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## Fun & Profit: When Commercial Parodies Constitute Copyright or Trademark Infringement

*"[E]verything is funny as long as it is happening to somebody Else, but when it happens to you, why it seems to lose some of its Humor . . . ."*

In copyright or trademark infringement cases, the defendant may argue that his work is a parody,<sup>2</sup> and therefore, not an infringement on the copyright or trademark holder's rights.<sup>3</sup> In theory, a parody should not present an infringement problem. It should "conjure up" the original, yet be distinct, so that it does not infringe on the rights of a copyright or trademark owner.<sup>4</sup> In practice, however, parodies can infringe on another's rights, and the infringement often results from the commercial nature of the parody.<sup>5</sup>

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1. *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (quoting WILL ROGERS, *THE WRITINGS OF WILL ROGERS* 75 (1974)). The court noted that the general public may find a parody of a trademark humorous, but the owner of the mark will undoubtedly take offense and argue that the parody is an infringement. *Id.* The same holds true in copyright cases, where copyright holders seldom grant permission to use their work in a parody. See *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986) (protecting a parody even where the plaintiff had previously denied permission to use his song in a parody).

2. Parody is the use of subtle humor to comment on another's work. Note, *The Parody Defense to Copyright Infringement: Productive Fair Use After Betamax*, 97 HARV. L. REV. 1395, 1395 (1984) [hereinafter *Betamax*].

3. See, e.g., *Fisher*, 794 F.2d at 434 (defendant argued that his song did not violate the plaintiff's copyright interests because it was a parody); *Schieffelin & Co. v. Jack Co. of Boca*, 725 F. Supp. 1314, 1322 (S.D.N.Y. 1989) (defendants argued that their product did not violate the trademark law because it was a parody).

4. Inevitably, there will be conflict between the interests of the copyright or trademark owner and the expressive interests of the parodist, because "the keystone of parody is imitation." *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 494 (2d Cir. 1989) (holding that "Spy Notes" was not an infringement on "Cliffs Notes" because the parody was sufficiently distinct). The court allowed for some use of the original to achieve the parody. *Id.* "It is hard to imagine, for example, a successful parody of Time magazine that did not reproduce Time's trademarked red border." *Id.*

5. See *Rogers v. Koons*, 960 F.2d 301, 308-11 (2d Cir.) (finding copyright infringement where the defendant copied the plaintiff's photograph for "commercial exploitation"), *cert. denied*, 113 S. Ct. 365 (1992); *Acuff-Rose Music, Inc. v. Campbell*, 972

While parody may form the basis of a defense to both copyright and trademark infringement, the analysis of the defense differs.<sup>6</sup> Under copyright law, parody is a form of "fair use," a statutory defense.<sup>7</sup> Under trademark law, parody is only one factor in determining whether a "likelihood of confusion" exists.<sup>8</sup>

Despite the different approaches, both copyright and trademark law place great emphasis on commercial factors.<sup>9</sup> In a fair use analysis under copyright law, the first of four statutory factors examines the purpose and character of the use. This factor considers whether the use is for commercial gain or for nonprofit educational purposes.<sup>10</sup> Under trade-

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F.2d 1429, 1439 (6th Cir. 1992) (finding copyright infringement when the defendant's commercial use of a copyrighted song had a negative impact on the economic value of the original), *cert. granted*, 113 S. Ct. 1642 (1993); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1400-01 (9th Cir. 1992) (finding trademark infringement where the commercial use of a celebrity's persona would present a likelihood of confusion), *cert. denied*, 113 S. Ct. 2443 (1993); *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*, 776 F. Supp. 1454, 1463 (W.D. Wash. 1991) (finding trademark infringement where defendant copied the plaintiff's trademark for commercial purposes); *DC Comics Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 119 (N.D. Ga. 1984) (finding copyright and trademark infringement where the defendant's characters "Super Stud" and "Wonder Wench" were in commercial competition with plaintiff's characters "Superman" and "Wonder Woman").

6. If copyright infringement is alleged, the court will analyze the use under § 107 of the Copyright Act. 17 U.S.C. § 107 (1982). If trademark infringement is alleged, the court will ask whether a "likelihood of confusion" exists. *Mutual of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 909-910 (D. Neb. 1986), *aff'd*, 836 F.2d 397 (8th Cir. 1987), *cert. denied*, 488 U.S. 933 (1988).

7. 17 U.S.C. § 107 (1982). *See, e.g.*, *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 446 (N.D. Ill. 1991) (holding that a parody of a television commercial was a fair use).

8. *Mutual of Omaha Ins. Co.*, 648 F. Supp. at 910 (applying the "likelihood of confusion" test to determine whether a trademark infringement exists).

9. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984) (declaring every commercial use of copyrighted material presumptively an unfair exploitation of the copyright holder's interest); *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986) (stating that the economic factors in a fair use analysis are the most important); *White*, 971 F.2d at 1401 (stating that parody is not a defense to trademark infringement where there is a commercial use); *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 899-90 (N.D. Ill. 1992) (holding that the commercial use of a mark strikingly similar to the plaintiff's mark was an infringement).

10. 17 U.S.C. § 107 (1982). The fourth statutory factor also relates to the issue of commercial use. It considers "the effect of the use upon the potential market for or value of the copyrighted work." *Id.* In *Sony*, the Court held that a commercial use of a copyrighted work was presumptively unfair. *Sony Corp. of Am.*, 464 U.S. at 451. The fourth factor relates closely to the first factor, because the defendant may rebut the presumption that a commercial use is an unfair exploitation of the copyright holder's rights by showing that the parody does not unfairly diminish the economic value of the original work. Dan Shaked, *Application of Copyright Act of 1976 to Parody*, N.Y.L.J., June 7, 1991, at 5. *See also infra* notes 84-88 and accompanying

mark law, the commercial nature of the parody may be a factor in determining whether a likelihood of confusion exists.<sup>11</sup>

This comment will examine the commercial use of a parody and its protection under copyright and trademark laws. Part I briefly introduces the concepts of copyright and trademark law.<sup>12</sup> Part II describes the evolution of parody as a defense.<sup>13</sup> Part III discusses the current analysis of parodies with respect to the commercial use standards the courts apply.<sup>14</sup> Finally, Part IV proposes the application of a consistent standard reflecting the underlying policy considerations of the copyright and trademark laws, respectively.<sup>15</sup>

## I. BASIC CONCEPTS OF COPYRIGHT AND TRADEMARK LAW

### A. Copyright Law

A copyright grants a limited monopoly.<sup>16</sup> It grants the copyright holder

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text. It is important to note, however, that courts exclude the critical impact of the parody from the analysis of the economic effect. A court may protect a parody containing social and literary criticism even if it destroys the commercial value of the original work. *Fisher*, 794 F.2d at 437-38 (protecting a parody that criticized the song it parodied). The fourth factor only considers whether the parody supplants the original in the marketplace, i.e., whether direct competition exists. *Id.* at 438. See also *New Line Cinema Corp. v. Bertlesman Music Group, Inc.*, 693 F. Supp. 1517, 1528 (S.D.N.Y. 1988) (holding that a music video entitled "A Nightmare on My Street" was in direct competition with the film series A NIGHTMARE ON ELM STREET).

11. See *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 493-94 (2d Cir. 1989). The court found a danger of consumer deception because both the plaintiff's book and the defendant's parody of the book were sold in the commercial marketplace. *Id.* at 493. Despite the commercial nature of the parody, the court held that there was no likelihood of confusion. *Id.* at 495. *But see Nike*, 799 F. Supp. at 897-99 (finding that there was a likelihood of confusion and disregarding the defendant's claim of parody because of the commercial use).

12. See *infra* notes 16-46.

13. See *infra* notes 47-79.

14. See *infra* notes 80-196.

15. See *infra* notes 197-241.

16. MELVILLE B. NIMMER, COPYRIGHT 23 (1971). Public policy disfavors private economic monopolies, absent overriding considerations. *Id.* In the case of copyrights, the overriding consideration is the necessity of granting monopolies to creators to give incentive for their efforts. *Id.* Commentators argue, however, the "natural right" concept that allows for the monopoly over private property provides sufficient justification. *Id.* The artistic creation could be considered "property" in the same manner as one's tangible property. *Id.* *But see* Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?* 17 UCLA L. REV. 1180,

the right to (1) reproduce the copyrighted work, (2) prepare derivative works,<sup>17</sup> (3) distribute by sale, transfer, rental, lease, or lending, (4) perform the work in public, and (5) display the work.<sup>18</sup> These rights are exclusive but subject to specific statutory exceptions in the Copyright Act.<sup>19</sup>

Various types of works are protected under copyright law. Protection extends to "original works of authorship fixed in any tangible medium of expression," including literary, musical, dramatic, pantomime, choreographic, pictorial, graphic, sculptural, motion picture, audiovisual, and audio works.<sup>20</sup> However, the basic criteria for any eligible work to be copyrighted is that it is "original" and "fixed."<sup>21</sup> As new forms of expres-

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1193 (1970) (arguing that one should not own a copyright in perpetuity the way one could own real property in perpetuity, because at some point, the interest in free expression will outweigh copyright law's goal of encouraging creativity); see generally Stephen Breyer, *The Uneasy Case For Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 284-91 (1970) (discussing the "natural right" theory and the analogy of copyrights to land and chattels).

17. Congress defined a derivative work as

[A] work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

17 U.S.C. § 101 (1982).

18. 17 U.S.C. § 106 (1982).

19. 17 U.S.C. § 106 (1982). The exceptions are set forth in sections 107 through 118 of the Act. 17 U.S.C. § 107-118 (1982). The most significant exception is the fair use doctrine, found at 17 U.S.C. §§ 107 (1982). See *infra* notes 25-29 and accompanying text.

20. 17 U.S.C. § 102 (1982). Protection does not extend to "any idea, procedure, process, system, method of operation, concept, principle, or discovery . . ." *Id.* For example, if an author is writing a book, the idea of "boy meets girl" is not copyrightable, but the specific expression of the idea, "Romeo and Juliet" is copyrightable.

21. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), reprinted in 17 U.S.C. § 102 (1982). A work is original if it was independently created by the author and has some minimum degree of creativity. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 111 S. Ct. 1282, 1287 (1991) (holding that a phone book was not copyrightable because it was merely a compilation of facts and not sufficiently original). The level of creativity required is extremely low, and novelty is not required. *Id.* However, facts are not original and therefore not copyrightable. *Id.* at 1288.

A work is fixed if

its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is 'fixed' . . . if a fixation of the work is being made simultaneously

sion emerge, they may also be protected provided they fulfill the basic criteria.<sup>22</sup>

The underlying rationale for copyright protection involves a concern for both the public welfare and commercial considerations. The Supreme Court explained that the monopoly over the copyrighted material gives authors an economic incentive to create works that ultimately will benefit the public.<sup>23</sup> Although the public will benefit from the creation of copyrighted works, the copyright *laws* benefit the creator, and the benefit derived is primarily economic.<sup>24</sup>

The monopoly over the copyrighted material is not absolute. One may use a copyrighted work without infringing upon the rights of the copyright holder if the use falls within an exception such as the fair use doctrine.<sup>25</sup> Fair use includes use for purposes such as "criticism, comment, news reporting, teaching . . . scholarship, or research . . ."<sup>26</sup> A court must determine whether an alleged infringement is protected as a fair use by considering the four statutory factors listed in section 107 of the Copyright Act:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
- (2) the nature of the copyrighted work;

with its transmission.

17 U.S.C. § 101 (1982).

22. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), *reprinted in* 17 U.S.C. § 102 (1982). With technological advances, it was necessary that the statute be broad enough to include forms of expression not yet invented. *Id.*

23. *Mazer v. Stein*, 347 U.S. 201, 219 (1954). "The economic philosophy behind the clause empowering Congress to grant . . . copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'" *Id.*

24. Note that two of the four statutory factors in a fair use analysis relate to commercial or economic considerations. *See infra* note 27 and accompanying text. Thus, when a defendant claims parody as a defense to copyright infringement, pursuant to the fair use doctrine, it is not surprising that courts are genuinely concerned with the copyright holder's economic rights.

25. 17 U.S.C. § 107 (1982).

26. *Id.* Parody usually falls within the criticism or comment provision. *See Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir.) (stating that a parody must comment on the original to be a fair use), *cert. denied*, 113 S. Ct. 365 (1992). Regardless of the provision under which parody is considered, Congress clearly intended parody to be protected as fair use. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), *reprinted in* 17 U.S.C. § 107 (1982) (listing activities that could be a fair use and specifically mentioning parody).

- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.<sup>27</sup>

Congress acknowledged that section 107 defines fair use rather broadly.<sup>28</sup> The intent was to codify the fair use doctrine while leaving it free to adapt to new or unusual situations on a case-by-case basis.<sup>29</sup>

Although copyright law has economic considerations, the primary goal is to encourage creativity.<sup>30</sup> This is different from trademark law, where the primary goal is to facilitate commercial transactions.<sup>31</sup>

## B. Trademark Law

Trademark law is governed by the Lanham Act<sup>32</sup> and is based on the Commerce Clause of the United States Constitution.<sup>33</sup> A "trademark" is

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27. 17 U.S.C. § 107 (1982). A court will balance these four factors, along with any other factors which it deems appropriate in determining whether the use is fair. Robert J. Posch, *What Is Fair Use; Copyright*, 53 DIRECT MARKETING MAG. 61 (1990). For example, the court may consider whether the work "incidentally parod[ies] other works while creating a genuinely distinct product" or "comprise[s] little more than an adaptation of another's original work." *DC Comics Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 119 (N.D. Ga. 1984) (holding that a parody is not a fair use where it is merely an adaptation).

28. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), reprinted in 17 U.S.C. § 107 (1982).

29. *Id.* Congress did not want "to freeze the doctrine, . . . especially during a period of rapid technological change." *Id.*

30. *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 429 (1984); see also U.S. CONST. art. I, § 8, cl. 8 (stating that copyrights can be granted to "promote the Progress of Science and useful Arts").

31. NIMMER, *supra* note 16, at 4 (1971). The Supreme Court has recognized that there is no kinship between copyright law and trademark law. *Sony*, 464 U.S. at 439.

32. 15 U.S.C. §§ 1051-1127 (1982). The Act, also referred to as the 1946 Trademark Act, was named after Fritz Garland Lanham, a Democratic Congressional representative. 1 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 5:4 (1973).

33. The constitutional bases for trademarks and copyrights are quite distinct; trademark law is based on the Commerce Clause, and copyright law is based on the Copyright Clause. NIMMER, *supra* note 16, at 4. Although both copyright law and trademark law are premised on some form of property rights, the degree of monopoly power granted to the owner differs. A copyright is a true monopoly since it limits competition with regard to the copyrighted material. See *supra* note 16 and accompanying text. A trademark is a monopoly over the particular and distinctive mark only. 1 MCCARTHY, *supra* note 32, at § 2:5. Trademarks do not hinder competition; rather, they facilitate competition in the marketplace by identifying and distinguishing the competing goods. *Id.*

The Antitrust laws require competition, not piracy. The essence of competition is the ability of competing products to obtain public recognition based on their own individual merit. A product has not won on its own merit if

defined as "any word, name, symbol, or device, or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others."<sup>34</sup>

A product's trademark will protect both the trademark owner and the consumer. The owner's goods will be easily recognized, and one who earns a reputation for quality products will be able to preserve his reputation through the exclusive use of the trademark.<sup>35</sup> The consumer will be able to distinguish among goods in the market and make selections based on his knowledge of a product's reputation.<sup>36</sup> The identifying na-

the real reason the public purchases it is that the public believes it is obtaining the product of another company. There is not now, nor has there ever been, a conflict between the antitrust laws and trademark laws . . . .

*Id.* See also *Standard Oil Co. v. Humble Oil & Refining Co.*, 363 F.2d 945, 954 (5th Cir. 1966) (rejecting the argument that a trademark is a monopoly violative of the antitrust laws), *cert. denied*, 385 U.S. 1007 (1967).

34. 15 U.S.C. § 1127 (1982). A manufacturer or merchant does not create a trademark merely by selecting a name or mark; a mark must meet a certain level of distinctiveness or show "secondary meaning" in order to have significance as a trademark. MCCARTHY, *supra* note 32, at § 11:1. A mark will fall into one of the following categories: (1) arbitrary (a word or symbol that is commonly used in the English language, but arbitrarily applied to the goods or services at issue; e.g., "Camel" applied to cigarettes or "Era" applied to laundry detergent), (2) fanciful (a word coined expressly to be a trademark, or an archaic term not familiar to consumers; e.g., "Kodak" or "Pepsi"), (3) descriptive (a word that is descriptive of the purpose or characteristics of the goods; e.g., "Raisin Bran" applied to a raisin and bran cereal), (4) suggestive (suggestive marks are not readily definable; they are a middle-ground between arbitrary and descriptive; e.g., "Coppertone" suntan oil, "Q-Tips" cotton swabs, "Playboy" magazine, "Sweetarts" candy, or "Wrangler" jeans), or (5) generic (the generic term for a product, even though the term may have originally been used as a trademark; e.g., "thermos," "refrigerator," or "aspirin"). *Id.* If a mark is found to be arbitrary, fanciful, or suggestive, it is given protection immediately upon adoption and use. *Id.* at §§ 11:2, 11:20. A mark that is merely descriptive requires secondary meaning to be protected. *Id.* at § 11:5. Secondary meaning exists where the words connote to the public a unique meaning, as opposed to their literal meaning. *Id.* at § 11:9. Generic terms receive no trademark protection. *Id.* at § 11:1.

It is important to note that a mark does not have to be registered to receive trademark protection. "An unregistered mark is still entitled to trademark protection where its use is inherently distinctive as applied to the goods on which it is used, or where its use has acquired secondary meaning in the marketplace." *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 896 (N.D. Ill. 1992). For example, Nike's slogan "Just Do It" is protected under trademark law because the use of the phrase to market specific apparel makes it distinctive and arbitrary. *Id.* at 896-97.

35. MCCARTHY, *supra* note 32, at § 2:2.

36. *Id.* at § 2:5.



ture of the trademark should prevent confusion for the consumer.<sup>37</sup>

The key issue in trademark infringement cases is whether there is a "likelihood of confusion."<sup>38</sup> If action by the defendant is likely to cause confusion among consumers, then he has infringed upon the trademark owner's rights.<sup>39</sup> The primary concerns are to protect the consumer from confusion among products and to protect the trademark owner from "passing off" and other forms of infringement.<sup>40</sup>

Although there is no exact standard for determining how similar a mark must be to establish likelihood of confusion, it is clear that exact similarity is not required.<sup>41</sup> The marks need only be similar enough that "an appreciable number of reasonable buyers" are likely to be confused.<sup>42</sup>

Furthermore, it is not necessary to have *actual* confusion for the plaintiff to prevail; the test is whether there is a *likelihood* of confusion.<sup>43</sup> However, a court may consider prior lack of actual confusion as a factor in finding that there will not be confusion in the future.<sup>44</sup> Yet, if the

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37. Although a trademark should prevent confusion, that is not always the case. Manufacturers often have problems with "knock-offs," where other manufacturers try to pass off their goods as those of the established manufacturer. See *infra* note 41.

38. *Id.* at § 2:3. The question is whether the consumer is confused as to the source or sponsorship of the product due to similarity of the marks. *Id.*

39. *Id.* at § 2:3.

40. *Id.* at § 2:4. "Passing off" is the practice where a manufacturer will try to sell goods by using the established, reputable mark of another manufacturer. Passing off can damage the trademark owner's reputation, confuse or deceive the buyer, and unjustly enrich the infringer. *Id.* at §§ 2:11, 2:12. See *Dakota Indus. v. Dakota Sportswear, Inc.*, 946 F.2d 1384, 1388 (8th Cir. 1991) (stating that there was "passing off" where the defendant used the mark "Dakota Sportswear" with knowledge of plaintiff's mark "Dakota"). See also *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 897 (N.D. Ill. 1992) (explaining that the defendant purposely chose the mark "MIKE" because he wanted to benefit from the "NIKE" name, and that the marks were indistinguishable from a distance).

41. *American Steel Foundries v. Robertson*, 269 U.S. 372, 381 (1926) (stating that the Court will enjoin the use of a mark not only when it is identical to another, but also when "the resemblance is so close as to be likely to produce confusion"); *David Sherman Corp. v. Heublein, Inc.*, 340 F.2d 377, 381 (8th Cir. 1965) (holding that the mark "Sarnoff" vodka was close enough to "Smirnoff" vodka to warrant a finding of trademark infringement).

42. *MCCARTHY*, *supra* note 32, at § 23:1. It is not clear what an "appreciable" number is, but it need not be a majority. *Id.* See, e.g., *Humble Oil & Ref. Co. v. American Oil Co.*, 405 F.2d 803, 817 (8th Cir.) (holding that confusion among only 11% of the millions of potential consumers was sufficiently appreciable), *cert. denied*, 395 U.S. 905 (1969).

43. *MCCARTHY*, *supra* note 32, at § 23:2.

44. *Fieldcrest Mills, Inc. v. Couri*, 220 F. Supp. 929, 932 (S.D.N.Y. 1963) (holding that there was no likelihood of confusion where rugs marked "Couristan" had been sold alongside rugs marked "Karastan" and the plaintiff did not have any evidence of

plaintiff proves actual confusion, he will probably prevail, given that the purpose of trademark law is to prevent consumer confusion.<sup>45</sup> If the defendant has used the plaintiff's trademark in a parody, the likelihood of confusion among consumers should be diminished.<sup>46</sup>

## II. EVOLUTION OF PARODY AS A DEFENSE

### A. What Is Parody?

Parody is when one "for comic effect or social commentary, closely imitates the style of another . . . and in so doing creates a new . . . work that makes ridiculous the style and expression of the original."<sup>47</sup> Commentators consider it to be a distinct literary genre<sup>48</sup> and a socially valuable art form.<sup>49</sup>

A parody is not merely a comment on society; it also comments upon the original work "conjured up" through imitation.<sup>50</sup> Otherwise, there

actual confusion); *FS Serv., Inc. v. Custom Farm Serv., Inc.*, 325 F. Supp. 153, 162 (N.D. Ill. 1970) (stating that there is a strong presumption against finding a likelihood of confusion where there is no evidence of actual confusion), *aff'd*, 471 F.2d 671 (7th Cir. 1972).

45. See *World Carpets, Inc. v. Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971) (stating that there is "no more positive or substantial proof of the likelihood of confusion" than evidence of actual confusion).

46. See *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (explaining that, because the humorous nature of a parody distinguishes it from the original, the parody reduces the likelihood of confusion); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 494 (2d Cir. 1989) (explaining that while a parody by its nature will imitate the original mark, no likelihood of confusion exists when the parody distinguishes itself).

47. *Rogers v. Koons*, 960 F.2d 301, 309-10 (2d Cir.), *cert. denied*, 113 S. Ct. 365 (1992). The court emphasized that in order to receive fair use protection, the parody must comment on the plaintiff's copyrighted work. *Id.* at 310. Thus, a parody which comments only on some aspect of society at large is insufficient. *Id.* See also *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1436 n.8 (6th Cir. 1992) (arguing that the parody must have commentary value).

48. *Betamax*, *supra* note 2, at 1395. Parody is distinguished from travesty and burlesque. Travesty places noble characters in mundane settings to achieve its humorous effect. *Id.* at 1395 n.1. Burlesque copies the style of the original, but does not cover the same subject matter. *Id.* Parody, however, is considered more difficult and noble because it ridicules subtle defects in the original itself to achieve its comic effect. *Id.*

49. *Fisher v. Dees*, 794 F.2d 432, 437-38 (9th Cir. 1986). Even if a parody destroys the original work commercially and artistically, it may warrant protection because of the important role of parodies in social and literary criticism. *Id.*

50. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 757-58 (9th Cir. 1978), *cert. de-*

would be no need to “conjure up” the original.<sup>51</sup> Hence,

[a] parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is not the original and is instead a parody. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable [as an infringement].<sup>52</sup>

## B. Parody In Copyright Law

Vaudeville performers first used parody as a defense at the turn of the century, when they impersonated other performers by using copyrighted songs to parody the original performers.<sup>53</sup> The key issue in those cases was whether the parody served as a substitute for the actual or potential commercial use of the original song.<sup>54</sup> As long as there was no direct competition between the original work and the parody, the courts did not want to restrict the socially valuable use of the copyrighted work.<sup>55</sup>

Parody resurfaced as a defense in the 1950s in response to a new comic medium: television.<sup>56</sup> The courts changed their focus, however, from a

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nied, 439 U.S. 1132 (1979). In *Air Pirates*, the parody at issue was a comic book that portrayed well-known Disney characters as “members of a free thinking, promiscuous, drug-ingesting counterculture.” *Id.* at 753 (quoting Kevin W. Wheelwright, *Parody, Copyrights and the First Amendment*, 10 U.S.F. L. Rev. 564, 571, 582 (1976)). The comic book parody, therefore, was not only a comment on the relationship between mainstream society and its counterculture, but also a comment on the innocent and wholesome nature of the Disney characters themselves. *Id.* at 758.

51. *Id.* at 758 n.15. See *infra* note 111.

52. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 494 (2d Cir. 1989). “A ‘true’ parody will be ‘so obvious and heavy handed that a clear distinction [is] preserved in the viewer’s mind between the source of the actual product and the source of the parody.’” *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*, 776 F. Supp. 1454, 1462 (W.D. Wash. 1991) (quoting *Mutual of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 910 (D. Neb. 1986)).

53. *Betamax*, *supra* note 2, at 1401. Vaudeville is a light, comical theatrical piece, which generally includes song and dance. WEBSTER’S THIRD NEW INTERNATIONAL DICTIONARY 2536 (3rd ed. 1986).

54. *Betamax*, *supra* note 2, at 1401. See generally *Green v. Luby*, 177 F. 287, 288 (C.C.S.D.N.Y. 1909) (holding that where the defendant’s purpose is to mimic a performer the use of the performer’s copyrighted song is not merely incidental to the impersonation, but is an unnecessary substitute for other methods of expression); *Bloom & Hamlin v. Nixon*, 125 F. 977, 979 (C.C.E.D. Pa. 1903) (finding that a mimicry of a song is not a substitute for that song).

55. *Betamax*, *supra* note 2, at 1401.

56. *Id.* at 1401-02. The courts may have feared that television would destroy the motion picture industry. While the courts wanted to encourage creativity, they did not want to give television performers a license to exploit films. “We realize we are working in a new field of law, trying to decide particularly what T.V. may take from motion pictures . . . and what it may not take.” *Columbia Pictures Corp. v. National Broadcasting Co.*, 137 F. Supp. 348, 350 (S.D. Cal. 1955) (protecting a television parody of a motion picture).

determination as to whether there was direct competition to whether an excessive amount of the original work was used in the imitation.<sup>57</sup>

The 1976 Copyright Act codified the fair use defense, which incorporates the common law parody defense.<sup>58</sup> Section 107 listed four factors<sup>59</sup> which reflected judicial concerns raised in earlier decisions.<sup>60</sup>

In 1984, the United States Supreme Court, in *Sony Corp. of America v. Universal City Studios, Inc.*,<sup>61</sup> refocused the fair use analysis on the commercial nature of the new work. The Court, placing great weight on economic considerations, stated that every commercial use of copyrighted material is presumptively an unfair exploitation of the copyright holder's interests.<sup>62</sup> An influential factor in reaching this conclusion was

57. *Betamax*, *supra* note 2, at 1402. See *Loew's Inc. v. Columbia Broadcasting Sys.*, 131 F. Supp. 165, 183 (S.D. Cal. 1955) (holding that the defendant's parody was not a fair use because there was a "substantial taking"), *aff'd*, 356 U.S. 43 (1958); *Columbia Pictures*, 137 F. Supp. at 354 (holding that "From Here To Obscurity," a parody of "From Here To Eternity," was a fair use because there was not a "substantial taking"). Although courts purportedly decided these cases based on the amount of the original work used in the parody, there may have been commercial considerations as well. It has been argued that the courts' goal was to protect the motion picture industry from any adverse economic effects of the newly developed television industry. Victor S. Netterville, *Copyright and Tort Aspects of Parody, Mimicry, and Humorous Commentary*, 35 S. CAL. L. REV. 225, 233 (1962) (stating that the competition between motion pictures and television was a factor in *Loew's*). Oddly, the court in *Loew's* seemed to downplay commercial considerations by stating that "[t]he mere absence of competition . . . will not make a use fair . . . . [T]he fact that the infringement will not affect the sale or exploitation of the work or pecuniarily damage [the copyright holder] is immaterial." *Loew's*, 131 F. Supp. at 184.

58. 17 U.S.C. § 107 (1982).

59. See *supra* note 27 and accompanying text.

60. The first factor, which considers whether the use is commercial or non-profit, reflects the court's concern with commercial use as described in *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541, 543-44 (2d Cir.) (holding that commercial uses may still be fair uses), *cert. denied*, 379 U.S. 822 (1964). The third factor, which considers the amount of the copyrighted work used, reflects the courts' concerns in *Loew's* and *Columbia*. See *supra* notes 52-53 and accompanying text. The fourth factor, which considers the economic effect on the value of the original, reflects the court's concern with competition in the vaudeville cases. See *supra* notes 53-55 and accompanying text.

61. 464 U.S. 417 (1984).

62. *Id.* at 451. The Second Circuit had previously rejected the contention that use of a copyrighted work for commercial gain could never be a fair use. *Berlin*, 329 F.2d at 543-44. The court stated that financial benefits to a copyright holder are merely incidental to the goals of copyright protection and are not an end in themselves. *Id.* Occasionally, the copyright holder's economic interest must be subordinated to "the greater public interest in the development of art, science and industry." *Id.*

that Congress had amended the Code to specifically provide for a consideration of commercial use.<sup>63</sup> The Court later clarified its definition of commercial use, explaining that the issue was not whether the parodist *intended* to make a profit, but whether he actually *would* make a profit.<sup>64</sup> Thus, if a use is for commercial gain, harm to the copyright holder will be presumed; if the use is for non-commercial purposes, actual or potential harm must be proven.<sup>65</sup>

### C. Parody In Trademark Law

Parody is a defense to trademark infringement only insofar as the critical and/or comical nature of the parody lessens the likelihood of confusion.<sup>66</sup> Of course, parody is only one factor out of many which determine whether there is a likelihood of confusion.

Furthermore, a defendant's claim that his use is a parody does not necessarily mean that it actually is a parody.<sup>67</sup> Even if the use can be defined as a parody, the court may still find a likelihood of confusion, thus denying protection of the use.<sup>68</sup>

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at 544.

63. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 449 n.32 (1984). Congress amended the first statutory factor, "the purpose and character of the use," to include a consideration of whether the use was for commercial use or for non-profit educational purposes. *Id.*; 17 U.S.C. § 107 (1982).

64. *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985). "The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Id.* The phrase "without paying the customary price" refers to the fact that a parodist can arrange to use copyrighted material through a licensing agreement, under which he pays the copyright holder a certain amount of money for the use of the material. *See* HARRY G. HENN, HENN ON COPYRIGHT LAW § 7 (3d ed. 1991) (explaining the licensing arrangement). If he obtains a licensing agreement, he cannot be sued for infringement. *Id.* at 93 n.1. However, if he violates the agreement, he could be sued for breach of contract. *Id.* Professional parodists, such as Weird Al Yankovic, obtain licenses to use the material they parody. *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1433 n.3 (6th Cir. 1992) (explaining that the defendant's use of a copyrighted song differed from Weird Al Yankovic's licensed use of copyrighted songs because the defendants did not obtain a licensing agreement), *cert. granted in part*, 113 S. Ct. 1642 (1993).

65. *Sony*, 464 U.S. at 451.

66. *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486-87 (10th Cir. 1987) (holding that there is no likelihood of confusion where the defendants parodied the plaintiff's mark "Jordache" by naming their jeans "Lardashe"). If there is no likelihood of confusion, then there is no infringement for which the defendant may be liable. *Id.* at 1484.

67. *See Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979) (stating that, despite defendant's claims, the use did not constitute a parody).

68. *See generally Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 899 (N.D. Ill.

In determining whether there is a likelihood of confusion, some courts have strictly construed the test to inquire as to the likelihood that consumers would be confused as to the sponsorship or source of the parody. In *Girl Scouts of the United States v. Personality Posters Manufacturing Co.*,<sup>69</sup> the court determined that it was unlikely that consumers would think plaintiffs sponsored defendant's poster, a depiction of an obviously pregnant girl wearing a Girl Scout uniform, accompanied by the slogan "Be Prepared."<sup>70</sup>

In cases where the test is strictly construed, the parody usually is not found to be an infringement. The courts reason that while a successful parody will necessarily bring to mind the trademark at issue, the parody will distort some feature of the mark, making it clear that it is a parody and not the original mark.<sup>71</sup>

Other courts have used a broader analysis, and they are more likely to find that a likelihood of confusion exists. For example, in *Coca-Cola Co. v. Gemini Rising, Inc.*,<sup>72</sup> the court found that the defendant's poster parody created a likelihood of confusion<sup>73</sup> despite the factual similarity with *Girl Scouts*.<sup>74</sup> The court correctly pointed out, however, that while

1992) (holding that the defendant's mark "MIKE" was so similar to the plaintiff's mark "NIKE" that there was a likelihood of confusion regardless of any possible intent to parody); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992) (holding that the defendant's advertisement created a likelihood of confusion even though it attempted to parody plaintiff's persona), *cert. denied*, 113 S. Ct. 2443 (1993).

69. 304 F. Supp. 1228 (S.D.N.Y. 1969).

70. *Id.* at 1231. See also *Tetley, Inc. v. Topps Chewing Gum, Inc.*, 556 F. Supp. 785, 789-93 (E.D.N.Y. 1983) (holding that there was no likelihood of confusion where plaintiff's mark "Tetley Tea" was parodied by defendant as "Petley Flea Bags"); *General Mills, Inc. v. Henry Regnery Co.*, 421 F. Supp. 359, 360-61 (N.D. Ill. 1976) (holding that there was no likelihood of confusion where plaintiff's trademark, "Betty Crocker," was parodied by defendant's book, "Morey Amsterdam's Betty Cooker's Crock Book For Drunks").

71. Robert J. Shaughnessy, Note, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VA. L. REV. 1079, 1093 (1986). "Given that the parodist's version typically differs from the original in ridiculous or grotesque ways, the average consumer is unlikely to believe that the parody originates with or is sponsored by the trademark owner." *Id.*

72. 346 F. Supp. 1183 (E.D.N.Y. 1972).

73. *Id.* at 1190.

74. See *supra* notes 69-70 and accompanying text. In *Coca-Cola*, the defendant created a poster that said "Enjoy Cocaine," using the plaintiff's distinctive stylized script. *Coca-Cola*, 346 F. Supp. at 1186-87. Plaintiff's mark says "Enjoy Coca-Cola." *Id.* In finding a likelihood of confusion, the court relied upon affidavits stating that con-

the plaintiff in *Girl Scouts* was not engaged in trade-for-profit, the plaintiff in *Coca-Cola* was so engaged.<sup>75</sup> Because trademark law is based upon the Commerce Clause of the United States Constitution and is primarily concerned with economic considerations, a plaintiff's commercial welfare is an appropriate basis for finding a likelihood of confusion.<sup>76</sup>

A parody analysis addresses the concerns of "passing off" and unjust enrichment.<sup>77</sup> The courts recognize that a parody is intended to remind the audience of the original mark, but the result should be comedy, not confusion.<sup>78</sup> The common theme among trademark parody cases is the defendant's contention that regardless of a commercial use, there can be no likelihood of confusion because a parody, by its nature, clearly distinguishes itself from the plaintiff's products.<sup>79</sup>

### III. CURRENT ANALYSIS OF PARODIES

#### A. Copyrights: How Commercial Use Affects The Fair Use Analysis

##### 1. Rebutting the Presumption of Unfairness

Since the *Sony*<sup>80</sup> decision, the commercial use of a work has been an important factor in determining whether a parody qualifies as a fair use. The *Sony* court stated that "every commercial use of copyrighted materi-

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sumers called the Coca-Cola Company to complain about the poster. *Id.* at 1189 n.9. Consumers complained about the poster in *Girl Scouts*, too; but there, the court observed that "indignation is not confusion." *Girl Scouts*, 304 F. Supp. at 1231.

75. *Coca-Cola*, 346 F. Supp. at 1192.

76. *Id.* Note, however, that although the plaintiffs in *Telley* and *General Mills* were engaged in trade-for-profit, the courts nevertheless found that there was no likelihood of confusion. *Telley, Inc. v. Topps Chewing Gum, Inc.*, 556 F. Supp. 785, 789 (E.D.N.Y. 1983); *General Mills, Inc. v. Henry Regnry Co.*, 421 F. Supp. 359, 361 (N.D. Ill. 1976). See *supra* note 70. The different results in those cases and *Coca-Cola* are probably attributable to the courts' interpretation of whether the test for "likelihood of confusion" should be strict or broad. Shaughnessy, *supra* note 71, at 1092-95.

77. For further explanation of "passing off," see *supra* note 40.

78.

In one sense, a parody is an attempt "to derive benefit from the reputation" of the owner of the mark . . . if only because no parody could be made without the initial mark. The benefit to the one making the parody, however, arises from the humorous association, not from public confusion as to the source of the marks.

*Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 322 (4th Cir.) (citing *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (quoting *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 431 (5th Cir. 1984))), *cert. denied*, 113 S. Ct. 206 (1992).

79. See *infra* note 84 and accompanying text.

80. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, *reh'g denied*, 465 U.S. 1112 (1984).

al is presumptively an unfair exploitation" of the copyright holder's interests.<sup>81</sup> Therefore, courts now require defendants to rebut the presumption of unfair use.<sup>82</sup> Although the Supreme Court appears to have given the lower courts a standard by which they can consistently evaluate the effect of a commercial use, the courts differ on how a defendant can rebut the presumption of unfairness. The application of different approaches has led to conflicting results.<sup>83</sup>

One approach, exemplified by two notable song-parody cases, is to consider the effect of the parody on the economic value of the original.<sup>84</sup> Essentially, this approach requires the defendant to fulfill the fourth statutory factor in the fair use analysis (the effect on the economic value of the original) in order to satisfy the first factor (whether the use is commercial in nature).<sup>85</sup> In *Fisher v. Dees*,<sup>86</sup> the court stated that the fourth statutory factor "is undoubtedly the single most important element of fair use."<sup>87</sup> Therefore, the defendant can rebut the presumption

81. *Id.* at 451.

82. *See, e.g.,* *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1437 (6th Cir. 1992) (stating that the commercial use of the work weighed against a finding of fair use because the defendant did not meet the burden to rebut the presumption of unfairness), *cert. granted in part*, 113 S. Ct. 1642 (1993).

83. *See infra* notes 84, 96, 97, 99 and 112 and accompanying text. *Compare* *Tin Pan Apple Inc. v. Miller Brewing Co.*, 737 F. Supp. 826, 832 (S.D.N.Y. 1990) (holding that a television commercial that parodied a rap group was not a fair use where it was used for commercial gain) *with* *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 447 (N.D. Ill. 1991) (finding that a television commercial that parodied another television commercial was a fair use despite the commercial use); *compare* *Fisher v. Dees*, 794 F.2d 432, 440 (9th Cir. 1986) (concluding that the song "When Sonny Sniffs Glue," a parody of "When Sunny Gets Blue," was a fair use) *with* *MCA, Inc. v. Wilson*, 677 F.2d 180, 185 (2d Cir. 1981) (holding that the song "Cunnilingus Champion of Company C," a parody of "Boogie Woogie Bugle Boy," was not a fair use).

84. *See Fisher*, 794 F.2d at 438 (finding a parody to be a fair use where there is no competition between parody and original); *Acuff-Rose Music*, 972 F.2d at 1438-39 (6th Cir.) (finding a parody to not be a fair use where there is an economic impact on the market for derivative works.), *cert. granted in part*, 113 S. Ct. 1642 (1993). *See also* *MCA, Inc. v. Wilson*, 677 F.2d 180, 185 (2d Cir. 1981) (finding a parody to not be a fair use where there was competition between the songs); *DC Comics, Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 116 (N.D. Ga. 1984) (finding a parody to not be a fair use where both the plaintiff and defendant were involved in entertainment).

85. *See supra* note 27 and accompanying text.

86. 794 F.2d 432 (9th Cir. 1986).

87. *Id.* at 437 (quoting *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985)). *See also* *New Line Cinema Corp. v. Bertlesman Music Group*, 693 F.



that his use is unfair by showing that the parody does not fulfill the demand for the original.<sup>88</sup> In *Fisher*, the defendant, Rick Dees, wrote a song called "When Sonny Sniffs Glue," which parodied the plaintiff's song "When Sunny Gets Blue."<sup>89</sup> The court affirmed the district court's grant of summary judgment for the defendant, holding that because the two works did not compete with one another, the parody deserved fair use protection despite its commercial use.<sup>90</sup>

However, a court will deny protection to a parody if it finds the economic effect on the original to be negative. In *Acuff-Rose Music, Inc. v. Campbell*,<sup>91</sup> the rap group 2 Live Crew released a song called "Oh, Pretty

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Supp. 1517, 1527 (S.D.N.Y. 1988) (stating that the most important fair use factor is the effect on the economic value of the original).

88. *Fisher*, 794 F.2d at 438. See also *New Line Cinema Corp.*, 693 F. Supp. at 1525 (stating that the functional differences between a serious work and a parody of it would prevent the parody from fulfilling the demand for the original).

89. *Fisher*, 794 F.2d at 434. Dees had requested permission to use the plaintiff's music, but Fisher refused. *Id.* Fisher filed suit for copyright infringement when Dees' song, which was an "obvious take-off" of the original, was released. *Id.* The fact that Dees published the parody despite Fisher's denial of permission does not render Dees' use unfair. Parodists are rarely able to get permission to use the original work because authors do not want their songs to be parodied. *Id.* at 437.

90. *Id.* at 434, 438. The court stated:

This is not a case in which commercial substitution is likely. "When Sunny Gets Blue" is "a lyrical song concerning or relating to a woman's feelings about lost love and her chance for . . . happiness again." By contrast, the parody is a 29-second recording concerning a woman who sniffs glue, which "ends with noise and laughter mixed into the song." We do not believe that consumers desirous of hearing a romantic and nostalgic ballad such as the composers' song would be satisfied to purchase the parody instead.

*Id.* at 438 (citations omitted). The court's concern with direct competition is reminiscent of the courts' concerns in the vaudeville cases. See *supra* notes 53-55 and accompanying text.

See also *Elsmere Music, Inc. v. National Broadcasting Co.*, 623 F.2d 252, 253 (2d Cir. 1980) (holding that Saturday Night Live's parody of "I Love New York" entitled "I Love Sodom" was a fair use where it did not fulfill the demand for the original). But see *MCA, Inc. v. Wilson*, 677 F.2d 180 (2d Cir. 1981). In *MCA*, the defendant's song, "Cunnilingus Champion of Company C," parodied the plaintiff's song, "Boogie Woogie Bugle Boy." *Id.* at 182. The court held that the parody was not a fair use because there was competition between the songs. *Id.* at 185. The court reasoned that both songs were used for entertainment, both songs were made into sound recordings, and both songs used the same tune. *Id.* The same factors were present in the *Fisher* case, yet the court there held that there was no competition between the songs. *Fisher* 794 F.2d at 438. The *MCA* court denounced the appropriation of the plaintiff's song for a commercial use, stating, "We are not prepared to hold that a composer can plagiarize a competitor's copyrighted song, substitute dirty lyrics of his own, perform it for commercial gain, and then escape liability by calling the end result a parody . . ." *MCA*, 677 F.2d at 185.

91. 972 F.2d 1429 (6th Cir. 1992), cert. granted in part, 113 S. Ct. 1642 (1993).

Woman," meant to parody the song "Oh, Pretty Woman," originally written and recorded by Roy Orbison.<sup>92</sup> The defendants argued that Orbison's version of the song was "white-centered" popular music, but, in contrast, the 2 Live Crew version was a protest, written in the form of a parody, which "[made] fun of the 'white-bread' originals and the establishment."<sup>93</sup> The court followed the *Fisher* test and asked whether the parody "unfairly diminish[ed] the economic value of the original."<sup>94</sup> The court concluded that the 2 Live Crew version was an infringement because the economic value of the original was diminished, not as a result of direct competition between the two songs, but as a result of harm to the market for derivative works.<sup>95</sup>

A second approach has been to consider whether the defendant will profit financially from the parody.<sup>96</sup> Some courts hold that financial profit automatically bars fair use protection.<sup>97</sup> Courts applying this stan-

92. *Id.* at 1432. Acuff-Rose Music had denied permission to use the song "Oh, Pretty Woman" in a parody. *Id.*

93. *Id.* at 1433. It is unlikely that the two versions of the song would compete in the marketplace. The defendant's expert claimed that the rap version by 2 Live Crew is musically antithetical to the lyrical version by Orbison. *Id.*

94. *Id.* at 1437 (quoting *Fisher v. Dees*, 974 F.2d 432, 437 (9th Cir. 1986)). See also *DC Comics Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 118 (N.D. Ga. 1984) (finding infringement where the defendants conducted a similar business, satisfied a demand for the original, and created competition for the plaintiff).

95. *Acuff-Rose*, 972 F.2d at 1439. The court analogized 2 Live Crew's use of the song to a movie adaptation of a book: even though the movie may help-boost book sales, the use negatively affects the book's economic value because the copyright holder has difficulty selling his adaptation rights. *Id.* (citing *Rogers v. Koons*, 960 F.2d 301, 312 (2d Cir.), cert. denied, 113 S. Ct. 365 (1992)). See also *New Line Cinema Corp. v. Bertlesman Music Group*, 693 F. Supp. 1517, 1528 (S.D.N.Y. 1988) (holding that the music video for the song "Nightmare On My Street" would harm the market for derivative works of the movie *A NIGHTMARE ON ELM STREET*).

In labeling the 2 Live Crew version of the song a "derivative work," the court reasoned that the song was not distinct enough to be a work in itself. Perhaps the result can be explained by the court's unwillingness to find the 2 Live Crew version to have significant commentary value. *Acuff-Rose*, 972 F.2d at 1436 n.8. The court repeatedly referred to *Rogers v. Koons*, where the court denied fair use protection to a work that merely parodied society at large rather than some aspect of the copyrighted work. *Id.*; *Rogers*, 960 F.2d at 310. Comment or criticism on the copyrighted work is essential to the fair use doctrine. *Id.* at 310; see *infra* note 116. To receive protection, a defendant must "engage in critical comment that constitutes part of the 'free flow of ideas' underlying the doctrine of fair use." *DC Comics*, 598 F. Supp. at 118.

96. Shaked, *supra* note 10 at 7 (explaining the courts' approaches to parodies of copyrighted works).

97. See *Tin Pan Apple, Inc. v. Miller Brewing Co.*, 737 F. Supp. 826, 832 (S.D.N.Y.

dard are unlikely to find any parody to be a fair use because most parodies are sold for profit.<sup>98</sup> Other courts hold that if the defendant will profit financially, there must be an expressive purpose to the use in order to receive fair use protection.<sup>99</sup>

In *Tin Pan Apple Inc. v. Miller Brewing Co.*,<sup>100</sup> the court held that Miller's television commercial that parodied the rap group, the Fat Boys, was not protected as a fair use because the commercial was used solely for profit.<sup>101</sup> The court reasoned that the commercial nature of the parody precluded it from offering the necessary commentary.<sup>102</sup>

In contrast, the court in *Eveready Battery Co., v. Adolph Coors Co.*<sup>103</sup> protected a Coors television commercial that parodied an Eveready television commercial.<sup>104</sup> The Coors commercial featured actor Leslie Nielsen dressed as a giant bunny, parodying the well-established "Energizer Bunny" commercials.<sup>105</sup> Eveready, relying on the decision in *Tin Pan*

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1990) (holding that a parody was not fair use because it was used solely for profit); *DC Comics v. Crazy Eddie*, 205 U.S.P.Q. 1177, 1178 (S.D.N.Y. 1979) (finding that a parody was not a fair use because it was used for profit).

98. Shaked, *supra* note 10, at 7 (arguing that commercial parodies should be afforded protection as a fair use, otherwise a long cherished form of entertainment will be endangered).

99. *See, e.g., Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 446-48 (N.D. Ill. 1991) (holding that a parody was a fair use, despite being used for profit, because the parody had some expressive value).

100. 737 F. Supp. 826, 832 (S.D.N.Y. 1990).

101. *Id.* at 832. The court found that the commercial was made solely for profit and did not qualify as a parody. *Id.* The court tied these two findings together, stating that "defendants' commercial does not qualify as a parody. The commercial's use is entirely for profit: to sell beer." *Id.*

102. *Id.* at 832. *See also* *DC Comics v. Crazy Eddie*, 205 U.S.P.Q. 1177, 1178 (S.D.N.Y. 1979) (concluding that it is not necessary to analyze the four fair use factors because the commercial did not qualify as a parody due to the exploitation of the copyrighted work for personal profit).

103. 765 F. Supp. 440 (N.D. Ill. 1991).

104. *Id.* at 452.

105. *Id.* at 442-43. The "Energizer Bunny" is a pink toy bunny, wearing sunglasses and beach thongs, that moves across the television screen, beating on a drum imprinted with the Energizer logo. *Id.* The format is a "commercial within a commercial." *Id.* at 442.

Each spot begins with what at first appears to be a typical television advertisement (which the viewer later realizes is for a fictitious product or service). At some point . . . the Energizer Bunny . . . strolls onto screen beating his bass drum. The actors of the bogus commercial stare incredulously as the intruding mechanical toy bunny nonchalantly propels across the screen, beating the drum and often knocking over props from the fictitious commercial's set . . . . Each of the commercials ends with a voice-over which states: "Still going. Nothing outlasts the Energizer. They keep going and going . . . ."

*Id.* The Coors commercial begins as a generic advertisement for a beer. Mr. Nielsen

*Apple*,<sup>106</sup> argued that "the promotion for sale of commercial products cannot constitute parody as a matter of law," and, therefore, the commercial could not be a fair use.<sup>107</sup> The court rejected Eveready's argument and criticized the *Tin Pan Apple* decision, stating that it is "directly contrary to § 107 of the Copyright Act."<sup>108</sup> Under section 107, a court may consider whether the use is commercial, but it is only one factor among many in determining whether a use is fair.<sup>109</sup> By allowing the court to weigh several factors, the Act recognizes that parody may be simultaneously commercial and expressive.<sup>110</sup>

Finally, in determining fair use, courts have also examined the intent of the defendant. In *Rogers v. Koons*,<sup>111</sup> the court found that "knowing exploitation" of a copyrighted work is a factor which "militates against finding a fair use."<sup>112</sup> In *Koons*, the defendant purchased a notecard depiction of the plaintiff's photograph "Puppies," removed the back portion indicating the plaintiff's copyright, and sent it to his artisans with instructions to copy the photograph.<sup>113</sup> The defendant argued that the resulting

then appears, wearing a business suit, fake white rabbit ears, a white tail, and pink rabbit feet. He beats a bass drum with the Coors Light logo on it. The commercial ends with a voice-over which says, "Coors Light, the official beer of the nineties, is the fastest growing light beer in America. It keeps growing and growing and growing . . . ." *Eveready*, 765 F. Supp. at 443.

106. *Tin Pan Apple, Inc. v. Miller Brewing Co.*, 737 F. Supp. 826 (S.D.N.Y. 1990).

107. *Eveready*, 765 F. Supp. at 446.

108. *Id.* § 107 of the Copyright Act defines the fair use doctrine. 17 U.S.C. § 107 (1982). See *supra* note 27 and accompanying text.

109. *Eveready*, 765 F. Supp. at 446.

110. "Although the primary purpose of most television commercials (like other works of a 'commercial nature') may be to increase product sales and thereby increase income, it is not readily apparent that they are therefore devoid of any artistic merit or entertainment value." *Eveready*, 765 F. Supp. at 446-47.

111. 960 F.2d 301 (2d Cir.), *cert. denied*, 113 S. Ct. 365 (1992).

112. *Id.* at 309 (emphasis added). See also *Iowa State Univ. Research Found., Inc. v. American Broadcasting Co.*, 621 F.2d 57, 61 (2d Cir. 1980) (stating that the court will consider whether the work was used for "commercial exploitation" in determining whether there was a fair use); *New Line Cinema Corp. v. Bertlesman Music Group, Inc.*, 693 F. Supp. 1517, 1530 (S.D.N.Y. 1988) (granting a preliminary injunction where defendant's improper motive would support a finding of infringement in pending litigation).

113. *Rogers*, 960 F.2d at 305. The notecard was made from a photograph which Rogers had taken of a couple holding eight newborn German Shepherd puppies. *Id.* at 304. Koons found the picture to be "typical, commonplace and familiar" and wanted to include it in his "Banality Show." *Id.* at 304-05. Koons directed his artisans to make a three-dimensional sculpture of the image. *Id.* at 305. Koons instructed his artisans: "work must be just like photo - - features of photo must be captured." *Id.*

sculpture entitled "String of Puppies" was a "parody of society at large" and deserved fair use protection.<sup>114</sup> The court denied that Koons' use was fair, reasoning that the sculpture was made in bad faith and primarily for profit-making motives.<sup>115</sup>

Thus, the outcome of a case will depend on both the court's interpretation of "commercial use" and the court's approach to rebutting the presumption of unfairness.<sup>116</sup>

## 2. The Scope of the Presumption of Unfairness

Another inconsistency resulting from the *Sony* decision is the courts' interpretation of the presumption of unfairness. The courts in *Koons* and *Eveready* noted that a determination of fair use still depends upon the totality of the four factors.<sup>117</sup> Thus, even if a parody had a commercial use, the parody could still be protected as a fair use.<sup>118</sup> In *Tin Pan Apple*, however, the court construed the *Sony* presumption to preclude a finding of fair use where the use was deemed commercial in nature.<sup>119</sup>

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114. *Id.* at 309.

115. *Id.* at 311. The court also held that Koons' sculpture did not qualify as a parody. *Id.* To justify use of the original work, a parody must not only be a social commentary, but it must also comment upon the original expression. "Otherwise, there would be no need to conjure up the original work." *Id.* at 310. (citations omitted). On this point, the court stated:

We think this is a necessary rule, as were it otherwise there would be no real limitation on the copier's use of another's copyrighted work to make a statement on some aspect of society at large. If an infringement of copyrightable expression could be justified as fair use solely on the basis of the infringer's claim to a higher or different artistic use—without insuring public awareness of the original work—there would be no practicable boundary to the fair use defense . . . . The rule's function is to ensure [sic] that credit is given where credit is due.

*Id.* at 310. The court found that because there was no way to discern that the sculpture was a parody of the photograph, it did not constitute a parody of the original work. *Id.* However, even though a work does not qualify as a parody, it may still be a "fair use" under the factors set forth in § 107. *See supra* notes 27-29 and accompanying text. Nevertheless, in *Koons*, the defendant's improper motives precluded a finding of fair use. *Koons*, 960 F.2d at 310.

116. *See supra* notes 80-116 and accompanying text.

117. *Koons*, 960 F.2d at 308; *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 446 (N.D. Ill. 1991). "We have stated that, though it is a significant factor, whether the profit element of the fair use depends on the totality of the factors considered; it is not itself controlling." *Koons*, 960 F.2d at 309. The four factors relate to purpose of use, type of work, amount used, and subsequent effect on market value. *Id.*

118. *Id.*

119. *Tin Pan Apple Inc. v. Miller Brewing Co.*, 737 F. Supp. 826, 832 (S.D.N.Y. 1990). *See also* *D.C. Comics, Inc. v. Crazy Eddie, Inc.*, 205 U.S.P.Q. 1177, 1178

The remaining question is whether the presumption serves as a threshold which, if not met, precludes a finding of fair use, or whether the presumption should be considered in light of the other statutory factors.

The language of the *Sony* decision suggests that the Court did not intend to exclude commercial uses entirely from fair use protection.<sup>120</sup> Although the court wanted to protect copyrighted material from commercial exploitation, the Court chose to apply only a rebuttable presumption rather than a conclusive presumption.<sup>121</sup> The Court noted Congress' intent in adding the consideration of commercial use to § 107:

This amendment is not intended to be interpreted as any sort of not-for-profit limitation on educational uses of copyrighted works. It is an express recognition that, as under the present law, the commercial or non-profit character of an activity, while not conclusive with respect to fair use, can and should be weighed along with other factors in fair use decisions.<sup>122</sup>

Thus, the presumption should be treated as only one factor in the analysis, as the courts did in *Koons* and *Eveready*.<sup>123</sup>

#### B. Trademarks: How A Commercial Use Can Cause Confusion

Courts have not applied a consistent standard to determine whether a parody is protected under trademark law. The commercial use of a parody is clearly an important factor because trademark law is premised upon commercial protection.<sup>124</sup> However, courts have adopted different approaches when determining how commercial use affects the likelihood of confusion analysis.<sup>125</sup>

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(S.D.N.Y. 1979) (holding that the defendant's commercial was not a fair use because it was an "unjustifiable appropriation of copyrighted material for personal profit").

120. See *Sony Corp. of Amer. v. Universal City Studios, Inc.*, 464 U.S. 417, 448-51 (1984) (discussing the role of the commercial/non-profit distinction in a fair use analysis).

121. The Court stated that "[a]lthough not conclusive, the first factor requires that 'the commercial or nonprofit character of the activity' be weighed in any fair use decision. If . . . [the defendant's use was] for a commercial or profit-making purpose, such use would presumptively be unfair." *Id.* at 448-49 (emphasis added) (citations omitted). In determining that the first factor was not dispositive, the Court probably meant that if the defendant's use was commercial or for profit, that factor would automatically weigh against the defendant. The use could still be a fair use if the other factors were favorable. See *id.*

122. *Id.* at 450 n.32 (quoting H.R. REP. NO. 1476, 94th Cong., 2d Sess. 5 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5679).

123. See *supra* note 119 and accompanying text.

124. See *supra* notes 32-46 and accompanying text.

125. Some courts deny protection to a parody if there is any commercial purpose.

Some courts have held that a parody used for commercial purposes will not be protected.<sup>126</sup> In *White v. Samsung Electronics America, Inc.*,<sup>127</sup> the court overturned the lower court's protection of the defendant's advertisement parodying Vanna White, a celebrity on "Wheel of Fortune."<sup>128</sup> Samsung argued that their parody should be protected, citing *Hustler Magazine, Inc., v. Falwell*<sup>129</sup> and *L.L. Bean, Inc. v. Drake Publishers, Inc.*,<sup>130</sup> where courts protected humorous and fake advertisements in magazines which parodied Jerry Falwell<sup>131</sup> and L.L. Bean,<sup>132</sup> respectively.<sup>133</sup> The *White* court remanded the case, noting that Samsung's parody may not be protected because of its commercial use.<sup>134</sup> The court stated:

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*See infra* note 126. Some courts focus on the defendant's underlying intention in making the commercial parody to determine whether there was an infringement. *See infra* note 142. Other courts use a First Amendment analysis. *See infra* note 160. Finally, some courts look at the practical effects in the marketplace to determine whether there is a likelihood of confusion. *See infra* note 178.

126. *See White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992) (holding that a parody may not be protected when used for commercial purposes), *cert. denied*, 113 S. Ct. 2443 (1993); *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 898 (N.D. Ill. 1992) (holding that a parody was not protected where it was used for commercial purposes); *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*, 776 F. Supp. 1454, 1463 (W.D. Wash. 1991) (stating that a parody is not protected where there was commercial misappropriation); *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175 (C.D. Cal. 1986), *aff'd*, 830 F.2d 197 (9th Cir. 1987) (finding infringement where the defendant's parody was used commercially).

127. 971 F.2d 1395 (9th Cir. 1992), *cert. denied*, 113 S. Ct. 2443 (1993).

128. *Id.* at 1396. The advertisement in question "depicted a robot, dressed in a wig, gown, and jewelry which [was] consciously selected to resemble White's hair and dress. The robot was posed next to a game board which is instantly recognizable as the Wheel of Fortune game show set, in a stance for which White is famous." *Id.*

129. 485 U.S. 46 (1988).

130. 811 F.2d 26 (1st Cir.), *cert. denied*, 483 U.S. 1013 (1987).

131. Jerry Falwell is a "nationally known minister who has been active as a commentator on politics and public affairs." *Falwell*, 485 U.S. at 47. The parody at issue was a fake advertisement for Campari Liqueur, whose advertising campaign featured interviews with various celebrities about their "first time." *Id.* at 48. The advertisements played upon the sexual connotation of "first time," even though the interviews were about the first time the celebrity tasted Campari. *Id.* The parody followed the Campari format and consisted of an "interview" with Falwell "in which he states that his 'first time' was during a drunken incestuous rendezvous with his mother in an outhouse." *Id.* At the bottom of the page, there is a disclaimer: "[A]d parody - not to be taken seriously." *Id.* The court held that the parody was protected speech under the First Amendment. *Id.* at 57.

132. L.L. Bean is a manufacturer of clothing and specialty products. They market their goods primarily through mail-order catalogs.

133. *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992).

134. *Id.* The court, in dicta, expressed concerns that a consumer might conclude that White endorsed the product. *Id.* The court noted that the facts of this case tend to support a finding of likelihood of confusion:

This case involves a true advertisement run for the purpose of selling Samsung VCRs. The ad's spoof of Vanna White and Wheel of Fortune is subservient and only tangentially related to the ad's primary message: "buy Samsung VCRs." Defendants' parody arguments are better addressed to non-commercial parodies. The difference between a "parody" and a "knock-off" is the difference between fun and profit.<sup>135</sup>

Furthermore, in *Nike, Inc. v. "Just Did It" Enterprises*,<sup>136</sup> the court held that parody is not a defense to trademark infringement where the defendant relies on the popularity of a well-established mark for the defendant's commercial gain.<sup>137</sup> Thus, where the defendant created a line of clothing with the mark "MIKE," which parodied the plaintiff's mark "NIKE," the court found trademark infringement.<sup>138</sup>

Some courts, however, protect commercial parodies.<sup>139</sup> Each jurisdiction applies its own criteria for determining whether commercial parodies create a likelihood of consumer confusion or are entitled to protection.<sup>140</sup> However, three factors have proven more influential or dispositive in the courts' analysis: intent of the defendant, First Amendment considerations, and practical results in the marketplace.<sup>141</sup>

In cases concerning confusion over celebrity endorsement, the plaintiff's "goods" concern the . . . source of the plaintiff's fame. Because White's fame is based on her televised performances, her "goods" are closely related to Samsung's VCRs. Indeed, the ad itself reinforced the relationship by informing its readers that they would be taping the "longest-running game show" on Samsung's VCRs well into the future.

*Id.* at 1400.

135. *Id.* at 1401.

136. 799 F. Supp. 894 (N.D. Ill. 1992).

137. *Id.* at 898. See also *Hard Rock Cafe Licensing Corp. v. Pacific Graphics, Inc.*, 776 F. Supp. 1454, 1463 (W.D. Wash. 1991) (holding that "[p]arody is no defense to [defendant's] misappropriation of the famous HARD ROCK CAFE logo").

138. *Nike*, 799 F. Supp. at 899.

139. See *infra* notes 137, 148, 160, 167, and 173.

140. For example, the Fourth Circuit considers: (1) the strength of the plaintiff's mark, (2) the similarity between the marks, (3) the similarity of the products they identify, (4) the similarity of business facilities, (5) the similarity in advertising, (6) the defendant's intent, and (7) whether there is evidence of actual confusion. *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 320 (4th Cir.), *cert. denied*, 113 S. Ct. 206 (1992). The Ninth Circuit considers similar factors, but also looks at the likely degree of purchaser care and the likelihood of expansion of product lines. *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1400 (9th Cir. 1992) (citing *AMF, Inc. v. Sleekcrate Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)).

141. See *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 494-95 (2d Cir. 1989) (explaining how trademark parodies can be protected under the First Amendment); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d



A commercial parody may be protected if the defendant had a proper intent.<sup>142</sup> In *Jordache Enterprises v. Hogg Wyld, Ltd.*,<sup>143</sup> the defendant created and marketed a line of designer jeans for large women under the name "Lardashe."<sup>144</sup> The plaintiff, who marketed a line of designer jeans under the name "Jordache," filed a suit for trademark infringement.<sup>145</sup> The district court found that the defendant's "intent was to employ a name that, to some extent, parodied or played upon the established trademark Jordache," but they "did not intend to 'pass off' their jeans as Jordache jeans; that is, to confuse the public into believing it was buying a Jordache product."<sup>146</sup> The circuit court acknowledged the general pre-

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1482, 1485 (10th Cir. 1987) (finding that the intent of the defendant to parody the plaintiff's mark was an important factor in determining whether there was likelihood of confusion); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 759 (9th Cir. 1978), (holding that the court must analyze the practical effects in the marketplace to determine whether there is a likelihood of confusion), *cert. denied*, 439 U.S. 1132 (1979).

142. See *Anheuser-Busch, Inc.*, 962 F.2d at 321 (holding that the parody was protected because the defendant did not intend to confuse the public); *Jordache Enters., Inc.*, 828 F.2d at 1485 (holding that there was no likelihood of confusion where the defendant intended to parody the plaintiff's mark, and did not intend to confuse the public); *Walt Disney Prods.*, 581 F.2d at 759 (finding that the likelihood of confusion was diminished where there was no improper intent by the defendants). However, if the parodist has improper motives, the parody will not be protected. See *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 897, 899 (N.D. Ill. 1992) (finding likelihood of confusion where the defendant intended to benefit from the plaintiff's mark); *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1173-75 (C.D. Cal. 1986) (finding likelihood of confusion where the defendant chose a mark similar to the plaintiff's in order to capitalize on the plaintiff's reputation), *aff'd*, 830 F.2d 197 (9th Cir. 1987).

143. 828 F.2d 1482 (10th Cir. 1987).

144. *Id.* at 1483-84. Other names considered for the jeans include: "Seambusters," "Rino Asirus," "Vidal Sowsoon," "Calvin Swine," "Wiseashe," "Dumbashe," and "Horsesashe." *Id.* at 1483.

145. *Id.* at 1483-84. They also alleged violation of New Mexico's anti-dilution statute. *Id.* Anti-dilution statutes are state laws that may provide relief to trademark owners even when there is no likelihood of confusion. *Id.* at 1488. Dilution occurs when there is one of the following: (1) diminished value to a mark, due to actual or potential confusion; (2) "diminution in the uniqueness or individuality of a mark;" or (3) damage to a mark, resulting from a use that tarnishes its image or appropriates its goodwill and reputation. *Id.* at 1489. If the state has an anti-dilution statute, dilution may be plead in conjunction with trademark infringement.

146. *Id.* at 1485. If Hogg Wyld had intended to "pass off" its goods as Jordache products, there would have been trademark infringement. See *supra* note 40. The "deliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion." *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 927 (10th Cir. 1986) (finding that the defendant chose the mark "Brew Nuts" in order to exploit the popularity of "Beer Nuts").

Furthermore, in *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 897 (N.D. Ill. 1992), there was evidence that the defendant intended to pass off his products as

sumption that choosing a mark similar to a well-established mark indicates an intent to confuse the public,<sup>147</sup> but affirmed the district court's decision, stating that "where a party chooses a mark as a parody of an existing mark, the intent is not necessarily to confuse the public but rather to amuse."<sup>148</sup> In this case, the benefit of the parody was derived from its humorous association, not from public confusion with respect to the source of the product.<sup>149</sup> Although the marks were similar, it was the *difference* between them that produced the desired effect.<sup>150</sup> Finding no likelihood of confusion, the court held that the defendants had not infringed on Jordache's trademark.<sup>151</sup> The court concluded that "[a]n intent to parody is not an intent to confuse the public."<sup>152</sup>

that of Nike. The defendant admitted that he knew of Nike's trademark rights and that he wanted to benefit from Nike's advertising and promotion. *Id.* The court held that the defendant's conduct resulted in a likelihood of confusion. *Id.* at 899. *See also* Grey v. Campbell Soup Co., 650 F. Supp. 1166, 1173-75 (C.D. Cal. 1986) (reasoning that there is likelihood of confusion where defendant Grey marketed DOGIVA dog biscuits, intending to benefit from the GODIVA name).

147. *Jordache*, 828 F.2d at 1486. For example, in *Beer Nuts*, the defendant marketed peanuts under the name "BREW NUTS," which was found to infringe on the plaintiff's trademark for "BEER NUTS." *Beer Nuts*, 805 F.2d at 928. The court reasoned that where the marks are similar and where the defendant had knowledge of the plaintiff's popular mark, there is an inference of intent to pass off the product as that of the plaintiff. *Id.* at 927.

148. *Jordache*, 828 F.2d at 1486. The court's decision in *Jordache* may help to explain why the law protects some uses and not others. In *Jordache*, the court found the alleged infringement to be humorous and was inclined to protect the use as a parody. *Id.* In *Beer Nuts*, however, the defendant did not select his mark for its humorous effect but rather because of its similarity to the plaintiff's mark. *Beer Nuts*, 805 F.2d at 927. When it is clear that a use is a parody, the court is more likely to protect it because the humorous nature of the use, though commercial, will prevent confusion. *See Jordache*, 828 F.2d at 1486.

149. *Id.*

150. *Id.* *Jordache* can be distinguished from *Beer Nuts*. In *Beer Nuts*, the defendant relied on the similarities between the marks to achieve his goal. *Beer Nuts*, 805 F.2d at 927. In *Jordache*, the defendant relied on the differences. *Jordache*, 828 F.2d at 1486.

151. *Id.* at 1488. *See also* Walt Disney Prods. v. Air Pirates, 581 F.2d 751, 759 (9th Cir. 1978) (absence of improper intent by the defendants diminished the likelihood of confusion).

152. *Jordache*, 828 F.2d at 1486. The court recognized that a parody of an existing trademark could cause a likelihood of confusion, especially if the marks were confusingly similar or if there was evidence of actual confusion. *Id.* However, the court found that if there was no likelihood of confusion, the parody should be protected. "No one likes to be the butt of a joke, not even a trademark. But the requirement of trademark law is that a likely confusion of source, sponsorship or affiliation must be

The role of the defendant's intent was flushed out further in *Anheuser-Busch, Inc. v. L & L Wings, Inc.*<sup>153</sup> The defendant sold souvenir T-shirts that displayed a design similar to the plaintiff's Budweiser beer trademark.<sup>154</sup> Anheuser-Busch argued that the parody should not be protected because the defendant's intent was to make money by exploiting the "commercial magnetism" of the Budweiser label.<sup>155</sup> The court of appeals, however, strictly construed the test for trademark infringement, limiting the inquiry to whether there was a "likelihood of confusion."<sup>156</sup> While acknowledging that profit primarily motivated the defendant, the court stated that "the relevant intent in trademark cases is not merely an intent to profit, which would condemn all commercial parody, but an 'intent to confuse the buying public.'"<sup>157</sup> The court reinstated a jury's verdict that the defendant's T-shirt presented no likelihood of confusion,

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proven, which is not the same thing as a 'right' not to be made fun of." *Id.* (quoting 2 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 31:38 (2d ed. 1984)).

153. 962 F.2d 316 (4th Cir. 1992).

154. *Id.* at 317. The T-shirts' visual design and color contained similarities to the Budweiser beer label, but achieved the parody through the words on the shirt. The T-shirt did not mention "Anheuser-Busch" or "Budweiser." Instead, it substituted the words "Myrtle Beach" and "Myrtle Beach, S.C." *Id.* at 318. Where the Budweiser label said

This is the famous Budweiser beer. We know of no brand produced by any other brewer which costs so much to brew and age. Our exclusive Beechwood Aging produces a taste, a smoothness, and a drinkability you will find in no other beer at any price,

the T-shirt said

[T]his is the famous beach of Myrtle Beach, S.C. We know of no other resort in any state which lays claim to such a rich history. The unspoiled beaches, natural beauty, and southern hospitality compose a mixture you will find in no other beach in any state.

*Id.* at 319. The T-shirt replaced "This Bud's for you" with "This Beach is for you." It replaced "Brewed by our original process from the Choicest Hops, Rice and Best Barley Malt" with "Myrtle Beach contains the Choicest Surf, Sun, and Sand." *Id.*

155. *Id.* at 321. Anheuser-Busch also argued that the T-shirt design did not qualify as a parody because the "purpose was to make money and not to make any commentary about Budweiser beer." *Id.* The court, however, determined that the design was a parody because it provided "a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner." *Id.* (quoting *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir.), *cert. denied*, 483 U.S. 1013 (1987)). It is interesting to note how this position differs from copyright law, where commentary on the original is required to qualify as a parody protected under the fair use doctrine. *See supra* notes 96 and 116.

156. *Anheuser-Busch*, 962 F.2d at 321-22.

157. *Id.* at 321 (quoting *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1535 (4th Cir. 1984)). The court noted that, ordinarily, the intent to profit from an established mark is equivalent to the intent to confuse the public but held that the ordinary maxim does not apply in parody cases. *Id.* at 322.

reasoning that the commercial success of the T-shirts could have resulted from consumers' amusement at the cleverness of the design, and not from confusion with respect to the source or sponsor of the shirt.<sup>158</sup> According to the court, the purpose of the Lanham Act is "to protect consumers from product misinformation, not to deprive the commercial world of all humor and levity."<sup>159</sup>

A number of defendants have sought protection for their parodies under the free speech doctrine of the First Amendment, with varying results.<sup>160</sup> It is well settled that commercial speech is afforded less First Amendment protection than expressive speech.<sup>161</sup> The difficulty arises when the nature of a parody is both commercial and expressive, thus requiring the court to evaluate whether the parody is more commercial or more expressive.<sup>162</sup>

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158. *Id.* In support of this decision, the court noted:

This pivotal trademark issue [whether there is likelihood of confusion] is particularly amenable to resolution by a jury for two reasons. First, the jury, which represents a cross-section of consumers, is well-suited to evaluate [sic] whether an "ordinary consumer" would likely be confused. Second, the likelihood of consumer confusion is an "inherently factual" issue that depends on the unique facts and circumstances of each case.

*Id.* at 318. Furthermore, the court indicated that it did not want to stray from the statutory test of likelihood of confusion, stating that "[s]imilarity of format and intent to profit . . . are not precise equivalents of the dispositive statutory language." *Id.* at 322.

159. *Id.*

160. See *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 n.3 (9th Cir. 1992) (arguing that the First Amendment does not afford much protection to commercial speech, including parodies used for commercial purposes), *cert. denied*, 113 S. Ct. 2443 (1993); *Cliff Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989) (holding that parodies are protected when the interest in expression outweighs the risk of consumer confusion); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 32 (1st Cir.) (holding that the First Amendment can protect parodies where they are expressive speech), *cert. denied*, 483 U.S. 1013 (1987); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979) (holding that trademark rights do not necessarily have to yield to First Amendment rights).

161. Laurence H. Tribe, *AMERICAN CONSTITUTIONAL LAW* 895 (1988) (discussing the varying degrees of constitutional protection given to speech).

162. The Ninth Circuit court struggled with this issue in *White*, 971 F.2d 1395. In *White*, the defendants created an advertisement for their VCRs that parodied Vanna White, a celebrity hostess on the game show "Wheel of Fortune." The advertisement, featuring a robot dressed as White, was supposed to portray a fictitious ad for Wheel of Fortune in the year 2012. *Id.* at 1396. The court concluded that the advertisement was more commercial than expressive and refused to protect the ad as a legitimate

In *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*,<sup>163</sup> the defendant used a uniform in the film "Debbie Does Dallas" markedly similar to a Dallas Cowboys Cheerleaders uniform. The court denied the defendant's film protection under the First Amendment.<sup>164</sup> The court stated that the "[p]laintiff's trademark is in the nature of a property right, . . . and as such it need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.'"<sup>165</sup>

In contrast, the First Circuit gave First Amendment protection to a trademark parody in *L.L. Bean, Inc. v. Drake Publishers, Inc.*<sup>166</sup> The court criticized the *Dallas Cowboys Cheerleaders* decision, arguing that "trademark is not property in the ordinary sense but only a word or symbol indicating the origin of a commercial product."<sup>167</sup> Thus, the court

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use under trademark law. *Id.* at 1401. "In the case of commercial advertising . . . the first amendment hurdle is not so high . . . . Realizing this, Samsung attempts to elevate its ad above the status of garden-variety commercial speech by pointing to the ad's parody of Vanna White. Samsung's argument is unavailing." *Id.* at 1401 n.3 (citations omitted).

163. 604 F.2d 200 (2d Cir. 1979).

164. *Id.* at 206. The court held that the injunction issued against the film was not an unconstitutional "prior restraint," rather it was a protection of a private party's property rights. *Id.* The court reasoned that the Lanham Act is "content neutral," and therefore, the concerns associated with "prior restraint" would not apply. *Id.*

165. *Id.* (quoting *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972)). *Lloyd Corp.* involved real property rights. The Supreme Court held that the owner of a shopping center had no obligation to allow others access to the property for purposes of exercising their First Amendment rights. *Lloyd Corp.*, 407 U.S. at 570. The Court stated that property rights need not defer to First Amendment protections where sufficient alternative means for expression exist. *Id.* at 567. The *Dallas Cowboys Cheerleaders* case involved intellectual property rights, and the court analogized their rights to the real property rights in *Lloyd Corp.* *Dallas Cowboys Cheerleaders*, 604 F.2d at 206. The court concluded that there were numerous ways in which the filmmakers could comment on "sexuality in athletics" without infringing on the Cheerleaders' trademark rights. *Id.*

166. 811 F.2d 26 (1st Cir.), *cert. denied*, 483 U.S. 1013 (1987).

167. *Id.* at 29 (quoting *Power Test Petroleum Distribs., Inc. v. Calco Gas*, 754 F.2d 91, 97 (2d Cir. 1985)). The *L.L. Bean* court argued that the *Dallas Cowboys Cheerleaders* court had not "fully assessed the nature of a trademark owner's property rights." *Id.* The *Dallas Cowboys Cheerleaders* court relied on *Lloyd Corp. v. Tanner*, 407 U.S. 551 (1972), and analogized intellectual property rights to real property rights. *Id.*; see *supra* note 160. The *L.L. Bean* court did not accept this analogy between intellectual property rights and real property rights. *Id.* Instead, the court expounded upon the distinctive characteristics of trademark rights, relying on *Lucasfilm Ltd. v. High Frontier*, 622 F. Supp. 931 (D.D.C. 1985):

In that case, the owners of the trademark "Star Wars" alleged injury from public interest groups that used the term in commercial advertisements presenting their views on President Reagan's Strategic Defense Initiative. Judge Gesell stressed that the sweep of a trademark owner's rights extends only to

concluded that the First Amendment issue cannot be readily dismissed.<sup>168</sup> The court noted that although trademark law does place limitations on First Amendment rights, these limitations are not all constitutionally permissible regulations of commercial speech.<sup>169</sup> The *L.L. Bean* court held that a parody could be protected as expression where the use of the trademark was "editorial or artistic."<sup>170</sup>

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injurious, unauthorized *commercial* uses of the mark by another . . . . Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.

*L.L. Bean*, 811 F.2d at 29 (citations omitted) (emphasis added). The court believed that limitations on the non-commercial uses of a trademark could lead to undesirable results. For example, "a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct." *Id.* at 33. Such a result would be in conflict with the aim of the First Amendment: to promote the free flow of ideas. See Tribe, *supra* note 161, at 785-86.

168. *L.L. Bean*, 811 F.2d at 29.

169. "[A] parody which engenders consumer confusion would be entitled to less protection than is granted by our decision today . . . . A parody which causes confusion in the marketplace implicates the legitimate commercial and consumer protection objectives of trademark law." *Id.* at 32 n.3 (citations omitted). "We think the Constitution tolerates an incidental impact on rights of expression of commercial actors in order to prevent a defendant from unauthorizedly merchandizing his products with another's trademark." *Id.* at 32.

170. *Id.* at 33. This case exemplifies the difficulty in distinguishing "commercial" from "artistic" or "expressive." Although the defendant's use of the plaintiff's mark in *L.L. Bean* is arguably commercial and in many ways similar to the use in *Dallas*, there is enough of a distinction to justify the result. In *L.L. Bean*, the defendant, Drake, published an erotic adult magazine. *Id.* at 27. One issue featured an article entitled "L.L. Bean's Back-To-School-Sex-Catalog" which used L.L. Bean's trademark, but was labelled as "humor" and "parody." *Id.* The court held that this use was non-commercial and categorized it as an "editorial or artistic parody." *Id.* at 32. The parody in *Dallas Cowboys Cheerleaders*, however, did not have the same clear labelling or editorial nature and was thus characterized by the court as a commercial use. *Id.* at 31.

In both *Dallas Cowboy Cheerleaders* and *L.L. Bean*, a well-known mark as part of an artistic work was intended as a parody. The movie in *Dallas Cowboys Cheerleaders* and the magazine in *L.L. Bean* were both placed in the stream of commerce for profit. *L.L. Bean*, 811 F.2d at 77-78; *Dallas Cowboys Cheerleaders*, 604 F.2d 200. Interestingly, in both *Dallas* and *L.L. Bean*, the plaintiff alleged that its reputation was damaged by the use of its trademark in a sexually explicit context.

The result in *Dallas* is understandable. The movie's status as a legitimate parody is questionable, and the movie used "blatantly false and explicitly misleading advertisements." *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 495 (2d Cir. 1989). The fact that the article in *L.L. Bean* was clearly labelled a parody helps to distinguish it from *Dallas*. *L.L. Bean*, 811 F.2d at 27. Even though Drake used a facsimile of L.L. Bean's trademark, there was no question that the

The Second Circuit expanded the First Amendment analysis in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*.<sup>171</sup> The court accepted the proposition that parody is a form of expression protected by the First Amendment and recognized the legitimate yet conflicting interest in preventing consumer deception.<sup>172</sup> The court advocated a balancing test which would “weigh the public interest in free expression against the public interest in avoiding consumer confusion.”<sup>173</sup> The court held that parodies, due to their expressive nature, are afforded more protection under the First Amendment than ordinary commercial products.<sup>174</sup> The test for trademark infringement, whether there is a likelihood of confusion, is satisfied if the risk of confusing the consumer outweighs the public interest in expression.<sup>175</sup> The court will ultimately determine whether there is a likelihood of confusion, but the public policy favoring parodies allows a greater degree of confusion than that tolerated with non-artistic expression.<sup>176</sup> Applying this balancing test, the court held that the interest in expression was not outweighed by the likelihood of confusion and protected the defendant’s parody.<sup>177</sup>

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article was merely a parody. The article did not purport to be an actual catalog either issued or endorsed by L.L. Bean. *Id.* at 32. The movie in *Dallas*, however, could be mistaken as a representation, accurate or not, of the Dallas Cowboys Cheerleaders. *Dallas Cowboys*, 604 F.2d at 207. *See also* Nike, Inc. v. “Just Did It” Enters., 799 F. Supp. 894, 898-99 (N.D. Ill. 1992) (finding likelihood of confusion where there was not clear notice that the products were parodies); Warner Bros., Inc. v. American Broadcasting Co., Inc., 523 F. Supp. 611, 618 (S.D.N.Y. 1981) (requiring written and oral notice that the film “The Greatest American Hero” is not created by, sponsored by, or connected with the creators, producers, or distributors of “Superman,” even though the likelihood of confusion is minimal).

171. 886 F.2d 490 (2d Cir. 1989).

172. *Id.* at 493-94.

173. *Id.* at 494. The court noted that “trademark protection is not lost simply because the allegedly infringing use is in connection with a work of artistic expression.” *Id.* at 493 (quoting *Silverman v. CBS, Inc.*, 870 F.2d 40, 49 (2d Cir.), *cert. denied*, 492 U.S. 907 (1989)). The expressive use may still lead to confusion among consumers, in which case, the trademark deserves protection. *Id.*

174. *Id.* at 495. The court also reasoned that parodies deserve “substantial freedom” because they serve as both entertainment and a form of comment or criticism. *Id.* at 493.

175. *Id.* at 495.

176. *Id.*

177. The plaintiff, Cliff Notes, marketed condensed versions of classic literature as academic study guides. *Id.* at 491. The defendant published Spy Notes, a satire of Cliff Notes, containing condensed versions of contemporary urban novels. *Id.* at 491-92. Although Spy Notes copied the academic style and yellow and black cover of Cliff Notes, Spy Notes distinguished themselves by printing “A Satire” five times on the cover in bright red lettering. *Id.* at 492. Additionally, Spy Notes featured other writing on the cover and was priced more than twice as much as Cliff Notes. *Id.* The court held that there was no likelihood of confusion because a reasonable purchaser would realize that Spy Notes was a parody of Cliff Notes. *Id.* at 495.

Whether courts grant protection for commercial use of a parody may also depend upon the practical effects of the parody in the marketplace.<sup>178</sup> This approach to determine whether there is a likelihood of confusion was defined in *Walt Disney Productions v. Air Pirates*.<sup>179</sup> In *Air Pirates*, the defendants produced a counter-culture magazine entitled "Air Pirates Funnies," which included a parody of Disney's cartoons.<sup>180</sup> The district court granted summary judgment to Disney because in "a simple, visual, side-by-side comparison," the marks were so similar that there was a likelihood of confusion.<sup>181</sup> The Ninth Circuit reversed, deeming the district court's method of comparison insufficient.<sup>182</sup> A simple side-by-side comparison, removed from the realities of the market, cannot reveal whether the allegedly infringing mark could be confusing.<sup>183</sup> The court maintained that the marks should be compared as they would be by a consumer in the marketplace.<sup>184</sup> The court held that in

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178. See *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987) (holding that there was a likelihood of confusion upon a showing of "competitive proximity" between the plaintiff's and the defendant's products); *Universal City Studios, Inc. v. Nintendo Co.*, 746 F.2d 112, 117 (2d Cir. 1984) (finding no likelihood of confusion because a consumer would not confuse the story of "King Kong" with that of "Donkey Kong"); *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 791 (9th Cir. 1981) (finding no likelihood of confusion where the products were unrelated); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 759 (9th Cir. 1978) (stating that the court must consider what actually occurs in the marketplace, and not merely perform a side-by-side comparison of the marks); *Nike, Inc. v. "Just Did It" Enter.*, 799 F. Supp. 894, 897 (N.D. Ill. 1992) (finding a likelihood of confusion where the marks were visually similar and used on similar products in the marketplace); *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 450 (N.D. Ill. 1991) (finding no trademark infringement because the consumer would not confuse the Energizer Bunny with the actor Leslie Nielsen dressed as a bunny); *Universal City Studios, Inc. v. Casey & Casey, Inc.*, 622 F. Supp. 201, 204 (S.D. Fla. 1985) (holding that there is no likelihood of confusion where a T-shirt with a "Miami Mice" caption parodied a television series called "Miami Vice" because a consumer would not confuse human characters with mice characters).

179. 581 F.2d 751 (9th Cir. 1978).

180. *Id.* at 752-53. The trademark infringement issue arose because the plaintiff alleged that its "Silly Symphony" mark was copied. The only difference was that the defendant entitled its work "Silly Sympathies." *Id.* at 759.

181. *Id.*

182. *Id.*

183. *Id.*

184.

While a comparison of the mark and the imitation is one . . . factor, that comparison should not be a simple, visual, side-by-side comparison but rather the mark and the imitation should be viewed "in light of what occurs in the



this case the likelihood of confusion was "markedly diminished" because the parody appeared within a comic book together with other cartoons (as opposed to constituting a comic book in its entirety) and was sold only in adult counter-culture stores, where the purchaser was likely to recognize the "incompatibility of defendants' work with Disney's."<sup>185</sup>

The likelihood of confusion will increase, however, if the defendant's products can be substituted for the plaintiff's products.<sup>186</sup> In *Mutual of Omaha Insurance Co. v. Novak*,<sup>187</sup> the court found an increased likelihood of confusion due in part to the "competitive proximity" of the plaintiff's and defendant's products.<sup>188</sup> Mutual, an insurance company, used an "Indian head" logo and the designation "Mutual of Omaha" as its trademark.<sup>189</sup> These marks were used on such items as T-shirts and coffee mugs.<sup>190</sup> Novak, an entrepreneur, created and sold a line of products, including T-shirts and coffee mugs, featuring a design with an emaciated Indian head and the words "Mutant of Omaha."<sup>191</sup> Despite an ab-

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marketplace," . . . taking into account the "circumstances surrounding the purchase of the goods."

*Id.* (citations omitted).

185. *Id.* But see *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894 (N.D. Ill. 1992). In *Nike*, the court found a significant likelihood of confusion where the marks used were visually similar and were used on identical goods in the marketplace. *Id.* at 897.

A comparison of plaintiff's and defendant's marks reveals that they are virtually identical. In fact, the only difference between the marks is that [the defendant] has substituted an "M" for the "N," thus using the word "MIKE" rather than "NIKE." Even [the defendant] himself admitted . . . that from a distance, the two marks could not be distinguished . . . . Moreover, both parties sell T-shirts and sweatshirts.

*Id.*

186. See *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987) (holding that there is likelihood of confusion because the defendant's products could be substituted for the plaintiff's products), *cert. denied*, 488 U.S. 933 (1988); *Nike*, 799 F. Supp. at 899 (holding that a likelihood of confusion existed because the "MIKE" products served as a substitute for "NIKE" products).

187. 836 F.2d 397 (8th Cir. 1987), *cert. denied*, 488 U.S. 933 (1988).

188. *Id.* at 399 (citing *SquirtCo v. Seven-Up Co.* 628 F.2d 1086 (8th Cir. 1980) (recognizing competitive proximity as a factor to consider in determining the likelihood of confusion)). However, there may still be trademark infringement where the plaintiff's and defendant's products are not in direct competition with each other. *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 725 F. Supp. 1314, 1322, 1324 (S.D.N.Y. 1989) (holding that a \$10 bottle of popcorn kernels labeled "Dom Popignon" might constitute an infringement of "Dom Perignon" champagne). But see *American Express Co. v. Vibra Approved Lab. Corp.*, No. 87 Civ. 8840, 1989 WL 39679 (S.D.N.Y. 1989) (holding that a condom package in the image of an American Express card was not a trademark infringement).

189. *Mutual of Omaha*, 836 F.2d at 398.

190. *Id.* at 399.

191. *Id.* at 398. The design on the T-shirts also included the phrase "Nuclear Holo-

sence of direct competition in the marketplace, the court held that a likelihood of confusion existed because the consumer would find similar marks on similar items.<sup>192</sup>

Proof of actual confusion among consumers is related to an analysis of the parody's effects in the marketplace.<sup>193</sup> Although proof of actual confusion is not required to prevail on an infringement claim,<sup>194</sup> the lack of actual confusion can bolster a defendant's argument against the likelihood of confusion.<sup>195</sup> On the other hand, when proof of actual confusion exists, the plaintiff will certainly prevail.<sup>196</sup>

#### IV. PROPOSAL

##### A. *Commercial Parodies in Copyright Law: How to Rebut The Presumption of Unfairness*

*Sony* established the proposition that commercial use of a copyrighted work is presumptively unfair.<sup>197</sup> Thus, a defendant who parodies a copyrighted work must rebut that presumption in order to receive fair use protection.<sup>198</sup> As shown above, the courts have not developed a consistent standard for determining when a commercial parody will be protected.<sup>199</sup> A consistent standard should be applied so that aspiring parodists will know what is a permissible parody.<sup>200</sup> Courts should consider only

caust Insurance." *Id.*

192. *Id.* at 399. *See also* Nike, Inc. v. "Just Did It" Enters., 799 F. Supp. 894, 899 (N.D. Ill. 1992) (finding likelihood of confusion where defendant's products could be substituted for Nike's products).

193. *Mutual of Omaha*, 836 F.2d at 399.

194. *See supra* note 43 and accompanying text.

195. *See* Walt Disney Prods. v. Air Pirates, 581 F.2d 751, 759 (9th Cir. 1978) (stating that the lack of proof of actual confusion diminishes the likelihood of confusion), *cert. denied*, 439 U.S. 1132 (1979).

196. *See Mutual of Omaha*, 836 F.2d at 400 (finding for the plaintiff where a survey showed evidence of actual confusion); DC Comics, Inc. v. Unlimited Monkey Business, Inc., 598 F. Supp. 110, 116-17 (N.D. Ga. 1984) (granting summary judgment to plaintiff where undisputed evidence of actual confusion was presented).

197. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984).

198. *See, e.g.*, Acuff-Rose Music, Inc. v. Campbell, 972 F.2d 1429, 1437 (6th Cir. 1992) (stating that the commercial use of the work weighed against a finding of fair use, because the defendant failed to rebut the presumption of unfairness).

199. *See supra* notes 80, 92, 93, 95, 108, and accompanying text.

200. Currently, cases are decided inconsistently. *Compare* Tin Pan Apple Inc. v. Miller Brewing Co., 737 F. Supp. 826, 832 (S.D.N.Y. 1990) (holding that a television commercial that parodied a rap group was not a fair use because of the commercial

one element in determining whether the defendant has rebutted the presumption of unfairness: the degree of the parody's expressive or critical value.

Courts should not deny protection to commercial parodies altogether.<sup>201</sup> Parodies, whether commercial or not, provide valuable social commentary and criticism,<sup>202</sup> and to deny protection to parodies on the basis of their commercial nature would deter creative efforts and deprive public benefits.<sup>203</sup> Thus, courts should protect qualified commercial parodies as a fair use.

To determine whether a parody qualifies as a fair use, courts should consider all four statutory factors.<sup>204</sup> They should interpret the presumption of unfairness as a presumption that the first factor weighs against a finding of fair use unless the defendant rebuts it.<sup>205</sup> The courts have struggled with the question of how one can rebut the presumption and have taken many different approaches.<sup>206</sup>

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use) *with* *Eveready Battery Co., Inc. v. Adolph Coors Co.*, 765 F. Supp. 440, 446 (N.D. Ill. 1991) (holding that a television commercial that parodied another television commercial was a fair use, despite the commercial use); *compare* *Fisher v. Dees*, 794 F.2d 432, 438 (9th Cir. 1986) (holding that the song "When Sonny Sniffs Glue," which parodied "When Sunny Gets Blue," was a fair use) *with* *MCA, Inc. v. Wilson*, 677 F.2d 180, 185 (2d Cir. 1981) (holding that the song "Cunnilingus Champion of Company C," which parodied "Boogie Woogie Bugle Boy," was not a fair use).

Congress permits the fair use doctrine to be applied on a case-by-case basis because "the endless variety of situations and combinations of circumstances that can rise . . . precludes the formulation of exact rules in the statute." H.R. REP. NO. 1476, 94th Cong., 2d Sess., *reprinted in* 17 U.S.C. § 107 (1982). However, Congress also acknowledges that there are guidelines to be used in determining whether there is a fair use, namely the four factors in § 107. *Id.* Congress stated that the statutory factors "provide some gauge for balancing the equities." *Id.* By applying a single, consistent standard to rebut the presumption of unfairness, the courts would not be forming "exact rules," but rather clarifying the guidelines.

201. Shaked, *supra* note 10, at 7.

202. *Fisher v. Dees*, 794 F.2d 432, 437-38 (9th Cir. 1986) (stating that even commercial parodies should be protected because of their important role in social and literary criticism).

203. Shaked, *supra* note 10 at 5.

204. 17 U.S.C. § 107 (1982). The four factors are:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

*Id.*

205. *See supra* notes 117-23 and accompanying text.

206. One approach is to consider the effect on the economic value of the original.

The approach employed by the court in *Fisher* is inappropriate.<sup>207</sup> The court stated that the defendant could rebut the presumption of unfairness by showing that the parody did not diminish the economic value of the original.<sup>208</sup> However, the fourth statutory factor already accounts for this.<sup>209</sup> The first factor should be considered in isolation and not merged with the fourth factor.<sup>210</sup> Congress provided the courts with four factors for consideration in a fair use analysis, and it will dilute the strength of the multi-factored analysis if courts blend the factors.<sup>211</sup>

The courts should not consider the intent of the defendant in determining whether the parody qualifies as a fair use.<sup>212</sup> The purpose of the fair use doctrine is to balance economic interests of the copyright holder with the benefit to the public from legitimate commentary.<sup>213</sup> A copyright holder should not lose his rights merely because the defendant did not intend to infringe on them.<sup>214</sup> Likewise, a court should not deny protection to a parody that qualifies as a fair use even when the parodist

*See supra* notes 84-95 and accompanying text. A second approach is to ask whether the defendant will profit financially from the parody. *See supra* notes 96-110 and accompanying text. A final approach is to look at the intent of the defendant. *See supra* notes 111-16 and accompanying text.

207. In *Fisher v. Dees*, 794 F.2d 432 (9th Cir. 1986), the court examined the economic effect on the original. *Id.* at 438.

208. *Id.* This was probably the approach that the *Sony* Court intended. The Court directed its attention to the fourth factor in determining whether the defendant's use was fair: "[C]ongress has also directed us to consider 'the effect of the use upon the potential market for or value of the copyrighted work.' The purpose of copyright is to create incentives for creative effort." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 450 (1984).

209. The fourth fair use factor considers "the effect of the use upon the potential market for or the value of the copyrighted work." 17 U.S.C. § 107(4) (1982).

210. Congress listed the factors separately, indicating that they are distinct. The historical notes for § 107 state that the specific wording of the section is due to the collective efforts of courts to resolve the conflicts that have arisen under the fair use doctrine. H.R. REP. NO. 1476, 94th Cong., 2d Sess., reprinted in 17 U.S.C. § 102 (1982).

211. *See Shaked*, *supra* note 10 at 7 (arguing that a narrow application of the fair use doctrine would inhibit criticism and comment).

212. The court examined the intent of the defendant in *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992). In *Koons*, the court was pre-disposed to find that the defendant's work was not a fair use because he acted with "bad faith" in copying the plaintiff's work. *Id.* at 310.

213. *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1434-35 (6th Cir. 1992) (explaining that the fair use doctrine allows for comment or criticism where the copyright owner would otherwise have a monopoly interest).

214. *Id.* at 1436 (stating that not all works intended as parodies will be fair uses).

had a profit motive.<sup>215</sup> The intent of the defendant is irrelevant.

A defendant should rebut the presumption of unfairness by showing that the parody has a high degree of critical or commentary value.<sup>216</sup> In creating the fair use doctrine, Congress intended to protect various forms of expression.<sup>217</sup> Originally, the first factor considered "the purpose and character of the use," including whether the use was for the purpose of criticism or comment. Only later did Congress amend that factor to consider whether the use was commercial or non-profit.<sup>218</sup> The analysis of each factor should be self-contained.<sup>219</sup> Thus, in order to offset the commercial character of a use, the court should examine the expressive character of the use rather than shift focus to the fourth statutory factor.<sup>220</sup>

Some of the parody cases have addressed the issue of the commentary value needed to successfully utilize the parody defense.<sup>221</sup> In both

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215. See *Fisher v. Dees*, 794 F.2d 432, 437 (9th Cir. 1986) (protecting a parody, even though the defendant made a profit).

216. The public will benefit from parodies with great expressive value. *Betamax*, *supra* note 2 at 1401 (explaining that courts did not want to limit expressive parodies because of their socially valuable use). On the other hand, the public has little interest in parodies that are for commercial gain only. See *Tribe*, *supra* note 161 at 895 (discussing why commercial speech receives less protection than expressive speech). Thus, if the parody is only for commercial gain, the defendant should not be able to rebut the presumption of unfairness; but where the parody has expressive value, the presumption should be considered rebutted so that the public may benefit from the parodist's creativity.

"While commercial motivation and fair use can exist side by side, the court may consider whether the alleged infringing use was primarily for public benefit or for private commercial gain." *New Line Cinema Corp. v. Bertlesman Music Group, Inc.*, 693 F. Supp. 1517, 1526 (S.D.N.Y. 1988) (citing *MCA, Inc. v. Wilson*, 677 F.2d 180, 182 (2d Cir. 1981)).

217. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), *reprinted in* 17 U.S.C. § 107 (1982).

218. *Id.* Furthermore, Congress noted that the commercial nature of the use should be "weighed *along with* the other factors in fair use decisions." *Id.* (emphasis added). Congress intended that the courts consider the commercial nature of the use as part of the *first* factor (the character of the use). *Id.*

219. See *supra* notes 210-11 and accompanying text.

220. In *Fisher v. Dees*, the court concluded that the presumption of unfairness was rebutted because the parody did not adversely affect the economic value of the original. *Fisher v. Dees*, 794 F.2d 432, 438, 440 (9th Cir. 1986). To rebut the presumption of unfairness, the court could have looked at the expressive nature of the song and considered the fourth factor (the economic effect on the original) individually. The court acknowledged that the parody was a commentary. *Id.* at 437 (citing *Pillsbury Co. v. Milky Way Prods.*, 215 U.S.P.Q. 124, 131 (N.D. Ga. 1981)). Thus, the court could have weighed the expressive nature of the parody against the commercial nature of the parody to determine whether the first factor would favor protecting the parody. Meanwhile, the fourth factor would still be in the defendant's favor. By keeping the first and fourth factors distinct, the court will be better able to objectively analyze whether the use is fair.

221. *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1436 n.8 (6th Cir. 1992)

*Koons* and *Acuff-Rose*, the courts denied fair use protection to a parody and noted that the parody did not have sufficient commentary value.<sup>222</sup> The parodies criticized society as a whole, but they did not comment on the copyrighted work itself.<sup>223</sup> The courts found that comment on the original work was a necessary element of the parody defense.<sup>224</sup> Thus, if sufficient commentary value is a necessary element of a parody, then the fair use analysis should reflect that requirement.<sup>225</sup>

Furthermore, if defendants could rebut the presumption of unfairness by showing significant commentary value, the courts would further the goal of copyright laws.<sup>226</sup> Thus, in order to apply a standard that is consistent with the principles of copyright law, courts should require the defendant to rebut the presumption of unfairness by showing sufficient commentary value.

*B. Commercial Parodies in Trademark Law:  
True Parodies Will Not Engender Confusion*

As demonstrated by the treatment of parodies in trademark infringement cases, commercialism is an important factor. Moreover, courts have dealt with this factor in an inconsistent manner.<sup>227</sup> However, commer-

(arguing that a parody should have commentary value to be a fair use), *cert. denied*, 113 S. Ct. 1642 (1993); *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir.) (holding that comment on the original is a necessary element of the parody defense) *cert. denied*, 113 S. Ct. 365 (1992).

222. *Acuff-Rose*, 972 F.2d at 1436 n.8.; *Koons*, 960 F.2d at 310.

223. *Acuff-Rose*, 972 F.2d at 1436 n.8; *Koons*, 960 F.2d at 310.

224. *Acuff-Rose*, 972 F.2d at 1436 n.8; *Koons*, 960 F.2d at 310. *See also supra* notes 91, 111.

225. The historical notes also mention the commentary value of a parody. H.R. REP. NO. 1476, 94th Cong., 2d Sess. (1976), *reprinted in* 17 U.S.C. § 102 (1982). When Congress notes that a parody can be a form of fair use, it permits the use of the copyrighted material when the parody comments on that work. *Id.* If Congress intended for parody to be permitted as a fair use when it comments on the copyrighted work, then the fair use analysis should reflect that concern.

226. The goal of copyright law is to promote creativity. *See supra* note 30 and accompanying text. The economic benefit to the copyright holder is merely incidental. *See supra* note 23 and accompanying text. By offsetting the commercial use of a parody with a showing of expressive value, the courts will account for both the copyright holder's economic interest and the primary goal of furthering expression.

227. Some courts deny protection to a parody altogether if the parody has a commercial use. *See supra* note 125. The courts that do protect commercial parodies use different analytical approaches. Some courts focus on the intent of the defendant. *See supra* note 142. Other courts apply a First Amendment analysis. *See supra* note 160.

cial parodies need not present special problems in determining whether there is infringement. The only test for trademark infringement is whether there is a likelihood of confusion.<sup>228</sup> The courts need only strictly construe this test.<sup>229</sup>

A true parody will not present an infringement problem. It will distinguish itself from the mark that it is parodying and will not confuse the consumer as to the source or sponsorship of the parody.<sup>230</sup> If a parody does not successfully distinguish itself from the original mark, then the prevention of consumer confusion, the policy underlying the trademark laws, should outweigh the defendant's limited interest in expression.<sup>231</sup>

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Finally, some courts focus on the practical effects of the parody in the marketplace. See *supra* note 178.

228. *Supra* note 38 and accompanying text.

229. The courts need not look to parody as a separate defense.

In a traditional trademark infringement suit founded on the likelihood of confusion rationale, the claim of parody is not really a separate "defense" as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to source, sponsorship or approval.

McCarthy, *supra* note 32, at § 31:38.

230. See *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir.) (holding that the T-shirt parody of Budweiser beer was not confusing because the words on the shirt were sufficiently distinguishable), *cert. denied*, 113 U.S. 206 (1992); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 492 (2d Cir. 1989) (holding that "Spy Notes" distinguished itself from "Cliffs Notes" by printing "A Satire" over the front cover five times in red lettering); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (holding that the mark "Lardashe" would not be confused with the mark "Jordache"); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 759 (9th Cir. 1978) (holding that a consumer would not confuse the drug-ingesting parody of Disney characters with the actual Disney characters), *cert. denied*, 439 U.S. 1132 (1979); *Girl Scouts of the United States v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228, 1231 (S.D.N.Y. 1969) (holding that a poster of a pregnant Girl Scout is sufficiently so distinct that a consumer would not think that it was sponsored by the Girl Scouts of America).

231. Since the Constitution accords less First Amendment protection to commercial speech than to other constitutionally safe-guarded forms of expression, a commercial parody will not receive substantial protection simply because of its inherently commercial aspects. Tribe, *supra* note 161 at 896 n.41. The trademark laws are a legitimate regulation of commercial speech with the purpose of protecting the consumer from confusion. See *e.g.*, *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 32 n.3 (1st Cir.), *cert. denied*, 483 U.S. 1013 (1987); *Dallas Cowboys Cheerleaders v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir. 1979).

Trademark laws have properly superseded the defendant's interest in expression. See *Nike, Inc. v. "Just Did It" Enters.*, 799 F. Supp. 894, 899 (N.D. Ill. 1992) (refusing to protect defendant's use of the plaintiff's mark because the parody was not readily apparent and created a great risk of consumer confusion); *Dallas Cowboys Cheerleaders*, 604 F.2d at 206 (refusing to protect defendant's use of plaintiff's uniforms because the use did not qualify as a parody and created a great risk of consumer confusion).

The courts, however, should not disallow all commercial parodies. Since a parody may have expressive or commentary value, an outright prohibition of trademark parodies would deprive the public of this socially valuable use.<sup>232</sup>

The current methods, however, by which the courts have analyzed parodies are inadequate and lead to inconsistencies. The courts should not consider the intent of the defendant because it has no bearing on the issue of consumer confusion.<sup>233</sup> The First Amendment analysis applied by some courts often may be too difficult to apply effectively; it is almost impossible to distinguish between commercial speech and expressive speech in parody cases, especially because commercial parodies tend to contain both commercial and expressive aspects.<sup>234</sup> Furthermore, strict adherence to the likelihood of confusion test obviates the need to protect expression by other means.<sup>235</sup> If the parody is not confusing, then the court will protect it, but if the parody is confusing, then the court would deny protection as a legitimate regulation of commercial speech.<sup>236</sup>

Courts should follow the holding of *Air Pirates* and look to the practical effects of the parody in the marketplace.<sup>237</sup> A court displays a lack of understanding when it attempts to determine whether consumers are confused without looking at the market. A market and its consumers are

232. *L.L. Bean*, 811 F.2d at 32-33; *Cliffs Notes*, 886 F.2d at 495.

233. The court examined the intent of the defendant in *Jordache* and concluded that there was no likelihood of confusion because the defendant intended merely to parody and not to confuse the public. *Jordache Enters.*, 828 F.2d at 1486. The court instead should have objectively examined only whether there was a likelihood of confusion in the marketplace. The test for trademark infringement is whether there is a likelihood of confusion. *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400 (8th Cir. 1987), *cert. denied*, 488 U.S. 933 (1988). Intent to confuse is only one of many factors to be considered in determining the likelihood of confusion. *Id.* Of course, the result probably would have been the same.

234. *See supra* notes 162, 170 and accompanying text.

235. *See, e.g.*, *Girl Scouts of the United States v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228 (S.D.N.Y. 1969); *see supra* notes 69-79 and accompanying text. In *Girl Scouts*, the court strictly construed the likelihood of confusion test and protected the parody, finding that it sufficiently distinguished itself. *Id.* at 1231. Hence, there was no need to use a First Amendment analysis.

236. *See supra* note 232.

237. *See Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 759 (9th Cir. 1978) (holding that the court must not merely perform a visual side-by-side comparison of the marks but should also consider "the marks in light of what occurs in the marketplace"), *cert. denied*, 439 U.S. 1132 (1979).



intricately tied and profoundly affect each other.<sup>238</sup> The court in *Air Pirates* correctly examined the effects in the market to determine the likelihood of confusion.<sup>239</sup> Furthermore, when examining cases on appeal, courts should bear in mind that juries, as a group of consumers, are best suited to determine the likelihood of confusion and the court should be hesitant to upset the jury's verdict.<sup>240</sup>

In determining whether a commercial parody constitutes a trademark infringement, the court should strictly adhere to the likelihood of confusion test because it will further the purposes of the trademark laws and provide a consistent standard of analysis. A true parody will be protected by the trademark laws because it will, by its nature, distinguish itself from the original such that there will be no likelihood of confusion.<sup>241</sup>

## V. CONCLUSION

The court's treatment of commercial parodies in copyright and trademark infringement cases has been inconsistent and erratic.<sup>242</sup> Courts need to apply a uniform standard that reflects the policy considerations of the copyright and trademark laws.

When analyzing commercial parodies in copyright infringement cases, the courts must determine whether the defendant has rebutted the presumption of unfairness.<sup>243</sup> The courts should consider one factor: the expressive value of the parody. This factor alone instructs the courts to adhere to the purpose of copyright law and address an issue that they consider to be important.<sup>244</sup>

In analyzing commercial parodies under trademark law, the courts should not consider extraneous factors. They should strictly adhere to the test for trademark infringement and ask only whether there is a like-

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238. EDGAR K. BROWNING & JACQUELENE M. BROWNING, *MICROECONOMIC THEORY AND APPLICATIONS* 7 (1989).

239. See *supra* notes 179-85 and accompanying text.

240. See *supra* note 158.

241. See *supra* note 71 and accompanying text.

242. See *supra* notes 83, 94, 95, 97, 107, 108, 125, 141, 160, 178, 200, 230 and accompanying text.

243. There is a presumption that every commercial use of a copyrighted work is an unfair exploitation of a copyright holder's interest. See, e.g., *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451, *reh'g denied*, 465 U.S. 1112 (1984). This presumption must be rebutted in order for a defendant to prevail. See, e.g., *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1437 (6th Cir. 1992) (stating that the commercial use of the work weighed against a finding of fair use, and thus, the defendant did not meet the burden of rebutting the presumption of unfairness), *cert. denied*, 113 S. Ct. 1642 (1993).

244. See *supra* notes 216-26 and accompanying text.

likelihood of confusion.<sup>245</sup> Courts may examine the practical effects of the parody in the marketplace because the likelihood of confusion will depend on how the consumers perceive the allegedly infringing product.<sup>246</sup> However, courts should not stray from the initial inquiry of whether the parody engenders confusion. A true parody does not engender confusion because it is so distinguishable from the original that there is no confusion as to source or sponsorship.<sup>247</sup>

The courts should not refuse to protect parodies merely because of their commercial use. A parody may provide expressive or commentary value or it may merely entertain. The public benefits from the creativity of the parodist, and absent a legitimate public policy concern under copyright or trademark law, courts should not hinder such creative efforts.

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245. See *supra* notes 228-41 and accompanying text.

246. See *supra* notes 237-38 and accompanying text.

247. See *supra* notes 237-38 and accompanying text.

