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# PROTECTING NOMINATIVE FAIR USE, PARODY, AND OTHER SPEECH-INTERESTS BY REFORMING THE INCONSISTENT EXEMPTIONS FROM TRADEMARK LIABILITY

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Samuel M. Duncan\*

*Federal trademark law exempts certain communicative uses of a trademark from liability so that the public can freely use a trademark to comment on the markowner or to describe its products. These exemptions for “speech-interests” are badly flawed because their scope is inconsistent between infringement and dilution law, and because the cost and difficulty of claiming their protection varies significantly from court to court. Many speech-interests remain vulnerable to the chilling threat of litigation even though they are “protected” by current law. This Note proposes a simple statutory reform that will remedy this inconsistency by creating an express safe harbor for speech-interests in the Lanham Act. This reform will give full effect to the policy behind these exemptions: that if they apply, the public ought to be able to freely use a trademark in discourse. This reform also furthers the Lanham Act’s purpose of establishing a uniform system of nationwide trademark protection by endorsing the simple principle that a given use of a trademark should be either consistently protected from or vulnerable to suit in every court and under every cause of action.*

## INTRODUCTION

This Note proposes a simple statutory reform to clarify the protection that the Lanham Act provides for those who use trademarks in speech.<sup>1</sup> Under current law, the protections for

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1. What this Note will term “speech-interests” are a collection of several categories of communicative or expressive uses of trademarks—for example, use in parody, nominative uses (references to the markowner’s product), noncommercial uses, and fair use. These are exceptions to the core protection given to a markowner—the power to enjoin unauthorized uses of the mark—in order to permit such uses to further communication and discourse. While the specific policy justifications for the protection of each speech-interest may differ, these differences are immaterial for the purposes of this Note; it is sufficient to note that they are protected in some form or another by current trademark law as communicative uses of a mark. *See, e.g.,* *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003) (parody); *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (nominative fair use).

certain unlicensed communicative uses of trademarks are inconsistent in scope under infringement and dilution law.<sup>2</sup> To demonstrate how the current state of trademark law fails to effectively protect speech-interests, this Note explores two of the most fundamental speech-interests recognized by federal trademark law: using a trademark to refer to the markowner's trademarked product (nominative fair use), or to comment on or criticize the markowner (parody). The rationale for protecting these interests is not limited to these instances, and should apply to any similar interest that outweighs the markowner's ordinary right to use the mark exclusively. However, the need for reform is most clear in the context of speech-interests that are already accepted as appropriate exemptions from trademark liability.

This Note's proposed statutory reform resolves this problem and at the same time remedies the related problem of variation in how speech-interests are defined by different United States Circuit Courts of Appeal, which hinders the Lanham Act's goal of establishing a uniform nationwide system of trademark protection. Most importantly, this Note argues that the protection given to any specific speech-interest in infringement and dilution cases should be understood by courts to be a single doctrine and should have the same scope as a defense to each kind of claim.

This reform would ensure that socially valuable discourse could continue free from the threat of lawsuits brought by markowners and would further the existing policy to freely permit parody and nominative fair use of trademarks. This Note does not, however, address the proper level of protection that the Lanham Act should provide for speech-interests.<sup>3</sup> Instead, it presents a simple proposition: once the proper level of protection for speech-interests has been determined,<sup>4</sup> that protection ought to be consistent across the different types of trademark litigation. A given *use* of a trademark, if entitled to protection, ought to be protected regardless of the kind of claim asserted against it. This is not true under current law,<sup>5</sup> but will be accomplished if (1) a specific, unlicensed use of a mark consistently falls within or outside the protected category

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2. As described in Part I.A, infringement law permits the owner of a trademark to enjoin the unlicensed use of similar marks that create a likelihood of confusion; dilution law allows the owner of a famous trademark (one that is known to the general consuming public) to enjoin the unlicensed use of marks that reduce the distinctiveness of the senior trademark, even if the "diluting" mark is not likely to cause consumer confusion.

3. This determination is, for the purposes of this Note, simply a positive choice on the part of Congress.

4. That is, the set of unauthorized uses of a mark for which no liability to the markowner should attach, so as to allow the mark's use in discourse.

5. See *infra* Parts II, III.

across every circuit, and (2) when it is protected, that protection should serve as a defense to both dilution and infringement claims.

## I. INTRODUCTION TO TRADEMARK LAW AND THE UNJUSTIFIED DIFFERENCE BETWEEN THE PROTECTION GIVEN TO SPEECH-INTERESTS IN INFRINGEMENT AND DILUTION CASES

Trademark law defines the exclusive rights given to a producer of goods or services to use a distinctive mark to identify the origin of those goods or services.<sup>6</sup> These rights are acquired through use of the mark in commerce, and priority of use in commerce determines which user owns the mark.<sup>7</sup> In 1946, federal trademark law was codified in the Lanham Act.<sup>8</sup> The Lanham Act establishes a system for the registration of marks by their owners, and gives markowners the ability to bring suit under two causes of action to protect their mark against unlicensed third-party use of the mark or similar marks.<sup>9</sup>

### *A. Ownership and Registration of a Trademark Entitles the Markowner to Certain Rights*

Businesses that desire to build a reputation as a merchant or manufacturer must be able to designate certain goods and services as their own, so that consumers can identify and distinguish their products. This is usually accomplished through the use of a brand-name, or a word used on the product or in its marketing. The ability of a markowner to benefit from a trademark in this manner would be thwarted, however, if a third party could co-opt the trademark and in so doing, take advantage of the markowner's

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6. Trademarks can include word marks, distinctive logos, or even distinctive packaging or other trade dress. Although this Note focuses on word marks, its arguments should be read to apply to any type of mark that is used communicatively, for example, a parody of a company's logo.

7. Priority is a term of art in trademark law, defining which entity owns a given trademark. In general, priority is acquired by being the first to use a given trademark in commerce as an indicator of origin for goods or services. *See* 15 U.S.C. § 1051 (2006); *Sengoku Works, Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996), *modified on reh'g*, 97 F.3d 1460 (9th Cir. 1996) ("To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services."). The user of a mark who possesses priority is the "senior user," and can assert trademark rights over "junior users" of the mark or similar marks.

8. 15 U.S.C. §§ 1051-1141n.

9. An "unlicensed" use of a trademark is any use of the mark by an individual or entity not associated with the markowner, and without the consent of the markowner.

good reputation, tarnish that reputation, or simply confuse consumers who rely on the mark in order to identify the origin of the product.

Trademark law establishes a limited property right in a given mark. This grants the markowner a bundle of rights, including the exclusive use of the trademark as a designation of origin for its goods and services. At common law, these rights were limited to the area<sup>10</sup> in which a markowner had acquired "priority" by being the first to use his mark in commerce.<sup>11</sup> The Lanham Act establishes a federal system for registering ownership of a trademark, and gives the owner of a mark nationwide priority as of the time of registration.<sup>12</sup> Federal registration is *prima facie* evidence of ownership of a trademark,<sup>13</sup> and entitles the registrant to protect his right to exclusive use of the trademark through a suit in federal court for infringement or, if the mark is famous, dilution.<sup>14</sup>

An infringement suit protects a markowner against unlicensed uses of its mark or similar marks where a "likelihood of confusion" exists as to whether the infringing goods or services are in fact those of the markowner.<sup>15</sup> An infringement action, in other words,

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10. Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 412 (1916).

11. Great Basin Brewing Co. v. Healdsburg Brewing Co., 44 U.S.P.Q.2d (BNA) 1751, 1753 (D. Nev. 1997) ("Ownership of a trademark is established by *use* of the mark, not by federal registration thereof.").

12. 15 U.S.C. § 1051. It should be noted that the Lanham Act defines a system of *registration* of already-acquired marks, rather than a system of *acquiring ownership*. See Allard Enters. v. Advanced Programming Res., Inc., 146 F.3d 350, 356 (6th Cir. 1998) ("One of the bedrock principles of trademark law is that trademark or 'service mark ownership is not acquired by federal or state registration. Rather, ownership rights flow only from prior appropriation and actual use in the market.'") (quoting Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1105 (6th Cir. 1991)).

13. 15 U.S.C. § 1115. Registration of a trademark is deemed to be *prima facie* evidence that the registrant owns the mark, and is thus entitled to exclusive use of the mark in commerce throughout the United States. *Id.* The scope of exclusivity is no longer limited to the area in which the owner has used the mark in commerce. *Id.*

14. See *id.* §§ 1114, 1125. A famous mark is one that is "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner." *Id.* § 1125(c)(2).

15. See, e.g., Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). *Polaroid* sets out the modern, multifactor test for trademark infringement, usually called "traditional likelihood of confusion" analysis. This test examines eight factors, which are:

[T]he strength of [the prior owner's] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers.

*Id.* While each court of appeals employs its own test for likelihood of confusion, most are at least inspired by *Polaroid*. See, e.g., Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527 (4th Cir. 1984); Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983); AMF, Inc. v.

protects the markowner from competitors who aim to profit from the markowner's reputation by convincing consumers that the infringer's goods are those of the markowner.<sup>16</sup> Hence, there must be actual or potential economic competition between the markowner and the allegedly infringing junior user.<sup>17</sup>

Dilution protects an entirely distinct interest—protecting a markowner from unlicensed use of the mark by a non-competitor that weakens or devalues the mark. Such devaluation can take place in two ways: dilution by “blurring,” where the dilutive use makes the markowner's mark less distinctive, and thereby lessens its power as a designator of origin,<sup>18</sup> and dilution by “tarnishment,” where the dilutive use leads to a tawdry or unpleasant association with the mark.<sup>19</sup> While infringement claims turn on the likelihood of

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Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1331 (7th Cir. 1977).

16. However, infringement claims can also be brought on a theory of “reverse confusion,” where consumers are led to believe that the markowner's goods are in fact those of the infringer. *See, e.g., Banff, Ltd. v. Federated Dep't Stores, Inc.*, 841 F.2d 486, 490 (2d Cir. 1988) (“Reverse confusion is the misimpression that the junior user is the source of the senior user's goods. . . . [C]onsumers may consider [the senior user] the unauthorized infringer, and [the junior user's] use of the mark may in that way injure [the senior user's] reputation and impair its good will.”).

17. *See, e.g., Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1055–56 (9th Cir. 1999) (holding that when goods are strongly related, infringement can exist even when most other factors favor defendant; when there is little or no relation between goods, confusion is unlikely); *see also Polaroid*, 287 F.2d at 495–96 (discussing that the limited degree of competition in the case was enough to establish liability).

18. *Ty, Inc. v. Perryman*, 306 F.3d 509, 511 (7th Cir. 2002). This loss of distinctiveness can result simply from the addition to the market of a second business using the same mark. *Id.* (describing dilution by blurring as the “concern that consumer search costs will rise if a trademark becomes associated with a variety of unrelated products”). Judge Posner goes on to provide an example:

Suppose an upscale restaurant calls itself “Tiffany.” There is little danger that the consuming public will think it's dealing with a branch of the Tiffany jewelry store if it patronizes this restaurant. But when consumers next see the name “Tiffany” they may think about both the restaurant and the jewelry store, and if so the efficacy of the name as an identifier of the store will be diminished. Consumers will have to think harder—incur as it were a higher imagination cost—to recognize the name as the name of the store.

*Id.*

19. *Id.* Judge Posner provides a related example of dilution by tarnishment:

Now suppose that the “restaurant” that adopts the name “Tiffany” is actually a striptease joint. Again, and indeed even more certainly than in the previous case, consumers will not think the striptease joint under common ownership with the jewelry store. But because of the inveterate tendency of the human mind to proceed by association, every time they think of the word “Tiffany” their image of the fancy jewelry store will be tarnished by the association of the word with the strip joint.

consumer confusion, which can arise from the use of a similar unlicensed mark, dilution claims assert that the unlicensed use fundamentally changes how consumers understand the markowner's mark. Hence, the alleged dilutor must use a mark that is nearly identical to that of the markowner, or at least one that is more similar than would be sufficient to support an infringement claim.<sup>20</sup> Further, the right to sue for dilution under the Lanham Act is only provided to the owners of famous marks.<sup>21</sup> Because of these two limitations, there are far fewer instances in which a markowner is entitled to protection against dilution.<sup>22</sup> This counterbalances the far broader reach of dilution claims, which, unlike infringement claims, can prohibit unlicensed uses that are unrelated to the markowner's line of business.<sup>23</sup>

### B. "Speech-Interests" and Trademark Law

Trademark law can give a markowner a property right in a word. This can be troubling if, as in many cases, that word is not arbitrary and fanciful,<sup>24</sup> but is suggestive or descriptive,<sup>25</sup> such that the word is used in other contexts. Further, many trademarks have become part of the English language in common usage today.<sup>26</sup> Most im-

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*Id.*

20. *Perfumbay.com, Inc. v. eBay, Inc.* 506 F.3d 1165, 1180 (9th Cir. 2007) ("The mark used by the alleged dilutor must be identical, or nearly identical, to the protected mark for a dilution claim to succeed.") (quoting *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1011 (9th Cir. 2004)). *But see* *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 108 (2d Cir. 2009) (holding that similarity is a *factor* to be considered in dilution cases, but rejecting any bright-line test). The leading treatise on trademark law contends that the marks must be identical, or at the very least, that it is nigh-impossible to prove dilution by a similar but not identical mark, because the harm caused by dilution results from consumers identifying one mark with two sources, those of the senior user and of the alleged dilutor. *See* 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:117 (4th ed. 2010). However, even if Professor McCarthy's view does not prevail, this Note's contentions are unaffected, since the broader scope of a markowner's rights under dilution law makes it more, rather than less important that the intended exceptions to trademark protection work to effectively protect speech-interests.

21. 15 U.S.C. § 1125(c)(2) (2006); *see supra* note 14 and accompanying text.

22. Whereas all markowners may, by definition, bring a claim for infringement against any unlicensed use of a similar mark. 15 U.S.C. § 1114(1).

23. *See id.* § 1125(c)(1) ("[The senior user may enjoy the] use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, *regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.*" (emphasis added)).

24. For example, "Kodak" is a word created specifically for use as a brand name.

25. Generic terms cannot be trademarked, and any registration of a trademarked term that is or has become generic can be cancelled. 15 U.S.C. § 1064(3).

26. *See generally* Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990).

portantly, however, there are some instances in which a trademarked term is almost essential to communication, such as when referring to the markowner's product when there is no satisfactory substitute for the trademarked term.<sup>27</sup> Trademark law has developed exceptions from the markowner's right to exclude in order to allow others to freely use a trademark in speech, including "fair use" of a trademark, "nominative" fair use of a trademark to refer to the markowner's product,<sup>28</sup> or in traditional forms of protected speech, such as parody.<sup>29</sup> These doctrines, taken together, can be termed "speech-interests": exceptions that protect the ability of individuals to freely use a trademark in discourse, or to express certain ideas or concepts.<sup>30</sup>

The problem, elaborated further in Part II and Part III, is that the protection given to these speech-interests is inconsistent. The Circuit Courts of Appeal employ several different tests for, and definitions of, speech-interests, leaving no uniform, nationwide standard for how speech-interests are to be protected. This means that a given use of a trademark can be held to be protected speech

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27. See, e.g., *Playboy Enters. v. Welles*, 279 F.3d 796, 802 (9th Cir. 2002). For a discussion of this case, see *infra* Part II.

28. Nominative fair use is the unlicensed use of a trademark to refer to the *trademarked product*, such as a music store or fan club using a trademarked band name to identify the band's own products. See *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

29. See, e.g., *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003). Cf. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994) (holding that the First Amendment did not protect a parodist from liability for infringement when the parody created a likelihood of confusion that was not outweighed by the public interest in protecting the parodist's expression, because the use of the mark in a way likely to confuse was not necessary to the parody). Some scholars argue that parody should receive broad First Amendment protection. See Aaron F. Jaroff, Comment, *Big Boi, Barbie, Dr. Seuss, and The King: Expanding the Constitutional Protections for the Satirical Use of Famous Trademarks*, 57 AM. U.L. REV. 641, 680-81. Since a trademark is a property right held by an individual, however, there is a strong argument that the First Amendment does not override this individual right any more than it requires any other property owner to allow another to use his property to speak. See, e.g., *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402 (8th Cir. 1987) ("We believe, however, that the protection afforded by the First Amendment does not give [the defendant] license to infringe the rights of [the plaintiff]. . . . [The plaintiff's] trademarks are a form of property."). The public interest in free expression and in open discourse is, however, properly considered by a court when deciding trademark cases. See, e.g., *Rogers v. Grimaldi*, 875 F.2d 944, 998-99 (2d Cir. 1989) ("Though First Amendment concerns do not insulate titles of artistic works from all Lanham Act claims, such concerns must nonetheless inform our consideration of the scope of the Act as applied to claims involving such titles."). Further, the First Amendment provides more protection for parodists (and others) when trademarked terms are used to signal something other than the identity of the source of a product. See, e.g., *Mattel*, 353 F.3d at 807.

30. Discourse, in this sense, includes some expressive commercial speech such as comparative advertising (often an example of nominative fair use), or a product or good that functions as a parody of a well-known product or good.



in one circuit and infringing in another.<sup>31</sup> More importantly, there are differences between the types of use that are considered to be protected speech-interests under dilution and infringement law, such that a given unlicensed use of a mark<sup>32</sup> can be simultaneously protected from a trademark dilution claim as a speech-interest, and subject to a claim for infringement in the very same case.<sup>33</sup> Finally, even if the same unlicensed use of a mark is protected as a speech-interest in both infringement and dilution cases, there are differences in *how* that protection is asserted that make it much less expensive, more straightforward, and generally more possible for an individual to successfully defend his use of a trademark as a speech-interest in a dilution case than in an infringement case.

This inconsistency undermines the essential purpose of protecting certain uses of a trademark as speech-interests. If the purpose of establishing these exceptions is to ensure that marks can be used communicatively without the markowner's consent,<sup>34</sup> then inconsistent protection frustrates that purpose. A junior user cannot comfortably use a trademark if only one kind of claim is barred to protect speech-interests because the junior user remains open to suit from the senior user for the unprotected claim. The risk may be somewhat reduced, but a mere reduction in risk does not obviate the chilling threat of litigation, a threat that is inconsistent with a policy to permit communicative uses of trademarked terms by junior users.

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31. This is partially the result of a system in which the various courts of appeal do not bind one another. That particular inconsistency is not the focus of this Note, but will be in part remedied as an ancillary benefit of the proposed reform. The other reason for this problem, however, is that some speech-interests, such as nominative fair use, are judicially defined, and so there is no common source of the protection given to a speech-interest that is later interpreted by judges (which, in turn, entails some additional variation in standards).

32. For example, a parody on a T-shirt that uses the mark.

33. See *Toni & Guy (USA), Ltd. v. Nature's Therapy, Inc.*, No. 03-CV-2420 (RMB), 2006 WL 1153354, at \*4, \*12–13 (S.D.N.Y. May 1, 2006).

34. 4 MCCARTHY, *supra* note 20, § 24:126 (“The parody safe harbor [in dilution law] is obviously intended to accommodate the interests of using famous marks in free speech and expression.”). Further, the fact that the statutory protection for parody applies to parodies that are not used as trademarks in their own right demonstrates the intent to narrow the protection for parody to communicative or expressive uses. See 15 U.S.C. § 1125(c)(3) (2006); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007).

## II. COURTS DIFFER IN THEIR INTERPRETATIONS OF THE EXCEPTION FOR NOMINATIVE FAIR USE, LEADING TO INCONSISTENT PROTECTION OF TRADEMARK RIGHTS

Under the law of trademark infringement, nominative fair use is a judicially created exception to a markowner's exclusive rights that protects from liability the unlicensed use of a trademark that describes or refers to the senior user's goods or services.<sup>35</sup> While nominative fair use is conceptually the same when employed as a defense under either dilution or infringement claims, under dilution law the defense is statutory, established by the Trademark Dilution Reform Act of 2005 (TDRA).<sup>36</sup> This alone gives rise to a certain degree of inconsistency, and in light of Congress's intent to protect the ability to use trademarked terms in speech, it makes little sense to define nominative fair use in one way for infringement claims and in a different way for dilution claims, when using a protected speech-interest could expose the user to a lawsuit under each type of claim.

If terms and concepts that are common or essential in modern discourse are registered trademarks,<sup>37</sup> it is important to allow their use in speech, free of the risk of a lawsuit for trademark infringement or dilution.<sup>38</sup> In the case of nominative fair use, this necessity has been best described by the Ninth Circuit:

[T]here is no other way that [the defendant] can identify or describe herself and her services [without using the trademarked terms "Playmate" or "Playmate of the Year"] without venturing into absurd descriptive phrases. To describe herself as the "nude model selected by Mr. Hefner's magazine as its number-one prototypical woman for the year 1981" would be

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35. See *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (establishing the doctrine of nominative fair use); see also 4 MCCARTHY, *supra* note 20, § 23:11 (describing the origin of the nominative fair use doctrine). A claim of nominative fair use is properly thought of as a use of a trademarked term that is not likely to cause confusion when viewed properly, whereas a "classic" fair use is one that is likely to confuse consumers, but should be nonetheless permitted for equitable reasons. *Id.*

36. 15 U.S.C. § 1125(c)(3). The TDRA added one set of statutory defenses (parody, nominative fair use) to two already-existing categories, with the explicit goal of clarifying those defenses. H.R. REP. NO. 109-23, at 4-6 (2005), *reprinted in* 2006 U.S.C.C.A.N. 1091, 1092-95; see also 4 MCCARTHY, *supra* note 20, § 24:123. The TDRA clearly provides that these new statutory defenses apply in dilution cases only. 15 U.S.C. § 1125(c)(3).

37. See 4 MCCARTHY, *supra* note 20, § 24:123; Dreyfuss, *supra* note 26, at 397-98.

38. See *Playboy Enters. v. Welles*, 279 F.3d 796, 802 (9th Cir. 2002) (justifying an exception for defendant's nominative fair use of the plaintiff's mark because "[n]o descriptive substitute exists for [the plaintiff's] trademarks in this context").

impractical as well as ineffectual in identifying Terri Welles to the public.<sup>39</sup>

Protection for those using trademarks in speech against a claim of dilution is of little value absent similar protection against a claim of infringement, especially because as compared to infringement claims, dilution cases are rare (appearing in only one out of four reported trademark cases) and are less likely to succeed.<sup>40</sup> Once Congress has determined the circumstances in which individuals ought to be permitted to use trademarked terms freely, failing to protect such uses from claims of both dilution and infringement would subvert the goal of allowing trademarks to be used in communicative or expressive speech, as such use would still be chilled by the threat of an infringement suit.<sup>41</sup>

Even though the TDRA is relatively recent,<sup>42</sup> the problem of a trademark user being entitled to protection from dilution claims, but having to defend an infringement claim based on the same use is not merely theoretical. Instead, there is at least one case where the markowner's dilution claim was summarily rejected based on the statutory protection for fair use, but its infringement claim was entitled to full judicial review, even though both claims were based on the same unlicensed use of the mark.<sup>43</sup> This case makes the risk of inconsistency plain to see. A statutory defense of fair use, as is available for dilution claims, is relatively straightforward to litigate. Without a statutory defense, a claim of trademark infringement involves a multifactor, fact-based analysis<sup>44</sup> requiring significantly

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39. *Id.* (quoting *Playboy Enters. v. Welles*, 78 F. Supp. 2d 1066, 1079 (S.D. Cal. 1999)).

40. See Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 625–27, 631 (2008). Further, a dilution claim requires a showing that the senior user's mark is famous; hence, a dilution claim is not available for all trademarks (whereas, to make a broad generalization, the opposite is true for a claim of infringement). See 15 U.S.C. §§ 1114, 1125.

41. Jesse A. Hofrichter, Note, *Tool of the Trademark: Brand Criticism and Free Speech Problems with the Trademark Dilution Revision Act of 2006*, 28 CARDOZO L. REV. 1923, 1952–54 (2007) (discussing the risk of chilling effects caused by trademark claims that will survive absent an effective shield for protected speech).

42. The TDRA was enacted in 2006. Pub. L. No. 109-312, 120 Stat. 1730 (2006).

43. *Toni & Guy (USA), Ltd. v. Nature's Therapy, Inc.*, No. 03-CV-2420 (RMB), 2006 WL 1153354, at \*4, \*12–13 (S.D.N.Y. May 1, 2006) (holding that the use of a trademark in comparative advertising was protected from dilution claims as fair use, but was subject to review for potential infringement under the *Polaroid* test). The court in *Toni & Guy* eventually concluded that the use was non-infringing. *Id.* at \*12. See also *Tiffany (NJ), Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463, 496–98, 502–08, 525–26 (S.D.N.Y. 2008) (analyzing the infringement claim as nominative fair use based on court-created doctrines, but summarily rejecting the dilution claim due to statutory exemption).

44. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); see also 4 MCCARTHY, *supra* note 20, § 24:60 (commenting on the Second Circuit test set out in *Polaroid* and historical variations in its application).

more time, effort, and money to litigate.<sup>45</sup> The very risk of having to extensively litigate a case can be enough on its own to discourage the unlicensed use of trademarks in speech, even if such use will ultimately be held non-infringing at trial. Extending the statutory protection for speech-interests to include infringement claims would prevent such dangerous chilling effects.

This chilling effect was one of the principal problems that the TDRA was enacted to prevent.<sup>46</sup> By clarifying the scope of the protection from dilution, Congress intended to help not only speakers, but also markowners, know with more certainty when they could and could not successfully assert their rights.<sup>47</sup> The reasons why Congress reformed these exemptions to dilution law, and enumerated defenses explicitly in the TDRA, are equally applicable as to infringement law. Further, any substantial threat of litigation is inconsistent with the purpose of creating exemptions that protect speech-interests from liability under the Lanham Act. If these protections are to be meaningful, they have to be effective. In order to be effective, they have to be available to parties who may not have the resources or the resolve to pursue major federal litigation in order to assert their right to use a trademark in speech. As will be demonstrated in Part IV, synchronizing the protection given to speech-interests such as nominative fair use will resolve inconsistencies and will further the current policy of permitting such uses. While this Note does not propose the precise level of protection that Congress should establish, the TDRA itself may be assumed to

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45. See Julie Manning Magid, Anthony D. Cox & Dena S. Cox, *Quantifying Brand Image: Empirical Evidence Of Trademark Dilution*, 43 AM. BUS. L.J. 1, 24–25 (2006) (discussing the expense and difficulty of acquiring survey information about consumer understandings of trademarks). Survey information is often necessary to prove elements of the multifactor test for likelihood of confusion, such as the similarity of the two marks, or actual confusion. See, e.g., *Mattel, Inc. v. Azrak-Hamway Int'l, Inc.*, 724 F.2d 357, 361 (2d Cir. 1983) (“[A] usual way to demonstrate either consumer confusion or secondary meaning, in a case where the existence of secondary meaning or consumer confusion is not otherwise obvious, is for the proponent to undertake some form of survey of consumer attitudes under actual market conditions.”).

46. H.R. REP. NO. 109-23, at 6 (2005), *reprinted in* 2006 U.S.C.C.A.N. 1091, 1094 (“[T]hird parties have little guidance regarding what marks they can safely adopt without risk of dilution liability. The lack of clarity in the law and the splits in the various circuits are resulting in forum shopping and unnecessarily costly lawsuits.” (quoting *Hearings on the Trademark Dilution Revision Act of 2005 Before the Subcomm. on Courts, the Internet and Intellectual Property, Comm. on the Judiciary*, 109th Cong. (2005) (statement of Anne Gundelfinger on behalf of the International Trademark Association))). Despite its brevity, the House report specifically discusses the TDRA’s goal of clarifying and simplifying when a trademark is entitled to protection, specifically focusing on the chilling effect and unnecessary cost of litigation. *Id.* at 4–6.

47. *Id.*

represent Congress's current estimation of the appropriate level of protection for speech-interests under trademark law.

A further problem with leaving the protection of fair use in the hands of the judiciary is that the standards for nominative fair use vary between the circuit courts of appeal.<sup>48</sup> Such variation is inconsistent with a system of nationwide trademark protection,<sup>49</sup> under which the uses of a mark that a markowner can enjoin, and the scope of protection given to speech-interests, ought to be the same across the nation.<sup>50</sup> This problem is more acute where the doctrine in question is judicially created, because there is no relevant rule within the statutory framework to structure judicial decision-making. The most significant difference in judicial interpretations of nominative fair use is that between the Ninth Circuit and the Third Circuit.<sup>51</sup> Most other circuit courts apply traditional likelihood of confusion analysis,<sup>52</sup> but the Third and Ninth Circuit each employ their own test to review claims of nominative fair use.

In the Ninth Circuit, the standard multifactor test for likelihood of confusion is not used when the "defense" of nominative fair use is raised; instead, a replacement three-factor test is applied.<sup>53</sup> The

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48. See, e.g., *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (establishing a three-factor test); *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 228 (3d Cir. 2005) (rejecting the Ninth Circuit's test in favor of an alternative three-factor test); *Univ. of Fla. v. KPB, Inc.*, 89 F.3d 773, 777 (11th Cir. 1996) (applying the traditional likelihood of confusion analysis); see also 4 McCARTHY, *supra* note 20, § 23:11 (discussing the various tests for nominative fair use). As already noted, such variation was one justification for the TDRA. See *supra* note 46 and accompanying text.

49. See *S.C. Johnson & Son, Inc. v. Johnson*, 175 F.2d 176, 178 & n.12 (2d Cir. 1949) ("[I]t is no longer open to doubt that the present act created rights uniform throughout the Union."); 1 McCARTHY, *supra* note 20, § 5:4 (discussing the legislative history of the Lanham Act); cf. Baila H. Celedonia & Kieran Doyle, *Statutory and Nominative Fair Use under the Lanham Act*, in *ADVANCED SEMINAR ON TRADEMARK LAW* 103, 110–13, 127 (2007) (discussing the inconsistency of fair use protection across circuits, but also contending that such inconsistency is created by an effort to fairly balance the interests of markowners and speakers).

50. A similar problem that divided the courts of appeal was recently resolved by the Supreme Court's decision that a defense of "classic" fair use can survive a finding that confusion is likely between the markowner's use of the mark and the allegedly infringing use. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 125 (2004) (holding that a defense of fair use does not require a finding that no confusion is likely). The Court's holding supports this Note's contention that there are substantial benefits to a uniform standard for the exceptions to a markowner's rights; such a standard is almost necessary to achieve the Lanham Act's goal of a nationwide system of trademark protection.

51. See *supra* note 48.

52. See 4 McCARTHY, *supra* note 20, § 23:11. (collecting cases and noting that the results of the Ninth Circuit's test are broadly consistent to those courts of appeal which evaluate nominative fair use using traditional likelihood of confusion analysis). Traditional likelihood of confusion analysis is reported to obtain results similar to that of the Ninth Circuit's three-factor test. See *KP Permanent Make-Up*, 543 U.S. at 125.

53. 4 McCARTHY, *supra* note 20, § 24:60; *Playboy Enters. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) ("In cases in which the defendant raises a nominative use defense, the above three-factor test should be applied instead of the test for likelihood of confusion set forth in

Ninth Circuit's test was rejected by the Third Circuit in *Century 21 Real Estate v. Lendingtree*,<sup>54</sup> which chose to apply a modified version of the traditional likelihood of confusion analysis that emphasized four factors.<sup>55</sup>

#### A. The Ninth Circuit's Test for Nominative Fair Use

The Ninth Circuit's test for nominative fair use has three elements:

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>56</sup>

In effect, this test's first element requires that the use of the senior user's mark is essential for communicative purposes, the second element requires that the junior user uses the mark only to the extent that is necessary, and the third element requires that the use is solely nominative. The Ninth Circuit has provided more than one rationale for using an alternative to the traditional likelihood of confusion test. Originally, it held that nominative fair use did not cause consumer confusion and was hence "outside the strictures of trademark law."<sup>57</sup> Recently, however, the justification that has more often been emphasized is that the traditional analysis is likely to be less accurate than the alternative test in the context of nominative fair use.<sup>58</sup>

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*Sleekcraft*. The three-factor test better evaluates the likelihood of confusion in nominative use cases.") (citing *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979)); see also *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

54. 425 F.3d 211 (3d Cir. 2005).

55. *Id.* at 221. The dissent in *Century 21* would follow the majority of circuits in rejecting a specialized test for nominative fair use in favor of the simple application of the traditional test for likelihood of confusion analysis. *Id.* at 233 (Fisher, J., dissenting).

56. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (footnote omitted); see also *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002).

57. See *New Kids on the Block*, 971 F.2d at 308.

58. See *Playboy Enters.*, 279 F.3d at 801; see also *Century 21*, 425 F.3d at 220 & n.1 (discussing the Ninth Circuit's shift). These justifications are not irreconcilable. If one accepts the premise that nominative fair use, when understood properly, cannot create a likelihood of confusion, then the Ninth Circuit is correct that it is beyond the realm of trademark protection. If the test is better understood as attempting to determine whether or not a given use is nominative, then it is also true that the *New Kids on the Block* test is more accurate than the

The Ninth Circuit occasionally describes nominative fair use as an affirmative defense,<sup>59</sup> a position that is unlikely to survive because it is almost impossible to reconcile with the Supreme Court's holding in the context of traditional fair use that the plaintiff must continue to bear the burden of showing that a junior user's use of its mark is likely to cause confusion even when the junior user claims that its usage is protected as fair use.<sup>60</sup> This principle is especially relevant for nominative fair use, where a senior user's mark is used to refer to the *senior user's* product.<sup>61</sup> Because nominative fair use does not involve the use of the senior user's mark to designate the origin of the junior user's product,<sup>62</sup> it is very unlikely to confuse a consumer into believing that the senior user is the maker of the junior user's product.<sup>63</sup>

The Ninth Circuit's test for nominative fair use does not apply the same type of analysis used in the traditional likelihood of confusion test, but as Professor McCarthy notes, its results are broadly consistent with those from courts of appeal that apply the traditional multifactor test in nominative fair use cases.<sup>64</sup> Even so, the distinctions between the two are important. The Ninth Circuit's test does not require analysis of consumer understandings of the

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traditional likelihood of confusion analysis. See 4 MCCARTHY, *supra* note 20, § 23:11 (noting that the Ninth Circuit's test seems to be at least as accurate as the traditional likelihood of confusion test at reaching the "correct" result in cases of nominative fair use). Hence, these two rationales are complementary. If a finding of nominative fair use entitles the user to be exempt from liability (the first rationale), there are good reasons to determine if a given use is nominative fair use as efficiently and accurately as possible. Without the first rationale, there is no reason to require a specialized test that only determines whether or not a given use is nominative fair use.

59. See, e.g., *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 907–09 & n.5 (9th Cir. 2003) (discussing the nominative fair use standard and citing Professor McCarthy's analysis thereof, while holding that the defendant bears the burden of proof to show that his use is not likely to cause confusion when claiming nominative fair use).

60. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 125 (2004); 4 MCCARTHY, *supra* note 20, § 23:11. Although the two doctrines are conceptually different, Professor McCarthy is correct that *KP Permanent Make-Up* almost certainly forecloses treating a claim of nominative fair use as an affirmative defense in which the defendant bears the burden of showing that his use of the senior user's mark is not likely to confuse.

61. See 4 MCCARTHY, *supra* note 20, § 23:11; *New Kids on the Block*, 971 F.2d at 308 & n.7 (explaining the definition of nominative fair use and the limited scope of uses protected under that doctrine).

62. Instead, the use of the senior user's mark is, by definition, a communicative reference to the *senior user's* product.

63. See *Playboy Enters.*, 279 F.3d at 801 ("Thus, application of the *Sleekcraft* [likelihood of confusion] test, which focuses on the *similarity* of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing." (emphasis added)).

64. See 4 MCCARTHY, *supra* note 20, § 23:11. This suggests that a statutory reform which simplifies nominative fair use analysis will not alter the underlying substantive law of "likelihood of confusion" from which the nominative fair use "defense" is derived.

two marks to the same degree that the traditional likelihood of confusion test demands.<sup>65</sup> Hence, the Ninth Circuit's test is simpler to apply, requires less extensive fact-finding to decide, and is likely to be more accurate in reaching the proper result in cases involving nominative fair use of trademarks.<sup>66</sup>

### *B. The Third Circuit's Test for Nominative Fair Use*

The Third Circuit has recently rejected using either of the established tests for nominative fair use in trademark infringement cases: the Ninth Circuit's specialized test and the standard likelihood of confusion analysis used by many other courts.<sup>67</sup> Instead, the Third Circuit established a bifurcated test, in which the plaintiff first must prove the likelihood of consumer confusion through a four-factor test, and then the defendant must show that the use, although found to be confusing, is in fact "fair."<sup>68</sup> The four-factor test was created by identifying and isolating those elements of its ten-factor test for likelihood of confusion that the court considers to be relevant in evaluating a raised defense of nominative fair use.<sup>69</sup> Specifically, the court looks to:

- (1) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase;
- (2) the length of time the defendant has used the mark without evidence of actual confusion;
- (3) the intent of the defendant in adopting the mark; and
- (4) the evidence of actual confusion.<sup>70</sup>

The Third Circuit's justification for its focus on these four factors is that "they analyze the likelihood that a consumer will be confused as to the relationship or affiliation between [the senior and junior

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65. See *Century 21 Real Estate, Corp. v. Lendingtree, Inc.*, 425 F.3d 211 (3d Cir. 2005); *New Kids on the Block*, 971 F.2d at 308; see also *supra* note 48. Traditional likelihood of confusion analysis seeks to determine whether consumers will understand the marks as (correctly) designating different sources, or whether the junior user's use of the mark creates confusion, and thus, this test always requires substantial analysis of how the marks are perceived by consumers.

66. See, e.g., *Playboy Enters.*, 279 F.3d at 801–02; see also 4 MCCARTHY, *supra* note 20.

67. *Century 21*, 425 F.3d at 221.

68. *Id.* at 222–23.

69. *Id.* at 221, 225 (citing *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978)).

70. *Id.* at 225–26 (quoting *Interpace Corp. v. Lapp, Inc.*, 781 F.2d 460, 463 (3d Cir. 1983)).



users], the heart of the nominative fair use situation.”<sup>71</sup> As previously noted, the absence of such confusion is a premise of the Ninth Circuit’s analysis.<sup>72</sup>

The Third Circuit’s bifurcated analysis for nominative fair use significantly diverges from that of other courts.<sup>73</sup> Bifurcation is commonly used to decide “classic” fair use cases, where the court determines if a junior user is entitled to use a mark in certain ways after the initial determination that such use is likely to confuse.<sup>74</sup> Nominative fair use, as explained above, does not cause consumer confusion at all, and so it is not necessary to determine the likelihood of confusion as the threshold issue of a bifurcated test.<sup>75</sup>

The Third Circuit rejects the application of its full test for likelihood of confusion in order to specifically allow for the existence of a “fair use” that is likely to confuse, but ought not to be held to infringe the senior user’s mark.<sup>76</sup> In his dissent in *Century 21*, Judge Fisher persuasively argues that the majority made the same error that it accused the Ninth Circuit of: treating nominative fair use as an affirmative defense to a claim of infringement (and thus shifting the burden of proof to the defendant), rather than as a situation in which no likelihood of confusion should exist.<sup>77</sup>

The justifications offered by the Third Circuit for rejecting likelihood of confusion analysis in cases of nominative fair use are also reasons to use a specialized test such as that applied by the Ninth Circuit.<sup>78</sup> The Third Circuit agreed, and was “tempted” to endorse the Ninth Circuit’s test itself, but instead, “conclude[d] that the test as written suffers from a lack of clarity” as shown by the “contortions” the Ninth Circuit found necessary to make the test

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71. *Id.* at 226.

72. *See, e.g., Playboy Enters. v. Welles*, 279 F.3d 796, 801–02 (9th Cir. 2002) (noting that the role of a specialized test for nominative fair use is to determine if the use is in fact nominative, and rejecting the application of a traditional likelihood of confusion test as prone to producing false positives, since nominative use is *not likely to cause confusion*).

73. *See id.*; 4 MCCARTHY, *supra* note 20, § 23:11.

74. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118–22 (2004).

75. *See Playboy Enters.*, 279 F.3d at 801–02; 4 MCCARTHY, *supra* note 20, § 23:11. *But see Century 21*, 425 F.3d at 225–26 (noting that likelihood of confusion factors were not relevant in the instant case, but could be helpful in future cases analyzing nominative fair use).

76. *Century 21*, 425 F.3d at 222 (citing *KP Permanent Make-Up*, 543 U.S. at 121). *But see id.* at 232–33, 238 (Fisher, J., dissenting) (contending that, in contrast to the majority, nominative fair use should be seen simply as a question of no likely confusion, rather than as a defense to infringement).

77. *Id.* at 237–38.

78. *Id.* at 222 (majority opinion).

functional, and hence modified the Ninth Circuit's test to create its own test for nominative fair use.<sup>79</sup>

The principal issue that the Third Circuit sought to address with its test for nominative fair use, outside the scope of the Ninth Circuit's test, is the aforementioned situation in which a use is found to be likely to confuse but still protected as nominative fair use.<sup>80</sup> This change is not a mere modification of the Ninth Circuit's analysis, but an outright rejection of the principle behind the Ninth Circuit's test. At its base, the Ninth Circuit considers nominative fair use to be unlikely to cause confusion because the junior user's use of the trademark unambiguously refers to the senior user's product. Hence a reasonable consumer would not believe that the junior user's use of the mark suggested or implied that the senior user was actually the source of the junior user's goods.<sup>81</sup> The majority of the case law in other circuit courts is consistent with the Ninth Circuit's definition of nominative fair use, although the courts outside the Third Circuit and Ninth Circuit arrive at these similar results by applying the traditional likelihood of confusion test.<sup>82</sup>

### C. Conclusions

While each of the Ninth Circuit, Third Circuit, and traditional likelihood of confusion tests appears to be sensible and effective at identifying nominative fair use, there is little to justify the use of three conceptually different tests in a system based on nationwide protection for trademarks.<sup>83</sup> A system of nationwide protection is best served by a consistent process for determining whether a junior user's use of a trademark is protected as nominative fair use. The most immediate problem for a potential party in a trademark

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79. *Id.* at 228. As explained below, The Third Circuit's analysis is more than a mere "modification" of the Ninth Circuit's test: it is based on a fundamentally different premise.

80. *Id.* at 222 (citing *KP Permanent Make-Up*, 543 U.S. at 121). *But see id.* at 232–33, 238 (Fisher, J., dissenting).

81. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 & n.7 (9th Cir. 1992); *see also Playboy Enters. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) ("Thus, application of the *Sleekcraft* test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing.").

82. *See* 4 MCCARTHY, *supra* note 20, § 23:11 (collecting cases and evaluating outcomes). The traditional likelihood of confusion test simply does not provide for a situation in which a use is confusing, but permitted: the gravamen of the analysis is simply whether or not confusion is likely.

83. *See supra* note 49; *S.C. Johnson & Son, Inc. v. Johnson*, 175 F.2d 176, 178 & n.12 (2d Cir. 1949).

lawsuit is that the three tests seem on their face to be of varying complexity, and likely to cause differences among circuits in the costs and difficulties that a junior user faces in defending a trademark infringement claim on the principle of nominative fair use. A statutory provision establishing a singular doctrine for nominative fair use would help to resolve such issues and uncertainties.

Further, if courts adopt the Ninth Circuit's definition of nominative fair use,<sup>84</sup> then they should also adopt its conclusion that specialized and simplified analysis is appropriate, as the principal question to be resolved is whether or not the use is, in fact, nominative. A specialized test is beneficial because it is simpler and less expensive to utilize, which minimizes the risk of chilling speech in cases where the use of a trademark is permitted as nominative fair use, but where the speaker does not have the resources or the resolve to pursue complex federal litigation to assert that right.

### III. COURTS DIFFER IN THEIR INTERPRETATIONS OF PARODY, LEADING TO INCONSISTENT PROTECTION OF TRADEMARK RIGHTS AND THREATENING THE CONSISTENT NATIONWIDE PROTECTION OF TRADEMARKS

One of the basic premises of this Note's argument is that if federal trademark law is to grant consistent nationwide protection, as the Lanham Act intends, a given *unlicensed use* of a mark must be consistently protected or unprotected as a speech-interest in every circuit, and in every type of trademark claim. This is, in part, simply a definitional argument: once trademark law has established an exemption to permit a specific unlicensed use of a mark as a speech-interest,<sup>85</sup> that use is effectively permitted only if the exemption is uniformly defined in every type of claim, and the system of trademark protection is nationwide only if that definition is uniformly applied in every federal court. In other words, the Lanham Act provides consistent nationwide protection to registered marks only when its grant of rights to markowners, *and the exceptions thereto*, are consistently defined and applied. Further, this premise

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84. *New Kids on the Block*, 971 F.2d at 308 & n.7; see also *Audi AG v. Shokan Coachworks, Inc.*, 592 F. Supp. 2d 246, 269–70 (N.D.N.Y. 2008) (analyzing district court cases from within the Second Circuit and concluding that when those courts discussed a nominative fair use defense, they uniformly applied the *New Kids on the Block* framework); *Liquid Glass Enters., Inc. v. Dr. Ing. h.c.F. Porsche AG*, 8 F. Supp. 2d 398, 402 (D.N.J. 1998) (applying *New Kids on the Block*); 4 MCCARTHY, *supra* note 20, § 23:11 (concluding that this definition is both the most widely accepted and the most correct from a scholarly viewpoint).

85. Again, the positivist determination of *which* speech-interests ought to outweigh the property rights of a markowner is not an issue that this Note attempts to answer.

embodies the concept that the difficult policy determination is *which* third-party uses of a trademark should not be actionable. Once that determination is made, it is an effective policy only when trademark law consistently either permits or precludes liability for a specific use in every suit and every court. Finally, this principle is fundamental to the concept of a speech-interest. The rationale behind protecting the unlicensed use of trademarks for speech-interests is that there is social value in allowing the communicative use of trademarks.<sup>86</sup> The very purpose of the exemption is to allow the *use* of the mark, and this purpose is frustrated unless the exemption is legally structured to effectively permit such use.

Parody is the use of a trademark to comment on or criticize the markowner.<sup>87</sup> This creates an inherent conflict between the policy of protecting the rights of the markowner and the right of free expression and the interests of the individual parodying the markowner. As the Second Circuit has stated, “the keystone of parody is imitation. . . . A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody.”<sup>88</sup> This conflict shows how delicate a balance exists between the right of the markowner to assert his property right and the right of the parodist to comment on the markowner. Because these rights are in direct conflict, a lack of clarity injures both the parodist and markowner, and thus, consistent statutory protection for parody is essential for either party to understand and enforce its rights. Once the uses of a trademark that should be protected as parodies have been enumerated, they should be protected. That is the purpose of this Note’s proposal: to establish an effective and consistently applied statutory exemption from trademark liability for parody.

Parody is another useful example of a speech-interest in need of reform, and is particularly relevant since courts have clearly acknowledged that certain types of parody are clearly established as worthy of protection as a speech-interest, as the purpose of the exemption for parody is to empower individuals to *use* trademarks

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86. See generally Dreyfuss, *supra* note 26, at 418–19; 4 MCCARTHY, *supra* note 20, § 24:126.

87. In the context of trademark law a “parody” is generally entitled to protection as a speech-interest only when the parody is targeted at or relates to the markowner. See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901–02 (9th Cir. 2002) (holding that the public’s interest in permitting a parodist’s expressive use of Mattel’s “Barbie” trademark was stronger, and entitled to more weight, when the parody was commenting on the original mark or the markowner); *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 813–14 (2d Cir. 1999).

88. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989).

without the consent of the markowner.<sup>89</sup> Hence, it is odd that it is protected inconsistently, and that as a result, a parodist is uncertain as to whether or not he will be liable for trademark infringement, even in instances where he is immune from claims of trademark dilution.

*A. The Theory of Why Parody Is Not Actionable Is Inconsistent  
as Between Dilution and Infringement*

The fundamental reason why parody is not actionable under trademark law differs as between infringement and dilution claims. This inconsistency leads to the same two problems identified regarding nominative fair use: there are differences in how parody is protected in dilution and infringement cases, and there are differences in the way that courts define parody. Such inconsistency threatens the nationwide scope of trademark protection, where the same uses ought to be consistently held, in any court, to be either protected parody or not, and threatens the public's ability to use trademarks in certain ways without the consent of the markowner.

In the context of parody, the TDRA establishes a bright-line exemption<sup>90</sup> that prohibits dilution claims regarding "any fair use," including use in "identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner."<sup>91</sup> As long as a trademark is used as parody by a third party, he need not fear a suit for dilution. If any suit arises, the focus is on his use of the mark, and whether that is or is not parodic, which can be resolved relatively quickly and inexpensively.

In infringement cases, the protection given to expressive uses of trademarks, including parody, is judicially created. This is very different from the statutory exemption for parody in dilution cases.<sup>92</sup>

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89. See, e.g., *id.* at 493 ("We have stated the 'general proposition' that 'parody and satire are deserving of substantial freedom—both as entertainment and as a form of social and literary criticism.'" (quoting *Berlin v. E.C. Publ'ns, Inc.*, 329 F.2d 541, 545 (2d Cir. 1964))); *MCA Records*, 296 F.3d at 900 ("[T]he trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function."); *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 775–77 (8th Cir. 1994) (holding that parody is not entitled to absolute protection while also noting that the rights of markowners must be evaluated in light of the public interest in free expression); 4 McCARTHY, *supra* note 20, § 24:126.

90. 15 U.S.C. § 1125(c)(3) (2006) ("The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection . . .").

91. *Id.* § 1125(c)(3)(A)(ii).

92. *Id.* § 1125(c)(3). It should be noted that the statutory protection for parody in dilution cases applies only if the parody is not itself being used as a trademark (i.e., that it is

Further, as in nominative fair use, in infringement cases the doctrine is, at its base, not that parody is *protected* speech, but that, if understood correctly, *parodic speech is not likely to cause confusion*.<sup>93</sup> In other words, the “exemption” from infringement liability is in fact simply an inability to state a claim due to a lack of likely confusion, rather than a true exemption for parody.<sup>94</sup> Conversely, in dilution cases, parody is protected because it is parody, regardless of whether it in fact causes dilution.<sup>95</sup> As will be discussed below, some circuit courts of appeal do employ a separate test for parody, but this is understood as merely an analogue of traditional likelihood of confusion analysis, not as an independent test.

This is inherently inconsistent with the wider protection given in dilution cases, where a parodic use of a trademark *may well* dilute, but an action is nonetheless barred. Further, as discussed in Part II *supra*, the likelihood of confusion test usually requires complex factual findings and extensive litigation—something far beyond the means of the average individual. Again, the most substantial problem with this inconsistency is that it undermines the reason to protect parody: preserving the ability of third parties to *use* existing trademarks to parody their owners. Partial or inconsistent protection does not, in actuality, freely permit such use, and hence frustrates the purpose of the exemption.

### *B. The Commercial/Noncommercial Distinction in Infringement Is Absent in Dilution*

Another strange inconsistency between the protection given to parody in dilution and infringement cases is that between commercial and noncommercial parody.<sup>96</sup> In dilution, there is no

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being used to communicate, rather than to identify a product’s origin); this is not the same as the distinction between commercial and noncommercial use.

93. *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) (noting that parody is not a separate “defense” to infringement claims, but is “merely a way of phrasing the traditional response that customers are not likely to be confused as to the source”); *Mutual of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 910 (D. Neb. 1986), *aff’d*, 836 F.2d 397 (8th Cir. 1987); 4 MCCARTHY, *supra* note 20, § 31:153.

94. And, in fact, there are a number of cases in which a use of a trademark that would appear to any reasonable person to be a parody was held infringing. *See, e.g.*, *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001) (finding that the defendant infringed the plaintiff’s mark by operating a parody website).

95. 15 U.S.C. § 1125(c)(3).

96. A noncommercial parody can be understood as one that is in an editorial context, rather than marketed as a product. *See Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402 (8th Cir. 1987) (“The injunction our decision upholds prohibits [the defendant’s] conduct only insofar as [he] uses Mutual’s marks as logos or to market, advertise, or identify his services or products.” (internal quotation marks and brackets omitted)).

distinction between the two; in infringement, many circuits find the question determinative.<sup>97</sup> Hence, a commercial parody will be protected from any dilution liability by the TDRA, but can still be found infringing (whereas a noncommercial editorial parody would likely be held to be non-infringing expressive usage).<sup>98</sup> This inconsistency undermines the very purpose of creating an exemption for speech-interests, as it creates a situation in which a specific unlicensed parody, protected from dilution claims, is at the same time subject to infringement claims. From the point of view of the parodist, this is no protection at all.

The TDRA enumerates an independent exemption from dilution liability for any noncommercial use of a mark.<sup>99</sup> Under the canon of construction that all statutory language should be given effect, the exemption for parody cannot apply solely to noncommercial parodies, as that would be merely duplicative of the protection already provided for all noncommercial uses. The legislative history reinforces this conclusion: the previous version of the statute did not specify a parody exception, and courts identified some protection for parody under the previously existing exemption for noncommercial use.<sup>100</sup> Under the TDRA, parody is an independent exemption from liability, regardless of whether the parody is commercial or noncommercial, as long as the parody is not *itself* being used as a designator of origin.<sup>101</sup>

In infringement cases, on the other hand, commercial and non-commercial parodies receive very distinct treatment.<sup>102</sup> Specifically, courts are much more willing to protect noncommercial parodies

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97. See, e.g., *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 495 (2d Cir. 1989) ("At the same time, a balancing approach allows greater latitude for works such as parodies, in which expression, and not commercial exploitation of another's trademark, is the primary intent, and in which there is a need to evoke the original work being parodied.").

98. Cf. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007) ("We begin by noting that parody is not automatically a complete *defense* to a claim of dilution by blurring where the defendant uses the parody as its own designation of source, i.e., as a trademark.").

99. 15 U.S.C. § 1125(c)(3)(C).

100. *Id.* § 1125; see also *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 904–07 (9th Cir. 2002) (holding parody contained in a song was protected from dilution claim as noncommercial expressive use notwithstanding the fact that the song was, in fact, marketed on an album).

101. 15 U.S.C. § 1125(c)(3); see also *Haute Diggity Dog*, 507 F.3d at 266–67 (holding defendant was not entitled to statutory protection because the parody was itself being used as a mark).

102. See *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.* 886 F.2d 490, 495 (2d Cir. 1989) ("[A] balancing approach allows greater latitude for works such as parodies, in which expression, and not commercial exploitation of another's trademark, is the primary intent, and in which there is a need to evoke the original work being parodied." (emphasis added)).

as fair use than they are for commercial parodies.<sup>103</sup> Even so, courts qualify the principle that “a parody contained in an obvious editorial context is less likely to confuse” by noting that even noncommercial parodies are actionable for infringement if they are likely to confuse.<sup>104</sup> This creates a massive gap between the protection given to commercial parodies in infringement and dilution cases.

In part, this is simply a result of the test for parody in infringement cases being the likelihood of confusion analysis rather than a statutory exemption. A commercial parody that is marketed may well confuse customers regarding the origin of the product, whereas a noncommercial parody is unlikely to cause consumer confusion, since it does not use the parodied mark as a source-designator.<sup>105</sup> Such an explanation, however, does not justify the distinction. A more legitimate justification might be that this distinction is simply a way of narrowing the types of “parody” to be protected from trademark claims. That is, of course, a potentially legitimate view. However, if that is the source of the inconsistency, then plaintiffs should feel aggrieved, as the TDRA bars them from bringing dilution claims against commercial parodies that are not speech-interests otherwise deserving of an exemption from trademark liability. Under this explanation, the inconsistency still is problematic, and still requires correction.

*C. In Infringement Cases, Courts Balance Free Speech Concerns Against Confusion, but Make No Such Distinction in Dilution Cases*

Another distinction between the protection given to infringement and dilution claims is that, in several circuits, when evaluating a defense of parody in an infringement case, courts balance the likelihood of confusion against the public’s interest in

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103. See, e.g., *Mutual of Omaha. Ins. Co. v. Novak*, 836 F.2d 897 (8th Cir. 1987) (enjoining the defendant “only insofar as [he] uses Mutual’s marks as logos or to market, advertise, or identify [his] services or products,” especially given that the injunction “in no way infringes upon the constitutional protection the First Amendment would provide were [the defendant] to present an editorial parody in a book, magazine, or film” (internal quotation marks and alterations omitted)); *Anheuser-Busch v. Balducci Publ’ns*, 28 F.3d 769, 776 (8th Cir. 1994).

104. *Anheuser-Busch*, 28 F.3d at 776.

105. See, e.g., *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 725 F. Supp. 1314, 1324 (S.D.N.Y. 1989) (“[D]efendant’s product [infringed plaintiff’s trademark because it] is not a sufficiently strong parody to destroy the potential for consumer confusion. Defendant’s product . . . is not so outlandish as to distinguish itself from plaintiff’s [product].”).



free expression.<sup>106</sup> As one court explained, a parody should be enjoined as infringing “[o]nly where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”<sup>107</sup> However, in dilution cases, the exemption for parody does not require any such test.<sup>108</sup> This distinction will in and of itself lead to inconsistent protection of parody between infringement and dilution. This, as has been argued above, is deeply problematic.

This balancing test is also at odds with the well-established (albeit troubling) principle in infringement cases that parody is not actionable because parodic usage is not likely to confuse consumers.<sup>109</sup> It is hard to balance the risk of confusion regarding a parody if parody is understood as unlikely to confuse. Such balancing embodies a concept of parodic “fair use.”<sup>110</sup> If parody is actually protected as fair use (rather than as merely unlikely to confuse or dilute) under both infringement and dilution law, then there is little justification for the divergence in the scope of those exemptions as they cannot be said to have separate origins.

Further, any of the above justifications for a narrower scope of protection for parody in infringement (as compared to dilution) rely on the assumption that the infringement test accurately matches the policy determination of which parodies are entitled to protection.<sup>111</sup> This assumption is necessary for these potential justifications because the current test for “protected” parody in infringement cases does not apply to many of the parodic trademark uses protected against dilution. As this Note has already contended, the fundamental purpose of protecting speech-

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106. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007) (“The finding of a successful parody only influences the way in which the [likelihood of confusion] factors are applied.”); *Cliffs Notes*, 886 F.2d at 494.

107. *Cliffs Notes*, 886 F.2d at 494 (quoting *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)).

108. 15 U.S.C. § 1125(c)(3) (2006); see *Louis Vuitton*, 507 F.3d 252, 266–67 (applying the standard for dilution).

109. See *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) (noting that parody is not a separate “defense” to infringement claims, but is “merely a way of phrasing the traditional response that customers are not likely to be confused as to the source”).

110. That is, usage that is otherwise infringing, but is deemed not actionable *because* it is a parody.

111. There are good reasons to disagree with this assumption. Many responses to the creation of the dilution cause of action expressed the opposite view, fearing that there was *insufficient* protection for parody in the context of dilution claims. See, e.g., Natalie A. Dopson, Note, *The Federal Trademark Act and Its Effect on Parody: No Laughing Matter*, 5 J. INTELL. PROP. L. 539, 570–71 (1998). Presumably, such fears led to the enactment of the TDRA. Hence, it is much more reasonable to conclude that the TDRA reflects the scope of parodic uses that are intended to be protected against trademark claims, and that it is infringement law that has lagged behind.

interests by limiting a markowner's power to enjoin is so that the trademark can be used communicatively. This is simply not possible with any degree of confidence if the communicative use can still create liability for infringement. Hence, if the TDRA represents the scope of parodic uses that Congress seeks to protect, the infringement test is fatally flawed in a way that this Note's proposal can remedy effectively.

#### IV. PROPOSED REFORM

This Note proposes a simple and straightforward reform: the statutory text of 15 U.S.C. § 1125(C)(3)<sup>112</sup> should be amended to apply to infringement claims in addition to dilution claims.<sup>113</sup> This will, in one stroke, resolve the two principal issues identified in Parts II and III, as the plain meaning of this amendment would harmonize the protection provided for speech-interests under infringement and dilution law. This reform will also lead to greater uniformity among the courts of appeal in their definitions of protected speech-interests, as much of the divergence discussed above results from different interpretations of the policy purpose and rationale of the protections provided for speech-interests.<sup>114</sup> Remedying these issues will further the purpose of the Lanham Act: to create a uniform system of federal trademark protection, while also vitiating the objective of protecting speech-interests by ensuring that the uses determined to be speech-interests are protected from all types of trademark claims in all federal courts.

The strongest potential criticism of this proposal is that the distinctions that this Note objects to are intentional, and that the broader applicability of dilution law justifies broader fair use exceptions than those provided by the law of infringement. This is a legitimate argument, but one that is undercut by the facial similarity of the nominative fair use and parody doctrines in infringement and dilution; there is much to support the contention that

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112. Section 1125(c) currently reads: "The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection . . ." 15 U.S.C. § 1125(c)(3).

113. As stated in Part I, *supra*, this Note does not seek to propose what the substantive protection given to speech-interests ought to be, merely that it ought to apply equally to all forms of federal trademark claims. However, the TDRA has the advantage of representing a recent consensus among legislators as to the answer to that question, and so it will likely be uncontroversial to codify that the same protection should apply in infringement claims.

114. It is remarkable to note that the original enactment of the Lanham Act was supported by a justification similar to the one offered by this Note's proposed reform—that a statutory framework would lead to uniformity among the courts, and would ensure consistent protection of trademark rights. *See* S. REP. NO. 1333, at 1276–77 (1946).

inconsistencies between the doctrines are unintentional.<sup>115</sup> Such arguments are further undermined by the manner in which the two doctrines are inconsistent: as described above, the most substantial difference between the doctrines is not the outcome, but the procedural manner in which the defenses are evaluated in an infringement case (through the full likelihood of confusion analysis) as opposed to a dilution case (through a simple determination of whether the statutory exemption applies). Thus, this criticism seems far less compelling, in that the wider applicability of the fair use defense in dilution cases is the result of the procedural ease of asserting the defense, rather than of any difference in the actual substantive scope of the defenses.

Further, even if the exemptions from liability given to speech-interests are broader under dilution law, that additional breadth is designed to ensure that *the ranges of exempt uses match*, because no showing of confusion is necessary to support a dilution claim.<sup>116</sup> Hence, even if the current scope of protection given to speech-interests is intentionally divergent, this difference seems designed in part to achieve the same result that this Note proposes: ensuring that a given use of a trademark will be either protected or not protected consistently under both infringement and dilution law. If this is correct, then this Note's reform is still justified, as it ensures that the legislative intent of consistent protection would be given actual effect. This Note's reform does not seek to expand or contract the scope of protected uses, except inasmuch as that scope is currently inconsistent across the various forms of trademark claims, and therefore, some degree of expansion or contraction would be necessary to harmonize the level of protection as between infringement and dilution.

Many other articles proposing reform of the Lanham Act's protection for speech look to constitutional analogies or arguments, or focus on the level of protection given for speech,<sup>117</sup> or address the *substantive* level of protection given to a speech-interest. This Note does neither; it simply addresses inconsistencies in the cur-

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115. See *supra* note 46; *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 307-08 (9th Cir. 1992).

116. See 4 MCCARTHY, *supra* note 20, § 24:126. Professor McCarthy notes that the statutory exemption for parody in dilution cases is necessary because no showing of likely confusion is necessary; implicitly, this is important only if the goal is to attempt to duplicate the scope of the analogous exemption provided under infringement law (defined by uses). *Id.*

117. See, e.g., Pratheepan Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 WASH. L. REV. 887 (2005); Kelly L. Baxter, Comment, *Trademark Parody: How to Balance the Lanham Act with the First Amendment*, 44 SANTA CLARA L. REV. 1179 (2004).

rent scheme of protecting speech-interests, and suggests how trademark law ought to recognize such protection. This issue is separate and distinct from the question of which unlicensed uses of a trademark ought to be permitted without any consent from or compensation to the markowner.

If the reader accepts the premise that inconsistencies in the scope of protection given to speech-interests by trademark law are a problem, it is difficult to conceive of a viable criticism to this Note's proposed reform. Inconsistencies in the scope of protection directly threaten the purpose for which speech-interests are exempted from liability: to permit certain types of unlicensed use of a trademark. Another possible criticism is based in simple conservatism, arguing that the system works well as it is, especially when there are few reported cases in which the problem that this Note identifies has caused actual harm. However, the absence of such cases is misleading, as the principal harm that this problem causes is the chilling effect discussed above: those wishing to use a trademark in speech may choose not to do so because of the threat of litigation. Thus, the inconsistent protection for speech-interests harms potential speech-users without the filing of a single case. The real damage is that the law does not effectuate the policy goal that it was drafted for: to permit the free use of trademarked terms in speech. That remains true even if trademark law currently works well—because it does not work as Congress appears to have intended when drafting the exemptions for speech-interests in the Trademark Dilution Reform Act.

This Note proposes a straight-forward statutory reform that will create a common source for the exemptions to infringement and dilution liability established to protect speech-interests, directly resolving these unintended inconsistencies. There may be useful refinements of this basic premise, or the TDRA may first be amended to adjust the substantive *scope* of protection provided for speech-interests. In either case, however, the reform advocated in this Note is fundamental to such further steps.

Further, this Note contends that speech-interests are best protected by specialized tests (as employed by several circuits)<sup>118</sup> instead of being treated as one possible outcome of the full multi-factor test for infringement.<sup>119</sup> Again, it frustrates the basic purpose of protecting speech-interests to make them so expensive to assert that only those expecting to receive great commercial value from

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118. See *supra* notes 48 (discussing the three basic tests for nominative fair use), 58 (discussing the merits of a specialized test for nominative fair use).

119. See, e.g., *supra* note 52 (discussing the application of the traditional test).

using another's mark could do so. The chilling effect of a full-blown federal lawsuit is immense. Conversely, a safe harbor for fair use is commonly understood to be an admirable solution to issues of protecting the public's interest in free expression, since the markowner usually has far greater resources to litigate trademark claims than the individual speaker.<sup>120</sup> Hence, if the goal of protecting speech-interests from trademark claims is to allow communicative use of trademarked terms, that goal will be most effectively fulfilled by having the exemptions take the form of a statutory safe-harbor. This is precisely how the TDRA was drafted, and it should be extended to apply to infringement claims as well.<sup>121</sup>

This safe harbor would be reinforced immensely by the logical second step of enacting a statutory definition of each enumerated exemption, such as nominative fair use and parody.<sup>122</sup> This would make courts' analysis more uniform by providing a shared foundation, and would make it easier for Congress to specify the exact limitations of the markowner's right to exclude.<sup>123</sup> This would be a valuable extension of the reform proposed in this Note, as it would help remedy the problematic differences in the very definitions of such fundamental doctrines as between different courts of appeal. Further, such definitions would help give effect to the legislative determination of what uses of a trademark ought to be protected as speech-interests. This Note advocates that the correct perspective regarding speech-interests in trademark law is to first make the policy determination of when speech-interests should be protected, and then to create statutory exemptions that provide a means of consistently enforcing that determination. Hence, this additional

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120. As discussed in note 46, *supra*, these concerns were central to Congress's intent in enacting the TDRA—to create a scheme of protecting speech-interests under which defenses of fair use are straightforward and inexpensive to resolve. See also William F. Patry & Richard A. Posner, *Fair Use and Statutory Reform in the Wake of Eldred*, 92 CAL. L. REV. 1639, 1658 (2006) (discussing the disparity of resources and advocating for a safe harbor type reform). A safe harbor can be established or rebutted with very simple analysis, amenable to resolution on summary judgment, rather than the fact-intensive and inference-heavy analysis required by the traditional likelihood of confusion test.

121. Simplifying the doctrines of fair use to make them easier to assert and to reduce the risk of chilling effects is a common proposal for reform. See, e.g., William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49 (2008). However, this Note is the first to propose simply adopting the standard established by the TDRA.

122. This second step is not essential to the primary reform that this Note advocates, but it would help achieve its objectives. Creating such a statutory definition, however, is in part a policy determination of the scope of the exemption, and thus is beyond the scope of this Note's principal argument.

123. Determining the scope of the rights given to markowners, *including the exceptions thereto*, is a policy judgment that should be made by Congress. Such a policy determination involves balancing the interests of markowners and the public interest in free expression.

reform would be consistent with the approach advocated in this Note.

### CONCLUSION

There are good reasons to believe that the protections provided for speech-interests have the same origin and objectives under both infringement and dilution law. Their shared purpose is to permit the free use of trademarked terms in discourse. However, the scope of protection given to speech-interests is inconsistent as between infringement and dilution cases, and a speech-user facing both types of claims must assert his right to such protection in very different ways. These inconsistencies frustrate the very purpose of the protections provided for speech-interests<sup>124</sup>—because they will not eliminate the chilling threat of liability for infringement. The recently enacted TDRA best embodies the current understanding of the appropriate level of protection for speech-interests in trademark law.<sup>125</sup> The Lanham Act ought to be amended to make infringement law conform to the TDRA's exemptions from liability for speech-interests, so that the purpose of the statutory protection for speech-interests can actually be fulfilled.

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124. *See supra* note 46.

125. Even if this is not true, it does not undercut the fundamental reform advocated—it simply changes which substantive standard should be used in the statute that creates a unified origin for the protection given to speech-interests.