substantial similarity test is that it assumes that copyright law alone defines the relative rights of plaintiff and defendant. However, the issue in a reverse passing off case is not whether the defendant has encroached on one of the exclusive rights that Congress vests in the copyright owner. Indeed, in

is not very helpful in determining who is the origin of a product in a Reverse Passing Off case.⁷⁵

2. *Plaintiff Must Have Attempted to Take Credit for the Product in Public*

The gist of a Reverse Passing Off case is that defendant is taking credit for someone else's work. Although improperly taking credit may be wrong as a moral matter, it is not actionable by a competitor unless that competitor can show that that credit would otherwise have come to it.⁷⁶ There can be no Reverse Passing Off claim for an anonymous work.⁷⁷ Accordingly, a plaintiff who distributes its product to the public must take steps to ensure that consumers know who is the actual source of the product. In most cases, a plaintiff takes credit by attaching its name or trademark to, or using that name or mark in connection with, the product.⁷⁸

many of the copying cases the plaintiff's work is not protected by copyright. The real question in a Reverse Passing Off case is one of deceit: namely, whether the law should allow defendant to tout itself as the source of the work it is selling. Analogizing to copyright principles relating to origin is therefore more appropriate than using principles governing infringement. *Accord* *Sergent, supra* note 19, at 59-61.

Nevertheless, there is a logical inconsistency between the Ninth Circuit's bodily appropriation standard for copying cases and the approach it uses in resale cases. In *Smith*, 648 F.2d 602, for example, the Ninth Circuit allowed the plaintiff to recover when its product was incorporated into a larger work. In essence, the court held that *Smith* was entitled to credit for his portion of the work notwithstanding defendant's own contribution to the final product. However, under the bodily appropriation test, a plaintiff in a copying case has no right to credit whatsoever as long as the final product includes some noticeable amount of defendant's own creative effort. It is not entirely clear why the plaintiff in a copying case cannot claim credit at least for those parts of the work that were copied wholesale.

The Ninth Circuit may have resolved this inconsistency in *Summit Machine Tool Manufacturing Corp. v. Victor CNC Systems, Inc.*, 7 F.3d 1434 (9th Cir. 1993). In *Summit*, plaintiff designed a lathe and arranged for a manufacturer to assemble the product. Defendant purchased lathes from the same manufacturer. Although the situation more closely resembles a resale case than a copying case, the court applied the bodily appropriation test and denied recovery because defendant's lathes were somewhat different. *Id.* at 1437-38.

75. See *infra* text accompanying notes 190-200.

76. Under § 43(a) of the Lanham Act, for example, only parties who can demonstrate that they are "likely to be damaged" by false representations can sue. A true source who does not take credit cannot be damaged by the defendant's false claim to be the origin. See 15 U.S.C. § 1125(a) (1994).

77. *Florentine Art Studio, Inc. v. Vedet K. Corp.*, 891 F.Supp. 532, 540 (C.D. Cal. 1995); *Offbeat, Inc. v. Cager*, Civ. A. No. 94-2796, 1995 WL 214479, at *3 (1995 E.D. La. Apr. 11, 1995); *Data Cash Sys., Inc. v. JS&A Group, Inc.*, 223 U.S.P.Q. (BNA) 865, 867 (N.D. Ill. 1984).

78. Plaintiff need not use its actual name. With respect to goods sold in the market, the benefit of receiving credit is that such credit may translate into increased future sales of the same or similar products. For this to occur, consumers need only know that the goods come from the same source as

3. *Defendant Falsely Designates the Origin of the Product Without Plaintiff's Permission*

Reverse Passing Off is closely related to trademark law. Both actions seek to protect consumers from false information about the source of the products they are buying. Therefore, some sort of false designation of origin by defendant is a crucial element.⁷⁹

The cases do not require that defendant explicitly claim to be the source. Very few defendants are so direct.⁸⁰ Courts have had to wrestle with more subtle behavior that might be construed as a representation concerning origin. The two most difficult situations are when defendant simply attaches its own mark, or a copyright notice in its name, to the good.⁸¹ Although both a trademark and a copyright notice provide information relating to source, neither necessarily implies that the trademark or copyright owner actually designed or produced the good. After all, both trademarks and copyrights can be assigned. Most courts agree that use of a false copyright notice, by itself, is not a false designation of source.⁸² However, it is unclear whether defendant's use of a trademark constitutes reverse passing off.⁸³

those previously purchased; they need not know the actual identity of that source. Therefore, plaintiff can satisfy this element by using a trademark or pseudonym.

This requirement should be relaxed if plaintiff has not yet disseminated its product to the public. In a case like *Smith*, 648 F.2d 602, for example, it would be unreasonable to require the actor to inform the public of his role. The actor in *Smith* had no control over the film itself, but was merely hired to play a role. To require the actor to inform the public of this fact would impose an undue burden.

79. Where defendant does not remove plaintiff's mark, no action will lie. *CCS Communication Control, Inc. v. Law Enforcement Assocs., Inc.*, 628 F. Supp. 1457, 1460 (S.D.N.Y. 1986).

80. Examples of the rare case involving an explicit assertion are *Lipton v. Nature Co.*, 71 F.3d 464, 468 (2d Cir. 1995), *CyberOptics Corp. v. Yamaha Motor Co.*, No. 3-95-1174, 1996 U.S. Dist. LEXIS 12614, at *5 (D. Minn. July 29, 1996), and *Marling v. Ellison*, 218 U.S.P.Q. (BNA) 702 (S.D. Fla. 1982).

81. Use of a false patent notice, however, is actionable. The basis for liability in these cases is not Reverse Passing Off, but § 292 of the Patent Act, 35 U.S.C. § 292 (1994 & Supp. I 1995). This provision imposes a fine of up to \$500 for use of a false patent notation with the intent to counterfeit or deceive. Subsection (b) gives the patent holder the right to sue the defendant for a portion of that penalty. 35 U.S.C. § 292(b) (1994).

82. See, e.g., *EFS Mktg. Inc. v. Russ Berrie & Co.*, 37 U.S.P.Q.2d (BNA) 1646, 1650 (2d Cir. 1996); *Lipton*, 71 F.3d at 473; *Kregos v. Associated Press*, 937 F.2d 700, 711 (2d Cir. 1991); *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 37 (2d Cir. 1982); *United States Media Corp. v. Edde Entertainment, Inc.*, 40 U.S.P.Q.2d (BNA) 1581, 1588 (S.D.N.Y. 1996); *Cognotec Servs. Ltd. v. Morgan Guar. Trust Co.*, 862 F. Supp. 45, 51 (S.D.N.Y. 1994); *Bull Publ'g Co. v. Sandoz Nutrition Corp.*, 13 U.S.P.Q.2d (BNA) 1678, 1683 (N.D. Cal. 1989).

Like the Patent Act, the Copyright Act provides for criminal penalties for the improper use of the "©" symbol. 17 U.S.C. § 506 (1994). However, the Copyright Act does not provide a private

Note that defendant need not claim that it is the source in order to be held liable. Liability can be imposed even when defendant falsely asserts that a third party is the origin of the product. In *Smith v. Montoro*, for example, plaintiff recovered when defendant substituted the name of another actor for that of plaintiff.⁸⁴ Reverse Passing Off, then, exists even when defendant does not directly benefit from its false statement.

But what if defendant says absolutely nothing about the origin of its product? At first glance, it would seem that a defendant who conveys no false information should not be held liable for either trademark infringement or Reverse Passing Off. The few cases that have discussed the issue appear to agree.⁸⁵ These courts draw a distinction between cases of "misattribution," which is actionable if the other elements are

enforcement mechanism. This may explain why the courts have been hesitant to allow copyright owners to recover for such use under some other body of law, such as the Lanham Act.

83. See *supra* note 19.

84. *Smith v. Montoro*, 648 F.2d 602, 603 (9th Cir. 1981); see also *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403, 1405 (9th Cir. 1988); *Gannett Satellite Info. Network, Inc. v. Rock Valley Community Press, Inc.*, No. 93 C 20244, 1994 WL 606171, at *1-2 (N.D. Ill. Oct. 24, 1994); *Dodd v. Fort Smith Special Sch. Dist. No. 100*, 666 F. Supp. 1278, 1281 (W.D. Ark. 1987); *By-Rite Distrib., Inc. v. Coca-Cola Co.*, 577 F. Supp. 530, 535 (D. Utah 1983). Other plaintiffs have fared less well in their claims that the defendant gave credit to a third party for their works. See, e.g., *Cleary v. News Corp.*, 30 F.3d 1255, 1257-58 (9th Cir. 1994); *Murray v. NBC, Inc.*, 844 F.2d 988, 990 (2d Cir. 1988); *Santrayll v. Burrell*, No. 91 CIV. 3166, 1996 WL 134803, at *3 (S.D.N.Y. Mar. 25, 1996).

85. Most of the cases dealing with non-attribution come from the Southern District of New York. The Southern District has relied on the distinction between misattribution and non-attribution in at least three cases. See *Banff Ltd. v. Express, Inc.*, 921 F. Supp. 1065, 1071-72 (S.D.N.Y. 1995); *Morita v. Omni Publications Int'l, Ltd.*, 741 F. Supp. 1107, 1114 (S.D.N.Y. 1990), *vacated*, 760 F. Supp. 45 (S.D.N.Y. 1991); *PIC Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106, 115 (S.D.N.Y. 1964).

There is language in a recent Second Circuit decision supporting the distinction. In *Lipton v. Nature Co.*, 71 F.3d 464, the court rejected a reverse passing off claim where the defendant had placed a copyright notice in its name on the item. In so doing, however, the court noted that a claim for reverse passing off exists only where defendant makes a positive assertion of authorship. *Id.* at 473-74.

It should be noted that the concepts of misattribution and non-attribution do not correspond to the "express" and "implied" reverse passing off labels discussed *supra* note 19. A misattribution can be express, as when a seller positively states that it is the source, or implied, as when a seller merely sells the good under its own mark or unlabelled in its stores. As long as consumers are fooled, it should not matter whether the seller's representation is express or implied. The key question should be whether there is a possibility of customer deception.

Commentators have also used the misattribution/non-attribution distinction. See, e.g., Edward J. Damich, *Moral Rights Protection and Resale Royalties for Visual Art in the United States: Development and Current Status*, 12 *Cardozo Arts & Ent. L.J.* 387, 394 (1994).

satisfied, and mere “non-attribution,” which cannot be the basis of liability.⁸⁶

From a purely moral perspective, misattribution is more objectionable than non-attribution. The academy recognizes this principle in its code of plagiarism. Lack of citation, although sloppy and perhaps unethical,⁸⁷ is not plagiarism. Plagiarism exists only when scholars take credit for something that they did not produce. Distinguishing misattribution from non-attribution also makes some sense in the commercial tort of Reverse Passing Off. In a case of misattribution the consumer is deceived as to the source of the product. Non-attribution, by contrast, involves no such deception, but clearly places consumers on notice that they have the burden of ascertaining the source.

There is, however, some precedent to the contrary. A number of cases recognize at least the possibility of a reverse passing off claim even where defendant makes no claim to be the source.⁸⁸ These cases suggest that plaintiff may have a positive right to acknowledgment of its role in creating a product, regardless of whether defendant is attempting to appropriate any of the benefits that might result from being perceived as

86. See cases cited *supra* note 85.

87. Federal law, for example, requires all institutions that apply for grants from agencies such as the National Institute of Health to have policies covering “misconduct in science,” which is defined to include “fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research.” 42 C.F.R. § 50.102 (1996); see also National Inst. of Health, *Responsibilities of NIH and Awardee Institutions for the Responsible Conduct of Research*, 23 NIH Guide 44 (Dec. 16, 1994); National Academy of Sciences, Comm. on Science, Eng’g, and Pub. Policy, *On Being a Scientist: Responsible Conduct in Research* (2d ed. 1995).

88. See, e.g., *Arrow United Indus., Inc. v. Hugh Richards, Inc.*, 678 F.2d 410 (2d Cir. 1982) (defendant used plaintiff’s damper with marks removed as sample); *F.E.L. Publications, Ltd. v. Catholic Bishop of Chicago*, 214 U.S.P.Q. (BNA) 409 (7th Cir. 1982) (defendant published its own hymnal, but omitted copyright notice in plaintiff’s name); *Kasco Corp. v. General Servs., Inc.*, 905 F. Supp. 29 (D. Mass. 1995) (defendant, when servicing meat chopping machines manufactured by plaintiff, allegedly replaced knives with reconditioned knives manufactured by plaintiff); *Woodke v. Dahm*, 873 F. Supp. 179 (N.D. Iowa) (defendant used photograph of plaintiff’s truck with mark removed; plaintiff survived 12(b)(6) motion), *aff’d on other grounds*, 70 F.3d 983 (8th Cir. 1995); *Hospital for Sick Children v. Melody Fare Dinner Theatre*, 516 F. Supp. 67 (E.D. Va. 1980) (defendant produced plaintiff’s play; court held that merely using title is sufficient to constitute reverse passing off).

Admittedly, it is very difficult for plaintiff to recover when defendant does not actually claim to be the source. *Accord Damich*, *supra* note 85, at 394. However, the main reason plaintiffs lose these cases may be that consumers are not fooled into thinking that defendants are the source of the product that they are buying.

the origin. The right recognized in these cases is much stronger and can be justified only by concerns other than consumer deception.⁸⁹

Finally, in both misattribution and non-attribution cases, plaintiff cannot recover for Reverse Passing Off if it consented to defendant's false statement concerning origin. The most common situation of consent is the case of "private branding," where a large retailer buys goods from a manufacturer under a contract that allows the retailer to sell the goods under its own mark. Plaintiff's consent precludes it from challenging defendant's false statement notwithstanding that the statement may mislead consumers.⁹⁰

4. *The False Designation is Likely to Cause Consumer Confusion*

As a general proposition, of course, the law prohibits only those false statements that deceive consumers. However, courts typically assume that a false statement as to source will always be deceptive, because consumers use source to judge the quality of goods in the market.⁹¹ In this vein, it is interesting to note that courts have generally glossed over this element in the actual cases.

5. *Plaintiff Must be Harmed by the False Statement*

Plaintiff must demonstrate not only that consumers were deceived, but also that the deception resulted in injury to plaintiff. The injury in a reverse passing off case is unlike the injury in other competition law cases. In a typical false advertising or trademark infringement case, plaintiff's injury is immediate—consumers who would otherwise have

89. Consumers cannot be deceived in a case of non-attribution because the defendant has made no representation concerning the source of the product.

90. Although the Second Circuit does not list "lack of consent" as an element of its test, courts in that circuit and elsewhere consistently allow consent as a defense. *See, e.g.,* Cleary v. News Corp., 30 F.3d 1255, 1260 (9th Cir. 1994) (contract); Vargas v. Esquire, Inc., 164 F.2d 522, 526-27 (2d Cir. 1947) (assignment of copyright); Grambs v. Image Bank, Inc., No. 90 Civ. 7291, 1991 U.S. Dist. LEXIS 6505, at *9 (S.D.N.Y. May 16, 1991) (contract); Feerick v. Arthur Young & Co., 715 F. Supp. 1234, 1236 (S.D.N.Y. 1989) (partnership agreement); Yarway Corp. v. Eur-Control USA Inc., 225 U.S.P.Q. (BNA) 45, 50 (N.D. Ga. 1984) (contract); Clemens v. Press Publ'g Co., 122 N.Y.S. 206, 207 (N.Y. App. Div. 1910) (publishing agreement); *see also* Sims v. Blanchris, Inc., 648 F. Supp. 480, 483 (S.D.N.Y. 1986) (holding general release of defendant bars action).

91. S. Rep. No. 79-1333, at 4 (1946) *reprinted in* 1946 U.S.C.C.A.N. 1274, 1275; J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* 2-4 to -6 (4th ed. 1996); Elmer W. Hanak III, *The Quality Assurance Function of Trademarks*, 43 Fordham L. Rev. 363 (1974); Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813, 816-18 (1927); George J. Stigler, *The Economics of Information*, 69 J. Pol. Econ. 213 (1961).

purchased plaintiff's goods buy instead from defendant. Those lost sales deprive plaintiff of profits. Plaintiff in a reverse passing off case cannot demonstrate that same sort of injury. Even if defendant disclosed that plaintiff is the actual source, consumers may still purchase from defendant. In fact, defendant's admission that the product comes from plaintiff may in many cases make consumers more likely to buy the goods from defendant, especially if plaintiff has a reputation for producing goods of high quality.

Courts have nevertheless had little difficulty finding this element satisfied. Typically, they identify plaintiff's harm as a loss of *future* goodwill.⁹² Even if plaintiff reaps no immediate gain when defendant discloses plaintiff's role in producing the product, consumers who have positive experiences with the product will associate the resulting goodwill with the plaintiff. When those consumers shop in the future, that goodwill may cause them to prefer plaintiff's goods. Plaintiff cannot reap this future goodwill if defendant falsely represents that it is the source.

This reasoning also helps to explain one aspect of the first element of Reverse Passing Off, that the product must originate with the plaintiff. In some areas of competition law, such as false advertising, any competitor can sue a defendant who makes a false statement. Reverse Passing Off, however, is available only to the actual source. The reason for this restriction is that only the actual source can show a deprivation of future goodwill. In this regard, Reverse Passing Off is more akin to trademark infringement, where only the trademark owner can sue.

Although not all courts phrase them in precisely the same terms, all courts consider the above five factors in Reverse Passing Off cases. Most of the differences that crop up in the case law concern the particulars of the cause of action.⁹³ Given the tremendous variety of Reverse Passing Off cases, this consistent approach is notable. The consistency becomes remarkable when one considers that the legal source for Reverse Passing Off is not entirely clear. This source is the focus of the next section.

92. See e.g., *Pioneer Hi-Bred Int'l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226, 1242 (8th Cir. 1994); *Roho, Inc. v. Marquis*, 902 F.2d 356, 359 (5th Cir. 1990); *Arrow United*, 678 F.2d at 415; Freedman, *supra* note 19, at 321–23.

93. See *supra* text accompanying notes 70–71 for a discussion of the disagreement between the Second and Ninth Circuits concerning how to define the origin of a product.

III. THE LEGAL BASIS FOR REVERSE PASSING OFF

A. *The Prevailing View*

Courts and commentators have devoted surprisingly little attention to the basic question of the legal source of Reverse Passing Off. It is clear that the claim is not a *sui generis* cause of action. Courts have instead dealt with reverse passing off by fitting it within existing causes of action. A review of the cases and commentary reveals two leading contenders for the source of the claim: the federal Lanham Act⁹⁴ and state unfair competition law.⁹⁵

The Lanham Act is the clear favorite. That statute's main concern is regular, not reverse, passing off. Section 43(a) of the Lanham Act, however, contains expansive language concerning false representations in commerce.⁹⁶ Courts have found section 43(a) to be a useful provision that can be applied to a variety of deceptive acts.⁹⁷ Therefore, it is no surprise that courts have also grounded Reverse Passing Off claims in section 43(a). In fact, every court that has faced the question has concluded that section 43(a) provides a cause of action.⁹⁸

94. 15 U.S.C. § 1125 (1994 & Supp. I 1995).

95. Section 43(a) and state unfair competition law are not the only contenders. Some plaintiffs have cited other laws in support of the cause of action. *See, e.g., Pioneer Hi-Bred*, 35 F.3d 1226 (state trade secret law); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107 (5th Cir. 1976) (same); *Tracy v. Skate Key, Inc.*, 697 F. Supp. 748 (S.D.N.Y. 1988) (state author-protection law); *Board of Trade v. Dow Jones & Co.* 439 N.E.2d 526 (Ill. App. Ct. 1982) (state misappropriation law), *aff'd*, 456 N.E.2d 84 (Ill. 1983); *Dodd v. Fort Smith Special Sch. Dist. No. 100*, 666 F. Supp. 1278 (W.D. Ark. 1987) (federal civil rights statutes; court considers whether § 1983 covers reverse passing off, but rejects application of statute upon finding that federal copyright laws provide adequate remedy); *Nike, Inc. v. Rubber Mfrs. Ass'n, Inc.*, 509 F. Supp. 919 (S.D.N.Y. 1981) (antitrust laws). For a discussion of specific state statutes providing rights of attribution for works of art, see *Damich, supra* note 85, at 399.

Of course, not all of these alternative bases have been accepted, and many are limited to certain fact situations. For a claim under trade secret law to prevail, for example, the plaintiff must demonstrate that the product incorporates a part or process that is not known by others to whom it has potential economic value. *Unif. Trade Secrets Act* § 1(4)(i), 14 U.L.A. 438 (1990); *Restatement (Third) of Unfair Competition* § 39 (1995).

96. 15 U.S.C. § 1125(a) (1994). That provision is quoted *infra* at text accompanying note 113.

97. Section 43(a) has been extensively used in standard false advertising cases. *See, e.g., BASF Corp. v. Old World Trading Co., Inc.*, 41 F.3d 1081 (7th Cir. 1994); *Johnson & Johnson * Merck Consumer Pharms. Co. v. Smithkline Beecham Corp.*, 960 F.2d 294 (2d Cir. 1992); *U.S. Healthcare, Inc. v. Blue Cross*, 898 F.2d 914 (3d Cir. 1990). For an exhaustive analysis of the reach of the pre-1988 version of § 43(a), see Joseph P. Bauer, *A Federal Law of Unfair Competition: What Should Be the Reach of Section 43(a) of the Lanham Act?*, 31 UCLA L. Rev. 671 (1984).

98. *See, e.g., Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775, 780 (2d Cir. 1994); *Pioneer Hi-Bred*, 35 F.3d at 1241; *Web Printing Controls Co. v. Oxy-Dry Corp.*, 906 F.2d 1202, 1203 n.1

A few courts look to state unfair competition law as the basis for the action. Many of these cases rely on the common law tort of unfair competition or one of its descendants.⁹⁹ Others invoke state statutes dealing with unfair competition.¹⁰⁰ Although most plaintiffs join their state law claims to section 43(a) claims, a few have relied exclusively on state law.¹⁰¹

Many reverse passing off cases also involve claims under the federal copyright and patent laws. However, neither of these statutes actually

(7th Cir. 1990); *Roho, Inc. v. Marquis*, 902 F.2d 356, 359 (5th Cir. 1990); *Lamothe v. Atlantic Recording Corp.*, 847 F.2d 1403, 1406 (9th Cir. 1988); *Williams v. Curtiss-Wright Corp.*, 691 F.2d 168, 172 (3d Cir. 1982); *Campbell v. Osmond*, 917 F. Supp. 1574, 1581 (M.D. Fla. 1996); *Blank v. Pollack*, 916 F. Supp. 165, 170 (N.D.N.Y. 1996); *Kasco Corp. v. General Servs. Inc.*, 905 F. Supp. 29, 35 (D. Mass. 1995); *Classic Font Corp. v. Fontbank, Inc.*, No. 94 C 607, 1994 U.S. Dist. LEXIS 4647, at *3-4 (N.D. Ill. Apr. 13, 1994); *Beacham v. MacMillan, Inc.*, 837 F. Supp. 970, 977 (S.D. Ind. 1993); *Dodd*, 666 F. Supp. at 1285; *R.H. Donnelley Corp. v. Illinois Bell Tel. Co.*, 595 F. Supp. 1202, 1206 (N.D. Ill. 1984); *By-Rite Distrib., Inc. v. Coca-Cola Co.*, 577 F. Supp. 530, 541 (D. Utah 1983); *Hospital for Sick Children v. Melody Fare Dinner Theatre*, 516 F. Supp. 67, 73 (E.D. Va. 1980). Of course, in some of these actions the defendants ultimately prevailed. Although the courts recognized a cause of action, they found that plaintiffs had failed to carry their burden on one or more elements.

99. *See, e.g.*, *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1439-42 (9th Cir. 1993); *Williams*, 691 F.2d at 172-73; *Universal Marine*, 543 F.2d at 1108 (common law copyright); *Beacham*, 837 F. Supp. at 976-78; *Debs v. Meliopoulos*, No. 1:90-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864, at *50-51 (N.D. Ga. Dec. 18, 1991); *Whitney, Atwood, Norcross Assocs. v. Architects Collaborative, Inc.*, 18 U.S.P.Q.2d (BNA) 1243, 1246 (D. Mass. 1991); *Feerick v. Arthur Young & Co.*, 715 F. Supp. 1234 (S.D.N.Y. 1989); *Singh v. Xytel Corp.*, 1 U.S.P.Q.2d (BNA) 1741, 1742 (N.D. Ill. 1986); *Yarway Corp. v. Eur-Control USA, Inc.*, 225 U.S.P.Q. (BNA) 45, 49 (N.D. Ga. 1984); *Board of Trade*, 439 N.E.2d at 532-37; *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292, 317-24 (E.D. Pa. 1976), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978); *American Precast Corp. v. Maurice Concrete Prods., Inc.*, 360 F. Supp. 859, 864 (D. Mass.), *aff'd*, 502 F.2d 1159 (1st Cir. 1973).

100. *See, e.g.*, *Santrayll v. Burrell*, No. 91 Civ. 3166, 1996 WL 134803, at *4 (S.D.N.Y. Mar. 25, 1996); *Florentine Art Studio, Inc. v. Vedet K. Corp.*, 891 F. Supp. 532, 540 (C.D. Cal. 1995); *Gannett Satellite Info. Network, Inc. v. Rock Valley Community Press, Inc.*, No. 93 C 20244, 1994 WL 606171, at *1 (N.D. Ill. Oct. 24, 1994); *Debs*, 1991 U.S. Dist. LEXIS 19864, at *48-50; *Childress v. Taylor*, 20 U.S.P.Q.2d (BNA) 1181, 1188 (S.D.N.Y. 1991); *Whitney*, 18 U.S.P.Q.2d at 1244; *Grambs v. Image Bank, Inc.*, No. 90 Civ. 7291, 1991 U.S. Dist. LEXIS 6505 (S.D.N.Y. May 16, 1991); *Nash v. CBS, Inc.*, 704 F. Supp. 823, 832-33 (N.D. Ill. 1989), *aff'd on other grounds*, 899 F.2d 1537 (7th Cir. 1990); *Singh*, 1 U.S.P.Q.2d at 1742; *Yarway*, 225 U.S.P.Q. at 49. The leading statutes are the local versions of Commissioners on Uniform State Laws, *Uniform Deceptive Trade Practices Act*, 7A U.L.A. 265 (1985), and Council of State Gov'ts, *Unfair Trade Practices and Consumer Protection Law, Revision*, in *Consumer Protection in the States* app. at 31-39 (1970).

101. *See, e.g.*, *FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334 (N.D. Ill. 1994) (although plaintiff also alleged copyright claim, it relied solely on state law for reverse passing off); *Joseph J. Legat Architects, P.C. v. United States Dev. Corp.*, No. 84 C 8803, 1991 WL 38714 (N.D. Ill. Mar. 20, 1991); *Mastro Plastics Corp. v. Emenee Indus., Inc.*, 228 N.Y.S.2d 514 (N.Y. App. Div. 1962).

creates a general cause of action for reverse passing off. The crux of a copyright or patent claim is the copying of a product, not representations concerning the source of that product. In fact, a defendant who copies a copyrighted or patented item is liable even if it discloses to its customers that plaintiff is the source.¹⁰² The high incidence of copyright and patent claims in the reverse passing off cases is not because plaintiffs are relying on these statutes to recover for the false representation, but instead because so many reverse passing off claims involve the copying of a unique and original product.¹⁰³

However, there are two narrow situations in which the patent and copyright laws do address reverse passing off. The first involves section 292 of the Patent Act, which prohibits the use of a false patent or patent pending notation on a product.¹⁰⁴ Although this provision is typically applied to a seller's use of a patent notice on goods it has produced, it could also apply when the defendant copies or resells the goods of another. Therefore, section 292 may provide an alternate statutory cause of action in a few cases.¹⁰⁵

The second, and potentially more significant, exception is section 106A of the Copyright Act.¹⁰⁶ This provision affords certain creators of "works of visual art" various rights, including the right to "claim authorship" of their works even after sale of the original to another.¹⁰⁷

102. The infringement provisions of the copyright and patent acts consider only whether defendant reproduced the protected work or invention, not whether defendant acknowledged plaintiff as author or inventor. 17 U.S.C. § 501 (1994) (copyright); 35 U.S.C. § 271(a) (1994 & Supp. I 1995) (patent).

103. Copying relates directly to Reverse Passing Off's concept of origin. Suppose that defendant, without viewing plaintiff's product, independently creates a very similar product. Just as it is a standard principle of copyright law that plaintiff cannot sue for infringement, *see* *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir. 1936), *aff'd*, 309 U.S. 390 (1940), plaintiff would also be barred from bringing a Reverse Passing Off claim, because it cannot claim to be the source of defendant's product.

By contrast, patent infringement exists even if the defendant independently creates the product. *See* 35 U.S.C. § 271(a).

104. Section 292 is essentially a criminal provision, and imposes a maximum fine of \$500. 35 U.S.C. § 292(a) (1994 & Supp. I 1995). However, § 292(b) gives "any person" the right to sue for the penalty, and allows the victorious party to keep one-half of the amount recovered. 35 U.S.C. § 292(b) (1994).

105. The Copyright Act also imposes criminal penalties for misuse of a copyright notice. 17 U.S.C. § 506 (1994). However, this provision does not authorize any private cause of action. *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 37 n.10 (2d Cir. 1982). Some courts have used this lack of an explicit private right of action in holding that Reverse Passing Off does not extend to use of a false copyright symbol. *See supra* note 82.

106. 17 U.S.C. § 106A (1994).

107. 17 U.S.C. § 106A(a)(1)(A).

The section 106A right is virtually identical to Reverse Passing Off. Although no plaintiff has yet invoked section 106A in a case of reverse passing off, it could prove to be a significant weapon in the right situation.¹⁰⁸

Section 106A, however, is too narrow to serve as a general source of Reverse Passing Off. First, the right to claim authorship exists only with respect to a “work of visual art,”¹⁰⁹ which is defined as paintings, drawings, prints, still photographs, and sculptures that are either originals or produced in limited editions of two hundred or fewer copies.¹¹⁰ Very few of the reverse passing off cases that have actually been litigated involve works that meet this definition.¹¹¹ Second, section 106A would not even apply to all reverse passing off cases that involve works of visual art. Although the statute is ambiguous on this point, the right to claim authorship seems to apply only to works physically produced by the artist.¹¹² Thus, section 106A does not provide a cause of action in the

108. To date, § 106A has been used only in “right to integrity” cases such as *Carter v. Helmsley-Spear, Inc.*, 71 F.3d 77 (2d Cir. 1995), *cert. denied*, 116 S. Ct. 1824 (1996), and *Pavia v. 1120 Avenue of the Americas Associates*, 901 F. Supp. 620 (S.D.N.Y. 1995).

109. 17 U.S.C. § 106(A)(a).

110. 17 U.S.C. § 101 (1994 & Supp. I 1995). The precatory language in § 106A(a) limits the entire provision to “works of visual art,” a term that is defined in § 101 to include the items listed in the text. 17 U.S.C. § 101. In addition to the limits on numbers, § 101 requires that the work be signed by the author, or in the case of sculpture, either signed or identified with some other identifying feature. 17 U.S.C. § 101.

This signature requirement is important for any discussion of reverse passing off. As noted *supra* in text accompanying notes 77–78, a plaintiff who does not take credit for its work cannot recover for Reverse Passing Off.

111. Most of the cases in which the product is an artistic or literary work involve books, which clearly lie outside the § 101 definition of a “work of visual art.” 17 U.S.C. § 101. The only case involving a product that would clearly be covered by § 106A is *Morita v. Omni Publications International, Ltd.*, 741 F. Supp. 1107 (S.D.N.Y. 1990) (sculpture), *vacated*, 760 F. Supp. 45 (S.D.N.Y. 1991). However, as the work in that case was produced prior to 1990, § 106A did not apply. Although *Florentine Art Studio, Inc. v. Vedet K. Corp.*, 891 F. Supp. 532 (C.D. Cal. 1995), also involved sculpture, § 106A would not apply because plaintiff produced more than two hundred copies, and did not sign the work.

112. Several considerations support this conclusion. First, the statute itself indicates that “the author of a work of visual art” has the right to claim authorship “in that work.” 17 U.S.C. § 106(A)(a). Likewise, the definition of a “work of visual art” is phrased in terms of physical objects—“a painting, drawing, print, or sculpture”—rather than the underlying form. 17 U.S.C. § 101. Finally, several statements in the legislative history to § 106A indicate that Congress meant the statute to cover only “original” works of art, i.e., those actually produced by the artist. H.R. Rep. No. 101-514, at 12, 17 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6922, 6927; *see also* 2 William F. Patry, *Copyright Law and Practice* 1033 (BNA 1994).

The ambiguity arises because of some unfortunate language in § 106A(c), which sets out various exceptions to the right to claim authorship. This section provides that the right “shall not apply to any reproduction . . . in, upon, or in connection with” items such as books, magazines, posters, and

copying cases, which are numerically the most common type of reverse passing off cases. Because of these significant limitations, section 106A is also of little use in reverse passing off cases.

B. Problems with the Prevailing View

1. The Lanham Act

Courts have had little difficulty extending section 43(a) of the Lanham Act to reverse passing off. In so doing, however, few courts have paid much attention to the actual wording of that statute. A careful reading of section 43(a) reveals that there are real problems in using it in reverse passing off cases.

Section 43(a)(1) of the Lanham Act provides:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.¹¹³

Although codified as part of a trademark statute, section 43(a) reaches far beyond the world of trademarks. For better or for worse, this provision has proven itself to be a major weapon in controlling many types of false representations in commerce.¹¹⁴

motion pictures. By creating an exception for certain enumerated types of reproductions, the section implies that the right to claim authorship does apply to other forms of reproduction.

113. 15 U.S.C. § 1125(a)(1) (1994).

114. For a general discussion of that section, see S. Rep. No. 100-515, at 40-41 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5603-04; *Rare Earth, Inc. v. Hoorelbeke*, 401 F. Supp. 26, 37-38

Revisiting the Doctrine of Reverse Passing Off

Reverse passing off certainly seems to qualify as a false representation under section 43(a). By representing itself as the source of the goods, defendant has given purchasers false information concerning an issue that could be highly relevant to their buying decisions. Defendant's false representation is likely to injure the actual source of the product. Section 43(a) seems to be a natural way to deal with this problem.

Although not the first case to apply section 43(a), *Smith v. Montoro*¹¹⁵ offers perhaps the best example of how courts fit reverse passing off within the language of the statute.¹¹⁶ The court rejected the defendant's argument that section 43(a) was intended to cover only those claims that are directly analogous to ordinary trademark infringement, cases that involve "regular" passing off. Instead, the court held that Congress intended section 43(a) to extend to all deceptive practices that are "economically equivalent" to passing off.¹¹⁷ That basic line of argument guides courts to this day. Although acknowledging the differences between regular and reverse passing off, courts nevertheless apply section 43(a) to both. There has been relatively little analysis of the question in recent years, with most courts simply citing *Smith* and other precedent.¹¹⁸

The problem with this approach is that *Smith* and the early cases were decided prior to the 1988 revisions to section 43(a).¹¹⁹ These

(S.D.N.Y. 1975); Bauer, *supra* note 97; Kenneth B. Germain, *Unfair Trade Practices Under Section 43(a) of the Lanham Act: You've Come a Long Way Baby—Too Far Maybe?*, 49 Ind. L.J. 84 (1973).

115. 648 F.2d 602 (9th Cir. 1981).

116. Federal district courts had been using § 43(a) in reverse passing off cases for at least 18 years prior to *Smith*. See, e.g., *National Dynamics Corp. v. John Surrey, Ltd.*, 238 F. Supp. 422 (S.D.N.Y. 1963); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292 (E.D. Pa. 1976), *modified on other grounds*, 587 F.2d 602 (3d Cir. 1978). In these early cases, however, the courts do not analyze in any depth how § 43(a) covers reverse passing off.

117. *Smith*, 648 F.2d at 605.

118. Of the recent cases, probably the most detailed discussion of how § 43(a) applies to reverse passing off is that in *Lipton v. Nature Co.*, 71 F.3d 464 (2d Cir. 1995). Although recognizing the existence of a cause of action under § 43(a), the court held that defendant's use of a false copyright notice did not constitute reverse passing off within the meaning of § 43(a).

119. Prior to the 1988 amendments, § 43(a) read in relevant part:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same . . . shall be liable to a civil action . . .

15 U.S.C. § 1125(a) (1982), amended by Trademark Revision Act of 1988, 15 U.S.C. § 1125(a) (1994) (emphasis added).

amendments changed the statute to the current form quoted above.¹²⁰ The main purpose of the 1988 amendments was to spell out more precisely the types of acts covered by the section in an attempt to solve some of the interpretive problems that courts had been facing.¹²¹

The 1988 amendments have in no way deterred courts from applying section 43(a) to reverse passing off cases. To the contrary, the few courts that have considered the question have concluded that the amendments reinforce the conclusion that a cause of action exists. The best example is *Kasco Corp. v. General Services, Inc.*,¹²² where the District of Massachusetts, long the only federal court to refuse to apply section 43(a) to reverse passing off, finally joined the mainstream.¹²³ The court's opinion indicates that it was persuaded by the 1988 amendments. It found especially compelling a statement in the legislative history which suggests that Congress meant the amended section 43(a) to incorporate the judicial gloss that courts had placed on the section over its forty-year lifespan.¹²⁴ As the majority of circuits had interpreted section 43(a) to apply to reverse passing off prior to 1988, the District of Massachusetts held that its earlier decisions had been "consigned . . . to the dustbin" of prior jurisprudence.¹²⁵

But the *Kasco* court conceded the issue too easily. Admittedly, the legislative history clearly and unambiguously states that Congress meant to accept the existing case law. However, this does not necessarily mean that Congress agreed with every application of section 43(a). In fact, the legislative history mentions only a few particular questions, which do not include reverse passing off. With respect to other questions, the report states simply that Congress "expects the courts to continue to interpret

120. See *supra* text accompanying note 113. Section 43 was amended again in 1995 to add new subsection (c), dealing with the "dilution" of famous marks. 15 U.S.C. § 1125(c) (Supp. I 1995). Because defendant in a reverse passing off case is by definition using its own mark, the new "antidilution" provision is unlikely to affect reverse passing off cases. However, the court in *Childress v. Taylor*, 20 U.S.P.Q.2d (BNA) 1181, 1188 (S.D.N.Y. 1991), applied a state antidilution statute to a case of reverse passing off, although without any real analysis of how that law could apply.

121. S. Rep. No. 100-515 (1991), at 40-41 (1988), reprinted in 1988 U.S.C.C.A.N. 5577, 5603-04.

122. 905 F. Supp. 29 (D. Mass. 1995).

123. *Id.* at 33-34.

124. "[The 1988 amendment] revises Section 43(a) of the Act (15 U.S.C. 1125(a)) to codify the interpretation it has been given by the courts." S. Rep. No. 100-515, at 40.

125. *Kasco*, 905 F. Supp. at 34.

the section.”¹²⁶ This statement is hardly strong evidence that Congress meant for section 43(a) to reach reverse passing off. At best, the ambiguous language suggests that Congress may not have considered the question.

The actual language chosen for the 1988 amendments bolsters this conclusion. Congress cleared up the prior ambiguities in the section by explicitly listing the types of representations that are actionable. The amended section 43(a) reaches virtually all ordinary false advertising and regular passing off, but not reverse passing off.

In fact, the language used in the 1988 amendments actually makes it *more* difficult to apply the section to reverse passing off. Before 1988, section 43(a) allowed recovery whenever defendant made “a false designation of origin or false designation or representation.”¹²⁷ That general phrase, by itself, is probably broad enough to include reverse passing off, which is literally a false statement about origin. The 1988 amendments preserved that broad language in the introductory clause. However, in subsections (A) and (B) Congress limited that introductory clause by listing what false representations are covered by section 43(a). Neither of these subsections reaches reverse passing off.

a. Section 43(a)(1)(A)

Under section 43(a)(1)(A), plaintiff may recover if defendant’s false statement of origin or fact is (i) “likely to cause confusion, or to cause mistake, or to deceive” (ii) concerning either “the affiliation, connection, or association” of defendant “with another person, or as to the origin, sponsorship, or approval” of defendant’s product by another person.¹²⁸

126. S. Rep. No. 100-515, at 40. The only specific concern discussed in the Senate Report is that the pre-1988 version of § 43(a) had sometimes been applied only to claims that a party made about its own product, not to claims it made about the products of its competitors. *Id.* at 40–41. The revised § 43(a)(1)(B) now reads in relevant part, “misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities.” 15 U.S.C. § 1125(a)(1)(B) (emphasis added). This change directly affects the problem cited in the report.

127. 15 U.S.C. § 1125(a) (1982), amended by Trademark Revision Act of 1988, 15 U.S.C. § 1125(a) (1994).

128. 15 U.S.C. § 1125(a)(1)(A) (1994). The lack of a comma after the word “deceive” admittedly opens the section to an alternate interpretation. Arguably, the section applies to *all* statements that cause confusion or mistake, and to any statements that “deceive as to the affiliation, connection, or association of such person.” However, that interpretation is illogical. There is no reason why Congress would want to limit recovery for deceptive statements, but not for statements that cause confusion or mistake. Assuming, in order to avoid redundancy, that deception means something different than mistake and confusion, it must imply some element of intent on the part of the speaker.

Fitting reverse passing off into this precise language is problematic in several regards.¹²⁹ The most fundamental problem is that reverse passing off cannot satisfy the second part of the test. A defendant who engages in reverse passing off in no way suggests that it is in any way affiliated, connected, or associated with plaintiff, or that its product originates from or is sponsored or approved by plaintiff. To the contrary, defendant has intentionally omitted any reference to the plaintiff. Because of the explicit statutory restrictions, reverse passing off does not fit within section 43(a)(1)(A).

b. Section 43(a)(1)(B)

Subsection (B) deals with false advertising involving matters other than the identity of the source.¹³⁰ Unlike subsection (A), Congress here chose fairly broad language. In order to prevail under subsection (B), a plaintiff merely needs to show that defendant made a false statement in a commercial advertisement that "misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods."¹³¹

One scholar has suggested that section 43(a)(1)(B) is a better source for Reverse Passing Off.¹³² The gist of the argument is that a defendant who engages in reverse passing off misrepresents the "nature" or "qualities" of its goods. Shoppers who know that the goods actually came from the plaintiff can use their knowledge of plaintiff's reputation to estimate the quality of the product. If defendant substitutes its name for plaintiff's, shoppers can no longer use the trademark to judge quality.

Congress could not have intended to allow some categories of intentionally false speech, while barring all categories of speech that inadvertently causes mistake or confusion. Therefore, the categories listed in part (ii) in the text must modify all three verbs in part (i).

129. As in any discussion of Reverse Passing Off, one problem is determining what the statute means by the undefined term "origin." Although plaintiff is almost certainly the origin of the product in a resale case, its claim is less persuasive in the copying cases.

A second problem is ascertaining whether consumers are deceived by defendant's claim. "Deception" implies some detriment. In a reverse passing off case, although consumers may be misled, it is unclear whether they suffer any harm. See *infra* text accompanying notes 191-97; Sergeant, *supra* note 19, at 70-71.

130. Subsection (B) provides that a person shall be liable if "in commercial advertising or promotion, [he or she] misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities." 15 U.S.C. § 1125(a)(1)(B).

131. 15 U.S.C. § 1125(a)(1)(B).

132. Freedman, *supra* note 19, at 306. Note that Freedman wrote her article before Congress amended § 43(a), so what she refers to as § 43(a)(2) is now § 43(a)(1)(b). See Trademark Remedy Clarification Act, Pub. L. 102-542, 106 Stat. 3567 (1992) (codified as amended at 15 U.S.C. § 1125(a)(1)(b)).

There are several flaws with this argument. First, the argument assumes that defendant's claim to be the source is a statement concerning the "nature" or "qualities" of the good. Trademarks do provide buyers with information about quality. The main function of a trademark is to allow consumers to tap into their experience with a known source to judge the quality of goods they are considering.¹³³ The problem with section 43(a)(1)(B), however, is that it is not meant to cover representations as to the identity of the origin, even though consumers do use those representations as a way to judge quality. The subsection specifically mentions "geographic origin." *Expressio unius est exclusio alterius*: this reference to one particular type of origin means that it is unlikely that Congress meant the term "nature" or "qualities" to refer to the identity of the origin. Moreover, because statements as to the identity of the origin are already covered in section 43(a)(1)(A), extending subsection (B) to statements about the identity of the source would bypass the explicit limitations that Congress placed on such statements in section 43(a)(1)(A). A better interpretation, one that considers section 43(a)(1) as a whole, is that statements involving the identity of a product's origin fall exclusively with the ambit of subsection (A), which, as demonstrated just above, cannot be used to deal with reverse passing off. Section 43(a)(1)(B), by contrast, deals only with statements about the product itself, including geographic origin, which means that it also cannot be used in reverse passing off cases.

Second, even if Congress meant for subsection (B) to encompass statements concerning the identity of the origin, that subsection imposes liability only on defendants who misrepresent the quality of the product. By itself, a name or trademark says little about quality.¹³⁴ Consumers nevertheless rely on marks to judge the quality of the products that they encounter in the market. Consumers do this by assuming that a branded product will be roughly the same quality as similar products bearing that same mark that they have previously purchased. Therefore, reverse passing off misrepresents the quality of a product only if the product does not meet the reputation that defendant has for products of that nature. In many cases, defendant's mark has no reputation whatsoever.

133. Schechter, *supra* note 91, at 818–19.

134. Of course, there are exceptions. If a seller sells several grades of a product, and labels one with a mark like "PREMIER," use of the mark may well convey a message that the product is of better-than-average quality.

And even if defendant has acquired a reputation, there is no deception if the goods that defendant sells meet or exceed that reputation.¹³⁵

A careful reading of section 43(a) therefore indicates that it simply does not cover reverse passing off. Although the statute is meant to cover a wide variety of problems, it does have its limits. Whether Congress chose its words because it meant to exclude reverse passing off, or simply because it did not consider the doctrine while it was drafting, it is clear that the Lanham Act does not provide a cause of action.¹³⁶

2. *State Law*

State unfair competition law takes many forms. However, most reverse passing off plaintiffs rely either on the common law or one of various state statutes, such as the Uniform Deceptive Trade Practices Act¹³⁷ and the Unfair Trade Practices and Consumer Protection Law (UTPCPL),¹³⁸ that build upon the common law.¹³⁹ These various state laws all deal with the same basic types of activities, but differ in their particulars.

a. *Applying State Unfair Competition Law to Reverse Passing Off*

Most of the state statutes are worded broadly enough to support a cause of action. For example, the Uniform Deceptive Trade Practices Act prohibits acts that cause a "likelihood of confusion or of

135. In fact, if defendant has resold plaintiff's products for some time, defendant's reputation will be determined by the quality of *plaintiff's* goods.

136. Courts have proven quite willing to bend the literal language of § 43(a). They recognize that Congress meant § 43(a) to deal not with certain enumerated fact situations, but instead with an entire genre of unfair competition cases. See Bauer, *supra* note 97. If reverse passing off fits into this genre, courts should interpret § 43(a) to provide a cause of action notwithstanding the limits of the language chosen by Congress.

However, this argument fails in its premise. The basic goals of the Lanham Act are to protect consumers against deception and to ensure that competitors receive the goodwill that is rightfully theirs. S. Rep. No. 79-1333, at 1 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1274. As discussed *infra* at text accompanying notes 190-203, Reverse Passing Off accomplishes neither of these ends.

137. 7A U.L.A. 265 (1985).

138. Council of State Gov'ts, *supra* note 100, at 31-39.

139. See, e.g., CD Law Inc. v. LawWorks Inc., 35 U.S.P.Q.2d (BNA) 1352 (W.D. Wash. 1994) (common law conversion, unfair competition, unjust enrichment, and state's version of Uniform Trade Practices and Consumer Protection Law); Debs v. Meliopoulos, No. 1:93-cv-939-WCO, 1991 U.S. Dist. LEXIS 19864 (N.D. Ga. Dec. 18, 1991) (state version of Uniform Deceptive Trade Practices Act); Board of Trade v. Dow Jones & Co., 439 N.E.2d 526 (Ill. App. Ct. 1982) (common law claim), *aff'd*, 456 N.E.2d 84 (Ill. 1983).

misunderstanding as to the *source*, sponsorship, approval, or certification of goods or services.”¹⁴⁰ Because this language does not contain the limitations present in section 43(a) of the Lanham Act, the statute can be extended to reverse passing off. The UTPCPL is worded even more generally, reaching all “deceptive” practices.¹⁴¹ Reverse passing off arguably deceives consumers by misrepresenting the source of the commodity that they are purchasing.¹⁴²

Fitting reverse passing off into the common law is more difficult. The recently-enacted Restatement (Third) of Unfair Competition does contain an entire section dealing explicitly with reverse passing off. Section 5 provides in relevant part:

One is subject to liability to another . . . if, in marketing goods or services manufactured, produced, or supplied by the other, the actor makes a representation likely to deceive or mislead prospective purchasers by causing the mistaken belief that the actor or a third person is the manufacturer, producer, or supplier of the goods or services if the representation is to the likely commercial detriment of the other.¹⁴³

This language contains a pair of important limitations. First, because the section requires that the goods in question actually be “manufactured, produced, or supplied” by the plaintiff, reverse passing off would be actionable only in resale cases, not in copying cases. Second, the section requires that defendant make a *positive statement* claiming to be the origin. The comments to section 5 indicate that merely substituting defendant’s trademark for plaintiff’s will not suffice.¹⁴⁴ If section 5 accurately depicts the current state of the common law, Reverse Passing Off is much narrower than the rule applied in many cases.

140. Unif. Deceptive Trade Practices Act § 2(a)(2), 7A U.L.A. 265 (1985) (emphasis added).

141. Council of State Gov’ts, *supra* note 100, at 31–39. Section 2 is the key section of the UTPCPL. This section has three alternatives, all of which reach deceptive practices. In addition, alternatives one and three prohibit “unfair” trade practices. It is possible to argue that reverse passing off is unfair to consumers, by shifting to them the burden of ascertaining the true source of the product. *Cf. In re Pfizer, Inc.*, 81 F.T.C. 23 (1972) (holding that under § 5 of Federal Trade Commission Act, 15 U.S.C. § 45, after which UTPCPL is patterned, seller making true but unsubstantiated claim is unfair trade practice because it would shift burden to consumers). As discussed *infra* at text accompanying notes 199–200, however, this same unfairness exists in other forms of branding practices that are widely accepted in many industries.

142. Whether deception really matters is an issue that will be addressed *infra* at text accompanying notes 190–200.

143. Restatement (Third) of Unfair Competition § 5 (1995).

144. *Id.* § 5 cmt. b. The same reasoning suggests that use of a false copyright or patent notice would not be actionable under common law.

b. Preemption

But finding an applicable state law is only the first step. Reverse Passing Off primarily protects those who create products. These products almost invariably fall within the subject matter of the copyright or patent laws.¹⁴⁵ Therefore, Reverse Passing Off arguably encroaches on the domain of the federal copyright and patent laws. These federal laws may preempt state law if the encroachment is too great. Because different rules govern copyright and patent preemption, it is necessary to analyze each separately.

c. Copyright Preemption

Section 301 of the Copyright Act explicitly defines the scope of copyright preemption.¹⁴⁶ There are actually two separate preemption provisions in section 301. Subsection (a) is the general preemption provision that applies in most cases. In 1990, however, Congress added a separate and narrower preemption provision, section 301(f).¹⁴⁷ With certain narrow exceptions, both provide that a state law is preempted if it is equivalent to various rights vested by the Copyright Act. The difference between the two sections lies in the type of rights covered by each. Section 301(a) covers state law rights that are equivalent to any of the general rights of copyright holders listed in section 106. Section 301(f), on the other hand, deals with state law rights that are equivalent to the special rights afforded certain visual artists in section 106A. As discussed above,¹⁴⁸ section 106A, unlike section 106, creates a right of "authorship" that is closely akin to Reverse Passing Off.¹⁴⁹ Therefore, section 301(f) is more likely than section 301(a) to preempt state reverse passing off laws.

145. Most of the cases cited in this Article involve either a work of authorship within the subject matter of copyright or a utilitarian product or process within the subject matter of patent law. Of course, the plaintiff's product will not always qualify for patent or copyright protection. *See, e.g.,* Murray v. NBC, Inc., 844 F.2d 988 (2d Cir. 1988) (general idea for situation comedy); Board of Trade v. Dow Jones & Co., 439 N.E.2d 526 (Ill. App. Ct. 1982) (stock market index), *aff'd*, 456 N.E.2d 84 (Ill. 1983).

146. 17 U.S.C. § 301 (1994).

147. Pub. L. No. 101-650, 104 Stat. 5131, 5134 (codified at 17 U.S.C. § 301(f) (1994)).

148. *See supra* notes 107-08 and accompanying text.

149. 17 U.S.C. § 106A (1994). Section 106A(a)(1)(A) provides that the author of certain works has the right "to claim authorship of that work." For a discussion of this § 106A right and its similarity to Reverse Passing Off, see *supra* at text accompanying notes 108-12.

In practice, the preemptive scope of section 301(f) is relatively narrow. It applies only when a state law is being used to protect a “work of visual art,” a fairly restricted category of works.¹⁵⁰ Therefore, section 301(f) clearly does not prevent a state from allowing recovery for reverse passing off in the typical case in which plaintiff’s work would not qualify as a work of visual art.¹⁵¹

States probably also have the power to act even when a work of visual art is involved. First, section 301(f) only precludes states from granting equivalent rights in the actual work of art produced by the artist.¹⁵² States are therefore not precluded by section 301(f) from imposing liability in a copying-type reverse passing off case, even if it involves a work of visual art. Second, section 301(f) exempts from preemption state laws that create rights that extend beyond the life of the artist.¹⁵³

Because of these limitations, the scope of section 301(f) preemption on state law Reverse Passing Off is extremely narrow. Basically, states are precluded from regulating cases in which defendant resells or otherwise markets¹⁵⁴ a work of visual art produced by plaintiff, and then only during the life of the artist. Although no court has yet faced the question, the right granted to the plaintiff in a Reverse Passing Off case is certainly equivalent to the section 106A right to claim authorship.

150. 17 U.S.C. § 301(f)(1). The § 101 definition of “work of visual art” is discussed *supra* text accompanying note 110.

Section 301(f) prevents states from protecting certain limited categories of works. It is irrelevant whether the work in question is actually protected under the copyright laws. *Cf.* H.R. Rep. No. 101-514, at 21 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6931.

151. Very few litigated cases have involved works of visual art. *See supra* note 111.

152. *See supra* note 112 and accompanying text.

153. Section 301(f)(2)(C) provides an exception for state laws that deal with “activities violating legal or equitable rights which extend beyond the life of the author.” 17 U.S.C. § 301(f)(2)(c). Thus, a state could clearly require acknowledgment of the plaintiff’s contribution after the plaintiff’s death. In fact, it might even be able to regulate acknowledgment during the life of the author, for there is a serious ambiguity in § 301(f)(2)(C). That section focuses on the duration of the state law right, not the time at which the infringing activities occur. In other words, as long as the state drafts a law covering Reverse Passing Off that allows the claim to survive the death of the plaintiff, it can apparently deal with all “activities” that impair that right, regardless of when those activities occur. Although that interpretation seems to defy the legislature’s intent by allowing for a parallel right during the author’s lifetime, it is the most honest interpretation of the statutory language.

154. Section 301(f) would also preempt state law in a “sample” case, where defendant copies plaintiff’s design, but markets its copy by showing potential customers a good actually produced by plaintiff. Although the defendant in these cases does copy, the gravamen of plaintiff’s complaint is not the copying, but instead defendant’s use of the original product. Moreover, the § 301(f) right to claim authorship applies regardless of whether the defendant actually sells the product. Therefore, although no sample cases involving works of visual art have yet arisen—or are likely to arise—these cases should be treated the same as resale cases for purposes of preemption.

Allowing a parallel state action in this narrow situation would defeat one of Congress's goals in enacting section 106A, which was to encourage uniformity among the states by providing a single, federal cause of action.¹⁵⁵

Of course, it is still necessary to consider the general preemption provisions of section 301(a). Unlike section 301(f), section 301(a) deals with all works that fall within the subject matter of the copyright laws.¹⁵⁶ The crucial question under section 301(a) is whether the right to prevent reverse passing off is equivalent to any of the general rights given copyright holders by section 106.¹⁵⁷

No court requires perfect equivalence between the state law and section 106 rights. Most courts apply the "extra element" test to determine equivalence.¹⁵⁸ If the state law claim includes an element that does not apply in a copyright claim, and that extra element makes the state law claim qualitatively different from a copyright claim, the state claim is not preempted.¹⁵⁹

Several courts have applied this analysis to the question of whether state law Reverse Passing Off is preempted by section 301(a). Most,

155. H.R. Rep. No. 101-514, at 9, 21. There are admittedly certain statements in the legislative history which suggest that state law Reverse Passing Off would not be preempted. For example, in discussing § 301(f) the House Report states: "Further, State law causes of action such as those for misappropriation, unfair competition, breach of contract, and deceptive trade practices, are not currently preempted under § 301, and they will not be preempted under the proposed law." *Id.* at 21. Given that courts use some version of unfair competition law as the basis for most state law reverse passing off claims, this language might suggest that a state reverse passing off law based on unfair competition would not be preempted even if the plaintiff was trying to protect a work of visual art. However, such an interpretation would render the actual language of § 301(f) meaningless, for it is difficult to imagine a right that is more "equivalent" to a right of attribution. The label that the state places on its cause of action certainly should not control the question of preemption. The very next sentence of the Report supports this conclusion: "On the other hand, if a State attempts to grant an author the rights of attribution or integrity for works of visual art as defined in this Act, those laws will be preempted." *Id.* Although unfair competition laws in general are not preempted, a state law that specifically requires acknowledgment would be.

156. Like § 301(f), § 301(a) preempts state attempts to protect a work regardless of whether it is currently protected under the copyright laws. 17 U.S.C. § 301(b)(1).

157. 17 U.S.C. § 106 (1994).

158. *See, e.g., Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 201 (2d Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985); *Crow v. Wainwright*, 720 F.2d 1224, 1226 (11th Cir. 1983); Donald S. Chisum & Michael A. Jacobs, *Understanding Intellectual Property Law* 1-35 (1992).

159. *See supra* note 158. For recent examples of this test in practice in an area other than Reverse Passing Off, *see United States ex rel. Berge v. Board of Trustees*, 104 F.3d 1453, 1463-64 (4th Cir. 1997) (holding that state conversion claim was preempted by federal copyright law), and *Harold's Stores, Inc. v. Dillard Department Stores, Inc.*, 82 F.3d 1533, 1543-44 (10th Cir.) (holding that state antitrust claim was not preempted), *cert. denied*, 117 S. Ct. 297 (1996).

including the Second, Fourth, and Ninth Circuits, have found various state laws preempted.¹⁶⁰ Professor Nimmer seconds this conclusion.¹⁶¹ Only the Northern District of Illinois has consistently upheld certain state law claims of reverse passing off against preemption.¹⁶²

Notwithstanding the numbers, the Northern District of Illinois seems to have the better of the argument. State law reverse passing off almost always includes an important extra element that makes it qualitatively different than any of the rights granted by section 106 of the Copyright

160. See, e.g., *Takeall v. Pepsico, Inc.*, 14 F.3d 596, 1993 WL 509876, at *6-7 (4th Cir. Dec. 8, 1993) (unfair competition and unjust enrichment); *Kregos v. Associated Press*, 3 F.3d 656, 665-66 (2d Cir. 1993) (statutory and common law unfair competition); *Litchfield v. Spielberg*, 736 F.2d 1352, 1358 (9th Cir. 1984) (unfair competition and misrepresentation); *American Movie Classics Co. v. Turner Entertainment Co.*, 922 F. Supp. 926, 929 (S.D.N.Y. 1996) (unfair competition); *FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334, 1358-64 (N.D. Ill. 1994) (state law misrepresentation and tortious interference); *Waldman Pub. Corp. v. Landoll, Inc.*, 848 F. Supp. 498, 504-05 (S.D.N.Y.) (unfair competition), *vacated in part*, 43 F.3d 775 (2d Cir. 1994); *CD Law Inc. v. LawWorks Inc.*, 35 U.S.P.Q.2d (BNA) 1352, 1354-56 (W.D. Wash. 1994) (unfair competition, conversion, unjust enrichment, and state consumer protection statute); *Xerox Corp. v. Apple Computer, Inc.*, 14 U.S.P.Q.2d (BNA) 1512, 1518-19 (N.D. Cal. 1990) (unfair competition and unjust enrichment); *Bull Publ'g Co. v. Sandoz Nutrition Corp.*, 13 U.S.P.Q.2d (BNA) 1678, 1683 (N.D. Cal. 1989) (state unfair competition statute); *Peckarsky v. ABC, Inc.* 603 F. Supp. 688, 695-96 (D.D.C. 1984) (state law right of attribution); *Orth-O-Vision, Inc. v. Home Box Office*, 474 F. Supp. 672, 682-84 (S.D.N.Y. 1979) (common law unfair competition); see also *Fisher v. Dees*, 794 F.2d 432, 440 (9th Cir. 1986) (indicating in dictum that unfair competition would be preempted; applying *Sears/Compco* test for patent presumption instead of § 301).

161. 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][1][e], at 1-24 n.110 (1996).

162. See *Joseph J. Legat Architects, P.C. v. United States Dev. Corp.*, No. 84 C 8803, 1991 WL 38714 (N.D. Ill. Mar. 20, 1991) (statutory and common law unfair competition); *Stillman v. Leo Burnett Co.*, 720 F. Supp. 1353 (N.D. Ill. 1989) (unfair competition). However, not all state claims will survive preemption. In three other cases, the Northern District found that state law misappropriation claims are preempted, even when applied to acts of reverse passing off. *Gannett Satellite Info. Network, Inc. v. Rock Valley Community Press, Inc.*, No. 93 C 20244, 1994 WL 606171 (N.D. Ill. Oct. 24, 1994) (holding that state law misappropriation is preempted, but statutory deceptive trade practices claim is not); *FASA Corp.*, 869 F. Supp. 1334; *Nash v. CBS, Inc.*, 704 F. Supp. 823 (N.D. Ill. 1989), *aff'd on other grounds*, 899 F.2d 1537 (7th Cir. 1990).

The Southern District of New York once agreed with the Northern District of Illinois, but appears to have changed its mind. In *Tracy v. Skate Key, Inc.*, 697 F. Supp. 748 (S.D.N.Y. 1988), the Southern District allowed a state Reverse Passing Off claim based on New York's antidilution act, but found a parallel claim under the state's artists authorship rights law to be preempted. *Tracy*, 697 F. Supp. at 750-51. The Southern District's later opinions in *Waldman*, 848 F. Supp. at 505, in 1994 and *American Movie Classics*, 922 F. Supp. at 934, in 1996 both concluded, without citing *Tracy*, that Reverse Passing Off claims were preempted. Although neither case involved the antidilution statute (and *American Movie Classics*, contrary to what the court concluded, did not even appear to involve reverse passing off), the court's reasoning in each case probably supplants the conclusion in *Tracy*. And even if *Tracy* is not implicitly overturned, it is difficult to understand how reverse passing off could be actionable under an antidilution statute.

Act.¹⁶³ This extra element is defendant's false representation that defendant is the source of the product. It is this false representation, not the act of copying, that forms the crux of the cause of action.

Copying is also a *sine qua non* of reverse passing off, at least in the copying cases. But the defendant in a copying-type reverse passing off case is not penalized for copying. It is penalized for misleading the public.¹⁶⁴ If the defendant simply admits at the outset that it has copied the plaintiff's good, courts will not impose liability for reverse passing off.¹⁶⁵ This makes Reverse Passing Off fundamentally different from any of the copyright rights, under which it is immaterial whether defendant discloses that plaintiff is the source.

Some courts dealing with section 301(a) preemption also apply a "goals" analysis, under which they compare the goals of the state law with the goals of copyright law.¹⁶⁶ This approach bolsters the conclusion that state law Reverse Passing Off is not preempted. The goal of copyright is to encourage creative activity by granting authors a limited monopoly in their works. Reverse Passing Off, by contrast, has two primary objectives. One is to minimize consumer confusion concerning the source of products in the marketplace.¹⁶⁷ The copyright laws have nothing whatsoever to do with this problem. The other goal of reverse passing off is to ensure that the source of the product receives all of the goodwill that flows from the design of the product.¹⁶⁸ Although a copyright holder also receives that future goodwill—after all, a monopolist will by definition receive all of the goodwill associated with a product—there is no indication that Congress considered this *future*

163. 17 U.S.C. § 106 (1994).

164. In fact, *Kregos*, 3 F.3d 656, which is probably the leading case finding preemption, can be explained away on this basis. The *Kregos* court explicitly found that the New York law of unfair competition did not require the plaintiff to prove any deceptive statement. *Id.* at 666. Plaintiff could prevail merely by showing copying without permission, which is exactly the same showing as it would have to make in a copyright infringement case.

The district court in *Waldman* missed this point. In that case, the plaintiff argued that New York's common law of unfair competition did require proof of a misleading statement. The court dismissed the case based on the authority of *Kregos*, without reviewing state law. Although plaintiff would have had to demonstrate that New York common law had changed in the five years since *Kregos*, the court should at least have allowed plaintiff to present the argument.

165. See, e.g., *CCS Communication Control, Inc. v. Law Enforcement Assocs., Inc.*, 628 F. Supp. 1457, 1460 (S.D.N.Y. 1986) (finding no cause of action where defendant leaves plaintiff's mark on product).

166. See, e.g., *Gannett Satellite*, 1994 WL 606171, at *6; *Stillman*, 720 F. Supp. at 1362.

167. See *supra* text accompanying note 91.

168. See *supra* text accompanying note 92.

goodwill to be an important part of the incentive provided by the limited monopoly of copyright. In fact, just the opposite is true. Under the “first sale” doctrine of copyright, a person who legally obtains a copy of a copyrighted work is free to sell that copy without infringing the copyright.¹⁶⁹ As the monopoly afforded by copyright ends at the initial sale, Congress clearly did not mean to give the author the right to capture future goodwill.

The very existence of section 301(f) also suggests that section 301(a) does not preempt state reverse passing off laws. That Congress elected to draft a separate section covering the right of attribution is strong evidence that it did not consider the right to be included within the existing section 106. If the right of attribution is not encompassed in section 106, section 301(a) has no effect on a state law that provides such a right.

Therefore, although they are precluded from regulating resale cases involving works of visual art, states are otherwise free to limit all types of reverse passing off in cases involving products within the subject matter of copyright. The only possible exception would be a state law that did not include as an element a false statement by the defendant concerning the source. For example, if a state tried to fit reverse passing off within the tort of misappropriation, the claim might well be preempted. Misappropriation imposes liability on the mere act of copying, regardless of whether that copying misleads the public. In this context, it is interesting to note that several of the cases that concluded that state law was preempted dealt with a form of the tort of general misappropriation.¹⁷⁰

169. 17 U.S.C. § 109 (1994).

In *Allison v. Vintage Sports Plaques*, 40 U.S.P.Q.2d (BNA) 1465 (N.D. Ala. 1996), the court found that the federal first sale doctrine was a defense in an action based on state law. *Id.* at 1469. As a result, the defendant was held not liable under state law for harm that it had caused to the plaintiff when it resold a product that it purchased from plaintiff.

Although *Allison* does represent an alternate way to find state law preempted, it should have little impact in state law Reverse Passing Off cases. The plaintiff’s claim in that case was based upon the right of publicity. Plaintiff argued that it was entitled to profits that defendant earned by reselling certain plaques decorated with photographs of the plaintiff. *Id.* In essence, plaintiff was demanding all of the profits from the resale itself. If a court were to allow the claim, it would directly undermine the § 109 “first sale” exception. In a Reverse Passing Off case, by contrast, the plaintiff is not asking for the profits from the resale, but instead simply demanding that its name be left on the product when the product is resold. Although this demand is admittedly a condition on resale, it does not deprive defendant of the value of the product.

170. As discussed *supra* note 162, the Northern District of Illinois agreed that state law misappropriation claims are preempted. See *Gannett Satellite*, 1994 WL 606171, at *5; *FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334, 1361–62 (N.D. Ill. 1994); *Nash v. CBS, Inc.*, 704

d. *Patent Preemption*

The patent statute¹⁷¹ does not explicitly list the standards for preemption. The law of patent preemption has instead been developed in a series of Supreme Court cases.¹⁷² Although the law is not entirely settled, the scope of patent preemption is roughly the same as under section 301(a) of the Copyright Act. The predominant analysis closely resembles the “goals” analysis used by a few courts in construing section 301.¹⁷³ According to *Bonito Boats*,¹⁷⁴ the Supreme Court’s most recent analysis of the question, states cannot reward inventors by giving them exclusive rights in their functional inventions.¹⁷⁵ States may, however, prohibit copying of those inventions if “necessary to promote goals outside the contemplation of the federal patent scheme,”¹⁷⁶ such as limiting customer confusion¹⁷⁷ or encouraging morality in competition.¹⁷⁸ As in copyright, the product need only lie within the general subject matter of the patent laws; it is irrelevant whether it actually would qualify for a patent.¹⁷⁹

Very few cases have addressed the question of whether the patent laws preempt state law Reverse Passing Off. However, both the Eighth and Ninth Circuits have concluded that certain state laws are not preempted.¹⁸⁰ These courts are correct. The goals of the patent laws are

F. Supp. 823, 835 (N.D. Ill. 1989), *aff’d on other grounds*, 899 F.2d 1537 (7th Cir. 1990). Similarly, although phrased as an unfair competition claim, the state law claim that the court found preempted in *Kregos v. Associated Press*, 3 F.3d 656 (2d Cir. 1993), did not require plaintiff to prove a false statement. *Id.* at 666.

More generally, however, there is an ongoing debate about whether §301 preempts state misappropriation laws. *See generally* Nimmer & Nimmer, *supra* note 161, at 1-28.

171. Patent Act, 35 U.S.C. §§ 1-376 (1994).

172. The leading cases, in chronological order, are *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969), *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974), and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

173. *See supra* text accompanying note 166.

174. 489 U.S. 141.

175. *Id.* at 157-58.

176. *Id.* at 166.

177. *Id.* at 165; *see also* *Tveter v. AB Turn-O-Matic*, 633 F.2d 831, 839 (9th Cir. 1990).

178. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 155-56 (1989); *see also* *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974).

179. In *Sears*, 376 U.S. 225, 226 (1964), and *Compco*, 376 U.S. 234, 235 (1964), for example, patents had been obtained, but had been declared invalid in the course of the lawsuit.

180. *See* *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434 (9th Cir. 1993) (holding misappropriation claim was preempted, but unfair competition claims were not preempted);

basically the same as those of copyright—to encourage invention by providing a strong financial incentive to the inventor.¹⁸¹ As discussed above, state law Reverse Passing Off neither conflicts with nor overlaps this basic goal. Reverse Passing Off does not provide any sort of a monopoly to the plaintiff. The law allows defendant to copy plaintiff's product freely, only asking it to admit what it has done. Accordingly, neither the patent nor the copyright laws preclude states from regulating reverse passing off, at least in those cases where the state law cause of action requires a false statement by the defendant.¹⁸²

But merely because states *can* regulate reverse passing off does not necessarily mean that they *should*. By definition, giving rights to one competitor restricts others. Such a restriction is warranted only if it is offset by other benefits to society. The next section will address whether recognizing a cause of action for reverse passing off is a wise policy choice.

IV. SHOULD REVERSE PASSING OFF BE ACTIONABLE?

Reverse Passing Off has enjoyed a warm reception. The doctrine has been invoked in cases ranging from the resale of industrial machinery to the copying of works of art and literature. However, most courts have accepted the cause of action without really considering whether the cause of action is desirable. Most courts simply cite *Smith v. Montoro*¹⁸³ or one of the other early reverse passing off decisions as supporting the claim. However, even these early cases do not really consider the policy issues presented by the cause of action.

Allowing the plaintiff to recover for reverse passing off certainly “feels” right. The defendant, after all, has lied to the public by falsely

Truck Equip. Serv. Co. v. Fruehauf Corp., 536 F.2d 1210 (8th Cir. 1976) (holding that misappropriation claim was not preempted). However, the precedential value of both cases is subject to question. *Truck Equipment* was decided prior to the Supreme Court's 1989 decision in *Bonito Boats*, a case that put teeth back into the preemption analysis. The discussion of preemption in *Summit*, by contrast, must be considered dictum. Although plaintiff had alleged both a § 43(a) and a state law Reverse Passing Off claim, the court rejected the claims on the merits. *Summit*, 7 F.3d at 1442. Moreover, the only authority that the *Summit* court cites for its statement about preemption is *Tveter*, 633 F.2d 831, a case involving ordinary, not reverse, passing off. States clearly retain the power to regulate ordinary passing off.

181. See *Kewanee Oil*, 416 U.S. at 480.

182. The only possible exception would be a state attempt to impose liability for the false use of a patent symbol. Because § 292 of the Patent Act, 35 U.S.C. § 292 (1994), specifically deals with that issue, see *supra* text accompanying note 104, it in all likelihood preempts state law in this area.

183. 648 F.2d 602 (9th Cir. 1981).

taking credit for something it did not create. There is a strong flavor of unfairness here; where a defendant, in the oft-quoted words of Justice Pitney in *INS*,¹⁸⁴ “is endeavoring to reap where it has not sown.”¹⁸⁵ By the same token, the law asks very little of the defendant. Reverse Passing Off does not question the defendant’s ability to resell or copy the good; rather, it simply asks the defendant to disclose what it has done.

These vague feelings of impropriety, however, are not enough to justify a cause of action. The world of commerce is replete with situations in which people reap where they have not sown. Commercial success invariably breeds imitation. Not all of these situations of copying—in fact, only a small minority—are actionable. Before making an exception to this general principle for reverse passing off, it is important to consider the harms caused by a defendant who makes a false claim of origin.

A. Policy Considerations

A few courts and commentators have attempted to analyze the policy issues underlying reverse passing off.¹⁸⁶ Two basic concerns regularly arise in these discussions.¹⁸⁷ First, reverse passing off supposedly deceives consumers as to the source of the products they are purchasing. Second, a defendant who claims to be the source of a product benefits from the goodwill that consumers develop towards that product. Whether these concerns are genuine, and whether a cause of action addresses them, are the real issues.

1. Consumer Deception

Proponents of the cause of action argue that allowing a plaintiff to sue helps to prevent defendants from deceiving consumers. However, there are several flaws with this argument. First, it is by no means clear that a defendant who sells another’s product under defendant’s own name or mark is making a false statement. Second, any misrepresentation that

184. *International News Serv. v. Associated Press*, 248 U.S. 215 (1918).

185. *Id.* at 239.

186. *Roho, Inc. v. Marquis*, 902 F.2d 356 (5th Cir. 1990); *Smith*, 648 F.2d at 607; *Blazon, Inc. v. DeLuxe Game Corp.*, 268 F. Supp. 416, 426 (S.D.N.Y. 1965); *Borchard*, *supra* note 17, at 9–10; *Freedman*, *supra* note 19, at 319–23; *Rittenberg*, *supra* note 19, at 1763; *Sergent*, *supra* note 19, at 56–59, 68–77.

187. *Rittenberg*, *supra* note 19, at 1763, offers four policy justifications. However, all four are merely variations on the two themes set out in the text.

may occur may well be immaterial. Finally, it is impossible to distinguish the deception involved in reverse passing off from other common marketing practices that are perfectly acceptable.

A statement is “deceptive” if it is both false and likely to mislead the audience.¹⁸⁸ Situations of reverse passing off may not satisfy either of these criteria. In this regard, it is useful to distinguish two types of reverse passing off cases. In most cases, defendant’s representation involves attaching its name or trademark to the product or selling the product in its store or catalog. In a few cases, defendant goes one step further by expressly stating that it is the origin.¹⁸⁹

A defendant that simply sells a good under its own name or mark has not necessarily made a false statement.¹⁹⁰ The statement is false only if consumers perceive it as a representation concerning the actual origin of the product. Someone who buys a branded product does not automatically assume that the seller personally designed or produced the product. In today’s economy, with its vast distribution chains and large retailers, consumers are accustomed to buying goods that are produced by unknown people. Therefore, defendant’s use of its name or mark may not be interpreted as an indication of origin. If not, it is not “false” merely because it does not name plaintiff.

In some cases, though, consumers will conclude that defendant is the origin, either because they assume that the seller must also be the origin, or because defendant has made some express claim to be the origin. Even here, however, consumer deception does not necessarily exist. Admittedly, consumers rely on marks and express statements to ascertain the source of the products that they are buying, and rely heavily on that knowledge in their purchasing decisions. However, it is important to consider exactly why knowing the source is important. Ordinary consumers are not interested in learning the name of the true source merely to sate their curiosity.¹⁹¹ Instead, consumers want to know the source simply because it provides them a shorthand way to gauge the

188. See *In re Shapely, Inc.*, 231 U.S.P.Q. (BNA) 72, 73 (T.T.A.B. 1986) (interpreting word “deceptive” in § 2 of Lanham Act, 15 U.S.C. § 1052 (1982)); *In re Quady Winery, Inc.*, 221 U.S.P.Q. (BNA) 1213, 1214 (T.T.A.B. 1984) (same); see also *In re Cliffdale Assocs.*, 103 F.T.C. 110 (1984) (interpreting word “deceptive” under § 5 of Federal Trade Commission Act, 15 U.S.C. § 45 (1982)); Restatement (Third) of Unfair Competition § 3 (1995).

189. See, e.g., *Lipton v. Nature Co.*, 71 F.3d 464, 468 (2d Cir. 1995); *Marling v. Ellison*, 218 U.S.P.Q. (BNA) 702, 705 (S.D. Fla. 1982).

190. Restatement (Third) of Unfair Competition, § 5 cmt. b.

191. Of course, there are exceptions. For example, some people may desire to buy a product produced by a friend or neighbor.

quality of the product that they are considering.¹⁹² Therefore, from the perspective of the consumer, the source of a product is the party most responsible for the ultimate quality of that product.¹⁹³ Unlike the more philosophical question of origin underlying a patent or copyright, the consumer's perception of source may well differ depending on a variety of factors.

For example, in copying cases consumers may actually consider the defendant, rather than the plaintiff, the best indication of quality. Of course, the quality of a given product is determined both by its design and by the skill with which it was constructed. However, consumers can generally evaluate the design of a product by visual or other inspection. Quality of manufacture is often much more difficult to judge. Consumers therefore want to know the name of the actual manufacturer, which in the copying cases is the defendant. In fact, attaching plaintiff's name to a good manufactured by defendant may actually prove more deceptive, especially if the quality of the goods manufactured by plaintiff and defendant differ significantly.

The resale cases are slightly more difficult, because in these cases plaintiff controls the manufacture. Whether defendant's claim to be the origin is false in these cases often turns on the nature of the product. For some products, especially durable goods, the reputation of the actual manufacturer provides the best indication of quality. For others, however, it is more important to know the reputation of others in the distribution chain. Most consumers purchasing milk, for example, are more interested in knowing who processed, shipped, and stored that perishable product than knowing who owns the cows. Even for durable goods, a consumer may prefer certain retailers over others because of superior service and post-sale support. In all of these cases, a defendant who holds itself out as the "source" does not necessarily mislead the consuming public, for in the eyes of consumers it may well be that the defendant's role is more important in ascertaining quality.

Finally, even if it is undisputed that plaintiff has played a greater role in the quality of the product, reverse passing off does not necessarily deceive consumers. Consider again how consumers use trademarks and

192. Knowledge of the source of the product is especially useful if the consumer has dealt with that seller before when purchasing the same or similar goods. For more detailed expositions of how sellers and buyers communicate through the use of marks, see Schechter, *supra* note 91, at 815-19, and see generally Hanak, *supra* note 91.

193. Borchard, *supra* note 17, at 4 n.7, suggests in passing that Reverse Passing Off can be justified in terms of a consumer's right to know the ultimate source of the product purchased. This analysis confuses the concepts of physical origin and the consumer's perceptions of origin.

other indicia of source when making purchasing decisions. Consumers choosing among competing commodities rely on the reputation of the source to judge quality.¹⁹⁴ A consumer who sees a product branded *XYZ* expects that the product will be as good as the reputation of the owner of the mark *XYZ*. The consumer is deceived if the product is not as good as the reputation.

Under the above analysis, *regular* passing off clearly presents a potential for deception. In the ordinary case of passing off, plaintiff owns the mark *XYZ* and defendant sells its product under the same or a confusingly similar mark. Because defendant's products ordinarily will not match the quality associated with the plaintiff, defendant's use of *XYZ* is both false and misleading.¹⁹⁵

In a case of reverse passing off, by contrast, consumers assume that the product comes from the defendant. If defendant has no reputation for quality, a situation that is fairly common in the cases, consumers are not deceived because they have no specific expectations concerning the quality of the product.¹⁹⁶ Nor is there deception even in the less frequent case where defendant has acquired a reputation. Defendant's reputation is defined mainly by its history in dealing with products of a particular type. Because defendants in reverse passing off cases are selling products from a "single" source—admittedly the plaintiff—the product will, by definition, be as good as consumers expect, as long as defendant continues to resell plaintiff's goods.¹⁹⁷ Use of defendant's own mark therefore does not deceive consumers.

194. This perceived reputation may arise from several sources, including advertising, a consumer's own experiences with the product, the recommendations or warnings of others who have used the product, and the reports of testing agencies.

195. The representation is not misleading if the plaintiff has not yet acquired a reputation. Trademark law nevertheless prohibits ordinary passing off even in this situation because defendant has destroyed the *potential* for efficient communication through the trademark.

196. Consumers may have a general expectation of quality from the mere fact that the product is sold under defendant's name or mark. As a general proposition, consumers may well assume that branded goods are of a generally higher quality than unbranded items. After all, few sellers would want to take credit for very low-quality goods. However, reverse passing off does not deceive consumers as to this general representation of quality. In fact, consumers are doubly protected; for not only defendant but plaintiff deems the good of sufficient quality to claim to be the origin.

197. Of course, if defendant resells goods obtained from several different sources, consumer expectations will not be satisfied. None of the reverse passing off cases present such a situation. Even if the situation were to arise, the resulting "deception" would not alone be grounds for imposing liability. The problem of varying quality is not unique to reverse passing off. The law of trademarks has never adequately addressed the issue of a seller whose goods are not of consistent quality.

This argument may seem too facile. Even if consumer expectations are met, there appears to be another type of deception going on here. After all, consumers could make a better-informed purchasing decision if they were aware that the product actually comes from plaintiff, at least in those cases where plaintiff has a reputation for goods of this nature. Although defendant may not actually be lying, it has certainly withheld useful information from consumers.

But such nondisclosure does not of itself justify a cause of action. Even a cursory review of trademark law shows that the law does not, as a general rule, require full disclosure of source information.¹⁹⁸ For example, a seller who uses the same mark on many different goods is under no obligation to ensure that the goods are of consistent quality. In fact, the very adoption of a trademark involves a form of non-disclosure, as the seller is now hiding behind the mask of a name other than its own.

The widespread practice of "private branding" presents the most obvious analog to reverse passing off. Many retailers, particularly supermarkets and drug chains, buy products from a manufacturer, attach their own mark, and sell the products to the public.¹⁹⁹ No one claims that this practice is deceptive. Yet, private branding deceives customers every bit as much as reverse passing off; for in both cases the seller has failed to disclose the real origin of the product.²⁰⁰

All things considered, it is impossible to justify Reverse Passing Off as a means of controlling deception. Realizing exactly how knowledge of the source is important to consumers makes it apparent that most reverse passing off is not deceptive. What little deception occurs is indistinguishable from other common marketing practices.

198. There are a number of laws requiring disclosure of source information. However, these rules are not part of general trademark statutes. Most of these laws are special rules promulgated by agencies such as the Food and Drug Administration.

199. For statistics on the incidence of private branding, see Arthur M. Handler & Eileen P. McCarthy, Conopco—*Consumer Confusion Remains the Touchstone of Trademark Dress Infringement*, 86 Trademark Rep. 595, 595–96 (1996).

200. *Accord* Rittenberg, *supra* note 19, at 1758 n.13; *Sergent*, *supra* note 19, at 71. The author could find no cases in which private branding was challenged as deceptive. Of course, one would not expect to find any cases in which the true source challenged the practice. In a case of private branding, the true source cannot bring suit because it has consented to the defendant's use of its own mark. However, a suit by the true source is not the only way in which a court could determine whether reverse passing off was deceptive. Consumers could in theory sue the defendant for misrepresentation. Similarly, the Federal Trade Commission could police the practice under its power to regulate "deceptive" trade practices. *See* 15 U.S.C. § 45 (1994). However, a search of the case law reveals no cases in which either consumers or the Commission has challenged private branding. The lack of case law suggests that we as a society do not consider private branding misleading even though the seller has failed to disclose the "true" source of the product it is selling.

2. *Preserving Goodwill Generated by the Source*

Sellers do not use trademarks out of some altruistic desire to provide consumers with free information about the source of products. Instead, they use trademarks to maximize profits. Consumers who have positive experiences with products bearing a certain brand name are more likely to buy that brand in the future. This goodwill gives the seller a clear edge in the market. Because a trademark provides consumers with a ready way to distinguish the desired goods from others, sellers use marks to reap the goodwill generated by their prior sales.

One argument commonly used to support a cause of action for reverse passing off is that the practice inhibits the development of goodwill.²⁰¹ If defendant takes credit for plaintiff's work, plaintiff cannot take advantage of the goodwill it has developed. There is a sense of unfairness here, the same sort of injustice that underlies the tort of general misappropriation.

However, any analogy to misappropriation is misplaced. Unlike a typical case of misappropriation, defendant is not reaping the fruits of another's labors. Because consumers in a case of reverse passing off do not associate the product with plaintiff, their immediate purchasing decisions will not be swayed by any favorable prior experiences with the product. In fact, there is no obvious immediate benefit to defendant in removing plaintiff's name from the product.

The argument that reverse passing off is unfair, then, must stem from the idea that plaintiff has a right to reap the *future* goodwill attributable to the products it has created.²⁰² However, this argument proves too much. Defendant, after all, is engaged in competition with the plaintiff. Competition is a battle for future goodwill. Although the law places limits on competitive behavior, defendant has not exceeded these limits by engaging in this type of practice. Unlike typical instances of unfair competition, defendant has not lied to or coerced customers, nor has it engaged in egregious behavior towards plaintiff, its competitor.

201. Freedman, *supra* note 19, at 321–22; Rittenberg, *supra* note 19, at 1763; Sergent, *supra* note 19, at 66.

202. One leading commentator labels reverse passing off “anticompetitive commercial robbery.” Borchard, *supra* note 17, at 24. His choice of the word “robbery” is telling. Robbery exists only where the victim has some sort of exclusive right in the item taken. Borchard, like others, merely assumes that the source of a product *does* have a legal right to the future development of goodwill, and devotes his efforts to defining how that right should operate in practice. This approach simply begs the question.

Defendant has merely failed to provide one item of information that customers might find useful.

In the copying cases, defendant has competed by copying plaintiff's product. Unless the product is protected by the patent and copyright laws, the Supreme Court has consistently held that copying benefits, rather than disrupts, competition.²⁰³ If a defendant who copies must disclose that copying to the public, many of the economic efficiencies that arise from copying will be lost.

In the resale cases, on the other hand, plaintiff has already received all of the goodwill that it can legitimately expect. Plaintiff had a chance to profit when it sold the product at the outset. That original sale added a little to plaintiff's goodwill, assuming that the buyer enjoyed the product. But plaintiff should not also be entitled to goodwill on *later* sales of that same product. Just as one is free to remove the marks of all products that one sells at a garage sale, defendant should be free to remove plaintiff's mark or even to substitute its own when it resells the good in the future. That plaintiff and defendant are in competition is irrelevant. Because plaintiff cannot control resale by consumers, it has no justified expectation of receiving credit for its good in the future. For the law to provide a right to credit whenever a competitor happens to resell the product would be nothing more than a windfall to plaintiff.²⁰⁴

203. See, e.g., *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157-58 (1989).

204. *Sergent*, *supra* note 19, at 47-48. The very fact that the defendant in a resale case can compete successfully with the plaintiff suggests that something has gone awry in the market. After all, defendant must buy the good from plaintiff. In order to make a profit, defendant must charge its customers at least as much as it paid. Moreover, because defendant is reselling the product under its own name, it does not have the advantage of any goodwill that consumers have towards the plaintiff.

There are a number of reasons why defendant might be able to compete under these conditions. The most obvious example is where defendant has goodwill in its own name or mark. If defendant has competed in the market for this product or closely related products, consumers may rely on their past experiences with that name or mark to gauge the quality of the goods that defendant is selling. Even if the price is greater, consumers in such a case may favor defendant's goods because they assume the quality is greater. However, few of the reverse passing off cases involve defendants with an established reputation.

A second reason why consumers may buy from defendant is that defendant somehow undersells plaintiff. For example, defendant may have negotiated a quantity discount with the plaintiff. If plaintiff's quantity discount accurately reflects its economies of scale, of course, defendant should not have any cost advantage when it resells to individual buyers. However, there are many circumstances in which defendant will be able to undersell plaintiff. Plaintiff may have inflated its price in individual sales to cover its quantity discounts. Or plaintiff may provide not only the product, but also related set-up or warranty services not provided by defendant.

Finally, defendant's advantage may derive from the simple fact that it is not the plaintiff. If consumers have had trouble with plaintiff's goods in the past, they may avoid those goods in the market. They could conceivably prefer to buy from an unknown source—even at a higher price—

Therefore, none of the proffered justifications for Reverse Passing Off are valid. Imposing liability does nothing to prevent or cure any meaningful consumer deception. Allowing plaintiff to reap the future goodwill that would flow to it from connection with the product would threaten the delicate balance established by the copyright and patent laws between the need to encourage innovation and the general freedom to compete. Reverse Passing Off gives the original source an unfair advantage over its competitors without providing any corresponding benefit to the market.

B. The Special Case of Artists

*Even the matter of fact attitude of the law does not require us to consider the sale of the rights to a literary work in the same way that we would consider the sale of a barrel of pork.*²⁰⁵

The law often treats artists differently from those who produce other commodities.²⁰⁶ For example, most nations operate two separate systems, copyright for artists and patent for other innovators. Legislatures have created special rules for artists because of a widespread perception that art is somehow different. These same differences may affect the question of reverse passing off. Even if Reverse Passing Off is not generally available, there may be special considerations that support a limited cause of action for artists.²⁰⁷

The most obvious distinction between artists and others is that the United States is obligated by treaty to protect an artist's association with the works he produces. After almost a century of deliberation, the United States in 1989 finally joined the Berne Convention for the Protection of

than from the plaintiff. In this case, plaintiff's name or mark has acquired a "negative" goodwill, resulting in a commercial disadvantage.

205. *Clemens v. Press Publ'g Co.*, 122 N.Y.S. 206, 207 (N.Y. App. Div. 1910) (Seabury, J., concurring).

206. This Article uses "artist" in a non-technical way. The term is intended to include authors, composers, sculptors, choreographers, and all similar creators. Defining who is an "artist" is notoriously difficult, and has occupied the attention of many scholars and judges. Fortunately, it is not necessary to define the concept precisely in order to understand the thesis of this Article. For those interested in a rough working definition, an "artist" is a person who produces creative works that appeal mainly to our aesthetic values, while a "non-artist" produces works that serve a particular function other than aesthetics.

207. See Freedman, *supra* note 19, at 322–23 (recognizing that reverse passing off cases involving artists present special considerations).

Literary and Artistic Works.²⁰⁸ This treaty requires signatories to provide a host of legal rights to artists. Among these rights is the article 6*bis* right to "claim authorship."²⁰⁹ Although perhaps susceptible to other interpretations,²¹⁰ article 6*bis* has been interpreted by the United States as requiring that the artist be given a right to seek legal recourse against third parties who either remove the artist's name from a work of art or substitute their own name.²¹¹ This is, of course, closely akin to Reverse Passing Off. Therefore, in order to satisfy its Berne obligations, United States law must afford some sort of Reverse Passing Off right to all artists within the contemplation of the treaty.

During the debates leading to United States accession to Berne, several members of Congress argued that the treaty would not have that great an impact because United States law already afforded many of the required rights.²¹² These proponents asserted that the right to claim authorship was covered by Reverse Passing Off under the Lanham Act.²¹³ Notwithstanding these arguments, Congress included a limited right to claim authorship in the Visual Artists Rights Act of 1990, codified in section 106A of the Copyright Act.²¹⁴

208. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988) (codified at 17 U.S.C. §§ 101, 104, 116, 205, 301, 401-411, 501, 504, 801 (1988)).

209. Article 6*bis* provides in relevant part:

(1) Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.

* * *

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

Berne Convention, *supra* note 14, art. 6*bis*, at 235.

210. Article 6*bis* does not explicitly state that the author may bring a cause of action. It is possible to provide a right of paternity by means short of a private right to recovery. For example, the "right" could be achieved simply by allowing the author to proclaim his authorship to the world without fear of retribution from either the government or the party holding the copyright.

211. In theory, the article 6*bis* right of integrity might also be used to the same end. In addition to the right to claim authorship, 6*bis*(1) gives an author the right, "to object to any . . . mutilation or other modification of . . . the work . . . which would be prejudicial to his honor *or reputation*." Berne Convention, *supra* note 14, art. 6*bis*, at 235 (emphasis added). The concept of reputation can easily encompass goodwill. The more difficult question is whether removal of the author's name or mark is a "mutilation" of the work. Even when the author places his name on the surface of a painting, that name is not necessarily an integral part of the work. If the name or mark can be removed without affecting the expression, removal does not constitute a mutilation of the underlying work of art.

212. For a summary of the views, see H.R. Rep. No. 100-609, at 32-40 (1988).

213. *Id.*

214. 17 U.S.C. § 106A (1994).

Section 106A, however, does not satisfy the requirements of article 6bis. Berne's definition of "literary and artistic works" includes many works that would not qualify as a section 106A works of visual art.²¹⁵ For example, section 106A does not include any works of literature or musical compositions. And because the Lanham Act does not reach reverse passing off for the reasons discussed above,²¹⁶ there is no national legislation providing a right of attribution to all artists covered by Berne. Congress must accordingly act if the United States is to comply with Berne.²¹⁷

On the other hand, Congress might choose not to provide a general right to claim authorship, even if it elects otherwise to comply with Berne. It would certainly not be the first time that the United States failed to satisfy a technical treaty obligation. The Berne Convention, like other treaties, contains an entire palette of rights. Many of these rights comport with United States policy. However, it is not entirely clear that article 6bis strikes the proper balance on the question of attribution. After all, Part IV.A of this Article demonstrated that there are sound policy reasons against providing a general action of Reverse Passing Off. In order to justify the special cause of action for artists envisioned by Berne, it must be shown that these producers are somehow different from non-artists. Moreover, not all differences count. Reverse Passing Off is justified only if there are demonstrable differences between artists and others regarding the two possible justifications for a cause of action: consumer deception and protecting future goodwill.

215. The Berne Convention covers "literary and artistic works," which article 2(1) defines as:

every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

Berne Convention, *supra* note 14, art. 2(1), at 222. This definition is quite broad. Some of the listed works, such as maps and three-dimensional geographic representations, might not qualify as works of art even under this Article's expansive definition, set forth *supra* note 206.

216. See discussion *supra* Part III.B.

217. State statutes or common law may, and often do, supply a cause of action. However, article 6bis(3) explicitly provides that the 6bis rights are to be made effective by *national* legislation. Berne Convention, *supra* note 14, art. 6bis, at 235. State law, even where it exists, obviously cannot satisfy this requirement.

1. *Consumer Deception*

As discussed above, most reverse passing off does not mislead consumers because defendant's misrepresentation that it is the source of the product causes no harm to consumers. Most consumers do not care about "source" as an absolute. They are interested in source only because it provides some indication of the quality of the product being considered. As long as defendant is selling products of consistent quality, consumers are not deceived by defendant's mark on plaintiff's product.

From this perspective, art is no different. A person considering the purchase of a painting, recording, or book is certainly interested in knowing the name of the artist, performer, or author. Like the case of non-art, however, that interest exists mainly because knowing the artist's name provides some indication of the quality of the work.²¹⁸

In fact, knowing the name of the artist may actually be less important when shopping for art. Using the name of the source is an imprecise way to judge quality.²¹⁹ Other methods, especially physical inspection, are much more accurate. Notwithstanding the chance for error, shoppers rely on source information primarily because the other methods of ascertaining quality often prove to be impracticable or too expensive. However, many works of art lend themselves quite readily to these other means of gauging quality. Visual inspection is much more useful when judging the quality of a painting than it is when evaluating an automobile. The quality of a painting is determined almost exclusively by its appeal to the eye, and does not include difficult-to-test factors that would be relevant in the case of the automobile, such as durability. Similarly, although a book or recording cannot be judged by visual inspection, there are other means, such as book and record reviews, to determine quality. In many respects, then, misrepresentations about the source of a work of art would as a general matter seem to be less

218. Some consumers may know artists personally, and accordingly want to buy from them for reasons other than objective quality. However, this phenomenon also exists in the case of non-artistic products. Any differences between artists and non-artists in this regard is one of degree, not kind.

219. Use of a mark is most accurate when the consumer has either had prior experience with goods from the same source, or has received information from others with experience. Nevertheless, the mark is still a fairly imprecise measure of quality. In essence, the consumer is relying on an assumption the goods will be of roughly the same quality as before.

Marks are even less precise when the consumer has never dealt with the seller before, or if the consumer has had past dealings but cannot recall them. In this case, the consumer has no solid information about the source or the actual level of quality. At best, the consumer will be forced to rely on seller advertising. Moreover, the consumer may assume that branded goods are generally "better." Neither of these sources of information, of course, is necessarily very accurate.

deceptive than misrepresentations concerning the source of other products.²²⁰

On the other hand, perhaps complete accuracy of source information is more important in the sale of art for other reasons. Art is, after all, something more than a simple functional product. It is a form of communication. The plaintiff who creates a work of art is conveying an idea to others through that work. In all forms of communication, knowing the identity of the speaker may help listeners evaluate the worth of the message. Reverse passing off obscures the identity of the artist and accordingly may distort the message.

Even this argument, however, does not support Reverse Passing Off. First, the argument assumes that the name of the artist would actually mean something to the observer. If the observer has never before encountered a work by the artist, knowing the artist's name adds nothing to the message conveyed by that work. Second, even if the name would mean something, there is no general principle in the law that requires an artist, or any speaker, to disclose his name. Many works of art are distributed anonymously. Others are published under pseudonyms.²²¹ In fact, if the law is truly concerned with this sort of deception, copyright law's "work for hire" doctrine, which vests copyright not in the actual author but in the person who employs the artist to produce a work, seems somewhat of an anomaly.²²² Given that all of these other situations also convey false information, it is difficult to justify singling out reverse

220. There are admittedly cases in which misrepresentations as to the source of a work of art may be more deceptive. First, as discussed *supra* note 218, some consumers may be interested in purchasing the works of a particular artist not because of any reputation of quality, but because they know the artist personally.

Second, many works of art are purchased for resale. In this situation, knowing the name of the artist may be a better way of judging the market value of the work than inspection. Artistic taste is highly idiosyncratic. The mere fact that a purchaser adores a sculpture is not necessarily an indication that that sculpture will appeal to others. Buying works of an artist with an established reputation provides a hedge against this unpredictability because that reputation is good evidence that the artist's works have appealed to a certain audience in the past. Ensuring that a work of art is identified with the actual artist may accordingly protect those consumers who purchase for resale. However, this consideration does not support a general cause of action for all artists, although it may support the more limited right set out in § 106A of the Copyright Act. 17 U.S.C. § 106A (1994). In this vein, it is interesting to note that § 106A covers only "works of visual art" produced in limited editions, the types most often purchased for resale.

221. Disclosure is not even a condition of copyright protection, as the Copyright Act allows for the registration of anonymous and pseudonymous works. 17 U.S.C. § 302(c) (1994).

222. 17 U.S.C. § 201(b) (1994).

passing off.²²³ For all of these reasons, then, deception cannot support even a narrow version of Reverse Passing Off limited to artists.

2. *Capturing Goodwill*

Reverse Passing Off gives the plaintiff more of the goodwill generated by products it designs or produces. Although this does provide an additional incentive for future creative activity, that incentive is ordinarily not enough to justify a cause of action.²²⁴ The law already has means to assure that the innovator can profit from its creations. Unless there is reason to believe that these other incentives are insufficient for artists, there is no reason to allow artists to recover for reverse passing off.

In many cases, artists are motivated by different factors than other producers. It is often said, for example, that the artist does not produce for profit, but instead because of a personal need to express an idea or notion in a work. Regardless of whether the perception is accurate,²²⁵ it alone does not warrant a cause of action. Reverse Passing Off is meant to increase the plaintiff's goodwill by ensuring that it receives credit for what it has produced. This in turn increases future sales. If the artist is less interested in profit than the non-artist, this financial windfall will actually be *less* of a motivating factor for future work than it would be for a non-artist.

On the other hand, there is another, more subtle, way in which goodwill may motivate the artist. Consider how goodwill actually develops. A seller acquires goodwill when consumers have positive experiences with the products it produces. As consumers associate those positive experiences with the seller itself, the seller acquires a certain sort of "fame."

Most sellers do not care about this fame in and of itself. Fame is important only because consumers have memories. Consumers carry their recollections of positive experiences with them into the market in

223. The actual source could not sue in any of these situations because it has consented to defendant's use of its own name. However, a suit by the source is not the only way to police deception. Consumers who feel deceived might bring an action for misrepresentation or an action under a state consumer protection law. Similarly, the Federal Trade Commission could intervene in such a case, as it did in *United States v. American Greetings Corp.*, 168 F. Supp. 45 (N.D. Ohio 1958), *aff'd*, 272 F.2d 945 (6th Cir. 1959).

224. See *supra* text accompanying notes 201-04.

225. Western society clings to the myth of the starving but driven artist. Actually, many artists produce art for profit, and some do very well.

the future and accordingly will be more willing to purchase the seller's products. Fame, then, is important to the non-artist because it results in increased sales. The promise of these sales, not the notoriety itself, motivates the seller both to innovate and to take credit for the innovation.

For most sellers, the law can protect this potential for future profit without providing a cause of action for reverse passing off. Trademark law, by protecting the symbols that consumers use to associate their past experiences with a particular seller's goods, allows the seller to reap the results of that future goodwill. Although Reverse Passing Off might make the seller even better off, it does so at the expense of fair competition.

It is in this respect that artists are different. For whatever reason—perhaps simple vanity—those who produce a work of art or literature want recognition for their creations. More importantly, many artists are unique in that they want recognition for recognition's sake, not merely because it may result in increased demand for future works. The painter, composer, sculptor, and even the academic writing a book or article has poured a great deal of himself into his work; he naturally feels slighted if someone else receives credit for that work. For the artist, then, fame itself provides part, or maybe even all, of the motivation for creative activity.²²⁶

Of course, the fact that artists want this recognition begs the question. A legal right to recognition may well result in more artistic production, perhaps more than society wants. However, it is safe to conclude that most societies have already made the decision that they want to increase artistic production. Most already have laws in force, such as patent and copyright, to encourage innovation. Moreover, when compared to the monopoly provided by the patent laws and the quasi-monopoly created by copyright, Reverse Passing Off is a relatively cost-free way to motivate artists. Competition is not restricted, because the cause of action does not forbid the competitor from reselling or copying the work. The seller merely must tell the purchaser who the real source of the product is.

Although the artist's unique desire for recognition may justify a cause of action limited to artists, not all types of reverse passing off should be actionable. An author wants credit for those works she actually creates. Accordingly, the cause of action should clearly cover the resale cases, in

226. In the case of academic works, for example, the author generally receives no direct compensation. Admittedly, there are certainly many non-artists who also take pride in their work. However, it is the rare non-artist for whom this pride is the primary motivation for creative activity.

which the credit for the original work is the issue. However, there is no need to extend the cause of action to copying cases. As long as the defendant is free to copy the good—an issue governed by the copyright laws—it should be free to claim credit for its copies. The author should only receive credit for the works produced by the author, not by other parties.²²⁷

In conclusion, then, the special characteristics of the artist justify granting a limited cause of action for reverse passing off to artists, but not to others. Unless artists know that they will be associated with their work, they may not be willing to invest the time and energy needed to produce a work of quality. The law should accordingly allow the original artists to prevent others from taking credit for works that the artists actually produced. The next section explores the form that such a cause of action might take.

C. *A Proposal*

Part II of this Article explored the various possible sources of Reverse Passing Off. Although the Lanham Act, as currently written, does not support a cause of action, courts could find such a right in existing state law. In addition, section 106A of the Copyright Act provides a more limited cause of action in favor of visual artists.²²⁸

However, this existing hodgepodge of laws lacks uniformity. When the United States acceded to the Berne Convention, it agreed to protect indications of source in works of art. article 6*bis* expressly indicates that such protection should be set forth in national legislation.²²⁹ Therefore, the preferable way to provide for Reverse Passing Off is through a single federal statute.

The simplest way to provide a uniform cause of action would be to build upon some current law. Copyright Act section 106A is the obvious choice. That section's "right to claim authorship" includes the right to

227. *Supra* note 18 discusses the sample and photograph cases, which are in some sense a hybrid between the resale and copying cases. Reverse passing off cases in which an artist's work is used as a sample are likely to be exceedingly rare. *But cf.*, *Ideal Toy Corp. v. Fab-Lu, Ltd.*, 261 F. Supp. 238 (S.D.N.Y. 1966) (dolls); *Blazon, Inc. v. DeLuxe Game Corp.*, 268 F. Supp. 416 (S.D.N.Y. 1965) (toy horse). Should such a case arise, it should be treated like a resale case, and the artist should be allowed to recover. Like the resale cases, the issue is whether the artist receives credit for his actual handiwork. It is irrelevant whether the author receives that credit in connection with the sale of the original, or the use of the original to sell copies.

228. 17 U.S.C. § 106A (1994).

229. Berne Convention, *supra* note 14, art. 6*bis*, at 235.

challenge reverse passing off. Moreover, as discussed above, section 106A is limited to resale cases,²³⁰ the only type of reverse passing off case in which protection of artists can be justified.²³¹ Congress would need to amend section 106A in order to ensure that all artists receive proper recognition for the original works. It should clarify the vague phrase “right to claim authorship” by specifying that it includes the right to bring a private action against a defendant who engages in reverse passing off. Most importantly, Congress should extend the protection of section 106A to all works within the subject-matter of copyright, not merely works of visual art.²³²

Remedies are another issue. A practical, but largely unrecognized, problem with allowing a private action for reverse passing off is choosing a proper remedy for the plaintiff.²³³ Because most courts have concluded that reverse passing off is actionable under section

230. See *supra* note 112 and accompanying text.

231. Limiting the protection to resale cases may benefit sculptors and painters, but will be of significantly less benefit to authors, recording artists, and others whose works are sold in numerous copies. The defendant who wants to reverse pass off a book or recording will not simply resell the original. Rather, it will copy plaintiff’s work and sell it under defendant’s own name. The § 106A right to claim authorship provides no relief in these copying cases.

That limitation is not a problem because the author or recording artist already has ample rights. All artists who produce original works are protected by the other provisions of the copyright laws and can therefore sue the copier for infringement. In fact, the right to sue for infringement is even more powerful than § 106A insofar as it allows the plaintiff to stop altogether defendant’s sale of its copies. A defendant who cannot sell cannot engage in reverse passing off.

In some cases the artist will assign the copyright to a printer or producer. Although the artists have lost the right to sue for infringement they can still obtain protection by negotiating a right of attribution in their contracts of assignment.

232. Congress may also need to refine the Copyright Act’s concept of “author” in order to make the new right effective. For example, the plaintiff in the leading case of *Smith v. Montoro*, 648 F.2d 602 (9th Cir. 1981), had no rights under the copyright laws. Although the work in question—a film—did fall within the subject-matter of copyright, the Copyright Act would consider the producer or director the “author.” Although this rule may make sense in the context of copyright’s exclusive rights, it is too restrictive in the case of the right to claim authorship. Claimants who have contributed to works covered by copyright should have a right to have their contributions acknowledged.

In one respect, however, Congress needs to limit § 106A. As written, the section allows authors to claim authorship of works with respect to later sales even if they have not claimed authorship for the initial sales. If the purpose of Reverse Passing Off is to ensure the author the opportunity to receive the notoriety necessary to inspire creation, it is inappropriate to extend the cause of action to an author who conveys a work *without* any attempt to claim credit.

233. A few courts have struggled with the question of damages. See, e.g., *Pioneer Hi-Bred Int’l v. Holden Found. Seeds, Inc.*, 35 F.3d 1226, 1243–45 (8th Cir. 1994); *Bangor Punta Operations, Inc. v. Universal Marine Co.*, 543 F.2d 1107, 1110–11 (5th Cir. 1976); *Santrayll v. Burrell*, No. 91 Civ. 3166, 1996 WL 134803, at *3 (S.D.N.Y. Mar. 25, 1996). An outstanding scholarly discussion of the issue is contained in *Sergent*, *supra* note 19, at 65–68.

43(a) of the Lanham Act, they have also borrowed the remedies from that statute. The Lanham Act authorizes a wide array of remedies, including profits,²³⁴ damages,²³⁵ destruction of infringing items,²³⁶ and injunctions.²³⁷ In some cases, a victorious plaintiff is also entitled to treble damages and attorney's fees.²³⁸ These Lanham Act remedies are quite similar to those authorized by the Copyright Act, although the Copyright Act provides for statutory damages in lieu of treble damages.²³⁹ Most of the Copyright Act remedies are available in section 106A cases.²⁴⁰ Therefore, if Congress provides a cause of action for reverse passing off to artists under section 106A, there is likely to be very little change in the way in which courts handle damages.

The question of remedies warrants closer scrutiny. Although the remedies provided by the Lanham and Copyright Acts make perfect sense in an ordinary infringement case, they present serious difficulties in a case of reverse passing off. Unlike ordinary copyright or trademark infringement or false advertising, defendant's acts do not deprive plaintiff of any immediate sales which it could otherwise expect to make. In fact, if defendant had correctly named plaintiff as the source, it is entirely likely that defendant would have diverted more sales from plaintiff than it did by selling the product under its own name.²⁴¹

234. 15 U.S.C. § 1117(a) (1994). See *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976) (without considering implications, awarding plaintiff all of defendant's profits).

235. 15 U.S.C. § 1117(a).

236. 15 U.S.C. § 1118 (1994).

237. 15 U.S.C. § 1116 (1994).

238. 15 U.S.C. § 1117. Augmented damages are a matter of discretion in most cases, including all cases under § 43(a) of the Lanham Act. However, § 35(b) mandates the imposition of treble damages when defendant intentionally uses a counterfeit of a registered mark. 15 U.S.C. § 1117(b).

239. 17 U.S.C. § 504(c) (1994). The Copyright Act, like the Lanham Act, also allows for the recovery of actual damages and profits, 17 U.S.C. § 504(b), injunctions, 17 U.S.C. § 502 (1994), seizure and destruction of any infringing items, 17 U.S.C. § 503 (1994), and attorneys' fees, 17 U.S.C. § 505 (1994).

240. 17 U.S.C. § 501(a) (1994).

241. Consider what actually occurs in a reverse passing off case. Consumers purchase a product from defendant under the belief, admittedly erroneous, that it originates from defendant. If plaintiff does not compete in the market for that product, plaintiff clearly has lost no sales. More importantly, even if plaintiff does compete, some consumers have chosen defendant's goods over plaintiff's. As discussed *supra* note 204, the most likely reason is a price differential. However, if defendant is selling its product at a price lower than plaintiff, requiring defendant to acknowledge plaintiff may well increase defendant's sales, for defendant would then have the additional advantage of any goodwill associated with plaintiff.

Conversely, consumers may be avoiding plaintiff because it has developed a poor reputation. In this case, requiring defendant to acknowledge plaintiff may increase plaintiff's sales, although it is more likely to benefit the other competitors in the industry.

Therefore, giving plaintiff a right to recover the profits from defendant's sale is not an appropriate measure of plaintiff's loss. Plaintiff can gain the sales going to defendant only by barring defendant from the market altogether, regardless of what mark it uses. That, however, results in the sort of monopoly that falls within the exclusive province of the copyright and patent laws, not Reverse Passing Off.

In addition, the fact that the proposed cause of action applies only in resale cases makes an award of profits particularly inappropriate. A plaintiff in a resale case has already sold the original and received whatever profit it could command at that time. Defendant's reverse passing off does not affect this sale, but only the profits that plaintiff might earn on future sales of other works. Awarding plaintiff the profits that defendant has earned on the resale bears no reasonable relation to the harm actually suffered.

Damages are another option. But even an award of damages is inappropriate in a reverse passing off case. As noted just above, plaintiff's harm is the loss of future goodwill. These damages are highly speculative and difficult to estimate.²⁴² More importantly, however, an award of damages for loss of future goodwill does not comport with the reasons for creating a cause of action for artists but not for others. Artists should be allowed to recover for reverse passing off only because that is the only way to ensure that they receive the recognition necessary to motivate them to create. The recognition is meant to relate solely to the instant work, not to heighten the demand for the artist's other products. Giving artists a right to recover future goodwill as damages results in the same sort of unjustified windfall criticized earlier in this Article.²⁴³

Nor does seizure and destruction of defendant's goods address the real harm in these cases. Like an award of profits, seizure and destruction results in a form of overkill. It is warranted in ordinary infringement cases because it is the only sure way of preventing the defendant from

An order requiring defendant to acknowledge plaintiff will help plaintiff's sales only in the relatively rare case where defendant's advantage stems from its own reputation.

242. Damages are much easier to estimate in a regular trademark case because the issue is loss of current sales. In a reverse passing off case, by contrast, the court must prophesy how plaintiff's goodwill would have developed, and then translate that higher level of goodwill into a loss of future sales. Because of the number of factors that can affect future goodwill, this process is little better than pure speculation.

243. For the same reasons, treble damages are not warranted in reverse passing off cases. Except in the case of counterfeiting, the Lanham Act specifically provides that treble damages are not to be used as a penalty. 15 U.S.C. § 1117(a). Instead, they are intended to cover the components of damages that are likely to exist, but are difficult to measure.

making a sale that would otherwise have been made by the plaintiff. Because defendants in reverse passing off cases are not stealing sales from the plaintiff, seizure and destruction goes too far.

In fact, the ideal remedy in cases of reverse passing off cases is quite simple. All of the policy considerations can be satisfied merely by requiring the defendant to notify consumers of the actual source of the product or sample. This ensures that plaintiff receives credit for the work it has done, and interferes only to a minimal extent with defendant's ability to compete in the market for the product. Such an order would be fully effective even if it occurred *after* the sale.²⁴⁴

The final option is statutory damages under Copyright Act section 504(c). Statutory damages are intended to ensure that the copyright owner is compensated even in cases where actual damages and profits are difficult to measure or prove.²⁴⁵ Arguably, then, such damages should be available in reverse passing off cases, because of the difficulty of measuring the value of notoriety.²⁴⁶ However, statutory damages are less desirable than a simple order of acknowledgment, which provides a perfect solution. Although it reverses the normal order of things by making the equitable remedy the remedy of choice, Congress should amend the remedy provisions to make the order of acknowledgment the primary remedy in cases of reverse passing off.

There remains, of course, the problem of incentive. Even if injunctions requiring acknowledgment were granted as a matter of course, it will still prove to be quite costly for artists to enforce their rights. The availability of costs and attorneys' fees go a long way towards ameliorating this problem, and both should continue to be available in reverse passing off cases.²⁴⁷ Even then, however, there may not be a sufficient incentive for artists to demand acknowledgment. One crucial factor is whether the artist will make future sales. If the artist will make other sales, then the cost of obtaining the order may be offset in

244. An order requiring acknowledgment would also easily fit within the Copyright Act, which authorizes an injunction in cases involving a § 106A violation. 17 U.S.C. § 501(a), 502.

245. A plaintiff must choose between statutory damages and actual damages. 17 U.S.C. § 504(c) (1994). Given the difficulty of proving actual damages in a reverse passing off case, most artists would opt for statutory damages.

246. The amount of statutory damages authorized by § 504, however, may prove to be excessive in a case of reverse passing off. Statutory damages are intended as a rough estimate of the sales that the author lost as a result of defendant's actions. In an ordinary infringement case, it is not illogical to assume that all sales made by defendant would have otherwise been made by plaintiff. As demonstrated at *supra* note 241 and accompanying text, however, one cannot assume that a defendant in a reverse passing off case deprived plaintiff of any sales.

247. See 17 U.S.C. § 505 (1994).

whole or in part by the increase in value of his works.²⁴⁸ However, an artist who plans no more sales will not have this financial offset. The desire to be named as author may be a matter of intense personal pride that the author values quite highly, but it does not generate the income needed to fund litigation.²⁴⁹

A more far-reaching option to deal with the problem of incentive would be some sort of administrative remedy.²⁵⁰ For example, the law could be revised to allow an artist to lodge some sort of complaint with an agency, perhaps the Copyright Office. The agency could investigate the matter and order attribution if it determined that the complaint was well grounded. An administrative scheme of this sort would ensure that the plaintiff would receive no financial windfall other than the unavoidable increase in reputation. Moreover, although it would certainly place an additional burden on the agency, reverse passing off cases would not prove to be that factually complex. Recall that the proposed cause of action applies only to cases in which defendant uses an original actually produced by the plaintiff. Therefore, the agency could avoid the complex problem of ascertaining the “true source” that arises in the copying cases.²⁵¹ The issue of source is ordinarily straightforward in resale cases, except possibly in the situation where the defendant modifies the work prior to resale. The other main issue in the dispute—whether the defendant acknowledged the plaintiff—will also be relatively simple.

In short, there are many options for the proposed action for reverse passing off. Of course, legislative action will eventually be required. The best option would be for Congress to amend section 106A and the remedies provisions of the Copyright Act to incorporate the above suggestions. Failing Congressional action, state legislatures would also be free to enact their own laws, except for artists who are already protected by current section 106A. Regardless of whether it is enacted by

248. Admittedly, this is the same sort of windfall criticized *supra* at text accompanying notes 201–04. However, if ensuring that artists receive credit for their works is necessary to provide a proper incentive, there is no way to avoid the collateral increase in profits that will result.

249. One solution would be to require attorney’s fees and costs in these cases. Of course, that approach only benefits the artist who prevails in litigation.

250. Others have recognized that private civil litigation may not be the best way to deal with reverse passing off. *See Nike, Inc. v. Rubber Mfrs. Ass’n*, 509 F. Supp. 919 (S.D.N.Y. 1981) (suggesting that Federal Trade Commission action might be appropriate). *But cf. United States v. American Greetings Corp.*, 168 F. Supp. 45 (N.D. Ohio 1958), *aff’d*, 272 F.2d 945 (6th Cir. 1959). *American Greetings* is the only reverse passing off case in which the Commission has intervened.

251. *See supra* text accompanying notes 70–75.

the federal or a state government, a well-drafted statute would be far superior to the attempts courts have made to fit reverse passing off into the existing law.

V. CONCLUSION

The time is ripe for a serious review of the law dealing with reverse passing off. Over the past twenty years, courts have generally come to accept the existence of a cause of action. This trend seems to have developed a momentum of its own. Most courts seem persuaded by the numbers, with few engaging in any serious consideration of either the source of the cause of action or its possible policy ramifications.

At the very least, courts and commentators need to reevaluate the legal source of the cause of action. They are clearly mistaken in grounding the action in section 43(a) of the Lanham Act; for that statute, when parsed carefully, simply does not reach reverse passing off. If the cause of action does exist, it must arise under the state law of unfair competition.

But is reverse passing off really "unfair" within the meaning of these state laws? It certainly looks unfair, because the defendant is admittedly lying about the source of the product that it is selling. However, not all lies are actionable under the law of unfair competition. Rather, the law gives a competitor the right to challenge lies in the marketplace only when those lies injure consumers. Analyzed in this light, it becomes clear that reverse passing off, unlike other statements about source, really causes no direct harm to consumers. Nor can the cause of action be justified under a theory of allowing the true source of a product the "just rewards" of its work. Because neither of the proffered justifications for the cause of action survives closer scrutiny, courts have erred in accepting a general action for reverse passing off.

The only case in which reverse passing off can be justified is when a work of art, literature, or music is involved. Because of the United States' obligations under the Berne Convention, and the unique factors that motivate to the artist as "producer," the law needs to ensure that artists have the right to be associated with their works. Therefore, a limited form of reverse passing off, one that applies only when a work of art is resold without acknowledging the artist, can be justified. Although such a cause of action does not yet exist under federal law, it could be added without great difficulty to the existing law of copyright.

In a perfect world reverse passing off would not be a problem. Were all sellers completely forthright with the consuming public, they would disclose the source of the goods they sell. For whatever reason, however,

many take credit for work that is not theirs. Even though this sort of lie is not admirable, it is not necessarily a situation in which the law should intervene. Legislatures and courts should police the marketplace only when it can be shown that intervention will benefit consumers, either by reducing meaningful deception or by providing an incentive to sellers to create new products. Except in the case of art, Reverse Passing Off accomplishes neither of these social goals.

