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Parody as Brand

Stacey L. Dogan^{†*} & Mark A. Lemley^{**}

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Parodies make fun of a thing by copying enough of it to make it recognizable while subverting the message of the original.¹ Most people don't like being made fun of. Some of those people turn to intellectual property (IP) law in an effort to suppress those parodies.

When IP owners use copyright law to suppress parodies, the courts

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¹ The Supreme Court defines parody as the “joinder of reference and ridicule.” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 583 (1994) (“It is this joinder of reference and ridicule that marks off the author’s choice of parody from . . . other types of comment and criticism . . .”); *see also* *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 114 (2d Cir. 1998) (parody borrows from the original but “differs [from it] in a way that may reasonably be perceived as commenting, through ridicule,” on the original’s character or meaning). We put off until Part III further discussion of the definition of a parody.

have generally rejected those claims. The Supreme Court in *Campbell v. Acuff-Rose Music, Inc.* gave parody a fairly wide exemption under the fair use doctrine, at least where the parody didn't substitute for the original work (as it almost never will).² More recently, the Seventh Circuit held in a case involving a South Park episode that parody could defeat a copyright claim on a motion to dismiss, because the court needed only to compare the copyrighted work with the parody in order to resolve the fair use issue.³

While copyright law gives broad rights of control over the creative work itself, trademark law protects consumers from confusion about the source of products. Given that, it might stand to reason that rejecting legal attacks on parodies is even more straightforward under trademark law; the interest of trademark law seems less connected to the suppression of parody than does copyright law.

Nonetheless, courts have struggled with the evaluation of parody under trademark law. While many trademark courts have protected parodies, there are a surprising number of cases that hold obvious parodies illegal.⁴ Our goal in this Article is to understand why, and to think about what circumstances (if any) should lead courts to find parody illegal. We conclude that, despite increasing attention to speech interests in recent years, the law's treatment of parody reflects too much uncertainty, leaving would-be parodists vulnerable to threats of legal action by trademark holders. In particular, given the flexibility of likelihood of confusion analysis, parodists' fate is usually determined by the subjective judgment of courts, whose treatment of parody often seems to turn on instinct rather than trademark principles. We suggest some doctrinal tools that offer greater predictability and quicker resolution of parody cases, while avoiding some of the shortcomings of more traditional infringement analysis.

² 510 U.S. 569, 576-94 (1994). Not all copyright cases protect parodies, however. *See Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1400 (9th Cir. 1997).

³ *Brownmark Films, LLC v. Comedy Partners*, 682 F.3d 687, 692 (7th Cir. 2012).

⁴ *See infra* Part I.A (discussing cases).

I. PARODIES, BRAND PARODIES, AND THE LAW

A. *Traditional Parodies*

Parodies and their close kin, satires, are common in popular culture. So, too, are lawsuits filed against those parodies by irate trademark owners. Many of these cases involve classic examples of social commentary using — and targeting — brands. Courts have applied a variety of different theories to these cases, however.

One approach, first crafted by the Second Circuit in *Rogers v. Grimaldi*, allows the use of trademarks in expressive works as long as they have some artistic relevance to the work and do not explicitly mislead as to source.⁵ *Rogers* itself involved the use of “Ginger and Fred” as the title of a fictional film about two cabaret dancers whose act — and nicknames — copied the famous dancers Fred Astaire and Ginger Rogers. Ginger Rogers sued, claiming that the film violated her publicity rights and falsely suggested her involvement in the film. The court denied both claims, concluding that the First Amendment protects the use of names in titles of expressive works “unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.”⁶

Courts have adopted the *Rogers* test rather than likelihood of confusion analysis in a variety of cases involving trademarks used in expressive works. In *Mattel, Inc. v. Walking Mountain Productions*,⁷ for example, the defendant was an artist who posed Barbie dolls nude in photographs in which they were attacked by vintage household appliances. The artist did not use the term “Barbie” (or the doll itself) to brand or sell goods; the art itself involved the trademarked doll, and the titles⁸ reflected that fact. As with much modern art, what exactly the artist was saying was not entirely clear, but it certainly seemed to be a commentary on Barbie herself. The court found no liability for this parody because the use of the term “Barbie” was “clearly relevant” to the defendant’s work, and “d[id] not explicitly mislead as to the source of the work.”⁹ In another Barbie case, the court invoked *Rogers* to allow the

⁵ 875 F.2d 994, 999 (2d Cir. 1989).

⁶ *Id.*

⁷ *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

⁸ For example, “Malted Barbie,” which featured “a nude Barbie placed on a vintage Hamilton Beach malt machine.” *Id.* at 796.

⁹ *Id.* at 807 (citing *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir.

use of “Barbie Girl” as the name of a song that poked fun at the plasticity of the famous doll.¹⁰ And in *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*,¹¹ the plaintiff — the “Play Pen” strip bar — sued to stop the depiction of a similar strip bar called the “Pig Pen” in the video game Grand Theft Auto. Although the allusion to “Play Pen” was peripheral to the video game’s central theme, the court found it sufficiently relevant to the game’s expression to justify use of the mark, absent anything explicitly misleading about the use.¹²

Other courts have reached similar results by reference to trademark law’s standard likelihood of confusion test. In *Hormel Foods Corp. v. Jim Henson Productions, Inc.*,¹³ for example, the court held that defendant’s use of a character named “SPA’AM” in a Muppets movie was a permissible parody of plaintiff’s “Spam” mark for potted meat. The female, porcine “Spa’am” character was designed to make at least some fun of Spam and its dubious relationship to more traditional forms of meat. But the court did not apply any sort of speech or parody-related test, instead finding that there was no likelihood of confusion or dilution in the use.¹⁴

Not all classic parody cases turn out well for the defendants, however. In *Mutual of Omaha Insurance Co. v. Novak*,¹⁵ the court held that defendant’s antinuclear T-shirts, featuring a funny picture and the words “Mutant of Omaha,” were likely to confuse consumers into thinking the

2002)).

¹⁰ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002).

¹¹ 547 F.3d 1095 (9th Cir. 2008).

¹² *See id.* at 1100 (“[O]nly the use of a trademark with ‘no artistic relevance to the underlying work *whatsoever*’ does not merit First Amendment protection In other words, the level of relevance merely must be above zero.” (quoting *MCA Records, Inc.*, 296 F.3d at 902 and *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)); *see also* *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1239 (9th Cir. 2013) (applying *Rogers* to an expressive, non-parodic use). *But see* *Parks v. LaFace Records*, 329 F.3d 437, 452-58 (6th Cir. 2003) (finding question of fact as to whether song title “Rosa Parks” had any artistic relevance to rap song that repeatedly suggested that competing rappers should “move to the back of the bus”).

¹³ 73 F.3d 497 (2d Cir. 1996).

¹⁴ *Id.* at 505-08; *see also, e.g.*, *Black Dog Tavern Co. v. Hall*, 823 F. Supp. 48 (D. Mass. 1993) (finding “Black Hog” and “Dead Dog” marks unlikely to be confused with “Black Dog” trademark). Barton Beebe found that a parody defense is rarely asserted, but when asserted tends to be successful. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1596 n.65 (2006) [hereinafter *Empirical Study of the Multifactor Tests*]; *see also* William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 68-70 (2008).

¹⁵ 836 F.2d 397 (8th Cir. 1987).

insurance company “Mutual of Omaha” had sponsored the shirts.¹⁶ In *Anheuser-Busch, Inc. v. Balducci Publications*,¹⁷ the court found illegal a fake advertisement in a humor magazine for “Michelob Oily,” a purported new brand of beer. The ad was designed to make fun of both brand differentiation and water pollution.¹⁸ In both cases, the court accepted (dubious) evidence that consumers were likely to be confused by the parodies despite their rather obvious parodic nature. In *Deere & Co. v. MTD Products, Inc.*,¹⁹ the court rejected a competing tractor company’s use of the John Deere deer logo to attack the company in a comparative advertisement.²⁰ The court found the use to be dilutive (perhaps by tarnishment, though the opinion suggests that the dilution might have been something other than tarnishment).²¹ In any event, the court thought that the fact that the Deere logo was being used to advertise competing products was undesirable, distinguishing it from uses for “worthy purposes of expression.”²² And in *Coca-Cola Co. v. Gemini Rising, Inc.*,²³ the court also proceeded on a tarnishment theory. It held that a poster done in the style of a Coca-Cola ad that read “Enjoy Cocaine” infringed Coca-Cola’s “Enjoy Coke” mark because it associated plaintiff’s “wholesome beverage” with a “noxious substance” like cocaine.²⁴

¹⁶ *Id.* at 398-401.

¹⁷ 28 F.3d 769 (8th Cir. 1994).

¹⁸ *Id.* at 773-77.

¹⁹ 41 F.3d 39 (2d Cir. 1994).

²⁰ *Id.* at 44-45.

²¹ *Id.* at 45 (“The commercial takes a static image of a graceful, full-size deer—symbolizing Deere’s substance and strength—and portrays, in an animated version, a deer that appears smaller than a small dog and scampers away from the dog and a lawn tractor, looking over its shoulder in apparent fear. Alterations of that sort, accomplished for the sole purpose of promoting a competing product, are properly found to be within New York’s concept of dilution because they risk the possibility that consumers will come to attribute unfavorable characteristics to a mark and ultimately associate the mark with inferior goods and services.”).

²² *Id.* at 44-45.

²³ 346 F. Supp. 1183 (E.D.N.Y. 1972).

²⁴ *Id.* at 1189. This finding was particularly remarkable given that the name “Coca-Cola” derives from the soda’s inclusion of coca leaf derivatives more than a century ago. *See, e.g., Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143, 145-46 (1920) (“Before 1900 the beginning of the good will was more or less helped by the presence of cocaine, a drug that, like alcohol of caffeine or opium, may be described as a deadly poison or as a valuable item of the pharmacopoeia according to the rhetorical purposes in view. The amount seems to have been very small, but it may have been enough to begin a bad habit and after the Food and Drug Act of June 30, 1906, if not earlier, long before this suit was

In our view, these cases illustrate a distinction that should be categorical: a parody that makes fun of a trademark without adopting it as a brand should not be actionable under trademark law. This includes comparative advertising — poking fun at your competitor through a tongue-in-cheek ad — as well as use in expressive products like books, movies, T-shirts, or the like.²⁵ We have emphasized elsewhere the role of the trademark use doctrine in weeding out general trademark claims that are not directed — as trademark law is supposed to be — at an effort to brand or advertise products using a mark.²⁶ Trademark use is a logical filter to weed out cases that are about parodies featured in magazines, movies, TV shows, Twitter feeds, or any of a variety of other uses that don't involve branding.²⁷ While judicial adoption of a trademark use

brought, it was eliminated from the plaintiff's compound." (citations omitted)). Ironically, *Koke* involved a claim that the Coca-Cola mark was deceptively misdescriptive because it (now wrongly) suggested that the soda still contained cocaine.

²⁵ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. i (1995) (suggesting that parodies that don't serve as brands "will often lie within the substantial constitutional protection accorded noncommercial speech and may thus be the subject of liability only in the most narrow of circumstances").

²⁶ See Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1682 (2007) [hereinafter *Grounding Trademark*] ("Strictly speaking, trademark infringement should require not only that a defendant be using the mark to promote its own products or services but also that it be using it 'as a mark' -- i.e., to indicate the source or sponsorship of those products or services."); Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 785 (2004) [hereinafter *Trademarks and Consumer Search Costs*]. Our work here is part of a larger debate over trademark use. For other work on the issue, see, for example, Margreth Barrett, *Internet Trademark Suits and the Demise of "Trademark Use,"* 39 UC DAVIS L. REV. 371, 376-87 (2006); Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597 (2007); Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 511-28 (2005); Michael Grynberg, *The Road Not Taken: Initial Interest Confusion, Consumer Search Costs, and the Challenge of the Internet*, 28 SEATTLE U. L. REV. 97 (2004); Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. 773 [hereinafter *Trademark Use*].

²⁷ There are an alarming number of such cases, some of them successful. See, e.g., *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998) (enjoining a movie about a beauty contest in a rural state from using the title "Dairy Queens"; the movie was eventually released as "Drop Dead Gorgeous"); *Toho Co. v. William Morrow & Co.*, 33 F. Supp. 2d 1206 (C.D. Cal. 1998) (enjoining a book about Godzilla from using the title *Godzilla!*, despite the presence of disclaimers on both the front and back covers). Other plaintiffs have failed, but the fact that the suits were brought at all is worrisome. See, e.g., *Univ. of Ala. Bd. of Trs. v. New Life Art, Inc.*, 683 F.3d 1266 (11th Cir. 2012) (reversing conclusion that painter infringed university trademarks by depicting actual university football games); *E.S.S. Entm't 2000, Inc. v.*

requirement has been uneven,²⁸ trademark law has other tools to achieve this result for defendants who don't use their parody as a brand. The

Rock Star Videos, Inc., 444 F. Supp. 2d 1012, 1048-49 (C.D. Cal. 2006) (denying a strip club's infringement claim against a video-game manufacturer that included a like-named strip club in its game); Caterpillar Inc. v. Walt Disney Co., 287 F. Supp. 2d 913, 923-24 (C.D. Ill. 2003) (refusing to enjoin a depiction of bulldozers that resembled the plaintiff's products in an animated film); Wham-O, Inc. v. Paramount Pictures Corp., 286 F. Supp. 2d 1254, 1258, 1265 (N.D. Cal. 2003) (refusing to enjoin a depiction of a Slip-N-Slide toy in a movie); Compagnie Générale des Établissements Michelin & Michelin Cie v. Nat'l Auto., Aerospace, Transp., and Gen. Workers Union of Can., [1997] 2 F.C. 306 (Can.), available at <http://reports.fja.gc.ca/eng/1997/1997fc19917.html> (refusing to enjoin union from using the logo of the company it was trying to unionize as part of a leafleting campaign).

²⁸ Many courts adopting the trademark use doctrine have relied upon the "in connection with" language in the Lanham Act. See, e.g., Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 679-80 (9th Cir. 2005) (finding the appropriate inquiry in evaluating the "in connection with" requirement, as "whether [defendant] offers competing services to the public"); DaimlerChrysler AG v. Bloom, 315 F.3d 932, 936, 939 (8th Cir. 2003) ("[T]he licensing of a toll-free telephone number, without more, is not a 'use' within the meaning of the Lanham Act . . ."); Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 623-26 (6th Cir. 1996) (holding that the use of a telephone number that translated into 1-800-HOLIDAY — with a zero in place of the "O" — was not trademark "use" within the Lanham Act because the defendant had not advertised its services under the offending alphabetical translation).

Others have relied on the "use in commerce" language. See, e.g., 1-800 Contacts, Inc. v. WhenU.com, Inc., 414 F.3d 400, 407-11 (2d Cir. 2005) (relying on the "use in commerce" requirement to find no direct infringement by a party selling pop-up advertisements); Karl Storz Endoscopy-Am., Inc. v. Surgical Techs., Inc., 285 F.3d 848, 855 (9th Cir. 2002) ("'[U]se in commerce' appears to contemplate a trading upon the goodwill of or association with the trademark holder."); Site Pro-1, Inc. v. Better Metal, LLC, 506 F. Supp. 2d 123, 125 (E.D.N.Y. 2007) (examining "[w]hether use of another company's registered trademark in metadata or as part of a sponsored search constitutes use of a trademark in commerce under the Lanham Act"); Best W. Int'l, Inc. v. Doe, No. CV-06-1537-PHX-DGC, 2006 WL 2091695, at *5 (D. Ariz. July 25, 2006) (affirming summary judgment for infringement claim where "[plaintiff's] complaint [did] not . . . describe a single instance where [defendant's] mark was improperly used"); cf. Hamzik v. Zale Corp., No. 3:06-cv-1300, 2007 WL 1174863, at *3 (N.D.N.Y. Apr. 19, 2007) (finding potential trademark use by a keyword advertiser that displayed plaintiff's trademark in the text of its ad).

Still others have held that the trademark use doctrine bars claims without specific reference to statutory language. See, e.g., Universal Commc'n Sys., Inc. v. Lycos, Inc., 478 F.3d 413, 424 (1st Cir. 2007) (rejecting a state dilution claim because "Lycos might profit by encouraging others to talk about UCS under the UCSY name, but neither that speech nor Lycos's providing a forum for that speech is the type of use that is subject to trademark liability"); Nautilus Grp., Inc. v. Icon Health & Fitness, Inc., No. C02-2420RSM, 2006 WL 3761367, at *4-5 (W.D. Wash. Dec. 21, 2006) (holding that an advertiser's use of a keyword to generate a sponsored link to run a comparative advertisement was not a trademark use for dilution purposes); see also Merck & Co. v.

Trademark Dilution Revision Act makes it clear that parody cannot be dilutive when it is used “other than as a designation of source.”²⁹ As for infringement, nominative fair use should protect comparative advertisers, and *Rogers v. Grimaldi* addresses expressive works: as long as the use of a trademark has some artistic relevance to an expressive product and does not explicitly mislead as to source, trademark law should not intervene.³⁰ Using these doctrinal tools, we shouldn’t need to reach the likelihood of confusion inquiry in order to resolve cases in which a clear parody is used other than as a designation of source for a separate commercial product.

Nor should the fact that a mark appears in the title of an expressive work change the outcome. As *Rogers v. Grimaldi* instructs, trademarks in titles should not infringe, as long as they bear some relationship to the

Mediplan Health Consulting, Inc., 431 F. Supp. 2d 425, 428 (S.D.N.Y. 2006).

Finally, some courts, including more recent decisions in two courts of appeals, have rejected the trademark use doctrine altogether. *See Rosetta Stone Ltd. v. Google Inc.*, 676 F.3d 144, 161-63 (4th Cir. 2012); *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123, 127-31 (2d Cir. 2009); *Google Inc. v. Am. Blind & Wallpaper, Inc.*, No. C03-5340 JF (RS), 2007 WL 1159950, at *6 (N.D. Cal. Apr. 18, 2007) (holding that a search engine’s sale of keyword-based advertising can constitute trademark use under the Lanham Act); *Int’l Profit Assocs., Inc. v. Paisola*, 461 F. Supp. 2d 672, 676-80 (N.D. Ill. 2006) (enjoining keyword advertising by a gripe site); *Buying for the Home, LLC v. Humble Abode, LLC*, 459 F. Supp. 2d 310, 321-24 (D.N.J. 2006) (allowing a trademark claim based on keyword-based advertising); *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273, 282-93 (D.N.J. 2006) (allowing trademark claims against a pay-for-priority search engine based on its “sale” of keywords in exchange for prominent placement in search results); *Edina Realty, Inc. v. TheMLSonline.com*, No. Civ. 04-4371JRTFLN, 2006 WL 737064, at *1-3 (D. Minn. Mar. 20, 2006) (allowing a trademark claim based on keyword-based advertising).

²⁹ 15 U.S.C. § 1125(c)(3)(A) (2012). In any event, as we have argued elsewhere, dilution generally requires that the defendant use the term as a mark. *See Stacey L. Dogan & Mark A. Lemley, The Trademark Use Requirement in Dilution Cases*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 541, 542-44 (2008); *see also Nat’l Bus. Forms & Printing, Inc. v. Ford Motor Co.*, 671 F.3d 526, 536 (5th Cir. 2012) (holding that dilution statute requires defendant to use mark “in identifying or distinguishing its own goods or services”).

³⁰ *See, e.g., Mattel, Inc. v. MCA Records*, 296 F.3d 894 (9th Cir. 2002) (Aqua’s song “Barbie Girl” was a nominative use of Mattel’s Barbie mark because the song was about Barbie). The question whether the defendant’s work is in fact about the plaintiff also comes up in right of publicity cases. *See, e.g., Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003) (finding genuine question of fact as to whether use of “Rosa Parks” as song title was protected speech or violation of Parks’ Lanham Act and publicity rights); *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) (considering both Lanham Act and right of publicity claims).

underlying expression and don't lie.³¹ The speech interest in access to expressive works extends to their titles; consumers, as well as creators, benefit from a culture that allows subtle references and word play that draws from a variety of cultural reference points.³² This is true even if the use causes some level of confusion. As the Second Circuit pointed out in *Rogers*:

[M]any titles with a celebrity's name make no explicit statement that the work is about that person in any direct sense; the relevance of the title may be oblique and may become clear only after viewing or reading the work. As to such titles, the consumer interest in avoiding deception is too slight to warrant application of the Lanham Act. Though consumers frequently look to the title of a work to determine what it is about, they do not regard titles of artistic works in the same way as the names of ordinary commercial products. . . . [M]ost consumers are well aware that they cannot judge a book solely by its title any more than by its cover. We therefore need not interpret the Act to require that authors select titles that unambiguously describe what the work is about nor to preclude them from using titles that are only suggestive of some topics that the work is not about.³³

In effect, *Rogers* does for expressive works what a robust trademark use doctrine could do more generally: it takes judicial notice that certain uses of trademarks (in expressive titles) don't usually signal source, and balances the slight risk of confusion against the benefits of allowing such uses. We agree with the Second Circuit that parodies in expressive

³¹ A false statement of authorship or endorsement — such as “Jane Fonda’s Workout Book” or “authorized biography” — would cross the line into misleading speech. “If such explicit references were used in a title and were false as applied to the underlying work, the consumer’s interest in avoiding deception would warrant application of the Lanham Act, even if the title had some relevance to the work.” *Rogers*, 875 F.2d at 999. But absent such overt statements of affiliation, “the slight risk that such use of a celebrity’s name might implicitly suggest endorsement or sponsorship to some people is outweighed by the danger of restricting artistic expression, and the Lanham Act is not applicable.” *Id.* at 1000.

³² *E.g.*, *Laugh It Off Promotions CC v. S. Afr. Breweries Int'l* 2005 (1) SA 144 (CC) at 64-65 para. 109 (S. Afr.) (Sachs, J., concurring) (“Humour is one of the great solvents of democracy. It permits the ambiguities and contradictions of public life to be articulated in non-violent forms. It promotes diversity. It enables a multitude of discontents to be expressed in a myriad of spontaneous ways. It is an elixir of constitutional health.”).

³³ *Rogers*, 875 F.2d at 999-1000.

products should generally be immune from liability, and we find it heartening that recent parody decisions reflect a trend toward the *Rogers* standard. From Ginger and Fred to Barbie Girl to Blender Barbie to the Pig Pen, courts have sanctioned the use of trademarks both within the works and in their titles.

Indeed, a closer look at the decisions that find parody infringing suggests that one of three things is going on. First, some of these cases are misled by poor evidence of confusion. In *Balducci*, for instance, only 6% of people surveyed thought that Michelob Oily was actually a new kind of beer,³⁴ but fully half of those surveyed understood that it was a parody but thought that the humor magazine should have to get a license.³⁵ That may be a form of confusion — specifically, confusion about what trademark law actually requires — but it is not confusion that causes the sort of harm trademark law cares about, and it should not be actionable.³⁶ Similarly, in *Mutual of Omaha*, the plaintiff’s survey showed that 42% of respondents thought the “Mutant of Omaha” shirt “[called] to mind” Mutual of Omaha, and that 10% thought Mutual of Omaha “[went] along” with the shirt.³⁷ Those questions are not the ones trademark law traditionally does or should care about.³⁸ These cases are misled by poor surveys or improper questions to find confusion where it is in fact unlikely.

³⁴ Suggesting that 6% of the country will believe absolutely anything.

³⁵ *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 775 (8th Cir. 1994).

³⁶ See Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1723 n.36 (1999) (making this critique of *Balducci*). See generally Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413 (2010) [hereinafter *Irrelevant Confusion*] (arguing that trademark law should concentrate on confusion that may affect purchasing decisions); Rebecca Tushnet, *Running the Gamut From A to B: Federal Trademark and False Advertising Law*, 159 U. PA. L. REV. 1305 (2011) [hereinafter *From A to B*] (arguing that trademark law should limit itself to confusion that actually matters to consumers). Rebecca Tushnet notes that we increasingly see licenses for things that a generation ago we presumed no one would license, including parodies. That does not mean, though, that parodies should require licenses. See Rebecca Tushnet, *Towards Symmetry in the Law of Branding*, 21 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 971, 978-82 (2011).

³⁷ *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400 (8th Cir. 1987).

³⁸ Indeed, the problem is worse than that; the survey question itself planted the idea of Mutual of Omaha’s acquiescence in respondents’ minds, asking: “Would you say that Mutual of Omaha goes along or does not go along with these T-shirts in order to make people aware of the nuclear war problem?” “Goes along” and “does not go along” were the only choices offered; “is unaware of,” “has nothing to do with,” and “doesn’t much care” apparently weren’t considered as possibilities. *Id.* at 400 n.5; see also *id.* at 403-04 (Heaney, J., dissenting) (criticizing the survey).

Second, cases like *Deere* and *Gemini* are driven by a misunderstanding of the nature of dilution. The evil of trademark dilution (if there is one)³⁹ is that it weakens the association in the minds of consumers between the brand and the product by introducing another association between a different product and that brand.⁴⁰ That's not what's happening in either *Deere* or *Gemini*. *Gemini* didn't involve product branding at all, and accordingly wouldn't be actionable under the federal dilution statute. And the use in *Deere* was a commercial use of the mark, but not one that branded the competitor's goods; it used Deere's mark to refer to Deere's goods. The courts in these cases seem to have misunderstood tarnishment as saying something bad about the trademark owner, rather than its proper meaning of branding your own inferior or noxious goods with the plaintiff's mark.⁴¹

The third factor that leads courts astray in these cases is a general aversion to free riding. Some judges just don't like it when people make money from evoking someone else's mark. In *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*,⁴² for example, the defendant sold "Hard

³⁹ While we have suggested elsewhere that dilution can increase search costs, at least in theory, like many scholars we have some doubt about whether dilution is a harm worth worrying about. Rebecca Tushnet, for example, has demonstrated that consumers can handle linguistic clutter. Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 527-46 (2008) [hereinafter *Gone in Sixty Milliseconds*]. Paul Heald and Bob Brauneis have shown that sellers appear to have little incentive to adopt famous trademarks as the name of non-competing products. Paul J. Heald & Robert Brauneis, *The Myth of Buick Aspirin: An Empirical Study of Trademark Dilution by Product and Trade Names*, 32 CARDOZO L. REV. 2533, 2537 (2011). For other articles questioning whether dilution should be actionable, see, for example, Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367 (1999); Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 85 TRADEMARK REP. 525 (1995).

⁴⁰ See, e.g., Stacey L. Dogan, *An Exclusive Right to Evoke*, 44 B.C. L. REV. 291, 313 (2003) (contending that dilution law should limit itself to the loss of singularity of unique marks).

⁴¹ Mark McKenna thinks that this is a problem with tarnishment itself. See Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 VA. L. REV. 67, 134-36 (2012) [hereinafter *Consumer Decision-Making Theory*]. But we think the two are analytically separate: changing how a consumer feels about the plaintiff's products is different than associating those products with defendant's noxious products in the minds of consumers. See Stacey L. Dogan & Mark A. Lemley, *A Search-Costs Theory of Limiting Doctrines in Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 65, 72 & n.26 (Graeme Dinwoodie & Mark D. Janis eds., 2007) [hereinafter *A Search-Costs Theory of Limiting Doctrines*]; Tushnet, *Gone in Sixty Milliseconds*, *supra* note 39, at 523-24.

⁴² 776 F. Supp. 1454 (W.D. Wash. 1991).

Rain Cafe” t-shirts in rain-plagued Seattle. After a cursory analysis finding likelihood of confusion, the court rejected defendant’s parody claim, concluding: “A defendant’s claim of parody will be disregarded where the purpose of the similarity is to capitalize on a famous mark’s popularity for the defendant’s own commercial use.”⁴³

Trademark law, however, does not and should not aim to prevent all free riding. The law targets harms that result from confusion and, at least in theory,⁴⁴ from the loss of singularity of particularly famous marks.⁴⁵ Parodies that conjure up a trademark for humor and turn a profit in the process are engaged in perfectly lawful behavior, absent confusion or dilution.

For traditional parodies, then, the legal rule should be simple, even if it is not always followed: making fun of a trademark owner by doing something other than using their mark to brand your own products does not violate the Lanham Act.

B. Brand Parodies

Increasingly, however, we’ve witnessed a new phenomenon: lawsuits against parodies that serve as brands, logos, or taglines for commercial products.⁴⁶ Haute Diggity Dog sells “Chewy Vuitton” dog toys, and Louis Vuitton is not happy about it.⁴⁷ Macy’s sells a diaper bag called “Gucchi Goo,” and Gucci sues (and wins).⁴⁸ The Utah tourism bureau describes the state as having the “Greatest Snow on Earth,” a play on the Ringling

⁴³ *Id.* at 1462 (citing *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175 (C.D. Cal. 1986)); *see also* *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992) (“The difference between a ‘parody’ and a ‘knock-off’ is the difference between fun and profit.”).

⁴⁴ *See* sources cited *supra* note 39 and accompanying text.

⁴⁵ *See, e.g.*, *Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.*, 704 F.3d 44 (1st Cir. 2013) (“[A] trademark holder has no right to police ‘unnecessary’ use of its mark. Whether necessary or not, a defendant’s use of a mark must be *confusing* in the relevant statutory sense for a plaintiff to raise a viable infringement claim.” (emphasis in original)); *see also* *Dogan & Lemley, Trademarks and Consumer Search Costs*, *supra* note 26, at 786-99.

⁴⁶ A related but distinct phenomenon is the use of a corporate or personal name as the title of a “fake” Facebook or Twitter account. This is impersonation, though not branding per se. For discussion, see Lisa P. Ramsey, *Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders*, 58 *BUFF. L. REV.* 851 (2010).

⁴⁷ *See* *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 256 (4th Cir. 2007).

⁴⁸ *See* *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F. Supp. 838, 839, 841 (S.D.N.Y. 1977).

Brothers' "Greatest Show on Earth" mark.⁴⁹ Black Bear Roastery sells "Charbucks" coffee to poke fun at the famous brand's dark roast while cheekily offering its own dark-roast alternative.⁵⁰ A Vermont hippie invites people to "Eat More Kale," and Chik-Fil-A thinks he's making fun of its "Eat Mor Chickin" mark.⁵¹ Hogg Wyld sells plus-size jeans under the name Lardache, and jeans-maker Jordache is not amused.⁵² A college student sells "South Butt" t-shirts with the tagline "Never Stop Relaxing," raising the ire of The North Face brand with its "Never Stop Exploring" slogan.⁵³ A bar owner names its kitschy establishment the "Velvet Elvis," and gets a visit from the King's trademark attorneys.⁵⁴ And so on.⁵⁵

In many ways, this new form of parody resembles the old. It's motivated by a desire to comment or criticize, and it's unlikely to confuse anyone about the source of the parody-branded product.⁵⁶ In

⁴⁹ See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 451 (4th Cir. 1999).

⁵⁰ See *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 102-03 (2d Cir. 2009). See generally *What It's All About?*, BLACK BEAR MICRO ROASTERY, https://blackbearcoffee.com/Starbucks/What%27s_it_all_about.htm (last visited Sept. 11, 2013) (offering Black Bear's account of the reason for its choices of name).

⁵¹ See James Lantz et al., *A Defiant Dude*, KICKSTARTER, <http://www.kickstarter.com/projects/1674889308/a-defiant-dude> (last visited Sept. 11, 2013).

⁵² See *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1483-84 (10th Cir. 1987).

⁵³ See Kelsey Volkmann, *South Butt vs. North Face*, ST. LOUIS BUS. J. (Oct. 16, 2010), http://www.bizjournals.com/stlouis/blog/2009/09/south_butt_vs_north_face.html. The defendant was ultimately enjoined in a consent judgment and held in contempt of that judgment for selling a separate T-shirt that read "The Butt Face." See *North Face Apparel Corp. v. Williams Pharmacy Inc.*, No. 4:09-CV-02029-RWS, 2012 U.S. Dist. LEXIS 145987, at *1-9 (E.D. Mo. Oct. 10, 2012).

⁵⁴ See *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 191-93 (5th Cir. 1998).

⁵⁵ See, e.g., *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490 (2d Cir. 1989) ("Spy Notes" not infringing "Cliff Notes"); *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974 (E.D. Mo. 2008) ("Buttwiper" dog toy likely to be confused with "Budweiser" beer-related products); *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410 (S.D.N.Y. 2002) ("Timmy Holedigger" pet perfume not likely to be confused with "Tommy Hilfiger" perfume); *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166 (C.D. Cal. 1986) ("Dogiva" dog biscuits infringe "Godiva" chocolate mark), *aff'd*, 830 F.2d 197 (9th Cir. 1987). And even more brand parodies have flown under the radar, like the baby shirt that reads "iPood."

⁵⁶ The lines between the two types of parody also blur as trademark owners arrogate to themselves the right to control secondary markets for the sale of T-shirts, memorabilia, and the like. The use of a brand on a T-shirt is classically an expressive use, but trademark owners (and some courts) have increasingly treated this merchandising as a

other ways, however, parody as brand differs from parody as product because the parody is being used as an indicator of source. Building a brand name around someone else's trademark looks, to some observers, like a classic case of "free riding," with the parodist taking advantage of the allure of the targeted brand. Trademark holders, not surprisingly, abhor the practice and sue to prevent it.

But trademark law is not — and has never been — about preventing all forms of free riding.⁵⁷ Trademark law, even as it has expanded to prevent dilution, has purported to focus on preventing *harm*, either to the trademark holder or to the public (and sometimes to both). Those who develop brands-as-parody may well be benefiting from the appeal of a famous brand, but if their use is an effective parody, it doesn't cause the kind of harm that trademark law is designed to address. These brands-as-parody, moreover, offer a valuable form of social commentary. Even more than non-commercial forms of parody, the subversive use of a parody *as* brand invites critical reflection on the role of brands in society and the extent to which we define ourselves by them.⁵⁸

Brands that parody, in other words, offer a unique platform for expression and pose little threat to trademark law's core values. As a matter of doctrine, however, the fact that a parody is also a brand complicates the trademark analysis. The trademark use doctrine is no longer a bar to an infringement suit; Black Bear *is* in fact using the term "Charbucks" as a mark to brand its products. Nominative use becomes harder, though not impossible, for the same reason. "Charbucks" is in fact nominative use in a sense; buyers presumably understand that it is a reference to Starbucks. But it is not *only* a nominative use; it is simultaneously a brand in its own right, and if it is memorable it may

form of branding within the trademark owner's control. For criticism of this phenomenon, see Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461 (2005) [hereinafter *Merchandising Right*]; Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 MICH. L. REV. 137 (2010) [hereinafter *Owning Mark(et)s*].

⁵⁷ For discussion, see, for example, Dogan & Lemley, *Merchandising Right*, *supra* note 56; Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031 (2005).

⁵⁸ See, e.g., Sonia K. Katyal, *Semiotic Disobedience*, 84 WASH. U. L. REV. 489 (2006) [hereinafter *Semiotic Disobedience*] (discussing brand parodies as a form of cultural disobedience); Rebecca Tushnet, *Looking at the Lanham Act: Images in Trademark and Advertising Law*, 48 HOUS. L. REV. 861, 891-95 (2011) (noting special need of commentators to access expressive aspects of visual marks); cf. Deven R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981, 999-1009 (2012) [hereinafter *From Trademarks to Brands*] (exploring personal role of brands in culture).

serve the traditional function of cementing Black Bear's product in people's minds.⁵⁹ When a parody is also a brand, a number of courts have concluded that the analysis is the same as it is for any other trademark case: we ask whether confusion or dilution is likely, and if it is, the use is unlawful.⁶⁰ In other words, those courts do not give parody a defense or any special treatment.

Perhaps it doesn't matter. Most parodies are unlikely to confuse consumers or to dilute the singularity of a famous trademark.⁶¹ Black Bear customers who buy Charbucks coffee presumably understand that they are not buying coffee at a Starbucks; they also seem unlikely to think that Starbucks has authorized a new, self-parodying blend and let Black Bear sell it. Nor does Charbucks make Starbucks less distinctive as a brand of its own; to the contrary, it only enhances Starbucks' fame. The same goes for The Greatest Snow on Earth and Ringling Brothers, or Chewy Vuitton dog toys and Louis Vuitton. So maybe we don't need a defense to protect brand parodies; they will take care of themselves.

That answer seems unsatisfactory, and not merely because some brand parodies are in fact held illegal under questionable circumstances.⁶²

⁵⁹ For this reason, courts have given lower First Amendment protection to parodic brands than to other forms of trademark parodies. *See, e.g., Tommy Hilfiger Licensing*, 221 F. Supp. 2d at 415-16 ("When a parodist makes trademark use of another's mark, it should be entitled to less indulgence, even if this results in some residual effect on the free speech rights of commercial actors.").

⁶⁰ *See, e.g., Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) ("[T]he claim of parody is not really a separate 'defense' . . . but merely a way of phrasing the traditional response that customers are not likely to be confused as to the source, sponsorship or approval."); *Tommy Hilfiger Licensing*, 221 F. Supp. 2d at 415-16 (applying traditional likelihood of confusion analysis to case involving brand parody). The leading treatise endorses this position:

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.

6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:153 (4th ed. 2013).

⁶¹ For discussion of the likelihood of confusion test as applied to parodies, see David A. Simon, *The Confusion Trap: Rethinking Parody in Trademark Law*, 88 WASH. L. REV. (forthcoming 2013) [hereinafter *The Confusion Trap*].

⁶² *See, e.g., Anheuser-Busch, Inc. v. VIP Prods.*, 666 F. Supp. 2d 974 (E.D. Mo. 2008) (finding "Buttwiper" T-shirts likely to be confused with "Budweiser" brand); *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F. Supp. 838 (S.D.N.Y. 1977) (granting a

Confusion is a fact-specific inquiry, often heavily reliant on manipulable survey evidence and subject to an ever-expanding notion of what it takes to confuse.⁶³ If confusion over whether the defendant needed a license is actionable, then virtually any brand evocation invites an expensive and unpredictable trial.⁶⁴ Even if the law could guarantee the right result at trial, many parodists are small companies without the will or resources to fight a case all the way to trial.⁶⁵ Many will cave in and abandon their parodies rather than hire a lawyer.

Dilution presents a different problem for brand parodies. While there is an explicit defense for parody in the Trademark Dilution Revision Act, it expressly applies only to parodies that use the mark “other than as a designation of source.”⁶⁶ Brand parodies, by contrast, do not benefit from the defense. That doesn’t mean they are dilutive, of course; the Fourth Circuit found in *Louis Vuitton* that Chewy Vuitton was not. But it does mean that the parody is to be evaluated under the normal standards of blurring or tarnishment, a set of fact-intensive standards that map poorly

preliminary injunction on use of “Gucci Goo” mark on diaper bags because mark could be confused with “Gucci” brand). Bill McGeeveran suggested to us that this is changing, and that more recent cases are more favorable to parodies. But that’s not universally true, as *Starbucks* demonstrates. See also *PRL USA Holdings, Inc. v. Thread Pit, Inc.*, Cancellation No. 92047436, at 15 (T.T.A.B. 2012) (canceling clothing mark that depicted a polo player falling off a horse as likely to confuse consumers of the Polo brand, noting “parody is not a defense if the marks are otherwise confusingly similar”).

⁶³ In *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F.3d 769 (8th Cir. 1994), for example, the court found infringement by the “Michelob Oily” parody, reversing the district court on likelihood of confusion, because even though only 6% of the public thought Michelob Oily was a new brand of beer, “over half” of respondents “thought Balducci needed Anheuser-Busch’s approval to publish the ad.” *Id.* at 775. In doing so, the court added a consumer’s misunderstanding of the law to the kinds of confusion apparently actionable under the Lanham Act. See also *Schieffelin & Co. v. Jack Co. of Boca*, 725 F. Supp. 1314, 1317 (S.D.N.Y. 1989) (finding high degrees of confusion based on survey that asked consumers whether they thought trademark holder’s permission was required for “Dom Popignon” popcorn); cf. *Universal City Studios, Inc. v. Nintendo Co.*, 746 F.2d 112 (2d Cir. 1984) (rejecting survey that asked leading question about whether Donkey Kong manufacturer needed permission from the owner of the King Kong mark).

⁶⁴ See Lemley & McKenna, *Irrelevant Confusion*, *supra* note 36, at 436-39.

⁶⁵ For discussion of this problem, see, for example, James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 *YALE L.J.* 882 (2007). For application to trademark parody cases, see Regina Schaffer-Goldman, *Cease and Desist: Tarnishment’s Blunt Sword in Its Battle Against the Unseemly, the Unwholesome, and the Unsavory*, 20 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1241 (2010). Cf. Bruce P. Keller & Rebecca Tushnet, *Even More Parodic Than the Real Thing: Parody Lawsuits Revisited*, 94 *TRADEMARK REP.* 979, 995-97 (2004) (copyright cases).

⁶⁶ 15 U.S.C. § 1125(c) (2012).

to uses expressly intended to evoke a famous mark.⁶⁷ The statutory factors focus on the strength and fame of the plaintiff's mark and the possibility of association between the two marks.⁶⁸ While some might worry about brands that draw strength from association with a famous mark,⁶⁹ in the context of parody we should expect that the defendant both targets famous marks and does so by creating an association between the mark and the parody. Indeed, that's the essence of parody. Brand parodies, then, simply don't fit comfortably with the statutory dilution factors. It isn't that the blurring factors necessarily make brand parodies unlawful, though many of them may be primed to line up in favor of the trademark owner, but rather that the questions the statute asks are largely tangential to the issues that matter in evaluating a parody.

Unlike blurring, the statute is largely silent on what dilution by tarnishment means. We have argued elsewhere that courts must distinguish between a defendant's use that tarnishes by associating the brand name with the *defendant's* noxious product (actionable) and a defendant's use that "tarnishes" because it disparages the *plaintiff's* product (not actionable).⁷⁰ On this view, parody will generally not be dilution by tarnishment, except by accident. The point of a parody is to target the plaintiff's work. Even a branded parody is aimed primarily at making fun of the plaintiff's work, not at marketing unrelated products that are shoddy or offensive. That doesn't mean a brand parody can never tarnish,⁷¹ but courts must be careful not to confuse making fun of the plaintiff with tarnishing.

⁶⁷ See *id.* A rote application of the statutory factors for dilution by blurring will almost always result in a finding in favor of the plaintiff. See, e.g., *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 105-10 (2d Cir. 2009) (concluding that all but one of the statutory blurring factors weighed in favor of plaintiff).

⁶⁸ See 15 U.S.C. § 1125(c).

⁶⁹ But see sources cited *supra* note 39 and accompanying text.

⁷⁰ See Dogan & Lemley, *A Search-Costs Theory of Limiting Doctrines*, *supra* note 41, at 72 & n.26.

⁷¹ The most likely context in which a brand parody could tarnish is when the "parody" appears on pornographic or drug-related products. Courts appear to be moving toward a presumption of tarnishment when a seller of such services adopts a mark that evokes a famous brand. See, e.g., *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 388 (6th Cir. 2010) (adopting "a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two"). We have our doubts about this precedent, especially to the extent that it reaches marks that evoke, without replicating, the famous brand. See, e.g., Dogan, *supra* note 40 (criticizing precedent that finds tarnishment based on mere evocation of famous brands). For a critique of the presumption that a relationship with

Brand parodies, then, don't fit well within existing trademark infringement or dilution law. Parodies generally don't confuse consumers, and because they refer back to the plaintiff's mark directly they will not generally blur or tarnish that mark in the way dilution law prohibits. True parodies thus cause none of the harms that trademark law seeks to avoid. But because neither law is structured with parodies in mind, rote application of infringement and dilution standards can result in a condemnation of even obvious parodies. Lacking tools specifically designed for parody, courts treat it in an ad hoc way that reflects their own subjective assessment of the value or parody and the morality of free rides. The fact-intensive nature of the inquiry, moreover, means a long and costly process, which alone may deter parodies.⁷²

The solution, we believe, lies in a more consistent and predictable approach to brand parodies under both infringement and dilution law. In contrast to copyright law, we have seen little convergence in the courts' treatment of even basic questions involving trademark parodies. Given

sex tarnishes, see Jennifer E. Rothman, *Sex Exceptionalism in Intellectual Property*, 23 STAN. L. & POL'Y REV. 119 (2012). If the growing presumption holds, however, we can imagine it applying to some arguably parodic brands. The use of "Live American Girl Dolls" on a strip club, for example, may constitute tarnishment, even if it was adopted in part as a sarcastic commentary on the wholesome image of the famous doll label. Similarly, consider *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979), involving a porn movie from the 1970's, called "Debbie Does Dallas," that depicts the star in a Dallas Cowboys Cheerleaders outfit in one scene. *Id.* at 202-03. Under *Rogers v. Grimaldi* there is surely artistic relevance, and the comment on the Dallas Cowboys Cheerleaders as selling sexuality seems pretty obvious. At the same time, one can imagine why the Dallas Cowboys viewed the association as tarnishing. Still other examples of arguable parodies that may tarnish because of their offensive or sexual content include the sale of hats labeled "Cuntier" that imitate the "Cartier" brand, see Misty White Sidell, *New Cartier Spoof Finds Itself in Hot Water with the Brand*, DAILY BEAST (Mar. 8, 2013), <http://www.thedailybeast.com/articles/2013/03/08/new-cartier-spoof-finds-itself-in-hot-water-with-the-brand.html>, and singer Chubby Checker's suit against a company that supplied a penis-size calculation app for a mobile phone that it called "The Chubby Checker." See *Evans v. Hewlett-Packard Co.*, No. C 13-02477 WHA, 2013 U.S. Dist. LEXIS 115856, at *2-3 (N.D. Cal. Aug. 15, 2013). Full disclosure: Lemley's firm represents the defendant in this case.

As in copyright cases, part of the challenge is to determine how much of the use owes itself to critical commentary, and how much is simply a convenient way to capture attention through use of someone else's mark. If the commentary is insignificant and the use is likely to tarnish the famous mark through dual association with an unsavory product, then the balance may tilt in favor of the trademark holder. But where it is the commentary that the trademark owner objects to, the law should not give the trademark owner the power to restrict that commentary.

⁷² On the problem of in terrore settlements in IP cases, see Gibson, *supra* note 65.

the increasing prevalence of parody as brand, the time has come for a more considered analysis that balances legitimate (or at least plausible) trademark holder concerns against the public's interest in this form of critical speech.

II. THE VALUE OF BRAND PARODIES

Whether or not they believe that a particular parody deserves legal protection, courts and commentators seem to agree that parody has social value as critical speech. As the Supreme Court has explained, "Like less ostensibly humorous forms of criticism, [parody] can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one."⁷³ Parodies make us think while making us chuckle; they offer a funny and often biting lens through which to view our cultural icons. From Henry Fielding's "Shamela"⁷⁴ to Alice Randall's "The Wind Done Gone,"⁷⁵ from Tina Fey's parody of Sarah Palin⁷⁶ to the Simpsons' cracks about "Mapple,"⁷⁷ parodies have, for centuries, had an "unerring ability both to delight and to confound."⁷⁸

Despite their general appreciation of parody, however, courts show distinctly less enthusiasm for parodies that serve as brands. To some extent, their objection is doctrinal: both First Amendment and trademark jurisprudence give special status to non-commercial speech.⁷⁹ But the

⁷³ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994); *see also* *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 31 (1st Cir. 1987).

⁷⁴ *See generally* CONNY KEYBER, AN APOLOGY FOR THE LIFE OF MRS. SHAMELA ANDREWS (1741) (writing under a pseudonym, Henry Fielding presents a parody of SAMUEL RICHARDSON, PAMELA (1740)).

⁷⁵ *See generally* ALICE RANDALL, THE WIND DONE GONE (2001) (presenting a parody of MARGARET MITCHELL, GONE WITH THE WIND (1936)).

⁷⁶ *E.g.*, *SNL Tina Fey then Gov. Palin*, YOUTUBE (Oct. 28, 2008), <http://www.youtube.com/watch?v=IE-OCDeXyU>.

⁷⁷ *See The Simpsons — Steve Mobs*, YOUTUBE (Dec. 2, 2008), <http://www.youtube.com/watch?v=CZGln9bpALo>.

⁷⁸ LINDA HUTCHEON, A THEORY OF PARODY: THE TEACHINGS OF TWENTIETH-CENTURY ART FORMS, at xvii (2000 ed. 1985). *See generally* SIMON DENTITH, PARODY (John Drakakis ed., 2000) (exploring historical role of parody); MARGARET A. ROSE, PARODY: ANCIENT, MODERN, AND POST-MODERN (Richard Macksey & Michael Sprinker eds., 1993) (examining theories and uses of parody from ancient to contemporary times); UNIV. PRESS, THE OXFORD BOOK OF PARODIES (John Gross ed., 2010) (same).

⁷⁹ *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 415-16 (S.D.N.Y. 2002), for example, found no likelihood of confusion between "Timmy Holedigger" dog perfume and "Tommy Hilfiger" people perfume, but noted that because the parody was serving as a brand, it was not entitled to any special First Amendment

trouble with brand parodies transcends doctrine; courts seem to struggle over their own intuitions about whether a defendant's commercial objectives undermine its speech interest in the parody.⁸⁰ Given the malleability of confusion and dilution analysis, these judicial instincts often dictate the outcome in trademark litigation.⁸¹

Yet there's a strong argument that, at least in the trademark context, incorporating a parody into a brand serves expressive goals that could not be realized through ordinary, non-branding speech. Many — perhaps most — branding parodies have a doubly subversive message. They are using a brand not only to lampoon the targeted brand, but also to call attention to the pervasiveness of branding in our society. Parodies, in general, replicate the central features of a particular work to “reference and ridicule” the work.⁸² Brand parodies do more: they not only borrow from the trademark itself, but they also appropriate the device of branding and employ it to make us think critically about the role of brands in our culture. The dog chew toy in *Louis Vuitton*, for example, “pokes fun at the elegance and expensiveness of a LOUIS VUITTON handbag” but also “irreverently presents haute couture as an object for casual canine destruction.”⁸³ Or so thought the Fourth Circuit, at least.⁸⁴

treatment and instead required analysis under the likelihood of confusion test. *See also* *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 32 (1st Cir. 1987) (finding no dilution in part because defendant “did not use Bean’s marks to identify or promote goods or services to consumers; it never intended to market the ‘products’ displayed in the parody”); *cf.* *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (finding “Barbie Girl” as title of song non-commercial speech because, in addition to its commercial purpose of selling the song, “the song also lampoons the Barbie image and comments humorously on the cultural values Aqua claims she represents”).

⁸⁰ *See, e.g.*, *Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.*, 776 F. Supp. 1454 (W.D. Wash. 1991) (“[D]efendant’s claim of parody will be disregarded where the purpose of the similarity is to capitalize on a famous mark’s popularity for the defendant’s own commercial use.”); *cf.* *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992) (“The difference between a ‘parody’ and a ‘knock-off’ is the difference between fun and profit.”).

This is not a problem limited to parodies. Courts have stretched to find defendant’s uses to be commercial, and therefore infringing, when they think the defendant stands to make money from their use, even when it seems otherwise clearly noninfringing. *See* *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1019 (9th Cir. 2004); *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 271 (4th Cir. 2001).

⁸¹ *See* Greg Lastowka, *Trademark’s Daemons*, 48 HOUS. L. REV. 779, 790 (2011) (“The test for infringement provides a wonderful smokescreen for a jurist’s hidden agenda.”); *see also* Beebe, *Empirical Study of the Multifactor Tests*, *supra* note 14, at 1614-16.

⁸² *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 583 (1994).

⁸³ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th

Trademark holders, of course, would prefer not to face this kind of ridicule of their brands or their branding practices. But trademark law does not exist to suit the needs of trademark holders; it aims to promote broader social objectives. As a result, whether or not trademark law should condemn brand parodies depends on whether they threaten trademark law's normative goals.

We have written elsewhere about the rationale for — and the costs of — laws protecting trademarks.⁸⁵ Despite an active contemporary debate over its descriptive accuracy and desirability,⁸⁶ the dominant theoretical justification for trademarks remains an economic one. By providing shorthand signals about products, trademarks lower the costs of transferring information between buyers and sellers. By protecting the integrity of this product information, trademark law can facilitate more transparent and competitive markets.

This account, however, comes with two important caveats. First, because fair competition remains the ultimate goal of trademark law, the law's information-related objectives must sometimes give way to competition concerns. Trademark rules like functionality, fair use (both descriptive and nominative), and genericide are all designed to promote competition and market access, even when it means losing some informational clarity for consumers.⁸⁷ Second, even the most modest version of trademark law — say, one focused only on passing off — creates the opportunity for rent-seeking behavior and the risk of monopoly.⁸⁸ While trademarks do convey objective information about

Cir. 2007).

⁸⁴ *Id.*; see also *Nike, Inc. v. "Just Did It" Enters.*, 6 F.3d 1225, 1231 (7th Cir. 1993) (“[S]ome purchasers might resent paying a premium to be a walking billboard and would relish the opportunity to mock trendy folks who wear labels on their sleeves.”).

⁸⁵ See, e.g., Dogan & Lemley, *A Search-Costs Theory of Limiting Doctrines*, *supra* note 41 (discussing rationale and costs of trademark laws); Dogan & Lemley, *Grounding Trademark*, *supra* note 26 (same); Dogan & Lemley, *Merchandising Right*, *supra* note 56 (same); Dogan & Lemley, *Trademarks and Consumer Search Costs*, *supra* note 26 (same).

⁸⁶ See Michael Grynberg, *Trademark Litigation as Consumer Conflict*, 83 N.Y.U. L. REV. 60, 67-77 (2008); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1896-916 (2007); Jeremy N. Sheff, *The (Boundedly) Rational Basis of Trademark Liability*, 15 TEX. INTEL. PROP. L.J. 331, 333 (2007).

⁸⁷ For more detail on these and other competition-oriented limiting doctrines, see generally Deven R. Desai, *An Information Approach to Trademarks*, 100 GEO. L.J. 2119 (2012) [hereinafter *Information Approach to Trademarks*]; Dogan & Lemley, *A Search-Costs Theory of Limiting Doctrines*, *supra* note 41.

⁸⁸ See Mark A. Lemley & Mark P. McKenna, *Is Pepsi Really a Substitute for Coke?*

products, they can also serve as vessels of advertising-laden prestige, status, and brand personality that often bear little relation to any objective measure of product quality.⁸⁹ This kind of artificial product differentiation can lead to higher prices and deadweight loss.⁹⁰ Whether we view this as a fundamental problem or a minor glitch in the system, it is an inevitable effect of trademark protection, and it raises real economic concerns.

As trademark law grows increasingly immodest — by protecting product designs against fears of post-sale confusion, for instance — these costs associated with trademark protection grow.⁹¹ Producers can now differentiate their products not only through names, but also through their “branded” product attributes. Luxury brands, in particular, thrive on the very fact of their scarcity and its attendant high price. Consumers demand these brands at least in part because of the image of distinction and wealth that they convey. Product use and consumption, in turn, become a form of expression, in which wearers or users of luxury-branded products project to the world their exalted status.⁹² Wearing, consuming, or riding in a luxury-branded product conveys a very public message about the consumer’s affluence and values.

Our goal here is not to pass judgment on these economic and cultural phenomena. Whether one believes that brand-based product differentiation promotes social welfare or reduces it,⁹³ it undeniably

Market Definition in Antitrust and IP, 100 GEO. L.J. 2055, 2059-66 (2012); Lunney, *supra* note 39, at 367-69 (describing intellectual, political, and legal history of trademark law, including early debates over the tension between its informational objectives and its monopolistic tendencies).

⁸⁹ See Jeremy N. Sheff, *Veblen Brands*, 96 MINN. L. REV. 769, 792 (2012) [hereinafter *Veblen Brands*].

⁹⁰ See Ann Bartow, *Counterfeits, Copying and Class*, 48 HOUS. L. REV. 707, 707-08 (2011); Sheff, *Veblen Brands*, *supra* note 89, at 825.

⁹¹ See Lunney, *supra* note 39, at 421-39; Sheff, *Veblen Brands*, *supra* note 89, at 818.

⁹² See Barton Beebe, *Intellectual Property Law and the Sumptuary Code*, 123 HARV. L. REV. 809, 821-24 (2010) [hereinafter *Sumptuary Code*]. For a celebration of this fact, see Irina D. Manta, *Hedonic Trademarks*, 74 OHIO ST. L.J. 241, 282 (2013).

⁹³ Cf. Beebe, *Sumptuary Code*, *supra* note 92 (suggesting that luxury brands play the role of a modern “sumptuary code” that distinguishes high-class from low-class citizenry). Compare Shahar J. Dilbary, *Famous Trademarks and the Rational Basis for Protecting “Irrational Beliefs,”* 14 GEO. MASON L. REV. 605 (2007) (contending that prestige goods can actually enhance consumer welfare by offering a host of non-physical attributes that bring utility to consumers), with Lunney, *supra* note 39 (claiming that property-based trademark protection reduces social welfare), and Sheff, *Veblen Brands*, *supra* note 89 (contending that legal protection of luxury brands is unnecessary and harmful to consumer interests).

plays a major role in our economy and our society. Brands shape our communities and define our values. And while the traditional economic account views brands as conveying information unidirectionally — from producer to consumer — brands also convey information *about* the consumer and allow members of the public to communicate to each other.⁹⁴ By selling branded products, producers enable us to brand ourselves. Indeed, in the modern world of luxury brands this is arguably the primary function of brands. Traditional trademarks serve as the source of goods and therefore protect the customer from fake goods. By contrast, Nike swooshes, red shoe bottoms, and Chanel purse logos are not really about ensuring purchasers make the right decision, but about allowing purchasers to tell the rest of the world about that decision. Were it otherwise, known counterfeits wouldn't be so popular.⁹⁵ Brands, then, don't just help trademark owners speak; they help all of us speak. And that speech is so common that refusing to wear brand names is itself a recognized counter-cultural statement.⁹⁶

Which brings us back to brand parody. As discussed above, brands that parody have a dual target: the brand itself and the phenomenon of branding. Given the prevalence of branding and its economic and social impact, commentary about both brands and branding is a matter of public concern.⁹⁷ If they succeed in the market, moreover, these parodic brands

⁹⁴ See Desai, *From Trademarks to Brands*, *supra* note 58, at 1036-44; *see also* Desai, *Information Approach to Trademarks*, *supra* note 87, at 2120-21 (contending that trademarks should be understood as information channels).

⁹⁵ Cf. Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960 (1993) (“Where trademarks once served only to tell the consumer who made the product, they now often enhance it or become a functional part of it.”).

⁹⁶ See, e.g., NAOMI KLEIN, *NO LOGO* (1999) (recounting popular movements designed to counter the message of dominant brands by, among other things, exposing brand hypocrisy); MC LARS, *NO LOGO* (Horris Records & Oglia Records 2009) (mocking the mocking of brand hypocrisy). See generally Laura A. Heymann, *The Law of Reputation and the Interest of the Audience*, 52 B.C. L. REV. 1341 (2011) [hereinafter *The Law of Reputation*] (noting broader community interest in the construction of individual and corporate reputation); McKenna, *Consumer Decision-Making Theory*, *supra* note 41 (suggesting that persuasive, non-deceptive uses of marks by third parties can have social value). For a discussion of the act of subverting the meaning of a brand as itself speech-significant, see Katyal, *Semiotic Disobedience*, *supra* note 58, at 554-68.

⁹⁷ See, e.g., *Laugh It Off Promotions CC v. S. Afr. Breweries Int'l* 2005 (1) SA 144 (CC) at 62 para. 105 (S. Afr.) (Sachs, J., concurring) (“The companies that own famous trademarks exert substantial influence over public and political issues, making them and their marks ripe and appropriate targets for parody and criticism.”); Deven R. Desai, *Speech, Citizenry, and the Market*, 98 MINN. L. REV. (forthcoming 2013), available at [http://www.stanford.edu/dept/law/ipsc/Paper%20PDF/Desai,%20Deven%](http://www.stanford.edu/dept/law/ipsc/Paper%20PDF/Desai,%20Deven%20)

most likely do so because they offer some value to consumers — because their message resonates with a substantial audience. Just as prestige brands confer value to consumers who want to project an image of exclusivity, so brand parodies bring utility to consumers seeking to project a more rebellious or sardonic message.⁹⁸ Absent some harm to the informational function of the underlying trademark, the availability of this new type of product likely increases social welfare.⁹⁹ Further, if brands are part of a conversation between consumers, not just with trademark owners, brand parodies allow others to participate in that conversation with a different, unapproved message.¹⁰⁰ In so doing, it helps us define ourselves. As Salman Rushdie put it, “[t]hose who do not have power over the story that dominates their lives, power to retell it, rethink it, deconstruct it, joke about it, and change it as times change, truly are powerless, because they cannot think new thoughts.”¹⁰¹

If the parody is effective, moreover — if consumers get the joke — it’s

20-%20Paper.pdf (“Like other public figures, corporations affect public affairs, take political positions, engage in matters of public concern and public controversy, and have reputations.”).

⁹⁸ They also make life more fun by adding some levity to our lives. As Justice Sachs of the South African Constitutional Court proclaimed, in a case involving a parody of a beer brand:

The Constitution cannot oblige the dour to laugh. It can, however, prevent the cheerless from snuffing out the laughter of the blithe spirits among us. Indeed, if our society became completely solemn because of the exercise of state power at the behest of the worthy, not only would all irrelevant laughter be suppressed, but temperance considerations could end up placing beer-drinking itself in jeopardy. And I can see no reason in principle why a joke against the government can be tolerated, but one at the expense of what used to be called Big Business, cannot.

Laugh It Off Promotions (1) SA at 63-64 para. 107 (Sachs, J., concurring).

⁹⁹ To be precise, the parodist and the people who view the parody generally benefit. There may be individuals who value the purity of brand integrity and oppose parody for its own sake. A utilitarian calculus would have to include their preferences too. *See* Manta, *supra* note 92, at 261. But we are skeptical that the views of these few people are so strongly held that they will outweigh the value of parody to others, including the parodist.

¹⁰⁰ *See* Wendy J. Gordon, *A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 *YALE L.J.* 1533, 1585 (1993) (arguing that courts choose encouraging accurate communication over maximizing returns to trademark owners).

¹⁰¹ SALMAN RUSHDIE, *One Thousand Days in a Balloon*, reprinted in SALMAN RUSHDIE: A POSTMODERN READING OF HIS MAJOR WORKS 104 (Sabrina Hassumani ed., 2002).

hard to see how brand parodies pose any cognizable threat to trademark law's informational goals. Sure, the public might think less of the trademark holder as a result of the criticism, but trademark law has never addressed itself to that kind of harm.¹⁰² To the contrary, the fact that the defendant is using the plaintiff's brand to talk about the plaintiff, even for money, is a defense to infringement.¹⁰³

Brand parodies, then, are a natural and desirable part of a social conversation that takes place through the phenomenon of branding. Trademark owners benefit from that conversation, but they are not the only ones with a right to speak.

III. A DEFENSE FOR BRAND PARODIES

True brand parodies thus have social value and are unlikely to cause confusion or loss of distinctiveness of the targeted mark; trademark courts should rarely enjoin them. In practice, however, litigation against brand parodies can drag on for years, with courts equivocating over what rules to apply and how.¹⁰⁴ And some courts enjoin them based on questionable evidence of confusion. Both the equivocation and the misapplication of the law may well result from discomfort over the commercial nature of these parodies, or from a perception of exploitation and free riding. Whatever the cause, the slipperiness of trademark doctrine gives courts room to find infringement or dilution, even under dubious circumstances, if they are motivated to do so.

We need more reliable protection for brand parodies under both trademark infringement and dilution law. A defense that can be litigated pre-trial would add great certainty to the process and protect speech. Even contemplating such a defense, however, raises a host of definitional and policy questions. What *is* parody, and why should we privilege it over other forms of critical speech such as satire? How should courts distinguish between real parodies and fakes? Assuming parody deserves some kind of legal protection, what form should the defense take? Should the defense be absolute once it is established that the defendant's brand is in fact a qualifying parody? Or should a brand parody be illegal

¹⁰² See *supra* notes 56-58 and accompanying text.

¹⁰³ See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 217-18 (3d Cir. 2005); *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

¹⁰⁴ The Charbucks case, for example, has been up and down to the Second Circuit three times in the nine years it has been litigated so far, and there is no end in sight. See *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 102-05 (2d Cir. 2009).

if it causes enough confusion? We see no easy answer to these questions; in particular, we recognize the hazards of distinguishing between parodies and other forms of critical speech. Nonetheless, we believe that there is good reason to provide special protection for parodies, while at the same time preserving space for satire and other expressive uses of marks. The difficulty of drawing lines should not prevent us from protecting parodies that are clearly on the right side of the line, wherever drawn.

A. *What Is a Parody? Does It Matter?*

To create a defense for brand parodies, we need either a definition of what a parody is or a general principle that encompasses brand parodies along with other forms of protected uses of a trademark.

In *Campbell v. Acuff-Rose Music, Inc.*,¹⁰⁵ a copyright fair use case, the Supreme Court sought to define parody. While it drew from classic and dictionary definitions a fairly broad definition of a parody that involved imitation of a work for the purpose of comic effect,¹⁰⁶ the actual definition it adopted was narrower: “[T]he 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.”¹⁰⁷ Works that use elements from an original for comic effect but that do not comment directly on the original, by contrast, are classed by the Court as satire, not parody. The court reasoned that parody needs the original in order to work, but satire could use any work, not necessarily the plaintiff’s.¹⁰⁸

¹⁰⁵ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

¹⁰⁶ *Id.* at 579-80 (“The germ of parody lies in the definition of the Greek *parodeia*, quoted in Judge Nelson’s Court of Appeals dissent, as ‘a song sung alongside another.’ Modern dictionaries accordingly describe a parody as a ‘literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule,’ or as a ‘composition in prose or verse in which the characteristic turns of thought and phrase in an author or class of authors are imitated in such a way as to make them appear ridiculous.’” (citations omitted)).

¹⁰⁷ *Id.* at 580.

¹⁰⁸ *Id.* at 580-81 (“Parody 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.”). In fact, however, there may be non-parodic uses that depend on a particular work. Machinima, for instance, makes videos out of content from individual video games, and fan fiction builds off of books or movies. While in theory the fan could build off of some other work, the entire point of machinima or fan fiction is to pay homage to a particular piece of culture. See Michael Choe, *The Problem of the Parody-Satire Distinction: Fair Use in Machinima and Other Fan Created Works*, 37 RUTGERS

Campbell emphatically did not say that parody was protected and satire was not. Indeed, it strongly suggested that both satire and parody had claims to be fair use under copyright law where they did not substitute for the original goods.¹⁰⁹ But in the wake of *Campbell*, many courts in copyright and trademark cases have treated the parody/satire distinction not as a point of discussion, but as a bright line rule. Most notably, the Ninth Circuit in *Dr. Seuss* held that because *The Cat NOT In the Hat* was a satire, not a parody of Dr. Seuss's books, it was neither copyright fair use nor speech protected from trademark infringement.¹¹⁰

The result is that under existing law, there is a substantial benefit to having your work classed as a parody rather than a satire.¹¹¹ For many of the examples we discussed in Part I, this is generally not an issue; most are pretty clearly targeting the brand owner at least in part. But other cases that clearly make reference to a trademark owner seem closer to satire — social commentary — than a parody of the trademark itself. In *L.L. Bean, Inc. v. Drake Publishers, Inc.*,¹¹² the court held that a

COMPUTER & TECH. L.J. 93, 114-16 (2011).

¹⁰⁹ *Campbell*, 510 U.S. at 580 n.14 (“[W]hen there is little or no risk of market substitution, whether because of the large extent of transformation of the earlier work, the new work’s minimal distribution in the market, the small extent to which it borrows from an original, or other factors, taking parodic aim at an original is a less critical factor in the analysis, and looser forms of parody may be found to be fair use, as may satire with lesser justification for the borrowing than would otherwise be required.”). By contrast, Justice Kennedy was alone in concluding that the court’s analysis should be limited to parody and should not extend to satire. *Id.* at 597 (Kennedy, J., concurring) (“It is not enough that the parody use the original in a humorous fashion, however creative that humor may be. The parody must target the original, and not just its general style, the genre of art to which it belongs, or society as a whole . . .”).

¹¹⁰ *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405-06 (9th Cir. 1997) (“[T]he claim of parody is no defense ‘where the purpose of the similarity is to capitalize on a famous mark’s popularity for the defendant’s own commercial use.’” (citation omitted)). For trenchant criticism of this decision, see Tyler T. Ochoa, *Dr. Seuss, the Juice, and Fair Use: How the Grinch Silenced a Parody*, 45 J. COPYRIGHT SOC’Y U.S.A. 546, 585-633 (1998). For a contrary approach, see *Blanch v. Koons*, 467 F.3d 244, 259 (2d Cir. 2006). See also MADHAVI SUNDER, FROM GOODS TO A GOOD LIFE: INTELLECTUAL PROPERTY AND SOCIAL JUSTICE 23-44 (2012); Rebecca Tushnet, *Scary Monsters: Hybrids, Mashups, and Other Illegitimate Children*, 86 NOTRE DAME L. REV. 2133, 2139 (2011).

¹¹¹ Indeed, several copyright cases bend over backwards to find parody in what is really some other form of commentary or criticism. See, e.g., *Northland Family Planning Clinic, Inc. v. Ctr. for Bio-Ethical Reform*, 868 F. Supp. 2d 962 (C.D. Cal. 2012) (edit of pro-choice video to intersperse anti-choice arguments was a “parody”; parody doesn’t need to be humorous).

¹¹² 811 F.2d 26 (1st Cir. 1987).

pornography magazine that published a fake catalog called “L.L. Bean’s Back to School Sex Catalog” was a lawful parody of L.L. Bean’s Back to School Catalog.¹¹³ Whatever commentary the Back to School Sex Catalog might be making doesn’t seem to be about L.L. Bean per se. And in *MasterCard International, Inc. v. Nader 2000 Primary Committee, Inc.*,¹¹⁴ the court held that Ralph Nader’s political ad in the 2000 presidential campaign based on the MasterCard “Priceless” ad campaign was a lawful parody.¹¹⁵ But while Nader’s ad was clearly social commentary, and while Nader argued that his ad was in fact designed in part to mock MasterCard, the ad was really satire, not parody. It was designed to use a well-known ad campaign to make a social commentary about something — campaign finance — unrelated to MasterCard. Indeed, one might question (as both Justice Kennedy’s concurrence and the Sixth Circuit opinion did) whether 2 Live Crew’s “Big Hairy Woman” song was really a parody of Roy Orbison’s “Pretty Woman” or just a take-off from it. Justice Kennedy worried in *Campbell* “that not just any commercial takeoff is rationalized *post hoc* as a parody.”¹¹⁶ But arguably a preference for parody over satire gives just such an incentive.

In many cases, therefore, the parties fight about whether a work is in fact a parody at all as a prelude to (or perhaps a proxy for) debating whether it is legal. For courts that focus on the parody/satire distinction, that requires them to make some tough choices in deciding what qualifies as a parody: is a subsidiary purpose to make fun of the plaintiff enough, or must it be the primary focus of the defendant’s use? How confident must we be that it is a parody? Does the defendant’s intent to make a parody (or not) matter? Does it matter how the audience perceives it? Consider, for instance, Chik-Fil-A’s complaint over Eat More Kale T-shirts.¹¹⁷ Bo Muller-Moore, the maker of the shirts, said he didn’t intend to make fun of Chik-Fil-A or its “Eat More Chikin” slogan.¹¹⁸ But some

¹¹³ *Id.* at 34.

¹¹⁴ No. 00 Civ.6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004). Full disclosure: one of us (Lemley) represented Nader in this case.

¹¹⁵ *Id.* at *2-9.

¹¹⁶ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 600 (1994) (Kennedy, J., concurring).

¹¹⁷ The fight over Eat More Kale is now the subject of an upcoming documentary, A DEFIANT DUDE.

¹¹⁸ Bo Muller-Moore, EAT MORE KALE, <http://eatmorekale.com/> (last visited Sept. 7, 2013) (“I’m asked all the time, ‘Hey Bo, what do you mean by “Eat More Kale” and where did the phrase come from?’ . . . Most obviously, it’s about eating healthier. Kale can be delicious and a SUPER FOOD! You *should* eat more of it. . . . Eat More Kale is

people might see it that way, or at least see it as a takeoff that provides a humorous contrast with the fast-food mark. If we focus on the defendant's intent, the result would be that Bo's shirts would not be parodies, but identical shirts made by someone who sought to mock the fast food industry would be. If instead we focus on how consumers perceive the shirts, we face an expensive fact determination ancillary to the primary likelihood of confusion determination. And it is not clear what value that information has.

Perhaps we could use the court as a gatekeeper, bending over backwards to perceive parody if at all possible and weeding cases out pre-trial.¹¹⁹ That's the approach copyright law takes, though copyright has always been less concerned than trademark with the reactions of individual consumers.¹²⁰ A judicial judgment about whether something is a parody has advantages over both the defendant's belief and the public's, though it risks missing parodies that appeal to a younger or culturally different audience than tends to inhabit the federal bench. A number of people have worried that the Sixth Circuit in *Campbell* simply didn't "get" 2 Live Crew's music;¹²¹ one might similarly worry about

about supporting small business, business that actually cares and hasn't been swallowed up by profit-hungry, corporate mentality.").

¹¹⁹ See *Campbell*, 510 U.S. at 582 & n.16 (the parodic character need only be reasonably perceivable, and need not be of high quality). One study finds that when *Campbell* is cited in a trademark parody case, the defendant almost always wins. See Simon, *The Confusion Trap*, *supra* note 61, at 29-40.

¹²⁰ See Dinwoodie & Janis, *supra* note 26, at 1604 (acknowledging and largely defending "norm followership" in trademark law); Dogan & Lemley, *Grounding Trademark*, *supra* note 26, at 1693-98 (discussing ways in which trademark law defines itself by reference to consumer attitudes, which in turn are often shaped by legal rules); Jeanne Fromer & Mark A. Lemley, *The Audience in Intellectual Property Infringement*, MICH. L. REV. (forthcoming 2014) (draft at 33), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2272235 (trademark law is more focused on actual consumer reaction than other IP laws). Arguably this is the approach the court took in *Walking Mountain* in rejecting a survey purporting to show confusion. Cf. Jane C. Ginsburg, *Of Mutant Copyrights, Mangled Trademarks, and Barbie's Beneficence: The Influence of Copyright on Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH, *supra* note 41, at 481 (arguing that trademark has borrowed speech-protective rules from copyright's parody cases).

¹²¹ See, e.g., Gary Myers, *Trademark Parody: Lessons from the Copyright Decision in Campbell v. Acuff-Rose Music, Inc.*, 59 LAW & CONTEMP. PROBLEMS 181, 187 (1996) ("At this point, [*Campbell*] addressed the central error in the Sixth Circuit's opinion, the presumptive weight it gave to 2 Live Crew's commercial motivation for its parody."); cf. Olufunmilayo B. Arewa, *From J.C. Bach to Hip-Hop: Musical Borrowing, Copyright, and Cultural Context*, 84 N.C. L. REV. 547 (2006) (situating *Campbell* in the context of hip-hop norms about reuse).

judges not “getting” the Enjoy Cocaine poster in *Gemini Rising* or a host of other modern parodies.

Perhaps there is a way for trademark law to avoid drawing this line altogether. It is not clear that trademark owners have any strong need to prevent satire. In *Campbell*, the Court focused on the defendant’s need to use the plaintiff’s work rather than any other work, suggesting that satire required more justification for copying because it didn’t have to use the plaintiff’s work.¹²² That argument has always rung a bit hollow even in copyright; if no one wants their works to be used as a basis for satire, the fact that there are many other potential plaintiffs whose works I can’t use either is cold comfort indeed.¹²³ But the argument seems to have even less force in trademark law. Unlike copyright, which is designed to prevent copying and to give copyright owners control over the use of the work itself, trademark law cares only about the brand-product connection in the minds of consumers and how that might affect producer incentives.¹²⁴ There is little reason to think that either parody or satire interferes with that connection; to the contrary, both will often reinforce the connection by calling to mind the famous brand or ad campaign they mimic.¹²⁵ And there is even less reason to think that satire will cause more interference with the connection than parody does.¹²⁶

¹²² *Campbell*, 510 U.S. at 580-81.

¹²³ See Keller & Tushnet, *supra* note 65, at 979-80 (making this point).

¹²⁴ For discussion, see, for example, Lemley & McKenna, *Owning Mark(et)s*, *supra* note 56.

¹²⁵ Barton Beebe has made this point about tarnishment. See Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1150-51 (2006). For general discussion, see Desai, *From Trademarks to Brands*, *supra* note 58, at 1007-08; Heymann, *The Law of Reputation*, *supra* note 96, at 1341.

We dealt above with a related argument — that satire will “overexpose” a mark and therefore weaken its value. For criticism of that argument, see generally Mark A. Lemley, *Ex Ante Versus Ex Post Justifications for Intellectual Property*, 71 U. CHI. L. REV. 147 (2004) [hereinafter *Ex Ante*]. Lemley notes:

Where a work is truly iconic, even repeated debasement is unlikely to affect public perceptions. Justin Hughes observes that the Statue of Liberty, the Mona Lisa, Mount Rushmore, and the Eiffel Tower retain their iconic status despite repeated uses and abuses in many different contexts. So too do the works of Shakespeare and the characters Frankenstein (and his monster), Dracula, Scrooge, Uncle Sam, and King Arthur.

Id. at 146 n.63 (citing Justin Hughes, “Recording” *Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923, 961 (1999)).

¹²⁶ For criticism of the distinction, see Sonia K. Katyal, *Performance, Property, and*

A number of scholars, including one of the authors, have argued recently that trademark law needs a trademark injury requirement under which plaintiffs could block only uses that actually changed consumer perceptions or behavior.¹²⁷ Under a trademark injury filter, courts might not have to decide whether a particular referential use was parody or satire, because the law should protect both of them in the ordinary case in which neither parody nor satire is likely to have any material impact on consumer purchasing decisions. While parodies and satires may well influence consumers' view of a brand, neither is likely to do so in a way trademark law should care about — by confusing consumers at the point of purchase or interfering with the uniqueness of the mark as signifier. Importing the *Rogers v. Grimaldi* test from the right of publicity may effect just such an end-run, depending on how broadly the courts define “artistic relevance.” We can imagine a court concluding that Outkast's song “Rosa Parks” was artistically relevant to Rosa Parks because it contained the line “everyone move to the back of the bus,” even though the song was not in fact about Rosa Parks at all.¹²⁸

Under existing law, however, trademark holders can prevail if there's confusion about their sponsorship of a product, even if the confusion causes them no harm. As a result, it's at least theoretically possible to have consumer confusion in the case of satire; consumers could, we suppose, be confused over whether the trademark holder has made the satirical point. We think it's doubtful, but the possibility of such confusion may make it harder to resolve cases early, without resort to any likelihood of confusion analysis.

Parodies, however, by their very nature make confusion improbable, and dilution highly unlikely. Trademark holders are unlikely to develop brands that lampoon themselves, and consumers are unlikely to believe that they've done so.¹²⁹ And as the *Louis Vuitton* court recognized,

the Slashing of Gender in Fan Fiction, 14 AM. U. J. GENDER SOC. POL'Y & L. 461, 478 (2006); Ochoa, *supra* note 110, at 548-64, 609-10.

¹²⁷ See Lemley & McKenna, *Irrelevant Confusion*, *supra* note 36, at 448-53; Lemley & McKenna, *Owning Mark(et)s*, *supra* note 56, at 188-89; McKenna, *Consumer Decision-Making Theory*, *supra* note 41, at 124-33; Tushnet, *From A to B*, *supra* note 36, at 1368-73; cf. CHRISTINA BOHANNAN & HERBERT HOVENKAMP, CREATION WITHOUT RESTRAINT: PROMOTING LIBERTY AND RIVALRY IN INNOVATION 176-81 (2012) (proposing an analogous copyright injury requirement).

¹²⁸ As it happens, the court found the issue to present a question of fact that could not be resolved on summary judgment. *Parks v. LaFace Records*, 329 F.3d 437, 459-60 (6th Cir. 2003).

¹²⁹ Cf. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994) (“[T]he unlikelihood that creators of imaginative works will license critical reviews or lampoons

parodies will rarely dilute, because their commentary calls attention to the famous trademark and reinforces its fame.¹³⁰ Classifying a use as a parody should therefore enable earlier resolution of cases even under current legal standards. In an ideal world, of course, courts would do a better job of handling expressive uses of trademarks more generally.¹³¹ But given the realities of existing law, we think that parodies, at the very least, present an attractive case for special treatment.

Doing so requires us to confront the definitional problem directly.¹³² It's not an easy task; because parody and satire have more commonalities than differences, courts reach decisions that sometimes leave us scratching our heads.¹³³ But at least in cases of clear parody, we see some value in carving out a separate defense. So we proceed here with the task even while understanding that at some level it is futile, because defining parody may enable us to take at least some easy cases out of court early.

We think a parody need not be intended solely as a parody; many brands seek to convey multiple messages at once. Nor should parody depend on the defendant's intent that something be a parody; it is worth noting that 2 Live Crew originally defended its song as a cover of the Orbison original, not as a parody. To focus on the defendant's intent

of their own productions removes such uses from the very notion of a potential licensing market.”). However, there is some evidence of both self-parody as an advertising strategy (Isuzu's “He's Lying” commercials) and even a willingness to license some parody, as Weird Al Yankovic does.

¹³⁰ See *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 267 (4th Cir. 2007).

¹³¹ See Lemley & McKenna, *Irrelevant Confusion*, *supra* note 36, at 444-48; McGeveran, *supra* note 14, at 109-23; William McGeveran & Mark P. McKenna, *Confusion Isn't Everything*, 89 NOTRE DAME L. REV. (forthcoming 2013).

¹³² For a critical analysis of how courts determine whether parody “can reasonably be perceived” in copyright cases, see generally David A. Simon, *Reasonable Perception and Parody in Copyright Law*, 2010 UTAH L. REV. 779.

¹³³ The Second Circuit, for example, described “Charbucks” as “at most, a subtle satire of the Starbucks Marks.” *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 113 (2d Cir. 2009). We're not sure what the difference is between a subtle satire of a product and a parody of that product; according to the Supreme Court, at least, the use of a mark to poke even subtle fun at that mark would be parody rather than satire. The court seems to have thought that “Charbucks” was at most a joke about the dark roast of the Starbucks coffee (and therefore directed at dark roast generally), ignoring its rather more obvious implication that people are wasting their money buying expensive cups of Starbucks coffee. The fact that a court of appeals can garble the distinction in a case this easy gives us pause in endorsing it.

The Second Circuit ultimately affirmed a finding that Charbucks was not dilutive, using the ordinary dilution test rather than relying on parody. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, No. 12-354-cv, 2013 WL 6037227 (2d Cir. Nov. 15, 2013).

would not only be unworkable but would cause similar uses to be treated differently depending on the defendant's state of mind and how careful they were in documenting their intent.

That leaves the public and the courts as possible arbiters of what is a parody. Both have their problems. Relying on the public simply falls back on the likelihood of confusion standard, here to determine not the fact of confusion but whether people thought the trademark owner or a third party was the target of the defendant's use. It would mean that it is essentially impossible to resolve parody cases pre-trial. The best (or least-bad) alternative may be to follow copyright and have judges make their own assessment of whether something is a parody, putting a thumb on the scale of finding parody in doubtful cases. That's not a perfect solution, because judges may not "get" the joke in many popular culture cases. But it may be the best we can do as long as courts are unwilling to put satire on equal footing with parody.

B. Implementing a Parody Defense

The next question is how to implement such a defense. Should parody serve as a stand-alone defense that automatically defeats any likelihood of confusion? Or should courts inquire into confusion, allowing the parody only when confusion is impossible or highly unlikely? What kind of confusion, for that matter, should count?

It might seem logical to look to *Rogers v. Grimaldi*, given its value in non-brand parody cases. As discussed above, *Rogers* allows use of trademarks in expressive products as long as the mark has artistic relevance to the work and does not expressly mislead.¹³⁴ But *Rogers* offers little guidance outside the expressive work context. A rule that considers a trademark's relationship to a movie, book, or video game does not apply readily to names of commodities such as coffee or dog toys. At the same time, parodies match up with the Second Circuit's core insight — that the risk of confusion with some sorts of uses might be so small, and countervailing speech interests so substantial, that courts should dispense with analysis of likelihood of confusion.¹³⁵ The trick is finding the doctrinal vehicle for analyzing parodies.

We think that trademark's nominative fair use doctrine — with some tweaking — could serve as an adequate tool for resolving most brand parody cases without resort to likelihood of confusion. In cases in which

¹³⁴ See *supra* notes 5-6 and accompanying text.

¹³⁵ See *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

the nominative fair use defense does not apply, courts should turn to a full analysis of likelihood of confusion and dilution. When this happens, however, they must take care to avoid some of the pitfalls that have led courts to find obvious parodies infringing. We offer some preliminary thoughts about how that analysis ought to proceed.

1. Nominative Fair Use.

Nominative fair use is a common law doctrine that allows certain uses of trademarks to refer to the mark holder itself, or its products. The two primary tests used in nominative fair use cases come from the Ninth and Third circuits. The Ninth Circuit, which first formally devised the test, allows a nominative use if the defendant meets three conditions:

First, the product or service . . . [is] not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.¹³⁶

The Third Circuit applies a similar test, but its third prong asks whether “defendant’s conduct or language reflect[s] the true and accurate relationship between plaintiff and defendant’s products or services.”¹³⁷

Admittedly, both of these tests turn in part on consumer expectations; courts cannot assess whether a defendant’s use of a mark is “accurate” — or whether it improperly suggests endorsement — without some

¹³⁶ *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992); *see also Toyota Motor Sales, U.S., Inc. v. Tabari*, 610 F.3d 1171, 1175-83 (9th Cir. 2010); *cf. Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.*, 704 F.3d 44 (1st Cir. 2013) (recognizing and applying nominative fair use but without adopting any particular definition).

¹³⁷ *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005); *see also id.* at 223 & n.4 (“Fairness is a distinct concept from confusion, and it should be measured through a distinct inquiry.”). The court also fiddled a bit with the other *New Kids* factors. In full, the Third Circuit’s nominative fair use standard requires the defendant to show:

(1) that the use of plaintiff’s mark is necessary to describe both the plaintiff’s product or service and the defendant’s product or service; (2) that the defendant uses only so much of the plaintiff’s mark as is necessary to describe plaintiff’s product; and (3) that the defendant’s conduct or language reflect the true and accurate relationship between [the parties].

Id. at 222.

reference to how consumers will perceive the use.¹³⁸ As a result, critics have complained that nominative fair use simply re-entangles courts in the same likelihood of confusion inquiries that define infringement in the first place.¹³⁹ Yet the role of consumer expectations is quite different in the two contexts. In the general likelihood of confusion context, consumer perception is the very heart of the inquiry: the factfinder must assess whether, given the nature of the parties, their products, and the marks at issue, consumers might mistakenly perceive a source- or sponsorship-oriented relationship between the parties. The defendant does not ordinarily have any particular reason for using the plaintiff's trademark, so the factfinder has no purpose against which to measure the nature of the use. In nominative fair use, in contrast, the defendant has a reason to use the mark; the factfinder's task is to assess how the use measures up against that legitimate purpose. This at least admits the possibility of a textual inquiry that relies on the court's objective assessment of whether the defendant's use promotes valid referential goals or instead appears intended to mislead.¹⁴⁰ As a result, judges may be able to resolve nominative fair use issues without prolonged factual inquiries into consumer perceptions.¹⁴¹

¹³⁸ See, e.g., *Tabari*, 610 F.3d at 1176 (noting that third prong of nominative fair use — whether defendant has improperly suggested sponsorship or endorsement — should be assessed from the perspective of the “reasonably prudent consumer”); *Century 21*, 425 F.3d at 231 (considering whether defendant's behavior “rendered the use inaccurate or was somehow misleading as to any endorsement or relationship”).

¹³⁹ See, e.g., *McGeveran*, *supra* note 14, at 88-97 (arguing that the substitution of fair use requirements for likelihood of confusion analysis is a significant problem that prejudices fair uses and prolongs litigation); see also, e.g., Mark P. McKenna, *Trademark Use*, *supra* note 26 (making the point more generally).

¹⁴⁰ See, e.g., *Tabari*, 610 F.3d at 1181-82 (considering context of website and domain name in evaluating second and third factors of nominative fair use standard).

¹⁴¹ See *Century 21*, 425 F.3d at 224 (“Our test for nominative fair use considers distinct factors that are readily susceptible to judicial inquiry.”). Importantly, the Third Circuit approach, unlike the Ninth Circuit, treats nominative use as a defense even in the face of confusion, while the Ninth Circuit could be read as saying that if consumers are confused as to sponsorship or affiliation the defendant is disentitled to a defense. So understood, the Ninth Circuit test wouldn't be a defense at all, but collapses into the confusion inquiry. Indeed, some circuits, like the Sixth Circuit, view nominative fair use as redundant because, they believe, it protects uses that are inherently unlikely to cause confusion. See, e.g., *PACCAR Inc. v. TeleScan Techs., LLC*, 319 F.3d 243, 256 (6th Cir. 2003) (“This circuit has never followed the nominative fair use analysis, always having applied [the circuit's likelihood of confusion] test.”), *abrogated by* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004). For criticism of the Ninth Circuit on this ground, see Greg Lastowka, *Nominative Fair Use Makes No Sense* (Oct. 9, 2013) (working paper), available at

In essence, the nominative fair use inquiry asks whether the defendant had a legitimate reason to use the mark to evoke the trademark holder; if so, the doctrine considers how the actual use matches up against that purpose. The doctrine recognizes that certain forms of communication require use of trademarks to achieve their expressive goals. You can't really compare a new product to an entrenched market leader without using the leader's trademark. It's hard to tout the sale of after-market parts without naming the cars that they were designed to repair. A news channel can't convey which sporting event it is covering without using the event's name.¹⁴²

Indeed, it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark. For example, reference to a large automobile manufacturer based in Michigan would not differentiate among the Big Three; reference to a large Japanese manufacturer of home electronics would narrow the field to a dozen or more companies. Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark.¹⁴³

In all of these contexts, the nature of the defendant's communicative goals requires use of the trademark; the question for the court is really whether the defendant's use of the mark is coextensive with those goals, or whether it has exceeded its justification.

If, as we believe, trademark parodies are a unique and non-replicable form of speech about trademark holders, then they resemble the sorts of uses that nominative fair use seeks to protect. They involve speech about the trademark holder, and they cannot serve their inherent function — indeed, they can't be a parody — without borrowing from the original.¹⁴⁴ Nominative fair use thus offers a ready framework for analyzing trademark parodies. But how do we analyze the critical third factor (i.e.,

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2338296.

¹⁴² See *WCVB-TV v. Bos. Athletic Ass'n*, 926 F.2d 42, 46 (1st Cir. 1991).

¹⁴³ *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 306-07 (9th Cir. 1992).

¹⁴⁴ See *Mattel v. Walking Mountain Prods.*, 353 F.3d 792, 810 (9th Cir. 2003) (applying nominative fair use when defendant "used Mattel's Barbie figure and head in his works to conjure up associations of Mattel, while at the same time to identify his own work, which is a criticism and parody of Barbie").

whether the defendant's actions match up to its legitimate speech-related objectives)?

In many ways, the considerations underlying nominative fair use mirror those at issue in copyright law's treatment of parody. As the Supreme Court has recognized, to do its job, a parody must borrow substantially from the target of its scorn.¹⁴⁵ It must borrow at least enough to evoke the work in the mind of the observer. Yet that's not all — the borrower can take *more* than necessary to evoke the work, as long as it's done to further the parody and doesn't come so close to the original that it morphs into a substitute (rather than a parody) of the original work.¹⁴⁶

This logic folds nicely into trademark analysis of nominative fair use. First, in order to present an effective parody of a trademark, it is necessary to borrow substantially from that mark. As long as a parodic character can "reasonably be perceived," the necessity kicks in.¹⁴⁷ Second, the court must examine the defendant's use of the mark to determine whether it goes too far beyond the parodic purpose. If the parody pervades the defendant's use, then substantial taking is justified; if, however, the parody is hard to perceive and the taking is substantial, then this requirement might not be satisfied. Finally, the court should consider the overall context of the use to determine whether the defendant did anything *beyond* mere use of the mark that suggests source-affiliation or sponsorship by the trademark holder. Precision on this last point is critical: as noted above, a reading of the Ninth Circuit test that permits evidence of confusion to defeat the defense would render nominative fair use a nullity. The third factor must refer to acts *beyond the parody itself* that cause confusion.

2. Trademark Standards When Nominative Fair Use Doesn't Apply.

The above analysis should resolve cases involving trademark parodies. In some cases, however, the court might believe that the parodist went

¹⁴⁵ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 587-89 (1994). In fact, the line between parody and satire isn't as clear here either. Haute Diggity Dog could have chosen to parody a brand other than Louis Vuitton, so it didn't *need* the Vuitton mark in a strict sense.

¹⁴⁶ See *id.* at 588 ("Once enough has been taken to assure identification, how much more is reasonable will depend, say, on the extent to which the song's overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original.")

¹⁴⁷ See *id.* at 582.

well beyond what was necessary to achieve its expressive goals, creating at least the possibility of confusion or dilution by doing something other than parodying the mark. Or it might conclude that the defense doesn't apply because the defendant's brand is purely satire or other humor rather than parody. When this happens, the court must move beyond nominative fair use and tackle, head on, the questions of likelihood of confusion and dilution.¹⁴⁸ We have some thoughts about the appropriate analysis in these expressive non-parody cases.

First, to the extent that the court perceives a parodic purpose but believes that the defendant's use of the mark exceeds that purpose and risks confusing the public, the court should resist the call for a complete injunction in favor of one that addresses the excesses while preserving the parody. Here, too, nominative fair use offers useful precedent. As the Ninth Circuit held in *Toyota Motor Sales, U.S.A., Inc. v. Tabari*,¹⁴⁹ courts considering nominative fair use cases should tailor injunctive relief to the particular excesses that create the risk of confusion. "At the very least," the court held, injunctions must be crafted to allow the defendant to achieve its nominative objectives. "Trademarks are part of our common language, and we all have some right to use them to communicate in truthful, non-misleading ways."¹⁵⁰

Second, courts should absolutely reject the notion that *confusion as to permission* is ever actionable as a matter of trademark law. For all we know, some substantial portion of the public may assume that trademark holders have a legal right to prevent *any* unauthorized use of their mark. It would be odd lawmaking indeed if courts defined legal rules by what the public *thinks* the law is, regardless of how misguided those perceptions may be. Of course, some amount of circularity is endemic in trademark law; the fact that infringement turns on the risk of consumer confusion makes it inevitable that the law will sometimes over-protect

¹⁴⁸ Something similar may be required where the brand owner has itself entered the market for self-parody. While that prospect seems unlikely in the abstract, see Richard A. Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 67, 74 (1992), there is evidence that brands not only license the right to make fun of them from time to time, but even run advertisements or sell products that seem parodic, such as Louis Vuitton's graffiti collection. The possibility of self-parody may heighten the chance of confusion, though we are skeptical that any brand owner should own the right to parody itself. See generally Lemley & McKenna, *Owning Mark(et)s*, *supra* note 56 (arguing that brand owners have no sound legal claim to prevent use of their mark in unrelated markets).

¹⁴⁹ 610 F.3d 1171 (9th Cir. 2010).

¹⁵⁰ *Id.* at 1185.

marks.¹⁵¹ But at least in the ordinary case, the claim of confusion has some plausible relevance to trademark law's goal of protecting consumer expectations about who makes or stands behind products. The fact that a consumer might mistakenly believe that a trademark holder gave permission to make fun of itself has nothing to do with that kind of confusion. It is a quintessential example of "irrelevant confusion."¹⁵²

Third, in cases in which a brand use is also making an expressive statement, the expressive nature of the defendant's use should influence the entire inquiry into likelihood of confusion and dilution, just as it does for fair use in copyright law. Strength and similarity of marks, for example, should not serve its ordinary role of cutting in favor of confusion. If anything, for more famous marks, the satire will arguably be more recognizable; and, as discussed above, significant borrowing of the trademark may be important to the message being conveyed even if the defendant is not directly parodying the brand.¹⁵³ Analysis of similarity should operate on a sliding scale, in which the stronger the expressive nature, the closer the marks may come to one another without this factor weighing in favor of confusion.¹⁵⁴

The dilution inquiry should likewise recognize that the very nature of expressive works will often require deliberate use of a recognizable mark. As a result, factors such as the mark's renown and the intent to create an association between the marks cannot serve their usual function of cutting in favor of dilution. Indeed, as the Fourth Circuit recognized in *Louis Vuitton*, several of the dilution factors arguably cut in opposite directions. The more famous the mark, for example, the less likely that a parody will impair its distinctiveness.¹⁵⁵ Courts in dilution cases should

¹⁵¹ See Gibson, *supra* note 65, at 912; cf. Dogan & Lemley, *Merchandising Right*, *supra* note 56 (arguing that trademark law must sometimes serve as a norm entrepreneur rather than a norm follower).

¹⁵² See Lemley & McKenna, *Irrelevant Confusion*, *supra* note 36, at 427.

¹⁵³ Cf. Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1836 (2007) (noting the irony of strong, famous marks needing protection from confusion); Ralph H. Folsom & Larry L. Teply, *Trademarked Generic Words*, 89 YALE L.J. 1323, 1354 (1980) (same).

¹⁵⁴ See also Simon, *The Confusion Trap*, *supra* note 61 (manuscript at 4) (arguing that a rebuttable presumption in favor of a parody "can simultaneously reduce the threat of frivolous lawsuits by trademark owners and ensure legitimate claims against an infringer [proceed] without unnecessary hurdles").

¹⁵⁵ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 267 (4th Cir. 2007) ("[B]ecause the famous mark is particularly strong and distinctive, it becomes more likely that a parody will not impair the distinctiveness of the mark."); see also Lemley, *Ex Ante*, *supra* note 125, at 145-48 (offering examples of famous icons that

consider the factors in light of the ultimate question: whether the defendant's use affects the famous mark's ability to serve as a "unique identifier of its source."¹⁵⁶

Fourth, given the value of even non-parodic but expressive uses, such as satire, small amounts of confusion should not justify an injunction. While trademark law generally finds infringement if even a small minority of consumers are confused,¹⁵⁷ it does so because there is no countervailing interest on the other side. By contrast, where there are consumer interests on both sides of the ledger, trademark law has tended to require higher confusion thresholds. To prove a mark generic, for instance, the law requires that a substantial majority of the public thinks it is, because the consumers who don't think so will be injured.¹⁵⁸ A parody or satire gives consumers who get the joke an interest in the defendant's brand that an injunction would stymie. Before we impose that injunction, we should be significantly more confident that harm to the confused consumers outweighs the harm to those who have an interest in the defendant's speech. The fact that there are interests on both sides may also affect the choice of remedy. Trademark law generally gives little shrift to disclaimers,¹⁵⁹ but parody and satire may be

retain their status despite constant dilution).

¹⁵⁶ *Louis Vuitton*, 507 F.3d at 267.

¹⁵⁷ See *Henri's Food Prods., Co. v. Kraft, Inc.*, 717 F.2d 352, 358-59 (7th Cir. 1983) (holding that 7.6% confusion was insufficient to establish likelihood of confusion, but collecting authorities finding likelihood of confusion based on surveys showing as low as 8.5% confusion among consumers); *Exxon Corp. v. Tex. Motor Exch. of Hous., Inc.*, 628 F.2d 500, 507 (5th Cir. 1980) (stating that 15% was sufficient); *Jockey Int'l, Inc. v. Burkard*, No. 74 123 S, 1975 WL 21128, at *7 (S.D. Cal. Feb. 21, 1975) (discussing survey evidence that "11.4 percent of the universe . . . would associate defendants' JOCK SOCK underwear package with plaintiff"); *Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 716 (S.D.N.Y. 1973) ("[O]f 520 people canvassed . . . 7.7% . . . perceived [sic] a business connection between the two companies and 8.5% confused the names."), *modified on other grounds*, 523 F.2d 1331 (2d Cir. 1975).

¹⁵⁸ See *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 101-02 (2d Cir. 1989); *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577, 579 (2d Cir. 1963). Descriptive fair use does the same, providing a partial defense that can be overcome in some circumstances, but only with a higher showing of confusion. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-23 (2004).

¹⁵⁹ See *JR Tobacco of Am., Inc. v. Davidoff of Geneva (CT), Inc.*, 957 F. Supp. 426, 437 (S.D.N.Y. 1997) ("[G]enerally, a disclaimer is ineffective to cure a literally false statement."). As the Callman treatise puts it, "[e]xperience has taught that a business acquires a material advantage over its competitors if it arrests the attention of the prospective purchaser. Deception followed by enlightenment [sic] and explanation does not negate this initial advantage." LOUIS ALTMAN & MALLA POLLACK, CALLMAN ON

circumstances where the appropriate response to all but the highest levels of confusion is not an injunction or a change to the defendant's brand, but merely requiring the defendant to make clear that they are not associated with the plaintiff.

Doing so may also avoid conflicts with the First Amendment. The Ninth Circuit has emphasized the significant risks trademark law poses to speech in cases like *Barbie Girl*.¹⁶⁰ And it has done so even in cases that have no arguable claim to parody, such as a football player objecting to his depiction in a football video game.¹⁶¹ Laura Heymann has explained how the low confusion threshold makes the problem worse.¹⁶² And as one of the authors has argued, that risk is heightened when the remedy is an injunction against the protected speech.¹⁶³ In the absence of a pure defense for brand parodies or satires, the combination of a higher confusion threshold and limited remedies may end up providing at least some speech protection.

CONCLUSION

Brand parodies serve useful social purposes and are unlikely to interfere with any legitimate interests of trademark owners. But the fact that they are both parodies and brands means that their legal status is unclear. We think brand parodies deserve clear legal protection, and that existing law can provide that protection if it is properly understood.

TRADEMARKS, UNFAIR COMPETITION, AND MONOPOLIES § 5.31 (4th ed. 2013). For a discussion of trademark disclaimers, see generally Laura A. Heymann, *Reading the Product: Warnings, Disclaimers, and Literary Theory*, 22 YALE J.L. & HUMAN. 393 (2010).

¹⁶⁰ See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902-07 (9th Cir. 2002); see also *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 801 (9th Cir. 2003).

¹⁶¹ *Brown v. Electronic Arts, Inc.*, 724 F.3d 1235, 1239-41 (9th Cir. 2013) (applying *Rogers* test to non-parodic use of a brand, and noting that the rule was the same whether the defendant's use was in the title or body of the work).

¹⁶² See Laura A. Heymann, *The Public's Domain in Trademark Law: A First Amendment Theory of the Consumer*, 43 GA. L. REV. 651, 702-03 (2009).

¹⁶³ See Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 216-24 (1998).