

INTERNET FRAMING: COMPLEMENT OR HIJACK?

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I. OVERVIEW

Spurred by technological leaps and bounds, the Internet has become an information superhighway through which large amounts of data are transferred.¹ Because the Internet allows businesses to advertise and disseminate information to the widest audience at the lowest cost, it has become an important tool of commerce. Additionally, the Internet allows the average person to search and locate information quickly without ever having to run to a library or make a phone call. In fact, the information a person desires may be just a few clicks away.

The typical Internet user navigates from one web site to another by typing in the URL² assigned to that particular site. For example, if an Internet user wishes to go to the University of San Francisco web site, he may type in <http://www.usfca.edu>. Alternatively, he may navigate between web sites through the use of "hyperlinks." A hyperlink may appear to the user on his current web page as an underlined or highlighted phrase or an image. Typically, there are numerous hyperlinks displayed on a web page. When a person clicks on one of the hyperlinks, the web browser software automatically retrieves the

1. See *Reno v. ACLU*, 117 S. Ct. 2329, 2334 (1997) "About 40 million people used the Internet at the time of the trial (in the summer of 1996), a number that is expected to mushroom to 200 million by 1999."

2. URL (Universal Resource Locator) is the equivalent to an Internet address.

corresponding web document and creates a copy which is then displayed on the screen. In effect, the web browser software allows Internet users to jump from one site to another, enabling them to easily follow relationships between documents without having to memorize long lists of addresses or to manually type in a URL. It is this ubiquitous feature of hyperlinking that allows Internet users to easily access information on the electronic superhighway.

A vendor who is able to advertise his goods to the widest audience is more likely to sell his products. This general marketing principle is applicable to a vendor who is conducting business on-line. Allowing web site publishers to place another vendor's hypertext link on their current site is analogous to placing a free advertisement on that current site. Assuming the current site has not been cached,³ a consumer who activates the hyperlink to the vendor's site generates a "hit"⁴ for the vendor.⁵ The more hits the vendor receives, the greater the likelihood of a transactional sale. Additionally, the fact that a web site receives a great number of hits makes that site more attractive to advertisers who wish to place an advertisement on a vendor's web site. As a result, on-line vendors do not normally place any limitations on how their sites are linked. In fact, they generally welcome linkage from other web site publishers.⁶

Online vendors may also attempt to generate sales by purchasing advertising space at an external web site. Under a cost-benefit analysis, if the amount expended for advertising produced a profit that exceeded the cost for the ad, the advertising purchase was a wise investment. On the contrary, if the ad did not produce a profit as intended, the vendor made an unsound business decision.⁷ Alternatively, external factors beyond the vendor's control such as consumer preference could have

3. Caching is widely used because it can shorten the amount of time required to download a document. When numerous requests to a popular site are made, the local server will cache (make a copy of) the corresponding document into its memory. Thus, when the next viewer requests the same document, the copy is retrieved from the local server. The transmission time required to download the copy from the local server is shorter than the time required to retrieve the actual document from the external site. However, caching also raises problems. If the local server did not update the copy, the viewer will see an older version of the corresponding document. Further, the external site is no longer able to count the number of hits (visits) it receives even though a copy is shown to the viewer.

4. A "hit" occurs each time an Internet user accesses and views a web page.

5. The author assumes that the external site has not been cached. Whether an external site has or has not been cached, its ramification will not affect the outcome of the author's finding.

6. See Rebecca Quick, 'Framing' Muddies Issue of Content Ownership, WALL ST. J., Jan. 30, 1997.

7. Lower than expected sales are based on the assumption that the ads were shown in its intended manner.

changed. But what if the ads were never shown at the external site in the first place because they were blocked off by a third party?

Currently, the technology of "framing" allows a web site to: (1) pull in the contents of an external site into the local site; (2) "chop" up the contents of the external site into different "frames" or parts; and (3) display only the frames that are beneficial to the framing site. When an advertisement is blocked off by a frame, an advertiser who paid to advertise at an external (framed) site may cease to purchase advertising space from that external site if the framing activities of another web site prevent the advertisement from reaching prospective viewers. From the perspective of the framed site, this will result in a loss of advertising revenue. When framing is used by a web site to pull content from other sites, strip that content of surrounding advertisements and source identifiers, and display the content as part of its own web site, the activities of the framing site might constitute copyright, trademark and trade dress infringement, as well as violate state unfair competition laws.

A. *Methods of Linking*

To ascertain the legal ramifications of framing, an understanding of the two primary methods of linking, hypertext linking and inline linking, is helpful. A hypertext reference (HREF) link is the most basic form of hyperlink. It appears onscreen as a highlighted citation or phrase that is differentiated from regular text by a special color or format such as underlining.⁸ When a viewer activates a hypertext link by clicking his or her mouse on the highlighted text, the web browser software retrieves the corresponding document from the external site and creates a copy which is then displayed onscreen.⁹ Any connection with the local site (the linking site) is simultaneously terminated after the browser has established a connection with the external site. This type of linking is called "linking out."

An inline link allows a web site designer to inline or "pull in" a graphical image from an external site and incorporate it as part of the local onscreen display. For example, if an external site contains a photograph, it can be inlined into the local web site and shown as part of the current display. This type of linking is called "linking in." In contrast to a hypertext link where there is an immediate termination with the local site after connection to the external site, the local site remains current when the inlined image is displayed.

8. See Richard Raysman and Peter Brown, *Dangerous Liaisons: The Legal Risks of Linking Web Sites*, 217 N.Y.L.J. 66 (Apr. 8, 1997).

9. See Freeling and Levi, *supra* note 9, at S5.

B. Framing

The use of frames and framing are two different concepts. Frames allow a web site designer to divide her web page into multiple regions or sections that can operate independently of each other. Frames are often used to create a fixed region which may contain text, icons, graphics, hypertext links, and inline links that a viewer always sees.¹⁰ In the Internet context, frames are used by many web sites to create multiple “windows” on the viewer’s computer screen.¹¹ Each frame, or window, may display a different web page.¹² The primary frame may be utilized as a region for disseminating information. Other secondary frames may be utilized for displaying the web site’s logo, hypertext links to external sites or to other sections of the same web site that are not visible onscreen, and an advertising banner. The use of frames is not unlawful and gives web site designers and viewers the added advantage of functionality. However, framing as a means of linking web sites may raise legal problems.

C. Framing As a Means For Linking Web Sites

Framing, as used in conjunction with inline links, allows a web site author to incorporate or pull in an entire external site, or portions thereof, and surround it with frames of his or her own creation.¹³ After inlining or “pulling in” the external site, the surrounding frames may cover up the external site’s advertising and trademark and replace them with the contents of the framing site. In addition, the Uniform Resource Locator (URL)¹⁴ displayed in the web browser is the URL of the framing site, even though the contents of the external site are simultaneously displayed. Thus, it is possible to inline or “pull in” the contents of an external site and display them with the local site’s advertising, trademarks, and text. As a result, the content of the external site appears to be

10. For example, a non-Internet use of frames is implemented in the word-processing application. The actual onscreen display includes a primary frame where the writer types in the text to her document. A Status Bar at the bottom portion of the screen functions as a secondary frame and tells the writer exactly where she is within her document. As the writer continues to type from one page to the next, the Status Bar remains fixed and continuously updates her location. The Status Bar has been shown as an example of a frame where only information is disseminated to the user. Due to its usefulness and functionality, frames are widely incorporated in virtually every software program on the market.

11. See Kenneth Freeling and Joseph E. Levi, *Frame Liability Clouds the Internet’s Future*, N.Y.L.J., May 19, 1997, at S5.

12. See Quick, *supra* note 6.

13. See *id.*

14. The URL is the web site’s address. For example, the URL for the Time web site is <http://www.time.com>.

offered by the framing site. When framing is used in this way, viewers may be misled as to the source of the linked-to site's contents.

II. THE TOTALNEWS CONTROVERSY

TotalNews operated a web site at <www.totalnews.com> that provided links to various news sources, including those operated by the *Washington Post*, Time-Warner, Cable News Network (CNN), Times-Mirror, Dow Jones, and Reuters.¹⁵ When a viewer hyperlinked to one of the news sources (i.e., by clicking on the *Time* hyperlink) from *TotalNews*' site, the selected site was actually drawn into the *TotalNews* web site and displayed as part of it. However, not all of the content of an external news-source site (i.e. *Time*) was displayed. Instead, the viewer saw five independent frames which contained the following:

- (1) a large, right-centered frame that displayed the external site's content
- (2) a small, rectangular frame located in the lower left-hand corner that displayed the "TotalNews" word mark
- (3) *TotalNews*' URL <www.totalnews.com> displayed as the current URL address in the upper portion of the screen
- (4) a vertical frame on the left-hand side that contained a menu of hyperlinks to plaintiffs' news services
- (5) a horizontal frame along the bottom of the screen that displayed commercial advertising sold by *TotalNews*.

Thus, the contents of the external news web sites, such as the *Time* web site, were displayed surrounded by frames containing the *TotalNews* logo, *TotalNews* URL, and advertising sold by *TotalNews*.¹⁶

At the present time, there is very little case law addressing the issue of framing within the Internet medium and, as such, a great deal of legal uncertainty exists. On February 20, 1997, the first complaint to challenge framing in the Internet context was filed in the Southern District of New York by the *Washington Post*, Time-Warner, Cable News Network (CNN), Times-Mirror, Dow Jones, and Reuters (collectively "plaintiff") against *TotalNews* and its affiliates (collectively

15. See *Wash. Post v. TotalNews, Inc.* No. 97 Civ. 1190 (PKL) (S.D.N.Y. filed Feb. 20, 1997) (visited Oct. 9, 1998) <<http://www.ljx.com/internet/complain.html>> (hereinafter *TotalNews* Complaint).

16. See *TotalNews* Complaint at para. 33.

“defendant”).¹⁷ In their complaint, the plaintiffs alleged that *TotalNews* had “engaged in the Internet equivalent of pirating copyrighted material from a variety of famous newspapers, magazines, or television news programs; packaging those stories to advertisers as part of a competitive publication or program produced by Defendants; and pocketing the advertising revenue generated by their unauthorized use of that material.”¹⁸ In all, the plaintiffs alleged nine causes of action: (1) Misappropriation; (2) Federal Trademark Dilution; (3) Trademark Infringement; (4) False Designations of Origin, False Representations and False Advertising; (5) Trademark Infringement and Unfair Competition under State Law; (6) Dilution under State Law; (7) Deceptive Acts and Practices; (8) Copyright Infringement; and (9) Tortious Interference.¹⁹

Plaintiff protested that while the linked-to news services (external sites) were displayed in the news frame, advertising sold by *TotalNews* was simultaneously shown in the advertisement frame replacing what was once plaintiff’s advertising.²⁰ Moreover, the *TotalNews* URL, not the actual URL of the original news source, was displayed in the address portion of the web browser.²¹

While many observers were anxious for a definite answer to this conflict, a settlement was reached on June 5, 1997 in which *TotalNews* agreed that it would no longer frame any of the plaintiffs’ web sites.²² As such, no legal precedent was set. However, the framing activities of web sites such as *TotalNews* may be actionable under one of the nine causes of action asserted in the *TotalNews* complaint. This paper will analyze the trademark, trade dress, and copyright infringement claims presented by the *TotalNews* case and apply federal law to determine the most likely outcome had the case been litigated.²³

III. FEDERAL TRADEMARK INFRINGEMENT

In their complaint, the plaintiffs contended that:

17. *Wash. Post v. TotalNews, Inc.* No. 97 Civ. 1190 (PKL) (S.D.N.Y. filed Feb. 20, 1997) (visited Oct. 9, 1998) <<http://www.ljx.com/internet/complain.html>> (hereinafter *TotalNews* Complaint).

18. *Id.* at para. 10.

19. *Id.* at para. 38-76.

20. *See TotalNews* Complaint at para. 30.

21. *See id.*

22. *See Wash. Post v. TotalNews, Inc.* No. 97 Civ. 1190 (PKL) (S.D.N.Y. entered on June 5, 1997) (visited Oct. 8, 1998) <<http://www.ljx.com/internet/totalse.html>> (hereinafter *TotalNews* Settlement).

23. For purposes of this article, plaintiff *Time* will be considered as the plaintiff unless otherwise specified. Further, since the complaint was filed in the District Court in the Southern District of New York, Second Circuit cases are assumed to be binding.

Defendants' unauthorized use of Plaintiffs' marks in connection with advertisements that have not been approved by Plaintiffs for use on their respective sites. . . . [and] the manner in which Defendants cause[d] Plaintiffs' websites to appear within a window on Defendants' site, together with those new and competing advertisements, and under the totalnews.com URL, [were] likely to cause confusion and mistake as to the source or origin of the content and advertising depicted at Defendants' website.²⁴

Accordingly, the issue for a court to consider is whether defendant's unauthorized use of plaintiff's mark causes or will likely cause consumers to be confused as to the source, affiliation or sponsorship of the content and advertising depicted at *TotalNews*' website.

A trademark is defined as "[a] word, slogan, design, picture, or any other symbol used to identify and distinguish goods."²⁵ To prevail under trademark infringement, plaintiff must show that: (1) its trademark is entitled to protection under the Lanham Act and (2) there is a likelihood of confusion as to the origin of defendant's product.²⁶ To qualify for trademark protection, a mark must either be distinctive or have acquired secondary meaning.²⁷

For the purpose of this article, the author will focus on Lanham Act § 32 and § 43(a) to determine whether *TotalNews* infringed upon plaintiff's mark.²⁸ In relevant part, § 43(a)(1)(A) prohibits a party from using in commerce any term of false designation of origin which "is likely to cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person."²⁹ Section 43(a)(1) is limited by § 43(c)(4)(B), which provides that "noncommercial use of a mark" is not actionable under the Lanham Act.³⁰ Section 32(1)(a) makes any person who, without the consent of the registrant, "uses in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or

24. *TotalNews* Complaint at para. 52.

25. J. THOMAS MCCARTHY, MCCARTHY'S DESK ENCYCLOPEDIA OF INTELLECTUAL PROPERTY 443 (2d ed. 1995).

26. *See* 15 U.S.C. § 1114 (1996); *Prone v. MacMillan, Inc.*, 894 F.2d 579, 581-82 (2d Cir. 1990).

27. *See* *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (1976).

28. While Lanham Act § 32(1)(a) is the statute to use for infringement for a registered trademark holder, and § 43(a) for an unregistered trademark holder, the courts have used both statutes interchangeably to find infringement for a registered trademark holder.

29. 15 U.S.C. § 1125 (1996).

30. *Id.*

in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.”³¹

A. *Distinctiveness*

Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.* set out the classic spectrum formulation for determining distinctiveness and categorized marks as generic, descriptive, suggestive, arbitrary, or fanciful.³² Only suggestive, arbitrary, or fanciful marks are deemed to be inherently distinctive.³³ Nonetheless, a descriptive designation may still acquire distinctiveness through secondary meaning or become incontestable under Section 15 of the Lanham Act.³⁴ Each of the plaintiffs’ marks are federally registered and are used in the dissemination of a hard-copy publication and its Internet counterpart. In all likelihood, a court would find that plaintiffs’ marks are strong marks and are inherently distinctive. For example, the “Time” mark for news magazine is an arbitrary mark and has become a strong mark through years of use and consumer association of the mark with a news magazine.³⁵

B. *Commercial Use in Interstate Commerce*

Section 32(1) of the Lanham Act imposes civil liability where a party uses a protected mark in commerce in such a way as to confuse consumers.³⁶ Section 45 of the Lanham Act defines the term “use in commerce” to include where goods and services are sold, transported, or rendered in commerce.³⁷

TotalNews’ framing of external sites affected interstate commerce. *Time’s* on-line news service transcended state boundaries to a national, or even international, audience who utilized means of communication such as telephone lines linked worldwide to access plaintiff’s website. *TotalNews’* framing of external sites affected *Time’s* ability to offer its

31. 15 U.S.C. § 1114 (1996).

32. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

33. See *Genesee Brewing Co. v. Stroh Brewing CO.*, 124 F.3d 137, 143 (2d Cir. 1997).

34. See *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 842, 851 n.11 (1982) (“To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.”); *Park N’ Fly v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985); 15 U.S.C. 1065 (1994).

35. *Time* news magazine began publication in 1922. Since then, the “Time” mark has been used in intrastate, interstate, and foreign commerce. The mark was subsequently registered with the Patent and Trademark Office (#246,868) in 1928.

36. 15 U.S.C. § 1114 (1996).

37. 15 U.S.C. § 1227 (1996).

online news services and advertising in its entirety to its national audience. *TotalNews*' framing of *Time*'s website also likely prevented some viewers from reaching the actual *Time* website and exploring the rest of the site. Internet users in search of *Time*'s news service who mistakenly accessed *TotalNews*' website may have discontinued their search for the actual *Time* web site if they believed that they had already found it or a reasonable substitute. Furthermore, *TotalNews* was in business to disseminate current news to Internet users. Its profit-generating model was premised on the expectation that advertisers would pay *TotalNews* to display advertisements on its site and would be attracted to the site because of its popularity and the number of hits it received.

C. Likelihood of Confusion

There is little likelihood of consumer confusion between the "TotalNews" mark and the "Time" mark themselves. As such, trademark infringement will not be analyzed in the traditional sense where one is comparing two similar marks. Rather, infringement will be analyzed in the website context where a viewer may be confused by the similarity of two different websites – the stand-alone *Time* home page versus the *TotalNews* home page displaying the framed *Time* website. Accordingly, the issue is whether *Time*'s home page with its source-identifying "Time" marks was inherently distinctive or had acquired secondary meaning rather than whether *Time*'s mark alone is deserving of trademark protection.

On the *Time* home page, there were three locations where a viewer could have identified the online publication with its source: (1) where the "Time" word mark that was displayed within the primary frame; (2) where the "Time" word mark that was displayed in the secondary lower left-hand corner frame; and (3) where the *Time* URL <www.time.com> was located in the web browser in the upper portion of the screen. The dual display of the "Time" marks within the context of a rectangular computer screen with limited space made the word marks quite noticeable. Although the "Time" mark within the primary frame disappeared when the viewer pressed the down arrow button or scrolled down so that she could continuously read the publication, the other "Time" mark displayed in the secondary lower left-hand corner frame did not disappear. As such, the distinctiveness of the "Time" mark was carried over to its on-line usage.

D. *The Polaroid Factors*

Each federal circuit has devised its own variation of a list of factors used to decide whether consumers would likely be confused regarding the origin of a product or service.³⁸ Since the *TotalNews* complaint was filed in the Second Circuit, the “*Polaroid Factors*”³⁹ are the proper factors to be considered and weighed to determine whether consumers are likely to be confused as to the source of the material on the *TotalNews* website. The eight *Polaroid* factors are: (1) strength of the mark; (2) degree of similarity between the conflicting marks; (3) proximity of the goods and services; (4) likelihood that the plaintiff will bridge the gap between the markets; (5) actual confusion; (6) junior user’s good faith in choosing its marks; (7) quality of the junior user’s product; and (8) sophistication of buyers.⁴⁰ None of these factors are dispositive and should not be applied mechanically. While the *Polaroid* factors are the proper measures of a likelihood of confusion for a suit brought forth in the Second Circuit, they have never been applied to the Internet framing context.⁴¹

1. Strength of the Mark

The strength of the mark is defined as “[t]he power of a trademark or service mark to be recognized as an identifying symbol in the marketplace.”⁴² Its strength is determined by its position on the *Abercrombie* distinctiveness spectrum and by its degree of market recognition.⁴³ The “Time” word mark is an arbitrary mark and its distinctiveness carries over to its on-line usage. Its marketplace strength has been well established over many years of distribution. Furthermore, the *Time* mark has acquired prestige and a tremendous reputation among its readers for reporting current news events.

38. See, e.g., *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979); *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 320 (4th Cir. 1992), *cert. denied*, 113 S. Ct. 206 (1992).

39. *Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492 (2d Cir. 1961).

40. See *id.* at 495.

41. See *Digital Equip. Corp. v. Altavista Tech., Inc.*, 960 F. Supp 456, 461 n.12 (D. Mass. 1997) (referring to defendant’s act of altering its web site to “look, feel, and function very much” like plaintiff’s site as “framing”). In the author’s view, “framing” as used in the *Digital* court pertained to the design of a web site. This is different from framing as used in the *TotalNews* context where the technology allowed defendant to pull in a web site, chop up the contents, and display only the frames that benefited the local site.

42. MCCARTHY, *supra* note 25, at 416.

43. See MCCARTHY, *supra* note 25, at 416 (referring to the placement of the mark on the *Abercrombie* spectrum as “conceptual” strength and to the degree of market recognition of the mark as “commercial” strength).

2. Degree of Similarity Between the Conflicting Marks

The degree of similarity between the *Time* website and the *TotalNews* website should be tested on a visual basis and the websites should be compared as they are encountered in the marketplace. The visual on-screen display of both the *TotalNews* and *Time* website may be divided into four physical frames and a web browser. Each of *TotalNews*' frames were virtually identical in size and location with those of *Time*.

Standing alone, *Time*'s home page appears as follows:

- (1) the "Time" mark is displayed in the primary frame along with its other publication
- (2) the "Time" mark is displayed in a secondary lower left-hand corner frame
- (3) *Time*'s menu of hypertext links to other internal locations of the website is displayed in a secondary frame located on the left-hand side of the web page
- (4) *Time*'s commercial advertising paid for by third parties is displayed in a secondary frame located on the bottom portion of the web page
- (5) *Time*'s URL <www.time.com> is displayed in the web-browser in the upper portion of the screen.

After framing *Time*'s website, *TotalNews*' home page appears as follows:

- (1) the "Time" mark is displayed in the primary frame along with its publication
- (2) the "TotalNews" mark is displayed in a secondary lower left-hand corner frame
- (3) *TotalNews*' menu of plaintiffs' hypertext links to other news source publications (i.e. Time, CNN, etc.) is displayed in a secondary frame located on the left-hand side of the web page
- (4) *TotalNews*' commercial advertising, paid for by third parties, is displayed in a secondary frame located on the bottom portion of the web page
- (5) *TotalNews*' URL <www.totalnews.com> is displayed in the web-browser in the upper portion of the screen.

The following side-by-side comparison of the *TotalNews* and *Time* websites reveals a high degree of visual similarity:

- (1) The primary frames
Since *TotalNews*' primary frame was a re-publication of *Time*'s primary frame, both parties' primary frames were identical. Before being framed, the "Time" word mark was shown at two different locations on the *Time* web page - on the primary frame and in the secondary corner frame. *TotalNews*' framing resulted in the "Time" word mark appearing within *TotalNews*' primary frame. The "TotalNews" word mark also appeared in the secondary corner frame.
- (2) The lower left-hand corner frames (secondary frames)
Time's and *TotalNews*' secondary lower left-hand corner frames were different. On *Time*'s home page, the "Time" word mark appeared in its corner frame. Similarly, on *TotalNews*' home page, the "TotalNews" word mark also appeared in its corner frame. As compared to the whole visual screen, the physical space where each corner frame was located was relatively small.
- (3) The left-hand vertical menu frames (secondary frames)
The two secondary left-hand menu frames where each party's hyperlinks were located had the same geometrical design. Each vertically positioned rectangular frame was divided by a series of evenly spaced horizontal lines that intersected the two vertical segments of the frame. This resembled a menu-box standing upright filled with a series of horizontal racks. The hyperlink text within each rack was different between each party. For example, *Time*'s internal hyperlinks text included International, Local, Weather, and Sports. *TotalNews*' hyperlinks text included *Time*, CNN, and *The Wall Street Journal*.
- (4) The advertising banners (secondary frames)
To determine the degree of similarity between *TotalNews*' and *Time*'s advertising banners, a court would examine whether a broadcast of a similar ad at *TotalNews*' and *Time*'s advertising banners was likely. Given that the *Time* and *TotalNews* websites were targeted toward an audience with a propensity for current news, the likelihood of a broadcast of a similar advertisement was high. If, however, a distasteful advertisement (i.e. a pornographic advertise-

ment) was shown in the *TotalNews* banner after *Time*'s website was framed, the viewer would have been immediately alerted to the indecent display (recall that immediately after framing, the "Time" word mark was shown in *TotalNews*' primary frame together with the "TotalNews" word mark in *TotalNews*' secondary frame). Thus, there was a possible danger that Internet users would have associated the *Time* publication with the distasteful ad or the product advertised or considered it an endorsement of a product.

(5) The web-browsers (secondary frames)

The only difference between the two web-browsers was the physical text that signified the URL located within each browser: <www.totalnews.com> versus <www.time.com>. On a browser filled with large quantities of text and geometrical images, one would probably not have noticed the difference.

In the author's view, a high degree of similarity existed between *Time*'s web page and *TotalNews*' web page after framing had occurred. First, the primary frames between the two parties were identical. Second, since each party's secondary frames were located on the edge of the web page and surrounded the much larger primary frame that was in the direct line of sight, the different secondary frames between the two web pages were not noticeable. Third, given the high likelihood of a broadcast of a similar ad between the two sites was high even assuming that the ads were constantly changing, a viewer would probably not have noticed any difference if his primary purpose was to examine the news.

3. Proximity of the Goods and Services

Since both *TotalNews* and *Time* provided identical news publication on the same channel of communication (the Internet) to the same audience, confusion between the sites was likely. The confusion caused by *TotalNews*' framing may have diverted viewers from the *Time* news publication. In addition, since an advertiser was limited by a fixed advertising budget, *TotalNews*' framing may have supplanted *Time*'s advertising revenues as some Internet users were diverted to *TotalNews*.

4. Likelihood That the Plaintiff Will Bridge the Gap Between the Markets

Since *Time* and *TotalNews* were both vying for the same audience and the same limited amount of advertising revenues within the same

Internet platform, the parties were competing in the same market. The court in *Paddington Corp. v. Attiki Importers* maintained that where the market for competing goods or services is the same, there is no need to consider whether plaintiff would have entered into defendant's market.⁴⁴ Thus, this factor is irrelevant in the analysis of whether *TotalNews* infringed *Time*'s mark.

5. Actual Confusion

This factor requires a showing that viewers were actually confused as to the origin of the website they were viewing, as opposed to the likelihood viewers were confused.⁴⁵ Evidence of actual confusion may be shown by direct evidence in the form of viewer survey or an inquiry (i.e., letter or telephone call) by a viewer to *Time* or *TotalNews* asking whether there was any association or affiliation between the two parties. No evidence of actual confusion was available in the *TotalNews* case.

6. Junior User's Good Faith In Choosing Its Mark

The issue here is whether *TotalNews* intended to confuse the public into believing that defendant's website was associated with plaintiff's site. It is established in some circuits that when an alleged infringer knowingly adopts a mark similar to another's, there is a presumption that the public will be deceived.⁴⁶ While this generalization pertained to a mark, it should be interpreted broadly to include any forms of deceitful misrepresentation, including a website, made by an alleged infringer.⁴⁷

Prior to the filing of the complaint, counsel for *TotalNews* stated that "a lot of news organizations are very pleased by what [we]'re doing."⁴⁸ Among the many inferences that can be drawn by *TotalNews*' responses or lack thereof, two possibilities stand out. By centralizing all the news sources into one location, *TotalNews* was providing easier ac-

44. See *Paddington Corp. v. Attiki Importers & Distrib., Inc.*, 996 F.2d 577, 586 (2d Cir. 1993).

45. It is established that evidence of instances of actual confusion is the strongest proof of the fact of a likelihood of confusion.

46. See *Little Caesar Enter., Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 572 (6th Cir. 1987) (noting that intent to confuse customers gives rise to an inference of likely confusion because "a defendant who purposely chooses a particular mark because it is similar to that of a senior use is saying, in effect, that he thinks that there is at least a possibility that he can divert some business from the senior user – and the defendant ought to know at least as much about the likelihood of confusion as the trier of fact.").

47. See J. THOMAS MCCARTHY, 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:110 (4th ed. 1996).

48. David S. Hilzenrath, *Online Publishers Wage a Battle over Frame and Fortune*, THE WASH. POST, Feb. 11, 1997, at D4.

cess to information. Even assuming this, *TotalNews* could have accomplished its objective without framing the *Time* website, especially after being notified by *Time* of its alleged infringing activity.⁴⁹ The more likely possibility, however, was that *TotalNews* used framing as a means to generate advertising revenues by passing off *Time*'s news content as its own.

7. Quality of the Junior User's Product

Assuming that the *Time* website has not been cached, *TotalNews*' literal copying of *Time*'s primary frame was repeated every time the *Time* website was updated. Since both parties' primary frames were identical and their websites were very similar, a typical viewer would not have been able to distinguish the two sites in terms of quality.

8. Sophistication of Buyers

The others plaintiffs in the *TotalNews* case included *The Washington Post*, CNN, Times-Mirror, Dow Jones, and Reuters. Although not accounted for in the complaint, other party plaintiffs including *Sports Illustrated for Kids* were subsidiary publications of the plaintiffs. A young viewer of the *Sports Illustrated for Kids* website would be less knowledgeable about the actual quality and uniqueness of the site compared to an adult viewer, who would be more perceptive. However, differences in sophistication among the viewers should not matter. Viewers would be less discriminating as to which site they were on since both websites provided identical news contents and were available free of charge.

E. High Likelihood of Consumer Confusion

All of the *Polaroid* factors favored I except the "likelihood that plaintiff will bridge the gap between the markets," which was not applicable, and evidence of "actual confusion," which was not provided in the *TotalNews* case. Between the two websites, a viewer would likely have been confused by the two sites' similar "look and feel." The news contents embedded within the two sites' primary frames were identical. Given that the "Time" word mark and the "TotalNews" word mark were shown on the same screen immediately after framing, it is the author's opinion that a viewer would have been led to believe that the two sites were affiliated with each other. In addition, the surrounding secondary

49. Prior to the filing of the complaint, *TotalNews* had received numerous cease and desist letters from *Time* and the other plaintiffs requesting *TotalNews* to stop framing plaintiffs' web-sites.

frames were similar in location and physical size. The advertising contents within each secondary frame were also similar. Finally, given that access to either site was free, viewers were less selective as to which site they were on. Taken together, it is the author's opinion that there would have been a high likelihood of consumer confusion between the two sites, which supports a finding of trademark infringement.

IV. TRADE DRESS INFRINGEMENT

As an alternative to trademark (tradesite) infringement, a website may be subject to trade dress⁵⁰ protection under Lanham Act § 43(a).⁵¹ To prevail, plaintiffs must show that: (1) their trade dress is inherently distinctive or has acquired secondary meaning; (2) their trade dress is primarily nonfunctional; and (3) the defendant's trade dress will likely cause consumer confusion in the marketplace.⁵²

Although trade dress infringement was not alleged by plaintiff in the *TotalNews* complaint, this remedy may be available if *Time* showed that its overall website design and configuration without the identifying "Time" word mark was inherently distinctive such that it served as a source identifier to the consumer public.

Trade dress is defined as "[t]he totality of elements in which a product or service is packaged or presented. These elements combine to create the whole visual image presented to customers and are capable of acquiring exclusive legal rights as a type of trademark or identifying symbol of origin."⁵³ The Supreme Court in *Two Pesos, Inc. v. Taco Cabana, Inc.* held that nonfunctional product packaging or design could be protected if it was inherently distinctive regardless of whether it had acquired secondary meaning.⁵⁴

A. *The Knitwaves Case and the Landscape Case*

Subsequent to *Taco Cabana*, the Second Circuit in *Knitwaves, Inc. v. Lollytogs Ltd.* drew a distinction between product packaging and design (configuration).⁵⁵ It rejected the *Abercrombie* classification as the

50. See McCARTHY, *supra* note 25, at 441 ("Trade dress law is not a separate body of law with separate rules. It is merely one form of trademark law and is governed by the same rules of validity and infringement as trademark law.").

51. 15 U.S.C. § 1125(a) (1996).

52. See generally J. THOMAS McCARTHY, 2 McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 15:1–15:11 (4th ed. 1996).

53. McCARTHY, *supra* note 25, at 441.

54. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776 (1992).

55. *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995) (declining to extend trade dress protection to plaintiff's leaf and squirrel designs on its sweaters because

proper test for product design and configuration because “it would have the unwelcome, and likely unintended, result of treating a class of product features as ‘inherently distinctive’ . . . even though they were never intended to serve a source-identifying function.”⁵⁶ Instead, the court set forth the *Knitwaves* test to evaluate inherent distinctiveness for product design and configuration by asking whether the images were likely to serve primarily as a source indicator.⁵⁷ In a later decision, the Second Circuit in *Landscape Forms, Inc. v. Columbia Cascade Co.*⁵⁸ required that a plaintiff who asserts trade dress protection for product design and configuration articulate and support its claim with “sufficient particularity.”⁵⁹ The court reasoned that without such a precise idea or expression, the plaintiff may be seeking protection for an “unprotectible style, theme or idea.”⁶⁰

To be subject to trade dress protection, *Time* must to satisfy the Second Circuit’s *Landscape* standard. Thus, *Time* must describe its website design and configuration with “sufficient particularity” to identify what *Time* is trying to protect.⁶¹ At the same time, each description

they were “functional in that their primarily purpose [was] aesthetic – to enhance the sweaters’ ornamental appeal – rather than to identify the sweaters as Knitwaves products.”)

56. *Id.* at 1007.

57. *See* *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977) (setting forth test used to determine whether design is distinctive by asking: (1) whether it was ‘common’ basic shape or design; (2) whether it was unique or unusual in particular field; (3) whether it was mere refinement of commonly-adopted and well-known form or ornamentation for particular class of goods viewed by the public as dress or ornamentation for goods; or (4) whether it was capable of creating commercial impression distinct from accompanying words). *See also* J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 8–13 (4th ed. 1996) (“In reality, all [of the *Seabrook*] questions are merely different ways to ask whether the design, shape or combination of elements is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin – a trademark.”).

58. *See* *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 381 (2d Cir. 1997) (holding that plaintiff’s description of its furniture as “wavelike, . . . [and] floating” was not particularized, and thus failed to indicate the unique combination of features required to serve as a source identifier.)

59. *See* J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:3 (4th ed. 1996) (commenting that lack of particularity may “leave the defendant uncertain as to what to do to avoid a charge of contempt and create dangers of anti-competitive over-protection” and is “unfair to the party accused of infringement who is forced to defend against an amorphous claim of exclusivity which is of uncertain and indeterminate dimensions.”).

60. *Landscape Forms*, 113 F.3d at 381. This requirement is in accord with the court’s acknowledgment that although each element by itself may be unprotected, the particularized description of the design’s unique combination may serve as a source indicator.

61. *Id.*

must also be broad enough so as to preclude others from creating an essentially “identical” claim with only insignificant changes.⁶²

B. *Distinctiveness*

Applying the Second Circuit standard for product design and configuration distinctiveness to the Internet context, a website may be subject to trade dress protection if the publisher is able to show that the website’s overall design is distinctive and described with particularities. In general, the small size of a video screen makes it difficult for a designer to create a website that stands out from most other typical sites. Further, there is a finite number of possible website designs and layouts. Here, without the identifying “Time” word mark or the URL, the *Time* site could be described as:

- (1) Several story headlines in bolded and enlarged fonts, each followed by an interesting expression located within the primary frame. The most important headline was almost always accompanied by a photograph. Each headline may function as a hyperlink.
- (2) Several hyperlinks such as “Weather” or “Sports” located on the edge of the web page directing the reader to different internal locations of the website.
- (3) Commercial advertising placed either at the upper or the lower part of the web page, and almost always surrounding the primary frame.

Because most of the features composing the *Time* website were similar to many other on-line news publications, it is the author’s opinion that the layout and features of the *Time* site were not distinctive.

62. This is the view taken when prosecuting a patent claim. The claim should be as broad as possible. Its threshold is met as long as the claim does not read on prior art. A hypothetical *Time* site could be described as:

A vertically positioned web page surrounded by a border embedded within the video screen giving the effect of a vertically positioned “8½ by 11 piece of paper” set on top of a rectangular-shaped computer screen; the empty space that surrounds the left and right side of the “8½ by 11 piece of paper” is intentionally left blank.

A border enclosing the “8½ by 11 piece of paper” is of a red and black combination with the red border encircling the black border; the thickness of the color border combination gives the effect of a thin trimming around the “8½ by 11 piece of paper.”

A distinctive sound is heard every time the *Time* web site, or portion thereof (as in the case when the *Time* site is framed), is linked.

Nonetheless, there may be websites with distinctive features that are more identifiable than others.

Generally, a typical web page fills up the entire screen. This is a logical arrangement since the more text and images a designer can pack onto the screen, the more information she can disseminate. However, there are a few websites designed in such a way where the site physically looks like a piece of 8½ by 11 paper shown in a vertical position embedded within the rectangular-shaped computer screen. This projection leaves empty spaces on both the left and the right-hand side of the screen where they are filled with a colored background.

The Supreme Court in *Qualitex Co. v. Jacobson Prods. Co.* held that a single product color can function as a trademark when the color has attained secondary meaning.⁶³ It follows that a combination of colors can function as a trade dress. For the *Time* website to be subject to trade dress protection, it must show that viewers associate *Time*'s color combination with the product itself. *Time* may show that the viewing public has come to associate a color combination, in this case a red and black border combination enclosing the page, using survey evidence and evidence of mass market advertising.⁶⁴

C. Functionality

A feature that is functional cannot be protected as a trade dress.⁶⁵ The Supreme Court in *Inwood Labs, Inc. v. Ives Labs, Inc.* defined a functional feature as one that "is essential to the use or purpose of the article or . . . affects the cost or quality of the article."⁶⁶ While this is true, "[a] combination of individually functional features can form a nonfunctional and protectible composite image."⁶⁷ For example, the Second Circuit in *LeSportsac, Inc. v. K Mart Corp.* maintained that the "particular combination and arrangement of design elements" that identified plaintiff's bags were subject to trade dress protection.⁶⁸ Such design features included material made of parachute nylon and trimmed in cotton carpet tape with matching cotton-webbing straps along with color coordinated zippers, hollow rectangular metal sliders, and a elongated ellipse design for the logo.⁶⁹

63. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995).

64. *See Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, (2d Cir. 1989).

65. *See LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75-76 (1985).

66. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n. 10. (1982).

67. MCCARTHY, *supra* note 25, at 182.

68. *LeSportsac*, 754 F.2d at 76.

69. *Id.* at 74.

Although each of *Time*'s previously described features may be functional, their overall combination may form a website protectible as trade dress if the site identifies *Time* as the publisher.⁷⁰ Thus, if a viewer would recognize the source of a website by the unique visual design and the overall combination of features and colors, then that website is deserving of trade dress protection. Given the limited space on a web page, there are many design features, such as a line that separates two frames or sections within a frame or a darkened border that resembles a picture frame with an enclosed graphical image, that are typical. Nonetheless, unusual designs may be possible since there is more than one way to convey text and information onscreen. *Time*'s overall combination of colors and features on their website could have met the distinctiveness threshold necessary for trade dress protection.

V. FEDERAL COPYRIGHT INFRINGEMENT

In the complaint, plaintiff contended that *TotalNews*' "conduct violate[d] several of the exclusive rights under 17 U.S.C. § 106 belonging to the Plaintiffs as owners of the copyrights in their respective content and websites."⁷¹

A. Section 102 Subject Matter of Copyright

Since much of the material subject to copyright protection transmitted on-line falls under the realm of a § 102(a) work of authorship such as literary works, musical works, audiovisual works, pictorial and graphical works, and the like,⁷² copyright law will protect the authors of on-line publications and websites. In the present case, the subject matter to be protected was *Time*'s original expression of the current news embodied in its on-line publication. As a threshold matter, before an action can be sustained for infringement of any of the author's exclusive rights,⁷³ the author must show that the work in question complies with the two requirements under § 102(a): originality and fixation.

70. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

71. *TotalNews* Complaint at para. 72.

72. 17 U.S.C. § 102(a) (1996) (providing that "[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.").

73. 17 U.S.C. § 106 (1994).

1. Originality

Section 102(b) of the Copyright Act limits copyright protection for an original work of authorship to “any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”⁷⁴ Simply stated, copyright protection is only accorded to *original* expression, not facts or ideas.

The Supreme Court in *Feist Publications, Inc. v. Rural Telephone Service Co.* stated that “[o]riginal . . . means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity . . . [of which] even a slight amount will suffice.”⁷⁵ In *Feist*, the defendant took and used plaintiff’s expression (alphabetical listing of the names, towns, and telephone numbers in a directory) and published it in a competing telephone directory without plaintiff’s consent. The court denied plaintiff’s work copyright protection because it lacked the requisite selection, originality, and creativity.⁷⁶

According to the *TotalNews*’ complaint, “[e]ach Plaintiff spends substantial amounts of time, money and effort collecting, preparing and distributing copyrighted accounts of ‘hot news’ and other stories of interest in a variety of media, including, but not limited to, their respective websites.”⁷⁷ The originality requirement is not at issue; there is no doubt that each story was an original expression based on the underlying facts.⁷⁸

2. Fixation

Copyright protection only comes into existence if the original works of authorship are fixed in a tangible medium of expression. According to 17 U.S.C. § 101, the author is required to take the affirmative step of placing her work in a tangible form where it is relatively stable and permanent.⁷⁹ If the work is recorded or written, the fixation requirement is satisfied.⁸⁰

74. 17 U.S.C. § 102(b) (1996).

75. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991).

76. *See id.* at 363 (“[T]here is nothing remotely creative about arranging names alphabetically in a white pages directory [such that it is] an age-old practice, firmly rooted in tradition and so commonplace that it has come to be expected as a matter of course.”).

77. *TotalNews* Complaint at para. 28.

78. Given that the Sweat of the Brow doctrine was rejected under *Feist*, the “amounts of time, money and effort” that plaintiff *Time* spent on gathering the underlying facts was non-determinative.

79. *See* 17 U.S.C. § 101 (1996) (providing that “[a] work is “fixed” in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority

After *Time*'s on-line publication was downloaded,⁸¹ the visual representation made by the local RAM allowed the viewer to read, examine, and make copies of *Time*'s on-line publication. The visual display remained onscreen for as long as the viewer did not terminate access (i.e. turn off her computer). Thus, *Time*'s onscreen display was "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."

The Ninth Circuit in *MAI Systems Corp. v. Peak Computer, Inc.* held that the loading of a copyrighted operating system program in RAM⁸² constituted a fixation and qualified as the making of a copy of the copyrighted program within the purview of the Copyright Act.⁸³ Even allowing for the fact that the copy in RAM was not fixed in a traditional tangible form (as on a piece of paper), the court determined that "the representation created in the RAM [that is ultimately displayed onscreen] is 'sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.'"⁸⁴

In view of the *MAI* decision, many copies of *Time*'s on-line publication may have been created as it was downloaded from its source. Under current technology, a document is transmitted through the Internet by a technique known as "packet switching" in which a copy of the document is broken up into smaller "packets" that are sent as discrete units.⁸⁵ En-route to their destination, these packets pass through the RAM of each interim computer node on the network. Under *MAI*, there may arguably be copyright infringement if copies were made in the RAM of each interim computer node.⁸⁶

of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.").

80. See 17 U.S.C. § 102(a); H.R. REP. NO. 94-1476, 94th Cong., 2nd Sess. 52-53 (1976).

81. See David L. Hayes, *The Coming Tidal Wave of Copyright Issues on the Internet* (1997) <<http://www.fenwick.com/pub/wave.html>> ("During the course of [a] transmission, no less than seven interim copies may be made: the modem at the receiving and transmitting computers will buffer each byte of data, as will the router, the receiving computer itself (in RAM), the Web browser, the video decompression chip, and the video display board.").

82. RAM (Random Access Memory) is the hardware device where data and programs are temporarily stored when the computer is turned on.

83. *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511 (9th Cir. 1993).

84. *Id.* at 518.

85. See *id.*

86. Since there is no case to date that addresses this issue, it is the author's view that copies of the *Time* document were not made at the RAM of each interim computer node. First, as the packets that made up *Time*'s publication were transmitted, each interim computer node may buffer only one or a few bytes of data at a time. These data were transmitted as bits and bytes that were incomprehensible to a viewer without an interface program that translated these bits and bytes into text or graphics. Secondly, since a transmission generally

B. Direct Copyright Infringement

To sustain a case of direct copyright infringement, the plaintiff must first prove (1) ownership of a valid copyright,⁸⁷ and (2) the defendant copied protected elements of her work.⁸⁸ Once copying has been established, *Time* can show direct copyright infringement by proving that *TotalNews* used the copies in any of the ways enumerated in Section 106 of the Copyright Act.⁸⁹ Section 106 grants copyright owners the exclusive right: (1) to reproduce the copyrighted work; (2) to prepare derivative works based upon the copyrighted work; (3) to publicly distribute copies of the copyrighted work; (4) to publicly perform the copyrighted work; and (5) to publicly display the copyrighted work.⁹⁰ While *TotalNews* could have infringed on any of *Time*'s exclusive rights, *Time*'s § 106(2) exclusive right to prepare derivative works was especially implicated.⁹¹

C. Right to Prepare Derivative Works

Section 101 defines a derivative work as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted."⁹² The author of the preexisting work has the exclusive right to prepare derivative works, unless the original work has fallen into the public domain.⁹³

took a few seconds or less, the amount of time each packet resided in the RAM of each node was a lot shorter than the amount of time for which data resided in the RAM under the facts of *MAI*. According to the language of 17 U.S.C. § 101, these ephemeral bits and bytes are not "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."

87. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). Each plaintiff registered with the United States Copyright Office the contents of its web site no more than six days prior to the filing of the complaint. Although no certificates of registration were yet issued by the time of the filing of the complaint, they were expected to issue within three months of the filing of the registration forms. Upon the issuance of the certificates, there was a presumption of the validity of the copyrights under 17 U.S.C. § 410(c); See *TotalNews* Complaint at paras. 69, 72.

88. See *Feist*, 499 U.S. at 361.

89. 17 U.S.C. § 106 (1996).

90. See 17 U.S.C. § 106 (1996).

91. See 2 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT*, § 8.09[A] (1997) ("[I]f the right to make derivative works, i.e., the adaptation right, has been infringed, then there is necessarily also an infringement of either the reproduction or performance rights.")

92. 17 U.S.C. § 101 (1994).

93. See Paul Goldstein, *Derivative Rights and Derivative Works in Copyright*, 30 J. Copr. Society 209 (1983).

Under Subsection 106(2), the author's exclusive right is infringed when a third party has "prepare[d] derivative works based upon the copyrighted work[.]"⁹⁴ After a viewer activated the hyperlink to the *Time* website or typed in the *Time* URL in the web browser while at *TotalNews*' home page, he or she saw *Time*'s news content enclosed within *TotalNews*' primary frame surrounded by several of *TotalNews*' secondary frames. These secondary frames included the *TotalNews* word mark, the *TotalNews* URL, and commercial advertising. In other words, *Time*'s copyrighted material was mounted within an electronic visual frame designed by *TotalNews*. However, *TotalNews* did not directly republish *Time*'s copyrighted material. Rather, it designed a site that allowed for the republication that came into existence only when a viewer affirmatively activated the *Time* hyperlink or typed in the *Time* URL in the web browser while at *TotalNews*' home page. Thus, the issue is whether *TotalNews*' on-line republication of *Time*'s copyrighted material constituted direct derivative work infringement.

In a similar and more recent case that involved Internet framing, the Central District of California in *Futuredontics Inc. v. Applied Anagramics, Inc.* denied plaintiff's motion for preliminary injunction, citing insufficient evidence to show that the accused infringer's website created a derivative work.⁹⁵ The outcome of this case remains uncertain as the same court also denied the defendant's motion to dismiss.⁹⁶ Defendant AAI's website contained a hyperlink to plaintiff Futuredontics' website.⁹⁷ Once a viewer activated plaintiff's hyperlink at AAI's website, plaintiff's site was displayed within defendant's primary frame along with AAI's other secondary frames.⁹⁸

Plaintiff Futuredontics primarily relied on *Mirage Editions, Inc. v. Albuquerque A.R.T. Co.*⁹⁹ to allege derivative work infringement. The Ninth Circuit in *Mirage* found that the defendant prepared derivative works without the consent of the plaintiff when defendant removed plaintiff's copyrighted art images from a commemorative book and mounted them individually with glue onto ceramic tiles.¹⁰⁰ Although the *Mirage* court acknowledged that framing and other traditional means of mounting and displaying art do not infringe an author's exclusive right to prepare derivative work, gluing the art images onto the tiles created

94. 17 U.S.C. § 106(2) (1994).

95. 1997 U.S. Dist. LEXIS 22249, at *2 (C.D. Cal. 1997), *aff'd* 1998 U.S. App. LEXIS 17012 (9th Cir. 1998).

96. *See* 1998 U.S. Dist. LEXIS 2265 (C.D. Cal. 1998).

97. *See Futuredontics*, 1997 U.S. Dist. LEXIS 22249, at *3.

98. *See id.*

99. *Mirage Editions, Inc. v. Albuquerque A.R.T. Co.*, 856 F.2d 1341 (9th Cir. 1988).

100. *Id.*

derivative works because the epoxy resins bonded the plaintiff's art images to the tiles. As such, the court concluded that defendant had "recast or transformed" the copyrighted work into another version of plaintiff's art works. The *Futuredontics* court, however, was not persuaded by plaintiff Futuredontics' reliance on *Mirage* since defendant AAI had not mounted an image onto a ceramic tile, but rather "placed an electronic frame or border on Plaintiff's web page."¹⁰¹ and found that *Mirage* did not conclusively determine whether the defendant's frame page constituted a derivative work.¹⁰²

In a similar and more recent case with virtually identical facts as *Mirage*, the Seventh Circuit in *Annie LEE v. A.R.T. Co.* disagreed with *Mirage* and found that a derivative work was not prepared when defendant mounted plaintiff's copyrighted notecards with glue onto ceramic tiles.¹⁰³ The court stated that plaintiff's "copyrighted note cards . . . were not 'transformed' in the slightest" because "[i]t still depict[ed] exactly what it depicted when it left Lee's studio."¹⁰⁴ Further, the court noted that "[i]f mounting works a 'transformation,' then changing a painting's frame or a photograph's mat equally produces a derivative work."¹⁰⁵

The Ninth Circuit and the Seventh Circuit are in direct conflict. According to the Ninth Circuit's *Mirage*, preparation of a derivative work depends on whether the copyrighted work was permanently bonded onto a different medium of display. If so, a § 101 "transformation" has occurred even without any material alterations to the copyrighted work. In the author's view, the Seventh Circuit in *LEE* provided the better analysis because the court's broad interpretation in *Mirage* would give any author the right to block any subsequent modifications where there is a permanent affixation of the copyrighted work to a new medium or where a copy is produced from a copyrighted work placed against a different background.¹⁰⁶ Following *LEE*, a court faced with an Internet framing case such as *TotalNews* should focus on whether a LEE

101. *Futuredontics*, 1997 U.S. Dist. LEXIS 22249, at *2.

102. *See Futuredontics*, 1998 U.S. Dist. LEXIS 2265, at *10

103. 125 F. 3d 580 (7th Cir. 1997).

104. *Id.* at 582.

105. *Id.*

106. 1 M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT, § 3.03 (1997) "Even apart from the questionable contribution of intellectual labor in the physical activities of page-removal and mounting, it is difficult to imagine that the artist . . . could take separately copyrighted individual art works and, merely by reproducing them in a compilation and then taking the reproduced pages out of the compilation and remounting them, thereby obtain a new copyright in the same art works. For the sole contribution added in this process is the method of mounting; choosing ceramic rather than cardboard as the backing material should scarcely be construed as a 'meaningful' variation in the eyes of the Copyright Act. It is therefore submitted that the [*Mirage*] court's analysis was in error." (footnotes omitted).

“transformation” has occurred after the *Time* website has been framed and appears within the *TotalNews* website.

After the *TotalNews* website framed the *Time* site, the image on-screen did not depict what was displayed at the *Time* website. *TotalNews* did not just merely “add-on” or surround the entire *Time* website with a different background (electronic visual frames). Rather, it altered the *Time* site by deleting plaintiff’s secondary frames (which contained *Time*’s word mark, URL, and advertising) and replacing them with its own secondary frames (which contained *TotalNews*’ word mark, URL, and advertising). Consequently, *TotalNews*’ web site that included *Time*’s copyrighted work within its primary frame was substantially different from the stand-alone *Time* site. Thus, a § 101 “transformation” occurred. However, even if a court followed *Mirage* instead of *Lee*, there would be similar finding of a § 101 “transformation” given the Ninth Circuit’s expansive interpretation of the statute and the fact that *TotalNews*’ framing activities resulted in *Time*’s web site being permanently bonded onto a different web site.

1. The *Galoob* case

In its defense against *Futuredantics*, defendant AAI relied on *Louis Galoob Toys, Inc. v. Nintendo of America, Inc.*¹⁰⁷ The Ninth Circuit in *Galoob* accorded limited protection to an author of a computer “add-on.”¹⁰⁸ *Galoob* manufactured the “Game Genie,” a program that was inserted between a game cartridge and the Nintendo Entertainment system which allowed a player to alter aspects of a Nintendo game by increasing the speed and the number of lives. No preparation of a derivative work was found for the enhanced audiovisual displays generated by a program that originated in another program (Nintendo) because “[t]he Game Genie [was] useless by itself [since] it can only enhance, and cannot duplicate or recast, a Nintendo game’s output . . . in some concrete or permanent form, nor does it supplant demand for Nintendo game cartridges.”¹⁰⁹ After analogizing the Game Genie to the visual display generated by a kaleidoscope (or a magnifying glass) that allowed one to view a work in a different way, the court found that an enhancement should not be considered a derivative work.¹¹⁰ The *Futuredantics*

107. See *Futuredantics*, 1998 U.S. Dist. LEXIS 2265, at *9; *Louis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965 (9th Cir. 1992).

108. See *Louis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965 (9th Cir. 1992).

109. *Id.* at 969.

110. *Id.* In dictum, the court noted that its earlier holding in *Mirage* “would have been much different if [defendant] had distributed lenses that merely enabled users to view several artworks simultaneously.” Further, the court stated that “[t]he ceramic tiles physically incor-

court, however, was not persuaded by defendant AAI's reliance on *Galoob* since it "[did] not foreclose Plaintiff [Futuredontics] from establishing that AAI's web page incorporate[d] Futuredontics' web page in some 'concrete or permanent' form or that AAI's framed link duplicate[d] or recasts plaintiff's web page."¹¹¹

The author disagrees with the *Galoob* holding that an enhanced audiovisual display based on a preexisting audiovisual output was not a preparation of a derivative work.¹¹² Unlike the magnifying glass, the onscreen display generated by the Game Genie could have been duplicated each time it was plugged into the Nintendo module. The aspect of the likelihood of duplication is important because the more likely an enhancement can be reduplicated, the more permanence it has. Thus, in the author's view, the enhancement produced by the Game Genie was a preparation of a derivative work.¹¹³

Even allowing for the author's disagreement, *TotalNews*' framing may have constituted a preparation of derivative works under the reasoning of the Ninth Circuit's *Galoob*. *TotalNews*' framing resulted in the publication of *Time*'s primary frame along with *TotalNews*' own secondary frames. *TotalNews*' secondary frames did not enhance the *Time* publication. They were not like kaleidoscopes (or a magnifying glasses) that allowed a viewer to read news in a novel way. Rather, *TotalNews*' framing resulted in a literal copying of *Time*'s copyrighted work. As a result, both web sites' primary frames were identical. In addition, *TotalNews* profited from the republication of plaintiff's work from the sale of advertising. Advertisers must have been convinced that *TotalNews* had a substantial audience base for them to justify paying to advertise on *TotalNews*' web site. *TotalNews*' action both supplanted

porated the copyrighted works in a form that could be sold [and] . . . supplanted purchasers' demand for the underlying works."

111. *Futuredontics*, 1998 U.S. Dist. LEXIS 2265, at *10.

112. First, with the Game Genie add-on, the resulting onscreen display was not what the original author had intended. It was materially altered from the original work based on the added characteristics (increased speed and the number of lives). Second, although the add-on did not supplant demand for plaintiff's game cartridges; nevertheless, the Game Genie's popularity was based partly on plaintiff's good will. Taken together, the author acknowledges that the Game Genie could have been compared to a magnifying glass such that the enhanced display disappeared once the add-on or the magnifying glass was removed. However, the likelihood of reduplication of the enhanced display between the add-on and the magnifying glass was vastly different. With a magnifying glass, a different enhanced display was generated each time since it was impossible to place the glass at exactly the same distance away from the object. With the Game Genie, the visual output generated onscreen was the same each time regardless which module or television the add-on was plugged into.

113. However, the enhancement produced by the Game Genie may be saved under the doctrine of fair use.

consumers' demand for *Time*'s underlying work and diverted advertising revenues that would have gone to *Time*.

D. *Direct Infringement: The Hardenburgh Case
and the WebbWorld Case*

In *Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc.* defendant operated a computer bulletin board service (BBS).¹¹⁴ Defendant encouraged its subscribers to upload plaintiff's copyrighted photographs onto defendant's BBS and thereafter screened each photograph before moving it to a central file to be downloaded by its paying customers.¹¹⁵ Finding that defendant was not merely a passive conduit of unaltered information, but rather an active participant, the court found defendant liable for direct infringement.¹¹⁶

Similarly, in *Playboy Enterprises, Inc. v. WebbWorld, Inc.* defendant downloaded copyrighted photographs from a "news feed" which consisted of both text and images.¹¹⁷ Defendant discarded the text that was located on the images and made smaller "thumbnail" copies and thereafter distributed the altered images to its subscribers for a fee on its web site.¹¹⁸ Finding that defendant took affirmative steps to cause the copies to be made, the court found defendant liable for direct infringement.¹¹⁹

In the present case, *TotalNews* was not just a passive conduit providing space for on-line activities to occur. Rather, *TotalNews* actively participated in the infringement that took place on its web site. Although no framing of the *Time* web site occurred until a viewer took an affirmative step to activate the *Time* hyperlink or type in the *Time* URL in *TotalNews*' web browser, *TotalNews* engaged in infringing activities by designing a web site that allowed framing to occur. When framed, *Time*'s secondary frames were deleted and replaced with *TotalNews*' secondary frames, resulting in a material alteration of *Time*'s copyrighted publication. Moreover, *TotalNews* had absolute dominion and control over which one of the plaintiffs' site to frame by placing plaintiffs' hyperlinks in its menu frame.

114. *Playboy Enter., Inc. v. Russ Hardenburgh, Inc.*, 982 F. Supp. 503 (N.D. Ohio 1997).

115. *See id.* at 505-06.

116. *See id.* at 513.

117. *Playboy Enter., Inc. v. WebbWorld, Inc.*, 991 F. Supp. 543 (N.D. Tex. 1997), *aff'd* 168 F.3d 486 (5th Cir. 1999).

118. *See id.* at 549-50.

119. *See id.* at 552.

E. Digital Browsing and the Fair Use Defense

Another source of controversy is digital browsing. In *Religious Tech. Center v. Netcom On-Line Communication Service*, the court stated that under *MAI*, “[b]rowsing technically causes an infringing copy of the digital information to be made in the screen memory.”¹²⁰ However, the court maintained that “[browsing] is the functional equivalent of reading, which does not implicate the copyright laws and may be done by anyone in a library without the permission of the copyright owner. . . . Absent a commercial or profit-depriving use, digital browsing is probably a fair use. . . .”¹²¹ In the present case, *TotalNews* allegedly passed off the *Time* on-line publication as its own and sold advertising space on its banner frame for profit. In the author’s view, *TotalNews*’ framing activity would not have been entitled to a fair use defense.

“The defense of fair use to a charge of infringement of copyright has long been recognized as an equitable rule excusing certain types of otherwise infringing conduct.”¹²² Section 107 provides four factors to be considered and weighed in determining whether the affirmative defense of fair use is available: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.¹²³ None of these factors are dispositive and should not be applied mechanically.¹²⁴

1. Purpose and Character of the Use

After the holding of *Sony Corp. of America v. Universal City Studios*,¹²⁵ many believed the Supreme Court pronounced the general presumption that a commercial use was unfair.¹²⁶ The Supreme Court in

120. *Religious Tech. Ctr. v. Netcom On-Line Communication Serv.*, 907 F. Supp. 1361, 1378 n.25 (N.D. Cal. 1995).

121. *Id.*

122. MCCARTHY, *supra* note 14, at 163-64.

123. 17 U.S.C. § 107 (1996).

124. *See* *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994); *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 916 (2d Cir. 1994).

125. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984) (finding at-home taping of copyrighted works from public airwaves for time-shifting purposes was non-infringing fair use.)

126. *Id.* at 451 (noting that “every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright. . .”).

*Campbell v. Acuff-Rose Music, Inc.*¹²⁷ clarified this misconception and stated that the proper inquiry is “whether and to what extent the new work is ‘transformative.’”¹²⁸ The Court defined a “transformative work” as “add[ing] something new, with a further purpose or different character, altering the first with new expression, meaning, or message.”¹²⁹ Thus, “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”¹³⁰

After the *Time* web site was framed, the viewer saw *TotalNews*’ secondary frames surrounding its primary frame. Since there was literal copying, both web sites’ primary frames were identical. However, *TotalNews*’ secondary frames did not add anything of substantive value (i.e., an editorial comment or response) to *Time*’s copyrighted materials that would have increased a viewer’s understanding or provided a new perspective to the news. Rather, *TotalNews*’ secondary frames were self-serving and used for linking, source identification, and advertising purposes. Taken together, *TotalNews* actively sought to exploit the value of *Time*’s work instead of altering it using or creating a “new expression, meaning, or message.”

2. Nature of the Copyrighted Work

Given that copyright protection is only accorded to original expression and not to facts or ideas,¹³¹ the underlying facts behind *Time*’s new stories were not subject to protection. However, *TotalNews* did not just isolate the factual elements from *Time*’s publication. Rather, it literally copied *Time*’s subjective expression of the factual events in its publication. Such use by *TotalNews* exceeded that which was necessary to disseminate the facts.

3. Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work As a Whole

In quantitative terms, *TotalNews* republished *Time*’s copyrighted material in its entirety within its primary frame. *TotalNews*’ literal copying also embodied *Time*’s distinctive expression of original graphics and

127. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) (holding that a commercial parody of Roy Orbison’s “Oh, Pretty Woman” recorded by rap music group 2 Live Crew may qualify as fair use).

128. *Id.* at 579 (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)).

129. *Id.*

130. *Id.*

131. See *Feist*, 499 U.S. 340 (1991).

photographs, and the placement thereof, in addition to the words themselves. In qualitative terms, *TotalNews*' literal copying republished the essence of *Time*'s on-line publication which viewers relied on as objective and in-depth news reporting.¹³²

4. Effect of the Use Upon the Potential Market or Value of the Copyrighted Work

The Supreme Court in *Campbell v. Acuff-Rose Music, Inc.* stated that this factor "requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also 'whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market' for the original."¹³³ Since *Time* and *TotalNews* competed for the same audience and the same limited amount of advertising revenues within the same Internet platform, the parties were competing in the same market. Had *TotalNews*' framing activities continued, more viewers would have become indifferent as to which web site they utilized since both parties provided identical services. Further, since advertisers are limited by a fixed budget, *TotalNews*' framing may have diverted a portion of *Time*'s advertising revenues to *TotalNews*.

Since none of the fair use factors discussed above favored *TotalNews*, they most likely would have been liable for copyright infringement.

F. Implied License and Disclaimers

Some commentators have argued that *TotalNews* had an implied license to use hyperlinks and frames to access plaintiffs' news services.¹³⁴ They contend that plaintiffs should have anticipated that their materials would be linked due to the present technology. Thus, by making their news services available without any express limitations, plaintiffs have granted *TotalNews* an implied license. However, even assuming that such an implied license existed, plaintiffs have revoked that license by notifying *TotalNews* to cease all framing to plaintiffs' sites.

132. See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985) (holding verbatim copying of only 300 words out of 200,000 words from plaintiff's book did not constitute fair use because defendant took "what was essentially the heart of the book."); *Roy Export Co. v. Columbia Broadcasting Sys., Inc.*, 503 F. Supp. 1137 (S.D.N.Y. 1980) (holding that taking 55 seconds out of a 1 hour and 29 minute file was qualitatively substantial).

133. *Acuff-Rose*, 510 U.S. at 590 (quoting *M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT § 13.05[A][4]* (1993)).

134. See *Freeling and Levi, supra* note 9, at S5.

After being notified of its alleged infringing activities, *TotalNews* posted a disclaimer on its web site informing viewers that it was not affiliated with any of the framed sites. Although a disclaimer may prevent an immediate filing of an infringement suit,¹³⁵ it cannot by itself resolve the problem of trademark and copyright infringement. First, liability for trademark infringement is based on the likelihood of consumer confusion.¹³⁶ Even if a defendant had no intent to confuse its viewers by posting obvious disclaimers on its site, it may still be liable for trademark infringement as long as consumers were likely to be confused. For copyright infringement, liability depends on unlawful appropriation of protected work and whether the works are substantially similar.¹³⁷ A disclaimer would not have absolved the alleged infringing activity for a violation of one or more of the copyright owner's § 106 exclusive rights if the two works were substantially similar.

G. Preventive Measures

A substantial number of web-publications (external sites) are in favor of allowing a local site to insert a hypertext or an inline link to the external sites, even if this amounts to framing an external site by the local site. Publishers of the external sites contend that this will direct more viewers to the external sites.¹³⁸ Nonetheless, technological measures that prevent an external site from being framed by a local site are available. Blocking technology¹³⁹ allows an external site to stop unauthorized framing by rejecting URL requests originating at a specific address. Further, removal technology allows a framed site to remove surrounding frames. In addition, a web site publisher can require registrations and passwords before giving access to a requesting site. However, these solutions may be temporary if the local site can override these preventive measures with newer and better technology.

135. In the author's view, providing notices in addition to ceasing all framing upon request and giving viewers the option of making the frames go away decrease the likelihood of an immediate lawsuit.

136. See *Polaroid Corp. v. Polorad Elec. Corp.*, 287 F.2d 492 (2d Cir. 1961).

137. See *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946); *Sid & Marty Krofft Television Prods. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977).

138. See Quick, *supra* note 6 ("Some content providers are thrilled to be [framed]. Anything that's driving extra traffic to us is good.").

139. Netscape Server's software tools allows a web site author to reject linking from specific address.

VI. CONCLUSION

In the complaint, the media companies alleged that *TotalNews*' manner of framing was "parasitic" in that *TotalNews* passed off plaintiffs' news content as its own while keeping all the advertising revenues.¹⁴⁰ In the author's opinion, *TotalNews* should have been found liable for trademark and copyright infringements. Thus, preliminary and permanent injunctions as well as actual and statutory damages and fees would have been the proper remedies. However, as web viewers become more sophisticated and accustomed to using frames, the argument for likelihood of confusion may become more difficult to prove.

While no precedent was set as a result of the settlement,¹⁴¹ the short term ramifications may discourage certain types of commercial activity (i.e., inlined linking) and raise the cost of setting up and maintaining web sites for small publishers. These costs may include additional expenses for licensing and administrative and attorney fees. Thus, parties who are unable to cover the extra expenses may no longer afford to publish on the web. On the contrary, the long term ramifications may provide greater incentive for creativity if the authors know that their work can be protected under trademark and copyright laws. But because there must be a balance between protection of web-publication and the expansion of the Internet, the courts must be careful to distinguish between framing and linking. One misinformed ruling may be detrimental to the growth of the Internet.

140. See *TotalNews* Complaint, *supra* note 15.

141. See *TotalNews* Settlement, *supra* note 22 at para. 3 and 4. Under the terms of the agreement, *TotalNews* agreed not to frame the plaintiffs' web sites from the *TotalNews* site. The settlement also prohibited *TotalNews* from framing or unauthorized linking to the plaintiffs' web sites by indirectly linking through a third site (i.e., framing another site that contained links to plaintiffs' sites). *TotalNews* may, however, place plaintiffs' hypertext links in its web site, provided that the links consisted only of the names of the linked sites in plain text and the plaintiffs' continuing consent.