

# EVALUATION OF THE DILUTION-PARODY PARADOX IN THE WAKE OF THE TRADEMARK DILUTION REVISION ACT OF 2006<sup>♦</sup>

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## INTRODUCTION

Dilution protects famous trademark owners from use of their marks by others that serve to either weaken the mark's capacity to serve as a source identifier or harm the reputation of their mark. Parody, on the other hand, is a protected form of expression under the First Amendment that allows an artist to poke fun at recognizable aspects of society. Trademarks are often the butt of detrimental attempts at parody. In the past, a substantial percentage of dilution cases have been attempts by mark holders to enjoin harmful commercial uses of their famous brands—even if such a use could loosely be construed as a “parody.” Yet, the Trademark Dilution Revision Act of 2006 (the “TDRA”) has carved out a broad and explicit exception for parody, one that is seemingly stronger than any protection that parodies previously enjoyed in the dilution context. It seems under the language of the TDRA, once a potentially infringing use is termed a “parody,” and regardless of the degree in which it seriously harms a famous mark, the parodist has a higher probability of escaping strict judicial scrutiny than ever before. Such a result raises important questions as to the current state of dilution law.

This article explores the implications of the parody protection outlined in the TDRA and how courts may interpret it while still retaining significant judicial scrutiny over harmful or improper trademark parodies. Part I discusses the importance of trademark law. Part II explains the history and mechanics of dilution law. Part III discusses trademark parody by reviewing cases before the passage of the TDRA. Part IV suggests how courts may deal with the new TDRA parody exception. Part V analyzes a recent case, *Louis Vuitton Malletier v. Haute Diggity Dog, LLC*,<sup>1</sup> applying the TDRA, and Part VI concludes.

## I. REVIEW OF TRADEMARK LAW

Man lives, thinks and dies using symbols. From the cross of the delivery hospital to the cross on the grave, man's life is lived by learning symbols, using them and creating new ones. Symbols are concrete and relatively simple representations of ideas and objects. A symbol is used instead of the detailed mental image it invokes because it is simple and can be quickly grasped. Use of symbols speeds up thinking and communicating.<sup>2</sup>

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<sup>1</sup> 507 F.3d 252 (4th Cir. 2007).

<sup>2</sup> Nicholas S. Economides, *The Economics of Trademarks*, 78 TRADEMARK REP. 523-24 (1988), available at <http://www.stern.nyu.edu/networks/EconomidesEconomicsofTrademarks.pdf>. at

Consumers in the marketplace are exposed to countless symbols, logos, slogans, new products, and brand names. Through various cycles of trial and error in purchasing, consumers become familiar with and expect certain attributes in the brands they come to prefer.

Each choice by a consumer to purchase a particular brand is often the result of previous time and effort (e.g., search costs) spent dismissing other brands. For instance, suppose a male purchaser with extremely sensitive skin has spent several months trying to find a shaving balm to suit his needs. He has tried a variety of products all claiming to be for “sensitive skin,” to “contain aloe,” or of “premium quality,” but after cycling through “Barbasol,” “Colgate,” “Old Spice,” “Aveeno,” “Edge,” “Neutrogena,” and “Nivea,” he has determined “Gillette” leaves him with the best shave and least irritation. By selecting quality ingredients, setting the right price, and advertising its products’ features accurately, Gillette has built up goodwill with the purchaser. In fact, when this particular purchaser is in need of a new razor blade, after-shave, deodorant or body wash, he will likely trust Gillette again, since the previously established goodwill with this consumer is expected to carry over into other product categories to which the Gillette name is extended. Though this illustrative example is at the micro level, these types of decisions in the aggregate allow companies to build goodwill through branding. Trademarks act to protect this goodwill. If firms were not able to protect the goodwill they have built up in making quality goods and services, consumers would suffer. Not only would consumers have trouble distinguishing goods, but firms would also have reduced incentives to provide quality products since other firms could easily bootstrap off of the first mover’s investment. Trademarks, therefore, are “indispensable for the efficient provision of products with the wide range of variety and quality combinations demanded in a modern economy.”<sup>3</sup>

The essence of a trademark is a quasi-property right in a name (as a source identifier). If another manufacturer wanted to apply the surname “Gillette” to male shaving and skin-care products, such action would likely be enjoined under theories of trademark infringement. However, this action would not be enjoined under an infringement theory merely because another company chose the name “Gillette.” In fact, such use would only constitute trademark infringement if consumers would likely be *confused* as to the source of the goods.

In order to successfully levy a trademark infringement action, a plaintiff must demonstrate that consumers are *likely to be confused*

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<sup>3</sup> *Id.* at 523.

either by mistakenly attributing the source or origin of its products to another or by falsely attributing another's products to it.<sup>4</sup> There are interesting contrasts when comparing the elements required to establish trademark infringement to those required to establish copyright and patent infringement. Under federal copyright law, a plaintiff will generally succeed on an infringement claim upon establishing ownership of a copyrighted work and subsequent unauthorized copying.<sup>5</sup> Similarly, in the patent context, any party that uses, sells, or produces a patented product or process, as determined by the original patent's claims, is liable for infringement.<sup>6</sup> In this way, the acceptable uses for another's patent or copyright is much more limited than in the trademark arena where the linchpin for finding infringement is not just using another's mark but using it in such a way that confuses consumers. This makes sense on a conceptual level, when one considers the class of individuals each cause of action is designed to protect. Patent protection is designed to protect patent holders in order to encourage future inventions,<sup>7</sup> and copyright protection is designed to protect the copyright holder in order to encourage further creative works.<sup>8</sup> On the other hand, trademarks are designed to protect consumers from marketplace confusion and from increased search costs.<sup>9</sup> Therefore, it follows that if the intended beneficiaries of the protection are not being harmed, (i.e., consumers are not confused) then why grant any protective rights at all? The confusion requirement prevents monopoly-like protection on trademarks, which is often one of the largest causes for concern when granting monopolistic rights in words. This fear is further proscribed by use of the "trademark spectrum" aimed at striking the proper balance between protecting goodwill and assuring the availability of relevant English words in various commercial contexts.

Today, the circuit courts vary on the specific factors used to evaluate consumer confusion in trademark infringement cases, but they are similar in nature. Most circuits, at a minimum, consider the similarity of the marks in sight, sound, and meaning, the

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<sup>4</sup> 15 U.S.C. § 1114(1)(a) (2005).

<sup>5</sup> A plaintiff bringing a claim for copyright infringement must demonstrate "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

<sup>6</sup> 35 U.S.C. § 271 (2003).

<sup>7</sup> *See, e.g.,* *Paulik v. Rizkalla*, 760 F.2d 1270, 1276 (Fed. Cir. 1985) ("The reason for the patent system is to encourage innovation and its fruits.").

<sup>8</sup> *See, e.g.,* *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) ("The immediate effect of our copyright law is to secure a fair return for an 'author's' creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.").

<sup>9</sup> *See generally* WILLIAM M. LANDES & RICHARD R. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* (Harvard Univ Press 2003).

similarity of the goods and services offered (i.e., similarity of the markets), the channels of trade and distribution between the two goods (i.e., where sold and by whom), and the sophistication of the purchasers.<sup>10</sup> In the early twentieth century, the key inquiry by the courts was whether the marks were similar and whether they were used on goods in the same market since “courts often held that infringement could only occur when the plaintiff’s and defendant’s products competed in the same market.”<sup>11</sup> Courts gradually began to expand this narrow “same market” principle, finding in 1917, for instance, that the use of “Aunt Jemima” on syrup infringed the mark “Aunt Jemima” used on pancake batter,<sup>12</sup> and in 1927 that “Yale” flashlights infringed on “Yale” locks.<sup>13</sup> However, even after this broadening, courts still looked for a strong relationship between the product categories before finding infringement. Due in part to this limitation on trademark protection, Frank Schechter, in his seminal article *The Rational Basis of Trademark Protection*, argued that any use of a distinctive mark by another business, whether or not it would create a likelihood of confusion, could nonetheless *dilute* the selling power of the trademark by reducing its singularity and uniqueness.<sup>14</sup> Schechter believed that trademark protection should be broad since “all the rest of infinity is open” for use by competitors and with this article, the dilution movement began.<sup>15</sup>

## II. TRADEMARK DILUTION

Protection from trademark infringement is inherently consumer-oriented, but trademark dilution, on the other hand, is not. As Professor Long has noted:

Trademark law, at least in its classical form, is directed at preventing harm to consumers through the misleading or confusing use of trademarks . . . .

. . . .  
 . . . By contrast, dilution law is producer-focused . . . [i]t seeks to prevent diminution in the value of a famous mark . . .

<sup>10</sup> For an example of these multi-factor tests, see, e.g., *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) and *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

<sup>11</sup> Daniel M. Klerman, *Trademark Dilution, Search Costs, and Naked Licensing*, USC Law Legal Studies Paper No. 05-23 (Dec. 2005) (citing J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 24.2 (2005)), available at <http://ssrn.com/abstract=870089>.

<sup>12</sup> See *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 409-10 (2d Cir. 1917).

<sup>13</sup> See *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).

<sup>14</sup> Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 833 (1927).

<sup>15</sup> Chris Brown, *A Dilution Delusion: The Unjustifiable Protection of Similar Marks*, 72 U. CIN. L. REV. 1023, 1026 (2004) (quoting Schechter, *supra* note 14, at 833).

by someone other than the trademark holder.<sup>16</sup>

### A. *What is Dilution?*

Trademark dilution refers to the gradual whittling away of a famous trademark's capacity to serve as a unique source identifier.<sup>17</sup> Some actionable examples Congress contemplated in passing this legislation were "DUPONT shoes, BUICK aspirin, and KODAK pianos."<sup>18</sup> Dilution is defined by federal law as an "association arising from the similarity between a mark or trade name and a famous mark" that either "impairs the distinctiveness of the famous mark" (blurring) or "harms the reputation of the famous mark" (tarnishment).<sup>19</sup> Dilution first became actionable under federal law in 1995 via the Federal Trademark Dilution Act (the "FTDA"), which was amended in 2006.<sup>20</sup> Until 1995, dilution protection was up to the legislatures of individual states.<sup>21</sup> In passing the Federal Trademark Dilution Act of 1995, Congress decided that patchwork state protection was not adequate for safeguarding the goodwill and substantial investment of famous mark holders. It reasoned that a "federal dilution statute is necessary because famous marks ordinarily are used on a nationwide basis . . . [and] some courts are reluctant to grant nationwide injunctions for violation of state law."<sup>22</sup> Dilution typically comes in one of two forms.

### B. *Types of Dilution*

#### 1. Dilution by Blurring

Blurring occurs when the "unique and distinctive significance of a mark is weakened."<sup>23</sup> Blurring was poignantly explained in

<sup>16</sup> Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1033-34 (2006).

<sup>17</sup> The Trademark Dilution Act, 15 U.S.C. § 1127 (2005), originally defined dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." Construction and Definitions; Intent of Chapter, Trademarks, 15 U.S.C. § 1127 (2005) (this definition has been particularized in the TDRA).

<sup>18</sup> H.R. REP. NO. 104-374, at 3 (1995), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1029.

<sup>19</sup> Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 4, 109 Stat. 985 (codified as amended at 15 U.S.C. § 1127 (2000)) (current version at 15 U.S.C. § 1125 (2006)).

<sup>20</sup> Trademark Dilution Revision Act, 15 U.S.C. § 1125(c) (2006) [hereinafter "TDRA"].

<sup>21</sup> Many state legislatures found Schechter's article persuasive. In 1947, Massachusetts became the first state to adopt a dilution statute. Paige Dollinger, Paper, *The Federal Trademark Anti-Dilution Act: How Famous is Famous?*, Chicago-Kent College of Law: Dean's Pages, available at <http://www.kentlaw.edu/honorsscholars/2001students/writings/dollinger.html> (citing Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 18 SETON HALL LEGIS. J. 433, 438 (1994)). Subsequently, about half the states would follow and in 1995 the Federal Trademark Dilution Act was signed into law. See *id.* at n.29.

<sup>22</sup> Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c), H.R. REP. NO. 104-374, at 3-4 (1995).

<sup>23</sup> Kellogg Co. v. Exxon Mobile Corp., 192 F. Supp. 2d 790, 797 (W.D. Tenn. 2001) (citing

Schechter's article, in which he provided an example of how the "Rolls Royce" mark may become blurred. He stated "if you allow 'Rolls Royce restaurants,' and 'Rolls Royce cafeterias,' and 'Rolls Royce pants,' and 'Rolls Royce candy,' in ten years you will not have the Rolls Royce mark any more [sic]."<sup>24</sup> This is certainly the type of reasoning Congress empathized with when it passed the FTDA in 1995. Committee reports at the time of the bill's passage indicate that members of Congress compared the harm suffered by trademark owners from dilution to an infection "which if allowed to spread, will inevitably destroy the advertising value of the mark."<sup>25</sup> Dilution has also been analogized to "death by a thousand bee stings."<sup>26</sup> Marks that have been found to blur by courts include Tiffany's Restaurants (found to blur the Tiffany & Co. jewelry mark),<sup>27</sup> Hyatt Legal Services (found to blur the Hyatt Hotel mark),<sup>28</sup> and Herbozac for use as an herbal anti-depressant (found to blur the mark "Prozac").<sup>29</sup>

Some commentators have argued that dilution law, in addition to protecting producers, can also be viewed as protecting consumers, because "diminution of the famous mark's ability to identify a product increases consumers' search costs."<sup>30</sup> Landes and Posner have discussed blurring in such terms, arguing that where many producers use another's famous and distinctive marks (even if on high-quality products), consumers will spend more mental time and effort to associate a particular brand name with a product, group of products, or product attribute.<sup>31</sup> Maureen Morrin and Jacob Jacoby have found experimentally-designed support for this proposition, reporting that participants shown dilutive marks increase their mental time and effort in making later associations.<sup>32</sup>

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*Exxon Corp. v. Oxford Clothes, Inc.*, 109 F.3d 1070, 1081 (5th Cir. 1997)).

<sup>24</sup> David S. Welkowitz, *Reexamining Trademark Dilution*, 44 VAND. L. REV. 531, 539 (1991) (quoting Hearings Before the House Comm. on Patents, 72d Cong., 1st Sess. 15 (1932) (statement of Frank Schechter)).

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

<sup>26</sup> Trademark Dilution Action 2005, 151 CONG. REC. H2121-01, at \*H2123 (2005).

<sup>27</sup> *Tiffany & Co. v. The Boston Club, Inc.*, 231 F. Supp. 836, 843 (D. Mass. 1964).

<sup>28</sup> *Hyatt Corp. v. Hyatt Legal Servs.*, 736 F.2d 1153, 1156-57 (7th Cir. 1984).

<sup>29</sup> *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 467-69 (7th Cir. 2000).

<sup>30</sup> Long, *supra* note 16, at 1035.

<sup>31</sup> See generally LANDES & POSNER, *supra* note 9.

<sup>32</sup> See, e.g., Maureen Morrin, Jonathan Less & Greg M. Allenby, *Determinants of Trademark Dilution*, 33 J. CONSUMER RESEARCH 248, 252 (2006) (providing empirical support that "consumer exposure to brand diluting logos tends to reduce brand-exclusive recall levels"); Maureen Morrin & Jacob Jacoby, *Trademark Dilution: Empirical Measures for an Elusive Concept*, 19 J. PUB. POLY & MKT. 265 (2000) (reporting that "the evidence suggests that trademark dilution can reduce the strength of pre-existing brand association through the creation of additional nodes in consumer brand-based memory networks").

For example, participants shown the mark "Heineken Popcorn" agreed that Heineken was a brand of beer only 82.8% of the time whereas those who had not been exposed to the "Heineken Popcorn" mark agreed 92.1% of the time. *Id.* at 265-76.



## 2. Dilution by Tarnishment

Blurring, then, refers to a weakening in the capacity of a mark to identify its source. Tarnishment, on the other hand, refers to damage to the reputation of a trademark through an association “that is totally dissonant with the image projected by the mark.”<sup>33</sup> Trademark tarnishment has little to do with Schechter’s original formulation of trademark dilution, but was nevertheless recently embraced by Congress. Some of the clearest examples of courts finding dilution by tarnishment include “Papal Visit” and “Pastoral Visit” on adult themed websites (held to have tarnished the archdioceses of St. Louis),<sup>34</sup> Candyland.com<sup>35</sup> on adult themed websites (held to have tarnished the mark held by Hasbro on the popular childhood board game Candyland), and “Enjoy Cocaine”<sup>36</sup> (held to have tarnished Coca-Cola’s “Enjoy Coca-Cola” logo). Although traditionally courts construed tarnishment narrowly, and chose instead to find dilution almost exclusively in cases where marks were associated with lewd or unsavory characteristics, courts eventually began to entertain tarnishment claims that alleged an improper association of a brand to mere images of shoddy quality or other non-lewd but yet unfavorable connections. For instance, in 1986 a California district court found the brand “Cativa” and “Dogiva” *tarnished* the famous “Godiva” mark used to market gourmet chocolates and related upscale products.<sup>37</sup> Also in another tarnishment case, the makers of “Cabbage Patch Kids” dolls successfully enjoined a chewing gum manufacturer that used, as a promotion, stickers under the name “Garbage Pail Kids” that depicted dolls with features similar to Cabbage Patch Kids dolls in “frequently noxious settings.”<sup>38</sup>

### C. Proving Dilution

After the FTDA was first signed into law by President Clinton, federal courts began to struggle with several unanswered questions. For instance, it was unclear whether tarnishment was specifically protected under the statute, whether a mark had to be famous on a national level to enjoy protection, or whether niche or particular market fame would suffice. Most importantly, it was unclear whether a showing of actual harm or likelihood of harm

<sup>33</sup> Kellogg Co. v. Exxon Mobile Corp., 192 F. Supp. 2d 790, 797 (W.D. Tenn. 2001) (citing Exxon Corp. v. Oxford Clothes, Inc., 109 F.3d 1070, 1081 (5th Cir. 1997)).

<sup>34</sup> Archdiocese of St. Louis v. Internet Entm’t Group, 34 F. Supp. 2d 1145, 1146 (E.D. Mo. 1999).

<sup>35</sup> Hasbro, Inc. v. Internet Entm’t Group, Ltd., No. C96-130WD, 1996 WL 84853, at \*1 (W.D. Wash. Feb. 9, 1996).

<sup>36</sup> Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1190 (E.D.N.Y. 1972).

<sup>37</sup> Grey v. Campbell Soup Co., 650 F. Supp. 1166, 1175–76 (C.D. Cal. 1986);

<sup>38</sup> Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc., 642 F. Supp. 1031, 1032, 1041 (N.D. Ga. 1986).



was required in order to receive an injunction. Struggling with the last of these questions, the circuits split in their decisions. In *Ringling Brothers*,<sup>39</sup> the Fourth Circuit held that a showing of actual economic harm was required before dilution can be established, while in *Nabisco*,<sup>40</sup> the Second Circuit held that sufficient proof required a factor analysis to evaluate whether dilution was likely established. The Supreme Court weighed in on this split in *Moseley v. Victoria's Secret Catalogue, Inc.*, where it adopted the *Ringling Brothers'* formulation of proof and required a showing of "actual economic harm" to the mark holder before an injunction could be issued.<sup>41</sup> However, two years after *Moseley*, Congress legislatively overruled the decision, and in doing so significantly clarified the federal dilution statute.<sup>42</sup>

Since the primary remedy for dilution is an injunction, Congress believed that a showing of actual economic harm, the requirement under the *Moseley* standard, would not serve to prevent dilutive use in time to save the mark from damage to its reputation.<sup>43</sup> Congress did not believe that the actual harm standard was capable of un-ringing the bell of dilution damage and stated that "[b]y the time measurable, provable damage to the mark has occurred, much time has passed, the damage has been done, and the remedy, which is injunctive relief, is far less effective."<sup>44</sup>

The TDRA changes previous federal dilution law in four ways: (1) it explicitly adopts a "likelihood of dilution" standard; (2) it rejects the notion of niche or market fame and provides four factors to consider when evaluating a mark's famousness; (3) it provides explicitly for both dilution by blurring and dilution by tarnishment and provides definitions and criteria for establishing each; (4) and lastly, it significantly expands the scope of exceptions for fair use, explicitly naming *parody* as non-actionable under the dilution statute.<sup>45</sup>

The elements of dilution under the new statute require a plaintiff to first show (1) that the alleged dilutor's mark was used in commerce; (2) that the senior mark is famous and distinctive; (3) that the dilutor's use of the senior mark occurred after the senior mark became famous; and (4) that, due to an association

<sup>39</sup> *Ringling Bros.-Barnum & Bailey Circus Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 453 (4th Cir. 1999).

<sup>40</sup> *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 214 (2d Cir. 1999).

<sup>41</sup> *Moseley v. Victoria's Secret Catalogue, Inc.*, 537 U.S. 418, at 433 (2003), remanded to No. 3:98CV-395-S, 2008 WL 2152189 (W.D. Ky. May 21, 2008).

<sup>42</sup> 15 U.S.C. § 1125(c).

<sup>43</sup> *Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the House Comm. on the Judiciary*, 109th Cong., 1st Sess. 3 (2005) (statement of Anne Gundelfinger, President of the Int'l Trademark Ass'n).

<sup>44</sup> *Id.*

<sup>45</sup> Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1156 (2006).

between the marks, either (a) there is a likelihood that the senior mark's distinctiveness will be impaired (blurring) or (b) that its reputation will be harmed (tarnishment).<sup>46</sup>

#### D. *Famousness*

Dilution protection can be said to mimic patent and copyright infringement protection in the sense that it is aimed at protecting the intellectual property owner's rights regardless of consumer confusion. Dilution protection comes much closer to patent-like monopolies, or "rights-in-gross," on words in the English language than does infringement protection. In fact, dilution law, can provide potentially *indefinite protection* (i.e., as long as the mark owner continues to use the mark as a source identifier) which may outlast the twenty year protection afforded by a patent,<sup>47</sup> and even the seventy years plus the life of the author time limit afforded by a copyright.<sup>48</sup> In balancing this powerful protection, the federal statute reserves it for use only with *famous* marks and contains liberal provisions for fair use including parody.<sup>49</sup> The TDRA provides four factors for courts to use in determining whether a mark is famous, and courts have construed this requirement narrowly.<sup>50</sup>

In *Avery Dennison Corp. v. Sumpton*, the court explained the effect the famousness requirement serves in dilution law.<sup>51</sup> The court reasoned that "a carefully-crafted balance exists between protecting a trademark and permitting non-infringing uses. In the dilution context, likelihood of confusion is irrelevant . . . [and therefore] [i]f dilution protection were accorded to [non-famous] trademarks . . . we would upset the balance in favor of over-protecting trademarks, at the expense of potential non-infringing uses."<sup>52</sup> The court went on to state that "[t]o be capable of being diluted, a mark must have a degree of *distinctiveness* and 'strength' beyond that needed to serve as a trademark."<sup>53</sup>

<sup>46</sup> 15 U.S.C. § 1125(c) (2006).

<sup>47</sup> 35 U.S.C. § 154(a)(2) (2002).

<sup>48</sup> 17 U.S.C. § 302(a) (2007).

<sup>49</sup> Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 4, 109 Stat. 985 (codified as amended at 15 U.S.C. § 1127 (2000)) (current version at 15 U.S.C. § 1125 (2006)).

<sup>50</sup> See *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117 (D. Mass. 1999) for an example of the strictness with which courts employ the famousness requirement. There, the court found that Hasbro's mark "Clue," as applied to the popular sleuthing board game, was not famous. *Id.* at 132. The court stated that "courts should be discriminating and selective in categorizing a mark as famous," and held that "Hasbro has failed to establish that its mark . . . is famous and thus entitled to protection from dilution." *Id.* (quoting *IP Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 46-47 (1st Cir. 1999)). The court found particularly relevant the fact that numerous third parties use the common word "Clue," which diminished the mark's distinctiveness and entitlement to protection. *Id.*

<sup>51</sup> *Avery Dennison Corp. v. Jerry Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999).

<sup>52</sup> *Id.*

<sup>53</sup> *Id.* at 876 (emphasis added).

### E. *Distinctiveness*

Distinctiveness, in trademark law, refers in a basic sense to how legally worthy a mark is of legal protection based on the uniqueness of the term weighed against the harm of preventing others from using the term.<sup>54</sup> The TDRA mandates that marks be distinctive to receive dilution protection.<sup>55</sup>

To evaluate a mark's level of distinctiveness, courts have fashioned a categorical spectrum.<sup>56</sup> The trademark spectrum contains four categories of marks: generic, descriptive, suggestive, and arbitrary/fanciful.<sup>57</sup> Generic trademarks are the weakest and are entitled to no protection, while arbitrary/fanciful marks enjoy the strongest protection under the law.<sup>58</sup>

A generic mark is one that "refers, or has come to be understood as referring, to the genus of which the particular product is a species."<sup>59</sup> Since generic terms refer to categories of goods,

[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification, it cannot deprive competing manufacturers of the product of the right to call an article by its name.<sup>60</sup>

This absolute bar on generic words prevents companies from obtaining property rights in words that are necessary for competitors to adequately refer to their products. For example, if an apple producer operated under the name "Granny Smith" you would be left with an apple company named "Granny Smith Apples." If a trademark was granted to such a mark, other growers may have added difficulty referring to a particular variety of apples. To avoid legal trouble, a competitive grower may have to resort to calling their apples "bright green, waxy apples that are juicy and crisp with a tart acidity" instead of simply a "Granny Smith apple."

<sup>54</sup> See generally, Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, §§ I & II (1997), which discusses in detail the concept of distinctiveness.

<sup>55</sup> As the court in *Best Vacuums* put it:

The amendment makes more clear that being distinctive is a necessary element of a mark being famous. Section 1125(c)(1) now provides for relief based on "a famous mark that is distinctive" . . . . The degree of distinctiveness is no longer expressly listed as a factor to consider "[i]n determining whether a mark possesses the requisite degree of recognition."

*Best Vacuums, Inc. v. Ian Design, Inc.*, 2006 WL 3486879, at \*5 (N.D.Ill. Nov. 29, 2006).

<sup>56</sup> *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976); see also Dinwoodie, *supra* note 54, at § II.

<sup>57</sup> Dinwoodie, *supra* note 54, at § II (reviewing the classical trademark spectrum). Spectrum is derived in part from the language in *Abercrombie*. 537 F.2d at 9-11.

<sup>58</sup> *Abercrombie*, 537 F.2d at 9-11.

<sup>59</sup> *Id.* at 9.

<sup>60</sup> *Id.*

A term such as “Granny Smith” is so seemingly uncreative, and as a quasi-property right, so potentially detrimental to other manufacturers, that the Trademark Act affords absolutely no protection to such terms.

The tougher case is a descriptive mark, such as “Succulent Apples.” “Succulent” does not actually refer to a species of apple. It is a common descriptive term that is applied to apples generally. A merely descriptive term, such as succulent, is not entitled to protection. However, descriptive marks, as opposed to generic marks, can become distinctive if they acquire secondary meaning.<sup>61</sup> Secondary meaning, often referred to as “acquired distinctiveness,” occurs when a mark, “because of association with a particular product or firm over a period of time . . . has come to stand in the minds of the public as a name or identification for that product or firm.”<sup>62</sup> For example, once “Ben & Jerry’s” becomes associated in the minds of a significant portion of the consuming public with a specific Vermont company that produces ice cream under the label “Ben and Jerry’s,” or “Philadelphia” comes to describe a distinct brand of cream cheese, they are no longer terms merely descriptive of the company’s founders or origin. Rather, it is now distinctive and enjoys stronger trademark protection. If “succulent” as applied to apples ever came to mean a specific apple-producing company, rather than a quality of the apple itself, it would obtain secondary meaning.<sup>63</sup> In which case another apple grower would still be completely within their legal rights to claim that their apples are “succulent,” if in fact they are. These growers may not, however, use the mark confusingly, in an attempt to indicate to consumers that they are the company known as “Succulent Apples.” Yet they would be permitted to claim “our apples are quite succulent” or any such statement using the word “succulent” with similar effect.<sup>64</sup>

Suggestive and arbitrary/fanciful marks are considered to have “inherent distinctiveness” and are not required to have sec-

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<sup>61</sup> As the court in *Abercrombie* stated, “the English language has a wealth of synonyms and related words with which to describe the qualities which manufacturers may wish to claim for their products and the ingenuity of the public relations profession supplies new words and slogans as they are needed.” 537 F.2d at 11.

<sup>62</sup> *John Allan Co. v. Craig Allen Co.*, 505 F. Supp. 2d 986, 1000 (D. Kan. 2007) (quoting *Marker Int’l v. De Bruler*, 844 F.2d 763, 764 (10th Cir. 1988)).

<sup>63</sup> Yet even descriptive marks that have acquired secondary meaning are still available for use by competitors in a non-confusing way. The court in *Abercrombie* held that “[w]hen a plaintiff has chosen a mark with some descriptive qualities, he cannot altogether exclude some kinds of competing uses even [after it has acquired secondary meaning].” *Abercrombie*, 537 F.2d at 12.

<sup>64</sup> See, e.g., *Abercrombie*, 537 F.2d 4. Although defendants were not permitted to use the term “Safari” to mislead consumers into thinking their clothing was associated with Abercrombie & Fitch’s Safari line of clothing, using the term to describe a type of boot as a non-source identifier was deemed fair use. *Id.*

ondary meaning in order to enjoy trademark protection.<sup>65</sup>

Suggestive marks are marks that require the hearer to use some imagination and thought in determining the nature of the goods. The mark “Orange Crush” does not immediately describe a characteristic of the carbonated soft drink.<sup>66</sup> However, the connotation of squeezing or crushing oranges to extract flavor comes to mind once the hearer learns of the specific product the mark is describing (some other examples include: “Jaguar” as applied to automobiles and “Hercules” as applied to rope). Arbitrary marks are, just as they sound, arbitrary – there is no rational relationship between the name and the product’s or service’s attributes (e.g., “Apple” when applied to computers and software and “Foxy” when applied to lettuce).<sup>67</sup> Fanciful or coined marks are marks that are developed from scratch and have no meaning aside from their application as a trademark (e.g., “Kodak”, “Exxon”, “Clorox” and “Listerine”).<sup>68</sup> Arbitrary and fanciful marks are often grouped together on the trademark spectrum and both enjoy strong trademark protection, “fanciful and arbitrary terms enjoy all the rights accorded to suggestive terms as marks without the need of debating whether the term is ‘merely descriptive.’”<sup>69</sup>

The trademark spectrum discourages manufacturers from using commonplace descriptive and generic terms when describing and marketing products and services. Such a regime not only promotes trademark creativity, but also limits monopoly power on words with a high utility in the industry. Under the TDRA, not only must a mark be distinctive, but in assessing whether or not blurring has occurred, one of the six factors listed under the Act advises courts to assess “the *degree* of inherent or acquired distinctiveness of the famous mark.”<sup>70</sup>

### III. PARODY-DILUTION CASE LAW

Generally, “[p]arody is a humorous form of social commentary and literary criticism that dates back as far as Greek antiquity.”<sup>71</sup> The Oxford English Dictionary defines parody as “[a] composition in which the characteristic turns of thought and phrase of an author are mimicked to appear ridiculous, especially

<sup>65</sup> *Abercrombie*, 537 F.2d at 10-11.

<sup>66</sup> See Roger M. Grace, *Orange Crush Becomes Oft-Cited Example of ‘Suggestive Mark,’* METROPOLITAN NEWS-ENTERPRISE, available at <http://www.metnews.com/articles/2006/reminiscing060106.htm>.

<sup>67</sup> See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:4 (3d ed. 1994).

<sup>68</sup> See *id.* at § 11:3.

<sup>69</sup> *Abercrombie*, 537 F.2d at 11.

<sup>70</sup> 15 U.S.C. § 1125(c)(2)(b)(ii) (emphasis added).

<sup>71</sup> *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 28 (1st Cir. 1987).

by applying them to ludicrously inappropriate subjects.”<sup>72</sup> As I will discuss, court definitions of parody vary, but a universal requirement is that “[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.”<sup>73</sup>

### A. *Dilution-Parody Paradox*

Juxtaposing the definition and purpose of parody against the principles of dilution law, which protect mark holders from unwanted and harmful association that weaken the mark’s identifying capacity, we find that there is strong tension in the law between parody and dilution. Most notably, “[t]he ridicule conveyed by parody inevitably conflicts with one of the underlying purposes of [anti-dilution statutes], which is to protect against the tarnishment of the goodwill and reputation associated with a particular trademark.”<sup>74</sup> The interests implicated in this clash are strong and varied. At the heart of this debate is the First Amendment, since all advertising restrictions basically amount to restrictions on speech (oftentimes commercial speech, but nonetheless speech). And, pitted against the First Amendment is the right to control one’s intellectual property or at least prevent it from being harmed by others. I have termed this tension the “dilution-parody paradox.”

#### 1. Categories of Parody

What follows is a review of trademark parody case law. These decisions, which span multiple jurisdictions, provide a survey of parody jurisprudence as applied to trademark law. Many of the litigants brought dilution claims under both federal and state dilution laws some courts used the same analysis under each claim, while some focused exclusively on state law. However, the cases were selected for their universal principles on the proper framework for evaluating trademark parodies, which are relevant regardless of forum. I have separated the cases, for analytical purposes, into five conceptual categories: (1) Non-Commercial and Hybrid Expression Parodies; (2) Source Identification Parodies; (3) Parodies that use Trademarks as a Medium; (4) Lewd, Illicit or Un-Clean Parodies; and (5) Pure Commercial Parodies.

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<sup>72</sup> *Id.* at 28 (quoting the Oxford English Dictionary).

<sup>73</sup> *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 503 (2d Cir. 1996) (quoting *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490, 494 (2d Cir. 1989)).

<sup>74</sup> *L.L. Bean*, 811 F.2d at 28 (citing *Pignons, S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 494-95 (1st Cir. 1981)).



a. “Non-Commercial” and Hybrid Expression Parodies

Since purely non-commercial speech (e.g., a discussion on an individual’s personal website or blog with no profit-generating mechanisms or a joke at a public rally or speech) is entirely outside the scope of federal dilution law, many of the cases that analyze the non-commercial nature of speech are often not faced with pure non-commercial use. Instead, they are faced with a hybrid situation, where although the sole *purpose* of the parody may not be to induce a sale for financial gain, the dissemination may nonetheless *result* in such gain. Examples of such parodies include depicting a parody on a T-shirt or mug, creating a musical parody and offering it up for sale, or incorporating a trademark into characters or skits in a for-profit TV or cable show.

Prior to the TDRA, courts analyzed parody cases under the non-commercial use exclusion of the FTDA.<sup>75</sup> Courts reviewed the legislative history for meaning and found persuasive evidence that the “non-commercial” exemption was intended to include the judicially-constructed commercial speech doctrine.<sup>76</sup> Under this doctrine, courts afforded limited protection to speech with commercial motivation “commensurate with its subordinate position in the scale of First Amendment values.”<sup>77</sup>

The court in *L.L. Bean v. Drake* addressed a trademark dilution action in the face of a hybrid speech/parody-First Amendment defense.<sup>78</sup> The Court of Appeals for the First Circuit in *L.L. Bean* went through a lengthy analysis to determine whether Maine’s anti-dilution statute applied to a two-page spread in *High Society* magazine entitled “L.L. Bean’s Back-To-School-Sex-Catalog” featuring nude models.<sup>79</sup> Similar to the magazine in *Hoffman*, Drake mocked L.L. Bean’s likeness in order to drum up magazine sales.<sup>80</sup> The lower court, despite finding that such use was “non-commercial,” determined that the spread tarnished L.L. Bean’s mark.<sup>81</sup>

The First Circuit pointed out that “[f]amous trademarks offer a particularly powerful means of conjuring up the image of their

<sup>75</sup> Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125 (c)(4)(b) (1995) (current version at 15 U.S.C. § 1125 (2006)).

<sup>76</sup> See, e.g., *Mattel, Inc. v. MCA Records, Inc.* 296 F.3d 894, 906 (9th Cir. 2002) (citing the congressional record and adopting the reasoning that “the exemption expressly incorporates the concept of ‘commercial’ speech from the ‘commercial speech’ doctrine, and proscribes dilution actions that seek to enjoin famous marks in ‘non-commercial’ uses”).

<sup>77</sup> See, e.g., *Hoffman v. Capital Cities*, 255 F.3d 1180, 1884 (9th Cir. 2001) (holding that, where magazine editors dressed Dustin Hoffman’s image from the movie *Tootsie* in women’s clothes to draw attention to the for-profit magazine, such use did not fall outside the protection of the First Amendment as purely commercial speech just because it may have helped to sell more copies).

<sup>78</sup> *L.L. Bean*, 811 F.2d 26.

<sup>79</sup> *Id.* at 30-34.

<sup>80</sup> *Id.* at 27.

<sup>81</sup> *Id.* at 26.



owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary. Rules restricting the use of well-known trademarks may therefore restrict the communication of ideas.”<sup>82</sup> But the court also noted that “harm occurs when a trademark’s identity and integrity – its capacity to command respect in the market – is undermined due to its inappropriate and unauthorized use by other market actors.”<sup>83</sup>

After reviewing a plethora of case law, the court distinguished the facts from other trademark parody cases by noting that here the use was “non-commercial” and the parody was an artistic or editorial one. The court noted that such anti-dilution statutes may provide legitimate regulations on speech, when the “expression relate[s] solely to the economic interests of the speaker and its audience.”<sup>84</sup> The court found that “the district court’s application of the Maine anti-dilution statute to [the] appellant’s noncommercial parody [could not] withstand constitutional scrutiny.”<sup>85</sup> The court in *L.L. Bean* thus provides for a fact-intensive inquiry into trademark parody cases, urging courts to scrutinize the commercial nature of the parodist’s speech. This approach was noticeably applied in *Mattel, Inc. v. Walking Mountain Products*, where defendants displayed nude Barbie dolls being attacked by kitchen appliances to criticize the “objectification of women associated with Barbie.”<sup>86</sup> The court found dilution was not applicable since this use fell into the “non-commercial” speech exception under the FTDA, despite the fact that the defendant earned over \$3,000 in sales.<sup>87</sup>

On a similar footing is political speech. Despite the fact that political ads may serve to generate large amounts of revenue for campaigns and political races, courts uniformly do not consider such actions purely or even mostly commercial.<sup>88</sup>

#### b. Source Identification Parodies

In *Kraft Foods Holdings, Inc. v. Helm*,<sup>89</sup> the owner of the “Vel-

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<sup>82</sup> *Id.* at 30.

<sup>83</sup> *Id.* at 31.

<sup>84</sup> *L.L. Bean*, 811 F.2d at 32 (quoting *Cent. Hudson Gas & Elec. v. Pub. Serv. Comm’n*, 447 U.S. 557, 561 (1980)).

<sup>85</sup> *Id.* at 33.

<sup>86</sup> *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

<sup>87</sup> *Id.*

<sup>88</sup> See *MasterCard Int’l Inc. v. Nader* 2000 Primary Comm., Inc., 2004 WL 434404, at \*7 (S.D.N.Y. Mar. 8., 2004) (finding that the use of plaintiff’s trademarks is not commercial, but instead, political in nature and that therefore it is exempted from coverage by the Federal Trademark Dilution Act); *American Family Life Ins. v. Hagan*, 266 F. Supp. 2d 682, 697 (N.D. Ohio 2002) (holding that solicitation and the making of campaign contributions “is much more than merely a commercial transaction. Indeed, this exchange is properly classified not as a commercial transaction at all, but completely noncommercial, political speech”).

<sup>89</sup> *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942 (N.D. Ill. 2002).

veeta” cheese mark sued a web artist, Helm, who used the nickname “King VelVeeda” on his website (<http://www.cheesygraphics.com>), which provided spoof art and products that were often in some way related to cheese. He used the nickname as a pseudonym, signing his artwork with the name and actually referring to himself as “King VelVeeda.” Much of the art was of a sexually explicit nature. The court found that the nature of the website tarnished Kraft’s image as a producer of “wholesome family food products.”<sup>90</sup> The court in *Kraft* drew a distinction between parodies as harmless jokes and the parody at issue here, which involved a connection with illegal drug paraphernalia and illicit sexual content.<sup>91</sup> The court found that the commercial activities of the defendant’s art were not so inextricably tied to non-commercial activities so as to trigger heightened scrutiny for regulating speech and that Helm did not use the mark in connection with political or social commentary.<sup>92</sup> However, the court found it highly relevant that the defendant was using “King VelVeeda” as a *designation of source* and not as the object of his work, since Helm was the source of the art and he was using the nickname to identify himself.<sup>93</sup> Some other examples where trademarks parodies are used as source identifiers include: “Balloonigdales” (used as a mark for a party decorating service),<sup>94</sup> “Gucci Gucci Goo” (used as a mark for hand-crafted baby gifts)<sup>95</sup> and “Mister Charbucks” (used on dark roasted coffee and subsequently sued by Starbucks for dilution).<sup>96</sup>

### c. Parodies that Use Trademarks as a Medium

In *Anheuser-Busch, Inc. v. Balducci Publications*,<sup>97</sup> an ad that appeared on the back cover of a humor magazine and that parodied one of Anheuser-Busch’s family of beers was found to tarnish Anheuser-Busch’s “Michelob” mark.<sup>98</sup> Plaintiff advertised Michelob brand beer using the slogan “One Taste and You’ll Drink It Dry,” while the parody proclaimed “One Taste and You’ll Drink It Oily” and featured a thick, viscous oil emanating from a can of Michelob beer and gushing onto the famous Anheuser-Busch “A and

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<sup>90</sup> *Id.* at 942.

<sup>91</sup> See *infra* Part III.a.1.(d) for a discussion of lewd parodies.

<sup>92</sup> *Kraft Foods*, 205 F. Supp. 2d at 942.

<sup>93</sup> *Id.* at 944.

<sup>94</sup> See Ballooningdale’s, <http://www.ballooningdales.co.uk/> (last visited Oct. 6, 2008) (with locations in the United States).

<sup>95</sup> See Gucci Gucci Goo, <http://gucciguccigoogifts.com/> (last visited Oct. 6, 2008).

<sup>96</sup> *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 2004 WL 2158120 (S.D.N.Y. Sept. 28, 2004), *vacated*, 477 F.3d 765 (2d Cir. 2007), *remanded to* 559 F. Supp. 2d 472 (S.D.N.Y. 2008).

<sup>97</sup> *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769 (8th Cir. 1994).

<sup>98</sup> *Id.* at 778-79.

Eagle” logo.<sup>99</sup> The eagle was depicted dripping with oil and exclaiming “Yuck.”<sup>100</sup> Although the court found infringement, it also reached the dilution claims.<sup>101</sup> Balducci claimed that the First Amendment prevented the court from enjoining a non-commercial parody under Missouri’s anti-dilution statute.<sup>102</sup> The court held that Balducci’s “unsupported attack” that Anheuser-Busch products were contaminated with oil was not necessary to convey Balducci’s message which was to comment on the Gasconade oil spill and water pollution generally.<sup>103</sup> The court also found relevant the fact that the ad was not inside the magazine but prominently displayed on the back cover with only a tiny disclosure notice.<sup>104</sup>

Next, the court in *Dr. Seuss Enterprises L.P. v. Penguin Books USA, Inc.* further fleshed out the *Anheuser-Busch* “necessity” test.<sup>105</sup> Although the case arose primarily in the copyright context, plaintiffs brought trademark claims as well.<sup>106</sup> In *Dr. Seuss*, the plaintiff sought to enjoin a poetic account of the O.J. Simpson double murder trial entitled “The Cat NOT in the Hat! A Parody by Dr. Juice.”<sup>107</sup> Seuss owned the common law trademark rights to the words “Dr. Seuss” and “Cat in the Hat,” as well as the character illustration of the Cat’s stove-pipe hat and various copyrights.<sup>108</sup> The poem included stanzas such as “One Knife? / Two Knife? / Red Knife / Dead Wife,” which the court found “no doubt mimics the first poem in Dr. Seuss’ *One Fish Two Fish Red Fish Blue Fish*: ‘One fish / two fish / red fish / blue fish.’”<sup>109</sup> The court held that the similarity between Dr. Seuss’ style and the parody was not warranted where, as here, the authors were not intending to actually comment on Dr. Seuss or a specific Dr. Seuss work.<sup>110</sup>

In *Campbell v. Acuff-Rose Music*, the United States Supreme Court stated that “for the purposes of copyright law, the nub of the definitions, and the heart of any parodist’s claim to quote from existing material, is the use of some elements of a prior author’s composition to create a new one *that, at least in part, comments on that author’s works.*”<sup>111</sup> The court drew a sharp line between “parodies” and “satires” and pointed out the difference

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<sup>99</sup> *Id.* at 771-72.

<sup>100</sup> *Id.*

<sup>101</sup> *Id.* at 777-79.

<sup>102</sup> *Anheuser-Busch*, 28 F.3d at 778.

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

<sup>104</sup> *Id.*

<sup>105</sup> *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997).

<sup>106</sup> *Id.* at 1394.

<sup>107</sup> *Id.* at 1396.

<sup>108</sup> *Id.*

<sup>109</sup> *Id.* at 1401.

<sup>110</sup> *Id.*

<sup>111</sup> *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 580 (1994) (emphasis added).

between the two: a parody, the court said “needs to mimic an original to make its point, and so has some claim to use the creation of its victim’s (or collective victims’) imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.”<sup>112</sup> This is an important distinction since it gets at the very definition of a parody. If a parody must comment specifically on what it is parodying in order to truly be a parody, then even the broad parody exception of 15 U.S.C. § 1125(c)(3)(A)(ii) under the TDRA arguably would not apply. For satire to be protected it would have to fall under the “any fair use” provision of 15 U.S.C. § 1125(c)(3)(A) or the non-“commercial use” provision of 15 U.S.C. § 1125(c)(3)(C).

d. Lewd, Illicit, or Un-clean Parodies

In *Pillsbury Co. v. Milky Way Productions, Inc.*, the court found dilution in an ad in *Screw Magazine* which depicted plaintiff’s trade characters “Poppin’ Fresh” and “Poppie Fresh” engaged in sexually indiscriminate acts.<sup>113</sup> The court found that “the owner of these marks should not have to stand by and watch the diminution in their value as a result of unauthorized uses by others.”<sup>114</sup> The court found that the key question in these types of cases is whether “the contested use is likely to injure its commercial reputation or dilute the distinctive quality of its marks.”<sup>115</sup> Courts in various jurisdictions have addressed the issue of unsavory parodies and have provided a general sense of what little tolerance they have for lewd, illicit or un-clean parodies.<sup>116</sup>

On the other hand, courts seem to have an extraordinarily high tolerance for clean trademark parodies. For instance, in *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, Jordache, the Court of Appeals for the Tenth Circuit reviewed a case in which a popular jeans manufacturer, sought to enjoin the maker of a brand of jeans marketed towards heavy-set women with a pig logo and the word “Lardache.”<sup>117</sup> Jordache argued that this parody diluted their marks.<sup>118</sup> This case was argued in 1987, well before Congress had made dilution actionable. The district court applied the New Mexico anti-dilution statute and found that there was no harm likely to occur to the Jordache mark and found that “while

<sup>112</sup> *Id.* at 581-82.

<sup>113</sup> *Pillsbury Co. v. Milky Way Prods, Inc.* 1981 WL 1402 (N.D. Ga. Dec. 24, 1981).

<sup>114</sup> *Id.* at \*14.

<sup>115</sup> *Id.*

<sup>116</sup> See *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972) (enjoining “Enjoy Cocaine” posters because “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.”)

<sup>117</sup> *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1483-84 (10th Cir. 1987).

<sup>118</sup> *Id.* at 1488.

'LARDACHE' might be considered to be in poor taste by some consumers . . . it is not likely to create in the mind of consumers a particularly unwholesome, unsavory, or degrading association with plaintiff's name and marks", a decision which was upheld on appeal.<sup>119</sup> Furthermore, in *Hormel Food v. Jim Henson*, Hormel, the maker of the food product "Spam," sued to enjoin depictions of one of Henson's Muppets, a wild boar, named "Spa'am."<sup>120</sup> The court engaged in a content-based analysis of the character's mannerisms and found "negative associations with Spa'am are unlikely given the character's childlike qualities and ultimately positive behavior."<sup>121</sup>

#### e. Pure Commercial Parodies

##### i. *The Parodist as a Competitor*

In the purely commercial context, the court in *Deere & Co. v. MTD Products, Inc.* addressed "whether the use of an altered version of a distinctive trademark to identify a competitor's product and achieve a humorous effect can constitute trademark dilution."<sup>122</sup> The defendants sought to run an ad in which a deer resembling the plaintiff's logo "runs, in apparent fear, as it is pursued by the [competitor's] lawn tractor and a barking dog."<sup>123</sup> The advertisement parody was found to "constitute dilution because it was likely to diminish the strength of identification between the original Deere symbol and Deere products."<sup>124</sup> The court chastised pure commercial parodies and reasoned that such parodies are less deserving of trademark protection than parodies with an expressive message:

Sellers of commercial products who wish to attract attention to their commercials or products and thereby increase sales by poking fun at widely recognized marks of noncompeting products . . . risk diluting the selling power of [the parodied] mark. When this occurs, *not for worthy purposes of expression, but simply to sell products*, that purpose can easily be achieved in other ways. The potentially diluting effect is even less deserving of protection when the object of the joke is the mark of a directly competing product.<sup>125</sup>

<sup>119</sup> *Id.* at 1490. This case could also fit in the Source Identification Parodies category, however it was placed here because the court's analysis was particularly focused on treating the mark as a non-lewd parody.

<sup>120</sup> *Hormel Foods Corp. v. Jim Henson Prods, Inc.*, 1995 WL 567369 (S.D.N.Y. Sept. 25, 1995).

<sup>121</sup> *Id.* at \*11.

<sup>122</sup> *Deere & Co. v. MTD Prods., Inc.* 41 F.3d 39, 40 (2d Cir. 1994).

<sup>123</sup> *Id.* at 41.

<sup>124</sup> *Id.* at 43.

<sup>125</sup> *Id.* at 44-45 (emphasis added) (citation omitted).

In *Harris Research, Inc. v. Lydon*,<sup>126</sup> the plaintiff, owner of the mark "Chem-Dry," was found likely to prevail on a claim for dilution, where defendants, a competitor in the carpet cleaning industry, offered for sale T-shirts and stickers containing a "Chem-Who?" logo in a color and stylized design "virtually identical" to plaintiff's trademark, "Chem-Dry."<sup>127</sup> In finding against the parodist, the court reasoned "[u]nlike cases involving permissible parodies, this case involves products and services that are similar and are in competition."<sup>128</sup>

ii. *The Parodist as a Non-Competitor*

In a strikingly similar case, *Conopco, Inc. v. 3DO Co.*, a New York district court upheld an injunction prohibiting the use of "Snuggle The Bear" in a video game commercial<sup>129</sup> designed by 3DO for a game called "BattleTanx: Global Assault," where the popular fluffy bear used to advertise fabric softener was subjected to being chased, burned, trampled, and shot at.<sup>130</sup> 3DO argued that such use was meant to "parody the existence of the Snuggle Bear-like world" by juxtaposing it with elements of a battle game.<sup>131</sup> Nevertheless, the court found that such use had the strong potential to harm Snuggle's brand image.<sup>132</sup>

Also, in *New York Stock Exchange, Inc. v. New York, New York Hotel, LLC*, the New York Stock Exchange sued the "New York, New York," a New York-themed Las Vegas casino, for running a series of advertisements and promotions making a comparison between the two industries.<sup>133</sup> Although the lower court dismissed the federal dilution claim, because the NYSE mark lacked distinctiveness, and the state tarnishment claim for lack of evidence that positive associations of the NYSE will be replaced by negative ones, the appellate court reversed that decision. It held that the NYSE has an interest in preserving "a reputation for integrity and transparency in the trading conducted on its floor. A reasonable trier of fact might therefore find that the Casino's humorous analogy to its activities – deemed by many to involve odds stacked heavily in favor

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<sup>126</sup> 505 F. Supp. 2d 1161 (D. Utah 2007).

<sup>127</sup> *Id.* at 1166.

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

<sup>129</sup> To view the commercial, please see Youtube – Nintendo 64 Battletanx – Commercial, <http://www.youtube.com/watch?v=7brl9mzmngPY> (last visited Oct. 9, 2008).

<sup>130</sup> *Conopco, Inc. v. 3DO Co.*, 53 U.S.P.Q. 2d 1146 (S.D.N.Y. 1999).

<sup>131</sup> *Id.* at 1148.

<sup>132</sup> Although the court found that 3DO reasonably complied with the initial injunction, the court noted how the Snuggle mark was harmed: "the temporal proximity of the bear's appearance in the game to the release of a new ad that so clearly conjured up SNUGGLE (Registered) Bear created the confusing similarity of which plaintiff complains and which defendant intended." *Id.*

<sup>133</sup> *N.Y. Stock Exch., Inc. v. N.Y., N.Y. Hotel, LLC*, 293 F.3d 550 (2d Cir. 2002).



of the house – would injure NYSE’s reputation.”<sup>134</sup> And in *Chemical Corp. of America v. Anheuser-Busch, Inc.*, the court found that the parody phrase “Where there’s life . . . there’s bugs” would result in a financial loss to Anheuser-Busch’s slogan “Where there’s life . . . there’s Bud,” “both by reason of confusing the source of the defendant’s product, and by reason of the peculiarly unwholesome association of ideas when the word ‘bugs’ was substituted in the slogan for the word ‘Bud,’ referring to a food product.”<sup>135</sup>

In addition, courts seem especially displeased when a trademark is associated with lewd, rude and unsavory characteristics for purely commercial purposes.<sup>136</sup> Yet, when the commercial parodist has a societal message or provides social commentary, courts are willing to give the parodist some slack even when making a point through less than wholesome means. For instance, one court upheld a song parody directed at Mattel’s Barbie Doll despite risqué lyrics such as “undress me everywhere” and “I’m a blond bimbo girl” the court found that “with Barbie, Mattel created not just a toy but a cultural icon . . . [and] with fame often comes unwanted attention.”<sup>137</sup>

#### B. *A Significant Change in the Legal Landscape?*

Taken as a whole, the case law reviewed above indicates that far from a knee-jerk parody exception, courts go to great lengths in weighing the interests of the public, the mark holder, and the parodist in determining whether to grant an injunction against a parody in the absence of confusion. The factors courts seem to find most relevant in this context include (1) whether the parodist is engaging in purely commercial activity (e.g., *Deere, Harris Research, Inc.* and *Snuggle*) or a hybrid (e.g., *L.L. Bean*); (2) whether the parodist has chosen to convey his or her message in a clean (e.g., *Hormel Foods*) or lewd manner (e.g., *Pillsbury*); (3) whether the parodist is using the trademark as a source identifier (e.g., *Kraft*) or as an object of the parody (e.g., *Mattel*); (4) whether use of the mark was necessary to carry out the parodist’s message (e.g., *Balducci*); and (5) to what extent the parodist’s use is likely to actually harm the plaintiff’s mark (e.g., *Coca-Cola* and *Topps Chewing Gum*). This body of law developed under state dilution statutes and under the original FTDA.

As discussed *supra*, before 2006 alleged dilutors who wished to claim a federal parody defense often would argue that they fell

<sup>134</sup> *Id.* at 558.

<sup>135</sup> *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433, 437 (5th Cir. 1962).

<sup>136</sup> The “core notion of commercial speech is that it ‘does no more than propose a commercial transaction.’” *Hoffman*, 255 F.3d at 1184 (9th Cir. 2001) (quoting *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66 (1983)).

<sup>137</sup> *Id.* at 898-99.



within the “non-commercial” use exception, since parody was not specifically mentioned. The 1995 Act only listed three exceptions to dilution which were (1) “fair use . . . in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark;” (2) “noncommercial use of a mark;” and (3) news reporting and news commentary.<sup>138</sup> In contrast, the 2006 statute states that the following shall not be actionable as dilution by blurring or tarnishment: (A) any fair use (normative or descriptive), or facilitation of fair use, *other than use as a source identifier* including: (1) comparative advertising, (2) identifying and *parodying*, (3) criticizing, or (4) commenting upon the famous mark, (B) news reporting and news commentary, (C) non-commercial use of the mark.<sup>139</sup>

This change in language seems to leave the judiciary’s analysis of whether a parody is dilutive a rather brief one. Under the 2006 statute, a reviewing court is to ask (1) whether the alleged dilutive activity is a “parody.” If the answer is in the affirmative, then the court is to ask (2) whether the “parody” is being used as a source identifier. If the answer is no, then the inquiry is over and a dilution action cannot be sustained.

Such an inquiry seems to significantly alter the legal landscape. As noted above, prior case law suggested a multitude of factors that a court should consider before enjoining a trademark parody. The revised dilution statute incorporates only one. If *Balducci*, *Pillsbury*, *Deere*, *Conopco*, *New York Stock Exchange*, *Chemical Corp. of America*, *Topps Chewing Gum*, *Harris Research, Inc.* and *Coca-Cola* were re-decided under the TDRA, all would likely be reversed in favor of the parodist under the 2006 statute. The fact pattern in the *Kraft* case seems to be one of the only cases, where the parodist lost, that would not be reversed if the 2006 TDRA parody exception applied, since “King VelVeeda” would likely still constitute an improper source identification.

Yet, although the language of the TDRA suggests a strict interpretation, it is not clear that this is what Congress intended. In fact, the members of Congress seem to have specifically realized the effect that such a broad parody exception could have on prior case law. During a legislative committee meeting of the “Subcommittee on Courts, the Internet, and Intellectual Property” discussing the TDRA of 2006, William Barber presented the views of the American Intellectual Property Association (AIPA). Barber discussed the precedents in *Deere*, *Balducci*, and *Coca-Cola* and stated that when a commercial use of another’s mark “cross[es] the line and causes likely damage to plaintiff’s mark, courts have

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<sup>138</sup> 15 U.S.C. § 1125.

<sup>139</sup> See generally 15 U.S.C. § 1125(c)(2)(c).

granted dilution relief.”<sup>140</sup> Barber argued that limiting protection solely to marks used by their competitors as a source identifier “would eliminate an entire body of law in which courts have been granting relief for many years” and “would eliminate the ability under the FTDA to stop this type of unfair competitive activity, and it would be open season for competitors to inflict commercial damage on well-known marks.”<sup>141</sup> Barber’s recommendations on behalf of the AIPA appear to have had a persuasive effect on Congress. At the time of Barber’s arguments, the TDRA actually contained language in section 43(c)(1) limiting injunctions to only those uses where the defendant is using the mark as a source identifier. The final version of the act eliminated the term “source identifier” throughout the bill.<sup>142</sup> Curiously, however, this language remained in section 43(c)(3) regarding defenses. This could potentially mean that Barber’s concerns were not fully addressed and that the TDRA, with regard to parody, actually does quietly overrule cases such as *Deere*, *Balducci*, *Coca-Cola* and many of the others discussed above in this section.

#### IV. IMPLICATIONS

There are at least two primary means, short of applying a blanket parody exception, by which courts may approach interpreting the TDRA parody exemption. First, courts may focus on more acutely defining the bounds of what specifically constitutes a parody. Second, courts may interpret the “fair use” language in the statutory exceptions as qualifying parody and further incorporate prior case law as properly defining fair use.

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<sup>140</sup> Trademark Dilution Revision Act of 2005: Hearing Before the Subcomm. on Courts, the Internet, and Intell. Prop. of the H. Comm. on the Judiciary, 109th Cong. 56 (2005).

<sup>141</sup> *Id.* at 56-57.

<sup>142</sup> DAVID S. WELKOWITZ, TRADEMARK DILUTION 175 (2006).

A. *Defining a “Parody”*

CHART 1: VARIOUS PARODY DEFINITIONS

Case Name	Definition
<i>Eli Lilly &amp; Co. v. Natural Answers, Inc.</i> <sup>143</sup>	A parody is: “a humorous or satirical imitation of a work of art that ‘creates a new art work that makes ridiculous the style and expression of the original.’”
<i>Suntrust Bank v. Houghton Mifflin Co.</i> <sup>144</sup>	A parody is: “a work that seeks to comment upon or criticize another work by appropriating elements of the original.”
<i>People for Ethical Treatment of Animals v. Doughney</i> <sup>145</sup>	A parody is: “defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner.”
<i>New Line Cinema Corp. v. Bertlesman Music Group, Inc.</i> <sup>146</sup>	A parody is: “‘a work in which the language or style of another work is closely imitated or mimicked for comic effect or ridicule.’”
<i>Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.</i> <sup>147</sup>	A parody is: “literary or artistic work that broadly mimics an author’s characteristic style and holds it up to ridicule.”

Many of the trademark parody cases do not spend time analyzing what a parody is. Rather, the sheer majority of cases assume that any attempt at humor while using another’s trademark is presumptively a parody. The cases that do give a more detailed dis-

<sup>143</sup> *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 463 (7th Cir. 2000) (quoting *Rogers v. Koons*, 960 F.2d 301, 309-10 (2d Cir. 1992)).

<sup>144</sup> *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1268-69 (11th Cir. 2001).

<sup>145</sup> *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (11th Cir. 2001).

<sup>146</sup> *New Line Cinema Corp. v. Bertlesman Music Group, Inc.* 693 F. Supp. 1517, 1525 (S.D.N.Y. 1988) (citing *Metro-Goldwyn-Mayer, Inc. v. Showcase Atlanta Coop. Prods., Inc.*, 479 F. Supp. 351, 356 (N.D. Ga. 1979)).

<sup>147</sup> *Dr. Seuss Enters.*, 109 F.3d at 1401.

cussion of parodic criteria range from as simple a definition as “[a] parody is devoted to making fun of its subject”<sup>148</sup> to those listed in Chart 1. Should any comical, or conceivably comical, use of another’s mark constitute parody? Is there nothing more to a modern day parody? If courts are faced with a statute providing a blanket exception for non-source identifying parodies, courts may more heavily weigh the threshold parody question. Putting together the case law definitions, if one were to flesh out a strict criteria-based definition of parody, one might wind up with a definition of a parody that demands a (1) literary or artistic work (2) that seeks to comment upon or criticize another work (3) by appropriating or mimicking elements of the original work, in order to (4) create a new art work that makes ridiculous the style and expression of the original (5) in a humorous fashion. Such criteria would provide courts with sufficient guidelines for establishing what is or is not a parody.

Therefore, if an alleged parody did not actually comment on or criticize the original (i.e. the trademark was used as a weapon and not a target), courts may characterize the attempt as a non-parody. Similarly, if the attempt would not be considered humorous to an average member of the community, the courts may decline to find a parody. If the work merely exaggerates and distorts prominent characteristics of the original mark, perhaps it should instead be properly considered a caricature<sup>149</sup> and not a parody. Courts under a more sophisticated definition of parody would dedicate more analysis to parsing out the intricacies of the parody itself. Is “One Taste and You’ll Drink it Oily” a sufficiently humorous tagline to constitute a parody? What about the phrase “Enjoy Cocaine?” Does setting Snuggle Bear on fire comment substantially on the original work? Could a casino advertisement reasonably be considered a literary or artistic work?

Some courts have engaged in this type of nuanced analysis. For instance, in *New Line Cinema Corp. v. Bertlesman Music Group, Inc.*, the court found that the alleged video parody did “not appear to make a critical comment or statement about [the original] reflecting a unique perspective. In fact, the video [did] not appear even to be *making fun* of the [the original itself].”<sup>150</sup> However, cases decided prior to the TDRA show that many courts have failed to follow suit.

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<sup>148</sup> *Paramount Pictures Corp. v. Carol Publ’g Group*, 11 F. Supp. 2d 329, 335 (S.D.N.Y. 1998).

<sup>149</sup> The definition of caricature is an “exaggeration by means of often ludicrous distortion of parts or characteristics.” MerriamWebster Online Dictionary, <http://meriamwebster.com/dictionary/caricature> (last visited Sept. 22, 2008).

<sup>150</sup> *New Line Cinema*, 693 F. Supp. at 1525.

### B. *Fair Use Parody*

The actual text of the TDRA reads:

EXCLUSIONS – The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any *fair use*, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use *in connection with*—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) *identifying and parodying*, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.<sup>151</sup>

The text excludes as actionable “any fair use . . . in connection with . . . identifying and parodying . . . the goods and services of the famous mark owner.”<sup>152</sup> One way, then, to read the statute as preserving the prior case law might be that, despite the specific parody exemption, the term “fair use” implies that some parodies, although nonetheless parodies, do not constitute fair use.

Richard Posner suggests in “When is Parody Fair Use?” that much like the case law, not every parody constitutes a protected fair use—nor should it.<sup>153</sup> In fact, Posner argues that “exemption for parodies is and should be very narrow.”<sup>154</sup> Posner compares parodies to book reviews, another form of fair use, and concludes that book reviews serve to increase the sales of the book being reviewed, leads to more credible advertising of the book (since the results are not controlled by the author), and also does not substitute demand for the book.<sup>155</sup> Parodies, however, are different. Parodies, Posner argues, do not behave in the same way as a book review economically.<sup>156</sup> He argues that a parody is a limited form of criticism that confines itself to material in which the original style used is more capable of exaggeration and distortion while ig-

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<sup>151</sup> 15 U.S.C. § 1125 (c) (3) (2006) (emphasis added).

<sup>152</sup> *Id.*

<sup>153</sup> Richard A. Posner, *When is Parody Fair Use?*, 21 J. LEGAL STUD. 1, 67-68 (1992). Although Posner is quoted throughout talking about copyright parodies he states in the article that trademark parodies in the dilution context are analytically similar to copyright parodies, claiming that “trademark parody... [where] source confusion is not an issue” involves economic analysis that “is parallel to that of copyright parodies.” *Id.* at 74.

<sup>154</sup> *Id.* at 67.

<sup>155</sup> *Id.* at 69-70.

<sup>156</sup> *Id.* at 70.

noring the rest.<sup>157</sup> He also argues parodies may substitute demand for the original work and can inappropriately be used as a “weapon” (i.e., as a satire, commenting on another work) rather than commenting on the underlying work itself.<sup>158</sup> Posner argues fair use “should provide a defense to infringement only if the parody uses the parodied work as a target rather than as a weapon or . . . simply as a resource to make a comic effect.”<sup>159</sup> His argument has particular thrust in the trademark context where, incidentally, the interests of the parodist in using an established mark to convey an unrelated message appear unpersuasive when pitted against the mark holder’s interest in protecting its marks’ reputation. Such weapon parodies can often undo mental connections and snap associations that branders work hard to create and mark holders invest significantly in. The valuable goodwill built in the mental cache of consumers is, in fact, primarily what dilution law is designed to protect. Such weapon parodies, on net, seem to provide little societal benefit since the parodist can still convey their message without negatively affecting the intellectual property of another. Of course in situations where the mark is instead the “target” of the parody, not allowing fair use could operate to rob the public of unique commentary on and criticism of notable icons that have become ingrained in the conscience of the American culture, however this argument cannot be made for weapon parodies.

It is too early to tell whether courts will interpret the TDRA parody exception as limited by the fair use language in the statute (and subsequently re-defining what such fair use may be), whether they will use the imprecise definition of “parody” as a valve to dispose of parody cases more easily in favor of defendants, or whether they will perhaps follow yet another approach. At the time this article was written, there seems to have been only one case directly related to parodies in the dilution context with significant legal analysis employed by the court under the TDRA. Nonetheless, this case may provide us with some helpful insight and may foreshadow what is to come.

## V. RECENT PARODY CASES CONSTRUING THE TDRA OF 2006

*Louis Vuitton Malletier v. Haute Diggity Dog, LLC* gives us some clues of at least how some courts will handle the new language.<sup>160</sup> In *Louis Vuitton*, the plaintiff, an upscale handbag maker, sued a dog toy manufacturer for the sale of a chew toy which it named

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<sup>157</sup> *Id.*

<sup>158</sup> *Id.* at 71.

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

<sup>160</sup> *Louis Vuitton Malletier v. Haute Diggity Dog, LLC*, 464 F.Supp.2d 495 (E.D. Va. 2006), *aff’d on other grounds*, 507 F.3d 252 (4th Cir. 2007).

“Chewy Vuitton.”<sup>161</sup> The “Chewy Vuitton” products were a series of miniature plush dog toys and beds that featured a design on the product that mimicked the famous vintage Louis Vuitton handbags and the words “Chewy Vuitton.”<sup>162</sup>

The district court applied the TDRA and determined that:

[I]n the case of parody, ‘the use of famous marks in parodies causes no loss of distinctiveness, since the success of the use depends upon the continued association with the plaintiff.’ . . . [N]o reasonable trier of fact could conclude that Plaintiff’s mark is diluted by blurring in this case.<sup>163</sup>

The court applied a blanket exception, suggesting that no parody can ever cause a loss of distinctiveness since the success of any parody depends upon the continued association with the object of the parody (in this case, the plaintiff’s mark).<sup>164</sup> This type of reasoning exemplifies the potential problem with the new language under the TDRA. Although the court did not specifically mention the parody exception, its analysis is in line with a strict reading of the statute where once a work or mark is determined to be a parody, the inquiry ends without further consideration, eviscerating a long line of well established case law, as discussed *supra*, in Part III.

An amicus brief filed with the appeal by the American International Trademark Association argued that the TDRA had been misapplied and that the court “improperly conflated the fair use/parody analysis with the threshold question of likelihood of dilution.”<sup>165</sup> Although on appeal the Fourth Circuit rejected the lower court’s dilution reasoning, the Court still affirmed the summary judgment decision in favor of Haute Diggity Dog on the basis of a different analysis.<sup>166</sup> The appellate court cited the exceptions under the TDRA and noted that a “parody is not automatically a complete *defense* to a claim of dilution by blurring where the defendant uses the parody as its own designation of source, i.e., *as a trademark*.”<sup>167</sup> Although not completely clear, this language seems to imply that at least the Fourth Circuit would consider a parody an automatic and complete defense under the TDRA where the defendant *does not* use the parody as a source identifier.

<sup>161</sup> *Louis Vuitton*, 464 F.Supp.2d at 498.

<sup>162</sup> See Haute Diggity Dog, [http://www.hautediggitydog.com/storefront/advanced\\_search\\_result.php?keywords=chewy&osCsid=js2n4gfaoac18bgb7hfu99p141&x=0&y=0](http://www.hautediggitydog.com/storefront/advanced_search_result.php?keywords=chewy&osCsid=js2n4gfaoac18bgb7hfu99p141&x=0&y=0) (last visited Oct. 6, 2008).

<sup>163</sup> *Louis Vuitton*, 464 F. Supp. 2d at 505 (quoting *Yankee Publ’g, Inc. v. News Am. Publ’g, Inc.*, 809 F. Supp. 267, 282 (S.D.N.Y. 1992)).

<sup>164</sup> *Louis Vuitton*, 464 F. Supp. 2d at 505.

<sup>165</sup> Brief of Amicus Curiae International Trademark Ass’n in Support of Vacatur and Remand, 2007 WL 834028, at \*20 (4th Cir. Mar. 14, 2007),

<sup>166</sup> *Louis Vuitton*, 507 F.3d 252.

<sup>167</sup> *Id.* at 266.



Lending further support to this interpretation, the court reasoned that because the mark was being used as a source identifier, it did not qualify for the parody exception codified in the statute.<sup>168</sup> The court then proceeded to conduct a traditional dilution analysis, as it would with a potential infringer who was non-exempt, considering “all relevant factors” (including the six specifically listed in the statute), yet still considering as a component of the analysis that the use is a parody, in determining whether the defendant’s use is likely to impair the famous mark’s distinctiveness.<sup>169</sup> This analysis is troubling because it suggests that had the mark not been used as a source identifier, an inquiry into the blurring factors would not have even been made.

The court does provide some narrow speculation for when a parody might be actionable:

[I]f the parody is so similar to the famous mark that it likely could be construed as actual use of the famous mark itself. Factor (i) directs an inquiry into the degree of similarity between the junior mark and the famous mark. If Haute Diggity Dog used the actual marks of LVM (as a parody or otherwise), it could dilute LVM’s marks by blurring, regardless of whether Haute Diggity Dog’s use was confusingly similar.<sup>170</sup>

This is a narrow exception indeed, for in most instances when the exact mark of a famous brand is used, courts will not hesitate to find likelihood of confusion. In the rare case that confusion is not likely and the mark is being used as a source identifier and not otherwise, the reasoning in *Louis Vuitton* seems to support an injunction.

The amicus brief in *Louis Vuitton* is similarly unclear on how broad the parody exception under the TDRA should be applied. On the one hand, it advances support for the notion that the parody exception is a steady rule: “[b]y creating a bright line separating non-protected, source-identifying uses from purely expressive ones, the TDRA provides clarity and directly promotes Congress’ stated goals of reducing inconsistencies among the courts.”<sup>171</sup> But the brief also suggests that something more than merely whether a contested trademark use is a parody should be considered. In order to escape liability, the court says the parody must be a “fair use.”<sup>172</sup> The brief does not indicate what might constitute fair use versus improper use, but instead provides one example of a use that would not be considered fair stating that “although parodies

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<sup>168</sup> *Id.*

<sup>169</sup> *Id.* at 267-68.

<sup>170</sup> *Louis Vuitton*, 507 F.3d at 268 (citations omitted).

<sup>171</sup> Brief of Amicus Curiae, *supra* note 160, at \*14.

<sup>172</sup> *Id.* at \*9.

of famous marks are generally protected as fair uses, use of a famous trademark or its likeness *as a brand* . . . is not a 'fair use' and is therefore subject to liability under the TDRA."<sup>173</sup> However, this example is of little help in defining the confines of "fair use" since such a use is already specifically proscribed by the text of the statute.

Neither the court nor the amicus brief provides a sufficient indication of whether a factually determined parody used in a non-source identifying way triggers further analysis or is subsumed by a bright-line rule protecting parodic use regardless of the tawdriness of the parody, its commercial nature, or whether use of another's trademark was even necessary to convey the parodist's message. Although these questions are important, the courts have left them unanswered.

## VI. CONCLUSION

It has been stated that:

Some parodies will constitute an infringement, some will not. But the cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement or dilution. There are confusing parodies and non-confusing parodies. All they have in common is an attempt at humor through the use of someone else's trademark. A non-infringing parody is merely amusing, not confusing.<sup>174</sup>

Similarly, there are dilutive parodies and non-dilutive parodies. Yet unfortunately, it appears as though the TDRA makes it a lot easier for potential diluters to cry "parody!" and get away with it.

In what situations might something labeled as a "parody" simply not deserve protection? Prior to the passage of the TDRA, such determinations were painstakingly judicial. A body of case law looking at a panoply of factors, from how the parodist used the protected mark to the parody's degree of lewdness and commercial nature, developed and aided courts in distinguishing between impermissible parodies that tarnish or blur for pure commercial purposes from ones that incorporate permissible and desirable social commentary. Yet this delicate balance crafted by the judiciary stands in jeopardy as courts interpret the new parody exception under the TDRA.

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<sup>173</sup> *Id.* at \*6.

<sup>174</sup> J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 31:38[1], at 31-216 (3d ed. 1994).