

The Trademark Reporter®



The Law Journal of the International Trademark Association

Free Ride or Free Speech? Predicting Results and Providing Advice for
Trademark Disputes Involving Parody
Kathleen E. McCarthy

More Than Fifty Shades of Grey: Single Colors, Position Marks, and the
Self-Containment Criterion
Eugene C. Lim

Commentary: Brands Behaving Badly
Sonia K. Katyal

INTERNATIONAL TRADEMARK ASSOCIATION

Powerful Network Powerful Brands

655 Third Avenue, New York, NY 10017-5646

Telephone: +1 (212) 642-1733

email: tmr@inta.org

Facsimile: +1 (212) 768-7796

OFFICERS OF THE ASSOCIATION

DAVID LOSSIGNOL.....*President*
AYALA DEUTSCH.....*President-Elect*
TIKI DARE.....*Vice President*
ZEEGER VINK.....*Vice President*
JOMARIE FREDERICKS.....*Treasurer*
DANA NORTHCOTT.....*Secretary*
ANNA CARBONI.....*Counsel*
ETIENNE SANZ DE ACEDO.....*Chief Executive Officer*

The Trademark Reporter Committee

EDITORIAL BOARD

EDITOR-IN-CHIEF, CHAIR

JESSICA ELLIOTT CARDON

STAFF EDITOR-IN-CHIEF

WILLARD KNOX

Senior Editors

GLENN MITCHELL

RAFFI V. ZEROUNIAN

FABRIZIO MIAZZETTO

PAMELA S. CHESTEK

BRYAN K. WHEELLOCK

ELISABETH KASZNER FEKETE

ANDREW J. GRAY IV

Senior Staff Editor

BEVERLY HARRIS

Editors

TARA AARON
BRUCE W. BABER
JOLIE BARBIER
MARTIN J. BERAN
DANIEL R. BERESKIN
SHELDON BURSHTEIN
ROBERT H. CAMERON
SUJATA CHAUDHRI
JACQUELINE CHORN
THEODORE H. DAVIS JR.
ANNE DESMOUSSEAU
MEGHAN DILLON
KAREN L. ELBURG
MATTHEW EZELL
DÉSIRÉE FIELDS
ALFRED C. FRAWLEY
LESLEY MCCALL GROSSBERG
MICHAEL HANDLER
NATHAN HARRIS

GUY HEATH
JANET L. HOFFMAN
BARRY R. HORWITZ
BRUCE ISAACSON
E. DEBORAH JAY
SIEGRUN D. KANE
PETER J. KAROL
J. MICHAEL KEYES
REMCO KLÖTERS
JENNIFER KWON
SCOTT J. LEBSON
JOHN LINNEKER
NELS T. LIPPERT
JOEL G. MACMULL
DOUGLAS N. MASTERS
J. DAVID MAYBERRY
BRYCE J. MAYNARD
J. THOMAS MCCARTHY

MARCOS MERCADO
GEORGE W. MOXON II
AMANDA NYE
BRANDON M. RESS
MICHEL RIJSDIJK
TOM SCOURFIELD
JENNIFER S. SICKLER
RINITA SIRCAR
RANDEL S. SPRINGER
SARA SULEIMAN
PAUL TACKABERRY
IFEYINWA A. UFONDU
MARTIN VIEFHUES
VERENA VON BOMHARD
JEFFREY A. WAKOLBINGER
RITA WEEKS
JOHN L. WELCH
JIAN XU
JOSEPH S. YANG

Advisory Board

MILES J. ALEXANDER
WILLIAM M. BORCHARD
CLIFFORD W. BROWNING
LANNING G. BRYER
SANDRA EDELMAN
ANTHONY L. FLETCHER

ROBERT M. KUNSTADT
THEODORE C. MAX
KATHLEEN E. MCCARTHY
JONATHAN MOSKIN
VINCENT N. PALLADINO
JOHN B. PEGRAM
ROBERT L. RASKOPF

PASQUALE A. RAZZANO
SUSAN REISS
PIER LUIGI RONCAGLIA
HOWARD J. SHIRE
JERRE B. SWANN, SR.
STEVEN M. WEINBERG

The views expressed in *The Trademark Reporter* are those of the individual authors and do not necessarily reflect those of INTA.

The Trademark Reporter (ISSN 0041-056X) is published electronically six times a year by the International Trademark Association, 655 Third Avenue, New York, NY 10017-5646 USA. INTA, the INTA logo, INTERNATIONAL TRADEMARK ASSOCIATION, POWERFUL NETWORK POWERFUL BRANDS, THE TRADEMARK REPORTER, and inta.org are trademarks, service marks, and/or registered trademarks of the International Trademark Association in the United States and certain other jurisdictions.

**FREE RIDE OR FREE SPEECH?
PREDICTING RESULTS AND PROVIDING ADVICE
FOR TRADEMARK DISPUTES INVOLVING PARODY**

*By Kathleen E. McCarthy**

Table of Contents

I. Introduction.....	693
II. Overview and History of the Trademark Parody Defense....	694
A. What Is “Parody”?.....	694
B. Relevant Federal and State Trademark Laws.....	695
1. Test for Trademark Infringement Claims Under Federal and State Law.....	695
2. Test for Dilution Claims Under Federal Law.....	696
3. Tests for Dilution Claims Under State Laws	698
C. Is There a “Parody” Defense?.....	700
1. Trademark Infringement Claims	700
2. Trademark Dilution Claims	700
D. The Role of the First Amendment Freedom of Speech	703
III. Analyzing Parody Cases	705
IV. Predicting Results and Providing Advice	709
V. Conclusion	715
Appendix A: Brand Owner Losses: Appeal Courts 2007–2018...	716
A. <i>Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC</i> , 507 F.3d 252 (4th Cir. 2007).....	716
B. <i>Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.</i> , 736 F.3d 198 (2d Cir. 2013).....	721
C. <i>Radiance Found., Inc. v. N.A.A.C.P.</i> , 786 F.3d 316 (4th Cir. 2015).....	730

* Partner, King & Spalding LLP, New York, New York, Associate Member, International Trademark Association; former Editor-in-Chief, *The Trademark Reporter*.

D. Louis Vuitton Malletier, S.A. v. My Other Bag, Inc., 674 F. App'x 16 (2d Cir. 2017)	739
E. Lombardo v. Dr. Seuss Enters., 729 F. App'x 131 (2d Cir. 2018)	745
Appendix B: Brand Owner Wins: District Courts 2007–2018	750
A. Anheuser-Busch, Inc. v. VIP Prods., LLC, 666 F. Supp. 2d 974 (E.D. Mo. 2008)	750
B. Burck v. Mars, Inc., 571 F. Supp. 2d 446 (S.D.N.Y. 2008)	756
C. Ben & Jerry's Homemade Inc. v. Rodax Distribs. Inc., Civ. Action No. 1:12-cv-06734-LAK (S.D.N.Y. 2012)	760
D. Louis Vuitton Malletier, S.A. v. Hyundai Motor Am., 2012 WL 1022247 (S.D.N.Y. 2012)	764
E. VIP Products v. Jack Daniel's, 291 F. Supp. 3d 891 (D. Ariz. 2018)	771

I. INTRODUCTION

Predictability in the application of law to the facts is a generally accepted goal of the courts and the legislature. Lawyers are often asked “what are the chances of success?” and clients hope to receive an answer more helpful than “fifty-fifty.”

Lawyers advising clients in trademark disputes with potential parody defenses may be puzzled by decisions that seem downright inconsistent. As one example, why would a case involving a CHEWY VUITON dog toy in the shape and style of a LOUIS VUITTON purse come out differently from a case involving a BAD SPANIELS dog toy in the shape and style of a bottle of JACK DANIEL’S whiskey?¹ Can logical reasons for the different outcomes be identified, such as significant variances in the proofs presented by the parties? Or are there different outcomes because, as one commentator put it, “sometimes, courts just blow it” and one of these decisions is wrong?² Against this landscape, what advice should a lawyer provide to a client whose brand has been parodied or to a client who is a parodist? What questions should the lawyer ask? What facts and factors are likely to affect the outcome?

Much has been written about trademark parody cases from a scholarly or theoretical perspective, exploring the doctrinal underpinnings of trademark laws, reviewing First Amendment free speech jurisprudence, opining about the various legal and social rationales supporting either the brand owner or the parodist, comparing trademark parody and copyright parody analyses, suggesting various tests that should be applied to assess a parody defense when raised, etc.³

This article leaves the debates about theories and rationales to others and takes a different tack, reviewing recent decisions and attempting to identify factors that influence the outcomes to help

¹ Compare *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261-62, 267 (4th Cir. 2007) (affirming district court decision on summary judgment that CHEWY VUITON dog toys are not infringing or diluting: differences are “sufficiently obvious and the parody sufficiently blatant that a consumer encountering a CHEWY VUITON dog toy would not mistake its source or sponsorship on the basis of mark similarity” and that the CHEWY VUITON toy will not blur the distinctiveness of the famous LOUIS VUITTON mark as a unique identifier of source), *with* *VIP Prods. LLC v. Jack Daniel’s Props., Inc.*, 291 F. Supp. 3d 891, 905, 911 (D. Ariz. 2018) (decision after bench trial finding Jack Daniel’s established its claims that BAD SPANIEL dog toy caused reputational harm and caused likely confusion, thus diluting and infringing the JACK DANIEL’S mark and trade dress) (on appeal to the Court of Appeals for the Ninth Circuit, Dkt. 18-16012, with briefing scheduled to be completed in the first quarter of 2019).

² William McGeeveran, *The Imaginary Trademark Parody Crisis (and the Real One)*, 90 Wash. L. Rev. 713, 736 (2015).

³ See, e.g., *id.*; Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 105 TMR 1177 (2015); Anthony L. Fletcher, *The Product with the Parody Trademark: What’s Wrong with Chewy Vuitton?*, 100 TMR 1091 (2010).

guide those counseling brand owners and parodists alike. First, the article provides an overview of the law relating to the trademark parody defense in U.S. jurisprudence. Next, the article identifies issues to consider when reviewing the case law. Ten cases since 2007 are assessed in the appendices by cataloging the courts' treatment of these issues.⁴ Using information derived from these cases, the article next identifies factors that appear to influence the outcome in cases where the parody defense is raised, and provides a checklist for use in developing strategies and advising clients.

II. OVERVIEW AND HISTORY OF THE TRADEMARK PARODY DEFENSE

A. What Is "Parody"?

Dictionary definitions for "parody" include "an imitation of the style of a particular writer, artist, or genre with deliberate exaggeration for comic effect."⁵ In the trademark context, parody has been defined as a "simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner."⁶ Implicit in both of these definitions is the concept of parody necessarily including some comedic effect or entertainment value. However, what is humorous or entertaining (as opposed to offensive, for example) will vary from person to person. For purposes of this article, humor is not essential to qualify as parody and "parody" means use by the parodist of a reference to another's trademark for some sort of commentary, whether it can be characterized as humorous, entertaining, or even just critical. Essential to the categorization of a use as "parody" under this definition is some effort by the parodist to comment upon the brand, although there are debates as to how direct or relevant to the brand any brand-related comment must be.⁷

⁴ Only cases since 2007 were selected for discussion because older cases, especially those prior to the Supreme Court's decision on parody in the copyright context, *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), may not reflect current jurisprudence and thus may not be helpful predictors of the outcomes of current disputes. See, e.g., McGeeveran, *supra* note 2, at 715 (referring to defeats for trademark parodies in the 2005 to 2015 time frame as "blue moon rarities"); *id.* at 728-29 (arguing that courts favor trademark parodies following the *Campbell* case, which blessed parodies in the copyright fair use context). In addition, addressing decisions from 2007 and onward reflects courts' analyses of the federal Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (2006) (classified at 15 U.S.C. § 1125(c)), and its exemption from liability for certain parodies, discussed *infra*.

⁵ *Parody*, Oxford Living Dictionaries, <https://en.oxforddictionaries.com/definition/us/parody> (last visited Apr. 28, 2019).

⁶ *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987).

⁷ In the copyright context, the Supreme Court in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) recognized that commenting on the original work was an essential element of a claim of parody, because parody uses "some elements of a prior author's work to create a new one that, at least in part, comments on that author's work." 510

B. Relevant Federal and State Trademark Laws

There is no strict liability preventing the unauthorized use of another's trademark. Instead, the defendant's use must trigger liability under trademark laws prohibiting infringement or dilution or via common law unfair competition claims. Whether a claim of "parody" helps the defense is academic if there is no underlying claim, so it is essential to start by reviewing the basic elements of potential trademark claims before delving into if, how, and why "parody" affects the assessment of those claims.

1. Test for Trademark Infringement Claims Under Federal and State Law

The federal Lanham Act provides for a trademark infringement claim if an unauthorized use of a registered or unregistered mark is likely to cause confusion as to affiliation, sponsorship, or approval.⁸ Courts determine if confusion is likely using multi-factor assessments, weighing various factors that differ in some respects but are generally similar from circuit to circuit.⁹

U.S. at 580. The Court distinguished satire, noting that where "the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger." *Id.* Parody, the Court noted, "needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing." *Id.* at 581 (citations and footnotes omitted); *see also* Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d 942 (N.D. Ill. 2002) (rejecting parody and First Amendment defenses where artist using variation of VELVEETA trademark admitted that he did not need the name "King VelVeeda" to write political or social commentary; that VELVEETA is not the object of his commentary; that his website is not about free speech; and that he never used the name "VelVeeda" in any parody or commentary). Some courts appear to treat "parody" and "satire" as meaning the same thing. *See, e.g., Haute Diggity Dog*, 507 F.3d at 261 (addressing parody, noting that the parodist's dog toy "is a comment on the rich and famous, on the LOUIS VUITTON name and related marks, and on conspicuous consumption in general" while also saying "[t]he satire is unmistakable"). Regardless of the precise distinction between parody and satire, whether or not the parodist had reasons for using the brand owner's mark that are specific to the brand can affect the outcome as can be seen in the *Kraft Foods* case and other cases discussed *infra* in the appendices at Question 10 (e.g., *Louis Vuitton v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007) (Appendix A, Case A), and *Anheuser-Busch, Inc. v. VIP Prods. LLC*, 666 F. Supp. 2d 974 (E.D. Mo. 2008) (Appendix B, Case A)).

⁸ 15 U.S.C. § 1114 (2012) (protecting registered marks against uses that are "likely to cause confusion, or to cause mistake, or to deceive"); 15 U.S.C. § 1125(a)(1)(A) (2012) (protecting unregistered marks against use of any "word, term, name, symbol, or device, or any combination thereof" that is "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of [the user] with another person, or as to the origin, sponsorship, or approval of [the user's] goods, services, or commercial activities by another person").

⁹ In the Second Circuit, the *Polaroid* factors are used: 1) the strength of plaintiff's mark; 2) the similarities in the marks; 3) the proximity of the products; 4) the likelihood that

State trademark claims sounding in infringement or unfair competition require a similar analysis to answer essentially the same question: will the relevant consumers be confused?¹⁰

Parody or no parody, if likelihood of confusion is not established by the brand owner, then the brand owner has no infringement claim. Proof of likely confusion is key.

2. Test for Dilution Claims Under Federal Law

While a claim hinging on proof of likelihood of confusion is available at common law as an unfair competition claim, a dilution claim is purely a statutory right. A successful claim of dilution by blurring or tarnishment may not require a registration or proof of likely confusion, but it does require proof in accordance with the terms of the relevant statute.

The federal Trademark Dilution Revision Act of 2006 (“TDRA”) provides dilution protection for qualifying famous marks that are “widely recognized by the general consuming public”:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.¹¹

Dilution under the TDRA requires proof of “[a]n association arising from the similarity with a famous mark” that either “impairs the distinctiveness of the famous mark” (blurring) or “harms the reputation of the famous mark” (tarnishment).¹²

The TDRA specifically excludes qualifying parodies, exempting from liability:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person *other than as a designation of source for the*

plaintiff will bridge any gap between the products; 5) defendant’s intent; 6) evidence of actual confusion; 7) the sophistication of the purchasers; and 8) the quality of defendant’s products. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

¹⁰ See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 n.2 (9th Cir. 2002) (likelihood-of-confusion test also governs state law claims of unfair competition).

¹¹ 15 U.S.C. § 1125(c). Fame is assessed using all relevant factors, including advertising and publicity, sales, the extent of actual recognition of the mark, and whether the mark is registered on the principal register. *Id.* § 1125(c)(2).

¹² *Id.*

person's own goods or services, including use in connection with—

- (i) advertising or promotion that permits consumers to compare goods or services; or
 - (ii) identifying and *parodying*, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner,
- (B) All forms of news reporting and news commentary.
- (C) *Any noncommercial use of a mark.*¹³

The requirement that the parodist use the parody “other than as a designation of source” to qualify for this exemption has been the subject of litigation. In another case involving the LOUIS VUITTON trademark, the defendant sold canvas tote bags with the wording “My Other Bag . . .” on one side and drawn renditions of LOUIS VUITTON handbags on the other. The court rejected the brand owner’s argument that the parodist used the renditions of the LOUIS VUITTON brand as trademarks. Instead, the court stated:

[T]here is no basis to conclude that MOB uses Louis Vuitton’s marks as a designation of *source* for its tote bags. Indeed, as noted, that is the whole point of MOB’s joke: “My *other* bag”—that is, *not* this bag—is a Louis Vuitton handbag.¹⁴

But the availability of the statutory exemption for parodies does not end the inquiry on liability, because even a parody that does not qualify for the exemption still may be found to be *not* likely to cause dilution. In the CHEWY VUITON dog toy case, the Fourth Circuit addressed this very point, noting that “while a defendant’s use of a parody as a mark does not support a ‘fair use’ defense [under the statutory exemption], it may be considered in determining whether the plaintiff-owner of a famous mark has proved its claim that the defendant’s use of a parody mark is likely to impair the distinctiveness of the famous mark.”¹⁵ Thus, at least in the Fourth Circuit, even where the parodist’s use is considered use as a designation of source by the parodist, the issue of the effect of the “parody” on the merits of the dilution claim still comes into play and must be considered.¹⁶

¹³ *Id.* § 1125(c)(3) (emphasis added).

¹⁴ *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425, 438 (S.D.N.Y.), *aff’d*, 674 F. App’x 16 (2d Cir. 2016).

¹⁵ *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 268 (4th Cir. 2007).

¹⁶ *See also Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 113 (2d Cir. 2009) (concluding that the “incantation of parody does nothing to shield [defendant] from Starbucks’ dilution claim” because “the Charbucks Marks do not effect an ‘increase [in] public identification [of the Starbucks Marks with Starbucks],” in the same manner that CHEWY VUITON dog toy, according to the Fourth Circuit, increased the association of the LOUIS VUITTON marks with Louis Vuitton). The brand owner ultimately lost the

Parody or no parody, mere association with the famous mark is not enough: proof that the association is likely to cause some impairment of the distinctiveness of the famous mark is required for a federal dilution claim.

3. Tests for Dilution Claims Under State Laws

Most of the fifty states have adopted their own dilution laws, in three basic types:¹⁷ (a) similar to the language in the TDRA cited above as to which the same analysis applies; (b) similar to the language in the prior Federal Trademark Dilution Act which, according to the Supreme Court, required proof of actual dilution, making claims more difficult than under the TDRA, which requires “likely,” not actual, dilution;¹⁸ or (c) an entirely different construction, not even requiring a famous mark, such as the New York state statute:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.¹⁹

The precise language of the state statute at issue must be considered to assess the state law claim. Even without a viable federal dilution claim (if, for example, the mark is not “widely recognized by the general consuming public” as required to meet the high federal TDRA fame standard), a state-wide injunction to prevent dilution proscribed by that state’s statute may be available. For example, in *Deere & Co. v. MTD Products, Inc.*,²⁰ before any federal dilution statute existed, the Second Circuit affirmed a preliminary injunction limited to New York state based on violation of the New York dilution statute. The injunction prevented the airing in New York of a competitor’s commercial portraying the otherwise “graceful” JOHN DEERE deer mascot, normally “symbolizing substance and strength,” in a smaller animated

Charbucks case by failing to prove dilution to the satisfaction of the court. *See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 736 F.3d 198 (2d Cir. 2013) (affirming district court’s decision in defendant’s favor) and further discussion of the case in Appendix A, Case B, *infra*.

¹⁷ *See* Siegrun D. Kane, Kane on Trademark Law § 9.2 & app. 21 (6th ed. 2017) (providing information regarding each state’s dilution law).

¹⁸ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) (interpreting the 1995 Federal Trademark Dilution Act, 109 Stat. 985-986, which provided for injunctions against uses that “cause[] dilution of the distinctive quality” of the famous mark).

¹⁹ N.Y. Gen. Bus. L. § 360-1.

²⁰ 41 F.3d 39 (2d Cir. 1994).

version, looking over its shoulder in apparent fear and scampering away from a small dog and from the competitor-defendant's lawn tractor.²¹

In assessing whether this use of an altered JOHN DEERE mascot in a competitor's commercial amounted to "dilution of the distinctive quality of the mark" under the New York statute, the court noted that the degree to which the mark is altered and the nature of the alteration must be taken into account. The court held that the elements of the New York dilution statute were met in the context of a competitor's advertisement making unfavorable changes to a brand owner's mark:

Not every alteration will constitute dilution, and more leeway for alterations is appropriate in the context of satiric expression and humorous ads for noncompeting products. But some alterations have the potential to so lessen the selling power of a distinctive mark that they are appropriately proscribed by a dilution statute. Dilution of this sort is more likely to be found when the alterations are made by a competitor with both an incentive to diminish the favorable attributes of the mark and an ample opportunity to promote its products in ways that make no significant alteration.

We need not attempt to predict how New York will delineate the scope of its dilution statute in all of the various contexts in which an accurate depiction of a distinctive mark might be used, nor need we decide how variations of such a mark should be treated in different contexts. Some variations might well be *de minimis*, and the context in which even substantial variations occur may well have such meritorious purposes that any diminution in the identifying and selling power of the mark need not be condemned as dilution.

Wherever New York will ultimately draw the line, we can be reasonably confident that the MTD commercial challenged in this case crosses it. . . . Alterations of [the] sort [in the MTD commercial], accomplished for the sole purpose of promoting a competing product, are properly found to be within New York's concept of dilution because they risk the possibility that consumers will come to attribute unfavorable characteristics to a mark and ultimately associate the mark with inferior goods and services.²²

Parody or no parody, a state dilution claim, like a federal dilution claim, generally requires proof of some impairment of the

²¹ *Id.* at 45.

²² *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 45 (2d Cir. 1994).

distinctiveness of the brand owner's mark such as an alteration of the mark that lessens the mark's selling power.

C. Is There a "Parody" Defense?

1. Trademark Infringement Claims

There is no absolute "parody defense" to a trademark infringement claim. Instead, as Professor McCarthy notes in his treatise:

A few parodies will constitute trademark infringement—most will not. Categorizing an accused use of another's trademark as "parody" does not in and of itself deflect a charge of trademark infringement. The cry of "parody!" does not magically fend off otherwise legitimate claims of trademark infringement. . . . There are confusing parodies and non-confusing parodies. What they have in common is an attempt at humor through the use of someone else's trademark. A non-infringing parody is merely amusing, not confusing.²³

Even with no absolute parody defense, common sense suggests it may be difficult to prove that a "successful" parody, i.e., one that immediately communicates that the parodist is making a commentary about another brand through humor or criticism, is likely to cause confusion and thus meets the test for trademark infringement. If the commentary in the form of humor or criticism is recognized and obvious (making the attempt at parody "successful"), why would consumers be confused? Why would a brand make fun of or criticize itself or license others to do so? Thus, proving an infringement case against such a "successful" parody is likely to be challenging. On the other hand, if it is difficult to detect the commentary and instead only the brand attributes are readily apparent in the parodist's product (making the attempt at parody "unsuccessful"), confusion could very well be likely.

2. Trademark Dilution Claims

There is a "parody" "fair use" defense to federal dilution claims, as noted above, for at least some parodies. The TDRA excludes from its coverage parodies involving "fair use" of a famous mark "other than as a designation of source" for the parodist's own goods or services (as well as "any noncommercial use of a mark"). The "fair use" defense does not apply when the parodist uses the parody as its own trademark. Still, the brand owner must prove that the parody is likely to cause dilution—in other words, to dilute the

²³ J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31.153, at 31-391 (5th ed. Mar. 2019 Update) [hereinafter McCarthy].

distinctiveness of the brand owner's mark either by blurring or by tarnishment.²⁴

Likelihood of dilution by blurring is a less intuitive concept than likelihood of confusion. Blurring is often difficult to describe or identify, much less prove that it is likely to happen.²⁵ In the context of parodies, some courts have indicated that the parodies actually help reinforce the fame and distinctiveness of the brand being parodied, rather than “blur” that distinctiveness.²⁶ The parody thus, in these courts' eyes, actually serves to call out and reinforce the fame of the brand in the public's eye rather than detract from that fame. The brand potentially becomes even more distinctive, since the brand's fame and stature has been confirmed, in a way, by the reference to the brand in the parody. After all, the parody works only if consumers recognize the brand that is the subject of the joke.

Likelihood of dilution by tarnishment is easier to comprehend and to explain than dilution by blurring and can be broadly described as the general association of the mark with something negative.²⁷ Common sense suggests that associating a brand with an unsavory image or topic is likely to tarnish that brand. But is dilution by tarnishment actually any easier to prove than dilution by blurring in a parody context? If the parody is obvious in the sense that the criticism or humor is immediately apparent, can the use of the brand in this manner really change the public perception of the brand's reputation?²⁸ Perhaps consumer perceptions of a brand's

²⁴ *Id.* § 24:126 (citing cases where brand parodies were found not to be diluting).

²⁵ *See, e.g.,* McCarthy, *supra* note 23, § 24:67 (“Because it is largely a theoretical and almost ephemeral concept, the legal theory of ‘dilution’ is exceedingly difficult to explain and understand. Misunderstanding is rampant.”).

²⁶ Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 267 (4th Cir. 2007) (“Indeed, by making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon. The brunt of the joke becomes yet more famous.”).

²⁷ For example, tarnishment was described as “generally aris[ing] when the plaintiff's trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner's product. In such situations, the trademark's reputation and commercial value might be diminished because the public will associate the lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods, or because the defendant's use reduces the trademark's reputation and standing in the eyes of consumers as a wholesome identifier of the owner's products or services” and is “usually found where a distinctive mark is depicted in a context of sexual activity, obscenity, or illegal activity.” *Deere*, 41 F.3d at 43-44 (footnote omitted).

²⁸ In the Sixth Circuit at least, a brand owner faced with a defendant's use involving “sex-related products” currently has an advantage in a dilution by tarnishment case. In *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 389 (6th Cir. 2010), the Sixth Circuit affirmed the lower court's ruling in favor of the brand owner on a dilution by tarnishment claim even while stating that “the tarnishing effect of the [defendant's] mark on the senior [VICTORIA'S SECRET] mark is somewhat speculative.” The onus was put on the defendant to rebut with its own evidence what the court termed a strong inference of tarnishment arising from use of the defendant's VICTOR'S LITTLE SECRET mark on sex-related products. Judge Karen Nelson Moore dissented, noting that the statute does

reputation actually improve when a parodist attempts to criticize the brand if, for example, the parody actually serves to highlight the brand's positive features in the consumer's mind or if the parody has the effect of making the brand's fan base even more loyal.²⁹

For a dilution claim to succeed, mere proof of association between the brand and the parody is not enough when, in a blurring case, the court sees the "operative question" as "whether the *kind* of association [the parodist] creates . . . is likely to impair the distinctiveness of the [brand owner's] marks"³⁰ or in a tarnishment case, the court sees "the determinative inquiry" as "whether that association is likely to harm" the brand owner's reputation.³¹ Some proof that the association is likely to impair or harm the brand is needed. Such proofs may not be obvious or readily available as to a parody that is perceived as a mere joke in the form of a noncompetitive product like a dog toy using a play on words to mimic the brand of a luxury product.³² On the other hand, it may be possible to convince a court that a competitor's advertisement that uses alterations to mock and belittle a brand's mascot, even if amusing, crosses the line.³³

not relieve plaintiff of its burden of proof and "the majority sanctions an almost non-existent evidentiary standard and, in the process, essentially eliminates the requirement that a plaintiff provide some semblance of proof of likelihood of reputational harm in order to prevail on a tarnishment claim, despite the plain language of 15 U.S.C. § 1125(c)(2)." *Id.* at 395. Professor McCarthy agrees with the dissent, noting that "[n]either the 2006 TDRA nor its legislative history contains a hint of anything supporting such a presumption." McCarthy, *supra* note 23, § 24:89. This case is not more fully discussed in this article because it involved dilution only, with none of the decisions debating or referring to "parody" or commentary by the defendant.

²⁹ See, e.g., the court's discussion of the public perception evidence regarding the CHARBUCKS mark in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009), discussed *infra* in Appendix A, Case B, Question 5.

³⁰ *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425, 439 (S.D.N.Y.), *aff'd*, 674 F. App'x 16 (2d Cir. 2016).

³¹ See, e.g., *Moseley*, 605 F.3d at 395 (Moore, J., dissenting); *Starbucks*, 588 F. 3d at 110 ("That a consumer may associate a negative-sounding junior mark with a famous mark says little of whether the consumer views the junior mark as harming the reputation of the famous mark.").

³² See, e.g., *Louis Vuitton v. Haute Diggity Dog, LLC*, 507 F.3d 252, 252 (4th Cir. 2007). *But see* *Anheuser-Busch, Inc. v. VIP Prods. LLC*, 666 F. Supp. 2d 974 (E.D. Mo. 2008), discussed *infra* in Appendix B, Case E, where a dog chew toy was enjoined. Perhaps the telling distinction between these cases, both involving dog chew toys using tweaks of famous brands, is that the Haute Diggity Dog toy was playful, fluffy, and cute and the court and parodist were able to articulate reasons for using the marks of a famous handbag since you normally do not want your dog to chew your expensive purse, whereas the VIP toy used scatological humor in connection with a beverage brand without a clear rationale for why the beverage brand was relevant to the joke. Dogs do not typically chew glass whiskey bottles in the same way that a dog might chew a purse.

³³ *Deere v. MTD*, 41 F.3d 39, 46 (2d Cir. 1994).

D. The Role of the First Amendment Freedom of Speech

When addressing parody, in addition to the potential difficulties with proving the elements of the underlying trademark claims, free speech considerations come into play. The First Amendment to the U.S. Constitution provides that “Congress shall make no law . . . abridging the freedom of speech.”³⁴ “Parody” has been recognized as a form of artistic expression, and it is generally recognized by the courts that, where artistic expression is involved, “the public interest in avoiding consumer confusion must be balanced against the public interest in free speech.”³⁵ Thus, the First Amendment right can conflict with and trump the aims of trademark laws in some circumstances.

Over the years, courts have viewed this potential conflict between protecting trademarks and protecting speech interests in different ways. The Second Circuit upheld an injunction against the use of Dallas Cowboys cheerleader uniforms in a pornographic film in 1979, describing trademark rights as property rights and putting those rights ahead of speech concerns, stating:

Plaintiff’s trademark is in the nature of a property right [] and as such it need not “yield to the exercise of First Amendment rights where adequate alternative avenues of communication exist.”³⁶

Ten years later, in 1989, the Second Circuit tossed the “alternative avenues” test and recognized that the public interest in free expression might outweigh Lanham Act claims even if some confusion occurred, rejecting a right of publicity claim against a movie title:

[T]he Lanham Act . . . should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.³⁷

In 2002, the Ninth Circuit stated that trademark law and First Amendment goals conflict when the trademark transcends its identifying purpose and begins to stand for something in our culture more than just the original product alone, as was the case with the BARBIE trademark for dolls, which was permitted to be used in the title and body of a song commenting, among other things, that “life is plastic”:

³⁴ U.S. Const. amend. I.

³⁵ *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 414 (S.D.N.Y. 2002).

³⁶ *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979) (citations omitted).

³⁷ *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

Limited to this core purpose—avoiding confusion in the marketplace—a trademark owner’s property rights play well with the First Amendment. “Whatever first amendment rights you may have in calling the brew you make in your bathtub ‘Pepsi’ are easily outweighed by the buyer’s interest in not being fooled into buying it.” Trademarks Unplugged, 68 N.Y.U. L.Rev. 960, 973 (1993).

The problem arises when trademarks transcend their identifying purpose. Some trademarks enter our public discourse and become an integral part of our vocabulary. . . . Trademarks often fill in gaps in our vocabulary and add a contemporary flavor to our expressions. Once imbued with such expressive value, the trademark becomes a word in our language and assumes a role outside the bounds of trademark law.³⁸

More recently, the Fourth Circuit chastised a brand owner seeking to use trademark law to stop criticism of the brand. The parodist distorted the brand name of the revered civil rights organization from “National Association for the *Advancement* of Colored People” to “National Association for the *Abortion* of Colored People” in connection with images and articles commenting on what was, in the parodist’s view, the NAACP’s stance supportive of abortion rights. The Court of Appeals found that the brand owner had no viable trademark claim against the parodist:

Trademark law in general and dilution in particular are not proper vehicles for combatting speech with which one does not agree. Trademarks do not give their holders under the rubric of dilution the rights to stymie criticism. Criticism of large and powerful entities in particular is vital to the democratic function.³⁹

In instances like the NAACP case, the brand owner’s remedy can be phrased as “more speech” as opposed to the suppression of the speech of the parodist via an injunction.⁴⁰ In other words, if NAACP

³⁸ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (applying the two prongs of the *Rogers* test to conclude that the parodist’s use of Barbie is not an infringement of the brand owner’s trademark: 1) the use of Barbie in the song title is relevant to the underlying work, namely, the song itself, because the song is about Barbie and the values the parodist claims Barbie represents; and 2) the song title “Barbie Girl” does not explicitly mislead as to the source of the work as it does not, explicitly or otherwise, suggest that it was produced by the brand owner. Also, on the dilution claim, the song Barbie Girl is fully protected under the First Amendment because it is not a purely commercial work and therefore falls within the noncommercial use exemption to the then applicable Federal Trademark Dilution Act of 1995).

³⁹ *Radiance Found., Inc. v. NAACP*, 786 F.3d 316 (4th Cir. 2015), discussed *infra* in Appendix A, Case C.

⁴⁰ *See, e.g., Whitney v. California*, 274 U.S. 357, 377 (1927) (“If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of

does not like the parodist's viewpoint, the thought goes, the NAACP can run its own advertising and public awareness campaign.

Of course, these cases involved works that were clearly artistic and expressive at their very core—movies, songs, opinion pieces, and articles appearing on websites. The more difficult questions often arise in the context of novelty products, when the purveyor of the novelty product is building its own commercial brand around the equity built by another brand owner.

III. ANALYZING PARODY CASES

In reviewing parody cases, the outcome and several issues relevant to understanding the outcome can be identified and then analyzed to develop a checklist that can be used to assist in providing advice when presented with a parody-related trademark dispute. These include:

1. Did the brand owner win?
2. What was the nature of the parodist's use of the brand owner's mark: competitive products, novelty items, expressive works (like books, movies, songs), commercial works that carry communicative messages like t-shirts or coffee mugs, gratuitous reference to the brand or making some comment about the brand?
3. What was the procedural posture of the case?
4. What did the court say about infringement, i.e., the likelihood of confusion?
5. What did the court say about dilution by tarnishment?
6. What did the court say about dilution by blurring?
7. What did the court say about free speech/parody considerations?
8. Were copyright infringement and fair use issues also involved?
9. Were there any surveys?
10. What role, if any, did the parodist's intent play?
11. Was there a disclaimer?

In Appendix A to this article, five disputes that reached the courts of appeal during the 2007 through 2018 time frame are analyzed through the lens of these questions. The brand owner lost in all five of the appellate court decisions addressed, losing in both the district court and on appeal in four out of the five cases. Yet, in addition to the NAACP case, the lone and short-lived brand owner lower court win discussed in Appendix A, there are district court

education, the remedy to be applied is more speech, not enforced silence.”) (Brandeis, J., concurring).

decisions in the same time frame where the brand owner won at least the opportunity to present a case on the merits of its trademark claims. Selected brand owner wins are discussed in Appendix B to the article.⁴¹ Because some cases involve a challenger suing a brand owner for a declaratory judgment of non-infringement, this article avoids use of “plaintiff” and “defendant.” Instead, and without intending to ascribe any judgment on the merits of any assertion that a use constitutes “parody,” the article generally uses “brand owner” to identify the party that owns the brand that is the subject of the use at issue and “parodist” to identify the party whose use of the brand is challenged.

The cases that are the most difficult to reconcile are those involving the dog chew toys as highlighted in the introduction to this article: why is it that brand owner Louis Vuitton lost against parodist Haute Diggity Dog’s purse chew toy whereas brand owners Anheuser-Busch and Jack Daniel’s won against parodist VIP’s bottle-shaped chew toys? These issues stand out to the author as distinguishing factors: (a) the arguments for the parodist, if any, regarding the relation of the parody to the brand; (b) the nature of the humor involved and in particular whether the parody could be seen as offensive instead of funny and cute; (c) the nature of the brand’s product including particularly whether or not the brand licenses a variety of products or if the brand is a product type that will logically suffer from offensive parody; and (d) survey evidence.

As to (a), the relation of the parodist’s commentary to the brand, as noted previously,⁴² it is not entirely clear how strong the relation must be, or if any relation is required at all, between the commentary made by the parodist and the brand being parodied. But one can see why the parodist’s lack of commentary about the brand itself could (and possibly should) weigh against the parodist. If, when considered in the context of a trademark dispute, the First Amendment aims to protect those who seek to comment about brands and to stop brands from attempting to use trademark law to stifle those offering opinions about the brand, the rationale for permitting a parodist’s entirely gratuitous references to a brand in its own commercial product is diminished. The parodist who admits that there was no need to use a brand to make its commentary, whatever that commentary may be, could certainly make its point

⁴¹ There are, of course, brand owner losses in district courts during this time frame as well. *See, e.g.,* *Sesame Workshop v. STX Prods., LLC*, Civ. Action No. 1:18-cv-04597-VSB (S.D.N.Y. May 31, 2018) (denying brand owner Sesame Street’s motion for temporary restraining order seeking to enjoin R rated movie featuring Muppets in various adult situations from using slogan “No Sesame. All Street.” to promote the movie). To serve this article’s purpose of helping to identify factors that influence outcomes, and having reviewed brand owner losses at the Court of Appeals level in Appendix A, only lower court brand owner victories are reviewed in Appendix B.

⁴² *See supra* notes 8-16 and accompanying text.

in other ways. If the resulting product is likely to cause confusion or dilution, then the product should be enjoined. Also, the relationship between the commentary on the brand need not be a strong one. In *Haute Diggity Dog*, for example, the court accepted arguments suggesting that the fluffy chew toy shaped like a LOUIS VUITTON purse commented upon the expense and exclusivity of the brand's product, which an owner would never want its dog to chew and that presenting a fake little furry CHEWY VUITON purse for a dog to chew illustrates this commentary on the brand. Similar arguments do not seem viable for the bottle-shaped alcoholic beverage parodies using scatological humor to mock the brand. Dogs chew purses, not bottles.

As to (b), whether the parody is humorous versus offensive, a parody need not always be cute and funny for the parodist to win. Even harsh and offensive critiques of a brand can be protected under the First Amendment in situations where the parodist is truly expressing an opinion about the brand, as can be seen by the *NAACP* case.⁴³ But where the parodist borrows the brand for use in a commercial product that is offensive in some way, courts are not as quick to protect the parody. The CHEWY VUITON toys do not share the scatological and potentially offensive references that the VIP "Bad Spaniel" and "ButtWiper" toys exhibit. This could be a significant factor influencing the outcome.⁴⁴

As to (c), the nature of the brand, the exclusivity of a luxury brand may make such a brand easier to parody in the sense that, unlike brands used for more accessible consumer products, luxury brands are not often licensed extensively for use on low-priced, everyday items. This perhaps means that consumers will more readily recognize the joke (or that the joke is not sponsored by the brand) when encountering a low-priced product that parodies a luxury brand. The accessible and popular BUDWEISER and JACK DANIEL'S brands, for example, are supported by robust licensing programs. Proofs can be offered to the effect that the brand owner has products sold in similar channels of trade and at similar price points; in the case of Budweiser, Budweiser had licensed its marks for dog toys of some sort. Brands used for foods and beverages also may have an edge when fighting parodies that are unappetizing because arguments that the use of the brands for such parodies may have lingering tarnishing effects. Jack Daniel's also argued that its brand is tarnished when used with a parody product that appeals to

⁴³ *Radiance Found.*, 786 F.3d at 316, discussed *infra* in Appendix A, Case C.

⁴⁴ A parody that creates an association of a famous brand with drugs, even with drugs that are legal in some states, is also likely to land on the side of parodies that are enjoined, likely because the parody is seen as offensive. One recent example is parodist borrowing from UPS to promote its "United Pot Smokers" business, which was quickly shut down by UPS. *United Parcel Service, Inc. v. Kennedy*, No. CV 19-284-MWF (KKx), Preliminary Injunction ECF No. 20 (C.D. CA. Mar. 8, 2019).

those under age 18 because Jack Daniel's purposefully (and in accordance with the law) does not target its alcoholic beverage brand to minors.

As to (d), survey evidence, the brand owner will always be put to its proof on the ultimate issues of confusion and dilution. Louis Vuitton did not present survey evidence in the CHEWY VUITON or the MY OTHER BAG cases. Jack Daniel's and Budweiser both presented surveys and Jack Daniel's presented other expert evidence in the cases against VIP.

It is also apparent from studying these cases that parodies present dilemmas for brand owners. No owner likes to see its brand mocked. But: litigation is costly; outcomes are uncertain; and a parody may not directly lead to lost sales or diminished profits. Surveys, where required, are expensive and even when a survey with favorable results is obtained, there are endless ways to criticize the format, questions, stimuli, sampling, etc. The parodist is often a small entity and commencing action may lead to sympathy for the parodist and a social media backlash for the brand. Nevertheless, there is support in the case law for the merits of action by a brand owner to stop the gratuitous, unauthorized use of the brand by a parodist to sell commercial products, particularly when the parodist's commercial product is in some way offensive and/or the parody is unrelated to, and makes no comment regarding, the brand's persona.

In all five of the district court wins addressed in Appendix B, the brand owner sought to stop parodists' products that can be so characterized: the scatological "ButtWiper" and "Bad Spaniel" toys mocking alcoholic beverage brands for no apparent reason (Cases A and E), the use of a celebrity's health-and-fitness focused persona to sell candy (Case B), the taking of a luxury brand image to sell and boost the image of an unrelated automobile brand (Case D), and, of course, the use of a famous ice cream brand to sell pornography (Case C). In three of these five wins, the brand owner produced a survey supportive of its claim (Cases A, D, and E). In the other two wins, the cases were still at the early stages, so no survey was expected—much less required—and the issues were determined based on the brand owner's pleadings (Cases B and C). These wins confirm that key factors include the brand owner's ability to present the parodist as a parasite attempting to glom onto the brand's cache for no good reason and without commentary relevant to the brand and, if the case proceeds to a determination on the merits, the brand owner's ability to back up its claims and allegations with survey proof and/or expert evidence.

Parodists, on the other hand, can expect that courts will support their ability to continue with their parodies when those parodies are directly referring to and making fun of the brand in a playful way and/or when the parodist is expressing an opinion about the brand

in an artistic or expressive work. The First Amendment powerfully protects expression; trademark laws are not meant to stifle criticism or commentary about brands or to prevent the use of brands in artistic works. Even a survey presented by the brand owner demonstrating some confusion will not overcome First Amendment protection for the parodist’s use of the brand in opinion pieces and expressive or artistic commentary.

IV. PREDICTING RESULTS AND PROVIDING ADVICE

Counsel litigating or advising clients in parody cases should consider asking the following questions in assessing the merits of the case:

Question	Favorable to Brand Owner	Favorable to Parodist
Does the alleged joke in the parodist’s product relate to the brand?	If the joke does not relate to the brand, then the brand owner may be better able to establish its claims and show that the parodist is using the brand solely to generate attention for its own business. In the words of the Supreme Court’s <i>Campbell</i> decision, the parodist’s claim to fairness in its use of the brand diminishes where: “the alleged infringer merely uses [the original] to get attention or to avoid the drudgery in working up something fresh.”	If the joke does relate to the brand, then the parodist is better able to argue that First Amendment protections apply and/or that the joke is readily seen as not confusing or diluting and instead reinforces the fame of the brand.

Question	Favorable to Brand Owner	Favorable to Parodist
<p>Does the parodist have a line of products poking fun at more than one brand?</p>	<p>A brand owner may be able to argue that the parodist is not communicating a protectable message about any particular brand and instead is trying to build a commercial business by trading on the equity of others. Some courts have suggested that the fact that more than one brand is parodied in the same line of the parodist's products makes the parody more "successful"; however, courts should not read too much into the fact that only one of several brands actually filed suit against the parodist. Bringing an action is a significant expense in many ways (not just financially) and not all brands have the budget to support significant legal battles even if the brand believes that the parody is harmful. There can be something about the marketing and presentation of a line of parodied products that renders confusion less likely but that is a matter to be assessed case-by-case.</p>	<p>Some parodists have successfully argued that the presentation of a collection of parodies of different brands helps communicate the joke and avoid infringement or dilution.</p>

Question	Favorable to Brand Owner	Favorable to Parodist
Is the parodist selling products or using the brand in connection with a significantly expressive artistic work (like a play, movie, song, work of art, opinion piece)?	The brand owner is better able to stop the sale of parodies sold as products than to stop the parodied use of the brand in an expressive work.	The parodist has nearly free reign to use a parody of a brand in connection with artistic, expressive works (with some exceptions like pornography).
Is the parodist's primary motive profit or commentary?	A brand owner is better able to stop a parody sold in the form of a purely commercial product.	Even if the parodist is selling products or services, if those products or services are ancillary to expressions of opinion by the parodist relating to the brand (such as donation buttons on the same website with commentary about the brand or posters or t-shirts emblazoned with the parodist's message), the parodist is better able to defend against a brand owner's claims.
How offensive is the parody?	A brand owner may be better able to stop a parody that uses the brand to sell offensive products (pornography, drugs, defecation, etc.). Owners of food and beverage brands may be better able to demonstrate that an offensive, scatological parody is harmful.	A parodist is better able to convince a court that its joke is funny if the joke is in the context of harmless puns on non-offensive products as opposed to parodies using themes or images that generate offense and disgust.

Question	Favorable to Brand Owner	Favorable to Parodist
How obvious is the parody?	Parodies that are very subtle in their humor are more likely to be found confusing.	If the joke is as apparent as the brand, the parodist is better able to defend against a brand owner's claims.
Can the brand owner secure survey results with greater than 15% confusion levels?	Despite the expense and the uncertainty involved, a brand owner should consider commissioning a survey for litigated cases.	Surveys can be criticized but a parodist should consider commissioning its own survey instead of just criticizing the brand owner's survey.
Does the brand owner sell similar products?	Especially if the parodist is a competitor, the brand owner is in better position to succeed on a claim. The brand owner is also better able to succeed if the products sold by the parties are somewhat related.	The parodist is better able to defend a case when the parodist is selling products far removed from the brand owner's key products and target audience.
Does the brand owner have an extensive licensing program?	The more broadly a brand is used, the easier it may be to establish confusion in connection with the parody. Consumers are accustomed to seeing the brand in connection with a variety of products and may more readily be confused by the parody.	If the brand is used by the brand owner only for select, exclusive products, then the parodist may be better able to defend against a brand owner's claims when the parodist uses the mark on unrelated goods.

Question	Favorable to Brand Owner	Favorable to Parodist
Is there any evidence of actual confusion, aside from a survey?	Any evidence of actual confusion will help the brand owner.	Any evidence that consumers “get” the joke can help rebut a claim of likely confusion. Comments about the brand in connection with the parody may reflect the absence of confusion depending upon the context.
Is there a significant price differential between the brand owner’s and the parodist’s products?	The closer the offerings of the brand owner are to the parodist’s products in terms of price, the easier it may be for the brand owner to establish its claims.	A huge disparity in price between a parodist’s novelty product and a luxury brand will make it more difficult for the brand owner to succeed.
Is there any artistic relevance to the parodist’s use of the brand?	If the use of the brand is purely arbitrary, the brand owner is better able to stop the parody.	The parodist needs at least some valid explanation for why the brand is used.
Is there anything misleading about the parody?	Any explicitly misleading statements by the parodist will help the brand owner succeed.	The parodist should present its product to the marketplace in as truthful a manner as possible.
Did the parodist ask for permission?	If permission was requested and denied, this fact can weigh in the brand owner’s favor.	If a parodist decides to ask for permission, the parodist should also plan to not use the brand if the brand owner refuses to grant permission. The better option would be to clear the proposed use through the parodist’s own counsel if possible.

Question	Favorable to Brand Owner	Favorable to Parodist
Is there a disclaimer?	Disclaimers do not always work to dispel confusion, especially if vague, in small print or on the back of the package.	A disclaimer can help if clear and prominent.
Is the parodist claiming trademark rights in the parody / using the parody as a brand?	If the parodist is building its own brand on the brand owner's equity, the parodist cannot rely on the statutory dilution exemption.	Developing one's own brand and using the parody only to communicate a message (and not as a brand in and of itself) enables the parodist to take advantage of the exemption in the dilution statute.
How much of the brand is used?	Too much use of the brand by the parodist increases the likelihood of confusion.	The parodist should make an effort to change as much as possible to make the "parody" readily apparent.
Does the parody lessen the selling power or reputation of the brand in any way?	The brand owner should consider all possible evidence and arguments on the issue of proof of the negative effect of the parody on the reputation and selling power of the brand.	The parodist should point to the brand's continued good sales, consumer recognition, popularity, etc., to show that the parody has not adversely affected the brand's reputation.
What is the quality of the parodist's product?	The brand owner is in better position to stop shoddy products of low quality.	If the parodist is selling a solid, fairly priced product, with its own merits, a court is less likely to enjoin the sales.

Question	Favorable to Brand Owner	Favorable to Parodist
What is the relative appeal of the parties?	A brand owner will need to present an honest, sincere effort to protect its brand equity and not the over-reaching efforts of a “trademark bully.”	A parodist who lies about its motives or is otherwise engaged in unscrupulous activities is more likely to be enjoined.

V. CONCLUSION

To be sure, inconsistencies in the case law on parody and seemingly minute differences in the facts or in the way the cases were litigated result in what appear to be opposite decisions. Indeed, it has long been recognized that “in trade-mark cases, even more than in other litigation, precedent must be studied in the light of the facts of the particular case.”⁴⁵ Even so, trademark infringement precedent has value in identifying the questions to be asked, as Professor McCarthy noted:

Too many diverse factual elements enter into determination of likelihood of confusion for a prior case to be absolutely determinative of some later, subtly different, factual situation. However, there is no doubt that the use of examples of confusion for similar marks and products is of great help in guiding a decision-maker. In addition, the citation of legal precedent will keep the decision-maker within the proper legal guidelines and tests which have been developed over many years to help solve the problem. In other words, precedent will guide both counsel and the decision-maker in knowing what questions to ask.⁴⁶

These considerations apply equally to trademark parody cases. The outline of questions presented in this article aim to guide counsel as to the facts to be gathered in cases involving parody and to enable counsel to provide more helpful answers to the “what are my chances of success” question.

⁴⁵ Colburn v. Puritan Mills, 108 F.2d 377, 378 (7th Cir. 1939).

⁴⁶ McCarthy, *supra* note 23, § 23:31.

**APPENDIX A:
BRAND OWNER LOSSES:
APPEAL COURTS 2007–2018**

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

1. Did the brand owner win?

No.

2. What was the nature of the parodist's use?

The parodist sold dog chew toys made to look like plush LOUIS VUITTON handbags using the name CHEWY VUITON.



47



48

3. What was the procedural posture of the case?

Both parties asserted that there were no genuine issues of fact in dispute and submitted cross-motions for summary judgment on the merits of the brand owner's infringement and dilution claims. The District Court granted summary judgment in favor of the defendant parodist, and the judgment was affirmed on appeal.

4. What did the court say about infringement, i.e., the likelihood of confusion?

Summary judgment was granted and affirmed, finding no likelihood of confusion.

⁴⁷ Image of Louis Vuitton bag, in Maude Churchill, *7 of Our Favorite Louis Vuitton x Murakami Pieces As the Collaboration Comes To An End*, HighSnobiety (July 17, 2015), <https://www.highsnobiety.com/2015/07/17/louis-vuitton-murakami-pieces/>.

⁴⁸ Image of CHEWY VUITON toy, in *Louis Vuitton loses 'Chewy Vuiton' appeal*, NBCNEWS.COM (Nov. 14, 2007, 6:44 PM), http://www.nbcnews.com/id/21793188/ns/business-us_business/t/louis-vuitton-loses-chewy-vuiton-appeal/#.XCv0s1VKj3g.

District Court Opinion

The district court conducted a traditional likelihood of confusion analysis using the Fourth Circuit's *Pizzeria Uno*⁴⁹ test but assessed those factors with parody in mind:

This Court has considered all of the *Pizzeria Uno* factors and finds that, while the [brand owner's] mark is strong and there is some proximity of the products, the lack of actual confusion and bad faith, coupled with the considerations of parody substantially outweigh the factors that favor the [brand owner]. While consideration of the *Pizzeria Uno* factors were sufficient in making its determination, the Court is further swayed by the additional factors set out by the Second Circuit, which also favor the [parodist]. For these reasons, the Court concludes that summary judgment is appropriate on the issue of trademark infringement.⁵⁰

The brand owner relied on a single instance of alleged actual confusion where the parodist's customer, Jake's Dog House, referred to the parodist's products as "Louis Vuittons." However, in his deposition, Jake's owner stated "if I really thought that a \$10 dog toy made out of fluff and stuff was an actual Louis Vuitton product, [then] I would be stupid." The court accordingly found that Jake's understood that Chewy Vuitton products were not Louis Vuitton products and was not actually confused.⁵¹

Court of Appeals Opinion

The lower court's analysis was largely upheld on appeal, with the Fourth Circuit first considering whether the parodist's products, marks, and trade dress are indeed "successful" parodies of the brand owner's marks and trade dress. The finding of a successful parody influenced the way in which the *Pizzeria Uno* factors were applied but did not supplant the likely confusion analysis.

The Court of Appeals noted that a successful 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."⁵² This second message must not only differentiate the alleged parody from the original but must "also communicate some articulable element of satire, ridicule, joking, or amusement." Thus,

⁴⁹ *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522 (4th Cir. 1984).

⁵⁰ *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 464 F. Supp. 2d 495, 502 (E.D. Va. 2006). The two additional factors are (1) quality of [the parodist's] products and (2) sophistication of buyers. *Id.* at 503.

⁵¹ *Id.*

⁵² *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007) (citing *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001)).

“[a] parody relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect.”⁵³

Applying these guideposts to the CHEWY VUITON dog toys, the appellate court found that “[n]o one can doubt that LVM handbags are the target of the imitation by Haute Diggity Dog’s ‘Chewy Vuiton’ dog toys” and “[a]t the same time, no one can doubt also that the ‘Chewy Vuiton’ dog toy is not the ‘idealized image’ of the mark created by LVM.” This is so because:

The differences are immediate, beginning with the fact that the “Chewy Vuiton” product is a dog toy, not an expensive, luxury LOUIS VUITTON handbag. The toy is smaller, it is plush, and virtually all of its designs differ. Thus, “Chewy Vuiton” is not LOUIS VUITTON (“Chewy” is not “LOUIS” and “Vuiton” is not “VUITTON,” with its two Ts); CV is not LV; the designs on the dog toy are simplified and crude, not detailed and distinguished. The toys are inexpensive; the handbags are expensive and marketed to be expensive. And, of course, as a dog toy, one must buy it with pet supplies and cannot buy it at an exclusive LVM store or boutique within a department store. In short, the Haute Diggity Dog “Chewy Vuiton” dog toy undoubtedly and deliberately conjures up the famous LVM marks and trade dress, but at the same time, it communicates that it is not the LVM product. The furry little “Chewy Vuiton” imitation, as something to be chewed by a dog, pokes fun at the elegance and expensiveness of a LOUIS VUITTON handbag, which must not be chewed by a dog.⁵⁴

The key considerations were (a) the differences in the marks (e.g., CHEWY vs. LOUIS); (b) the noncompetitive nature of the products; and (c) what the court considered to be the clear presentation of the CHEWY VUITON product as a joking reference to the LOUIS VUITTON brand. It may have also helped that the parodist had an entire line of dog products poking fun at other luxury brands such as CHEWNEL NO. 5 (CHANEL NO. 5), FURCEDES (MERCEDES), JIMMY CHEW (JIMMY CHOO), DOG PERIGNONN (DOM PERIGNON), SNIFFANY & CO. (TIFFANY & CO.), and DOGIOR (DIOR), which may reinforce that the names of the products are jokes and puns that reference famous brands as opposed to licensed products.⁵⁵

⁵³ *Id.*, citing *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (finding the use of “Lardashe” jeans for larger women to be a successful and permissible parody of “Jordache” jeans).

⁵⁴ *Id.*

⁵⁵ *Haute Diggity Dog*, 507 F.3d at 258. Presentation of a line of parodied products with parodies of more than one brand helped avoid a finding of likely confusion in *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 417-18 (S.D.N.Y. 2002): “the Tommy/Timmy Holedigger [dog perfume] product is always presented to the

5. What did the court say about dilution by tarnishment?

Summary judgment was granted and affirmed, finding no likely dilution by tarnishment.

The brand owner's argument that its brand could be tarnished if a dog choked on one of the CHEWY VUITON toys was summarily dismissed because there was no record to support that any dog has choked on a pet chew toy or any basis from which to conclude that a dog would likely choke on such a toy.⁵⁶

6. What did the court say about dilution by blurring?

Summary judgment was granted and affirmed, finding no likely dilution by blurring.

District Court Opinion

The district court did not provide a detailed analysis, instead just stating that there was no likelihood that “the parody of Plaintiff[]s mark by Defendants will result in dilution of Plaintiff[]s mark” because the brand owner’s “mark continues to be associated with the true owner, Louis Vuitton,” with its strength “not likely to be blurred by a parody dog toy product,” where “the success of the parodic use depends upon the continued association with Louis Vuitton.”⁵⁷

Court of Appeals Opinion

The Fourth Circuit affirmed, using a different analysis and criticizing the district court for its failure to discuss and review the statutory dilution factors. The appellate court first rejected arguments from both parties that the fact that the product was a “parody” ended the discussion on the dilution by blurring claim:

- The parodist was wrong to argue that parody provided a complete defense because the parodist used the parody as its own trademark and designation of source such that the statutory exemption did not apply.
- The brand owner was wrong to argue that parody automatically gives rise to actionable dilution because the relevant factors need to be assessed to determine if the claim

consumer along with a variety of other parody pet colognes, such as CK-9 and Pucci, each appearing in an identically shaped bottle” and “this context immediately reinforces the message that the perfumes are a parody, and that they come from a single source rather than the multiple sources of the parodied marks.” However, the parodist VIP Products has not been successful in two cases involving its line of dog chew toy products using many different famous beverage brands. See cases discussed *infra* in IV.A and IV.E.

⁵⁶ *Hot Diggity Dog*, 507 F.3d at 268-69.

⁵⁷ *Louis Vuitton Malletier SA v. Haute Diggity Dog, LLC*, 464 F. Supp. 2d 495, 505 (E.D. Va. 2006).

was established; there is no strict liability that prevents any use by a third person of an imitation of famous marks.

The court considered the parody relevant to the analysis of the statutory factors and conducted a full likelihood of dilution analysis, weighing the effect of defendant's use of a mark as a parody on the overall question of whether the defendant's use is likely to impair the famous mark's distinctiveness. For example, the high level of distinctiveness, fame, and strength of the LOUIS VUITTON mark and the brand owner's other marks and designs were found not to help the brand owner but to "impose on [the brand owner] an increased burden to demonstrate that the distinctiveness of its famous marks is likely to be impaired by a successful parody." In other words, "because the famous mark is particularly strong and distinctive, it becomes more likely that a parody will not impair the distinctiveness of the mark."⁵⁸

Not surprisingly in light of this viewpoint, the court went on to find on the merits that the CHEWY VUITTON parody did not diminish the LOUIS VUITTON brand:

[The parodist] mimicked the famous marks; it did not come so close to them as to destroy the success of its parody and, more importantly, to diminish the [brand owner's] marks' capacity to identify a single source. [The parodist] designed a pet chew toy to imitate and suggest, but not use, the marks of a high-fashion LOUIS VUITTON handbag. It used "Chewy Vuiton" to mimic "LOUIS VUITTON"; it used "CV" to mimic "LV"; and it adopted imperfectly the items of [the brand owner's] designs. We conclude that these uses by [the parodist] were not so similar as to be likely to impair the distinctiveness of [the brand owner's] famous marks.⁵⁹

The key considerations were (a) the differences in the marks (again, CHEWY versus LOUIS); (b) what the court considered to be a successful presentation that the parodied product was not a LOUIS VUITTON product by using a similar but different name in a context (joke pet toy sold in pet stores, and not a luxury product sold in luxury brand shops) that simultaneously conveyed that the product was a joking reference to the brand and not the brand itself.

7. What did the court say about free speech/parody considerations?

The First Amendment/freedom of speech was not mentioned in the decisions. Whether the parodist was successful in communicating that its product was *not* the famous mark, but

⁵⁸ *Hot Diggity Dog*, 507 F.3d at 267 (emphasis added).

⁵⁹ *Id.* at 268.

rather a “satire” of the brand, was considered relevant in evaluating the traditional factors used for assessing infringement and dilution.

8. Were copyright issues also involved?

Yes, the brand owner also asserted a claim as to the copyright in the multi-color design on the brand’s bag and mimicked on the parodist’s toy. No infringement was found. As stated by the Court of Appeals, “[b]ecause [the brand owner] attempts to use a copyright claim to pursue what is at its core a trademark and trade dress infringement claim, application of the fair-use factors under the Copyright Act to these facts is awkward. . . . Nonetheless, after examining the record, we agree with the district court that [the parodist’s] use as a parody of certain altered elements of [the brand owner’s copyrighted] Multicolor design does not support a claim for copyright infringement.”⁶⁰

9. Were there any surveys?

No.

10. What role, if any, did the parodist’s intent play?

Both the district court and the appellate court applied the maxim that an intent to parody is not an intent to confuse. “To the contrary,” said the appellate court, the parodist’s “intent was to do just the opposite—to evoke a humorous, satirical association that *distinguishes* the products.”⁶¹ The appellate court described the item as an obvious comment on the rich and famous, “pok[ing] fun at the elegance and expensiveness of a LOUIS VUITTON handbag, which must not be chewed by a dog.”⁶²

11. Was there a disclaimer?

No.

***B. Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.,
736 F.3d 198 (2d Cir. 2013)***

1. Did the brand owner win?

No.

⁶⁰ *Id.* at 269 (citing 17 U.S.C. § 107 and *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994)).

⁶¹ *Hot Diggity Dog*, 507 F.3d at 263.

⁶² *Id.* at 261.

2. What was the nature of the parodist's use?

The parodist coffee roasting company used CHARBUCKS and MISTER CHARBUCKS on products competitive to the brand owner's STARBUCKS coffee, as names for dark roasted coffee blends sold to retailers and in the roasting company's small coffee shop. The parodist argued that the name was selected as a humorous way to alert customers that the very dark roast was different from the parodist's typical, lighter-roast products.⁶³



3. What was the procedural posture of the case?

The district court held a bench trial and issued a final decision on the merits in favor of the defendant, with three trips to the Court of Appeals:

- (1) the district court entered judgment for the parodist on all claims in 2005;⁶⁶
- (2) the Court of Appeals remanded the case to have the district court address the 2006 change in the dilution law from FTDA to TDRA;⁶⁷

⁶³ Argument in Appellee Wolfe's Borough Coffee, Inc.'s Brief on appeal available in Starbucks Corp. v. Wolfe's Borough Coffee, Inc., Appeal No. 12-364, brief filed July 20, 2012, Dkt. 48, p. 4-5 (2d Cir.).

⁶⁴ STARBUCKS COFFEE, Registration No. 3,428,128.

⁶⁵ Image of CHARBUCKS labels, *in* Appendix on Appeal in Starbucks Corp. v. Wolfe's Borough Coffee, Inc., Appeal No. 12-364, appendix filed May 4, 2012, Dkt. 33-2, A0971-72. (2d Cir.).

⁶⁶ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., No. 01 Civ. 5981(LTS)(THK), 2005 WL 3527126 (S.D.N.Y. Dec. 23, 2005) ("2005 Decision").

⁶⁷ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 477 F.3d 765 (2d Cir. 2007) ("2007 Appeal Decision").

- (3) the district court issued another decision for the parodist on all counts after the first remand;⁶⁸
- (4) the Court of Appeals remanded the case again to have the district court address the “degree of similarity” between the marks on the dilution by blurring claim because the district court had erroneously focused on whether the marks were “substantially similar,” which was not required by the TDRA;⁶⁹
- (5) the district court issued another decision for the parodist;⁷⁰ and
- (6) the Court of Appeals affirmed the judgment for the parodist.⁷¹

4. What did the court say about infringement, i.e., the likelihood of confusion?

Based on the proofs submitted at the bench trial, the brand owner did not establish that the parodist’s use of its CHARBUCKS marks created a likelihood of confusion.

The likely confusion claim was fully assessed by the district court in the 2005 Decision, not addressed by the 2007 Appeal Decision, restated without further analysis in the 2008 Decision and then affirmed (with a few tweaks in terms of the treatment of the various *Polaroid* factors) by the 2009 Appeal Decision. The 2011 Decision and 2013 Appeal Decision did not address likely confusion (since the prior determination on that issue by the district court was affirmed in 2009) and instead focused solely on the dilution claims.

The parties largely agreed that the STARBUCKS marks are strong, the products offered by the parties are similar, and there was a likelihood that Starbucks would “bridge the gap.” Disputes related to the weight to be given to the factors and to the remaining *Polaroid* factors: the similarity of the marks, the sophistication of the purchasers, actual confusion, the quality of defendant’s products, and defendant’s good faith.

District Court Opinion

The district court found:

⁶⁸ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 559 F. Supp. 2d 472 (S.D.N.Y. 2008) (“2008 Decision”).

⁶⁹ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97 (2d Cir. 2009) (“2009 Appeal Decision”).

⁷⁰ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., No. 01 Civ. 5981, 2011 WL 6747431 (S.D.N.Y. Dec. 23, 2011) (“2011 Decision”).

⁷¹ Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 736 F.3d 198 (2d Cir. 2013) (“2013 Appeal Decision”).

Other than the strength of the mark, the *Polaroid* factors in the instant case are largely favorable to Defendant or neutral and thus are not indicative of a likelihood that consumers would mistake Black Bear's MR. CHARBUCKS BLEND or CHARBUCKS BLEND for a Starbucks product, or that consumers would be likely to believe that the CHARBUCKS-labeled coffee products are sponsored, authorized by or otherwise associated with Starbucks. The Court, having weighed carefully the evidence, finds that Starbucks has failed, both on the basis of the factor-by-factor analysis and on a more holistic view of the confusion question, to carry its burden of proving the requisite likelihood of consumer confusion.⁷²

Court of Appeals Opinion

The appellate court largely agreed:

[C]onsidering all of the *Polaroid* factors, we conclude that there is no "likelihood of confusion" in this case. Notably, the District Court—in coming to the same conclusion we reach here—considered the fourth *Polaroid* factor ("bridge the gap" factor) in favor of Starbucks. Having concluded that the "bridge the gap" factor should not have weighed in favor of Starbucks in the *Polaroid* analysis [because the similarity of the goods already weighed in Starbucks favor, rendering "bridge the gap" an extraneous issue, not an added point to be counted in Starbucks' favor], we *a fortiori* agree with the District Court's ultimate conclusion that there is no likelihood of confusion "as to source, sponsorship, or association of [CHARBUCKS] with the Starbucks mark," notwithstanding our determination that the consumer sophistication factor should not have been given much weight in the analysis [while the district court had weighed the sophistication of customers against Starbucks, the appeals court declined to give the factor 'much, if any, weight' because of the lack of evidence regarding consumer sophistication].⁷³

The key considerations were (a) the differences in the labeling used by the parties; and (b) the lack of evidence of actual confusion despite many years of coexistence.

⁷² 2005 Decision, 2005 WL 3527126, at *7.

⁷³ 2009 Appeal Decision, 588 F.3d at 119.

5. What did the court say about dilution by tarnishment?

Based on proofs submitted at the bench trial, the brand owner did not establish that the parodist's use was likely to cause dilution by tarnishment.

District Court Opinion

As originally expressed by the district court in the 2005 Decision and then reiterated in the 2008 Decision:

The utility of the “Mr. Charbucks” mark to [the parodist] depends on the association being one to something that is attractive or consumer-appealing [as opposed to tarnishing]. . . . [T]he survey comments about the characteristics of a product called “Charbucks” are not necessarily negative and the record lacks sufficient evidence of inferior quality to sustain [the brand owner's] burden of demonstrating that the association of [the parodist's] mark with [the brand owner] is likely to harm the reputation of [the brand owner's] marks.⁷⁴

The 2008 Decision also dispensed with Starbucks' further arguments regarding the survey results as follows:

On remand, Starbucks places particular emphasis on a newly-calculated statistic indicating that, of the 30.5% of respondents who had an immediate association between “Charbucks” and “Starbucks,” 62% said they would have a negative impression of a coffee called “Charbucks.” This statistic says nothing, however, about the likelihood that those respondents' negative impression of a coffee called “Charbucks” would affect detrimentally their perception of Starbucks. It would be just as reasonable to conclude that their negative impressions of a hypothetical coffee named “Charbucks” were based on their strong allegiance to Starbucks, something [the parodist] observes by noting that 71% of those respondents had a positive impression of Starbucks. Additionally, the record at trial established that [the parodist's] product is a high-quality coffee with rigorous quality control mechanisms. . . . Thus, looking beyond the inferences argued from the hypothetical phone survey, the record demonstrates that the [parodist's] actual “Mr. Charbucks” coffee product is of such a quality that its association with Starbucks is unlikely to be damaging.⁷⁵

⁷⁴ 2008 Decision, 559 F. Supp. 2d at 480.

⁷⁵ *Id.*

Court of Appeals Opinion

The district court's assessment that the CHARBUCKS use was not proven to be tarnishing to the STARBUCKS mark was affirmed in the 2009 Appeal Decision:

We will not assume that a purportedly negative-sounding junior mark will likely harm the reputation of the famous mark by mere association when the survey conducted by the party claiming dilution could have easily enlightened us on the matter. Indeed, it may even have been that "Charbucks" would strengthen the positive impressions of Starbucks because it brings to the attention of consumers that the "Char" is absent in "Star"bucks, and, therefore, of the two "bucks," Starbucks is the "un-charred" and more appealing product.⁷⁶

The key considerations were (a) the failure of the survey results to speak to the issue of harm to the STARBUCKS marks (as opposed to impressions of the mark CHARBUCKS in the abstract); and (b) the fact that the parodist's actual CHARBUCKS coffee products were high quality, and promoted in a positive light, such that the association with the brand owner is unlikely to be damaging.

6. What did the court say about dilution by blurring?

Based on the proofs submitted at the bench trial, the brand owner did not establish that the parodist's use was likely to cause dilution by blurring.

District Court Opinions

In the 2011 Decision, the district court recognized that three of the statutory "dilution by blurring" factors weighed in Starbucks' favor: the distinctiveness, recognition, and exclusivity of use of the STARBUCKS marks. The parodist Black Bear's intent to associate with Starbucks also weighed in Starbucks' favor, due to testimony that Black Bear used CHARBUCKS to evoke an image of dark-roasted coffee of the type offered by Starbucks.

However, critical proof was found lacking regarding similarity of the marks and any "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark."⁷⁷ The marks when considered in their entirety as they are presented in commerce including their labeling "are only minimally similar," and the evidence of association weighs no more than minimally in the brand owner's

⁷⁶ 2009 Appeal Decision, 588 F.3d at 110-11.

⁷⁷ 2008 Decision, 559 F. Supp. 2d at 480, citing 15 U.S.C.A. § 1125(c)(2)(B) (West 2009).

favor. The district court acknowledged that Starbucks' survey evidence constituted "evidence of actual association":

Of the 600 respondents surveyed, 30.5% said that they associated the term "Charbucks" with "Starbucks," and 9% said they associated the term "Charbucks" with coffee. . . . When asked to name a company or store that they thought might "offer a product called 'Charbucks,'" "3.1% of respondents said Starbucks."⁷⁸

However, these survey results related to the word CHARBUCKS only, without the labeling or accompanying graphics and house marks used by the parodist. Also, compared to other cases, the percentage of respondents who indicated a mental association between the marks was found to be "relatively small."⁷⁹ Accordingly, the district court found that Starbucks failed to carry its burden of proving that the use of CHARBUCKS is likely to cause dilution by blurring:

After considering all of the evidence and noting the dissimilarity of the marks as used in commerce, the weakness of the survey evidence, and the fact that consumers encounter [the parodist's] Charbucks term only in conjunction with other marks unique to [the parodist], the Court holds that the Charbucks marks are only weakly associated with the minimally similar Starbucks marks and, thus, are not likely to impair the distinctiveness of the famous Starbucks marks.⁸⁰

Court of Appeals Opinions

The Second Circuit in the 2013 Appeal Decision described the "ultimate question" on dilution by blurring as "whether the Charbucks Marks are likely to cause an association arising from their similarity to the Starbucks Marks, which impairs the

⁷⁸ *Id.*

⁷⁹ 2011 Decision, 2011 WL 6747431, at *4. The Court distinguished other cases that reported associations at levels between 70% and 90% as opposed to 30.1%: *Visa Int'l Serv. Ass'n v. JSL Corp.*, 590 F. Supp. 2d 1306, 1319 (D. Nev. 2008) (73% of respondents said EVISA reminded them of Visa); *Nike, Inc. v. Nikepal Int'l, Inc.*, No. 2:05-cv-1468-GEB-JFM, 2007 WL 2782030, at *4 (E.D. Cal. Sept. 18, 2007) (87% of respondents said Nikepal reminded them of Nike); *Starbucks Corp. v. Lundberg*, No. 02-CV-948, 2005 WL 3183858, at *8 (D. Or. Nov. 29, 2005) (85% of respondents thought of Starbucks when shown "Sambuck's Coffeehouse" and 70% said they thought of Starbucks because the marks were so similar). The court also distinguished *Jada Toys v. Mattel, Inc.*, 518 F.3d 628 (9th Cir. 2008), where 28% association was found to be sufficient proof because only 3.1% of respondents in the CHARBUCKS case thought Starbucks offered a product called "Charbucks." *Jada Toys* 518 F.3d at 636 (28% percent thought HOT RIGZ was either made by Mattel or by the company that makes HOT WHEELS, or that whoever made it required Mattel's permission to do so).

⁸⁰ 2011 Decision, 2011 WL 6747431, at *6.

Starbucks Marks' tendency to identify the source of Starbucks products in a unique way."⁸¹ The appellate court agreed that Starbucks did not demonstrate a likelihood of dilution by blurring:

What tips the balance in this case is that Starbucks bore the burden of showing that it was entitled to injunctive relief on this record. Because Starbucks' principal evidence of association, the [] survey, was fundamentally flawed [as it involved only the word Charbucks and not the mark as presented to the public on signage and labels by the defendant], and because there was minimal similarity between the marks at issue, we agree with the District Court that Starbucks failed to show that [the parodist] Black Bear's use of its Charbucks Marks in commerce is likely to dilute the Starbucks Marks.⁸²

The key considerations were (a) the differences between the marks (particularly considering the overall different labeling used by the parodist); and (b) the lack of survey evidence addressing the parodist's actual use including that labeling.

7. What did the court say about free speech/parody considerations?

The First Amendment/freedom of speech was not mentioned in any of the decisions.

A discussion of "the parody defense" occurred in the 2009 Appeal Decision, with the Second Circuit noting that Black Bear's use of the CHARBUCKS marks cannot qualify under the parody exception in the TDRA because the CHARBUCKS marks are used "as a designation of source for [Black Bear's] own goods[, i.e., the CHARBUCKS line of coffee]."

The court went on to conclude that Black Bear's use of the CHARBUCKS marks is not a parody of the kind that would favor Black Bear even if the Second Circuit were to adopt the Fourth Circuit's analysis of how parody affects the dilution factors laid out in the CHEWY VUITON case, because "Black Bear's use of the Charbucks Marks is, at most, a subtle satire of the Starbucks Marks," with "some humor" but with promotion "not as a satire or irreverent commentary of Starbucks but, rather, as a beacon to identify Charbucks as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffees." Because "the Charbucks Marks do not effect an 'increase [in] public identification [of the Starbucks Marks with Starbucks],' the purported Charbucks parody plays no part in undermining a finding of dilution under the Fourth Circuit's rule." The Second Circuit

⁸¹ 2013 Appeal Decision, 736 F.3d at 211.

⁸² *Id.* at 213.

concluded “that Black Bear’s incantation of parody does nothing to shield it from Starbucks’ dilution claim in this case.”⁸³

8. Were copyright issues also involved?

No.

9. Were there any surveys?

Yes, the brand owner submitted a survey. However, the survey was conducted via telephone so that all information was provided to the respondents orally without any visuals. The survey was found to be fatally flawed for failing to show respondents the parodist’s use as it appeared on labels and signs in the marketplace. In addition, the questioning of the survey respondents did not establish whether the use of CHARBUCKS affected the respondents’ impressions of STARBUCKS and instead only addressed their impressions of the term CHARBUCKS, finding that many would have a negative impression of a “coffee named ‘Charbucks.’” Whether these respondents who had negative impressions of “Charbucks” coffee would transfer those negative associations to STARBUCKS was not studied.

10. What role, if any, did the parodist’s intent play?

On likelihood of confusion, the parodist’s intent was considered neutral:

The Court finds that, in adopting “Charbucks” as part of the name of the coffee product in question, Black Bear’s CEO and co-owner, James O. Clark, III (“Clark”) intended to take advantage of the similarity of the word to the Starbucks name, as well as of associations of the word Charbucks with particular perceptions of Starbucks’ products as a very dark roast of coffee. The evidence presented at trial does not, however, support a reasonable inference that the name was adopted with the intention of misleading consumers as to a connection between Black Bear’s products and Starbucks. This factor is therefore neutral, or somewhat favorable to the [the parodist], in the analysis of the likelihood of relevant consumer confusion as to source or connection.⁸⁴

On likelihood of dilution by blurring, the parodist’s intent was found to be *not* indicative of bad faith:

Such intent [to refer to Starbucks] is not sufficient in and of itself, however, to demonstrate a likelihood of dilution by blurring. In the blurring context, the ultimate question is

⁸³ 2009 Appeal Decision, 588 F.3d at 112-13 (citations omitted).

⁸⁴ 2005 Decision, 2005 WL 3527126, at *6.

whether the intended association is likely to impair the distinctiveness of [the brand owner's] famous mark. Here, the record makes clear that the distinctiveness of the character of Starbucks coffee products is key to the achievement of [the parodist's] stated goal, which is to signal to purchasers that "Mr. Charbucks" is a very dark roast and unlike [the parodist's] other coffee products. Such an intended association, especially where, as here, [the parodist's] mark is not substantially similar to [the brand owner's mark], is not indicative of bad faith or of an association likely to cause dilution by blurring.⁸⁵

The parodist's use of elements of the STARBUCKS mark was seen as a positive comment on the STARBUCKS brand, somewhat akin to saying "Starbucks-style" coffee. Also, the lack of copying of any STARBUCKS trade dress elements could have assisted the parodist in demonstrating that there was no intent to confuse consumers into thinking that the product offered was a Starbucks product.

11. Was there a disclaimer?

No.

*C. Radiance Found., Inc. v. N.A.A.C.P.,
786 F.3d 316 (4th Cir. 2015)*

1. Did the brand owner win?

No. While the brand owner won at the district court level, the brand owner lost on appeal.

2. What was the nature of the parodist's use?

The parodist, a nonprofit educational organization called Radiance, published articles criticizing the brand owner, the civil rights organization National Association for the Advancement of Colored People ("NAACP"). Radiance attacked the NAACP's alleged positions supporting abortion by referring to the NAACP as the "National Association for the *Abortion* of Colored People" and asserting that this name would be a fitting moniker for the NAACP. The articles were posted on Radiance's websites TooManyAborted.com and TheRadianceFoundation.org, as well as on a third-party website LifeNews.com.

⁸⁵ 2008 Decision, 559 F. Supp. 2d at 478.



86



87

3. What was the procedural posture of the case?

A bench trial in the district court resulted in an injunction requiring the parodist to cease use of the brand name. However, the injunction was vacated and the judgment reversed on appeal, with a remand directing the district court to dismiss the brand owner's claims.

4. What did the court say about infringement, i.e., the likelihood of confusion?

After a bench trial, the district court found that the proofs submitted by the brand owner established likelihood of confusion. However, the Court of Appeals reversed, holding that the parodist's expression in no way infringed the brand owner's mark.

District Court Opinion

The district court found that the brand owner “demonstrated by a preponderance of the evidence that consumers are likely to be confused about whether ‘National Association for the Abortion of Colored People’ is sponsored, authorized by or otherwise affiliated with the NAACP, and there is a high likelihood of confusion involving Radiance’s use of ‘NAACP’ and a colorable imitation of ‘National Association for the Advancement of Colored People.’”⁸⁸ The court addressed the relevant Fourth Circuit likely confusion factors, stated parody is not an affirmative defense, and acknowledged that First Amendment concerns regarding freedom of speech and expression must be balanced against trademark rights and remedies.

The district court went on to find that all but one of the relevant factors favored a finding of likely confusion. The one remaining factor, the quality of the defendant's products or services, was

⁸⁶ Image of NAACP logo, *in* NAACP, <https://naacp.org/> (last visited Apr. 29, 2019).

⁸⁷ Image of National Association for the Abortion of Colored People billboard, *in* Radiance Foundation, <http://www.theradiancefoundation.org/naacp-national-association-for-the-abortion-of-colored-people/> (last visited Apr. 29, 2019).

⁸⁸ *Radiance Found., Inc. v. NAACP*, 25 F. Supp. 3d 865, 879 (E.D. Va. 2014). The district court found likely confusion was not established as to the NAACP's claims relating to Radiance's use of “Image Awards” and the Scales of Justice Seal.

considered not relevant because of the difficulty of assessing the quality of services in the nature of offering opinions on public policy issues.

The analysis by the district court on the likely confusion factors essentially was as follows: the NAACP marks were strong, and “National Association for the Abortion of Colored People” closely resembles “National Association for the Advancement of Colored People.” The parties’ services are similar and the facilities and advertising used by the parties are similar, with the parties both using the Internet and billboards to engage in public outreach and “reach the same audience—namely, Internet users searching for webpages displaying ‘NAACP.’” The parodist, according to the district court, intended to confuse the public, and the court did not believe the parodist’s use qualified as a parody, because the parodist’s articles did not use the NAACP’s actual name or web address or include any signal or suggestion that the confusingly similar name, “National Association for the Abortion of Colored People,” was anything other than the name of a real organization or the name of the NAACP. There was both anecdotal evidence of actual confusion, in the form of calls to the NAACP after Internet users observed the Radiance posts, and survey evidence supporting a finding of confusion.⁸⁹ Finally, the sophistication of the consuming public weighed in favor of likelihood of confusion because the parties’ free information services could be accessed by the average consumer without any time or financial investment and even potential donors may only be generally familiar with the works of a charity for a cause they support and will contribute to such a cause when solicited, easily confusing two charities that resemble one another in name and function.

Court of Appeals Opinion

The Court of Appeals identified several problems with the district court’s analysis of the trademark infringement claim. Noting the need to reconcile “the commercial values protected by the Lanham Act” with “the democratic value of expressive freedom,” the appellate court first found that the lower court erred in finding that the parodist’s use of “National Association for the Abortion of Colored People” in connection with its articles was use “in

⁸⁹ The survey showed: (a) 8% of respondents believed there was an affiliation between the people who use the term “National Association for the Abortion of Colored People” and the real NAACP; (b) 5% of respondents believed that the NAACP’s permission or approval was required; (c) 10% of respondents believed the initials NAACP actually stood for “National Association for the Abortion of Colored People” or some other name containing the word abortion; and (d) 10% believed that the “National Association for the Abortion of Colored People” was the name of an actual organization or group. Only 5% of respondents volunteered that they perceived “National Association for the Abortion of Colored People” to be a parody or criticism of the real NAACP.

connection with” goods or services sufficient to subject the use to trademark infringement liability. The lower court had pointed to the solicitation of donations on the parodist’s websites, suggesting that this solicitation rendered the parodist’s use of the marks sufficiently “commercial” to be subject to the Lanham Act. The Court of Appeals disagreed, finding that the donation functions on the parodist’s websites were not enough to support a finding of use “in connection with” goods or services in the commercial sense required by the Lanham Act:

It is important not to lose perspective. The article was just one piece of each Radiance website’s content, which was comprised of articles, videos, and multimedia advocacy materials. That the protected marks appear somewhere in the content of a website that includes transactional components is not alone enough to satisfy the “in connection with” element. To say it would come too close to an absolute rule that any social issues commentary with any transactional component in the neighborhood enhanced the commentator’s risk of Lanham Act liability.⁹⁰

Next, the appellate court assessed likely confusion with a focus on confusion as to source, noting that “[w]hen the ‘use of the trademark does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source,’ restricting speech does not serve the purpose of the Lanham Act.”⁹¹ Citing *Rogers v. Grimaldi*, the appellate court also noted that “use of a mark in a title will generally not result in the type of consumer confusion necessary to support infringement claims.”⁹²

Through this lens, the appellate court rejected as irrelevant the lower court’s reliance on survey evidence showing consumers thought “NAACP” in fact actually stood for “National Association for the *Abortion* of Colored People,” or that the NAACP’s position on abortion was as stated by the parodist, noting:

Trademark infringement provisions do not protect against confusion about the marks themselves because marks are not goods or services but instruments to identify goods and services. . . . Thus confusion about what a particular trademark says or looks like is not relevant for infringement claims. We may certainly account for similarities between the trademark holder’s and infringer’s marks in the likelihood of confusion analysis, but only in the context of

⁹⁰ *Radiance Found. v. NAACP*, 786 F.3d 316, 326 (4th Cir. 2015).

⁹¹ *Id.* at 325 (citing *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 306-08 (9th Cir. 1992)).

⁹² *Id.* at 329.

how those similarities create confusion about the source of any products the marks identify.

Likewise, trademark infringement is not designed to protect mark holders from consumer confusion about their positions on political or social issues. The evidence of “actual confusion” relied on by the district court consisted of phone calls to the NAACP by people who took issue with the NAACP supporting abortion. . . . ‘[I]ndignation is not confusion,’ at least not as pertains to trademark infringement, and at best the calls demonstrated confusion as to the NAACP’s policy positions rather than any good or service. Policy stances are neither goods nor services, though the means of conveying them may be.⁹³

The court also expressed skepticism that anyone “would confuse an article which is strongly critical of an organization with the organization itself.”⁹⁴ Finally, the court again emphasized the importance of “the full context in which the mark was used,” including the posting of the article at issue among dozens of articles and content on social and political issues on websites using clarifying domain names and webpage headings that used the parodist’s name, not the brand name.

Key considerations were (a) the overall context of the use including the posting on websites clearly branded as the parodist’s sites along with significant other material regarding the parodist’s view points; and (b) the obviously critical nature of the articles.

5. What did the court say about dilution by tarnishment?

After a bench trial, the district court found that the proofs submitted by the brand owner established likelihood of dilution by tarnishment. However, the Court of Appeals reversed, holding that the parodist’s expression in no way diluted the brand owner’s rights.

District Court Opinion

The district court found the brand owner established dilution by tarnishment, finding that the parodist’s use of “National Association for the Abortion of Colored People” is likely to harm the reputation of the NAACP and National Association for the Advancement of

⁹³ *Id.* at 327 (citations omitted). The court cited *Louis Vuitton v. Haute Diggity Dog, LLC*, 507 F.3d 252, 263 (4th Cir. 2007) (“The misspellings pointed out by LVM [in the Vuitton name] are far more likely in this context to indicate confusion over how to spell the product name than any confusion over the source or sponsorship of the ‘Chewy Vuiton’ dog toys.”) and *Girl Scouts v. Personality Posters, Mfg. Co.*, 304 F. Supp. 1228, 1231 (S.D.N.Y. 1969).

⁹⁴ *Radianc Found.*, 786 F.3d at 328.

Colored People marks by insinuating a stance of abortion that the brand owner deliberately avoided.⁹⁵

Court of Appeals Opinion

The Court of Appeals found that the parodist's articles fell "plainly within the fair and noncommercial use exclusions" to the TDRA, such that no dilution claim could be brought against the articles. First, the articles were fair use in the form of commentary or criticism, even if not considered parody per se:

Under [the brand owner's] view, many social commentators and websites would find themselves victims of litigation aimed at silencing or altering their message, because, as noted, "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark." . . . The article in this case was harsh. But that did not forfeit its author's First Amendment liberties. The most scathing speech and the most disputable commentary are also the ones most likely to draw their intended targets' ire and thereby attract Lanham Act litigation. It is for this reason that law does not leave such speech without protection.⁹⁶

Second, without detailed discussion, the appellate court stated that the relevant factors used to assess whether or not speech is commercial mitigate *against* a finding that the parodist's speech was commercial: (1) whether the speech is an advertisement; (2) whether speech refers to specific products or services; (3) whether the speaker has an economic motivation for the speech; and (4) the viewpoint of the listener, i.e. whether the listener would perceive the speech as proposing a transaction.⁹⁷

⁹⁵ Dilution by tarnishment was not established as to the parodist's use of the brand owner's "Image Awards" and the Scales of Justice Seal, because those uses were deemed "nominative."

⁹⁶ *Radiance Found.*, 786 F.3d at 332.

⁹⁷ *Id.* at 331-332 (quoting factors from *Greater Balt. Ctr. for Pregnancy Concerns, Inc. v. Mayor of Balt.*, 721 F.3d 264, 285-86 (4th Cir. 2013) (en banc)). The distinction between commercial and noncommercial speech is significant, as the Constitution accords lesser protection to commercial speech and more protection to noncommercial speech such as political speech. Commercial speech is still afforded some constitutional protection but the scope of the protection turns on the nature of the expression and of the governmental interests served by the effort to regulate that speech. *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm'n*, 447 U.S. 557 (1980) (setting forth four-part test to determine whether the expression is protected by the First Amendment: first, commercial speech at least must concern lawful activity and not be misleading; second, the asserted governmental interest must be substantial; third, the regulation must directly advance the governmental interest asserted; and fourth, the regulation must not be more extensive than is necessary to serve that interest).

The key consideration was the parodist's use in the context of an article presenting a viewpoint and commentary critical of the brand owner.

6. What did the court say about dilution by blurring?

The focus was on dilution by tarnishment and dilution by blurring was not specifically addressed.

7. What did the court say about free speech/parody considerations?

The district court did not believe that the parodist's use was "successful" in the sense that the twisting of the brand name to include "Abortion" rather than "Advancement" and use of NAACP was neither clear nor necessary to communicate the parodist's message. However, the Court of Appeals considered the First Amendment free speech issues to be paramount: "To find Lanham Act violations under these facts risks a different form of infringement—that of [the parodist's] expressive right to comment on social issues under the First Amendment."⁹⁸

District Court Opinion

The lower court found that the parodist's use of "National Association for the Abortion of Colored People" lacked many of the classic elements of a successful parody:

- The name used was "almost identical" to the actual brand name with almost the entire trademark appropriated, as opposed to a modified mark that was clearly a play on the brand;
- The change in word from "Advancement" to "Abortion" when used next to the famous and unaltered acronym NAACP created confusion suggesting it was the name of a real organization, not a satire of the NAACP, its services or its consumers;
- No other altered organization names were used as part of any larger satirical objective;
- "National Association for the Abortion of Colored People" did not clearly convey two simultaneous and contradictory messages—that it is the NAACP, but also that it is not the NAACP.

The lower court also believed the parodist could criticize the NAACP's positions or activities in a manner that is not likely to confuse the public regarding whether certain trademarks espousing

⁹⁸ *Radiance Found.*, 786 F.3d at 319.

a pro-abortion viewpoint are authorized or sponsored by the NAACP. Accordingly, “First Amendment considerations do not preclude a finding that [the parodist’s] use of certain marks owned by the NAACP constitutes trademark infringement.”⁹⁹

Court of Appeals Opinion

The appellate court soundly disagreed with the lower court’s analysis, focusing heavily on the First Amendment protection for the parodist’s expressive right to comment on social issues:

To find Lanham Act violations under these facts risks a different form of infringement—that of Radiance’s expressive right to comment on social issues under the First Amendment. Courts have taken care to avoid Lanham Act interpretations that gratuitously court grave constitutional concerns, and we shall do so here. We hold that Radiance is not liable for trademark infringement or dilution of defendant’s marks by tarnishment.¹⁰⁰

8. Were copyright issues also involved?

No.

9. Were there any surveys?

Yes. The brand owner introduced survey evidence addressing both confusion (as outlined above in footnote 80) and dilution by tarnishment. The survey expert testified about the narrative responses he received from respondents evidencing the likelihood of tarnishment:

[QUESTION]: Can you explain to the Court the tabulation of these results that you performed in your report?

[EXPERT]: Yeah. What is significant when we asked them what do you think was the purpose—and we had the question at the bottom—what do you think the people who use “National Association for the Abortion of Colored People” are trying to accomplish They believed that what they are trying to accomplish is that the NAACP supports bigotry, discrimination, hatred and racism, which is 5 percent. The NAACP wants to wipe out colored people or reduce black population, 3 percent. Wants to steer up trouble or create controversy by use of that name, 3 percent. NAACP support is associated with abortion, 2 percent. And then a variety of other comments, all adding back to 22 percent, which casts doubt on the reputation, not only criticism, of the NAACP as

⁹⁹ Radiance Found., Inc. v. NAACP, 25 F. Supp. 3d 865, 884 (E.D. Va. 2014).

¹⁰⁰ Radiance Found., 786 F.3d at 316.

an organization and its activities, and is successful in doing so. In other words, these are reflections of beliefs that they obtained as a result of the article and the photograph of the billboard.

Tallying these various responses, the results were:

- 21% of respondents said or suggested that the people who use the term “National Association for the Abortion of Colored People” wanted to harm or tarnish the name and reputation of the NAACP rather than to simply criticize its goals.
- 42% of respondents said that “National Association for the Abortion of Colored People” caused them to think of the real NAACP, with 5% volunteering that they perceived this term to be a parody or criticism. Subtracting the 5% from the 42%, Dr. Ostberg calculated a 37% net dilution by tarnishment.¹⁰¹

The district court relied on these results in finding infringement (likelihood of confusion) and dilution by tarnishment.

The Court of Appeals noted the district court’s reliance on the survey evidence in passing, but stated that the type of confusion demonstrated by the survey was not actionable confusion as to source, but, rather, irrelevant confusion about the marks themselves, i.e., what a particular mark says or looks like, or confusion about a brand owner’s position on political or social issues.¹⁰²

10. What role, if any, did the parodist’s intent play?

As with many of the other factual issues, the district court and the Court of Appeals viewed the parodist’s intent in contrasting ways.

District Court Opinion

The lower court found that the parodist intended to confuse the public through the use of “NAACP” in close proximity to “National Association for the Abortion of Colored People.” Noting that the “relevant intent in trademark cases” is an “intent to confuse the buying public,” the court suggested that the parodist utilized “efforts to make his use of the mark resemble the mark holder’s use in order to pass his services off as the mark holder’s services.”¹⁰³

¹⁰¹ *Radiance Found.*, 25 F. Supp. 3d at 896.

¹⁰² *Radiance Found.*, 786 F.3d at 327.

¹⁰³ *Radiance Found.*, 25 F. Supp. 3d at 887.

Court of Appeals Opinion

The appellate court emphasized that all of the likelihood of confusion factors need to be viewed from the perspective of the parodist's intent, which is quite different from a willful infringer's intent to trick consumers into making purchases they did not intend to make:

When the infringer's intent is something other than piggybacking off a mark holder's success by tricking consumers into purchasing his goods instead, the other [likely confusion] factors must be evaluated in light of that intent and purpose. See *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007) (“An intent to parody is not an intent to confuse the public.” (quotations marks omitted)). Although finding an alternative intent does not prevent us from applying the factors, it does “influence[] the way in which [they] are applied.” *Id.*¹⁰⁴

Instead of trying to trade on the brand owner, the parodist intended to convey sharp criticism of the brand owner; the use of the altered name was part of the parodist's message. Such an intent (to convey a message) does not trigger liability the way intent to trick consumers might.

11. Was there a disclaimer?

No.

D. Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.,
674 F. App'x 16 (2d Cir. 2017)

1. Did the brand owner win?

No.

2. What was the nature of the parodist's use?

The parodist sold a line of MY OTHER BAG inexpensive canvas bags featuring images evoking Louis Vuitton and other luxury handbags on one side with “My Other Bag . . .” on the other side.

¹⁰⁴ *Radiance Found.*, 786 F.3d at 324.

MY OTHER BAG Bag**LOUIS VUITTON bag**

105

3. What was the procedural posture of the case?

The district court entered judgment in favor of the parodist after the parties filed cross motions for summary judgment.¹⁰⁶ The judgment was affirmed on appeal¹⁰⁷ and certiorari was denied by the U.S. Supreme Court.¹⁰⁸

4. What did the court say about infringement, i.e., the likelihood of confusion?

Summary judgment was granted and affirmed for the parodist, finding no triable issue of fact supporting the brand owner's claim of likelihood of confusion.

The district court found that when the entirety of the MY OTHER BAG product is considered, there is no credible risk that a reasonably prudent consumer would think the brand owner sponsored or otherwise approved of the parodist's totes.

The district court's review of the *Polaroid* factors was heavily influenced by the court's assessment that the joke inherent in the parodist's brand was obvious. Thus, the strength of the brand owner's LOUIS VUITTON marks was considered a neutral factor

¹⁰⁵ Images of LOUIS VUITTON and MY OTHER BAG bags, *in* Louis Vuitton's Petition for Certiorari at 10-12, *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, petition for cert filed No. 17-72 (July 13, 2017).

¹⁰⁶ *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425 (S.D.N.Y.), *aff'd*, 674 F. App'x 16 (2d Cir. 2016).

¹⁰⁷ 674 F. App'x 16.

¹⁰⁸ 138 S. Ct. 221. The question presented in the petition for certiorari was "Whether the Second Circuit's test for determining if the unauthorized use of a famous mark constitutes parody is consistent with the Trademark Dilution Revision Act." The brand owner argued that the Fourth Circuit requires unauthorized products to be different and immediately communicate a joke that confirms that the unauthorized use is intended for an expressive purpose, whereas the Second Circuit required neither of these elements and held that the parody exception to the TDRA is available even if the purported parody is "gentle" or even "complimentary." *Louis Vuitton's Petition for Certiorari* at 10-12, *Louis Vuitton Malletier, S.A., Petitioner, v. My Other Bag, Inc.*, U.S. (2017) (No. 17-72).

because the marks are so well known that consumers are likely both immediately to recognize the brand owner as the target of the joke and to appreciate the obvious changes to the LOUIS VUITTON marks that constitute the parodist's MY OTHER BAG joke. Differences in the products and the presentations of the marks together with the context and overall setting convey to the ordinary viewer that the parodist's MY OTHER BAG tote is a joke, not the real thing, such that confusion as to source, sponsorship, affiliation, or connection is unlikely. What the court described as the parodist's "gimmick" was considered to be "obvious to even its most unsophisticated customers, as one whole side of the [parodist's] tote bag is blank except for the words 'My Other Bag'" such that even a minimally prudent customer would not be confused by the source or affiliation. The court stated that the "purchasing public must be credited with at least a modicum of intelligence."¹⁰⁹

There was no survey evidence offered by the brand owner. The evidence of actual confusion posited by the brand owner consisted of "a handful" of references where consumers referred to the parodist's MY OTHER BAG (referred to in the quote below as "MOB") totes at issue as "LV" bags. The district court dismissed this evidence as follows:

Even if those descriptions were taken literally, a handful of instances is hardly strong evidence of actual consumer confusion. Moreover, there is reason not to take them literally: On their face, the comments are plainly using "LV" as a shorthand to describe the [parodist's] tote designs that evoke [the brand owner's] Louis Vuitton bags. That is, the anecdotes do little more than indicate that consumers get the joke on [the parodist's] MOB's totes; they do not suggest that any consumers actually believed [the parodist's] totes were produced or sponsored by [the brand owner]. Given that the parodist's totes have been on the market for several years, the fact that the brand owner cannot produce any actual evidence of consumer confusion suggests that [the parodist's use] of [the brand owner's] marks does 'not cause a meaningful likelihood of confusion.'¹¹⁰

In a summary order affirming the lower court decision, the Court of Appeals also called the differences "obvious," noting in particular the differences in MY OTHER BAG's mimicking of the LOUIS VUITTON marks, the lack of market proximity between the products at issue, and minimal, unconvincing evidence of consumer confusion.¹¹¹

¹⁰⁹ *My Other Bag*, 156 F. Supp. 3d at 443 (quoting *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 420 (S.D.N.Y. 2002)).

¹¹⁰ *Id.* at 442 (citation omitted).

¹¹¹ *My Other Bag*, 674 F. App'x at 18.

The key considerations were (a) the prominence of the MY OTHER BAG mark on the product; (b) the MY OTHER BAG mark's inherent conveyance of the joke that *this* canvas tote bag here is not *that* (other, Louis Vuitton) leather bag depicted in a drawing on the canvas tote; and (c) the lack of survey evidence or other evidence of convincing actual confusion.

5. What did the court say about dilution by tarnishment?

Because the brand owner only alleged dilution by blurring, dilution by tarnishment was not addressed.

6. What did the court say about dilution by blurring?

Summary judgment was granted and affirmed for the parodist, finding no triable issue of fact supporting the brand owner's claim of dilution by blurring.

The district court first found that the parodist's MY OTHER BAG product qualified for the exemption from liability under the TDRA as a parody that was used other than as a source for the parodist's products. On appeal, the affirmance focused on this portion of the district court's holding (further discussed under question 7, *infra*).

The district court also held that even if the parodist's MY OTHER BAG product was not exempt from TDRA liability, the parodist was still entitled to summary judgment on the brand owner's dilution claims because the parodist's canvas tote bags pose no danger of impairing the distinctiveness of the brand owner's marks. The court noted that the parodist clearly intended to associate its marks with the brand owner, but phrased the operative question as "whether the *kind* of association [the parodist] creates here is likely to impair the distinctiveness of [the brand owner's] marks."¹¹² The court concluded that the association with the brand owner was partial and imperfect and conveyed the simultaneous message that the parodist's MY OTHER BAG product was referring to the LOUIS VUITTON brand but also was not in fact a LOUIS VUITTON product. The court emphasized that the very point of the parodist's "my other bag" gimmick is that the parodist's tote is *not* a LOUIS VUITTON brand handbag.

The key considerations were (a) the inherent joke and underlying concept of "my other bag" as meaning "not this bag"; and (b) the lack of evidence that fully explored or demonstrated how consumers actually interpreted the bags at issue (via, for example, a survey).¹¹³

¹¹² *My Other Bag*, 156 F. Supp. 3d at 439.

¹¹³ While the district court judge and the appellate court judges were quite unconvinced of the merits of the brand owner's case and quite willing to rule on the basis of the courts' own impressions of the MY OTHER BAG products in the absence of evidence of consumer

7. What did the court say about free speech/parody considerations?

As noted above, the district court found that the MY OTHER BAG products were protected as fair use under the exemptions to the TDRA. In particular, the court found that the parodist's use of the LOUIS VUITTON marks constitutes exempted parody which by use of cartoonish drawings and the MY OTHER BAG language "builds significant distance between MOB's inexpensive workhorse totes and the expensive handbags they are meant to evoke, and invites an amusing comparison between MOB and the luxury status of Louis Vuitton," with "the image of exclusivity and refinery that Louis Vuitton has so carefully cultivated . . . at least in part, the brunt of the joke."¹¹⁴ The "joke" also need not be clear to all for the parody to be protected.¹¹⁵

In the appellate summary affirmance, the Court of Appeals did not decide whether the application of the parody exemption is properly identified and assessed before or after conducting the six-factor dilution by blurring analysis stated in Section 1125(c)(2)(B). The award of judgment to the parodist was affirmed, noting that the presence of MY OTHER BAG, an undisputed designation of source of the parodist, on one side of each bag, independently supports summary judgment for the parodist on the designation-of-source issue. In other words, the parodist has its own brand designating its source (MY OTHER BAG) and is using the brand owner's Louis Vuitton imagery only as a parody and not as a designation of source, thus entitling the parodist to rely on the TDRA parody exemption.¹¹⁶

impressions of those products, it may have been possible to alter the judges' views if the brand owner were able to demonstrate that the average consumer did, in fact, have a different impression of the brand owner as a result of the parodist's use. Similarly, on the infringement claim, perhaps the judges would have had a different view of the merits if there was credible survey evidence that consumers were, in fact, confused about the brand owner's possible sponsorship of the MY OTHER BAG products. After all, the parodist did promote the bags in a manner that could be seen as similar to promotions for famous luxury brands, including plenty of photographs of celebrities carrying the MY OTHER BAG totes, often with just the side of the bag that depicted the illustration of the brand owner's bag and not the side that read "My Other Bag. . . ." See, e.g., My Other Bag's use of press clippings showing photographs of celebrities like Jessica Alba carrying MY OTHER BAG products on its (now defunct) website in the Internet archive available at <https://web.archive.org/web/20161225104657/https://www.myotherbag.com/collection/s/press> (last visited July 9, 2019).

¹¹⁴ *My Other Bag*, 156 F. Supp. 3d at 435.

¹¹⁵ *Id.* at 436 (citing *Yankee Publ'g Inc. v. News Am. Publ'g Inc.*, 809 F. Supp. 267, 280 (S.D.N.Y. 1992) ("Although [the defendant's] position would probably be stronger if its joke had been clearer, the obscurity of its joke does not deprive it of First Amendment support. First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed.")).

¹¹⁶ *My Other Bag*, 674 F. App'x at 18-19.

8. Were copyright issues also involved?

Yes. The copyright claim involving the LV patterns was also resolved against the brand owner on summary judgment, with the court finding that “any use by MOB of copyrightable elements of Louis Vuitton’s prints qualifies as a matter of law as [copyright] ‘fair use.’”¹¹⁷

9. Were there any surveys?

No.

10. What role, if any, did the parodist’s intent play?

On the issue of likelihood of confusion, the evidence that the parodist intentionally designed its totes to evoke Louis Vuitton’s bags does not show that the parodist “acted with the intent relevant in trademark cases—that is, an intent to capitalize on consumer deception or hitch a free ride on plaintiff’s good will.” Instead, “the [parodist’s] intent is not necessarily to confuse the public but rather to amuse” and the benefit derived by the parodist’s use of the mark “arises from the humorous association, not from public confusion as to the source of the marks.” Thus, the parodist’s intent “to imitate and suggest, but not use, the marks of a high-fashion LOUIS VUITTON handbag” is not the sort of “bad faith” that cuts in favor of a finding of infringement under the *Polaroid* test.¹¹⁸

On the issue of dilution by blurring, the parodist’s deliberate use, or at least evoking of the brand owner’s marks, was considered different from classic dilution examples of, e.g., “the hypothetical seller of ‘Buick aspirin tablets.’” The parodist’s intentional association of the marks “only partially and certainly imperfectly” was meant to convey the simultaneous message that the parodist was referring to Louis Vuitton but not in fact a source of Louis Vuitton products. The court believed that the parodist distanced itself from Louis Vuitton even more than the Haute Diggity Dog parodist did, as the very point of the “my *other* bag” gimmick is that the MY OTHER BAG tote is explicitly *not* a Louis Vuitton handbag.¹¹⁹

11. Was there a disclaimer?

No.

¹¹⁷ *My Other Bag*, 156 F. Supp. 3d at 445.

¹¹⁸ *Id.* at 443.

¹¹⁹ *Id.* at 440.

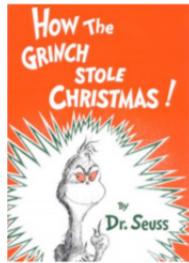
*E. Lombardo v. Dr. Seuss Enters.,
729 F. App'x 131 (2d Cir. 2018)*

1. Did the brand owner win?

No.

2. What was the nature of the parodist's use?

The parodist sought to produce a play, entitled *Who's Holiday?*, featuring characters from Dr. Seuss' book *How the Grinch Stole Christmas*, depicted thirty-eight years after the events in the book and involving adult themes. The play was promoted using a font similar to the font used by Dr. Seuss and images of a Dr. Seuss character.

Cindy-Lou <i>Who</i> Images		Infringing Advertisement
		<p>Two-Time Tony Award Winner KATIE FINNERAN .. Cindy Lou Who ..</p> <p>WHO'S HOLIDAY!</p> <p>A New Comedy in Couplets by MATTHEW LOMBARDO Directed by CARL ANDRESS</p>
		
Dr. Seuss Hand-Lettering		
		

120

3. What was the procedural posture of the case?

The brand owner lost with the district court holding, on the parodist's motion for judgment on the pleadings, that the parodist's

¹²⁰ Images from *Who's Holiday* and Dr. Seuss, in Appellant's Brief on Appeal at 31, *Lombardo v. Dr. Seuss Enters., L.P.* (2d Cir. Dec. 21, 2017) (No. 17-2952), ECF No. 33.

play and promotion of the play was fair use as a matter of law.¹²¹ The judgment was affirmed by summary order on appeal.¹²²

4. What did the court say about infringement, i.e., the likelihood of confusion?

No trademark infringement claim was stated by the brand owner in the pleadings as a matter of law.

Both the lower court and the appellate court applied the balancing test set forth in *Rogers v. Grimaldi*, because the work at issue is an expressive, artistic work (namely, a play). Under *Rogers*, the Lanham Act “should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”¹²³ The district court found that the parodist’s use of the characters of the Grinch and Cindy-Lou Who were integral to the parodist’s play, and the “public interest in free expression clearly outweighs any interest in avoiding consumer confusion, the likelihood of which is extremely minimal given the parodic nature of the Play.”¹²⁴

As to the parodist’s use of Dr. Seuss-style hand-lettering and the drawn images of Cindy-Lou Who in advertising, the district court stated these “present[] a closer question, for these trademarks do not appear in the Play, but are instead alleged to have been used in connection with advertising for the Play and other promotional materials.” The court held that:

Nevertheless, [the lettering style and images] serve [the parodist’s] parodic purpose, for as the Second Circuit recognized in *Cliffs Notes*, a parodic work must necessarily evoke elements of the original work, including trademarked elements, in order to communicate the object of the parody. ‘It is hard to imagine, for example, a successful parody of Time magazine that did not reproduce Time’s trademarked red border.’ [] So too here, it is hard to imagine a parody of a Dr. Seuss book that did not deploy the characteristic typeface associated with Dr. Seuss’ most well-known books, or a parody of Cindy-Lou Who that omitted images of that character. The public’s interest in free speech outweighs [the brand owner’s] interest in protecting these trademarks.¹²⁵

¹²¹ *Lombardo v. Dr. Seuss Enter., L.P.*, 279 F. Supp. 3d 497 (S.D.N.Y. 2017).

¹²² *Lombardo v. Dr. Seuss Enter., L.P.*, 729 F. App’x 131 (2d Cir. 2018).

¹²³ *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

¹²⁴ *Lombardo*, 279 F. Supp. 3d at 514.

¹²⁵ *Id.* (citing *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989)).

Because of this holding, the lower court did not address or analyze the *Polaroid* likely confusion factors.¹²⁶

The Court of Appeals agreed, finding that the district court properly granted judgment on the pleadings on the trademark claims by concluding that the public's interest in free speech outweighed the brand owner's interest in protecting its trademarks. The appellate court also cited *Cliffs Notes* with approval: "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."¹²⁷

The key consideration was that the parodist evoked elements of the original work to serve a parodic purpose in the context of an expressive work.

5. What did the court say about dilution by tarnishment?

Dilution by tarnishment was not specifically addressed in either court opinion; see response to Question 6, *infra*.

6. What did the court say about dilution by blurring?

Apparently recognizing that the TDRA did not permit a federal dilution claim in a parody context involving a play, the brand owner asserted a dilution claim only under New York state law. The lower court opinion mentioned the state law dilution claim in passing, after stating that the risk of confusion in the artistic expression context at issue does not outweigh the well-established public interest in parody:

Defendant's state law unfair competition and trademark dilution claims are dismissed for the same reasons. See *Kregos v. Associated Press*, 795 F. Supp. 1325, 1336 (S.D.N.Y. 1992) ("[T]he standards for § 43(a) claims under the Lanham Act and unfair competition claims under New York law are virtually the same."); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330, 341 (S.D.N.Y. 2000) (finding risk of confusion "clearly outweighed by the public interest in parodic expression" and dismissing state law trademark dilution and unfair competition claims "because they are based on the same permissible conduct."); *Yankee Publishing*, 809 F. Supp. at 282 (finding that the "same First Amendment considerations that limit a cause of action under the Lanham Act apply also to a cause of action under New York law.").

It may be true that the First Amendment interests that were found to outweigh the brand owner's trademark rights under the

¹²⁶ *Lombardo*, 279 F. Supp. 3d at 514 n.1.

¹²⁷ *Lombardo*, 729 F. App'x at 133.

Lanham Act apply equally to the New York state dilution claim. However, the standards are not the same for the federal infringement and the state dilution claim because the dilution claim does not require proof of likely confusion. Thus, the court's explanation for its holding on the dilution claim is legally incorrect.

In any event, although not fully addressed or analyzed, the key consideration leading to the court's finding that the brand owner had no viable New York state dilution claim was the fact that the parodist's work was a play, an expressive, artistic work.

7. What did the court say about free speech/parody considerations?

Because "the keystone of parody is imitation," the conflict between the First Amendment and the law of trademark is "inevitable in the context of parody," and a balancing test is applied according to the *Rogers* case rather than reviewing the likely confusion factors. The Lanham Act must be "construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."¹²⁸

8. Were copyright issues also involved?

Yes, the brand owner asserted that the parodist's play infringed the brand owner's copyright in the *How the Grinch Stole Christmas* book. No infringement as a result of fair use was found after comparing the two works and analyzing the statutory fair use factors under copyright law.

9. Were there any surveys?

No.

10. What role, if any, did the parodist's intent play?

In the context of the copyright fair use analysis, the lower court recognized that discovery might yield additional information about the parodist's intent, but believed that "such information is unnecessary to resolve the fair use issue." The "threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived," not whether the author of the secondary work labels it as such.¹²⁹

¹²⁸ *Lombardo*, 279 F. Supp. 3d at 513-14 (citing *Rogers*, 875 F.2d at 999, and *Cliffs Notes*, 886 F.2d at 494).

¹²⁹ *Lombardo*, 279 F. Supp. 3d at 505 (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 582 (1994)). The court stated that copyright fair use could be fully assessed by review of the pleadings, the brand owner's book, the parodist's play and case law. The issue of intent in the trademark context was not addressed because the court did not review the *Polaroid* factors (which include defendant's intent as a factor) as a result of its holding

Here, the intent was to refer to and comment upon the brand owner. The district court rejected the brand owner's claim that the parodist's play merely exploits the characters, style and themes of *How the Grinch Stole Christmas* in order "to avoid the drudgery in working up something fresh." (quoting *Campbell*). Instead, the court found that the play "recontextualizes Grinch's easily-recognizable plot and rhyming style by placing Cindy-Lou Who—a symbol of childhood innocence and naivete—in outlandish, profanity-laden, adult-themed scenarios involving topics such as poverty, teen-age pregnancy, drug and alcohol abuse, prison culture, and murder" and "[i]n so doing, the Play subverts the expectations of the Seussian genre, and lampoons the Grinch by making Cindy-Lou's naivete, Who-Ville's endlessly-smiling, problem-free citizens, and Dr. Seuss' rhyming innocence, all appear ridiculous."¹³⁰

11. Was there a disclaimer?

No disclaimer was mentioned in the decisions, but at least some advertisements for the play referred to "the show Dr. Seuss doesn't want you to see."¹³¹

that there was no trademark liability under the *Rogers* test applicable to artistic works. *Id.* at 514 n.1.

¹³⁰ *Id.* at 508.

¹³¹ *Who's Holiday*, Facebook (Nov. 27, 2017), <https://www.facebook.com/whosholiday/photos/a.1074372046035835.1073741829.814659612007081/1094780083995031/?type=3&theater>.

**APPENDIX B:
BRAND OWNER WINS:
DISTRICT COURTS 2007–2018**

*A. Anheuser-Busch, Inc. v. VIP Prods., LLC,
666 F. Supp. 2d 974 (E.D. Mo. 2008)*

1. Did the brand owner win?

Yes, the brand owner won a preliminary injunction.

2. What was the nature of the parodist's use?

The parodist sold a dog chew toy in the shape and trade dress of a BUDWEISER beer bottle, using the name "ButtWiper":



132

3. What was the procedural posture of the case?

The district court granted the brand owner's request for a preliminary injunction after a hearing featuring testimony from four witnesses.¹³³

The complaint was filed in Missouri district court on March 14, 2008. The parodist immediately sought to transfer the case to Nevada district court. The brand owner responded with a preliminary injunction on May 23, 2008, while the motion to transfer was still pending. The court then denied the motion to transfer and set an expedited discovery and preliminary injunction briefing schedule. The preliminary injunction hearing was held on August 27, 2008, and the injunction issued in October.

¹³² Image of Budweiser and "ButtWiper" bottles, *in* Plaintiff's Amended Proposed Findings of Fact and Conclusions of Law at 1398, *Anheuser-Busch, Inc. v. VIP Prods. LLC*, Civ. Action No. 4:08-cv-00358-TCM (E.D. Mo. 2008), ECF No. 82.

¹³³ *Anheuser-Busch, Inc. v. VIP Prods. LLC*, 666 F. Supp. 2d 974 (E.D. Missouri 2008).

The preliminary injunction order enjoined the parodist from: “(a) manufacturing, distributing, marketing, selling, or offering for sale any goods which bear the colorable imitation of the ‘Budweiser’ mark; (b) using terms, marks, words, or symbols which resemble any of the ‘Budweiser’ marks or any other names, marks or designations of ‘Budweiser’; and (c) representing, expressly or implicitly, that Defendant or its goods are those of are affiliated with, or authorized, licensed, endorsed or sponsored by Plaintiff or its subsidiaries, affiliates, or related companies.”¹³⁴

A joint stipulation of dismissal of the action was then filed in January 2009, presumably because the parties reached settlement.

4. What did the court say about infringement, i.e., the likelihood of confusion?

The parodist conceded that all but two of the likelihood of confusion factors favored the brand owner. The two disputed issues were the sophistication of the customers and actual confusion:

- As to the sophistication of the customers, the district court discredited the parodist’s argument that its dog chew toys were expensive, noting “a \$10 dog toy is not considered a high-end product” and distinguishing the purchase of such an item from the purchase of a \$25,000 automobile where more care may be exercised.
- As to actual confusion, there was evidence that a search on a Sears website for “Budweiser” produced search results that included the “ButtWiper” parody product, leading the court to comment that “[a]lthough the Court is not a computer expert, it is evident that the individual who programmed the website or input the items connected ‘Buttwiper’ to ‘Budweiser.’”¹³⁵ The brand owner also offered survey evidence, as discussed at Question 9, *infra*.

The court distinguished the case from two cases finding successful (i.e., non-infringing) parodies in connection with other novelty products for dogs:

- The Haute Diggity Dog CHEWY VUITON dog toy parody of a Louis Vuitton handbag was distinguished because Louis Vuitton (unlike Budweiser) did not sell dog toys; Louis Vuitton (unlike Budweiser) had no survey or confusion evidence; and Louis Vuitton products (unlike Budweiser products) cost much more than the dog toy at issue.

¹³⁴ Anheuser-Busch, Inc. v. VIP Prods. LLC, Civ. Action No. 4:08-cv-00358-TCM (E.D. Mo. Oct. 16, 2008) (order granting injunction), ECF No. 86.

¹³⁵ *Anheuser-Busch, Inc.*, 666 F. Supp. 2d. at 984.

- The TIMMY HOLEDIGGER dog cologne parody of a Tommy Hilfiger cologne was distinguishable because the parties' dog versus human cologne products did not compete whereas Budweiser sold various Budweiser-branded dog accessories. Also, the court noted there was no evidence of confusion or survey evidence presented by the brand owner in the Tommy Hilfiger case, whereas the brand owner of Budweiser presented a survey supporting its claims.

The key considerations were (a) the survey evidence offered by the brand owner; and (b) the fact that the brand owner sold competitive products and promoted its brand in competitive channels of trade.

5. What did the court say about dilution by tarnishment?

The court held that the brand owner did not submit sufficient evidence on its dilution by tarnishment claim to support a preliminary injunction on that basis. While there was testimony that the dog depicted on the parodist's "ButtWiper" toy suffered from "some unsavory condition affecting its anal glands," with the line following the dog drawing depicting feces, the court said there was no evidence that the "ButtWiper" product harmed the reputation of Budweiser.¹³⁶

6. What did the court say about dilution by blurring?

The court held that the brand owner failed to prove a fair chance of prevailing on the dilution by blurring claim at the preliminary injunction stage. There was no evidence in the survey demonstrating that consumers would change their impression of Budweiser because of an association with the "ButtWiper" product.¹³⁷

7. What did the court say about free speech/parody considerations?

The First Amendment/freedom of speech was not mentioned. Parody was discussed in the infringement claim, but only in the context of distinguishing cases where similar dog toy parody products were found to be non-infringing.

8. Were copyright issues also involved?

No.

¹³⁶ *Id.* at 988.

¹³⁷ *Id.* at 987-88.

9. Were there any surveys?

Yes. The brand owner submitted the results of a mall-intercept survey of 327 respondents, showing that more than 30% of potential dog toy purchasers either believe the “ButtWiper” product was put out by the brand owner or that the parodist needs the permission of the brand owner to put out the “ButtWiper” product. The survey questions were:

“What company or companies do you think makes or puts out the product you just saw?”

“Do you think that the product you just saw is or is not made or put out with the approval or sponsorship of any company or brand?”

Respondents who answered yes to the second question were asked to identify the company or brand.¹³⁸ The survey expert compiled the answers to these questions and opined that “one of three people interviewed mistakenly believed that [the parodist’s] ‘Buttwiper’ is manufactured and marketed by, or with the approval of, [the brand owner] or that there is some affiliation between ‘Buttwiper’ and [the Budweiser brand owner].”¹³⁹ This assessment was credited by the Court.

10. What role, if any, did the parodist’s intent play?

The court appeared to weigh the parodist’s intent to “make a knock-off” against the parodist. The court noted that the parodist hired a designer who was instructed to change the “Budweiser” label and “make a knock-off of it.” Two versions were created and the court noted that the final version selected for use was closer to the “Budweiser” label than the first.¹⁴⁰

In a short discussion of this evidence, the court gave lip service to the *Haute Diggity Dog* pronouncement that “intent to parody is not an intent to confuse the public.” The court then repeated, and apparently relied upon, the statement in another parody case to the effect that “[e]vidence that the alleged infringer chose a mark with the intent to copy, rather than randomly or by accident, typically supports an inference of likelihood of confusion” (citing *Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research*, 527 F.3d 1045, 1055 (10th Cir. 2008)).¹⁴¹ The court apparently ignored both the holding of the *Utah Light Ministry* case

¹³⁸ The actual survey questions are outlined in the Reply Memorandum in Further Support of Plaintiff’s Motion for a Preliminary Injunction. Plaintiff’s Reply Memorandum at 8, *Anheuser-Busch, Inc. v. VIP Prods., LLC*, Civ. Action No. 4:08-cv-00358-TCM (E.D. Missouri Aug. 15, 2008), ECF No. 64.

¹³⁹ *Anheuser-Busch, Inc.*, 666 F. Supp. 2d. at 980-81.

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 982.

(that the parody at issue—a website and domain name with information and articles critical of the brand owner—was not infringing or diluting) and the sentences after the quote to the effect that “no inference of confusion can be drawn from the intentional use simply as a parody.”

The “ButtWiper” parody product appeared as part of a set that also mocked another beer brand (“Cataroma” parody of CORONA) and the parodist also sold other beer parody sets (“O’Drools” (O’DOUL’S) and “HeinieSniff’n” (HEINEKEN)). However, if the parodist made arguments regarding the commentary intended by these products and how that commentary related to the brand being parodied (if at all), those arguments are not reflected in the court’s decision.¹⁴²

In the CHEWY VUITON case, on the other hand, the court did identify the point of the parody which, at least as expressed by the court, related in some way to the brand being parodied:

The furry little “Chewy Vuiton” imitation, as something to be chewed by a dog, pokes fun at the elegance and expensiveness of a LOUIS VUITTON handbag, which must not be chewed by a dog. The LVM handbag is provided for the most elegant and well-to-do celebrity, to proudly display to the public and the press, whereas the imitation “Chewy Vuiton” “handbag” is designed to mock the celebrity and be used by a dog. The dog toy irreverently presents haute couture as an object for casual canine destruction. The satire is unmistakable. The dog toy is a comment on the rich and famous, on the LOUIS VUITTON name and related marks, and on conspicuous consumption in general.¹⁴³

¹⁴² In another case involving the same parodist VIP Products discussed *infra* in Appendix B, Case E, the parodist argued that the intent behind its product line was “to poke comedic fun at famous brands; to communicate the message that ‘it is ok to make fun of well-known brands,’” such that the parody product “convey[s] a message . . . that business and product images need not always be taken too seriously.” VIP’s Opening Brief on Appeal at 30, *VIP Prods., Inc. v. Jack Daniel’s Prods., Inc.* (9th Cir. Nov. 9, 2018) (No. 18-16012), ECF No. 16 (quoting testimony from the trial and from *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987) (reversing on First Amendment freedom of speech grounds an injunction against the use of a two-page parody article poking fun at the L.L. BEAN brand entitled “L.L. Bean’s Back-To-School-Sex-Catalog” appearing in the October 1984 issue of the pornographic magazine *High Society*). In the *L.L. Bean* case, the parodist was selling magazines, not novelty products, and the parody related directly to the L.L. Bean brand, parodying the brand owner’s famous catalog. The court rejected the brand owner’s argument in the *L.L. Bean* case that “there are innumerable alternative ways that [the parodist] could have made a satiric statement concerning ‘sex in the outdoors’ or ‘sex and camping gear’ without using” the brand. . . . [because the] argument fails to recognize that appellant is parodying L.L. Bean’s catalog, not ‘sex in the outdoors.’” *Id.*

¹⁴³ *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007).

If there is a similar argument as to the relationship between alcoholic beverage bottles and dog chew toys relevant to the “ButtWiper” chew toy, no such argument is discussed in the Court’s decision. In the brand owner’s reply brief in support of its motion for a preliminary injunction, the brand owner noted that the parodist never argued that the First Amendment protected the parody and that “[e]ven if [the parodist] did make such an argument, it is difficult to see what message the [parodist] is trying to convey—that dogs are funny, perhaps? It is even more difficult to determine why it would be necessary to ‘knockoff’ the Budweiser Marks to convey this message and in the process create the public harm of consumer confusion.”¹⁴⁴

11. Was there a disclaimer?

A disclaimer was not mentioned in the court decision, but the parodist did include disclaimers in later products as noted in Appendix B, Case E, Question 11. In addition, the parodist’s brief in opposition to the motion for a preliminary injunction includes an image of packaging with a disclaimer although it is not clear from the brief how this disclaimer was presented to the public:



145

¹⁴⁴ Reply Memorandum in Further Support of Plaintiff’s Motion for a Preliminary Injunction at 11 n.4, *Anheuser-Busch, Inc. v. VIP Prods., LLC*, Civ. Action No. 4:08-cv-00358-TCM, ECF No. 64.

¹⁴⁵ Image of “ButtWiper” and “Cataroma” bottles, *in* Defendant VIP Products, LLC’s Response To Plaintiff’s Motion For Preliminary Injunction at 3, *Anheuser-Busch, Inc. v. VIP Prods., LLC*, Civ. Action No. 4:08-cv-00358-TCM (Aug. 8, 2008), ECF No. 59.

B. Burck v. Mars, Inc.,
571 F. Supp. 2d 446 (S.D.N.Y. 2008)

1. Did the brand owner win?

Yes, the brand owner¹⁴⁶ successfully defeated, in part, the parodist's motion to dismiss, permitting false endorsement claims to proceed to discovery.

2. What was the nature of the parodist's use?

The parodist used one of its M&M characters dressed in the brand owner's NAKED COWBOY costume (boots, hat, underwear and guitar) in a mural in the parodist's New York City M&M store and in a video promoting the store and featuring M&M characters interacting with or posing as various New York City landmarks, e.g., dressed as "the Statue of Liberty and King Kong, as well as everyday New Yorkers and tourists engaging in typical New York activities such as hailing a cab and riding a carriage through Central Park."¹⁴⁷



148

3. What was the procedural posture of the case?

The court granted in part and denied in part the parodist's Rule 12 motion to dismiss the complaint. The brand owner's right to privacy claim (denominated as a right of publicity claim) was dismissed on the grounds that the New York statute protects the

¹⁴⁶ In this case, the "brand owner" is a person and the claim at issue was a false endorsement claim under the Lanham Act. Such a claim is similar to a trademark infringement claim in the sense that, to succeed, the plaintiff must prove that the defendant's use creates a likelihood of confusion.

¹⁴⁷ *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446, 448 (S.D.N.Y. 2008).

¹⁴⁸ Images of NAKED COWBOY and an M&M character, in Alan Feuer, *Mixed Ruling for Naked Cowboy and Blue M&M*, N.Y. Times (June 23, 2008, 4:17 PM), <https://cityroom.blogs.nytimes.com/2008/06/23/mixed-ruling-for-naked-cowboy-and-blue-mm/>.

name, portrait, or picture of a “living person,” but not a character created or a role performed by a living person. The brand owner’s false endorsement claim under the Lanham Act proceeded because he plausibly alleged that consumers seeing the parodist’s advertisements would conclude—incorrectly—that the brand owner had endorsed the parodist’s store and M&M candy. The matter settled thereafter.

4. What did the court say about infringement, i.e., the likelihood of confusion?

The court considered the brand owner’s false endorsement confusion claims alleged in the complaint to be plausible:

Some consumers, as [the parodists] argue, may view the M & M Cowboy characters as a part of a larger work depicting New York scenes and parodying famous New York characters. But other consumers may mistakenly believe that The Naked Cowboy himself endorsed the copying of his “trademarked likeness” because the M & M Cowboy characters appear in a commercial setting (i.e., on the video billboard and inside the M & M World store). Moreover, even assuming that the M & M Cowboy characters were parodies, a factfinder may nevertheless conclude that the parodies were too weak to negate the potential for consumer confusion. See *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 725 F. Supp. 1314, 1324 (S.D.N.Y. 1989) (determining whether parody is sufficiently strong to destroy consumer confusion is an issue for the jury); *Geary [v. Goldstein]*, 831 F. Supp. 269 (S.D.N.Y. 1993), at 275 (concluding that “it is not true that a reasonable viewer would necessarily understand that defendants were satirizing a commercial of independent origin or that [plaintiff] had no association with [the adaptation of the commercial]”).¹⁴⁹

¹⁴⁹ *Burck*, 571 F. Supp. 2d at 455 -56. In the cases cited by the court, two brand owners succeeded in defeating parodists’ motions to dismiss. The *Schieffelin* case involved a popcorn product entitled “Dom Popignon” and sold in packaging similar to DOM PERIGNON champagne, which the court considered not a sufficiently strong parody to destroy the potential for consumer confusion where the product has a functional use and is not so outlandish as to distinguish itself from the brand owner’s champagne. In the *Geary* case, an actress brought an action under the New York right of privacy statute challenging the parodist’s use of segments of an actual commercial for Wasa Crispbread in which she had appeared; the parodist took those segments and added pornographic images, airing the spoof commercial during the parodist’s sexually explicit late-night cable television program “Midnight Blue.” Her claim survived the motion to dismiss because the court “cannot find that, as a matter of law, no reasonable person could believe that Ms. Geary was associated with or derived benefit from the [the parodist’s] use of her name and likeness. The court found that “a reasonable viewer would [not] necessarily understand that defendants were satirizing a commercial of independent origin or that Ms. Geary had no association with” the spoof commercial, which contained

On a motion to dismiss, the Court must accept the factual allegations in the complaint and may consider only whether the pleading plausibly states a claim for relief. *Iqbal*, 490 F.3d at 157-58. Here, the complaint alleges that the M & M Cowboy characters, dressed just like The Naked Cowboy, “implied, falsely, that Burck’s character, The Naked Cowboy, endorse[d] the M & M product.” (Compl. ¶ 41). The complaint plausibly argues that consumers would believe that the M & M Cowboy characters were promoting a product rather than merely parodying The Naked Cowboy, and that viewers would believe that The Naked Cowboy had endorsed M & Ms. Hence, the complaint has alleged sufficient facts to support a false endorsement claim.¹⁵⁰

5. What did the court say about dilution by tarnishment?

The brand owner did not assert a dilution by tarnishment claim.

6. What did the court say about dilution by blurring?

The brand owner did not assert a dilution by blurring claim.

7. What did the court say about free speech/parody considerations?

The issue of the First Amendment and parody came up in two contexts.

First, in connection with the parodist’s efforts to dismiss the complaint, the parodist argued that the false endorsement claim should be dismissed because the video and mural are merely parodies of The Naked Cowboy and no one would confuse the parodies for an endorsement. The parodist also argued that “even if there is a likelihood of confusion despite the creative and humorous nature of the video and mural, parodies are protected as fair use under the First Amendment.”

The court noted that in some cases of “clear” parody, dismissal is appropriate but “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.”¹⁵¹ The court also noted that even in not-clear parody cases where “a parody is not so obvious to negate any likelihood of confusion,” parody “may still be raised as an affirmative defense of fair use”:

no verbal introduction nor visible printed disclaimer to indicate that it is a satire of a nationally broadcast commercial.

¹⁵⁰ *Burck*, 571 F. Supp. 2d at 456 (citation omitted).

¹⁵¹ *Id.* at 455 (citing *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 416 (S.D.N.Y. 2002)).

The First Amendment protects parodies because they are valid forms of artistic expression and criticism. Parodies “provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one,” and thus “has an obvious claim to transformative value.” Whether the parody defense is used in the likelihood of confusion analysis or as an affirmative defense, the end result is the same if the defendant successfully asserts it: the plaintiff may not recover for the defendant’s use of his trademark.¹⁵²

As noted above under Question 4, the court held that whether the M&M Cowboy characters were successful, non-infringing parodies of the NAKED COWBOY raises factual questions not appropriate for decision on a motion to dismiss.

Second, in connection with the brand owner’s motion to strike the parody, fair use, and First Amendment affirmative defenses asserted by the parodist, the brand owner argued first that the use was not a parody at all. The court rejected this argument for the same reasons that the court rejected the parodist’s efforts to dismiss the brand owner’s claim: whether or not the use was a successful, non-infringing parody was an issue of fact not to be decided at the early pleadings stage of the case.

The brand owner also argued that even if the M&M Cowboy characters were parodies of the NAKED COWBOY, the parody defense must be stricken from the pleadings because the defense does not apply to a parody that advertises a product, as opposed to a parody that is the actual product. The brand owner further explained that because “a valid parody must communicate an expressive idea,” the First Amendment does not protect “a parody which bears no relation to the product it advertises [because it] cannot conceivably contain a substantive message or expressive idea.” In other words, the brand owner argued that the parodist cannot simply take another’s brand and insert it into the parodist’s commercials for entertainment purposes when the brand has no relation to the parodist’s products. This argument was also rejected by the court. Because a parody may be “of a hybrid nature, combining artistic expression and commercial promotion,” the court reasoned, it is valid to plead a parody defense even where the parody is used in part for advertising purposes.¹⁵³

8. Were copyright issues also involved?

No.

¹⁵² *Id.* (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

¹⁵³ *Id.* at 457 (citing *N.Y. Stock Exch., Inc. v. N.Y. N.Y. Hotel, LLC*, 293 F.3d 550, 555-56 (2d Cir. 2002) (use of parody to promote casino held non-infringing)).

9. Were there any surveys?

No.

10. What role, if any, did the parodist's intent play?

Intent was not mentioned in the decision. However, because any commentary about the brand owner intended by the parodist in its use of the brand owner's character is not entirely clear, and because the parodist had no need to use elements of the brand owner's persona in its NYC vignette, an argument could be made that the parodist's intent was to associate the parodist with the brand owner and/or to use the distinctiveness of the brand owner's character and any goodwill associated therewith for the benefit of the parodist's commercial business. Ultimately, the case settled before any factual or legal determinations were made on the issue of the parodist's intent.

11. Was there a disclaimer?

No.

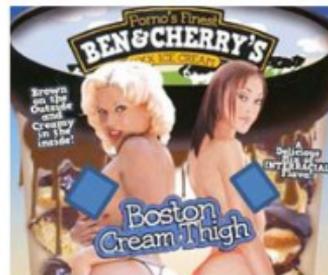
***C. Ben & Jerry's Homemade Inc. v.
Rodax Distribs. Inc.,
Civ. Action No. 1:12-cv-06734-LAK (S.D.N.Y. 2012)***

1. Did the brand owner win?

Yes, the brand owner won a temporary restraining order.

2. What was the nature of the parodist's use?

The parodist produced a pornographic film series using Ben & Jerry's ice cream brand trade dress, the name "Ben & Cherry's," and altered Ben & Jerry's product flavor names.



154

¹⁵⁴ Images of Ben & Jerry's and Ben & Cherry's trade dress, in David Klufft, *Say Good Bye to Boston Cream Thigh: Caballero Video Gives Up "Ben & Cherry's XXX Ice Cream" Franchise*, Trademark & Copyright Law Blog (Aug. 1, 2013), <https://www.trademarkandcopyrightlawblog.com/2013/08/say-good-bye-to-boston-cream-thigh-caballero-video-gives-up-ben-cherrys-xxx-ice-cream-franchise/>.

3. What was the procedural posture of the case?

The brand owner filed suit and immediately sought a temporary restraining order (“TRO”) including a recall of the videos from the marketplace. The brand owner secured a modified form of its requested TRO, without the requested recall. The court’s concerns expressed during the argument on the TRO motion related to ensuring that the court had jurisdiction over the defendants and providing a full opportunity to hear from the defense first before issuing a recall order.¹⁵⁵

The modified TRO was followed a few days later by a consented preliminary injunction that included the recall order.¹⁵⁶ A few months later, the parties stipulated to a consent judgment with a permanent injunction.¹⁵⁷

The court did not address the merits of the case in any detail because of the quick capitulation by the parodist after the initial modified TRO. Because the court did not have occasion to address the merits in full and because the defense did not submit any papers, the questions are modified below to provide information on the arguments raised in the brand owner’s motion papers.

4. What did the brand owner argue about infringement, i.e., the likelihood of confusion?

While the brand owner’s main argument was dilution by tarnishment, the brand owner also charged the parodist with infringement and argued that confusion was likely under the *Polaroid* factors, without suggesting any different treatment of the factors was required because of the potentially parodic nature of the use at issue. Thus, the brand owner argued that all of the following factors weighed in favor of finding likely confusion:

- The strong marks and trade dress of the brand owner;
- The “identity” of the marks used by the parodist, using a chart showing the marks used by the parodist side by side with the corresponding mark used by the brand owner (BEN & JERRY’S vs. BEN & CHERRY’S, CHERRY GARCIA vs. HARRY GARCIA, AMERICONE DREAM vs. AMERICONE CREAM, etc.);
- The “manifest” bad faith of the parodist, given “the nature, extent and scope of [the parodist’s] copying clearly evidenc[ing] that [the] infringing activities were far from

¹⁵⁵ Court Transcript of Sept. 6, 2012 Conference at 3-5, *Ben & Jerry’s Homemade Inc. v. Rodax Distributors Inc.*, Case 1:12-cv-06734-LAK (S.D.N.Y. Nov. 13, 2012), ECF No. 16.

¹⁵⁶ Injunction on Consent Order (Temporary Restraining Order), *Ben & Jerry’s Homemade*, Case No. 1:12-cv-06734-LAK (S.D.N.Y. Sept. 11, 2012), ECF No. 11.

¹⁵⁷ Consent Judgment Order (Permanent Injunction), *Ben & Jerry’s Homemade*, Case 1:12-cv-06734-LAK (S.D.N.Y. July 29, 2013), ECF No. 20.

accidental, but part of a brazen and willful scheme to capitalize on [the brand owner’s] fame, reputation and goodwill,” rendering the actions “the essence and hallmarks of bad faith”;

- The low “quality of defendant’s goods” including “raunchy pornographic films” and “sordid” content that will forever taint the brand, undoing years of effort and investment;¹⁵⁸ and
- Both parties’ goods are purchased by “casual buyers” and due to the low price points, the consumer is more likely to make impulse purchases and less apt to exercise a high degree of care.

Only two factors were acknowledged to be not favorable, with the brand owner arguing that neither factor mattered. First, the brand owner argued that the lack of proximity of the goods is “of no moment” because a trademark owner has the right to stop the use of its marks with pornographic goods, citing *Dallas Cowboys Cheerleaders*.¹⁵⁹ Second, the brand owner argued that evidence of actual confusion is difficult to prove and not required, especially as to recently introduced products.

The brand owner also argued that intentional and direct copying by the parodist gives rise to a presumption of a likelihood of confusion, which shifts the burden to the parodist to demonstrate the absence of consumer confusion.

The brand owner addressed “parody” in a separate section of its brief, arguing that the use was not properly considered parody. See Question 7 *infra*.

5. What did the brand owner argue about dilution by tarnishment?

The brand owner argued that the use of famous marks to sell pornographic products “constitutes dilution per se”:

Likelihood of dilution, through tarnishment, has been consistently found in cases where there has been an unauthorized use of a plaintiff’s trademark in connection with pornography, sexual activity, or obscenity.¹⁶⁰

¹⁵⁸ The court was concerned enough about the images used by the parodist that the court ordered the filing of redacted copies of the brand owner’s TRO papers with sexually explicit images removed and with the unredacted copies kept under seal.

¹⁵⁹ *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F. 2d 200 (2d Cir. 1979).

¹⁶⁰ Memorandum of Law in Support of Plaintiff’s Application for a Temporary Restraining Order, Recall Order and Order to Show Cause for a Preliminary Injunction at 7-8, *Ben & Jerry’s Homemade*, Civ. Action No. 1:12-cv-06734-LAK (S.D.N.Y. Sept. 11, 2012), ECF No. 8. As support, the brand owner cited: *Dallas Cowboys Cheerleaders v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377, *aff’d*, 604 F.2d 200 (2d Cir. 1979) (use of Dallas

6. What did the brand owner argue about dilution by blurring?

The focus was dilution by tarnishment.

7. What did the brand owner argue about free speech/parody considerations?

The brand owner argued that the parody defense did not apply because there was no commentary or criticism about the brand by the parodist, who did not include the brand's products in the content of the films and instead merely used the brand to market the parodist's own products:

It is well-recognized in the Second Circuit, as elsewhere, that a "fair use" defense such as parody applies only where the use of another's mark offers commentary or criticism of the parodied mark, rather than where a defendant's use merely markets a product.¹⁶¹

Because the parody defense is meant to foster social commentary, criticism, and creative expression for its own sake, the parody defense "does not protect a purveyor of pornography who chooses to appropriate the goodwill of a famous brand [merely] to boost its sales."¹⁶²

Cowboys Cheerleaders uniform in pornographic film "Debbie Does Dallas" held to violate New York antidilution law); Pfizer Inc. v. Sachs, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) (finding dilution where defendants used VIAGRA trademark in adult display); Williams-Sonoma, Inc. v. Friendfinder, Inc., No. C 06-6572, 2007 U.S. Dist. LEXIS 98118, at *18 (N.D. Cal. Dec. 6, 2007) (likelihood of dilution found where defendants used POTTERY BARN marks on pornographic websites); Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc., 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (use of mark in domain names and trade name "used for entertainment of a lascivious nature suitable only for adults mandates a finding that [] domain names and trade name are likely to tarnish the VICTORIA'S SECRET Mark")(emphasis added); Hasbro. Inc. v. Internet Entm't Group Ltd., 40 U.S.P.Q.2d 1479 (W.O. Wash. 1996) (trademark CANDYLAND for children's game held tarnished by "candyland.com" for website showing sexually explicit pictures); Toys "R" Us, Inc. v. Akkaoui, 40 U.S.P.Q.2d 1836, 1839 (N.D. Cal. 1996) (TOYS "R" US held tarnished by use of "adultsrus.com" domain name for a website advertising sexual products). The brand owner's argument also finds support in the Sixth Circuit majority opinion in *V Secret v. Moseley*, *supra* note 26 and accompanying text.

¹⁶¹ As support, in the same memorandum in support of the TRO application cited in note 159 at 24-25, the brand owner cited: Harley-Davidson, Inc. v. Grottanelli, 164 F.3d 806, 813 (2d Cir. 1999) (rejecting parody defense because defendant's use of the "mark makes no comment on Harley's mark; it simply uses it somewhat humorously to promote his own products and services. . . ."). See also *Cliff's Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp.*, 886 F.2d 490, 495 (2d Cir. 1989) ("[T]rademark protection is not lost simply because the allegedly infringing use is in connection with a work of purported artistic expression"); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39 (2d Cir. 1994) (alleged parody held to violate New York's anti-dilution statute).

¹⁶² *Id.* at 25.

8. Were copyright issues also involved?

No.

9. Were there any surveys?

No.

10. What role, if any, did the parodist's intent play?

As noted above in Question 4, *supra*, the brand owner argued that the intentional copying of its marks and trade dress shifted the burden of proof on the likely confusion issue underlying the infringement claim.

11. Was there a disclaimer?

No.

***D. Louis Vuitton Malletier, S.A. v.
Hyundai Motor Am.,
2012 WL 1022247 (S.D.N.Y. 2012)***¹⁶³

1. Did the brand owner win?

Yes, the brand owner won on the merits of its dilution by blurring claim.

2. What was the nature of the parodist's use?

The parodist, Hyundai, ran a television commercial during the 2010 Super Bowl that included an image of a basketball covered with a simulation of the brand owner Louis Vuitton's signature monogram mark and trade dress, with some modifications: substitution of the letters "LZ" for "LV," along with small changes to the other elements of the mark, including slight proportion alterations. The commercial's theme was "luxury," consisting of brief vignettes showing scenes of luxury in unexpected places (to

¹⁶³ The *Hyundai* decision is not without its critics. The district court in *My Other Bag* "easily distinguished" *Hyundai* on its facts because, while it was "self-evident that MOB did mean to say something about Louis Vuitton specifically," *Hyundai* did not intend to say anything about Louis Vuitton. The *My Other Bag* district court also cited to a section of the McCarthy treatise critical of the *Hyundai* decision, McCarthy, *supra* note 23, § 24:120, wherein Professor McCarthy argues that the *Hyundai* court's "assumption that proof of 'association' is also proof that blurring" is "an erroneous reading of the statutory language" and "violates the basic theory of what 'blurring' means" since blurring is not a necessary consequence of mental association). The *My Other Bag* district court agreed with Professor McCarthy on this point, noting that "association is a necessary, but not sufficient, condition for a finding of dilution by blurring." *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 436, n.4 (S.D.N.Y.), *aff'd*, 674 F. App'x 16 (2d Cir. 2016).

suggest that consumers could find luxury in Hyundai cars, which are not typically thought of as luxury items), such as “policemen eating caviar in a patrol car; large yachts parked beside modest homes; blue-collar workers eating lobster during their lunch break; a four-second scene of an inner-city basketball game played on a lavish marble court with a gold hoop (featuring a basketball with a simulation of the LV toile monogram trademark); and a ten-second scene of the Sonata driving down a street lined with chandeliers and red-carpet crosswalks.”¹⁶⁴



165



166

3. What was the procedural posture of the case?

After discovery, both parties served motions for summary judgment. The court granted judgment for the brand owner on its dilution by blurring claim and denied summary judgment on all other claims. Facts in dispute prevented a decision on summary judgment on the trademark infringement claim. The case then settled rather than going to trial on remaining claims.

4. What did the court say about infringement, i.e., the likelihood of confusion?

The parodist’s motion for summary judgment on the trademark claims was denied, with the court finding that facts in dispute required a trial to determine if confusion was likely. The court

¹⁶⁴ Louis Vuitton Malletier, S.A. v. Hyundai Motor Am., No. 10 Civ. 1611(PCK), 2012 WL 1022247, at *1 (S.D.N.Y. Mar. 22, 2012).

¹⁶⁵ Image of Louis Vuitton bag, *previously available in Louis Vuitton*, <https://us.louisvuitton.com/eng-us/women/handbags/monogram/> (last visited Jan. 2, 2019).

¹⁶⁶ Still image of Hyundai advertisement, *in Jim Edwards, Louis Vuitton’s Suit Against Hyundai Super Bowl Ad Is So Ridiculous It May Just Win*, CBS News (Mar. 2, 2019, 5:06 PM), <https://www.cbsnews.com/news/louis-vuittons-suit-against-hyundai-super-bowl-ad-is-so-ridiculous-it-may-just-win/>.

reviewed the *Polaroid* factors, suggesting that three factors potentially favored the brand owner:

- The strength of the brand owner’s mark was conceded. The court rejected the parodist argument that strength of the mark weighed against confusion, noting that the mark’s strength weighs against confusion only “in the limited circumstance where the defendants’ mark is a clear parody and there is widespread familiarity with the parody”;¹⁶⁷
- the similarity of the marks; and
- bad-faith, because the parodist had initially and unsuccessfully asked for permission for the use of various luxury products in its commercials, the parodist intended “to represent luxury definitely laddering and borrowing equity from Louis Vuitton,” and the parodist continued to air the commercials after the initial cease and desist letter and again after the suit was filed.

Two factors, on the other hand, weighed in favor of the parodist:

- the minimal to nonexistent competitive proximity of the parodist’s cars and the brand owner’s luxury products; and
- no evidence that the brand owner was likely to bridge the gap and start producing cars or basketballs.

One factor, the quality of defendant’s goods, was found to be irrelevant as a result of the dissimilarity between the brand owner’s luxury consumer goods and the parodist’s automobiles.

The significance of the available facts on the two remaining factors was disputed, requiring a jury determination:

- A jury was needed to assess the significance of the presence or absence of actual confusion, in light of the survey evidence and assorted consumer statements on social media; and
- A jury was also needed to assess the significance of consumer sophistication, since it was unclear whether a sophisticated consumer could conclude that the design in the “Luxury” ad originated with Louis Vuitton or could be more likely to distinguish between the marks.

5. What did the court say about dilution by tarnishment?

Because the court found for the brand owner on the issue of dilution by blurring, the court did not reach the issue of dilution by tarnishment.¹⁶⁸

¹⁶⁷ *Hyundai*, 2012 WL 1022247, at *21.

¹⁶⁸ *Id.* at *14 n.7.

6. What did the court say about dilution by blurring?

The court found in favor of the brand owner after reviewing the six nonexclusive factors regarding dilution by blurring set forth in the TDRA.¹⁶⁹ Essentially, the court found that the parodist did not come forward with key evidence in its favor on several points.

- The court found the marks to be similar, even noting that “the brevity of the basketballs [bearing the simulation of the brand owner’s mark] appearance in the “Luxury” ad, totaling approximately one second, rendered it more difficult to assess the minor differences” between the parties’ marks. The court also noted that the similarity “was intended by Hyundai” to “register luxury with the snap of the fingers.”
- It was undisputed that the brand owner’s marks “are famous and distinctive” as “widely recognized luxury marks,” and are “viewed by some as the most valuable luxury brand in the world.”
- The brand owner submitted extensive evidence on its efforts to ensure the exclusivity of its marks, initiating 9,489 anti-counterfeiting raids and 26,843 anti-counterfeiting procedures in 2009 and 499 cease-and-desist letters in 2010. Only minor instances of alleged nonenforcement by the brand owner were posited by the parodist.
- The parodist’s intent to associate its products with a famous mark was found to weigh in favor of dilution. The intent to associate does not require evidence of bad faith. The court rejected the parodist’s argument that the association was “expressive” in nature, stating that the parodist’s ad “is not expressive in the sense that the word is used in trademark law.”
- Both parties submitted survey evidence and aspects of both surveys weighed in favor of dilution:
 - The parodist’s survey showed that 19% of test-group participants cited Louis Vuitton as one of the brands noticed in the commercial. Ninety percent of test-group participants said that they noticed the basketball (which bore the simulations of the brand owner’s marks), and 30% stated that the basketball reminded them of the brand owner. When asked to list which brand or product

¹⁶⁹ The statutory factors to be assessed to determine whether there is likely dilution by blurring are: (i) the degree of similarity between defendant’s mark and the famous mark; (ii) the distinctiveness of the famous mark; (iii) whether the famous mark’s owner “is engaging in substantially exclusive use of the mark;” (iv) the degree of recognition of the famous mark; (v) whether the defendant intended to create an association with the famous mark; and (vi) actual association between the defendant’s mark and the famous mark. 15 U.S.C. § 1125(c)(2)(B) (2012).

was advertised in the commercial, 79% of the test group cited the parodist, Hyundai, first, but 5% mentioned the brand owner, Louis Vuitton, first. None of the respondents said that it made them think less favorably of Louis Vuitton. Only 2% of respondents in the test group believed that Hyundai and Louis Vuitton were affiliated.

- The brand owner's survey showed that 72% of test-group participants noticed the basketball design (compared with 5% of control-group respondents) and 15% recognized the design as belonging to the brand owner Louis Vuitton. Among those who recognized the design as Louis Vuitton's, 62% believed that Hyundai's use of the mark was authorized.

7. What did the court say about free speech/parody considerations?

The court rejected the parodist's attempt to fit its use within the parody exemptions in the federal TDRA, finding that no reasonable trier of fact could conclude that the use constitutes "use in connection with . . . identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner." This was because during depositions in discovery the parodist disclaimed any intention to parody, criticize, or comment upon the brand owner. Rather, the parodist contended that the use of the design in its ad "reflects a broader social comment, one that embodies 'an effort to challenge consumers to rethink what it means for a product to be luxurious.'" In other words, a use is not a parody under the statutory exemption, according to the *Hyundai* court, unless it actually criticizes or comments upon the brand owner.

The parodist also made a broader trademark fair use argument, not dependent upon the TDRA exemption, which was also rejected for similar reasons:

- The parodist's comment or parody was not directed to the brand owner's mark;
- Fair use does not apply to using the brand in an expansive social criticism, as opposed to a targeted comment or parody of the original brand;
- The parodist's promotional use of the brand weighs against fair use protections since there are other ways to sell the parodist's products;

- The parodist’s use was akin to “a subtle satire” and not an “over-the-top, unmistakable parod[y]” that justified victory for the parodist in other cases.¹⁷⁰

The court further rejected the parodist’s First Amendment arguments that the “intended expression” in the advertisement affected various factors in the confusion analysis to the parodist’s favor:

[The parodist] contends that the ad’s expressive value weighs in [its] favor on points of the marks’ strength, similarity of the marks and bad faith. As previously noted, however, any comment in the “Luxury” ad is far more subtle than, for example, the parody that inheres in a Muppet depicting an unkempt boar, *Hormel Foods*, 73 F.3d [497,] 503 [(2d Cir. 1996)], or a pet perfume that directly pokes fun at a high-end fashion label, *Tommy Hilfiger*, 221 F. Supp. 2d at 415, 422. Moreover, [the parodist] has acknowledged that it intended to make no comment on the [brand owner’s] mark, but instead offered a broader social critique. The Second Circuit has deemed such motivations unworthy of protection. *Rogers*, 960 F.2d at 310.¹⁷¹

8. Were copyright issues also involved?

No.

9. Were there any surveys?

Yes, both parties conducted a survey. The survey evidence was sufficient to convince the court that the brand owner established its dilution by blurring claim, but not sufficient to determine how to

¹⁷⁰ *Hyundai*, 2012 WL 1022247, at *19-20 (citing *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 496-97 (2d Cir. 1989) (variations in coloring, content and the labeling “a satire” alerted consumer of difference between parody and original); *Hormel Foods v. Jim Henson Prods., Inc.*, 73 F.3d 497, 503 (2d Cir. 1996) (an “unclean ‘grotesque’ boar” puppet bears no resemblance to luncheon meat, and “consumers are likely to see the name ‘Spa’am’ as the joke it was intended to be”); *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 422 (S.D.N.Y. 2002) (pet perfume called “Timmy Holedigger” was an “obvious parod[y]” of Tommy Hilfiger brand); *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260-61 (4th Cir. 2007) (reciting “immediate[]” differences between dog chew toy and Louis Vuitton products)).

¹⁷¹ The *Rogers* case cited by the *Hyundai* district court is the copyright case, *Rogers v. Koons*, not the Lanham Act case *Rogers v. Grimaldi*. *Rogers v. Grimaldi* spoke of an “appropriately low threshold of minimal artistic relevance” to permit the use of a name in connection with an expressive work and avoid Lanham Act liability. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). *Rogers v. Koons*, in the copyright context, spoke more of the need to use the work rather than the artistic relevance of the work and held that “the copied work must be, at least in part, an object of the parody, otherwise there would be no need to conjure up the original work.” *Rogers v. Koons*, 960 F.2d 301, 310 (2d Cir. 1992).

weigh the “actual confusion” factor in the *Polaroid* analysis of the trademark infringement claim. In the Louis Vuitton survey, among those who recognized the design as Louis Vuitton’s, 62% believed that Louis Vuitton authorized Hyundai’s use of the mark. In the Hyundai survey, 19% of survey respondents, without prompting, identified LOUIS VUITTON as a brand shown in the ad, and 30% of participants who, when asked in Hyundai’s survey to focus their attention on the basketball, said that it reminded them of LOUIS VUITTON.

10. What role, if any, did the parodist’s intent play?

Several of the issues decided by the court were influenced by the view that the parodist deliberately mimicked the brand owner’s mark, had asked for permission, which was not provided, and continued to air the commercial after notice and even after suit was filed. Thus:

- Summary judgment was granted to the brand owner on the issue of the parodist’s willfulness in the dilution context, thus entitling the brand owner to seek monetary relief on its dilution claim. The court found substantial, probative evidence of Hyundai’s willfulness, with no evidence by the parodist that would permit a reasonable juror to find in the parodist’s favor on the willfulness of its actions. The parodist argued that it acted with an expressive intent, such that its willfulness should be decided by a jury. The court rejected this argument, noting that the relevance of “expressive intent” is more appropriately directed to the parodist’s fair use defense.¹⁷²
- The parodist’s intent to associate with a famous mark also weighed in favor of the finding of dilution on the merits. The court noted that evidence of an intent to associate with the famous mark in the dilution context does not require evidence of bad faith.
- Finally, the parodist was not able to establish as a matter of law that the bad-faith prong of the *Polaroid* confusion factors weighs in its favor.

11. Was there a disclaimer?

No.

¹⁷² *Hyundai*, 2012 WL 1022247, at *15.

*E. VIP Products v. Jack Daniel's,
291 F. Supp. 3d 891 (D. Ariz. 2018)*

1. Did the brand owner win?

Yes, although as of the date of this article, the parodist's appeal of the adverse district court decision is pending in the Ninth Circuit Court of Appeals.

2. What was the nature of the parodist's use?

The parodist sold a dog chew toy in the shape and trade dress of JACK DANIEL'S Tennessee Whiskey, using the name BAD SPANIELS.



173

¹⁷³ Images of JACK DANIEL'S and BAD SPANIELS bottles, *in* parodist's Opening Brief on Appeal, filed 11/09/2018 available at 20-21, *VIP Prods., Inc. v. Jack Daniel's Prods., Inc.* (9th Cir. Nov. 9, 2018) (No. 18-16012), ECF No. 16.

3. What was the procedural posture of the case?

The brand owner sent the parodist a demand letter asking the parodist to cease and desist, whereupon the parodist filed suit seeking a declaratory judgment of non-infringement. The parties' cross motions for summary judgment resulted in an order in September 2016 largely favorable to the brand owner, dismissing the parodist's challenges to the validity of the brand owner's trade dress. The court held that the brand owner's trade dress was not functional, merely ornamental and decorative, or generic. The alleged trade dress included the shape of the JACK DANIEL'S bottle as shown in U.S. Trademark Registration No. 4,106,178:



The court left for trial the issue of whether the parodist's products were infringing or diluting. A bench trial was then held in October 2017. The judge issued its ruling in favor of the brand owner on all claims (finding trademark infringement and dilution by tarnishment) in January 2018.¹⁷⁴ The parodist appealed to the Ninth Circuit with the briefing due to be completed by spring 2019.¹⁷⁵ The parodist appealed to the Ninth Circuit, with briefing completed in May 2019 and oral argument to be scheduled for the court session commencing in December 2019.

4. What did the court say about infringement, i.e., the likelihood of confusion?

The court weighed the following factors in favor of the brand owner to support its holding that confusion is likely based on the facts presented at the bench trial:

- Actual confusion: The court relied upon the brand owner's Internet survey showing that over 29% of respondents believed that the parodist's dog toy was made or put out by the brand owner, or was made or put out with the authorization or approval of the brand owner, or that

¹⁷⁴ VIP Prods. LLC v. Jack Daniel's Prods., Inc., 291 F. Supp. 3d 891 (D. Ariz. 2018).

¹⁷⁵ VIP Prods. LLC v. Jack Daniel's Prods., Inc., Appeal No. 18-16012 (9th Cir.) (pending as of July 26, 2019).

whoever makes or puts out the dog toy has a business affiliation or business connection with the brand owner.

- The parodist's intent: The court characterized the parodist's intent to copy the brand owner's trademarks and trade dress for the purpose of parody as "intent . . . to capitalize on Jack Daniel's goodwill."¹⁷⁶
- The strength of the brand owner's mark: The undisputed evidence of the strength of the brand owner's mark and trade dress, based on long use, best-selling product status, significant sales, and aided consumer awareness of 98%, weighed strongly in the brand owner's favor.
- The proximity or relatedness of the goods: The court considered the parties' goods related due to the brand owner's "extensive and long-running" licensing program that included certain dog products (leashes, dog collars, and dog houses) along with a wide variety of merchandise, from prepared meats to barbeque sauces, from cigarette lighters to belt buckles and cufflinks, and from charcoal to clothing, such that the consuming public observes the brand owner's marks on more than just whiskey.¹⁷⁷
- The similarity of the parties' marks: The court noted that the parodist used the same square bottle size and shape, ribbed neck, arched lettering, filigreed border, black-and-white color scheme, fonts, shapes, and styles and "appropriated the Jack Daniel's Trade Dress in every aspect: 'Jack Daniel's' became 'Bad Spaniels,' 'Old No. 7' became 'Old No. 2,' 'Tennessee whiskey' became 'Tennessee carpet.'"¹⁷⁸
- Marketing channels used: Both parties' products were available at retailers like Walmart, Amazon.com, and Boozingear.com. The court also noted that the parodist promoted an association by featuring actual JACK DANIEL'S Tennessee Whiskey in its marketing materials for the dog toy.
- The type of goods and degree of care likely to be exercised by the buyer: The consumer care factor favored the brand owner due to the relatively low retail cost of the parodist's product (\$15), even though \$15 was expensive for a dog toy.

The court mentioned the remaining factor, the likelihood of expansion of the parties' product lines, noting that "a 'strong possibility' that either party may expand his business to compete with the other will weigh in favor of finding that the present use is

¹⁷⁶ *VIP Prods.*, 291 F. Supp. 3d at 908.

¹⁷⁷ *Id.* at 910.

¹⁷⁸ *Id.* at 901.

infringing.”¹⁷⁹ While it seems clear that the court weighed this factor in favor of the brand owner (possibly due to the brand owner’s extensive licensing programs), the court did not identify any particular facts supporting weighing this factor in favor of either party.

The court mentioned “parody” on several occasions throughout the likelihood of confusion analysis, but concluded that the claim of parody should be disregarded where parodist seeks to capitalize on a famous mark’s popularity for the parodist’s own commercial use.¹⁸⁰

5. What did the court say about dilution by tarnishment?

The district court found that the brand owner established at the bench trial all of “the requisite elements for dilution by tarnishment: fame, similarity, and reputational harm.”¹⁸¹

The brand owner submitted testimony from an expert in consumer behavior, who relied on general consumer psychology research to opine that the association of any food or beverage with defecation creates disgust in the mind of the consumer with respect to that food or beverage. The court described this as “[w]ell documented empirical research support[ing] that the negative associations of ‘Old No. 2’ defecation and ‘poo by weight’ [on the parody product label] creates disgust in the mind of the consumer when the consumer is evaluating [the brand owner’s] Jack Daniel’s whiskey.”¹⁸² The court accepted this testimony to support a finding of reputational harm to the brand owner, because the parody product’s references to defecation would “creat[e] negative associations, either consciously or unconsciously, and undermin[e] the pre-existing positive associations with its whiskey” that would be particularly harmful for a brand selling goods for human consumption: “human consumption and canine excrement do not mix.”¹⁸³

The court also found tarnishment based on associating the whiskey brand with toys, particularly the kind of toys that might appeal to children, because the brand owner, being the seller of

¹⁷⁹ *Id.* at 911.

¹⁸⁰ *Id.* at 908. To support this proposition, the court cited *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175 (C.D. Cal. 1986), where DOGIVA dog biscuits were enjoined based on likely confusion and/or dilution with GODIVA chocolates. In the *Grey* case, the parodist’s testimony regarding development of the parody products and permission allegedly received from a former GODIVA business person was found to be “internally inconsistent and . . . contradicted in significant part by the testimony of others and documentary evidence.” In other words, the court found that the parodist was a liar and that finding permeates the opinion and likely influenced the outcome.

¹⁸¹ *Id.* at 905.

¹⁸² *Id.* at 903.

¹⁸³ *Id.* at 904.

alcoholic beverages, as a policy “does not market to children, does not license goods for children, and does not license goods that might appeal to children.”¹⁸⁴

6. What did the court say about dilution by blurring?

Dilution by blurring was not raised or addressed.

7. What did the court say about free speech/parody considerations?

The court stated in an earlier decision on a summary judgment motion that the parodist’s dog toy is not an expressive work for purposes of the application of the *Rogers* test because the parodist makes trademark use of its adaptations of the brand owners trademarks and trade dress to sell a commercial product, its novelty dog toy. The novelty dog toy is not an expressive work like those to which the *Rogers* test has been applied in the Ninth Circuit.¹⁸⁵ Where the adaptation of the JACK DANIEL’S trademark and trade dress were engaged for the dual purpose of making an alleged expressive comment as well as the commercial selling of a noncompeting product, the court held that the First Amendment does not establish protection.¹⁸⁶ Instead, the court held that the *Sleekcraft* likely confusion analysis applied.

8. Were copyright issues also involved?

No.

9. Were there any surveys?

Yes, the brand owner submitted a survey on the issue of likelihood of confusion in connection with its infringement claim. In addition, both parties submitted testimony from marketing or advertising experts, ostensibly about consumer perceptions of the BAD SPANIELS product, in connection with the brand owner’s dilution claim.

¹⁸⁴ *Id.*

¹⁸⁵ The court noted that *Rogers* applies to expressive works like songs, movie titles, and video games and cited *Brown v. Electronic Arts, Inc.*, 724 F.3d 1235 (9th Cir. 2013) (stating that the *Rogers* test is reserved for expressive works); *E.S.S. Entm’t 2000 Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008) (stating that the *Rogers* balancing test applies only to artistic works); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (applying *Rogers* to a song); and *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (applying *Rogers* to a photograph).

¹⁸⁶ Decision on Summary Judgment in *VIP Products, LLC v. Jack Daniel’s Props., Inc.*, No. CV-14-2057-PHX-SMM (D. Ariz. Sept. 27, 2016), ECF No. 170.

The brand owner's infringement survey was conducted using the *Eveready*¹⁸⁷ format, where photographs of the alleged infringer's product (in this case, the BAD SPANIELS toy) were shown to the survey respondents in the test cell and photographs of a neutral product (in this case, a dog toy using the name BAD SPANIELS with none of the JACK DANIEL'S trade dress elements) were shown to survey respondents in the control cell. The respondents' answers to a series of "open-ended and non-leading questions" about who had made, sponsored, or approved the product pictured showed that over 29% of those in the test cell identified JACK DANIEL'S, as compared with almost none of those in the control cell. The expert opined that the survey established that "approximately twenty-nine percent . . . of potential purchasers . . . are likely to be confused or deceived by the belief that [the parodist's BAD SPANIELS] dog toy is made or put out by [the brand owner of JACK DANIEL'S], or made or put out with the authorization or approval of [the brand owner], or that whoever makes or puts out [the] dog toy has a business affiliation or business connection with [the brand owner], and that such confusion is due in particular to [the parodist's] use of [the brand owner's] indicia or trade dress on the Bad Spaniels dog toy."¹⁸⁸

The parodist did not submit a survey of its own and instead presented testimony from an expert who criticized the brand owner's survey. The court discredited this testimony, noting that the parodist's expert did not support his view by conducting a survey or by conducting independent research; "he simply couched his opinion regarding lack of confusion through generalized objections."¹⁸⁹ The court also found that the parodist's expert's opinions were undercut by the fact that the expert "has never written any articles on trademark surveys, or trademark survey design, or on the issue of likelihood of confusion in trademark law."¹⁹⁰

The brand owner also submitted testimony from an expert in the areas of marketing, consumer behavior, trademark-related matters, false advertising, and branding, as noted above in Question 5. The expert relied upon empirical studies regarding the Associative Network Model.¹⁹¹ The court credited the expert's assessments that (a) the brand JACK DANIEL'S itself generated positive associations of authenticity, integrity, independence, and loyalty based on its

¹⁸⁷ Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366 (7th Cir. 1976).

¹⁸⁸ *VIP Prods.*, 291 F. Supp. 3d at 907.

¹⁸⁹ *Id.* at 908.

¹⁹⁰ *Id.*

¹⁹¹ The Associative Network Model is a concept in psychology that addresses how different things—such as bacon and eggs—come to be associated in the minds of consumers. *See, e.g.*, Associative Networks, iResearchNet, <https://psychology.iresearchnet.com/social-psychology/social-cognition/associative-networks/> (last visited Apr. 29, 2019).

marketing and advertising materials; and (b) the parody (which was strongly associated with the brand) introduced negative mental associations to the JACK DANIEL'S brand relating to defecation, feces, and poo. Per the Associative Network Model and because of general consumer psychology research establishing that disgust arises when associating any food or beverage with defecation, the parody creates disgust in the mind of the consumer by associating the JACK DANIEL'S brand with defecation.¹⁹²

The parodist submitted testimony from an advertising expert, who did not have expertise or specialized knowledge in trademark dilution matters. The expert conducted focus groups in West Los Angeles, ostensibly to demonstrate that consumers had an overall favorable impression of the brand owner after reviewing and discussing the BAD SPANIELS dog toy. The court found that the expert's reliance on the focus groups to be flawed because the groups were initially directed by the moderator that the BAD SPANIELS product under evaluation was a joke, a spoof product. This tainted the focus group's alleged conclusions and produced predetermined, unreliable results.

10. What role, if any, did the parodist's intent play?

As noted in response to Question 4, the court viewed the parodist's intent as an intent to capitalize on the brand owner's marks in a commercial manner.

The parodist did not advance a robust argument as to why its products constituted protected parody in the sense of poking fun at the brand itself as opposed to just borrowing the brand elements to create an unrelated joke in the context of a commercial product. As argued in the brand owner's motion for fees after trial, the parodist did not "adequately explain why [the parody] theory should apply to the facts of this case." The brand owner relied on the *Campbell* Supreme Court copyright parody case to argue that "the parodist's product was not protected, among other reasons, because it did not comment on" the brand: "It was just potty humor on masquerade."¹⁹³

11. Was there a disclaimer?

Yes. The parodist's appellate brief includes an image of the hang tag sold with the product, which includes the statement: "The product and its design belong to VIP Products. This product is not affiliated with Jack Daniel[s] Distillery."¹⁹⁴ The Court was not

¹⁹² *VIP Prods.*, 291 F. Supp. 3d at 903.

¹⁹³ Jack Daniel's Motion for Attorneys' Fees at 7, *VIP Prods. v. Jack Daniel's*, Case No. 2:14-cv-02057-SMM (May 16, 2018), ECF No. 266.

¹⁹⁴ Parodist's Opening Brief on Appeal, at 19, *VIP Prods., Inc. v. Jack Daniel's Prods., Inc.*, Appeal No. 18-16012 (9th Cir. Nov. 9, 2018), ECF No. 16.

impressed, noting that the parodist “cannot dispel confusion with a disclaimer, particularly a disclaimer in tiny font on the reverse side of its product packaging.”¹⁹⁵

¹⁹⁵ *VIP Prods.*, 291 F. Supp. 3d at 909. The Court cited *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1292 n.6 (9th Cir. 1992) (disclaimer had no significant impact), and *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062, 1077 (9th Cir. 2006) (“Courts have been justifiably skeptical of such devices—particularly where exact copying is involved.”).