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*by* ANDREW E. CLARK*

Sometime in the late spring of 1964, two clothing manufacturers, Puritan Sportswear Corporation and Puritan Fashions Corporation, appeared before United States District Judge Frederick van Pelt Bryan in a trademark controversy.[1] A few months earlier, the Beatles, described by Judge Bryan as "the shaggy-headed English quartet which has created such a furor among the American teenage population,"[2] had made their first live appearance in the United States. Puritan Fashions, seeking to exploit this craze, became the Beatles' American licensee for clothing merchandise and commenced a large-scale promotional campaign to market t-shirts, sweatshirts, and similar items featuring the Beatles.[3] Fearing injury to its reputation as a manufacturer and seller of high quality clothes, Puritan Sportwear moved to enjoin Fashions from using the

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1. Puritan Sportswear Corp. v. Puritan Fashions Corp., 232 F. Supp. 550 (S.D.N.Y. 1964).

2. *Id.* at 551.

3. *Id.* at 551-52. Clothes were not the only products on which the Beatles' names and pictures were licensed to appear. Upon their arrival in America, the group was deluged with licensing offers, many of which were accepted. Author Geoffrey Stokes describes the scene as follows:

> The flight itself was a hubbub of activity. In addition to the squads of British reporters accompanying the tour at their papers' expense . . . quick-thinking American businessmen had also booked seats. Smelling money, they could not wait for the Beatles to get to America. [Beatles manager Brian] Epstein, who was already in the process of setting up an American-based company to license the Beatles' name for various products, met with them in relays. His concern, he said, was that the Beatles' names and pictures be associated only with "quality products," and he turned down those that didn't fit the image he wanted the band to project. Among the offers he felt obliged to decline was one for an "official Beatles" sanitary napkin.
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> Virtually everything else was approved, however, and the Beatles' progress was heralded by such dubious devices as official Beatles lunch boxes, T-shirts, pajamas, pants, sweat shirts, three-button tennis shirts and, of course, wigs.

G. STOKES, THE BEATLES (1980), (*reprinted in* ROLLING STONE, Dec. 25, 1980—Jan. 8, 1981 (double issue), at 107, 110).

word "Puritan" in connection with the sale and distribution of Beatles merchandise.[4]

Judge Bryan denied the motion. He found that there was insufficient evidence of consumer confusion as to the origin of the Beatles goods and that Sportswear failed to show actual injury in any event.[5] Concluding that the potential harm the injunction would cause to Fashions outweighed any benefit Sportswear might receive, he opined that "[t]he Beatle aberration is presumably an ephemeral and temporary one. Fashions has invested large sums in the Beatle promotion and has had a rush of business as a result. In all likelihood it has only a limited period within which to realize on its investment . . . ."[6]

As history would have it, of course, Judge Bryan could not have been more wrong. While one can only speculate as to the fate of the two "Puritan" companies, the fate of the Beatles, who went on to become "more popular than Jesus Christ,"[7] is a well-known tale.[8] Moreover, the merchandising of "shaggy-haired" pop music groups, which Puritan Sportswear viewed with such abhorrence, is today a multi-million dollar industry.[9]

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4. 232 F. Supp. at 551-52. The essence of Sportswear's position, according to Judge Bryan, was that it viewed "with strong distaste and strenuously object[ed] to the use of the word 'Puritan' in any combination in connection with the promotion and marketing of Beatle goods." It sought to have the word "disassociated entirely" from the Beatle promotion. *Id.* at 552-53.

5. *Id.* at 553-54. Judge Bryan noted:

> There were some customers who seemed to be upset that Sportswear might be handling such undignified merchandise as the Beatles line but [they] were quickly reassured by Sportswear. Indeed, Sportswear published an advertisement disassociating itself in no uncertain terms from anything having to do with the Beatles. . . .
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> . . . .
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> . . . It must be granted that to many people at least the Beatle goods are singularly unattractive. But Sportswear has shown no actual injury and, even assuming some confusion in origin, any damage it may suffer is entirely speculative.

*Id.*

6. *Id.* at 555.

7. STOKES, *supra* note 3, at 118. Lennon made the remark in February 1966 during an interview with Maureen Cleave of the London Evening Standard. It was reprinted that summer in a "pulpy teenage magazine" called Datebook and set off a wave of reaction, resulting in the banning of Beatles music on a number of radio stations and mass bonfires at which Beatles records were burned. *Id.* Taken in context, Lennon's actual comment was "Christianity will go. It will vanish and shrink. I needn't argue about that, I'm right and will be proved right. We're more popular than Jesus Christ right now." *Id.*

8. *See id.*

9. Howrey, *Dealers, Bootleggers Step Up 'T-Shirt Wars'*, ROLLING STONE, Oct. 16, 1980, at 36 [hereinafter cited as *T-Shirt Wars*]; Pond, *The Sticky Business of Concert*

Almost twenty years after the *Puritan* decision, and some fourteen years after the group disbanded, Beatles t-shirts, jackets, posters, and buttons remain widely available in record stores, bookstores, gift-shops, and mail order outlets across the country.[10] Their still-active contemporaries, the Rolling Stones, reportedly grossed an estimated $40 million in t-shirt sales on their recent United States concert tour.[11] Although few groups have approached the Rolling Stones' level of commercial success, sales of collateral merchandise today account for a significant portion of the net incomes of most popular recording artists—second only to record sales for many performers.[12]

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*Merchandising*, ROLLING STONE, Nov. 12, 1981, at 56 [hereinafter cited as *Concert Merchandising*].

10. Merchandise featuring the individual members of the Beatles as solo artists also is widely available. Even the late John Lennon remains immortalized on products such as posters, buttons, bumperstickers, and t-shirts. One mail order company invites prospective purchasers to picture themselves with "Kaleidoscope Eyes," wearing "Lennon Specs . . . the original English workman's sunglass . . . One size fits all." ROLLING STONE, May 26, 1983, at 75 (advertisement). That biological death and commercial death are two different events is well illustrated by the present fame of The Doors, a late sixties rock band that broke up long before merchandising became a big business. More than ten years after its demise, the group is more popular than ever before, and t-shirts picturing the late Jim Morrison, The Doors' erstwhile leader, are a hot item today among young rock fans, many of whom were in kindergarten during the band's heyday. *See generally* Breslin, *Jim Morrison, 1981: Renew My Subscription to the Resurrection*, ROLLING STONE, Sept. 17, 1981, at 31 (describing the new popularity of Morrison and The Doors).

11. Loder & Pond, *Stones' Payday*, ROLLING STONE, Jan. 21, 1982, at 33 [hereinafter cited as *Stones' Payday*]. The twelve-week tour during the fall of 1981 played to more than two million people who paid $15 each for tickets. It was, at the time, the most profitable tour in rock and roll history. *Id. See also Trademark Attorneys Get Tough*, 4 NAT'L L.J. 1, at 8 (1981) [hereinafter cited as *Trademark Attorneys*]. Merchandising income reportedly almost matched ticket sales in some cities, with sales averaging more than one t-shirt (at $10 a piece) per customer. Between ticket sales, merchandise sales, spurred record sales, video broadcast revenues, and a tour sponsorship arrangement with a perfume manufacturer, Jovan, the Stones took home an estimated $50 million. *Stones' Payday* at 33-34.

12. *See Concert Merchandising*, *supra* note 9; *Stones' Payday*, *supra* note 11. While concert tours generate substantial revenues, their production costs are extremely high. For many groups and performers, merchandise sales at concerts determine whether the tour is profitable or loses money. As Styx manager Derek Sutton put it, "If we weren't selling T-shirts, we couldn't afford to be on tour. A little more than half our tour profits this year have come from merchandising . . . ." *Concert Merchandising*, *supra* at 56; *see also Rock 'n' Retail: Styx On Tour*, 130 N.Y. Times, Aug. 16, 1981, (Magazine), at 32, 44 [hereinafter cited as *Rock 'n' Retail*]; *cf.* Hickling, *Court Ruling a Blow to T-Shirt Bootleggers*, ROLLING STONE, Feb. 4, 1982, at 38 (merchandising revenues increasingly important in economics of touring) [hereinafter cited as *Bootleggers*].

The merchandise boom is not limited to the music field. Merchandising is big business throughout the entertainment industry and in other areas as well. *See generally*

Not surprisingly, the lucrative nature of this business has attracted a host of entrepreneurs out to capitalize on the vast merchandising market. Using inexpensive supplies and operating out of trucks, vans, private residences, basements, and business backrooms, they manufacture and distribute low-cost bootleg merchandise featuring the names and likenesses of popular rock performers without authorization or approval from the performers involved.[13] In short order, this practice has mushroomed into a full-scale underground industry, generating millions of dollars annually in illicit profits.[14] Although recent legal efforts on the part of artists and their licensees have curtailed the problem somewhat,[15] bootleg t-shirt peddlers maintain a nightly omnipresence outside concert halls and arenas throughout the country.

This article examines the problem of merchandise bootlegging in the music industry.[16] After exploring the background of

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Grimes & Battersby, *The Protection of Merchandising Properties*, 69 TRADE-MARK REP. 431 (1979) [hereinafter cited as Grimes]; McCarthy, *Important Trends in Trademark and Unfair Competition Law During the Decade of the 1970s*, 71 TRADE-MARK REP. 93, 125 & nn.107-08 (1981). Merchandise from the motion picture "Star Wars," for instance, has generated some $1.5 billion in gross retail sales. Scanlon, *George Lucas Wants to Play Guitar*, ROLLING STONE, July 21-Aug. 4, 1983 (double issue), at 7. Two months prior to the release of the movie "Superman," Warner Bros. had already licensed over 100 manufacturers to market nearly 1000 products. Grimes, *supra* at 437. The television show "Happy Days" has spawned more than fifty products. *Id.* at 435.

Generally, merchandising has been applied most successfully to low-priced impulse products such as posters, buttons, t-shirts, toys, games, badges, patches, and the like. *Id.* at 434-35. One of the oldest and most successful merchandising properties is "Mickey Mouse," whose products include hats, watches, drinking glasses, placemats, posters, coloring books, toothbrushes, combs, dolls, panties, and shower curtains. It has been estimated that, over the past fifty years, the "Mickey Mouse" name or image has been applied to over 50,000 different products, and, today, more than 200 worldwide manufacturers are licensed to produce "Mickey Mouse" products. *Id.* at 435.

13. *See infra* notes 25-60 and accompanying text.

14. *See T-Shirt Wars*, *supra* note 9 (bootleggers gross estimated $50 million plus annually); *see also* Appleson, *'John Doe TROs' Stem Illegal T-Shirt Sales*, 68 A.B.A.J. 30 (1982) (millions lost to bootleggers over years). One bootlegger, Great American Screen, reportedly grossed $60,000 to $75,000 in illicit t-shirt sales at a single Rolling Stones concert in Philadelphia. Musidor, B.V. v. Great American Screen, 658 F.2d 60, 66 (2d Cir. 1981), *cert. denied*, 455 U.S. 944 (1982). *See generally infra* notes 25-60 and accompanying text.

15. *See infra* notes 61-118 and accompanying text.

16. Although this article focuses primarily on the music industry, the issues raised have application in a wide range of fields. For instance, actors, comedians, movie studios, authors, publishers, athletic teams, schools, public figures, cartoonists, and even manufacturers of popular products such as Nike shoes or Coors beer, all have an interest in retaining the exclusive right to market the name or likeness of their product on collateral merchandise. *See generally* Grimes, *supra* note 12 (discussing legal mechanisms for protecting merchandising properties); Winner, *Right of Identity: Right of*

the problem, the article discusses recent efforts to combat merchandise bootlegging and analyzes the legal theories that have been employed in such efforts. The article contends that presently existing remedies are inadequate and suggests that a legislative solution is needed. The article concludes by proposing the general form that such legislation should take if it is to address the problem effectively.

## I
## "T-Shirt Wars": The Bootleg Problem

The problem of merchandise bootlegging in the music industry can fairly be characterized as an aspect of the larger, widespread phenomenon of commercial counterfeiting.[17] Although the proliferation of counterfeit designer jeans and fake Cartier watches has been well publicized,[18] the scope and severity of the problem run much deeper. Modern commercial counterfeiters operate on a vast international scale, with elaborate organizational structures and sophisticated systems of distribution.[19] The extent of their success has been alarming, resulting in losses of an estimated $16 billion to legitimate American businesses in 1981 alone.[20] No longer restricted

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*Publicity and Protection for a Trademark's "Persona,"* 71 TRADE-MARK REP. 193 (1981) (advocating protection for "fad" value of trademark's "persona").

17. *See generally* Rakoff & Wolf, *Commercial Counterfeiting and the Proposed Trademark Counterfeiting Act*, 20 AM. CRIM. L. REV. 145 (1982) (comprehensive discussion and analysis of commercial counterfeiting and proposed remedial legislation) [hereinafter cited as Rakoff]; Walker, *A Program to Combat International Commercial Counterfeiting*, 70 TRADE-MARK REP. 117 (1980) (discussion of commercial counterfeiting problem and steps taken to combat it).

18. *See* Rakoff, *supra* note 17, at 150-53 (citing newspaper and magazine articles).

19. *Id.* at 149. The counterfeiters' pattern of covert conduct mirrors that employed by organized crime in connection with drug trafficking. J. Bainton, Temporary Restraining Orders and Preliminary Injunctions: It's Largely in the Lawyering 21 (1982) (unpublished manuscript). There is some evidence that organized crime is directly involved in commercial counterfeiting. Rakoff, *supra* note 17, at 152 n.54.

20. Rakoff, *supra* note 17, at 151. In the fashion industry alone, illegal profits from commercial counterfeiting reached an estimated $450 million in 1980. *Id.* at 161 n.47. Similarly, Cartier president Ralph Destino has estimated that as many as 300,000 fake Cartier watches are sold annually—substantially more than Cartier itself produces. Morris, *Faking It*, ATTENZIONE, Feb. 1981, at 38, 40. It is not uncommon for counterfeiters to apply well known trademarks to types of merchandise that are not even made by the legitimate companies. *Id.* at 41. The Cartier trademark, for example, has been found on calculators, even though the company has never manufactured any electronic products. *Id.* Cheap t-shirts, emblazoned with the names of Gucci, Dior, and other clothing and accessory makers are hawked as designer tops on street corners in New York and other cities, although such companies "would never condescend to make T-shirts." *Id.*

solely to luxury and designer goods such as apparel, jewelry, cosmetics, sporting goods, and records, counterfeits have turned up in a wide range of health and safety related items, including drugs, fertilizers, chemicals, glasses, computer components, automobile parts, and even aircraft parts.[21]

The growing threat of commercial counterfeiting prompted a group of twenty-five American and European manufacturers to band together to form the International Anti-Counterfeiting Coalition. Created in 1978, the Coalition, now comprising more than seventy members, has attempted to combat the problem through cooperation with law enforcement and consumer protection groups both here and abroad.[22] Among its achievements has been the introduction of a proposed Trademark Counterfeiting Act now pending in Congress.[23]

In the music industry, the counterfeiting of record labels became so widespread that in 1962 Congress passed specific legislation to address the problem.[24] While record piracy remains a serious concern within the music industry, performers today—particularly rock and roll stars—are devoting increasing attention to the proliferation of counterfeit merchandise bearing their names and likenesses.[25] Bootleg t-shirts, jerseys, buttons, posters, and other items are sold by the thousands outside concert halls where the artists are performing. The concern is understandable given the amount of money at stake. Winterland Concessions Company, one of the largest licensed manufacturers of music-related t-shirts, grossed approximately $15 million in total sales in the year ending in September 1981[26] and bootleggers reportedly took home at

21. *See* Rakoff, *supra* note 17, at 152-53 (discussing examples); Walker, *supra* note 17, at 117-18 (same).

22. Walker, *supra* note 17, at 119; Rakoff, *supra* note 17, at 147 n.12.

23. Rakoff, *supra* note 17, at 147-48. Hearings were held on the proposed Act in 1982, but no further Congressional action was taken. It was reintroduced in the 98th Congress, with a few changes, and at this writing is still pending in committee. *See* S. 875, 98th Cong., 1st Sess., 129 CONG. REC. 3646 (1983); H.R. 2447, 98th Cong., 1st Sess., 129 CONG. REC. 1861 (1983). For an in-depth section-by-section analysis of the proposed Act, *see* Rakoff, *supra*, at 177-225.

24. Rakoff, *supra* note 17, at 170; *see* 18 U.S.C. § 2318 (1976). The statute was amended in 1982 to provide for stiffer penalties. Record piracy is now a felony with a maximum sentence of five years. Rakoff, *supra*, at 170 & n.197. Nevertheless, counterfeiters continue to produce bootleg records and tapes worth an estimated $6 billion each year. *Id.* at 151 n.47.

25. *See infra* notes 61-118 and accompanying text.

26. Winterland Concessions Co. v. Sileo, 528 F. Supp. 1201, 1207 (N.D. Ill. 1981); Winterland Concessions Co. v. Creative Screen Design, Ltd., 210 U.S.P.Q. 6, 8 (N.D. Ill.

least as much.[27]

Although rock merchandise, both authorized and unauthorized, is sold at retail outlets and through the mail,[28] the vast majority of sales occur at concert sites—about ninety percent in Winterland's case.[29] Such sales are particularly important to rock performers; with the high costs of touring, merchandise revenues often represent the difference between a profitable and unprofitable tour.[30] Yet even before the young concertgoer lays eyes on the array of official merchandise stockpiled at concession booths inside the arena, he inevitably encounters one or more of the scores of peddlers who roam the parking lot hawking bootleg t-shirts.[31] As a Winterland attorney has observed, "[f]or every shirt sold on the outside, we lose one on the inside."[32]

In terms of sheer numbers, the bootlegging problem is phenomenal. Industry insiders claim that it is not unusual for several hundred bootleggers to show up for a big concert.[33] At a recent Billy Joel concert in New York's Madison Square Garden, for instance, more than 5,000 shirts were seized from some 200 peddlers. Yet, according to Jules Zalon, the attorney who conducted the seizure operation, seizure was effected on less than half of the peddlers actually on the streets.[34] Indeed, it has been noted that "there are sometimes so many bootleggers at one show that it would take a National Guard unit to serve them all."[35]

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1980). Winterland's licensors include: the Rolling Stones, Foghat, Pat Benatar, the Jefferson Starship, the Electric Light Orchestra, Tom Petty & the Heartbreakers, Santana, Journey, REO Speedwagon, Bob Seger, Black Sabbath, Blue Oyster Cult, the Grateful Dead, Ted Nugent, Sammy Hagar, Aerosmith, Fleetwood Mac, Heart, the Doobie Brothers, and Bruce Springsteen. *Sileo*, 528 F. Supp. at 1204-05.

27. *T-Shirt Wars*, *supra* note 9.

28. *See supra* note 10.

29. *Sileo*, 528 F. Supp. at 1207; *Creative Screen Design*, 210 U.S.P.Q. at 8.

30. *See supra* note 12.

31. *See generally* Winterland Concessions Co. v. Creative Screen Design, Ltd., 214 U.S.P.Q. 188, 190 (N.D. Ill. 1981); *T-Shirt Wars*, *supra* note 9. According to Winterland Executive Vice President Donald Hunt, the legitimate merchandise is sold inside the hall because of the security and safety considerations stemming from the cash nature of the sales. *Creative Screen Design*, 214 U.S.P.Q. at 190.

32. Appleson, *supra* note 14 (quoting Michael Krassner, counsel for Winterland).

33. *T-Shirt Wars*, *supra* note 9 (quoting Bruce Palley, director of financial affairs for Leber-Krebs management company).

34. Second Affidavit of Jules D. Zalon, Counsel for Plaintiff, at 2, Brockum Int'l v. Great Am. Screen Design, Ltd., No. 82 Civ. 2948 (E.D.N.Y. Oct. 6, 1982) [hereinafter cited as Zalon Affidavit II].

35. *T-Shirt Wars*, *supra* note 9.

Far from being haphazard about their operations, the bootleggers are sophisticated and well organized. About six or eight major printers located in different parts of the country are believed to be the chief suppliers of bootleg goods.[36] Using inexpensive cotton shirts imported from Pakistan, they silk-screen onto the shirts the names and trademarks of various artists and groups and send the shirts, usually by air freight and using fictitious names, to distributors around the country.[37] The distributors then follow a particular performer from city to city throughout an entire tour. Many travel in caravans with their own crews of sellers, while others employ individuals locally to make the actual sales.[38] Arriving at the concert site several hours before the show begins, the distributors park their vans about a mile from the arena and distribute their merchandise to sub-distributors who, in turn, sell or consign the shirts to the peddlers.[39]

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36. Zalon Affidavit II, *supra* note 34, at 2; *see T-Shirt Wars*, *supra* note 9 (east coast printing houses allegedly supply most bootleggers).

37. *See generally Sileo*, 528 F. Supp. at 1208-12 (detailed discussion of methods of production and distribution). *See also Creative Screen Design*, 214 U.S.P.Q. at 189-90 (same).

38. Zalon Affidavit II, *supra* note 34, at 2. *See, e.g.*, *Creative Screen Design*, 214 U.S.P.Q. at 189 (defendant ran crew); *Sileo*, 528 F. Supp. at 1211 (same). Zalon describes the tenacity of these bootleg caravans as follows:

> [D]uring a recent series of seizure actions which I instituted for one group, I found the same people in almost every city I visited. One particular caravan, carrying a large group of sellers was seen in San Antonio, Houston, Baton Rouge, Shreveport, Mobile and Jackson, all within the course of ten days! In fact, two of them were jailed for contempt for having flaunted the temporary restraining order and continuing to sell counterfeit shirts after having been served. Another peddler told me personally, "Well, you didn't catch me in San Antonio yesterday, so I came to Houston to give you another chance." That person, arrested in Houston, was subsequently seen in Baton Rouge at my client's concert site.

Zalon Affidavit II, *supra* note 34, at 2.

39. Zalon Affidavit II, *supra* note 34, at 2. According to Zalon, the shirts may change hands five or six times between their removal from the "mother ship" (i.e. the truck or van) and their ultimate sale to the concertgoers. Plaintiff's Brief, at 2, Brockum Int'l v. Various John Does (unsubmitted draft) [hereinafter cited as Zalon Brief]. The actual peddlers may possess no more than a half dozen shirts at any time. *Id.* This procedure has come about primarily in response to the seizure orders now commonly secured at concert sites, *see infra* notes 65-101 and accompanying text (discussing enforcement efforts at concert sites). In the past, bootleggers would receive their shirts directly from the mother ships and sell them out of duffle bags containing as many as 100 shirts. As a result, peddlers were highly visible and virtually immobile, and thus easy prey for marshals or other security officers enforcing the seizure orders. Zalon Brief, *supra* at 2. Under the new system, peddlers are highly mobile and much less conspicuous. This writer has on more than one occasion observed bootleg peddlers successfully elude pursuing process servers following a short footrace through

Because they are unlicensed and deal only in cash, bootleggers, unlike performers or their authorized merchandisers, can avoid taxes, rentals, and licensing fees.[40] Considering this fact, and their minimal production and overhead costs,[41] bootleggers can afford to sell their shirts for a few dollars less than the official merchandise.[42] In order to place shirts in the concert hall, an authorized merchandiser must pay a rental of anywhere from thirty-five to forty-five percent of the gross.[43] The royalty to the artist generally ranges between ten and twenty percent.[44] When production, shipping, and overhead costs are added in, the merchandiser's profit comes to no more than ten to twenty percent—a dollar or two for every ten dollar shirt

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an arena parking lot. Even if a peddler is caught, no more than a few t-shirts are likely to be seized. Given the low cost and quality of the shirts, such losses are fairly considered a reasonable "cost of doing business." *Id.* *Cf.* Appleson, *supra* note 14 ("front guys" with only a few shirts sent to test enforcement).

40. *T-Shirt Wars*, *supra* note 9.

41. First Affidavit of Jules D. Zalon, Counsel for Plaintiff, at 2, Brockum Int'l v. Great Am. Screen Design, Ltd., No. 82 Civ. 2948 (E.D.N.Y. Oct. 4, 1982) [hereinafter cited as Zalon Affidavit I]. Although the mass production of silk screened shirts generally requires an automatic print machine, *cf. Sileo*, 528 F. Supp. at 1210, screens and inks are standard priced staples, *Creative Screen Design*, 214 U.S.P.Q. at 189, and the blank shirts themselves cost only slightly more than a dollar each. *Sileo*, 528 F. Supp. at 1210 (defendant purchased 58,776 blank shirts for $69,046). As Zalon points out, "anyone with a silk screening operation [i.e. any printing house] can become a bootlegger simply by producing a new 'screen'." Zalon Affidavit I, *supra*, at 2.

42. In 1979-80, Winterland t-shirts were sold for $8.00 each; jerseys were $11.50. *Creative Screen Design*, 214 U.S.P.Q. at 189. During that same period, bootleg prices were around $5.00 for t-shirts and $7.00 for jerseys. *Id.* Prices today are generally somewhat higher. In 1981, legitimate t-shirts were being sold for $10.00. *See Concert Merchandising*, *supra* note 9, at 56; *Stones' Payday*, *supra* note 11, at 33.

43. *See Sileo*, 528 F. Supp. at 1207; *Concert Merchandising*, *supra* note 9, at 56. In one twelve month period during which it grossed $15 million in total sales, Winterland paid about $3 million to halls and auditoriums. Another $3 million plus was paid to artists as royalties. *Sileo*, 528 F. Supp. at 1207-08.

The concert halls located in larger, heavily unionized cities tend to retain a greater percentage of the gross than their counterparts in smaller towns. *Concert Merchandising*, *supra* note 9, at 56. At New York's Madison Square Garden, the hall reportedly takes 55%. *Id.* The hall's share of the money is in turn divided among the hall, the concessionaire, and the vendor. The concessionaire, who has contracted for the exclusive right to handle concession sales, generally pays the hall 10-15% of the gross for the privilege. The vendors, employees of the concessionaire who man the booths, also may take around 15% (20% at Los Angeles' Forum), leaving the concessionaire itself with around 10-20%. *Id.* at 60.

44. *See Concert Merchandising*, *supra* note 9, at 60. In 1979-80, the average royalty paid by Winterland to its licensors was 17%. *Creative Screen Design*, 214 U.S.P.Q. at 189. Big name performers may command a larger royalty. It has been estimated that, during their 1981 tour, the Rolling Stones' share of merchandising proceeds amounted to 25%. *Stones' Payday*, *supra* note 11, at 33.

sold.[45] On a night that grosses $50,000 in t-shirt sales, the performer and merchandiser together may take away no more than $10,000 to $15,000.[46] Although bootleggers tend to keep less than detailed financial records,[47] it is no doubt safe to assume that their profit margin is substantially higher—probably more than forty percent of the retail price for each shirt sold.[48]

Given the lucrative nature of their business, bootleggers have taken careful measures to protect their interests. As artists and merchandisers have stepped up enforcement efforts,[49] bootleggers have adapted accordingly, adopting increasingly flexible and sophisticated methods of operation. At concerts, peddlers maintain low visibility despite their numbers by wandering through the parking lots carrying only a handful of shirts. If a seller's supply is seized, he loses only a few shirts, and continues about his business with a fresh supply.[50] The evading process is further advanced by such reportedly com-

45. *Stones' Payday*, *supra* note 11, at 60. In 1979-80, Winterland's profit on sales of t-shirts and jerseys at concerts averaged 15%. *Creative Screen Design*, 214 U.S.P.Q. at 189. According to Styx manager Derek Sutton, production costs alone for Styx t-shirts amount to $3.00 a shirt, 30% of the retail price. *Concert Merchandising*, *supra* note 9, at 60.

46. *See generally Concert Merchandising*, *supra* note 9, at 56.

47. *See infra* notes 183-95 and accompanying text.

48. *See T-Shirt Wars*, *supra* note 9 (bootleggers have higher profit margin than licensed dealers). One bootlegger, called as a witness in *Creative Screen Design*, 214 U.S.P.Q. 188, testified that his profit for the sale of bootleg t-shirts was about $6.00 per dozen or 50 cents a shirt ($8.00 per dozen for jerseys). *Id.* at 189. Unless he paid his sellers extremely well, however, his testimony appears less than convincing. In fact, one of the defendants in that case, Arnold Goldzweig, was found to have reaped a substantially higher profit rate for his own bootleg sales, well above even Winterland's 15% rate.

Goldzweig was the president of Creative, a bootleg printing house, and ran his own distribution crew as well. Using fictitious names, he purchased shirts from Creative at the regular wholesale price of $23.00 per dozen (about $2.00 a shirt) and distributed them to his crews, which sold them at concert sites around the country for $5.00 each. *Id.* Goldzweig thus realized a gross profit of around $3.00 a shirt, 60% of the retail price. Subtracting his wholesale costs from a gross income of $103,452 for sales of t-shirts and jerseys over a fifteen month period, the court found that Goldzweig realized a gross profit of $62,603. *Id.* Even assuming a deduction of 20% for distribution costs and employee salaries, Goldzweig netted a substantial 40% profit on every sale.

Moreover, assuming it paid about $1.00 each for blank t-shirts, *see supra* note 41 (blank shirts cost slightly more than a dollar), Goldzweig's company, Creative, also reaped a substantial profit from its sales to Goldzweig and other distributors—about a dollar per shirt, not including production costs. Unfortunately for Winterland, Creative went into bankruptcy before any damages could be recovered against it. Winterland did, however, obtain a substantial recovery against the individual defendants Arnold and Allan Goldzweig. *See infra* notes 113-17 and accompanying text.

49. *See infra* notes 61-118 and accompanying text.

50. *See supra* note 39.

mon practices as "renting" vending vests from concessionaires and bribing the low-paid "rent-a-cops" on security duty.[51]

The printing houses have proven even more adept at avoiding prosecution.[52] Silk-screening is a very simple process that can be carried out in virtually any location—a private home, a warehouse, a business basement or backroom.[53] Businesses that appear wholly legitimate may in fact be fronts for illegal bootlegging. Printing companies have been known to keep screens secreted during the day and print bootleg shirts on night-shifts.[54] If discovered by investigators hired by performers or their licensees, such businesses can easily go "underground," moving to a new location and continuing operations under a different name.[55] When a suit is brought against them, they often are able to hide or destroy their equipment, merchandise, and business records, if any were kept, making it difficult to prove infringement and virtually impossible to recover damages.[56] Thus, while recent enforcement efforts have achieved some degree of success,[57] by and large, merchandise bootleggers have managed to avoid serious harm and their in-

51. *T-Shirt Wars*, *supra* note 9. Serving seizure orders on t-shirt bootleggers also can be dangerous. Depending on the circumstances, a t-shirt peddler confronted by a would-be process server may be more inclined to fight than flee—particularly if the person attempting to carry out the seizure is an ordinary layperson authorized to help enforce the order rather than a U.S. Marshal. *But see* United States v. Giampino, 680 F.2d 898 (2d Cir. 1982) (defendant convicted for assaulting federal marshal during attempted seizure of bootleg t-shirts; conviction reversed because of failure to instruct jury as to lesser-included offense). Moreover, according to industry representatives, some of the bootleggers are armed. *T-Shirt Wars*, *supra* note 9.

52. *But see infra* notes 107-18 and accompanying text.

53. *See generally* 14 ENCYCLOPAEDIA BRITANNICA 1084 (15th ed. 1974) (describing silk-screen process).

54. *See, e.g.*, *Musidor*, 658 F.2d at 63 (screens hidden in basement; printing done by night shifts); *Sileo*, 528 F. Supp. at 1210 (printing location kept secret to frustrate enforcement efforts).

55. Zalon Affidavit I, *supra* note 41, at 2.

56. *See e.g.*, *Sileo*, 528 F. Supp. at 1210 (defendant kept no written records, destroyed printing equipment just prior to suit); *Creative Screen Design*, 210 U.S.P.Q. at 9 (plaintiffs' investigator found records in defendants' trash). *See infra* notes 176-96 and accompanying text.

57. *See generally infra* notes 61-118 and accompanying text. Winterland president Dell Furano has estimated that the extent of potential sales lost to bootleggers dropped from around 40% in 1979 to around 15% in 1981 as a result of increased legal action against bootleggers. *Concert Merchandising*, *supra* note 9, at 61. During the Rolling Stones' Chicago concerts in November, 1981, at which about 100 shirts were seized, legitimate vendors reportedly told marshals that their sales were up 80%. Appleson, *supra* note 14.

dustry continues to thrive.[58]

For the artists, this problem is more than one of money alone. Performers have a substantial interest in controlling the style and quality of products bearing their names.[59] Although most certainly are out to make money as well, their careers are highly dependent on their reputations and the image they project to the public. This interest—essentially the artist's "business goodwill"—is not readily measurable in monetary terms, yet it can be severely damaged through the proliferation of low-quality, poorly designed bootleg merchandise. As one group's manager said, "I wish I had a nickel for every time a kid walked into one of our shows wearing a cheap Pakistani t-shirt, then looked at the [official] merchandise and said, 'I've been ripped off . . . .' "[60]

## II
## Of T-Shirts and TROs: Legal Enforcement Efforts

Legal action against bootleggers was slow in coming. Bootleggers were making big money selling shirts before many artists even were aware of the potential market for such merchandise.[61] Although initial enforcement efforts may have been prompted by the reputation damage suffered by artists, the large-scale enforcement campaigns that began in the late seventies owe their genesis to the profitability of the industry and the realization on the part of managers and merchandisers that legal protection is a worthwhile and necessary cost of doing business.[62] As Winterland general counsel Michael Krass-

58. *See Concert Merchandising*, *supra* note 9, at 60 (bootleggers not as threatening, but still "thorn in the side" of merchandisers).

59. *See generally infra* notes 155-74 and accompanying text (discussing right of publicity). Even where money is a factor, an artist's interest in controlling the marketing of his name and likeness may extend beyond personal financial gain. For example, proceeds from the sales of t-shirts featuring Jackson Browne, Dan Fogelberg, the Grateful Dead, Linda Ronstadt, and Bonnie Raitt, among others, have gone to the Pacific Alliance, a political organization opposed to nuclear power. *See, e.g.*, ROLLING STONE, Nov. 12, 1981, at 84 (advertisement).

60. *Concert Merchandising*, *supra* note 9, at 60-61.

61. *Id.* at 60.

62. *See id.* at 61 (costs of legal action against bootleggers increasingly worthwhile); *Trademark Attorneys*, *supra* note 11, at 8 (merchandisers consider "trademark protection a fixed cost of doing business instead of legal oddity"); *cf. Bootleggers*, *supra* note 12 (legal efforts stepped up because merchandising revenues increasingly important in economics of touring).

ner commented, "[i]t was a matter of the money getting big enough and the bootlegging getting overwhelming enough."[63]

### A. Policing the Parking Lots: Enforcement at Concert Sites

Although at least one early lawsuit was brought directly against a t-shirt manufacturer,[64] the bulk of the early efforts—as well as most of the legal activity today—was aimed at the most visible aspect of the bootlegging operation: the peddlers themselves. Such actions normally commence through the issuance of a "John Doe" seizure order, an ex parte temporary restraining order (TRO), prohibiting certain unnamed and as yet unknown individuals from selling merchandise bearing the performer's name or likeness outside the arena where the performer is scheduled to appear.[65]

The orders further authorize United States marshals, frequently augmented by the plaintiff's attorney and designated individuals acting under his supervision,[66] to seize such merchandise and hold it pending a later hearing.[67] The orders generally are obtained anywhere from a few days to a few weeks

63. *Trademark Attorneys*, *supra* note 11, at 8. In another article, Krassner explained that "[t]he problem of bootlegged T-shirts had been mushrooming until counterfeiting was about to take over the industry . . . . We had to try to find a way to stop it." Appleson, *supra* note 14 (quoting Michael Krassner, counsel for Winterland).

64. *See Musidor*, 658 F.2d 60 (complaint filed in 1978).

65. *See, e.g.*, Brockum Int'l, Inc. v. Various John Does, 551 F. Supp. 1054, 1055 (E.D. Wis. 1982) (relief granted); Winterland Concessions Co. v. Geisel, 511 F. Supp. 310, 311 (N.D. Ill. 1981) (relief denied); Rock Tours, Ltd. v. Various John Does, 507 F. Supp. 63, 64 (N.D. Ala. 1981) (relief denied); Joel v. Various John Does, 499 F. Supp. 791, 791-92 (E.D. Wis. 1980) (relief granted). For a recent, thorough discussion of "John Doe" seizure orders and their use against merchandise bootleggers, see generally Comment, *Rock Performers and the "John Doe" Temporary Restraining Order: Dressing Down the T-Shirt Pirates*, 16 J. MAR. L. REV. 101, 109-18 (1982).

66. *See, e.g.*, *Rock Tours*, 507 F. Supp. at 64 (order would have authorized U.S. marshals, state and local police, plaintiffs' counsel, and "any person acting under their supervision" to carry out seizures); *Concert Merchandising*, *supra* note 9, at 61 (off-duty policemen hired to carry out seizures on Rolling Stones tour). *See also* Zalon Affidavit II, *supra* note 34, at 4-5 (citing cases). Zalon himself has been responsible for the conduct of over 100 seizure operations and claims that they are carried out "in a professional manner and without any untoward incident." *Id.* at 5.

67. *See* cases cited *supra* note 65. The need for the seizure of bootleg merchandise is readily apparent. A temporary restraining order—even one obtained ex parte—is of little value in such cases due to the inherent anonymity of the John Doe defendants, who can violate such an order with virtual impunity. Once a concert is over, the damage is done and the defendants are long gone. Zalon Affidavit II, *supra* note 34, at 3. As one attorney put it, "People would come into town. They'd be served with papers. They'd discard them, sell their merchandise and disappear into the night." *Trademark Attorneys*, *supra* note 11, at 8 (quoting Peter A. Herbert, Esq.).

prior to the date of the concert,[68] and the plaintiff must post a bond to secure the payment of costs and damages.[69] A few days after the concert, a hearing is held at which any defendant found to have been wrongfully restrained may recover the seized merchandise and any damages suffered.[70] Not surprisingly, the bootleg sellers almost invariably fail to appear at these hearings.[71]

Despite the extraordinary nature of the relief, the issuance of John Doe seizure orders has become commonplace in merchandise bootlegging cases. Winterland obtained its first such order in September 1979,[72] and since that time, it and other merchandisers and performers have obtained identical relief in hundreds of cases.[73] Although most of the decisions are un-

68. *See, e.g., Brockum Int'l Inc.* 551 F. Supp. at 1055 (complaint filed six days before concert); *Geisel*, 511 F. Supp. at 311-12 (complaint filed two days before concert); *Rock Tours*, 507 F. Supp. at 64 (complaint filed eight days before concert). In *Brockum Int'l*, Judge Evans expressed his displeasure with the short notice, complaining that he was being asked "to literally drop what I am doing and give attention to this case. . . ." 551 F. Supp. at 1055. Although he granted the requested seizure order, he pointed out that "we're only talking about selling a lot of mostly junk merchandise at grossly inflated prices," and questioned whether, "on a hierarchy of priorities," the plaintiff's rights were "that earthshaking . . . that they should not wait to be vindicated in a more orderly way." *Id.*

69. *See Joel*, 499 F. Supp. at 792. The required bond in such cases—including those brought directly against printing houses—is normally $5,000 to $10,000. *See, e.g.*, Order to Show Cause on Motion for Preliminary Injunction with Temporary Restraining Order and Order of Seizure [hereinafter Order to Show Cause], Brockum Int'l, Inc. v. Great Am. Screen Design, Ltd., No. 82 Civ. 2948 (E.D.N.Y. Oct. 6, 1982) ($10,000); Order to Show Cause, Brockum Int'l, Inc. v. France, No. 82 Civ. 6210 (S.D.N.Y. Sept. 20, 1982) ($5,000); Order to Show Cause, Bi-Rite Enters. v. Prism Products, Ltd., No. 81 Civ. 679 (S.D.N.Y. Feb. 5, 1981) ($2,500 plus $10,000 receiver's bond). *See also Trademark Attorneys*, *supra* note 11, at 9 ($10,000 bond for Rolling Stones concert in Buffalo, New York). The posting of a bond to cover potential damages is required by Federal Rule of Civil Procedure 65(c).

70. *See* Showtime Marketing, Inc. v. Doe, 95 F.R.D. 355, 356 (N.D. Ill. 1982) (damages sought). *See also Geisel*, 511 F. Supp. at 312; *Joel*, 499 F. Supp. at 792; Orders to Show Cause cited *supra* note 69.

71. *See* Appleson, *supra* note 14. In Shaw v. Various John Does, No. 80 Civ. 722 (S.D.N.Y.), for example, a seizure action on behalf of the group Styx, some 38 peddlers were served and over 800 shirts were seized. Zalon Affidavit II, *supra* note 34, at 3. Yet, according to Jules Zalon, the attorney who brought the action, not one of the 38 peddlers appeared at the hearing two days later. *Id.*; *see also* Winterland Concessions Co. v. Smith, 706 F.2d 793, 794 (7th Cir. 1983) (of seventeen bootleg peddlers served, only one appeared at hearing).

72. Appleson, *supra* note 14; *Trademark Attorneys*, *supra* note 11, at 8.

73. *See, e.g., Brockum Int'l Inc.*, 551 F. Supp. 1054; *Joel*, 499 F. Supp. 791. *See also Rock Tours*, 507 F. Supp. at 66 n.3 (citing sixteen cases); Zalon Affidavit II, *supra* note 34, at 3-5 (citing cases); Appleson, *supra* note 14 (more than 60 ex parte seizure orders reportedly granted). According to Jules Zalon, more than 200 John Doe injunctions

reported, the reasoning of the court in *Joel v. Various John Does*,[74] an early reported case, is indicative of the rationale underlying the issuance of such orders.

The court was troubled by the propriety of enjoining the activities of persons whose identities were as yet unknown. It believed that this problem was met, however, by the fact that copies of the summons, complaint, and order would be served on all persons from whom merchandise was seized. These individuals would be asked to reveal their names so that they could be added as parties to the lawsuit. All parties would be informed that whether or not they revealed their names they could appear in court two days later to contest the seizures. In addition, the plaintiffs were required to post a bond to cover any damages that might be incurred.[75] Realizing that, absent such an order, the plaintiffs would be "without any legal means to prevent what is clearly a blatant infringement of their valid property rights," the court concluded: "[w]hile the proposed remedy is novel, that in itself should not weigh against its adoption by this court. A court of equity is free to fashion whatever remedies will adequately protect the rights of the parties before it."[76]

Armed with *Joel* and other early decisions as precedent, attorneys representing artists and merchandisers became increasingly successful in persuading federal judges throughout the country to issue John Doe seizure orders.[77] *Brockum International, Inc. v. Various John Does*,[78] for example, involved a requested seizure order for a Milwaukee concert by The Who. Judge Evans, though punning that he did not at that time know "who" the defendants in the case were,[79] nevertheless agreed to issue the order. He observed that the unknown defendant

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and seizure orders have been granted over the past several years. Zalon Brief, *supra* note 39, at 5.

74. 499 F. Supp. 791 (E.D. Wis. 1980).

75. *Id.* at 792.

76. *Id.*

77. *See supra* note 73. Winterland attorney Michael Krassner reports that out of the approximately 100 such cases he took to court in 1980-81, he obtained the desired relief 85% to 90% of the time. *Trademark Attorneys*, *supra* note 11, at 8. That figure is probably even higher today. *See infra* notes 99-101 and accompanying text (discussing reason for high success rate).

78. 551 F. Supp. 1054 (E.D. Wis. 1982).

79. *Id.* at 1055. Despite his confessed preference for Chuck Berry, the Coasters, and the Drifters, Judge Evans was familiar with The Who. Recalling the antics of local disc jockey "Tim the Rock 'n Roll Animal," who, from a 21st floor window ledge, gathered 70,000 signatures on a petition asking The Who to come to Milwaukee, Judge Ev-

problem had "not been an impediment" to the issuance of such an order in *Joel*, a case which had arisen two years earlier in the same district.[80]

The existence of such precedent has not been sufficient to sway all judges, however. In *Rock Tours, Ltd. v. Does*,[81] for instance, the court refused to issue a John Doe seizure order covering a Styx concert in Birmingham, Alabama because, in the court's view, the action was not at that time "a justiciable one for purposes of *ex parte* injunctive relief."[82] Although the court cited sixteen cases in which the lack of known defendants had not posed an "insurmountable barrier" to preliminary injunctive relief, it declared that "this Court is not so sanguine in an *ex parte* proceeding."[83] Fearing that it might lack in personam jurisdiction over the unnamed, itinerant defendants, the court determined that the case lacked the existence of a "sufficient adversary interest" and denied relief.[84]

Although the court noted that the plaintiffs were "free . . . to amend their complaint to add specific individuals and/or organizations as [defendants,]"[85] this solution proved futile in a similar case, *Winterland Concessions Co. v. Geisel*.[86] In *Geisel*,

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ans admitted that "[w]e haven't had that kind of excitement in Milwaukee since Brigadoon last played at the Melody Top Theater." *Id.* at 1055 n.*.

80. *Id.* at 1055. Although he granted a seizure order covering the Milwaukee concert, Judge Evans "decline[d] the invitation of the plaintiff to issue an order prohibiting the same activity in other cities visited by The Who on its national tour," believing that such an order would be "inappropriate." *Id.* at 1055-56. Nevertheless, according to Jules Zalon, the plaintiff's attorney in *Brockum Int'l*, nationwide TROs covering an entire series of concerts have been granted by district court judges on numerous occasions. Zalon Affidavit II, *supra* note 34, at 4-5 (citing twelve cases). Undoubtedly, such orders considerably reduce the expense involved in bringing repeated lawsuits across the country. At the same time, however, they may raise serious due process concerns. Although the constitutional validity of individual John Doe seizure orders apparently has not been questioned by an appellate court, to clothe such orders with nationwide effect may be to stretch the due process clause a trifle far. For a discussion and analysis of the legal and constitutional bases for ex parte injunctive relief, *see* Rakoff, *supra* note 17, at 216-24.

81. 507 F. Supp. 63 (N.D. Ala. 1981).

82. *Id.* at 66.

83. *Id.*

84. *Id.* The court suggested that the problem could be addressed more appropriately by the legislative or executive branches of government. It pointed out, in that regard, that the plaintiffs' interests already were protected sufficiently by a municipal ordinance that essentially prohibited the sale of unauthorized merchandise outside the Birmingham Civic Center, the arena at which Styx was scheduled to appear. *Id.* at 65-66.

85. *Id.* at 66 n.5.

86. 511 F. Supp. 310 (N.D. Ill. 1981).

the court initially denied the plaintiffs' request for a seizure order covering an REO Speedwagon concert at the Chicago Amphitheatre because "absent the designation of *any* specific defendants and given the claim that *presently unknown* persons would engage in *future* violations of plaintiffs' rights, there was no 'case' or 'controversy' within the meaning of Article III of the United States Constitution."[87] As in *Rock Tours*, the court informed the plaintiffs that if they amended their complaint to name one or more specific defendants, it would be willing to issue a TRO and seizure order as to those defendants.[88]

Early on the evening of the concert, the plaintiffs' counsel telephoned the judge and advised him that Don Horowitz and Earl Goldberg were selling unauthorized t-shirts near the Amphitheatre. Pursuant to their oral motion, Judge Shadur allowed the plaintiffs to amend the complaint to designate Horowitz and Goldberg as defendants and he issued the TRO and seizure order.[89] Later in the evening, U.S. marshals seized a large quantity of t-shirts from Robert Geisel and two other individuals. About a half hour later, the plaintiffs' counsel again telephoned the judge and added Geisel as a party defendant.[90]

At the post-concert evidentiary hearing two days later, Geisel and his companions, represented by counsel, contested the seizure of their shirts. Under Federal Rule of Civil Procedure 65(d) which governs the scope of injunctions and restraining orders, a TRO is binding only upon the parties, their respective officers and agents, and those persons in "active concert or participation" with them, who received actual notice of the order by personal service or otherwise.[91] Because Geisel was not added as a defendant until a half hour after the seizure took place, he was not at the time of the seizure a party to the suit. Thus, in order to uphold the seizure as valid, the plaintiffs were required to prove that Geisel was somehow in "active concert

87. *Id.* at 311 (emphasis in original). *Accord*, Showtime Marketing, Inc. v. Doe, 95 F.R.D. 355, 356 (N.D. Ill. 1982).

88. 511 F. Supp. at 311.

89. *Id.* at 312.

90. *Id.* In fact, Robert had given his father's name, Thomas Geisel, to the marshals when they seized his shirts. It was the elder Geisel who was added as a party to the suit, even though he had not attended the concert. *Id.* at 312 n.3. This misidentification, however, apparently had no bearing on the court's determination.

91. *Id.* at 311 n.2; *see* FED. R. CIV. P. 65(d).

or participation" with Horowitz or Goldberg, the only named defendants at the time of the seizure. Based on the evidence adduced at the hearing, the court determined that the plaintiffs failed in their proof and ordered the return of the shirts.[92] Despite the fact that Geisel was caught at the concert with a substantial supply of bootleg shirts, he was allowed to walk out of the hearing with his stock fully intact.

Requests for John Doe seizure orders that would have effect outside the immediate vicinity of a concert are likely to be viewed with even less favor. Aside from the difficulty of proving source confusion, a necessary element under the legal theory upon which many such orders are obtained,[93] seizure requests, if not sufficiently restricted in duration and geographic scope, may easily be rejected on grounds of administrative inconvenience and potential public disruption. Although no reported case has posed this issue in the context of music-related merchandise, the applicable reasoning was vividly articulated in the recent case of *National Football League Properties, Inc. v. Coniglio*.[94] In that case, filed during the height of Super Bowl fever in Washington, D.C., the plaintiff sought an ex parte TRO and seizure order against three named defendants as well as any as yet unknown defendants (designated as "Various John Does and Jane Does and ABC Companies") enjoining the sale of unlicensed NFL souvenir merchandise throughout the District of Columbia.[95]

In refusing to issue a TRO or seizure order, the court determined that the potential harm to the defendants and the general public far outweighed any injury the plaintiff would suffer in the absence of such orders.[96] Although the court claimed

92. 511 F. Supp. at 312. *See also Showtime Marketing*, 95 F.R.D. at 356 (shirts ordered returned).

93. *See infra* notes 130-53 and accompanying text (discussing source confusion requirement under trademark laws).

94. 554 F. Supp. 1224 (D.D.C. 1983).

95. *Id.* at 1225. Judge Richey, in a tone that betrayed his view of the merits of the case, described the relief sought by the plaintiff as:

> [A]n order from this Court authorizing the United States Marshall [sic] or any duly-authorized security representative of plaintiff to traverse the streets of Washington and to physically seize and impound any such merchandise manufactured, distributed, advertised, offered for sale, or sold in the District, and to hold the seized goods in the custody of plaintiff's counsel for ultimate presentation, by the bagload, to the chambers of this Court.

*Id.*

96. *Id.* at 1226. Judge Richey purported to measure the plaintiff's request by the "well-established standards for preliminary injunctive relief": (1) likelihood of suc-

that the requested relief "would open a veritable Pandora's box of problems that this Court cannot even begin to imagine now," it managed to conjure up a fairly substantial parade of horrors which it described in no uncertain terms:

> [T]he order requested by plaintiff would appear to invite catastrophe. It promises a nightmare of jurisdictional flaws, deprivations of due process, and windfall litigation that could ensue for years to come. This is not even to mention the physical spectacle of the United States Marshall [sic] Service, which is already overburdened in its work, in the company of paid thugs (euphemistically styled "security representatives") roaming the streets of Washington to confiscate the merchandise of small businessmen and other licensed vendors who sell their

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cess on the merits; (2) threat of irreparable injury to the plaintiff if no injunction is issued; (3) the degree of harm an injunction would cause to the defendant and other interested parties; and (4) the public interest. *Id.* at 1225. But while he amply demonstrated the potential for harm to the defendants and the general public, his reasoning with regard to the first two factors is less persuasive. As to the first, Judge Richey professed that it would be impossible for the plaintiff to demonstrate a likelihood of prevailing against defendants whom it had not yet named. *Id.* at 1226. This, however, is far from certain. Although it may not have done so in this case, it would not seem to be particularly difficult for the NFL to document the existence of numerous unidentified persons selling clearly infringing merchandise on the streets of Washington. Assuming the marshals or their assistants are able to distinguish authorized from unauthorized merchandise and seize only the latter, there is no reason to presume that an infringement claim would be unlikely to succeed in such circumstances simply because the seller is as yet unidentified. Certainly in the case of bootleg t-shirt sales at concerts, where only unauthorized merchandise is sold outside the arena, such a presumption would not hold true.

As to the second factor, irreparable injury, Judge Richey found the plaintiff's need for a TRO less than compelling by virtue of the plaintiff's admission that "once notice of the lawsuit is given to one infringer, word will spread immediately to others, who will thereupon disappear, and merchandise will be concealed, shipments will be halted, and goods will be transported out of the jurisdiction." *Id.* In Judge Richey's view, this was precisely the result that the plaintiff was seeking through the issuance of a TRO, and it could be accomplished "merely by service of a complaint." *Id.* Given the limited territorial jurisdiction of a federal district court, Judge Richey may be technically correct, but his analysis avoids the obvious realities of the situation. Surely the NFL sought to do more than simply drive the bootleggers temporarily out of the District to peddle their wares in the Virginia and Maryland suburbs, returning, perhaps, when all of the complaints were served. Some bootleggers no doubt simply would conceal their illicit merchandise and continue selling it on the sly. The superiority of the relief obtainable through the issuance of a seizure order—both in terms of deterrence and the actual confiscation of infringing merchandise—is obvious. It would be disingenuous to suggest that the NFL did not realize as much.

Of course, in the context of concert site bootlegging, Judge Richey's analysis as to irreparable injury is totally inapplicable. Given the limited duration of a concert, the service of a mere complaint on a bootlegger is of little avail since, by the time the peddler "disappears" after the concert, the damage is already done. *See supra* note 67 (discussing need for seizure orders at concert sites).

wares in the open air.[97]

Concluding that "[s]urely plaintiff must jest when it contends that all of this would be a 'minimal inconvenience' . . . ," the court denied the TRO and ordered that a hearing on the requested preliminary injunction would be held only after service was effected on all defendants and their responsive pleadings were submitted.[98]

Despite the potential impediments of justiciability and public disruption, artists and merchandisers today are able to obtain John Doe seizure orders covering individual concerts fairly routinely. In 1981, one attorney estimated that he had successfully obtained such relief in eighty-five to ninety percent of the cases he had brought in the preceding two years.[99] Today, the success rate is probably even higher. Because so many of these actions have been brought over the past three or four years,[100] they no longer appear novel and extraordinary to federal district court judges. In fact, one well-known entertainment litigator confides that all he has to do when such a case comes into his office is pull a standard form from his file, fill in the appropriate names, and carry it down to the courthouse, along with a copy of the last such order issued by the judge who will be hearing the case.[101]

### B. Battling the Bootleggers: Enforcement at the Source

Their ready availability notwithstanding, pre-concert John Doe seizure orders are of only limited utility in combatting the bootleg problem. While such orders reduce bootlegging activity at concert sites to an extent,[102] the large number of peddlers at each show and the small number of t-shirts they carry with them ensure that the bootlegging business goes on as usual. Moreover, the cost of obtaining seizure orders in city after city throughout a concert tour can be prohibitive. For the Rolling Stones' twelve-week 1981 tour, their licensed merchandiser, Winterland Concessions, spent what Winterland president

97. 554 F. Supp. at 1225.

98. *Id.* at 1226. In New Orleans two years earlier, the NFL succeeded in obtaining an injunction prohibiting the sale of unauthorized Super Bowl merchandise. Because the seller was an established local retailer, however, the judge, like Judge Richey, deemed a seizure unnecessary. *Trademark Attorneys*, *supra* note 11, at 8.

99. *See supra* note 77.

100. *See supra* note 73.

101. Conversation with Peter A. Herbert, Esq., in Washington, D.C. (Apr. 7, 1983).

102. *See supra* note 57.

Dell Furano termed "an extraordinary amount of money" to cut down on bootlegging.[103] Deploying a nation-wide task force of lawyers, Winterland obtained John Doe seizure orders in every city along the tour and hired as many as fifty off-duty police officers in each city to carry out the seizures.[104] Few other bands could afford such an ambitious "legal blitz." Indeed, for many bands who spend upwards of half a year on the road,[105] the costs of such an effort would likely outweigh its returns.

Recognizing the inadequacy of seizure orders, artists and merchandisers in recent years have begun turning their attention toward the printers that manufacture bootleg goods. Winterland, for instance, has hired private investigators to trail bootleggers and to try to determine the nature of their organization. Using this information, Winterland has filed a number of lawsuits against printing houses, hoping to "cut the problem off at its source."[106] Despite a few notable victories, however, little success has been achieved. To date, monetary recoveries have been obtained in only a handful of reported cases.

In one of the earliest cases, *Musidor, B.V. v. Great American Screen*,[107] brought in 1978 on behalf of the Rolling Stones, the corporate and individual defendants ultimately received criminal contempt citations of $10,000 and sixty days in jail, respectively, for violating a preliminary injunction.[108] The contempt charges were prosecuted by the plaintiff's attorney, Peter Her-

103. *Concert Merchandising*, *supra* note 9, at 61.

104. *Id.* *See generally Trademark Attorneys*, *supra* note 11.

105. Nor is lengthy touring restricted to less-known performers. On September 14, 1981, the same day the Rolling Stones kicked off their twelve-week American tour, Bruce Springsteen, one of rock's most popular performers, played the last of 139 performances on a mammoth American and European tour. The tour, which followed on the heels of Springsteen's million selling album, *The River*, commenced in October 1980 in Ann Arbor, Michigan and criss-crossed the continent twice before coming to a temporary halt in early March 1981. After a short break, the tour hit Europe for two months, returning to the States in early July for a final cross country swing. In all, Springsteen and his band were on the road for eleven and a half months and played to more than a million people.

Springsteen is in fact no stranger to long roadtrips. His previous tour in 1978 lasted seven months and included 109 shows in 86 American cities. *See generally* D. MARSH, BORN TO RUN: THE BRUCE SPRINGSTEEN STORY 292-95 (1981) (chronicling Springsteen's live performances); *Springsteen Wraps Up Tour*, ROLLING STONE, Oct. 29, 1981, at 40.

106. *T-Shirt Wars*, *supra* note 9. *See also Bootleggers*, *supra* note 12 (merchandisers bringing suits against printers).

107. 658 F.2d 60 (2d Cir. 1981), *cert. denied*, 455 U.S. 944 (1982).

108. *Id.* at 63. Contempt charges against Great American arising out of the violation of a second injunction, involving "Grateful Dead" and "Fleetwood Mac" t-shirts, were

bert,[109] who, through the testimony of a former employee of Great American,[110] was able to establish that the company had continued to print Rolling Stones t-shirts after the issuance of the injunction by hiding silk screens in a basement and using nightshifts to do the printing.[111] The penalties were affirmed by the Second Circuit on appeal.[112]

The largest reported recovery occurred in 1981 when a federal district judge awarded Winterland Concessions almost $1 million in trebled damages and attorney's fees from a large-scale bootleg t-shirt printer based in Chicago.[113] In *Winterland Concessions Co. v. Creative Screen Design, Ltd.*, Winterland was able to establish its damages by introducing coded sales records covering a fifteen-month period that a Winterland investigator had found among the trash discarded by Creative.[114] Using these invoices and Winterland's own business records, the court calculated the amount of Creative's infringing sales and the approximate loss to Winterland resulting from each such sale. The court determined that Winterland had lost $275,204 in profits which, when trebled,[115] came to $825,612.[116] After adding the defendants' profits of $62,603 and $77,140 in at-

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prosecuted simultaneously with the Rolling Stones action and resulted in the imposition of a concurrent fine of $10,000. *Id.* at 62-63.

109. When it appeared that the defendants were violating the preliminary injunctions against dealing in any goods bearing the trademarks of the musical groups involved, the plaintiffs sought an order under Federal Rule of Criminal Procedure 42(b) directing the United States Attorney or appointing a special attorney to prosecute charges of criminal contempt. The law firm of Parcher & Herbert, which represented the plaintiffs in both actions, was appointed special attorney to prosecute the charges. *Id.* at 62.

110. In the Grateful Dead/Fleetwood Mac case, the evidence was based largely on the testimony of a private investigator who had conducted surveillance at the premises of Great American. *Id.* at 63.

111. *Id.*

112. *Id.* at 66.

113. *See Creative Screen Design*, 214 U.S.P.Q. 188. Liability was determined in an earlier proceeding, reported at 210 U.S.P.Q. 6 (N.D. Ill. 1980).

114. *Creative Screen Design*, 210 U.S.P.Q. at 9.

115. *Creative Screen Design*, 214 U.S.P.Q. at 191. The Lanham Act, one of the grounds upon which the suit was brought, authorizes the trebling of damages in the court's discretion. *Id.* (citing 15 U.S.C. § 1117 (1976)).

116. *Creative Screen Design*, 214 U.S.P.Q. at 189-91. The court refused to find that each infringing sale by Creative deprived Winterland of the sale of a licensed shirt. *Id.* at 190. The court reasoned that some individuals, who would not have wished to purchase the higher priced licensed shirts in any event, would purchase the lower priced bootleg shirts. It thus determined that, at a minimum, every two bootleg sales cost Winterland one sale, and calculated damages on the basis of this 2:1 ratio. *Id.*

torney's fees, Winterland's total award was $965,355.[117]

Finally, a merchandiser in one recent case was found to be entitled to damages and injunctive relief against the manufacturers and distributors of unauthorized buttons bearing the names and likenesses of the plaintiff's licensors.[118]

## III
## T-Shirts, Trademarks, and Torts: The Bases of Relief

In their efforts to halt bootlegging activity, artists and merchandisers have proceeded under a variety of legal theories, both statutory and common law. They have brought actions in state and federal courts alleging, among other things, unfair competition, trademark infringement, trademark dilution, false designation of origin, copyright infringement, and misappropriation of the right of publicity.[119] Of these, section 43(a) of the Lanham Act[120]—a part of the broader law of unfair competition specifically aimed at false designations of origin—and the common law right of publicity have emerged as the most promising avenues of relief against merchandise bootleggers.

### A. False Designation of Origin

Section 43(a) of the Lanham Act provides in pertinent 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, and shall cause such goods or services to enter into commerce . . . shall be liable to a civil action . . . by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.[121]

117. *See id.* at 191. The court also awarded Winterland its costs. *Id.* The award was entered against Arnold and Allan Goldzweig, the president and secretary-treasurer of Creative, respectively. No damages were assessed against Creative itself, which entered Chapter VII bankruptcy shortly before the trial on damages was held. *Id.* at 188-89.

118. *See* Bi-Rite Enters. v. Button Master, 555 F. Supp. 1188 (S.D.N.Y. 1983). *See generally infra* notes 145-53 & 168-74 and accompanying text (discussing *Button Master*).

119. *See* Grimes, *supra* note 12, at 448.

120. 15 U.S.C. §§ 1051-1127 (1976).

121. 15 U.S.C. § 1125(a) (1976).

Most popular musical groups and artists have valid common law trademarks or service marks in their names,[122] but few apparently have federally registered marks.[123] As such, they are not protected by the general infringement provisions of the

122. For a lucid and eminently readable discussion of the requirements for the acquisition and protection of trademarks and service marks, *see* E. KINTNER & J. LAHR, AN INTELLECTUAL PROPERTY LAW PRIMER 245-337 (2d ed. 1982).

123. *See, e.g.*, *Creative Screen Design*, 214 U.S.P.Q. at 191; *Sileo*, 528 F. Supp. at 1214. The plaintiffs in *Sileo* and *Creative Screen Design* included the Rolling Stones, REO Speedwagon, Fleetwood Mac, the Doobie Brothers, the Jefferson Starship, Tom Petty & the Heartbreakers, Bob Seger, Aerosmith, and Bruce Springsteen, none of whose marks were federally registered. The reason for this is not readily apparent. The affairs of most major artists are handled by sophisticated lawyers and business agents, and many operate under a corporate form, *e.g.* Raindrop Products, Inc. (Rolling Stones); 2001 Whitecastle Way, Ltd. (Pat Benatar); Jefferson Starship, Inc. (Jefferson Starship); Nightmare Productions, Inc. (Journey); SBB, Inc. (Bob Seger); Music Makers, Inc. (Doobie Brothers). *Sileo*, 528 F. Supp. at 1204-05. It would not appear to be prohibitively difficult or expensive for such artists to secure trademark registration. "GRATEFUL DEAD," for example, is a federally registered service mark for public musical performances. Grimes, *supra* note 12, at 440 & n.37. Similarly, the name "JOHNNY CARSON" is a federally registered service mark for comedy performances, and "JETS" is a federally registered service mark for football exhibitions. *Id.* at 440 & nn.36 & 39. *See generally* Fowler, *When Are Surnames Registrable?* 70 TRADE-MARK REP. 66 (1980); Gottlieb, *The Right of an Individual to Register His Own Name for Services He Personally Performs*, 68 TRADE-MARK REP. 596 (1978).

A potential problem exists in attempting to register such marks for use on collateral merchandising properties, such as t-shirts. Registration will be refused if the mark serves merely a decorative or ornamental purpose and does not denote the source of the product. Grimes, *supra* at 440-41. The Patent and Trademark Office, however, has recognized that a word or device, in addition to ornamenting a product, may also advise purchasers of its source or origin. *Id.* In the leading case of *In re Olin Corp.*, 181 U.S.P.Q. 182 (T.T.A.B. 1973), the Trademark Trial and Appeal Board ruled that the corporate symbol of the Olin Corporation was registrable for use on t-shirts. In so holding, the Board observed that:

> It is a matter of common knowledge that T-shirts are "ornamented" with various insignia, including college insignias, or "ornamented" with various sayings . . . . If such ornamentation is without any meaning other than as mere ornamentation it is apparent that the ornamentation could not and would not serve as indicia of source. . . .
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> . . . .
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> The "ornamentation" of a T-shirt can be of a special nature which inherently tells the purchasing public the source of the T-shirt, not the source of manufacture but the secondary source. Thus, the name "New York University" . . . albeit it will serve as ornamentation on a T-shirt will also advise the purchaser that the university is the secondary source of that shirt. . . . Where the shirt is distributed by other than the university the university's name on the shirt will indicate the sponsorship or authorization by the university.

*Id.* at 182. *See* Winner, *supra* note 16 (arguing for protection of "fad" merchandising value of trademark's "persona"); *see also infra* notes 130-53 and accompanying text (discussing requirement of source or sponsorship confusion for trademark infringement action).

Lanham Act.[124] Under section 43(a), however, registration is not a prerequisite to recovery.[125] Intent is also not a necessary element.[126] Although the section was at one time restricted largely to classic "passing off" situations, it has emerged today as a federal remedy against virtually any deceptive use of an unregistered trademark.[127] The test under section 43(a) is, for all practical purposes, the same as that for infringement of a registered trademark.[128] Moreover, a successful litigant under section 43(a) is entitled to the full panoply of remedies available under the Lanham Act, including possible treble damages, the recovery of attorney's fees, and the seizure and destruction of infringing goods.[129]

Still, a potentially fatal stumbling block lies in the path of an artist or merchandiser bringing an action under section 43(a). In order to prevail under this section, as in a trademark infringement action, a plaintiff must establish, among other things, that the defendant's actions are likely to confuse the public as to the origin or sponsorship of the goods in issue.[130]

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124. *See* 15 U.S.C. § 1114 (1976) (infringement of registered trademark).

125. Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Mfg., 510 F.2d 1004, 1010 (5th Cir.), *cert. denied*, 423 U.S. 868 (1975); National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc., 532 F. Supp. 651, 657 (W.D. Wash. 1982); *Creative Screen Design*, 214 U.S.P.Q. at 191; *Sileo*, 528 F. Supp. at 1214; Germain, *Unfair Trade Practices Under Section 43(a) of the Lanham Act: You've Come a Long Way, Baby—Too Far, Maybe?* 64 TRADE-MARK REP. 193, 211 (1974).

126. Germain, *supra* note 125, at 213. *See generally id.* at 205-09 (discussing elements of § 43(a) action).

127. International Order of Job's Daughters v. Lindeburg & Co., 633 F.2d 912, 917 (9th Cir. 1980), *cert. denied*, 452 U.S. 941 (1981); Germain, *supra* note 125, at 193-97.

128. Supreme Assembly, Order of Rainbow for Girls v. J.H. Ray Jewelry Co., 676 F.2d 1079, 1086 (5th Cir. 1982); *International Order of Job's Daughters*, 633 F.2d at 917; American Footwear Corp. v. General Footwear Co., 609 F.2d 655, 664 (2d Cir. 1979), *cert. denied*, 445 U.S. 951 (1980); *Boston Professional Hockey Ass'n*, 510 F.2d at 1009-10; *Button Master*, 555 F. Supp. at 1192-93; *Wichita Falls*, 532 F. Supp. at 657.

129. *See, e.g.*, *Creative Screen Design*, 214 U.S.P.Q. at 191; Germain, *supra* note 125, at 213-14. *But see id.* at 221-24 (arguing that remedies of Lanham Act should not be applied to violations of § 43(a) simpliciter).

130. *Supreme Assembly*, 676 F.2d at 1082 & n.3; *International Order of Job's Daughters*, 633 F.2d at 917; *American Footwear Corp.*, 609 F.2d at 664; Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 204-05 (2d Cir. 1979); *Boston Professional Hockey Ass'n*, 510 F.2d at 1009-10; *Button Master.*, 555 F. Supp. at 1194; *Wichita Falls*, 532 F. Supp. at 657. Prior to 1962, a plaintiff in a trademark infringement action was required to prove that the defendant's use of the mark would be likely "to deceive purchasers as to the source or origin of such goods or services." *Supreme Assembly*, 676 F.2d at 1082 n.3. In 1962, however, Congress amended the Lanham Act to delete this "source or origin" language. *Id.*; *Boston Hockey*, 510 F.2d at 1010. Today, it is well established that the confusion requirement is satisfied by "[t]he public's belief that the mark's owner sponsored or otherwise approved the use of the trademark . . ."

Thus, if the feature appropriated by the defendant serves a solely functional or decorative purpose rather than a source-denoting purpose, there is no confusion and the defendant's actions are not prosecutable under the statute.[131]

In the context of music-related merchandise, at least one court has viewed the display of an artist's name or likeness on a button as primarily functional rather than source-denoting and thus not actionable under section 43(a).[132] In similar circumstances, however, another court reached a different conclusion. In *Boston Professional Hockey Association v. Dallas Cap & Emblem Manufacturing, Inc.*,[133] the Fifth Circuit finessed the source-confusion problem by focusing on the defendant's intentional capitalization on the commercial value of the plaintiffs' trademark.[134]

In *Boston Hockey*, Dallas Cap, without authorization from the National Hockey League, manufactured and sold to the public embroidered cloth emblems bearing the symbols and trademarks of the NHL teams.[135] The district court found that the use of the teams' symbols was a functional use, not a trademark use, and that there was no likelihood of confusion as to the source of the emblems. The typical purchaser, even though recognizing the trademark as that of the member team, would have no reason to believe that the emblems were manufactured by or had some connection with the team or the

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*Dallas Cowboys*, 604 F.2d at 205. *See, e.g.*, *Wichita Falls*, 532 F. Supp. at 659 (creation of confusion as to sponsorship also actionable); Estate of Presley v. Russen, 513 F. Supp. 1339, 1371 (D.N.J. 1981) (sufficient if public believes mark related to, associated with, or sponsored by plaintiff). *See generally* 48 TENN. L. REV. 182, 185 & n.11 (1980) (discussing extension of sponsorship test in *Dallas Cowboys*).

131. *Supreme Assembly*, 676 F.2d at 1083 n.5; *International Order of Job's Daughters*, 633 F.2d at 917; *Button Master*, 555 F. Supp. at 1195; *Wichita Falls*, 532 F. Supp. at 662; Damn I'm Good, Inc. v. Sakowitz, Inc., 514 F. Supp. 1357, 1360 (S.D.N.Y. 1981). A feature is functional "if it connotes other than a trademark purpose, that is, if it is an important ingredient in the commercial success of the product." *Id.* Thus, the functional features of a product "constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product." *Job's Daughters*, 633 F.2d at 917. Such features may be freely copied. *Id.*; *see also Button Master*, 555 F. Supp. at 1195 (functionality means consumers desire mark for intrinsic value, not as designation of origin). Of course, a feature can simultaneously be functional and source-denoting. As long as a feature or mark is not solely functional, it may be protected under trademark laws. *See infra* notes 152-53 and accompanying text.

132. *See Button Master*, 555 F. Supp. at 1195-96.

133. 510 F.2d 1004 (5th Cir.), *cert. denied*, 423 U.S. 868 (1975).

134. *Id.* at 1011-12.

135. *Id.* at 1008-09.

NHL.[136] The Fifth Circuit, however, found this knowledge on the part of the buyer sufficient to meet the statute's confusion requirement. The court held:

> The confusion or deceit requirement is met by the fact that the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the teams' trademarks. The certain knowledge of the buyer that the source and origin of the trademark symbols were in plaintiffs satisfies the requirement of the act. The argument that confusion must be as to the source of the emblem itself is unpersuasive, where the trademark, originated by the team, is the triggering mechanism for the sale of the emblem.[137]

Although the court acknowledged that its decision "may slightly tilt the trademark laws from the purpose of protecting the public to the protection of the business interests of plaintiffs,"[138] few other courts have been willing to sanction such a "tilt," and the decision has been roundly criticized.[139] In *International Order of Job's Daughters v. Lindeburg & Co.*,[140] for example, the Ninth Circuit described the "tilt" in *Boston Hockey* as "not slight, but an extraordinary extension of the protection heretofore afforded trademark owners. It is an extension we cannot endorse."[141]

It seems unlikely that any court today would follow *Boston*

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136. *Boston Hockey*, 360 F. Supp. 459, 463-64 (N.D. Tex. 1973).

137. 510 F.2d at 1012. The court also rejected the defendant's functionality argument, reasoning that the embroidered symbols sold not because of their aesthetic characteristics, "but because they are the trademarks of the hockey teams." *Id.* at 1013.

138. *Id.* at 1011.

139. *But see* Presta, *The Boston Professional Hockey Association Case and Related Cases—A Step in the Right Direction*, 66 TRADE-MARK REP. 131 (1976) (supporting *Boston Hockey* decision).

140. 633 F.2d 912 (9th Cir. 1980), *cert. denied*, 452 U.S. 941 (1981).

141. *Id.* at 919. The court observed that:

> It is not uncommon for a name or emblem that serves in one context as a collective mark or trademark also to be merchandised for its own intrinsic utility to consumers. We commonly identify ourselves by displaying emblems expressing allegiances. Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverages we imbibe. Although these inscriptions frequently include names and emblems that are also used as collective marks or trademarks, it would be naive to conclude that the name or emblem is desired because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.

*Id.* at 918.

*Hockey*, and even the Fifth Circuit recently retreated somewhat from the broad language of that case, noting that knowledge of a symbol's source would not always constitute confusion sufficient to establish trademark infringement.[142] The pertinent question, the court continued, is "whether in a given case knowledge of the source of the *symbol* supports the inference that many of the product's typical purchasers would believe that the *product itself* originated with or was somehow endorsed by the owner of the mark."[143] Thus, under the prevailing view of the Lanham Act, and unfair competition law generally, "one can capitalize on a market or fad created by another provided that it is not accomplished by confusing the public into mistakenly purchasing the product in the belief that the product is the product of the competitor."[144]

For musical artists and merchandisers, the potential problem with the source/sponsorship confusion requirement of section 43(a) is well illustrated by the recent case of *Bi-Rite Enterprises, Inc. v. Button Master*.[145] Bi-Rite, a licensed manufacturer and distributor of buttons, patches, bumper stickers, and other novelty items, along with several of its licensors, sought relief under section 43(a) against several unlicensed manufacturers of buttons bearing, among other things, the common law marks of Bi-Rite's licensors.[146] In rejecting this claim, the court distinguished patent and copyright laws, which "grant to the creators of original expressions and ideas monopoly power over their use and sale," from trademark laws, which function "to protect the individual reputation and good-will that parties build for their goods in the market."[147] The court observed that while the desire "to protect the full economic value of distinctive marks" is understandable, it

142. *See Supreme Assembly*, 676 F.2d at 1085.

143. *Id.* The court explained that confusion would not be established by showing that typical buyers purchase the items because of the presence of the mark. Rather, "it must be shown that they would purchase the items because the presence of the mark indicates to them the necessary connection between the items themselves and the owner of the mark." *Id.* at 1084 n.7.

144. *American Footwear Corp.*, 609 F.2d at 662.

145. 555 F. Supp. 1188 (S.D.N.Y. 1983).

146. *Id.* at 1191. Bi-Rite also alleged violations of New York state and common law trademark and unfair competition laws, New York's anti-dilution and right to privacy statutes, and the common law right of publicity. *Id.* at 1191-92. It was joined in the suit by several of its licensors, including Pat Benatar, Neil Young, Judas Priest, Molly Hatchet, Devo, Styx, and Iron Maiden.

147. *Id.* at 1194.

"cannot negate the fact that unfair competition law clearly requires confusion as to the source of goods before it will protect the unauthorized use of a mark."[148]

With this in mind, the court rejected *Boston Hockey*,[149] pointing out that "[i]n this circuit [the Second Circuit], marks that are exploited only for their functional value and not to confuse the public receive no protection under unfair competition laws. Functionality in this context means that consumers desire the mark for its intrinsic value and not as a designation of origin."[150] Finding no evidence of confusion as to either source or sponsorship, the court denied the plaintiffs' section 43(a) claim.[151]

Of course, a mark can serve both functional and source-denoting purposes simultaneously. The law of unfair competition requires only that functionality not be the mark's sole value.[152] It may be that outside a concert hall, a performer's name emblazoned on a t-shirt would be sufficiently source or sponsorship denoting to be protectable under section 43(a). As the *Bi-Rite* court observed, "[i]n certain contexts, such as at concerts where the mark's owner performs, the public may, in fact, assume that the owner of the mark sponsored or even produced the goods—emblems, buttons or T-shirts—that bear its mark."[153]

In practice, section 43(a) claims have been consistently successful against bootleggers both at concert sites and away from them.[154] In view of the present direction of the case-law, however, the continued utility of section 43(a) as a legal weapon against merchandise bootlegging is questionable.

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148. *Id.*

149. The court also criticized, among other cases, *Sileo*, 528 F. Supp. 1201, and *Joel*, 499 F. Supp. 791, decisions which, in its view, "dispense[d] even with the pretense of an analytic effort to extend trademark relief." *Button Master*, 555 F. Supp. at 1194.

150. *Button Master*, 555 F. Supp. at 1195.

151. *Id.* at 1196. The court did, however, grant the plaintiffs injunctive and monetary relief on their right on publicity claims. *Id.* at 1201. *See infra* notes 168-74 and accompanying text.

152. *See, e.g.*, *International Order of Job's Daughters*, 633 F.2d at 919; *Dallas Cowboys Cheerleaders*, 604 F.2d at 204 ("the fact that an item serves or performs a function does not mean that it may not at the same time be capable of indicating sponsorship or origin, particularly where the decorative aspects of the item are nonfunctional"); *Wichita Falls*, 532 F. Supp. at 663; National Football League Properties, Inc. v. Consumer Enter., 26 Ill. App. 3d 814, 327 N.E.2d 242, *cert. denied*, 423 U.S. 1018 (1975).

153. *Button Master*, 555 F. Supp. at 1195-96.

154. *See, e.g.*, *Creative Screen Design*, 214 U.S.P.Q. at 191 (printing house); *Sileo*, 528 F. Supp. at 1214 (printing house); *Joel*, 499 F. Supp. at 792 (concert site).

## B. The Right of Publicity

Probably the most certain basis of relief against merchandise bootlegging lies in the performer's common law "right of publicity."[155] This still evolving concept has been described as an individual's right to "own, protect and commercially exploit his own name, likeness, and identity."[156] The right of publicity grants to an artist exclusive control over the "commercial value of his name and likeness and . . . prevent[s] others from exploiting that value without permission."[157] In essence, it is a theory of protection for an individual's "persona."[158]

Although the right of publicity has received wide recognition,[159] its exact contours remain somewhat unclear. The doctrine evolved from the personal right of privacy and first emerged as a distinct, transferable property right in Judge Frank's 1953 opinion in *Haelen Laboratories, Inc. v. Topps Chewing Gum, Inc.*[160] Courts continued to confuse the rights of privacy and publicity, however, until 1977 when the Supreme Court, in *Zachinni v. Scripps-Howard Broadcasting Co.*,[161] distinguished the two torts, recognizing the latter as a "discrete kind of 'appropriation' " involving an individual's "proprietary interest."[162]

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155. A detailed discussion of the right of publicity is beyond the scope of this article. For comprehensive analysis of the doctrine, its history, and its scope, *see generally* Hoffman, *Limitations on the Right of Publicity*, 28 BULL. COPYRIGHT SOC'Y 111 (1980); Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203 (1954); Phillips, *A Haystack in a Hurricane: Divergent Case Law on the Right of Publicity and the Copyright Act of 1976*, 63 J. PAT. OFF. SOC'Y 296 (1981); Pilpel, *The Right of Publicity*, 27 BULL. COPYRIGHT SOC'Y 249 (1980); Rader, *The "Right of Publicity"—A New Dimension*, 61 J. PAT. OFF. SOC'Y 228 (1979).

156. Rader, *supra* note 155, at 228. *See also* Hoffman, *supra* note 155, at 112 (right of publicity protects person's name, likeness, achievements and characteristics).

157. *Button Master*, 555 F. Supp. at 1198.

158. Winner, *supra* note 16, at 197.

159. *See* Estate of Presley v. Russen, 513 F. Supp. 1339, 1353 n.6 (D.N.J. 1981) and cases cited therein. *See also* articles cited *supra* note 155. *But see Rock Tours*, 507 F. Supp. at 66 n.6 (existence of cause of action for misappropriation of right of publicity under Alabama common law open to question).

160. 202 F.2d 866 (2d Cir.), *cert. denied*, 346 U.S. 816 (1953). *See* Phillips, *supra* note 155, at 296-301 (discussing genesis of right of publicity); Rader, *supra* note 155, at 228-32 (same).

161. 433 U.S. 562 (1977).

162. *Id.* at 572-73. The right of privacy is essentially the right to be left alone and it is intended to protect individual personality and feelings. The right of publicity is conceptually different. One asserting such a right does not wish to be left alone, but wishes to control the manner in which his "persona" will be commercially exploited. The right of publicity is intended to protect the commercial "property" value acquired by names and likenesses due to investments of time, energy, money, and talent. *But-*

Despite recognition by the Supreme Court, the right of publicity remains in a state of flux today.[163] Many aspects of the doctrine are still unsettled,[164] and the courts are particularly split as to whether the right survives the death of its holder.[165] The right also may conflict with the first amendment.[166] Nevertheless, there appears to be little doubt that, whatever its con-

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*ton Master*, 555 F. Supp. at 1198. *See generally* Phillips, *supra* note 155, at 299-304 (comparing rights of privacy and publicity); Pilpel, *supra* note 155, at 250-55 (same); Rader, *supra* note 155, at 228-38 (same).

163. Phillips, *supra* note 155, at 297.

164. In a lecture delivered in late 1979, Harriet Pilpel discussed five major questions concerning the right of publicity that had yet to be resolved: (1) Does everyone have a right of publicity, or just individuals who have established a public personality? (2) Must the right be exploited during the individual's lifetime? (3) What are commercial purposes? (4) Does the right attach only to an individual's real name, or does it also protect nicknames? (5) What is the duration of the right? Pilpel, *supra* note 155, at 255-59.

165. The majority view appears to be that the right of publicity is a descendible right, surviving the death of the holder. *See, e.g.*, Factors Etc., Inc. v. Pro Arts, Inc., 579 F.2d 215, 220-21 (2d Cir. 1978), *cert. denied*, 440 U.S. 908 (1979); Cepeda v. Swift & Co., 415 F.2d 1205, 1206 (8th Cir. 1969); *Estate of Presley*, 513 F. Supp. at 1355; Hicks v. Casablanca Records, 464 F. Supp. 426, 429-30 (S.D.N.Y. 1978); Price v. Hal Roach Studios, Inc., 400 F. Supp. 836, 843-46 (S.D.N.Y. 1975); Uhlaender v. Hendricksen, 316 F. Supp. 1277, 1282 (D. Minn. 1970). However, there is authority to the contrary. *See, e.g.*, *Factors Etc.*, 652 F.2d at 283 (deferring as matter of stare decisis to Sixth Circuit's interpretation of Tennessee law in *Memphis Development*); Memphis Development Foundation v. Factors Etc., Inc., 616 F.2d 956, 958-60 (6th Cir.) (interpreting Tennessee law), *cert. denied*, 449 U.S. 953 (1980). The position of the California Supreme Court on this issue is somewhat unclear. Apparently, it either refuses to recognize a descendible right of publicity, or would recognize such a right only if it were exploited during the holder's lifetime. Groucho Marx Productions, Inc. v. Day and Night Co., 689 F.2d 317, 323 (2d Cir. 1982) (interpreting *Lugosi* decision); *Factors, Etc.*, 652 F.2d at 284 n.1 (Mansfield, J., dissenting) (same). *See* Guglielmi v. Spelling-Goldberg Productions, 25 Cal. 3d 860, 603 P.2d 454, 160 Cal. Rptr. 352 (1979); Lugosi v. Universal Pictures, 25 Cal. 3d 813, 603 P.2d 425, 160 Cal. Rptr. 323 (1979).

For further discussion of this issue, *see generally* Felcher & Rubin, *The Descendibility of the Right of Publicity: Is There Commercial Life After Death?* 89 YALE L.J. 1125 (1980); Felcher & Rubin, *Privacy, Publicity, and the Portrayal of Real People by the Media*, 88 YALE L.J. 1577 (1979); Hoffman, *supra* note 155, at 133-39 (opposing descendibility); Phillips, *supra* note 155, at 312-15; Pilpel, *supra* note 155, at 256-60; Rader, *supra* note 155, at 233-38; Note, *Lugosi v. Universal Pictures: Descent of the Right of Publicity*, 29 HASTINGS L.J. 751 (1978).

166. *See generally* Hoffman, *supra* note 155, at 123-28; Phillips, *supra* note 155, at 304-08; Rader, *supra* note 155, at 238-41. A related question exists concerning possible conflicts with federal copyright law. The prevailing view, however, appears to be that the Copyright Act of 1976 does not preempt the state-based right of publicity. *See Button Master*, 555 F. Supp. at 1201 (intangible proprietary interest protected by right of publicity does not constitute writing and therefore falls outside preemption standards; citing cases); Phillips, *supra* note 155, at 315-18 (copyright law does not preempt right of publicity). *See also* Rader, *supra* note 155, at 241-43 (discussing issue).

tours, a freely assignable right of publicity does inhere in any individual whose name or likeness carries commercial value.

Artists and merchandisers have achieved considerable success in employing this right to combat merchandise bootlegging.[167] The *Bi-Rite* case, discussed above,[168] is a noteworthy example. Although the court rejected all of the plaintiffs' trademark and unfair competition claims, it had little difficulty finding actionable misappropriation of the plaintiffs' rights of publicity. The court described the test for right of publicity claims as requiring a plaintiff to show: (1) that his name or likeness has publicity value; (2) that he exploited this value in some overt manner; and (3) that the defendant appropriated this right without consent for advertising or trade purposes.[169] As to the first two elements, the court found that the plaintiffs were well-known performers who had "actively cultivated the popularity of their names and music in an aggressively competitive recording market."[170] While the court could find little precedent for the recognition of a group's right of publicity, it reasoned that "[a] group that develops market value in its persona should be *as* entitled as an individual to publicity rights in its name."[171]

As to the third element, the defendants admitted their unauthorized appropriation of the plaintiffs' names, but argued that Bi-Rite had no right to assert the claim.[172] The court rejected this defense, ruling that Bi-Rite, as the performers' exclusive licensee, had full standing to enforce their publicity rights. In addition, the court observed that "[u]nlike privacy rights, which protect personality and feelings and are therefore not assignable, the right of publicity gives rise to a 'proprietary' interest in the commercial value of one's persona which is assignable and may be freely licensed."[173] The court thus held

167. *See, e.g.*, *Button Master*, 555 F. Supp. at 1198-1201; *Creative Screen Design*, 214 U.S.P.Q. at 190; *Sileo*, 528 F. Supp. at 1213-14.

168. *See supra* notes 145-53 and accompanying text.

169. *Button Master*, 555 F. Supp. at 1198-99. The court pointed out that exploitation during the holder's lifetime would not be required in all jurisdictions. *Id.* at 1199.

170. *Id.* at 1199.

171. *Id.* (emphasis in original). *Creative Screen Design*, 214 U.S.P.Q. at 190 (recognizing right of publicity of musical groups); *Sileo*, 528 F. Supp. at 1213 (same).

172. 555 F. Supp. at 1192. The defendants also argued that many rock groups and performers actually welcome the unauthorized use of their marks on buttons as a source of free publicity. *Id.*

173. *Id.* at 1199. *See also Creative Screen Design*, 214 U.S.P.Q. at 190 (right of publicity may be validly transferred from entertainers to licensee).

that the plaintiffs, having satisfied the three-part test, were entitled to damages and injunctive relief for the misappropriation of their rights of publicity.[174]

Even though merchandise bootlegging constitutes an obvious violation of an artist's right of publicity, this basis of relief may be less satisfactory in several respects than that potentially available under the Lanham Act. Most notably lacking is any opportunity to receive treble damages. Attorney's fees also are less likely to be recovered in a right of publicity action. Finally, absent diversity jurisdiction or a pendent federal claim, such a suit would have to be brought in state court.

## IV
## A Tale of Too Many T-Shirts: The Inadequacy of Existing Remedies

That merchandise bootlegging clearly violates the legal rights of artists and their licensees is beyond dispute. Yet, despite the availability of remedies to enforce these rights, and despite numerous attempts to do so, bootlegging activity remains widespread in the music industry. Recent legal action aimed at individual t-shirt peddlers and large printing houses has been only partially effective. Artists and merchandisers have succeeded, perhaps, in slowing the growth of the problem, but they have failed to diminish it significantly. Merchandise bootleggers continue to reap millions of dollars annually in illicit profits at the expense of performers and their authorized licensees.[175]

Two related factors explain this failure. First, the bootleggers themselves have proven flexible, sophisticated and resilient. In the face of increasing legal action, they have adapted accordingly, changing their methods of operation as the need arises.[176] In terms of organization and numbers alone, they make a formidable opponent for an artist or lawyer armed with little more than a briefcase full of papers. Second, and more significantly, the existing legal remedies simply were not designed to effectively redress this type of activity.[177]

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174. *Id.* at 1199, 1201.

175. *See supra* notes 25-60 and accompanying text (discussing bootleg problem generally).

176. *See supra* notes 49-58 and accompanying text.

177. This problem, as it applies to commercial counterfeiting generally, is discussed extensively in Rakoff, *supra* note 17, at 161-77 & esp. 163-66.

The laws of intellectual or intangible property—trademarks, patents, copyrights, the right of publicity, and the like—generally presuppose a degree of good faith on the part of the parties involved.[178] In a traditional trademark infringement action, for example, the parties typically are legitimate businessmen engaged in a bona fide dispute as to their respective rights to use a particular mark. Bootleggers, on the other hand, are not "legitimate" businessmen. They are more akin to professional criminals who, fully aware of the illegality of their actions, act so as to minimize their exposure should they be discovered.[179] As noted above,[180] merchandise bootleggers have few compunctions about ignoring injunctions, subpoenas, and discovery orders, destroying evidence, perjuring themselves, and generally "thumbing their noses" at the judicial system.[181] Frequently, bootleggers will go underground, packing up their shops and moving to a new location at the first sign of legal action.[182]

While getting a bootlegger into court is no easy task, proving liability and damages is close to impossible. Business records, if any were kept, tend to be destroyed before they can be obtained and introduced at trial.[183] Equipment and infringing merchandise also may be hidden, moved, or destroyed, often in violation of a court order.[184] Consequently, after months of investigation and litigation—all at considerable expense—a plaintiff may find himself with no means by which to establish infringement or the number of infringing sales and thus, no case.

In one bootlegging case, *Kenny Rogers Productions, Inc. v. Grand Illusion Designs, Inc.*,[185] for example, the plaintiffs obtained an order for expedited discovery, only to find that the

178. *See id.* at 164.

179. *Id.* at 164-65; Zalon Affidavit I, *supra* note 41, at 5.

180. *See supra* notes 25-60 and accompanying text (discussing bootleg problem).

181. *Id. See, e.g., Musidor*, 658 F.2d at 62-64 (bootlegger violated injunction); *Creative Screen Design*, 210 U.S.P.Q. at 9 (same). In fact, according to the attorney who prosecuted the contempt charges in *Musidor*, the defendants in that case, Leon Dymburt and Great American Screen, are back in the bootlegging business, despite having received sixty days in jail and a $10,000 fine respectively. Conversation with Peter A. Herbert, Esq., in Washington, D.C. (Apr. 7, 1983). *See also Brockum Int'l, Inc.*, No. 82 Civ. 2948 (same defendants as in *Musidor*).

182. *See supra* notes 52-58 and accompanying text.

183. *Id.*

184. *Id.*

185. No. 80 Civ. 4428 (N.D. Ill.). *See* Zalon Affidavit I, *supra* note 41, at 3.

defendants had removed all infringing equipment from the premises before they could be inspected.[186] The plaintiffs later learned through a former employee of Grand Illusion that the equipment had been removed just prior to the inspection and returned soon afterwards. Based on this information, the plaintiffs obtained an ex parte order resulting in the discovery and inventory of the equipment. Before they actually could take possession, however, the equipment was "accidentally" destroyed.[187]

Similarly, in *Winterland Concessions Co. v. Creative Screen Design, Ltd.*, discussed above,[188] Winterland obtained a temporary restraining order enjoining Creative from removing its business records from the premises.[189] Although Creative promptly violated the order, a Winterland investigator managed to recover some records from the trash discarded by Creative and thus literally "salvaged" the case.[190] It was only through this mixture of resourcefulness and fortuity that Winterland ultimately was able to win almost $1 million in treble damages and attorney's fees from Creative.[191]

Bootleggers also are adept at concealing their assets so as to

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186. Zalon Affidavit I, *supra* note 41, at 3.

187. *Id.*

188. *See supra* notes 113-17 and accompanying text.

189. 210 U.S.P.Q. at 9.

190. *Id.*

191. 214 U.S.P.Q. at 191. *See also* Vuitton et Fils v. Crown Handbags, 492 F. Supp. 1071 (S.D.N.Y. 1979), *aff'd*, 622 F.2d 577 (2d Cir. 1980). Despite the availability of the defendant's business records, the plaintiff in *Vuitton* was unable to establish what portion of the defendant's total revenues were attributable to sales of counterfeit Vuitton handbags. *Id.* at 1078. The defendant may have sold hundreds of counterfeit bags, but Vuitton could not prove that the defendant had ever possessed more than six, the number of bags offered for sale to Vuitton's investigator. Consequently, Vuitton was awarded damages for only six infringing sales—a mere $210. *Id.*

In response to problems such as these, artists and merchandisers, as well as plaintiffs in traditional commercial counterfeiting cases, have begun to request and receive *ex parte* search and seizure orders at the commencement of their suits. *See* Bainton, *supra* note 19, at 22-25 (citing cases); Rakoff, *supra* note 17, at 166 & n.158, 209 & n.435. Such cases now routinely proceed through "show cause" orders, allowing the plaintiffs to obtain at least some potential evidence of infringement before the defendants even know they have been sued. *See supra* note 69 (citing orders). Like the John Doe seizure orders commonly employed at concert sites (*see supra* notes 65-101 and accompanying text), these orders constitute a truly extraordinary form of relief. Such measures, however, are entirely necessary if merchandise bootlegging and commercial counterfeiting in general are to be halted. *See infra* notes 223-26 and accompanying text (discussing need for legislative solution). For an analysis of the legal and constitutional bases for such relief, see Rakoff, *supra* note 17, at 209-24.

render themselves effectively judgment-proof.[192] An artist or merchandiser may successfully prosecute an action against a corporate bootlegger, only to find it completely insolvent. In *Billy Joel v. Big O Posters, Inc.*,[193] for instance, the defendants were major manufacturers of bootleg posters, with world-wide distribution. Yet, within a few months after a preliminary injunction was entered against it, Big O went out of business, selling all of its inventory to two "former secretaries."[194] Likewise, in *Winterland*, damages were assessed against only the individual defendants because the corporate defendant had entered Chapter VII bankruptcy a short time before the trial assessing damages was to take place.[195]

In short, the presently existing remedies offer little incentive to artists and merchandisers to bring suit and little deterrence to prospective bootleggers. The costs of investigating and prosecuting such lawsuits can be extremely high. The likelihood of recovering significant damages is, conversely, very low. For artists and merchandisers, the remote probability of obtaining a civil judgment against a possibly insolvent defendant may be insufficient to justify bringing the action.[196] For bootleggers, the lucrative rewards of their practice far outweigh the risks involved. The possibility of civil liability may be viewed by many as simply a cost of doing business. Although present remedies may be well-suited for resolving traditional disputes involving good faith parties, they are wholly inadequate to combat the problem of merchandise bootlegging or commercial counterfeiting in general.

## V
## Taking T-Shirts Seriously: The Need for Legislation

Given the thriving nature of the bootlegging industry, it is

192. *See* Rakoff, *supra* note 17, at 165.

193. No. 80 Civ. 2365 (S.D.N.Y.). *See* Zalon Affidavit I, *supra* note 41, at 3.

194. Zalon Affidavit I, *supra* note 41, at 3-4.

195. 210 U.S.P.Q. at 9.

196. Even if a plaintiff recovers the full amount of his damages, he may not recoup the costs of bringing the action. Attorney's fees and investigation costs are not ordinarily recoverable, and even under the Lanham Act, which specifically authorizes the recovery of such costs as well as treble damages, these discretionary remedies are rarely imposed. *See* Rakoff, *supra* note 17, at 163-64 & cases cited nn.138 & 141. *But see Creative Screen Design*, 214 U.S.P.Q. at 191 (awarding treble damages, attorney's fees, and costs).

clear that additional remedies are necessary if artists and merchandisers are to protect their legal rights adequately. On a policy level, such additional protections are fully justified. It has been argued that the interests of free and fair competition militate against further expansion or enforcement of such exclusive rights.[197] According to the president of the Brooklyn printing firm Great American Screen Designs, bootleggers would be willing to pay royalties on their sales if a mechanism were established to channel them to artists.[198] Great American's president, who was sentenced to sixty days in jail in the *Musidor* case,[199] insists that such legal harassment is part of a scheme by large merchandisers to monopolize the market. He contends that "[i]f the merchandisers stopped bootlegging, kids still wouldn't buy [licensed] shirts. They're exorbitantly priced and poorly made. It's a simple case of a few powermongers trying to control the whole market."[200]

Similarly, one commentator, arguing for limitations on the right of publicity, points out that the chief beneficiaries of such protection are those who least need additional financial compensation.[201] The "off-Broadway actor, the minor league hockey player, the avant-garde jazzman, the author without a best seller," he suggests, are unlikely to derive significant income from the commercial licensing of their names or likenesses. Rather, he maintains, it is "the Elvis Presleys, the Bela Lugosis, the Agatha Christies of the world who benefit from the right of publicity—and these are precisely the persons whose income would be more than adequate even if publicity rights were nonexistent."[202]

That an artist may not need additional income, however, is hardly a valid reason for not enforcing his legitimate legal rights. In fact, given the high costs of touring, for many non-"big-name" recording artists, sales of concert merchandise generate a crucial component of their incomes that often represent the difference between profitability and losses on a concert tour.[203] Moreover, these arguments fail to consider the nonfinancial aspects of merchandising that are protected by

197. *See generally* Hoffman, *supra* note 155, at 116-33 & esp. 122-23.
198. *T-Shirt Wars*, *supra* note 9.
199. *See supra* notes 107-12 and accompanying text.
200. *T-Shirt Wars*, *supra* note 9.
201. Hoffman, *supra* note 155, at 120.
202. *Id.*
203. *See supra* notes 9-12 and accompanying text.

publicity and trademark rights. Primary among these, as noted above,[204] is the artist's reputational interest—his business goodwill—in the products and services that bear his name. Wholly aside from its financial impact, merchandise bootlegging can seriously damage this interest when cheaply made, poorly designed t-shirts are passed off as the artist's own product.[205]

The remaining question is how artists and merchandisers can be adequately protected from bootlegging activity. Logically, the solution should come from the legislature. Without further remedial legislation, the already overburdened courts and law enforcement authorities can do little to alter the present state of affairs. The situation requires a law with some teeth in it—one that adequately deters bootleggers, and ensures that the rewards of taking action against them are sufficient to justify the costs.

Such legislation could take many forms: an amendment to present trademark laws, a statutory right of publicity, a specifically enacted criminal statute. Other possibilities exist, and the problem can be addressed at the federal, state or even local level.[206] One bill now pending in Congress, a proposed Trademark Counterfeiting Act,[207] would amend the federal criminal code to prohibit purposeful trafficking in counterfeit trademarks.[208] This proposed Act, specifically aimed at the problem of commercial counterfeiting, prescribes criminal penalties of imprisonment up to five years and fines up to $250,000 for individuals and $1,000,000 for corporations.[209] A corresponding private right of action under the Act authorizes the mandatory recovery of treble damages, the defendant's profits, and the costs of investigating and prosecuting the suit, including rea-

204. *See supra* notes 59-60 and accompanying text.

205. *Id.*

206. An example of useful local legislation is the Birmingham, Alabama city ordinance relied on in Rock Tours, Ltd. v. Does, 507 F. Supp. 63, 65 (N.D. Ala. 1981). *See supra* note 84. That ordinance prohibited the sale of all merchandise within a specified area outside the Birmingham Civic Center. Since authorized merchandise normally is sold inside a concert hall, such an ordinance, if enforced, could effectively eliminate concert site bootlegging in a given city. This type of legislation, though far from a national solution to the merchandise bootlegging problem and perhaps undesirable for other reasons, demonstrates that the federal government is not the only entity capable of addressing the situation.

207. *See supra* note 23.

208. Rakoff, *supra* note 17, at 177-88.

209. *Id.* at 195-98.

sonable investigator's and attorney's fees.[210] Civil plaintiffs and federal prosecutors alike would be entitled to ex parte preliminary injunctive relief, including the seizure of allegedly counterfeit goods, without notice to the defendant.[211]

Although merchandise bootlegging is a form of commercial counterfeiting, the Act would apply only to the counterfeiting of federally registered trademarks.[212] Few popular recording artists have obtained federal trademark registration for their individual or group names.[213] Moreover, it is doubtful whether an artist's likeness would be entitled to any protection under trademark laws.[214] Thus, despite its strong deterrent provisions, relief under the proposed Act may be unavailable to artists and merchandisers. This problem, and the source-confusion requirements noted above,[215] make trademark laws an uncertain weapon for combatting merchandise bootlegging.

A more fruitful source of legislative relief may lie in the common law right of publicity. Certainly it is this right of the artist which is most clearly violated by merchandise bootlegging.[216] The statutory codification of this right has been advocated by commentators in the past,[217] and the time may be ripe for serious consideration of this step. Although the right of publicity is recognized in most American jurisdictions,[218] many aspects of the right are in need of clear definition. The duration of the right and its relationship with the first amendment are two areas that remain particularly unclear.[219] Codifying legislation could go a long way toward resolving these questions and es-

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210. *Id.* at 198-209.

211. *Id.* at 209-15.

212. *Id.* at 188-91.

213. There would appear to be little reason why such artists could not obtain federal trademark registration for their names if they so desired. *See supra* note 123.

214. *See generally* KINTNER & LAHR, *supra* note 122, at 245-66 & esp. 250-51 (protection of pictures and symbols).

215. *See supra* notes 130-53 and accompanying text.

216. *See generally supra* notes 155-74 and accompanying text (discussing right of publicity).

217. *See, e.g.*, Estate of Presley v. Russen, 513 F. Supp. 1339, 1355 n.10 (D.N.J. 1981) (suggesting that New Jersey state legislature set durational limit on right of publicity); Lugosi v. Universal Pictures, 25 Cal. 3d 813, 847, 603 P.2d 425, 446, 160 Cal. Rptr. 323, 344 (1979) (Bird, C.J., dissenting) (fixing date for termination of right of publicity is policy decision best determined by legislature); Pilpel, *supra* note 155, at 262 (proposing that Commissioners on Uniform State Laws formulate a model statute).

218. *See supra* notes 159-66 and accompanying text.

219. *See supra* notes 163-64 and accompanying text.

tablishing a uniform statutory right of publicity.[220]

Regardless of the legal theory on which it is based, such legislation would need to contain a number of specific remedial provisions if it is to be an effective weapon against merchandise bootlegging. Many of these provisions can be found in the proposed Trademark Counterfeiting Act discussed above.[221] The possibility of recovering treble damages, profits, court costs, investigation costs, and attorney's fees would provide considerable incentive for artists and merchandisers to bring legal action against bootleggers and help to even the odds in such suits—odds that presently weigh heavily in favor of the bootleggers.[222] The Act's provision for ex parte seizure and injunctive relief, without notice to defendants,[223] is no doubt an extraordinary measure, but also necessary if merchandise bootlegging is to be halted. Without such a provision, business records, equipment, and infringing merchandise are likely to disappear before a lawsuit can even get off the ground.[224] Despite its extraordinary nature, ex parte injunctive relief is specifically authorized by the Federal Rules of Civil Procedure,[225]

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220. Although a unified national right of publicity undoubtedly would be desirable, a federal jurisdictional basis may be lacking. The enactment of a uniform state act is perhaps the most feasible solution. *See* Pilpel, *supra* note 155, at 262.

221. *See supra* notes 207-12 and accompanying text.

222. Although the recovery of treble damages, profits, costs, and attorney's fees is mandatory under the proposed Act, this provision serves to punish a civil defendant whose conduct by definition is willful and violative of the Act's criminal provisions. *See* Rakoff, *supra* note 17, at 198-200. In a purely civil context, such a measure is less justifiable. Treble damages, costs, and attorney's fees should be discretionary under such a statute, except where the prohibited conduct is willful. Since, in the typical merchandise bootlegging case, the defendant is fully aware that his activities violate the plaintiff's rights, full recovery is ordinarily awarded.

223. Rakoff, *supra* note 17, at 209-15.

224. *See supra* notes 178-90 and accompanying text.

225. Federal Rule of Civil Procedure 65(b) provides in relevant part:

> A temporary restraining order may be granted without written or oral notice to the adverse party or his attorney only if (1) it clearly appears from specific facts shown by affidavit or by the verified complaint that immediate and irreparable injury, loss, or damage will result to the applicant before the adverse party or his attorney can be heard in opposition, and (2) the applicant's attorney certifies to the court in writing the efforts, if any, which have been made to give the notice and the reasons supporting his claim that notice should not be required.

Although the rules do not specifically provide for seizure without notice, Rule 64 authorizes the seizure of property "under the circumstances and in the manner provided by the law of the state in which the district court is held . . . [or] any [applicable] statute of the United States . . . ." FED. R. CIV. P. 64. In conjunction with the above rules, most seizure orders thus far issued have been grounded on section 36 of the Lanham Act, 15 U.S.C. § 1118 (1976), which provides for the seizure and destruction of infringing

and courts have granted such orders in numerous bootlegging and commercial counterfeiting cases in the past.[226]

The difficulty of proving damages in such cases can further be addressed by taking a cue from the federal copyright code which provides for statutory damages, at the plaintiff's election, in lieu of proving actual damages and profits.[227] A plaintiff who establishes infringement may recover anywhere from $250 to $10,000, in the court's discretion, for each work infringed.[228] In cases of willful infringement, statutory damages of up to $50,000 may be awarded.[229]

Willful infringement of copyright also is deterred by criminal provisions which impose severe penalties on one who infringes a copyright "willfully and for purposes of commercial advantage or private financial gain."[230] Depending on what type of work he has infringed, a criminal copyright defendant can be fined as much as $25,000 and imprisoned for up to one year—$50,000 and two years for a subsequent offense.[231] A similar provision in a right of publicity statute would have a substantial deterrent effect on merchandise bootleggers who typically act with full knowledge of the artist's rights and solely for purposes of commercial gain.

## VI
## Conclusion

The problem of merchandise bootlegging probably appears to the average person to be of relatively little importance. Yet, it poses a serious threat to musical artists and their licensed

goods and equipment. *See generally* Rakoff, *supra* note 17, at 209-15. For a discussion of the constitutional basis of such orders, *see generally id.* at 216-24.

226. *See supra* note 191.

227. *See* 17 U.S.C. § 504(c) (1976). The Copyright Act also has been suggested as a logical guideline for determining the duration of the right of publicity. The standard copyright term of life plus fifty years, *see* 17 U.S.C. § 302(a) (1976), has been described as "a reasonable evaluation of the period necessary to effect the policies underlying the right of publicity." *Lugosi*, 25 Cal. 3d at 847, 603 P.2d at 446, 160 Cal. Rptr. at 344 (Bird, C.J., dissenting). *See also Estate of Presley*, 513 F. Supp. at 1355 n.10 (Copyright Act provides "informative" durational guidelines); Pilpel, *supra* note 155, at 262 (statute could take cue from Copyright Act for duration of right).

228. 17 U.S.C. § 504(c)(1) (1976).

229. *Id.* at § 504(c)(2).

230. *Id.* at § 506(a).

231. *Id.* The maximum penalty for criminal infringement of a work other than a sound recording or motion picture is $10,000 and one year in jail, regardless of past offenses. *Id.*

merchandisers. The image of wealthy rock stars battling innocent parking lot peddlers over the sales of a few cheap t-shirts simply does not hold true. Merchandise bootleggers are sophisticated and well-organized, operating on a nationwide scale with elaborate systems of distribution. Their activities drain millions of dollars annually from the pockets of artists and merchandisers at a time when merchandising revenues have become increasingly important to an artist's financial success.

Although merchandise bootlegging clearly violates the legal rights of artists and licensed merchandisers, existing remedies have proven inadequate to combat this illicit practice effectively. Despite a good deal of creative lawyering by a number of capable entertainment attorneys, the bootlegging industry continues to thrive. Legislation addressing this problem should be given serious consideration by lawmakers at the federal, state, and local levels. "T-shirt wars" may be little cause for national concern, but blatant violations of legal rights cannot so easily be ignored.