Free-Ride or Free Speech? Key Trademark Parody Cases

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Co-Chairs: Dyan Finguerra-DuCharme & Michael Cannata *Board Liaison*: Katie McCarthy

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Poll: Should result be the same?

Trademark Infringement

The Lanham Act provides for a trademark-infringement claim if an unapproved use of a mark is **likely to cause confusion** as to affiliation, sponsorship, or approval.

15 U.S.C. § 1125(a)(1)(A)

Trademark Dilution -- TRDA

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

15 U.S.C. § 1125(c)(1)

TDRA Exclusions

- (A) **Any fair use**, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person **other than as a designation of source** for the person's own goods or services, including use in connection with—
  - (i) advertising or promotion that permits consumers to compare goods or services; or
  - (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner,
- (B) All forms of news reporting and news commentary.
- (C) **Any noncommercial use of a mark**.

New York State Dilution Statute

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

N.Y. Gen. Bus. L. § 360–l.

The First Amendment

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Artistic / Expressive Works

The Lanham Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.

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

The Nature of Trademark Rights

Second Circuit 1979:

- Trademark is a property right that need not yield to the exercise of First Amendment rights where adequate alternative avenues of communication exist.

Ninth Circuit 2002:

- Limited to this core purpose — avoiding confusion in the marketplace — a trademark owner's property rights play well with the First Amendment. The problem arises when trademarks transcend their identifying purpose.

Fourth Circuit 2014:

- Trademark law in general and dilution in particular are not proper vehicles for combatting speech with which one does not agree.

Is "Parody" a Defense?

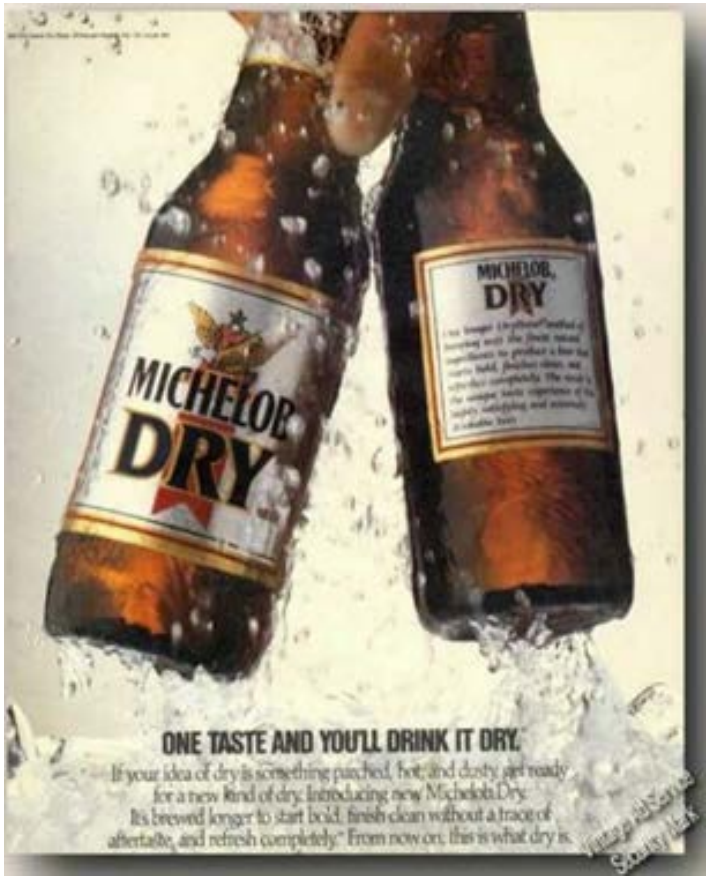
Some parodies will constitute an infringement, some will not. But the cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement or dilution. There are confusing parodies and non-confusing parodies. All they have in common is an attempt at humor through the use of someone else's trademark. A non-infringing parody is merely amusing, not confusing.

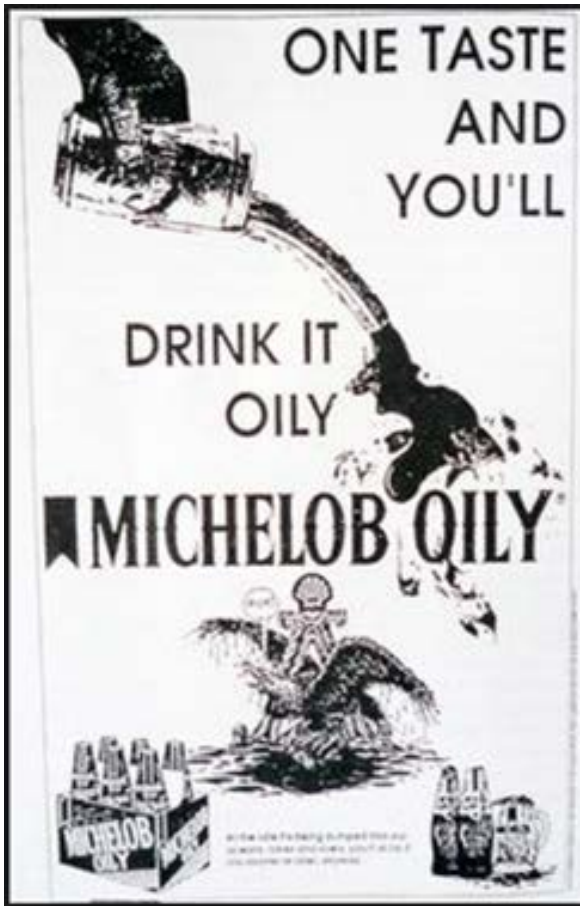
Trends?

- ☐ Geographically (by Circuit)
- ☐ Chronologically
- ☐ By nature of defendant's speech (expressive vs purely commercial)
- ☐ By impact of defendant's speech (tarnishment)
- ☐ By infringement vs dilution
- ☐ By stage of case at which question decided
- ☐ By type of evidence plaintiff submitted (survey)

Anheuser Busch, Inc. v. L&L Wings, Inc., 962 F. 2d 316 (4th Cir. 1992)

Anheuser-Busch, Inc. v. Balducci Pubs., 28 F. 3d 769 (8th Cir. 1994)





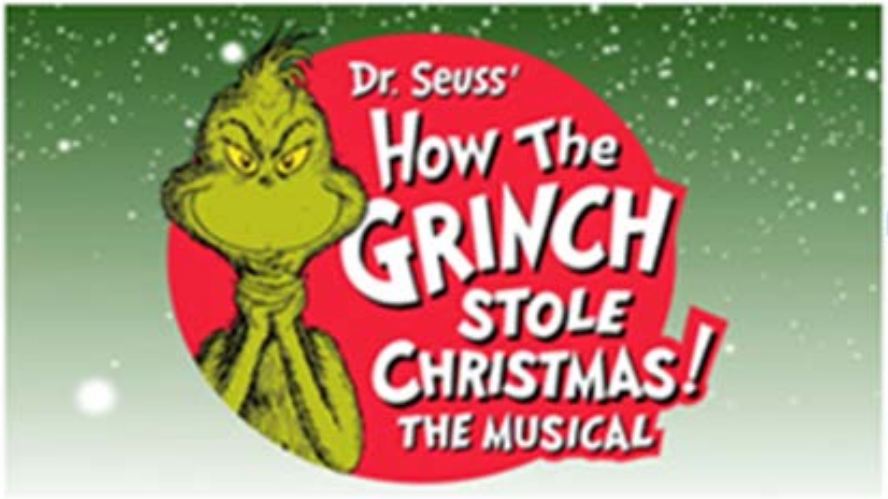
Anheuser-Busch, Inc. v. VIP Prods, 666 F. Supp. 2d 974 (E.D.Mo. 2008)

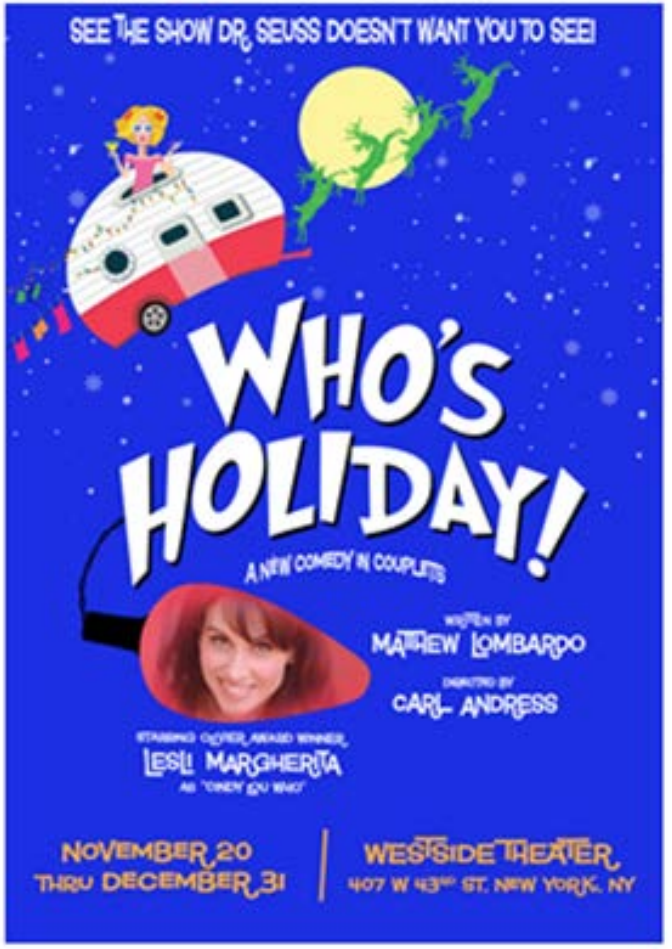
Louis Vuitton v. Haute Diggity Dog, 507 F. 3d 252 (4th Cir. 2007)

Louis Vuitton v. My Other Bag, No. 16-241-cv. (2d Cir. Dec. 22, 2016)

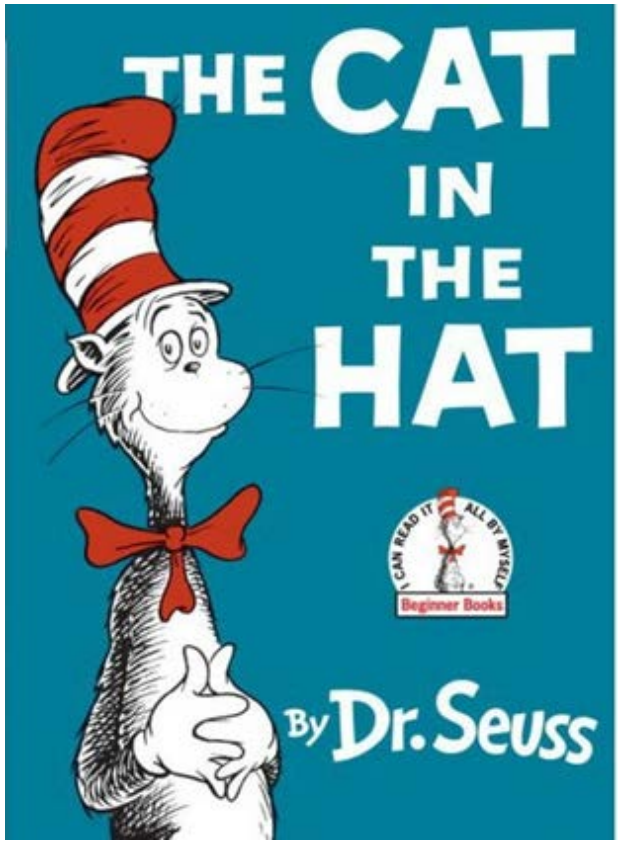
Louis Vuitton v. Hyundai, 2012 WL 1022247 (S.D.N.Y. Mar. 22, 2012)

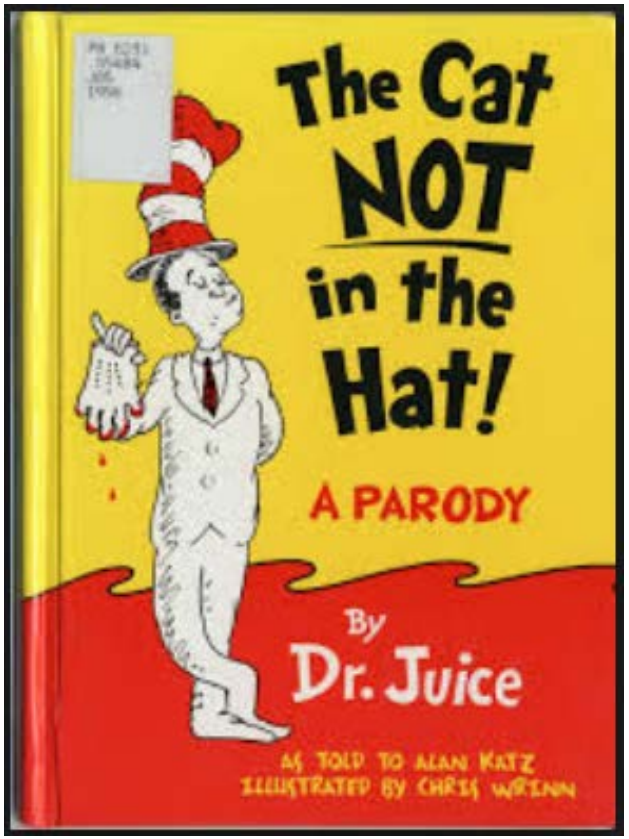
Lombardo v. Dr. Seuss, No. 16cv9974 (S.D.N.Y. 2017)



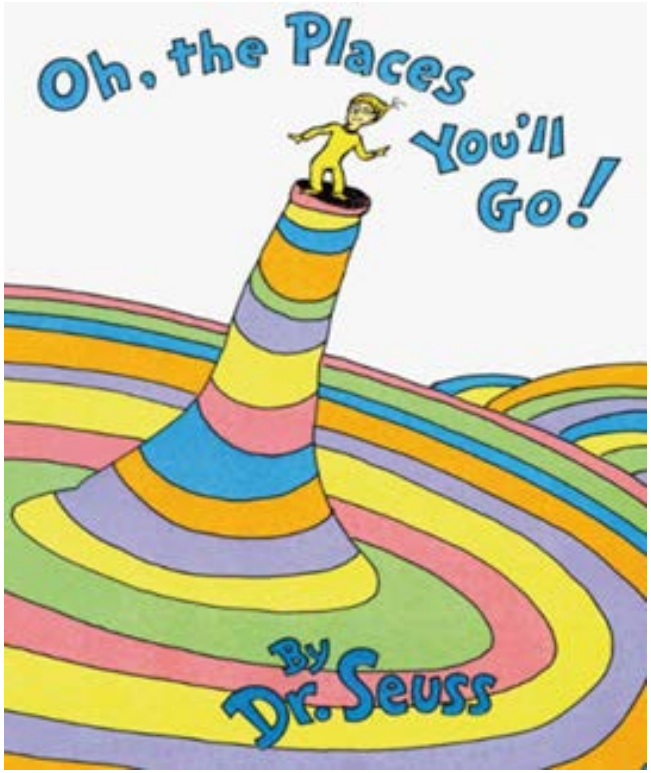


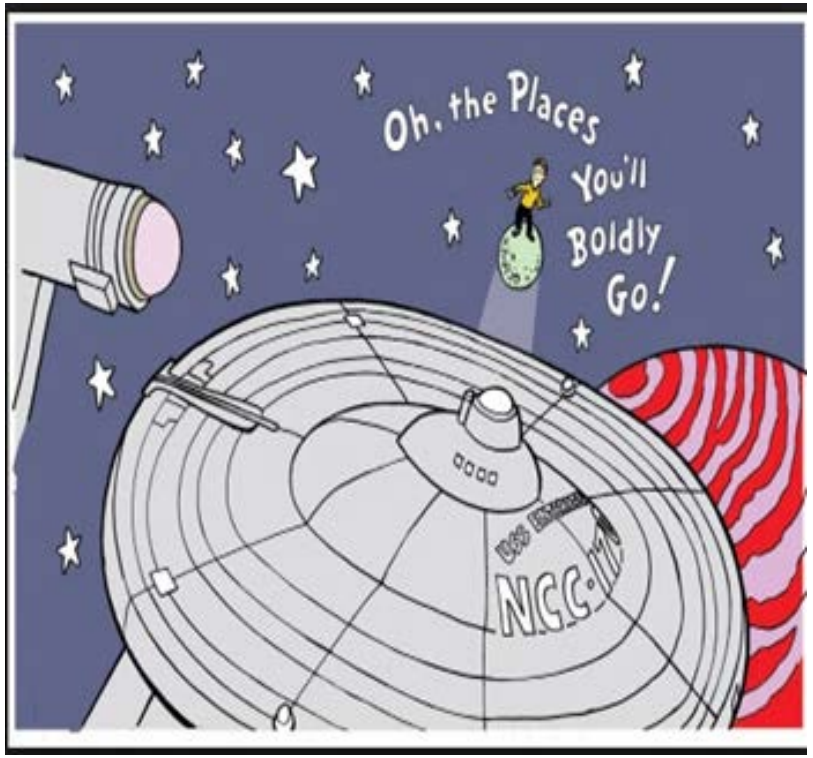
Dr. Seuss v. Penguin Books, 109 F.3d 1394 (9th Cir. 1997)





Dr. Seuss v. Comic Mix No. 16cv2779-JLS (S.D.Cal. 2017)





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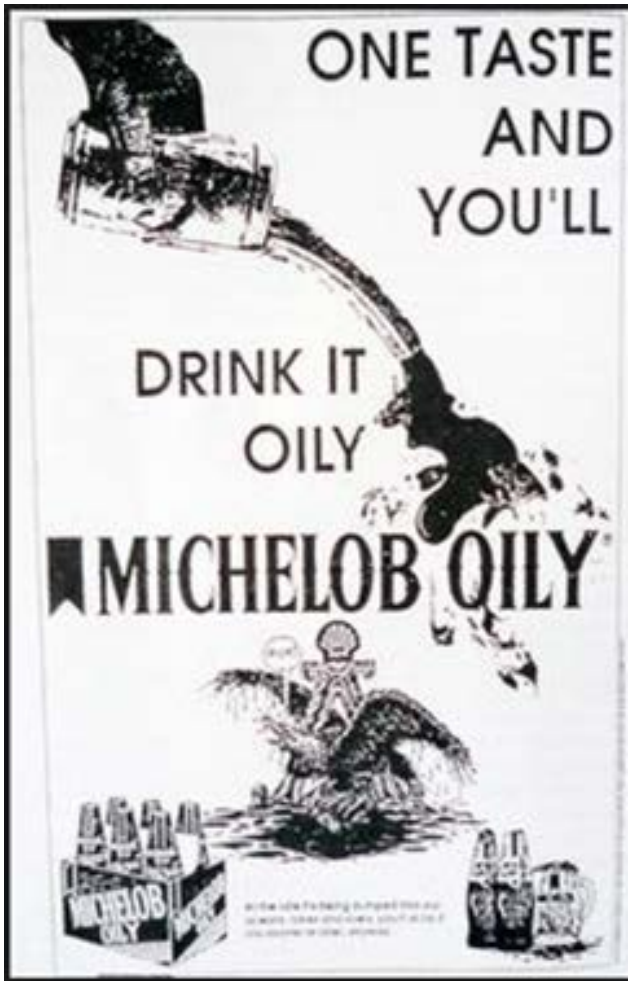
Poll: Would this be enjoined today?



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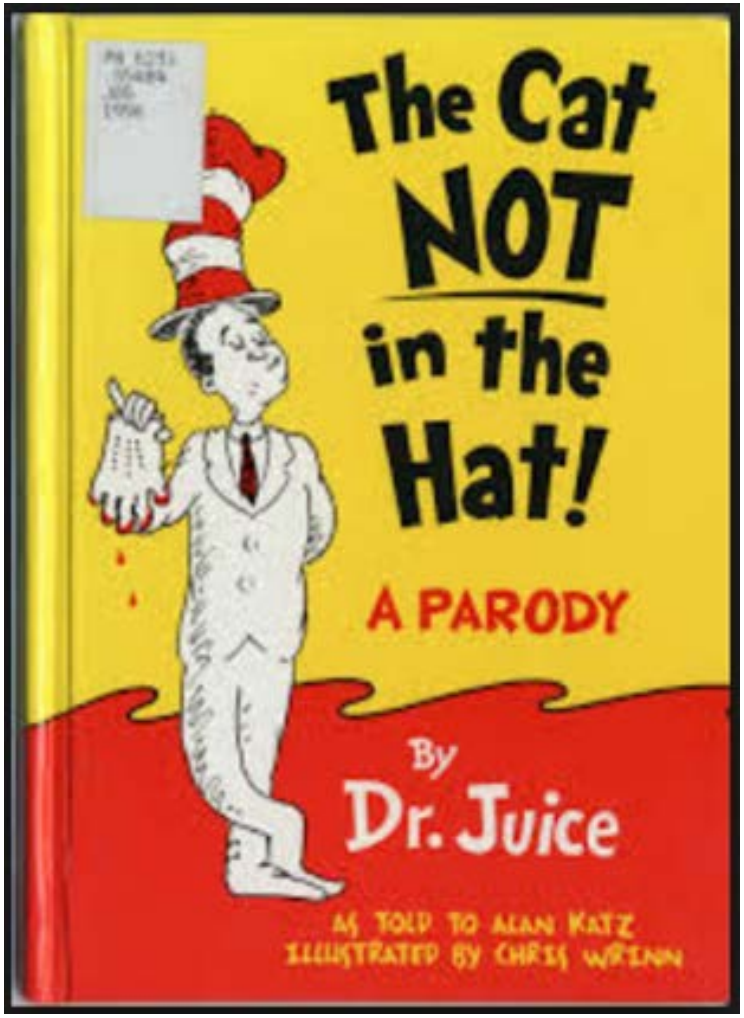

Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302 (ND Ga. 2008)

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How Significant Is Offensiveness?

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Poll: Predict the Outcome

Advice to Brand Owners

- Can you establish likely confusion?
- Anything unsavory about the use?
- When "to chill"?
- When to protest?
- How to protest?
- When a letter doesn't work, where to bring suit?
- Whether to conduct a survey & when?
- Viable procedural strategies – TRO? PI? MSJ?
- Does aggressive strategy help with deterrence – do potential parodists steer clear of aggressive brand owners' brands?

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Advice to Potential Parodists

- Why are you using another brand?
  - Is your use truly a parody of the brand?
  - Are you commenting about the brand or something else?
  - If something else, any social / comparative purpose to the use?
- Artistic relevance to your own product or message?
- Anything expressly misleading?
  - Disclaimer?
- Anything unsavory about your use?
- Is your product competitive to the brand?
- How much of the brand are you using?
- Should you ask for permission?
- Can you get insurance?

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Key Factors?

- Competing products?
- Expressive vs. purely commercial work?
- Motives of defendant?
  - Truly expressing opinion that relates directly to brand
  - Using brand solely to generate attention for own business
- How offensive is the parody? Are some things (sex, drugs) off limits?
- How funny is the joke?
- How much of the brand is used?
- The court / judge vs. jury (if you have a choice)?

TTAB on Confusion Claims

- Research in Motion Limited v. Defining Presence Marketing Group, Inc. , 102 USPQ2d 1187 (TTAB 2012) [precedential].

- Distinguishes between First Amendment implications in federal court infringement cases and TTAB proceedings involving just the right to register a mark
- In the latter, likelihood of confusion will usually trump any First Amendment concerns.

TTAB on Dilution Claims

- Distinguishes Chewy Vuiton case:
  - Public popularized "CrackBerry" as a nickname for BLACKBERRY devices such that the name does not solely – if at all – reflect applicants' asserted attempt to parody
  - Use of "CrackBerry" on services closely related to Blackberry's significantly undercuts the effectiveness of the asserted parody in avoiding dilution by blurring

- CRACKBERRY will blur the distinctiveness of the BLACKBERRY marks, rather than create a non-source-indicating fair use parody that should be protectable either under the safe harbor provisions of Section 43(c)(3)(A) or of the First Amendment.

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Questions?