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Of Chew Toys and Designer Handbags: A Critical Analysis of the “Parody” Exception under the U.S. Trademark Dilution Revision Act

EUGENE C. LIM*

INTRODUCTION

In an increasingly competitive business world, securing and maintaining an advantage over one’s rivals in the marketplace is a perennial challenge. In this regard, the distinctiveness of a well-established and renowned trademark is perhaps one of the most cherished and jealously guarded assets that a modern business can possess. Yet famous trademarks are also popular targets of ridicule and satire. To what extent should trademark law in the United States allow individuals to poke fun at and lampoon well-known trade symbols that are used to sell goods or services in the marketplace? Does the existing “parody” provision in the Trademark Dilution Revision Act of the United States provide adequate protection to famous trademarks while striking a fair balance between intellectual property rights and the freedom of expression?

In the United States, the right to freedom of expression is constitutionally enshrined in the First Amendment.¹ As in many other liberal democracies, the First Amendment right to freedom of expression in the United States is not absolute and is subject to limitations and other curtailments imposed by the law.² Trademark law, for instance, restricts the extent to which commercial signs and symbols, in which intellectual

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1. U.S. CONST. amend. I (“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.”).

2. See, e.g., U.S. CONST. art. I, § 8, cl. 8. Also known as the “Copyright Clause,” this clause confers upon the United States Congress the mandate “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” *Id.*

property rights subsist, can be used by members of the public without authorization from the relevant trademark proprietors.³

An interesting legal issue relating to liability arises when individuals adapt and transform existing trade symbols in a humorous, amusing, or entertaining way—sometimes in a manner that is damaging to the reputations of the trademark owners—either to poke fun at the symbols or to convey a message to the public.⁴ The transformation, adaptation, or reconfiguration of an existing work or symbol into a new form for the purpose of humor or entertainment is often referred to as the process of “parodying” the original work.⁵ The parody invariably contains elements that are reminiscent of the original work, so that the process of derivation is clear to the ordinary viewer.⁶ A successful parody must contain original elements of its own to be clever and innovative and yet must *not* be so transformed that its link to the original work is severed or unrecognizable.⁷ In the words of the United States Supreme Court in *Campbell v. Acuff-Rose Music*, the parody “needs to mimic an original to make its point.”⁸ That is the hallmark of a parody—to present itself as an amusing or witty adaptation of the original, without claiming to be the original work itself.⁹ The extent to which parodies are allowed under U.S. trademark law, particularly parodies that also designate the source of goods or services, will have a significant impact on the degree to which protected signs and symbols can be used as building blocks of human communication in American civil society. This will, in turn, influence the shape and character of artistic expression both within and beyond the realm of commerce in the United States.

It is important to note at the outset that U.S. trademark law governs both the classic action of trademark infringement and the relatively

3. See Brian A. Jacobs, *Trademark Dilution on the Constitutional Edge*, 104 COLUM. L. REV. 161, 171 (2004) (“The Patent-Copyright Clause and the Commerce Clause [in the U.S. Constitution] both authorize Congress to protect intellectual property.”).

4. See, e.g., *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994) (illustrating how a copyright issue arose from plaintiff’s parody of defendant’s song lyrics).

5. See *id.* at 579 (explaining how parody both sheds light on an existing work and creates something new).

6. See *id.* at 580 (defining a parody as mode of mimicry and re-creation of an original work for the purpose of comic relief or ridicule).

7. See *id.* (“For the purposes of copyright law, the nub of the definitions, and the heart of any parodist’s claim to quote from existing material, is the use of some elements of a prior author’s composition to create a new one that, at least in part, comments on that author’s works.”).

8. *Id.* at 580–81.

9. *Id.* at 580.

“newer” action of trademark dilution.¹⁰ While parodies have recently received some legislative attention in recent amendments to U.S. trademark law through the Trademark Dilution Revision Act (TDRA), the dividing line between a “legitimate” parody and a “dilutive” parody is not entirely clear, and the rather imprecise language of the TDRA has provoked an interesting debate among trademark scholars and commentators.¹¹ While some commentators have applauded the TDRA as having broadened the protection of civil liberties through its “fair use” provision,¹² others have argued that the TDRA takes freedom of expression too far by failing to provide adequate protection against tarnishment caused by artistic works that sully the reputation or good name of a famous trademark.¹³

This Article seeks to contribute to the existing debate by suggesting that the TDRA’s flawed treatment of parodies, quite ironically, stems from the fact that it is alternatively too narrow in some respects and too broad in others. The principal flaw in the TDRA’s current parody clause lies in its employment of the “trademark use” test for determining whether a parody is “fair.”¹⁴ In this respect, the parody provision in the TDRA is too lenient vis-à-vis artistic parodies that are not used as trademarks and yet too strict with respect to source-identifying parodies. In particular, it appears to confer blanket immunity on all parodies that are not utilized as indicators of source for goods or services, while imposing liability on all parodies that function as trademarks, without enquiring satisfactorily into the nature or

10. 15 U.S.C. §§ 1114, 1125(c) (2006).

11. See generally Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143 (2006); Daniel R. Bereskin, *Anti-Dilution/Anti-Free-Riding Laws in the United States, Canada, and the EU: Bridges Too Far?*, 101 TRADEMARK REP. 1710 (2011); Justin J. Gunnell, *Evaluation of the Dilution-Parody Paradox in the Wake of the Trademark Dilution Revision Act of 2006*, 26 CARDOZO ARTS & ENT. L.J. 441 (2008); Joel H. Steckel et al., *Dilution Through the Looking Glass: A Marketing Look at the Trademark Dilution Revision Act of 2005*, 96 TRADEMARK REP. 616 (2006).

12. See Deborah R. Gerhardt, *The 2006 Trademark Dilution Revision Act Rolls Out a Luxury Claim and a Parody Exemption*, 8 N.C. J. L. & TECH. 205, 205 (2007) (noting that “[f]or the first time in a while,” trademark law in the United States has tilted the balance of power “decisively against intellectual property owners”). Gerhardt observes that the TDRA has recreated the concept of dilution as a “luxury claim available only to the most famous marks” and “provides broader fair use defenses.” *Id.* at 216.

13. See Alexandra E. Olson, Note, *Dilution by Tarnishment: An Unworkable Cause of Action in Cases of Artistic Expression*, 53 B.C. L. REV. 693, 694–95, 719–20 (2012) (suggesting that “First Amendment protection in the trademark dilution context has been stretched too far” and “allows artists to escape liability at the expense of mark holders”).

14. 15 U.S.C. § 1125(c)(3)(A).

impact of the parody in question.¹⁵ This Article argues that such a “black and white” approach to parodies, based exclusively on the classification of their status as either “non-trademark use” or “trademark use,” is insufficiently nuanced and fails to adequately assess the forms of harm that ought to be targeted by a dilution statute.

To streamline and clarify the treatment of parodies under the Act, this Article argues in favor of recognizing an *independent defense* for parodies by separating the parody sub-clause from the current “fair use” provision in the TDRA. Such a re-organization would liberate the parody defense from the somewhat artificial constraints of the “trademark use” prohibition imposed by the “fair use” provision. In this regard, the focus of the inquiry should be on the *effect* that the parody has on the famous mark’s distinctive quality or reputation and not merely on the presence of “commercial” or “trademark use.” This Article concludes with some suggestions for reform, including the articulation of a six-part test for assessing the legality of a parody, in the hope that a more balanced and flexible parody defense in the TDRA would lead to more enlightened and fairer trademark jurisprudence in the United States.

Part I of this Article provides a historical overview of the TDRA and the significant changes that it has made to the “dilution” landscape in the United States. Part II explores the structure of the TDRA’s “fair use” provision and the impact of the “trademark use” exclusion on the parodies sub-clause. Further, Part II argues that the parodies sub-clause provides selective shelter, exonerating some parodies from liability while impugning others, seemingly on the sole basis of “trademark use.” Part II gives separate attention to the TDRA’s treatment of non-source-denoting parodies (parodies that do *not* designate the origin of goods or services) and source-denoting parodies (parodies that also function as trademarks to sell goods or services). Part III formulates a number of proposals for reform with the aim of introducing a sense of flexibility and nuance into the TDRA’s criteria of assessment for non-dilutive parodies.

I. A BRIEF OVERVIEW OF THE TRADEMARK DILUTION REVISION ACT

The impact of the TDRA on trademark law in the United States can be more fully appreciated in light of the legal developments accompanying the historical evolution of dilution doctrine. Dilution, as a cause of action, can be considered an “offshoot” of the older and more established trademark

15. See *id.* (allowing use of marks “other than as a designation of source”).

infringement action.¹⁶ While the traditional trademark infringement action governed by the federal Lanham Act in the United States targeted the likelihood of consumer confusion arising from the unauthorized use of a trademark by a junior user or competitor to sell goods or services,¹⁷ dilution doctrine broadened the scope of protection afforded to trademarks by recognizing (and proscribing) new forms of harm to trademark goodwill in the modern marketplace.¹⁸ These harms include dilution by blurring (the gradual whittling away of the distinctive character of a famous mark through use on non-competing goods)¹⁹ and dilution by tarnishment (harm to a trademark's reputation through association with unsavory or scandalous material).²⁰ In this respect, the dilution movement, which is often traced back to Frank I. Schechter,²¹ sought to expand the panoply of exclusive rights enjoyed by trademark proprietors beyond the traditional protection offered under classic trademark law by recognizing harm in cases where consumer confusion is either *absent* or *unlikely*.²²

Central to the Schechterian notion of dilution is the view that trademarks no longer function solely as indicators of source and are, in fact, magnets of commerce deserving of additional protection from the increasingly deviant marketing practices of the modern marketplace.²³ The true value of a modern trademark, according to Schechter, lies in its ability to communicate brand messages and to sell goods.²⁴ Dilution doctrine accordingly seeks to protect a trademark from the loss “or dispersion of

16. The period of history that accompanied the expansion of traditional trademark rules to encompass dilution as a cause of action has sometimes been referred to as “the modern era of trademark law.” See Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1687, 1698–99 (1999).

17. See 15 U.S.C. §§ 1051–1127. The two conditions prescribed in the Lanham Act for trademark infringement are “use in commerce” and “likely to cause confusion.” *Id.* § 1114(1).

18. See Gerhardt, *supra* note 12, at 216–17, 222.

19. 15 U.S.C. § 1125(c)(2)(B).

20. *Id.* § 1125(c)(2)(C).

21. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

22. See Lemley, *supra* note 16, at 1698 (describing the shift in the nature of trademark law away from the prevention of consumer confusion as a form of “doctrinal creep”).

23. See Schechter, *supra* note 21, at 818. Due to these increasingly deviant practices of psychological advertising, the modern trademark has, in Schechter’s view, evolved from a mere commercial symbol into “an agency for the actual creation and perpetuation of goodwill.” *Id.*

24. *Id.* at 819.

[its] identity and hold upon” a public’s consciousness²⁵—forms of injury that had not previously been recognized under the traditional ambit of the Lanham Act.²⁶

In the early years of its evolution, dilution doctrine in the United States was governed largely by state legislation and case law.²⁷ The case of *Eastman Photographic Materials Co. v. John Griffiths Cycle Corp.*, in which the plaintiffs objected to the use of the famous “Kodak” mark in relation to bicycles, was one of the earliest attempts recognized and used by courts in the United States to extend trademark protection to cases of dilution.²⁸

The first federal attempt at legislation in the field of dilution law was the U.S. Federal Trademark Dilution Act of 1995 (FTDA).²⁹ However, the text of the FTDA was not exactly “a model of clarity,” resulting in some rather confusing jurisprudence.³⁰ For example, it was not clear whether the standard of proof required for a dilution action was evidence of *actual* dilution or merely a *likelihood* of dilution.³¹ The general perception that the law “[was] a mess”³² was further compounded when the United States Supreme Court ruled in *Moseley v. V Secret Catalogue, Inc.* that the statute required proof of *actual* dilution,³³ making it practically impossible to successfully establish dilution in many ordinary cases where the activity complained of was only *potentially* diluting.³⁴ In 2006, Congress sought to address some of the uncertainties in the FTDA through the passage of the TDRA.³⁵ The TDRA is often credited with resolving some of the ambiguities present in the FTDA by introducing statutory definitions for

25. *Id.* at 825.

26. *See* 15 U.S.C. §§ 1051–1127 (2006).

27. *See* Lemley, *supra* note 16, at 1698.

28. *Eastman Photographic Materials Co. v. John Griffiths Cycle Corp.*, (1898) 15 R.P.C. 105 (Ch.) 106–07 (Eng.).

29. 15 U.S.C. § 1125(c) (1996).

30. Gerhardt, *supra* note 12, at 212.

31. *Id.* at 212–13 & n.44.

32. *Id.* at 213 (quoting *Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 109th Cong. 6 (2005) (testimony of Anne Gundelfinger, President, International Trademark Association)) (alteration in original).

33. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003).

34. *See* Jonathan Moskin, *Victoria’s Big Secret: Whither Dilution under the Federal Trademark Dilution Act?*, 93 TRADEMARK REP. 842, 844 (2003).

35. Trademark Dilution Revision Act of 2006, Pub. L. No. 109–312, 120 Stat. 1730 (2006) (codified at 15 U.S.C. § 1125(c) (2006)).

“blurring” and “tarnishment,”³⁶ clarifying the standard of proof required in a dilution action,³⁷ and broadening the fair use exceptions.³⁸

The TDRA contains an important change in language for permitted uses of trademarks that are considered exceptions to dilution. Previously, under the FTDA, parodies were not explicitly mentioned in the statute; as a result, parodists often cited the “non-commercial use” exception.³⁹ However, the TDRA has amended the section on exclusions by introducing three discrete categories to replace the earlier provision on non-commercial use.⁴⁰ The three categories are: “(A) [a]ny fair use,” “(B) [a]ll forms of news reporting and news commentary,” and “(C) [a]ny non-commercial use of a mark.”⁴¹ While exceptions (B) and (C) are fairly straightforward, the “fair use” defense in subsection (A) contains a number of subordinate qualifying clauses and examples.⁴² In particular, the notion of “fair use” in subsection (A) encompasses uses of a famous mark that are of a descriptive or nominative nature, “*other than* as a designation of source.”⁴³ This significantly narrows the ambit of protection afforded to commercial parodies that *do* function as a designation of source for the defendant’s own goods and services. The “fair use” subsection goes on to provide two examples of what might be considered permitted use that does not constitute trademark dilution, namely, “(i) advertising or [a] promotion that permits consumers to compare goods or services” and “(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”⁴⁴

It is interesting to note that parodies have been lumped together with criticism and comparative advertising under the general category of “fair use.”⁴⁵ While this may seem logical at first glance, since parodies seek to poke fun at or criticize an existing established mark, thereby inviting a

36. 15 U.S.C. § 1125(c) (2006).

37. *See id.* (restoring the test for dilution to “likel[i]hood” of dilution rather than “actual” dilution, effectively overruling *Moseley*). This has been applauded as a step in the right direction, as “[c]laims for dilution make sense only if a remedy is available to rescue the mark before actual dilution occurs.” Gerhardt, *supra* note 12, at 213. In this regard, *Moseley* might be considered a “wrong turn” in the law of dilution. *Id.* at 217.

38. *Id.* at 216.

39. Gunnell, *supra* note 11, at 462–63.

40. 15 U.S.C. § 1125(c)(3).

41. *Id.*

42. *Id.* § 1125(c)(3)(A).

43. *Id.* (emphasis added).

44. *Id.*

45. *Id.*

comparison of sorts, parodies sometimes seek to convey a message that is independent of the merits of the goods or services represented by the senior mark. For example, in the case of an amusing mimicry, the target of a parody's attempt at humor need not necessarily be the trademark from which it is adapted, but rather the parody itself.⁴⁶ In addition, the inclusion in the TDRA of the phrase "other than as a designation of source" appears to categorically exclude all parodies that also function as trademarks for goods or services.⁴⁷ The next section evaluates the structure of the "fair use" parody provision through a discussion of the case law on parodies pre-dating the TDRA, as well as recent jurisprudence that has emerged in the wake of the TDRA.

II. NOT ALL PARODIES ARE CREATED EQUAL: A CLOSER LOOK AT THE "FAIR USE" EXCEPTIONS UNDER THE TDRA

While the exceptions to dilution laid out in the TDRA were designed to introduce a sense of balance to the Act, the reworked "fair use" defense has come under fire for providing excessively broad immunity to certain types of parodies and other expressive uses of trademarks.⁴⁸ The "fair use" defense in the TDRA differs from its predecessor in that it contains exemptions for nominative and descriptive uses of a trademark "other than as a designation of source," including uses for the purposes of parody and comparative advertising.⁴⁹ A plain reading of this provision suggests that the "fair use" exception provides *blanket immunity* to all parodies as long as they are not being used as trademarks to designate the origin of goods or services.⁵⁰ Unfortunately, the Act does not provide a definition of "parody," and the somewhat expansive language of the new "fair dealing" provision has created interpretive difficulties for both parodists and trademark proprietors.

At the heart of this interpretive debacle lies the question: "Is it ever possible for a non-source-denoting parody to dilute a trademark?" The

46. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 256 (4th Cir. 2007) (explaining that defendants sold chew toys in the shapes of handbags and other accessories under the label "Chewy Vuiton"). The message being communicated here was not necessarily a negative portrayal of the plaintiffs' "Louis Vuitton"-branded luxury goods. The defendants' intention could very well have been to adapt and transform the mark into an amusing form for use in a different context.

47. 15 U.S.C. § 1125(c)(3)(A).

48. Olson, *supra* note 13, at 718–28.

49. 15 U.S.C. § 1125(c)(3)(A) (emphasis added).

50. See *id.*

most obvious form of harm that comes to mind (where non-source-denoting parodies are concerned) is dilution by tarnishment, which is specifically included as a cause of action in the TDRA.⁵¹ Since parodies, by their nature, are expressive, they may be presented to the public as “works of art” without being connected to any goods or services and, in some cases, without the expectation of commercial gain.⁵² Questions of fairness arise, however, if the comparison that is being made by the parody is scandalous, shocking, or in bad taste, thereby denigrating the reputation of the mark that is being ridiculed. Given the broad language of the parody exception in the TDRA, it would appear that all such tarnishing uses would, in a single stroke, be exempted from liability, as long as the parody in question is not being utilized as an indicator of *source*.

A related question is whether a parody that *does* function as an indicator of source is automatically excluded from protection under the “fair use” provision. This is an important question because the TDRA stipulates that only parodies that do not function as designators of source are eligible for exemption under the “fair use” provision.⁵³ However, might such a source-denoting parody be eligible for protection under some other provision of the Act? The United States Court of Appeals for the Fourth Circuit has answered this question in the affirmative, upholding as a successful parody an amusing mimicry of the famous Louis Vuitton brand, “Chewy Vuitton,” used as a mark to sell chew toys for dogs.⁵⁴ This decision, discussed below, opens the door for other source-denoting parodies to be immunized from liability under the main dilution factors of the Act, rather than under its “fair use” exception. The parody clause in the “fair use” provision is, therefore, according to the *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* decision, not exhaustive in its coverage of

51. *Id.* § 1125(c)(1).

52. Interestingly, unlike the TDRA, U.S. copyright law appears to provide clearer guidance in ascertaining what constitutes unfair copying for the purpose of parody or satire. In the case of *Rogers v. Koons*, 960 F.2d 301, 309 (2d Cir. 1992), the United States Court of Appeals for the Second Circuit held that in determining whether a copied work qualifies as a parody or satire under the first factor of the “fair use defense,” 17 U.S.C. § 107, copying done for commercial or profit-making purposes is presumptively unfair. Under U.S. copyright law, there would therefore be a presumption of unfairness operating against a parodist who copies a work for commercial purposes, but not against another who does so for purely artistic or expressive reasons.

53. 15 U.S.C. § 1125(c)(3)(A).

54. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 256 (4th Cir. 2007). Louis Vuitton was not the only famous mark parodied by the defendant. *Id.* at 258. It also marketed and sold other merchandise for dogs under “parody marks” such as “Chewnel No. 5,” “Dog Perignonn,” and “Sniffany & Co.” *Id.*

non-dilutive parodies.⁵⁵ It may be possible for a parodist to avoid liability under the TDRA even if the parody also doubles up as a source-denoting trademark for goods or services.⁵⁶ However, the “non-comprehensive” coverage of the parody exception in the TDRA may generate some interpretive uncertainty in the absence of a clearer elucidation of the relationship between the dilution factors and the “fair use” defense.

In summary, the concern with the TDRA’s “fair use” parody clause is twofold. First, it is too broad in some respects by immunizing all non-source-denoting parodies from liability in one fell swoop. The main criticism of such a broad-brush approach is that it fails to assess the message communicated by the parody and its effect on the reputation of the mark. Second, the clause is, quite ironically, too narrow in other respects, as it excludes from its ambit certain source-denoting parodies that might be deserving of protection. The following Parts analyze both of these concerns separately in order to lay the groundwork for the proposals for reform developed later in this Article.

A. Non-Source-Denoting Parodies: Are All of Them Equally Deserving of Immunity under the TDRA?

This Part discusses the extent to which the TDRA’s “fair use” provision fails to distinguish adequately between parodies that convey an artistic or social message and those that tarnish the senior mark.

The two branches of dilution doctrine—blurring and tarnishment—are predicated on two different forms of injury.⁵⁷ While dilution by blurring focuses primarily on the economic harm caused to a trademark resulting from its loss of distinctiveness, dilution by tarnishment is based on the damage to reputation arising from its association with unsavory material.⁵⁸ The current language of the TDRA’s “fair use” provision appears to implicitly divide parodies into two distinct groups—those that function as source identifiers and those that do not. Source-denoting parodies are categorically excluded from the ambit of protection under the “fair use”

55. *Id.* at 266–67.

56. *Id.*

57. *See* 15 U.S.C. § 1125(c)(5) (requiring that petitioner show an “inten[t] to trade on the recognition of the famous mark” under dilution by blurring and an “inten[t] to harm the reputation of the famous mark” under dilution by tarnishment).

58. *See id.*

provision,⁵⁹ while non-source denoting parodies appear to receive automatic immunity. This inflexible, black or white approach to parodies eviscerates the “dilution by tarnishment” action, effectively stripping trademark owners of the right to obtain an appropriate remedy against parodists who have tarnished their marks by engaging in an unfair or offensive comparison.

As an example of an artistic parody that, in her opinion, goes too far, commentator Alexandra Olson cites a large poster by artist Max Papeschi exhibited at a local Polish museum in 2010 as part of a larger series which juxtaposed iconic cartoon characters with images of destruction.⁶⁰ Papeschi’s work featured a naked woman with a swastika and an image of Mickey Mouse, and this controversial montage created a furor in Poland at the time.⁶¹ The juxtaposition of Disney’s beloved and world renowned icon next to a nude figure and a Nazi symbol would arguably tarnish Mickey Mouse’s warm, lovable image and denigrate this paragon of good clean family entertainment. As Olson observes, Papeschi’s use of the Mickey Mouse image in an artistic work is not a designation of source, as the Disney character is not being used to designate the origin of goods and services.⁶² Such a use would therefore be exonerated from liability under the “fair use” provision, notwithstanding the sullyng effect it is likely to have on the famous mark’s reputation.

A related criticism that may be leveled at the current parody provision is that it does not possess sufficient nuance to assess the type and extent of damage caused by the tarnishing effect of a non-source-denoting parody. In particular, it does not provide guidance on the level and quality of ridicule that is considered “acceptable” for a parody. Pre-TDRA jurisprudence has, for example, demonstrated an interesting bias against sexual parodies, while showing favor for “good, clean” humor.⁶³ It is therefore uncertain whether a sexual parody, which would have been considered tarnishing under the FTDA, would enjoy immunity under the somewhat broader “fair use” provision of the TDRA. If the plain language of the Act were followed, such an interpretation might mean that a string of

59. It is important to note, however, that source-denoting parodies may be exonerated on other grounds, such as non-satisfaction of the dilution by blurring criteria, as seen in *Louis Vuitton*, 507 F.3d at 265–68.

60. Olson, *supra* note 13, at 693.

61. *Id.*

62. *Id.* at 719–20.

63. See, e.g., *Pillsbury Co. v. Milky Way Prods., Inc.*, No. C78-679A, 1981 U.S. Dist. LEXIS 17722, at *40 (N.D. Ga. Dec. 24, 1981) (concluding that the sexual nature of defendants’ parody could “injure the business reputation of the plaintiff”).

legal authority pre-dating the enactment of the TDRA would no longer be good law in the United States.

The case of *Pillsbury Co. v. Milky Way Productions, Inc.* provides a good illustration of a pre-TDRA case that concerned a lewd or obscene parody.⁶⁴ In that case, the plaintiff's trademarked characters were depicted by the defendant in various sexual acts.⁶⁵ In considering the plaintiff's claim for dilution, one of the key tests applied by the court was whether the contested use was likely to injure the famous trademark's commercial reputation.⁶⁶ The court correctly found that the defendant's use created a likelihood of dilution under Georgia's anti-dilution statute,⁶⁷ but it remains an open question as to whether the defendant's use would be exonerated today under the broader "fair use" defense of the TDRA. Given that the defendant's depiction of the plaintiff's trademarked characters in sexual acts can be considered use "other than as a trademark," there is at least an arguable case that the parody may be protected as a form of "fair use" under the TDRA.

There are other categories of parody that would be exempt from liability under the TDRA's "fair use" provision. One commentator, Justin Gunnell, has suggested that parodies in general can be divided into five categories:⁶⁸ (1) non-commercial and hybrid expression parodies (such as an artistic display of nude Barbie dolls being attacked by kitchen appliances);⁶⁹ (2) source identification parodies (such as Ballooningdales for party decorating services⁷⁰ or Gucci Gucci Goo for handcrafted baby gifts);⁷¹ (3) parodies that use trademarks as a medium (such as a satire which pokes fun at the taste of a famous brand of beer);⁷² (4) lewd, illicit or unclean parodies (such as the depiction of famous trademarked characters

64. *Id.*

65. *Id.* at *1.

66. *Id.* at *40-41.

67. *Id.*

68. Gunnell, *supra* note 11, at 454.

69. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796 (9th Cir. 2003).

70. BALLOONINGDALES OF WESTCARE, <http://ballooningdales.net/index.htm> (last visited Oct. 8, 2012).

71. GUCCI GUCCI GOO, <http://gucciguccigoogifts.com> (last visited Oct. 8, 2012).

72. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 772 (8th Cir. 1994) (describing defendant's use of the plaintiff's slogan to bring awareness to the implications of oil spills). The defendant replaced the plaintiff's famous slogan, "ONE TASTE AND YOU'LL DRINK IT DRY" with "ONE TASTE AND YOU'LL DRINK IT OILY." *Id.* The new slogan was accompanied by an image of thick oil emanating from a can of the plaintiff's beer and flowing onto the plaintiff's trademark eagle, which was portrayed as saying, "Yuck!" *Id.*

having sex);⁷³ and (5) pure commercial parodies (the use of an altered version of a senior mark on a junior user's product for humorous effect).⁷⁴ There is some overlap between the categories identified by Gunnell, particularly source identification parodies and pure commercial parodies. Of these five categories, categories (1), (3), and (4) would automatically receive exemption under the parodies sub-clause of the TDRA, regardless of the nature and type of injury inflicted on the senior mark.⁷⁵ This raises serious concerns for the availability of the dilution by tarnishment action, since practically every case of non-trademark expressive use would receive protection under the Act.

Although preserving freedom of speech is an important priority for trademark law, the TDRA arguably tilts the balance too far in favor of "non-trademark use" parodies. A literal interpretation of the "fair use" provision in the TDRA would obliterate the line of authority in the United States that distinguishes between "clean" and "obscene" parodies.⁷⁶ Since many obscene parodies do not function as trademarks in and of themselves, they would, by definition, receive protection under the TDRA's current defense for parodies.⁷⁷ Such an interpretation would mean that sexual parodies, previously considered tarnishing under the pre-TDRA legal framework, would now be immune from liability under the broader parodies defense.

73. *Pillsbury Co. v. Milky Way Prods., Inc.*, No. C78-679A, 1981 U.S. Dist. LEXIS 17722, *1 (N.D. Ga. Dec. 24, 1981).

74. *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 41 (2d Cir. 1994) (depicting plaintiff's deer logo running away from defendant's lawn tractor and barking dog).

75. See 15 U.S.C. § 1125(c)(3)(A) (2006).

76. Several cases decided prior to the enactment of the TDRA provide useful guidance on the extent to which "unclean" or offensive images may affect the legality of a parody. See, e.g., *Pillsbury*, 1981 U.S. Dist. LEXIS 17722, at *40-41 (holding that the depiction by defendants of plaintiff's trade characters in sexual acts was likely to cause injury to the commercial reputation and distinctive quality of the plaintiff's trademarks); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1490-91 (10th Cir. 1987) (holding that "Lardashe," a brand of jeans targeted at heavy set women and represented by a pig logo, was a successful parody of "Jordache" because it was unlikely to generate negative or unwholesome connections with the famous trademark); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206-07 (2d Cir. 1979) (affirming district court's finding that defendant's use of plaintiff's trademark in the pornographic film "Debbie Does Dallas" would engender confusion resulting in irreparable harm to plaintiff were defendants not enjoined from its distribution and exhibition); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1188-90 (E.D.N.Y. 1972) (holding that defendant's use of the phrase "Enjoy Cocaine" on posters was likely to tarnish the reputation of the plaintiff's famous Coca-Cola trademark).

77. See 15 U.S.C. § 1125(c)(3)(A).

While it is not the contention of this Article that only clean parodies that are “in good taste” ought to be protected, it is important that the statutory defense for parodies provides a sufficiently flexible framework for judges to consider the nature and quality of harm inflicted by the junior user on the famous mark. A relevant counter-argument that may be raised at this juncture is that judges are not necessarily in the best position to determine whether a parody is “in good taste” and that “clean” parodies are not always more deserving of protection than lewd or offensive parodies. However, to determine what is “deserving” of protection is not simply a question of classifying a parody as either “source-denoting” or “non-source-denoting.” To answer this question adequately requires an inquiry into the type of message that the parody is seeking to convey—an inquiry which the current, rigid formulation of the TDRA does not appear to accommodate.

B. Source-Denoting Parodies: Does the TDRA Confer Adequate Protection?

Interestingly, the United States Court of Appeals for the Fourth Circuit held in the oft-cited *Louis Vuitton* case that a parody which was being used as a trademark to sell goods in commerce could, in some circumstances, be exempted from liability for dilution, even though such use would not be covered by the “fair use” defense under the TDRA.⁷⁸ As such, the parody in question would have to be “justified” or exonerated as an acceptable form of use under some other provision in the Act, and the court’s ruling is therefore interesting in that it reveals the non-exhaustive ambit of the “fair use” parody defense. The plaintiff in that case was Louis Vuitton, a manufacturer of luxury handbags, luggage, and accessories, which had taken legal action against a Nevada company that made chew toys for dogs in the shape of handbags to mimic the plaintiff’s famous products.⁷⁹ The court denied the plaintiff’s claim for trademark dilution on the ground that the defendant’s chew toys were a successful parody of the plaintiff’s famous mark.⁸⁰ However, since the defendant was using the parody as its own designation of source (for chew toys), the parody provision in the “fair use” defense did not apply.⁸¹ The court exonerated the defendant’s use of “Chewy Vuitton” at the prima facie stage of the dilution analysis, holding

78. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 268–69 (4th Cir. 2007).

79. *Id.* at 256.

80. *Id.* at 267–68.

81. *Id.* at 266.

that the parody in question did not meet the six criteria for dilution by blurring.⁸² In addition, there was insufficient evidence of a choking hazard (which the plaintiff claimed the chew toys posed), in the court's opinion, to found a claim for tarnishment.⁸³ The court's analysis provides a strong indication that other factors may operate to exonerate a parody, even if it is being used *qua trademark* to designate, in commerce, the origin of goods or services.⁸⁴

The court's analysis in *Louis Vuitton* indicates that a parody does not necessarily need to satisfy the "fair use" provision in the TDRA in order to be exonerated from liability. Before the "fair use" provision is even invoked, the plaintiff's claim may fail on the basis that the elements of the principal cause of action (dilution) are not satisfied. In its critique of the District Court's ruling, the Court of Appeals for the Fourth Circuit emphasized that the six criteria for dilution by blurring under 15 U.S.C. § 1125(c)(2)(B) need to be adequately discussed in order to assess whether the plaintiff's claim succeeds on the merits at the preliminary, *prima facie* level.⁸⁵ The six factors are:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.⁸⁶

The six factors for dilution by blurring arguably serve as a preliminary "filter" to ensure that only forms of use that are likely to cause loss of distinctiveness to a famous mark will trigger *prima facie* liability under the Act. An allegedly diluting use which does not satisfy these threshold requirements will be exonerated, and the claim for dilution denied, without the need to engage in an inquiry as to whether the use is "fair." Hence,

82. *Id.* at 268.

83. *Id.* at 268–69.

84. *See id.* at 268 (taking into account that defendant "intentionally associated its marks" but did so "only partially and . . . imperfectly, so as to convey the simultaneous message that it was not in fact a source of [plaintiff's] products").

85. *Id.* at 266.

86. *Id.* (quoting 15 U.S.C. § 1125(c)(2)(B) (2006)).

these criteria serve as a safety net to ensure that only at least arguable cases of dilution filter through for analysis under the “defense” stage of the inquiry. In this light, one might argue that the “fair use” defense, as it stands, need not be broadened to include deserving source-denoting parodies, since these are already likely to be exonerated under the six-factor test for dilution. This built-in system of checks and balances helps to ensure that deserving parodies which do not qualify under “fair use” will still be exempted under the Act.

At first glance, it might seem that the dilution factors enumerated in Section 2 of the TDRA render the parody sub-clause in the “fair use” provision unnecessary.⁸⁷ An argument might be made that since “deserving parodies” are already going to be saved under the preliminary test for dilution, there is no need for a separate exemption for parodies at the defense stage of the analysis. Bearing in mind that the six dilution factors apply both to blurring and tarnishment, non-dilutive parodies would, by definition, be exonerated from liability at the preliminary stage of the dilution analysis, thereby resulting in the parody sub-clause in the TDRA becoming otiose or nugatory.

Yet, a closer examination of Section 2 reveals some interesting features of the dilution factors. Although these factors have been drafted as being applicable to both dilution by blurring and dilution by tarnishment, they seem to be more compatible with an assessment of dilution by blurring.⁸⁸ While all the dilution factors in Section 2 are admittedly capable of application to both forms of dilution, criteria such as “[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark,”⁸⁹ and “[w]hether the user of the mark or trade name intended to create an association with the famous mark,”⁹⁰ seek to measure the *impact* of the allegedly diluting activity on the *distinctive quality* of the famous mark, along with its capacity to serve as a unique identifier of the provenance of goods and services. These are primarily concerns relating to blurring, although a connection or mental association is, of course, also required for a claim for tarnishment.⁹¹ However, the dilution factors do not specifically target the harms, such as the *impact* on the famous mark’s reputation, that are most strongly associated with tarnishment. It is therefore not implausible that a court might see the need

87. See 15 U.S.C. § 1125(c)(2)(B) (2006) (listing the dilution factors).

88. See Bereskin, *supra* note 11, at 1725.

89. 15 U.S.C. § 1125(c)(2)(B)(iii).

90. *Id.* § 1125(c)(2)(B)(v).

91. See *id.* § 1125(c)(2)(C).

for a separate parody provision that would serve as a “fail-safe mechanism” for deserving parodies, particularly those of a non-commercial nature, that slip through the “cracks” of the dilution factors.

The approach adopted by the court in *Louis Vuitton* would therefore imply the recognition of a two-tiered system for exonerating parodies under the TDRA.⁹² At one level, there is an implied “safety net” for deserving source-denoting parodies under the six factors for dilution by blurring. At another level, there is the explicit “fair use” defense for non-source-denoting parodies. While such a bifurcated approach might be defended on the ground that deserving parodies would receive protection (and therefore be exonerated from liability) in the final analysis, it runs the risk of creating interpretive uncertainties for judges seeking to rely on the plain language of the parody provision. An argument might be made that the parody provision should be redrafted so that it encompasses all forms of legitimate parodies and provides clearer guidance on the dividing line between acceptable and unfair comparisons.

III. PROPOSALS FOR REFORM

Given the interpretive uncertainties discussed in the preceding Part, this portion of the Article argues in favor of adopting a more systematic framework for the protection of parodies under the TDRA. As a preliminary matter, the Act should include a definition of the term “parody” so as to draw a clearer distinction between use of a mark for the purpose of entertainment or satire and other expressive uses of a mark. In addition, the scope of liability for non-source-denoting parodies and source-denoting parodies should be governed by a single provision that is independent of the existing “fair use” defense. This would help to streamline the legislative approach toward acceptable parodies and provide greater interpretive clarity and guidance for judges deciding dilution claims involving parodies.

Commentator Olson’s response to the perceived “rigidity” of the TDRA’s “fair use” defense (and its consequent failure to provide trademark owners with adequate protection against tarnishment caused by artistic works) is to replace the existing formulation with a multi-factorial test similar to that for fair use in copyright law.⁹³ Trademark infringement’s

92. See *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266–68 (4th Cir. 2007) (utilizing both the “fair use” provision and the dilution factors separately to reach a conclusion).

93. Olson, *supra* note 13, at 729.

“artistic relevance” test could, in Olson’s view, also be applied productively to the context of trademark parodies in determining whether the artistic use in question is “fair.”⁹⁴ Formulated by the United States Court of Appeals for the Second Circuit in *Rogers v. Grimaldi*, the artistic relevance test provides that the Lanham Act will not apply to artistic works unless “the public interest in avoiding consumer confusion outweighs the public interest in free expression.”⁹⁵ A *Grimaldi* test that is adapted for the dilution context would therefore entail a balancing exercise between the interest of protecting the reputations of famous marks and the public interest of free expression.

There is indeed some degree of overlap between copyright and trademark law in the protection of adapted artistic works, and a multi-factorial test (borrowed from copyright law) for parodies would introduce an element of much-needed flexibility to the current rigid framework of the TDRA’s “fair use” defense. However, there are also important distinctions between copyright and trademark law that militate against a wholesale importation of the copyright fair use test into the TDRA. Dilution by tarnishment, as a cause of action, has a different focus from copyright infringement.⁹⁶ Dilution by tarnishment seeks to target uses—artistic or otherwise—that have a damaging effect on a famous mark’s reputation, thereby ultimately weakening its ability to attract customers and revenue, even in the absence of consumer confusion in the marketplace.⁹⁷ In contrast, copyright law focuses primarily on protecting the work from unauthorized reproduction, and is not chiefly concerned with the impact of the work’s function (assuming that it is also being used as a trademark) as an indicator of source for goods and services.⁹⁸ It is therefore the contention of this Article that the test for a “fair” parody needs to specifically address the factors that relate directly to the impact of a parody on the trademark’s key function of attracting consumers in the relevant marketplace. A multi-factorial test which is divorced from a trademark’s key function of selling goods in the marketplace would not adequately target the types of harm that dilution by tarnishment is designed to address. On the other hand, the considerations formulated by the *Grimaldi* court in

94. *Id.* at 709–11.

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

96. Compare 15 U.S.C. § 1125(c)(2)(C) (2006) (defining dilution by tarnishment), with 17 U.S.C. § 106 (2006) (describing the copyright owner’s exclusive rights).

97. See 15 U.S.C. § 1125(c)(2)(C).

98. See 17 U.S.C. § 106.

its artistic relevance test for trademark infringement⁹⁹ can be fruitfully incorporated into an analytic framework for determining the legality of an artistic parody.

The proposals discussed in the following paragraphs seek to consolidate the legislative protection for parodies into a single, integrated provision under the TDRA that is independent of the current “fair use” defense. The reworked provision prescribes a six-part test for determining whether a parody ought to be exempt from liability for dilution under the TDRA, in lieu of the rigid “trademark use” test in the current formulation. This Part also argues in favor of preserving much of the pre-TDRA dilution jurisprudence, which casts valuable light on the factors that should guide a court’s discretion in assessing whether a parody is dilutive. Insisting on the current, rigid formulation of the TDRA’s parody clause would have the unfortunate effect of obliterating much of the pre-2006 case law on parodies, which has been built up painstakingly over the years.¹⁰⁰

A. Incorporating a Definition of “Parody” in the TDRA

Although the term “parody” might be understood by many users of the English language as referring to an amusing or entertaining adaptation or mimicry of an original work or product, formulating an appropriate definition of “parody” for trademark law is not an easy task. This is primarily because parodies can be commercial, partly commercial, or non-commercial, and may or may not harness the source-denoting features of a trademark.¹⁰¹ Some parodies which are used to market goods or services may even result in consumer confusion in the marketplace, particularly if the parody is not clearly distinguished from the senior mark. For example, the use of the mark “Bloomingdales” by a junior trader to market flowers (or “blooms”) as a humorous play on words may constitute classic trademark infringement if it generates uncertainty among consumers as to the source of the products.¹⁰² A definition of parody ought therefore to

99. *Grimaldi*, 875 F.2d at 999–1000.

100. See *Gunnell*, *supra* note 11, at 463 (observing that a significant number of existing cases on dilution, including *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769 (8th Cir. 1994), *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39 (2d Cir. 1994), and *Conopco, Inc. v. 3DO Co.*, No. 99 CV 10893(JSM), 1999 U.S. Dist. LEXIS 20510 (S.D.N.Y. Dec. 7, 1999), would have to be reversed in favor of the parodist if they were decided under the TDRA).

101. See *Gunnell*, *supra* note 11, at 454.

102. The likelihood of confusion in this scenario would arise from the use by the junior trader of an identical trademark to market what might quite possibly be directly competing goods (taking into account the wide range of goods available for purchase at a large department store like Bloomingdales). However, in determining whether the use in question

prescribe the requirements of what constitutes an acceptable adaptation of an existing mark for the purpose of entertainment or amusement.

While some judicial decisions have suggested that a parody should render the style of the original work "ridiculous,"¹⁰³ the element of ridicule need not necessarily be a requirement of a successful parody. Yet, it is interesting to observe the extent to which "ridicule" is considered a central element of a successful parody. In the case of *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*, for instance, a parody is defined as a "literary or artistic work that broadly mimics an author's characteristic style and holds it up to ridicule."¹⁰⁴ Parodies can sometimes create a favorable image of the mimicked work by highlighting elements that might be construed as amusing or humorous, without necessarily casting the original work in a negative light. As such, the definition of a parody cited with approval by the court in *New Line Cinema Corp. v. Bertlesman Music Group, Inc.* can perhaps be considered more appropriate and inclusive: "a work in which the language or style of another work is closely imitated or mimicked for comic effect or ridicule."¹⁰⁵ The element of "comic effect" in this latter definition recognizes the possibility that a parody's main object could be to entertain the public through a humorous comparison or adaptation and not necessarily to denigrate the famous mark.¹⁰⁶

However, the mere fact of "closely imitat[ing] or mimick[ing] for comic effect or ridicule"¹⁰⁷ is not sufficient to grant exemption from liability. It is also necessary to consider the impact that such imitation or mimicry has on the public's impression of the senior mark.¹⁰⁸ This Section argues in favor of adopting a cumulative, six-part test for determining whether a parody is dilutive, so as to guide the exercise of judicial discretion in carving out the boundary between fair expression and dilution. While the ultimate weight to be given to each factor is ultimately a matter of judicial discretion, each of these six factors should play a role in

is confusing to the average consumer, the color, font, appearance, style and other aesthetic embellishments used by the junior trader in presenting the word "Bloomingdales" to its customers would also be relevant considerations.

103. See, e.g., *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1401 (9th Cir. 1997).

104. *Id.* (citation omitted) (internal quotation marks omitted).

105. *New Line Cinema Corp. v. Bertlesman Music Grp., Inc.*, 693 F. Supp. 1517, 1525 (S.D.N.Y. 1988) (quoting *Metro-Goldwyn-Mayer, Inc. v. Showcase Atlanta Coop. Prods., Inc.*, 479 F. Supp. 351, 356 (N.D. Ga. 1979)) (internal quotation marks omitted).

106. See *id.*

107. *Id.*

108. See *id.* at 1527-28.

determining the legal legitimacy of a parody, which should be assessed flexibly on the basis of its overall effect on the famous mark, rather than on the sole basis of “trademark use” or the lack thereof.

1. *What is the purpose or function of the parody (e.g., for satire, entertainment and/or social commentary)?*

Ascertaining the purpose or function of the parody is an integral step in determining whether it constitutes a legally permissible form of expression. Parodies that convey a satirical message for the entertainment of the masses, or a message of social or cultural significance,¹⁰⁹ are forms of expression that arguably deserve protection in a free and democratic society. In the case of *Mattel, Inc. v. Walking Mountain Products*, for example, the defendants depicted naked Barbie dolls in a display being attacked by kitchen appliances.¹¹⁰ While the subject matter of the display might seem salacious at first glance, the plaintiff’s claim for dilution under the FTDA was unsuccessful in this case because the defendants were using the display to protest the objectification of women associated with the Barbie brand.¹¹¹ The social message being conveyed by the defendants qualified as a form of expression protected under the FTDA’s “non-commercial” use exception, even though the defendants’ parody generated more than \$3,000 in sales.¹¹² This case suggests that a parody whose primary goal is to convey a social or political message may be treated as non-commercial even though it generates some revenue for the parodist. Such an approach, which focuses on the primary objective of the parody, rather than on whether it is “revenue generating,” should be incorporated into the test for parodies in a re-worked TDRA.

An interesting case from Canada provides another illustration of how the transformative adaptation of an existing trademark can qualify as a successful parody that seeks to convey a message of social importance. The case of *Compagnie Générale des Établissements Michelin-Michelin & Cie v. National Automobile, Aerospace, Transportation and General*

109. Interestingly, the concept of “cultural parodies” has taken root in Chinese society, where grassroots communities create programs to poke fun at authoritative cultural events such as the National Spring Gala and the Beijing Olympic Torch Relay. Haochen Sun, *Can Louis Vuitton Dance with HiPhone? Rethinking the Idea of Social Justice in Intellectual Property Law*, 15 U. PA. J. L. & SOC. CHANGE 389, 398 (2012). The interest in cultural parodies has extended to hugely popular Hollywood movies, with parodists in China producing “shanzhai movies” to mimic blockbuster films from the United States. *Id.*

110. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796 (9th Cir. 2003).

111. *Id.* at 796, 812.

112. Gunnell, *supra* note 11, at 456.

Workers Union of Canada involved a labor union embroiled in a dispute with an employer.¹¹³ The union distributed leaflets to the public depicting the employer's famous trademarked Bibendum character about to step on a hapless worker.¹¹⁴ This depiction of the employer's trademarked character engaging in an act of supposed "exploitation" was designed to highlight the labor-related grievances that the union had with the employer and to convey information about what the union perceived were unfair working conditions.¹¹⁵ The court held that the leaflets did not depreciate the goodwill in the employer's mark under Section 22 of the Canadian legislation,¹¹⁶ paying particular attention to the primary purpose of the defendant's use, which was to convey information of some social importance to the public.¹¹⁷ If this case were to be decided in the United States, it should also receive protection under the TDRA, as it is a form of "non-trademark use"—the adaptation of the Bibendum character served to communicate information and not to sell goods in competition with the famous mark holder. However, the test for whether it constitutes a successful parody should depend, among other factors, on whether it seeks to engage in social commentary or to communicate a message, and not solely on whether the parody is being used as a trademark.

Notwithstanding the above, an adaptation of a famous mark should not be treated as a "parody" simply because it conveys information of *some* kind. The social utility (including for the purpose of entertainment) of the information communicated should be taken into account when deciding whether an adaptation is potentially damaging to the distinctive quality or repute of a famous mark. For example, the gratuitous association of a famous mark with pornographic material¹¹⁸ or the use of a famous mark in contexts involving arbitrary violence, bloodshed, and gore are not forms of expression that ought to be countenanced under a reworked TDRA.¹¹⁹ In

113. *Compagnie Générale des Établissements Michelin-Michelin & Cie v. Nat'l Auto., Aerospace, Transp. & Gen. Workers Union of Can.*, [1997] 2 F.C. 306, 307 (Can. B.C. Trial Div.).

114. *Id.* at 318.

115. *Id.*

116. *See* Trade-marks Act, R.S.C. 1985, c. T-13 § 22 (Can.).

117. *Michelin*, 2 F.C. at 341.

118. *See, e.g.*, *Pillsbury Co. v. Milky Way Prods., Inc.*, No. C78-679A, 1981 U.S. Dist. LEXIS 17722, at *41 (N.D. Ga. Dec. 24, 1981) (holding that an advertisement in *Screw Magazine*, which depicted the plaintiff's characters "Poppin' Fresh" and "Poppie Fresh" in sexual acts, amounted to dilution).

119. In *Conopco, Inc. v. 3DO Co.*, No. 99 CV 10893(JSM), 1999 U.S. Dist. LEXIS 20510, at *1 (S.D.N.Y. Dec. 7, 1999), the plaintiffs' trademark character "Snuggle The

this regard, the first part of the test in a reworked TDRA provision would preserve and embrace much of the earlier dilution jurisprudence under the FTDA and would not regard artistic expression in a parody as conferring blanket immunity against liability for dilution.

2. *Does the parody damage the reputation or distinctive quality of the famous mark without justification?*

This second criterion focuses on the impact of the parody on consumers' perception of the senior mark. Including a consideration based on "damage to reputation" would address the concern that the current TDRA fails to adequately protect famous marks against parodies that cause dilution by tarnishment. However, damage to reputation is only one factor in the analysis—it is necessary to consider whether the parody's expressed statement is justified in the circumstances. A parody that damages the reputation of the famous mark may still be upheld as fair and reasonable if it conveys information of social importance about the mark's owner, such as unethical trading practices, or environmentally unfriendly operations. However, in order to succeed, the parodist would have to demonstrate a necessary connection between the negative statement or portrayal and the famous mark.

The "necessity" test formulated by the court in the pre-TDRA case of *Anheuser-Busch, Inc. v. Balducci Publications* is instructive in determining whether a parody's statement about the famous mark owner is justified.¹²⁰ In *Anheuser-Busch*, the defendant's parody depicted thick oil (instead of beer) flowing from one of the plaintiff's beer cans onto the plaintiff's trademarked eagle logo.¹²¹ The eagle was drenched with oil and was depicted as saying "Yuck!" in the advertisement.¹²² Although the defendant's parody sought to highlight the environmental horrors of the Gasconade oil spill on nature and wildlife and to poke fun at Anheuser-Busch for continuing to use water out of the Gasconade River after the spill, the court found that the defendant's portrayal of the plaintiff's products as being filled with oil violated both federal trademark law and

Bear," which appeared in advertisements for fabric softener, was set on fire in a commercial for a video game "BattleTanx: Global Assault" created by the defendants. The court rejected the defendants' argument that the commercial was designed to parody the plaintiffs' trademark. *Id.* at *6–8.

120. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994).

121. *Id.* at 772.

122. *Id.*

Missouri's anti-dilution statute.¹²³ The "necessity" test for social criticism or commentary accordingly mandates the establishment of a rational or logical connection between the statement and the famous mark, which the parodist failed to demonstrate in this case.¹²⁴

In a similar vein, the "necessity test" was applied in *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.* to denounce a parodist's mimicry of Dr. Seuss's "The Cat in the Hat" as unwarranted.¹²⁵ Styled in the same lyrical pattern as Dr. Seuss's original work, the parodist created a poem depicting elements from the O.J. Simpson trial for murder.¹²⁶ Instead of "One fish / two fish / red fish / blue fish," the parody contained verses such as "One knife? / Two knife? / Red knife / Dead wife."¹²⁷ As in *Anheuser-Busch*, the parodist in *Dr. Seuss Enterprises* was engaging in social or political commentary that was unrelated to the plaintiff's trademark or business activities, and such commentary was potentially damaging to the plaintiff's reputation without an appropriate justification.

Therefore, the introduction of a "necessity test" into the framework for assessing parodies under the TDRA would imbue the Act with much-needed flexibility and nuance. In particular, the closeness or strength of the connection between the parodist's expressed message and the criticized trademark would be a much more salient test for the legitimacy of the claimed parody instead of relying, as the current formulation does, on rigid factors such as the presence or absence of "trademark use."

3. *Is the parody being used as an indicator of source or quality for goods or services that either dilutes the famous mark or generates a likelihood of confusion in the marketplace?*

Another factor that ought to be taken into account is whether the parody itself serves as a trademark for the defendant's goods or services. The presence of "trademark use" in a parody, though unfavorable to the parodist, should not automatically lead to liability for dilution. "Trademark use," like the earlier factors, is but one consideration in deciding whether a parody is fair. It may be possible for a parody to be used as a trademark

123. *Id.* at 776-78.

124. *See id.* at 777 (finding that defendant's parody, without disclaimer, was too similar to plaintiff's famous marks).

125. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1399-1400 (9th Cir. 1997).

126. *Id.* at 1396.

127. *Id.* at 1401.

and yet survive the analysis under a reworked TDRA if there are other sufficiently pressing reasons for exempting it from liability.

Examples of trademarks that arguably also succeed as parodies would include some of the brands discussed earlier, such as Chewy Vuiton (as a parody of Louis Vuitton),¹²⁸ Ballooningdales (as a parody of Bloomingdales),¹²⁹ and Gucci Gucci Goo (as a parody of the famous Gucci brand).¹³⁰ One element that these successful parodies have in common is that they are *sufficiently different* from the famous marks on which they are “modeled” to stand as indicators of source in their own right without causing economic harm or reputational harm to the more established trademark proprietors.¹³¹ There is arguably no real issue of any confusion or even connection, in the mind of the average consumer, between the owners of the brand Gucci Gucci Goo and those of the Gucci brand. While the consumer might recognize that the junior mark contains a play on words derived in part from the senior mark, the clear morphological distinction between the two brands militates against any finding of dilution or confusion in the marketplace. Apart from differences in morphology, factors such as artistic embellishments, fanciful script, colors, and other visual elements may play a role in helping to distinguish between the parody mark and the famous mark. In addition, the difference in the field of activity or types of goods sold by the junior and senior traders is a relevant consideration. One might say, for instance, that the dog toys sold by the manufacturers of Chewy Vuiton and the luxury goods sold by Louis Vuitton are as different as “chalk and cheese.”¹³²

In this regard, it is important to note that trademark law, whether in its original, classical form or in the guise of anti-dilution doctrine, does not confer a right on a trademark proprietor to prevent *modifications* or *adaptations* of their trade symbols by other traders in non-confusing or

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

129. *BALLOONINGDALES OF WESTCARE*, *supra* note 70.

130. *GUCCI GUCCI GOO*, *supra* note 71.

131. *See, e.g., Louis Vuitton*, 507 F.3d at 260 (recognizing that defendant’s mark “conjures up” plaintiff’s famous mark, but, “at the same time, it communicates that it is not the [Louis Vuitton] product”).

132. The phrase “as different as chalk and cheese” was used by the Supreme Court of Canada in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] 1 S.C.R. 824, para. 31 (Can.), to highlight the significant difference between luxury champagne and mid-priced women’s wear.

non-diluting ways.¹³³ The classical action of trademark infringement only targets confusing uses of a trade symbol, usually within the same field of activity.¹³⁴ Hence, the use of the confusingly similar variant “Koodak” (with an additional ‘o’) to sell film in direct competition with the “Kodak” brand would likely be considered an example of trademark infringement. On the other hand, dilution, particularly dilution by blurring, targets non-competing uses of a famous mark that reduce its distinctive quality, even in the absence of consumer confusion.¹³⁵ An oft-cited example of dilution is the use of “Kodak” on unrelated goods such as bicycles.¹³⁶ In this case, the unauthorized use does not constitute a “play of words” or a “witty modification” of the original mark, but contains the exact same lettering as the original mark. The extent to which an alleged parody has been transformed from the original famous mark is, accordingly, an important factor that should be given considerable weight because the degree of transformation is likely to affect the consuming public’s perception of the parody as a badge of origin for goods or services.

While transformative use of a trademark is one factor that favors a successful parody, transformative use, on its own, should not provide a parodist with immunity from dilution. An interesting example of how a witty or humorous alteration of a trademark might fail to qualify as a successful parody can be found in the case of *Source Perrier (Société Anonyme) v. Fira-Less Marketing Co.*¹³⁷ While this was a Canadian decision, it would be interesting to consider whether a court in the United States would reach a similar result if presented with the same facts under a reworked TDRA.¹³⁸ In *Source Perrier*, the defendant produced and marketed tap water in green bottles under the parody mark “Pierre-Eh!” as a spoof of the famous “Perrier” brand.¹³⁹ The humorous alteration of the Perrier mark was a playful reference to former Canadian Prime Minister, Pierre Elliot Trudeau.¹⁴⁰ Although the defendant’s bottles contained a disclaimer that its products were not to be confused with those of the

133. See 15 U.S.C. §§ 1114(1)(a), 1125(c)(1) (2006) (prohibiting confusing or diluting uses of famous marks).

134. Beebe, *supra* note 11, at 1146.

135. See 15 U.S.C. § 1125(c)(2)(B).

136. See, e.g., *Eastman Photographic Materials Co. v. John Griffiths Cycle Corp.*, (1898) 15 R.P.C. 105 (Ch.), 112 (Eng.).

137. *Source Perrier S.A. v. Fira-Less Mktg. Co.*, [1983] 2 F.C. 18 (Can. Ont. Trial Div.).

138. It is noteworthy that Justice Dubé pointed out a normative similarity between Section 22 and the dilution jurisprudence of the United States. See *id.* at 23–26.

139. *Id.* at 21.

140. *Id.*

plaintiff, the bottles used by the plaintiff and defendant were physically similar in shape and size.¹⁴¹ Despite the humorous alteration of the trademark, the similarity in packaging might have been one of the factors that prompted the Canadian court deciding this case to award injunctive relief to the plaintiff.¹⁴² In delivering the opinion of the court, Justice Dubé held that the defendant's use did not qualify for protection as a parody, as it amounted to depreciation of goodwill under Section 22 of Canada's Trade-marks Act.¹⁴³

How would *Source Perrier* be decided in the United States? Under a reworked TDRA, such a case would likely fail the parody test, given the significant similarity in the packaging of the parties' wares. The third factor of the proposed six-part test, therefore, takes into account the degree of similarity between the trademarks *as well as* the degree of similarity between the wares sold under the respective trademarks. A parody which sufficiently distinguishes itself from a famous mark and is used to sell goods that are clearly different from those marketed under the famous mark would stand a stronger chance of escaping liability for dilution. Hence, if one could apply the reworked TDRA test for parodies to the Canadian context of the *Source Perrier* dispute, the phrase "Pierre-Eh!" would more likely succeed as a parody if it had been used to sell flags (for waving at an election campaign) rather than bottled water. In this latter scenario, the link between the phrase "Pierre-Eh" on flags and the famous "Perrier" brand on bottled water would be too remote and tenuous to constitute any kind of material connection between the two traders. In sum, the presence or absence of "trademark use" should not be the only factor in determining whether a parody is successful. Courts should look beyond this factor and examine the degree of proximity between the marks and the wares concerned in order to determine whether there is a risk of material injury to the senior mark.

4. *Is the parody being used, without justification, for commercial or quasi-commercial ends to divert customers from the famous mark owner?*

The fourth criterion of the proposed test for parodies explores the issue of whether the parody is being used for commercial or quasi-commercial purposes. Although there is some overlap between "commercial use" and "trademark use," the two terms are not synonymous.

141. *Id.* at 21–22.

142. *Id.* at 22, 26.

143. *Id.* at 26; *see also* Bereskin, *supra* note 11, at 1740.

“Trademark use,” which is dealt with in the third criterion, relates to whether the parody is being used to designate the origin of goods or services.¹⁴⁴ On the other hand, “commercial use” is broader, and encompasses all forms of activity that generate or seek to generate income or revenue for the parodist.¹⁴⁵ Hence, an artistic parody such as a drawing or a painting sold to the public as a product in and of itself would be considered “commercial use” but not “trademark use.”

Like the third factor, commercial use is an important consideration. However, commercial use, like “trademark use,” should not be determinative in the analysis of a parody’s legality under the TDRA. While an intention to derive revenue from the parody might be construed as a desire to “ride on the coattails” of the senior mark, other factors which might salvage the parody include the criticism of the represented mark, the communication of a message of social, cultural, or artistic importance, the expression of artistic creativity in communicating humor (even if that humor might be considered lewd or cheeky in some quarters), and a clear indication that the parody is merely an artistic representation of the original mark.

An example of an artistic parody that would be considered acceptable under the fourth criterion is the display described in *Mattel, Inc. v. Walking Mountain Products*, in which nude Barbie dolls were depicted being attacked by kitchen appliances.¹⁴⁶ Although the parody in this case was capable of being used to generate revenue, the commercial or quasi-commercial purpose of the parody was arguably outweighed by the social message that it was seeking to convey.¹⁴⁷ In contrast, even a non-commercial parody with more prurient objectives—such as the use of trademarked characters or symbols in sexual situations—*may* be viewed less favorably if the parody does not seek to comment on or convey a specific message about the trademark itself.¹⁴⁸ Nevertheless, some of the pre-TDRA dilution jurisprudence in the United States has highlighted the importance of considering whether there is a message being conveyed by the parody, rather than treating the *mere fact* of commercial use/non-

144. See Gunnell, *supra* note 11, at 457.

145. See *id.* at 460–61.

146. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796 (9th Cir. 2003).

147. *Id.* at 796, 803.

148. See, e.g., Gunnell, *supra* note 11, at 459 (noting that courts in various jurisdictions have provided a general sense of “what little tolerance they have for lewd, illicit or un-clean parodies”). In contrast, Gunnell notes that “courts seem to have an extraordinarily high tolerance for clean trademark parodies.” *Id.*

commercial use or sexual content as being determinative of the matter.¹⁴⁹ For example, in the case of *L.L. Bean, Inc. v. Drake Publishers, Inc.*, the defendants produced a two-page spread in *High Society* magazine called “L.L. Bean’s Back-To-School-Sex-Catalog,” which sought to mimic L.L. Bean’s famous catalog in *Hoffman* magazine.¹⁵⁰ The catalog was found by the District Court to tarnish the plaintiff’s reputation under Maine’s anti-dilution statute.¹⁵¹ However, the United States Court of Appeals for the First Circuit overturned this decision, holding that the defendant’s sexual parody was a form of expression protected under the First Amendment.¹⁵² The First Circuit’s approach was based on a “fact-intensive inquiry” of the defendant’s parody,¹⁵³ treating commercial or non-commercial use and sexual content as merely contributing (but not determinative) factors in its analysis of whether the message contained in a parody deserved constitutional protection.¹⁵⁴

5. *Does the parody distinguish itself adequately from the mark upon which it is based?*

This criterion seeks to ensure that the parody is clearly distinguishable from the famous mark upon which it is based and that the connection with the famous mark is of a nature that highlights the *differences* between the mark and the parody, rather than their similarities. As mentioned earlier, the play on the word “Chewy” in the *Chewy Vuiton* case to conjure images of plush, squeezable toys for dogs, serves to convey a humorous message while, at the same time, indicating clearly that it is not a product originating from the senior mark owner.¹⁵⁵ While there is some overlap between criterion (3) (on “trademark use”) and criterion (5), the requirement of adequate distinction in criterion (5) applies generally to all parodies and not just specifically to source-identification parodies.

A parody that mimics or emulates an established trademark in a humorous way does not necessarily cause economic or reputational harm to

149. See, e.g., *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33–34 (1st Cir. 1987) (refusing to apply the anti-dilution statute because of its restriction on speech).

150. *Id.* at 27.

151. *Id.*

152. *Id.* at 32–34.

153. Gunnell, *supra* note 11, at 456.

154. See *L.L. Bean*, 811 F.2d at 31 (asserting that neither the First Amendment nor the history and theory of the anti-dilution clause “permit a finding of tarnishment based solely on the presence of an unwholesome or negative context”).

155. See *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007).

the trademark owner. In some cases, parodies that are done “in good taste” may, in fact, cast the famous trademark in a positive light. For example, a parody that successfully distinguishes itself from the famous mark may boost sales of the famous mark owner by drawing public attention to the latter’s products. To draw an analogy from the Chewy Vuitton parody, the image of a Louis Vuitton customer carrying a Louis Vuitton purse while accompanied by a pet playing with a Chewy Vuitton plush toy does not necessarily portray Louis Vuitton in a negative light; rather, it builds upon the senior mark owner’s reputation in a humorous way and may, in fact, indirectly promote the latter’s products to potential customers.

In any event, there has been a strand of research in dilution theory suggesting that strong, well-established trademarks are relatively immune from certain forms of tarnishment,¹⁵⁶ provided that confusion as to source is unlikely.¹⁵⁷ The relative invulnerability of strong marks to tarnishment can be attributed to the “robust mental concepts” that these marks form in the mind of the average consumer.¹⁵⁸ As such, if a junior user were to market an inferior product in a non-competing field of activity, the negative associations generated by the product in the minds of consumers would likely remain “unidirectional,” given the ability of many consumers to seize upon fine distinctions between core brands and “brand extensions.”¹⁵⁹ In other words, the negative opinions (if any) would largely be confined to the inferior product (or as the case might be, parody) without returning to harm the goodwill and reputation that has been painstakingly built up in the famous “core brand.”¹⁶⁰ If the insights from this research are applied to the context of parodies, the harm caused by a “positive” parody may be negligible. Instead, the famous mark being parodied may ironically benefit from the increased exposure generated by a parody that leaves a positive impression on the general public.

156. See, e.g., Sandra J. Milberg et al., *Managing Negative Feedback Effects Associated with Brand Extensions: The Impact of Alternative Branding Strategies*, 6 J. CONSUMER PSYCHOL. 119, 136 (1997) (investigating the relation between brand extension strategies and the negative feedback effects of those extensions); Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 543 (2008) (“[D]ilution by tarnishment through the use of a similar mark on a shoddy product is unlikely in the absence of source confusion because consumers have robust mental concepts of strong brands.”).

157. Tushnet, *supra* note 156, at 543–44.

158. *Id.* at 543.

159. *Id.* at 543–44.

160. *Id.* at 543.

It is, therefore, important to note that not all parodies necessarily criticize or denigrate the famous mark from which they were adapted. A successful parody may have the effect of strengthening the brand recognition and selling power of the parodied mark, instead of having the opposite effect of weakening its distinctive quality. This is particularly the case when a parody is generally well received by the public. In the case of “Chewy Vuiton,” the publicity generated by the chew toys may, in fact, improve the public’s perception of the senior mark owner’s products due to the positive reaction arising from the humor associated with the successful parody. The consuming public may consequently be more inclined to make purchases from the senior mark owner as a result of market exposure arising from the distinction between the parody and the luxury goods in question.

6. *Is the parody being used as a target or as a weapon?*

The difference between a weapon and a target lies in whether the parodist’s adaptation of the famous mark is of an offensive or expressive nature. A parody which denigrates the integrity of the trademark by subjecting it to distortion, mutilation or combination with other elements that are completely incompatible with the trademark’s character, can be considered “use as a weapon.” Such offensive uses of a trademark should not be protected under the TDRA if the representation is not justified by a suitably pressing reason, such as the communication of a message to the public.¹⁶¹ A classic example of a case in which a parody was used as a weapon is the “Snuggle Bear” case, discussed earlier under the purpose/function of the parody factor in Part III(A)(1).¹⁶² The gratuitous use of a trademarked image in completely incompatible scenarios for the sake of entertainment or perverse pleasure should not be exonerated under the parody provision, even if the parody itself is not being used as a trademark to denote the origin of goods or services.

161. See, e.g., Richard A. Posner, *When is Parody Fair Use?*, 21 J. LEGAL STUD. 67, 71 (1992) (suggesting that a parody should only be protected if it is used as a target and not as a weapon); see also Gunnell, *supra* note 11, at 468 (arguing that “target” parodies allow criticism of cultural icons, while “weapon parodies” sever mental connections that branders work hard to build in the minds of consumers and provide little social benefit). This Article adopts a somewhat broader definition of “weapon/target” than does Posner. The discussion focuses on whether the parody is being used in an offensive manner, although there is a fine line between using a senior mark to attack another mark and using a parodied version of the senior mark to attack another mark.

162. *Conopco, Inc. v. 3DO Co.*, No. 99 CV 10893(JSM), 1999 U.S. Dist. LEXIS 20510 (S.D.N.Y. Dec. 7, 1999).

In contrast, parodies that function as “targets” seek to draw attention to and poke fun at themselves in a manner that does not cause undue harm to the senior mark’s reputation. In *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, for example, the manufacturer of the canned luncheon meat product SPAM objected to the appearance of a wild boar called “Spa’am” featured as one of Jim Henson’s Muppet characters in the movie *Muppet Treasure Island*.¹⁶³ Although there were amusing connections between the character’s name, its personification as a wild boar, and the type of canned luncheon meat found in SPAM products, the parody here was being done in good taste, and while the Muppet character was initially portrayed (comically) as being fearsome and aggressive, its ultimately positive behavior and endearing qualities were unlikely to cause reputational harm to the canned meat manufacturer.¹⁶⁴ One might surmise that the audience is being invited to laugh at the comically heroic and endearing character that Jim Henson created for the movie (the wild boar Spa’am), rather than at the canned meat manufacturer.

The example of *Hormel Foods* discussed above did not involve any negative or denigrating use of the famous trademark.¹⁶⁵ However, if there is evidence of such tarnishing use, the test for whether a parody functions as a “weapon” should depend on whether the negative or denigrating use to which the famous mark is subjected has any *rational connection* with the trademark owner or its goods or services. A parodist who seeks merely to gratuitously or arbitrarily subject a famous trademark to humiliating or distasteful treatment without communicating a concrete, relevant message about the trademark through the parody is harnessing the parody as a weapon and is less deserving of protection under the TDRA. The case of *Anheuser-Busch, Inc. v. Balducci Publications*, discussed earlier, provides another interesting illustration of how the parodist’s purpose or intention was completely unrelated to the nature of the plaintiff’s products or

163. *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 500–01 (2d Cir. 1996).

164. *Id.* at 501 (noting that Spa’am was a comic character who seemed “childish rather than evil” (quoting *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, No. 95 Civ. 5473 (KMW), 1995 U.S. Dist. LEXIS 13886, at *7 (S.D.N.Y. Sept. 22, 1995))). Although initially menacing, the character comes to befriend the Muppets and helps them escape from the film’s villain, Long John Silver. *Id.* (citation omitted). This sympathetic portrayal of Spa’am as a loyal and heroic character did not, in the court’s opinion, tarnish the plaintiff’s reputation as a manufacturer of high quality canned meat products. *Id.* at 507–08.

165. *Id.* at 507.

enterprise.¹⁶⁶ The depiction of oil flowing out of the plaintiff's beer can and onto its famous trademarked eagle might have been a reference to an environmental disaster site from which the plaintiff continued to use water, although there was no evidence to show that the plaintiff's goods were actually contaminated with oil.¹⁶⁷ The somewhat accusatory nature of the defendant's association between beer and oil depicted in the parody arguably took unfair advantage of the famous trademark for the sake of entertainment. The lack of an adequate connection in this case between the message and the product concerned militates against allowing the parodist's free speech rights to prevail over the plaintiff's interest in preserving the reputation of its trademark from tarnishment.

B. Delinking the "Trademark Use" Requirement from the Reworked Parody Defense

In an effort to streamline the legislative provision for parodies under the TDRA, this Article proposes the removal of the "other than as a designation of source" clause for the parody defense.¹⁶⁸ As mentioned earlier, the current formulation of the Act confines the application of the "fair use" defense to parodies that are not being used to designate the source of goods.¹⁶⁹ Such a formulation is unduly restrictive for parodists, because it categorically excludes protection for all source-denoting parodies, while uncritically immunizing all artistic parodies that do not designate the origin of goods or services. An amendment to delink this "trademark use" requirement from the parody defense would give recognition to the possibility that certain forms of "trademark use" parodies may be "fair" and should therefore be afforded some protection under the Act.

Examples of source-denoting parodies that might deserve protection under the TDRA are the marks "Gucci Gucci Goo" for baby gifts (a playful reference to the Gucci brand)¹⁷⁰ and "Ballooningdales" for party supplies (a tongue-in-cheek allusion to the Bloomingdales department store).¹⁷¹ While these "parody-marks" are intended to be used as designators of source for

166. See *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 772 (8th Cir. 1994) (explaining how defendants used parodies of plaintiff's beer marketing slogans in mock advertisements to raise awareness about oil spilling into the environment).

167. *Id.* at 772, 778.

168. 15 U.S.C. § 1125(c)(3)(A) (2006).

169. *Id.*

170. GUCCI GUCCI GOO, *supra* note 71.

171. BALLOONINGDALES OF WESTCARE, *supra* note 70.

goods, they are sufficiently different from their respective senior marks to avoid generating confusion or causing damage to the distinctive quality and reputation of the famous brands from which they were “adapted.” In addition, the clever and witty nature of these “parody-marks” would serve to reinforce the fact that they are separate from the senior marks being parodied, thereby serving to strengthen, rather than weaken, the distinction between the two marks. In this regard, the font, color, graphics, and overall presentation of the “parody-mark” may also serve to highlight its difference from the senior mark; difference in spelling would not be the only factor.

On the other hand, parodies that do *not* function as source identifiers would, of course, also be eligible for protection under the reworked parody defense. The crucial difference, though, would be that non-source-denoting parodies do not receive automatic immunity under the reworked provision. Whether a parody is being used to denote the origin of goods should merely be one factor in determining whether the parody is fair; it should not be determinative of the matter, nor should it categorically exclude certain classes of parody from consideration.

C. Creation of an Independent “Parodies” Defense to Trademark Dilution

This Article’s second proposal for amendment concerns the syntactic detachment of the parodies sub-clause from the current “fair use” defense and the creation of an independent defense under the TDRA dealing specifically with parodies. While a re-worked parodies clause would still be located under the “exclusions” section, it would be separate from the “fair use” provision and, therefore, free from the rigid strictures of any “trademark use” test. Such an approach would treat non-diluting parodies as an autonomous, independent class of acceptable, non-diluting use, whilst preserving the current structure of the other limbs in the “fair use” provision.

The advantage of having an independent, “stand-alone” parodies defense lies in its potential of conferring a flexible and nuanced approach to determining the scope of protection for parodies, unencumbered by the constraints of a “trademark use” test. A self-contained provision would also obviate the need for a parodist to rely on factors outside the parody defense and would provide a more comprehensive, integrated section to serve as a guide for determining the scope of protection afforded to such forms of expressive use. Taking into account the six-part test formulated in this Article and the recommendations made in the preceding section relating to the structural reorganization of the TDRA’s “fair use” defense,

the “exclusions” provision of the TDRA should be reworked in the following manner, with the material changes highlighted in bold:

(3) EXCLUSIONS. The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

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

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

(ii) identifying . . . , 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.¹⁷²

(D) Any use in connection with parodying the famous mark owner or the goods or services of the famous mark owner, subject to the following conditions:

(i) The parody is being used for satirical or entertainment purposes, or for the communication of a message of social significance;

(ii) the parody does not damage the distinctive quality or reputation of the famous mark;

(iii) the parody, if being used as a designator of source, does not dilute the famous mark or create a likelihood of confusion in the marketplace;

(iv) the parody, if commercial or quasi-commercial, does not unfairly divert custom from the senior mark;

(v) the parody distinguishes itself adequately from the senior mark; and

(vi) the parody is not being used as a weapon to denigrate the integrity of the senior mark without just cause.

CONCLUSION

This Article has sought to highlight a number of concerns relating to the parody defense in the TDRA of the United States. While the TDRA’s attempt to strike an equitable balance between civil liberties and private rights is laudable, there are ambiguities in the language of the parodies provision that would benefit from clarification. In particular, this Article has identified two challenges pertaining to the interpretation of the parodies clause. First, it appears to confer an inordinately high degree of protection—blanket immunity from dilution—on all parodies which do not

172. 15 U.S.C. § 1125(c)(3).

function as indicators of source. On the other hand, the parody defense categorically excludes from its scope of protection all parodies that also function as trademarks to denote the origin of the junior trader's goods or services. Such a "black and white" approach is insufficiently nuanced to accurately assess the impact of a parody on the distinctive quality and repute of a senior mark. The fact that some non-commercial artistic parodies may result in dilution by tarnishment, coupled with the recent finding by a United States court that certain source-denoting parodies may be "fair,"¹⁷³ highlights the danger of uncritically assessing the legality of a parody based on the sole criterion of "trademark use."

In sum, the parody provision in the TDRA should be reworked to provide a more flexible test for whether a parody is dilutive. The central feature of such a test would be the assessment of the potential or actual injury caused by the parody to the distinctive quality or reputation of a famous mark. It is also important that the reworked parody clause provide greater recognition to the harms arising from tarnishing use, which is the most likely form of damage caused by artistic parodies that are not used to sell goods and services. This Article has also proposed a six-part test to assist judges in elucidating the factors which are relevant in determining the legality of a parody.

While the ingenuity and creativity involved in re-casting existing symbols in an amusing or humorous light are certainly qualities that ought to be encouraged, the current formulation in the TDRA takes the rights of parodists too far. Removing the "trademark use" bar from the parody defense would be an important first step in recalibrating the balance between the freedom of expression and private property rights in the trademark law of the United States. Introducing a more flexible test for measuring the impact of a parody on the famous mark would also help to re-tilt the dividing line between diluting and non-diluting parodies and to imbue the current Act with a greater sense of equilibrium.

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