

**TRADEMARKS AND FREEDOM OF EXPRESSION IN THE UNITED STATES:
BRAND PARODY AS A FORM OF SOCIAL COMMENTARY AND
SHORTCOMINGS OF THE TRADEMARK DILUTION REVISION ACT OF 2006**

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Introduction

In addition to ensuring that customers make the correct buy, Louis Vuitton's trademarked monogram, Starbuck's siren emblem, and Tommy Hilfiger's distinctively blue, red, and white color scheme advertise to others about the decisions customers have made. If things were not set up as they are, the present well-known brands would not be as popular. Brands let trademark owners address the public about the quality and source of items and enable them to communicate in a unified voice about their lifestyle or taste of luxury. In the light of branding's effect on society, the issues surrounding both brands and branding are something the public should be aware of. As a form of protest, some individuals refuse to wear branded clothing as a sign of rebellion, while others embrace this trend by making fun of it. Therefore, fundamental human rights, freedom of expression, and intellectual property rights have always been in tension in the different jurisdictions. Brand parody is the most common way of criticizing and making fun of commercial giants in the capitalistic world. This sort of expression faces barriers set up in trademark laws that are overly protective about the rights of mark holders. The First Amendment reads that: *"Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."*¹

In this thesis, I have focused on the tension between freedom of speech in the form of brand parodies and trademark law and analyzed whether recent amendments to the trademark law (Trademark Dilution Revision Act of 2006) of the United States complies with the First Amendment. I have specifically chosen brand parodies rather than traditional forms of trademark parodies because of their commercial nature. Most parodies simply reproduce the

¹ U.S. Const. Amend. I.

essential characteristics of a given work, either referring to or making fun of it.² Brand parodies are more effective. While both borrowing the trademark and the branding technique are used, the intention is to put us in a thoughtful mindset about the brand's impact on our social life.³ To understand a brand parody and realize its importance in the free marketplace of ideas, we should have an insight into parodies, trademarks, trademark parodies, historical evolution, and contemporary situation trademark law. Especially, since after enacting the new Trademark Dilution Revision Act of 2006, courts are still grappling with interpreting.

This thesis follows three chapters. In the first chapter, I have explained parody and trademark, the First Amendment defense of the trademark parodies, and the importance of the brand parodies as a new version of the trademark parodies. In the second chapter, I have chronologically analyzed the evolution of the trademark law of the United States and the artistic expression defense granted to the trademark parodies. The third chapter is describing challenges which the courts are facing because of interpretational problems of the T.D.R.A. After consulting with many noted thorough and insightful legal analyses and opinions of the referenced legal scholars and case-law reviews of their on the matter, I provided suggestions on the potential changes to the existing Trademark Dilution Revision Act. Those suggestions seek to make it easier for courts to handle the increased load while safeguarding the free expression rights of the parodists.

² Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 583 (1994).

³ Campbell v. Acuff-Rose Music, Inc., 510 U.S. 583 (1994). (4th Cir. 2007).

1. Chapter I. Trademarks. Parody. Traditional trademark parody. Brand Parody.

a. Trademarks

In general, a trademark is a word, sentence, symbol, or design that identifies and differentiates the source of one party's products from those of another party.⁴ Trademarks enable the consumers to choose products of the enterpriser among the others in a competitive marketplace. Without any doubt, we can say that brands have become a unique selling tool for enterprisers. Next to source identification, the trademark has another undisputable communication function that is crucial for enterprises.⁵ According to Frank Schechter, the trademark function in the competitive marketplace is not only source identification but also "*to stimulate further purchases by the consuming public.*"⁶ In his article, Schechter is also bringing his psychological hold argument and writes that the selling power of a mark is coming from the psychological hold created on the consumers' minds.⁷ It is worth highlighting that this famous 1927 Harvard Law Review article (The Rational Basis of Trademark Protection) of Frank Schechter gave rise to the dilution law. Dilution of trademark refers to illegal use or use of a trademark that may diminish a well-known brand's distinctiveness or damage a prominent trademark.⁸ Schechter took the phrase from German courts that provided trademark owners with protection against "Verwässerung" ("dilution") of their trademarks at the time he published his essay.⁹ In light of the factors mentioned earlier, which are connected to the

⁴ United States Patent and Trademark Office, Basic Facts About Trademarks, Protecting Your Trademark 2–2 (2020)

⁵ Kenneth B. Germain, Trademarks and Unfair Competition by J. Thomas McCarthy. Rochester, New York: Lawyers Co-Operative Publishing Co., (2d ed. 1984). Pp. 2269, including Index, Table of Cases, Table of Statutory Citations, Table of Figures, Table of Forms, and Appendices., 34 Cath. U. L. Rev. 595 (1985).

⁶ Frank I. Schechter, The Rational Basis of Trademark Protection, 40 H.A.R.V. L. REv. 818 (1926)

⁷ Frank I. Schechter, The Rational Basis of Trademark Protection, 40 HARv. L. R.E.V. 813, 818, 819 (1927).

⁸ International Trademark Association, Fact Sheet: Protecting a Trademark <https://www.inta.org> (2020), <https://www.inta.org/fact-sheets/trademark-dilution-intended-for-a-non-legal-audience/>.

⁹ See Frank I. Schechter, The Rational Basis of Trademark Protection, 40 H.A.R.V. L. REv. 832 (1926).

importance of trademark uniqueness in a competitive marketplace, enterprisers invest enough money to have the best and distinctive marks for their brands.

b. Traditional trademark parodies

In poetry, parody is an imitation of the character and manner of a specific writer or school of authors. Parody usually has an intent to poke fun at its target. It draws attention to a writer's supposed flaws or a school's overused norms and tries to mock them. Parody, on the other hand, may be constructive or a joking exercise. The term parody is originated from the Greek *parōidia*, which means "a song sung alongside another."¹⁰

The most frequent interaction of parody is with copyright, where a parody can be covered by the statutory "fair use" doctrine. However, there is a significant accumulation of case-law for parody under trademark laws.¹¹ There is statutory defense protection to trademark dilution with regards to claim trademark dilution, but no statutory defense granted to a trademark infringement claim.¹²

Meanwhile, products under well-known trademarks are growing high in demand, and their marks are becoming the target of the parodist as well. "*Parody is at once a derivative and a creative form of expression; its defining characteristic is that it incorporates some recognizable features of its object while altering other features to ridicule the object and achieve a humorous or provocative effect.*"¹³ Justice Souter reiterated a very close approach to

¹⁰ Britannica, The Editors of Encyclopedia. "Parody". Encyclopedia Britannica

¹¹ Deere & Co. v. M.T.D. Prods., Inc., 41 F.3d 39, 46 (2d Cir. 1994); Tommy Hilfiger Licensing, Inc. v. Nature Labs, L.L.C., 221 F. Supp. 2d 410, 414 (S.D.N.Y. 2002); Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989); V.I.P. Prods., L.L.C. v. Jack Daniel's Prods., Inc., 291 F. Supp. 3d 891 (D. Ariz. 2018); Jordache Enterprises, Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir. 1987); C.C.A. & B, L.L.C. v. F + W Media Inc., 819 F. Supp. 2d 1310 (N.D. Ga. 2011); Lombardo v. Dr. Seuss Enters., L.P., 279 F. Supp. 3d 497 (S.D.N.Y. 2017); Brown v. Netflix, Inc., 462 F. Supp. 3d 453 (S.D.N.Y. 2020); Nat'l Council of the U.S. Soc'y of St. Vincent De Paul, Inc. v. St. Vincent De Paul Cmty. Ctr. of Portage Cnty., Inc., 16-cv-423-bbc (W.D. Wis. Sep. 5, 2018); Vuitton Malletier v. Haute Diggity, 507 F.3d 252 (4th Cir. 2007); Lontex Corp. v. Nike, Inc., CIVIL ACTION NO. 18-5623 (E.D. Pa. Jun. 10, 2019); Kibler v. Hall, 843 F.3d 1068, 121 U.S.P.Q.2d 1069 (6th Cir. 2016); Progressive Distribution Servs., Inc. v. United Parcel Serv., Inc., 856 F.3d 416 (6th Cir. 2017).

¹² Howard Wintner, Parody Under the Trademark Laws www.law.com (2019)

¹³ Robert J. Shaughnessy, Trademark Parody: A Fair Use and First Amendment Analysis, 72 Virginia Law Review 1079 (1986).

this scholarly definition in *Fisher v. Dees*¹⁴. In his view, an effective parody should employ "some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works."¹⁵ Usually, parodists are targeting well-known trademarks "to derive the benefit of reputation."¹⁶ of the brand. In comparison to a less well-known trademark, a famous trademark promises a broad audience to the parodist. However, while conveying a message to the audience, parodists ought to respect specific regulations that prevent their artistic work from causing trademark dilution and infringement claims. The genuine artistic intention of the parodists in trademark parody is the essential element that should be capable of excluding consumer confusion. Suppose a parodist intends to use the targeted brand as a source identifier of his products. In that case, it causes consumer confusion. Court of Appeals of the Tenth Circuit provided a clear explanation for the duality of the trademark parodies: "no parody could be made without the initial mark. However, the benefit to the one making the parody arises from the humorous association, not from public confusion as to the source of the marks. A parody relies upon a difference from the original mark, presumably a humorous difference, to produce its desired effect."¹⁷

The focus of human rights in the field of intellectual property¹⁸ has only recently drawn attention, primarily regarding copyright, and a wide-ranging scholarly debate has rapidly arisen in this respect.¹⁹ When parodists mock the trademarks, conflict of constitutional freedom and commercial interests starts. The contentiousness of intellectual property and human rights emerges between the right to freedom of expression and trademark rights. However, trademark law is almost 200 years younger than the Bill of Rights in the legislative history of the United

¹⁴ *Fisher v. Dees*, 794 F.2d 432 (9th Cir. 1986)

¹⁵ *Fisher v. Dees*, 794 F.2d 580 (9th Cir. 1986)

¹⁶ *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (1984)

¹⁷ *Jordache Enterprises, Inc. v. Hogg Wyld Ltd.*, 828 F. 2d 1482, 1486 (10th Cir. 1987)

¹⁸ As trademark law is a subsection of intellectual property law, I find it relevant to keep the term the same as in the author's book.

¹⁹ *Copyright and Free Speech. Comparative and International Analyses* (Oxford, O.U.P., 2005).

States; those two, freedom of speech which is one of the fundamental human rights and intellectual property rights, have also always been in severe tension. It results in problematic case-law of those competing law fields.

Firstly, problems appear in the pre-litigation phase. Although there are many cases litigated before courts, owners of trademarks continuously send cease-and-desist letters requiring the removal of the parodies targeted their parodies.²⁰ Even though many cease-and-desist letters are referencing out-of-date cases that do not represent judicial position any longer, they succeed in persuading parodists to comply with the inquiry of mark-owner.

However, trademark parody cases are winning courts,²¹ the way parodists' works are passing through the judicial review is long and twisted. In general, parodists are not aware of outcomes in law which privilege them, and they are failing in pre-trial negotiation milestone with mark-owners.²² Another factor cost of judicial procedures. As the parodists do not invest much money in the parody, they avoid go through a judicial process and spend money on it.²³ Secondly, problems appear in the litigation phase. When the trademark parody cases emerged in the case of law in the United States, generally, courts are not amenable to address First Amendment claims of the trademark parodists.²⁴

²⁰ For example, Rick Owens “designed a Frankenstein high-top sneaker called the Geobasket with a logo that combined elements from several iconic sneaker brands, with Nike's Swoosh being the most prominent inspiration. “If I was gonna wear them, I wanted monster trucks on my feet. So, I made my own parody combining Puma, Nike, and Adidas motifs,” Owens reveals. With such an obvious design inspiration at the forefront of the shoe it's not surprising that Beaverton took notice. “I swooned with flattery when Nike sent me a cease and desist,” Owens admits. With legal issues looming, Owens was forced to redesign the logo and eventually turned it into an inverted triangular line.” Daniel So, Rick Owens Is the Ultimate G for Getting a Cease and Desist from Nike <https://www.complex.com/> (2015), <https://www.complex.com/sneakers/2015/05/rick-owens-nike-cease-desist>.

²¹ Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C. - 507 F.3d 252 (4th Cir. 2007); Louis Vuitton Malletier, S.A. v. My Other Bag, Inc., 18-293-cv (2d Cir. Mar. 15, 2019); Starbucks Corp. v. Wolfe's Borough Coffee, Inc. - 588 F.3d 97 (2d Cir. 2009); Tommy Hilfiger Licensing, Inc. v. Nature Labs, L.L.C., 99 Civ. 10713 (M.B.M.) (S.D.N.Y. Aug. 6, 2002); Anheuser-Busch, Inc. v. V.I.P. Products, L.L.C., 666 F. Supp. 2d 974 (E.D. Mo. 2008); C. Radiance Found., Inc. v. N.A.A.C.P., 786 F.3d 316 (4th Cir. 2015); E. Lombardo v. Dr. Seuss Enters., 729 F. App'x 131 (2d Cir. 2018)

²² Id.

²³ William McGeeveran, Rethinking Trademark Fair Use, 94 I.O.W.A. L. REv. 62-65

²⁴ Mark A. Dagitz, Trademark Parodies, and Free Speech: An Expansion of Parodists' First Amendment Rights in L.L. Bean, Inc. v. Drake Publishers, Inc., 73 I.O.W.A. L. R.E.V. 967 (1988).

There are several goals set forth by parodists to achieve via parodies. One group of parodists merely inspired with entertaining their audience. In the noncommercial trademark cases, parodists use parody as a vehicle to express their viewpoints or comment with editorial motivation rather than offering a service or product.²⁵ For example, the toy corporation was the trademark owner and was the creator of "Barbie," a famous symbol. "Barbie Girl," a Danish rock and roll band song, was a parody of the doll. The album charted in many Top 40 pop charts. The toy corporation filed an immediate lawsuit against the music firms that made, distributed and sold the album. The Court of appeals ruled that the music industry's use of the doll did not violate the toy company's trademark.²⁶ While the song's title was related to the underlying work, the song did not imply that the toy company made it. According to the appellate Court, the song was not chiefly commercial expression and was thus entirely covered by the First Amendment.²⁷

The other group is motivated by engaging in social discussions without commercial and entertainment intention. For instance, *Stop the Olympic Prison v. U.S. Olympic Com.*²⁸ the case involves words "STOP THE OLYMPIC PRISON" are written in big, bold letters on the poster. Immediately below is an illustration of five vertical steel-grey bars with five interlocking circles superimposed in a widely known configuration as an emblem of the Olympic Games. A silhouetted hand holding a blazing torch thrusts through the bars and rings. The aim of S.T.O.P. in producing, printing, and circulating the poster has always been to publicly discuss and mobilize widespread opposition to existing proposals to turn the Olympic Village in Lake Placid into a jail after the Winter Games.²⁹ U.S. District Court for the Southern District of New York stated: "*It is unnecessary to address the plaintiff's claim that it has rights,*

²⁵ See *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 560-73 (1987)

²⁶ *Mattel, Inc. v. M.C.A. Records, Inc.*, 296 F.3d 894 (9th Cir. 2002)

²⁷ *Mattel, Inc. v. M.C.A. Records* - 296 F.3d 894 (9th Cir. 2002)

²⁸ 489 F. Supp. 1112 (S.D.N.Y. 1980)

²⁹ 489 F. Supp. 1115 (S.D.N.Y. 1980)

*in the abstract, under the first amendment, to print and distribute its poster. It is worth recalling, however, Spence v. Washington,*³⁰ *a case that involved our most revered federally protected symbol. There, the Supreme Court held that a college student's public display of an upside-down American flag, to which he had affixed a peace symbol, was a form of expression protected by the first amendment"* and ruled that plaintiff's poster does not infringe on any of the defendant's trademark rights.³¹

Lastly, some of them have dual commercial, and entertainment motivations and others have pure commercial intentions. In the *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.* case, defendant My Other Bag, Inc. ("M.O.B.") sells plain canvas tote bags with the label "My Other Bag..." on one side and illustrations intended to mock classic handbags from luxurious fashion designers such as Louis Vuitton, Chanel, and Fendi on the other. M.O.B.'s bags—indeed, its very name—are a joke of the famous "my other car..." novelty bumper stickers, which can be found on cheap, beat-up vehicles around the country warning people on the street that the driver's "other car" is a Mercedes (or some other luxury car brand). Of course, the "my other car" bumper stickers are a joke on money, luxury goods, and societal perceptions of who drives luxury and non-luxury vehicles—the United States District Court for the Southern District of New York (Furman, J.).³² The Second Circuit Court affirmed District Court's order.

All those mentioned intentions generate different approaches and degrees of the first amendment protection to their work. In general, the parodies inspired by entertainment and social commentary prevail over the trademark owner's infringement and dilution claims compared to those that pursue profit. For instance, in the abovementioned *Stop the Olympic Prison v. U.S. Olympic Com.* case, District Court specifically stressed that posters prepared by S.T.O.P. had not been utilized "for trade," or "to induce the sale of any goods or services, or to

³⁰ 418 U.S. 405, 94 S. Ct. 2727, 41 L. Ed. 2d 842 (1974)

³¹ 489 F. Supp. 1126 (S.D.N.Y. 1980)

³² *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425 (S.D.N.Y.)

promote any theatrical exhibition, athletic performance, or competition."³³ None of the posters has been sold or distributed commercially, and they are available free of charge. Defendant has not sold or circulated commercially any of the posters, and they were all freely available.³⁴ But it should be highlighted that not in all cases defendant's first amendment right prevails. In a case which parody contained absolute well-reasoned public concerns, *Mutual of Omaha Insurance v. Novak* ³⁵, the Appeals Court quashed the decision of the Eighth Circuit Courts. Nonetheless, the defendant set forth arguments that he was produced t-shirts to bring his concerns about nuclear proliferation into the public's attention and claimed for First Amendment protection for his speech, his statements had been rejected, and the Court referred to alternative avenues of communication approach.

Before evaluating the discrepancy of the opinions among the courts, firstly, we should understand the weight of the protection granted to parody and artistic expressions in the context of trademarks by the First Amendment. Therefore, the following subsection will go through a close analysis of the case law in which courts decide about the first amendment protection of artistic, commercial, and noncommercial speeches.

c. Trademark parodies and First Amendment defense

The first amendment ensures that "*Congress shall make no law [abridging] the freedom of speech, or the press; or the right of people peaceably to assemble, and to petition the Government for a redress of grievances.*"³⁶ The protection granted to the trademark parodies varies depending on the nature of speech. Noncommercial parodies enjoy a wide scope of protection compared to parodies made with commercial/dual purposes. In the hierarchy of the sorts of speech entitled with the first amendment protection, the political speeches are at the top of the pyramid. The Supreme Court declared that "[O]ur cases have never suggested that

³³ *Stop the Olympic Prison v. U.S. Olympic Com.*, 489 F. Supp. 1112, 1121 (S.D.N.Y. 1980)

³⁴ 489 F. Supp. 1121 (S.D.N.Y. 1980)

³⁵ 836 F.2d 397 (8th Cir. 1985), cert. denied, 488 U.S. 933 (1988)

³⁶ U.S. Const. Amend. I.

expression about philosophical, social, artistic, economic, literary, or ethical matters-to take a non-exhaustive list of labels-is not entitled to full First Amendment protection."³⁷ The Supreme Court highlighted that expression involving issues of "public concern" is protected under first amendment protection.³⁸

Therefore, the Supreme Court has no solid principles that estimate precisely the degree of the First Amendment protection for trademark parodies. But it does not abstain us to extract guidelines from similar cases heard before to Supreme Court. The case law of the Supreme Court provides those artistic expressions and parody are protected under the first amendment. To figure out principles established by the Supreme Court which are applicable to trademark parody cases that involve only artistic intention, we can apply to the principles of *Hustler Magazine, Inc., et al. v. Jerry Falwell*.³⁹ case. Although it is not a trademark parody case, in the *Hustler Magazine, Inc. et al. v. Jerry Falwell*, the Supreme Court's decision showed that parody and satire are protected forms of expression. The Court finalized that parody and artistic expressions do not need to be political for freedom of speech protection.

Parodies involving commercial intention are also considered commercial expressions. Therefore, they are also included in the scope of the commercial expressions, which are protected under the First Amendment. It has been a long journey for commercial speech to reach protection under the umbrella of the First Amendment. Although the Supreme Court expressly recognizes the partial first amendment protection of commercial speech but leaves an open question about under which circumstances governmental restrictions made to the commercial address are constitutional. *Central Hudson Gas & Electric Corp. v. Public Service Commission*⁴⁰ is one of the landmark cases in which the Supreme Court established that commercial advertising speech is also protected by the First Amendment. The state of New

³⁷ *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749, 758 - 760 (1985)

³⁸ *Hustler Magazine Inc. v. Falwell*, 485 U.S. 46 (1988)

³⁹ *Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46, 56 (1988))

⁴⁰ *Central Hudson Gas & Electric Corp. v. Public Service Commission* 447 U.S. 557 (1980).

York experienced an electric energy crisis during the winter of 1973-74. As a result, the Appellee, the Public Service Commission (Appellee), prohibited any advertisements promoting electricity use. By 1976, the energy crisis had subsided, forcing the Appellee to decide whether or not to keep the ban in place. The Supreme Court ruled that the Appellee's prohibition is unconstitutional, even though the United States Constitution (Constitution) protects commercial speech less than other forms of expression. The level of protection required for specific commercial speech is determined by the quality of the expression and the governmental interests served by the legislation. This case established a four-part analysis for cases involving commercial expression: 1) "*whether the expression is protected by the First Amendment*"; 2) "*speech must concern lawful activity and not be misleading*"; 3) "*whether the asserted governmental interest is substantial*"; and lastly 4) "*whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.*"⁴¹ Each step of this analysis should be satisfied consistently; otherwise, analysis of successive steps is impossible.

Here, the concern is rising because of a vaguely broad definition of commercial expression. It should not be forgotten that commercial parody speeches also have a noncommercial aspect which is entertainment, and those sorts of speeches should not be considered absolute commercial speeches. The definitive scope of commercial speech is vast, and as a result, commercial speech, like obscenity and defamation, was established as an unprotected category.⁴² Even in the concurring judgment of the Central Hudson, Mr. Justice Steven, with whom Mr. Justice Brennan joins, provided that "*Because "commercial speech" is afforded less constitutional protection than other forms of speech, it is important that the commercial speech concept not be defined too broadly, lest speech deserving of greater*

⁴¹ See id. at 447 U. S. 566 (1980)

⁴² Steven G. Brody & Bruce E. H. Johnson, Advertising and Commercial Speech: A First Amendment Guide 1:2 (2004)

constitutional protection be inadvertently suppressed. ... In my judgment, one of the two definitions the Court uses in addressing that issue is too broad, and the other may be somewhat too narrow. The Court first describes commercial speech as an "expression related solely to the economic interests of the speaker and its audience." ... Although it is not entirely clear whether this definition uses the subject matter of the speech or the motivation of the speaker as the limiting factor, it seems clear to me that it encompasses speech that is entitled to the maximum protection afforded by the First Amendment."⁴³

To avoid this confusion, three guiding principles established by the Supreme Court in its first amendment rulings can assist the decisionmaker in implementing the often vague commercial/noncommercial classification to a trademark parody. The first idea proposed by the Friedman and S.F.A.A. judgments is that when a trademark parodist uses his version of a trademark to help sell products and services rather than the satire itself, the parody is almost undoubtedly commercial.⁴⁴ The same would be accurate if the parodist named his company after the parody.⁴⁵ In contrast, if the parody was not used in either of these advertising contexts, it should be called noncommercial. And if a publication, radio, book, motion picture, or similar object contains a parody, it is not considered a "good" or "service" for the objectives of this concept. This notion is reinforced by Falwell's indirect but clear description of the parody in Hustler magazine as noncommercial.⁴⁶

Even though they are developed spontaneously in different cases, the abovementioned extractions from the case law give certain principles of the First Amendment protection to the trademark parodies, which can be directly implemented in trademark parody cases.

⁴³ See id. at 447 U. S. 579

⁴⁴ Friedman v. Rogers, 440 U.S. 1, 11 (1979)

⁴⁵ McDonald's Corp. v. McBagel's, Inc., 649 F. Supp. 1268 (S.D.N.Y. 1986)

⁴⁶ Hustler Magazine, Inc. v. Falwell, 485 U.S. 51-56 (1988)

d. Brand Parody as a First Amendment Right.

When the manufacturer of a new product invents their branding strategy, difficulties tend to emerge when it comes to their product being associated with another brand. While the increased use of parodies for trademarks, logos, and taglines has been around for some time, we have only recently seen new types of litigation aimed at parodies for commercial items. It seems that there is a general agreement among judges and commentators that parody is less socially valuable as critical speech, and commercial parodies should thus be afforded less legal protections.⁴⁷ As the judges and commentators claim, their objection is purely based on doctrinal considerations of the First Amendment and trademark jurisprudence, which in contrast to the commercial speech, provide unique standing to noncommercial speech. One example is that in the case of the "Timmy Holedigger" dog perfume and "Tommy Hilfiger" human perfume, the Court concluded that there was no risk of confusion. The Court stated that because the parody was acting as a brand, it should be subjected to the likelihood of confusion test rather than any other special First Amendment protection. However, the problem with brand parodies surpasses beyond doctrinal issues. In Mark Lemley's opinion, courts appear to fight over their intuitions as to whether the economic aims of the defendant undercut their interest in parody speeches. Courts may struggle with the point when economic interests erode a defendant's speech interest in a parody.⁴⁸ These instinctive judicial feelings frequently influence trademark disputes due to the malleability of confusion and dilution analyses.⁴⁹ This judicial silence is a partial result of the multifactor likelihood that confusion test takes effect.⁵⁰

⁴⁷ Stacey Dogan & Mark Lemley, Parody as Brand, 47 U.C. Davis Law Review 491 (2013).

⁴⁸ Stacey Dogan & Mark Lemley, Parody as Brand, 47 U.C. Davis Law Review 492 (2013).

⁴⁹ Greg Lastowka, Trademark's Daemons, 48 Hous. L. R.E.V. 779,790 (2011)

⁵⁰ Id.

Multifactor likelihood of confusion screening test is like other multifactor tests that broaden judicial discretion.⁵¹ It seems that results often drive analysis rather than vice versa.⁵²

Although it is a different kind of parody, this new iteration resembles the traditional trademark parody in many ways. The impulse to remark or criticize inspires parody-branded products, and the likelihood of confusion is relatively low. One of the main differences between product parody and brand parody is that brand parody is often utilized to indicate the source. In contrast, product parody is used for its entertainment value. Parodists who establish brands as parodies could be using the popularity of a well-known brand to their advantage. Still, if they are using it in a good parody, it does not create any real damage to trademark law. These brand parodies, however, may provide a vital type of societal criticism. Noncommercial forms of satire are subversive, but the provocative use of a parody as a brand encourages critical examination of how society defines us through brands.⁵³ Brands that mock, or brands that use fair parody, are an innovative method of expression and have limited potential to contradict trademark law's essential ideals. One of the main functions of trademark laws is to protect consumers from confusion and business opponents from unfair competition. Successful and fair brand parodies unlikely to confuse consumers or unfairly compete with the initial trademark's owner. Despite being a kind of satire, being a brand additionally complicates trademark examination. Black Bear is using the name "Charbucks" as a mark to promote its goods.⁵⁴ Because of this reason, nominative usage becomes more complex, however not impossible. In a sense, "Charbucks" is a nominative usage; consumers are likely to recognize that it refers to Starbucks. However, it is not merely a nominative usage; it is also a brand name and, if memorable, may be used to help secure people's interest in Black Bear's goods. But

⁵¹ Graeme W. Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, 50 A.R.I.Z. L. R.E.V. 157, 169ñ70 (2008).

⁵² Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. R.E.V. 1581, 1614ñ15 (2006).

⁵³ Sonia K. Katyal, *Semiotic Disobedience*, 84 Wash. U. L. Rev. 489 (2006).

⁵⁴ *Starbucks v. Wolfe's Borough*, 588 F.3d 97, 117 (2d Cir. 2009)

trademark use theory is no longer a substantial impediment to an infringement claim in brand parody cases. According to the trademark use theory, trademark infringement also requires the use of the mark in addition to promoting the parodist's goods or services; in other words, the initial mark must be used as a trademark that represents source identification.⁵⁵ However, brand parodies do not utilize initial marks as original and source identificatory tools. The parodic dimension of the brand parody should not be forgotten.

A strong hypothesis is that integrating a parody into a brand fulfills expressive objectives that cannot be accomplished via regular non-branding speech. Brand parody messages are often secretly subversive. For example. In general, most traditional parodies focus on reproducing the significant characteristics of a work, alluding to the original while making fun of it.⁵⁶ Furthermore, we can analyze the message of the My Other Bag. Louis Vuitton's parody by My Other Bag derives its sense of humor from a cluster of features, such as characteristics of the tote bag itself, the more extraordinary fascination in society for status symbols, and the carefully advanced image that Louis Vuitton's designer bags have to signify in many respects of expensive taste or showy status.⁵⁷ As said earlier, brand parodies do more than just simply mimic trademarks; they also use the technique of branding to prompt us to consider the function of trademarks in our society. As a result, people must publicly declare that they are not destitute and have luxury goods.⁵⁸ Most trademark proprietors probably do not want to have their trademarks or their branding methods ridiculed in this way. Although trademark law exists to benefit trademark holders, it is not entirely there to satisfy them. Its overall goal is to support the societal good. Because of this, the legitimacy of brand parodies relies on how much they jeopardize trademark law's objectives. A fundamental point of the Brand Parody framework, as mentioned above, is that

⁵⁵ L. Dogan & Mark A. Lemley, Grounding Trademark Law Through Trademark Use, 92 Iowa L. Rev. 1669, 1682 (2007)

⁵⁶ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 583 (1994)

⁵⁷ *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 18-293-cv, 5 (2d Cir. Mar. 15, 2019)

⁵⁸ *Id.*

brands that parody serves two primary functions: one for the brand itself and the other for the concept of branding. So, the first main purpose of parody is to attack the brand itself, while the second is to target the societal effect and customer perception of the brand. Because of the increasing number of brands and the social and economic impacts, talking about brands and branding is something that the public is concerned about.⁵⁹ They provide something of social value to customers since their message connects with a large audience. A high-prestige brand may be an excellent source of value for those customers who wish to create an image of uniqueness. This seems to reason: If the primary brand can thrive in the market, the probable outcome is that brand parody will do the same because of the success of the brand parody proportional to the famousness of the mark. Parodists will have the same amount of the audience who can catch their parody, thus in effect, and they will be associated with the brand in the minds of the people who see the parody.

In contrast to brand, a brand parody may be a helpful resource for customers interested in a more oppositional or sarcastic idea. Because of its social message, brand parodies should also be included in tolerated speeches. In the free marketplace of ideas, the social value of brand parodies that are unlikely to create confusion or loss of uniqueness of the targeted mark should outweigh the economic and commercial interests.

Opposite of it means that constitutional right is being derogated in exchange for economic profit. Justice Sachs of the South African Constitutional Court says that *"The Constitution cannot oblige the dour to laugh. It can, however, prevent the cheerless from snuffing out the laughter of the happy spirits among us. Indeed, if our society became completely solemn because of the exercise of state power at the behest of the worthy, not only would all irrelevant laughter be suppressed, but temperance considerations could end up placing beer-drinking itself in jeopardy. And I can see no reason in principle why a joke*

⁵⁹ Sarah Mayhew Schlosser, The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody, 43 A.R.I.Z. L. R.E.V. 931, at 963 (2001).

against the government can be tolerated, but one at the expense of what used to be called Big Business cannot."⁶⁰

On the other hand, the social value of brand parodies could be considered a protective shield for the consumers in front dominating power of the giant corporations and their brands. In addition, the successful parody—if customers understand the joke—is almost impossible to believe might imperil trademark law's informative objectives. While the activities of the trademark owners may have a chilling effect on the freedom of expression of the parodists, vice versa is not possible; a parody of the brand cannot deprive the trademark owner's right to free expression. It is perfectly legal for the defendant to talk about the plaintiff, even for monetary benefit, using the plaintiff's brand if it was done with the intent of referencing the plaintiff.⁶¹ But it seems that owners and courts are hesitant to accept and confess the social value of brand parodies in the free marketplace of ideologies. For example, “Chewy Vuiton” dog toys are for sale on the site of Haute Diggity Dog, and Louis Vuitton is not pleased about them and sued parodist.⁶² Gucci wins a lawsuit against Macy's for selling the Gucci “Gucchi Goo” diaper bag.⁶³ Utah's tourist office uses the phrase “*The Greatest Snow on Earth*” to refer to the state, much as the Ringling Brothers did when they referred to their “*Greatest Show on Earth*.”⁶⁴ To poke fun at the well-known brand's black-roast coffee while cheekily presenting its alternative, Black Bear Roastery offers “Charbucks” coffee.⁶⁵ A company called Hogg Wyld offers plus-size jeans under the name Lardache. Another company called Jordache objects to the moniker.⁶⁶ The college student, intending to earn some quick money, profits by selling “South Butt” t-shirts that say “Never Stop Relaxing,”; but he incites a firestorm from The North Face by doing so, with its

⁶⁰ Laugh It Off Promotions CC v South African Breweries International (Finance) B.V. t/a Sabmark International 2006 (1) SA 144 (CC), at paragraph 107.

⁶¹ Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 217-218 (3d Cir. 2005)

⁶² Louis Vuitton Malletier S.A. v. Haute Diggity Dog, 507 F.3d 252 (4th Cir. 2007).

⁶³ Gucci Shops, Inc. v. R.H. Macy & Co., 446 F. Supp. 838, 839, 841 (S.D.N.Y. 1977).

⁶⁴ Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 451 (4th Cir. 1999).

⁶⁵ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 102-03 (2d Cir. 2009).

⁶⁶ Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1483-84 (10th Cir. 1987).

"Never Stop Exploring" slogan.⁶⁷ The bar owner decides to call his tacky pub "the Velvet Elvis" and receives a visit from the King's trademark lawyers to everyone's surprise.⁶⁸

⁶⁷ Kelsey Volkmann, *South Butt vs. North Face*, St. Louis Bus. J. Oct. 16, 2010

⁶⁸ *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 191 - 193 5th Cir. 1998)

2. Chapter II. Evolution of Trademark Law

Before 2006

a. Lanham Act

Congress passed the Lanham Act in 1946.⁶⁹ The Act establishes a national scheme of trademark registration that prevents the holders of a federally licensed mark from duplicate marks where such use is likely to cause consumer confusion or dilution of a favored mark. Not all trademarks are protected under Lanham Act. There are eligibility requirements for Lanham Act protection, and only those trademarks that meet those requirements are protected under Lanham Act. A mark must meet two specific conditions to be considered for trademark protection. The first one is that trademark must be in use in commerce, and the second one is that trademark must be distinctive.

Definition of the use in commerce requirement in the Lanham Act describes a trademark as a symbol used in commerce or licensed with a bone fide aim to be used in business.⁷⁰ Suppose a trademark is not in use in trade when the registration application is filed. In that case, certification can only be granted if the claimant demonstrates, in writing, a good faith intent to utilize the trademark in commerce at a later stage.⁷¹ The first person to use a trademark in business is granted exclusive rights under Lanham Act registration procedures. The second criterion that a trademark is distinctive addresses a trademark's ability to recognize and differentiate specific products from one manufacturer or supplier and not another. Trademarks are commonly classified into four types of distinctiveness: arbitrary or fanciful, suggestive, descriptive, and generic.⁷² If a mark is classified as arbitrary or fanciful, or suggestive, it is deemed intrinsically distinctive, and exclusive rights to the trademark are

⁶⁹ Trademark Act of 1946 (Lanham Act), 15 U.S.C. §§ 1051-1127

⁷⁰ 15 U.S. Code § 1127. Construction and definitions; intent of chapter

⁷¹ 15 U.S. Code § 1051 - Application for registration; verification

⁷² *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 217 U.S.P.Q. (B.N.A.) 988 (5th Cir. 1983)

established purely by priority of use. A descriptive brand is only eligible for protection as a trademark if it has gained a secondary value in the purchasers' minds.⁷³ Secondary interpretation is often required to secure trademark rights for a personal name or geographical expression.⁷⁴ Generic words are never available for trademark rights because they apply to a broad category of goods rather than specific sources.⁷⁵ A trademark may be generic and therefore not be registered, or it may appear generic over time due to use. To claim trademark infringement under the Lanham Act, the complainant firstly must show that the plaintiff has a legitimate and lawfully protectable trademark, and secondly, the plaintiff owns the mark. Thirdly, the defendant's use of the mark to distinguish products or services creates a risk of confusion.⁷⁶

This review of the classifications of trademarks, eligibility requirements, and circumstances that enable an owner to claim trademark infringements will help us understand the cases and jurisprudence on trademark parody cases.

Bearing all in mind the facts mentioned earlier, the drawbacks and ambiguities of the Lanham Act should also be discussed regarding trademark parodies.

While the Lanham Act is intended to protect trademark owners' interests against infringement and dilution, a mockery often serves a public interest in the form of free expression. When preparing for the Lanham Act, Congress failed to balance these two rivalry interests. This failure continued in 1995 when Congress enacted Federal Trademark Dilution Act.⁷⁷ which intended to amend the Lanham Act. The Lanham Act failed to specify trademark parody under infringement and dilution till 2006. Moreover, the Lanham Act did not provide specific guidelines for the courts to balance those frequently contrasting First Amendment and

⁷³ Use in Commerce and Distinctiveness, , <https://www.law.cornell.edu/wex/trademark>.

⁷⁴ Id.

⁷⁵ 15 U.S. Code § 1052 - Trademarks registrable on principal register; concurrent registration

⁷⁶ A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198 (3rd Cir. 2000).

⁷⁷ Federal Trade Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (codified at 15 U.S.C. § 1125(c) (2000)).

trademark interests. As the Lanham Act did not specify trademark parody defense, courts ruled trademark infringement and dilution cases under the broad interpretation of noncommercial use defense of the section.⁷⁸ But trademark parodies could not only be read under noncommercial use defense. Some parodies have dual editorial and commercial purposes. As the Lanham Act did not correctly resolve First Amendment rights for commercial parodies, therefore courts had applied it inconsistently.⁷⁹

b. Federal Trademark Dilution Act

When the owner's trademark is a target of the parodists, they usually claim infringement of their marks and seek shield under dilution law. Trademark dilution law developed out of and related to trademark infringement. Dilution is a principle of intellectual property with a long history.⁸⁰ The problem originated from the distinctive interpretation of the dilution law by each state. By the time Congress passed the F.T.D.A., twenty-six states had their own anti-dilution statutes, while Michigan, New Jersey, and Ohio had judicially created dilution doctrines.⁸¹ The reluctance of the courts to embrace state dilution laws and the inconsistent interpretation of these laws was the catalysis for the enactment of federal legislation.⁸² The Federal Trademark Dilution Act of 1995 ("F.T.D.A.") was passed by the House of Representatives on December 12, 1995, and by the Senate on December 29, 1995.⁸³ The F.T.D.A. amends the Lanham Act⁸⁴ By adding a new subsection to section 43 of the Trademark Act of 1946.⁸⁵ According to the

⁷⁸ § 43(c)(3)(A)(ii). T.D.R.A., the 2006 modifications to the Lanham Act, for the first time Congress codified parody under federal trademark law.

⁷⁹ Kelly L. Baxter, Comment, Trademark Parody: How to Balance the Lanham Act with the First Amendment, 44 Santa Clara L. Rev. 1210 (2004).

⁸⁰ Sidney A. Diamond, The Historical Development of Trademarks, 65 TRADEMARK REP. 265, 266, 287-88 (1975).

⁸¹ See JEROME GILSON, TRADEMARK DILUTION Now A FEDERAL WRONG: AN ANALYSIS OF THE FEDERAL TRADEMARK DILUTION ACT OF 1995 3 (1996).

⁸² H.R. RaP. No. 104-374, at 3-4 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030-31.

⁸³ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified at 15 U.S.C. §§ 1125(c), 1127 (1994 & Supp. 1995)).

⁸⁴ Trademark Act of 1946, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1051-1127 (1994 & Supp. II 1996)).

⁸⁵ Federal Trademark Dilution Act of 1995 § 3 (codified at 15 U.S.C. § 1125(c) (1994 & Supp. 1995))

House Report, the enactment purpose of the amendment was to afford famous marks, whether registered or unregistered, protection against subsequent uses that tarnish, disparage, or blur the mark's distinctiveness.⁸⁶ Besides, the F.T.D.A. provides uniform remedies to trademark owners who are the victims of dilution.⁸⁷ In essence, the F.T.D.A. grants injunctive relief to the owner of a famous mark where another's the commercial use of a mark dilutes the distinctive quality of the famous mark.⁸⁸ Congress was also aware that there was a need to incorporate exceptions into the new F.T.D.A. to balance the trademark protection interest of the owners and the right to free expression of the parodists.

The F.T.D.A. includes noncommercial use of the trademark,⁸⁹ news reports and opinion,⁹⁰ fair use by comparative ads,⁹¹ and federal licensing of a trademark⁹² As defenses against dilution litigation, the problem is that provided exceptions of the statute for noncommercial uses serve to the commercial interests of the trademark holders and benefit them financially. Sketching the line between commercial and noncommercial use should not be a commensurate indicator to determine whether parody speech merits first amendment protection.

Even though it is partial, the commercial speech's value is recognized, so it is protected by the First Amendment.⁹³ It should importantly be mentioned that freedom of speech has always been given particular importance in U.S. law. Therefore, hesitation to embrace the law for commercial expression compared to noncommercial is biased and does not correspond to the values of the freedom of expression. The philosophy of free expression makes free speech have more excellent immunity from governmental interference compared to the other kinds of

⁸⁶ H.R. R.E.P. No. 104-374, at 2-3 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1029-30.

⁸⁷ Federal Trademark Dilution Act of 1995 § 3 (codified at 15 U.S.C. § 1125(c))

⁸⁸ See *id.* (codified at 15 U.S.C. § 1125(c)(1)).

⁸⁹ 1125(c)(4)(B).

⁹⁰ 1125(c)(4)(C).

⁹¹ 1125(c)(4)(A).

⁹² 1125(c)(3).

⁹³ *Central Hudson Gas & Electric Co. v. P.S.C.*, 447 U.S. 557, 561 (1980)

human conduct.⁹⁴ *"When the men have realized that time has upset many fighting faith, they may come to believe even more than they believe the very foundations of their conduct that the ultimate good desired is better reached by free trade in ideas – that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out."*⁹⁵

Considering the given importance of free speech in U.S. jurisprudence, the law also protects commercial parody. Therefore, trademark law should not depict an ungrounded provision that jeopardizes trademark parody speeches, especially parody speeches involving the commercial intention element.

Parody defence was not explicitly included in the dilution defenses established in F.D.T.A. till 2006. Additionally, F.T.D.A. did not explicitly mention any defence for constitutional rights, specifically free speech rights. Noncommercial use defense does not thoroughly protect the First Amendment right. Because artistic expressions can also contain commercial intention rather than sole non-profit intention. Also, the Act does not set forth a particular list of applicable principles which can be implemented in disputed noncommercial trademark parody cases.⁹⁶ Therefore, courts are ill-equipped with a federal dilution statute that is unclear on First Amendment defenses, and they are left to devise their application of free speech rights to trademark law.⁹⁷ The consequence is that amorphous law leaves an open question for parodists and trademark owners when a parody becomes a protected speech and when it constitutes an infringement. The question thus remains whether the F.T.D.A. provides a sound constitutional framework that allows courts to deal effectively with First Amendment concerns.

⁹⁴ Stone, Geoffrey R., et al., Constitutional Law 1014 (8th ed. 2018)

⁹⁵ Abrams v. the United States, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting).

⁹⁶ Keren Levy, Trademark Parody: A Conflict between Constitutional and Intellectual Property Interests, 69 GEO. WASH. L. R.E.V. 447 (2001).

⁹⁷ Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 467 F. Supp. 366, 377 (S.D.N.Y. 1979)

Narrow and wide definitions of commercial expression provided by the Supreme Court created a cacophony in the judicial resolution of the disputed speeches, which have a commercial element.⁹⁸ Uncertain provisions of the Federal Trademark Dilution Act added even more fuel to the severity of the divergency. Unsteady case-law of the District and Circuit Courts and unclear provisions of the F.T.D.A. has a double detrimental effect on the right of the trademark parodists to free speech, and that is why there are considerable contradictions among the case-law of District and Circuit courts.

Law after 2006

c. Trademark Dilution Revision Act of 2006: Victoria's Secret

Victor's Secret, a Kentucky-based business that specializes in selling pornographic films and sex items. When an army colonel discovered an advertisement for petitioners' department shop, "Victor's Secret," that contained the name of Victoria's Secret trademark, he sent it to trademark owners and corporate affiliates that have ties to Victoria's Secret brand because he perceived it as an attempt to exploit a highly reputed trademark to sell dubious merchandise. The respondents urged petitioners to stop using the name, but the petitioners instead decided to change the shop's name to "Victor's Little Secret." Respondents subsequently filed a lawsuit under the Federal Trademark Dilution Act, claiming, among other things, "the dilution of famous marks" (F.T.D.A.). This 1995 addition to the Trademark Act of 1946 defines "dilution" as "the lessening of a famous mark's capacity to identify and distinguish products or services,"⁹⁹ And specifies the considerations that establish whether a mark is "distinctive and famous."¹⁰⁰ Even though the fact of actual harm had not been proved, the District Court awarded respondents summary judgment on the F.T.D.A. claim, holding that respondents' trademark was "distinctive" and diluted by petitioners, and the Sixth Circuit affirmed. It also

⁹⁸ See, Note 24.

⁹⁹ 15 U.S.C. 1125(c)(1)

¹⁰⁰ 15 U.S.C. 1125(c)(1).

rejected the Fourth Circuit's conclusion that the F.T.D.A. "*requires proof that (1) a defendant has [used] a junior mark sufficiently similar to the famous mark to evoke in ... consumers a mental association of the two that (2) has caused (3) actual economic harm to the famous mark's economic value by lessening its former selling power as an advertising agent for its goods or services,*".¹⁰¹ The case finally went to the Supreme Court of the United States, reversed, and remanded.¹⁰² In this case, the proof is inadequate to establish summary judgment on the dilution count. There is no indication that the VICTORIA'S SECRET mark's ability to identify and differentiate products or services sold in Victoria's Secret shops or promoted in its catalogs has been compromised. The officer who viewed the ad thoroughly addressed his offense to petitioner, not to the responder. And the respondents' experts mentioned nothing concerning the effect of the petitioners' names on the strength of the respondents' marks. Any challenges in proving actual dilution are not a valid justification to waive evidence of a statutory infringement.

As a result of this ruling, Congress passed the Trademark Dilution Revision Act of 2006, which reduced the burden of proof that a trademark dilution plaintiff must meet to win. The 2006 Act intended to relieve trademark owners of the "undue burden" of proving actual dilution by reversing it to the likelihood of dilution standard.¹⁰³ The threshold for establishing a dilution claim under the 2006 Act is a likelihood of dilution rather than actual dilution.

After 2006, Federal Trademark Dilution Act is started to be cited as Trade Dilution Revision Act. President Bush signed the Trademark Dilution Revision Act of 2006 (the "T.D.R.A.") on October 6, 2006, and it came into effect. The T.D.R.A. revised and repealed

¹⁰¹ Ringling-Bros.-Barnum & Bailey Combined Shows, Inc., v. Utah Div. of Travel Development, 170 F.3d 449, 461.

¹⁰² V Secret Catalogue v. Moseley, 605 F.3d 382, 385 (6th Cir. 2010)

¹⁰³ Subcommittee on Courts, The Internet, And Intellectual Property of The Committee on The Judiciary , Trademark Dilution Revision Act Of 2005 Hearing 23 (n.d.). key Improvements Embodied in H.R. 683

the 1996 Federal Trademark Dilution Act ("F.T.D.A."). T.D.R.A. is intended to shield famous marks against uses that dilute their distinctiveness or tarnish their prestige. It clarifies and, in several ways, extends the rights of renowned trademark owners and boosts them to be more effective in dilution actions. Following the ruling of the United States Supreme Court in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), the Trademark Dilution Revision Act of 2006 (T.D.R.A.) was passed with great excitement, resolving several differing views of federal circuits on the question of whether a standard of likelihood of dilution (rather than showing of actual dilution) is the correct ground for a trademark dilution allegation. The T.D.R.A. determined that a likelihood of dilution is the accepted norm. The T.D.R.A. has introduced a host of other significant amendments to the Federal Trademark Dilution Act of 1995 (F.T.D.A.) with even less hype, including the following fundamental changes:

Clearly distinguishing two types of dilution: blurring and tarnishing. Dilution by blurring is described as "*association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.*"¹⁰⁴ The T.D.R.A. expressly protects from dilution by blurring as well as dilution by tarnishment, which the in *Moseley* case, the Supreme Court suggested that dilution by tarnishment might not have been protected under the F.T.D.A. However, the new amendment also included an explicit, fair use defense for parodies from dilution. But adequate use defense valid unless parody does not serve as a designation of source.

Moreover, six factors are set out for courts to weigh when assessing the likelihood of dilution by blurring:

1. The degree of resemblance between the trademark/tradename and a well-known mark.
2. The degree of the prominent mark's original or acquired distinctiveness.

¹⁰⁴ 1125(c)(2) of the United States Code (B).

3. The degree to which the famous brand's owner engages in the significantly exclusive use of the trademark.
 4. The degree of the identifiability of the well-known mark
 5. Whether the brand or trade name user sought to establish a connection with the popular mark.
 6. Any real association of the mark or trade name with the well-known mark.
- 1125(c)(2) of the United States Code (B).

Courts are wrestling with interpretation problems because of the T.D.R.A.'s dramatic reforms. Cases, for example, a brief analysis of the *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog*¹⁰⁵ A case that (decided after enactment of the T.D.R.A.) containing parody, wordplay, and other First Amendment defenses illustrate the difficulties that courts face. The use of the brand Chewy Vuiton for dog chew toys was considered a parody of the famous trademark Louis Vuitton for luxury handbags by the United States Court of Appeals for the Fourth Circuit. The Court stated that a parody must deliver two concurrent and contrasting messages. The message of the parody should be original but also not original, and that the parody's signal must contain an aspect of mockery, comedy, or laughter. The Fourth Circuit concluded that the dog toys were a clear parody of Louis Vuitton's bags, an imitation intended to mock the style and exclusivity of the well-known company. In addition, the Court dismissed the plaintiff's argument that a parody inevitably results in actionable dilution. Despite these challenges, the Court ruled that the T.D.R.A. would not exclude a court from taking parody into account as part of the entirety of the conditions or "all relevant factors," as specified in Section 1125(c)(2)(B) of the Act. The Court has ruled that parody applies to the general issue of whether a defendant's usage is liable to blur the uniqueness of a well-known name. As shown by this ruling, the courts are still grappling about interpreting the T.D.R.A., and they have been

¹⁰⁵ 507 F.3d 252 (4th Cir. 2007).

left to their device of interpretation, especially in the field of wordplay and parodies, which by definition aim to connect a famous trademark.

3. Chapter II. Inconsistency of case-law after 2006

a. Analysis of case law after 2006

Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C. - 507 F.3d 252 (4th Cir. 2007). As has been already highlighted above, the hardest parodies to rationalize are used as a brand. Why did the parodist's Haute Diggity Dog chew toy succeed against Louis Vuitton's brand owner, while Anheuser-Busch and Jack Daniel's brands triumphed against parodist V.I.P.'s bottle-shaped dog chew toys? Haute Diggity Dog was sued by Louis Vuitton in 2007 for trademark dilution because of its use of the name "Chewy Vuiton" to label their dog toys resembling Louis Vuitton handbags.¹⁰⁶ To further establish the brand's uniqueness, the Court noted Louis Vuitton was voted the 17th best firm globally.¹⁰⁷ The trademarks owned by Louis Vuitton related to luggage and handbags include the LV monogram that the company introduced in 1896.¹⁰⁸ The dog chew toys were inspired by a Louis Vuitton purse that retails for \$1,190, a multicolor signature Louis Vuitton.¹⁰⁹ Louis Vuitton spent \$48 million promoting its goods throughout that period, which included more than \$4 million in advertising employing the Multicolor design.¹¹⁰ Chewy Vuitton had the same form and color as the original Vuitton purses, but in place of the interlocking Louis Vuitton "LV" monogram, they used "CV."¹¹¹ The lower Court found in favor of Haute Diggity Dog and determined that a parody was fair use, which prevented a dilution suit from being pursued.¹¹² The Fourth Circuit agreed but arrived at its decision via a different way of looking at the situation.¹¹³ The Fourth Circuit analyzed the case "by noting that parody is not automatically a complete defense to a claim of dilution by

¹⁰⁶ Haute Diggity Dog, 507 F.3d 252 at 256.

¹⁰⁷ See id. at 507 F.3d 252 257

¹⁰⁸ See id.

¹⁰⁹ See id.

¹¹⁰ See id.

¹¹¹ See id. 507 F.3d 252 at 258.

¹¹² See id. 507 F.3d 252 at 267.

¹¹³ See id. 507 F.3d 252 at 257.

blurring where the defendant uses the parody as its own designation of source."¹¹⁴ The Fourth Circuit emphasized that even while the Trademark Dilution Revision Act (15 U.S.C. §1125(c)(3)(A)(ii)) enables fair use as a defense, only parodies that avoid identifying the source are eligible for the fair use argument.¹¹⁵ A parody of a well-known trademark cannot qualify for any fair use defenses as identification of the source.¹¹⁶ The judgment of the Fourth Circuit shows that the presence of parody does not impose immediate restrictions on a court to assess whether there is dilution and permits the Court, within the legislation, to examine all relevant factors. For instance, factors I, II, and IV, concentrate on the similarity between the mark and the parody. Furthermore, factors V ("*whether the defendant intended to create an association with the famous mark*") and VI ("*whether there exists an actual association between the defendant's mark and the famous mark*") both bring into question the parody's intention and whether it leads to dilution.¹¹⁷ The Court ultimately decided that "*a defendant's use of a parody . . . may be considered in determining whether the plaintiff-owner of a famous mark has proved its claim that the defendant's use of a parody mark is likely to impair the distinctiveness of the famous mark.*"¹¹⁸ In the Haute Diggity Dog vs. Louis Vuitton case, the U.S. Fourth Circuit Court of Appeals was unequivocal in determining that parodies between items more similar than a dog chew toy and luxury handbag are not within absolute exception in the T.D.R.A. to the fair use parody defense.¹¹⁹ This case illustrates that the courts have not yet developed a clear legal doctrine on interpreting the T.D.R.A. in cases where works include wordplay and parodies, whose whole purpose is to make a veiled reference to well-known trademarks.

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

Anheuser-Busch, Inc. sued a defendant in V.I.P. Products, L.L.C. for trademark infringement,

¹¹⁴ See id. 507 F.3d 252 at 266.

¹¹⁵ See id.

¹¹⁶ See id.

¹¹⁷ See id. 507 F.3d 252 at 267

¹¹⁸ See id.

¹¹⁹ See id.

unfair competition, and dilution of its well-known BUDWEISER name for selling BUTTWIPER dog squeeze toys. While BUDWEISER was a famous brand, BUTTWIPER dog toys used the well-known brand as a source of design inspiration. The district court granted the plaintiff's application for a preliminary injunction based on trademark infringement and unfair competition. The Court, however, refused both the dilution by blurring and the dilution by tarnishment motions. The courts highlighted the following facts. First, Anheuser-Busch also offers numerous non-beer things and its well-known beer goods, such as dog leashes and collars, bowls of food, frisbees, balls, and pet mattresses. Secondly, the defendant asked its designer to develop a "Budweiser/Buttwiper" knock-off of a beer bottle label. Finally, based on the survey data from Anheuser-Busch, the Court decided that the rate of confusion between 'Budweiser' and 'Buttwiper' was plausible at 30 percent. V.I.P. Products argued that their product was a parody to avoid judging the probability of confusion. Courts' assessment of the survey rates does not have definite standards. We do not know; courts do not determine the minimum rate of confusion held to be sufficient to establish actual confusion. However, 11 percent a significantly small indicator in ratio to 30 percent, in *Mutual of Omaha Ins. Co. v. Novak* case, the Court held that 11 percent is enough to create actual confusion.

V.I.P. relied largely on the *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog*¹²⁰ and *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*¹²¹ to bolster its claims. These instances were held to be distinct by the Court because there was no proof that Louis Vuitton marketed dog toys, and there was a significant price difference between LOUIS VUITTON items and CHEWY VUITTON dog toys in that case. The TIMMY HOLEDIGGER dog scent was ineffective in competing with the plaintiff's expensive perfume items. No proof of confusion was found, and there was no poll showing that the probability of confusion was there. Instead

¹²⁰ See id. 507 F.3d 252 (4th Cir. 2007)

¹²¹ 221 F.Supp.2d 410 (S.D.N.Y. 2002)

of adopting two Eighth Circuit precedents, the Court in the BUTTWIPER case picked two that it considered were more identical, notably *Anheuser-Busch, Inc. v. Balducci Publications* and *Mutual of Omaha Insurance Co. v. Novak*—in both cases, the plaintiff provided survey data. In the Court's opinion, Anheuser-Busch's comparable competitor goods concluded that BUTTWIPER was likely to generate confusion, making it unclear whether it was a parody. While the plaintiff successfully got a preliminary injunction against the BUTTWIPER product, it was unsuccessful in its dilution by blurring and tarnishment claims. In this case, the Court relied on F.T.D.A., which requires only actual dilution and considered pre-2006 case law. However, this case ruled after 2006 when T.D.R.A. had already come into force and required only likelihood of dilution. The criterion used to find in favor of Anheuser-Busch was now considered no longer appropriate.

Starbucks Corporation v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472 (S.D.N.Y. 2008). The coffee roasting business that parodies well-known brand STARBUCKS has various goods under the CHARBUCKS, and MISTER CHARBUCKS brand names and the names of various dark roasted blends supplied to merchants and at the roasting company's tiny coffee shop. To support the idea that the name was chosen as a means to draw attention to the fact that the dark roast was distinct from the parodist's usual, lighter-roast offerings, the parodist presented evidence, explaining that he had chosen the names to convey that implication. Due to the remand from the Second Circuit, the Court in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*¹²² should decide whether injunctive relief should be granted to Starbucks since Starbucks customers have associated M.R. CHARBUCKS and MISTER CHARBUCKS with STARBUCKS. This has created a likelihood that the STARBUCKS mark's distinctiveness has been blurred or that the STARBUCKS mark's distinctiveness by implementing T.D.R.A. standards. There was no possibility of dilution. Thus the Court

¹²² *Starbucks Corporation v. Wolfe's Borough Coffee, Inc.*, 559 F. Supp. 2d 472 (S.D.N.Y. 2008)

concluded. Further, the Court concluded that the defendant's intent to invoke the association of STARBUCKS coffee was also motivated by his amusement and lack of malice; thus, even though the STARBUCKS coffee name was not dissimilar to the mark he used, he felt the association was unlikely to dilute the brand's reputation and was unlikely to hurt the brand. The Court examined six criteria the T.D.R.A. stipulates are relevant in assessing the likelihood of dilution by blurring to arrive at its conclusion. The Court seems to have established a new requirement when it was evaluate this case in the view of the first criterion – the degree of similarity of the marks.¹²³ If the marks are “*very*” or “*substantially similar*,” then a mark for the underlying product is entitled to trademark protection against blurring.¹²⁴ The Court seems to have also added a new criterion of ill faith or a purpose to establish an unlawful connection with the renowned mark in its assessment of the “intent to create an association” criterion. A condition of malice or scienter does not exist in the present wording of the T.D.R.A. Starbucks challenged the judgment.

b. Nominative fair use defense for brand parodies

One of the tenets of branded parody is that it is intended to entertain rather than confuse or damage the uniqueness of the targeted property.¹²⁵ It is very uncommon for courts to block branded parody, even if the user does not comply with trademark guidelines. However, because of the courts' complexity, trademark lawsuits intended to take down brand parodies may last for years. One prominent example of this is the Charbucks case, subject to three appeals in the last nine years of litigation.¹²⁶ This is the concern about these parodies: They may inspire uncomfortable thoughts about commercial parodies since they are based on preexisting work, or they may come off as scams and free rides due to this view. Trademark law affords courts

¹²³ 1125(B)(i)

¹²⁴ Starbucks Corporation v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 477 (S.D.N.Y. 2008)

¹²⁵ Stacey L. Dogan & Mark A. Lemley, The Merchandising Right: Fragile Theory or Fait Accompli?, 54 E.M.O.R.Y. L.J. 461 (2005)

¹²⁶ Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 102 - 105 2d Cir. 2009.

plenty of wiggle space if they are willing to establish infringement or dilution even though the facts do not merit doing so. The Trademark Dilution Revision Act is inadequate at providing a solid framework for safeguarding brand parodies. Having a codified brand parody defense that could be argued before trial would provide a high degree of confidence in the proceedings and provide a barrier to preventing free expression. Statutory brand parody defence can assure parodists with certainty do not step back from their parody when they receive cease-and-desist letters from trademark holders. Given certain modifications to the trademark's nominative fair use concept may be used as a suitable option for addressing the majority of brand parody disputes without necessitating a determination of trademark likelihood of confusion. Nominative fair use is a well-established legal principle which grants certain trademark usages the ability to refer to the trademark proprietor or its goods.¹²⁷ Two main nominative fair use criteria follow Ninth Circuit and Third Circuit precedents. Term of Nominative Fair Use was created in 1992 by the Court of Appeals for the Ninth Circuit in the *New Kids on the Block v. News America Publishing, Inc.*, case.¹²⁸

For trademark law, the Ninth Circuit has provided the legal underpinnings of those situations in which another's trademark is permitted, even though it does not fall under the statutory fair use exception of the Lanham Act: “[w]here the defendant uses a trademark to describe the plaintiff's product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; _and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”¹²⁹

¹²⁷ *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). See also J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:11 (4th ed. 2010).

¹²⁸ 971 F.2d 302 (9th Cir. 1992)

¹²⁹ *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 9th Cir. 1992.

Nominative fair use instances have been found in the Ninth and Third Circuit more often than any other circuit.¹³⁰ Other Circuits have generally accepted the nominative fair use argument in recent years, although it has historically been used less frequently.¹³¹ The Third Circuit implements a similar approach. Still, its third prong asks whether: “(1) *that the use of plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service*; (2) *that the defendant uses only so much of the plaintiff's mark as is necessary to describe plaintiff's product*; and (3) *that the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services*.”¹³² In a recent ruling, the Third Circuit established a two-step approach to nominative fair use that if the plaintiff will succeed in proving that there will be a high likelihood of confusion under an abbreviated likelihood of confusion test, and if the defendant is correct, the defendant will have an opportunity to provide evidence that meets the New Kids' three-part nominative fair use test. Under the Third Circuit's interpretation, if the abbreviated likelihood of confusion test shows a likelihood of confusion, the Court will then apply the modified New Kids test to see whether the use of the plaintiff's trademark is fair and non-actionable, notwithstanding the existence of a likelihood of confusion.¹³³ On the surface, the Third Circuit's test appears to be more rigorous, as it is defined as asking whether the use of the plaintiff's trademark is “necessary.”¹³⁴ In practice, however, the Century 21 court tempered this standard by providing an additional example, in which they said that “even under the majority's

¹³⁰ Samuel M. Duncan, Protecting Nominative Fair Use, Parody, and Other Speech-Interests by Reforming the Inconsistent Exemptions from Trademark Liability, 44 U. MICH. J. L. REFORM 230 (2010).

¹³¹ For example, National Football League Prop. v. Playoff Corp., 808 F. Supp. 1288, 1293 (N.D. Tex. 1992); Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526 (5th Cir. 1998); The Nasdaq Stock Market, Inc. v. Archipelago Holdings, L.L.C., 336 F. Supp. 2d 294 (S.D.N.Y. 2004).

¹³² Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 222 3d Cir. 2005

¹³³ Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, (3d Cir. 2005)

¹³⁴ Baila H. Celedonia, Esq & Kieran G. Doyle, Esq, Trademark Parody, Statutory and Nominative Fair Use Under the Lanham Act , Cowan Liebowtiz Latman 4 (2007).

phrasing, "necessary" under the first prong does not mean "indispensable" — "the court need not find that the use of the mark is indispensable to find this factor fulfilled."¹³⁵

However, all these criteria are somewhat reliant on customers' expectations. Courts cannot correctly ascertain whether using an owner's trademark is accurate or misleads consumers unless they consider how the public would view the use.¹³⁶ Therefore, opponents condemn. For example, William McGeeveran, in his "Rethinking Trademark Fair Use" article says that nominative fair use merely re-enters courts into the same likelihood of confusion questions that define infringement in the first place and claiming that the replacement of fair use criteria for the likelihood of confusion analysis is a significant issue that biases fair uses and prolongs litigation.¹³⁷ Mark P. McKenna, in his "Trademark Use and the Problem of Source" article supports the same viewpoint.¹³⁸ However, consumer expectations have a completely different function in each scenario. Within the realm of the likelihood of confusion, customer perception is of the utmost importance.¹³⁹ To judge whether consumers may mistakenly believe that a source or sponsorship relationship exists, the Court must evaluate whether, with respect to the parties, their products, and the marks, customers might make such a connection.¹⁴⁰ The Court has no aim against which to evaluate the character of the use of the trademark because the defendant does not often have any specific motive for utilizing it. In a situation of nominative fair use, nominative fair use emphasizes the need for the defendant to use the mark, and the defendant has a valid motive for using the trademark. The Court's job is to determine whether the usage advances that goal. This at least allows the prospect of a textual examination based on the Court's objective judgment of whether the defendant's usage benefits the public by enhancing public comprehension of the message or whether the user seems to have done so

¹³⁵ See *id.* at 425 F.3d 211, 241 n.20 (3d Cir. 2005)

¹³⁶ See *id.* at 425 F.3d at 231

¹³⁷ William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49, 88-97 (2008)

¹³⁸ Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. Ill. L. Rev. 773

¹³⁹ *Toyota Motor Sales v. Tabari*, 610 F.3d 1176 (9th Cir. 2010)

¹⁴⁰ *Toyota Motor Sales v. Tabari* 610 F.3d at 1181-82 (9th Cir. 2010)

only to deceive. For example, in the *Toyota Motor Sales v. Tabari* case, context and domain name are evaluated to determine the second and third nominative fair use criteria by the Ninth Circuit.¹⁴¹ The fact that judges may be able to handle nominative fair use cases without extended fact-finding efforts related to consumers' views may increase their accuracy.¹⁴² A fundamental principle of the nominative fair use inquiry is that the defendant must have a good cause to use the trademark to evoke the trademark proprietor. Once a good reason is found, the nominative fair use inquiry next examines whether the defendant's actual usage corresponds to that purpose.¹⁴³ The theory acknowledges that certain kinds of communication to reach their expressive objectives need the use of trademarks.¹⁴⁴ It is almost impossible to provide a reasonable comparison between a newly introduced product and a dominant established player unless you refer to the leader's trademark. As a general rule, a mark is required if it is difficult to refer to a specific product for reasons of comparison, critique, or as a reference point. Indeed, it is often impossible to refer to a particular product without using the initial mark for comparison, criticism, point of reference, or any other purpose. The defendant's interests in conveying their expressive objectives necessitate using the trademark in all these situations. In legal terms, the question is whether the defendant's use of the mark is consistent with the declared uses or if their justifications have been surpassed.

If we think trademark parody to be unique and non-replicable, it implies that it resembles the kind of use that nominative fair use aims to preserve. Brand parody commercials include content talking about the trademark holder. Trademark holders and trademarks are required to fulfill the basic function of the brand parody. Thus, brand parodies are unable to exist without referencing the original work.¹⁴⁵ Because of this, nominative fair use doctrine is

¹⁴¹ *Toyota Motor Sales v. Tabari*, 610 F.3d 1171, 1181 (9th Cir. 2010)

¹⁴² *Century 21*, 425 F.3d at 224

¹⁴³ *WCVB-TV v. Bos. Athletic Ass'n*, 926 F.2d 42, 46 (1st Cir. 1991).

¹⁴⁴ *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 306-07 (9th Cir. 1992).

¹⁴⁵ *Mattel v. Walking Mountain Prods.*, 353 F.3d 792, 810 (9th Cir. 2003)

a provided suitable framework for evaluating trademark parodies. But implementation of nominative fair use doctrine's third threshold raises certain questions. How can the courts define whether the defendant's conduct corresponds to its lawful speech-related goals? To find an answer to this question, we should apply copyright law precedent of the Supreme Court. In *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court stated that to be fully appreciated, the work must elicit a visual or sensory response in the audience's minds. However, there is more to it than that: a borrower can use more than the necessary amount to evoke the work to illustrate the parody better intentionally.¹⁴⁶ However, the degree to which the work is being emulated must not stray so far from the initial that it transforms into a replacement rather than a parody of the owner's work.¹⁴⁷ This reasoning of the Supreme Court relates well to the examination of the nominative fair use of trademarks. It is essential to adopt certain features of an initial mark to parody it effectively. The audience should be able to detect whether the character is parodic, given that parody comes into play.¹⁴⁸ To make sure the defendant is not crossing the line between parody and promotion, the Court should look at the defendant's use of the trademark to see if his actions go too far beyond the realm of the parodic intent. Lastly, when evaluating the use of a trademark, courts should consider the parody's context to establish if the parodist was using the brand in any manner that implies source-affiliation or endorsement by the trademark owners. Without accuracy in the final stage of the test, the judiciary will not succeed. The test implemented by the Ninth Circuit allows evidence of confusion to invalidate nominative fair use, thereby rendering it unworthy of consideration. Thus, because the third component has a broader scope than the parody itself, it must have to do with actions outside the parody that create confusion. The likelihood of confusion and dilution are the most effective tools courts may employ in instances when the nominative fair use argument does not apply.

¹⁴⁶ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 587-89 (1994)

¹⁴⁷ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586-89 (1994)

¹⁴⁸ See *id.* 510 U.S. at 582

c. What if nominative fair use does not apply?

The nominative fair use approach will provide a very comprehensive resolution to most instances of trademark parody. The Court may determine that a parodist has strayed too far from their intended target in an attempt to reach their expressive objectives, raising the risk of misunderstanding or dilution. A defense such as a claim of fair use or satire may be made since the brand in question is a kind of comedy rather than parody.¹⁴⁹ When this occurs, the Court must deal with the confusion and dilution possibility and come up with affirmative solutions to each of them.¹⁵⁰ We may deduce techniques for doing a good brand parody dispute analysis by analysing the case studies on brand parody. In the first place, the extent to which the Court sees a satirical purpose in the mark's use, but also believes that the defendant's usage has gone beyond that point and may result in confusion among the public, judges should side with an injunction that incorporates the confines while preserving the satiric intent. Furthermore, nominative fair use provides helpful precedent here as well. To give an injunctive remedy to a specific cause of confusion, courts should adopt the relief to the specifics of the conduct that causes the problem.¹⁵¹ Injunctions should be written in a way that allows the defendant to accomplish its desired goal. Trademarks are an essential part of our everyday communication, and it is in everyone's interest to have freedom to utilize them honestly and not misleadingly.¹⁵² Additionally, courts should unequivocally reject the claim that the concept of whether one has the authorization to use a brand is actionable in terms of trademark law. This is, of course, very possible. At this point, there is no way to tell whether or not people believe trademark proprietors have a right to prohibit any unauthorized use of their mark. Legal standards should not be established based on popular conceptions of what the law is, even if these beliefs are

¹⁴⁹ Richard A. Posner, When Is Parody Fair Use? 21 *The Journal of Legal Studies* 67–78 (1992).

¹⁵⁰ Richard A. Posner, When Is Parody Fair Use?, 21 *J. Legal Stud.* 67, 74 (1992)

¹⁵¹ *Toyota Motor Sales, U.S.A., Inc. v. Tabari* 610 F.3d 1171 (9th Cir. 2010).

¹⁵² See *id.* at 1185.

incorrect. Of course, trademark law includes some degree of arbitrariness; the fact that trademark infringement relies on the danger of consumer misunderstanding means that the law must sometimes defend trademarks excessively.¹⁵³ Even in the event of confusion, the argument that one party is confused has at least some tangibility regarding trademark law's overall objective of preserving consumers' expectations about who manufactures or endorses goods. It has nothing to do with that sort of misunderstanding since consumers are capable of mistaking trademark holders for one another. "Irrelevant confusion" is precisely what this story illustrates.¹⁵⁴ The third factor in trademark usage is when a brand use is also expressing an idea. This requires us to evaluate the complete scope of the likelihood of confusion and dilution based on the expressive nature of the mark being used. The strength and likeness of trademarks should not be used as a standard criterion for determining confusion.¹⁵⁵ Because people will recognize the renowned marks more, there will likely be greater recognition in the mark parody. Even if the defendant is not using the trademark in its parody, that mark will still be essential to the overall message.¹⁵⁶

Regarding dilution, this concept should also be applied to expressive works since the very nature of such works will often need intentional usage of a distinct mark. In other words, elements such as the mark's reputation and the desire to associate the marks are rendered ineffectual since they are unable to aid the customary function of reducing the risk of dilution.¹⁵⁷ A unanimous panel of the Fourth Circuit held that some of the diluting variables might in fact, work against each other. When mark holder's brands are well-known, parody cannot negatively impact the original. "[B]ecause the famous mark is particularly strong and

¹⁵³ James Gibson, Risk Aversion and Rights Accretion in Intellectual Property Law, 116, at 912 Yale L.J. (2007).

¹⁵⁴ Mark A. Lemley & Mark P. McKenna, Irrelevant Confusion, 62 Stanford Law Review 413, 427 (2010) (also Stanford Public Law Working Paper No. 1407793 (2009)).

¹⁵⁵ Deven R. Desai & Sandra L. Rierson, Confronting the Genericism Conundrum, 28 Cardozo Law Review 1789, 1836 (2007).

¹⁵⁶ Ralph H. Folsom & Larry L. Teply, Trademarked Generic Words, 89 Yale L.J. at 1323, 1354 (1980)

¹⁵⁷ Mark A. Lemley, Ex Ante Versus Ex Post Justifications for Intellectual Property, 71 U. Chi. L. Rev. 147, 145-148 (2004)

distinctive, it becomes more likely that a parody will not impair the distinctiveness of the mark."¹⁵⁸ While dilution claims often center on the impacts of the brand parody on a famous mark's capacity to function as a unique identification of its source, courts should weigh the factors in the light of this hypothesis.¹⁵⁹ For the fourth point, some expression with subtle parody, such as satire, shall not result in an injunction. In trademark infringement cases, under normal circumstances, the courts establish infringement if even a tiny percentage of customers is confused. In contrast, when there are consumer interests on both sides of the ledger, trademark law has evolved to demand greater confusion levels. To establish a mark generically, for example, the law requires that a significant majority of the public believes it is since customers do not think it would be harmed.¹⁶⁰ When the target of a parody or satire becomes curious about the defendant's brand because of the joke, a court injunction hinders their curiosity. We should be sure that the damage to the confused consumers is greater than the harm to individuals interested in the defendants' speech before imposing this injunction. Another factor that may influence the selection of remedy is that there are interests on both parties.¹⁶¹ The average person does not understand or cares about the specifics of trademark law, but under the right circumstances, particularly where trademark law fails to provide clarity, courts are willing to uphold clear disclaimers such as "This is not a Nike product" or "Chewy Vuiton is not Louis Vuitton" as sufficient in dispelling even the most severe level of consumer confusion. Pursuing these strategies may also prevent interfering with the First Amendment. In a ruling written by a Ninth Circuit judge, an appellate court has highlighted the enormous harm trademark law does to free expression in similar trademark parody cases like Barbie Girl.¹⁶² The threshold of confusion aggravates the issue. When an order against the

¹⁵⁸ *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C.*, 507 F.3d 252, 267 (4th Cir. 2007)

¹⁵⁹ See *id.* at 507 F.3d at 267.

¹⁶⁰ *Murphy Door Bed Co. v. Interior Sleep Systems, Inc.*, 874 F.2d 95, 101-2 (2d Cir. 1989)

¹⁶¹ *J.R. Tobacco of Am., Inc. v. Davidoff of Geneva (C.T.), Inc.*, 957 F. Supp. 426, 437 (S.D.N.Y. 1997)

¹⁶² *Mattel, Inc. v. M.C.A. Records, Inc.*, 296 F.3d 894, 902-907 (9th Cir. 2002)

protected expression is issued, the danger becomes increased.¹⁶³ The combination of more significant confusion thresholds and restricted remedies may wind up at least giving some free speech guarantee in the lack of a complete defense for brand parody or satires.

¹⁶³ Mark A. Lemley & Eugene Volokh, Freedom of Speech and Injunctions in Intellectual Property Cases, 48 Duke L.J. 147, 216-24 (1998).

4. Conclusion

Brand parodies have a significant societal effect on the free market of ideas and social commentary in our contemporary capitalistic culture of the United States. Successful brand parodies are unlikely to infringe the rights of businesses and trademark owners. However, the problem is becoming more apparent when it comes to the legal validity of a brand parody. Trademark parodies, like a brand parody, are both parodies and brands at the same time. The above-discussed case law demonstrates that the courts are still battling to find a proper approach to interpreting the T.D.R.A. regarding parodies and wordplay since these kinds of works are built on using well-known trademarks. Even though brand parody case-law examples that I discussed in this article did not explicitly address commentary on politics or society, trademark law and the First Amendment may cross in trademark parody cases, which can add a second complicated element that may make judges cautious about finding responsibility. To alleviate the burden of the courts and solve further inconsistency of the case law, Congress should amend the Trademark Dilution Revision Act of 2006.

First of all, I suggest that Trademark Dilution Revision Act should (1) establish a clear definition of the trademark parody by adding a new § 1125(2)(D) section. Further, the definition of parody should not be restricted to noncommercial parodies. (2) Definition should also cover the understanding of brand parodies. (3) Section 43 of 15 U.S.C. 15 U.S.C. § 1125(3)(A) should make extent nominative fair use defense to brand parodies by adding new 15 U.S.C. § 1125(3)(A)(iii).

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