

and the most expansive notions of seduction enforced by the most traditional judges."<sup>169</sup> Therefore,

We can't just withdraw and ignore it. We can appreciate that there are differences between men and women, but use these differences as a source of strength rather than as a source of discrimination. We all need to remember that it is better to build yourself up by doing a good job than by tearing others down.<sup>170</sup>

Anne P. Pomerantz

<sup>169</sup> Estrich, *supra* note 99, at 1180.

<sup>170</sup> Waldrop, *supra* note 127, at 15 (quoting General Carey).

## THE CONFLICT BETWEEN FAIR USE AND THE LANHAM ACT IN THE SECOND CIRCUIT

### I. INTRODUCTION

Although initially created to protect trademark owners as well as consumers relying on trademarks, the Lanham Act (the "Act")<sup>1</sup> is not presently confined to protecting official trademarks or products in the stream of commerce.<sup>2</sup> Courts have extended the Act to protect a person's interest in his name, personal reputation, and interest against another's reference to him in public.<sup>3</sup> As a result, the law restricts a parodist's<sup>4</sup> intentional mockery and ridicule of not only the thought and style of an original work, but of a celebrity as well.<sup>5</sup> Several interpretations of the Act may per-

<sup>1</sup> 15 U.S.C. § 1125(a) (1987) [hereinafter the Act]. For an explanation of the Act and its derivation, see *infra* notes 28-33 and accompanying text.

<sup>2</sup> For an explanation of the extension of the Act, see *infra* notes 157-201 and accompanying text.

<sup>3</sup> Allen v. National Video, Inc., 610 F. Supp. 612 (S.D.N.Y. 1985). See *infra* notes 157-72, which detail how the District Court for the Southern District of New York applied the Act to protect a celebrity from public reference to him. But see Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989) (court less willing to protect a celebrity's interest in his name through the Act).

<sup>4</sup> Although this Note refers to parodists, other types of entertainers and writers such as satirists and comedians are potentially affected by the Act.

Parodies are artistic compositions which mimic and ridicule the thought and style of an original work. The parodist strives for the twin goals of amusing and enlightening an audience. The artist creating the original work will normally be discontented by the close reproduction of the work, especially if the reproduction contradicts the positive public image of the original.

Chagares, *Parody or Piracy: The Protective Scope of the Fair Use Defense to Copyright Infringement Actions Regarding Parodies*, 12 COLUM. J.L. & ARTS 229, 229 (1988) [hereinafter Chagares]. Furthermore,

parody is one of the oldest and most popular forms of artistic expression. This ancient art form has firm roots, for example, in Spanish, French, and English literature, as exemplified by such classic works as *Don Quixote* by Cervantes, *Virgil Travest* by Scarron, *Canterbury Tales* by Chaucer and *Gulliver's Travels* by Swift. Similarly, parodies have taken an important role in American literature. Parodies have been so historically prevalent that one author has stated "[i]ndeed, it is safe to say that where there is literature, there is parody."

*Id.* at 230.

<sup>5</sup> See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 28 (1st Cir.), cert. denied and appeal dismissed, 483 U.S. 1013 (1987); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 493 (2d Cir. 1989). Famous American parodists include Mark Twain, S.J. Perelman, and James Thurber. Chagares, *supra* note 4, at 230 & n.13.

The First Circuit defines parody as "a composition in which the characteristic turns of thought and phrase of an author are mimicked to appear ridiculous, especially by applying them to ludicrously inappropriate subjects." *L.L. Bean*, 811 F.2d at 28. See Dorsen, *Satiric Appropriation and the Law of Libel, Trademark, and Copyright, Remedies Without Wrongs*, 65 B.U. L. REV. 923, 939 (1985) [hereinafter Dorsen]. See generally R. Falk, *AMERICAN LITERATURE IN PARODY* (1955) (history and description of parody and culture).

mit a future plaintiff to prevail if the defendant, through the use of parody, reminds the public of the plaintiff, regardless of the context in which the plaintiff's name, likeness, or material is used.<sup>6</sup>

Although many courts hold that the federally created doctrine of fair use<sup>7</sup> protects parody,<sup>8</sup> and two recent Second Circuit decisions may be interpreted to favor parodists,<sup>9</sup> a strict reading of cases applying the Act suggests that there is a direct conflict between the Act and fair use.<sup>10</sup> This conflict is apparent for two reasons. First, courts have relaxed the criteria necessary to prove consumer confusion.<sup>11</sup> A plaintiff who can show that the public is "confused" about whether a certain celebrity represented or endorsed a product may successfully invoke the Act.<sup>12</sup> The threat of statutory conflict increases primarily because a plaintiff has only to satisfy minimal criteria to receive a preliminary injunction under the Act.<sup>13</sup>

Second, the conflict between fair use and the Act is apparent because courts have extended the Act to protect not only manufactured commercial products, but movies and art as well.<sup>14</sup> As a

<sup>6</sup> Courts have gradually extended the Act so as to enjoin not only the use of another's trademark to sell a similar product that the trademark represents, but also any calumny of an entity or individual reputation. See *infra* notes 157-201 and accompanying text. But see *Cliffs Notes*, 886 F.2d at 497 (refusing to enjoin the sale of a book which parodied another book).

<sup>7</sup> See *infra* notes 119-32 and accompanying text for an explanation of fair use.

<sup>8</sup> Fair use permits limited use of another's copyrighted work without the copyright holder's permission. See *infra* notes 120-21 and accompanying text. Parody is protected because of its important contribution to art and literature. See *supra* note 5. However, not all parody is protected by fair use. In fact, it is often difficult for a defendant to successfully invoke a fair use defense. See *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366 (S.D.N.Y.), *aff'd*, 604 F.2d 200, 203 (2d Cir. 1979); *Walt Disney Prod. v. Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972), *rev'd on other grounds*, 581 F.2d 751 (9th Cir. 1978), *cert. denied*, 439 U.S. 1132 (1979). See also *Chagares*, *supra* note 4, at 229.

<sup>9</sup> *Cliffs Notes*, 886 F.2d at 497 (publisher of parody was not enjoined from distributing his books which parodied both modern contemporary novels and defendant's study guide); *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) (film producer was not enjoined from entitling his movie "Ginger and Fred," although movie was neither about, nor endorsed by the celebrities Ginger Rogers and Fred Astaire).

<sup>10</sup> See *infra* notes 202-19 and accompanying text.

<sup>11</sup> See *Dallas Cowboys Cheerleaders*, 604 F.2d at 200 (defendant's pornographic film potentially confused the public as to the origin of the film); *Gilliam v. American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972) (defendant's poster potentially confused public as to the soft-drink producer's advocacy of the use of drugs). See *infra* notes 83-97 and accompanying text.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Initially, the Act applied to products in the "stream of commerce," which were factory produced commodities such as toys, clothing, and toiletries. See *infra* notes 27-30. A person could not manufacture these items and subsequently claim or misrepresent that another well-known name endorsed the item. Now, however, a person cannot

result, courts are now empowered to enjoin the development of intangible expression, which includes parody and valuable artistic commentary.<sup>15</sup> Extension of the Act in such a manner may result in a great loss of intellectual and social development.<sup>16</sup> Therefore, in applying the Act to protect a celebrity's name, courts should devise strict standards to prevent the subjects of parody from using the Act to constrain valuable social commentary.<sup>17</sup>

Part I of this Note provides a brief introduction to both the Act and fair use, revealing the ease with which a plaintiff can receive a preliminary injunction under the Act. After explaining the chilling effect of preliminary injunctions, the potential losses to society associated with restriction of parody are examined. Part II analyzes the criteria a parodist must meet in order to invoke a fair use defense and thereby avoid an adverse copyright infringement ruling. Part III explains the expanding nature of the Act, demonstrating the courts' extension of the Act into new areas not confined to commercial products. Part IV discusses the emerging conflict between the Act and fair use, emphasizing the reasons the Act should not be applied to parody. Lastly, Part V proposes solutions to the problems courts may face when asked to apply the Act in the social commentary context.

## II. THE LANHAM ACT AND ENFORCEMENT OF TRADEMARK LAW

### A. Trademark and Copyright Distinctions

Consumers distinguish the product and commodity of a particular manufacturer or merchant through a trademark, which is a distinctive mark of authenticity.<sup>18</sup> A trademark is an emblem or motto attached to a product which conveys a message to the public that a particular merchant produced that product.<sup>19</sup> More im-

manufacture or produce a movie or art-form and claim that another individual endorses the item. See *Dallas Cowboys Cheerleaders*, 604 F.2d at 200; *Gilliam*, 538 F.2d at 14; *Coca-Cola Co.*, 346 F. Supp. at 1183.

<sup>15</sup> See *supra* note 6.

<sup>16</sup> *Chagares*, *supra* note 4, at 232.

<sup>17</sup> See *infra* notes 60-67 and 71 and accompanying text for a discussion of the reasons the Act should not be used to restrain parody.

<sup>18</sup> See *Dorsen*, *supra* note 5, at 939.

<sup>19</sup> *Id.* See also *Jantzen Knitting Mills v. West Coast Knitting Mills*, 46 F.2d 182, 184 (3d Cir.), *reh'g denied*, 47 F.2d 954 (3d Cir. 1931) (design on recreational object is a valid trademark).

The following are examples of trademarks: . . . "Sanka" designates a decaffeinated coffee made by General Foods and "Xerox" the dry copiers made by Xerox Corporation. "Bib"—the "Michelin Man"—is the symbol of tires made by the Michelin Company. A stylized penguin is the symbol of a line of paperback books published by Penguin Books; a distinctively shaped green

portantly, a trademark gives the owner the exclusive right to use the symbol.<sup>20</sup> If others were permitted to employ the mark with equal truth and right for the same purpose, the purpose of a trademark would be thwarted.<sup>21</sup>

A trademark differs from a copyright in two ways.<sup>22</sup> First, a copyright protects the expression of ideas, whereas a trademark protects the badge of identification which denotes both the goodwill and quality attached to that product or service.<sup>23</sup> A trademark, therefore, protects the public from confusion as to the source or identity of a product.<sup>24</sup> A trademark also protects its owner's good will and reputation from another's use of the trademark to falsely represent his own product, which misleads the public into believing that the trademark owner endorses that product.<sup>25</sup> Conversely, a copyright vests an artist with property

bottle is a trademark of the producer of Perrier bottled water; the color pink is a trademark for residential insulation manufactured by Owens-Corning. Landes & Posner, *Trademark Law: An Economic Perspective*, 30 J. L. & ECON. 265, 268 (1987) [hereinafter Landes & Posner].

<sup>20</sup> *Id.* at 268. "[T]rademarks . . . generally refus[e] to allow exclusive rights to common descriptive terms. . . ." *Id.* See also D. ROBERT, *THE NEW TRADE-MARK MANUAL* 266 (1947) [hereinafter TRADE-MARK MANUAL].

<sup>21</sup> Landes & Posner, *supra* note 19, at 268.

<sup>22</sup> The Constitution empowers Congress to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors . . . the exclusive Right to their . . . Writings." U.S. CONST. art. I, § 8, cl. 8. In accordance with its authority, Congress has provided authors protection against unauthorized use of their works. Note, *The Parody Defense to Copyright Infringement: Productive Fair Use After Betamax*, 97 HARV. L. REV. 1395, 1396 (1984). Acts of Congress which seek to protect authors' rights include: The Copyright Act of 1909, 17 U.S.C. § 1 (1909) (as amended by Act of Dec. 3, 1974); The Sound Recording Amendment Act of 1971, 17 U.S.C. § 114(b) (1971); The Copyright Act of 1976, 17 U.S.C. § 101 (1976); The Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (Oct. 31, 1988). See M. NIMMER, *NIMMER ON COPYRIGHT*, OV-1 and §§ 2.01-.04(D)(4) (5th ed. 1989), for a more thorough description of these statutes and the material entitled to copyright protection.

<sup>23</sup> S. SHEMEL & W. KRASILOVSKY, *THIS BUSINESS OF MUSIC* 329 (5th ed. 1985) [hereinafter SHEMEL & KRASILOVSKY]. In sum, "copyright protects the expression of literary, artistic, and musical ideas, whereas trademarks serve as a badge of identification which protects goodwill attached to a particular product or service and safeguards the public from confusion as to the source or identity of the products involved." *Id.* (emphasis in original). Ownership of a trademark, unlike ownership of a copyright, does not grant a right to prohibit the use or duplication of words or products, but rather, prohibits the use of a symbol or a single word. For more detailed differences between copyright and trademark, see *id.* at 330. Goodwill created by a company or service may also be considered a valuable product. Demsetz, *Barriers to Entry*, 72 AM. ECON. REV. 47, 50 (1982) [hereinafter *Barriers to Entry*]. However, for the purposes of this discussion, a product will refer to tangible items, such as factory produced goods or actual services rendered. In reference to copyright, products include the expression of ideas.

<sup>24</sup> See SHEMEL & KRASILOVSKY, *supra* note 23, at 329.

<sup>25</sup> TRADE-MARK MANUAL, *supra* note 20, at 266-67. "Trade-marks are not monopolistic grants like patents and copyrights. . . . [A trademark] 'does not confer a right to prohibit the use of the word or words. It is not a copyright. . . . A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his.'" *Id.* (quoting *Prestonettes v. Coty*, 264 U.S. 359, 368 (1923) (Holmes, J.)). "The protection accorded trade-marks is merely protection

rights in the product of his labor and prevents others from both unfair duplication of the product and profit from such duplication.<sup>26</sup>

Although the laws afford protection of financial return for owners of both copyrights and trademarks, the manner in which each law provides for financial return differs. Copyright law secures financial return for an author's creative labor, while trademark law protects a trademark owner's reputation, which, in turn, affects his future financial prospects.<sup>27</sup>

### B. *The Lanham Act and the Free Rider Problem*

Congress passed the Act in 1946 to protect trademarks.<sup>28</sup> Trademark statutes have two underlying purposes. First, a trademark ensures that consumers purchasing a product which bears a familiar trademark receive the product they expect.<sup>29</sup> Congress initially sought to protect the public from companies which falsely describe their products in order to create a demand market based on the false advertising.<sup>30</sup> Second, where the owner of

against swindling." *Id.* See also Backman, *The Role of Trademarks In Our Competitive Economy*, 58 TRADEMARK REP. 219, 219-23 (1968) [hereinafter Backman].

<sup>26</sup> Chagares, *supra* note 4, at 231. "Significant rights granted by the federal copyright laws include the rights to distribute copies of the copyrighted materials, the right to display or perform a work and the right to produce derivative works from the original." *Id.* at 231 n.22. See also 17 U.S.C. § 106(1)-(4) (1982).

<sup>27</sup> See 15 U.S.C. § 1125(a) (1987). See, e.g., P. GOLDSTEIN, *COPYRIGHT, TRADEMARK, AND RELATED STATE DOCTRINES* 33 (1973) [hereinafter GOLDSTEIN] (citing BROWN, *Advertising and the Public Interest: Legal Protection of Trademark Symbols*, 57 YALE L.J. 1165, 1187 (1948)). See generally Landes & Posner, *supra* note 19, at 268.

<sup>28</sup> Section 1125 of the Act provides:

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

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

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

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

15 U.S.C. § 1125(a) (1987).

<sup>29</sup> TRADE-MARK MANUAL, *supra* note 20, at 266; GOLDSTEIN, *supra* note 27, at 407.

<sup>30</sup> The Senate emphasized the importance of trademarks and explained the necessity of the Act:

Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public

a trademark expends energy, time, and money in presenting the product to the public, his investment is deemed worthy of protection from pirating.<sup>31</sup> Therefore, the Act creates a property right such that a trademark owner receives financial benefits from the reputation he establishes.<sup>32</sup> Others who wish to use a trademark must pay for its use.<sup>33</sup>

A property right is the legal power to exclude others from using a resource.<sup>34</sup> In the absence of property rights in trademarks, the market system will not produce the optimal output of quality products.<sup>35</sup> If a trademark creator were not given a property right in the reputation he creates, symbolized by an emblem, then free riders would abound.<sup>36</sup> In other words, absent a law protecting trademarks, each trademark would be available for public use, and due to the great financial incentive to use the

from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which (the Lanham) bill is directed.

TRADE-MARK MANUAL, *supra* note 20, at 267. See also Backman, *supra* note 25, at 220.

<sup>31</sup> TRADE-MARK MANUAL, *supra* note 20, at 267. Reasons for trademark protection include "the plaintiff's interest in not having the fruit of his labor misappropriated. . . ." Zippo Mfg. Co. v. Rogers Imports, Inc., 216 F. Supp. 670, 694 (S.D.N.Y. 1963).

<sup>32</sup> See *infra* note 52 and accompanying text.

<sup>33</sup> An example of how a trademark law protects its owner and consumers is the case of Kiki Undies Corp. v. Promenade Hosiery Mills, Inc., 411 F.2d 1097 (2d. Cir. 1969), *cert. denied*, 396 U.S. 1054 (1970). In this case, the plaintiff manufactured women's undergarments and won an award for its distinctive product package, which boldly displayed the label "Kiki." "Kiki" was registered by the plaintiff as a trademark for ladies' panties. For over ten years, the plaintiff manufactured and guaranteed its underwear, and eventually extended its product line to include higher priced panties such as "Kiki Control," "Kiki Magic," and "Kikini." It planned to develop pantyhose bearing the label as well. The defendant manufactured women's garments and, in 1965, labeled his tights with the entrusted "Kiki" trademark of the plaintiff. The court enjoined the defendant from distributing tights with the "Kiki" label. Had the court decided in favor of the defendant, the plaintiff's and defendant's products would have been in direct competition with each other. The plaintiff, although having expended resources so that consumers would associate his underwear with such quality, would have lost profits to those consumers who would not realize that there was a difference between plaintiff's and defendant's products. Absent such a decision, the defendant would have reaped the benefits of a name and reputation which he did not spend ten years to develop. *Id.* at 1101.

<sup>34</sup> Landes & Posner, *supra* note 19, at 266.

<sup>35</sup> The dynamic benefit of a property right is the incentive that the right imparts to invest in the creation or improvement of a resource . . . given that no one else can appropriate the resource [at a later date]. For example, a firm is less likely to expend resources on developing a new product if competing firms that have not borne the expense of development can duplicate the product and produce it at the same marginal cost as the innovator. . . .

*Id.* "Elimination of [trademark] protection is likely to . . . reduce[] incentives to develop new [products]." *Barriers to Entry*, *supra* note 23, at 51.

<sup>36</sup> A free rider problem occurs when a person gains the benefits that another spends resources to create. R. COOTER & T. ULEN, LAW AND ECONOMICS 109 (1988) [hereinafter LAW & ECONOMICS].

mark without paying for its use, exploitation would result. The Act therefore prevents this particular free rider problem by forcing any person who receives benefits from another's work to pay for the other's labor.

A free rider problem may arise because a trademark is more analogous to a public good rather than a private good. The consumption of a private good excludes another from enjoying that good,<sup>37</sup> whereas an individual using a public good cannot easily exclude another from enjoying the same use. Therefore, others gain the benefits of a property owner's use without paying for the benefit of its use.<sup>38</sup>

One such example of a free rider problem occurs when a neighborhood association agrees that each neighbor will pay a certain amount to employ security to patrol their neighborhood. The free rider problem exists because the neighbors, as a whole, cannot exclude an individual neighbor from receiving the benefits of the neighborhood protection. Since an individual may gain the benefits of the patrol car without paying, he has an incentive not to pay. While his neighbors continue expending their resources and money, the individual has the incentive to "ride on the backs" of his neighbors.<sup>39</sup> Absent a law protecting a manufacturer's trademark, the manufacturer's use of the trademark, like the neighborhood's use of security, would not prevent another from using it.

Additionally, if an individual were unable to possess property rights in a trademark, the trademark would resemble a public good, thereby creating yet another free rider problem. For example, "manufacturer A" is better off<sup>40</sup> if "manufacturer B" expends its resources in gaining the public's confidence in a product. Once an emblem identifies this quality product, "manufacturer A" may employ the mark to represent similar products, thereby gaining the public's confidence without expending his resources.<sup>41</sup> In the absence of trademark laws, any person or cor-

<sup>37</sup> *Id.* at 72. See generally Demsetz, *Toward a Theory of Property Rights*, 37 AM. ECON. ASSN. PAP. & PROC. 347, 356 (1967) [hereinafter Demsetz] (in addition to discussing efficiencies created by private property system, author provides example of how, once private property rights have developed, property owner could effectively exclude others from enjoying fruits of his labor).

<sup>38</sup> Demsetz, *supra* note 37, at 356; Liebler, *A Property Rights Approach to Judicial Decision Making*, 4 CATO J. 783, 791-92 (1985) [hereinafter Liebler].

<sup>39</sup> LAW & ECONOMICS, *supra* note 36, at 109.

<sup>40</sup> The benefit that a manufacturer enjoys is measured in terms of producer surplus. *Id.* at 301 ("The surplus that a seller enjoys on the sale of a commodity is normally the difference between the contract price of the commodity and its direct cost.").

<sup>41</sup> Suppose "manufacturer B" spends \$100 to enhance the value of its trademark.

poration could use an emblem attached to another manufacturer's product and reap the benefits of that manufacturer's investment and reputation.

This same free rider problem would apply in the absence of copyright laws. For example, an author would have no incentive to commit resources to writing if he knows there is nothing restricting him from passing off another's work as his own. Once the creator of the emblem<sup>42</sup> or literature is given a property right in that emblem or literature, all other potential users are economically harmed in that they must pay the trademark or copyright owner to use the emblem or work.<sup>43</sup>

When copyrights and trademarks are obtained, the copyright or trademark owner receives a property right whereby he is entitled to a judicial remedy if another should use his property, and thus, the free rider problems are reduced.<sup>44</sup> While the economic harm associated with a trademark law is the cost arising from its imposition,<sup>45</sup> the benefit incurred is that the exclusive use of an emblem creates an incentive to manufacture quality products, and this quality, in turn, is beneficial to the economy.<sup>46</sup>

Although the precise costs of the free rider problems are unclear, trademark laws create additional costs and benefits. Restricting the public from using a public good imposes a dead weight loss on society.<sup>47</sup> In the trademark law context, the dead-

---

"Manufacturer B" will have a surplus if the price of the product, (P), is greater than the total cost, (C), of producing it including the \$100. Therefore,  $P - C = \text{Surplus of B}$ . *Id.* If "manufacturer A" appropriates "manufacturer B's" trademark, which has been enhanced by B's \$100, "manufacturer A" will have a greater surplus than "manufacturer B." Therefore,  $P - (C - 100) = \text{Surplus of A}$ , or  $P - C + 100 = \text{Surplus of A}$ .

<sup>42</sup> An emblem is only an example of a trademark. All forms of trademarks, such as mottos, brand-names, and any other form of product identity can be interchanged and placed in the context of this discussion. See Landes & Posner, *supra* note 19 and accompanying text.

<sup>43</sup> This discussion is closely analogous to Coase's discussion of the distribution of property rights. He discusses the hypothetical involving cattle that ruin farm crops located on property next to the cattle ranch. If the cattle owner is forced to compensate the farmer, then the cattle owner is harmed in that his property rights are curtailed. Conversely, if the cattle owner is given the right to destroy the crops, then the farmer is forced to leave a strip of his land barren, and he is economically harmed. Coase, *The Problem of Social Cost*, 3 J. L. & ECON. 1, 1-6 (1960) [hereinafter Coase]. See also Liebler, *supra* note 38, at 783-84 (further explanation of Coase).

<sup>44</sup> "[P]roperty rights convey the right to benefit or harm oneself or others . . . [and] specify how persons may be benefited and harmed, [or] who must pay whom to modify the actions taken by persons." Demsetz, *supra* note 37, at 347.

<sup>45</sup> Landes & Posner, *supra* note 19, at 266-67.

<sup>46</sup> *Id.* See *Barriers to Entry*, *supra* note 23, at 51-52.

<sup>47</sup> Landes & Posner, *supra* note 19, at 267-68 (explains under which circumstances deadweight loss results). Deadweight loss can be described as a situation where adding users will not impose costs on previous users of intellectual property — not directly anyway (it may of course discourage investment by preventing the previous users from recouping their sunk costs). One farmer's using the

weight loss is the gain from trade that would be reaped by making it easier to enter the market, as the costs of creating a reputation and consumer faith may decrease.<sup>48</sup> In other words, the imposition of trademark law results in an increased short term company expenditure because it requires newcomers to expend their resources to create their own reputations. This cost presents a barrier which may discourage new companies from entering the market.<sup>49</sup>

Alternatively, failure to create trademark rights would impose several costs on society. Consumers would not be able to rely on the reputation of a company when unsure of who represents and manufactures a product. This insecurity regarding the quality of a product would force consumers to spend more time searching for a specifically desired product.<sup>50</sup> The trademark owner would then lose profits as a direct result of the public associating his products with the inferior products of a pirating manufacturer.<sup>51</sup> Additionally, society, as a whole would incur a cost in that the quality of products decreases when companies are unmotivated to create dependable products because the long term compensation associated with a good reputation would not be collected.<sup>52</sup>

Thus, trademark law is a valuable cost reduction mechanism because it provides a manufacturer with the incentive to spend the necessary resources to develop quality.<sup>53</sup> Assuming that the producer of a trademarked good maintains consistent quality over time, trademark reduces consumer search costs. In the absence of trademark laws, increased search costs may lead to less consumer spending and a decrease in the overall wealth of our

---

idea of crop rotation does not preclude other farmers from using the same idea. [Thus] [w]hen the marginal cost of using a resource is zero, excluding someone from using it creates a deadweight loss . . . .

*Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Barriers To Entry*, *supra* note 23, at 51-52.

<sup>50</sup> Landes & Posner, *supra* note 19, at 268.

<sup>51</sup> *Id.* at 269.

<sup>52</sup> See Liebler, *The Deregulation of Industry: How Far Should We Go?*, 51 IND. L.J. 735, 742-43 (1976) (company will only have incentive to create a good reputation if such reputation will help sell product); Landes & Posner, *supra* note 19, at 269 (discussing the value of a reputation). See also *Barriers to Entry*, *supra* note 23, at 50.

To allow another maker of decaffeinated coffee to sell its coffee under the name "Sanka" would destroy the benefit of the name in identifying a brand of decaffeinated coffee made by General Foods. . . . It would be like allowing a second rancher to graze his cattle on a pasture the optimal use of which required that only one herd be allowed to graze.

Landes & Posner, *supra* note 19, at 269.

<sup>53</sup> *Id.* at 269-70.

economy.<sup>54</sup> The long term costs of decreased quality and consumers' lack of reliance on consumer goods would therefore impose a great burden on the economy.

Modern courts analogize an individual's good name to a commercial product.<sup>55</sup> Current case law suggests that a celebrity's name and likeness are trademarkable items.<sup>56</sup> A system requiring an advertiser or commercial entity to purchase the right to use a celebrity's name or likeness has costs and benefits. Granting a celebrity trademark rights in his name and likeness increases the costs of advertising and, perhaps, restricts an advertiser's creativity.<sup>57</sup> The absence of granting trademark rights in a celebrity's name, if an advertiser associates a celebrity's name with an inferior product, would then impose costs on the celebrity such as the destruction of his reputation, which the celebrity has often spent an entire career developing.<sup>58</sup> The consuming public may falsely believe that the celebrity, who it trusts and respects, actually endorses the product. The public will have to pay more in its search for a superior product in the long run since the information supplied in the advertisement is inaccurate and untrustworthy.<sup>59</sup>

The cost-benefit analysis associated with a parodist differs from that associated with an advertiser. The benefits associated with granting the parodist the property right to use another's name or likeness include a greater net social gain. Requiring a parodist to pay for the use of another's name or likeness severely restricts creativity.<sup>60</sup> Creativity, left unrestrained, has the beneficial result of creating intellectually stimulating and creative works.<sup>61</sup> Indeed, in some instances, parody has the potential to increase the popularity and reputation of the work or author parodied. Freedom of speech is also promoted, thereby creating a benefit considered invaluable throughout United States history.<sup>62</sup>

Property laws ought to create a situation which would exist if

<sup>54</sup> Congress has determined that the benefits associated with creating trademark property laws exceed their costs. See TRADE-MARK MANUAL, *supra* note 20 and accompanying text.

<sup>55</sup> *Allen v. National Video, Inc.*, 610 F. Supp. 612, 625 (S.D.N.Y. 1985). See *infra* notes 158-72 and accompanying text for a more thorough discussion of *Allen*.

<sup>56</sup> *Id.*

<sup>57</sup> This supposition may not be true. Statistical data is unavailable. For an explanation of the theory, see generally Dorsen, *supra* note 5.

<sup>58</sup> See *Allen*, 610 F. Supp. at 617. See generally Dorsen, *supra* note 5.

<sup>59</sup> Liebeler, *supra* note 38, at 783. See also *Barriers To Entry*, *supra* note 23, at 47 (explanation of consumer search costs).

<sup>60</sup> Dorsen, *supra* note 5, at 924-28. See *infra* note 71.

<sup>61</sup> Chagares, *supra* note 4, at 229.

<sup>62</sup> *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F. 2d 490,

there were zero transaction costs.<sup>63</sup> If the collective voices of consumers and celebrities were heard and the property trademark right were delegated to the advertiser, consumers and celebrities would probably pay to keep the names and misrepresentations of celebrity-names out of advertisements. At the same time, in the absence of transaction costs, comedians, satirists, and their viewing audiences would pay the performer or celebrity for the comedian's right to continue using the names of celebrities in their work. However, the comedian or individual would probably find it financially impossible to pay each celebrity he wishes to mock.<sup>64</sup>

Economic efficiency dictates that laws should allocate the property right to the parodist because it is costly for individuals to negotiate on their own.<sup>65</sup> Because individual parodists and satirists probably cannot afford to pay a celebrity for the use of his name, laws ought to reflect the outcome that would be achieved in a zero transaction cost world, which would avoid such economic inefficiencies.<sup>66</sup> Thus, the best allocation of property rights permits the parodist to maintain a fair use defense, which,

<sup>494</sup> (2d Cir. 1989) (court disfavored laws which intrude on first amendment values). See also *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989).

<sup>63</sup> Liebeler, *supra* note 38, at 785. Coase suggests that regardless of whom property rights are distributed to, if people are able to negotiate on their own, the most efficient distribution of property rights would eventually arise. Coase uses the example of a cow herder living next to a crop farmer. The cows wander and graze the farmer's crops, thereby destroying them in part. Coase suggests that if the property right is given to the farmer and, if the costs of erecting a fence or paying for the damage to the crops is less than the costs of the benefits or profits gained from keeping cows, then the herder will either pay the farmer for crop damage or erect a fence. He will choose whichever is less expensive.

Conversely, suppose that the cow herder is given the property right and the laws permit the cows to go wherever they choose. Then, if the profits or benefits that can be gained from growing crops exceed the costs of erecting a fence or paying the herder to raise fewer cows, the farmer will choose to either erect a fence or pay the farmer to keep fewer cows. He also would choose the least costly of the two alternatives.

However, negotiations may not be feasible, particularly where many people must congregate to discuss the distribution of property laws, because the result is higher transaction costs. More specifically, transaction costs include the expenses, both tangible and intangible, of conducting negotiations. They include, but are not limited to, the costs of organizing and conducting meetings, the time required to negotiate effectively and the skill and mental stamina needed to conduct negotiations. Coase, *supra* note 43, at 1, 2-8. For a thorough discussion on transaction costs, see *id.* at 15-19.

<sup>64</sup> Dorsen, *supra* note 5, at 957 (citing *Harper & Row v. Nation Enter.*, 471 U.S. 539 (1985)). See also *infra* note 71.

<sup>65</sup> Liebeler, *supra* note 38, at 785. "Where transaction costs are high, courts could increase society's wealth by assigning property rights as closely as possible to the way in which they would be allocated by the affected parties themselves, assuming that transaction costs were low enough to permit market exchanges." *Id.* See also Demsetz, *When Does the Rule of Liability Matter*, 1 J. OF LEGAL STUD. 13 (Jan. 1972).

<sup>66</sup> See generally Liebeler, *supra* note 38 and accompanying text. For a hypothetical, see note 71 and accompanying text.

in turn, permits the limited use of another's name or likeness.<sup>67</sup>

### C. Enforcement of the Lanham Act Through Preliminary Injunctions

Most plaintiffs instituting trademark infringement actions under the Act seek preliminary injunctions.<sup>68</sup> Courts employ permissive standards when determining whether to issue a preliminary injunction.<sup>69</sup> From an economic standpoint, however, permissive criteria may be justifiable when granting an injunction against commercial entities and advertisers, but unjustifiable when enjoining a parodist.<sup>70</sup> Parodists who poke fun at many writers and celebrities by mimicking their work and personalities may fear preliminary injunctions and discontinue use of such material.<sup>71</sup>

Pursuant to the prior restraint doctrine, the government may not create a law which restrains a particular expression before its dissemination.<sup>72</sup> The Supreme Court recognizes the danger to constitutional liberties and the restrictive impact of prior restraint law.<sup>73</sup> Preliminary injunctions, which are granted with few restrictions, can have as great a chilling impact on creativity and expression as prior restraint laws.<sup>74</sup> Therefore, in cases which

<sup>67</sup> Dorsen, *supra* note 5, at 961.

<sup>68</sup> A preliminary injunction is an equitable remedy whereby a defendant is either prohibited from continuing a certain course of action (prohibitory injunction) or is compelled to perform a course of action (mandatory injunction) without a full hearing on the merits of the case. Black, *A New Look At Preliminary Injunctions: Can Principles From The Past Offer Any Guidelines To Decisionmakers In The Future?*, 36 ALA. L. REV. 1, 6 (1984) [hereinafter *A New Look at Preliminary Injunctions*]. Its purpose is to maintain the "status quo and to prevent irreparable harm until the rights of the parties c[an] be determined by a trial on the merits." *Id.* at 15.

<sup>69</sup> See *infra* notes 83-97 and accompanying text.

<sup>70</sup> See *supra* notes 5 and 47-67 and accompanying text.

<sup>71</sup> As an example, suppose that a court enjoined a comedian from referring to a celebrity or his material. The injunction would prospectively prevent performance of certain material. This would be economically damaging in that the parodist and his representatives spend time and money preparing for a show or television program. Consequently, upon the issuance of an injunction, the parodist and his producer would have to create another script. In fear of spending time and money preparing a script that could be temporarily enjoined, the parodist and producer would be sure to stay clear of anything that would result in injunctive relief. As a result, the Act, has potential to become a federal prior restraint rule on creativity in the entertainment industry. See Dorsen, *supra* note 5, at 926-27.

<sup>72</sup> M. REDISH, *FREEDOM OF EXPRESSION: A CRITICAL ANALYSIS* 127-211 (1984) (discussing the proper role of the prior restraint doctrine in first amendment theory).

<sup>73</sup> *Keyishian v. Board of Regents*, 385 U.S. 589, 589 (1967) (declared unconstitutional a law which acts as a prior restraint on free speech).

<sup>74</sup> This is a conclusion derived not from empirical evidence, but rather, from logical inference. For example, if several advertisers are enjoined from referring to a celebrity without permission from the celebrity, the next advertiser would either, through knowledge of the case or advisement from counsel, refrain from using a celebrity's name. Even if the injunction only lasts a short time, the legal costs associated with avoiding and lifting the injunction would cause the advertiser to use a different means of advertising.

potentially restrict first amendment rights, courts usually employ strict standards prior to issuing a preliminary injunction. Despite this concern, when a prima facie case of infringement has been made, irreparable injury will be presumed in trademark and copyright actions.<sup>75</sup> More significantly, New York courts have indicated that the Act's prohibition of false and misleading advertising does not arouse sufficient first amendment concerns which would justify altering the normal standard for a preliminary injunction.<sup>76</sup>

Although the Act may be used to restrain free speech in both the advertising and entertainment industries,<sup>77</sup> the benefits associated with the restriction of free speech in each industry are distinguishable.<sup>78</sup> As a result, when issuing preliminary injunctions against parodists, courts should not apply the same relaxed criteria used to restrict advertisers. Courts have failed to articulate clear rules and apply the same lenient criterion to defendants in the advertising and entertainment industries.<sup>79</sup>

Movants who seek preliminary injunctions should be required to meet a heavy burden. The United States Supreme Court, when presented with a statute which would not only prospectively inhibit the freedom of speech and expression, but also have detrimental effects upon the exercise of first amendment rights, held that the statute should be constructed with great care, subject to judicial scrutiny and construed narrowly.<sup>80</sup> Despite these "guidelines," the Second Circuit employs lenient standards when determining whether to issue a preliminary in-

<sup>75</sup> 7 J. MOORE & J. LUCAS, *MOORE'S FEDERAL PRACTICE*, ¶ 65.04[1], 65-63 to 65-65 (2d. ed. 1989) [hereinafter *MOORE'S FEDERAL PRACTICE*]; *Coca-Cola Co. v. Tropicana Products, Inc.*, 690 F.2d 312 (2d Cir. 1982) (an action under the Act for false advertising showing that a significant number of consumers would be misled and that sales would shift from plaintiff to defendant was sufficient to show irreparable injury).

<sup>76</sup> *Quinn v. Johnson*, 51 A.D.2d 391, 381 N.Y.S.2d 875, 877-78 (1976) (quoting N.Y. CONST. art. 1, § 8; *Lewis v. American Fed'n of Television and Radio Artists*, 34 N.Y.2d 265, 272, 313 N.E.2d 735, 357 N.Y.S.2d 419, *reh'g denied*, 420 U.S. 956 (1975)).

<sup>77</sup> For a discussion of how the Act has been used to prohibit forms of entertainment, see *infra* notes 157-201 and accompanying text.

<sup>78</sup> See *supra* notes 47-67.

<sup>79</sup> *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366 (S.D.N.Y.), *aff'd*, 604 F.2d 200 (2d Cir. 1979); *Gilliam v. American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976).

<sup>80</sup> *Keyishian v. Board of Regents*, 385 U.S. 589 (1967). The Court held that "[b]ecause First Amendment freedoms need breathing space to survive, government may regulate in the area only with narrow specificity." *Id.* at 604 (citing *NAACP v. Button*, 371 U.S. 415, 433 (1963)). Congress may not make any law either abridging the freedom of speech or of the press, where the law's main purpose is to previously restrain or abridge the liberty of free speech or publications. *Id.* The fourteenth amendment prohibits state action which curtails guaranteed freedoms and the State of New York emphasizes the right of citizens to "freely speak, write and publish his sentiments on all subjects." N.Y. CONST. art. I, § 8.

junction.<sup>81</sup> To obtain a preliminary injunction, one must show "(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief."<sup>82</sup>

Previously, the standards necessary for receiving a preliminary injunction were more permissive in that the movant did not have to prove irreparable harm was imminent.<sup>83</sup> The more recent New York cases, in determining whether to issue a preliminary injunction under the Act, revert to these criteria, as there is a presumption of irreparable harm once the plaintiff shows a likelihood of either customer confusion, possible impairment of the movant's reputation, and probable diversion of customers.<sup>84</sup> When determining whether to issue an injunction under other statutes, courts presently require that the irreparable harm be imminent.<sup>85</sup> Currently, the Second Circuit imposes the earlier standard when determining whether to issue a preliminary injunction pursuant to the Act — irreparable harm need not be imminent, but merely likely.<sup>86</sup>

To establish the likelihood of success on the merits, courts considered whether an appreciable number of ordinarily prudent

<sup>81</sup> See *infra* notes 83-99 and accompanying text.

<sup>82</sup> *Upjohn Co. v. American Home Products Corp.*, 598 F. Supp. 550, 555 (S.D.N.Y. 1984). The Second Circuit already has relaxed criteria in determining whether to issue a preliminary injunction. To receive a preliminary injunction, other jurisdictions require the movant to meet stricter standards. The Fifth Circuit, for example, follows a sequential approach where the plaintiff must meet the following four requirements. First, the movant must make "a strong showing that he [is] likely to succeed on the merits of his claim, for absent such a showing the court would not be justified in disrupting the normal course of judicial review. . . ." *A New Look at Preliminary Injunctions*, *supra* note 68, at 26. Second, the petitioner "demonstrate[s] that without such relief it would be injured irreparably, because even serious injuries that may be compensated adequately at a later date will not support the issuance of an injunction. . . ." *Id.* Third, he must show that "the issuance of the injunction substantially would harm other parties interested in the proceedings. . . ." *Id.* Lastly, the movant shows that "the public interest favored or weighed against the issuance of the preliminary injunction." *Id.* at 27. The First, Third, Fourth, Sixth, Eighth, Tenth, and the District of Columbia Circuits also examine the four previously mentioned factors. However, the movant does not have to make a strong showing of each factor. "[A] stronger showing on one factor may compensate for a weaker showing on another." *Id.* at 30. See also MOORE'S FEDERAL PRACTICE, *supra* note 75, at ¶ 65.04[1], 65-33 to 65-34.

<sup>83</sup> *A New Look at Preliminary Injunctions*, *supra* note 68, at 5.

<sup>84</sup> *C-Cure Chemical Co. v. Secure Adhesives Corp.*, 571 F. Supp. 808, 814 (W.D.N.Y. 1983) (quoting *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978), *cert. denied*, 439 U.S. 1116 (1979)). For a further explanation of when a preliminary injunction will be issued, see *A New Look At Preliminary Injunctions*, *supra* note 68, at 5.

<sup>85</sup> MOORE'S FEDERAL PRACTICE, *supra* note 75, at ¶ 65.04[1], 65-55 & n.2; *New York v. Nuclear Regulatory Comm.*, 550 F.2d 745 (2d Cir. 1977).

<sup>86</sup> *Id.*

purchasers were likely to be actually misled or simply confused as to the source of the goods in question.<sup>87</sup> To both determine the likelihood of confusion and to balance the equities, courts considered the following factors: (1) the strength or eminence of the plaintiff's mark; (2) the degree of similarity between the two products; (3) the proximity of the products in the marketplace; (4) the probability that the plaintiff would bridge the gap; (5) the defendant's good faith; (6) the quality of the defendant's product; and (7) the sophistication of the buyers of the product.<sup>88</sup>

However, in many instances, the Second Circuit does not require that the plaintiff meet these criteria prior to issuing a preliminary injunction against an individual in the entertainment industry,<sup>89</sup> thereby making it easier for the plaintiff to show consumer confusion. For example, in *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*,<sup>90</sup> the court failed to consider whether the audience would find the defendant's product a likely substitute for the plaintiff's product. In fact, it was quite unlikely that the defendant's pornographic movie would be a suitable substitute for either watching a football cheerleading routine or purchasing cheerleading promotional paraphernalia and souvenirs. Additionally, the *Dallas Cowboys Cheerleaders* court failed to fully consider the sophistication of the audience. The court assumed that a person of ordinary intelligence would be confused such that they could associate the cheerleaders with the pornographic movie, and thereby conclude that the plaintiff either endorsed or

<sup>87</sup> *Upjohn Co. v. American Home Products Corp.*, 598 F. Supp. 550 (S.D.N.Y. 1984). In that case the court held:

The Act also proscribes advertising that has a tendency to mislead, confuse or deceive. . . . To demonstrate that it is entitled to an injunction against statements that are literally true, plaintiff must demonstrate the "likelihood that an appreciable number of ordinary prudent purchasers are likely to be misled" by the statements.

*Id.* (quoting *Mushroom Makers, Inc.*, 580 F.2d at 47).

<sup>88</sup> *Upjohn Co.*, 598 F. Supp. at 550; *Coca-Cola Co. v. Tropicana Products, Inc.*, 538 F. Supp. 1091 (S.D.N.Y.) *rev'd*, 690 F.2d 312 (2d Cir. 1982) (superseded by statute as stated in *Johnson & Johnson v. GAL Intern., Inc.*, 862 F.2d 975 (2d Cir. 1988)) (diversion of customers); *Selchow & Righter Co. v. McGraw-Hill Book Co.*, 439 F. Supp. 243 (S.D.N.Y. 1977), *aff'd*, 580 F.2d 25, 27-28 (2d Cir. 1978) (likelihood of customer confusion); *Gilliam v. American Broadcasting Co.*, 538 F.2d 14, 19 (2d Cir. 1976) (loss of good will); *Estee Lauder, Inc. v. Watsky*, 323 F. Supp. 1064, 1067 (S.D.N.Y. 1970) (impairment of reputation); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 494 (2d Cir. 1989).

<sup>89</sup> The criteria should be completed prior to issuing a temporary injunction, particularly where advertisements are not involved. A temporary injunction could have as detrimental impact on free speech as a permanent injunction. See *supra* note 80 and accompanying text.

<sup>90</sup> 604 F.2d 200 (2d Cir. 1979). For a more thorough discussion of the *Dallas* facts, see *infra* notes 182-90 and accompanying text.

acquiesced to the production of the movie.<sup>91</sup>

Similarly, in *Coca-Cola Co. v. Gemini Rising, Inc.*,<sup>92</sup> the court enjoined the sale of a poster because the defendant employed the design of the plaintiff's trademark and logo, "Enjoy Coca-Cola," and substituted the words "Enjoy Cocaine."<sup>93</sup> The court again ignored its requirement to evaluate the sophistication of the audience. In fact, the district court held that the ordinary purchaser might be led to believe that "the defendant's poster was just another effort . . . by [the] plaintiff to publicize its product."<sup>94</sup> Likewise, the courts in *Allen v. National Video, Inc.*<sup>95</sup> and *Gilliam v. American Broadcasting Co.*<sup>96</sup> did not thoroughly examine the requirements which satisfy consumer confusion.<sup>97</sup>

These cases create a problem because such plaintiffs may easily prove consumer confusion. A broad interpretation of what may constitute consumer confusion paves the way for future courts to apply the concept to areas which were not previously within the Act's reach.<sup>98</sup> The district court in *Coca-Cola* concludes that violation of the Act requires only the evocation of a plaintiff's general persona which creates a likelihood of consumer confusion as to whether the mark's owner sponsored or otherwise approved the use.<sup>99</sup>

The recent decision of *Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Group, Inc.*,<sup>100</sup> may, however, present a different approach, and thus a silver lining for parodists.<sup>101</sup> In *Cliffs Notes*, the plaintiff was the creator of the well known study guides to classical literature, *Cliffs Notes*. The defendant published a book, entitled *Spy Notes*, which poked fun at specific contemporary novels due to their "literary shortcomings"<sup>102</sup> utilizing the *Cliffs Notes*

<sup>91</sup> *Id.* at 205.

<sup>92</sup> 346 F. Supp. 1183 (E.D.N.Y. 1972). See *infra* notes 191-94 and accompanying text.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* at 1190.

<sup>95</sup> 610 F. Supp. 612 (S.D.N.Y. 1985). For a more thorough discussion of *Allen*, see *infra* notes 157-72 and accompanying text.

<sup>96</sup> 538 F.2d 14 (2d Cir. 1976). See *infra* notes 195-201 and accompanying text.

<sup>97</sup> *Allen*, 610 F. Supp. at 612; *Gilliam v. American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976).

<sup>98</sup> This is evidenced by the increasing number of cases where individuals attempt to use the Act to obtain injunctive relief when the traditional trademark is not concerned. See, e.g., *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989); *Allen*, 610 F. Supp. at 612.

<sup>99</sup> *Allen*, 610 F. Supp. at 628.

<sup>100</sup> 886 F.2d 490 (2d Cir. 1989).

<sup>101</sup> This approach was actually first developed in *Rogers*, 875 F.2d at 994. In rejecting the plaintiff's Lanham Act claim, the *Rogers* court adopted a balancing test where the court weighed the risk that the title might mislead consumers against the danger of unduly restricting expression. *Id.* at 998-1000.

<sup>102</sup> *Cliffs Notes*, 886 F.2d at 492.

format to do so. The defendant intended to parody not only the novels but *Cliffs Notes* as well.<sup>103</sup> In finding for the defendants, the court adopted a balancing test where the public interest in free expression was weighed against the public interest in avoiding consumer confusion.<sup>104</sup> The court, recognizing the importance of freedom of expression and parody,<sup>105</sup> held that there was "only a slight risk of consumer confusion that [was] outweighed by the public interest in free expression."<sup>106</sup>

Although the *Cliffs Notes* court should be applauded for its apparent respect for parody, its holding may not apply to other parodists because that case presented little chance of consumer confusion. In fact, the court gave great consideration to the small probability that consumers would not be confused.<sup>107</sup> Unfortunately, the court did not affirmatively state that the guidelines for consumer confusion should be applied more stringently.<sup>108</sup> Despite *Cliffs Notes*, the standard that the evocation of a plaintiff's "general persona"<sup>109</sup> creates a likelihood of consumer confusion as to whether the mark's owner either sponsored or approved the use, is actionable under the Act so that, the scale may continue to tip in favor of future plaintiffs.

As previously noted, to obtain injunctive relief under the Act, a plaintiff need only establish the likelihood of consumer confusion.<sup>110</sup> If a plaintiff brings suit against a parodist under the Act, he must show that the defendant reminded the public of the plaintiff in order to establish confusion. Therefore, the plaintiff need only prove that the viewer associated the defendant's product with the plaintiff.<sup>111</sup> The Second Circuit and District Courts of New York suggest that an indirect reference in the parody to

<sup>103</sup> *Id.*

<sup>104</sup> *Cliffs Notes*, 886 F.2d at 494; *Rogers*, 875 F.2d at 998.

<sup>105</sup> The Second Circuit concluded that "the degree of risk of confusion between *Spy Notes* and *Cliff's Notes* does not outweigh the well-established public interest in parody." *Cliffs Notes*, 886 F.2d at 495.

<sup>106</sup> *Id.* at 497.

<sup>107</sup> The court explained that the public would not be confused because (1) the covers of the two books were different colors and contained different designs; (2) the guides involved two distinct forms of literature; (3) the label "A Satire" was prominently displayed five times on the cover and four times on the back of *Spy Notes*; (4) the books were to appear in most bookstores bearing the legend "The Outrageous Parody from the Creators of *Separated at Birth*"; (5) *Spy Notes*' title page and copyright notice page indicated that the book was written by the editors of *Spy Magazine*; and (6) the copyright notice page stated that "*Spy Notes* is a parody of *Cliff's Notes*." *Id.* at 496.

<sup>108</sup> Although the court in *Cliffs Notes* stated that "a risk of confusion is to be tolerated when a trademark holder seeks to enjoin artistic expression such as parody," *Id.* at 495, the court failed to list the factors necessary to prove consumer confusion.

<sup>109</sup> *Allen v. National Video, Inc.*, 610 F. Supp. 612, 628 (S.D.N.Y. 1985).

<sup>110</sup> See *supra* notes 83-99 and accompanying text.

<sup>111</sup> *Id.*

the plaintiff's name will suffice to create an association which confuses the public as to the origin of the material.<sup>112</sup>

In each instance where a parodist distorts a song or other publication, he intentionally refers to the work and personalities of many celebrities.<sup>113</sup> Although fair use allows the use of another's work for certain purposes,<sup>114</sup> using portions of another's work inevitably reminds the public of that person.<sup>115</sup> Courts may therefore be forced to decide which federal law is more compelling, fair use or the Act. As a result, a parodist who was previously protected under fair use, may no longer be protected if he has reminded the public of a particular person and distorted that person's material.

Present interpretations of the Act permit trademark law to enter the domain of free speech when a celebrity is referred to either directly or indirectly.<sup>116</sup> Although confusion under the Act was previously defined in terms of the origin of goods or services because another's trademark was used, it is presently defined in terms of whether a defendant leads the public to believe that the plaintiff has endorsed, sponsored, or is in any way affiliated with the defendant's product or labor.<sup>117</sup> Thus, the Act has come to protect the personal reputations of individuals even when no trademark is concerned.<sup>118</sup>

### III. FAIR USE

Currently, fair use is utilized to protect parodists.<sup>119</sup> Fair use provides parodists with limited property rights in the copyrights of others<sup>120</sup> by permitting the reasonable use of another's copy-

<sup>112</sup> See *infra* notes 157-201 and accompanying text.

<sup>113</sup> *Cliffs Notes, Inc. v. Bantam Doubleday Publishing Group, Inc.*, 886 F.2d 490, 493 (2d Cir. 1989).

<sup>114</sup> See *infra* notes 119-40 and accompanying text.

<sup>115</sup> See, e.g., Note, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VA. L. REV. 1079, 1079-80 (1986) [hereinafter *Trademark Parody*].

<sup>116</sup> *Id.*

<sup>117</sup> *Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303, 311 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) (author of biography permitted a fair use defense).

<sup>118</sup> See *infra* notes 157-72 and accompanying text.

<sup>119</sup> See *supra* note 5.

<sup>120</sup> This judicially created doctrine was codified in § 107 of Title 17 of the U.S.C. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 5, reprinted in 1976 U.S. CODE CONG. & ADMIN. NEWS 5659. Section 107 provides:

Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

righted work without the copyright owner's approval.<sup>121</sup> Although an author has property rights in his creative labor,<sup>122</sup> these rights are curtailed by fair use, which limits a copyright holder's exclusive rights in his work.<sup>123</sup>

Just as copyright law promotes intellectual development and recreational activities,<sup>124</sup> fair use promotes the "Progress of Science and the Useful Arts."<sup>125</sup> To promote interest in the useful arts, courts tend to view a copyright holder's interest in the maximum financial return to be less compelling than the interests of certain commentators,<sup>126</sup> and construe the term "arts and sciences" broadly,<sup>127</sup> so that it protects the parodist who uses part of another's material.<sup>128</sup> As courts tend to consider parody and satire important to the intellectual and social development of our society,<sup>129</sup> parodists, therefore, are deemed deserving of the freedom to perform and express their social and literary criticisms.<sup>130</sup> Fair use grants parodists more "extensive use of another's copyrighted work in creating parody than in creating other fictional or dramatic works."<sup>131</sup>

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (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.

17 U.S.C. § 107 (1987).

<sup>121</sup> Fair use is "a privilege in others than the owner of the copyright to use the copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner of the copyright." *Elsemere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741, 745 (S.D.N.Y.), *aff'd*, 623 F.2d 252 (2d Cir. 1980) (quoting BALL, *THE LAW OF COPYRIGHT AND LITERARY PROPERTY* 260 (1944)). For examples of reasonable and qualified use, see *infra* note 132 and accompanying text.

<sup>122</sup> See *supra* note 32 and accompanying text.

<sup>123</sup> See *supra* note 121 and accompanying text.

<sup>124</sup> See *supra* note 22.

<sup>125</sup> *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541 (2d Cir.), *cert. denied*, 379 U.S. 822 (1964). See also *Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303, 307 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967).

<sup>126</sup> Such commentators may include educators and those who report certain historical events. See *infra* notes 130-33 and accompanying text.

<sup>127</sup> *Rosemont*, 329 F.2d at 307.

<sup>128</sup> *Id.*

<sup>129</sup> See *Chagares*, *supra* note 4, at 229.

<sup>130</sup> The Second Circuit supports "the 'general proposition' that parody and satire are deserving of substantial freedom — both as entertainment and as a form of social and literary criticism." *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 493 (2d Cir. 1989) (quoting *Berlin*, 329 F.2d at 545); *Trademark Parody*, *supra* note 115, at 1079.

<sup>131</sup> *Elsemere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741, 745 (S.D.N.Y.), *aff'd*, 623 F.2d 252 (2d Cir. 1980). The First Circuit recognized parody as a "humorous form of social commentary and literary criticism . . ." *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 28 (1st Cir.), *cert. denied*, 483 U.S. 1013 (1987).

Accordingly, the recognized circumstances that permit the fair use defense include:

Quotation of excerpts in a review or criticism for purposes of illustration or comment; quotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations; *use in a parody of some of the content of the work parodied*; summary of an address or article, with brief quotations, in a news report; reproduction by a library of a portion of a work to replace part of a damaged copy; reproduction by a teacher or student of a small part of a work to illustrate a lesson; reproduction of a work in legislative or judicial proceedings or reports; incidental and fortuitous reproduction, in a newsreel or broadcast, of a work located in the scene of an event being reported.<sup>132</sup>

Thus, Congress specifically intended that parodists have limited use of another's copyrighted work.

#### A. Judicial Application of Fair Use

Despite the long-term application of fair use, a precise definition and consistent application of fair use are lacking.<sup>133</sup> Congress codified the judicially created guidelines setting forth the standards which determine whether application of fair use is appropriate.<sup>134</sup> Therefore, the appropriateness of a fair use defense is determined by weighing the costs and benefits of permitting the use of the plaintiff's material or name. Pursuant to the guidelines of 17 U.S.C. § 107, although a fair use defense is decided on a case by case basis,<sup>135</sup> most fair use defenses are permitted if the following conditions exist:<sup>136</sup> (1) the defendant has used the plaintiff's work for entertainment, and not for use in

"Chaucer, Shakespeare, Pope, Voltaire, Fielding, Hemingway and Faulkner are among the myriad of authors who have written parodies. Since parody seeks to ridicule sacred verities and prevailing mores, it inevitably offends others, as evinced by the shock which Chaucer's *Canterbury Tales* and Voltaire's *Candide* provoked among their contemporaries." *Id.* at 28. See *supra* note 5.

<sup>132</sup> H.R. REP. NO. 1476, 94th Cong., 2d Sess., reprinted in 1976 U.S. CODE CONG. & ADMIN. NEWS 5659, 5678-79 (quoting Register's 1961 Report).

<sup>133</sup> *Id.*

<sup>134</sup> Subsequently, the legislature codified them in 17 U.S.C. § 107 (1987). See *supra* note 115.

<sup>135</sup> "Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts." H.R. REP. NO. 1476, 94th Cong., 2d Sess., reprinted in 1976 U.S. CODE & CONG. ADMIN. NEWS 5659, 5679.

<sup>136</sup> Not all courts, however, apply these standards. Many courts have less stringent standards. See, e.g., *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541 (2d Cir.), cert. denied, 379 U.S. 822 (1964).

commercials;<sup>137</sup> (2) the defendant has only used enough material to recall or conjure up the original work and did not take a substantial or significant part of the plaintiff's work;<sup>138</sup> (3) the defendant's work did not decrease the demand for the plaintiff's material;<sup>139</sup> and (4) the plaintiff's work was the subject of the parody.<sup>140</sup>

Although courts generally give deference to section 107's guidelines, they have not been strictly adhered to.<sup>141</sup> For example, in *Berlin v. E.C. Publications, Inc.*,<sup>142</sup> the Second Circuit held that Mad Magazine's lyrics constituted a fair use where the defendant, publisher of a satirical magazine, parodied and used the same meter as plaintiff's well-known tunes.<sup>143</sup> In determining whether the fair use defense was appropriate, the court examined whether the public would have difficulty in distinguishing the plaintiff's work from the defendant's.<sup>144</sup> It also considered whether the defendant's parodies satisfied or partially fulfilled the demand for plaintiff's originals,<sup>145</sup> and whether the defendant borrowed "from the original to a far greater degree than that required . . . to 'recall or conjure' up that original."<sup>146</sup> The *Berlin* court failed to consider two standards delineated in section 107 — that the defendant used the plaintiff's work for entertainment,

<sup>137</sup> *Id.* See also *Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303 (2d Cir. 1966), cert. denied, 385 U.S. 1009 (1967).

<sup>138</sup> *Berlin*, 329 F.2d at 544; *Rosemont*, 366 F.2d at 303; *Walt Disney Prod. v. Air Pirates*, 581 F.2d 751, 757 (9th Cir. 1978), cert. denied, 439 U.S. 1132 (1979); *Benny v. Loews, Inc.*, 239 F.2d 532, 536-37 (9th Cir. 1956), aff'd, 356 U.S. 43, reh'g denied, 356 U.S. 934 (1958).

<sup>139</sup> *Rosemont*, 366 F.2d at 311. See also *Berlin*, 329 F.2d at 543 (no indication that parodies would even partially satisfy demand for originals).

<sup>140</sup> *Elsemere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741, 746 (S.D.N.Y.), aff'd, 623 F.2d 252 (2d Cir. 1980).

<sup>141</sup> It is important to note that Congress did not intend for these standards to be strictly followed:

The statement of the fair use doctrine in section 107 offers some guidance to users in determining when the principles of the doctrine apply. However, the endless variety of situations and combinations of circumstances that can rise in particular cases precludes the formulation of exact rules in the statute. The bill endorses the purpose and general scope of the judicial doctrine of fair use, but there is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change.

H.R. REP. NO. 1476, 94th Cong., 2d Sess., reprinted in 1976 U.S. CODE CONG. & ADMIN. NEWS 5659, 5680.

<sup>142</sup> 329 F.2d 541 (2d Cir. 1964).

<sup>143</sup> *Id.* at 543.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.* See *Rosemont Enter., Inc. v. Random House, Inc.*, 366 F.2d 303, 311 (2d Cir. 1966), cert. denied, 385 U.S. 1009 (1967) ("there has been no showing that the biography has lessened the value of the articles copyrighted by Cowles").

<sup>146</sup> *Berlin*, 329 F.2d at 544.

not for commercials, and that the plaintiff's work was the subject of the parody.

Similarly, the plaintiff in *Rosemont Enter., Inc. v. Random House, Inc.*<sup>147</sup> alleged that its copyrighted articles, entitled "The Howard Hughes Story," which had previously appeared in a 1954 magazine,<sup>148</sup> were infringed upon by a book published by the defendant entitled *Howard Hughes—a Biography by John Keats*.<sup>149</sup> The plaintiff had acquired the copyrights to the magazine articles after learning that the defendants planned to publish the biography.<sup>150</sup> The court held that a preliminary injunction was improper because the defendants had a valid fair use defense, due to the fact that the articles did not purport to be a book, but rather, were only a narrative of certain highlights of Hughes' career.<sup>151</sup> Additionally, the two direct quotations and eight-line paraphrase neither constituted a material and substantial portion of those articles, nor did the material form a substantial part of Keats' biography. The court further held that although an expression used by an author is normally "entitled to copyright protection," an author "could not acquire by copyright a monopoly in the narration of historical events."<sup>152</sup>

In a later case, *Elsmere Music, Inc. v. National Broadcasting Co.*,<sup>153</sup> the copyright proprietor of an advertising jingle sued National Broadcasting Company ("NBC") because the cast of Saturday Night Live, an NBC broadcast, performed the well-known advertising jingle "I Love New York" tune with the lyrics "I Love Sodom" in a skit on national television. The court held that the

<sup>147</sup> 366 F.2d 303 (2d Cir. 1966), cert. denied, 385 U.S. 1009 (1967).

<sup>148</sup> The magazine was entitled "Look Magazine." *Rosemont*, 366 F.2d at 304.

<sup>149</sup> *Id.*

<sup>150</sup> *Id.* at 305.

<sup>151</sup> The court additionally noted the value of biographies: Biographies, of course, are fundamentally personal histories and it is both reasonable and customary for biographers to refer to and utilize earlier works dealing with the subject of the work and occasionally to quote directly from such works. This practice is permitted because of the public benefit in encouraging the development of historical and biographical works and their public distribution, e.g., so "that the world may not be deprived of improvements, or the progress of the arts be retarded." Indeed, while the Hughes biography may not be a profound work, it may well provide valuable source material for future biographers (if any) of Hughes or for historians or social scientists. . . . [T]he arts and sciences should be defined in their broadest terms, particularly in view of the development of the field of social sciences.

*Id.* at 307 (quoting Sayre v. Moore, 1 East. 361, 102 Eng. Rep. 138, 139 (K.B. 1801)) (emphasis omitted).

<sup>152</sup> *Id.* at 306. The court also considered the ample evidence that Keats obtained a good part of his information from other interviews and not from the plaintiff's magazine article. *Id.*

<sup>153</sup> 482 F. Supp. 741 (S.D.N.Y.), aff'd, 623 F.2d 252 (2d Cir. 1980).

skit constituted a fair use,<sup>154</sup> and, in so doing, defined section 107's guidelines more thoroughly.<sup>155</sup> The court applied guidelines that were stricter than either those in *Berlin* or section 107 itself.

Although the applied guidelines appeared strict in this case, courts, in general, have continued to respect and permit the use of another's material through fair use.<sup>156</sup> However, another line of Second Circuit opinions interpret the Act so as to threaten fair use.

#### IV. COMMON LAW EXTENSIONS OF THE LANHAM ACT

##### A. *Allen v. National Video, Inc. and the Protection of a Celebrity's Likeness*

The holdings and dicta of many decisions have suggested that the Act may be used to preempt the fair use defense, even where all of the fair use criteria are satisfied.<sup>157</sup> For instance, in *Allen v. National Video, Inc.*,<sup>158</sup> the court indicated that the plaintiff's name and likeness were trademarkable, and that the simple evocation of a person's general persona potentially created consumer confusion as to whether the plaintiff approved the use of his name or likeness in the advertisement.<sup>159</sup> Such confusion was therefore held to violate the Act, and the definition of trademark was extended to include a celebrity's name.

In *Allen*, the defendant had advertised its video store in a magazine using a model resembling the celebrity-plaintiff, Woody Allen.<sup>160</sup> Allen asserted that the use of a look alike implied his endorsement of the defendant's store. He objected to the advertisement on the grounds that the use of a look alike vio-

<sup>154</sup> *Id.* at 746.

<sup>155</sup> The court defined the guidelines as follows: (1) "the infringed upon musical piece must relate, in any respect, to the subject that was being parodied;" (2) "whether such use has tended to interfere with the marketability of the copyrighted work;" and (3) whether "the defendant has appropriated more of the plaintiff's work than was necessary to 'conjure up' the original." *Id.* at 746-47.

<sup>156</sup> See *supra* notes 133-55 and accompanying text.

<sup>157</sup> See *Allen v. National Video, Inc.*, 610 F. Supp. 612 (S.D.N.Y. 1985); *Gilliam v. American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366 (S.D.N.Y.), aff'd, 604 F.2d 200, 206 (2d Cir. 1979); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972); *Geisel v. Poynter Prod., Inc.*, 283 F. Supp. 261 (S.D.N.Y. 1968).

<sup>158</sup> 610 F. Supp. 612, 617 (S.D.N.Y. 1985).

<sup>159</sup> *Id.* at 628.

<sup>160</sup> *Id.* at 617. The model portrayed a satisfied holder of the defendant-National's movie rental "V.I.P." card.

lated his statutory right to privacy, his right to publicity,<sup>161</sup> and the Lanham Act's prohibition of misleading advertising.<sup>162</sup> The court narrowly construed the New York right to privacy laws, refusing to grant the requested relief based on the first two grounds.<sup>163</sup>

<sup>161</sup> N.Y. CIV. RIGHTS LAW §§ 50, 51 (McKinney 1976). Sections 50 and 51 read as follows:

§ 50 Right of privacy

A person, firm or corporation that uses for advertising purposes, or for the purposes of trade, the name, portrait or picture of any living person without having first obtained the written consent of such person, or if a minor of his or her parent or guardian, is guilty of a misdemeanor.

§ 51 Action for injunction and for damages

Any person whose name, portrait or picture is used within this state for advertising purposes or for the purposes of trade without the written consent first obtained as above provided may maintain an equitable action in the supreme court of this state against the person, firm or corporation so using his name, portrait or picture, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use and if the defendant shall have knowingly used such person's name, portrait or picture in such manner as is forbidden or declared to be unlawful [by the last section], the jury, in its discretion, may award exemplary damages. . . .

*Id.*

The court held that a reasonable jury might "find that others would so interpret the advertisement, or at least recognize it to contain a look-alike, particularly in light of the (physical) distinctions noted above." *Allen*, 610 F. Supp. at 624. As a result, the court was unable to grant summary judgment based on New York law. *Id.*

<sup>162</sup> *Allen* sought summary judgment to obtain an injunction and damages against Boroff, the model, and Smith, Boroff's agent. He additionally sought damages against National based on New York Civil Rights Law and the Lanham Act. N.Y. CIV. RIGHTS LAW §§ 50, 51 (McKinney 1976).

<sup>163</sup> The court's decision to narrowly construe the meaning of sections 50 and 51 is consistent with several other New York decisions. For example, in *Cohen v. Herbal Concepts, Inc.*, 63 N.Y.2d 379, 472 N.E.2d 307, 482 N.Y.S.2d 457 (1984), the issue was whether "a photograph of the nude plaintiffs, a mother and child, which show[ed] their bodies full length as viewed from a position behind and to the right of them, and which d[id] not show their faces, reveal[ed] sufficiently identifiable likenesses to withstand defendants' motions for summary judgment." *Cohen*, 63 N.Y.2d at 382, 472 N.E.2d at 308, 482 N.Y.S.2d at 458. While the court, in this instance, only decided the issue of whether the plaintiffs were sufficiently identifiable from the pictures, it noted that:

[T]he statute is designed to protect a person's identity, not merely a property interest in his or her "name," "portrait" or "picture." . . . There can be no appropriation of plaintiff's identity for commercial purposes if he or she is not recognizable from the picture and a privacy action could not be sustained, for example, because of the nonconsensual use of a photograph of a hand or a foot without identifying features.

*Cohen*, 63 N.Y.2d at 384, 472 N.E.2d at 309, 482 N.Y.S.2d at 459.

In another instance, the court held that a clear identification of the plaintiff in the defendant's description of a fictional character in a novel requires that a rational reader must conclude that the plaintiff was being described. See *Allen v. Gordon*, 86 A.D.2d 514, 446 N.Y.S.2d 48, 50, *aff'd*, 56 N.Y.2d 780, 437 N.E.2d 284, 452 N.Y.S.2d 25 (1982). Furthermore, in *Negri v. Schering Corp.*, 333 F. Supp. 101 (S.D.N.Y. 1971), the court held that the plaintiff actress cannot recover damages for use of her photograph in the magazine advertisement, unless the picture is "a clear representation of the plaintiff, recognizable from the advertisement itself." *Id.* at 103.

Lastly, in *Wojtowicz v. Delacorte Press*, 58 A.D.2d 45, 395 N.Y.S.2d 205 (1977), *aff'd*, 43 N.Y.2d 858, 374 N.E.2d 129, 403 N.Y.S.2d 218 (1978), prior to the litigation,

However, the court held that summary judgment granting injunctive relief against the model and his agent was proper under the Act<sup>164</sup> because "no reasonable jury could fail to find [that] a likelihood of confusion" existed.<sup>165</sup> The court further reasoned that the Act was not to be limited solely to situations which formally qualify as trademark infringements, but rather, was applicable to situations involving unfair business practices which cause actual or potential deception as well.<sup>166</sup> The Act was held to prevent an individual from using another's name or photograph without permission to create the false impression that the party endorsed the product.<sup>167</sup> A Lanham Act claim, according to the court, did not require a finding that the defendant's photograph was, as a matter of law, the plaintiff's "portrait or picture."<sup>168</sup> Rather, the court stated that once the advertisement was found to have created a likelihood of consumer confusion as to whether the plaintiff endorsed or was otherwise involved with National's services, the defendant had violated the Act.<sup>169</sup>

As *Allen* demonstrates, courts have no longer limited the Act to protection of commercial products. The *Allen* court explained that a trademark includes a person's likeness and the Act protects a person's investment in his reputation. The exploitation of a celebrity's name is therefore considered prohibited by the Act.<sup>170</sup>

the plaintiff's husband had robbed a bank and, in the process, was caught inside the bank and surrounded by police. He took hostages and extensive hostage negotiations between Wojtowicz and the police occurred. *Wojtowicz*, 58 A.D.2d at 45, 395 N.Y.S.2d at 206. Subsequently, the defendants, Warner Brothers, Inc. and Artists Entertainment Complex, Inc., produced and distributed the motion picture "Dog Day Afternoon" based on the bank robbery. Later, Delacorte Press published books based on the screenplay. The movie and the book indicated that the story was based on a Brooklyn bank robbery which occurred on the day of Wojtowicz's robbery but did not use Wojtowicz's, his wife's or their children's actual names. The court held that since the "[p]laintiffs' names, portraits or pictures [were] not used in either the movie or the books, no cause of action based on Civil Rights Law §§ [sic] 50 and 51 was stated — and it matters not that it may be clear that the plaintiffs were actually being depicted therein or that the movie and books described the story as true." *Wojtowicz*, 58 A.D.2d at 47, 395 N.Y.S.2d at 206. The plaintiffs pled no other cause of action, and therefore, received no compensation.

<sup>164</sup> 15 U.S.C. § 1125(a) (1987). See *supra* note 28 for the text of the Act.

<sup>165</sup> *Allen*, 610 F. Supp. at 629.

<sup>166</sup> *Id.* at 630.

<sup>167</sup> *Id.* at 629-30.

<sup>168</sup> *Id.* at 626-27.

<sup>169</sup> *Id.* at 627. Although the defendants argued an interpretation of the advertisement which precluded summary judgment on the issue of whether a portrait or picture legally existed, see *supra* notes 161-63, the court found that such an interpretation did not "remove the likelihood of confusion on the part of 'any appreciable number of ordinarily prudent' consumers." *Id.* at 629 (citations omitted).

<sup>170</sup> But see *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). *Rogers* is a recent case where the Second Circuit recognized that over-extension of the Act may intrude on first amendment values. *Id.* at 998. In *Rogers*, the defendant produced and distributed a

Although the *Allen* decision pertains to the use of a magazine advertisement, the Act has also been applied to enjoin movies, television programs, and poster sales.<sup>171</sup> Courts have also extended the Act to protect a copyright owner's "good name," and to prevent consumer confusion regarding the representation of any publicly displayed material.<sup>172</sup> Arguably, a plaintiff may use the Act anytime his copyrighted material has been used to evoke the audience's memory of the plaintiff. Thus, the Act has provided the celebrity with a property right in his name and general persona.

### B. *The Lanham Act Prevents Creation of a False Impression*

Although the Act was also created to enjoin false statements, the courts have extended the Act to enjoin manufacturers from creating false impressions. In *Geisel v. Poynter Products, Inc.*,<sup>173</sup> the District Court for the Southern District of New York, pursuant to the Act, enjoined a toy company from manufacturing or selling a toy resembling a prominent author's cartoon characters, bearing tags with the author's name.<sup>174</sup> In 1932, the plaintiff, Theodore Seuss Geisel (Dr. Seuss), a well-known artist and author of children's books,<sup>175</sup> prepared a series of short, illustrated, one-paragraph notes for adults.<sup>176</sup> The defendant manufactured dolls based on Dr. Seuss' 1932 illustrations.<sup>177</sup> Since Dr. Seuss did not assent to the manufacture or sale of these dolls,<sup>178</sup> the court held that use of his name for the manufacturer's sale of toys violated

movie entitled "Ginger and Fred." The film told the story of two fictional cabaret performers who imitated the celebrities, Ginger Rogers and Fred Astaire, and thereby became known as Ginger and Fred. Ginger Rogers sought an injunction and money damages against the defendant, stating, *inter alia*, that the defendants violated the Act in that the title of the movie created a false impression that the film was about the plaintiff and Fred Astaire, and that Rogers endorsed the film. *Id.* at 997. Rejecting Roger's claims under the Act, the court adopted a balancing test and held that the risk of the title misleading consumers was outweighed by the risk of unduly restricting freedom of expression. *Id.* at 1001.

<sup>171</sup> See, e.g., *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir. 1979) (movie which copied the plaintiff's cheerleading uniforms violated the Act); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972) (sale of a poster enjoined by the Act); *Geisel v. Poynter Prod. Inc.*, 283 F. Supp. 261 (S.D.N.Y. 1968) (toy using plaintiff's name violated the Act).

<sup>172</sup> *Allen*, 610 F. Supp. at 626.

<sup>173</sup> 283 F. Supp. 261 (S.D.N.Y. 1968).

<sup>174</sup> *Id.*

<sup>175</sup> *Id.* at 263.

<sup>176</sup> *Id.* at 265.

<sup>177</sup> *Id.* Although the dolls differed substantially from Dr. Seuss' illustrations, each doll was adorned with a "Dr. Seuss Tag" and the store displays included Dr. Seuss' pseudonym. *Id.* at 265-66.

<sup>178</sup> *Id.* at 265.

the Act, and thus granted the plaintiff a preliminary injunction.<sup>179</sup>

The court stated that unfair competition involves misuse of a "distinguishing characteristic" of another's product, or of an individual himself.<sup>180</sup> In this instance, because the defendant led the public to believe that the plaintiff had endorsed the manufacture and sale of the toys, he violated the Act, which protects against deceptive and misleading use of words or names.<sup>181</sup> The creation of a false impression as well as a false statement was held to violate the Act.

### C. *Extension of the Lanham Act into the Copyright Arena*

Subsequent to *Geisel*, which extended the Act to prevent individuals from creating a false impression that a trademark owner represents that individual's product, courts further broadened the spectrum of subjects to which the Act may be applied to false impression. In 1978, *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema Ltd.*,<sup>182</sup> presented the Second Circuit with the issue of whether a preliminary injunction was appropriate when the defendant showed the movie, "Debbie Does Dallas."<sup>183</sup> The star of the movie played a cheerleader selected to become a "Texas Cowgirl," and wore a uniform similar to that worn by the Dallas Cowboys Cheerleaders.<sup>184</sup> The court held that the Dallas Cowboys Cheerleaders' uniform design was trademarkable,<sup>185</sup> and that although the plaintiff's name was not used, the use of both a uniform resembling the plaintiff's and a setting in the plaintiff's

<sup>179</sup> *Id.* at 268.

<sup>180</sup> *Id.* at 267 (citing *Federal Mogul-Bower Bearings, Inc. v. Azoff*, 313 F.2d 405, 409 (6th Cir. 1963)).

<sup>181</sup> *Id.* at 267 (quoting *Federal Mogul-Bower Bearings*, 313 F.2d at 409).

The problematic part of the decision was that false representation occurred when a manufacturer expressly stated or implied that his product was authorized or approved by a particular person or corporation. *Id.* See also 1A CALLMANN, UNFAIR COMPETITION AND TRADEMARKS AND MONOPOLIES § 5.04 (4th ed. 1981 & Supp. 1989). This case illustrated that the Act not only covers a literally false statement, but also includes a false impression. *Id.* (quoting *Parkway Baking Co. v. Freihofer Baking Co.*, 255 F.2d 641, 648 (3d Cir. 1958)). Later decisions interpreted this holding to mean that false implication concerning the source of a good was actionable under the Act. For example, in *Allen*, the court did not interpret the *Geisel* holding to turn on the fact that an actual trademark was misappropriated. Instead, the *Allen* court interpreted *Geisel* to mean "that liability attached not just for descriptions that [were] literally false, but for those that create[d] a 'false impression.'" *Allen v. National Video, Inc.*, 610 F. Supp. 612, 626 (S.D.N.Y. 1985).

<sup>182</sup> 604 F.2d 200 (2d Cir. 1979).

<sup>183</sup> *Id.* at 202.

<sup>184</sup> *Id.* at 203. The film included twelve minutes of film footage where the star engaged in various sex acts while wearing or partially wearing the uniform. In addition, the cinema falsely advertised the star as an ex-Cowgirl Cheerleader. *Id.*

<sup>185</sup> *Id.* at 204.

state of Texas, constituted an actionable claim under the Act.<sup>186</sup> Consequently, the plaintiff's request for a preliminary injunction was granted. The court held that the plaintiff possessed a property right in the costume design which precluded others from using items that were associated with the plaintiff's general persona.<sup>187</sup>

Despite prior holdings which denied injunctions based on the Act because consumer confusion was not deemed inevitable,<sup>188</sup> the court held that the film's association with the cheer-leading corporation generated confusion over the sponsorship or approval of the film. It also held that the film had "a tendency to impugn [plaintiff's services] and injure plaintiff's business reputation."<sup>189</sup> In other words, a simple association of the movie's fictional character with the plaintiff or the creation of a false impression was sufficient to create a likelihood that consumers would believe that the plaintiff endorsed a pornographic movie about its members.<sup>190</sup> Therefore, a false impression was created by a reference to, or a reminder of, another's trademark and was held actionable.

In *Coca-Cola Bottling Corp. v. Gemini Rising, Inc.*,<sup>191</sup> the court enjoined the sale and distribution of a poster. The defendant mocked the plaintiff's slogan "Enjoy Coca-Cola" by creating the poster "Enjoy Cocaine" for commercial distribution.<sup>192</sup> The court held that such an appropriation of the slogan could confuse the public, leading them to believe that the plaintiffs endorsed the use of cocaine.<sup>193</sup> Although ordinarily, production of a poster resembling another's design violates copyright laws, the *Coca-Cola* court held that the production and sale of a poster resembling another's design violated the Act, despite the fact that the poster was not being used to advertise a product.<sup>194</sup>

<sup>186</sup> *Id.*

<sup>187</sup> *Id.*

<sup>188</sup> *Id.* at 205.

<sup>189</sup> *Id.* (quoting *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1189 (E.D.N.Y. 1972)).

<sup>190</sup> *Id.*

<sup>191</sup> 346 F. Supp. 1183 (E.D.N.Y. 1972).

<sup>192</sup> *Id.* at 1187.

<sup>193</sup> *Id.* at 1189. "To associate such a noxious substance as cocaine with plaintiff's wholesome beverage as symbolized by its 'Coca-Cola' trademark and format would clearly have a tendency to impugn that product and injure plaintiff's business reputation, as plaintiff contends." *Id.*

<sup>194</sup> *Id.* at 1193. The Eastern District of New York stated that the plaintiff has demonstrated its right to relief under the Act, even though there is no attempt by the defendant to sell merchandise similar to the plaintiff's. *Id.*

*Gilliam v. American Broadcasting Co.*, ("ABC")<sup>195</sup> further extended the Act into the copyright arena by preventing the airing of a television program. The court held that editing a television show without the writers' permission violated the Act. The plaintiffs were a group of British writers and performers known as "Monty Python."<sup>196</sup> The plaintiffs alleged that the defendant's editing resulted in discontinuity, mutilation, and misrepresentation of their work.<sup>197</sup>

The court found that one purpose of the Act was to avoid misrepresentations that could injure a plaintiff's business or personal reputation, even where no registered trademark was concerned.<sup>198</sup> Since ABC edited the plaintiff's program without the writer's consent, the court held that ABC "deformed"<sup>199</sup> the writer's work. Because the editing may have led the public to believe that the writer had created the edited work, the plaintiff could have been subjected to criticism for work he did not entirely create.<sup>200</sup> Therefore, if an individual feared his work would be inappropriately reconstructed, according to the court, he would be entitled to seek an injunction under the Act to prevent further misrepresentation.<sup>201</sup> Thus, although unauthorized reproduction of a script usually would fall under the rubric of copyright law, such reproduction was held actionable under the Act.

## V. THE CONFLICT BETWEEN FAIR USE AND THE ACT

The Act is no longer confined to enjoining the promotion of commercial products which use another product's trademark to sell a similar product.<sup>202</sup> It is not clear, however, whether future courts will find it necessary to distinguish a parodist from an ad-

<sup>195</sup> 538 F.2d 14 (2d Cir. 1976).

<sup>196</sup> *Id.* at 17-18. The plaintiffs created their programs for the British Broadcasting Company ("BBC"). The BBC entered into an agreement whereby Time-Life Films acquired the right to distribute certain BBC television programs, including the Monty Python series, and "Time-Life was permitted to edit the programs only for insertion of commercials, applicable censorship or governmental . . . regulations, and . . . time segment requirements." *Id.* Time-Life, subsequently entered into a contract with American Broadcasting Companies ("ABC"). ABC agreed to broadcast two ninety minute specials. Correspondence between BBC and Monty Python showed that the parties assumed that ABC would show the programs in their entirety. ABC broadcast the first of the specials and twenty-four minutes of the original ninety minutes of recording had been omitted. *Id.*

<sup>197</sup> *Id.* at 23-24.

<sup>198</sup> *Id.* at 24.

<sup>199</sup> *Id.* at 25.

<sup>200</sup> *Id.* at 23.

<sup>201</sup> *Id.* at 24-25. A more appropriate remedy may be to require artists and broadcasters to enter into more specific contracts.

<sup>202</sup> See *supra* notes 157-201 and accompanying text.

vertiser, since courts now use the Act to remedy misrepresentation in settings that do not include the sale of commercial products.<sup>203</sup>

Federal courts have expanded the Act's definition of the term "product".<sup>204</sup> The *Dallas Cowboys Cheerleaders*<sup>205</sup> and *Coca-Cola*<sup>206</sup> courts enjoined the showing of a movie and the distribution of a poster, respectively. Both decisions concluded that the public might infer that the plaintiffs had endorsed the production of the movie and poster because they reminded the public of the plaintiffs.<sup>207</sup> Since these courts assumed that a reminder may confuse the public as to the source or origin of the "products," the courts enjoined further viewing and poster sales. More importantly, both cases concerned the sale of entertainment, rather than traditional commercial products.

If courts apply the Act to these forms of entertainment, it could feasibly be applied to prevent parodists from reminding the public of a celebrity in a movie or a phonorecord. Future courts may analogize parody whether published in a book or distributed on a video or a phonorecord, to television, movies, or posters because all of these items are both in the stream of commerce and created to generate profits.<sup>208</sup> Courts, in these instances, may find that if the public may associate a parodist's performance with a celebrity, confusion over endorsement of a product, art, movie or television show results. Since courts have concluded that a movie mocking cheerleading and a poster spoofing the commercial soft drink "Coca-Cola" somehow confused the public regarding the endorsement of those products, other courts may conclude that a comedian who spoofs a celeb-

<sup>203</sup> But see *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490 (2d Cir. 1989).

<sup>204</sup> See *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir. 1976); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). See also *Chemical Corp. of Am. v. Anheuser Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), cert. denied, 372 U.S. 965 (1963).

<sup>205</sup> 604 F.2d 200 (2d Cir. 1979).

<sup>206</sup> *Coca-Cola Co.*, 346 F. Supp. at 1183. See also *Chemical Corp. of Am.*, 306 F.2d at 433.

<sup>207</sup> *Coca-Cola Co.*, 346 F. Supp. at 1189; *Dallas Cowboys Cheerleaders*, 604 F.2d at 205. "In the instant case, the uniform depicted in 'Debbie Does Dallas' unquestionably brings to mind the Dallas Cowboys Cheerleaders. Indeed, it is hard to believe that anyone who had seen defendant's sexually depraved film could ever thereafter disassociate it from plaintiff's cheerleaders. This association results in confusion which has 'a tendency to impugn [plaintiff's services] and injure plaintiff's business reputation.'" *Id.* at 205 (quoting *Coca-Cola Co.*, 346 F. Supp. at 1189).

<sup>208</sup> See *supra* notes 182-201 and accompanying text. But see *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989) (it may not be wise to immediately apply the Act where "expression, and not commercial exploitation of another's trademark, is the primary intent . . .").

erity may confuse the public about the sponsorship of the comedian's performance.<sup>209</sup>

The language in these cases indicates that any reference to a plaintiff justifies a preliminary injunction, it is not clear whether courts will factually distinguish parodists from those who traditionally employ the Act.<sup>210</sup> These courts assume that consumer confusion will result from any reference to the plaintiff in any setting, regardless of whether the plaintiff is directly or indirectly referred to through advertisement or a different form of publicity, such as a movie or an art form.

However, current case law such as *Cliffs Notes* may protect the parodist's fair use defense because it directs future courts to factually distinguish parody from trademark infringement.<sup>211</sup> Trademark and parody are separate. The former concerns the commercial exploitation of a product and economic venture, and the latter deals with comedy and entertainment, traditionally known as parody. If courts apply the *Allen, Dallas Cowboys Cheerleaders*, and *Coca-Cola* holdings to cases where the defendant's sole purpose is to sell a product, then performances that are not advertisements of a commercial product will not be preempted by the Act.<sup>212</sup>

For example, in *Allen*, the defendants endorsed their product by utilizing the plaintiff's likeness to enhance their profit earned from the advertisement.<sup>213</sup> Part of this profit may have been realized because some viewers would have believed that the comedian's likeness implied his endorsement of, and reliance on, the product. On the other hand, parody allows viewers to realize that the defendant is mocking the plaintiff and that the mockery is not an endorsement of either the comedian or his performance. Similarly, *Coca-Cola* and *Dallas Cowboys Cheerleaders* may be distinguished from future cases involving parodists in that both

<sup>209</sup> *Dallas Cowboys Cheerleaders*, 644 F.2d at 205 (pornographic movie whose costumes resembled plaintiff's cheerleading uniforms violated Act); *Coca-Cola Co.*, 346 F. Supp. at 1183 (poster resembling the plaintiff's advertising logo and substituting the word cocaine for Coca-Cola violated the Act).

<sup>210</sup> Those parties who traditionally used the Act were commercial entities whose trademarks were commercially exploited by others. See *supra* notes 19 and 28-30 and accompanying text.

<sup>211</sup> In its discussion, the Second Circuit stated that "a balancing approach allows greater latitude for works such as parodies, in which expression, and not commercial exploitation of another's trademark, is the primary intent, and in which there is a need to evoke the original work being parodied." *Cliffs Notes*, 886 F.2d at 495.

<sup>212</sup> *Cliffs Notes* indicates that the defendant in *Dallas Cowboys Cheerleaders* was enjoined because its primary intent was to commercially exploit another's trademark with its blatantly false and explicitly misleading advertisements. *Id.*

<sup>213</sup> See *supra* notes 157-72 and accompanying text.

the poster and movie were created solely for commercial gain and were deemed devoid of social value or entertainment.

An advertisement differs from parody or satire in its purposes. Whereas an advertisement promotes the sale of commercial products, satire and parody promote intellectual growth, valuable social commentary, and entertainment.<sup>214</sup> Currently, the chances are remote that a court would use the Act against a parodist, since the courts consider parody valuable.<sup>215</sup> For example, because *Allen* concerns an advertisement not necessarily considered to be parody or satire, it can be distinguished from traditional parodies, such as Saturday Night Live, in that the purpose of Saturday Night Live is to entertain. Should courts expand the later decisions of *Rogers v. Grimaldi*<sup>216</sup> and *Cliffs Notes*, parodists may have nothing to fear.

However, although *Cliffs Notes* favors the parodist, the decision to adopt a balancing test may be detrimental to future parodists for two reasons. First, the balancing test provides that the public interest against consumer confusion should be measured against the public interest in parody. As the facts of *Cliffs Notes* demonstrate, there was an infinitesimal chance that the public would be confused regarding the sponsorship of the defendant's parody.<sup>217</sup> This balancing test, therefore, may require the existence of an extremely low probability of consumer confusion prior to a decision that the public interest in parody outweighs public interest against consumer confusion.

Secondly, the definition of parody may not help most parodists. *Cliffs Notes* defines parody as a form of expression where expression itself is the primary intent, rather than "commercial exploitation of another's trademark."<sup>218</sup> Although the defendant accomplished these two goals, the expression of amusement and the marketing of a book, the precise definition of parody provided by the Second Circuit fails to recognize that the two goals

<sup>214</sup> See *supra* note 5.

<sup>215</sup> See *id.* But see Dorsen, *supra* note 5, at 939-49 (arguing that the parodist whose taste and social importance is questionable, is preempted by the Act).

<sup>216</sup> 875 F.2d 994 (2d Cir. 1989).

<sup>217</sup> See *supra* note 107 and accompanying text.

<sup>218</sup> *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989). In addition, the court noted that a poor parody will not be protected:

A parody must convey two simultaneous — and contradictory — messages: that it is the original, but also that it is *not* the original and is instead a parody. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused.

*Id.* at 494.

may co-exist. As a result, the definition of a parodist provided by the *Cliffs Notes* court is useless when the parodist has a dual goal of marketing a product, such as a video, and expressing himself.

While the purposes may differ, there are economic similarities between advertisement and parody. The similarities allow application of the Act to parody. An advertisement provides its producer with financial gain, just as a parodist is compensated financially for his performance. Courts therefore may find no reason to distinguish between the two, as their common goal is to seek financial gain.

The common economic goals of an advertiser and comedian become even more analogous when a parodist distributes a record album, movie, or video of his performance. If the parodist mocks a celebrity or other entity, he receives economic gain from the sales and distribution of a commercial product when he reminds the public of the celebrity or entity. This situation closely parallels the facts in *Dallas Cowboys Cheerleaders* in that the defendant showed a movie which reminded the public of the plaintiff.

A court may also find advertisement and parody similar because both are promotions. An advertisement promotes the notoriety of a product, and a comedy or satire promotes its creator's or deliverer's notoriety.<sup>219</sup> However, because courts have not explicitly held or even noted that the Act should only apply to economic ventures, dicta and analogies may lead future courts to restrict comedy, satire, or parody if the name or likeness of a celebrity is used.

## VI. CONCLUSION

The Lanham Act should not be used to restrict parody in order to protect a celebrity's name.<sup>220</sup> Rather, courts should only apply it to advertisements and the sales of commercial products. The commercial product application provides a solution to the fair use-Lanham Act dilemma in that it would not interfere with fair use, since fair use has been held non-applicable to advertisements.<sup>221</sup> Another possible solution is to increase the plaintiff's burden of proof so as to require a showing that the public has actually been confused, rather than merely showing that the material has a tendency to deceive.<sup>222</sup>

<sup>219</sup> Whenever parodists or comedians perform their routines, they are arguably promoting their own careers by attempting to gain notoriety.

<sup>220</sup> See generally Chagares, *supra* note 4.

<sup>221</sup> See *supra* note 137 and accompanying text.

<sup>222</sup> Increasing the defendant's or comedian's burden would not help restrict the appli-

Although fair use allows the parodist limited use of another's copyrighted material,<sup>223</sup> this permission may be superseded if courts further extend the Act to enjoin parody of copyrighted material which evokes the association of the material to a celebrity, author, or corporation. Despite the Act's recent limitations by the courts in *Rogers v. Grimaldi*<sup>224</sup> and *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*,<sup>225</sup> such an ill-considered extension does not seem untenable due to (1) the wide range of topics to which the Act has been applied, and (2) the lenient standards that the Second Circuit and lower federal courts apply when issuing a preliminary injunction. The Act could therefore foreseeably intrude into the areas previously protected by fair use.

Thus, courts are attempting to balance the value of a plaintiff's investment in his own name against the value of the public's right to use a trademark. The most recent decisions, such as *Cliffs Notes* and *Rogers*, should not be limited to their specific facts. Rather, their rationales should be extended to future cases, thereby protecting parodists from the Act. Such limitations may require courts to weigh the value of an individual's name against the educational and social value of parody and satire. Although there is precedent to justify a ruling that the value of one's investment in his name is worth more than the value of parody, such a conclusion would not balance the net equities concerned. To consider all the equities involved, the courts must conduct a thorough examination of the social repercussions in restraining parody or satire. The Act ought not have a stifling impact on valuable social commentary since society, not merely individual entertainers or authors, loses.

*Elana C. Jacobson*

cation of the Act against comedians. Placing the burden on the defendant creates a presumption of consumer confusion. Such a presumption may be difficult to overcome. Since it is preferable not to inhibit the freedom of expression of parodists, comics or satirists, courts should err on the side of permitting the speech, rather than restricting the expression. For an explanation of the importance and value of satire, parody and comedy, see Chagares, *supra* note 4, at 229. For an explanation of why courts should err on the side of the comedian who is not directly endorsing a product, see *supra* notes 47-67 and accompanying text.

<sup>223</sup> See *supra* notes 119-40 and accompanying text.

<sup>224</sup> 875 F.2d 994 (2d Cir. 1989).

<sup>225</sup> 886 F.2d 490 (2d Cir. 1989).

## WHOSE VOICE IS IT ANYWAY? MIDLER v. FORD MOTOR CO.

### I. INTRODUCTION

In the twentieth century, new commercials are aired daily, voices are heard by millions of people world-wide, and technology has advanced to the point where sounds can be disseminated at the touch of a button. It is also an age in which, because of these developments, celebrities' voices are often misappropriated and the public is deceived. As a result, voice imitation actions have risen to the forefront,<sup>1</sup> each day bringing forth the filing of new soundalike claims.<sup>2</sup>

In light of the increasing number of soundalike actions, a plaintiff must be well-versed in the different types of claims and the success rates of the various causes of action. Recently, the Ninth Circuit, in *Midler v. Ford Motor Co.*,<sup>3</sup> recognized that "[a] voice is as distinctive and personal as a face"<sup>4</sup> and is equally deserving of protection.<sup>5</sup> This Comment examines several independent grounds for liability in a voice imitation claim and imports the significance of including a Lanham Act trademark claim.<sup>6</sup>

Part II presents the facts and causes of action in *Midler*.<sup>7</sup> Part

<sup>1</sup> Voice imitation claims, and Ms. Midler's lawsuit in particular, have been the subject of several recent articles. See, e.g., Anderson, *Soundalike Suit*, A.B.A. J., Jan. 1990, at 24 [hereinafter Anderson]; Bishop, *When the Sincerest Form of Flattery Is Also Larceny*, N.Y. Times, July 21, 1989, at B9, col. 3; Marks, *An End to Judicial Resistance Toward Vocal Imitation Claims?*, Nat'l L.J., Feb. 20, 1989, at 20; Marks, *The Bette Midler Case: Judiciary Finally Listens to Soundalike Claim*, N.Y.L.J., Oct. 5, 1988, at 1, col. 1.

<sup>2</sup> For example, recently in a Los Angeles federal court, singer Tom Waits filed suit against Frito-Lay and its advertising agency. Waits claims that the defendants misappropriated his unique rendition of "Nighthawks at the Diner." See *Waits Sues Frito-Lay For Aping Voice in Ad*, Variety, Nov. 9, 1988, at 53, col. 2; Anderson, *supra* note 1, at 24. See also *Singers Howl Over Copycat Ads*, Newsday, Oct. 15, 1989, at 55, col. 1.

<sup>3</sup> 849 F.2d 460 (9th Cir. 1988). On October 30, 1989, the Federal District Court in Los Angeles ordered Young and Rubicam to pay \$400,000 to Bette Midler for tortious imitation of her voice. Midler had sought \$10,000,000 in damages. Anderson, *supra* note 1, at 24. See Stevenson, *Midler Case Stirs Debate on "Alikes"*, N.Y. Times, Nov. 1, 1989, at D19, col. 1; Ramirez, *Y & R Ordered to Pay Midler*, N.Y. Times, Oct. 31, 1989, at D21, col. 4.

<sup>4</sup> *Id.* at 463.

<sup>5</sup> Although celebrity lookalike actions have been recognized in the past, until *Midler*, soundalike actions had been virtually nonexistent. Although soundalike actions are often based in part upon the Lanham Act, 15 U.S.C. §§ 1051-1127 (1982 & Supp. V 1987), Ms. Midler did not include a Lanham Act claim in her complaint.

<sup>6</sup> One commentator has stated that the Lanham Act "has become a 'catch-all' for undefined unfair competition." Ropski, *The Right of Publicity and the Celebrity Look-Alike: Now Section 43(a) Proscribes Faces That Deceive*, 77 TRADEMARK REP. 31, 47 (1987) [hereinafter Ropski].

<sup>7</sup> See *infra* notes 14-23 and accompanying text.