
Sherry Vaughn
Parfums Givenchy, Inc. v. Drug Emporium, Inc.,

38 F.3d 477 (9th Cir. 1994), cert. denied, 115 S.Ct. 1315 (1995).

INTRODUCTION

Plaintiff, Parfums Givenchy, Inc. ("Givenchy U.S.A.") sued defendant, Drug Emporium, claiming copyright infringement based on the sales of Amarige perfume in its original copyrighted packaging. The United States District Court for the Central District of California granted summary judgment for Givenchy U.S.A., issuing a permanent injunction restraining Drug Emporium from continuing to market or sell the copyrighted box in the United States. The Ninth Circuit Court of Appeals affirmed, holding that Givenchy U.S.A. had standing to bring the infringement claim, the "first sale" doctrine was inapplicable where the purported first sale took place outside the United States, and copyright protection was not affected by the fact that plaintiff was a wholly owned subsidiary of Parfums Givenchy, S.A. ("Givenchy France"), a foreign manufacturer.

FACTS

Givenchy France is a manufacturer which produces, among other items, Amarige, a perfume marketed in particular boxes designed by Givenchy France's employees. After beginning to import Amarige into the United States, Givenchy France sold its United States copyright interest in the box design to Givenchy U.S.A., its wholly-owned subsidiary. The defendant, Drug Emporium, owns discount retail drug stores which sold the perfume in the copyrighted packaging. Quantities of Amarige were lawfully purchased or obtained by third parties who then imported the perfume into the United States without the authorization of Givenchy U.S.A. or Givenchy France.

Drug Emporium purchased the perfume in its original copyrighted packaging from the importing third parties. The plaintiff filed a copyright action in which summary judgment was granted in its favor. The defendant appealed, contesting the plaintiff's standing to sue and the district court's finding that the "first sale" doctrine did not shield it from liability.

LEGAL ANALYSIS

The issues before the Ninth Circuit Court of Appeals were whether Givenchy U.S.A. had standing to sue for copyright infringement and whether the "first sale" doctrine applied to the case at bar. The Ninth Circuit first found that the plaintiff did have standing under section 501(b) of the Copyright Revision Act which provides that "[t]he legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement . . . commit-
ted while he or she is the owner of it.\textsuperscript{11} According to the court, the alleged infringement occurred when Drug Emporium attempted to distribute the perfume, rather than when the perfume was imported. Since Givenchy U.S.A. was the United States copyright owner when the defendant marketed and sold the perfume in its copyrighted package in the United States, the court found it had standing to sue under the Copyright Act.

The court then considered the "first sale" doctrine in light of the importation right. The "first sale" doctrine provides that the "sale of a 'lawfully made' copy terminates the copyright holder's authority to interfere with subsequent sales or distribution of that particular copy."\textsuperscript{12} The court then referred to a prior decision regarding the "first sale" doctrine, wherein it held that the doctrine applied only to copies legally made and sold in the United States.\textsuperscript{3} Accordingly, the court held that Drug Emporium's authority to distribute the copyrighted perfume box was no greater than that of the original importer.

The court went on to consider the relevance of Givenchy U.S.A.'s status as a wholly-owned subsidiary of a foreign manufacturer in light of the protections granted under the Tariff Act of 1930 and the Lanham Trademark Act. First, the court noted that the Tariff Act's benefit to products having a domestic trademark did not improve Drug Emporium's position since section 602 of the Copyright Act was not limited to United States companies or citizens. Next, the court found that the Tariff Act's protection of domestic companies against foreign competition did not assist Drug Emporium because Givenchy France would have been eligible to claim United States copyright protection if it had not assigned the rights to Givenchy U.S.A. The court further held that the parent-subsidiary exception to the import protection of the Lanham Act did not apply to copyright law since there is "no indication that [section] 602 of the Copyright Act was particularly intended to give domestic copyright holders the benefit of their bargains with foreign manufacturers, nor that it was intended to protect U.S. copyright holders' control over the quality and contents of copyrighted goods."\textsuperscript{4} Rather, the court stated that the intent of section 602 was "to give U.S. copyright holders protection against pirated and gray market imports."\textsuperscript{5}

CONCLUSION

The United States Court of Appeals for the Ninth Circuit affirmed the grant of summary judgment by the district court, which provided a permanent injunction on Drug Emporium's distribution in the United States of Amarige perfume in the copyrighted box. The court found that the plaintiff, although a wholly-owned subsidiary of a foreign manufacturer, had standing to sue under the Copyright Act, since it owned the U.S. copyright at the time of the alleged infringement.

\textsuperscript{1} 17 U.S.C. § 501(b) (1994).
\textsuperscript{2} 17 U.S.C. § 109(a) (1994).
\textsuperscript{3} BMG Music v. Perez, 952 F.2d 318 (9th Cir. 1991), cert. denied, 505 U.S. 1206 (1992).
\textsuperscript{4} Parfums Givenchy, Inc. v. Drug Emporium, Inc., 38 F.3d 477, 485 (9th Cir. 1994).
\textsuperscript{5} Id.
The court further held that the “first sale” doctrine did not shield Drug Emporium from liability, because it applied to copies legally made and sold in the United States.

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