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## Rethinking Trademark Fair Use

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# Rethinking Trademark Fair Use

William McGeeveran\*

*ABSTRACT: The ever-expanding scope and strength of trademark rights has caused justifiable fears of a threat to free expression. In response, concerned scholars generally focus on perfecting the substance of legal rules that balance free speech against other goals. This effort is misplaced because most cases raising these issues in recent years ended in judicial decisions that favored speech. The real danger arises from the procedural structure of trademark law's various "fair use" doctrines, which generate excessive ambiguity and prolong litigation before ever reaching such positive outcomes. Resulting administrative costs discourage speakers from using trademarks expressively in the first place, creating a classic chilling effect. This Article analyzes problems with trademark fair use comprehensively and recommends pragmatic reform. Instead of adding more bells and whistles to already complex law, we should craft simpler affirmative defenses that reduce uncertainty and allow for quick adjudication.*

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## I. INTRODUCTION

Trademark rights have expanded dramatically over time from consumer-oriented safeguards against the diversion of customers to comprehensive protectors of brand identity.<sup>1</sup> Many observers warn that this increased scope of trademark protection threatens free speech, including both dissemination of useful commercial information and discussion, critique, or parody about famous brands and the culture they embody.<sup>2</sup> Yet final decisions in trademark cases that raised legitimate free speech issues over the last decade or so usually favor defendants who use trademarks for purposes of expression.<sup>3</sup> Courts ultimately get these cases right under existing law.

The principal problems lie not in the eventual judicial outcome, but in the process leading up to that outcome. First, doctrines to accommodate free speech values that may arise in trademark cases are overlapping, confusing, volatile, and cumbersome. One prominent trademark practitioner dubs the ungainly collection of doctrines “Frankenlaw.”<sup>4</sup> Even if the result favors speech, it can be impossible to predict in advance which of a half dozen standards a court might apply. Second, these doctrines frequently center on complex fact-intensive analyses that require significant time and money to resolve. In particular, trademark fair use frequently devolves into a clumsy alternate means of asking the fundamental question of trademark law: whether a defendant’s use of a plaintiff’s mark is likely to confuse consumers about the source or affiliation of the respective parties’

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1. Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1916 (2007) [hereinafter McKenna, *Normative Foundations*] (“Succinctly stated, modern trademark law is industrial policy intended to protect brand value.”). McKenna’s article offers an interesting and unorthodox historical account of this transformation, arguing that trademark law always emphasizes protection of producers and merchants from diversion of customers, not protection of consumers from marketplace confusion. *See id.* at 1849–73.

2. For some of the best classic discussions of the overall phenomenon of trademark expansion and its potentially harmful consequences for speech, see generally, e.g., Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158; Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960 (1993); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687 (1999); Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717 (1999). For related books on this theme that are aimed at the general audience rather than scholars and specialists, see generally DAVID BOLLIER, *BRAND NAME BULLIES: THE QUEST TO OWN AND CONTROL CULTURE* (2005); KEMBREW MCLEOD, *FREEDOM OF EXPRESSION®: OVERZEALOUS COPYRIGHT BOZOS AND OTHER ENEMIES OF CREATIVITY* (2005).

3. For this Article’s definition of “expressive uses,” see *infra* Part II.A. For more on the recent trend in published cases in favor of expressive uses, see *infra* Part II.C.

4. Jonathan Moskin, *Frankenlaw: The Supreme Court’s Fair and Balanced Look at Fair Use*, 95 TRADEMARK REP. 848, 875 (2005).

products. Discussion of trademark doctrine often overlooks the procedural or administrative costs resulting from such involved inquiries.<sup>5</sup>

The lethal combination of uncertain standards with lengthy and costly litigation creates a classic chilling effect upon the unlicensed use of trademarks to facilitate speech, even when such uses are perfectly lawful.<sup>6</sup> This effect undoubtedly occurs, though admittedly it is difficult to measure because it occurs far away from the courthouse, through practices that never find their way into any casebook.<sup>7</sup> Markholders policing their portfolios send cease-and-desist letters attacking virtually any unlicensed use of their trademarks.<sup>8</sup> From television networks to insurance companies, risk-averse institutional gatekeepers demand expansive rights clearance. Lawyers counsel clients to avoid the trouble of a potential lawsuit. In response to this array of powerful entities, speakers either avoid unlicensed uses of trademarks entirely or withdraw them at the first hint of legal action.

A few recent court decisions demonstrate both the significant speech interests at stake in such cases and the courts' tendency to safeguard those interests with a grab-bag of rationales. Mattel, maker of the BARBIE<sup>9</sup> doll, sued to enjoin many parodies of this cultural icon, including a series of photographs entitled "Food Chain Barbie," which "portray a nude Barbie in danger of being attacked by vintage household appliances"<sup>10</sup> and a pop song called "Barbie Girl" featuring vapid lyrics supposedly sung by Barbie and

5. See Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2123–43 (2004). As Bone notes, "[t]he usual approach to analyzing trademark issues focuses on the substantive benefits and costs of giving firms exclusive rights in marks. . . . The problem with this substantive approach is that it ignores procedural aspects . . ." *Id.* at 2101.

6. See *infra* Part II.D.

7. See Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1670–73 (2007) [hereinafter Dogan & Lemley, *Grounding*]; James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 913 (2007); see also Jennifer E. Rothman, *The Questionable Use of Custom in Intellectual Property*, 93 VA. L. REV. 1899, 1909–16 (2007) (making similar observations across types of intellectual property); William W. Fisher & William McGeveran, *The Digital Learning Challenge: Obstacles to Educational Uses of Copyrighted Materials in the Digital Age*, 52–54 (The Berkman Ctr. for Internet & Soc'y, Harvard Law Sch., Research Pub. No. 2006-09, 2006), available at <http://cyber.law.harvard.edu/home/2006-09> (making similar observations about copyright law).

8. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1838–42 (2007) (noting how the letters and threat of litigation discourage even fair use); Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 589–90 (2008) (discussing how cease-and-desist letters are a way for trademark holders "to expand their trademark rights" even when a case has no merit).

9. As is standard in trademark scholarship and practice, this Article uses capital letters to identify the trademarks at issue.

10. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796–98 (9th Cir. 2003) (relying on nominative fair use, see *infra* Part IV.C). The pictures can be viewed at the photographer's website, Tom Forsythe, <http://creativecommonsdefense.org/Results.cfm?category=12> (last visited Sept. 16, 2008).

Ken.<sup>11</sup> Panels of the Ninth Circuit used different doctrines to rule for the defendants in both cases. AFLAC, perpetrator of television commercials in which a duck repeatedly “quacks the company’s name in a distinctive, nasal tone,” sought an injunction against the campaign of a candidate running against Ohio’s then-Governor, Bob Taft, for distributing Internet ads in which a cartoon duck with the Governor’s head squawked “TaftQuack!” when “ducking” questions.<sup>12</sup> The court protected this core political speech, but relied in part on different reasoning than the Ninth Circuit’s *BARBIE* cases. The Seventh Circuit used still another doctrine to protect sales by the *Chicago Tribune* of t-shirts carrying a front-page headline, “The joy of six,” celebrating the Chicago Bulls’ sixth NBA championship.<sup>13</sup> Fairly consistent favorable outcomes belie the chaotic reasoning in this body of case law.

It is time to rethink trademark fair use. A legal rule that reaches the perfect outcome every time still fails if its operation also systematically discourages the very activities it is intended to protect. The free speech features of trademark law must encompass not only the substantive policy balance already incorporated in core trademark doctrine, but also greater integration of First Amendment requirements, increased predictability in legal standards, and less delay and cost in litigation.<sup>14</sup> This Article advances those goals by proposing pragmatic reforms to the structural factors creating a chilling effect.

Part II of this Article, after some brief definitions of terms, explores the substantive successes and procedural failures of trademark doctrine that create a systematic chilling effect. Part III considers the problems with applying the touchstone “likelihood of confusion” test to free expression. Part IV critiques five individual doctrines that defendants and courts invoke in these cases; with the possible exception of a new statutory rule in federal trademark dilution cases, all of them are volatile and slow.

Finally, Part V suggests new ways of thinking about trademark fair use that focus on the lessons learned from existing doctrines. It proposes less emphasis on achieving the perfect balance between confusion prevention and speech protection in every case, because doing so requires more

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11. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 904–05 (9th Cir. 2002) (relying on a First Amendment defense, *see infra* Part IV.D, and dilution safe harbors, *see infra* Part IV.E). An appendix to the case reproduces the lyrics. *See id.* at 909 (“I’m a Barbie girl, in my Barbie world/Life in plastic, it’s fantastic/You can brush my hair, undress me everywhere.”).

12. *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 685–86 (N.D. Ohio 2002) (relying on likelihood of confusion, *see infra* Part III, as well as state dilution law and federal dilution safe harbors, *see infra* Part IV.E).

13. *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 638 (7th Cir. 2001) (relying on a section 33(b)(4) defense, *see infra* Part IV.B). Curiously, the plaintiff markholder apparently had no connection to the books that first popularized this turn of phrase. *Cf.* ALEX COMFORT, *THE JOY OF SEX* (1977).

14. *See generally* William McGeeveran, *Four Free Speech Goals for Trademark Law*, 18 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1205 (2008) (articulating these goals).

elaborate rules and fact-intensive inquiries. Instead, we should craft simpler affirmative defenses that immunize particular categories of expressive uses, thereby reducing uncertainty and allowing for quick adjudication. We also should rethink other procedures to make defenses available earlier in litigation and with less entanglement in likelihood of confusion issues.

## II. THE TROUBLE WITH TRADEMARK FAIR USE

### A. DEFINING EXPRESSIVE USES AND FAIR USES

Before moving further, two key concepts, expressive use and fair use, require definition for purposes of this Article.<sup>15</sup>

In the standard account, a trademark serves as shorthand to help consumers identify with accuracy the products they want to buy; such reliable indicators reduce inefficient search costs and ensure that producers reap the rewards of satisfying customers because they, not an impostor, retain the benefit of increased goodwill and future repeat purchases.<sup>16</sup> This is the “source identification” function of trademarks.

“Expressive” uses of trademarks convey an articulable message rather than, or in addition to, the traditional function of source identification.<sup>17</sup> The boundary is not always obvious and there will be close cases. But, some categories of expressive uses can be identified with relative ease, including: use of a mark (or parts of one) to convey a message unrelated to the markholder (e.g., using the word “apple” to talk about fruit rather than computers); use of a mark to identify a markholder or a product in order to convey a message about it (e.g., the “Food Chain Barbie” photographs and “Barbie Girl” song); or use of a mark to draw on its meaning or associations to illustrate or enliven a message about something else entirely (e.g., the use of the AFLAC allusion in the TaftQuack advertisement). Thus, expressive uses can arise in such diverse situations as comparative advertising, parody, references in books or films, or news reporting.

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15. A few other small points about terminology: first, although there are declaratory judgment cases in which the alleged infringer is the plaintiff, unless otherwise indicated, this Article assumes the more typical situation involving a defendant’s allegedly infringing uses of a plaintiff’s mark. Second, this Article uses the words “mark” and “trademark” to encompass all forms of protected marks, including service marks and certification marks, and refers to both goods and services as “products.” Any differences separating these categories are not germane to the analysis pursued here.

16. See, e.g., *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 163–64 (1995); Graeme W. Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, 50 ARIZ. L. REV. 157, 162–63 (2008); Bone, *supra* note 5, at 2104–08; Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 786–88 (2005) [hereinafter Dogan & Lemley, *Search Costs*]; William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 268–70 (1987); McGeeveran, *supra* note 14, at 1207–08.

17. See Dreyfuss, *supra* note 2, at 400 (making a similar distinction).

This Article sets aside some other important types of uses because they generally fall outside this definition, even though it is possible to imagine particular situations where they might fit. Usually, defendants in these scenarios use a mark and do not surround it with other explicitly communicative matter. For example, a defendant who makes or sells a baseball cap with a YANKEES logo<sup>18</sup> or a t-shirt that says “BARBIE”<sup>19</sup> merely reproduces a trademark and adds no further expressive content or context (although the eventual wearer might do so<sup>20</sup>). These uses often involve merchandising rights,<sup>21</sup> and would only be expressive uses if the trademark were altered to add additional articulable expression.<sup>22</sup>

Several Internet uses also fall outside the range of expressive uses under this definition, including most unlicensed uses of trademarks in domain names, metatags, and advertising keywords.<sup>23</sup> Here again, added expression (such as the gripe site domain name “Ballysucks.com” as opposed to simply repeating the trademark BALLY) might qualify as an expressive use.<sup>24</sup> But,

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18. See McKenna, *Normative Foundations*, *supra* note 1, at 1911 (discussing the example of the YANKEES logo).

19. See Dreyfuss, *supra* note 2, at 402 (discussing the example of the BARBIE t-shirt).

20. Those who buy and eventually wear the cap or t-shirt probably engage in some form of expression by showing their allegiance to the team or the doll (or perhaps, as can be seen on the clothes in the halls of any high school, engaging in ironic critique). Such downstream users, however, are not themselves subject to trademark liability for buying or wearing the trademark-embazoned clothes, so we need not worry about their potential legal defenses. The producer or seller usually does not engage in expressive use as defined here.

21. See *generally* Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg, Inc., 510 F.2d 1004 (5th Cir. 1975); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461 (2005).

22. Instead of a YANKEES logo, the cap might be an expressive use if it had a YANKEES SUCK logo of the type once favored by formerly insecure Red Sox fans. See, e.g., CafePress, [http://shop.cafepress.com/yankees-suck\\_](http://shop.cafepress.com/yankees-suck_) (last visited Sept. 13, 2008) (offering a bewildering array of anti-YANKEES merchandise); Posting of Mike Madison to Madisonian Blog, Saw 'Em Off, <http://madisonian.net/archives/2007/01/24/saw-em-off/> (Jan. 24, 2007) (describing a University of Texas lawsuit over the sale of clothes to archival Texas A&M supporters featuring a parody of the Longhorns' trademarked logo with its horns sawed off); cf. Bd. of Supervisors v. Smack Apparel Co., 438 F. Supp. 2d 653, 664 (E.D. La. 2006) (ruling against a vendor whose sports merchandise might qualify as expressive use, although it is a close call). Likewise, a t-shirt sold by the National Organization for Women that reads “This is what Barbie *ought* to look like” qualifies as an expressive use. Now Store, T-shirt: This Is What Barbie Ought to Look Like, <http://www.now.org/cgi-bin/store/TS-BAR.html> (last visited Sept. 13, 2008).

23. See *generally*, e.g., 1-800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400 (2d Cir. 2005); Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002 (9th Cir. 2004); Playboy Enters., Inc. v. Netscape Comm'ns Corp., 354 F.3d 1020 (9th Cir. 2004); Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc., 202 F.3d 489 (2d Cir. 2000); Google Inc. v. Am. Blind & Wallpaper Factory, Inc., 74 U.S.P.Q.2d (BNA) 1385 (N.D. Cal. 2005).

24. See *generally* Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998). In addition, some cases might contain both expressive uses as defined here and the online uses excluded by this definition. See, e.g., Tiffany (NJ) Inc. v. eBay, Inc., No. 04 Civ. 4607(RJS), 2008 WL 2755787, at \*25 (S.D.N.Y. July 14, 2008) (considering eBay's expressive use of the TIFFANY brand name in its own advertising and home page to indicate the availability of



in the emerging and shifting Internet environment, it is unclear just how to interpret the dialogue between a consumer entering a URL or search term into a computer and the automated response.<sup>25</sup> As online behavior develops and our empirical understanding of it improves, we may be prepared to recognize certain types of these Internet uses as “expressive” in the sense defined above, but for now this Article sets them aside. To be sure, these excluded topics can present important controversies and sometimes can involve free speech.<sup>26</sup> But such situations require analysis different than the one pursued in this Article.

The Article uses the terminology of “fair use” much more broadly and prescriptively than it is generally used in case law. Rather than referring exclusively to any particular legal rule, a fair use here is any use of a trademark that *should* be permitted by the law. A fair use doctrine could be any aimed at identifying those permissible uses. Note that some expressive uses still might infringe on trademarks and thus would not be fair uses. That policy determination cannot be made without considering the trade-offs between speech interests and the source identification functions of trademarks.<sup>27</sup> The remainder of this Part begins to consider that balance.

#### B. INCREASING CONFLICT OVER EXPRESSIVE USES

The combination of broader trademark rights, the greater centrality of brands as our cultural currency, and the additional boost of the Internet have all contributed to making conflicts over expressive uses more frequent in recent years. These same phenomena greatly increase the importance of developing legal mechanisms to protect fair uses.

Earlier in its history, trademark law rarely intersected with expressive uses. Trademark protection was conferred on a narrow range of uses, originally involving old-fashioned “branding” in the literal sense—often the name of a product or its maker, affixed to the item.<sup>28</sup> Gradually, however,

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TIFFANY jewelry on the site, as well as eBay’s purchase from Google and Yahoo! of online sponsored links using the TIFFANY name).

25. See Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1637 (2007) [hereinafter Dinwoodie & Janis, *Contextualism*] (“It is presently impossible to know what meaning consumers attach to search terms and search results or what expectations flow from the use of different search methods.”); Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 521–25 (2005) [hereinafter Goldman, *Deregulating*] (“Simply put, one cannot make any legally-supportable inferences about searcher objectives based on the keywords used.”).

26. See generally, e.g., *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005) (discussing a case where the defendant used a domain name similar to plaintiff’s in order to criticize his stance on homosexuality); *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001) (discussing a case where plaintiff PETA sued defendant for registering the domain peta.org and titling the website “People Eating Tasty Animals”).

27. McGeeveran, *supra* note 14, at 1209–11.

28. See *Zeller v. LaHood*, 627 F. Supp. 55, 59–60 (C.D. Ill. 1985) (upholding the common law requirement of affixation (citing *DeLong Hook & Eye Co. v. Hump Hairpin Mfg. Co.*, 130

consumer marketing grew well beyond these original techniques, and today brand management is a complex, sophisticated business specialty and a career path all its own.<sup>29</sup> Trademark rights expanded to keep pace. The evolution began at least as early as the original Lanham Act's extension of liability to encompass consumers' confusion not only about source, but also about "affiliation, connection, or association" between the plaintiff and the defendant, and about the plaintiff's "sponsorship or approval" of defendant or defendant's products.<sup>30</sup> Trademark dilution law<sup>31</sup> continued the trend by prohibiting uses that, while not confusing in the traditional sense, can "blur" or "tarnish" the power of trademarks.<sup>32</sup>

Meanwhile, the ubiquity of branding—the very trend that has fueled this expansion of trademark law—now makes discussion of trademarks more essential to open discourse than ever before. Increasingly, the subjects of shared conversation are branded companies, branded goods and services, or branded "experiences."<sup>33</sup> Their cultural importance makes trademarks increasingly necessary in any realistic portrayal of modern society.<sup>34</sup> As the creator of "Food Chain Barbie" said, "In a world dominated by brands, artists have to be able to comment on those brands to speak directly to the world around them."<sup>35</sup> "Culture jamming" and related techniques of mockery and interference with brand names and logos represent an artistic and ideological protest to "challenge the boundaries of corporate identity in public space."<sup>36</sup>

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N.E. 765 (Ill. 1921)); 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 16:23 (4th ed. 2007).

29. See generally JENNIFER GOODMAN ET AL., VAULT CAREER GUIDE TO MARKETING AND BRAND MANAGEMENT (2006); WETFEET INSIDER GUIDE, CAREERS IN BRAND MANAGEMENT (2007).

30. 15 U.S.C. § 1125(a)(1)(A) (2000); see McKenna, *Normative Foundations*, supra note 1, at 1901–04. For a general summary of other such doctrinal expansions, see *id.* at 1904–15.

31. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985, 985–86 (1996) (codified at 15 U.S.C. § 1125(c) (2000)).

32. See Mary LaFrance, *Steam Shovels and Lipstick: Trademarks, Greed, and the Public Domain*, 6 NEV. L.J. 447, 462–88 (2005); Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 546–61 (2008).

33. See CELIA LURY, BRANDS: THE LOGOS OF THE GLOBAL ECONOMY 37–45 (2004) (describing dynamic marketing techniques that insert brand image into personal and cultural experiences where "the brand is staged as a performance or an event of some kind").

34. See, e.g., Monroe Friedman, *The Changing Language of a Consumer Society: Brand Name Usage in Popular American Novels in the Postwar Era*, 11 J. CONSUMER RES. 927, 931–34 (1985) (empirically documenting a huge increase in the number and variety of brand names used in bestselling novels from 1946 to 1975).

35. Forsythe, supra note 10; see also Keith Aoki, *How the World Dreams Itself to Be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 LOY. L.A. ENT. L.J. 523, 528–31 (1996) (describing postmodern analysis about the conversion of trademarks to consumption objects and aspects of self-identity).

36. Sonia K. Katyal, *Semiotic Disobedience*, 84 WASH. & LEE L. REV. 489, 503 (2006); see Matthew Rimmer, *The Black Label: Trade Mark Dilution, Culture Jamming and the No Logo Movement*, 5 SCRIPTED 70, 76–82 (2008), available at <http://www.law.ed.ac.uk/ahrc/script-ed/vol5-1/>

Even beyond discussion of the brands themselves, trademarks often provide the “most vivid metaphors” and “most compelling imagery” available, precisely because they are carefully selected and then relentlessly repeated in our advertising-saturated world.<sup>37</sup> Our most widely shared cultural references now come from advertising, not literature or scripture. As Rochelle Cooper Dreyfuss remarked, “Betty Crocker has replaced Hestia in the public consciousness.”<sup>38</sup>

The advent of the Internet further accelerated the trend toward more expressive use conflicts in two ways. First, the rise of a “remix” culture in which anyone can easily copy and change trademarked logos—and then distribute those alterations—created a new sort of expressive use that was comparatively rare in the past.<sup>39</sup> Comment and mockery by independent individuals now spreads to a potentially global audience. Second, while this surge in the number of potential infringements poses challenges to markholders, the same underlying technology also assists them greatly in policing their marks. The searchability of the Internet allows markholders to locate expressive uses of their marks that would never before have come to their attention.<sup>40</sup> Tracing control of a website often can lead directly to the alleged infringer’s responsibility for an expressive use. The site may even provide a convenient means to contact the would-be defendant with a cease-and-desist demand.<sup>41</sup>

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rimmer.pdf (reviewing scholarly discussion of culture-jamming, “No Logo” movement, and related trends); Adbusters Media Foundation, About Adbusters, <http://www.adbusters.org/about/adbusters> (last visited Sept. 16, 2008) (describing activity of “a global network of culture jammers and creatives who are working to change the way information flows and meaning is produced in our society”).

37. Kozinski, *supra* note 2, at 973 (“Trademarks are often selected for their effervescent qualities, and then injected into the stream of communications with the pressure of a firehose by means of mass media campaigns.”). For examples of brand-name imagery in politics and culture, see, for example, Paul Alan Levy, *The Trademark Dilution Revision Act—A Consumer Perspective*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1189, 1209 (2006) (noting Walter Mondale’s use of the advertising slogan “Where’s the Beef?” in a presidential campaign); NELLY, *Grillz*, on SWEATSUIT (Universal Records 2005) (“I got a grill I call penny candy, you know what that means? / It look like Now and Later, gumdrops, jelly beans . . . . Mouth got colors like a Fruit Loop Box.”); KATY PERRY, *I Kissed a Girl*, on ONE OF THE BOYS (Capitol Music Group 2008) (“The taste of her cherry Chapstick.”); *Buffy the Vampire Slayer: The Pack* (WB television broadcast Apr. 7, 1997) (a girl insults an overweight classmate by asking, “Shouldn’t you be hovering over the football stadium with Goodyear written on you?”).

38. Dreyfuss, *supra* note 2, at 424. Hestia is the Greek goddess of the hearth.

39. See generally LAWRENCE LESSIG, *FREE CULTURE* (2004) (advocating a free culture where innovators are protected, but follow-on creators are nearly free to revise and innovate); MCLEOD, *supra* note 2 (arguing against strict copyright enforcement); Katyal, *supra* note 36 (discussing “semiotic disobedience” and the purposeful appropriation of intellectual property).

40. Cf. Rebecca Tushnet, *Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It*, 114 YALE L.J. 535, 586 (2004) (noting the same effect on copyright enforcement).

41. See Posting of Eric Turkewitz to New York Personal Injury Law Blog, *Avis Tells Me Cease and Desist on Use of Its Logo*, <http://www.newyorkpersonalinjuryattorneyblog.com/>

In response to these combined forces of legal, cultural, and technological change, the fair use mechanisms of trademark law shifted. The increased scope of trademark protection removed some of the threshold limits on markholders' rights. These expansions then forced defendants to fall back on a hodgepodge of fair use doctrines more frequently. In essence, as the "front end" of the analysis allowed a greater range of uses to engender potential liability, the "back end" of the analysis involving defenses and exceptions became more important. The next two sections explain the results of that reorientation: generally stable substantive protection in litigated cases for fair uses, and disastrous procedural mechanisms that impose a chilling effect upon a much greater universe of expressive uses.

### C. THE GOOD NEWS: CORRECT OUTCOMES

In general, the results of reported cases involving expressive uses (as defined above) have stabilized in the last decade and now favor the expressive uses most of the time. A number of infamous decisions against expressive uses that critics occasionally cite are outdated and might well come out differently under more recent doctrine.<sup>42</sup> Of course, courts still issued some expressive use rulings during the last decade that invite potential disapproval,<sup>43</sup> but few legal issues are so plain that courts *never* get them "wrong." Most of the time, most courts reach correct substantive outcomes concerning trademark fair use. If the sky is falling, these few troubling outcomes are not the reason.

In the last few years, very few judicial decisions have suppressed expressive uses.<sup>44</sup> One terrible unpublished district court opinion, *Freecycle*

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2007/10/avis-tells-me-cess-and-desist-on-use.html (Oct. 23, 2007) (describing how an attorney for the markholder left a comment on a blog post alleging that use of a logo as an illustration infringed its trademark).

42. See, e.g., *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 774 (8th Cir. 1994); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43–45 (2d Cir. 1994); *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 398–99 (8th Cir. 1987); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Inc.*, 604 F.2d 200, 204 (2d Cir. 1979). For more insight into potential outcomes under current doctrine, see generally *infra* Part IV, and particularly Part IV.D, which discusses new approaches to First Amendment defenses.

43. See generally, e.g., *Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003) (reversing summary judgment for defendants in a case concerning the use of Rosa Parks's name in a song title); *Dr. Seuss Enters., L.P., v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997) (granting injunctive relief for Dr. Seuss's publisher against a company publishing an O.J. Simpson parody book); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998) (granting injunctive relief for Dairy Queen against a movie company that wanted to name a comedy film *Dairy Queens*). I do not necessarily consider all of these rulings incorrect given their underlying facts, but they are open to criticism.

44. One published case had a positive outcome, but only for troubling reasons. *SMJ Group, Inc. v. Lafayette Restaurant LLC*, 439 F. Supp. 2d 281 (S.D.N.Y. 2006), concerned a labor group leafletting outside a restaurant. The leaflets included the restaurant's logos. In considering a motion for a preliminary injunction against the labor group, the court found a likelihood of

*Network v. Oey*,<sup>45</sup> was overturned promptly on appeal<sup>46</sup> after receiving significant attention from scholars and activists.<sup>47</sup> Two other short unpublished district court opinions, *Ultimate Creations, Inc. v. THQ, Inc.*<sup>48</sup> and *Jones v. Ground Zero Entertainment*,<sup>49</sup> are open to critique, but the facts of both cases also provide potential justifications for the courts' decisions. Many more lawsuits in the last few years vindicated expressive uses. In several instances, courts dismissed markholders' suits over expressive uses as early as the pleading stage.<sup>50</sup> More often, defendants relied on various fair use doctrines to win summary judgment.<sup>51</sup> The expressive uses vindicated

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success on the merits concerning infringement but denied the injunction for lack of irreparable harm based upon its "unique facts." *Id.* at 291–92, 295. Unfortunately, the fact pattern—expressive use to criticize a markholder—is far from "unique." The court later ordered a stipulated dismissal with prejudice, presumably because of a settlement. *SMJ Group*, No. 06 Civ. 1774 (S.D.N.Y. June 22, 2007) (stipulated order dismissing case with prejudice).

45. *Freecycle Network, Inc. v. Oey*, No. CV 06-173 (D. Ariz. May 11, 2006) (order granting preliminary injunction).

46. *Freecycle Network, Inc. v. Oey*, 505 F.3d 898 (9th Cir. 2007), *rev'g* No. CV 06-173 (D. Ariz. May 11, 2006) (order granting preliminary injunction).

47. See *McGeeveran*, *supra* note 14, at 1206 ("[The district court opinion] was shocking, and so the *Freecycle* case became a cause célèbre—not because it was typical, but because it was unusual.").

48. *Ultimate Creations, Inc. v. THQ, Inc.*, No. CV-05-1134-PHX-SMM, 2008 WL 215827 (D. Ariz. Jan. 24, 2008). In *Ultimate Creations*, the court denied summary judgment for a defendant who marketed a video game that allegedly appropriated trademarked elements of a professional wrestler's persona; the defendant raised a fair use defense, but the court held that a jury could find bad faith rather than fair use. *Id.* at \*4 (noting a jury could rely on the substantial number of trademarked features that players of the game can add to their character, as well as past failed licensing negotiations between the parties, to deny fair use defense); see also *Marvel Enters., Inc. v. NCSOFT Corp.*, No. CV 04-9253-RGK (PLAx), 2005 WL 878090, at \*2 (C.D. Cal. 2005) (similar result on similar facts, but on motions to dismiss and motions to strike).

49. *Jones v. Ground Zero Entm't*, No. 05 Civ. 6461 (JSR), 2006 WL 1788949 (S.D.N.Y. June 28, 2006). The very brief opinion in *Jones*, concerning the prominent use of rapper Lil' Kim's name on the cover of a DVD, only stated that there was enough likelihood of success on a claim of false endorsement to justify a preliminary injunction. *Id.* at \*2 (rejecting both section 33(b)(4) and nominative use defenses for purposes of preliminary injunctive relief because of the likelihood that the defendants' use falsely suggested the plaintiff's endorsement of the DVD). The court later ordered stipulated dismissals as to most defendants in the case. *Id.* Finally the case settled.

50. See generally, e.g., *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962 (C.D. Cal. 2007); *Arnold v. ABC, Inc.*, No. 06 Civ. 1747(GBD), 2007 WL 210330 (S.D.N.Y. Jan. 29, 2007); see also *Universal Commc'n Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 415 (1st Cir. 2007) (affirming a district court's grant of a Rule 12(b)(6) motion to dismiss); cf. *Romantics v. Activision Publ'g, Inc.*, 532 F. Supp. 2d 884, 886–88 (E.D. Mich. Jan. 22, 2008) (denying a preliminary injunction against expressive use based largely on First Amendment grounds).

51. See generally, e.g., *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302 (N.D. Ga. 2008); *BidZirk, LLC v. Smith*, No. 606-109-HMH, 2007 WL 3119445 (D.S.C. Oct. 22, 2007); *Note Family, Inc. v. Vivendi Universal Games, Inc.*, No. 05-126-DRH, 2007 WL 2565970 (S.D. Ill. Sept. 4, 2007); *Griffith v. Fenrick*, 486 F. Supp. 2d 848 (W.D. Wis. 2007); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 464 F. Supp. 2d 495 (E.D. Va. 2006), *aff'd*, 507 F.3d 252 (4th Cir. 2007); *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012 (C.D. Cal. 2006); *GTFM, LLC v. Universal Studios, Inc.*, No. 02 CV.0506 (RO), 2006 WL 1377048 (S.D.N.Y. May

included parody,<sup>52</sup> reference to marks and their holders for purposes of identification,<sup>53</sup> use of marks as parts of fictional works,<sup>54</sup> and sometimes harsh criticism.<sup>55</sup>

In sum, final judicial decisions that curtail expressive use have become rare. Of course, published decisions represent only a smidgen of all expressive use lawsuits.<sup>56</sup> As the next Section explains, what happens outside this small and unrepresentative sample presents less cheerful news.

#### D. THE BAD NEWS: A CHILLING EFFECT

As explained further in Parts II and III of this Article, likelihood of confusion analysis and the “back end” defenses and limitations for expressive uses have two great disadvantages compared to “front end” definitional limitations on liability: they are delineated less clearly, and they require lengthier litigation. Expressive uses become riskier as a result. Numerous scholars have documented similar problems with copyright fair use and offered reform proposals,<sup>57</sup> but the same has not been chronicled in trademark law—where, as we shall see, the situation actually can be worse in a number of respects.

The lack of clarity increases risk in several ways. First of all, it is difficult to ascertain precisely which doctrines will determine if a particular expressive use qualifies as fair use; the boundaries between them are not clear, and different jurisdictions recognize different forms and combinations

16, 2006); *see also* C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P., 505 F.3d 818, 825 (8th Cir. 2007), *cert. denied*, 128 S. Ct. 2872 (2008) (affirming summary judgment in favor of declaratory judgment protecting expressive use).

52. *See, e.g., Burnett*, 491 F. Supp. 2d at 966 (discussing a vulgar spoof of Carol Burnett and her “Charwoman” character in the TV comedy *The Family Guy*); *GTFM*, 2006 WL 1377048, at \*3 (considering a mockery of FUBU clothing line in comedy film); *Louis Vuitton*, 464 F. Supp. 2d at 498 (discussing “Chewy Vuitton” dog toys).

53. *See, e.g., C.B.C. Distrib.*, 505 F.3d at 818 (discussing baseball players’ names in fantasy baseball game); *Universal Comm’n Sys.*, 478 F.3d at 413 (involving the name of a company in the title of an online message board concerning its stock price and finances); *Romantics*, 532 F. Supp. 2d at 887 (considering the use of a band’s name to identify it as the original performer of a song licensed for use in the *Guitar Hero* video game).

54. *See, e.g., E.S.S. Entm’t*, 444 F. Supp. 2d at 1012 (using the features of the plaintiff’s business in a video game set in a fictional version of the business’s neighborhood).

55. *See, e.g., Smith*, 537 F. Supp. 2d at 1308 (discussing the use of portmanteaus “Walocaust” and “Wal-Queda” to attack WAL-MART); *BidZirk*, 2007 WL 3119445 at \*6 (examining postings of consumer complaints about the markholder’s services).

56. Every year in the last decade, there have been at least 3000 trademark suits filed, but the largest number of reported cases in any of those years was 101. *See* Port, *supra* note 8, at 612, 618.

57. *See generally, e.g.,* Michael W. Carroll, *Fixing Fair Use*, 85 N.C. L. REV. 1087 (2007); William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1659 (1988); Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105 (1990); Michael J. Madison, *Rewriting Fair Use and the Future of Copyright Reform*, 23 CARDOZO ARTS & ENT. L.J. 391 (2005); Gideon Parchomovsky & Kevin A. Goldman, *Fair Use Harbors*, 93 VA. L. REV. 1483 (2007).

of the rules.<sup>58</sup> Even after litigants and courts identify the correct doctrines, the relevant arguments and defenses suffer from serious vagueness.

Defending expressive uses in a full lawsuit also becomes extremely expensive.<sup>59</sup> Although they are sometimes intended to serve as initial screening mechanisms, the various trademark fair use doctrines do not facilitate early adjudication in practice.<sup>60</sup> The photographer who created “Food Chain Barbie” reported that he spent five months searching for legal representation after Mattel sued him and said, “A long list of attorneys suggested that I just give up, since I hadn’t made any money anyway.”<sup>61</sup> The ACLU finally agreed to represent him and enlisted a large California law firm to handle the case pro bono.<sup>62</sup> The overall defense costs for the litigation, which included closely integrated trademark and copyright claims, eventually topped two million dollars.<sup>63</sup> Most others in his position, lacking free legal assistance, would back down.<sup>64</sup>

An artist or a small business has little capacity to resist when facing possible suit from a litigious trademark holder, unpredictable law, and big

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58. See McGeeveran, *supra* note 14, at 1214–19 (discussing the problems with predictability and clarity in trademark law).

59. Overall, trademark litigation is quite costly. According to a wide-ranging survey conducted by the American Intellectual Property Law Association, the estimated total median cost of the smallest-stakes trademark-infringement litigation in 2006 was just over a quarter of a million dollars; in larger cases with more than a million dollars “at risk,” that figure rose to \$650,000. AM. INTELLECTUAL PROP. LAW ASS’N, REPORT OF THE ECONOMIC SURVEY 25 (2007).

60. See McGeeveran, *supra* note 14, at 1220–23 (highlighting the reasons for high costs).

61. Forsythe, *supra* note 10.

62. *Id.*

63. See *Mattel, Inc. v. Walking Mountain Prods.*, No. CV99-85432RSWL(RZX), 2004 WL 1454100, at \*4 (C.D. Cal. June 21, 2004) (awarding defendant \$1,584,089 in legal fees and \$241,797.09 in costs); Forsythe, *supra* note 10 (stating that appeals fees and costs of approximately \$300,000 added to the trial court award equaled a total of \$2.1 million in fees and costs). Fee-shifting such as that which occurred in the “Food Chain Barbie” case is relatively unusual in trademark law, where only “exceptional cases” justify such awards. 15 U.S.C. § 1117(a) (2000).

64. Legal fees are a more important consideration than monetary damages. Expressive use cases, in particular, tend to focus on injunctive relief. Furthermore, the Lanham Act is usually interpreted to require “some bad intent on the infringer’s part before monetary recovery is allowed.” 5 MCCARTHY, *supra* note 28, § 30:89. Indeed, one recent study indicates that, historically, there were damages in only 5.5% of trademark cases. Port, *supra* note 8, at 622. Thus, fear of damages—as opposed to attorney’s fees and other litigation costs—should not contribute to the chilling effect as much as it might in copyright law, which has a statutory damages scheme. See 17 U.S.C. § 504(c) (2000). This assumes, of course, that would-be defendants in expressive use cases make accurate and rational risk judgments—perhaps a questionable empirical assertion. To the extent that fear of monetary liability does contribute to the chilling effect, one might consider further reducing or eliminating the possibility of damages in expressive use cases. I will set that possibility aside for present purposes and consider existing damages rules to be a given, just as I assume the expansion of trademark rights to be a given. Both areas merit further study, however.

legal bills for a long fight.<sup>65</sup> But, large entities—even entire industries—also respond to these risks conservatively. They adopt trademark rights clearance practices that avoid all danger of liability, institutionalizing an incentive structure contrary to free speech values. For example, insurers often demand rights clearance for every single expressive use of a trademark in documentaries;<sup>66</sup> reality television producers obscure unlicensed trademark logos captured incidentally in the footage they air;<sup>67</sup> Google allows markholders to ban the use of their trademarks in others' advertisements,<sup>68</sup> and the virtual world Second Life generally forbids graphical items created by individuals if they incorporate trademarks.<sup>69</sup> These policies, far in excess of legal requirements, are designed to eliminate even the tiniest risk of trademark disputes. The excessive caution of these gatekeepers creates and maintains a "clearance culture" with a particularly problematic effect on the many artists or critics who rely on institutional support to disseminate their speech.<sup>70</sup>

In this uncertain legal environment, rational markholders get aggressive. In a recent empirical analysis, Kenneth Port argued that a continued increase in the number of trademark cases filed, combined with

65. Note that in most of the "happy ending" cases cited above, *see supra* notes 10–13, 50–51, the defendants were corporations, some of them quite large. A few others received pro bono help, and at least one represented himself pro se. *See also* BOLLIER, *supra* note 2, at 100 ("Most small-time parodists immediately fold when a large company accuses them of a trademark violation. Who can afford the legal fees? . . . Typically, the inequality of economic power between corporation and parodist tends to determine who prevails in trademark infringement lawsuits."); Lia Miller, *Cosby's Lawyers See No Flattery in an Imitation*, N.Y. TIMES, Mar. 6, 2006, at C9 ("Well-funded media, offline media, they are able to do this . . . [W]hen you are a small independent artist, even when you know you are legally right, someone with money can strong-arm you into bending.") (quoting a web satirist who received a cease-and-desist letter); Sean Higgins, *Lake O-be-Gone*, NAT'L REVIEW ONLINE, Sept. 28, 2005, <http://www.nationalreview.com/comment/higgins200509280816.asp> (reporting that a recipient of a cease-and-desist letter was "not eager to test" a potential fair use defense and instead complied with the letter).

66. PATRICIA AUFDERHEIDE & PETER JASZI, CTR. FOR SOC. MEDIA, AM. UNIV., UNTOLD STORIES: CREATIVE CONSEQUENCES OF THE RIGHTS CLEARANCE CULTURE FOR DOCUMENTARY FILMMAKERS 9–10 (2004), [http://www.centerforsocialmedia.org/files/pdf/UNTOLDSTORIES\\_Report.pdf](http://www.centerforsocialmedia.org/files/pdf/UNTOLDSTORIES_Report.pdf).

67. Gibson, *supra* note 7, at 918–20.

68. Google, Adwords Trademark Complaint Procedures, [http://www.google.com/tm\\_complaint\\_adwords.html](http://www.google.com/tm_complaint_adwords.html) (last visited Sept. 16, 2008); *see* Sarah Lai Stirling, *MoveOn.org Reverses: Allows Critical Ads on Google*, WIRED NEWS, Oct. 15, 2007, <http://www.wired.com/politics/onlinerights/news/2007/10/moveon> (describing how Google's policy allowed a political group to bar advertisements criticizing it and noting this policy "far exceeds the requirements of trademark law").

69. *See* VintFalken.com, Coca-Cola Releases Trademark to Second Life Merchants, <http://www.vintfalken.com/coca-cola-releases-trademark-to-second-life-merchants/> (June 28, 2007, 9:44 EST) (describing Coca-Cola's choice to allow Second Life users to incorporate some trademarked graphics into individual profiles).

70. AUFDERHEIDE & JASZI, *supra* note 66, at 9–10; Rothman, *supra* note 7, at 1911–16.



decreases in the percentage of cases that reach trial, suggested that markholders were filing strike suits aimed at forcing quick, favorable settlements.<sup>71</sup> Even more frequent—and harder to measure—are cease-and-desist letters (“C&Ds”). Markholders typically fire off C&Ds even when the complained-of expressive uses are almost certainly legal under the substance of current doctrine.<sup>72</sup> Such threatening communiqués, printed on embossed law firm stationery and packed full of impressive legal language and citations, have been colorfully characterized as “gorilla chest thumping”<sup>73</sup> and “trademark extortion.”<sup>74</sup> There is little downside to issuing such demands, and many lawyers consider it standard practice in the face of virtually any use.<sup>75</sup> Elements of trademark doctrine that encourage vigorous policing of portfolios, particularly the loss of rights in terms that become generic, actually encourage markholders to send C&Ds.<sup>76</sup> Self-censorship of expressive uses in such circumstances is quite rational and apparently quite common.

Normally, in situations where defendants are likely to win but plaintiffs commonly have more resources and a greater stake in the trademark, one might expect licensing arrangements to emerge and solve the problem. For at least three reasons, however, it is impossible to rely heavily on voluntary licensing in these situations. First, and most obviously, securing licenses is neither easy nor cheap. There is little incentive for large markholders even

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71. Port, *supra* note 8, at 589, 633.

72. One unscientific study of cease-and-desist letters involving both copyright and trademark claims found significant degrees of compliance even where the intellectual property claims were weak or potential defenses were strong; over half of the thirty-seven cease-and-desist letters with legal claims the authors classified as “weak” nonetheless achieved their goal without resort to litigation. MARJORIE HEINS & TRICIA BECKLES, BRENNAN CTR. FOR JUSTICE, N.Y. UNIV. SCH. OF LAW, WILL FAIR USE SURVIVE?: FREE EXPRESSION IN THE AGE OF COPYRIGHT CONTROL 35–36 (2005), <http://www.fepproject.org/policyreports/WillFairUseSurvive.pdf>. These findings confirm my sense of trademark attorneys’ experience with C&Ds. It would be difficult to conduct a more rigorous study of a phenomenon that, by its nature, goes unreported and unlitigated. Many more examples can be found in two online databases that catalogue legal threats involving trademarks and other intellectual-property matters. See Chilling Effects Clearinghouse, [http://www.chillingeffects.org/search.cgi\\_](http://www.chillingeffects.org/search.cgi_) (last visited Sept. 16, 2008); Citizen Media Law Project, Legal Threats Database, <http://www.citmedialaw.org/database> (last visited Sept. 16, 2008).

73. Chilling Effects Clearinghouse Frequently Asked Questions (and Answers) About Trademark, <http://www.chillingeffects.org/trademark/faq.cgi#QID250> (last visited Sept. 16, 2008).

74. Port, *supra* note 8, at 633.

75. See, e.g., Deborah A. Wilcox, *Resist Cease and Desist*, BUS. LAW TODAY, May–June 2006, at 27, 31 (describing how routinely counsel for some markholders issue cease-and-desist letters); David V. Radack, Nat’l Fed. of Indep. Bus., Your Trademark Is Your Business, You Better Protect It (Sept. 24, 2003), <http://www.nfib.com/object/4003488.html> (“In the case of an ‘innocent’ or timid infringer, a letter demanding that the infringement cease and desist may be enough. This is a relatively cheap alternative to going to court.”).

76. See Desai & Rierson, *supra* note 8, at 1839–40 (describing the policing incentive created by fear of a trademark becoming generic).

to respond to numerous low-stakes licensing requests. If they do respond, presumably pricing would reflect both these transaction costs and the markholder's monopoly position. These drawbacks greatly reduce the effectiveness of licensing mechanisms, especially for smaller-scale expressive users like artists, bloggers, and new market entrants.<sup>77</sup>

Second, as James Gibson recently explained, legally unnecessary trademark licensing produces a feedback effect that further shrinks the public domain.<sup>78</sup> Trademark law defines infringement based upon consumer understanding. Widespread overcautious licensing fortifies consumers' expectations that such licensing is legally required. This altered understanding of the law, in turn, increases the likelihood that consumers will be confused in the future by an unauthorized expressive use of a mark, rendering even more uses infringing. (As Gibson says, "Lather. Rinse. Repeat."<sup>79</sup>) In this respect, the chilling effect of unstable fair use protection causes more problems for trademark law than does the parallel problem in copyright law, where the definition of rights does not depend on subjective public understanding.

The final and most serious objection to relying on licensing arises when the contemplated expressive use is negative toward the mark. License requirements give markholders vetoes over criticism and parody of themselves or their products.<sup>80</sup> It encourages only deals that portray trademarks in a favorable light. Truly consensual agreements to make favorable expressive uses (involving, say, a large consumer-products markholder and a Hollywood movie studio) may be mutually beneficial and perhaps relatively inoffensive to public interests. But pressure to license all uses would deprive the public of unfettered discourse about products and their makers.<sup>81</sup>

In sum, structural aspects of the existing trademark fair use doctrines deter unlicensed expressive uses of trademarks or, alternatively, encourage capitulation in the face of legal action. This episodic chilling effect has

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77. See Rothman, *supra* note 7, at 1914–16 (discussing the cost-prohibitive drawbacks to obtaining licensing for creative artists).

78. Gibson, *supra* note 7, at 907–27; see also Port, *supra* note 8, at 590 (listing various means that the current markholder uses to broaden the trademark's scope and shrink the public domain).

79. Gibson, *supra* note 7, at 884; cf. Sara K. Stadler, *Incentive and Expectation in Copyright*, 58 HASTINGS L.J. 433, 457–59 (2007) (discussing similar "circularities of expectation" in copyright fair use).

80. See *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987) (discussing the risk that "a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct"); Eric Goldman, *Online Word of Mouth and Its Implications for Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 404, 428–29 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) [hereinafter Goldman, *Online*] (discussing the danger that trademark law may allow trademark owners to excise unfavorable content selectively).

81. See Rothman, *supra* note 7, at 1914–15.

grown into a more widespread expectation of licensing that influences both individuals and institutions in their approach to trademarks. As this risk-averse posture spreads, it fuels its own growth because of the consumer-dependent definition of actionable confusion. Licensing is not a viable solution to the problem.

A procedural framework in which expressive uses of trademarks become less risky should reduce the chilling effect on expressive uses. To be sure, no amount of legal harmonization or procedural reform can eliminate power asymmetry between individual critics and large institutional markholders, but improvements of degree should be possible. With clearer law and simpler, shorter litigation, both individuals and institutions should be more likely to engage in expressive uses and more likely to persist in those uses when faced with the prospect of legal action. Presumably markholders should, in turn, be less likely to threaten or pursue litigation that is clearly frivolous.

However, achieving this recalibration may require new thinking about the place of consumer confusion in trademark law. As Part III explains, breathing room for fair uses requires toleration, on the margins, of some degree of consumer confusion.

### III. THE TROUBLE WITH LIKELIHOOD OF CONFUSION

Trademark law aims to preserve the source-identifying meaning of marks. To do so, the law generally forbids any use of a mark that “is likely to cause confusion, or to cause mistake, or to deceive” as to the connection between the plaintiff and the defendant (or their respective products).<sup>82</sup> This Part considers two tensions between that central goal and the enablement of free expression.

#### A. THE VAGUE AND TIME-CONSUMING TEST

Some commentators believe that the simplest and surest way to accommodate expressive uses lies within the core “likelihood of confusion” liability standard of trademark infringement law.<sup>83</sup> They argue that a truly fair use must be distinct enough from the crucial source-identifying function of the original trademark to avoid confusing consumers who encounter it.

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82. 15 U.S.C. §§ 1114(1), 1125(a) (2000).

83. See, e.g., 4 MCCARTHY, *supra* note 28, § 23:11 (criticizing the Third Circuit for establishing nominative fair use as an affirmative defense and noting with approval that other circuit courts “have reached similar results by use of their general multi-purpose list of factors”); Chad J. Doellinger, *Nominative Fair Use: Jardine and the Demise of a Doctrine*, 1 NW. J. TECH. & INTELL. PROP. 5, ¶ 9 (2003), available at <http://www.law.northwestern.edu/journals/njtup/v1/n1/5> (“[N]ominative fair use should be nothing more than a term used to describe a peculiar fact pattern that, given the specific facts of the case, does not lead to a likelihood of confusion.”); Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 203 (2004) (arguing that finding an absence of likelihood of confusion is a superior mechanism for handling free speech in trademark cases).

Judge Pierre Leval, for example, has suggested that a successful parody avoids likelihood of confusion by definition because “it must summon up the image of the original while conveying to readers that it is *not* the original. If it fails in the second message, so that people think that it *is* the original, the whole point of the parody will be lost.”<sup>84</sup> Similarly, courts often reason that comparative advertising should be allowed precisely (and only) when it distinguishes between the defendant’s product and the plaintiff’s product.<sup>85</sup> A number of prominent trademark experts (notably Professor J. Thomas McCarthy in his influential trademark treatise, as well as Judge Leval) advocate that courts should almost always use the likelihood of confusion yardstick to measure defendants’ arguments involving expressive uses.<sup>86</sup>

In a few cases a plaintiff may have so little evidence of actionable confusion that a court can brush the claim aside swiftly.<sup>87</sup> Absent unusual situations, such as very strong evidence of actual confusion, however, most trademark infringement cases turn on the application of a complex multifactor test. Although its precise composition differs from one circuit to the next, the fundamental attributes remain largely the same.<sup>88</sup> Under the various circuits’ tests, courts compare the plaintiff’s mark to the defendant’s use of it, generally emphasizing considerations such as the degree of similarity between them, the “strength” of the plaintiff’s mark, evidence of actual confusion of consumers, improper intent of the defendant, and the manner in which consumers encounter the disputed trademarks and uses in

84. Leval, *supra* note 83, at 203; *see also* *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 259 (4th Cir. 2007) (deciding parody use based on the likelihood of confusion test); *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 503 (2d Cir. 1996) (same); *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1309 (N.D. Ga. 2008) (same). Judge Leval also argued that likelihood of confusion would have been a superior basis for decisions in several other cases. Leval, *supra* note 83, at 188–98, 202–07.

85. *See, e.g.*, *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924); *August Storck K.G. v. Nabisco, Inc.*, 59 F.3d 616, 618 (7th Cir. 1995); *Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1968); *see* Mark McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. (forthcoming) (manuscript at 54, on file with the Iowa Law Review) [hereinafter McKenna, *Trademark Use*] (explaining, without advocating the position taken, in *Smith v. Chanel* that “comparative advertising is not a defense to trademark infringement in the true sense but merely an explanation of why confusion may be unlikely”).

86. 4 MCCARTHY, *supra* note 28, § 23:11; Leval, *supra* note 83, at 203; *see also* *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 236–38 (3d Cir. 2005) (Fisher, J., concurring in part and dissenting in part) (rejecting the special nominative use test and recommending reliance on the likelihood of confusion analysis instead).

87. *See, e.g.*, *Freecycle Network v. Oey*, 505 F.3d 898, 903 (9th Cir. 2007) (stating that the plaintiff did not provide enough evidence for a successful infringement claim).

88. Most of the various circuit courts’ multifactor tests derive from the original Restatement of Torts, *see* RESTATEMENT (FIRST) OF TORTS § 731 (1938), and an influential case decided by Judge Henry Friendly, *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). *See generally* 4 MCCARTHY, *supra* note 28, §§ 24:29–24:43 (describing the multifactor test in all circuit courts, and collecting cases).

the marketplace.<sup>89</sup> Unfortunately, this approach is both unpredictable and time-consuming.

First, even in garden-variety trademark cases, the test is not known for its clarity. Courts diverge widely in their statements about the relative weight of different factors, and “scattered among the circuits are factors that are clearly obsolete, redundant, or irrelevant, or, in the hands of an experienced judge or litigator, notoriously pliable.”<sup>90</sup> Opinions routinely recite disclaimers that the test is only a guide, that no single factor is dispositive, and that additional factors might sometimes merit consideration.<sup>91</sup> In practice, most judges apply this heuristic rather mechanically, running through all the factors dutifully in every case. Appeals courts routinely reverse decisions because the lower court omitted factors or strayed from the standard ones.<sup>92</sup> The multifactor test retains its tenacious hold despite its flaws. In effect, to say that expressive uses should be judged according to the standard of consumer confusion is to say that courts should feed them into the typical multifactor test.<sup>93</sup>

The test has expanded far beyond its roots in cases involving direct commercial competitors. Its factors have not adapted well to some of these

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89. See, e.g., *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983) (describing and applying a multifactor test); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) (same); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977) (same); *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973) (same); *Polaroid*, 287 F.2d at 495 (same).

90. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1583-84 (2006); see also Austin, *supra* note 16, at 169 (“Testing for likelihood of confusion is hardly a model of analytical rigor.”); Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 749 (2004) (“Predictably, the diverging viewpoints in this area have produced a muddled body of case law, characterized by such inconsistency among and within the circuits that it has become difficult to predict how a court will deal with a particular case.” (citation omitted)).

91. See, e.g., *Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 162 (2d Cir. 2004) (finding no “single factor as dispositive”); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 462 (7th Cir. 2000) (stating that the “factors are not a mechanical checklist”); *Petro Stopping Ctrs., L.P. v. James River Petroleum, Inc.*, 130 F.3d 88, 91 (4th Cir. 1997) (“These factors are not of equal importance or equal relevance in every case.”); *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1186 (6th Cir. 1988) (“[The] factors are simply a guide.”); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987) (“This list is not exhaustive.”).

92. See, e.g., *Natural Organics, Inc. v. Nutraceutical Corp.*, 426 F.3d 576, 578-79 (2d Cir. 2005) (reversing for lack of findings to demonstrate the factors had been weighed); *Kos Pharms., Inc. v. Andrx Corp.*, 369 F.3d 700, 711-12 (3d Cir. 2004) (same); *Virgin Enters., Ltd. v. Nawab*, 335 F.3d 141, 150-51 (2d Cir. 2003) (reversing because the lower court misinterpreted the proximity factor of the *Polaroid* test).

93. It is possible that some commentators mean to suggest that some form of *alternative* test for confusion should apply to expressive uses, a solution resembling the Ninth Circuit approach to nominative uses. See *infra* notes 223-32 and accompanying text. If so, however, this position is either empty, insufficiently protective of speech, or both. It is empty to suggest an alternative confusion-based test without explaining what that test should be. More importantly, asserting that all possible confusion demands liability overprotects against confusion to the detriment of other values, as described further in Part III.B, *infra*.

new contexts. A closer examination of several especially influential factors demonstrates the poor congruence between the design of the standard and the considerations relevant to expressive use cases. An empirical study by Barton Beebe found that the most important factor for determining the outcome of cases across the different circuits is the similarity of the defendant's mark to the plaintiff's mark.<sup>94</sup> This factor makes sense in the paradigmatic case where a markholder sues an upstart competitor using a slight variant of the plaintiff's mark. However, this factor is absurd when applied to many expressive use scenarios, where often the whole point of a defendant's use is to employ the plaintiff's exact mark or a very minor variation of it as a means of referring directly to the plaintiff.<sup>95</sup> Giving heavy weight to this factor in expressive use cases, for example, "would lead to the incorrect conclusion that virtually all nominative uses are confusing" and therefore infringing.<sup>96</sup> Another key factor is the "strength" of the mark, which measures its degree of distinctiveness. Yet, this attribute may be one of the reasons a defendant needs to use the mark as a reference point: a host of associations flows from BARBIE precisely because Mattel has made the mark so powerful.<sup>97</sup> As flawed as the likelihood of confusion standard can be in cases involving two competing products, it becomes even more unclear and difficult to apply this standard to expressive uses, a scenario that the originators of the test never contemplated.

Second, even if a court and litigants can figure out how to apply the likelihood of confusion standard to expressive use cases, it will not be a quick process. Delay may be one of the areas where trademark fair use is even worse than copyright fair use. Although the copyright fair use doctrine is notoriously fact-dependent, it can be, and often is, asserted by the

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94. Beebe, *supra* note 90, at 1623.

95. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992) ("[I]t 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."); Leval, *supra* note 83, at 203 ("[Parody] must summon up the image of the original while conveying to readers that it is *not* the original."). For an example of a case where this problem occurred, see *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F.3d 769, 774 (8th Cir. 1994) (weighing the fact that the defendants parody exactly duplicated some of plaintiff's strong MICHELOB marks very heavily against defendant).

96. *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002); see *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 224–25 (3d Cir. 2005) (holding that the Third Circuit should ignore "similarity of the marks" factors when considering likelihood of confusion in nominative use cases).

97. See *Century 21*, 425 F.3d at 225 (noting that the defendant may need to make nominative use of a mark "because of its very strength and what it has come to represent"); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002) (noting ROLLS-ROYCE and BAND-AID, along with BARBIE, as examples of marks used as metaphors that are now an "integral part of our vocabulary" with a "role outside the bounds of trademark law"); *Lyons P'ship v. Giannoulas*, 179 F.3d 384, 389 (5th Cir. 1999) ("[T]he strength of the mark may actually make it easier for the consumer to realize that the use is a parody. Therefore, a strong mark is not as relevant a factor when the use is that of parody.").

defendant early in litigation. For example, copyright fair use can be raised in a motion to dismiss based only on the pleadings or as a summary judgment motion considered prior to any unrelated discovery and any determination of other matters.<sup>98</sup> Depending on the particular situation, the necessary evidence for copyright fair use cases can be more straightforward.

Much of the high cost of trademark litigation can be explained by the fact-intensive nature of the likelihood of confusion inquiry. Many factors present evidentiary challenges, such as considerations of the defendant's intent to free ride on plaintiff's goodwill and the "inchoate quality of the empiricism" used to determine what consumers in fact perceive.<sup>99</sup> Even trademark dilution claims—which in theory should not depend on confusion for liability—nonetheless devolve frequently into very similar factual inquiries about the degree of a mark's fame and the subjective "blurring" of marks in the public mind.<sup>100</sup> Litigating an elaborate multifactor analysis requires significant resources for discovery and attorneys.

In many cases, a plaintiff seeks to demonstrate the presence of actual confusion by introducing survey evidence. A defendant then has little choice but to commission a competing survey and initiate a "battle of the experts."<sup>101</sup> These experts are hideously expensive. Earlier this year, an Atlanta district court provided a powerful demonstration of this problem. After receiving a C&D, Charles Smith, "an avid and vocal critic of Wal-Mart,"<sup>102</sup> sought a declaratory judgment of his right to sell merchandise incorporating graphic designs that decried "Walocaust" (and combined Nazi imagery with the store's trademarks) as well as "Wal-Queda: The Dime Store From Hell."<sup>103</sup> Wal-Mart counterclaimed for infringement, dilution, cybersquatting, and related claims.<sup>104</sup> This should have been a clear example of fair use, allowing straightforward and early adjudication in Smith's favor. As usual, that was indeed the court's ultimate decision, but the real story is the long and circuitous route to get there in a forty-one page reported

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98. See *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (motion to dismiss); *Fisher v. Dees*, 794 F.2d 432, 436 (9th Cir. 1986) (summary judgment); WILLIAM F. PATRY, *PATRY ON COPYRIGHT* § 10.159 & n.4 (2008) (collecting cases adjudicating copyright fair use on summary judgment).

99. Austin, *supra* note 16, at 170.

100. See Austin, *supra* note 16, at 171–73; Bartow, *supra* note 90, at 754–56.

101. *Indianapolis Colts, Inc. v. Metro. Balt. Football Club Ltd. P'ship*, 34 F.3d 410, 414–16 (7th Cir. 1994) (Posner, J.) (bemoaning the quality of survey evidence in many trademark cases and stating that "[t]he battle of the experts that ensues is frequently unedifying").

102. *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1309 (N.D. Ga. 2008).

103. *Id.* at 1309, 1311–12. Subtlety was not a hallmark of these critiques. See *id.* at 1309 (describing the image of a "blue stylized bird modeled to resemble a Nazi eagle grasping a yellow smiley face in the same manner that a Nazi eagle is typically depicted grasping a swastika").

104. *Id.* at 1312–13.

opinion on cross-motions for summary judgment rendered over two years after the case was filed.<sup>105</sup> Wal-Mart commissioned a survey from a well-known expert witness in trademark cases and Smith retained a rebuttal expert.<sup>106</sup> The court ultimately excluded most of the Wal-Mart survey after eighteen pages of extremely detailed analysis.<sup>107</sup> It then conducted the normal multifactor test and finally granted Smith's summary-judgment motion. (Smith had pro bono representation from Public Citizen.<sup>108</sup> Otherwise it is unlikely any individual would have the wherewithal to litigate on these terms against the largest employer in the world, and presumably Wal-Mart could silence the criticisms of a future Mr. Smith.)

Finally, in addition to the expense for discovery of the evidence, black-letter trademark law prevents early resolution of likelihood of confusion issues. As one court stated the general rule, "Due to the factual nature of likelihood of confusion, determining whether a likelihood of confusion exists at the summary judgment stage is generally disfavored because a full record is usually required to fully assess the facts."<sup>109</sup>

Standard likelihood of confusion analysis is a poor fit for evaluating expressive uses and it imposes significant costs in money and time. These burdens contribute to the chill on speech, regardless of the ultimate outcome.

#### B. THE POOR FIT BETWEEN NORMATIVE VALUES

A more important shortcoming of the likelihood of confusion analysis is its failure to address the normative value of free speech. The multifactor test was designed for use in the paradigmatic trademark dispute where the need to accommodate speech interests does not arise. If two merchants want to use similar identifiers for their products, both litigants' interests are

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105. *Id.* at 1311 (action filed on Mar. 6, 2006); *id.* at 1302 (opinion filed on Mar. 20, 2008).

106. *Id.* at 1324.

107. *Smith*, 537 F. Supp. 2d at 1317–35.

108. *Id.* at 1308.

109. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1265 (9th Cir. 2001); *see GMC v. Keystone Auto. Indus.*, 453 F.3d 351, 359 (6th Cir. 2006) ("These genuine disputes of material fact render summary judgment inappropriate, a common disposition in evaluating likelihood of confusion."); *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 637 (7th Cir. 2001) ("Although likelihood of confusion is a question of fact, the issue may be resolved on summary judgment where the evidence is so one-sided that there can be no doubt about how the question should be answered." (internal quotations and citations omitted)); 6 MCCARTHY, *supra* note 28, §§ 32:120–32:121 (collecting cases showing a strong presumption against summary judgment either for or against likelihood of confusion). The comparative weighing of different factors in the likelihood of confusion analysis to determine the ultimate question of infringement is sometimes seen as a matter of law. *See, e.g., Bristol-Myers Squib Co. v. McNeil-P.P.C. Inc.*, 973 F.2d 1033, 1043 (2d Cir. 1992) (stating that the standard of review is *de novo*). This distinction can be very important to the standard for appellate review, *id.*, but since the weighing can only occur after the factual determinations have been made, it has little bearing on the unavailability of early adjudication at the trial court.



primarily commercial rather than expressive, and neither one of them adds much additional speech to public discourse. Furthermore, both merchants' interests align with certain *public* interests in efficient markets: guarding against confusion and allowing the best or most informative brand names.<sup>110</sup>

In expressive use cases, however, another interest joins these. Courts must factor speech interests (of both the defendant and society) into the equation and balance them against the economic interests served by trademarks.<sup>111</sup> Expressive trademark uses often advance very important communicative interests. The AFLAC lawsuit is not the only such case involving core political speech by political campaigns or citizen protesters.<sup>112</sup> Other expressive uses enable criticism, parody, or praise of some of society's greatest icons, from BARBIE to Tiger Woods.<sup>113</sup>

Trademark doctrines typically make no explicit reference to speech interests, but often this simply conceals the underlying balance between free expression and other goals.<sup>114</sup> Many long-standing trademark doctrines accommodate speech concerns as part of their inherent structure, including the loss of rights in generic terms and the variable strength of marks based on their degree of descriptiveness.<sup>115</sup> These well-established principles

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110. As Judge Richard Posner has explained it:

The aim is to strike a balance between, on the one hand, the interest of the seller of the new product, and of the consuming public, in an arresting, attractive, and informative name that will enable the new product to compete effectively against existing ones, and, on the other hand, the interest of existing sellers, and again of the consuming public, in consumers' being able to know exactly what they are buying without having to incur substantial costs of investigation or inquiry.

Indianapolis Colts, Inc. v. Metro. Balt. Football Club Ltd. P'ship, 34 F.3d 410, 414 (7th Cir. 1994).

111. McGeveran, *supra* note 14, at 1207–11 (analyzing this balance).

112. Am. Family Life Ins. Co. v. Hagan, 266 F. Supp. 2d 682 (N.D. Ohio 2002) ("TaftQuack" campaign). See generally MasterCard Int'l, Inc. v. Nader 2000 Primary Comm., Inc., 70 U.S.P.Q.2d (BNA) 1046 (S.D.N.Y. 2004) (presidential campaign parody of MASTERCARD); Brach Van Houten Holding, Inc. v. Save Brach's Coal., 856 F. Supp. 472 (N.D. Ill. 1994) (protestors' use of BRACH logo); Stop the Olympic Prison v. U.S. Olympic Comm., 489 F. Supp. 1112 (S.D.N.Y. 1980) (protestors' use of Olympic symbol).

113. See ETW Corp. v. Jireh Publ'g, Inc., 332 F.3d 915, 936 (6th Cir. 2003) ("A piece of art that portrays a historic sporting event communicates and celebrates the value our culture attaches to such events. It would be ironic indeed if the presence of the image of the victorious athlete would deny the work First Amendment protection."); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 898 (9th Cir. 2002) (calling BARBIE "a public figure" and noting, "With Barbie, Mattel created not just a toy but a cultural icon").

114. See Rebecca Tushnet, *Why the Customer Isn't Always Right: Producer-Based Limits on Rights Accretion in Trademark*, 116 YALE L.J. POCKET PART 352, 353 (2007), <http://yalelawjournal.org/2007/04/25/tushnet.html> ("Numerous trademark doctrines serve to cabin the ability of trademark owners to claim licensing rights.").

115. See Austin, *supra* note 16, at 176–77; Leval, *supra* note 83, at 191–94; Tushnet, *supra* note 114, at 353–54. But see Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1169–74 (2003) [hereinafter Ramsey, *Descriptive*] (arguing that descriptive

seldom inspire explicit normative discussion in judicial opinions, although they originate from the same value balance between commercial and speech interests.<sup>116</sup> It cannot be otherwise. As Graeme Austin recently argued, “[A]s a legal policy matter, equating trademark rights with what consumers might become confused about cannot be sufficient. Trademark rights need to be shaped by other legal principles, values, and agendas.”<sup>117</sup>

Unfortunately, the relative invisibility of this balancing of free speech in the “normal” case can suggest to the incautious observer (or judge) that none occurs. This leads, in turn, to a simplistic assumption that *any* likelihood of confusion triggers liability—the very antithesis of the careful harmony that the law must maintain.<sup>118</sup> Glynn S. Lunney, Jr. despairingly describes this tendency in a slightly different context:

[The] myth is that the likelihood of confusion analysis can resolve difficult questions concerning the appropriate scope of trademark protection. . . . [T]he issue of whether confusion should be actionable turns not merely on a factual analysis of whether confusion exists, but on a policy determination that the type of confusion present warrants legal intervention. Too often courts simply plug the facts of a case into their version of the *Polaroid* factor test [for likelihood of confusion] and pretend that the result is necessarily a sensible one.<sup>119</sup>

Courts swayed by the “myth” Lunney describes abdicate responsibility to safeguard speech interests when considering expressive uses based on the implicit assumption that trademark law already takes them into account.

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trademarks should be treated like generic marks and denied trademark protection in order to fully accommodate speech values).

116. To be sure, there are important arguments that elements of core trademark doctrine restrict speech excessively. See, e.g., Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 216–24 (1998) (considering the prior-restraint doctrine and injunctive relief in trademark law); Ramsey, *Descriptive*, *supra* note 115, at 1098 (arguing that portions of the trademark-infringement doctrine violate the First Amendment commercial speech doctrine); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381, 447–57 (2008) [hereinafter Ramsey, *Increasing*] (arguing that courts should apply greater First Amendment scrutiny to trademark cases); Eugene Volokh, *Freedom of Speech and Intellectual Property: Some Thoughts After Eldred*, 44 LIQUORMART, and Bartnicki, 40 HOUS. L. REV. 697, 732–39 (2003) [hereinafter Volokh, *Freedom*] (considering First Amendment problems with trademark dilution law). Certainly I am not contending that the law handles these “traditional” scenarios perfectly from the standpoint of protecting speech. But, their inherent architecture *attempts* to do so, without much explicit discussion of the fact, unlike the architecture of the multifactor likelihood of confusion test.

117. Austin, *supra* note 16, at 175.

118. See Kozinski, *supra* note 2, at 977 (“Many of these [cases] are close judgment calls, requiring one to balance interests that point in different directions. Applying these considerations to a particular set of facts requires a normative judgment about the relative importance of competing interests.”).

119. Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 481 (1999).

The customary test for consumer confusion becomes the ultimate test for infringement, without further reference to the interests of the defendant or of society in protecting and promoting open communication.

Unlike other inherently balanced doctrines in trademark law, the likelihood of confusion test contains no built-in accommodation for free expression. While consumer confusion is a necessary condition for infringement liability, it is not and must never be a sufficient one.<sup>120</sup> The Supreme Court recently stated this principle explicitly, holding that one particular trademark fair use doctrine remains available even after a determination that the defendant's use creates some likelihood of consumer confusion.<sup>121</sup> Some lower courts have since extended that same reasoning to other trademark fair use doctrines.<sup>122</sup>

Some expressive uses of trademarks may indeed confuse some consumers. Consider a case involving the PLAY PEN, a so-called "gentlemen's club" in East Los Angeles, whose owners sued the makers of the popular video game *Grand Theft Auto*.<sup>123</sup> One version of the game allows players navigating the "East Los Santos" neighborhood to visit a strip club called the "Pig Pen," which has some resemblances to the plaintiff's establishment.<sup>124</sup> The court noted that the game used attributes of the PLAY PEN to support its "twisted, irreverent image of urban Los Angeles."<sup>125</sup> Fortunately, the court accepted the defendant's First Amendment argument as a basis for summary judgment without any extended analysis of likelihood of confusion.<sup>126</sup> The plaintiff, however, had presented survey evidence and

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120. *Cf.* *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 973 (2d Cir. 1928) ("[O]ne merchant shall not divert customers from another by representing what he sells as emanating from the second. This has been, and perhaps even more now is, the whole Law and the Prophets on the subject, though it assumes many guises.").

121. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121 (2004) ("[S]ome possibility of consumer confusion must be compatible with fair use."); *see infra* notes 179–91 and accompanying text (discussing *KP Permanent* and the section 33(b)(4) defense).

122. *See, e.g., Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222–23 (3d Cir. 2005) ("[N]either classic or nominative fair use should rise and fall based on a finding of likelihood of confusion."); *Ty, Inc. v. Publ'ns Int'l, Ltd.*, No. 99 C 5565, 2005 WL 464688, at \*6–8 (N.D. Ill. Feb. 25, 2005) ("[The nominative fair use test] assumes a likelihood of confusion, [but] provides an opportunity to determine whether the defendant's use of the mark infringes or can be defended as 'fair use.'").

123. *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1012 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006). It may be a comment on this controversial video game that the plaintiff apparently worried its *strip club* would be harmed if consumers erroneously believed it sponsored or endorsed *Grand Theft Auto*. (Perhaps more plausibly, the plaintiff may have hoped for some licensing fees from the highly successful video game.)

124. In addition to the similar name, the fictional club's logo, signage, and awning have some resemblance to the actual club. *Id.* at 1020.

125. *Id.* at 1017, 1041 ("Los Santos mimics the look and feel of actual Los Angeles locations," though is altered somewhat to fit with the game's "irreverent tone.").

126. *Id.* at 1048.

expert testimony that made a decent showing of likelihood of confusion—probably enough to survive summary judgment and to support a jury verdict if likelihood of confusion were the only valid consideration.<sup>127</sup> Continual growth of licensed product placement in movies, video games, and other media—and increased consumer awareness of it—will exacerbate this problem by fueling the cyclical feedback loop discussed earlier.<sup>128</sup>

Enslavement to confusion avoidance is often responsible when courts rule against expressive uses. For instance, in one famous (or perhaps infamous) 1994 case, the Eighth Circuit found a humor magazine liable for using MICHELOB marks in a parody advertisement purportedly selling “MICHELOB Oily”.<sup>129</sup> The obvious parody even included an image of the iconic Anheuser-Busch eagle covered in oil and yelling “Yuck!” The appellate court’s finding for the plaintiff turned in large part on the “distinct possibility, accepted by the district court, ‘that a superficial observer might believe that the ad parody was approved by Anheuser-Busch.’”<sup>130</sup> The appellate court found that the circuit’s multifactor likelihood of confusion test favored the plaintiff<sup>131</sup> and scolded the district court because it had “skewed its likelihood of confusion analysis in an attempt to give ‘special

127. *Id.* at 1045–47. The district court expressed skepticism about the survey in dicta. *Id.* at 1046. Compared to other cases that do find likelihood of confusion, however, the survey certainly could have been enough to defeat summary judgment had the court considered it without reference to the First Amendment issues.

128. See *supra* notes 78–79 and accompanying text; Gibson, *supra* note 7, at 917–20 (discussing “trademark’s doctrinal feedback in the film and television industry”); Pratheepan Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 WASH. L. REV. 887, 889 (2005) (analyzing expressive uses of trademarks in films). Product placement in video games has a long history but is now poised for explosive growth. See Kozinski, *supra* note 2, at 960–62 (describing, in 1993, the *Cool Spot* video game that was authorized by makers of 7-UP soda and used 7-UP trademarks pervasively); Frank Rose, *Blind Spots*, WIRED, Aug. 2007, at 144–45 (reporting an estimate by the Yankee Group that the annual advertising market in video games will grow from \$56 million in 2005 to \$732 million in 2010); Posting of Lee Glendinning to Guardian DeadlineUSA Blog, Obama’s New Advertising Pitch: Video Games, <http://www.guardian.co.uk/world/deadlineusa/2008/oct/15/uselections2008-barackobama> (Oct. 15, 2008, 11:13 BST) (describing President-elect Barack Obama’s purchase of campaign advertisements in eighteen video games, including *Guitar Hero* and *Madden NFL 09*). Not surprisingly, trademark litigation involving video games has increased recently as well. See, e.g., *Romantics v. Activision Publ’g, Inc.*, 532 F. Supp. 2d 884, 886 (E.D. Mich. 2008); *Ultimate Creations, Inc. v. THQ, Inc.*, No. CV-05-1134-PHX-SMM, 2008 WL 215827, at \*1 (D. Ariz. Jan. 24, 2008); *E.S.S. Entm’t*, 444 F. Supp. 2d at 1012.

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

130. *Id.* at 775 (quoting *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 814 F. Supp. 791, 797 (E.D. Mo. 1993)).

131. *Id.* Having found confusion, the appellate court then claimed to turn to a separate analysis of whether First Amendment considerations might counterbalance this confusion, *id.* at 775–76, but in reality, this discussion simply rehashed its earlier discussion of the intent factor under the multifactor confusion test. The court faulted the defendant’s failure to take more steps to dispel potential confusion. *Id.* at 776. Because there was confusion, the court reasoned, the parody must have failed. *Id.* at 776–77. This is in line with Judge Leval’s suggestion that a successful parody, by definition, is not confusing. See *supra* note 84 and accompanying text.

sensitivity' to the First Amendment."<sup>132</sup> If the recent *Grand Theft Auto* court had followed the reasoning of the older MICHELOB Oily case, it likely would have come out the other way.

This notion of permitting some confusion in the interest of protecting speech should not seem strange. First Amendment doctrines outside of trademark law often exhibit similar tolerance of potentially misleading, false, and even borderline threatening speech in order to protect free expression. When public figures claim defamation or intentional infliction of emotional distress, for instance, they must prove greatly heightened levels of culpability in order to recover damages, precisely because an "erroneous statement is inevitable in free debate, and . . . it must be protected if the freedoms of expression are to have the breathing space that they need to survive."<sup>133</sup> The structure of this "actual malice" doctrine permits some misleading statements to enter public debate without legal penalty—and indeed expects it to happen—as a reasonable price to ensure that other statements are not suppressed.<sup>134</sup> Similarly, the Supreme Court rejects seemingly legitimate interests in preventing fraud or libel as justifications for curtailment of the right of anonymous speech.<sup>135</sup> The true threats doctrine even allows passionate advocacy of violence, provided it does not spill over into direct provocation of imminent lawlessness.<sup>136</sup> In all these instances, the law tolerates a great deal in order to yield as wide a berth for speech as reasonably possible. The values underlying these venerable decisions are equally present in many expressive use cases, and trademark law ought to reflect that balance.

In sum, marching one-by-one through the ill-fitting factors of the likelihood of confusion test is a terrible methodology for resolving expressive use cases. It is unclear. It gives little weight to other important values such as free expression. And, it does require an enormous amount of time to develop complex facts, to argue the numerous different interpretations of those facts, to deploy experts and empirical research to

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132. *Anheuser-Busch*, 28 F.3d at 773.

133. *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 271–72 (1964) (quoting *NAACP v. Button*, 371 U.S. 415, 445 (1963)) (defamation claim); see *Hustler Magazine v. Falwell*, 485 U.S. 46, 52–53 (1988) (applying the same justification to an intentional-infliction-of-emotional-distress claim); cf. *Universal Commc'ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 425 (1st Cir. 2007) (“[A]nti-dilution laws should be interpreted to provide breathing room for First Amendment concerns.”).

134. Indeed, if the Nazi comparison in Charles Smith’s graphics had been to Wal-Mart founder Sam Walton instead of to his company, it likely would have been an easy case in Smith’s favor.

135. See *McIntyre v. Ohio Elections Comm’n*, 514 U.S. 334, 349–51 (1995) (concluding the state’s interest in preventing fraud in election campaigns is not sufficient to justify infringing upon the right to anonymous speech).

136. See *NAACP v. Claiborne Hardware Co.*, 458 U.S. 886, 927–28 (1982); *Brandenburg v. Ohio*, 395 U.S. 444, 448–49 (1969) (per curiam).

buttress those interpretations, and to get to the point in complex litigation (typically after the close of all discovery) when these issues are ripe for decision.

Courts increasingly understand the inadequacy of the likelihood of confusion metric. This is precisely the reason why the substantive results in cases involving expressive uses have become so much more protective of speech. However, the courts have not yet moved from this realization to the development of a coherent trademark fair use doctrine that avoids the structural problems in the likelihood of confusion test.

#### IV. EXISTING DOCTRINES

This Part critiques five doctrines—both affirmative defenses and alternatives to the likelihood of confusion test—that defendants and courts have used in an attempt to evaluate expressive uses with greater sensitivity to free speech interests.<sup>137</sup> All of them suffer from the same problems of uncertainty and delay we have seen already. All effectively reduce, in whole or in part, into slight variations of the likelihood of confusion analysis, returning obliquely to the very same problems discussed in Part III. None is sufficient to control the chilling effect.

##### A. TRADEMARK USE THEORY

If any debate in the sedate world of legal academia can be called “hot,” then a recent exchange of views concerning the doctrine of “trademark use” might qualify.<sup>138</sup> Several commentators have advanced a set of similar arguments that trademark liability requires a threshold determination about the nature of a defendant’s use of the plaintiff’s mark—that it is sufficiently commercial, that it is linked to source-identifying purposes, or both.<sup>139</sup> In addition to these commentators, some recent judicial decisions appear to have relied on some species of a trademark use requirement.<sup>140</sup> Other

137. The Lanham Act’s cybersquatting provision also includes a type of meta-fair use exemption: it forecloses liability (by negating the bad faith element) “in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.” 15 U.S.C. § 1125(d)(1)(B)(ii) (2000). Because this Article does not cover domain names as expressive uses, *see supra* notes 23–25 and accompanying text, it sets aside that provision.

138. *See* Dogan & Lemley, *Grounding*, *supra* note 7, at 1670 (“The debate over trademark use has become a hot-button issue in intellectual property (“IP”) law.”); McKenna, *Trademark Use*, *supra* note 85, at 2 (“‘Trademark use’ is all the rage.”).

139. *See generally, e.g.*, Margreth Barrett, *Internet Trademark Suits and the Demise of “Trademark Use,”* 39 U.C. DAVIS L. REV. 371 (2006); Dogan & Lemley, *Grounding*, *supra* note 7; Dogan & Lemley, *Search Costs*, *supra* note 16; Stacey L. Dogan & Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 541 (2008); Goldman, *Deregulating*, *supra* note 25, at 593–96; Goldman, *Online*, *supra* note 80, at 414–24; Uli Widmaier, *Use, Liability, and the Structure of Trademark Law*, 33 HOFSTRA L. REV. 603 (2004).

140. *See generally, e.g.*, *Universal Commc’ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413 (1st Cir. 2007); *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005); *DaimlerChrysler AG v.*

scholars responded with skepticism about the doctrinal existence of this requirement, its usefulness, or both.<sup>141</sup> The *Iowa Law Review* recently published an exchange of views between some of the important scholars on both sides of the trademark use issue.<sup>142</sup>

Certain elements of this debate are tangential to our purposes here and can be set aside. First, while supporters of a trademark use requirement offer it as an antidote to the chilling effect on expressive uses,<sup>143</sup> much discussion of this approach concentrates on concerns about the sorts of online-specific trademark uses that lie beyond the scope of this Article.<sup>144</sup> Second, we can pass over the question of whether the trademark use requirement exists under current law at all. The answer depends on competing interpretations of ambiguous language in the Lanham Act<sup>145</sup> and dueling accounts of the rationales embodied in early trademark decisions.<sup>146</sup> Because we are starting from scratch and pursuing the prescriptive question of how we ought to design a fair use doctrine, however, we need not delve into the history.<sup>147</sup> We can assume that a trademark use requirement is or could be applied to expressive use cases, and instead ask: would that be a good idea?

Bloom, 315 F.3d 932 (8th Cir. 2003); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996); *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393 (N.D.N.Y. 2006); *U-Haul Int'l, Inc. v. WhenU.com*, 279 F. Supp. 2d 723 (E.D. Va. 2003).

141. See generally, e.g., William G. Barber, *Dumping the "Designation of Source" Requirement from the TDRA: A Response to the Alleged "Trademark Use Requirement in Dilution Cases,"* 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 559 (2008); Dinwoodie & Janis, *Contextualism*, *supra* note 25; Graeme B. Dinwoodie & Mark D. Janis, *Lessons from the Trademark Use Debate*, 92 IOWA L. REV. 1703 (2007) [hereinafter Dinwoodie & Janis, *Lessons*]; Greg Lastowka, *Google's Law*, 73 BROOK. L. REV. 1327, 1394–98 (2008); McKenna, *Trademark Use*, *supra* note 85, at 53–73.

142. See generally Dinwoodie & Janis, *Contextualism*, *supra* note 25; Dinwoodie & Janis, *Lessons*, *supra* note 141; Dogan & Lemley, *Grounding*, *supra* note 7.

143. See, e.g., Barrett, *supra* note 139, at 405; Dogan & Lemley, *Search Costs*, *supra* note 16, at 809–11; Dogan & Lemley, *Grounding*, *supra* note 7, at 1675–82; cf. Lemley, *supra* note 2, at 1710–13 (expressing concern about suppression of expressive uses from expansion of trademark law).

144. See *supra* Part II.A (defining “expressive uses”); see, e.g., Barrett, *supra* note 139, at 395–450; Dogan & Lemley, *Search Costs*, *supra* note 16, at 801–37; Lastowka, *supra* note 141, at 1394–98; see also Margreth Barrett, *Domain Names, Trademarks, and the First Amendment: Searching for Meaningful Boundaries*, 39 CONN. L. REV. 973, 976 (2007) [hereinafter *Domain Names*] (applying trademark use concepts to domain name disputes). Dogan and Lemley also view trademark use limits as a bulwark against unreasonable expansion of secondary liability to intermediaries who arguably do not “use” the mark at all. See Dogan & Lemley, *Search Costs*, *supra* note 16, at 812–31. Again, this is a very important topic, but it is not the subject of this Article.

145. Compare Barrett, *supra* note 139, at 382–87, and Widmaier, *supra* note 139, at 618–21, with 4 MCCARTHY, *supra* note 28, § 23:11.50, Dinwoodie & Janis, *Contextualism*, *supra* note 25, at 1609–16, and McKenna, *Trademark Use*, *supra* note 85, at 24–53.

146. Compare Barrett, *supra* note 139, at 379–81, 389–93, and Widmaier, *supra* note 139, at 613–18, with Dinwoodie & Janis, *Contextualism*, *supra* note 25, at 1616–21, and McKenna, *Trademark Use*, *supra* note 85, at 8–24.

147. See Dogan & Lemley, *Grounding*, *supra* note 7, at 1690 (“Even if trademark use were not well grounded in history, that would be no reason for courts to hold back from adopting the doctrine now.”).

The premise of the trademark use doctrine is the notion that only a defendant's use of a mark *as a mark* gives rise to liability. At first glance, this appears to be an appealing means to handle expressive use cases. Its advocates view the longstanding existence of a trademark use limitation, integrated into the structure of trademark law, as one of the gravitational forces that once prevented encroachment on expressive uses.<sup>148</sup> Advocates also argue that the analysis of the trademark use requirement would occur at the outset of a case, before engagement with most other defenses and certainly before any consideration of likelihood of confusion. As Stacey Dogan and Mark Lemley state this hope, "[T]he trademark use requirement serves a gatekeeper function, limiting the reach of trademark law without regard to a factual inquiry into consumer confusion."<sup>149</sup> If it worked, such a gatekeeper would avoid the muddled standards and delays that contribute so much to the prelitigation chilling effect.

Unfortunately, on closer examination this appealing vision of trademark use reveals itself as a mirage. The ultimate question posed by the trademark use doctrine asks if a particular use invites an interpretation as a source identifier. The most straightforward basis to determine whether an expressive use carries source-identifying significance is to ask whether those who come into contact with it perceive it that way. This question restates the fundamental inquiry of trademark law—and it does so with less guidance from surrounding context or doctrine.

Existing trademark doctrines almost always define marks by reference to this consumer-based vantage point.<sup>150</sup> Mark McKenna, who thinks that a trademark use requirement exists in current law, nevertheless concludes that it does almost no good: "[B]ecause trademark use can be determined only from the perspective of consumers, it cannot serve as a threshold requirement separable from likelihood of confusion inquiry."<sup>151</sup> In other words, a trademark is used "as a mark" if consumers perceive that use as indicating "the affiliation, connection, or association of [the defendant] with another person, or . . . the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person."<sup>152</sup> An approach to defining trademark use grounded in consumer understanding collapses

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148. See Dogan & Lemley, *Search Costs*, *supra* note 16, at 782–83.

149. *Id.* at 805; see Widmaier, *supra* note 139, at 621–24 (suggesting sequential analysis of trademark cases that would consider trademark use doctrine before other issues).

150. See McKenna, *Trademark Use*, *supra* note 85, at 54 (arguing that, except for the functionality doctrine, every distinction relevant to trademark protectability depends on consumer understanding).

151. *Id.* at 57.

152. 15 U.S.C. § 1125(a)(1) (2000).



completely into a slightly different way of asking the crucial likelihood of confusion question.<sup>153</sup>

In principle, courts could conceivably judge trademark use from a perspective other than that of the consumer, but the alternatives do not improve the utility of the doctrine in expressive use cases. One could judge liability based on the defendant's perspective—the intent to cause confusion. This understanding of the doctrine would cause several problems, and there is no indication that trademark use advocates would support it.<sup>154</sup> Evidentiary issues arising from such an approach probably would destroy any early “gatekeeper” character of the doctrine. More fundamentally, this interpretation would narrow trademark law unacceptably to cover only uses that *purposefully* confuse consumers. There is no such intent requirement in the Lanham Act.<sup>155</sup> Trade dress infringement, for example, may result from the coincidental selection of packaging elements that nonetheless mislead consumers into mistaking the defendant's product for the plaintiff's.

If the trademark use determination does not turn on the subjective perception of the consumer or of the defendant, perhaps it could still be based on some objective standard of what uses constitute branding or advertising.<sup>156</sup> Trademark law has embraced specific linkages to particular marketing practices in the past. At one time, the narrow interpretation of the affixation requirement meant that advertising did not constitute use of a mark for purposes of establishing rights. Some scholars have suggested developing or reinstating such distinctions today, such as a proposal that advertising slogans should be outside the scope of trademark law.<sup>157</sup> However, the consistent contrary trend toward liberalizing those

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153. See Dinwoodie & Janis, *Contextualism*, *supra* note 25, at 1645 (“[M]any cases nominally decided on the basis of use dissolve into analyses suspiciously similar to those of other doctrines such as distinctiveness and likelihood of confusion. So employed, use functions principally as a proxy. It makes no autonomous analytical contribution.”); McKenna, *Trademark Use*, *supra* note 85, at 57–58 (showing the overlap of the consumer-focused trademark use doctrine with likelihood of confusion analysis).

154. Barrett explicitly argues the converse—that even a proven intent to divert customers is *not* an indicator of trademark use. Barrett, *supra* note 139, at 389–93.

155. See *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1208 (9th Cir. 2000) (“[E]ven if we . . . concluded that Disney was as innocent as a fawn with *no* intent to copy or appropriate GoTo's logo, it would prove nothing since no such intent is necessary . . . .”); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 22 cmt. b (1995) (“[P]roof of an intent to deceive is not required . . . .”). *But cf.* Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737, 754–55 (2007) (suggesting that trademark law departs from other legal speech restrictions in its lack-of-intent-requirements).

156. This may be Margreth Barrett's view. See Barrett, *supra* note 139, at 385–87 (putting expansion of trademark protection in context of affixation and “use in commerce” requirements).

157. See Lisa P. Ramsey, *Intellectual Property Rights in Advertising*, 12 MICH. TELECOMM. & TECH. L. REV. 189, 261–63 (2006).

requirements better reflects the regulatory role of trademark law in overseeing modern marketing practices. Marks now encompass anything that identifies source.<sup>158</sup> Resort to an objective standard for whether a use is undertaken “in a way that allows consumers to rely on the mark”<sup>159</sup> would freeze certain methods of signifying source as the only ones that can be protected. Such an approach would render trademark law inflexible and timebound, adapting poorly to this era of rapid innovation in consumer marketing.<sup>160</sup>

In response to this type of criticism, Dogan and Lemley acknowledge that “definitional problems” mean the trademark use doctrine may have “limited value in close cases.”<sup>161</sup> They further argue that even if the trademark use doctrine cannot “play a role in all cases,” it still has value as a “limited tool for identifying classes of behavior that cannot constitute infringement.”<sup>162</sup> Of course they are correct that some cases can be identified where the use in question is so far from use “as a mark” that this doctrine’s indeterminacy could be reduced or eliminated. For example, one recent case involved the use of plaintiff UCSY’s corporate name to label an online discussion board about the performance of UCSY stock.<sup>163</sup> The First Circuit affirmed the dismissal of the complaint for failure to state a claim—the earliest possible disposition—reasoning in part that the defendant was “not using the ‘UCSY’ trade name ‘on’ a product (or business) at all, but [was] simply referring to the existing company that has adopted that trade name.”<sup>164</sup> While trademark use served as a convenient justification for disposing of the claim quickly, however, the court clearly considered the case almost frivolous and noted that other doctrinal approaches might have worked equally well to reach the same result.<sup>165</sup>

158. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995) (“[T]rademark law” prohibits defendants from “copying a source-identifying mark.”); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (finding a trademark to be “any word, name, symbol, or device” which makes a good distinct (citing 15 U.S.C. § 1125(a) (2000))).

159. Barrett, *supra* note 139, at 395.

160. See Dinwoodie & Janis, *Contextualism*, *supra* note 25, at 1664 (“A more refined solution would preserve the flexibility of the standards-based approach while developing mechanisms to hedge against its uncertainties in particularly sensitive cases.”); Lastowka, *supra* note 141, at 1396–98 (suggesting, in the search engine context, that employing a broad trademark use requirement to exclude entire classes of uses would abdicate too much legal power that might be important in preventing potentially harmful uses of trademarks).

161. Dogan & Lemley, *Grounding*, *supra* note 7, at 1674.

162. *Id.*

163. *Universal Commc’ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413 (1st Cir. 2007).

164. *Id.* at 425.

165. The court also referred to the nominative use doctrine, see *infra* Part IV.C, and First Amendment considerations, see *infra* Part IV.D, and concluded:

Whether [defendant] Lycos’s use of the “UCSY” trade name is viewed as a noncommercial use, as a nominative use, or in some other way, we hold that using

A doctrine that decides only easy cases will not suffice as a trademark fair use doctrine. The intuitions behind the trademark use argument prove illuminating when rethinking trademark fair use. Certainly, they may help in developing the correct approach to other important issues, such as search engine liability or metatag infringement. But trademark use theory itself is not the doctrinal mechanism we seek to protect a broad range of fair uses at issue in this Article.

*B. DESCRIPTIVE OR “CLASSIC” FAIR USE UNDER SECTION 33(B)(4)*

Section 33(b)(4) of the Lanham Act<sup>166</sup> provides an affirmative defense for uses of trademarked language or imagery to describe the attributes of the defendant’s product. The statutory language applies to “a use, otherwise than as a mark . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the [defendant’s] goods or services.”<sup>167</sup> The Seventh Circuit reorganizes the confusing language of section 33(b)(4) into three clearer elements: (1) nontrademark use; (2) descriptiveness; and (3) fairness and good faith.<sup>168</sup>

In general, descriptive terminology or imagery cannot gain trademark protection unless it also carries “secondary meaning” as a distinctive identifier of source.<sup>169</sup> Even if a trademark covers this specialized sense of a word or image, its underlying *primary* meaning remains in the public domain. The section 33(b)(4) defense works in tandem with this and other provisions of trademark law to ensure that trademark protection does not interfere with the ability to use everyday language. Without such limitations, markholders could gain an unfair advantage by preventing competitors from describing their products adequately, and the public would lose valuable information that reduces search costs.<sup>170</sup>

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a company’s trade name to label a message board on which the company is discussed is not a use covered by the Florida anti-dilution statute.

*Universal Comm’ns Sys.*, 478 F.3d at 425.

166. 15 U.S.C. § 1115(b)(4) (2000).

167. *Id.* The defense is sometimes referred to as “descriptive fair use” and, especially in the Ninth Circuit, as “classic fair use.” This Article uses both phrases but usually refers to it by its citation in section 33(b)(4) of the Lanham Act.

168. *See Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir. 1992) (describing the three elements). Fairness and good faith could be listed as separate elements, although it is not clear how they differ. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 (2004) (naming fairness and good faith as separate elements but handling them in a similar fashion).

169. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13(b) (1993); *see* 15 U.S.C. § 1052(e)(1), (f) (2000) (requiring secondary meaning for federal registration of descriptive marks); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–10 (2d Cir. 1976) (explaining the difference between marks that are generic, merely descriptive, and descriptive with secondary meaning).

170. *See Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1058–59 (7th Cir. 1995); *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F. Supp. 196, 198–99 (S.D.N.Y. 1990).

Admittedly, the free speech interests protected by typical section 33(b)(4) cases may be less profound than in cases involving core political speech or artistic commentary. For example, one leading case concerns a suit by the makers of the sugary pastel-colored “SweetTART” candy against Ocean Spray Cranberries over newspaper and television advertisements featuring various punning descriptions of cranberry juice as “sweet-tart.”<sup>171</sup> Another defendant invoked the section 33(b)(4) defense against a plaintiff who held the mark FISH-FRI on a batter mix for breading fish before frying it.<sup>172</sup> There, the court found the defendant’s descriptive use of the term “fish fry” to describe its similar product was fair use.<sup>173</sup> Likewise, the producers of those ubiquitous cardboard air fresheners shaped like pine trees that hang from cars’ rear-view mirrors lost their suit against the makers of Christmas-themed and pine-scented room air fresheners that also looked like Christmas trees.<sup>174</sup> The court found section 33(b)(4) applied because the pine tree image connoted both the seasonal and olfactory qualities of the defendant’s product.<sup>175</sup>

While perhaps quotidian, these disputes nonetheless involve uses of marks to articulate ideas unrelated to source identification.<sup>176</sup> They are, therefore, expressive uses as defined above.<sup>177</sup> At times, courts also turn to section 33(b)(4) in cases with greater speech interests at stake. For example, section 33(b)(4) was the basis for protecting products depicting the JOY OF SIX newspaper headline.<sup>178</sup>

Structural problems of three kinds reduce the efficacy of the section 33(b)(4) defense as a protection for fair use. First, notwithstanding the Supreme Court’s recent command that a likelihood of confusion finding does not foreclose this defense, it appears that at least some courts still require the completion of the confusion analysis before turning to section 33(b)(4). Second, the statutory elements of the defense require fact-intensive examination of issues that greatly resemble confusion considerations and, in any event, further reduce the prospects for early adjudication. Finally, different circuits interpret the defense either very narrowly or very broadly, depending on the tradition embodied in their precedent.

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171. *Sunmark*, 64 F.3d at 1055–56.

172. *Zatarain’s, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983).

173. *Id.* at 796.

174. *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2d Cir. 1995).

175. *Id.* at 267–70.

176. *See Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir. 1992) (noting that section 33(b)(4) embodies the “principle that no one should be able to appropriate descriptive language through trademark registration”).

177. *See supra* Part II.A.

178. *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 639 (7th Cir. 2001); *see also* *M.B.H. Enters., Inc. v. WOKY, Inc.*, 633 F.2d 50, 52 (7th Cir. 1980) (finding section 33(b)(4) fair use for a radio station slogan).

First, in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, the Supreme Court explicitly held that a defendant need not disprove likelihood of confusion to benefit from the section 33(b)(4) defense.<sup>179</sup> Until the Supreme Court intervened, the Ninth Circuit had consistently held that a finding of likely consumer confusion foreclosed the section 33(b)(4) defense.<sup>180</sup> Some language in cases from other circuits may have echoed the Ninth Circuit's position.<sup>181</sup> Other circuits had rejected it definitively.<sup>182</sup> But the Ninth Circuit's position was untenable because the plaintiff has the burden to prove consumer confusion. In the words of the Fourth Circuit, "[A] defense which can be considered only when the prima facie case has failed is no defense at all."<sup>183</sup> The Supreme Court agreed unanimously, stating that "it would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element. A defendant has no need of a court's true belief when agnosticism will do."<sup>184</sup>

The Court declined, however, to say any more about what role likelihood of confusion *should* play in the analysis.<sup>185</sup> Rather, *KP Permanent* left lower courts the job of recalibrating the balance between source

179. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 (2004).

180. *See Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1029 (9th Cir. 2004) (stating that "a fair use may not be a confusing use"); *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 328 F.3d 1061, 1072 (9th Cir. 2003) (finding likely consumer confusion precludes fair use); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002) (same); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) (same).

181. *See PACCAR Inc. v. TeleScan Techs., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003); *Zatarain's, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (5th Cir. 1983). Arguably the cited statements were dicta. In any event, these circuits did not have the same clearly stated and often-repeated rule as did the Ninth Circuit.

182. *See Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 30–31 (2d Cir. 1997); *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234, 243 (4th Cir. 1997); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (7th Cir. 1995).

183. *Shakespeare Co.*, 110 F.3d at 243 (4th Cir. 1997) ("[I]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant.").

184. *KP Permanent*, 543 U.S. at 118–20.

185. *Id.* at 123. The Court states:

[W]e think it would be improvident to go further in this case . . . . It suffices to realize that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair.

*Id.*; *see* Amicus Curiae Brief of the American Intellectual Property Law Association in Support of Reversal, *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004) (No. 03-409), 2004 WL 832071, at \*13–18 ("[A] substantial likelihood of consumer confusion about the source of the goods in question may undermine the statutory elements of a fair use defense.") The author of this Article was a co-author of this amicus brief. *See also* David W. Barnes & Teresa A. Laky, *Classic Fair Use of Trademarks: Confusion About Defenses*, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 833, 848–62 (2004) (recommending a balancing approach in cases under section 33(b)(4)).

identification and expression. This reservation may have undermined the case's holding.<sup>186</sup> On remand, the Ninth Circuit essentially reinstated, for all practical purposes, its requirement that likelihood of confusion be disproved entirely before a descriptive use can prevail under section 33(b)(4).<sup>187</sup> After extensive quotation from the Supreme Court decision, the Ninth Circuit again reversed the lower court's grant of summary judgment for the defendant on section 33(b)(4) grounds because disputes of material fact remained.<sup>188</sup> The very first such factual issue the court listed was "the degree of likely confusion."<sup>189</sup> The appeals court ordered analysis of the multifactor *Sleekcraft* test to evaluate this factual issue.<sup>190</sup> Thus, while obeying the precise mandate from the Supreme Court, the Ninth Circuit still holds the section 33(b)(4) defense hostage to a lengthy and complex analysis of likelihood of confusion rather than intervening to screen out eligible uses early in litigation.<sup>191</sup>

Second, even if formally separated from likelihood of confusion analysis, section 33(b)(4) itself remains an elliptical standard that can require lengthy, fact-intensive analysis. The requirement of use "otherwise than as a mark"<sup>192</sup> veers into the same definitional problems we have already seen with trademark use theory.<sup>193</sup> The language aims to separate a trademark's primary meaning from its secondary meaning, but says nothing about *how* to locate this boundary. If secondary meaning is defined simply as whatever the public associates with source, then nontrademark use becomes identical to an absence of likelihood of confusion. Similarly, a few courts see the descriptiveness element as the mirror image of nontrademark use: a use can be descriptive only if it is *not* source-identifying.<sup>194</sup>

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186. See Austin, *supra* note 16, at 182–89 (criticizing *KP Permanent*).

187. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 607–09 (9th Cir. 2005).

188. *Id.* at 607.

189. *Id.* at 609.

190. *Id.* at 608 (citing *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979)).

191. In contrast to this approach, the Second Circuit has long held likelihood of confusion essentially irrelevant in judging section 33(b)(4), and it seems unlikely to alter this position after *KP Permanent*, which allowed, but did not require, consideration of confusion. See *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 73–74 (2d Cir. 1999); *Cosmetically Sealed Indus., Inc. v. Cheesbrough-Pond's USA Co.*, 125 F.3d 28, 30 (2d Cir. 1997).

192. 15 U.S.C. § 1115(b)(4) (2000).

193. See *supra* Part IV.A.

194. See, e.g., *Whirlpool Props. v. LG Elecs. U.S.A., Inc.*, No. 1:03-cv-414, 2005 U.S. Dist. LEXIS 30311, at \*65–66 (W.D. Mich. Nov. 17, 2005) ("The first issue is whether defendant used the term descriptively and not as a trademark. There questions are really two sides of the same coin.").

Even the good faith requirement of section 33(b)(4) leads to these problems. Intent is a famously fact-intensive question.<sup>195</sup> A defendant can best show good faith by, for example, using its own source-identifying mark in conjunction with the descriptive use, or avoiding other resemblances to a plaintiff's products, such as trade dress.<sup>196</sup> A likelihood of confusion analysis usually encompasses very similar factual considerations because intent is one of the elements of the multifactor test in most circuits.<sup>197</sup> At least two district court decisions after *KP Permanent* explicitly tied the good faith element of section 33(b)(4) to the intent factor under likelihood of confusion analysis—and found *both* inappropriate for summary judgment.<sup>198</sup>

If these interpretations of the section 33(b)(4) elements prevail, they threaten to toss the defense right back into the likelihood of confusion maelstrom. Just as before *KP Permanent*, defendants could invoke section 33(b)(4) only after they had effectively won the case already. More generally, these elements necessitate a lengthy and uncertain evaluation of the defendant's expressive use. The Ninth Circuit's opinion in the *KP Permanent* remand again provided the worst-case scenario for a quick and clear section 33(b)(4) analysis:

Among the relevant factors for consideration by the jury *in determining the fairness of the use* are the degree of likely confusion, the strength of the trademark, the descriptive nature of the term for the product or service being offered by KP [the party invoking the defense] and the availability of alternative descriptive terms, the extent of the use of the term prior to the registrations of the

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195. See, e.g., *Kerr Corp. v. Freeman Mfg. & Supply Co.*, No. 1:05CV0621, 2007 WL 2344752, at \*10 (N.D. Ohio Aug. 14, 2007) (finding summary judgment inappropriate on a section 33(b)(4) defense because intent issues required jury resolution).

196. See, e.g., *Cosmetically Sealed Indus., Inc. v. Cheesbrough-Pond's USA Co.*, 125 F.3d 28, 30–31 (2d Cir. 1997) (holding that the defendant's use of its house marks bolstered a good faith argument); *Zatarain's, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (5th Cir. 1983) (holding that the defendant's conscious decision to choose different trade dress than plaintiff used in conjunction with FISH-FRI supported good faith required for section 33(b)(4)); *M.B.H. Enters., Inc. v. WOKY, Inc.*, 633 F.2d 50, 54–56 (7th Cir. 1980) (same on house marks); *Tyco Healthcare Group LP v. Kimberly-Clark Corp.*, 463 F. Supp. 2d 127, 137 (D. Mass. 2006) (same on house marks in preliminary injunction case).

197. See, e.g., *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 354 (9th Cir. 1979); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); see also 4 MCCARTHY, *supra* note 28, § 23:119 (“If the defendant's mark or product appearance is very close to plaintiff's, a court will state that the defendant ‘must have’ intended to deceive and confuse consumers because the marks are so similar.”). McCarthy also notes that courts often infer a likelihood of confusion from an intent to confuse. See 4 MCCARTHY, *supra* note 28, § 23:110. So, courts infer intent from confusion, and confusion from intent.

198. See *Kerr Corp.*, 2007 WL 2344752, at \*10 (“This question [of good faith] is closely tied to the ‘intent of defendant’ factor and requires a jury for its resolution, so summary judgment is not appropriate.”); *Whirlpool Props.*, 2005 U.S. Dist. LEXIS 30311, at \*67–72.

trademark, and any differences among the times and contexts in which KP has used the term.<sup>199</sup>

This formulation of fairness must assume that the factfinder has already decided likelihood of confusion. It also includes enough highly factual issues to make summary judgment nearly impossible.

The third shortcoming of the section 33(b)(4) defense is its unclear breadth. The statutory language suggests that a party can rely on this immunity “only to describe the goods or services of such party, or their geographic origin.”<sup>200</sup> Some of the cases, such as the FISH-FRI and SweetTART examples noted above, matched this condition perfectly. The use of the pine tree shape to “describe” an air-freshener’s pine scent and Christmas theme requires more interpretive creativity to fit within section 33(b)(4), but the court was persuasive that it did.<sup>201</sup>

In other situations, especially in the Ninth Circuit, courts twist themselves into knots determining whether the defendant’s use constituted a self-description at all rather than a description aimed at the plaintiff (and therefore covered by the nominative use doctrine instead). These courts limit section 33(b)(4) strictly to cases “where the defendant has used the plaintiff’s mark *only* to describe his own product, and *not at all* to describe the plaintiff’s product.”<sup>202</sup> As explained further below,<sup>203</sup> because it can be difficult to tell when this is so, courts applying this rule often find they must analyze a case both ways.

Other courts go in the opposite direction. They give a very loose reading to the statutory language allowing the defense “only to describe the goods or services of such party.”<sup>204</sup> Consider this explanation of the necessary “descriptiveness” in the JOY OF SIX case:

The defendants used “The joy of six” as a headline to describe a newsworthy event and the happiness associated with the Bulls’ sixth NBA championship. This use did not change with the reproduction of the Tribune’s front page onto championship memorabilia. As Ms. Packman [the plaintiff] herself admitted, “the joy of six” is a phrase commonly used to describe the emotions associated with six of anything. Ms. Packman cannot appropriate the phrase to herself and thereby prevent others from using the phrase in a descriptive sense, as defendants did here.<sup>205</sup>

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199. KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d 596, 609 (9th Cir. 2005) (emphasis added).

200. 15 U.S.C. § 1115(b)(4) (2000).

201. Car-Freshner Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267, 270 (2d Cir. 1995).

202. Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150–52 (9th Cir. 2002) (emphasis added).

203. See *infra* notes 238–47 and accompanying text.

204. 15 U.S.C. § 1115(b)(4).

205. Packman v. Chi. Tribune Co., 267 F.3d 628, 641 (7th Cir. 2001).



The Seventh Circuit, expressing understandable concern that the plaintiff should not control descriptive and expressive language, turns section 33(b)(4) into a defense for *any* description, regardless of its connection to the defendant's product. Other courts have done the same, also relying on the "use in a descriptive sense" formulation.<sup>206</sup>

These inconsistent readings of section 33(b)(4) make it difficult to tell in advance whether the defense will be available at all, especially if it is unclear in which circuit an eventual lawsuit might be brought.<sup>207</sup> Under the narrower interpretation, the *Tribune's* JOY OF SIX merchandise would not qualify for section 33(b)(4) protection. Under the broader view, depiction of features of the PLAY PEN mark in *Grand Theft Auto* could well be decided under section 33(b)(4) because the video game used that depiction to help describe a gritty neighborhood similar to East Los Angeles.<sup>208</sup>

Even the most sweeping view of section 33(b)(4) as applicable to any description would omit many expressive uses (for instance, the AFLAC case). Thus it would never be sufficient as the only safeguard for trademark fair use. In a less ambitious supporting role as one of several possible fair use defenses, however, section 33(b)(4) still falls short. Its entanglement in likelihood of confusion analysis and other time-consuming and fact-intensive inquiries limit its potential as an early screening mechanism for defendants to avoid costly and lengthy litigation. The uncertainty about its scope adds to the problem. Most defendants looking for a clear-cut and relatively quick judicial assessment of the legality of an expressive use must continue their search.

### C. NOMINATIVE FAIR USE

Judge Alex Kozinski formulated a special test for "nominative fair use" in the well-known 1992 case of *New Kids on the Block v. News America Publishing, Inc.*<sup>209</sup> The test has since become a staple in Ninth Circuit cases

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206. For example, *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28 (2d Cir. 1997) states:

Though the terms of the Act recognize the fair use defense where the name or term is used "to describe the goods," that phrase has not been narrowly confined to words that describe a characteristic of the goods, such as size or quality. Instead, we have recognized that the phrase permits use of words or images that are used, in Judge Leval's helpful expression, in their "descriptive sense."

*Id.* at 30 (citing *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 269 (2d Cir. 1995)).

207. McGeeveran, *supra* note 14, at 1214.

208. *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1041 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006). In the actual case, decided under the Ninth Circuit's more restrictive view of section 33(b)(4), the defendants did not even advance the defense. *Id.* at 1029.

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

involving expressive uses. The Third and Fifth Circuits, and some district courts, also have deployed various forms of nominative fair use doctrine.<sup>210</sup> The First and Sixth Circuits, in contrast, explicitly declined opportunities to adopt the test.<sup>211</sup> Although *New Kids* itself engaged in common-sense analysis of the situation before it, the test created there has not fared as well. Courts following in the footsteps of *New Kids* sowed confusion and seriously deformed the original proposal. Nominative fair use as it now exists has become ungainly and often unhelpful.

*New Kids* involved a suit by the enormously successful teen pop band<sup>212</sup> against *USA Today* and the weekly tabloid *Star*. The two publications had run unscientific polls inviting readers to call “900” telephone numbers to opine on the relative merits of the band members.<sup>213</sup> Judge Kozinski, writing for the court, emphasized that there was no reasonable way for the publications to describe the nature of their polls without using the band’s trademarked name.<sup>214</sup> “Indeed,” said the court, “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.”<sup>215</sup> The analysis drew on older cases involving somewhat similar situations.<sup>216</sup>

210. See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005) (adopting a form of the nominative fair use doctrine); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 545–47 (5th Cir. 1998) (same); see, e.g., *Frontrange Solutions USA, Inc. v. Newroad Software, Inc.*, 505 F. Supp. 2d 821, 834–35 (D. Colo. 2007) (same); *S&L Vitamins, Inc. v. Austral. Gold, Inc.*, 521 F. Supp. 2d 188, 207 (E.D.N.Y. 2007) (same); *Gulfstream Aerospace Corp. v. Camp Sys. Int’l, Inc.*, 428 F. Supp. 2d 1369, 1381–82 (S.D. Ga. 2006) (same); *Ty, Inc. v. Publ’ns Int’l, Ltd.*, No. 99 C 5565, 2005 WL 464688, at \*5–7 (N.D. Ill. Feb. 25, 2005) (same); *Merck & Co. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 413 (S.D.N.Y. 2006) (same); *R.J. Reynolds Tobacco Co. v. Premium Tobacco Stores, Inc.*, No. 99 C 1174, 2001 WL 747422, at \*5–6 (N.D. Ill. Jun. 29, 2001) (same).

211. See *Universal Commc’ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 424 (1st Cir. 2007) (finding “no occasion” to adopt the test); *PACCAR Inc. v. Telescan Techs., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003) (“We are not inclined to adopt the Ninth Circuit’s analysis here.”). *But see* *Romantics v. Activation Pub., Inc.*, 532 F. Supp. 2d 884, 890 (E.D. Mich. 2008) (appearing to rely, despite contrary Sixth Circuit precedent, on *New Kids* nominative use test as alternate grounds for protecting expressive use); *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Cir., Inc.*, No. 1:07cv 457, 2007 WL 4207158, at \*8 (S.D. Ohio Nov. 26, 2007) (same).

212. Stephen Thomas Erlewine & Andrew Leahey, *New Kids on the Block: Biography*, Allmusic.com, <http://www.allmusic.com/cg/amg.dll?p=amg&sql=11:jifxqr5ld6e~T1> (last visited Sept. 16, 2008) (“[T]he band had a seemingly endless streak of hits in 1988 and 1989. [E]ven the group’s Christmas album went double platinum . . .”).

213. *New Kids*, 971 F.2d at 304. Questions included: “Which of the five is your fave? Or are they a turn-off?” and “Now which kid is the sexiest?” *Id.* The polls were not a great success, raising less than \$1900 between them. *Id.* at 304 n.1.

214. *Id.* at 308 (“Indeed, how could someone not conversant with the proper names of the individual New Kids talk about the group at all?”).

215. *Id.* at 306.

216. *Id.* at 307 (citing *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969) (denying Volkswagen’s claim against an auto repair shop that specialized in fixing Volkswagens and told the public of its expertise by using VW trademarks); *WCVB-TV v. Boston*

Coining a phrase, the *New Kids* opinion reinterpreted such situations as “nominative uses” and propounded a novel three-prong test to resolve these disputes:

First, the product or service in question must be one 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.<sup>217</sup>

The *New Kids* court found all three requirements satisfied in the case at bar. The first prong of “necessity” simply restates the threshold for defining nominative use—the polls could not ask their questions without using the NEW KIDS mark.<sup>218</sup> As to the amount of the mark used, the polls did not include “the New Kids’ distinctive logo or anything else that isn’t needed to make the announcements intelligible to readers.”<sup>219</sup> Finally, the court found nothing suggesting that the New Kids had sponsored the polls, and noted that *USA Today* even allowed respondents to declare all the band members “a turn off,” thus indicating “quite the contrary.”<sup>220</sup>

*New Kids* obviously reached the correct result: it would be preposterous if famous musicians could prevent magazines from discussing them, and a reader poll is little different from an unauthorized biography or parody.<sup>221</sup> Any other outcome could thwart both communication and competition.<sup>222</sup>

When we evaluate the means of the nominative use doctrine as opposed to the ends, however, the picture becomes much cloudier in at least three respects. First, most courts following *New Kids* have not analyzed nominative fair use as an early defense, making it much less effective in delivering clear and swift resolutions that reduce chilling effects on speech. Second, as mentioned previously, some courts have become entangled in a foolish preliminary inquiry of asking whether the nominative fair use doctrine, rather than section 33(b)(4), applies to particular facts. The third and most

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Athletic Ass’n, 926 F.2d 42 (1st Cir. 1991) (Breyer, J.) (denying injunctive relief to Boston Marathon organizers who sued a television station that used the race’s trademarked name in identifying its unlicensed coverage of the event); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968) (denying claim by makers of Chanel perfume against a company selling an imitation fragrance for using the CHANEL trademark to promote its (lawful) knockoff product).

217. *New Kids*, 971 F.2d at 308.

218. *Id.*

219. *Id.*

220. *Id.* at 308–09.

221. *Id.* at 309 & n.9.

222. See *New Kids*, 971 F.2d at 309 (“[T]he trademark laws do not give the New Kids the right to channel their fans’ enthusiasm (and dollars) only into items licensed or authorized by them.” (citing *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912 (9th Cir. 1990))).

significant problem, just as with section 33(b)(4), is the collapse of the requirements for nominative fair use into a substitute likelihood of confusion analysis in a way that actually prejudices fair uses and further prolongs litigation.

First, courts postpone nominative fair use arguments until very late in the litigation. It is not clear from the *New Kids* opinion itself exactly when a court should consider the doctrine. The opinion called nominative fair use a “defense,” suggesting it should operate as an affirmative defense to liability.<sup>223</sup> At least one early case saw it as merely a species of the section 33(b)(4) defense.<sup>224</sup> Some scholars understandably view *New Kids* as embracing a variation of trademark use theory because the opinion refers to a nominative use as “a non-trademark use of a mark—a use to which the [trademark] infringement laws simply do not apply.”<sup>225</sup> Other observers strenuously oppose this reading.<sup>226</sup> In a speech two years after issuing *New Kids*, Judge Kozinski himself suggested—without commenting on *New Kids* in particular—that he may have favored something else entirely: that trademark law would “evolve” new approaches targeted to particular factual situations involving expressive uses.<sup>227</sup>

Subsequent cases render this speculation purely academic, however. The Ninth Circuit has explicitly transformed nominative fair use into a *substitute* for the traditional test to judge likelihood of confusion.<sup>228</sup> This shift—from regarding nominative fair use as a threshold showing or a defense to approaching it as an alternate standard for the plaintiff’s prima facie case—vitiated most of its usefulness. Instead of serving as an early “gatekeeper” that can screen out fair uses and reduce the length and cost of litigation, nominative fair use becomes just another fact-intensive confusion inquiry that may be brought only after extensive discovery.

This substitution also shifts burdens unfairly.<sup>229</sup> Nominative use was not designed as a means to determine ultimate liability, but as a mechanism to

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223. *Id.* at 308. As discussed *infra* at notes 234–36 and accompanying text, the Third Circuit embraced this interpretation in *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 228 (3d Cir. 2005).

224. *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 412 (9th Cir. 1996) (citing section 33(b)(4) but relying on *New Kids* factors for elements of defense).

225. *New Kids*, 971 F.2d at 307; see Barrett, *supra* note 139, at 432–33; Dogan & Lemley, *Grounding*, *supra* note 7, at 1683–84.

226. 4 MCCARTHY, *supra* note 28, § 23:11.

227. Kozinski, *supra* note 2, at 965–66, 977–78.

228. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002); *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002). *But see* *Horphag Research Ltd. v. Pellegrini*, 337 F.3d 1036, 1040–41 (9th Cir. 2003) (seeming to apply nominative fair use as a “defense” although relying on likelihood of confusion considerations in doing so).

229. *See* *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 217–21 (3d Cir. 2005) (noting how treating nominative use as a likelihood of confusion standard instead of a defense shifts burdens unfairly).

set aside cases that fall outside the bounds of trademark law. To be sure, in some ways the reconstituted test accommodates free expression goals more effectively than the usual multifactor likelihood of confusion test.<sup>230</sup> But instead of a list of factors to be weighed against one another, the *New Kids* test is a checklist of requirements that must *all* be met independently. Relying on it to judge ultimate liability could reduce the plaintiff's burden of proof concerning the prima facie showing of confusion.<sup>231</sup> In principle, a plaintiff could win in the Ninth Circuit without even proving likelihood of confusion, by showing that (1) the expressive use was not necessary, *or* (2) the degree of use exceeded what was necessary, *or* (3) the defendant suggested sponsorship or endorsement by the plaintiff.<sup>232</sup>

The Third Circuit's later decision in *Century 21 Real Estate Corp. v. Lendingtree, Inc.* diagnosed the potential burden-shifting problem inherent in the Ninth Circuit's practice of combining the analyses for nominative use and likelihood of confusion.<sup>233</sup> Unfortunately, the majority opinion's cure was worse than the disease.<sup>234</sup> It created a "bifurcated approach" to

230. See *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 350–52 (9th Cir. 1979). For example, the nominative use test avoids *Sleekcraft*'s problematic focus on similarity of the marks, which as we have seen can prejudice the inquiry against typical nominative use scenarios where the two marks are not only similar, but identical. See *supra* notes 94–96 and accompanying text.

231. This is, of course, part of what *KP Permanent* forbids. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118–20 (2004) (noting that plaintiffs retain the burden of proof concerning the prima facie showing of likelihood of confusion). There are decent arguments for and against applying this precedent from a section 33(b)(4) case to nominative use as well. Compare *Century 21*, 425 F.3d at 222–23 (applying *KP Permanent* to nominative use), with *id.* at 244–46 (Fisher, J., concurring in part and dissenting in part) (arguing that *KP Permanent* precedent does not apply to nominative use). Either way, there is no room to doubt that proving likelihood of confusion is the plaintiff's burden. See 15 U.S.C. § 1114(1) (2000).

232. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992); see *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 909 & n.5 (9th Cir. 2003) ("The third requirement . . . is merely the other side of the likelihood of confusion coin. Therefore . . . the nominative fair use defense shifts to the defendant the burden of proving no likelihood of confusion." (emphasis added)).

233. *Century 21*, 425 F.3d at 217–21.

234. The court's explanation illustrates its focus on the wrong issues for reducing the chilling effect:

[T]he approach of the Court of Appeals for the Ninth Circuit would relieve the plaintiff of the burden of proving the key element of a trademark infringement case—likelihood of confusion—as a precondition to a defendant's even having to assert and demonstrate its entitlement to a nominative fair use defense. The Supreme Court in *KP Permanent Make-Up* clearly established that it was plaintiff's burden in a classic fair use case to prove likelihood of confusion. . . . [L]ikelihood of confusion and fair use can coexist. This does not mean that we should remove the need for finding confusion in the first instance. Instead, once the plaintiff proves likelihood of confusion, defendant only had [sic] to show that defendant's use, even if confusing, was 'fair.'

*Id.* at 221.

nominative fair use cases: henceforth, courts in the Third Circuit must first consider a modified (but not much simplified or improved) version of the multifactor likelihood of confusion test, and only afterward could their nominative fair use analysis begin, using essentially the *New Kids* test.<sup>235</sup> Instead of shortening the litigation, this structure makes it last even longer.<sup>236</sup> A defendant in an expressive use case must first litigate the whole likelihood of confusion issue; only then, if this lengthy process does not result in a favorable judgment, could the court turn to nominative use. The *Century 21* dissent objected to this “judicially unmanageable” structure but only to support an argument for the Ninth Circuit’s alternative of nominative use as a substitute confusion standard.<sup>237</sup> None of these approaches allows nominative fair use to serve as an early gatekeeper *before* delving into likelihood of confusion.

A second independent problem with the development of the nominative use doctrine in the Ninth Circuit arises from the unhelpful and irrelevant standards that developed to differentiate it from “classic” fair use claims under section 33(b)(4). Although *New Kids* elided the exact source of the nominative fair use doctrine, the court differentiated its new test from the existing statutory standard found in the “classic fair use case.”<sup>238</sup> The 2002 opinion in *Cairns v. Franklin Mint Co.* attempted to separate the doctrines in the Ninth Circuit under the following somewhat opaque standard:

[C]ourts should use the *New Kids* nominative fair use analysis in cases where the defendant has used the plaintiff’s mark to describe the plaintiff’s product, even if the defendant’s ultimate goal was to describe his own product. By contrast, courts should use the traditional classic fair use analysis in cases where the defendant has used the plaintiff’s mark only to describe his own product, and not at all to describe the plaintiff’s product.<sup>239</sup>

This cumbersome test proved difficult to apply in common scenarios. The “Food Chain Barbie” decision reckoned that the BARBIE doll’s

235. *Id.* at 222. Some Ninth Circuit cases also employ such a two-step analysis, first reviewing the multifactor likelihood of confusion test and then considering whether the defendant’s assertion of a nominative use defense is valid and whether it changes the confusion result. *See, e.g.,* *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1029–30 (9th Cir. 2004).

236. In contrast, in a recent case in the U.S. District Court for the Southern District of New York, the parties agreed to a bench trial, *Tiffany (NJ) Inc. v. eBay, Inc.*, No. 04 Civ. 4607(RJS), 2008 WL 2755787, at \*2–3 (S.D.N.Y. July 14, 2008), and the court then resolved nominative use without significant analysis of likelihood of confusion, *id.* at \*25–29.

237. *Century 21*, 425 F.3d at 243–46 (Fisher, J., concurring in part and dissenting in part).

238. *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (“To be sure, this is not the classic fair use case . . . . We therefore do not purport to alter the test applicable in the paradigmatic fair use case.”).

239. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1152 (9th Cir. 2002).

trademarked appearance fell into *both* categories at once, since it described both the original doll and the photographs depicting them in ridiculous poses.<sup>240</sup> Many courts still mix components of section 33(b)(4) and nominative use, frequently producing messy hybrids.<sup>241</sup> The Ninth Circuit reached the apex of silliness in a case involving a former member of the BEACH BOYS who used the band's trademark to describe himself when promoting his solo act; again, the mark described *both* the plaintiff and the defendant to some degree.<sup>242</sup> The court concluded that "the reference-to-trademark-holder distinction often proves more frustrating than helpful"<sup>243</sup> and devised a second distinction likely to produce even more comical interpretive reasoning. It suggested that a "classic" fair use defense applies when a defendant uses a trademark in its "primary, descriptive sense"—its dictionary meaning, more or less.<sup>244</sup> Demonstrating its new test, the court opined that the BEACH BOYS mark did not "denote . . . 'boys who frequent a stretch of sand by the sea'" nor were the NEW KIDS ON THE BLOCK "children who recently moved to this area bounded by streets on four sides."<sup>245</sup> Both, therefore, were nominative fair use cases.<sup>246</sup> This convoluted standard offers many of those contemplating an expressive use little guidance as to which doctrine might apply in the Ninth Circuit.<sup>247</sup>

240. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 809 (9th Cir. 2003) (finding that "[t]hese two mutually exclusive forms of fair use are equally applicable" to the artist's use of the BARBIE doll trade dress).

241. *See, e.g.*, *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 412 (9th Cir. 1996) (citing section 33(b)(4) but relying on the *New Kids* factors for elements of defense); *Ultimate Creations, Inc. v. THQ, Inc.*, No. CV-05-1134-PHX-SMM, 2008 WL 215827, at \*4 (D. Ariz. Jan. 24, 2008) (listing and relying upon factors from both tests in denying summary judgment); *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Ctr., Inc.*, No. 1:07cv457, 2007 WL 4207158, at \*7-8 (S.D. Ohio Nov. 26, 2007) (citing *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 920 (6th Cir. 2003), quoting text of section 33(b)(4), reviewing nominative use cases, and ultimately concluding that a nominative use test should ask whether the mark was used (1) in its descriptive sense, and (2) in good faith—nearly, but not entirely, the section 33(b)(4) test).

242. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 905 (9th Cir. 2003).

243. *Id.*

244. *Id.* at 905-07.

245. *Id.* at 907 & n.3.

246. *Id.*

247. Consider, for example, whether the aspects of the PLAY PEN trade dress and mark featured in *Grand Theft Auto* describe the plaintiff (the real strip club) or the defendant (the in-game "East Los Santos" neighborhood). *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006). In the case, which was brought in a district court within the Ninth Circuit, the defendants did not raise the classic fair use defense under section 33(b)(4). *Id.* at 1029. After a lengthy analysis, the court found nominative use inapplicable because:

[The] purpose in using plaintiff's trade dress and mark was not specifically to identify, criticize, or refer to the Play Pen, but rather to create a strip club that fit the virtual world of Los Santos, and was consistent with the theme and tone of San Andreas. . . . Because the Pig Pen's name and appearance are not identical to the Play Pen's mark and trade dress, the general "likelihood of confusion" test can be

Not only are these distinctions messy, they are far removed from the reasons for making them: deciding whether an expressive use should be deemed a fair use in the face of an allegation of likely consumer confusion. Of course, choosing which doctrine to apply became crucial in the Ninth Circuit after nominative fair use turned into a form of likelihood of confusion analysis while section 33(b)(4) remained an independent defense. But since this doctrinal structure is itself questionable, it hardly justifies the hair-splitting needed to decide which test to apply. Granted, too, section 33(b)(4) is rooted in statutory language while nominative fair use developed as judge-made doctrine. Even so, it does not matter normatively whether an expressive use refers to the plaintiff, the defendant, both, or neither.<sup>248</sup>

Finally, even if courts made nominative use available early in the litigation and avoided becoming waylaid by distinctions with section 33(b)(4), on further examination, the factors included in the test itself do not favor either clear or swift decisions. Instead, they too become swallowed up in likelihood of confusion reasoning.

The first two *New Kids* factors—the necessity of using the mark and the limited degree of use—in fact have little bearing on likelihood of confusion; they serve merely to establish eligibility for an alternate test. Nominative use cases rarely turn on either of these two factors. One exception was *Playboy Enterprises, Inc. v. Welles*, involving a former Playboy Playmate who subsequently promoted her modeling career independent of Playboy.<sup>249</sup> The court found the “repeated, stylized use” of a well-known and trademarked abbreviation for “PLAYMATE OF THE YEAR” as the background wallpaper on Welles’s website used more of the mark than necessary to provide her résumé.<sup>250</sup>

In most cases, unlike *Welles*, the merits of a nominative use case rapidly boil down to the third requirement<sup>251</sup> that the defendant “must do nothing

applied, and there is no need to look to the alternative, three-part test articulated in *New Kids on the Block*.

*Id.* at 1034 (citations omitted).

248. See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 223 (3d Cir. 2005) (“Classic fair use and nominative fair use are different in certain respects, but it is unclear to us why we should ask radically different questions when analyzing a defendant’s ability to refer to a plaintiff’s mark in the two contexts.”); Moskin, *supra* note 4, at 873 (describing the similarities of section 33(b)(4) and nominative fair use).

249. *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002).

250. *Id.* at 804. Oddly, this holding came under the first prong of the test rather than the second, although it seems clear that what troubled the court was the excessive quantity of the repetitious use. *Id.* In any event, the court did not need to reach the third prong in its consideration of the wallpaper. *Id.* The opinion also analyzed Welles’ metatags—which are not expressive uses as defined for this article—under the nominative use test. *Id.* at 801–04.

251. In the BEACH BOYS case, the court rejected a nominative fair use argument on nearly identical logic to the earlier *Welles* decision, but grounded the result in the *third* factor. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 908 (9th Cir. 2003). A disaffected former member of the



that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”<sup>252</sup> What actions by trademark users could carry such forbidden suggestions of sponsorship or endorsement? Why, those that consumers are likely to find confusing in this regard, of course.<sup>253</sup> Yet again, as with trademark use and section 33(b)(4), the nominative fair use doctrine degenerates into a substitute likelihood of confusion metric that offers even less guidance and predictability than the multifactor test.

Indeed, a defendant may have a *more* difficult time showing it did *nothing* to cause confusion under the nominative fair use standard, rather than defeating a plaintiff’s prima facie showing that confusion was *likely* to result.<sup>254</sup> The *New Kids* court itself said almost nothing about what sorts of actions might create the wrongful suggestion.<sup>255</sup> Not surprisingly, courts often deny summary judgment for defendants because questions of fact remain concerning this vague and possibly intent-based third factor.<sup>256</sup> For example, the Ninth Circuit has found the mere presence of a celebrity’s likeness or trademark created enough possibility of implied endorsement to foreclose summary judgment.<sup>257</sup> Thus in many cases it is difficult to predict

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BEACH BOYS began touring with another band as “The Beach Boys Family and Friends.” *Id.* The court quickly held the first two factors satisfied, but found that the defendant’s “promotional materials display ‘The Beach Boys’ more prominently and boldly than ‘Family and Friends,’ suggesting sponsorship by the Beach Boys.” *Id.* The same fact would have supported rejection of nominative use under the second factor also (or possibly, in line with the *Welles* decision, the first factor). In *Jardine*, as in *Welles*, the concern that the defendant used “too much” of the mark may have been legitimate, but it was placed awkwardly within the nominative use test.

252. *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

253. *Century 21*, 425 F.3d at 241 (Fisher, J., concurring in part and dissenting in part) (“Each and every one of the majority’s ‘nominative fair use’ prongs is nothing more than an inquiry into likelihood of confusion . . .”).

254. *See Doellinger, supra* note 83, ¶ 9 (arguing that the nominative fair use doctrine is less favorable to defendants than standard likelihood of confusion analysis).

255. *New Kids*, 971 F.2d at 308–09 (stating only that defendant “says nothing that expressly or by fair implication connotes endorsement or joint sponsorship [of the poll] on the part of the New Kids”).

256. *E.g., Standard Process, Inc. v. Total Health Disc., Inc.*, 559 F. Supp. 2d 932, 938–39 (E.D. Wisc. 2008) (brushing off a nominative use argument on summary judgment because questions of fact remain on the third factor); *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Ctr., Inc.*, No. 1: 07cv457, 2007 WL 4207158, at \*8 (S.D. Ohio Nov. 26, 2007) (denying summary judgment because of questions of fact on suggestion of sponsorship).

257. *See, e.g., Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1009 (9th Cir. 2001) (holding that the appearance of a photograph of famous surfers in a clothing catalogue might thereby have suggested endorsement by these celebrities); *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 412–13 (9th Cir. 1996) (“Use of celebrity endorsements in television commercials is so well established a commercial custom that a jury might find an implied endorsement . . .”). *Century 21* holds that “the mere presence or use of the mark does not suggest unfairness under this prong,” but does not foreclose such holdings on the basis of additional facts. *Century 21*, 425 F.3d at 231.

in advance whether an expressive use would clear this final all-important hurdle.

The Third Circuit tinkered with this factor, but hardly improved its clarity or its dependence on likelihood of confusion. The *Century 21* version of the third factor asks if “the defendant’s conduct or language reflect the true and accurate relationship between the plaintiff and the defendant’s products or services[.]”<sup>258</sup> The basis for this judgment, once more, appears to be the subjective understanding of an “ordinary consumer.”<sup>259</sup>

In sum, courts have gradually larded up the simple idea of nominative fair use presented in *New Kids* to the point where it is excessively complex and minimally useful. By moving the doctrine away from any role as an early screening mechanism and closer in timing and substance to the likelihood of confusion determination, subsequent cases have destroyed nominative fair use. Aside from the Third Circuit, few other courts have adopted the test recently. Perhaps the clearest indictment of nominative fair use comes from the “Barbie Girl” case.<sup>260</sup> Its facts seem a natural fit for the doctrine (the song refers to BARBIE for purposes of identification) and nominative use was the basis for the lower court’s decision in the defendants’ favor, yet the appeals court relied instead on two other doctrines and did not reach a review of the nominative fair use issues.<sup>261</sup> The opinion was written, ten years after *New Kids*, by Judge Kozinski.

#### D. FIRST AMENDMENT BALANCING

The First Amendment provides greatly reduced protection for commercial speech, defined as speech that does “no more than propose a commercial transaction” in a manner “removed from any exposition of ideas.”<sup>262</sup> Most expressive uses, as defined above,<sup>263</sup> go beyond proposing a commercial transaction. Many involve important political, social, and artistic speech of the type courts customarily protect. The First Amendment thus hovers over all discussion of expressive trademark uses.<sup>264</sup>

258. *Century 21*, 425 F.3d at 230.

259. *Id.* at 231 (noting the district court’s previous holdings based on an “ordinary consumer” standard and remanding to consider more and different facts).

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

261. *Id.* at 902. Instead of nominative fair use, the court applied First Amendment balancing, *see infra* Part IV.D, and the federal dilution safe harbor, *see infra* Part IV.E.

262. *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976) (internal quotations and citations omitted).

263. *See supra* Part II. A.

264. There is extensive case law and scholarship concerning the interaction of First Amendment doctrine with typical trademark cases. *See, e.g.*, *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 570 (1987) (Brennan, J., dissenting); *In re R.M.J.*, 455 U.S. 191, 203 (1982); *Friedman v. Rogers*, 440 U.S. 1, 15 (1979); Denicola, *supra* note 2, at 165–66; Kozinski, *supra* note 2, at 973; Lemley & Volokh, *supra* note 116, at 221; Ramsey, *Descriptive*,

As this Part IV.D discusses, some courts have pulled that hovering presence down to the ground by entertaining a “First Amendment defense” for expressive uses.<sup>265</sup> Courts must respect constitutional free speech doctrine when regulating expressive uses, of course, but that does not mean they should invite First Amendment balancing into the workaday functioning of trademark cases.<sup>266</sup> Constitutional rulings are the ultimate heavy weapon of judicial interpretation. Like other statutes, trademark laws should be interpreted to avoid any collisions with constitutional doctrine.<sup>267</sup> Trademark fair use doctrine should internalize First Amendment concerns, as does the copyright fair use defense.<sup>268</sup>

Aside from this serious jurisprudential concern, First Amendment balancing now has a good substantive track record of protecting speech. It was not always so. As recently as ten or fifteen years ago, the still-dominant test for evaluating expressive uses was the “alternative avenues” approach, which asked primarily whether the defendant had some other way to convey the message embodied in the expressive use. This inquiry viewed the trademark as a property interest akin to ownership of the private shopping center that restricted leafleting in *Lloyd Corp. v. Tanner*.<sup>269</sup> In this view, trademark law was the equivalent of a “time, place, or manner” restriction on speech. The most infamous trademark case in this vein is *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, a lawsuit by the Cowboys against the makers of the pornographic movie *Debbie Does Dallas*, which portrayed sexually explicit “Dallas Cowgirls” cheerleaders.<sup>270</sup> Because the movie’s expressive content—such as it was—could be conveyed through other means

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*supra* note 115, at 1108; Ramsey, *Increasing*, *supra* note 116, at 383; Volokh, *Freedom*, *supra* note 116, at 712.

265. The McCarthy treatise characterizes the First Amendment issue as a defense, and defendants often plead it that way. 2 MCCARTHY, *supra* note 28, § 10:45; 5 *id.* §§ 28:15, 28:41. But, in some cases, it functions more like a counterweight in the likelihood of confusion analysis than like a distinct defense. The murkiness about its actual status is part of the problem.

266. Leval, *supra* note 83, at 209; McGeeveran, *supra* note 14, at 1211–14. *But see* Ramsey, *Increasing*, *supra* note 116, at 387 (arguing that courts in trademark cases should engage in explicit First Amendment analysis).

267. *See, e.g.*, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (avoiding interpretation of the Lanham Act that would suggest Congress had unconstitutionally “created a species of perpetual patent and copyright”); *Universal Commc’n Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 425 (1st Cir. 2007) (“[A]nti-dilution laws should be interpreted to provide breathing room for First Amendment concerns.”); Leval, *supra* note 83, at 202–08 (reviewing trademark cases based on how well they avoid needless constitutional rulings).

268. *See* *Eldred v. Ashcroft*, 537 U.S. 186, 219–21 (2003) (“[C]opyright law contains built-in First Amendment accommodations.”); McGeeveran, *supra* note 14, at 1213 (“The First Amendment only appears in [copyright] cases as a rhetorical flourish, because the balance between the copyright monopoly and free speech is woven into the fabric of the Copyright Act already through, among other things, its fair use doctrine.”).

269. *Lloyd Corp. v. Tanner*, 407 U.S. 551, 552 (1972).

270. *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 202 (2d Cir. 1979).

without using the plaintiff's marks, the court found no impediment to trademark liability.<sup>271</sup>

The "alternative avenues" approach and unmitigated "property rights" rhetoric were common nationwide.<sup>272</sup> In one case, a coalition trying to stop the closure of a BRACH'S candy factory used the BRACH'S logo on buttons and stickers reading "Save Brach's Coalition for Chicago."<sup>273</sup> The court declared that "[t]rademarks are property rights," and that "[b]eing enjoined from using Brach's logo, but not the Brach's name, will not unduly hinder [the defendant's] ability to communicate its ideas."<sup>274</sup> A North Carolina federal court, after characterizing the case as "an action by the plaintiff to protect a private property right" and citing *Lloyd Corp.*, struck a First Amendment defense for lack of state action in a case involving imitations of the old MASTER CHARGE cards that urged, "Give Christ charge of your life."<sup>275</sup> More recently, a Minnesota federal court was swayed by "alternative avenues" reasoning; the case concerned a Hollywood comedy about a pageant to elect a small-town Minnesota beauty queen (often known in real-life Minnesota as a "dairy princess"), and the movie was to be called *Dairy Queens*.<sup>276</sup> Holding for the plaintiff DAIRY QUEEN restaurant chain, the judge opined, "It is not for this Court to name films, but it appears [the filmmaker] has rejected ideas such as 'Dairy Princesses,' 'Milk Maids,' or any other formulation."<sup>277</sup>

271. *Id.* at 206.

272. *See, e.g.*, *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 757–78 (9th Cir. 1978) (discussing alternatives to recognizable caricatures of Mickey Mouse and other Disney characters); *Reddy Commc'ns, Inc. v. Envtl. Action Found.*, 199 U.S.P.Q. (BNA) 630, 634 (D.D.C. 1977) (discussing alternative avenues of communication available to the defendant).

273. *Brach Van Houten Holding, Inc. v. Save Brach's Coalition for Chi.*, 856 F. Supp. 472, 475 (N.D. Ill. 1994).

274. *Id.* at 476.

275. *Interbank Card Ass'n v. Simms*, 431 F. Supp. 131, 132–33 (M.D.N.C. 1977). There is no longer any serious dispute that a trademark injunction is state action. *See* *Denicola*, *supra* note 2, at 190 & n.146; *Lemley & Volokh*, *supra* note 116, at 219–21; *Ramsey, Increasing*, *supra* note 116, at 407–08. *But see* *Empire Home Servs., L.L.C. v. Empire Iron Works, Inc.*, No. 05-CV-72584-DT, 2007 WL 1218717, at \*8 (E.D. Mich. Apr. 23, 2007) (brushing aside a First Amendment defense in part because the defendant had "not persuasively argued how its speech rights vis-a-vis the government [were] implicated in its property dispute with" the plaintiff). Incidentally, the heir to MASTER CHARGE did not fare as well in a later case involving expressive use of its trademarks. *See* *MasterCard Int'l, Inc. v. Nader 2000 Primary Comm., Inc.*, 70 U.S.P.Q.2d (BNA) 1046, 1051 (S.D.N.Y. Mar. 8, 2004) (granting summary judgment for a presidential campaign's parody of MASTERCARD advertisement).

276. *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 728–29 (D. Minn. 1998). The movie, later released under the much duller title *Drop Dead Gorgeous*, features a surprising number of famous actresses (some of them less so at the time), including Kirsten Dunst, Ellen Barkin, Allison Janney, Denise Richards, Kirstie Alley, and Brittany Murphy. *See* The Internet Movie Database, *Drop Dead Gorgeous* (1999), <http://www.imdb.com/title/tt0157503/> (last visited Sept. 16, 2008).

277. *Am. Dairy Queen*, 35 F. Supp. 2d at 734. Apparently, the adequacy or humor of the alternative names was not a consideration.

While “alternative avenues” reasoning still can be found in trademark cases,<sup>278</sup> it is in sharp decline.<sup>279</sup> The change began back in 1989 with a pair of cases in the Second Circuit, the same court that decided *Dallas Cowboys*.

The first, *Rogers v. Grimaldi*,<sup>280</sup> involved a suit by Fred Astaire’s legendary dance partner, Ginger Rogers, to enjoin release of *Ginger and Fred*, a Federico Fellini film about two dancers. The appellate court specifically repudiated the “alternative avenues” test as deferring too much to a plaintiff’s asserted property interest in the mark while hindering artistic expression.<sup>281</sup> In its place, the court articulated a much improved basis for the First Amendment doctrine: “We believe that in general the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”<sup>282</sup> Unfortunately, the actual test advanced by the *Rogers* court overcorrected the pro-plaintiff “alternative avenues” standard. It suggested that a title for an expressive work could lead to liability only if “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.”<sup>283</sup>

This test presents three problems. First, the rule is unclear: What is the cryptic and superfluous reference to “explicitly” misleading consumers? If a title falsely describes the nature of the work, how can it ever be artistically “relevant” to that work?<sup>284</sup> Second, how is it structured procedurally?

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278. See, e.g., *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 200 (5th Cir. 1998) (“The Defendants’ parody of the faddish bars of the sixties does not require the use of EPE’s marks because it does not target Elvis Presley; therefore, the necessity to use the marks significantly decreases and does not justify the use.”); *Univ. of Kan. v. Sinks*, No. 06-2341-JAR, 2008 WL 755069, at \*31 (D. Kan. Mar. 19, 2008) (“The Court agrees with plaintiffs that there are many ways in which defendants could express their views without allegedly infringing on KU’s trademarks.” (citing *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979); *Mut. of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 911 (D. Neb. 1986), *aff’d*, 836 F.2d 397 (8th Cir. 1987)); *Am. Dairy Queen*, 35 F. Supp. 2d at 734 (proposing alternative movie titles).

279. See 6 MCCARTHY, *supra* note 28, § 31:144 (reviewing the leading cases); Barrett, *Internet Trademarks*, *supra* note 144, at 993–97 (“At this point, the majority of authority has rejected the alternative avenues approach.”); Kerry L. Timbers & Julia Huston, *The “Artistic Relevance Test” Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution*, 93 TRADEMARK REP. 1278, 1279 (2003) (“The Second, Fifth, Sixth, Ninth, and Tenth Circuits have all expressly rejected the alternative avenues test . . .”). *But see* Gulasekaram, *supra* note 128, at 906 (noting evolution away from older tests but cautioning that these cases “[o]stensibly . . . remain good law and are still cited in support of federal court decisions”).

280. *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

281. *Id.* at 999; see Gulasekaram, *supra* note 128, at 903 (praising this aspect of *Rogers*).

282. *Rogers*, 875 F.2d at 999.

283. *Id.*

284. See Timbers & Huston, *supra* note 279, at 1293–94. These authors wonder, for example, if the *Rogers* court’s hypothetical title of *The True Life Story of Ginger and Fred* for

Ascertaining whether a title misleads presumably requires fact-intensive evidence about both consumer perceptions and the defendant's intent. Yet confusion avoidance apparently has dropped out of the standard, making it difficult to imagine how infringement could ever be found.<sup>285</sup> Third, the *Rogers* opinion strives to limit its holding to the context of (1) allegedly misleading titles (2) of artistic works (3) that use a celebrity's name.<sup>286</sup> This cautious tendency to constrain precedential impact, also seen in subsequent First Amendment cases, has "stunted the growth of a simple, unified analysis."<sup>287</sup>

Just four months later, the Second Circuit needed to decide how to handle the *Rogers* precedent in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*<sup>288</sup> The solution was, more or less, to rewrite it. The dispute concerned a parody of the well-known "study aid" by the editors of *Spy Magazine* that imitated the trademarked appearance of the Cliffs Notes cover.<sup>289</sup> The court held that "the *Rogers* balancing approach is generally applicable to Lanham Act claims against works of artistic expression, a category that includes parody. This approach takes into account the ultimate

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Fellini's film could be artistically relevant in the first place. *Id.* The answer, I think, is that it could be humorous or ironic: what if the movie were about the blend of truth and reality created by a fantasist obsessed with the dancers?

285. Difficult, but not impossible: a much later Sixth Circuit case, *Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003), conscientiously applied the *Rogers* test to a song by the acclaimed hip-hop group OutKast entitled "Rosa Parks." *Id.* at 450–51. The only oblique reference to the civil rights icon anywhere in the song was the chorus:

Ah ha, hush that fuss  
Everybody move to the back of the bus  
Do you wanna bump and slump with us  
We the type of people make the club get crunk.

*Id.* at 442–43. The appeals court, in an opinion that was detailed and methodical, if perhaps not fully at ease with hip-hop vernacular, noted that a member of OutKast had testified that the group "never intended for the song to be about Rosa Parks or the civil rights movement. It was just symbolic, meaning that we comin' back out, so all you other MCs move to the back of the bus." *Id.* at 452 (citation omitted). The court concluded that this admission showed a dispute of material fact. *Id.* at 452–53 ("The lyrics' sole message is that OutKast's competitors are of lesser quality . . . . We believe that reasonable persons could conclude that there is no relationship of any kind between Rosa Parks' name and the content of the song.").

286. *Rogers*, 875 F.3d at 999. As demonstrated by *Parks*, 329 F.3d 437, this situation is not completely *sui generis*, but it is quite a narrow definition of the "context" where this newly announced rule should apply.

287. Gulasekaram, *supra* note 128, at 916.

288. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc.*, 886 F.2d 490 (2d Cir. 1989).

289. According to the court, the *Spy* editors intended a "double parody," in which the "flat, straightforward, academic style" of Cliffs Notes would be applied to three then-hot novels written by Tama Janowitz, Bret Easton Ellis, and Jay McInerney, which represented a genre of "savvy, urban novels depicting the drug abuse, promiscuity, and post-adolescent angst of the 1980s." *Id.* at 492.

test in trademark law, namely, the likelihood of confusion . . . .”<sup>290</sup> While this may sound like adoption of the *Rogers* rule (and its expansion beyond titles alone) the court did not apply—or even mention—the *Rogers* standard of searching for any “artistic relevance.”<sup>291</sup> Rather, it engaged in free-form balancing to conclude that “the degree of risk of confusion between *Spy Notes* and *Cliffs Notes* does not outweigh the well-established public interest in parody.”<sup>292</sup> In effect, *Cliffs Notes* took the statement of normative balance used to *justify* the test in *Rogers* and turned it into *the test itself*.

This shift from an “alternative avenues” test to the two flavors of First Amendment balancing (*Rogers* and *Cliffs Notes*) is responsible, in large part, for the improvement in the substantive results of trademark fair use cases. The First Amendment balancing tests did not make an impact right away—even a pair of later opinions by Judge Leval and Judge Newman, the author of *Rogers*, failed to reckon fully with expressive interests and ruled for the plaintiffs.<sup>293</sup> But now decisions throughout the country, including those in the “Barbie Girl” and *Grand Theft Auto* cases, protect speech by relying on some variant of these tests and reject “alternative avenues” reasoning.<sup>294</sup>

The *procedural* structure of a *Rogers–Cliffs Notes* approach, however, exacerbates the problems of amorphousness and delay. First, the more free-form “balancing approach” taken by *Cliffs Notes* may do a better job of taking likelihood of confusion “into account” than does the lenient “artistic relevance” standard from *Rogers*. But it provides scant guidance about the

290. *Id.* at 495 (emphases added).

291. *Id.* at 494; *Rogers*, 875 F.3d at 999. The *Cliffs Notes* court unleashes several hair-splitting run-on sentences to explain how it is guided by *Rogers* without adopting the test:

Appellee [*Cliffs Notes*] points out that the *Rogers* rule—that the Lanham Act’s false advertising prohibition does not apply to titles with some artistic relevance to the underlying work unless they are explicitly misleading . . . does not protect “misleading titles that are confusingly similar to other titles. . . .” However, that language says only that where a title is complained about because it is confusingly similar to another title, the *Rogers* rule that titles are subject to the Lanham Act’s false advertising prohibition only if explicitly misleading is inapplicable. But that does not mean, as appellee appears to claim, that nothing in the *Rogers* opinion is relevant to this case.

*Cliffs Notes*, 886 F.2d at 494 (citation omitted).

292. *Cliffs Notes*, 886 F.2d at 495.

293. *See* *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 45 (2d Cir. 1994) (Newman, J.) (granting plaintiff’s requested injunction); *MGM-Pathe Comm’n’s Co. v. Pink Panther Patrol*, 774 F. Supp. 869, 877 (S.D.N.Y. 1991) (Leval, J.).

294. *See, e.g.*, *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915, 927 (6th Cir. 2003) (rejecting the “alternative avenues” reasoning and adopting the First Amendment balancing test); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901–02 (9th Cir. 2002) (same); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 671–73 & n.18 (5th Cir. 2000) (same); *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1037–48 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006) (same); *Ocean Bio-Chem, Inc. v. Turner Network Television, Inc.*, 741 F. Supp. 1546, 1552–53 (S.D. Fla. 1990) (same). For an excellent account of the spread of these tests, see generally *Timbers & Huston, supra* note 279.

means of weighing two abstract fundamental values that, if they can be reckoned at all, are not calibrated by the same units of measurement. Established First Amendment precedents in other areas shed no light because courts do not invoke them in trademark cases, notwithstanding the label they give this doctrinal balancing.<sup>295</sup> For all the valid and understandable criticisms of the four-factor fair use test in copyright,<sup>296</sup> even that test structures litigants' arguments and judicial discretion more effectively than the *Cliffs Notes* approach. Imagine the results if the copyright fair use doctrine instructed courts only to balance the level of incentives necessary to promote creation of the allegedly infringed work against the established public interest in free expression.<sup>297</sup>

Additionally, the Second Circuit later modified this doctrine to require completion of the multifactor likelihood of confusion test first, then a consideration of First Amendment concerns, and only *then* a relative weighing of the two.<sup>298</sup> Just like the Ninth Circuit in section 33(b)(4)<sup>299</sup> and the Third Circuit in nominative fair use,<sup>300</sup> the Second Circuit's structure condemns a defendant to litigate the most time-consuming and expensive aspect of the case, no matter how compelling the free speech argument. Such a defendant will win—eventually. But the resulting chilling effect influences many more expressive uses than just the one before the court.

Finally, there is great variation among courts about the scope of coverage of First Amendment balancing. *Rogers* covered titles of artistic works, *Cliffs Notes* covered the content of works, and different courts have followed one or the other precedent on this point.<sup>301</sup> Similarly, some courts have used the more forgiving *Rogers* “explicitly misleading” test, while others follow the *Cliffs Notes* precedent by weighing speech against confusion in some fashion (often without adopting the Second Circuit's structure of completing the multifactor test and instead placing a thumb on the scale against a confusion finding).<sup>302</sup>

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295. See generally Ramsey, *Increasing*, *supra* note 116 (arguing that First Amendment analysis should play a larger role in trademark cases).

296. See sources cited *supra* note 57 and accompanying text.

297. For a thoughtful analysis of how courts might use such a broad copyright fair use standard, see generally Fisher, *supra* note 57.

298. *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993); see generally *Hormel Foods Corp. v. Jim Henson Prod'ns, Inc.*, 73 F.3d 497 (2d Cir. 1996) (using the likelihood of confusion test before looking at other concerns); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330 (S.D.N.Y. 2000) (holding First Amendment protections and likelihood of confusion tests must be balanced).

299. See *supra* notes 187–91 and accompanying text.

300. See *supra* notes 233–37 and accompanying text.

301. See, e.g., *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003); *Tommy Hilfiger Licensing, Inc. v. Nature Labs LLC*, 221 F. Supp. 2d 410, 415 (S.D.N.Y. 2002).

302. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007); *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1317 (N.D. Ga. 2008);



For all these reasons, even though the results of First Amendment balancing protect speech interests much more effectively than did prior law, the procedural structure of these cases contributes to new problems. By considering speech as a counterweight to likelihood of confusion, the test once again requires lengthy analysis based upon vague standards. First Amendment balancing is subject to the same pitfalls as the other doctrines.

*E. CATEGORICAL STATUTORY EXEMPTIONS*

The final fair use doctrine derives from explicit statutory exemptions, many of which cover expressive uses as defined in this Article. Although currently limited to federal dilution claims, these provisions in some ways are much superior to the others analyzed in the rest of Part IV. Unfortunately, a recent amendment—apparently intended to expand this protection—could have the opposite effect.

In 1995, Congress passed a federal statute adding to the Lanham Act a provision creating liability for trademark dilution.<sup>303</sup> Dilution applies when a use of a mark “lessen[s] the capacity of a famous mark to identify and distinguish goods or services” even if the defendant’s use might not cause confusion among consumers.<sup>304</sup> This usually occurs because the defendant’s use either “tarnishes” the reputation of the mark or “blurs” its distinctiveness.<sup>305</sup>

Dilution potentially poses a particularly significant threat to free speech because it is not connected to the rationale of preventing consumer confusion, and it especially singles out uses that criticize a mark.<sup>306</sup> In response to these free speech concerns, Congress included a set of categorical exemptions from dilution liability in the original statute:

The following shall not be actionable under this section:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary.<sup>307</sup>

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Woodard v. Jackson, No. 1:03-cv-0844-DFH, 2004 U.S. Dist. LEXIS 6292, at \*15 (S.D. Ind. Mar. 25, 2004); *Charles Atlas, Ltd.*, 112 F. Supp. 2d at 337.

303. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985, 985–986 (1996) (codified at 15 U.S.C. § 1125(c) (2000)).

304. *Id.*; see *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 429–31 (2003).

305. *Moseley*, 537 U.S. at 425.

306. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 904–05 (9th Cir. 2002) (discussing features of dilution law that increase tension with free speech for expressive uses); *LaFrance*, *supra* note 32, at 470–71, 487–88 (same).

307. 15 U.S.C. § 1125(c)(4) (2000).

Cases interpreting subsections (A) and (C) are rare. There are a few cases that quickly consider the comparative advertising exception and apply it in the defendant's favor.<sup>308</sup> In October 2007, a South Carolina district court decided *BidZirk, LLC v. Smith*, the first and (so far) only case to consider the news reporting exemption.<sup>309</sup> Although there were shortcomings in its reasoning, the court quite easily found the exemption applied to a series of four blog posts that complained about bad service the defendant had received from the plaintiff and gave advice to others in similar situations.<sup>310</sup> (It is also notable that the victorious defendant had proceeded pro se.<sup>311</sup>)

By hypothesis, plaintiffs hardly ever bring these two types of claims because they cannot win. The unambiguous statutory language preventing liability would lead to early dismissal and perhaps an award of attorney's fees against the plaintiff for bringing a frivolous case.<sup>312</sup> Extending this hypothesis, it seems likely that someone contemplating an expressive use within these carve-outs could rely on them with a high degree of confidence and could respond to any prelitigation cease-and-desist demand with a simple citation to the statutory protection. The chilling effect should be reduced commensurately.

The safe harbor for "noncommercial use of a mark" did not define the slippery concept of commerciality; not surprisingly, it did not have quite the same effect in dissuading plaintiffs from suing.<sup>313</sup> Then, in 2002, Judge

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308. See, e.g., *Toni & Guy (USA) Ltd. v. Nature's Therapy Inc.*, No. 03 CV 2420(RMB), 2006 WL 1153354, at \*13 (S.D.N.Y. May 1, 2006); *Cumberland Packing Corp. v. Monsanto Co.*, 32 F. Supp. 2d 561, 581 (E.D.N.Y. 1999). The comparative advertising exception is limited to *competing* goods and so does not extend to some other references that commercial defendants might make to a plaintiff's marks, such as a statement that the defendant sells or repairs plaintiff's goods. See, e.g., *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 489–90 (5th Cir. 2004) (designing instead an "aftermarket use" exception); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 351–352 (9th Cir. 1969) (using an early version of the nominative use doctrine).

309. *BidZirk, LLC v. Smith*, No. 6:06-109-HMH, 2007 WL 3119445, at \*4–5 (D.S.C. Oct. 22, 2007). This exemption was not altered by the amendment discussed below. See *infra* notes 326–33.

310. *BidZirk*, 2007 WL 3119445, at \*6–7. The core of the court's analysis, which turns on the finding that the story was "written for the purpose of conveying information to the public," *id.* at \*6, is straightforward. Some surrounding dicta may suggest, however, that the exemption would not have applied if "the sole purpose of the article was to denigrate" the plaintiff. *Id.* at \*7. In another case, this standard could lead to an ill-advised inquiry into a defendant's subjective journalistic motivations.

311. *Id.* at \*1. There are indications that counsel for the plaintiff may have done more harm than good: for example, the court sua sponte sanctioned them for improperly filing a lis pendens against the defendant's condominium. *Id.* at \*7–9.

312. See 15 U.S.C. § 1117(a)(3) (2000) ("The court in exceptional cases may award reasonable attorney fees to the prevailing party.").

313. See, e.g., *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330, 339 (S.D.N.Y. 2000).

Kozinski's opinion in the "Barbie Girl" case advanced a persuasive argument that "noncommercial" uses covered by this exemption include all uses that fall outside the limited category of commercial speech under First Amendment jurisprudence.<sup>314</sup> In other words, the only speech eligible for dilution liability is speech that "does no more than propose a commercial transaction" and is "removed from any exposition of ideas."<sup>315</sup> The decision noted that a narrower interpretation would lead to inconsistency with another section of the statute and possible constitutional infirmities.<sup>316</sup> The legislative history also strongly supported the court's broad reading.<sup>317</sup>

Judge Kozinski's reading of the noncommercial use exemption would allow straightforward and relatively early resolution across the board. The chilling effect would be radically reduced in federal dilution cases. Other courts, including those deciding the "Walocaust," "Food Chain Barbie," and "TaftQuack" disputes, have since adopted Judge Kozinski's analysis and applied it as a broad exclusion to federal dilution claims.<sup>318</sup> Thus the noncommercial use exclusion has now been interpreted as a per se exemption for a wide variety of expressive uses, including parody.<sup>319</sup> If this understanding becomes widely accepted, then the less-than-lucid statutory language might become a fairly clear categorical exclusion (although subject to any future instability in First Amendment commercial speech jurisprudence<sup>320</sup>).

However, this seemingly happy conclusion requires several qualifications right away. First, the categorical exemptions are limited to federal dilution claims—not state claims, and not traditional infringement claims. Many expressive use cases arise in the context of state dilution laws, which frequently contain fewer inherent safeguards for speech than the

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314. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905–07 (9th Cir. 2002).

315. *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976) (internal quotations and citations omitted); *see MCA Records*, 296 F.3d at 906 (quoting *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001)).

316. *MCA Records*, 296 F.3d at 904–05.

317. *Id.* at 905–06. The opinion quoted *Green v. Bock Laundry Machine Co.*, 490 U.S. 504, 527 (1989) (Scalia, J., concurring), to justify reliance on legislative history when "plain meaning 'produces an absurd, and perhaps unconstitutional, result.'" *MCA Records*, 296 F.3d. at 905.

318. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 812 (9th Cir. 2003); *Smith v. Wal-Mart Stores*, 537 F. Supp. 2d 1302, 1339 (N.D. Ga. 2008); *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 695–97 (N.D. Ohio 2002); *see also Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962, 973–74 (C.D. Cal. 2007) (holding that a television show was noncommercial speech and therefore covered by the noncommercial use exception under the federal dilution statute); *Griffith v. Fenrick*, 486 F. Supp. 2d 848, 853 (W.D. Wis. 2007) (holding that the noncommercial use exception applied to a political candidate who changed his name to Andy Griffith).

319. *But see* Patrick D. Curran, Comment, *Diluting the Commercial Speech Doctrine: "Noncommercial Use" and the Federal Trademark Dilution Act*, 71 U. CHI. L. REV. 1077, 1098–99 (2004) (criticizing this interpretation as overly broad).

320. *See Ramsey, Increasing, supra* note 116, at 412.

federal statute.<sup>321</sup> For example, the “TaftQuack” court needed to analyze the Ohio state dilution claim separately because the federal safe harbor did not apply.<sup>322</sup> Nor does any such “noncommercial use” exclusion apply to traditional infringement claims, and it might be unwise to create one quite as broad.<sup>323</sup> Expansive speech protection against dilution liability makes sense because it does not involve the same problems of consumer confusion (or the same burdens on the plaintiff to prove confusion).<sup>324</sup> Indeed, it appears Congress specifically chose in 2006 not to extend the dilution carve-out to infringement claims under the Lanham Act.<sup>325</sup>

A second, and possibly more serious, caveat arises from Congress’s amendment of the exclusions in 2006.<sup>326</sup> The new text, which is just about twice as long as the old version, needlessly muddies the law’s clarity:

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

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

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

321. See, e.g., ME. REV. STAT. ANN. tit. 10, § 1530 (1980) (Maine state dilution law containing no safe harbor exceptions); N.Y. GEN. BUS. LAW § 360 (McKinney 1997) (New York dilution law containing no safe harbor exceptions); *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 692 (N.D. Ohio 2002) (“Federal law also explicitly exempts from coverage three uses of trademark . . . Under Ohio law . . . there are no express exemptions from coverage.”).

322. *Am. Family Life*, 266 F. Supp. 2d at 693 (ruling that Ohio dilution law required that the defendant use a mark “virtually identical” to plaintiff’s and commenting in the alternative that the court would otherwise have found dilution liability foreclosed by the First Amendment); see also *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 27, 32–34 (1st Cir. 1987) (avoiding First Amendment problems by giving a narrow interpretation to Maine state dilution law, which has no safe harbor exceptions).

323. *But see infra* Part V.B (discussing other possible safe harbors from infringement liability).

324. See *MCA Records*, 296 F.3d at 904–05.

325. Until the 2006 revision of federal dilution law, the exemptions applied to “this section,” which some observers were just beginning to argue might apply to infringement actions related to unregistered marks brought under section 43 of the Lanham Act. Congress changed the language of the exclusion so that it now unambiguously refers to the “subsection” involving only dilution. See *Levy, supra* note 37, at 1203–04 (discussing the change and its implications); Posting of William McGeveran to Info/Law Blog, Trademark Fair Use and the Great “Section/Subsection Debate,” <http://blogs.law.harvard.edu/infolaw/2006/05/10/trademark-fair-use-and-the-great-sectionsubsection-debate/> (May 10, 2006) (same).

326. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1731 (2006). The amendment also moved the exclusions from 15 U.S.C. § 1125(c)(4) to § 1125(c)(3).

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

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

(C) Any noncommercial use of a mark.<sup>327</sup>

It is too early to evaluate the impact of this new language in full, but several likely problems become clear at once. The addition of “nominative or descriptive fair use” threatens to import all the problems of those two doctrines into the dilution exclusions.<sup>328</sup> These doctrines are the antithesis of simple categorical safe harbors. Furthermore, clause (A) (ii) appears to be limited to speech directed *toward the markholder*, which might not include, for example, the wordplay of JOY OF SIX or “TaftQuack” to convey other messages.<sup>329</sup> Finally, the amendment adds the condition, at least as to subparagraph (A), that a fair use not be “a designation of source for the person’s own goods and services.”<sup>330</sup> We have seen in our review of every doctrine how grounding trademark fair use in the issue of use “as a mark” returns the analysis straight back into the likelihood of confusion quagmire. A defendant who engaged in comparative advertising or parody, and who formerly could rely on a blanket exemption, now must show that the use was not source-identifying.<sup>331</sup> Even more bizarre: the issue is not even relevant, since dilution is not concerned with likelihood of confusion; dilution plaintiffs need not prove it, but a defendant who hopes to rely on this exclusion must disprove it.

Perhaps worst of all, the new statute mentions parody and other specific examples of fair use covered by the conditions of subparagraph (A) but also leaves the previous exemption for noncommercial use untouched in subparagraph (C). If Judge Kozinski is correct that the noncommercial speech exemption corresponds to the constitutional commercial speech doctrine, then the new language in clause (A)(ii) is surplusage: parody,

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327. 15 U.S.C.A. § 1125(c)(3) (West 2008) (amending 15 U.S.C. § 1125(c)(3) (2000)).

328. See *supra* Parts IV.B & IV.C (describing the nominative and descriptive use doctrines).

329. Levy, *supra* note 37, at 1208–09 (citing, as an example, “Walter Mondale’s put-down of Gary Hart during the 1984 primaries, using the Wendy’s slogan ‘Where’s the Beef?’”).

330. 15 U.S.C.A. § 1125(c)(3).

331. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007) (“Although the TDRA does provide that fair use is a complete defense and allows that a parody can be considered fair use, it does not extend the fair use defense to parodies used as a trademark.”). In this case, the court ruled that there was no dilution-by-blurring only by running through the underlying six-factor test for dilution liability and concluded, “Even as Haute Diggity Dog’s parody mimics the famous mark, it communicates simultaneously that it is not the famous mark, but is only satirizing it.” *Id.* at 267. This sounds exactly like Judge Leval’s formula for judging parody by likelihood of confusion. See *supra* note 84 and accompanying text. Moreover, the *Louis Vuitton* court cautions that the outcome might be different “if the parody is so similar to the famous mark that it likely could be construed as actual use of the famous mark itself.” *Louis Vuitton*, 507 F.3d at 268.

comment, and critique are all noncommercial speech for constitutional purposes. The new language thus complicates the broad reading of the noncommercial use exemption. Read as a whole, the new statute seems to cover cases like “Barbie Girl,” “Food Chain Barbie,” and “TaftQuack” under clause (A)(ii). In a case like AFLAC, however, there might be a decent argument that consumers could see the political duck as emanating from the company, thus disqualifying it from this exemption. Moreover, canons of statutory interpretation would disfavor a reading of “noncommercial use” that rendered the new clause totally unnecessary.<sup>332</sup>

Congress and observers both believed that the new statutory language improved and expanded protection for speech.<sup>333</sup> In fact, it does just the opposite. However future courts solve the riddles described above, the amendment eliminated the exclusions’ principal advantage of unambiguousness. Cases untangling these interpretive questions, at least for the time being, will no longer be clear and quick. This revision is a textbook example of the overall problem in trademark fair use: Congress was so concerned with striking a more perfect balance between protecting trademarks and speech in every case that it could not leave a simple rule intact.

Overall, the five doctrines analyzed in this Part do little to address the procedural factors that chill expressive uses. It is time to rethink trademark fair use. Part V begins this process with an emphasis on clear doctrine and speedy litigation rather than on a perfect encapsulation of the conflicting substantive goals.

## V. RETHINKING TRADEMARK FAIR USE

Our tour through the law applicable to expressive uses illuminates the failings of existing doctrines. This Part contemplates how to fix them. If we were starting from scratch, how would we design trademark fair use? Section A identifies some of the lessons we can learn from the foregoing critique. Section B suggests that courts can decide many expressive use cases—

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332. On the other hand, the fact that Congress retained the noncommercial use exemption without repudiating the broad interpretation might be seen as an indicator that the law should be considered unchanged. *See* *Kimbrough v. United States*, 128 S. Ct. 558, 573 (2007) (citing Congress’s failure to alter the statute as evidence for a broad interpretation while noting that courts “ordinarily . . . resist reading congressional intent into congressional inaction”).

333. *See, e.g.*, 152 CONG. REC. H6963, H6965 (daily ed. Sept. 25, 2006) (remarks of Rep. Smith) (stating that new TDRA exemptions would “more clearly protect traditional first amendment uses”); Deborah R. Gerhardt, *The 2006 Trademark Dilution Revision Act Rolls Out a Luxury Claim and a Parody Exemption*, 8 N.C. J.L. & TECH. 205, 221 (2007) (“The TDRA also may be viewed as fuel for consumer and competitive discourse because it articulated relatively broad fair use provisions.”); William Joern, Comment, *Goodwill Harboring: The Trademark Dilution Revision Act of 2006 Legitimizes the Goodwill Investment in a Trademark While Safeguarding the First Amendment*, 17 DEPAUL-LCA J. ART & ENT. L. & POL’Y 267, 291 (2007) (“The defenses to a claim of dilution have been substantially buttressed . . .”).

including some of the most important ones—on the basis of fairly straightforward categorical exemptions. Section C then notes other procedural mechanisms for addressing somewhat tougher cases that courts could not resolve through blanket exemptions, but nevertheless could handle in a manner that reduces the problematic chilling effect.

A. *SOME LESSONS FROM THE FAILURE OF CURRENT LAW*

This Part summarizes three important lessons to draw from the failures of existing trademark fair use law. First, fundamental similarities in the various fair use doctrines overwhelm much of their differences. Minor distinctions between them do not serve the central purposes of trademark law or of fair use. Second, most of the various defenses for expressive uses collapse into alternate standards for consumer confusion. Courts using the existing fair use rules therefore replicate, rather than replace, the problems with the likelihood of confusion analysis, all while failing to recognize or admit that they do so. The final and most basic lesson derives from these first two: an excessive emphasis on identifying and preventing any degree of confusion in each individual case has overwhelmed trademark fair use. Whatever marginal protection current doctrine offers to trademarks' source identification functions does not justify the high administrative costs and chilling effect that result.

1. Distinctions Without Differences

Recall the unfortunate court that tried to ascertain which doctrine applied to the facts before it, and was reduced to asking whether the NEW KIDS ON THE BLOCK really meant “children who recently moved to this area bounded by streets on four sides.”<sup>334</sup> This tangential inquiry determined whether the dispute should be analyzed as a section 33(b)(4) case or a nominative fair use case. The decision mattered for procedural, not substantive, reasons—that is, because the doctrines operated differently, not because the values at stake differed in any meaningful way. The same observation applies throughout the byzantine tangle of doctrines for judging expressive uses: all of them measure essentially the same interests. Why, then, should they be structured so differently?

Another way to think about this phenomenon is to take some of the fact patterns considered throughout this Article and try different doctrines on for size.<sup>335</sup> The “Food Chain Barbie” case turned on nominative fair use, but the “Barbie Girl” case—written about the same trademark, just a year earlier,

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334. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 907 & n.3 (9th Cir. 2003) (citing *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992)); see *supra* notes 241–46 and accompanying text.

335. See *Moskin*, *supra* note 4, at 873 (“[T]here is far more that fair use cases have in common than there is that separates them.”).

in the same circuit, and by the author of *New Kids*—relied instead upon *Rogers v. Grimaldi* reasoning to analyze infringement.<sup>336</sup> As another example, consider the reliance the JOY OF SIX court placed on section 33(b)(4), even though there was no way to argue that the phrase described the *Chicago Tribune* or its services.<sup>337</sup> If the Ninth Circuit defined section 33(b)(4) as loosely, then it could have applied that doctrine to the use of the PLAY PEN trademarks in *Grand Theft Auto* to “mimic the look and feel of real-life locations and businesses.”<sup>338</sup> Likewise, the AFLAC court denied a preliminary injunction because it considered the evidence of likelihood of confusion insufficient; another court might just as well have grounded this conclusion in nominative fair use or First Amendment reasoning.<sup>339</sup>

There are several negative consequences of the blurry boundaries between these doctrines. Some of those arise in litigation. The initial determination about what doctrine to apply becomes a complex and distracting side argument. The confused landscape also encourages sloppy reasoning by courts that mix elements of multiple tests.

The more serious impact emerges earlier, before any suit is filed, when the chilling effect occurs. Imagine an average person—not a lawyer—who is contemplating an unlicensed expressive use of a trademark and understandably worries about liability. The person asks an attorney for advice. The bottom line of the response should be that courts usually favor expressive uses. But, it will need to be accompanied by a lengthy memo, full of caveats, which cites in the alternative to a series of amorphous precedents, warns that those cases are all fact-specific, and predicts that litigation may be protracted.<sup>340</sup> This response might not inspire great confidence.

The lack of solid reassurance could intimidate others besides the would-be speaker. As we have seen, risk-averse gatekeepers, such as distributors or insurance providers, often forbid unlicensed expressive uses.<sup>341</sup> I believe the difficulty of providing clear advice may discourage attorneys from providing the sort of pro bono advice that could benefit many individuals using

336. Compare *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 808 (9th Cir. 2003), with *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002). The court resolved the dilution claim in the “Barbie Girl” case through the noncommercial use exemption. See *MCA Records*, 296 F.3d at 904–07.

337. *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 639–43 (7th Cir. 2001).

338. *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1041 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006).

339. *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 691 (N.D. Ohio 2002).

340. As I wrote elsewhere:

If you have ever tried to counsel a client who wishes to use a trademark for expression, then you have confronted the deeply muddled state of the law governing such uses. There are many routes to a final adjudication, but none is clear and it is difficult to know in advance which ones a court might employ.

McGeveran, *supra* note 14, at 1214.

341. See *supra* notes 66–70 and accompanying text.



trademarks expressively. Most of all, an attorney trying to draft a strong response to a C&D would rather cite one clear rule instead of attaching a complex memo filled with what-ifs.

The most significant objection, however, is the simplest one: many distinctions between these doctrines do not serve a valuable purpose. The ultimate goal of all the trademark fair use doctrines is to balance the prevention of consumer confusion under trademark law with the protection of free speech. Inquiries such as the Ninth Circuit's about whether an expressive use describes a plaintiff, a defendant, or both<sup>342</sup> do not affect this balance. They have become their own justification, built up by precedent, but have no reliable connection to speech interests or likelihood of confusion.

## 2. The Gravitational Pull of Likelihood of Confusion

The second lesson that emerges time and again from reviewing the doctrines is the difficulty of escaping from a comprehensive evaluation of likelihood of confusion, even when applying tests that aim to be more efficient screening mechanisms to identify easy cases. Part IV showed how every trademark fair use doctrine exhibits this tendency: trademark use theory, the third factor of nominative use, the "use as a mark" prong of section 33(b)(4), the incorporation of likelihood of confusion into many First Amendment balancing tests, and the federal trademark dilution statute's amended exemptions.

At root this is unsurprising. After all, the core mission of trademark law is to prohibit uses of marks that are "likely to cause confusion, or to cause mistake, or to deceive" as to the source of plaintiff's or defendant's products.<sup>343</sup> Courts want to protect free speech without scuttling this mission, and so they engage in case-specific inquiries that measure the importance of both interests in every case and strike a balance. The Ninth Circuit's treatment of the *KP Permanent* case illustrates the strong gravitational pull of preventing confusion in trademark cases. The court already had adhered to a rule that any likelihood of confusion foreclosed the section 33(b)(4) defense; then, after the Supreme Court repudiated this rule, the court came as close as possible to reinstating it on remand.<sup>344</sup>

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342. See *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150–52 (9th Cir. 2002) (distinguishing between "classic fair use" and "nominative fair use").

343. 15 U.S.C. §§ 1114(1), 1125(a) (2000).

344. *Supra* notes 179–91 and accompanying text; see *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 607–09 (9th Cir. 2005) (requiring the defendant to disprove likelihood of confusion before prevailing under section 33(b)); *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 328 F.3d 1061, 1072 (9th Cir. 2003) (finding likely consumer confusion precludes fair use); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) (same).

As Part III explained, however, there are several problems with relying on the particularized inquiry into confusion as the principal measure of liability in expressive use cases. First, the determination of likely confusion is usually a long and expensive undertaking. When the other doctrines collapse into this analysis, they lose the advantages that would come from early and efficient screening mechanisms to weed out fair uses. Second, as confusion prevention grows in importance in applying any of the doctrines, it can overshadow the free speech interests that necessitated creation of a new rule in the first place, so that the nominative fair use doctrine or section 33(b)(4) become merely alternative routes to answering the same question.

By trying to strike a completely perfect balance between the economic and expressive interests in every case, courts make the standards more complicated and more fact-intensive, increasing the chilling effect on expressive uses.

### 3. Enforcement Costs

Robert Bone has emphasized the important role of enforcement costs in the design of trademark doctrine overall.<sup>345</sup> Trademark rules, like all rules, reach compromises between accuracy and efficiency. Enforcement costs include the *administrative costs* of adjudicating an issue as well as *error costs*—the social costs of a mistaken outcome multiplied by the frequency of such errors.<sup>346</sup> For example, a well-established hierarchical classification in trademark law requires greater evidence of secondary (source-identifying) meaning for marks that are descriptive (e.g., FISH-FRI for fish batter), less proof for suggestive marks (e.g., COPPERTONE for sunscreen), and essentially no evidence for fanciful and arbitrary marks (e.g., POLAROID for cameras and SUN for computers<sup>347</sup>) that are presumed “inherently distinctive” and therefore source-identifying.<sup>348</sup>

As Bone explains, this classification of marks, and the resulting variation in the protection they may receive, is an imperfect proxy for a searching examination of the secondary meaning of every mark in every case.<sup>349</sup> Securing and evaluating the necessary proof is very expensive, and it is fairly safe to assume that fanciful or arbitrary marks usually have secondary meaning for consumers (indeed, fanciful coined marks like POLAROID have no other meaning). Since errors will be unusual, and the negative social cost of false positives fairly small, the high administrative costs of a

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345. Bone, *supra* note 5, at 2123–43.

346. *Id.* at 2123–25.

347. Fanciful marks are coinages without any prior meaning (POLAROID), while arbitrary marks are real words applied to products unrelated to their meaning (SUN). See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 n.12 (2d Cir. 1976) (discussing the hierarchy of the various types of marks).

348. Bone, *supra* note 5, at 2127–28; see *Abercrombie*, 537 F.2d at 9–11.

349. Bone, *supra* note 5, at 2125–34.

more particularized review are not justified. The law instead uses a presumption as a rough proxy for that fuller inquiry.<sup>350</sup> Of course, holders of descriptive marks benefit from no such presumption and must present their proof because it is much more likely that such a mark could lack secondary meaning.

Bone's analysis can profitably be extended to address the problems with trademark fair use. A desire to strike the ideal balance between confusion and speech in every case has driven the administrative costs of trademark fair use very high. Under this pressure, as just noted, the putative simplicity of doctrines such as nominative fair use and even the statutory dilution exemptions collapse into the more complex fact-intensiveness of likelihood of confusion.

At the same time, we can identify certain recurring types of expressive uses where a finding of no confusion is very likely overall, similar to the probability that fanciful or arbitrary marks will identify source. An occasional false negative—that is, an erroneous finding of no liability for an expressive use that did cause some amount of consumer confusion—would be tolerable if it happened fairly infrequently and the degree of confusion were acceptably small. The Supreme Court said as much in *KP Permanent*.<sup>351</sup> Other free speech doctrines have reached this same resolution, such as the actual malice standard in defamation, the right to anonymous speech, and the true threats doctrine.<sup>352</sup> We can afford to allow some minor increase in error costs to enable a significant decrease in the very high administrative costs of adjudicating trademark fair use.

Whether or not Judge Kozinski thought of it quite this way,<sup>353</sup> nominative fair use sought to do just that. In *New Kids*, the test allowed for a straightforward ruling in favor of the expressive use at issue.<sup>354</sup> Later modifications by the Ninth and Third Circuits, however, added detail and additional steps and moved the test closer to likelihood of confusion itself.<sup>355</sup> Eventually, the administrative costs became so high that the test lost much of its original value.

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350. *Id.* at 2131–32 (“Because of the high probability that these marks already have or will soon acquire secondary meaning, the conclusive presumption is very likely to be correct most of the time. Moreover, the conclusive presumption saves the litigation costs of actually proving secondary meaning in individual cases.”).

351. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121 (2004) (“[S]ome possibility of consumer confusion must be compatible with fair use.”).

352. *See supra* notes 133–36 and accompanying text.

353. Bone notes that judges may or may not explicitly or consciously rely on this concept of enforcement costs, but that it has considerable force as an explanation of why judges reach the decisions they do. Bone, *supra* note 5, at 2103.

354. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308–09 (9th Cir. 1992); *see supra* notes 210–13 and accompanying text.

355. *See supra* Part IV.C.

The task, then, is clear: design trademark fair use doctrines that reduce administrative costs while maintaining an acceptable margin of error. The critique up to this point shows what courts should avoid: inflexible postponement of trademark fair use until other more involved questions are analyzed; distracting side inquiries to choose between doctrines; and, most of all, the importation of case-specific likelihood of confusion reasoning into every trademark fair use decision. The remainder of this Part seeks to put those lessons to good use.

#### B. SAFE HARBORS FOR TRADEMARK FAIR USE

This Part proposes several categorical exemptions, or safe harbors, from infringement liability. If chosen judiciously, the categories excluded would be ones where, under current law, the social cost of curtailing valuable expression outweighs the utility of a complex inquiry into the impact on the economic functions of trademarks. Such exemptions should reduce administrative costs that fuel the prelitigation chilling effect.<sup>356</sup> To succeed, their structural design must avoid both complex threshold tests to determine whether the exemption applies and also case-specific analysis of the likelihood of confusion. They also need relatively bright-line formulations to improve the possibility that a case can be adjudicated early.

The exemptions should be structured as defenses, giving an alleged infringer control to raise them as soon as any necessary evidence becomes available (although their clarity should require little or no heavy fact-finding). As a comparison, consider the statutory safe harbor protecting certain Internet providers from liability for torts such as defamation arising from user-generated content.<sup>357</sup> Internet providers may, depending on circumstances, raise that safe harbor as a defense at the preliminary injunction stage, a motion to dismiss at the pleading stage, or an early summary judgment motion before, during, or after discovery.<sup>358</sup>

Because they are not suitable for all expressive uses, safe harbors cannot and should not displace all other trademark fair use or likelihood of confusion doctrine.<sup>359</sup> Rather, they would be the first layer of protection—

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356. Although the focus here remains on expressive uses as defined in Part II.A, *supra*, this same strategy of categorical exemptions also might work well as an approach to other controversial uses, such as keyword advertising, metatags, and domain name disputes. See Goldman, *Deregulating*, *supra* note 25, at 588–95.

357. 47 U.S.C. § 230(c)(1) (2000).

358. See, e.g., *Zeran v. Am. Online, Inc.*, 129 F.3d 327, 328 (4th Cir. 1997) (granting motion for judgment on the pleadings based upon the § 230 safe harbor); *DiMeo v. Max*, 433 F. Supp. 2d 523 (E.D. Pa. 2006) (granting motion to dismiss for failure to state a claim based upon the safe harbor); *Blumenthal v. Drudge*, 992 F. Supp. 44, 52–53 (D.D.C. 1998) (granting summary judgment early in litigation based upon the safe harbor).

359. Note, too, that exclusions of trademark liability do not affect other claims that sometimes might be brought in these cases, including copyright infringement or various forms of trade libel, false advertising, and unfair competition.

defenses that identify certain types of easy cases with little or no litigation. A case that could not be dismissed based upon these clear rules might still be analyzed under existing trademark fair use doctrines such as section 33(b)(4). Cases that still could not be eliminated would be handled under the traditional likelihood of confusion rubric.<sup>360</sup> But, well-designed exemptions still could simplify and expedite decisions for a larger number of fair uses than does existing doctrine.

First, notwithstanding the 2006 amendment to the dilution statute, I would propose that Judge Kozinski's broad interpretation of the noncommercial use exemption from dilution liability should remain in force, either as a matter of consistent interpretation and constitutional avoidance or, if necessary, through amendment of the statute.<sup>361</sup> Any expressive use that does more than "propose a commercial transaction"<sup>362</sup> should be immune from dilution liability, regardless of any other considerations. Because there is no reason to limit this rule to *federal* dilution claims, courts should apply it to state claims as well.

If these recommendations were followed, truly expressive uses would almost never violate dilution law. While sweeping, this exclusion makes sense. Unlike traditional trademark infringement law, which protects the public and the market as well as the plaintiff, the plaintiff receives the main benefits of dilution liability.<sup>363</sup> The social costs of false negatives are therefore much lower. The classic examples of strictly commercial trademark dilution, such as KODAK bicycles, would of course remain outside the safe harbor.<sup>364</sup> All the evidence suggests that this arrangement fulfills congressional intent both when the statute first passed in 1995 and when it was amended in 2006.

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360. See Dinwoodie & Janis, *Contextualism*, *supra* note 25, at 1662 (proposing that the likelihood of confusion test should be central but operate in conjunction with "defenses and limitations" and "safe harbor[s]" that would serve as "rule-based adjuncts"); Widmaier, *supra* note 139, at 621–24 (proposing serial layers of defenses beginning with trademark use theory, proceeding through trademark fair use and other defenses, and ending in likelihood of confusion analysis); see also Parchomovsky & Goldman, *supra* note 57, at 1489 (proposing a similar structure for copyright safe harbors as adjuncts to traditional copyright fair use analysis).

361. See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905–06 (9th Cir. 2002) (holding that speech not classified as commercial speech under First Amendment doctrine qualifies for this exemption); *supra* notes 314–17 and accompanying text (discussing *MCA Records* and the dilution safe harbors).

362. *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976) (internal quotations and citations omitted); see *MCA Records*, 296 F.3d at 906 (quoting *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001)).

363. See *MCA Records*, 296 F.3d at 904–05 (explaining why dilution poses a greater threat to First Amendment values than does traditional infringement); Tushnet, *supra* note 32, at 555 (demonstrating flaws in arguments that consumers or markets benefit from dilution liability).

364. See Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927) (discussing *Eastman Kodak Co. v. Kodak Cycle Co.*, 15 Rep. Pat. Cas. 105 (1898), as an example of purely commercial trademark dilution).

Infringement safe harbors require more care because the error costs of unchecked consumer confusion are higher. Nonetheless, the safe harbor for “[a]ll forms of news reporting and news commentary,” which remained untouched in the amended dilution statute, fits equally well with infringement and should be extended to that context.<sup>365</sup> While it is always possible that some members of the public might become confused by some expressive uses of marks in news, the probability is low. The social costs of a procedural structure that chills reporting or commentary outweigh that small margin of error. Reducing the administrative costs for vindication of expressive uses will reduce those social costs as well.

This exclusion obviously covers all expressive uses by traditional journalists in mainstream media outlets, but it should be interpreted more broadly.<sup>366</sup> By all indications, those users have felt relatively little pressure to avoid unlicensed trademarks. The real beneficiaries of this exclusion would be speakers with weaker institutional support and a lack of professional credentials. Thus, online citizen media such as blogging or contributions to wikis and message boards should be covered, allowing them to use any trademarks in the course of their reporting or commentary.<sup>367</sup> The same should hold for documentaries and books discussing current affairs and related issues.<sup>368</sup> Associated commercial activity, such as the sale of

365. 15 U.S.C. § 1125(c)(4)(C) (2000). The wording could perhaps be improved upon, but as we see from the “noncommercial use” exclusion, what really matters is the judicial interpretation of the language. One alternate model to consider is California’s right of publicity statute, which exempts any use of a celebrity’s name or image “in connection with any news, public affairs, or sports broadcast or account.” CAL. CIV. CODE § 3344(d) (West 1997).

366. At a minimum, the use of “THE JOY OF SIX” in the *Chicago Tribune* headline would be exempt from trademark infringement liability. *Packman v. Chi. Tribune Co.*, 267 F.3d 628, 647 (7th Cir. 2001).

367. See generally, e.g., *CPC Int’l, Inc. v. Skippy Inc.*, 214 F.3d 456 (4th Cir. 2000) (allowing defendant to use the plaintiff’s mark on website in criticizing markholder); *BidZirk, LLC v. Smith*, No. 6:06-109-HMH, 2007 WL 3119445 (D.S.C. Oct. 22, 2007) (allowing defendant to use BidZirk’s trademark on personal blog to comment on markholder’s unsatisfactory customer service).

368. See, e.g., Heins & Beckles, *supra* note 72, at 20–21 (reporting on documentary filmmakers cutting scenes that happen to include trademarks). One documentary filmmaker in a focus group stated:

I cut a scene from a film because there was a big cup with this gas station trademark on it, but the problem is, you can’t go into a store, you can’t buy anything that doesn’t have a logo on it. So they don’t give you the option of having a cup with no logo, but I was like, “oh god, I didn’t realize that cup had this huge logo in the side of the frame.” Why did she think this would create a problem? “Because the subject of the film was coming clean about an addiction. It’s a very heavy scene. It’s not pretty in any way, and I don’t think they would have wanted to be associated with it.”

*Id.* (internal quotations omitted). The authors correctly note that this should not even qualify as infringement, *id.* at 21 & n.120, but the unsettled state of the law and the risk aversion of

memorabilia reproducing the “JOY OF SIX” headline,<sup>369</sup> or advertisements for the news, might present a trickier case, but I believe a court should deem these uses a natural extension of news reporting and include them in the safe harbor.

Much of the same analysis can be extended from news and nonfiction to art and fiction.<sup>370</sup> Unlike the first, disputes over the second type of expressive use occur with some regularity.<sup>371</sup> There often are plausible arguments that these expressive uses could cause some confusion, such as the survey evidence introduced by the owners of the PLAY PEN in the *Grand Theft Auto* case.<sup>372</sup> But here, as in the case of news reporting, the speech interests are very significant. Moreover, the defendants prevailed in *all* those cases cited above as examples of such expressive uses.<sup>373</sup> Generalizing from this small sample is imprecise, but it seems fair to conclude that the risk of false negatives is extremely low—that is, there are very few expressive uses within artistic works that would cause enough confusion to overcome the speech interests at stake, even with a fuller review of the particular facts.

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insurers and distributors create a chilling effect; a clear safe harbor should provide more clarity to users such as this filmmaker.

369. *Packman*, 267 F.3d at 634.

370. This would include titles now covered by *Rogers v. Grimaldi*. Titles are more similar to brand names, and therefore related consumer confusion may be both more likely and more harmful. Of the handful of expressive uses cases that have rejected defendants’ arguments in the last fifteen years, several involve titles. *See generally, e.g.*, *Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003) (reversing summary judgment for songwriters who had used the plaintiff’s name as the title of a song); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998) (granting preliminary injunction against use of the DAIRY QUEEN trademark in film title). Nevertheless, I think the administrative costs of a more complex rule for titles probably make it unwise. As with advertisements for news programs, the close linkage of titles with expression justifies a safe harbor.

371. *See generally, e.g.*, *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (“Food Chain Barbie” photographs using BARBIE name and trade dress); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (“Barbie Girl” song mocking BARBIE doll); *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012 (C.D. Cal. 2006), *appeal docketed*, No. 06-56237 (9th Cir. Sept. 8, 2006) (inclusion of adapted PLAY PEN trademarks in video game); *Caterpillar, Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913 (C.D. Ill. 2003) (appearance of CATERPILLAR bulldozers driven by anti-environmental bad guys in *George of the Jungle 2*); *Wham-O, Inc. v. Paramount Pictures Corp.*, 286 F. Supp. 2d 1254 (N.D. Cal. 2003) (foolish use of trademarked SLIP ‘N SLIDE YELLOW by idiotic character in movie, causing comedic injury); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330 (S.D.N.Y. 2000) (imitation of famous CHARLES ATLAS advertisement involving bully kicking sand at beach as part of comic book story); *Ocean Bio-Chem, Inc. v. Turner Network Television, Inc.*, 741 F. Supp. 1546, 1552–53 (S.D. Fla. 1990) (in TV movie, villainous corporate polluters called “STARBRITE Batteries”; plaintiffs sell STARBRITE vehicle polishes); *Emily Umbright, St. Louis-Based Appliance Maker Emerson Sues NBC*, ST. LOUIS DAILY REC., Oct. 6, 2006, available at [http://findarticles.com/p/articles/mi\\_qn4185/is\\_20061006/ai\\_n16773876](http://findarticles.com/p/articles/mi_qn4185/is_20061006/ai_n16773876) (describing trademark lawsuit by maker of IN-SINK-ERATOR garbage disposal over use of product in NBC TV series *Heroes*).

372. *See E.S.S. Entm’t*, 444 F. Supp. 2d at 1046; *supra* note 127 and accompanying text.

373. *Supra* note 371.

Furthermore, as this Article has stressed, the pre-litigation chilling effect causes more harm to free speech values than do the results in individual cases.

Categorical exclusions for news, commentary, and artistic works would ameliorate several of the problems we have seen repeatedly with trademark fair use. For cases that fell within the safe harbor, the exclusions would replace ad hoc First Amendment balancing.<sup>374</sup> Such a shift would reduce administrative costs *and* create more certain substantive protection for expressive uses. As a bonus, it would internalize First Amendment requirements in these cases as part of trademark doctrine and not as an extrinsic constitutional test.<sup>375</sup>

These exclusions have the additional advantage of breaking the vicious cycle of expanding trademark rights. As noted earlier, the law shapes expectations about the need for a license to use trademarks, and those expectations in turn shape the law through the inquiry into consumer confusion.<sup>376</sup> Fair use rules that clearly protect expressive uses in most media content would, over time, eliminate widespread misunderstanding about the scope of trademark rights in these settings.<sup>377</sup>

Some other possible categorical rules present slightly trickier issues. California's right of publicity statute, for example, contains a carve-out for use "in connection with . . . any political campaign."<sup>378</sup> In principle, this safe harbor also could be adopted for trademark infringement. On its face, such an exclusion would be simple to apply. It certainly identifies a form of expressive use absolutely central to the purposes of free speech protection. And electoral campaigns constantly use the common catch phrases and imagery of advertising to draw voters' attention, not just "TaftQuack," but also Walter Mondale asking Gary Hart, "Where's the Beef?"<sup>379</sup> and Ralph Nader running television commercials that parodied MasterCard's famous "Priceless" marketing campaign.<sup>380</sup> There are difficulties to work through: what qualifies as a "political campaign"? And what of outright deceptions by campaigns pretending to be their opponents, or raising money under false

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374. See *supra* Part IV.D (discussing the First Amendment balancing test).

375. See Leval, *supra* note 57, at 1135; McGeeveran, *supra* note 14, at 1211-14.

376. See *supra* notes 78-79 and accompanying text (stating that over-cautious licensing alters consumers' understanding of the requirements of trademark law).

377. See Gibson, *supra* note 7, at 938-39 (stating that a change in law can change consumer perceptions).

378. CAL. CIV. CODE § 3344 (West 1997).

379. See Levy, *supra* note 37, at 1208-09 (using "Where's the Beef" as an example of trademark use in campaigns that ought to be permissible).

380. MasterCard Int'l, Inc. v. Nader 2000 Primary Comm., Inc., 70 U.S.P.Q.2d (BNA) 1046, 1047-51 (S.D.N.Y. Mar. 8, 2004). Nader's ad itself is posted on YouTube. Posting of OnADateBob to YouTube, <http://www.youtube.com/watch?v=mJOUpZKAspQ&feature=related> (Nov. 11, 2006).



pretenses?<sup>381</sup> Some creativity could overcome these obstacles. Candidates eligible for this exemption could be defined, for example, by borrowing a definition from federal election law.<sup>382</sup> This more limited scope would exclude some grass-roots organizations and individuals engaged in nonelectoral political speech,<sup>383</sup> but it would also help prevent abuse of the safe harbor. The exclusion could also be narrowed in other ways: for example, it might not cover fundraising activities, it might still allow suit by a candidate's opponents, or it might even shelter political candidates only for expressive uses of nonpolitical trademarks.

Even with *all* of these limitations in place, the exclusion still would apply to the examples of Mondale, Nader, and the "TaftQuack" duck. But the number of subordinate clauses potentially necessary to define this safe harbor may indicate that it has grown too complicated. If this rule broke down from a simple proxy into a fact-specific inquiry, it would be better to handle political uses of trademarks in another way. Most likely, the issues here are still simple enough to permit design of a safe harbor. Crucially, however, policymakers should remember the lesson that emerges from our examination of current trademark fair use doctrine: well-intentioned efforts to achieve perfect confusion prevention in each individual case can generate too many administrative costs.

Past attempts to design similar safe harbors for particular uses in copyright law admittedly have been met with similar problems of complexity and serve as a further cautionary tale.<sup>384</sup> Special educational exemptions inserted into the statute, such as the TEACH Act,<sup>385</sup> are so narrow, excessively detailed, and tied to particular technologies that they are nearly useless.<sup>386</sup> Numerical "guidelines" for copyright fair use added to the legislative history as nonbinding often become straitjackets instead.<sup>387</sup> The

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381. See *United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 90 (2d Cir. 1997) (stating that any group distributing information in the name of a well-known political party would cause "catastrophic" confusion); Jacqueline D. Lipton, *Who Owns "Hillary.com"?* *Political Speech and the First Amendment in Cyberspace*, 49 B.C. L. REV. 55, 92-93 (2008) (defining and discussing "political cyberfraud").

382. See 2 U.S.C. § 431(2) (2000) (defining candidates by reference to their contributions and expenditures).

383. See generally, e.g., *Brach Van Houten Holding, Inc. v. Save Brach's Coal.*, 856 F. Supp. 472 (N.D. Ill. 1994) (involving a citizen coalition attempting to prevent closure of local candy factory); *Stop the Olympic Prison v. U.S. Olympic Comm.*, 489 F. Supp. 1112 (S.D.N.Y. 1980) (involving protestors objecting to construction of a prison at a former Olympic facility in Lake Placid).

384. But see *Parchomovsky & Goldman*, *supra* note 57, at 1524-32 (responding to objections against fair use safe harbors in copyright law).

385. 17 U.S.C. § 110(2) (2000) (supposedly providing safe harbor from infringement liability for qualifying distance learning uses of copyrighted material).

386. See *Fisher & McGeeveran*, *supra* note 7, at 43-50.

387. See Kenneth D. Crews, *The Law of Fair Use and the Illusion of Fair-Use Guidelines*, 62 OHIO ST. L.J. 599, 670-72 (2001) (arguing that minimum numerical guidelines often transform into

complexities of these failed copyright fair use doctrines reinforce the great import of simplicity and reduced administrative costs for effective doctrines of this type.

Nevertheless, trademark is a different animal, and the lessons of copyright may not be fully transferable. For starters, copyrights vest automatically upon creation, but a trademark is granted based on fact-specific circumstances and public perception. The scope of the initial right also differs tremendously: at least as a *prima facie* matter, copyrights prohibit virtually any form of use, while only uses likely to confuse (or, now, dilute) violate trademark law. Because of these dissimilarities, the existence of trademark rights is far more contingent on factual circumstances. Thus, safe harbors may fit better in the trademark regime because they simply present a different way to structure those decisive facts.

Moreover, notwithstanding the checkered history of category-specific exemptions in copyright law, a number of prominent copyright scholars have begun contemplating various forms of brighter lines and safe harbors as potential cures for the woes of copyright fair use.<sup>388</sup> This new exploration of a move from standards to rules in some instances suggests strongly that trademark fair use might benefit from similar thinking.<sup>389</sup>

Finally, there is the question of how to ground these new safe harbors in the law. The ideal solution would be congressional amendment of the Lanham Act. Unfortunately, this is not likely; the 2006 amendments passed only as accompaniments to revisions of dilution standards, themselves spurred by judicial interpretations Congress disfavored.<sup>390</sup> The sloppy drafting of the new dilution safe harbors (and similar copyright rules) is also worrisome. Fortunately, common-law reasoning is alive and well in trademark law. Indeed, the entire structure of likelihood of confusion reasoning is extra-statutory. Just as courts created nominative fair use and First Amendment balancing as common law, they could establish safe harbors.<sup>391</sup> If so, however, it would be best to use extremely clear language.

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maximum standards); Rothman, *supra* note 7, at 1918–21 (describing and critiquing the “Classroom Guidelines”); Fisher & McGeveran, *supra* note 7, at 56–57 (describing rules that “shrink the scope of fair use and greatly limit the doctrine’s flexibility”).

388. See generally, *e.g.*, WILLIAM W. FISHER III, PROMISES TO KEEP: TECHNOLOGY, LAW, AND THE FUTURE OF ENTERTAINMENT (2004); Peter Jaszi, *Copyright, Fair Use, and Motion Pictures*, 2007 UTAH L. REV. 715 (2007); Parchomovsky & Goldman, *supra* note 57.

389. Gibson, who is skeptical of the move in copyright fair use, argues that clearer rules might be more effective in the context of trademark fair use. Gibson, *supra* note 7, at 936–39.

390. See Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1151–56 (2006) (discussing the origins of the Trademark Dilution Revision Act of 2006); Joern, *supra* note 333, at 292–97 (discussing different viewpoints from trademark law scholars on the purpose of the 2006 amendment).

391. See, *e.g.*, *Universal Commc’ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 425 (1st Cir. 2007) (establishing a rule that “using a company’s trade name to label a message board on which the company is discussed” cannot qualify as trademark dilution); *Scott Fetzer Co. v. House of Vacuums, Inc.*, 381 F.3d 477, 489–90 (5th Cir. 2004) (concluding “as a matter of law” that

*C. OTHER PROCEDURAL MECHANISMS*

As noted earlier, categorical exclusions cannot cover all expressive uses without losing the very simplicity that makes them beneficial. Here, as so often when designing legal structure, the perfect is the enemy of the good.<sup>392</sup> There are, however, other procedural changes that could reduce administrative costs in cases that move past an initial safe harbor phase. Courts should remain aware of the chilling effect on expressive uses and the possible negative impact of their procedural decisions.

First, the sequence of litigation should not delay final adjudications or increase administrative costs needlessly. Some courts have structured doctrines such as section 33(b)(4) or nominative use in a way that actively postpones their consideration until *after* likelihood of confusion has been proven.<sup>393</sup> More generally, routine judicial management can have the same effect: if a court groups all summary judgment motions together and hears them at the end of a fixed discovery period, then both sides must marshal the evidence and arguments to support their view of likelihood of confusion, regardless of any fair use doctrines that might have disposed of the case more easily. (The result is much the same if a court simultaneously considers all matters related to a motion for preliminary injunction.)

Hastening resolution should be imperative in expressive use cases, with the same urgency courts display in reviewing other free speech cases. A much simpler structure would maximize a defendant's ability to achieve early adjudication whenever possible. Defendants should be allowed to raise a trademark fair use argument as a motion to dismiss or a motion for summary judgment as soon as they gather the evidence necessary to prevail.<sup>394</sup> Properly designed, these doctrines should require a great deal less evidence than proving likelihood of confusion, so there is no reason for the court to force the defendant to wait until that stage. Consider the potential for early decisions involving the copyright fair use defense<sup>395</sup> or the safe

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“[t]rademark law does not entitle markholders to control the aftermarket in marked products”). *But see* Michael Grynberg, Things Are Worse than We Think: Trademark Defenses in a Formalist Age 38–48 (Oct. 10, 2008) (unpublished manuscript, on file with the Iowa Law Review) (arguing that courts actually have limited authority to develop new trademark defenses based on common law reasoning).

392. *See* VOLTAIRE, LA BÉGUEULE (1772) *reprinted in* 74A LEUVRES COMPLETES DE VOLTAIRE 203, 217 (Christine Mervaud et al. eds., 2006).

393. *See* Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 222 (3d Cir. 2005) (mandating such postponement of nominative fair use); KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d 596, 607–09 (9th Cir. 2005) (requiring, on remand from the Supreme Court, that the trial court conduct likelihood of confusion analysis before considering a section 33(b)(4) affirmative defense).

394. *See* FED. R. CIV. P. 12(b)(6) (allowing dismissal of complaint for “failure to state a claim upon which relief can be granted”); FED. R. CIV. P. 56(b) (“A party against whom relief is sought may move *at any time* . . . for summary judgment . . .” (emphasis added)).

395. *See supra* note 98 and accompanying text.

harbor from defamation liability for Internet intermediaries.<sup>396</sup> In marked contrast to the intricate doctrinal sequences devised by the Third and Ninth Circuits for trademark fair use doctrines, these nontrademark doctrines promote flexibility and serve a screening function to eliminate unmeritorious cases as early as possible.

Second, certain heightened burdens of proof, already implicit in many courts' decisions related to expressive uses, should be formalized. For instance, decisions often indicate that a defendant's negative commentary about the markholder—especially important from a free speech standpoint<sup>397</sup>—is also especially unlikely to cause source confusion.<sup>398</sup> Courts should impose a presumption that criticism cannot violate trademark law unless it is *highly* likely to cause confusion. In some ways, this structure resembles the one used in some Second Circuit courts to analyze the First Amendment defense.<sup>399</sup> Those cases, however, generally go through the full multifactor test before considering speech values as a thumb on the scale. A clear presumption, in contrast, should make it extremely difficult to show likelihood of success on the merits necessary to secure a preliminary injunction, and it should also facilitate an early summary judgment without conducting a full-blown likelihood of confusion analysis.

Finally, fee-shifting is another possible procedural tool to discourage nonmeritorious litigation against expressive uses and support impecunious defendants. There is already a provision of the Lanham Act allowing courts to impose defense costs on plaintiffs in “exceptional cases.”<sup>400</sup> The photographer in “Food Chain Barbie” secured this relief, but in general it is unusual.<sup>401</sup> This presumption should shift. Courts should presume that unsuccessful lawsuits against expressive uses represent exceptional cases eligible for awards of attorneys' fees unless the plaintiff can show that they were particularly close cases. If nothing else, this might encourage and fund more pro bono representation for defendants in these cases—and perhaps even allow a decent living for some of the free culture crusaders now graduating from our nation's law schools.

This list is by no means comprehensive. It merely aims to illustrate that reform oriented toward procedural structure rather than substantive outcomes can help reduce the chilling effect on expressive uses of trademarks. If some small margin of error allows slight consumer confusion, the benefits for discourse are worth that risk.

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396. See *supra* notes 357–58 and accompanying text.

397. See *supra* notes 80–81 and accompanying text.

398. See, e.g., *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308–09 (9th Cir. 1992) (suggesting that negative commentary implies a lack of markholder endorsement or sponsorship).

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

400. 15 U.S.C. § 1117(a) (2000).

401. See *supra* notes 63–65 and accompanying text.

## VI. CONCLUSION

This Article has identified the real threat to expressive uses of trademarks. The danger does not come from a hostile judiciary or substantive rules that unduly constrain speech. Quite the contrary: most such cases that actually go through litigation eventually wind their way, sooner or later, to resolutions that favor defendants. In the shadow of these decided cases, however, a chilling effect has developed. Amorphous standards, fact-intensive analyses, and lengthy litigation encourage risk-averse behavior by those who engage in expressive uses and by the institutions who serve as gatekeepers for their speech.

Because it requires such expensive and time-consuming discovery and briefing, the likelihood of confusion standard itself shoulders much of the blame. But this Article also identified similar flaws in the five principal trademark fair use doctrines (trademark use theory, section 33(b)(4) descriptive fair use, nominative fair use, First Amendment balancing, and dilution safe harbors).

Effective doctrine for protecting trademark fair use must offer rules that minimize overlap and maximize predictability of reasoning as well as results. It must avoid excessive entanglement with fact-specific inquiries. It must enable, both theoretically and practically, resolution of the fair use issue early in litigation. There are always hard cases, so no mechanism meets these requirements in every situation. But rethinking the structural features of fair use doctrine can reduce the chilling effect and improve protection of free speech in trademark law.