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Protected Marks and Protected Speech: Establishing the First Amendment Boundaries in Trademark Parody Cases

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PROTECTED MARKS AND PROTECTED SPEECH:
ESTABLISHING THE FIRST AMENDMENT
BOUNDARIES IN TRADEMARK PARODY
CASES

ARLEN W. LANGVARDT*

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I. INTRODUCTION

TRADEMARKS are used to identify the sources of products or services. Regardless of what form trademarks take, they enable consumers to select favored products or services.\(^1\) Well-es-

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In its narrowest sense, the word “trademark” refers to a word, name, symbol, or device that identifies the source of goods. See 15 U.S.C. § 1127 (1988). The term “service mark” contemplates the same sort of identifier of the source of services. Id. The common law sometimes distinguishes between trademarks and “trade names,” the latter being available for use as to goods or services or as the name of a business. See Restatement of Torts § 716 comment a (1938) [hereinafter Restatement]. In this article, the legal treatment given to trade-
tablished trademarks are thus valuable marketing tools, and companies spend substantial sums of money to develop, promote, and preserve them. 2

As a result of these expenditures and promotional efforts, some trademarks have assumed a pervasive presence in our lives. 3 In the process, trademark owners have experienced a consequence they neither intended nor desired: their marks have been used by others in parodies and satires. Both parody and satire "conjure up" a recognizable "original" but alter it in a humorous and sometimes caustic fashion. 4 This is done at the least to entertain and often to engage in commentary on a public issue or an aspect of life. 5 The familiarity of certain trademarks makes them natural targets for the work of parodists and satirists. 6

Trademark parodists are sometimes direct competitors of the trademark owners. 7 More often, however, they fall in one of two other categories: (1) commercial entities that sell goods or provide services of a different type than those of the trademark owners (and hence are, at most, indirect competitors); 8 or

marks, service marks and trade names is the same. Therefore, for purposes of convenience, the term "trademark" or the shorter term "mark" will be used herein, even where a service mark or trade name is involved.


3. See, e.g., Quality Inns, 695 F. Supp. at 203, 211-12 (various McDonald's Corp. trademarks enjoy "instant recognition among virtually all members of our society;" surveys show Ronald McDonald character recognized by 100% of children between ages two and eight, "a figure matched only by Santa Claus"); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1187 (E.D.N.Y. 1972) ("one would have to be a visitor from another planet not to recognize immediately" the Coca-Cola Co. trademark in its familiar script).


(2) magazine publishers or other similar parties who seek to entertain or make an editorial comment. 9

Sometimes the parodies are humorous, though not necessarily to the trademark owner, 10 and generally in good taste. For example, McDonald’s Corporation has sued other companies that used “Mc”-prefixed trade names in order to capitalize on McDonald’s substantial goodwill. 11 Similarly, Toys R Us, Inc. has adopted an aggressive enforcement policy concerning other parties’ uses of “R Us” in business names. 12 Other times, the parodies’ humor and comment appear in a context that the trademark owner finds distasteful or scandalous. Consider, for instance, Coca-Cola Company’s successful suit against the producer of an “Enjoy Cocaine” poster, 13 and L.L. Bean, Inc.’s unsuccessful suit against an adult magazine whose parody used the plaintiff’s trademark in a setting L.L. Bean considered unwholesome and offensive. 14

When such an alteration of the original trademark appears in a parody or satire, the mark’s owner may not be content simply to grin and bear it. Trademark owners have become increasingly insumption; defendant marketed dog biscuits), aff’ed without opinion, 830 F.2d 197 (9th Cir. 1987); Tetley, Inc. v. Topps Chewing Gum, Inc., 556 F. Supp. 785, 787 (E.D.N.Y. 1983) (plaintiff sold tea products; defendant sold bubble gum and children’s novelty products).


10. Just as persons do not wish to be the subject of jokes, trademark owners prefer not to see their marks used as vehicles for another’s humor. 2 J. McCarthy, supra note 1, § 31:38.


clined in recent years to seek relief against these unconsented uses of their marks through "trademark parody" suits.\textsuperscript{15} Pursued on various legal theories, these suits are designed to stop actions that, according to trademark owners, threaten to destroy not only the strength and distinctiveness of their marks, but also the positive connotations the marks previously produced in the minds of consumers.\textsuperscript{16} Because weakened or tarnished trademarks are likely to be less effective in the marketplace, the suits also seem to be motivated by the owners' desire to continue receiving reasonable returns on the investments they have made in their trademarks.\textsuperscript{17}

The rights of trademark owners, however, are not the only interests at stake in these cases. Because parody and satire necessarily involve expression, trademark parody litigation pits the first amendment's guarantees of freedom of speech and press against trademark owners' property rights. The resolution of cases in which trademark parodists have raised first amendment defenses has been especially difficult for courts.\textsuperscript{18} Judicial treatment of the free expression aspects of these cases has generally been unprincipled and less than insightful.\textsuperscript{19} There is a need for a useful means of assessing first amendment defenses in trademark parody litigation.

This article examines the proper role of the first amendment in the resolution of trademark parody cases. Section II discusses the legal theories used by trademark owners when they seek to enforce their property rights against parodists.\textsuperscript{20} To facilitate a

\textsuperscript{15.} For convenience, the term "parody" will be used in this article to refer to parody, satire, burlesque, farce and similar forms of expression. The technical differences among these forms of expression do not result in different legal treatment.


\textsuperscript{18.} For a discussion of trademark parody cases involving first amendment defenses, see \textit{infra} notes 298-337, 364-73 and accompanying text.

\textsuperscript{19.} See \textit{infra} notes 298-320 and accompanying text.

\textsuperscript{20.} The primary theories used by trademark owners are trademark infringe-
proper evaluation of the free expression arguments sometimes made by parodists, section III discusses the levels of first amendment protection given to different sorts of speech. Section IV analyzes the courts' attempts to address these first amendment arguments of parodists.21

Section V proposes an approach designed to take adequate account of trademark parody plaintiffs' strong interests in trademark preservation and defendants' competing constitutional interests in free expression. The suggested approach depends heavily upon distinguishing between parodies that are commercially motivated and parodies that cannot credibly be considered commercial in nature. This article proposes that commercial parodies should receive a minimal level of first amendment protection, and indeed no first amendment protection if they are likely to cause confusion concerning the source of a product or service. Noncommercial parodies, however, should receive substantial protection under an approach that restricts the application of basic trademark rights theories and balances freedom of expression interests against potential harm to the trademark owner.22 The approach urged in section V stems from the Supreme Court's longstanding distinction between commercial and noncommercial speech—a distinction so far applied chiefly in cases other than trademark rights cases.23 Moreover, as will be demonstrated, the suggested approach is consistent with major first amendment decisions of the Supreme Court during the past three terms. Although none of these decisions involved a trademark parody, taken together they emphasize the high level of first amendment protection given to noncommercial speech (including noncommercial speech of an offensive nature), and demonstrate a widening gulf between the respective levels of protection given commercial and noncommercial speech.24


22. For a discussion of guidelines for making the distinction between commercial and noncommercial parodies, as well as an explanation of how the respective first amendment interests of commercial and noncommercial parodists should be accommodated and implemented, see infra notes 385-490 and accompanying text.

23. For cases discussing the distinction between commercial and noncommercial speech in situations not involving trademarks, see infra notes 250-60 and accompanying text.

24. See Board of Trustees of State Univ. of N.Y. v. Fox, 109 S. Ct. 3028 (1989); Texas v. Johnson, 109 S. Ct. 2533 (1989); Hustler Magazine Inc. v.
II. TRADEMARK OWNERS' RIGHTS AND CLAIMS ASSERTED AGAINST PARODISTS

A. Nature and Sources of Legal Protection for Trademarks

Trademark law is part of unfair competition law, which brings together under a single heading a wide range of legal doctrines that deal with relations between business competitors. Nevertheless, trademark law also possesses strong consumer protection elements, as demonstrated by the notion that trademarks enable consumers to identify favored products without fear of confusion concerning the source of those products. Traditional trademark law thus hinges liability for an allegedly unfair competitive act upon whether harm to consumers is likely to result from the act.

Unlike patent and copyright law, trademark law is not exclusively a creature of federal statute. Trademark law began as common law, a still-existing source of protection. Trademark law acquired significant federal stature in the Lanham Act of 1946, recently refurbished by the Trademark Law Revision Act of 1988. Although federal law is now the preeminent source of trademark protection, the federal system of trademark registration is permissive rather than mandatory. Common law protection for trademarks thus persists without being preempted by federal law. Some states extend protection to trademarks in statutes whose provisions are similar to those of the Lanham Act.

Falwell, 485 U.S. 46 (1988). For a discussion of Fox, see infra notes 282-94 and accompanying text. For a discussion of Johnson, see infra notes 238-47 and accompanying text. For a discussion of Falwell, see infra notes 232-37, 399-404 and accompanying text.

25. 1 J. McCARTHY, supra note 1, § 2:2.
26. See id. § 2:12(A).
29. 1 J. McCARTHY, supra note 1, §§ 5:2-4; Denicola, supra note 27, at 160-62.
31. See 1 J. McCARTHY, supra note 1, § 32:1.
32. Id.; Carter, supra note 2, at 759-60. For a discussion of the standards for registration of a mark pursuant to federal law, see infra note 38 and accompanying text.
or the common law, or in anti-dilution statutes.

Under these various sources of trademark law, trademarks are classified as intangible property, and trademark owners acquire significant property rights in their marks. These rights, however, are not absolute. Instead of giving trademark owners monopoly protection and a legal ability to stop all unconsented uses of their trademarks, state and federal laws permit trademark owners to enjoin unconsented uses and recover damages only when those uses contravene certain recognized standards set forth in the available theories of recovery. Therefore, the elements of proof imposed by these theories of recovery must be examined.

B. Infringement

1. Elements of Infringement

Trademark infringement is the leading theory relied upon by mark owners in suits for unconsented uses of the owners’ marks. Regardless of whether the trademark is entitled to protection under federal law, the common law, or a state trade-

33. These statutes are essentially duplicative of the common law or of federal law, and thus add little to the substantive law of trademarks. See Denicola, supra note 27, at 161.

34. Anti-dilution statutes are a special breed of enactment, protecting against dilution of the distinctive quality of a mark, regardless of the likelihood of consumer confusion. For a discussion of these statutes, see infra notes 132-40, 164-66 and accompanying text.

35. 1 J. Gilson, Trademark Protection and Practice § 1.03[5] (1988); 1 J. McCarthy, supra note 1, § 2:6. For instance, if the mark qualifies for registration on the Principal Register created by federal law, the mark’s validity is virtually incontestable after five years of registration. The registration amounts to nationwide constructive notice of the registrant’s claim to ownership of the mark, and the registrant obtains nationwide protection against infringing uses of the mark. See 15 U.S.C. §§ 1065, 1072, 1114 (1988).

36. 1 J. McCarthy, supra note 1, § 2:6; Denicola, supra note 27, at 165.

37. See Shire, Dilution Versus Deception—Are State Antidilution Laws and Appropriate Alternative to the Law of Infringement? 77 Trademark Rep. 273 (1987). But as will be seen, the dilution theory is increasingly being relied upon by trademark owners as a means of policing the marketplace for unconsented uses of their marks. See infra notes 152-63, 167-77, 453-54 and accompanying text.

38. The owner of a trademark is not entitled to the protections of federal law unless the mark has been registered on the Principal Register created by the federal trademark statute. 1 J. McCarthy, supra note 1, § 32:2(A). Subject to certain limitations and conditions that are not germane to the purposes of this article, a mark is registrable if it is a word, name, symbol, device, or combination thereof, that is capable of distinguishing the owner’s goods or services from those of another. 15 U.S.C. §§ 1052-1053 (1988).

39. Protection of a trademark or trade name under the common law is acquired through use of the mark or name, as there is obviously no registration scheme under the common law. 1 J. Gilson, supra note 35, § 104[2], at 1-47.
mark statute, the plaintiff must prove two essential elements in order to establish that there has been infringement of his mark. First, the plaintiff must demonstrate that, without his consent, the defendant used the plaintiff’s protected trademark or something substantially similar thereto. Second, the plaintiff must prove that this use by the defendant created a likelihood of confusion among consumers. Proof of actual confusion is not required.

The necessary likelihood of confusion may be as to the source or origin of the product or service. In other words, if the public is likely to believe that the plaintiff, rather than the defendant, provided the defendant’s goods or services, then the likelihood of confusion element would be satisfied. The likelihood of confusion element, however, is not restricted to probable confusion concerning the narrow source or origin question. It may be satisfied by proof of a probability that consumers could become confused as to whether the plaintiff sponsored or endorsed the defendant, its goods, or its services, or as to whether the plaintiff was affiliated or associated with the defendant or its business activities.

Known as the “keystone” of trademark law, the likelihood of confusion element usually becomes the critical issue in a trademark infringement case. This requirement imposes a significant limitation on the property rights enjoyed by trademark owners because a defendant’s unconsented use of the plaintiff’s trademark is not an infringement if the use does not create a likelihood of confusion. Thus, for example, a florists association’s use of

The protection afforded by the common law is generally restricted to the geographic area of actual use of the mark or name. See Carter, supra note 2, at 766.

40. See 15 U.S.C. § 1114(1) (1988); RESTATEMENT, supra note 1, § 717. In a trademark infringement claim with at least a remote claim to validity, this first element is virtually a given.


43. 2 J. MCCARTHY, supra note 1, § 24:3(B).

44. See id.

45. See id. § 24:3(B)-(C); Denicola, supra note 27, at 163-64.

46. 1 J. MCCARTHY, supra note 1, § 2:3.
"THIS BUD'S FOR YOU" in advertisements for rosebuds and fresh-cut flowers was held not to infringe Anheuser-Busch, Inc.'s beer slogan "This Bud's for you" because the requisite likelihood of confusion was lacking.47

Various federal appellate courts have developed lists of factors for determining whether a likelihood of confusion was created by a defendant's use of the plaintiff's trademark.48 A typical list called for consideration of the following factors: (1) the strength of the plaintiff's trademark; 50 (2) the degree of similarity between the plaintiff's mark and the defendant's use; 51 (3) the "competitive proximity" of the products or services with which the plaintiff and defendant have used the mark; 52 (4) the intent, if

47. See Anheuser-Busch, Inc. v. Florists Ass'n, 603 F. Supp. 35, 36-39 (N.D. Ohio 1984). Although its slogan was not a federally-registered trademark, Anheuser-Busch claimed common law trademark protection of the slogan. Id. at 36. Despite the defendant's verbatim use of the plaintiff's slogan, the court thought it "absurd," given the advertisements' context and the vast difference between beer and flowers, to believe that consumers were likely to be confused concerning source, origin, sponsorship, or affiliation. Id. at 37-39. But see Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962) (court found infringement of Anheuser-Busch's protected slogan "Where there's life there's Bud", likelihood of confusion created as to defendant's use of "Where there's life...there's bugs" in commercials for combination floor wax-insecticide), cert. denied, 372 U.S. 965 (1963).

48. The same factors tend to be applied regardless of whether the infringement case involves a mark registered pursuant to federal law or an unregistered mark protected under the common law. See Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397, 399 (8th Cir. 1987), cert. denied, 488 U.S. 933 (1988); Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1484 (10th Cir. 1987); Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527 (4th Cir. 1984); Sun-Fun Prods., Inc. v. Suntan Research & Dev. Inc., 656 F.2d 186, 189 (5th Cir. Unit B Sept. 1981); Squirt Co. v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980); RESTATEMENT, supra note 1, § 729. Although the actual application of the factors may vary depending upon the facts of the particular case, it is possible to make a few generalizations about their usual application. See infra notes 50-55.

49. This list was set forth by the United States Court of Appeals for the Eighth Circuit. See Mutual of Omaha, 836 F.2d at 399 (citing Squirt Co., 628 F.2d at 1091).

50. The first factor rests on the premise that the stronger the plaintiff's mark, the more probable it is that the defendant's use would create a likelihood of confusion. See, e.g., Quality Inns Int'l, Inc. v. McDonald's Corp., 695 F. Supp. 198, 209-12 (D. Md. 1988). Ordinarily, marks that are truly distinctive in the sense of being arbitrary, fanciful, or unique (such as "Polaroid") are considered to be stronger than marks that describe the product or service being provided (such as "Apple Raisin Crisp," a breakfast cereal brand name). See General Mills, Inc. v. Kellogg Co., 824 F.2d 622, 625-26 (8th Cir. 1987); Polaroid Corp. v. Polaroid, Inc., 319 F.2d 850, 857 (7th Cir. 1963).

51. There is a common-sense rationale for this factor: the stronger the similarity between the plaintiff's mark and the defendant's use, the more probable it is that the public could become confused. See, e.g., McDonald's Corp. v. McBagel's, Inc., 649 F. Supp. 1268, 1275 (S.D.N.Y. 1986).

52. This factor involves consideration of not only the geographic areas in
any, of the defendant to pass off his goods or services as those of the plaintiff;\textsuperscript{53} (5) the amount of actual confusion, if any, among consumers as a result of the defendant’s actions;\textsuperscript{54} and (6) the

which the plaintiff and defendant operate, but also the extent of similarity between the products or services with which the plaintiff and defendant have used the mark. The greater the similarity in products or services and the greater the overlap in geographic areas of doing business, the more likely it is that there could be public confusion arising from the defendant’s use of the same or substantially similar mark. \textit{See Mutual of Omaha}, 836 F.2d at 399; \textit{McBagel’s}, 649 F. Supp. at 1276-77. Thus, if the parties operate in completely different territories and/or provide quite dissimilar products or services, the third factor would tend to point toward a finding of no likelihood of confusion. \textit{See}, e.g., \textit{Florists Ass'n}, 603 F. Supp. at 37; \textit{Tetley, Inc. v. Topps Chewing Gum, Inc.}, 556 F. Supp. 785, 790-91 (E.D.N.Y. 1983). This is not to say, however, that the plaintiff cannot prevail in a trademark infringement action unless the defendant’s use pertained to a product or service directly competitive with the plaintiff’s. There have been numerous decisions in which likelihood of confusion was found even though the plaintiff’s and defendant’s goods or services were not sold in competition with each other. \textit{See Quality Inns Int'l}, Inc. v. McDonald's Corp., 695 F. Supp. 198 (D. Md. 1988) (fast food and lodging); \textit{Grey v. Campbell Soup Co.}, 650 F. Supp. 1166 (C.D. Cal. 1986) (chocolate candy and dog biscuits), \textit{aff’d without opinion}, 830 F.2d 197 (1987); \textit{Hallmark Cards, Inc. v. Hallmark Dodge, Inc.}, 634 F. Supp. 990 (W.D. Mo. 1986) (greeting cards and automobiles).

\textsuperscript{53} It is important to note the proper role of this factor in trademark infringement litigation. The trademark owner is not required, as an element of an infringement claim, to demonstrate that the defendant intended to infringe or to trade on the reputation associated with the plaintiff’s mark. \textit{2 J. McCarthy, supra} note 1, § 23:31(A). If, however, the defendant intended to have the public mistake his goods or services for those of the plaintiff, that intent is probative of whether the intended confusion would be likely to occur. \textit{Id.} § 23:31(B). Some courts, therefore, have concluded that an inference of likelihood of confusion may arise from proof that the defendant intended to create confusion concerning the source or origin of his goods or services by using the plaintiff’s mark or something closely resembling it. \textit{See Pizzeria Uno Corp. v. Temple}, 747 F.2d 1522, 1535 (4th Cir. 1984); \textit{Quality Inns}, 695 F. Supp. at 206, 211. A defendant’s intent to use the plaintiff’s mark, does not necessarily translate into an intent to cause confusion, however. Accordingly, standing alone, such an intent should not give rise to an inference of likelihood of confusion. \textit{See} \textit{Jordache Enters., Inc. v. Hogg Wyld, Ltd.}, 828 F.2d 1482, 1486 (10th Cir. 1987); \textit{Universal City Studios, Inc. v. T-Shirt Gallery, Ltd.}, 634 F. Supp. 1468, 1478-79 (S.D.N.Y. 1986); \textit{Tetley, Inc. v. Topps Chewing Gum, Inc.}, 556 F. Supp. 785, 791 (E.D.N.Y. 1983). Some courts have failed to appreciate this distinction between \textit{intent to use} and \textit{intend to confuse}. \textit{See Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.}, 642 F. Supp. 1031, 1038 (N.D. Ga. 1986); \textit{Wendy's Int'l, Inc. v. Big Bite, Inc.}, 576 F. Supp. 816, 822 (S.D. Ohio 1983); \textit{Universal City Studios, Inc. v. Montgomery Ward & Co.}, 207 U.S.P.Q. (BNA) 852, 857 (N.D. Ill. 1980). The distinction becomes especially significant in trademark infringement suits against parodists because the trademark parodist clearly intends to use the plaintiff’s mark, but usually does not intend to cause confusion concerning source, origin, sponsorship, or affiliation. \textit{See}, e.g., \textit{Jordache}, 828 F.2d at 1486; \textit{Tetley}, 556 F. Supp. at 791.

\textsuperscript{54} This factor must also be kept in proper perspective. As the legal standard is whether there was a likelihood of confusion, the plaintiff is not required to prove actual confusion in order to prevail on an infringement claim. \textit{See supra} notes 41-42 and accompanying text. The existence of actual confusion, however, is obviously probative of whether a likelihood of confusion was created,
degree of care consumers are likely to exercise in deciding whether to purchase goods or services provided by the plaintiff and defendant. It is not necessary that all of the factors point toward the same conclusion. When the factors do not unanimously suggest a particular conclusion, the court must identify those factors that weigh most heavily in light of all the relevant circumstances, and must determine whether those factors point toward a likelihood of confusion.

2. Trademark Parody Cases and Likelihood of Confusion Issue

The likelihood of confusion issue is central to a trademark infringement claim regardless of whether the defendant's use of the plaintiff's mark was in the context of a parody. The cases in which the alleged infringement amounted to a parody are of particular interest, however, because they have led to seemingly irreconcilable results on arguably similar facts. Concededly, the likelihood of confusion determination is largely fact-specific. Consequently, one might sometimes expect divergent results in cases involving arguably similar but somewhat different facts. One might also assume, however, that the context in which the defendant used the plaintiff's mark should normally prevent a finding of likelihood of confusion, so long as the public would reasonably identify the defendant's use as a parody. In other words, the nature of parody, which involves the taking of "shots" at a recognized original, ordinarily would seem likely to cause the public to realize that the plaintiff was not the source of the par-and is probably the most telling evidence of such a likelihood. Conversely, some courts reason that the absence of evidence of actual confusion points toward a finding of no likelihood of confusion. T-Shirt Gallery, Ltd., 634 F. Supp. at 1478; Tetley, 556 F. Supp. at 791.

55. The degree of care contemplated by this factor depends on the sort of goods or services involved and on the sophistication of the consumers who desire such goods or services. See Mutual of Omaha, 836 F.2d at 401 (purchaser of relatively inexpensive item such as t-shirt may not be likely to use high degree of care to ascertain actual source of product). In applying this factor, some courts have been more than willing to assume that much of the buying public is gullible and easily duped. See Wendy's, 576 F. Supp. at 822-24; Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1190-91 (E.D.N.Y. 1972).

56. See Mutual of Omaha, 836 F.2d at 399, 400 (court found trademark infringement although no evidence of fourth factor of intent to pass off parodied goods as those of trademark owner); Pizzeria Uno, 747 F.2d at 1527 ("Not all these [factors] are always relevant or equally emphasized in each case.").

57. Compare Anheuser-Busch, Inc. v. Florists Ass'n, 603 F. Supp. 35 (N.D. Ohio 1984) (florists' use of "This Bud's for You" not infringement because parody too obvious to create confusion) with Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962) (insecticide manufacturer's substitution of "Bugs" for "Bud" in slogan likely to cause confusion).
ody, that the plaintiff did not sponsor or endorse the defendant’s use of his trademark, and that the plaintiff and the defendant were not affiliated in business.\textsuperscript{58} This assumption is sometimes, but clearly not always, borne out in the trademark parody cases.

\textit{Tetley, Inc. v. Topps Chewing Gum, Inc.}\textsuperscript{59} provides a useful illustration of the expected operation of the assumption that a trademark parody would not ordinarily create confusion. In Tetley, the court denied Tetley’s request for injunctive relief against parodies of its trademarks for “Tetley Tea” and the “Tiny Little Tea Leaf Tea” slogan.\textsuperscript{60} A Topps sticker, designed for children and sold across the country, had used the name “Petley” on a picture of a product box that depicted a dog scratching fleas.\textsuperscript{61} The words “40 Flea Bags” and “Tiny Little Dog Fleas” also appeared on the picture of the box.\textsuperscript{62} In concluding that there was no likelihood of confusion concerning source, sponsorship, endorsement, or affiliation, the court stressed the “heavy handedness” of the defendant’s parody.\textsuperscript{63} The public’s probable recognition of the sticker as a parody would lead to a related recognition that the plaintiff trademark owner was not responsible for the sticker. As the court recognized in Tetley, the fact that the parody causes consumers to think of the original does not by itself mean that consumers are likely to be confused concerning source, sponsorship, and the like.\textsuperscript{64}

The obviousness of the defendant’s parody has constituted a

\textsuperscript{58} The reasoning here is that the public generally would not expect the plaintiff to poke fun at its own valued trademark or to make it the object of the humorous or sometimes caustic commentary found in parodies. When consumers see such a use of the plaintiff’s trademark, they probably would recognize the use for what it is: a use by a party other than the plaintiff and without the permission of the plaintiff.

\textsuperscript{59} 556 F. Supp. 785 (E.D.N.Y. 1983).

\textsuperscript{60} \textit{Id.} at 786-87.

\textsuperscript{61} \textit{Id.} at 787.

\textsuperscript{62} \textit{Id.} The words “Orange Pekingese Fleas” also appeared on the sticker as an obvious takeoff on the “Orange Pekoe Tea” language that appeared on the plaintiff’s packages of tea. \textit{Id.} at 790. The sticker was part of the Wacky Packs series, in which Topps parodied numerous well-known products and trademarks. \textit{See id.} at 787.

\textsuperscript{63} \textit{Id.} at 792. As further support for its conclusion that there was no likelihood of confusion, the court emphasized that the plaintiff’s and defendant’s products were vastly different and were sold to different sorts of consumers in different markets. \textit{Id.} at 790-91. The court also noted that the absence of any evidence of actual confusion would seem to cut against a finding of likelihood of confusion. \textit{Id.} at 792, 794.

\textsuperscript{64} \textit{See id.} at 790, 792. Indeed, a parody cannot be effective unless it causes the reader or hearer to think of the original being parodied. \textit{See Note, Trademark Parody: A Fair Use and First Amendment Analysis, 72 VA. L. REV. 1079, 1079 (1986).
major factor in judicial findings of no likelihood of confusion in both commercial and non-commercial settings. In the commercial setting, for example, a defendant's use of the name "Lardashe" on its large-size designer jeans was held not to cause a likelihood of confusion, and thus did not infringe the plaintiff's familiar "Jordache" trademark.65 "Miami Mice" t-shirts parodying "Miami Vice" television show trademarks66 and the previously-discussed parody of the "This bud's for you" slogan by a florists' association were also held not to cause a likelihood of confusion.67

In the non-commercial cases, obvious parodies are used as vehicles for the expression of viewpoints or commentary of an editorial nature rather than to sell a product or service.68 For in-

65. See, e.g., Jordache Enters., Inc. v. Hogg Wyld, Ltd., 625 F. Supp. 48, 55 (D.N.M. 1985), aff'd, 828 F.2d 1482 (10th Cir. 1987). This case provides an excellent illustration of the notion that a business competitor—both parties sold designer jeans—may deliberately use a similar or even identical version of another competitor's trademark and not be liable for trademark infringement if the use does not create a likelihood of confusion. This is true even when the use involves taking a slightly off-color "jab," as the "Lardashe" name seems to do, at the other party or its trademark. Whether the defendant may be liable to the trademark owner on another legal theory in this sort of instance will be explored later. See infra notes 166-67, 186-211 and accompanying text.


67. Anheuser-Busch, Inc. v. Florists Ass'n, 603 F. Supp. 35, 37 (N.D. Ohio 1984). For discussion of the case, see supra note 47 and accompanying text. For other cases in which the plaintiff's infringement claim failed because no likelihood of confusion was created by the defendant's parody in a commercial context, see Universal City Studios, Inc. v. Nintendo Co., Ltd., 746 F.2d 112 (2d Cir. 1984) (Nintendo's "Donkey Kong" did not infringe Universal Studios' "King Kong" trademark); Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788 (9th Cir. 1981) (use by Sears of name "Bagzilla" for garbage bags did not infringe plaintiff's "Godzilla" trademark); Dr. Pepper Co. v. Sambo's Restaurants, Inc., 517 F. Supp. 1202 (N.D. Tex. 1981) (restaurant chain's commercials parodying Dr. Pepper's "Be a Pepper" advertisements not trademark infringement, but copyright infringement found); Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Chandris America Lines, Inc., 321 F. Supp. 707 (S.D.N.Y. 1971) (cruise ship company's use of "The Greatest Show on Earth Isn't" slogan did not infringe plaintiff's "The Greatest Show on Earth" trademark).

68. A substantial argument may be made that uses of this nature are outside the legitimate reach of trademark rights doctrines because those doctrines should operate only when commercial uses are involved. See San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 560-73 (1987) (Brennan, J., dissenting); Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931, 933-35 (D.D.C. 1985); Stop the Olympic Prison v. United States Olympic Comm., 489 F. Supp. 1112, 1120-21 (S.D.N.Y. 1980). As will be seen, a noncommercial use of a trademark triggers a stronger first amendment-based defense than does a commercial use thereof. See infra notes 409-11, 448-90 and accompanying text.
stance, in *Reddy Communications, Inc. v. Environmental Action Foundation, Inc.*69 defendant Environmental Action Foundation, Inc. (EAF) was a nonprofit corporation whose purpose was to provide information about environmental issues. In various pamphlets and books, EAF used caricatures of the plaintiff’s trademark, the Reddy Kilowatt character, to express adverse comments about the electric utility industry. These uses of the caricatures were clearly contrary to the purposes underlying the plaintiff’s longstanding use of the Reddy Kilowatt trademark in utility companies’ advertisements and promotional materials.70 Nevertheless, the parody was obvious, not only because EAF’s versions of Reddy Kilowatt were caricatures, but also because of the unmistakably negative commentary in which the caricatures played a role.71 The court concluded that there was no trademark infringement because reasonable readers of the EAF literature would be unlikely to believe that the plaintiff and the utility companies with which the plaintiff was allied—the very objects of EAF’s criticism—produced, sponsored, or endorsed the EAF materials.72

Similarly, in *Stop the Olympic Prison v. United States Olympic Committee,*73 STOP, a nonprofit organization, used USOC’s trademarks on a poster that protested a plan to turn the Olympic Village at Lake Placid into a federal prison at the conclusion of the 1980 Winter Olympics. Three trademarks were used: the word “Olympic” was part of the “Stop the Olympic Prison” heading at the top of the poster; the familiar interlocking Olympic rings were superimposed on a drawing of vertical steel-gray bars; and the Olympic torch was depicted as being thrust through the rings and bars by a silhouetted forearm.74 STOP’s clearly non-

70. Id. at 942, 945. The plaintiff trademark owner was in the business of providing advertising and public relations services to utility companies. Id. at 939.
71. Id. at 948.
72. Id. Perhaps the most interesting and telling caricature used by EAF depicts Reddy Kilowatt sticking out his tongue at the reader. Presumably, this was intended to convey EAF’s view of utility companies’ attitudes toward the public. See id. at 949. The court was kind enough to favor readers of the opinion with a reproduction of the caricature. See id.
73. 489 F. Supp. 1112 (S.D.N.Y. 1980). The organization known as Stop the Olympic Prison will be referred to in subsequent discussion as “STOP” and the United States Olympic Committee will be referred to as “USOC.”
74. Id. at 1114-15, 1127.
commercial use\textsuperscript{75} was not technically a parody because it was not even arguably humorous, but it did involve adverse commentary sufficiently similar to a parody to warrant discussion here. The court rejected USOC’s claim of trademark infringement\textsuperscript{76} because the necessary likelihood of confusion was not established.\textsuperscript{77} In view of the context and content of STOP’s poster, reasonable persons who viewed the poster would not be inclined to believe that USOC produced, sponsored, or endorsed it.\textsuperscript{78}

In still other cases, the defendant’s parody may have straddled the commercial/noncommercial line but was nonetheless so obvious that there was no likelihood of confusion. For example, in \textit{Pillsbury Co. v. Milky Way Productions, Inc.}\textsuperscript{79} Pillsbury lost a trademark infringement claim against the publisher of an adult magazine that had depicted a likeness of Pillsbury’s trademarked “Poppin’ Fresh” character engaging in various sexual activities.\textsuperscript{80} Because the parody appeared in the context of an adult magazine and contained material that was hardly consistent with anything

\textsuperscript{75.} Although STOP sold some of the posters, it did so to solicit contributions for its cause. It gave away most of the posters without charge. \textit{Id.} at 1115.

\textsuperscript{76.} USOC raised other claims besides trademark infringement. One was a claim that STOP’s poster violated section 110 of the Amateur Sports Act of 1978, 36 U.S.C. § 380, which purports to grant USOC exclusive rights to the use of the word “Olympic” and the Olympic symbol of five interlocking rings. The court also rejected this claim, interpreting the statute as pertaining only to commercial uses. \textit{Stop the Olympic Prison}, 489 F. Supp. at 1118-21. The court hinted that the statute might implicitly contain a likelihood of confusion requirement. \textit{See id.} at 1119-20. In a later decision dealing with another party’s unconsented use of “Olympic,” the United States Supreme Court concluded that the Amateur Sports Act of 1978 pertains predominantly to commercial uses but does not implicitly require USOC to prove likelihood of confusion in order to enforce its statutory exclusive rights against another party. \textit{See San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.}, 483 U.S. 522, 535, 539-41 (1987). For a discussion of this case, see \textit{infra} notes 382, 393-98 and accompanying text.

\textsuperscript{77.} \textit{Stop the Olympic Prison}, 489 F. Supp. at 1123.

\textsuperscript{78.} \textit{Id.} In addition to containing material that reasonable persons would be unlikely to attribute to USOC, the poster stated that the STOP organization had produced it. \textit{Id.}


\textsuperscript{80.} \textit{Id.} at 125-26, 133-34. This use by the defendant had both commercial and noncommercial attributes. The publisher expected to make a profit from the sale of the magazine, but that of course is also true of magazines commonly perceived as more “legitimate” than the one at issue in the case. The sense of relevant Supreme Court decisions is that a commercial profit motive is not by itself sufficient to make the speech of a magazine commercial rather than non-commercial. \textit{See infra} notes 257-60 and accompanying text. The primary importance of the commercial/noncommercial distinction is that it dictates the level of first amendment protection speech receives. \textit{See infra} notes 249-52, 261-94 and accompanying text. For purposes of later analysis, a use such as that in \textit{Pillsbury} would be classified as noncommercial despite its partially commercial nature. \textit{See infra} notes 409-11, 424 and accompanying text.
Pillsbury would ever authorize, the court found that even the most gullible reader would not regard the parody as the work of Pillsbury. A similar approach was recently taken in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.* In *Cliffs Notes*, the United States Court of Appeals for the Second Circuit rejected an argument that the defendant's Spy Notes, parodies of the familiar Cliffs Notes summaries of well-known works of literature, were confusingly similar to Cliffs Notes. The court concluded that the obviousness of the parodies would likely prevent any public confusion as to whether the publisher of Cliffs Notes also published or sponsored Spy Notes. Various other decisions involving parodies that were either noncommercial or close to the commercial/noncommercial line have held that the defendant's use of the plaintiff's trademark did not create a likelihood of confusion.

81. *Pillsbury*, 215 U.S.P.Q. (BNA) at 133-34. It should be noted, however, that Pillsbury prevailed on an alternative claim for violation of a state anti-dilution statute. *Id.* at 135. For a discussion of this aspect of the case, see infra notes 168-69 and accompanying text.

82. 886 F.2d 490 (2d Cir. 1989).

83. *Id.* at 495-97. The Second Circuit reversed the district court's issuance of a preliminary injunction against the publisher of Spy Notes. *Id.* at 497. Technically, the case was brought on the theory that Spy Notes violated § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) (1982) (amended 1988), by employing a cover, name and format confusingly similar to Cliffs Notes and thereby implicitly making the false representation that the publisher of Cliffs Notes also produced Spy Notes. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 718 F. Supp. 1159, 1160 (S.D.N.Y.), rev'd, 886 F.2d 490 (2d Cir. 1989). Lanham Act cases fitting such a fact pattern are effectively the same as trademark infringement claims; therefore likelihood of confusion is a required element. See infra notes 117-21 and accompanying text.

84. The parodies involved in the case are noteworthy because of their “double parody” nature. *Cliffs Notes*, 886 F.2d at 492. They were not only parodies of the Cliffs Notes' approach to summarizing works of literature, but also parodies of recent “cool, ironic, sophisticated, urbane” novels. *Id.* It appears that the takeoffs on Cliffs Notes were little more than humor directed at Cliffs Notes, whereas the “jabs” taken at the spy novels and their authors were evidently intended to be not only amusing but also critical of the supposed quality of the novels. *Id.*

85. *Id.* at 495-97. The Second Circuit also placed heavy emphasis on first amendment concerns. It classified the parodies as “artistic expression” entitled to considerable constitutional protection despite the profit motive of the publisher of Spy Notes. See *id.* at 493-94, 497. For a discussion of those aspects of the case, see infra notes 364-73 and accompanying text.

86. See *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978) (lower court incorrectly granted summary judgment on Disney's claim that its “Silly Symphonies” trademark was infringed by defendant's use of “Silly Symphonies” in adult comic books), *cert. denied sub nom. O'Neill v. Walt Disney Prods.*, 439 U.S. 1132 (1979); *General Mills, Inc. v. Henry Regnery Co.*, 421 F. Supp. 359 (N.D. Ill. 1976) (denying request for preliminary injunction against publisher of cookbook entitled "Betty Cooker's Crock Book for Drunks" for alleged
Not all of the parody cases litigated on a trademark infringement theory are won on the defendant’s argument that the obviousness of the parody prevented the necessary likelihood of confusion. In fact, trademark owners have won a high percentage of the infringement claims against parodists.87 Some of the cases


In a recent noncommercial use case the court’s decision on the likelihood of confusion issue would have been interesting if the case had not been settled a few months after it was filed. See Wall St. J., Mar. 8, 1990, at B8, col. 5 (eastern ed.). Miller Brewing Co. filed suit against Doctors Ought to Care (DOC), “a [non-profit] coalition of health professionals . . . that is helping to educate the public, especially young people, about the major preventable causes of poor health and high medical costs.” DOC News and Views, Winter 1990, at 2, col. 1 (masthead). DOC places “particular emphasis on counteracting the promotion of tobacco and alcohol,” and regards alcohol and tobacco use as “killer habits.” Id. Miller filed suit alleging that DOC’s parodies of the “Miller Lite” trademark and the “We’re having a party” slogan that Miller had used in advertisements for Miller-sponsored parties and concerts constituted infringement. DOC, Miller Lite in Bill of Rights Brew-ha-ha, DOC News and Views, supra, at 1, col. 1. DOC’s parodies appeared on t-shirts sold by DOC to raise money for the Texas Special Olympics. The t-shirts were sold outside the Houston Astrodome, where the first of the Miller parties and concerts took place. One side of the shirts referred to “Killer Lite” beer and added the statement, “We’re pushing a drug.” The other side of the shirts parodied the “We’re having a party” slogan with the words “We’re grabbing a potty” and a depiction of a person vomiting into a toilet. Id.; Green, Miller Doesn’t See Humor in T-Shirts Mocking “Lite” Ads, Wall St. J., Oct. 13, 1989, at B3, col. 5 (eastern ed.). The shirts also bore a list of alcohol-related diseases. DOC, Miller Lite in Bill of Rights Brew-ha-ha, supra, at 1, col. 1. Miller also alleged trademark infringement as well as a variety of other legal theories, including trademark dilution, unfair competition, copyright infringement, and interference with contractual relations. Id. at 3; Green, supra.

It is difficult to believe that Miller could have succeeded on the trademark infringement claim if the case had gone to trial. The context and content of DOC’s parodies would seem to make it nearly impossible for Miller to prove the necessary likelihood of confusion. Other theories raised by Miller would not have required proof of likelihood of confusion, however. For a discussion of dilution theory and Miller’s dilution claim, see infra notes 139-83 (discussion of dilution theory), 484-85 (discussion of Miller’s dilution claim) and accompanying text. Had the case gone to trial, the defendant’s first amendment interests would have become especially important in the resolution of Miller’s dilution claim. See Green, supra; DOC, Miller Lite in Bill of Rights Brew-ha-ha, supra, at 3. The case was settled, however, with neither party conceding that the other’s position was valid. Wall St. J., Mar. 8, 1990, supra.

87. See Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397 (8th Cir. 1987) (use of “Mutant of Omaha” on t-shirts sold by supposed anti-nuclear weapons activist infringed plaintiff’s “Mutual of Omaha” trademark), cert. denied, 488 U.S. 933 (1988); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) (use of cheerleading uniform similar to plaintiff’s in pornographic movie violated plaintiff’s trademark rights); Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962) (floor wax-insecticide manufacturer’s use of “where there’s life . . . there’s bugs” in advertisements infringed upon Busch’s “where there’s life . . . there’s Bud” slogan), cert.
decided in favor of the trademark owners have involved parodies that might seem obvious but were nonetheless shown by competent evidence to create a likelihood of confusion. For example, fast food giant McDonald’s Corp. prevailed on separate infringement claims against parties that employed the names “McBagel's” for a bakery and restaurant and “McSleep” for a proposed chain of motels. In each case, consumer survey evidence, 88 89

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89. *Quality Inns*, 695 F. Supp. at 221-23. McDonald’s has adopted an ag-
idence demonstrated that any parodying of the McDonald's name was not so obvious as to prevent a likelihood of confusion among consumers. The surveys demonstrated a rather high level of actual confusion among consumers, many of whom believed that McDonald's was involved in some respect in the McSleep and

gressive enforcement policy concerning its various "Mc"-prefixed trademarks. It has threatened or instituted litigation against various alleged infringers. McDonald's Plays Name Game Hardball, Bloomington (Ind.) Herald-Telephone, June 15, 1988, at B7, col. 1 (Scripps Howard News Service article that first appeared in San Francisco Examiner). The court's opinion in the McBagel's case lists more than 30 food-related trademark registrations that belong to McDonald's and involve use of the "Mac" or the "Mc" prefix. McBagel's, 649 F. Supp. at 1270 n.2. McDonald's also claims several other "Mc"-prefixed marks for uses that are not limited to the fast food context. See Quality Inns, 695 F. Supp. at 203 (noting such examples as "McKids" for children's clothing and "McJobs" for job programs). Although the Quality Inns case was believed to be the first judicial decision finding infringement of a McDonald's mark outside the food setting, McDonald's has favorably settled many such claims over the years. Koenig, McDonald's Victory Turns Out Lights for 'McSleep Inn,' Wall St. J., Sept. 19, 1988, at 42, col. 3 (eastern ed).

90. The commercial setting has spawned numerous business names that appear to be parodies of the McDonald's name. These include McDonuts (for baked goods), McMaid (for a maid service), McFranchise (for management consulting services), McPrint (for printing services), McQuik (for oil change franchises), and McTravel (for a travel agency). Quality Inns, 695 F. Supp. at 213. Recently, two familiar fast food chains, Kentucky Fried Chicken and Pizza Hut, have parodied the Ronald McDonald character and other McDonald's trademarks in advertisements. See McCarthy, Kentucky Fried Chicken Draws Squawks from CBS with Ads Ribbing McDonald's, Wall St. J., Jan. 8, 1990, at B6, col. 1 (eastern ed.). Gibson, Two Giants Give Each Other the Works as They Fight to Slice up Pizza Market, Wall. St. J., Sept. 15, 1989, at B1, col. 4 (eastern ed.). It does not appear, however, that McDonald's has taken legal action against either firm.

In addition, the familiarity of the McDonald's name and image has led to journalistic uses of the "Mc" prefix as a means of indicating thrift, speed and convenience. For example, the Quality Inns court noted that journalists have coined the terms McMedicine (for inexpensive medical care facilities), McLaw (for legal services franchises), McFuneral (for funeral service franchises), McPaper (for the newspaper USA Today) and McGod (for religion as practiced by television evangelists). Quality Inns, 695 F. Supp. at 215. The court referred to its written decision as a McPinion after observing that a newspaper account of the case had mentioned the McCourt. Id. Nevertheless, the court rejected the argument of Quality Inns that the "Mc" prefix had become a generic, and hence unprotectable by McDonald's, way of expressing notions of speed, convenience, and the like. Id. at 216.

Another example of a parody of McDonald's trademarks in a noncommercial setting was a syndicated political cartoon that depicted a likeness of then-President Reagan posting the number 10 next to the words "million unemployed" on a "McRonald's" sign which included the familiar golden arches. McBagel's, 649 F. Supp. at 1272. It would seem difficult for McDonald's to successfully attack such uses on an infringement basis, primarily because their non-commercial nature would probably cut against a finding of likelihood of confusion. As will be seen, however, not all trademark rights theories require proof of likelihood of confusion. See infra notes 132-38 and accompanying text. For a discussion of why these noncommercial uses should have substantial first amendment protection, see infra notes 469-90 and accompanying text.
McBagel's ventures.\textsuperscript{91}

Survey evidence showing actual confusion also played a key role in \textit{Mutual of Omaha Insurance Co. v. Novak}.\textsuperscript{92} The court held that Mutual of Omaha's trademark was infringed by the defendant's use of "Mutant of Omaha" on t-shirts and other items. The court concluded that the defendant's parody of the Mutual of Omaha mark\textsuperscript{93} would not be readily apparent to consumers, and could thus cause confusion as to source, sponsorship, or endorsement.\textsuperscript{94}

In other cases, however, it seems that the court's distaste for the defendant's parody has caused the court to summarily conclude that there was a likelihood of confusion without engaging in meaningful analysis of the issue.\textsuperscript{95} For instance, in one of the

\textsuperscript{91} In each of the cases, surveys given considerable weight by the court indicated that more than 30\% of those surveyed were actually confused. \textit{Quality Inns}, 695 F. Supp. at 208-09, 218-19; \textit{McBagel's}, 649 F. Supp. at 1277-78. Evidence of actual confusion, of course, is frequently considered the best evidence of likelihood of confusion. \textit{See supra} note 42.

\textsuperscript{92} 648 F. Supp. 905 (D. Neb. 1986), aff'd, 836 F.2d 397 (8th Cir. 1987), cert. denied, 888 U.S. 933 (1988). The percentage of survey participants who were actually confused was approximately 10\%. \textit{Id}. at 911. This is considerably less than the 30\% figures seen in the surveys in \textit{Quality Inns} and \textit{McBagel's}. \textit{See supra} note 91. The likelihood of confusion issue was therefore a closer call in \textit{Mutual of Omaha}. Although it affirmed the district court's decision in \textit{Mutual of Omaha}, the Eighth Circuit observed that it might have reached a different conclusion if the likelihood of confusion issue were before it on de novo review. \textit{Mutual of Omaha}, 836 F.2d at 398-99. Because such review was not called for, however, the Eighth Circuit found the record sufficient to support the district court's finding of likelihood of confusion. \textit{Id}.

\textsuperscript{93} Besides using the "Mutant of Omaha" phrase, the t-shirts sold by the defendant showed an Indian head logo arguably similar to the one used by the plaintiff insurance company. \textit{Mutual of Omaha}, 648 F. Supp. at 907. The t-shirts also contained the language "Nuclear Holocaust Insurance" and "When the world's in ashes we'll have you covered." \textit{Id}. The defendant later began selling merchandise that bore the "Mutant of Omaha's Mutant Kingdom" inscription as a takeoff on the plaintiff insurance company's longstanding sponsorship of the "Wild Kingdom" television program. \textit{Id}. According to the defendant, the t-shirts and other merchandise constituted expression of his opposition to nuclear weapons. \textit{Id}. at 911. Both the district court and the Eighth Circuit rejected the first amendment argument made by the defendant. \textit{Mutual of Omaha}, 836 F.2d at 402-03; \textit{Mutual of Omaha}, 648 F. Supp. at 907. For a discussion of this aspect of the case, see \textit{infra} notes 312-14 and accompanying text.

\textsuperscript{94} \textit{Mutual of Omaha}, 648 F. Supp. at 910. The district court distinguished \textit{Tetley}, Inc. v. Topps Chewing Gum, Inc., 556 F. Supp. 785 (E.D.N.Y. 1983), by observing that the parody of the Mutual of Omaha trademark was not "so obvious and heavy handed" as the parody in \textit{Tetley}. \textit{Mutual of Omaha}, 648 F. Supp. at 910. For a discussion of \textit{Tetley}, see \textit{supra} notes 59-64 and accompanying text.

\textsuperscript{95} \textit{See}, e.g., \textit{Chemical Corp. of America v. Anheuser-Busch, Inc.}, 306 F.2d 433 (5th Cir. 1962) (floor wax-insecticide manufacturer's use of "where there's life...there's bugs" slogan held to infringe Busch's "where there's life...there's Bud" slogan), cert. denied, 372 U.S. 965 (1963); \textit{Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.}, 642 F. Supp. 1031 (N.D. Ga. 1986)
early trademark parody cases, *Coca-Cola Co. v. Gemini Rising, Inc.*\(^9\)\(^6\) the court granted Coca-Cola a preliminary injunction against the producer of a poster entitled “Enjoy Cocaine.”\(^9\)\(^7\) The words appeared in the familiar cursive script used by Coca-Cola for its brand name.\(^9\)\(^8\) The court’s opinion reflects a preoccupation with the objectionable nature and subject matter of the defendant’s poster. One gets the impression that the court was eager to enjoin what it considered a distasteful poster,\(^9\)\(^9\) even though careful analysis of the likelihood of confusion question might have revealed a roadblock to the desired result.\(^1\)\(^0\)

\(^9\)\(^6\) The court granted Coca-Cola a preliminary injunction against the producer of a poster entitled “Enjoy Cocaine.”

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\(^9\)\(^9\) One gets the impression that the court was eager to enjoin what it considered a distasteful poster.

\(^1\)\(^0\) Even though careful analysis of the likelihood of confusion question might have revealed a roadblock to the desired result.

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\(^9\)\(^7\) Id. at 1193.

\(^9\)\(^8\) Id. at 1186. In addition to ruling for the plaintiff on the infringement claim, the court grounded its decision on the alternative theories raised by the plaintiff. See id. at 1190-91. Only the infringement claim is being considered in this portion of the article.

Coca-Cola Co.’s concern about being linked with cocaine in any way—even an apparently implausible way—is reflected in its recent suit against a manufacturer of powdered candy that was sold in a small bottle. Coca-Cola claimed that the bottle resembled the trademarked Coca-Cola bottle, that the powdered candy inside the bottle could be mistaken for cocaine, and that consumers could therefore believe that Coca-Cola Co. is a participant in or endorser of the cocaine trade. See *Coke Sues Candy Firm, Alleging Product Links Soft Drink to Cocaine*, Wall St. J., Aug. 11, 1989, at B3, col. 6 (eastern ed.). Although the court in Coca-Cola’s suit concerning the “Enjoy Cocaine” poster noted that there is no shortage of gullible, easily confused consumers, see *Coca-Cola*, 346 F. Supp. at 1190, it is difficult to imagine even the most hopelessly naive consumer believing that cocaine was the product being sold in the small bottles appearing on the shelves of a legitimate business establishment.

\(^9\)\(^9\) The court noted the familiarity of the Coca-Cola trademarks and approvingly commented on the defendant’s “predatory intent.” *Coca-Cola*, 346 F. Supp. at 1187. In addition, the court expressed concern about protecting the business reputation of the plaintiff and about the “tragic drug problem” in the United States as a result of the use of “noxious substance[s]” such as cocaine. Id. at 1189. The gist of the court’s statements is that Coca-Cola Co. was being unfairly put-upon by an irresponsible free-rider, and that such actions should not be countenanced. See id. at 1188-90.

\(^1\)\(^0\) The court did cite, almost in passing, affidavits that contained evidence to support a finding of likelihood of confusion. See id. at 1189 n.9. Nevertheless, the court seemed disinclined to explore the substantiality of that evidence and failed to engage in meaningful discussion of factors ordinarily considered in likelihood of confusion analysis. See id. at 1188-89. For a discussion of the types of factors ordinarily considered, see supra notes 48-56 and accompanying text. It is perhaps only a slight overstatement to say that the court was effectively employing a standard under which a likelihood of confusion would be found if there was any supporting evidence, no matter how insubstantial. Whether Coca-Cola could have prevailed at trial—where the affidavits it employed in seeking the preliminary injunction would not have been admissible—is
Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.\(^{101}\) is perhaps an even stronger example of a court’s giving short shrift to the likelihood of confusion issue and finding trademark infringement primarily on the basis of objectionable speech or actions by the defendant.\(^{102}\) The plaintiff claimed trademark rights in the physical appearance of its cheerleaders’ uniform.\(^{103}\) It objected to the use of a likeness of the uniform in the sexually-explicit movie “Debbie Does Dallas.” The conclusion of the movie featured a cheerleader who engaged in various sexual exploits while clad in parts of the uniform. In affirming the trial court’s finding of trademark infringement,\(^{104}\) the United States Court of Appeals for the Second Circuit disapprovingly referred to the content of the film as “gross and revolting” and “depraved.”\(^{105}\)

Neither the Second Circuit nor the district court in Dallas Cowboys conducted an insightful analysis of the likelihood of confusion issue. The district court simply concluded that likelihood of confusion could be inferred from the moviemaker’s apparent intent to capitalize on the popularity of the Dallas Cowboys

an interesting question that remains unanswered because the issuance of the preliminary injunction effectively ended the litigation. For another parody case in which the court issued a preliminary injunction after applying a very low threshold in determining likelihood of confusion, see Wendy’s International, Inc. v. Big Bite, Inc., 576 F. Supp. 816, 823-24 (S.D. Ohio 1983).

101. 604 F.2d 200 (2d Cir. 1979). Technically, the case was brought under § 43(a) of the federal Lanham Act. For a discussion of the similarity between Lanham Act and trademark infringement claims, see infra notes 116-21 and accompanying text.

102. Dallas Cowboys, 604 F.2d at 204-05.

103. Id. at 203.

104. Id. at 206-07. The court rejected the defendant’s first amendment arguments. Id. at 206. For a discussion of that aspect of the decision, see infra notes 302-10 and accompanying text.

The victorious plaintiff in Dallas Cowboys also found appellate success in another parody-based case. In Dallas Cowboys Cheerleaders, Inc. v. Scoreboard Posters, Inc., 600 F.2d 1184 (5th Cir. 1979), the United States Court of Appeals for the Fifth Circuit affirmed the district court’s conclusion that the defendant Scoreboard had infringed the plaintiff’s copyrighted poster of the Cowboys cheerleaders in their uniforms. Id. at 1188-89. Scoreboard’s infringement consisted of a poster that strongly resembled the plaintiff’s except that the ex-Cowboys cheerleaders shown in the poster were partially out of their Cowboys-like uniforms. Id. at 1186-88. Although the Fifth Circuit decided the case on copyright infringement grounds, the district-court had also based its judgment for the plaintiff on trademark infringement and unfair competition grounds. Id. at 1186, 1188 n.1.

105. Dallas Cowboys, 604 F.2d at 202, 205. The court noted, however, that the question of whether the movie was obscene was not before the court. Id. at 206 n.10.
Cheerleaders. The drawing of such an inference was erroneous, however, because the intent to use a recognized trademark is not necessarily the same as an intent to confuse the public. An inference of likelihood of confusion should only be drawn from the latter sort of intent.

The Second Circuit also seemed to misapply this basic concept. It noted that the uniform shown in the movie "unquestionably brings to mind the Dallas Cowboy Cheerleaders. Indeed, it is hard to believe that anyone who had seen defendants' sexually depraved film could ever thereafter disassociate it from plaintiff's cheerleaders. This association results in confusion . . . ." The Second Circuit failed to appreciate the difference between a defendant's use that merely calls to mind the original trademark and a use that calls to mind the original in such a way that there is a likelihood of confusion concerning source, sponsorship, or endorsement. The former and the latter are different sorts of uses. Indeed, in Dallas Cowboys, the objectionable way in which the trademark was used—the primary object of the court's concern and the major reason it found a likelihood of confusion—should have led the court to conclude that there was no likelihood of confusion. The nature of the movie was such that the public would not be inclined to believe the trademark owner had any involvement with it.


107. The defendant in Dallas Cowboys claimed that the movie "Debbie Does Dallas" was intended as a parody of or satire on cheerleaders. Id. at 375. The trial court disagreed, saying that the movie was neither humorous nor a vehicle for meaningful commentary. See id. at 376. The Second Circuit also said it was neither a parody nor a satire. Dallas Cowboys, 604 F.2d at 206. Even if the movie was not a true parody, the lawsuit presented the same basic issues seen in trademark parody cases.

Assuming, however, that "Debbie Does Dallas" was at least in part a parody, the parody itself has now been parodied in a commercial setting. Newspaper accounts report the existence of a Fort Collins, Colorado establishment known as "Debbie Duz Donuts," which employs topless waitresses and sells donuts, coffee and adult videos. Lincoln (Ne.) Journal-Star, Aug. 20, 1989, at 2A, col. 2.

108. For discussion of the significant difference between intent to use and intent to confuse, see supra note 53 and accompanying text. The parodist wants the public to recognize the original being parodied, but does not generally intend for the public to become confused concerning source, sponsorship, or endorsement. See id. For another parody case in which the court failed to appreciate the difference between intent to use and intent to confuse, see Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc., 642 F. Supp. 1031, 1038 (N.D. Ga. 1986).

109. Dallas Cowboys, 604 F.2d at 205.

110. For a discussion of these different sorts of uses, see supra notes 58-86 and accompanying text.
In addition to its role as an essential element of trademark infringement, the likelihood of confusion element has special significance in the infringement cases that involve parodies. As will be explained later, when the likelihood of confusion requirement is properly applied, it serves as a check on liability and usu-

111. Although the focus of this article is on trademark parody, parodies of copyrighted works also have given rise to a considerable amount of litigation. See Fisher v. Dees, 794 F.2d 432 (9th Cir. 1986) (copyright on song "When Sunny Gets Blue" not infringed by parody titled "When Sunny Sniffs Glue"); MCA, Inc. v. Wilson, 677 F.2d 180 (2d Cir. 1981) (copyright on song "Boggy Woogie Bugle Boy of Company B" infringed by parody titled "Cunnilingus Champion of Company C"); Berlin v. E.C. Publications, Inc., 329 F.2d 541 (2d Cir. 1964) (Mad Magazine parodies did not infringe copyrights on Irving Berlin Songs), cert. denied, 379 U.S. 822 (1964); Benny v. Loew's Inc., 239 F.2d 532 (9th Cir. 1956) (comedian Jack Benny held liable for parody of play "Gas Light"), aff'd mem. by an equally divided Court sub nom. Columbia Broadcasting Sys. v. Loew's, Inc., 356 U.S. 43 (1958) (per curiam); Elsmere Music, Inc. v. National Broadcasting Co., 482 F. Supp. 741 (S.D.N.Y. 1980) (no copyright infringement when television program "Saturday Night Live" included song "I Love Sodom," which parodied copyrighted song "I Love New York"), aff'd per curiam, 623 F.2d 252 (2d Cir. 1980); Columbia Pictures Corp. v. National Broadcasting Co., 137 F. Supp. 348 (S.D. Cal. 1955) (television skit "From Here to Obscurity" did not infringe copyright on movie "From Here to Eternity").

Unlike trademark infringement, copyright infringement may occur even though the defendant's use did not cause likelihood of confusion concerning source, endorsement, affiliation and the like. See 17 U.S.C. § 501 (1988); 1 J. McCarthy, supra note 1, § 6:4. Copyright law, however, has long recognized the "fair use" defense, first as a judicially created doctrine and more recently by virtue of a provision in the Copyright Act of 1976. See Berlin, 329 F.2d at 543-45 (discussing fair use defense); 17 U.S.C. § 107 (fair use defense). The fair use defense frequently, though not always, protects the parodists from liability to the copyright owner. See, e.g., Fisher, 794 F.2d 432 (parodist protected from liability by fair use defense); Berlin, 329 F.2d 541 (same); Elsmere Music, 482 F. Supp. 741 (same); Columbia Pictures, 137 F. Supp. 348 (same). But see MCA, 677 F.2d 180 (parodies at issue not fair use); Benny, 239 F.2d 532 (same).

Some litigation over parodies involves claims by plaintiffs that both copyright and trademark rights were violated. See Fisher, 794 F.2d at 434 (copyright and disparagement claims); Warner Bros. Inc. v. American Broadcasting Cos., 720 F.2d 231, 238 (2d Cir. 1983) (copyrights and trademarks associated with Superman character not infringed by television program "The Greatest American Hero"); Dallas Cowboys Cheerleaders, Inc., v. Scoreboard Posters, Inc., 600 F.2d 1184, 1186 (5th Cir. 1979) (trial court found probable infringement of copyrighted poster of cheerleaders and probable unfair competition); Walt Disney Prods. v. Air Pirates, 581 F.2d 751, 752 n.2 (9th Cir. 1978) (summary judgment for plaintiffs affirmed on copyright infringement claim concerning use of copyrighted characters in adult "counter-culture" comic books, but reversed on trademark infringement claims concerning uses of plaintiffs' titles), cert. denied sub nom. O'Neil v. Walt Disney Prods., 439 U.S. 1132 (1979).

For useful discussion of copyright parody cases, the fair use doctrine and first amendment interests in the copyright context, see generally Clemmons, Author v. Parodist: Striking a Compromise, 46 OHIO ST. L.J. 3 (1985); Denicola, Copyright and Free Speech: Constitutional Limitations on the Protection of Expression, 67 CALIF. L. REV. 283 (1979); Dorsen, supra note 5; Goetsch, Parody as Free Speech—The Replacement of the Fair Use Doctrine by First Amendment Protection, 3 W. NEW ENG. L. REV. 39 (1980); Note, supra note 64, at 1079.
ally keeps the infringement theory from posing serious first amendment difficulties.\footnote{12}

C. Section 43(a) of Lanham Act of 1946 and Trademark Law Revision Act of 1988

Federal law sets forth not only the basis for infringement claims concerning registered marks,\footnote{13} but also provides another theory often relied upon by plaintiffs in trademark-related litigation. Section 43(a) of the Lanham Act of 1946, as recently amended by the Trademark Law Revision Act of 1988 (TLRA), creates a civil right of action in favor of persons likely to be harmed by another party's use, in connection with the providing of goods or services, of false or misleading designations of origin, or other false or misleading representations.\footnote{14} This section may be invoked regardless of whether the plaintiff has a federally registered trademark.\footnote{15} In many respects, section 43(a) is a federal unfair competition provision whose broad language may be read to cover a wide range of behaviors considered competitive torts under the common law.\footnote{16}

In some section 43(a) cases, the allegedly false or misleading representation usually is an implication that the plaintiff sponsors or endorses, or is affiliated or associated with the defendant or the defendant’s business activities.\footnote{17} Such a representation arguably arises from the defendant’s use of a mark confusingly simi-

\footnote{12. See Denicola, \textit{supra} note 27, at 159, 165-66. For a discussion of the proper application of the likelihood of confusion requirement, see \textit{infra} notes 450-52, 475-80 and accompanying text. A persistent problem, however, is that the likelihood of confusion element is not always properly applied. \textit{See supra} notes 95-112 and accompanying text.}


14. \textit{Id.} § 1125(a). The standard interpretation of section 43(a) has been that only business plaintiffs are entitled to bring suit under the statute. Consumers are not regarded as permissible section 43(a) plaintiffs. \textit{Best, Monetary Damages for False Advertising}, 49 U. Prrr. L. Rev. 1, 2 n.1 (1987).

15. \textit{Best, supra} note 114, at 4 n.7, 5 n.14; \textit{see also} 15 U.S.C. § 1125(a) (1988) (nothing in § 43(a) language indicating that federally registered trademark is necessary for plaintiff to properly bring suit thereunder).


17. \textit{See Best, supra} note 114, at 4 n.7, 5 n.14. For cases illustrating the use of section 43(a) in the context of alleged infringement of unregistered marks, see \textit{infra} note 120 and accompanying text.}
lar to the plaintiff's.\textsuperscript{118} Thus, section 43(a) claims of this sort are essentially the same as trademark infringement actions.\textsuperscript{119} This is true regardless of whether the section 43(a) claim pertains to a parody of the plaintiff's mark\textsuperscript{120} or to another allegedly infringing sort of use. Accordingly, the dual elements of substantial similarity and likelihood of confusion, which are required in common law infringement claims and in claims for infringement of federally registered marks, are also required in section 43(a) suits of the infringement variety.\textsuperscript{121}

In addition to its use as an infringement theory in trademark parody cases, the recently amended version of section 43(a) may also be used by trademark parody plaintiffs as a federal vehicle for what is effectively an injurious falsehood claim.\textsuperscript{122} The tort of injurious falsehood addresses a defendant's disparagement or casting of aspersions on a plaintiff's goods, property, services, or business.\textsuperscript{123} The amended version of section 43(a) authorizes

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\item[\textsuperscript{118}] See Rogers v. Grimaldi, 875 F.2d 994, 1000 (2d Cir. 1989).
\item[\textsuperscript{119}] As noted earlier, trademark infringement claims under federal law or common law involve essentially the same claim: that the defendant's use of the plaintiff's mark, or of something substantially similar thereto, would likely cause the public to become confused concerning such matters as source, origin, endorsement, or business affiliation. See supra notes 40-46 and accompanying text.
\item[\textsuperscript{121}] The Trademark Law Revision Act's recent amendment of § 43(a) expressly requires proof of likelihood of confusion for § 43(a) claims of this sort. See 15 U.S.C. § 1125(a) (1988). The likelihood of confusion determination in these cases involves application of essentially the same factors employed in other infringement suits and discussed previously herein. See, e.g., Reddy Communications, 477 F. Supp. at 946-47. For a discussion of these factors, see supra notes 48-56 and accompanying text.
\item[\textsuperscript{122}] See Kobak & Fleck, Commercial Defamation Claim Added to Revised Lanham Act, Nat'l L.J., Oct. 30, 1989, at 33, col. 1. The new § 43(a) has added this additional basis of liability without eliminating any sorts of claims actionable under the former Lanham Act version. See id.
\item[\textsuperscript{123}] RESTATEMENT (SECOND) OF TORTS § 623A (1977) [hereinafter RESTATEMENT (SECOND)]. This tort is sometimes referred to as disparagement because that is the name of its most frequently encountered form. Injurious falsehood has sometimes been an alternative theory in trademark parody litigation.
\end{enumerate}
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civil suits for a defendant's false or misleading representation which, "in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities." 124 The quoted language should allow a suit based on the defendant's representation concerning the plaintiff's goods, services, or business, because the plaintiff would be "another person" within the meaning of the statute. Such a conclusion is consistent with the apparent intent underlying the TLRA's amendment of section 43(a): to alter the prevailing judicial interpretation that section 43(a) reached only the defendant's representations concerning his own goods or services. 125

Therefore, certain disparagement and other injurious falsehood claims that formerly would have been actionable only under the common law may now be pursued under the new section 43(a). 126 Bringing these claims under section 43(a) may be advantageous to plaintiffs because section 43(a)'s language does not impose the stern proof requirements normally encountered by plaintiffs in injurious falsehood cases. 127 Finally, the TLRA


125. S. REP. NO. 100-515, 100th Cong., 2d Sess. 40 (1988), reprinted in 1988 U.S. CODE CONG. & ADMIN. NEWS 5577, 5603; Kobak & Fleck, supra note 122, at 33; Lavelle, What's in a Name? New Law Explains, Nat'l L.J., Mar. 6, 1989, at 1, col. 1. Former § 43(a)'s general prohibition of false descriptions or representations in connection with goods or services, 15 U.S.C. § 1125(a) (1982) (amended 1988), was regarded as covering the defendant's false or misleading representations concerning the nature, quality, or characteristics of his own goods or services. The consistent judicial interpretation of former § 45(a), however, was that the statutory language did not reach the defendant's false or misleading representations concerning the plaintiff's goods, services, or business. See, e.g., Bernard Food Indus., Inc. v. Dietene Co., 415 F.2d 1279, 1283-84 (7th Cir. 1969), cert. denied, 397 U.S. 912 (1970); see also S. REP. NO. 100-515, supra (noting this judicial interpretation of § 43(a)). Thus, claims for what would have been disparagement or other forms of injurious falsehood under the common law were not regarded as actionable under the pre-TLRA version of § 43(a), because such claims necessarily involved the defendant's statements about the plaintiff's products, services, or business. See Bernard Food, 415 F.2d at 1283-84.

126. See S. REP. NO. 100-515, supra note 125; Kobak & Fleck, supra note 122, at 33-35.

127. For discussion of proof of fault requirements in injurious falsehood law, see infra note 209 and accompanying text. Section 43(a) does not contain any requirement that the plaintiff prove the defendant's actual or constructive knowledge of the falsity of the representation concerning which suit was brought. See 15 U.S.C. § 1125(a) (1988). Such requirements are imposed for first amendment reasons in defamation law and in injurious falsehood law. See infra notes 203, 209 and accompanying text. If plaintiffs begin employing the new § 43(a) as a means for bringing claims that formerly would have been ac-
version of section 43(a) requires that the false or misleading representation must have been made "in commercial advertising or promotion."\textsuperscript{128} All disparagement or other injurious falsehood claims occurring outside the advertising or promotion setting should remain actionable only under the common law and not under section 43(a).\textsuperscript{129}

Because the amended version of section 43(a) is so new, it remains to be seen to what extent plaintiffs will rely on it as a federal vehicle for injurious falsehood claims. It is clear, however, that if trademark parody plaintiffs attempt to use the statute as a basis for a disparagement claim, they must be able to establish that any falsehoods asserted by the defendant concerning the plaintiffs’ trademarks necessarily were falsehoods concerning their “goods, services, or commercial activities.”\textsuperscript{130}

\textbf{D. Dilution}

As demonstrated earlier, neither federal law nor the common law provides a trademark owner with complete protection because unconsented use of a mark will not entitle its owner to relief unless the use created a likelihood of confusion.\textsuperscript{131} The likelihood of confusion requirement thus creates a gap in the protection a trademark owner receives.

Approximately one-half of the states have attempted to close this gap, at least partially, by enacting what are known as anti-dilution statutes.\textsuperscript{132} These statutes set forth the dilution doctrine, which is based on injurious falsehood or even defamation grounds, courts will have to determine whether the fault requirements of defamation and injurious falsehood may be evaded by styling the case as a § 43(a) claim. The same considerations that prompted the development of fault requirements in defamation and injurious falsehood law would seem to apply to those § 43(a) claims that are essentially the same as defamation or injurious falsehood claims. Langvardt, \textit{supra} note 116, at 950-51 & nn.272-74.


\textsuperscript{129.} For instance, if a manufacturer of a product sues a magazine because it allegedly stated a falsehood in the course of a review of the effectiveness of the plaintiff’s product, the claim may well be actionable on common law injurious falsehood grounds but should not be actionable under the new § 43(a). This is because the magazine’s statement would not have been in the context of “commercial advertising or promotion.”

\textsuperscript{130.} \textit{See} 15 U.S.C. § 1125(a)(2) (1988). In the Trademark Law Revision Act of 1988, Congress rejected calls to enact a separate “trademark disparagement” section. \textit{See} Lavelle, \textit{supra} note 125, at 50. Even without such a separate section, however, some instances of trademark disparagement arguably would be actionable under the amended § 43(a). \textit{See supra} notes 120-27 and accompanying text.

\textsuperscript{131.} \textit{See supra} notes 40-41, 46 and accompanying text.

\textsuperscript{132.} \textit{See} Shire, \textit{supra} note 37, at 273 n.2.
which does not require the trademark owner to prove likelihood of confusion. Unequivocally geared toward furthering trademark owners' economic interests in preserving the value of their marks, the dilution doctrine recognizes that the owners' interests may be endangered by other parties' uses of the marks even when those uses are not likely to create consumer confusion. Anti-dilution statutes therefore allow mark owners to obtain relief against parties whose actions violated neither federal law nor the common law.

Dilution claims based on these statutes have become popular among plaintiffs in trademark rights litigation regardless of whether a parody is involved. Most anti-dilution statutes are identical to or patterned after the Model State Trademark Bill, which provides:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

As indicated by the quoted language, the owner is entitled to injunctive relief for unconsented use of his trademark if he can show either dilution of the distinctive quality of the mark or likelihood of injury to business reputation.


134. See 2 J. McCarthy, supra note 1, § 24:13(A); Shire, supra note 37, at 275.

135. Shire, supra note 37, at 274; Note, supra note 64, at 1088. This popularity among trademark owner-plaintiffs is understandable, given the dilution doctrine's lack of the troublesome likelihood of confusion requirement.

136. 2 J. McCarthy, supra note 1, § 24:13(B).


138. For a thorough discussion of these two theories, see Denicola, supra note 27, at 187-90; Note, supra note 64, at 1088-90.
1. **Dilution by Loss of Distinctiveness of Mark**

The first theory for relief, from which the dilution doctrine derives its name, requires the trademark owner to demonstrate that the third party's use would be likely to *dilute* the distinctive quality of the owner's mark.\(^\text{139}\) This theory is based on the concern that a gradual "whittling away" of a mark's usefulness and value may result from the public's being exposed to uses of the mark, or substantially similar versions thereof that were not intended by the mark's owner.\(^\text{140}\) Even if the public realizes that the party making the use is not connected with the mark's owner, or that the respective uses of the mark's owner and the other party pertain to dissimilar products or services, a loss of usefulness or value may occur.\(^\text{141}\) The mark's distinctiveness will be lost because the mark will no longer exclusively identify the mark owner as the source of certain goods or services. Instead, the mark will also come to identify the other party as a provider of certain goods or services. When that occurs, the usefulness and economic value of the mark to its original owner will be severely diminished or even destroyed.\(^\text{142}\)

For example, the distinctive quality of the "Polaroid" mark, used for many years by Polaroid Corp. in connection with its cameras and related products, was held to be in danger of being diluted by another firm's subsequent use of "Polaraid" as the name of its heating and refrigeration business.\(^\text{143}\) This dilution occurred regardless of whether consumers were likely to believe that the nationally-known producer of cameras had begun providing refrigeration services.\(^\text{144}\) Even though the public could likely recognize that the camera manufacturer and the refrigeration company were separate entities, the court found that the uniqueness of the "Polaroid" mark was likely to be lessened.\(^\text{145}\) If the public were to continue being exposed to the refrigeration company's use of "Polaraid," the camera manufacturer's legitimate

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\(^\text{139}\) See *Model State Trademark Bill*, supra note 137, § 12. This sort of dilution claim was envisioned by Frank Schechter, who is generally regarded as the originator of the dilution theory. See Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927).

\(^\text{140}\) Schechter, supra note 139, at 825.

\(^\text{141}\) Note, supra note 64, at 1086 n.37, 1089.

\(^\text{142}\) See Schechter, supra note 139, at 825; 2 J. McCarthy, supra note 1, § 24:13(A).

\(^\text{143}\) Polaroid Corp. v. Polaraid, Inc., 319 F.2d 830, 836 (7th Cir. 1963).

\(^\text{144}\) Id. at 836-37.

\(^\text{145}\) There was evidence of actual confusion in *Polaroid*, but in a dilution claim, neither actual nor likely confusion is a requirement. See id.
uses of "Polaroid" would trigger associations, in the public's collective mind, not only with cameras but also with the defendant's refrigeration services.\textsuperscript{146} Thus, "[t]he mental image would be blurred,"\textsuperscript{147} even though most consumers would not be confused concerning what each company provided.

Dilution claims based on the loss of a mark's distinctive quality depend heavily on the mental associations made by consumers when they see a mark in use.\textsuperscript{148} The mental associations relevant to dilution are subtly yet significantly different from those relevant in trademark infringement cases.\textsuperscript{149} In infringement cases, the impression resulting from the defendant's unconsented use of the plaintiff's mark must trigger a likelihood of public confusion concerning whether the plaintiff is providing the defendant's goods or services or is in some sense connected with the defendant.\textsuperscript{150} The success of a dilution claim, however, depends upon a defendant's use that calls to mind both the defendant and the plaintiff without producing a mental association so strong as to cause a probability of confusion over source.\textsuperscript{151}

The subtle distinction between the consumer associations relevant to dilution and those relevant to infringement cases makes the dilution theory conceptually difficult. There is no question, however, that by eliminating the need for the likelihood of confusion element required in trademark infringement law, the dilution doctrine "lays a heavy hand upon one who adopts the trade name or mark of another."\textsuperscript{152} In trademark parody cases, plaintiffs have sometimes relied on this first type of dilution.

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\item \textsuperscript{146} See id.
\item \textsuperscript{147} Exxon Corp. v. Exxene Corp., 696 F.2d 544, 550 (7th Cir. 1982) (description of Polaroid case).
\item \textsuperscript{148} See id.; 2 J. McCarthy, supra note 1, § 24:13(A).
\item \textsuperscript{149} 2 J. McCarthy, supra note 1, § 24:13(B).
\item \textsuperscript{150} See supra notes 40-46 and accompanying text.
\item \textsuperscript{151} See 2 J. McCarthy, supra note 1, § 24:13(A). After the defendant has made such a use, the plaintiff's mark would be diluted because the plaintiff's legitimate uses of the mark would then cause the public to think not only of the plaintiff but also of the defendant's goods or services. See, e.g., Polaroid, 319 F.2d at 836. This would be so even though the public would not be confused concerning what each party was producing or providing. Of course, if the defendant's use does produce a likelihood of confusion, the dilution claim is superfluous because the plaintiff would have a meritorious infringement claim. 2 J. McCarthy, supra § 24:13(A).
\item \textsuperscript{152} Polaroid, 319 F.2d at 836. Concern about this "heavy hand" has led some courts to be reluctant to enforce anti-dilution statutes or to read a likelihood of confusion requirement into them. In recent years, however, the dilution doctrine has become a powerful force in trademark rights litigation. See Denicola, supra note 27, at 184-85; 2 J. McCarthy, supra note 1, § 24:13(B)-(D).
\end{enumerate}
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claim—dilution by loss of distinctiveness—as a basis for relief against parodists. The results in these cases have been mixed, and judicial analysis of the presence or absence of dilution has been generally superficial.\footnote{153}

Although generally not enunciated by the courts, two considerations help explain the decisions on parody-based dilution claims. First, dilution by loss of distinctiveness is more likely to be found if the defendant's use was in a trademark-like sense (as in the name of the defendant's product, service, or business) rather than in the nature of commentary. Second, if the defendant's use occurred only once, it is less likely to give rise to a successful loss of distinctiveness claim than if the use has been repeated numerous times or would be so repeated unless enjoined.\footnote{154} A one-time use is much less likely to effect the underlying concern of this sort of dilution claim—the "whittling away" of the distinctiveness of the trademark.\footnote{155}

In *McDonald's Corp. v. McBagel's, Inc.*,\footnote{156} for example, both considerations weighed in favor of the plaintiff. The defendant's use of "McBagel's" as the name of a bakery and restaurant involved the name of the plaintiff's product and would presumably have continued indefinitely if not enjoined.\footnote{157} Concluding that a loss of the distinctiveness of McDonald's "Mc"-prefixed trademarks would be likely if the McBagel's name remained in use by the defendant, the court granted injunctive relief to McDon-
Conversely, in *L.L. Bean, Inc. v. Drake Publishers, Inc.*, the two considerations weighed in the defendant's favor. The First Circuit refused to recognize L.L. Bean's dilution claim concerning an adult magazine's parody of the L.L. Bean name and catalog. The defendant's use was not in a trademark-like manner. See *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480, 482-83 (7th Cir. 1988) (car dealer's sign on showroom roof reading “The Greatest Used Car Show on Earth” held likely to dilute distinctiveness of “The Greatest Show on Earth” slogan of circus); *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175 (C.D. Cal. 1986) (defendant's use of “Dogiva” and “Cativa” as names of gourmet pet biscuits would whittle away at distinctiveness of plaintiff's “Godiva” trademark), aff'd without opinion, 830 F.2d 197 (9th Cir. 1987); *Universal City Studios, Inc. v. Montgomery Ward & Co.*, 207 U.S.P.Q. (BNA) 852, 858-59 (N.D. Ill. 1980) (distinctiveness of movie studio's "Jaws" trademark would be damaged by defendant's use of same name for garbage disposals). But see *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1489-91 (10th Cir. 1987) (no loss of distinctiveness of plaintiff Jordache's trademark because public identification of Jordache name with plaintiff would not be eroded by defendant's parody version "Lardashe"); *Universal City Studios, Inc. v. Nintendo Co.*, 746 F.2d 112, 120 (2d Cir. 1984) (defendant's use of name "Donkey Kong" for video game would not have blurring effect on plaintiff's "King Kong" mark); *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 793 (9th Cir. 1981) (use of "Bagzilla" as name of garbage bag would not dilute distinctive quality of plaintiff's "Godzilla" trademark).
and was presumably a one-time occurrence. Other decisions involving comparable uses by defendants are generally consistent with L.L. Bean.

2. Loss of Business Reputation Associated with Mark

Under most anti-dilution statutes, the owner can also bring a successful dilution claim by demonstrating that the defendant's use of the mark is likely to damage the previously developed business reputation associated with the mark. This alternative is broad enough to include two differing dilution actions. The first is a claim of probable damage to a trademark's business reputation as a result of the defendant's use of the mark, or a substantially similar version, in connection with goods that are inferior in

161. The court concluded that anti-dilution statutes were designed to apply to certain commercial uses of trademarks. L.L. Bean, 811 F.2d at 29-33. It appeared to restrict the commercial use classification to instances where the defendant uses the plaintiff's mark in a trademark-like sense, such as by adopting the mark as the name of a product, service, or business. See id. at 29, 31-33. The parody at issue in the case was classified by the L.L. Bean court as "editorial or artistic," and hence noncommercial. Id. at 32. For a discussion of the importance of the commercial/noncommercial distinction to first amendment concerns in trademark parody cases, see infra notes 407-90 and accompanying text.

162. The parody in L.L. Bean should be considered a one-time use even though there would have been a large number of copies of the magazine in which the parody appeared. The defendant's parody was an isolated instance in one issue of the magazine. That single parody presumably would fade from public attention after a reasonable time, unlike the parody used day after day as the name of a product, service, or business to which the public is consistently exposed.


164. For a discussion and examples of anti-dilution statutes, see supra notes 132-38 and accompanying text.
quality to, or less prestigious than, the trademark owner's goods. The plaintiff's argument is that the mark's reputation and value are likely to be diminished because the public will assume that the lack of quality or lack of prestige reflected by the defendant's goods will also be present in the plaintiff's unrelated goods.\footnote{165}

The second sort of dilution claim pursued under the loss of business reputation is seen more frequently. The claim is based on another's use of the mark in a context the mark owner considers unwholesome. Such a use arguably casts a negative light on the mark, reducing its reputation and standing in the eyes of consumers as a wholesome identifier of the mark owner's products or services. This sort of claim is sometimes referred to as dilution by "tarnishment" because it deals with a mark whose previously unsullied public image has been tarnished by the defendant's offensive actions.\footnote{166}

Most of the dilution by tarnishment cases involve parodies. Although the trademark parody cases applying anti-dilution statutes do not establish ground rules for determining what is an unwholesome context, they tend to indicate that parodies with sexual overtones or dealing with illegal drug use are likely to tarnish the reputation of a plaintiff's mark.\footnote{167} In *Pillsbury Co. v. Milky Way Productions, Inc.*,\footnote{168} the court concluded that a sexually-oriented parody was an unwholesome context and allowed the plaintiff to prevail on a dilution by tarnishment theory even though the absence of a likelihood of confusion caused the plaintiff to lose its

\footnote{165. 2 J. McCarthy, *supra* note 1, § 24:13(E). This sort of claim is occasionally seen in the trademark parody context. See, e.g., Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1490-91 (10th Cir. 1987) (Jordache loses dilution claim because any lack of prestige associated with defendant's Lardashe jeans unlikely to affect prestige of Jordache jeans); Grey v. Campbell Soup Co., 650 F. Supp. 1166, 1175 (C.D. Cal. 1986) ("Godiva" trademark on premium-quality food products for human consumption diluted because of lower prestige of animal foods for which defendant used the names "Dogiva" and "Cativa"); Gucci, 446 F. Supp. at 840 n.6 (defendant's use of "Gucchi Goo" on inexpensive diaper bag would detract from prestige and high-fashion image of Gucci name).}

\footnote{166. *See* Denicola, *supra* note 27, at 185, 189-90; Dorsen, *supra* note 5, at 941-44.}

\footnote{167. *See* *Dallas Cowboys*, 604 F.2d at 202, 205 & n.8 (plaintiff's trademark used in sexually explicit movie); *Pillsbury*, 215 U.S.P.Q. at 125-26, 135 (plaintiff's trademarks used in adult magazine); Edgar Rice Burroughs, Inc. v. High Soc'y Magazine, Inc., 7 Media L. Rep. (BNA) 1862, 1863-64 (S.D.N.Y. 1981) (plaintiff's trademarks used in adult magazine). *But see* L.L. Bean, 811 F.2d at 27, 29-32 (rejecting notion that finding of trademark tarnishment may be based on single use in unwholesome context; dilution claims inappropriate when asserted against parody that is editorial in nature rather than commercial).}

In *Coca-Cola Co. v. Gemini Rising, Inc.*, the court relied on dilution by tarnishment as an alternative basis for its issuance of a preliminary injunction against the defendant's "Enjoy Cocaine" poster. Although one court concluded that the Garbage Pail Kids stickers' parody of the Cabbage Patch Kids was unwholesome, most courts have been hesitant to find unwholesome contexts when neither sexual content nor references to illegal drug use can be found in the defendant's parody.

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169. *Id.* at 134-35. For a discussion of the trademark infringement aspect of *Pillsbury*, see *supra* notes 79-81 and accompanying text. The court seemed to take it as a "given" that the appearance of the trademark parody in an adult magazine would have a tendency to damage the reputation associated with the Pillsbury trademarks. *See Pillsbury*, 215 U.S.P.Q. (BNA) at 135. The same sort of reaction was obtained from the courts in the *Dallas Cowboys* and *Edgar Rice Burroughs* cases. One might argue that those who actually saw the parodies in these cases—readers of adult magazines or viewers of adult movies—probably would be the consumers least likely to have a resulting lower opinion of the plaintiffs and their trademarks. Hence, the argument goes, there was neither actual nor probable dilution by tarnishment. If such an argument was made in *Pillsbury*, *Dallas Cowboys*, or *Edgar Rice Burroughs*, the courts obviously did not give it credence.


171. *Id.* 1191-92. In ruling for the plaintiff on the dilution claim, the court observed that "[t]o associate such a noxious substance as cocaine with plaintiff's wholesome beverage as symbolized by its 'Coca-Cola' trademark and format would clearly have a tendency to impugn that product and injure plaintiff's business reputation, as plaintiff contends." *Id.* at 1189; see also *General Foods Corp. v. Mellis*, 205 U.S.P.Q. (BNA) 261, 263 (S.D.N.Y. 1979) (commenting on unwholesome nature of drug references in defendant's song which used plaintiff's trademark). For a discussion of the court's conclusion that the poster also infringed Coca-Cola's trademarks, see *supra* notes 96-100 and accompanying text.

172. *See Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.*, 642 F. Supp. 1091, 1093-40 (N.D. Ga. 1986) (dilution by tarnishment). In *Topps Chewing Gum*, the court's distaste for the Garbage Pail Kids stickers, a popular item designed for and sold to children, is reflected in its statement that the stickers "derisively depict dolls with features similar to Cabbage Patch Kids dolls in rude, violent and frequently noxious settings." *Id.* at 1092. The court's objection to the content of the stickers also goes a long way toward explaining the ease with which it found likelihood of confusion on the plaintiff's alternative claim for trademark infringement. *See id.* at 1093.

173. *See Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1490-91 (10th Cir. 1987) (no unwholesome context and hence no tarnishment of Jordache mark when defendant used "Lardashe" as name of its large-size designer jeans); *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788, 793 (9th Cir. 1981) (use of "Bagzilla" as name of garbage bags did not tarnish "Godzilla" mark because mark not linked with something unsavory); *Universal City Studios, Inc. v. T-Shirt Gallery, Ltd.*, 634 F. Supp. 1468, 1479-80 n.16 (S.D.N.Y. 1986) (connotations suggested by "Miami Mice" t-shirts did not tarnish "Miami Vice" trademark); *Tetley, Inc. v. Topps Chewing Gum, Inc.*, 556 F. Supp. 785, 794 (E.D.N.Y. 1983) (dilution by tarnishment not likely where defendant's "Petley Flea Bags" stickers poked fun at Tetley trademarks).

*Girl Scouts of United States v. Personality Posters Manufacturing Co.*, 304
In the *L.L. Bean* case, the First Circuit departed from the prior trend of finding dilution by tarnishment almost as a matter of course when the plaintiff's trademark was used in a parody having sexual overtones. The court refused to grant relief to the trademark owner despite the appearance of the defendant's parody in an adult magazine.\(^{174}\) In so ruling, the court rejected the view that a finding of tarnishment may be based on the defendant's single unauthorized use of the plaintiff's trademark in an arguably unwholesome setting.\(^{175}\) It asserted that the dilution by tarnishment theory should be restricted in application to clearly commercial contexts where the defendant uses the plaintiff's trademark in connection with goods that are inferior to, or otherwise incompatible with, the plaintiff's goods or business.\(^{176}\) The court called the defendant's parody "editorial or artistic" and held that as a noncommercial parody it was not subject to injunction under the anti-dilution statute.\(^{177}\)

The foregoing cases leave considerable uncertainty as to what is an unwholesome context and whether it is appropriate to apply dilution by tarnishment to noncommercial parodies.\(^{178}\) Because dilution by tarnishment claims necessarily require courts to make judgments on what is offensive, unwholesome, or tarnishing, trademark parody cases pursued on dilution grounds implicate important first amendment concerns. These first amendment issues are often ignored entirely by courts or, if not

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\(^{174}\) *Id.* at 30-34. For an earlier discussion of this case, see *supra* notes 159-62 and accompanying text.

\(^{175}\) Id. at 30-33.

\(^{176}\) Id. In other words, the *L.L. Bean* court effectively would limit dilution by tarnishment to tarnishment caused by the inferior nature of the defendant's goods, and would prohibit the use of the unwholesome context route. The court also noted the first amendment difficulties inherent in determining what is offensive or unwholesome. Id. at 34. For a discussion of tarnishment caused by the inferior nature of the defendant's products, see *supra* notes 164-65 and accompanying text. The court also noted the first amendment difficulties inherent in determining what is offensive or unwholesome. *L.L. Bean*, 811 F.2d at 34.

\(^{177}\) Id. at 33-34. First amendment considerations provided the main reason for the limits placed by the court on the application of the anti-dilution statute. See id. at 29-34. For a discussion of *L.L. Bean*’s focus on the first amendment, see *infra* notes 321-37 and accompanying text.

\(^{178}\) See *L.L. Bean*, 811 F.2d at 29-34.
No discussion of the dilution doctrine would be complete without mention of a phenomenon dubbed "pseudo-dilution." This phenomenon is the tendency of some courts to grant a trademark owner relief on dilution-like grounds when the dilution theory has not been raised by the plaintiff or is not even available under applicable law. Pseudo-dilution is sometimes seen in cases where the court regards the defendant's actions as particularly objectionable. When courts resort to pseudo-dilution, they do not openly acknowledge having done so. Instead, they inappropriately employ dilution-oriented language to bolster a finding of infringement or conclude that infringement was established even though the decision reveals an underlying dilution basis. Plaintiffs who either failed to bring a dilution claim or were not entitled to do so under applicable law obviously are happy to acquiesce in a court's use of pseudo-dilution.

Whether consisting of its statutory forms or of the unofficial variety just described, the dilution doctrine has joined the infringement theory as a major player in the trademark rights arena. When the case involves a parody, trademark owners have not always been content to restrict themselves to claims of infringement or dilution. The following subsection examines the alternative causes of action sometimes employed in these cases.

179. For a discussion of these first amendment issues, see infra notes 295-314 and accompanying text.

180. 2 J. McCarthy, supra note 1, § 24:15; see Denicola, supra note 27, at 190.

181. See 2 J. McCarthy, supra note 1, § 24:15; Denicola, supra note 27, at 190. For examples of courts resorting to pseudo-dilution, see infra notes 182-83 and accompanying text. It must be remembered that because neither the federal trademark statute nor the common law recognizes the dilution doctrine, the dilution theory is available only when there is an applicable state anti-dilution statute. 1 J. Gilson, supra note 35, § 7.04, at 7-33. Not all states have such statutes. See id. at 7-34. Therefore, dilution claims cannot always be raised in trademark rights litigation.


E. Other Theories Used by Plaintiffs in Trademark Parody Cases

In apparent attempts to cover all the possible bases, trademark parody plaintiffs have raised common law tort claims as alternative theories of recovery. These claims include passing off, misappropriation, defamation and disparagement.

1. Passing Off and Misappropriation

A passing off claim involves the allegation that the defendant competed unfairly by engaging in a scheme to have his goods or services "pass" in the marketplace as those of the plaintiff. 184 An alternative claim for passing off normally adds little to a trademark infringement case, because passing off involves the same sort of likelihood of confusion element essential to a finding of infringement. 185

Other times, the plaintiff's unfair competition claim alleges that the defendant engaged in misappropriation. The misappropriation doctrine has had a checkered history. 186 It has been successfully employed in a variety of nontrademark contexts where the gravamen of the plaintiff's complaint is that the defendant


Section 43(a) of the Lanham Act and Trademark Law Revision Act, which can cover passing off cases, also requires proof of likelihood of confusion, 15 U.S.C. § 1125 (1988); see, e.g., Warner Bros., 720 F.2d at 247. A passing off claim is likely to fail in a parody setting because the parodist generally does not attempt to pass off the parody as the original. Instead, the parodist wants the public to recognize that he is at once drawing upon the original and doing something different—engaging in humor or commentary. See, e.g., Fisher, 794 F.2d at 440 (defendant's song "When Sonny Sniffs Glue" parodied plaintiff's "When Sunny Gets Blue," but defendant not attempting to pass off parody as plaintiff's).

186. See International News Service v. Associated Press, 248 U.S. 215 (1918) (leading case in early development of misappropriation). The International News Court used the misappropriation doctrine as the basis for allowing Associated Press (AP) to prevail in an unfair competition claim against International News Service (INS) for its practice of copying news after it appeared in stories in AP-subscribing newspapers on the East Coast. Id. at 232. INS would alter the form of the stories and send them by telegraph to its subscribers on the west coast. See id. at 236-40. AP was allowed to prevail because a contrary result would allow INS to "reap where it had not sown," in that AP had gone to the time, trouble, and expense of assembling an effective news-gathering operation, and INS took advantage of the results of that operation. Id. at 239-40. Since International News, the misappropriation doctrine has been criticized as likely to endanger the proper intellectual property balance developed by federal law. See Denicola, supra note 27, at 172-73, 179 n.101. For a complete discussion of the history and development of the misappropriation tort, see id. at 171-81.
seized for his own benefit something of value that the plaintiff had built up through expenditures of time, money, and effort.\textsuperscript{187} The underlying rationale of this nebulous tort is to prevent defendants from “reap[ing] . . . the harvest of those who have sown.”\textsuperscript{188}

The application of the misappropriation doctrine to the trademark rights setting is subject to question. A trademark may properly be characterized as an item of value developed through its owner’s expenditures of time, money and effort.\textsuperscript{189} As such, trademark owners’ claims could be actionable under the misappropriation rubric.\textsuperscript{190} It must be remembered, however, that the misappropriation doctrine, which developed as part of the common law outside the trademark setting, contains no likelihood of confusion requirement in the usual trademark law sense.\textsuperscript{191} Therefore, to recognize misappropriation as a separate common law basis for trademark-related litigation would be to alter substantially the common law’s longstanding formulation of trademark rights.\textsuperscript{192}

When faced with a trademark owner’s misappropriation claim, courts generally seem inclined to avoid extended analysis of whether the doctrine fits in the trademark setting. Some courts

\textsuperscript{187.} See Denicola, supra note 27, at 173-74.
\textsuperscript{188.} International News, 248 U.S. at 239-40.
\textsuperscript{189.} 1 J. McCarthy, supra note 1, § 2:10.
\textsuperscript{190.} See Universal City Studios, Inc. v. Montgomery Ward & Co., 207 U.S.P.Q. (BNA) 852 (N.D. Ill. 1980) (misappropriation of well-known “Jaws” trademark). In this case, the court expressly relied on the misappropriation doctrine as a basis for enjoining the defendant’s use of “Jaws” as the name of a garbage disposal. Id. at 857-58.
\textsuperscript{191.} See Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 794 (9th Cir. 1981) (noting that misappropriation theory does not require likelihood of confusion, but refusing to apply misappropriation theory to trademark rights); Universal City Studios, 207 U.S.P.Q. (BNA) at 858 (misappropriation claim does not require proof of likelihood of confusion). The common law’s protection of trademarks has traditionally required likelihood of confusion as an element of the trademark owner’s claim. See supra notes 40-46 and accompanying text.

Application of the misappropriation tort has generally been reserved for situations in which there is not another applicable body of law to govern the case, but unfair competition considerations make its use a necessity. See, e.g., International News Serv. v. Associated Press, 248 U.S. 215 (1918); United States Golf Ass’n v. Saint Andrews Sys., Data-Max, Inc., 749 F.2d 1028, 1034-35 (3d Cir. 1984). In the trademark rights context, however, there are numerous legal theories on which trademark owners may rely.
have summarily disregarded the misappropriation claim, asserting that trademark law simply does not recognize such a claim.\textsuperscript{193} Other courts have indicated that there is no need to consider the plaintiff's misappropriation claim, because such a claim would not provide the plaintiff with any advantages beyond those available under conventional trademark law.\textsuperscript{194} In preferring to avoid careful analysis of whether the misappropriation theory may be used to enforce trademark rights, courts have perpetuated uncertainty concerning such claims.

Notwithstanding this apparent judicial reluctance to decide whether the misappropriation doctrine should be granted official recognition in the trademark setting, misappropriation influences have significantly infiltrated trademark law. Sometimes this infiltration is subtle. Although a misappropriation claim is not necessarily brought, some courts apply what amounts to a misappropriation analysis as a justification for a finding of trademark infringement.\textsuperscript{195} Other times, the misappropriation in-

\textsuperscript{193} See, e.g., Toho, 645 F.2d at 794; cf. Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931, 933-36 (D.D.C. 1985) (holding that owner of "Star Wars" trademark not entitled to prevail on misappropriation grounds against public interest groups that referred to "star wars" in political advertisements opposing Reagan Administration's strategic defense initiative).

\textsuperscript{194} See, e.g., Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. (BNA), 124, 135 (N.D. Ga. 1981) (rejecting what amounted to misappropriation claim). A court that takes this approach has missed a crucial point: full recognition of the misappropriation doctrine in the trademark context would provide the trademark owner a distinct advantage over what he has under the federal trademark statute or the common law, because the misappropriation theory would allow relief without proof of likelihood of confusion.

\textsuperscript{195} See, e.g., Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004, 1011 (5th Cir.), cert. denied, 425 U.S. 868 (1975) (misappropriation-like rationale applied in allowing injunctive relief against de-
fluence is more obvious, and the court may even cite misappropriation precedents as a basis for granting the plaintiff relief on conventional trademark grounds.\textsuperscript{196} Regardless of whether misappropriation claims are formally recognized or even pleaded by plaintiffs, the apparent receptivity of courts to misappropriation-oriented arguments assures the misappropriation doctrine a continued, albeit unofficial, role in trademark law.\textsuperscript{197}

2. \textit{Defamation and Disparagement}

Plaintiffs in trademark parody cases occasionally plead an alternative claim of defamation. There seems little reason to bother doing so, however, given the other theories potentially available and the meager prospects of success on a defamation claim. Defamation suits are based on actual or presumed harm to the reputation of a person, whether natural or corporate.\textsuperscript{198} This requirement of harm to reputation makes it difficult for the trademark owner to prevail in a parody-based defamation action.

When a defamation claim is brought by a corporation or other business entity (the sort of plaintiff often seen in trademark parody litigation), a critical question is whether the defendant's statements would have a tendency to harm the plaintiff's overall business reputation for integrity, competence and solvency.\textsuperscript{199} Arguable harm to property such as a trademark or to other eco-


\textsuperscript{197} As with dilution, the absence of the likelihood of confusion element gives the misappropriation doctrine the potential to suppress an undue amount of speech if it is applied to the trademark parody setting. This suppression serves as another reason not to recognize misappropriation in the trademark rights setting. \textit{See infra} note 454 and accompanying text.

\textsuperscript{198} \textit{See Restatement (Second), supra} note 123, §§ 558-559, 621-622. Although defamation claims were first recognized only in favor of natural persons, it is now commonly accepted that corporations are permissible plaintiffs in defamation cases because they have business reputations to protect. \textit{See}; W. KEETON, D. DOBBS, R. KEETON & D. OWEN, \textit{PROSSER AND KEETON ON THE LAW OF TORTS} § 111, at 779 (5th ed. 1984) [hereinafter \textit{PROSSER & KEETON}]; \textit{Restatement (Second), supra}, § 561 & comment b.

\textsuperscript{199} \textit{See Restatement (Second), supra} note 123, § 561(a) & comment b; Langvardt, \textit{A Principled Approach to Compensatory Damages in Corporate Defamation Cases}, 27 \textit{Am. Bus. L.J.} 491, 496 (1990).
omic interests of the plaintiff does not become relevant in a def-
amation case unless the requisite tendency to harm the plaintiff’s 
reputation is shown. It stretches plausibility almost to the 
breaking point to assert that a business plaintiff’s overall reputa-
tion is harmed by a parody of its trademark—even a parody that is 
arguably in bad taste. As a result, trademark parody-based defa-
mation claims tend to falter on the basic harm to reputation ele-
ment, even before the potentially more difficult questions of

200. Restatement (Second), supra note 123, §§ 558, 561. A decrease in 
the value of the trademark itself does not mean that the plaintiff’s reputation is 
harmed. Courts generally are hesitant to assume that a statement which is harmful 
to the plaintiff’s economic interest (and hence may give rise to an injurious 
falsehood claim) necessarily harms the plaintiff’s overall reputation. Prosser & 
Keeton, supra note 198, at 965. For discussion of injurious falsehood claims, see infra 
notes 204-11 and accompanying text.

201. See Fisher v. Dees, 794 F.2d 432, 440 (9th Cir. 1986); Stop the 

In Fisher, the plaintiffs’ song “When Sunny Gets Blue” had been parodied 
by the defendant in a song called “When Sonny Sniffs Glue.” Fisher, 794 F.2d at 
434. The court easily disposed of the plaintiffs’ defamation claim, stating that 
the parody “cannot reasonably be understood in a defamatory sense by those 
who hear it.” Id. at 440. In other words, the court concluded that there was no 
possibility of harm to the plaintiffs’ reputation. See id. In Stop the Olympic Prison, 
the court treated the Olympic Committee’s disparagement claim as a defamation 
claim because it alleged harm to the Olympic Committee’s reputation as a result 
of the STOP organization’s protest-oriented poster. Stop the Olympic Prison, 489 
F. Supp. at 1123-24. The court concluded that there was no reasonable prospect 
of such reputational harm, see id. at 1126, and insufficient evidence that 
STOP had even communicated a falsehood concerning the Olympic Committee. 
Id. at 1125

In the Girl Scouts case, the court found no basis for concluding that the 
defendant’s “Be Prepared” poster had either actually or probably harmed the reputa-
tion of the Girl Scouts organization. Girl Scouts, 304 F. Supp. at 1234-35. The court 
concluded with this observation:

Those who may be amused at the poster presumably never viewed 
the reputation of the plaintiff as being inviolable. Those who are indig-
nant obviously continue to respect it. Perhaps it is because the reputation 
of the plaintiff is so secure against the wry assault of the defendant 
that no such damage [to reputation] has been demonstrated.

Id. at 1235-36.

The Coca-Cola case, however, provides conflicting indications as to whether 
the court was recognizing Coca-Cola’s defamation claim as an alternative basis 
for the granting of a preliminary injunction against the producer of the “Enjoy 
Coca-ine” poster. Defamation was among the plaintiff’s various claims, 
although the plaintiff apparently focused more heavily on its trademark infringe-
ment and dilution claims. See id. at 1190-93. Likewise, the court’s major con-
cern was with the latter claims. See Coca-Cola, 346 F. Supp. at 1186-93. 
Nonetheless, the court spoke of harm to the plaintiff’s overall reputation and 
thus appeared to be sustaining the defamation claim as well as the infringement 
and dilution claims. See id. at 1188-89, 1191.

Later in the opinion, however, the Coca-Cola court seemed to indicate that it
falsity\textsuperscript{202} and constitutional fault\textsuperscript{203} are encountered.

The tort of disparagement is potentially better suited to the trademark parody setting. It is classified under the broader heading of injurious falsehood, which concerns itself with false state-

was not ruling on the defamation claim. See id. at 1192-93. It stressed that the trademark infringement and dilution theories were the heart of the plaintiff's case. See id. In avoiding careful consideration of the defamation claim, the court seemingly wished to avoid tackling the difficult issue of whether the requisite degree of fault had been displayed by the defendant. See id. To complicate matters further, the court again referred to possible harm to the plaintiff's reputation near the end of the opinion, id. at 1193. To the extent that the confusing Coca-Cola decision may be read as recognizing a defamation claim under the circumstances of the case, the decision does not have great precedential value because the court glossed over important questions of falsity and fault. For discussion of the falsity element of a defamation claim, see infra note 202. For discussion of fault requirements in defamation cases, see infra note 203.

\textsuperscript{202} A basic requirement of a meritorious defamation claim is that the defendant made a statement that was both defamatory (in the sense of having a tendency to harm the plaintiff's reputation) and false. \textit{Restatement (Second)}, supra note 123, \textsection 558. This falsity requirement necessarily means that the statement must expressly or impliedly set forth a statement that is of supposed "fact," but is actually false. Even if a statement is cast in opinion form, it is actionable if it implies "facts" that are not true. \textit{Milkovich v. Lorain Journal Co.}, 110 S. Ct. 2695, 2705-07 (1990). The typical trademark parody case, if pursued on defamation grounds, is likely to fail because the reasonable reader or listener probably will not perceive any statements in the parody as serious statements of "fact." See \textit{Fisher}, 794 F.2d at 440; \textit{Girl Scouts}, 304 F. Supp. at 1235-36.


Actual malice is defined by the Court as meaning that the defendant made a false statement with knowledge that it was false or with reckless disregard for its truth or falsity. \textit{New York Times}, 376 U.S. at 279-80. The existence of actual malice must be proved by clear and convincing evidence. See \textit{Gertz v. Robert Welch, Inc.}, 418 U.S. 323, 342 (1974); \textit{New York Times}, 376 U.S. at 285-86. A private figure plaintiff, on the other hand, is not expected to prove actual malice but must prove at least negligence on the part of the defendant in failing to take the steps a reasonable person would have taken to ascertain the truth before making the statement. \textit{Gertz}, 418 U.S. at 346-48. When the statement giving rise to the suit was of public concern, the private figure plaintiff's damages are restricted to actual proven injury if she proves only the minimum fault requirement of negligence. Presumed and punitive damages are not allowable in such a scenario unless the plaintiff proves actual malice. \textit{Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.}, 472 U.S. 749, 751 (1985); \textit{Gertz}, 418 U.S. at 349-50.

The foregoing rules are complex and require difficult factual and legal determinations. Detailed consideration of them is beyond the scope of this article because defamation claims are of only marginal significance in the trademark parody setting. As previously noted, defamation claims based on trademark parodies usually fail on another basis before these difficult constitutional questions are encountered. See supra notes 199-201 and accompanying text. For more detailed discussion of the constitutional aspects of defamation law, see Langvardt, \textit{Media Defendants, Public Concerns, and Public Plaintiffs: Toward Fashioning Order from Confusion in Defamation Law}, 49 U. Pitt. L. Rev. 91 (1987).
ments that cause harm to the plaintiff’s economic interests but do not go so far as to harm the plaintiff’s reputation.\textsuperscript{204} The name “disparagement” tends to be used when the injurious falsehood case arises in a business context.\textsuperscript{205} A disparagement claim is more plausible in the trademark parody setting than a defamation claim, because a trademark provides the sort of economic interest that may be adversely affected for purposes of a disparagement claim.\textsuperscript{206} It is possible that the defendant’s parody could diminish the value of the plaintiff’s trademark, especially where the parody’s context is arguably distasteful.\textsuperscript{207}

The preceding discussion of harm to the value of a trademark should sound familiar, because similar notions are relevant to dilution claims. Indeed, trademark disparagement and trademark dilution, especially that of the tarnishment variety, bear strong conceptual resemblances to each other.\textsuperscript{208} Nevertheless, there are differences in elements of proof that make disparagement

\begin{itemize}
\item \textsuperscript{204} Restatement (Second), supra note 123, \S 623A.
\item \textsuperscript{205} Prosser & Keeton, supra note 198, \S 128, at 964-65.
\item \textsuperscript{206} E.g., Mutual of Omaha Ins. Co. v. Novak, 648 F. Supp. 905 (D. Neb. 1986), aff'd, 836 F.2d 397 (8th Cir. 1987), cert. denied, 488 U.S. 933 (1988); Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931 (D.D.C. 1985). In Mutual of Omaha, the trial court recognized that a trademark may be disparaged, but rejected Mutual of Omaha’s disparagement claim because the defendant’s “Mutant of Omaha” t-shirts did not create an unsavory association with the plaintiff’s trademarks. Mutual of Omaha, 648 F. Supp. at 912. As noted earlier, however, the trial court and the Eighth Circuit held in the plaintiff’s favor on its trademark infringement claim. See supra notes 92-94 and accompanying text. In Lucasfilm, the court also recognized that a trademark constitutes the sort of economic interest that, if harmed, may give rise to a disparagement claim. Lucasfilm, 622 F. Supp. at 933. The court rejected the plaintiff’s claim, however, because the defendant’s “star wars” television spots were political commentary that did not disparage the plaintiff’s “Star Wars” trademark. See id. at 935.
\item \textsuperscript{208} For discussion of the dilution doctrine’s focus on likely harm to marks as the result of unconsented uses in unwholesome contexts, see supra notes 167-79 and accompanying text.
\end{itemize}
more difficult to prove and hence less desirable to trademark parody plaintiffs.\textsuperscript{209} In view of its stern proof requirements, it is likely that disparagement will maintain a secondary position behind infringement and dilution claims\textsuperscript{210} in trademark parody litigation.\textsuperscript{211}

III. The First Amendment Spectrum

By its nature, parody involves expression of some sort. It is therefore potentially entitled to first amendment protection against undue governmental interference. Although some courts apparently prefer to avoid the first amendment thicket whenever possible in trademark parody litigation,\textsuperscript{212} the constitutional guarantees of freedom of expression cannot readily be dismissed as irrelevant to such cases. In order to determine the extent and nature of the first amendment's proper role in trademark parody cases—an inquiry the U.S. Supreme Court has not directly undertaken—one must begin by examining relevant first amendment doctrines.\textsuperscript{213}

\textsuperscript{209} One element of disparagement is that the defendant made a false statement, either express or implied. \textit{Restatement} (Second), \textit{supra} note 123, § 623A comment g. In the trademark parody setting, the plaintiff may be hard-pressed to establish this element for the same reason noted earlier concerning defamation claims based on parodies. See \textit{supra} note 202. No showing of falsity is required in a dilution case, however. Further, to succeed on a disparagement claim, the plaintiff must prove actual harm to his economic interests. \textit{Restatement}, \textit{supra}, §§ 623A, 633, 651. In a dilution claim, likelihood of harm is sufficient. See \textit{Model State Trademark Bill}, \textit{supra} note 137. Disparagement claims generally necessitate proof of some sort of wrongful intent or fault, either as a common law or constitutional matter. \textit{Prosser \\& Keeton}, \textit{supra} note 198, § 128, at 968-70. In some states, the fault requirements for disparagement resemble those of defamation law. See \textit{supra} note 203. In other states, the fault requirement is that the defendant made the false statement with ill will toward the plaintiff or because of spiteful motives. Langvardt, \textit{supra} note 116, at 916-17. Dilution claims have not traditionally included such fault requirements, although first amendment considerations should not be ignored when the dilution theory is used to attack trademark parodies. See \textit{infra} notes 453-66, 481-90 and accompanying text.

\textsuperscript{210} Where there is an applicable anti-dilution statute, a separate claim for disparagement is largely superfluous unless the plaintiff wishes to seek money damages, which are available in disparagement claims but not in dilution claims. Anti-dilution statutes typically allow only injunctive relief. See \textit{Model State Trademark Bill}, \textit{supra} note 137.


\textsuperscript{212} For a discussion of this avoidance by courts, see \textit{infra} notes 295-97 and accompanying text.

\textsuperscript{213} Although the Court has not decided a trademark parody case, certain of its decisions are nonetheless highly relevant to the trademark parody context.
The first amendment flatly states that there shall be “no law” restricting freedom of speech or press. Nevertheless, the government’s need to function effectively has led to the consistent judicial determination that the first amendment prohibits only government action that unduly restricts freedom of expression. Incidental government restrictions on expression therefore do not violate the first amendment. Courts balance two competing interests in deciding whether government action unduly restricts freedom of speech: the speaker’s first amendment interest and the government’s interest in regulating the affected expression. Different sorts of speech may carry different degrees of constitutional protection. The degree of protection, if any, given to speech and the corresponding strength of the speaker’s first amendment interest depend upon where the speech falls on the first amendment spectrum.

A. Full First Amendment Protection for Political Speech and Noncommercial Equivalents

Supreme Court decisions establish that even though the first amendment spectrum is broad enough to include various types of speech, not all speech is protected. Obscene expression, for example, receives no first amendment protection. The same is

For a discussion of these decisions, see infra notes 387-404 and accompanying text.

214. U.S. Const. amend. I.

215. The first amendment literally refers to actions by the federal government that interfere with free expression. Id. The first amendment’s guarantees are regarded as incorporated within the fourteenth amendment’s due process clause. Gitlow v. New York, 268 U.S. 652, 666 (1925). By virtue of this process of incorporation, the guarantees set forth in the first amendment restrict actions by the federal, state and local governments insofar as they unduly interfere with free expression. For purposes of convenience and clarity, this article will refer to the “first amendment” even in instances where a reference to the fourteenth amendment would be technically proper.

216. For discussion of the circumstances under which the government may regulate or restrict certain forms of expression without violating the first amendment, see infra notes 244-47, 262-68 and accompanying text.

217. For a discussion of courts’ balancing of these competing interests, see infra notes 238-47, 263-94 and accompanying text.

218. See Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc., 472 U.S. 749, 758-60 (1985) (indicating that not all speech is of equal value for first amendment purposes).

219. See id.

220. See id. A familiar first amendment notion is that the freedom of speech and press clauses contemplate a marketplace of ideas in which viewpoints and information pertaining to various subjects are traded freely. See Abrams v. United States, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting).

221. Miller v. California, 413 U.S. 15, 23 (1973) (mailing of unsolicited sex-
true of speech that is both designed to incite or likely to incite imminent lawless activity. At the opposite end of the spectrum is political speech. Although the full range of the political speech classification is uncertain, it may safely be said that it includes statements and certain expressive actions regarding the workings of government, major social and public policy issues and persons connected with such matters. Political speech is given full first amendment protection because such expression is considered central to the meaning of the first amendment.

Other types of expression are also entitled to first amendment protection. As the Supreme Court has observed, "[O]ur cases have never suggested that expression about philosophical, social, artistic, economic, literary, or ethical matters—to take a nonexhaustive list of labels—is not entitled to full First Amendment protection." The Court has also emphasized that expression on matters of "public concern" rests comfortably under the first amendment umbrella.

Thus, the novelist, composer, essayist, or commentator is entitled to rely on the freedom of speech or press clauses regardless of whether her work is of a political nature. This necessarily explicit material not protected by first amendment). Indecent expression, however, is generally protected. See Sable Communications Inc. v. FCC, 109 S. Ct. 2829, 2836 (1989) (sale of dial-a-porn messages to adults cannot be criminalized because indecent).


224. See, e.g., Johnson, 109 S. Ct. at 2542-43. For a discussion of the "full" first amendment protection given to political speech, see infra notes 224-44 and accompanying text.


means that the satirist or parodist carries a substantial constitutional entitlement to engage in humorous or caustic commentary without the chilling prospect that legal liability will be readily imposed upon her because of what she has stated.230 The party who has served as the subject of the satire or parody may find the parody offensive, but offensiveness, without more, cannot serve as a constitutional basis for imposing liability on the satirist or parodist.231 The Supreme Court recently made this proposition abundantly clear in Hustler Magazine Inc. v. Falwell.232 Even though Falwell did not involve trademark rights, it is relevant to the issues dealt with in this article because it involved an attempt to impose liability for the harm allegedly caused by a parodist's expression of ideas.233

In Falwell, the Court struck down, as violative of the first amendment, an award of compensatory and punitive damages to the Reverend Jerry Falwell.234 Falwell had brought a claim for intentional infliction of emotional distress against Hustler magazine and its publisher, Larry Flynt, because of a Hustler advertising parody that portrayed Falwell in an unwholesome and unflattering light.235 The Court reasoned that the offensive character of speech—even when it is calculated to offend, as satire or parody often is—does not strip the speech of the constitutional protection it would otherwise carry.236 Therefore, the Court imposed stern first amendment requirements on public plaintiffs who seek to hold parodists liable for intentional infliction of emotional distress.237

The Supreme Court again underscored the substantial pro-

230. See Falwell, 485 U.S. at 50-56. For a discussion of the lesser protection given to commercial speech, and thus a satire or parody that is commercial in nature, see infra notes 261-94 and accompanying text.


233. See id. at 48-49.

234. Id. at 57.

235. Id. at 48-49. Although Falwell lost his defamation claim because the jury concluded that a reasonable person would not interpret any statements about him in the parody as actual facts, Falwell prevailed in the lower courts on the theory that the Hustler parody constituted intentional infliction of emotional distress. Id.

236. Id. at 50, 52-53.

237. See id. at 56-57. The Court required Falwell, a public figure plaintiff, to prove the "actual malice" requirement of a defamation case before prevailing on his intentional infliction of emotional distress claim.
tection given potentially offensive political speech and its
equivalents in Texas v. Johnson, the notorious flag-burning deci-
sion. In Johnson, the Court held that a protestor who burned
the American flag could not be convicted of a criminal offense for
violating a Texas statute. The Court classified the burning of
the flag as expressive conduct entitled to first amendment protec-
tion, and concluded that the criminal prosecution amounted to an
unconstitutional attempt to punish the protestor because of the
content of his political expression. The Court emphasized that
"[i]f there is a bedrock principle underlying the First Amend-
ment, it is that the Government may not prohibit the expression
of an idea simply because society finds the idea itself offensive or
disagreeable." 

Because the criminal prosecution in Johnson was regarded by
the Court as an attempt to restrict the content of political expres-
sion, the Court applied "the most exacting scrutiny" to the gov-
ernment action. In other words, the Court ruled that the
appropriate test to be applied was the one amounting to full first
amendment protection. Under this test, in order for the gov-
ernment to justify a content-based restriction on political speech,
it must demonstrate that the restriction was necessary to fulfill a
compelling government interest.

In applying this demanding test, the Johnson Court examined
the interests asserted by the state in support of the prosecution of
the defendant. According to the Court, the first asserted inter-
est—that of preventing breaches of the peace which could result
from offensive acts such as flag-burning—was not implicated on
the facts of the case. The Court further concluded that even
though Texas had a "legitimate" interest in preserving the flag as
a symbol of nationhood and national unity, there was no likeli-
hood that the defendant's politically motivated burning of the flag

239. Id. at 2548.
240. Id. at 2536, 2640-47.
241. Id. at 2544.
242. Id. at 2543 (quoting Boos v. Barry, 485 U.S. 312, 321 (1988)). Had
the Court determined that the Texas statute was merely a time, place and man-
ner restriction rather than a restriction on the content of speech, or that the
defendant's conduct was not expressive, a far less rigorous test would have been
applied. See id. at 2538.
243. See id. at 2543.
245. Johnson, 109 S. Ct. at 2541. According to the Court, there was no
showing that a disturbance of the peace had occurred or threatened to occur as a
result of the defendant's burning of the flag. Id.
would dilute the flag's symbolic strength in the eyes of the pub-
lic.246 The Court therefore held that the prosecution of the de-
fendant was not necessary to preserve the flag as a symbol of na-
tional unity.247 Accordingly, the prosecution of the defendant
did not withstand first amendment scrutiny.

Johnson illustrates the difficult burden of justification placed
on the government when affected expression is entitled to full
first amendment protection. Not all constitutionally shielded
speech receives such extensive protection, however. Current con-
stitutional doctrine mandates a distinction between noncommer-
cial speech, which is potentially entitled to full protection, and
commercial speech, which receives some, though not full, pro-
tection. The following paragraphs examine the constitutional sig-
nificance of the distinction between commercial and noncommercial
speech—a distinction critical to the determination of the proper
role of the first amendment in trademark parody cases.248

B. Lesser (and Lessening) Protection for Commercial Speech

The distinction between commercial and noncommercial
speech is a mainstay of first amendment jurisprudence. Speech
classified as commercial was long regarded as being outside the
scope of the freedom of speech and press clauses.249 That view
was repudiated in 1976. In Virginia State Board of Pharmacy v. Vir-
ginia Citizens Consumer Council, Inc.,250 the Supreme Court brought
commercial speech under the first amendment umbrella but de-
clined to give it the full protection accorded political speech and
its equivalents.251 The commercial/noncommercial distinction
thus assumed its present role. Instead of determining whether the

246. Id. at 2542, 2544-46, 2547. According to the Court, “[N]obody can
suppose that this one gesture of an unknown man will change our Nation’s atti-
tude towards its flag.” Id. at 2547.

247. See id. at 2546 (“It is not the State’s ends, but its means, to which we
object.”).

248. For discussion of the role this distinction must play in order to pro-
perly accommodate first amendment interests in trademark parody cases, see infra
notes 385-490 and accompanying text.

249. See, e.g., Valentine v. Christensen, 316 U.S. 52, 54-55 (1942) (noting
that “the Constitution imposes no . . . restraint on government as respects
purely commercial advertising”).


251. Id. at 771-72 n.24. Although explicit recognition of first amendment
protection of commercial speech did not come until Virginia Board of Pharmacy,
two earlier decisions had strongly hinted that such a conclusion was imminent.
See Bigelow v. Virginia, 421 U.S. 809, 818-22 (1975); Pittsburgh Press Co. v.
subject speech fell within the first amendment, the distinction now establishes the degree of constitutional protection for the subject speech.\textsuperscript{252} The less-than-full protection given commercial speech will be explored in more depth shortly. First, however, it is useful to consider what is and is not commercial speech.

"Commercial speech" is usually defined by the Supreme Court as expression that does "no more than propose a commercial transaction."\textsuperscript{253} Advertising intended to promote the sale of a product or service is a typical example of commercial speech. Indeed, the Supreme Court's major decisions involving commercial speech have been advertising cases.\textsuperscript{254} Sometimes, however, the Court has broadened the definition of commercial speech to include expression that is solely in the economic interest of the speaker and his audience.\textsuperscript{255} This latter definition may allow the commercial speech label to be assigned to certain speech that does more than merely propose a commercial transaction.\textsuperscript{256} The Court has not offered definitive guidance along these lines, however.

Notwithstanding the lack of clarity concerning the full reach of the commercial speech classification, it may safely be said that a speaker's expectation of profit from his statements does not by itself make the expression commercial speech. Both older and recent Supreme Court decisions emphasize that the mere existence of a profit motive for speech does not reduce the degree of constitutional protection to which the expression is entitled.\textsuperscript{257} If

\begin{itemize}
\item \textsuperscript{252} Compare \textit{Virginia Bd. of Pharmacy}, 425 U.S. 748 (limited first amendment protection for commercial speech) with \textit{Valentine}, 316 U.S. 52 (no first amendment protection for commercial speech).
\item \textsuperscript{253} See, e.g., \textit{Bolger v. Youngs Drug Prods. Corp.}, 463 U.S. 60, 66 (1983); \textit{Virginia Bd. of Pharmacy}, 425 U.S. at 762.
\item \textsuperscript{255} \textit{Central Hudson}, 447 U.S. at 561.
\item \textsuperscript{256} \textit{See Bolger}, 463 U.S. at 68 (finding commercial speech present even though advertisements at issue contained some speech that did not propose commercial transaction); \textit{see also} \textit{Friedman v. Rogers}, 440 U.S. 1, 11 (1979) (trade name that does not by itself seem to propose commercial transaction but does seem solely in economic interest of speaker and audience held commercial speech).
\item \textsuperscript{257} \textit{See Harte-Hanks Communications, Inc. v. Connaughton}, 109 S. Ct. 2678, 2685 (1989); \textit{City of Lakewood v. Plain Dealer Publishing Co.}, 486 U.S. 750, 756 n.5 (1988); \textit{Pittsburgh Press Co. v. Pittsburgh Comm'n on Human Relations}, 413 U.S. 376, 385 (1973); \textit{Joseph Burstyn, Inc. v. Wilson}, 343 U.S. 495, 501-02 (1952). The \textit{Falwell} case is also consistent with this proposition, given the full first amendment protection extended to \textit{Hustler}’s parody despite the obvious fact that the magazine was sold to make a profit. For a discussion of the
speech is to be classified as partially protected commercial speech or as wholly unprotected expression, factors other than the economic motivation of the speaker must justify the classification.\textsuperscript{258} This approach to the economic gain issue is constitutionally compelled. Without it, the first amendment guarantees of freedom of speech and press would be little more than "empty vessels"\textsuperscript{259} providing insufficient protection for the organized press, book publishers and other similarly situated parties whose expression has profitmaking aspects.\textsuperscript{260}

Assuming, however, that speech restricted by government action is properly classified as commercial, a court charged with determining the validity of the government action must make suitable allowances for the partially-protected status of commercial expression. Doing so may be challenging, because the Supreme Court's notion of what constitutes an intermediate degree of first amendment protection has not remained constant. The following discussion focuses on the development and current status of first amendment protection for commercial speech.

The holding in \textit{Virginia Board of Pharmacy} that commercial speech merits constitutional status was justified primarily by the Supreme Court's recognition of the public interest in the free flow of commercial information.\textsuperscript{261} The Court made it clear that any constitutional protection extended to commercial speech was

\textsuperscript{258} Although the Supreme Court has been less than clear concerning what other factors besides the mere existence of a profit motive are necessary in order for speech to be considered commercial speech, the closer the speech comes to the sale of goods or services—as opposed to the context of the “sale” of ideas, as in a newspaper, book, or movie—the more likely it is that the speech will be considered commercial speech. \textit{See Bolger,} 463 U.S. at 66-68 (speech that contains some noncommercial aspects but is primarily advertising of commercially sold product should be treated as commercial speech for first amendment purposes).

\textsuperscript{259} \textit{Harte-Hanks Communications,} 109 S. Ct. at 2685 (“If a profit motive could somehow strip communications of the otherwise available constitutional protection, our cases . . . would be little more than empty vessels.”).

\textsuperscript{260} \textit{Id.; see Falwell,} 485 U.S. at 53-55 (discussing value of, and first amendment protection given to, various forms of parody and satire that obviously have some attached profit motive).

\textsuperscript{261} \textit{Virginia Bd. of Pharmacy,} 425 U.S. at 763. The \textit{Virginia Board of Pharmacy} Court struck down a state regulation that effectively prohibited pharmacists from advertising the prices they would charge for prescription drugs. \textit{Id.} at 749-50, 752.

\textsuperscript{Falwell} case, see \textit{supra} notes 232-37 and accompanying text. Speech which involves a profit motive is not necessarily solely in the economic interest of the speaker and his audience. Instead, the speech at issue in the above cited cases (speech in newspapers, movies, and the like) communicates ideas that have social significance going well beyond the mere economic interests of the speaker/writer and listener/reader.
conditioned on the expression's being truthful and about a lawful activity.\textsuperscript{262} Except for specifying these conditions, however, \textit{Virginia Board of Pharmacy} left undermined the specific means of implementing commercial speech's partial first amendment protection. That task was undertaken in \textit{Central Hudson Gas & Electric Corp. v. Public Service Commission}.\textsuperscript{263} The \textit{Central Hudson} Court developed a four-part test for determining the constitutionality of government action that restricts commercial speech.\textsuperscript{264}

The first element of the \textit{Central Hudson} test asks whether the affected commercial speech pertains to a lawful activity and is nonmisleading.\textsuperscript{265} If this question is answered negatively, there is no need to apply the remaining elements of the test because the government action will not violate the first amendment.\textsuperscript{266} If the question posed in the first element of the \textit{Central Hudson} test is answered affirmatively, the affected commercial speech is entitled to first amendment protection. Nevertheless, the government action may be upheld if it clears the hurdles posed by the remaining three elements of the four-part test.\textsuperscript{267} \textit{Central Hudson} established the remaining elements as: (1) whether the government had a "substantial" underlying interest to further in taking the action; (2) whether the government action directly advanced the underlying interest; and (3) whether the government action was no more extensive than necessary to serve that interest.\textsuperscript{268}

\textsuperscript{262.} \textit{Id.} at 770-72. In the realm of noncommercial speech, however, false statements and statements about unlawful matters are treated much differently. \textit{See New York Times Co. v. Sullivan, 376 U.S. 254, 270-73 (1964) (falsity of speech does not necessarily cause loss of first amendment protection); Brandenburg v. Ohio, 395 U.S. 444, 447 (1969) (speech about unlawful activity protected by first amendment unless speech is both directed to incite and likely to incite imminent lawless activity).}

\textsuperscript{263.} 447 U.S. 557 (1980).

\textsuperscript{264.} This test was designed to give substance to the partial first amendment protection contemplated by \textit{Virginia Board of Pharmacy}. \textit{See 425 U.S. 748 (1976).}

\textsuperscript{265.} \textit{Central Hudson}, 447 U.S. at 566.

\textsuperscript{266.} \textit{Id.} The "negative" answer contemplated in the text would mean that the commercial speech either was about an unlawful activity or was misleading.\textsuperscript{267.} \textit{Id.}

\textsuperscript{267.} \textit{Id.} In Board of Trustees of the State University of N.Y. v. Fox, 109 S. Ct. 3028 (1989), however, the Supreme Court lessened the rigor of the fourth element of the \textit{Central Hudson} test. The Court discarded \textit{Central Hudson}'s "no more extensive than necessary" inquiry, substituting an inquiry as to whether the government action was "narrowly tailored" to serve the underlying interest. \textit{Fox}, 109 S. Ct. at 3035. For present purposes, however, it is sufficient to say that affirmative answers to each of the questions posed in the last three elements of the four-part test would enable the government action to withstand the first amendment challenge, whereas a negative answer to any of the three questions
The partial first amendment protection crafted in *Virginia Board of Pharmacy* and *Central Hudson* contemplated that even truthful commercial speech about lawful activities could constitutionally be subjected to government regulation under appropriate circumstances. Nevertheless, the Supreme Court's decisions prior to 1986 reflected an inclination to view skeptically government attempts to restrict commercial speech that was neither false nor promoted illegal activities. 269 For instance, in *Bolger v. Youngs Drug Products Corp.*,270 the Court struck down as unconstitutional a federal statute that prohibited unsolicited mailings of contraceptive advertisements. 271 The affected advertisements were presumably truthful, and the sale of contraceptives was unquestionably a lawful activity. Thus, the commercial speech at issue272 merited first amendment protection under the first element of the *Central Hudson* test. According to the Court, the government was unable to override this protection because an insufficient nexus between the statute and the government’s underlying interests caused the statute to fail the final two elements of the four-part test.273

would make the action unconstitutional. For a further discussion of *Fox*, see infra notes 282-94 and accompanying text.

269. See Zauderer v. Office of Disciplinary Counsel, 471 U.S. 626, 637-38 (1985); *Bolger*, 463 U.S. at 68-75; *Central Hudson*, 447 U.S. at 564; Bates v. State Bar of Ariz., 433 U.S. 350, 363-64 (1977); *Virginia Bd. of Pharmacy*, 425 U.S. at 749, 750-52, 773. In all of these cases, the Court struck down restrictions on nonmisleading speech about lawful activities.


271. *Id.* at 75.

272. *Bolger* is significant for another reason that is well-suited to the purposes of this article. A threshold issue in the case was whether the contraceptive advertisements constituted commercial speech or, instead, more strongly protected political speech. *See id.* at 65. The noncommercial aspects of the advertisements consisted of statements concerning the usefulness of contraceptive devices in preventing pregnancy and minimizing the risk of transmission of venereal disease. *Id.* at 67-68. The Court noted, however, that the speaker's economic motivation is also an important consideration in determining whether expression is commercial speech. *Id.* at 67. This statement by the Court must not be taken too far out of its context: the advertisements at issue in the case pertained predominantly to the sale of a commercial product. The *Bolger* Court concluded that if expression seems predominantly commercial, despite having some noncommercial, political aspects, it should be classified as commercial and thus entitled to only partial first amendment protection. *Id.* at 66-68. The Court’s approach to making commercial/noncommercial distinctions can be useful in the trademark parody setting. *See infra* notes 407-12 and accompanying text.

273. *Bolger*, 463 U.S. at 71-75. Recognizing that the government had a substantial interest in aiding parents in deciding when and whether to discuss matters pertaining to contraception with their children, the Court nonetheless concluded that the statute’s sweeping ban on unsolicited advertisements was un-
The first decade of decisions after *Virginia Board of Pharmacy* collectively established the high-water mark for first amendment protection of commercial speech. A 1986 decision, *Posadas de Puerto Rico Associates v. Tourism Co.*, began an apparent lessening of the protection accorded commercial speech. In *Posadas*, the Court rejected a first amendment challenge to a Puerto Rico regulation that prohibited advertisements promoting casino gambling if the advertisements were directed at residents or citizens of Puerto Rico. Casino gambling was legal in Puerto Rico. *Posadas* thus stands in marked contrast to the Court's previous decisions which disapproved of government regulation of accurate speech concerning lawful commercial activities.

In upholding the advertising ban, the majority opinion by Justice Rehnquist professed allegiance to *Central Hudson*’s four-part test. The Court, however, altered the previous application of the third and fourth elements of the test. Instead of conducting a careful analysis of the relationship between the advertising ban and the government’s underlying interest in protecting residents from the harmful effects of casino gambling, the Court seemed to defer to the legislature’s judgment about whether the regulation directly advanced the government interest through a means no more extensive than necessary. Observing that the Puerto Rico legislature would not have enacted the advertising ban if it did not believe that the restriction would be an appropriate means of advancing the government interest, the majority indicated that judicial interference with this “reasonable” judgment by the legislature would be inappropriate.

With its deferential approach, *Posadas* effectively weakened the *Central Hudson* test while purporting to adhere to it. More government regulations of commercial speech may logically be expected to pass constitutional muster under *Posadas*’s deferential approach to the last two elements of the *Central Hudson* test than under prior judicial analysis. Even though *Posadas* did not spec...
pecifically designate the extent to which first amendment protection for commercial speech was being lessened, the decision nonetheless signalled that a lessening of protection was underway.281 This signal took a more concrete form three years later in Board of Trustees of the State University of New York v. Fox.282

In Fox, the Court focused on the final element of Central Hudson's four-part test for determining whether government action that restricts commercial speech violates the first amendment.283 As formulated in Central Hudson, the final element inquired whether the government action was no more extensive than necessary to serve the underlying government interest.284 Some of the Court's previous commercial speech decisions seemed to indicate that this element effectively required a "least restrictive means" analysis.285 Writing for the Fox majority, Justice Scalia stated that no such analysis was contemplated or required by Central Hudson.286 The majority reasoned that the references in prior decisions to a least restrictive means approach were dicta because the Court had never actually established that a government restriction on commercial speech must be absolutely the narrowest.

Bolger, 463 U.S. at 69; Central Hudson, 447 U.S. at 564; Virginia Bd. of Pharmacy, 425 U.S. at 773.

281. See Posadas, 478 U.S. at 341-44. In addition to altering the Court's approach to the final two elements of the Central Hudson test, Posadas suggested an alternative means of analysis with potentially grave consequences for commercial speech. After concluding that the restriction on advertising at issue passed the four-part test and therefore was constitutional, the majority asserted that because Puerto Rico would have had the power to ban casino gambling, it should logically have the power to take the less intrusive step of allowing casino gambling while prohibiting certain advertising of it. Id. at 345-47. If this dictum is seized upon in future cases, it could become a broad-ranging doctrine that would justify many restrictions on commercial speech, because there are few underlying activities that the government could not constitutionally prohibit. See Lively, supra note 278, at 300. The dissenters in Posadas accused Justice Rehnquist of having the analysis backwards. They regarded the advertising ban as the more drastic action, in terms of constitutionally protected freedoms, than a ban on the underlying activity of gambling because gambling is unlikely to enjoy constitutional protection. Posadas, 478 U.S. at 354 n.4 (Brennan, J., dissenting). It remains to be seen to what extent the Posadas dictum will be relied on in future commercial speech decisions.


283. Id. at 3032-35. Fox dealt with a state university's regulation that restricted private parties from holding "Tupperware parties" in students' dormitory rooms. Id. at 3030. The student plaintiffs alleged that the regulation unconstitutionally deprived them of their rights to receive commercial speech. Id.

284. For a discussion of this element of the Central Hudson test, see supra note 268 and accompanying text.


286. Id. at 3033.
means of furthering the underlying government interest.\textsuperscript{287}

In rejecting the least-restrictive means analysis, the Fox Court held that the final element of the four-part test merely requires that when the government regulates commercial speech, its means must be "narrowly tailored to achieve [its] desired objective."\textsuperscript{288} Justice Scalia observed that the Constitution mandated a "reasonable" fit, "not necessarily [a] perfect" fit, between the regulation and the underlying government interest.\textsuperscript{289} After Fox's reformulation of the Central Hudson test, a regulation that is more extensive than necessary to serve an underlying government interest may now pass first amendment muster. Under Fox's "narrowly tailored" approach, a restriction that sweeps more broadly than the narrowest possible regulation may still be "reasonably" suited to the advancement of the government interest.\textsuperscript{290}

Fox's definite lessening of the protection afforded by the commercial speech test signifies that government restrictions on commercial speech will be less likely to be struck down on first amendment grounds than they would have been under Central Hudson. Although the recent interpretation of the commercial speech test translates into a lessening of the first amendment protection afforded commercial speech, the Fox Court failed to acknowledge that it was effecting such a shift. Instead, the Court purported merely to clarify the degree of scrutiny given to government action that limits commercial speech.\textsuperscript{291} Furthermore, the Court expressly denied that Fox amounted to an adoption of a lenient "rational basis" test for determining the constitutionality of restrictions on commercial speech.\textsuperscript{292}

\begin{footnotes}
\item[287] Id. at 3034-35.
\item[288] Id. at 3035. The Fox trial court had ruled for the university, but the court of appeals reversed and remanded because the trial court had not considered whether the university regulation was the least restrictive means by which the university could further its substantial interests in preserving an educational environment and in minimizing the risk that students would be taken advantage of by unscrupulous merchants. Fox v. Board of Trustees, 841 F.2d 1207, 1213-14 (2d Cir. 1988), rev'd, 109 S. Ct. 3028 (1989). The Supreme Court reversed and remanded because the court of appeals had erroneously required a "least restrictive means" analysis. Fox, 109 S. Ct. at 3037-38.
\item[289] Id. at 3035.
\item[290] See id. at 3033-35.
\item[291] See id. at 3034-35. In Posadas, the Court adopted a similar approach: effectively altering the Central Hudson test while purporting to adhere to it. For a discussion of Posadas, see supra notes 274-81 and accompanying text.
\item[292] Fox, 109 S. Ct. at 3035. The rational basis test is often used to determine whether the equal protection clause of the fourteenth amendment has been violated by an economic regulation that did not affect a suspect class or the
\end{footnotes}
Although Fox should not be regarded as having eliminated first amendment protection for commercial speech, it is fairly read as having lowered commercial speech protection to a rung that is still "intermediate," yet farther removed from the highest rung of the first amendment ladder of protection. The highest rung, of course, is reserved for political speech and its noncommercial equivalents. Fox thus signals a widening of the gulf between the respective levels of first amendment protection for noncommercial and commercial speech.

IV. Judicial Treatment of First Amendment Interests in Trademark Parody Cases

The relevance of first amendment considerations in trademark parody cases has not always been recognized by courts. Although some of the more recent decisions reflect attempts to deal seriously with parodists' constitutional arguments, most courts deciding trademark parody cases have either ignored the possible first amendment issues or dealt with them in an abbreviated, unprincipled fashion. As a prelude to section V's proposals concerning a proper accommodation of first amendment interests in trademark parody cases, this section of the article reviews how courts have dealt with freedom of expression interests in these cases.

There is no question that litigation over trademark rights is much simpler for courts to resolve if the first amendment thicket is avoided. Of course, it is not unreasonable for a court to avoid exercise of a fundamental right. Under this test, an economic regulation will be sustained if it is reasonably related to a legitimate government purpose. The regulation will normally be upheld when this test applies because the government can establish "reasonable relation" with ease. See J. Nowak, R. Rotunda & J. Young, Constitutional Law 530 (3d ed. 1986). Despite the Court's disavowal of the rational basis test in Fox, the Court's focus on a "reasonable" fit between the regulation and the underlying government interest seems akin to adopting a rational basis type of review. See Fox, 109 S. Ct. at 3035. It should also be noted that the Fox Court spoke approvingly of the deferential approach taken in Posadas. See id. at 3034. For a discussion of the deferential approach used in Posadas, see supra note 281 and accompanying text.

293. For a discussion of the degree of constitutional protection afforded political and noncommercial speech, see supra notes 238-47 and accompanying text.

294. In Fox, Justice Scalia stated that the decision actually strengthened "the essential protections of the First Amendment" by confirming that a meaningful distinction was kept between fully protected noncommercial speech and less-valued commercial speech. See Fox, 109 S. Ct. at 3035. The Court's recent ringing endorsements of noncommercial (as opposed to commercial) speech highlight this distinction. See Texas v. Johnson, 109 S. Ct. 2533 (1989); Hustler Magazine Inc. v. Falwell, 485 U.S. 46 (1988).
this thicket by finding a defendant not liable on other “nonconstitutional” grounds. Where the defendant would otherwise be liable under a substantive theory of trademark rights, however, the possible first amendment aspects of the case should not be dismissed as irrelevant or unnecessary to the decision. Some courts have simply omitted discussion of freedom of expression issues when ruling in favor of the trademark owner. In other trademark parody cases in which the trademark owner prevailed, courts have grudgingly acknowledged that the parodist made a first amendment argument but have rejected it with virtually no analysis or explanation.

A. The “Adequate Alternative Avenues of Communication” Approach

Other courts have rejected the parodists’ first amendment argument because of an erroneous application of the Supreme Court’s decision in *Lloyd Corp. v. Tanner*. This decision should not be considered controlling in the trademark parody setting. *Lloyd* presented the question of whether the first amendment was violated when persons were prevented from distributing handbills concerning the military draft and the Vietnam War at a privately


Some of these courts’ failures to address the constitutional issue were harmless error. In view of the nature of the defendant’s use, the first amendment would not have saved the defendant from liability. In other decisions, however, the failure to consider the first amendment issue resulted in defendant being held liable when constitutional considerations should have dictated a finding of no liability. Section V of this article will set forth criteria for determining when the first amendment should protect the parodist from liability.


owned shopping center. The Supreme Court concluded that there was no first amendment violation because there was no government action, only the action of a private property owner exercising property rights. The Court also noted that the would-be distributors of handbills had various "adequate alternative avenues of communication" because they could have distributed their materials at other locations.

In *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, the defendants argued that the first amendment should protect them from liability for their use of a likeness of the plaintiff's cheerleading uniform in their sexually explicit movie. The Second Circuit, relying on *Lloyd*, rejected the first amendment argument. The court noted that the plaintiff's trademark was "in the nature of a property right" and therefore need not "yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist." The court pointed out that if the defendant's movie was a commentary on sexuality in athletics, there were numerous ways in which the defendant could have made the comment without employing the plaintiff's trademark.

The reliance in *Dallas Cowboys* on *Lloyd* involved an erroneous legal analysis that linked two considerably different forms of property: real estate and trademarks. Besides the obvious difference that real estate is tangible property while a trademark is intangible, the two forms of property function quite differently. Real estate is a location at which speech may or may not take place. A trademark, on the other hand, is hardly a location. It is a

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299. *Id.* at 552, 556.
300. *Id.* at 567-68, 570.
301. *Id.* at 564-67. Significantly, the Court observed that the content of the handbills did not pertain to the shopping center owner or to the purposes for which the shopping center was built or was being used. Therefore, it was not essential that the would-be speakers gain access to the privately owned shopping center. They could have distributed their materials at numerous public places. *Id.* at 564.
302. 604 F.2d 200 (2d Cir. 1979).
303. *Id.* at 205-06.
304. *Id.* at 206 (quoting *Lloyd*, 407 U.S. at 567). The court also concluded that the issuance of an injunction against the defendants' movie would not constitute government action but would instead be only an outgrowth of the trademark owner's legitimate efforts to enforce its property rights. *Id.* The conclusion that there would be no government action in such an instance was erroneous. See infra notes 374-84 and accompanying text.
305. *Dallas Cowboys*, 604 F.2d at 206. According to the court, however, the movie had "a barely discernible message." *Id.* The court was not presented with the question of whether the movie was obscene. *Id.*
potential subject of speech or is otherwise incorporated into the content of speech. The trademark parodist pokes fun at a trademark or engages in commentary concerning the trademark, its owner, or some aspect of life. It overextends the trademark owner’s rights and devalues the parodist’s interests in freedom of expression to conclude that the trademark owner’s property rights in the mark necessarily must prevail over another party’s ability to make an expressive use of the mark. A proper accommodation of these two competing interests is essential.

Whatever a proper accommodation of these competing interests may be, it is not effected by blindly applying the ill-fitting Lloyd approach to the trademark rights setting. It is one thing to recognize, as Lloyd did, that the real estate owner has a right to restrict the location of another party’s speech by saying that the expression cannot take place on the real estate owner’s private property. It is quite another to assert, as in Dallas Cowboys, that the trademark owner may automatically exclude her trademark from the list of permissible subjects about which another may speak. The latter approach is constitutionally infirm because it becomes a judicially sanctioned content regulation, rather than a restriction on where speech may take place.

The questionable first amendment framework adopted in Dallas Cowboys has been erroneously adopted in other trademark parody cases. For instance, in Mutual of Omaha Insurance Co. v.

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306. Thus, the trademark is still a vital part of the parody’s content even when the parody is primarily a vehicle for commentary on something other than the trademark or its owner, rather than an irreverent “jab” at the trademark or its owner. See, e.g., Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc., 886 F.2d 490 (2d Cir. 1989) (parody employing likeness of Cliffs Notes cover and style of writing was adverse commentary on novels being “summarized” in parody rather than adverse commentary on Cliffs Notes).

307. See Denicola, supra note 27, at 206; Note, supra note 64, at 1110-12.

308. For a discussion of this article’s proposed accommodation, see infra notes 448-90 and accompanying text.


310. For a discussion of how judicial enforcement of private trademark rights is government action for purposes of first amendment issues, see infra notes 374-84 and accompanying text.

311. A federal district court decision that preceded Dallas Cowboys took the same approach to first amendment issues. See Interbank Card Ass’n v. Simms, 431 F. Supp. 131 (M.D.N.C. 1977). Largely by virtue of its attention-getting facts, however, Dallas Cowboys acquired more notoriety. In Interbank, the court
Novak, the Eighth Circuit affirmed the issuance of a permanent injunction in favor of Mutual of Omaha against an anti-nuclear weapons activist who sold t-shirts and other items on which "Mutant of Omaha" was printed. The court, citing Dallas Cowboys, rejected the defendant's first amendment argument because there were "adequate alternative avenues of communication" available to the defendant.

granted the owners of the "Master Charge" name and the trademarked Master Charge interlocking circle design a preliminary injunction against defendants who had distributed numerous likenesses of Master Charge cards with religious messages on them. Id. at 132-33. The court, citing Lloyd, rejected the defendants' first amendment argument and concluded that the defendants had various adequate alternatives by which to communicate their messages other than through the use of plaintiff's trademarks. Id. at 133-34. The court also concluded that judicial enforcement of the plaintiff's trademark rights was not government action implicating first amendment concerns. For a discussion of why this conclusion was erroneous, see infra notes 374-84 and accompanying text. The facts of Interbank suggest some interesting issues. The defendants' first amendment argument seemingly would have been grounded not only on the freedom of speech clause, which is commonly invoked by defendants in parody cases, but also on the freedom of religion component of the first amendment. With its misplaced reliance on Lloyd, however, the Interbank court avoided addressing these issues in any depth.

313. Id. at 398, 402-03.
314. Id. at 402. In fairness to the Eighth Circuit, the court did not embrace the Dallas Cowboys approach to its fullest extent. Implicit in the court's opinion is a concession that judicial enforcement of trademark rights is government action, although there was not, in the court's view, impermissible government action in the facts of the case. See id. at 402-03. The Dallas Cowboys court found no such government action. See supra note 304 and accompanying text. The Mutual of Omaha Court also appeared to recognize that there may be limits to the application of the Dallas Cowboys approach. It emphasized that the injunction at issue only barred the defendant from "commercial" use of Mutual of Omaha trademarks—the type of use the court concluded was involved in the case despite the defendant's argument that he was communicating a noncommercial, protected message. Mutual of Omaha, 836 F.2d at 402 & n.8, 403 n.9. The court observed that the injunction, and presumably Mutual of Omaha's trademark rights, would not bar the defendant from using his Mutant of Omaha designs in "an editorial parody in a book, magazine, or film." Id. at 402. Finally, the court attempted to show that its decision was not inconsistent with L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26 (1st Cir. 1987), one of the leading trademark parody decisions dealing with first amendment issues. The Mutual of Omaha court labeled the parody involved in L.L. Bean as editorial or artistic and noncommercial, but stressed that the "Mutant of Omaha" parody was both commercial and likely to cause confusion. Mutual of Omaha, 836 F.2d at 403 n.9. Interestingly enough, the L.L. Bean court, referring to the preliminary injunction hearing in Mutual of Omaha, seemed to reject the notion that the parody in Mutual of Omaha was purely commercial. L.L. Bean, 811 F.2d at 32 n.4. Rather, it referred to Mutual of Omaha as a case involving a parody whose primary purpose was the communication of a message. Id. For a discussion of the first amendment aspects of L.L. Bean, see infra notes 321-37 and accompanying text.

Under this article's proposed first amendment framework, the result in Mutual of Omaha was correct—even though the first amendment model adopted in
B. First Amendment Considerations as an Additional Rationale

Other courts have shown more of a willingness to recognize that freedom of expression considerations play a serious role in trademark parody cases. For instance, in *Girl Scouts of the United States v. Personality Posters Manufacturing Co.*, the court noted that enjoining the defendant's "Be Prepared" poster of a pregnant "Girl Scout" could run afoul of the substantial first amendment protection given to those exercising the "right of satirical expression." Similarly, in *University of Notre Dame v. Twentieth Century-Fox Film Corp.*, the court refused to enjoin a satirical movie that contained a scene in which a team represented to be Notre Dame lost a "wild burlesque of a football game" to a Middle Eastern country's team. The court noted the first amendment protection given to books, motion pictures and the like, and emphasized that whether the movie at issue was "good burlesque or bad, penetrating satire or blundering buffoonery, is not for us to decide. It is fundamental that courts may not muzzle expression by passing judgment on its skill or clumsiness, its sensitivity or coarseness; nor on whether it pains or pleases."

In both *Notre Dame* and *Girl Scouts*, as well as in other cases examined previously, the courts first concluded that the defendant would not be liable on the substantive trademark rights theory at issue, and then cited first amendment concerns as a further reason for denying relief to the trademark owner. Therefore, the decision was flawed—if the defendant's parody was both commercial and likely to cause confusion. For this article's proposed first amendment framework, see infra notes 448-90 and accompanying text. For the related discussion of making commercial/noncommercial distinctions in trademark parody cases, see infra notes 407-47 and accompanying text.

316. Id. at 1235.
318. Id. at 454, 458, 256 N.Y.S.2d at 304, 307. The movie, "John Goldfarb, Please Come Home," was described by the court as a "broad farce" that dealt with government, religion, and football in a satirical fashion. Id. at 453, 256 N.Y.S.2d at 303. Notre Dame's suit was based on a New York statute that allowed nonprofit corporations to restrain the use of their name for advertising purposes or for purposes of trade. Id. at 455-56, 256 N.Y.S.2d at 305. The case was therefore a trademark parody case. The court concluded that the movie was not the sort of commercial use contemplated by the statute, and that, in any event, the movie was constitutionally protected expression. Id. at 456-58, 256 N.Y.S.2d at 305-07.
320. In *Girl Scouts*, for example, the court had already rejected the plaintiff's several claims before making its first amendment observations which it conceded...
cause the first amendment issue was not crucial to the outcome, these decisions did not contain enunciations of principled mechanisms for addressing the first amendment aspects of trademark parody cases.

C. The First Amendment as Determinative of the Outcome

Unlike the cases just described, recent decisions of the First and Second Circuits have made first amendment limitations on trademark rights the centerpiece of consideration. These decisions have provided more insight than any of their predecessors into the appropriate accommodation of freedom of expression considerations in trademark parody cases.

In *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 321 the First Circuit overturned an injunction granted against the publisher of *High Society* magazine following the adult magazine's parody of the L.L. Bean name and catalog style. 322 The trial court had held that the parody violated Maine's anti-dilution statute.323 The First Circuit rejected the argument accepted by various other courts that dilution by tarnishment could occur on the basis of a trademark's appearing on only one occasion in an arguably unwholesome context were unnecessary to the decision in favor of the defendant. See *Girl Scouts*, 304 F. Supp. at 1235. In the University of Notre Dame case, the court acknowledged the first amendment argument after concluding that the statute on which Notre Dame based its claim did not cover uses of nonprofit entities' names in movies. Notre Dame, 22 A.D.2d at 456, 256 N.Y.S.2d at 305.

Other cases include Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931 (D.D.C. 1985), Stop the Olympic Prison v. United States Olympic Committee, 489 F. Supp. 1112 (S.D.N.Y. 1980) and Reddy Communications, Inc. v. Environmental Action Foundation, 477 F. Supp. 936 (D.D.C. 1979). The court in *Stop the Olympic Prison* rejected the Olympic Committee's various trademark rights theories on the facts, ostensibly without resorting to a first amendment rationale. See *Stop the Olympic Prison*, 489 F. Supp. at 1126. Nevertheless, the court made various observations that had a freedom of expression ring to them. See id. at 1120-26. In *Lucasfilm*, the court ruled for the defendant after concluding that the defendant's use was not the sort prohibited by conventional trademark doctrines. See *Lucasfilm*, 622 F. Supp. at 933-36. The court's opinion has clear constitutional overtones, however. See id. Similarly, in *Reddy Communications*, the court found in favor of the defendant parodist on the substantive trademark rights theories, but made enough references to the defendant's "satirical commentary" to give the decision a freedom of expression flavor. *Reddy Communications*, 477 F. Supp. at 943-48.


322. Id. at 34.

It thus adopted a narrow reading of the typical anti-dilution statute—a reading that was justified primarily by resort to the first amendment.

Before discussing the constitutional aspects of the case, the *L.L. Bean* court observed that the rights granted to trademark owners by the substantive theories infringement and dilution are properly restricted to commercial settings. The decision's recognition of the need for a commercial/noncommercial distinction reflects a limitation on trademark rights that is both logical and consistent with relevant constitutional considerations. The court concluded that serious first amendment problems would arise if anti-dilution statutes were interpreted to allow dilution by tarnishment claims to be established against noncommercial parodists just as easily as against commercial parodists. The first amendment protects a broad range of statements that may offend some persons. If anti-dilution statutes created liability for all uses of a plaintiff's trademark in an unwholesome setting, protected expression would be at risk. This risk is particularly serious when the offensive statements are made in noncommercial settings.

Although the *L.L. Bean* court did not set forth extensive guidelines for determining what constitutes a commercial use of a trademark, the court observed that a defendant who "unauthorized[ly] merchandis[es] his products with another's trademark" has engaged in a commercial use. The enjoining of such a use under an anti-dilution statute would likely be "a legitimate regulation of

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324. *L.L. Bean*, 811 F.2d at 34. For a discussion of the dilution by tarnishment aspect of the court's decision, see supra notes 174-77 and accompanying text.

325. *L.L. Bean*, 811 F.2d at 29. The court approvingly cited *Lucasfilm*, 622 F. Supp. at 933-35 in which the use of the name "star wars" in political advertisements was held to be noncommercial and therefore not violative of Lucasfilm's trademark rights in the name "Star Wars." *Id.*

326. As indicated in previous discussion, first amendment jurisprudence has long recognized a commercial/noncommercial distinction. See supra notes 250-52 and accompanying text. The commercial/noncommercial distinction is critical to the proper accommodation of first amendment interests in trademark parody cases, as the framework proposed later herein reveals. See infra notes 448-90 and accompanying text.


328. *Id.* at 30-31, 33-34; cf. *Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46, 51-56 (1988) (recognizing first amendment protection of speech that offends—and even is calculated to offend—hearers or readers). According to the *L.L. Bean* court, the application of the dilution by tarnishment theory should be restricted to clearly commercial settings where the defendant uses the plaintiff's mark in a trademark-like sense to promote goods or services that are in some sense inferior to the plaintiff's. *L.L. Bean*, 811 F.2d at 31-32. The court saw no such use in the case before it. *Id.* at 32.
commercial speech." Such a use, however, did not occur in \textit{L.L. Bean}. Labeling \textit{High Society}'s parody of the L.L. Bean name and catalog style "editorial or artistic" in nature, the court determined that the defendant's use was noncommercial. The defendant used the plaintiff's trademarks "solely to identify Bean as the object of its parody." The court held that to allow the plaintiff to enjoin such a parody would be to "improperly expand the scope of the anti-dilution statute far beyond the frontiers of commerce and deep into the realm of expression." As recognized by the \textit{L.L. Bean} court, the property rights inuring to trademark owners cannot be enforced to the extent of suppressing all speech adverse or offensive to the trademark owners. The

\begin{itemize}
  \item \textbf{329.} \textit{L.L. Bean}, 811 F.2d at 32. For a discussion of the approach(es) mandated by the Supreme Court for cases involving government restrictions on commercial speech, see supra notes 263-94 and accompanying text.
  \item \textbf{330.} \textit{L.L. Bean}, 811 F.2d at 32. The court offered some reasons why the parody in \textit{High Society} magazine was not commercial in nature: The article was labelled as "humor" and "parody" in the magazine's table of contents section; it took up two pages in a one-hundred-page issue; neither the article nor appellant's trademark was featured on the front or back cover of the magazine. \textit{[High Society]} did not use Bean's mark to identify or promote goods or services to consumers; it never intended to market the "products" displayed in the parody. \textit{Id.} It should be noted that the obvious wish of \textit{High Society}'s publisher to make a profit on the magazine was not enough to make the defendant's use commercial rather than noncommercial. This is consistent with relevant Supreme Court precedent. \textit{See supra} notes 257-60 and accompanying text. Although the \textit{L.L. Bean} court distinguished \textit{Dallas Cowboys} as a case involving a commercial use of another's trademark, it did not explain why the use in \textit{Dallas Cowboys}, a sexually explicit movie, was significantly different from the use in \textit{L.L. Bean}, a sexually explicit magazine. \textit{L.L. Bean}, 811 F.2d at 31-32. A possible explanation is that in \textit{Dallas Cowboys}, the defendants had falsely advertised that the movie's star had been a cheerleader for the Dallas Cowboys. \textit{Dallas Cowboys}, 604 F.2d at 203 & n.2. The defendants in \textit{Dallas Cowboys} could therefore be seen as actively "marketing" the movie on the basis of some supposed connection with the plaintiff, whereas the defendants in \textit{L.L. Bean} did not undertake actions of that sort. \textit{See L.L. Bean}, 811 F.2d at 32.
  \item \textbf{331.} \textit{L.L. Bean}, 811 F.2d at 33. The court contrasted such a use with what the defendant did not do: attempt to "market goods or services" through the use of L.L. Bean trademarks. \textit{Id.}
  \item \textbf{332.} \textit{Id.}
  \item \textbf{333.} \textit{See id.} at 33-34. The court also noted the latitude historically afforded parodists and satirists even though their speech may offend those who are the object of it. \textit{Id.} at 35. This aspect of the court's reasoning appeared to anticipate the Supreme Court reasoning the following year in \textit{Falwell}. For discussion of \textit{Falwell}, see supra notes 232-37 and accompanying text. The \textit{L.L. Bean} court concluded that, given the usual tolerance for parody and satire, ""[i]t would be anomalous to diminish the protection afforded parody solely because a parodist chooses a famous trade name, rather than a famous personality, author or creative work, as its object." \textit{L.L. Bean}, 811 F.2d at 33 (footnote omitted). In addition, the court voiced constitutional reservations about calling on courts—as broad application of the dilution by tarnishment doctrine would seem to call
court therefore concluded that the anti-dilution statute's reach was limited by the first amendment. 334

Another significant aspect of the First Circuit's constitutional analysis in L.L. Bean is that it repudiated the "adequate alternative avenues of communication" approach taken by the trial court and other courts in cases such as Dallas Cowboys. 335 In holding that the defendant could have conveyed largely the same content without using the plaintiff's trademarks, the trial court in L.L. Bean disregarded the fact that L.L. Bean was a significant object of the parody. The First Circuit's reversal involved a recognition that granting L.L. Bean relief on the dilution theory would be an impermissible content restriction on speech. 336 As if to answer

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334. L.L. Bean, 811 F.2d at 32-33. In dictum, the court briefly mentioned that the parody would have received less first amendment protection if it had caused consumer confusion because "[a] parody which causes confusion in the marketplace implicates the legitimate commercial and consumer protection objectives of trademark law." Id. at 32 n.3. Presumably, the court's statement was referring to the notion of likelihood of confusion in the traditional trademark law sense. For discussion of that concept, see supra notes 37-57 and accompanying text. Commercial parodies that create such a likelihood of confusion should not receive first amendment protection, as the following section's proposed framework indicates. See infra notes 448-49 and accompanying text.

The L.L. Bean court also noted that it had "no occasion to consider the constitutional limits which might be imposed on the application of anti-dilution statutes to unauthorized uses of trademarks on products whose principal purpose is to convey a message." L.L. Bean, 811 F.2d at 32 n.4. The court cited the "Mutant of Omaha" t-shirts as an example of such a use even though the Mutual of Omaha court found a purely commercial use in that case. See supra note 314 and accompanying text. For cases where the trademark parody appears on a product that is intended to communicate a message, the L.L. Bean court asserted that the appropriate first amendment approach would be to balance "the harm suffered by the trademark owner against the benefit derived by the parodist and the public from [such] unauthorized use of [the] trademark . . . ." L.L. Bean, 811 F.2d at 32 n.4.

335. L.L. Bean, 811 F.2d at 28-34. The trial court's rejection of the defendant's first amendment argument was based on the notion that the defendant could have chosen means other than using L.L. Bean trademarks to express its message. The trial court also maintained that its injunction was not an impermissible prior restraint because it amounted to only enforcement of the plaintiff's property rights. See L.L. Bean, 625 F. Supp. at 1537-38. In disposing of the first amendment issue in this manner, the trial court essentially tracked the approach taken in Dallas Cowboys. For discussion of this approach, see supra notes 302-14 and accompanying text.

336. See L.L. Bean, 811 F.2d at 34. The court acknowledged that the result it reached differed from that in the Pillsbury case discussed earlier. Id. at 33 n.5. In Pillsbury, an injunction was granted on a dilution by tarnishment theory.
those who would question whether there was any meaningful content in the parody at issue in *L.L. Bean*, the court concluded its opinion with language that sheds light on the functions of trademark parodies:

The central role which trademarks occupy in public discourse (a role eagerly encouraged by trademark owners), makes them a natural target of parodists. Trademark parodies, even when offensive, do convey a message. The message may be simply that business and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark. The message also may be a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner. While such a message lacks explicit political content, that is no reason to afford it less protection under the first amendment. Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression.\(^{337}\)

*L.L. Bean* is not the only recent decision to make freedom of expression considerations the determining factor in a case involving a noncommercial use of another’s trademark. In two recent decisions, the Second Circuit applied a first amendment analysis to resolve cases in which the plaintiffs claimed that an “artistic” work by the defendants violated the plaintiffs’ trademark rights or other intangible property rights.

against an adult magazine that used the plaintiff’s trademarks in a parody. For a discussion of *Pillsbury*, see *supra* notes 79-81, 168-69 and accompanying text. The *L.L. Bean* court noted that in *Pillsbury*, the defendant had not argued that it had engaged in parody as a defense to the plaintiff’s dilution claim. *L.L. Bean*, 811 F.2d at 33 n.5. The defendants in *L.L. Bean*, however, did assert the defense of parody. Therefore, the *L.L. Bean* court concluded that *Pillsbury* was not a parody case and neither controlled nor stood for the proposition that a parody may be enjoined under an anti-dilution statute. *Id.* Despite the court’s attempt to explain *Pillsbury*, *Pillsbury* and *L.L. Bean* cannot be read as anything but inconsistent. The speech involved in the two cases is too similar, regardless of whether both, one, or neither case involved a parody. Put simply, from a first amendment perspective, *L.L. Bean* was right and *Pillsbury* was probably wrong. The proposed first amendment framework set forth in section V will make this conclusion apparent. See *infra* notes 481-90 and accompanying text.

337. *L.L. Bean*, 811 F.2d at 34 (citations omitted).
The first of these decisions, *Rogers v. Grimaldi*, did not involve a trademark parody but is significant in that it recognized first amendment limitations on the application of section 43(a) of the Lanham Act, a major legal theory applied in trademark parody cases. In *Rogers*, dancer-actress Ginger Rogers alleged that the defendants' use of the title "Ginger and Fred" for a movie directed by noted film-maker Federico Fellini violated section 43(a) and her common law right of publicity. The movie told the story of two struggling dancers in Italy during the 1940s. These dancers sometimes imitated the international stars Ginger Rogers and Fred Astaire and were known to their audience as "Ginger and Fred." According to Rogers, the title falsely implied that she endorsed the film in some sense and that the movie was about her. She further alleged that the public was likely to be confused by the film's title in violation of section 43(a) of the Lanham Act. Her right of publicity claim rested on the notion that the title impermissibly appropriated her well-known name and public identity without her consent.

The trial court in *Rogers* granted summary judgment to the defendants, concluding that their use of the title was artistic in nature and thus protected expression falling outside the permissible scope of the Lanham Act. The Second Circuit affirmed, despite its discomfort with the trial court's first amendment approach of creating a "nearly absolute privilege" for movie titles that are relevant to the content of the movie. Reluctant to go that far, however, the Second Circuit forged a different framework for first amendment considerations applicable to section 43(a) and right of publicity claims concerning titles of artistic works.

In affirming the grant of summary judgment to the defendants, the court observed that books, movies and the like "are all

338. 875 F.2d 994 (2d Cir. 1989).
339. For a discussion of § 43(a) and its application in trademark parody cases, see *supra* notes 113-30 and accompanying text.
341. *Id.*
342. The right of publicity doctrine gives public figures, celebrities and entertainers the ability to obtain appropriate legal relief concerning unconsented uses of their name, likeness, or public identity for commercial purposes. *Id.* at 1003-04. For useful background on this doctrine, see Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977); Guglielmi v. Spelling-Goldberg Prods., 25 Cal. 3d 860, 603 P.2d 454, 160 Cal. Rptr. 352 (1979).
indisputably works of artistic expression and deserve protection.”

The court also noted, however, that titles of artistic works “are of a hybrid nature, combining artistic expression and commercial promotion,” because they are at once intertwined with the protected work and useful in the marketing of it. In addition, the Second Circuit observed that artistic works such as the one at issue in the case are sold in the marketplace along with purely commercial goods and services and may sometimes create a risk of consumer confusion. The court conceded that Rogers had produced some evidence of consumer confusion concerning whether she had endorsed the movie and whether the movie was about her.

According to the Rogers court, any system recognizing first amendment protection for artistic works and their titles must also make suitable allowance for the rights of consumers not to be misled when the works are sold in the marketplace. The court recognized, however, that the “expressive element” of titles of artistic works causes such titles to merit “more protection than the labeling of ordinary commercial products.”

The Rogers court cautioned that “[b]ecause overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.” The court rejected the plaintiff’s argument that holding the defendants liable under section 43(a) would not violate the first amendment because the defendants could have conveyed the messages of their film in many other ways without employing the plaintiff’s name and without engendering possible consumer confusion. This argument was based on the “adequate alternative avenues of communication” approach adopted

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345. Id. at 997.
346. Id. at 998.
347. Id. at 997.
348. Id. at 997, 1001 & n.8. This evidence came primarily in the form of survey results. See id.
349. Id.
350. Id. (footnote omitted). In other words, the expressive elements of titles make them predominantly noncommercial, as compared to the commercial nature of a trademark-like use. The same sort of analysis may be applied to parodies that poke fun at a trademark or engage in commentary on it, but do not employ the trademark for the purpose of identifying the source of goods or services. See infra notes 417-24 and accompanying text.
351. Rogers, 875 F.2d at 998.
352. Id. at 998-99. The court noted that granting the relief requested by the plaintiff would be an impermissible restriction on the content of the defendants’ speech. Id. at 999.
by the Second Circuit a decade earlier in the trademark parody case of Dallas Cowboys.³⁵³ In spurning the Dallas Cowboys approach, the court noted that such an approach made insufficient allowance for freedom of expression interests.³⁵⁴ Instead, the court concluded that a balancing approach should be adopted, with section 43(a) "be[ing] construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."³⁵⁵ The Second Circuit also added substance to this balancing approach:

In the context of allegedly misleading titles using a celebrity's name, that balance will normally not support application of [section 43(a)] unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.³⁵⁶

In applying this standard, the Rogers court concluded that the title "Ginger and Fred" was artistically relevant and not explicitly misleading.³⁵⁷ Therefore, the court reasoned that the prospect of

³⁵³. For discussion of the approach used in Dallas Cowboys, see supra notes 302-14 and accompanying text.
³⁵⁴. The court did not overrule Dallas Cowboys, but attempted to distinguish it on the basis that the defendants in Dallas Cowboys had explicitly and falsely advertised a connection between their movie and the plaintiff. Rogers, 875 F.2d at 999 n.4. For discussion of the false advertising aspect of Dallas Cowboys, see supra note 330 and accompanying text. The Rogers court noted that "[w]e do not read Dallas Cowboys Cheerleaders as generally precluding all consideration of First Amendment concerns whenever an allegedly infringing author has 'alternative avenues of communication.'" Rogers, 875 F.2d at 999 n.4. Arguably, the Second Circuit may have been restricting the Dallas Cowboys precedent by classifying it as a case involving a commercial use because the defendants' false advertising was a blatant attempt to capitalize commercially on a supposed connection with the plaintiff. So limited, Dallas Cowboys would not be controlling with regard to an artistic use of the sort found in Rogers. Whatever gloss the Rogers court wished to place on Dallas Cowboys, the first amendment approach of Dallas Cowboys has been restricted to the facts of that case and thus has effectively been overruled in the Second Circuit. See id. at 998-99 & n.4. It is noted, however, that the first amendment approach of Dallas Cowboys remains alive in the Eighth Circuit. See supra notes 312-14 and accompanying text.
³⁵⁵. Rogers, 875 F.2d at 999.
³⁵⁶. Id. (footnote omitted). Even though the court was ruling in the context of a claim under the Lanham Act's pre-1988 version of § 43(a), it is logical to assume that the Second Circuit would take the same approach to a claim brought under the present § 43(a), which exists as part of the Trademark Law Revision Act of 1988 (TLRA). See 15 U.S.C. § 1125(a) (1988). For a discussion of the TLRA, see supra notes 122-30 and accompanying text.
³⁵⁷. The title was artistically relevant because it was connected with the subject matter of the film. See supra notes 340-43 and accompanying text. It was not explicitly misleading because it only arguably implied some connection between Rogers and the movie. Rogers, 875 F.2d at 999-1001. The court noted
some public confusion about whether the film was about or endorsed by Rogers was outweighed by the first amendment interest in free expression. 358

As for the right of publicity claim asserted by Rogers, the Second Circuit observed that consideration of first amendment interests was just as important as in the section 43(a) claim, if not more so, because the right of publicity cause of action does not require likelihood of confusion. 359 The court held that in recognition of freedom of expression concerns the right of publicity claim of a plaintiff would not “bar the use of a celebrity’s name in a movie title unless the title was ‘wholly unrelated’ to the movie or was ‘simply a disguised commercial advertisement for the sale of goods or services.’ ” 360

Although Rogers was not a trademark parody case, its first amendment analysis is highly relevant to the trademark parody setting for three major reasons. First, as in Rogers, many trademark parodies occur in the context of works that are more “artistic” than they are commercial. 361 Second, section 43(a) is among the major theories relied upon by plaintiffs in trademark parody cases because of the breadth of its language prohibiting false or misleading representations. Many section 43(a) cases, including the plaintiff’s claim in Rogers as well as the typical trademark parody case brought under section 43(a), are subject to a likelihood of confusion standard for the imposition of liability. 362 The sec-

358. Id. at 1000-01.
359. Id. at 1004.
360. Id. (quoting Guglielmi v. Spelling-Goldberg Prods., 25 Cal. 3d 860, 865 n.6, 603 P.2d 454, 457 n.6, 160 Cal. Rptr. 352, 355 n.6 (1979) (Bird, C.J., concurring), and Frosch v. Grosset & Dunlap, Inc., 75 A.D.2d 768, 769, 427 N.Y.S.2d 828, 829 (1980)). The defendant’s use of the “Ginger and Fred” title was held permissible because it was related to the movie’s subject matter and was not a disguised commercial advertisement. See id. at 1004-05.
361. For a discussion of artistic parodies, see supra notes 68-85 and infra notes 439-45 and accompanying text.
362. For a discussion of the likelihood of confusion standard under § 43(a), see supra notes 117-21 and accompanying text. Rogers indicates that even when a likelihood of confusion exists, the first amendment may prohibit a conclusion
tion 43(a) claim of Ginger Rogers that her name was used in a confusing fashion is quite similar to trademark owners' claims about the arguably confusing use of their marks in parodies. Third, the right of publicity claim asserted in Rogers is analogous to claims often raised by parodists. The right of publicity, which focuses on the unconsented use of a party's name, likeness, or image, does not require proof of likelihood of confusion. Neither does the dilution theory often employed in trademark parody cases by plaintiffs complaining about unconsented uses of their trademarks.\textsuperscript{363}

Three months after Rogers v. Grimaldi was decided, the Second Circuit recognized the decision's applicability to the trademark parody setting in Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.\textsuperscript{364} In Cliffs Notes, the Second Circuit overturned a preliminary injunction against the defendant's sale of Spy Notes, which parodied the cover and style of the familiar Cliffs Notes summaries of novels.\textsuperscript{365} The Second Circuit disagreed with the trial court's conclusion that the defendant's parody violated section 43(a).\textsuperscript{366} According to the Second Circuit, the speech at issue in the case was sufficiently similar to that in Rogers to warrant the application of the Rogers balancing test.\textsuperscript{367}

In "weigh[ing] the public interest in free expression against the public interest in avoiding consumer confusion,"\textsuperscript{368} the Cliffs Notes court asserted that the issue of likelihood of consumer confusion must be given close scrutiny.\textsuperscript{369} Such an approach is sensible in the context of noncommercial parodies. A cavalier assumption that likelihood of confusion exists may result in giving too much weight to the rights of the trademark owner and insufficient weight to the first amendment rights of the parodist.\textsuperscript{370}

that the defendant is liable under § 43(a) if the defendant's use was noncommercial in nature. See Rogers, 875 F.2d at 998-1001. For a discussion that such a notion should be applicable to the trademark parody setting, see infra notes 474-80 and accompanying text.

363. For a discussion of the dilution theory, see supra notes 131-34 and accompanying text.

364. 886 F.2d 490 (2d Cir. 1989).

365. Id. at 491-93, 497. The Spy Notes also parodied the spy novels summarized in Spy Notes. Id. at 492.

366. Id. at 494-97. The Second Circuit stressed the need to construe section 43(a) narrowly to avoid first amendment problems. Id. at 494.

367. Id.

368. Id. at 494-95. The court thus classified the defendant's parodies as artistic expression. See id.

369. See id. at 495-97.
The Second Circuit concluded that the district court had erred as a matter of law in finding "a strong likelihood of confusion." Instead, there was at most only a "slight risk of consumer confusion" as a result of the defendant's "literary parody." This risk was "outweighed by the public interest in free expression, especially in a form of expression that must to some extent resemble the original."

V. A Proper Accommodation of First Amendment Interests in Trademark Parody Cases

With the discussion and analysis in earlier sections providing necessary background and support, this section considers the role that first amendment considerations should play in trademark parody litigation. It also proposes a framework for accommodating those considerations in different varieties of trademark parody cases. The proposed approach sometimes involves restricting the scope of substantive trademark rights theories in order to minimize their reach into the realm of protected expression. The suggested framework also depends significantly upon a proper balancing of harm to trademark owners on the one hand and the strength of first amendment interests of parodists on the other.

A. Judicial Enforcement of Trademark Rights as Government Action

It is fundamental, as has already been noted, that there can be no first amendment violation unless government action accounts for the alleged restriction on expression. Some courts in trademark parody cases have mistakenly concluded that first amendment arguments raised by defendants should be rejected because of an absence of government action. Those courts have reasoned that granting relief to a trademark owner constitutes merely an enforcement of a private party's property rights rather than the government action necessary for purposes of first amendment analysis.

This approach to the government action question must be

370. For a discussion of parody cases taking a cavalier approach to the likelihood of confusion question, see supra notes 95-112 and accompanying text.
371. Cliffs Notes, 886 F.2d at 497.
372. Id.
373. Id.
374. See supra note 215 and accompanying text.
abandoned in future trademark parody cases because it is not consistent with Supreme Court precedent in other relevant first amendment contexts. The Court has made clear that judicial enforcement of rights and remedies granted to private parties under state or federal law may constitute government action for first amendment purposes if such enforcement would chill interests in free expression. In the landmark case of New York Times Co. v. Sullivan, the government action invoking the first amendment was judicial enforcement of state defamation law which granted a right to relief for reputational harm.

After New York Times, the numerous Supreme Court decisions setting forth the first amendment aspects of defamation law have all been grounded on the basic notion that judicial enforcement of state defamation law is sufficient government action to implicate first amendment concerns. Similarly, the Court recently found government action for first amendment purposes when a lower court held a magazine liable for the tort of intentional infliction of emotional distress. The Court has also recognized that judicial enforcement of the state law-based right of publicity is government action that may raise first amendment questions.

377. Id. at 265. On the government action question, the Court stated: Although this is a civil lawsuit between private parties, the Alabama courts have applied a state rule of law which petitioners claim to impose invalid restrictions on their constitutional freedoms of speech and press. It matters not that that law has been applied in a civil action and that it is common law only, though supplemented by statute. The test is not the form in which state power has been applied but, whatever the form, whether such power has in fact been exercised.
Id. (citations omitted).
380. See Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977). In Zacchini, an entertainer claimed that his right of publicity was violated when a television station's news report featured a videotape of his "entire act." Id. at 563-64. The television station asserted that it should be protected from liability by the freedom of speech and press clauses. Id. at 566-67. Necessarily implicit in the Court's analysis of the first amendment issue was this "given:" judicial enforcement of the right of publicity granted under state law is government action for purposes of a first amendment defense. Although the Court rejected the first amendment defense in the factual context of Zacchini, the rejection was not on the ground of lack of government action. Id. at 574-75, 578-79. The government action in Zacchini was simply held not to violate the first amendment. Id.
The respective rights claimed by the holder of the right of publicity, a defamation plaintiff and a trademark owner are quite similar. Therefore, if judicial enforcement of the right of publicity or a rule of defamation law constitutes government action for first amendment purposes, the same conclusion should be reached concerning judicial enforcement of trademark rights. The Supreme Court has recognized that first amendment concerns may be implicated by state and federal statutes dealing with trademarks or trademark-related matters. In light of this rec-

381. See id. at 573 (drawing analogy between right of publicity and forms of intellectual property). For a discussion of the similarities between the right of publicity and trademark rights, see supra notes 359-63 and accompanying text.

382. See Friedman v. Rogers, 440 U.S. 1, 12-16 (1979). Although the Court recognized these first amendment concerns in Friedman, it concluded that a Texas statute prohibiting optometrists from practicing their profession under a trade name did not violate the first amendment because the statute was a proper restriction of potentially misleading commercial speech. Id.; see also San Francisco Arts & Athletics, Inc. [SFAA] v. United States Olympic Comm., 483 U.S. 522, 535 & n.12, 536-41 (1987). Although the SFAA Court also recognized that statutes establishing trademark rights may implicate first amendment concerns, it concluded that section 110 of the Amateur Sports Act of 1978, 36 U.S.C. § 380, did not violate the first amendment in granting the U.S. Olympic Committee (USOC) an exclusive right to use the name "Olympic." Id. at 526. The statute did not require USOC to prove likelihood of confusion as a condition of enforcing its right against an alleged violator. Id. According to the Court, the exclusive right granted by the statute was enforceable primarily against commercial uses of the Olympic name and against only a small number of arguably non-commercial uses. Id. at 535-41. The Court upheld an injunction under the statute against a group (SFAA) that was using the name "Gay Olympic Games" for an athletic event it sponsored. Id. at 527-28.

Some language in SFAA, if taken out of context, could give the erroneous impression that the Supreme Court believes that judicial enforcement of trademark rights is not government action for first amendment purposes. When read in context, however, the language does not create that unfortunate impression. Besides alleging unsuccessfully that the Amateur Sports Act's grant of an exclusive right to USOC violated the first amendment, SFAA asserted that USOC discriminatorily enforced its right and therefore violated the equal protection clause of the fifth amendment. Id. at 542.

The Court rejected the equal protection claim because USOC was not a government actor and therefore could not have violated the equal protection clause. Id. at 541-47. In its equal protection analysis the Court observed: "Nor is the fact that Congress has granted the USOC exclusive use of the word 'Olympic' dispositive. All enforceable rights in trademarks are created by some governmental act, usually pursuant to a statute or the common law. The actions of the trademark owners nevertheless remain private." Id. at 544. The "actions" contemplated by this language pertain only to SFAA's equal protection claim: USOC's alleged actions in selectively picking and choosing the parties it intended to sue to enforce its exclusive right. As the Court pointed out, even if USOC did this, it would not violate the equal protection clause because USOC was not the government. Id. at 542 n.22. The mere fact that the government had given USOC an exclusive right did not mean that there was government action involved in USOC's decisions about when and whether to enforce its right. In other words, the government was not choosing when and whether to enforce the exclusive right. USOC, a private party, was making these decisions
ognition, and the first amendment analyses employed by the Court in defamation, emotional distress, and right of publicity cases, it is unreasonable to conclude that judicial enforcement of trademark rights—whether those rights come from federal law or from state statutes or common law—would not constitute government action.

As discussed above, many of the more recent and better-reasoned trademark parody cases have proceeded on the basis that government action exists, for first amendment purposes, when courts enforce trademark rights. These cases properly focused on whether the government action at issue violated the first amendment. Any vestiges of the misguided “no government action” rationale of earlier trademark parody cases should not be perpetuated by courts deciding parody cases in the future.

B. The Need to Distinguish Between Commercial and Noncommercial Parodies

The treatment given by the Supreme Court to first amendment considerations in other relevant contexts compels a conclusion that a commercial/noncommercial distinction is essential to a useful first amendment framework in trademark parody litigation. This subsection examines the reasons for such a distinction in the trademark parody setting and deals with how the commerc-

and taking the “actions” contemplated by the Court’s statement that “[t]he actions of the trademark owners nevertheless remain private . . . .” Id. at 547. The Court only meant that USOC, a private party, was making the decisions regarding enforcement of its right. Id. at 544. The SFAA Court did not suggest that rights granted trademark owners under trademark law, whether by statute or by common law, are devoid of potential first amendment implications when a court enforces those rights. Indeed, such a suggestion by the Court would have been fundamentally at odds with the first amendment discussion earlier in the case, not to mention with first amendment aspects of previous Supreme Court decisions. See Hustler Magazine Inc. v. Falwell, 485 U.S. 46 (1988); Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977); New York Times Co. v. Sullivan, 376 U.S. 254 (1964).


384. The “adequate alternative avenues of communication” approach to first amendment considerations employed in the earlier trademark parody cases should also be spurned. For a discussion of that approach and its deficiencies, see supra notes 298-314 and accompanying text.
cial/noncommercial distinction should be made. Later subsections will propose a framework that addresses and accommodates the differing first amendment considerations in commercial and noncommercial parody cases.

1. Reasons for Drawing the Distinction

As earlier discussion revealed, the Supreme Court has long distinguished between commercial and noncommercial expression. It initially did so by giving the former no first amendment protection whatsoever. During the past fifteen years, the Court has distinguished between the two by giving commercial speech partial first amendment protection and its noncommercial counterpart full protection. The distinction between commercial and noncommercial expression will not disappear from first amendment jurisprudence for two major reasons. First, the Supreme Court is not inclined to give commercial speech the full protection accorded noncommercial expression. Second, even if the Court continues its apparent course of lessening the partial protection given to commercial speech and ultimately goes so far as to abolish that protection, the commercial/noncommercial distinction would still exist. If the court were to classify commercial speech as wholly unprotected, the commercial/noncommercial distinction would again assume its pre-1970s role of determining whether speech is protected at all. In any event, therefore, the commercial/noncommercial distinction would still be a first amendment mainstay. Accordingly, tying the freedom of expression of trademark parody cases to a distinction between commercial and noncommercial uses is hardly hitching one's wagon to a fading star.

Although the Supreme Court has not decided a trademark parody case, it has decided two significant trademark-oriented cases and a noteworthy parody case outside of the trademark setting. Read together, these cases further underscore the need for a commercial/noncommercial distinction in the first amend-

385. For a discussion of the distinction between commercial and noncommercial speech, see supra notes 250-94 and accompanying text.
386. This course was seemingly begun by the Court's decision in Posadas de P.R. Associates v. Tourism Co., 478 U.S. 328 (1986), and continued by its decision in Board of Trustees of the State University of N.Y. v. Fox, 109 S. Ct. 3028 (1989). For a discussion of these cases, see supra notes 274-94 and accompanying text.
387. See Hustler Magazine v. Falwell, 485 U.S. 46 (1988); Friedman v. Rogers, 440 U.S. 1 (1979). For a prior discussion of these cases, see supra notes 232-37, 382 and accompanying text.
ment aspects of trademark parody litigation and shed considerable light on how that distinction should be made.

In *Friedman v. Rogers*, the Court rejected a first amendment challenge to a Texas statute that prohibited optometrists from practicing their profession under a trade name. The Court observed that the use of a trade name is a form of commercial speech. According to the Court, the statute was a legitimate restriction on potentially misleading commercial speech and therefore did not violate the first amendment.

If, as *Friedman* indicates, using a trade name is a form of commercial speech, the Court presumably would say the same about a trademark because of the similar functions of trademarks and trade names. Moreover, if the use of a trademark is a form of commercial speech, certain trademark parodies must also be commercial speech. In some instances, the parodist employs a version of the parodied trademark to identify the parodist's goods or services. *Friedman*, as extended in this fashion, would thus seem to indicate that when the trademark parodist makes a trademark-like use of the imitated trademark, the parodist's expression is effectively commercial speech that merits partial first amendment protection if it is not misleading, but no protection if it is misleading.

*San Francisco Arts & Athletics, Inc. [SFAA] v. United States Olympic Committee* bolsters the conclusion that distinctions must be drawn, for first amendment purposes, between commercial and noncommercial uses of another party's trademark. In *SFAA*, the Supreme Court considered whether section 110 of the Amateur Sports Act of 1978 violated the first amendment by granting the Olympic Committee an exclusive right to the use of the "Olympic" name and by not requiring the Olympic Committee to prove that an alleged violator's use created a likelihood of confu-

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389. Id. at 15-16.
390. Id. at 11.
The Court concluded that the exclusive right granted by the statute was basically restricted to policing the marketplace for commercial uses of the "Olympic" name, and that few noncommercial uses would be prohibited by the statute. Therefore, the Court reasoned, the statute was a permissible regulation of commercial speech and a tolerable time, place and manner restriction on the minimal amount of noncommercial expression subject to its provisions.

Although it focused on the peculiarities of the Amateur Sports Act's grant of special privileges to the Olympic Committee, *SFAA* was essentially a trademark rights case. Echoing a message from *Friedman*, the Court noted in *SFAA* that, if other parties used the Olympic name in connection with the sale of goods or services, their uses would amount to commercial speech. Much of the Court's discussion of the first amendment issue in the case focused upon whether other parties' uses of the Olympic name and symbol would be commercial or noncommercial. *SFAA* thus leads to the conclusion that when other parties use some version of an owner's trademark—whether in a parody or otherwise—those uses may merit different first amendment treatment depending on whether they are commercial or noncommercial.

The *Falwell* decision also offers insight on the proper handling of trademark parody cases, even though the plaintiff in *Falwell* was not asserting trademark rights. In *Falwell*, the Supreme Court struck down an award of damages to Reverend Jerry Falwell and imposed stern first amendment proof requirements on public figure plaintiffs who claim that a defendant's speech constituted intentional infliction of emotional distress. The decision demonstrates the substantial first amendment latitude given to parodists when their parodies are noncommercial in nature. Admittedly, the parody in *Hustler* magazine had a political connection because of Falwell's role as a political figure in addi-

395. 483 U.S. at 539-41.
396. *Id.* For further discussion of *SFAA*, see *supra* note 382 and accompanying text.
397. 483 U.S. at 539-40.
398. *See id.* at 535-41.
400. *Id.* For further discussion of *Falwell* and its recognition that the offensiveness of speech does not deprive the speech of first amendment protection, see *supra* notes 232-37 and accompanying text.
tion to his status as a religious leader. Noncommercial trademark parodies will not always have that connection. Nonetheless, first amendment jurisprudence establishes that a wide variety of noncommercial expression is considered to be the equivalent of political speech and therefore entitled to full first amendment protection.\footnote{Political speech equivalents include speech on social, artistic, philosophical, scientific and ethical matters, as well as statements about miscellaneous matters of public concern. Abood v. Detroit Bd. of Educ., 431 U.S. 209, 231 (1977). See supra notes 223-31 and accompanying text.}

The Court's opinion in \textit{Falwell} omitted any discussion of a commercial/noncommercial distinction. Without question, however, the Court considered the parody at issue to be noncommercial expression.\footnote{See \textit{Falwell}, 485 U.S. at 51.} The extent of protection given by the Court to the defendant's speech was clearly the full first amendment protection accorded noncommercial speech, not the watered-down variety extended to commercial expression.\footnote{Id. at 56-57. For a discussion of full first amendment protection, see supra notes 224-25, 243-44 and accompanying text.} \textit{Falwell} would thus seem to stand for the proposition that an arguably offensive parody in a magazine—even a sexually explicit magazine—is likely to be considered noncommercial expression despite the desire of the magazine's publisher to profit economically from the sale of the magazine. \textit{Falwell}'s treatment of noncommercial speech and the Court's recent commercial speech decisions demonstrate the widening gulf between the respective levels of first amendment protection given the two varieties of speech, and the corresponding increase in importance of the commercial/noncommercial distinction.\footnote{See Board of Trustees of the State Univ. of N.Y. v. Fox, 109 S. Ct. 3028 (1989); Posados de P.R. Assocs. v. Tourism Co., 478 U.S. 328 (1986). These decisions seem calculated and likely to decrease the already less-than-full first amendment protection given to commercial speech. For a discussion of these decisions, see supra notes 274-94 and accompanying text.}

In some of the more recent parody cases, most notably \textit{L.L. Bean}, \textit{Cliffs Notes} and even \textit{Mutual of Omaha}, courts have recognized that not all trademark parodies are alike: sometimes parodies are engaged in for the purpose of marketing a product or service, whereas other times they are more artistic, literary, or editorial in nature. These courts seem to have concluded that drawing commercial/noncommercial distinctions among trademark parodies would be consistent with general first amendment jurisprudence and sensibly accommodating of the differing natures of paro-
dies. There are two critical questions: 1) How are courts to determine whether a parody should be classified as commercial or noncommercial?; and 2) what should be done with a trademark parody once it is classified as either commercial or noncommercial? Although these recent decisions have given some helpful guidance, they have provided only partial answers to the two questions.

2. Making the Distinction Between Commercial and Noncommercial Parodies

In its first amendment decisions, the Supreme Court has provided three guiding principles that should aid the decisionmaker in applying the sometimes elusive commercial/noncommercial distinction to a trademark parody. The first principle suggested by the Friedman and SFAA decisions is that when the trademark parodist has used his version of a trademark to help market a good or service other than the parody itself, the parody is almost certainly commercial in nature. The same would be true if the parodist used the parody as the name of his business. Conversely, if the parody was not used in one of these commercial ways, the parody should usually be considered noncommercial. For purposes of this principle, a newspaper, magazine, book, movie, or similar item containing a parody would not be considered a “good” or “service” even though it is sold in the marketplace.

The second principle, that speech otherwise appearing to be noncommercial is not transformed into less protected commercial speech simply because the speaker has an economic motive, is a


406. For a discussion of the analyses to be applied to a parody once it is classified as commercial or noncommercial, see infra notes 448-90 and accompanying text.

407. Such speech effectively would be speech proposing a commercial transaction and would therefore fit within the definition of commercial speech. See supra note 256 and accompanying text.

longstanding notion recently reaffirmed by the Supreme Court. For purposes of this second principle, a parody appearing in a newspaper, magazine, book, movie, or similar item will usually be speech that otherwise appears to be noncommercial. Falwell's implicit, yet obvious, classification of the parody in Hustler magazine as noncommercial reinforces this notion. Indeed, if the presence of a profit motive were by itself sufficient to make speech commercial in nature, there would be little meaningful first amendment protection for the press, book publishers and similar parties such as film-makers. Out of necessity, then, speech of this sort should normally be labeled noncommercial because its functions of informing, educating and entertaining outweigh any profit-motivated characteristics.

Under the third guiding principle, if the trademark parody possesses both commercial and noncommercial characteristics, it should be treated as a commercial parody when the commercial aspects predominate and as a noncommercial parody when the noncommercial aspects weigh more heavily. This principle comports with the Supreme Court's approach in classifying speech that seems at once both commercial and noncommercial.

A few examples drawn from cases discussed earlier in this article will demonstrate the operation of these three principles. As the examples will reveal, some trademark parodies are relatively easy to classify as either commercial or noncommercial. Others, however, fall quite close to the line and are more difficult to classify.

The parodies of the Anheuser-Busch slogans, "This Bud's for you" and "where there's life there's Bud," are readily classifiable as commercial parodies under the above principles. In the cases involving these slogans, the florists' association and floor wax-insecticide manufacturer used the parodies to market their

409. For a discussion of Supreme Court cases reaffirming this principle, see supra note 257 and accompanying text.
410. See Falwell, 485 U.S. at 51-56.
412. See, e.g., Bolger v. Youngs Drug Prods. Corp., 463 U.S. 60 (1983) (advertisements for contraceptives constituted commercial speech because commercial characteristics predominated over arguably noncommercial discussion of issues of public concern). For further discussion of this case, see supra notes 270-73 and accompanying text.
own service or product. 413 Similarly, the “Lardashe” name assigned by a manufacturer to its large-size designer jeans, 414 the “Gucci Goo” name affixed to diaper bags by their maker and seller 415 and the “McSleep” and “McBagel’s” trade names 416 would all be classified as commercial parodies. Although these parodies may have some entertaining features (depending upon one’s sense of humor), their overwhelmingly commercial character compels their classification as commercial under principles one and three.

What parodies are readily classifiable as noncommercial under the foregoing principles? The poster in Stop the Olympic Prison (to the extent that the poster was a parody) would be non-commercial. 417 So would the environmental group’s parody of the Reddy Kilowatt character in its literature criticizing the electric utility industry, 418 and the political advertisements employing the “star wars” designation to describe the Reagan administration’s strategic defense initiative. 419 All of these parodies were nonprofit disseminations of viewpoints on matters of public concern. But, as has been shown, the presence of a profit motive is not necessarily fatal to a parodist’s assertion that her parody was noncommercial. There were also clear noncommercial parodies involved in University of Notre Dame (satirical movie employing the Notre Dame name and “football team”), 420 L. L. Bean and Pillsbury

413. For a discussion of cases parodying Anheuser-Busch’s slogan, see supra note 47 and accompanying text.
414. For a discussion of the suit filed by Jordache Enterprises, Inc. over the defendant’s use of the “Lardashe” name, see supra note 65 and accompanying text.
416. For a discussion of these commercial parodies of the McDonald’s name, see supra notes 89-91 and accompanying text. The court’s discussion in McBagel’s of past uses of McDonald’s marks mentioned a use that would clearly be noncommercial, however: a political cartoon, published during the Reagan presidency, of a Reagan-like figure who was dressed in a Ronald McDonald-like clown outfit and was posting the number 10 on the “McRonald’s” sign next to the words “million unemployed.” McBagel’s, 649 F. Supp. at 1272.
417. For a discussion of Stop the Olympic Prison, see supra notes 73-78 and accompanying text.
418. For a discussion of Reddy, see supra notes 69-72 and accompanying text.
420. For a discussion of Notre Dame, see supra notes 317-19 and accompanying text. Although it is less clearly noncommercial, the movie in Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) could occupy this classification. One factor in Dallas Cowboys that arguably renders the use of the plaintiff’s trademark commercial, however, is the false advertising aspect of the case. For discussion of that aspect of Dallas Cowboys, see supra note
(parodies in adult magazines),\textsuperscript{421} \textit{Cliffs Notes} (parody in a book-like form)\textsuperscript{422} and \textit{Fisher v. Dees} (song that parodied a well-known song).\textsuperscript{423} The defendants in these latter cases all hoped and expected to profit economically from their parodies, but well-established first amendment doctrines dictate that these parodies are predominantly characterized by their noncommercial functions of entertaining and providing editorial comment.\textsuperscript{424}

In other cases, however, line-drawing is more difficult. The t-shirt, sticker and poster cases are representative of those cases in which the commercial/noncommercial line is blurred.\textsuperscript{425} When the parody is on a shirt, sticker, or poster, the parody (not so much the object on which it appears) is the item sold.\textsuperscript{426} When the parody itself is the item sold, as opposed to being an aid in the marketing of another good or service, the first principle—relating to whether the parody is used to market a good or service—does not apply.\textsuperscript{427} Yet the producer of a shirt, sticker, or poster should not automatically be equated with the press, the moviemaker and the songwriter for purposes of principle number two, which provides that the mere presence of a profit motive does not necessarily

\textsuperscript{330} and accompanying text. Even if the movie was predominantly noncommercial, the false advertisements concerning it should have been actionable under § 43(a) of the Lanham Act since they were explicitly misleading. \textit{Cf.} \textit{Rogers v. Grimaldi}, 875 F.2d 994, 999 (2d Cir. 1989) (artistic work’s title may violate § 43(a) if title is explicitly misleading).

\textsuperscript{421} For a discussion of these cases, see \textit{supra} notes 160-62, 174-78 & 321-37 (\textit{L.L. Bean}), 81-83 & 168-69 (\textit{Pillsbury}) and accompanying text. In \textit{Pillsbury}, the court seemed to recognize that the parody was noncommercial. \textit{See Pillsbury}, 215 U.S.P.Q. (BNA) 124, 131 (N.D. Ga. 1981). The court effectively treated the parody as if it were commercial, however, by uncritically granting relief on the dilution by tarnishment claim. \textit{Id.} at 135. For a discussion of \textit{Pillsbury}'s failure to make proper allowance for the noncommercial nature of the parody, see \textit{infra} notes 486-90 and accompanying text.

\textsuperscript{422} For a discussion of \textit{Cliffs Notes}, see \textit{supra} notes 82-86, 364-73 and accompanying text.

\textsuperscript{423} \textit{See} \textit{Fisher v. Dees}, 794 F.2d 432 (9th Cir. 1986).

\textsuperscript{424} \textit{Cf.} \textit{Bolger v. Youngs Drug Prods. Corp.}, 463 U.S. 60, 63-68 (1983) (speech that is predominantly commercial and only secondarily noncommercial should be classified as commercial). For further discussion of commercial classifications, see \textit{supra} notes 407-16 and accompanying text.


\textsuperscript{426} The shirt of course would have usefulness as an item of clothing regardless of whether the parody appeared on it, but the presence of the parody on a given shirt is clearly the reason the buyer purchases that shirt. Thus, in substance, the parody is the item sold even when it is on an item of clothing.

\textsuperscript{427} For a discussion of the first principle, see \textit{supra} notes 407-08 and accompanying text.
render speech commercial. Principle number three (the balancing of commercial versus noncommercial characteristics and some supplementary considerations) must therefore govern the classification decision in these close-to-the-line cases. These supplementary considerations are: the sort of "speaker" responsible for the parody; the apparent motivations underlying the speaker's use of parody; and the presence and degree of expression of ideas or viewpoints through the parody.

Of the cases involving parodies on t-shirts or stickers, the most difficult is Mutual of Omaha Insurance Co. v. Novak.\textsuperscript{428} There, the defendant produced and sold "Mutant of Omaha" shirts that parodied the Mutual of Omaha name and ostensibly offered commentary on issues related to nuclear weapons. The defendant claimed that the shirts he sold were expressions of his anti-nuclear weapons stance.\textsuperscript{429} His parody went beyond being humorous and seemingly reflected the expression of a viewpoint on an important public issue. Further, the defendant apparently was motivated to some extent by a desire to communicate this viewpoint.

These arguable indicators of noncommercial use in Mutual of Omaha must be considered, however, alongside other relevant factors that seem to cut the other way. The defendant did not sell the shirts as a one-time endeavor. Instead, he sold reasonably large quantities of them at various locations that were typical outlets for miscellaneous goods. He also sold various other items bearing his Mutant of Omaha designs.\textsuperscript{430} The fact that the defendant had several different designs which he used on the shirts and other items is also significant: it gives the impression that, in a business sense, he had launched a whole Mutant of Omaha "line.\textsuperscript{431} Consideration of these facts leads to a conclusion that the parody in Mutual of Omaha was predominantly commercial despite having a significant noncommercial component. Therefore,
though the call was close, the Mutual of Omaha court was probably correct in finding a commercial use.432

Other t-shirt and sticker cases have involved parodies that reflect some blurring of commercial and noncommercial features, but are not so problematic as the parody in Mutual of Omaha. For instance, the “Miami Mice” shirts, which parodied the “Miami Vice” name and very loosely parodied the television show, arguably expressed ideas. Nonetheless, the relatively minimal expressive content of the parodies cannot outweigh the inescapable commercial flavor of the defendants’ sales operations. Thus, the “Miami Mice” parodies were commercial.433 The same is true of Topps Chewing Gum, Inc.’s “Petley Flea Bags” and “Garbage Pail Kids” stickers, which parodied the Tetley Tea trademarks and the “Cabbage Patch Kids” dolls.434 Whatever expressive content there may have been beyond the humor of the stickers pales by comparison with the magnitude of the commercial operations in which Topps sold the stickers. The mere labeling of a trademark parody as commercial, however, does not necessarily mean that the parodist is or should be liable to the trademark owner.435

The previously noted and now settled litigation instituted by Miller Brewing Co. against the Doctors Ought to Care (DOC) organization436 provides a useful illustration of a parody that is, on balance, noncommercial, despite possessing some arguable commercial characteristics. The “Killer Lite” t-shirts sold by DOC contained arguably humorous parodies of Miller slogans and trademarks. These parodies were designed to communicate—

432. For a discussion, however, of whether the court was correct in the result it reached in the case, see infra notes 451-52 and accompanying text.


435. There should be no liability unless the trademark rights theory at issue is established. See, e.g., Tetley, 556 F. Supp. at 792-93 (no liability for trademark infringement because no likelihood of confusion). First amendment considerations may also dictate a finding that the use, though commercial, does not give rise to liability. See infra notes 448-68 and accompanying text.

436. For a discussion of this case, see supra note 86 and accompanying text.
and did in fact effectively communicate—DOC's critical attitude toward the marketing practices of Miller and other producers of alcoholic beverages. The parodies, when coupled with a listing on the t-shirts of health risks associated with alcohol consumption, helped to express DOC's view that alcohol abuse is a significant public health problem. Although DOC sold the shirts, it used the proceeds to fund its mission of advocacy on public health issues, most notably the dangers posed by alcohol and tobacco.\(^{437}\) DOC itself was a nonprofit organization.\(^{438}\) The strong expressive content of the parodies, the forces motivating DOC, and the nature of the DOC organization are factors which lead to a conclusion that the parodies were noncommercial, even though the shirts were actually sold rather than given away.

When parodies appear on posters, commercial/noncommercial line-drawing is especially difficult. Consistent line-drawing is even more difficult. Posters are troublesome in this context because they are both ornamental products sold in the marketplace and potential vehicles for literary, artistic, or editorial expression. Poster manufacturers are not customarily considered part of the organized press in the same sense as newspapers and magazines, which we necessarily tend to label noncommercial. Yet on the spectrum of potential communicative tools, posters lie closer to newspapers and magazines than t-shirts, for example.\(^{439}\) *Girl Scouts of United States v. Personality Posters Manufacturing Co.* and *Coca-Cola Co. v. Gemini Rising, Inc.* are the leading cases involving parodies on posters.\(^{440}\) The parodies in these cases possessed commercial and noncommercial traits: both were sold in the marketplace and both contained an expressive and arguably humorous content.

Although the distinction between the two parodies is admittedly narrow, the parody in *Girl Scouts* should fall on the noncommercial side while that in *Coca-Cola* should be treated as commercial.\(^{441}\) The "Be Prepared" poster, with its picture and

\(^{437}\) See id. Unlike the defendant in *Mutual of Omaha*, DOC also carried out its advocacy in ideological literature. See DOC News and Views, *supra* note 86.

\(^{438}\) See DOC News and Views, *supra* note 86.

\(^{439}\) See Paulsen v. Personality Posters, Inc., 59 Misc. 2d 444, 299 N.Y.S.2d 501 (1968) (extending first amendment protection to producer of poster of comedian running tongue-in-cheek campaign for presidency, even though producer of poster did not have comedian's consent).


\(^{441}\) The distinction between commercial and noncommercial speech is
accompanying inscription, uses humor as a vehicle for implicit commentary on larger social issues such as the sexual “revolution,” teenage pregnancy, and availability of contraceptives to minors. The expressive and artistic components of the “Be Prepared” poster exceed those of the “Enjoy Cocaine” poster. Although the use of illegal drugs is a matter of obvious public concern, it is difficult to construe the “Enjoy Cocaine” language as any sort of intended or meaningful commentary on the appropriateness or inappropriateness of drug use. Instead, the poster is merely a witty juxtaposition of a familiar product name and the name of an unwholesome, illegal substance. This juxtaposition may have some expressive value, but not enough to outweigh the otherwise commercial character of the poster.

As has been shown, the making of the commercial/noncommercial distinction in trademark parody cases is necessary, but sometimes difficult. Once the parody at issue has been properly categorized, the next consideration is how to properly accommodate the respective first amendment interests of commercial and noncommercial parodists.

Some of the trademark parody decisions discussed earlier have begun the process of developing a first amendment framework for trademark parody cases. None of them, however, has completed the job. This is primarily because a court must confine its rulings to the issues in the case before it. For instance, in *L.L. Bean*, the court’s first amendment discussion was, for the most part, restricted to the context of a noncommercial parody and a

often narrow in parody cases. For first amendment reasons, courts must therefore restrict the operation of certain trademark rights theories. See infra notes 448-90 and accompanying text.

442. See *Girl Scouts*, 304 F. Supp. at 1234-35. The poster in *Girl Scouts* merits different treatment from that given the t-shirts and other items in *Mutual of Omaha* because in the latter case, the defendant effectively had a “line” of Mutant of Omaha merchandise. See supra note 431 and accompanying text. Although the poster company admittedly had a profit motive, the *Girl Scouts* poster was more of a one-time artistic expression. Additionally, a producer of posters is closer to a traditional purveyor of artistic expression than was the defendant in *Mutual of Omaha*.

443. See *Coca-Cola*, 346 F. Supp. at 1189. In addition, the “Enjoy Cocaine” poster reflected little use of the defendant’s own artistry as it was an almost exact reproduction of the trademark owner’s script format for the Coca-Cola name. See id.

444. For discussion of the expressive value of trademark parodies, see supra note 337 and accompanying text.

445. The defendant in *Coca-Cola* had sold approximately 100,000 copies of the poster, which was arguably in competition with Coca-Cola’s attempts to “sell” its trademark and image on clothing and various other items. *Coca-Cola*, 346 F. Supp. at 1189, 1190 & n.10.
dilution claim, under which likelihood of confusion is not an issue.\textsuperscript{446} In Cliffs Notes, the court’s first amendment analysis was in the context of a noncommercial parody and a section 43(a) claim under which likelihood of confusion is necessary.\textsuperscript{447} Additionally, no court has meaningfully explored the proper first amendment analysis of a case involving a commercial parody and a claim brought under an anti-dilution statute.

The next two subsections set out a comprehensive first amendment framework that accounts for the differences in types of parodies and the differences in the elements of trademark rights theories. The proper accommodation of first amendment concerns in trademark parody cases will be considered first with regard to commercial parodies and then with regard to noncommercial parodies.

C. Accounting for First Amendment Concerns in Commercial Parody Cases

1. When Trademark Owner’s Claim Is Brought on Infringement or Section 43(a) Theory

Assuming that the parody before the court has been classified as commercial and that the plaintiff’s claim is for trademark infringement or for an alleged violation of section 43(a), there is obviously no need to reach the freedom of expression issue if the court concludes that the parody did not create a likelihood of confusion. In that event, the defendant would not be liable under the trademark rights theory at issue.\textsuperscript{448}

If the commercial parody is attacked on infringement or section 43(a) grounds and the court properly concludes that a likelihood of confusion was shown, the parodist’s first amendment defense must fail. A commercial parody is a form of commercial speech, which receives no first amendment protection whatsoever if it is misleading. Logically, a commercial parody that creates a likelihood of confusion as to source, endorsement, sponsorship, or affiliation must be treated as misleading speech.\textsuperscript{449}

\textsuperscript{446} See \textit{L.L. Bean}, 811 F.2d at 31-32.
\textsuperscript{447} See \textit{Cliffs Notes}, 886 F.2d at 493-97.
\textsuperscript{448} For a discussion of misleading commercial speech and first amendment protection, see supra notes 262, 265-66, 388-91 and accompanying text.
\textsuperscript{449} When traditional trademark law imposes liability on a defendant whose commercial use of the plaintiff’s trademark has created a likelihood of confusion, the result does not violate the first amendment. See San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 535 n.12 (1987); Denicola, supra note 27, at 159, 165-66.
Note that the analysis in the preceding paragraph was based on a court properly concluding that the commercial parody created a likelihood of confusion. As noted earlier, some courts in trademark parody cases have adopted a rather loose view of what constitutes likelihood of confusion, often because of the courts’ distaste for the defendant’s parody. Such a hasty and unreasoned finding of likelihood of confusion creates constitutional difficulties, because an incorrect finding on that issue necessarily leads to an improper denial of the partial first amendment protection a commercial parody would otherwise receive.

In order to minimize the potential first amendment difficulties created by a cavalier approach to the establishment of likelihood of confusion, courts must give careful attention to the critical likelihood of confusion element. Courts must give special attention to this element in cases involving parodies such as those in Mutual of Omaha and Coca-Cola which are predominantly commercial, but also contain a significant noncommercial component. The careful attention urged here should translate into a disinclination to find likelihood of confusion unless the evidence demonstrates a realistic probability of confusion, not merely some possibility of confusion.

2. When Trademark Owner’s Claim Is Brought on Dilution Theory

A common strategy of trademark owners is to sue parodists on a dilution theory. Unlike the trademark infringement and section 43(a) theories, the dilution theory does not require proof of likelihood of confusion as to source, endorsement or affiliation. This is precisely why trademark owners prefer the dilution doctrine. It is also why the dilution doctrine poses a potentially greater threat to the first amendment freedoms of parodists than do the infringement and section 43(a) theories.

450. See supra notes 95-110 and accompanying text.
451. For a discussion of Mutual of Omaha and Coca-Cola, see supra notes 92-94, 96-100, 312-32, 440-45 and accompanying text.
452. See 2 J. McCarthy, supra note 1, § 23:1(C).
453. For a discussion of the dilution theory, see supra notes 132-38 and accompanying text.
454. It should be noted here, however, that the misappropriation doctrine also does not require proof of likelihood of confusion, and thus would seem an additional threat to the first amendment rights of trademark parodists. As previously noted, however, it is questionable whether the misappropriation doctrine has a proper place in trademark law. See supra notes 189-97 and accompanying text. Given the doctrine’s already uncertain status in the trademark realm, its nebulous nature and its potential for creating first amendment difficulties in
The absence of a likelihood of confusion “check” in the dilution doctrine creates a strong prospect of conflict with protected speech.\textsuperscript{455} This potential threat to expression must be kept in proper perspective, however. In noncommercial parody cases in which the trademark owner seeks relief under a dilution theory, the threat to first amendment rights may be quite serious.\textsuperscript{456} In contrast, with respect to commercial parodies, the danger posed to the parodist’s first amendment rights by a dilution claim is generally less serious. The difference in the degree of threat to first amendment rights posed by the dilution doctrine is tied to the different levels of protection given to commercial and noncommercial expression.

It must be remembered that a commercial parody does not receive the full first amendment protection accorded noncommercial speech. When a commercial parody is attacked on dilution grounds, any affected speech associated with the parody will normally be entitled to the partial first amendment protection given commercial speech because the parody probably will be unlikely to cause confusion.\textsuperscript{457} This partial protection is made plain by the Supreme Court’s test for governmental restrictions on commercial speech. Under this test, the partial protection given to commercial speech means that government action restricting commercial speech does not violate the first amendment if the government possesses a substantial underlying interest and the government action directly advances the underlying interest by narrowly tailored means.\textsuperscript{458} If the government passes this test, its

\textsuperscript{455} The absence of this “check” creates a danger that nonmisleading speech will be subject to liability under a dilution theory. Nonmisleading commercial speech, however, receives some first amendment protection, and noncommercial speech, misleading or not, receives full first amendment protection. \textit{See supra} notes 223-30, 249-52, 262-66 and accompanying text.\textsuperscript{456} For discussion of the threat to first amendment rights in noncommercial parody cases, see \textit{infra} notes 472-73 and accompanying text.\textsuperscript{457} The parody challenged on dilution grounds is unlikely to cause confusion because if it were likely to cause confusion, there would be liability on an infringement theory and a dilution claim would be superfluous.\textsuperscript{458} For the formulation of this test, see Board of Trustees of the State University of N.Y. v. Fox, 109 S. Ct. 3028, 3032-35 (1989) and Central Hudson
action restricting commercial speech automatically passes first amendment muster even though the affected speech was nonmisleading.

In a commercial parody case involving a dilution claim by a trademark owner, the application of the Supreme Court's commercial speech test should proceed in the following manner. The relevant government action would be the imposition of liability on the parodist for the alleged violation of an anti-dilution statute. There would logically be a substantial government interest underlying the enforcement of the anti-dilution statute. For many years, states and the federal government have passed legislation on intellectual property matters in order to prevent unfair business competition. State anti-dilution laws thus have a substantial purpose. Enforcement of an anti-dilution statute by injunctive relief—the form of relief typically allowed by such a statute—logically advances the state's interest underlying the statute and is reasonably tailored to the state's achievement of that interest.

Therefore, when the governing test for the constitutionality of commercial speech restrictions is applied to trademark parody cases involving a commercial parody and a dilution claim, there is unlikely to be a first amendment bar to the entry of judgment in favor of the trademark owner. This assumes, however, that the court will properly apply the dilution doctrine. In order for the dilution doctrine to avoid running afoul of the partial protection given the commercial parodist, the dilution doctrine must be applied with caution. If it is not cautiously applied, judicial enforcement of the anti-dilution statute will not be sufficiently narrowly tailored to further the proper objectives of the statute and, as such, may prohibit commercial speech that should otherwise be protected.


459. For a discussion of various trademark legislation, see supra notes 37-183 and accompanying text.

460. The relaxed approach employed by the Fox Court in evaluating commercial speech restrictions would most likely result in a court sustaining the application of an anti-dilution statute in this type of commercial parody case. Further, in the commercial speech setting, the Supreme Court generally does not regard injunctions against speech as raising prior restraint problems. See San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 532-41 (1987).

461. See Fox, 109 S. Ct. at 3035.
How, then, should the dilution doctrine be limited in application so not to create first amendment problems by restricting too much commercial speech? Courts should begin by interpreting less expansively the typical anti-dilution statute's alternative routes to a finding of dilution. For cases in which the trademark owner claims dilution by loss of distinctiveness, courts should be skeptical of any such claim if the defendant's use was a one-time use rather than a repeated use or a use that would be repeated with frequency if not enjoined. A defendant's isolated use, particularly parody, is considerably less likely to "whittle away" at the distinctiveness of the plaintiff's mark than is a recurring use. For example, assume that a Kentucky Fried Chicken advertisement parodies, in an obvious fashion, the familiar Ronald McDonald character belonging to fast food rival McDonald's. The single advertisement would not be sufficient to support a dilution by loss of distinctiveness claim unless McDonald's could demonstrate an ongoing use of that sort by Kentucky Fried Chicken or could produce clear evidence that Kentucky Fried Chicken would engage in a long-term use if not enjoined. Ronald McDonald would be no less clearly identified with McDonald's after the rival's single advertising "jab" than before the advertisement. To uncritically assume that isolated parodies in the commercial sense necessarily diminish the distinctiveness of the parodied trademark is to overextend the permissible reach of the dilution doctrine at the expense of legitimate commercial expression.

As a second appropriate limit on dilution claims, courts should be reluctant to find dilution by tarnishment simply because the trademark owner—and perhaps the court as well—does not like the defendant's parody. Simply because the plaintiff may find the defendant's humorous commentary unwelcome does not necessarily make the context unwholesome and therefore a possible candidate for a dilution by tarnishment claim. An example of a court's falling into this trap is the previously discussed litiga-

462. For a discussion of isolated uses of trademarks and dilution by loss of distinctiveness, see supra notes 154-63 and accompanying text.
463. This "hypothetical" is hypothetical only in part. Kentucky Fried Chicken advertisements of this sort were in fact televised, but there was no legal action by McDonald's. See McCarthy, supra note 90.
464. Hence, there would be no loss of distinctiveness, and, therefore, no dilution.
465. For a discussion of how the presence of an unwholesome context is the key factor for most courts finding dilution by tarnishment, see supra notes 166-79 and accompanying text.
tion over the “Garbage Pail Kids” stickers, which parodied the “Cabbage Patch Kids” dolls. In that case, the court rushed to find dilution by tarnishment, seemingly because neither the plaintiff nor the court was pleased with the connotations suggested by the Garbage Pail Kids.466

By nature, however, a parody is not pleasing to the object thereof. Even though commercial parodies are not fully protected under the first amendment, their partially protected character must allow them reasonable latitude to offend, as long as any offensiveness stems from ideas expressed in the parody rather than from a truly unwholesome context.467 The parody in the Garbage Pail Kids litigation was hardly unwholesome when compared to the contexts more commonly considered to be unwholesome: those displaying sexual explicitness or referring to illegal drug use.468

D. Accounting for First Amendment Concerns in Noncommercial Parody Cases

The question of how to accommodate first amendment interests in trademark rights cases involving noncommercial parodies has an easy and tempting answer: Courts need not worry about first amendment issues in such cases because trademark owners do not have valid claims against noncommercial users of their marks. Thus, the trademark owner’s claim against the noncommercial user should be succinctly dismissed without the court’s having to address potentially complicated constitutional questions.

This answer was given by the court in Lucasfilm Ltd. v. High Frontier.469 In Lucasfilm, the owner of the “Star Wars” trademark failed to obtain relief on a variety of theories against a public in-

468. For a discussion of cases involving these unwholesome contexts, see supra notes 168-77 and accompanying text.
interest group that used the term "star wars" in political advertisements protesting the Reagan administration's strategic defense initiative.\textsuperscript{470} The answer was an appropriate one in the context of that case, where the defendant's use of the mark was as unambiguously noncommercial as possible. Not all uses that are classified as noncommercial for purposes of first amendment analysis are exclusively noncommercial, however. For instance, books, magazines, newspapers, movies and similar items are properly given the noncommercial label even though they have the arguably commercial feature of being sold in the marketplace.\textsuperscript{471}

Courts have concluded that trademark rights theories have the potential to reach predominantly noncommercial uses when a secondary commercial component of the sort just noted is present. The Second Circuit has recently recognized that a movie title and a parody in book form were assailable under section 43(a) of the Lanham Act.\textsuperscript{472} First amendment concerns, however, were sufficient on the facts of each case to keep liability from being imposed. Some noncommercial parodies—though not always recognized as noncommercial by courts—have been the subject of trademark rights litigation won by trademark owners.\textsuperscript{473} Trademark owners have prevailed in these cases despite the full first amendment protection that noncommercial parodies should merit. These decisions demonstrate the need for a suitable framework to accommodate freedom of expression concerns.

1. \textit{When Trademark Owner's Claim Is Brought on Infringement or Section 43(a) Theory}

When a parody is properly classified as noncommercial for first amendment purposes and the trademark owner proceeds on an infringement or section 43(a) theory, the familiar likelihood of confusion element of course becomes critical. To properly account for the full first amendment protection given to noncommercial parodies, a shift in focus on the likelihood of confusion element is needed. Whereas a commercial parody that is likely to cause confusion obtains no first amendment protection,\textsuperscript{474} a non-

\begin{itemize}
\item \textsuperscript{470} Id. at 933-36.
\item \textsuperscript{471} For a discussion of these forms of noncommercial speech, see supra notes 226-30, 327-73, 405, 410-11 and accompanying text.
\item \textsuperscript{472} See \textit{Cliffs Notes}, 886 F.2d 490; \textit{Rogers}, 875 F.2d 994. For a discussion of Rogers and \textit{Cliffs Notes}, see supra notes 338-73 and accompanying text.
\item \textsuperscript{474} See \textit{Friedman v. Rogers}, 440 U.S. 1, 12-16 (1979).
\end{itemize}
commercial parody that may cause confusion does not necessarily forfeit first amendment protection. In the realm of noncommercial speech, there is considerably greater tolerance for misleading statements and even falsehoods.

In the unusual event that a noncommercial parody is found to create a likelihood of confusion, the first amendment should nevertheless insulate the parodist from liability. In the Rogers case, for instance, there was reasonable evidence tending to indicate that the movie title used by the defendants created consumer confusion concerning whether the movie was about or endorsed by Ginger Rogers. Despite this evidence, the Rogers court held that the first amendment protected the defendants from liability. In doing so, the court called for an approach that balanced the extent of the harm to the plaintiff, who claimed a violation of section 43(a), against the strength of the expressive interests of the defendants.

Although Rogers was not a trademark parody case, its similarities make it useful in the trademark parody context. The balancing approach contemplated by Rogers provides a useful means of giving analytical substance to the full first amendment protection the noncommercial parodist receives. In balancing the harm to trademark owners against the expressive interests of the noncommercial parodist, it is also necessary to commence this balancing process in an uneven fashion by placing heavier weight on the parodist’s side of the scale. This balance can be achieved by establishing a rule that the trademark owner cannot prevail on an infringement or section 43(a) claim against a noncommercial parodist unless he or she proves a strong likelihood of confusion. This proposed standard of strong likelihood of confusion is

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475. One would normally expect that the noncommercial context of the parody would go a long way toward dispelling any likelihood of confusion. See Cliffs Notes, 886 F.2d at 494-97.
476. Rogers, 875 F.2d at 997, 1001 n.8.
477. Id. at 999-1001.
478. This uneven balancing requirement is necessary in light of the full first amendment protection the noncommercial parodist is entitled to receive. See id. at 999.
479. See Cliffs Notes, 886 F.2d at 497 (reference to “strong” likelihood of confusion). Although it appears that in using the word “strong,” the Cliffs Notes court was not necessarily intending to adopt “strong likelihood of confusion” as the governing standard, this article urges that such a gloss be imposed on the ordinary trademark infringement and § 43(a) standard when the defendant’s speech is predominantly noncommercial. Application of this proposed standard would help make proper allowance for the longstanding notion that if speech is noncommercial, its possible misleading character is not by itself a reason for the
consistent with the constitutionally valid notion that it should be quite difficult for a trademark owner to win an infringement or section 43(a) claim against a noncommercial parodist. If full first amendment protection means that government action restricting the content of such speech cannot pass constitutional scrutiny unless it is necessary to the fulfillment of a compelling government interest, it would seem that any government interest that is not intended to prevent a strong likelihood of confusion should not suffice.480

2. When Trademark Owner's Claim Is Brought on Dilution Theory

The absence of a likelihood of confusion element—let alone an element of strong likelihood of confusion—makes the dilution theory a potentially broad-ranging device that may extend far into the realm of protected speech. Because first amendment concerns are so strong with respect to noncommercial speech, the threat posed by the dilution doctrine to freedom of expression is even greater in the noncommercial context. Therefore, it is necessary to restrict the dilution doctrine within appropriate limits and to again employ a version of the Rogers balancing approach.

In restricting application of the dilution doctrine in the non-commercial setting, it would be appropriate to begin by limiting the use of the dilution by loss of distinctiveness theory to cases against commercial users of the plaintiff’s trademark. The dilution by loss of distinctiveness theory is ill-fitting in the non-commercial parody context because it contemplates commercial trademark-like uses by a defendant rather than what is customarily seen in the noncommercial setting. In addition, the noncommercial parody is unlikely to reflect the repeated use factor that is often important to loss of distinctiveness claims. Thus, results such as that in Dallas Cowboys, where dilution by loss of distinctiveness was found,481 would be eliminated by this approach.

The dilution by tarnishment theory is more problematic. The L.L. Bean court apparently would eliminate this possible basis

480. For a discussion of the constitutional scrutiny applied to restrictions on noncommercial speech, see supra notes 243-44 and accompanying text.

481. In Dallas Cowboys, the district court expressly found dilution by loss of distinctiveness. Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 467 F. Supp. 366, 377 (S.D.N.Y.), aff'd, 604 F.2d 200 (2d Cir. 1979). The Second Circuit also stated that the plaintiff was entitled to prevail under the anti-dilution statute, but did not specify which type of dilution it was applying. Dallas Cowboys, 604 F.2d at 205 n.8.
of liability in the noncommercial parody context.\textsuperscript{482} It is not necessary, however, to ban all such claims from the noncommercial context as long as courts restrict tarnishment claims to instances where the alleged tarnishment of the trademark's reputation stems from a truly unwholesome context in which the mark was used by the parodist, and not from the unwelcome impact of the ideas being expressed.\textsuperscript{483} For example, if the Miller Brewing Company suit against Doctors Ought to Care (DOC) had gone to trial instead of being settled,\textsuperscript{484} dilution by tarnishment would not have been found in that case under this proposed restriction. Any tarnishment of the Miller name and slogans came from the striking content of the ideas and viewpoints expressed by DOC. To impose dilution liability in such an instance would penalize the noncommercial parodist for exercising legitimate and substantial expressive rights and would hardly be consistent with the first amendment prohibition against content restrictions on fully protected speech.\textsuperscript{485}

Cases resembling \textit{Pillsbury} and \textit{Dallas Cowboys} make analysis of a dilution by tarnishment claim more difficult. In these cases, the offensive parodies appeared, respectively, in a sexually explicit magazine and a sexually explicit movie.\textsuperscript{486} It is more difficult for parodists in such factual settings to argue credibly that the powerful force of their ideas caused the trademark owner to complain. Although the parodies in \textit{Pillsbury} and \textit{Dallas Cowboys} presumably were not devoid of ideas, they were not brimming with profound content.\textsuperscript{487} Any arguable tarnishment of the parodied trademarks in such cases would seem to stem from the unwholesome context.

\begin{footnotesize}
\textsuperscript{483} See Denicola, supra note 27, at 202-05.
\textsuperscript{484} For a review of the basic facts of this case, see supra note 86.
\textsuperscript{485} For a discussion of this and other first amendment requirements, see supra notes 220-48, 263-94, 321-73 and accompanying text.
\textsuperscript{486} For a discussion of these cases, see supra notes 168-69 (\textit{Pillsbury}), 101-10, 302-10 (\textit{Dallas Cowboys}) and accompanying text.
\textsuperscript{487} This is not to say, however, that speech must be profound and full of meaningful ideas in order to merit the first amendment protection accorded noncommercial speech. (If that were a necessary criterion, much of what is uttered by political candidates during the course of election campaigns would not qualify for protection.) No such requirement exists, as sensibly recognized by the \textit{L. L. Bean} court. See \textit{L. L. Bean}, 811 F.2d at 34. For a discussion of this aspect of \textit{L. L. Bean}, see supra note 330 and accompanying text. Nevertheless, noncommercial speech expressing a minimal level of ideas may be somewhat more vulnerable to a dilution by tarnishment claim if stated in an unwholesome context, because the supposed tarnishment is less likely to result from the minimal ideas contained in the expression.
\end{footnotesize}
of the parodies, not from the expression of the parodists' ideas or viewpoints.

The analysis should not stop at this point. Even if it appears that the unwholesome context of the noncommercial parody (rather than the unwelcome content of the ideas expressed therein) is the apparent "culprit," the court should not immediately find dilution by tarnishment. Instead, the Rogers balancing approach must be applied. In applying this approach, the court must take a serious, realistic look at the likelihood of tarnishment and whether there is meaningful evidence tending to show this likelihood. Without such evidence, a successful dilution by tarnishment claim would seem to rest primarily on a knee-jerk reaction to the parody's unwholesome context. Regrettably, such a poorly grounded ruling is not uncommon in trademark parody litigation, but is constitutionally inadequate because it ascribes too much weight in the balancing process to the supposed harm to the trademark owner and too little weight to the first amendment interests of the noncommercial parodist.

As a further means of keeping dilution by tarnishment claims against noncommercial parodies within permissible first amendment bounds, the court should also consider the audience. For instance, if the parody appeared in an adult magazine, as in Pillsbury, the court should consider the likelihood of tarnishment issue in terms of whether the magazine audience's attitude toward the mark would be adversely affected. If the answer to this question is "no"—the answer one would expect in a Pillsbury-like case—the court should be reluctant to find a genuine likelihood that the mark's reputation would be tarnished. This careful scrutiny of dilution by tarnishment claims is warranted by the first amendment. It demands the conclusion that the mere placement of a trademark parody in an unwholesome but noncommercial context should not automatically give rise to a meritorious dilution by tarnishment claim by the trademark owner.

488. The Pillsbury and Dallas Cowboys cases are notable examples.

489. Such a ruling is constitutionally inadequate because the noncommercial parodist obtains substantial first amendment protection regardless of whether there is a wealth of ideas expressed in the parody. See supra note 478 and accompanying text.

490. It would seem unlikely that most persons who choose to read adult magazines would hold less respect for a company's trademark after it has appeared without the trademark owner's consent in such a publication. If anything, these readers' regard for the trademark might be increased. Courts, therefore, should not ignore reality in deciding these cases when first amendment interests are at stake.
VI. Conclusion

Trademark parody cases present a significant conflict between the property rights asserted by trademark owners and the freedom of expression concerns advanced by parodists. The entertaining facts of these cases sometimes belie the seriousness of the constitutional issues at stake. It is noteworthy that some of the very recent trademark parody decisions display a judicial willingness to address the first amendment aspects of these cases on a more principled basis than had often been displayed previously. Nevertheless, the cases reveal a need for a coherent analytical framework that accommodates the different first amendment considerations present in different varieties of trademark parody cases. This article has offered proposals to that end.

The analytical framework explained herein recognizes and accounts for the practical and constitutional differences between parodies that are commercial (meriting at best partial first amendment protection) and parodies that are noncommercial (meriting full first amendment protection). The article has also addressed the proper implementation of these respective levels of protection in the differing contexts of the infringement, dilution and federal statutory claims brought by trademark owners against parodists. It has urged the adoption of appropriate modifications of or restrictions on these trademark rights theories in order to minimize their potential for reaching too far into the realm of protected expression. If courts adopt this article’s analytical framework, trademark parody decisions will reflect the drawing of a far better balance between trademark owners’ property rights and parodists’ first amendment interests than has generally been the case until now.