GUILT BY ASSOCIATION:
AN ANALYSIS OF FEDERAL TRADEMARK DILUTION LAW’S IMPACT ON
FIRST AMENDMENT SPEECH

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ABSTRACT

Margaret Eason: Guilt By Association: An Analysis of Federal Trademark Dilution Law’s Impact On First Amendment Speech
(under the direction of Michael R. Hoefges)

Trademark dilution law allows famous mark owners to enjoin certain mark uses that could lessen the uniqueness of the famous mark or else damage its reputation and goodwill. The ability to enjoin these unauthorized mark use, however, may sometimes conflict with the constitutional rights of individuals who wish to use famous marks in First Amendment speech such as parody, criticism or commentary. This thesis first analyzes the legislative history of the two federal trademark dilution statutes, the Federal Trademark Dilution Act of 1995 (FTDA) and the Trademark Dilution Revision Act of 2006 (TDRA) to better understand how these laws accommodate First Amendment speech rights. It then analyzes 35 federal trademark dilution cases involving a First Amendment-related defense to understand how courts have applied these laws and whether this is consistent with the legislative intent of the two statutes.
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CHAPTER 1
TRADEMARK DILUTION LAW AND THE FIRST AMENDMENT

I. INTRODUCTION

Critics agree that one of the most innovative movies to debut at the 2013 Sundance Film Festival was the low-budget horror film *Escape From Tomorrow.*\(^1\) The movie, which was filmed secretly and without permission at Disney’s two theme parks, tells the story of one family’s trip to Disneyland. But rather than “the happiest place on earth,” the Disneyland depicted in the film is dark and sinister; Disney princess are high-class call girls for Asian businessmen, iconic characters attempt to murder innocent children, and guards Taser, capture and brain wash disruptive park guests. The poster for the movie features Mickey Mouse’s gloved hand, covered in blood, reaching up from behind a swirling font invoking Walt Disney’s handwriting.\(^2\)

The Disney Company, which is notoriously litigious in protecting its intellectual property rights,\(^3\) decided not to pursue legal action against the film at this time based on concerns that it would only fuel the movie’s growing media buzz.\(^4\) But in an interview


\(^{3}\) *Id.*

\(^{4}\) *Id.*
with the Hollywood Reporter, Loyola Law School professor Jay Dougherty speculated that Disney’s strongest potential claim against the filmmakers would be for trademark dilution.\(^5\)

Trademark dilution allows famous mark owners to enjoin certain mark uses that could impair the famous mark’s distinctiveness or else damage its reputation and good will.\(^6\) This is a distinct cause of action from traditional trademark infringement, which allows mark owners to enjoin the use of similar marks on similar products when such use could result consumer confusion. While infringement law protects consumers against confusing and deceptive marks in the marketplace, dilution law is intended to protect the commercial value of marks and the investment mark owners have made in developing them.\(^7\)

But although mark owners undoubtedly have a substantial financial interest in preserving the integrity of their marks,\(^8\) trademark dilution, as a cause of action, presents a unique challenge to First Amendment rights of free expression. Famous marks often have the potential become powerful communicative symbols replete with individual or cultural significance.\(^9\) Because trademark dilution allows mark owners exclusive rights to control the associative function of famous marks, dilution law could potentially grant

\(^5\) Id.
\(^8\) Trademarks can be valued into the billions of dollars. See e.g., Sean Stonefield, The 10 Most Valuable Marks, Forbes (June 15, 2001), http://www.forbes.com/sites/seanstonefield/2011/06/15/the-10-most-valuable-trademarks/.
mark owners wide control over the public’s use of these powerful symbols, including expressive uses ostensibly protected by the First Amendment.\textsuperscript{10}

In order to balance the interests of famous mark owners in protecting their marks with the interests of individuals who may wish to use marks for expressive purposes, Congress has excluded certain types of trademark use from liability under dilution law. For example, the first federal dilution act, the Federal Trademark Dilution Act of 1995 (FTDA), excluded fair use in comparative advertising, news reporting and commentary, and “non-commercial uses” from liability in order to address the First Amendment implications of the law.\textsuperscript{11} The current trademark dilution law, the Trademark Dilution Revision Act of 2006 (TDRA), maintained these exclusions but also expanded the “fair use” comparative advertising exclusion “\textit{any} 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… identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”\textsuperscript{12}

The film \textit{Escape from Tomorrow}\textsuperscript{13} presents a scenario that tests the limits of protection for expressive mark use. Disney’s marks, including their trademarked characters and the Walt Disney font, are undeniably famous. The Disney brand, which is valued at over 28 billion dollars, is built upon an image of wholesomeness and family-friendly fun; associations which could be damaged by the \textit{Escape From Tomorrow}

\begin{footnotesize}
\textsuperscript{10} Id.
\textsuperscript{13} Escape from Tomorrow (Producer’s Distribution Agency 2013).
\end{footnotesize}
depiction of the park as seedy, dangerous and violent. What degree of protection would this potentially tarnishing use of Disney’s marks be afforded under trademark dilution law? Would the movie’s logo, which features the bloody Mickey Mouse glove and Disney font, be protected as parody, or would it be actionable because it serves as the film’s own designation of source? Would the use of Disney marks in the movie’s marketing materials qualify for the non-commercial use exclusion based on the expressive quality of the movie itself? The answers to these questions are still unclear.

The purpose of this thesis is to assess how trademark parody, commentary and criticism are treated under federal trademark dilution law and to determine the extent to which the private interests of mark owners in protecting their marks have been balanced with the public’s interest in using marks expressively as part of constitutionally protected speech. Chapter one will provide a brief background of federal trademark law with a focus on dilution theory, as well as an overview of the two federal dilution statutes. This will be followed by a literature review examining the tenuous relationship between trademark dilution law and the First Amendment, including scholarly critiques of Congress’s efforts to protect constitutionally protected speech through statutory exclusions. It will conclude with four research questions and a methodology for addressing them.
II. BACKGROUND

A) Understanding Trademark Law and Theory

Historically, a trademark is a mark that distinguishes goods in a market and identifies its source.14 Prior to the enactment of federal legislation, common law was the foundation for most trademark protections in the United States.15 The first attempt to pass federal trademark legislation in 1870 was rejected because the United States Constitution did not specifically empower Congress to regulate trademarks16 as it did patents and copyrights.17 Eventually, however, Congress succeeded in passing some basic legislation18 for the registration of technical trademarks, using its authority under the Interstate Commerce Clause19 and the Necessary and Proper Clause.20 Finally, in 1946, Congress repealed its existing trademark legislation and enacted the Lanham Act, which provided a legal structure to enforce the common law of trademark at the federal level.21

As trademark protections expanded through both legislative action and judicial interpretation, the meaning of trademark also evolved and expanded.22 Today, a

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15 Id. at 869.
17 U.S. CONST. art. I, § 8, cl. 8. (The Copyright Clause of the United States Constitution authorizes Congress to adopt patent and copyright laws "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their Respective Writings and Discoveries.")
19 U.S. CONST. art. I, § 8, cl. 3.
20 Id. art. I, § 8, cl. 18.
22 See generally, Horwitz and Levi, supra note 16.
trademark is defined by the Lanham Act as “any word, name, symbol, or device, or any combination thereof . . . which a person has a bona fide intention to use in commerce . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others, and to indicate the source of the goods, even if that source is unknown.”

Although most laypeople think of trademarks as trade names (such as Crest or Colgate), logos (such as McDonald’s golden arches or NBC’s peacock) and slogans (such as Nike’s “Just do it.”), courts have consistently found anything capable of distinguishing goods and serving as a source identifier can potentially be a trademark. This can include product packaging, scents, colors, sounds, and even non-functional product design elements.

The protection of trademarks is premised on the concept that marks are economically valuable because they promote efficiency in the marketplace for both consumers and producers by quickly communicating information about the product and its source. The most fundamental communicative feature of a trademark is its ability to

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24 The curved and ribbed shape of the old COCA-COLA bottle is also a registered trademark on the Principal Register (Reg. Nos. 696,147 and 1,057,884).


26 Qualitex Co. v. Jacobson Products Co., Inc., 514 U.S 159 (1995) (holding that the green color of a dry cleaning pad could be a trademark so long as granting the trademark did not create a competitive advantage unrelated to associated product goodwill.)

27 USPTO.gov, Trademark Soundmark Examples, http://www.uspto.gov/trademarks/soundmarks/index.jsp (last visited October 7, 2013)(providing a list of federally registered sound marks, which includes the NBC Chimes, MGM’s roaring lion, and the Pillsbury Doughboy’s giggle).

28 Mobil Oil Corp. v. Auto-Brite Car Wash, Inc., 615 F.Supp. 628 (D. Mass. 1984) (holding that the shape of a MOBIL gas pump, which used to have a distinctive round head, was protected as a trademark.)

identify the source of a product. Scholars suggest that this source-identification function allows mark owners to cultivate relationships with their customers and build goodwill for their products. It also provides consumers with essential information necessary to assign “praise or blame” to the producer based on the perceived quality of the product and to effectively seek relief if dissatisfied.

But, as any marketer would likely attest, marks communicate more than source information. When a consumer recognizes a mark and attributes it to a particular manufacturer or service provider, she associates it with a variety of known and attendant attributes. With just one glance, the consumer can access information about the product or its producer that she has acquired through personal experience, advertising, or word-of-mouth. In this way, trademarks act as a form of commercial shorthand that reduces consumer search costs in the marketplace.

Trademarks can also convey messages about the desirability of the product on which the mark appears. As a product’s reputation for quality grows, the product’s mark can become imbued with customers’ favorable associations or good will, resulting

35 Bone, supra note 33. See also Baxter, supra note 32 (“As the markets for goods and services extended to wide areas, trademarks began to serve an important purpose in advertisements. Placing a mark that signified a favorable reputation led to sales based on the good will of the mark generated through advertising.”).
36 Rierson, supra note 34.
in improved sales. This goodwill can be further cultivated through marketing efforts that imbue the mark with positive (and sometimes arbitrary) associations regarding the products emotional, self-expressive or aspirational benefits.

Modern trademark law protects both the source identification function of marks and the psychosocial power of famous marks. Trademark infringement law protects marks as source identifiers by allowing mark owners to enjoin others from using marks in commerce when such use is likely to confuse or deceive consumers regarding the source of the goods. While this is undoubtedly useful to mark owners seeking to prevent free-riding or counterfeiting, mark owners are generally not considered the intended beneficiary of trademark infringement law; rather, it is frequently described as a consumer protection law because a cause of action can only be brought when consumers are likely to be harmed by the confusing or deceptive use of a mark.

Trademark dilution law, on the other hand, is designed to protect the psychological “associative” power of marks. As with infringement claims, dilution claims require the commercial use of the potentially diluting mark in order to be actionable. But while a plaintiff mark owner in an infringement claim must show consumer confusion, the plaintiff in a dilution claim need only show that consumers

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38 See, e.g., Baxter, supra note 32.
39 Id.
41 See, e.g., McLean v. Fleming, 96 U.S. 245 (1878) (“Where the similarity is sufficient to convey a false impression to the public mind, and is of a character to mislead and deceive the ordinary purchaser in the exercise of ordinary care and caution in such matters, it is sufficient to give the injured party a right to redress.”); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989) (“[T]he States may place limited regulations on the circumstances in which such designs are used in order to prevent consumer confusion as to source”).
42 H.R. Rep. No. 104-374 at 4 (stating that the concept of dilution recognizes the “aura” of the mark itself).
experience a mental “association” between the two marks.\textsuperscript{43} Many scholars speculate that consumer confusion is not required because consumers are not the intended beneficiaries of the law.\textsuperscript{44} Rather, dilution law is designed to protect the value of the mark itself and the investment mark owners have made to cultivate good will and psychological associations.\textsuperscript{45} In this way, trademark dilution is akin to an intellectual property right for mark owners.\textsuperscript{46}

The term “trademark dilution” was coined by Harvard law professor Frank I. Schechter in 1927 to describe the “gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name” by its use upon non-competing goods.\textsuperscript{47} Under the theory of trademark dilution, dilutive activity slowly depletes a famous trademark of its associated psychological meaning, eventually depriving it of its power and value.\textsuperscript{48} Today dilution actions fall under one of two categories: dilution by \textit{blurring} and dilution by \textit{tarnishment}.

Dilution by \textit{blurring} occurs when a mark is sufficiently similar to an existing, famous mark (senior mark) that consumers, while not confused, make a “mental connection” between the two marks.\textsuperscript{49} In theory, this use of a similar mark on unrelated

\textsuperscript{43} Rierson, \textit{supra} note 34, Levy, \textit{supra} note 9.
\textsuperscript{44} Rierson, \textit{supra} note 34, at 245; Barton Beebe, \textit{A Defense of the New Federal Trademark Antidilution Law}, 16 FORDHAM INTELL. PROP. MEDIA \& ENT. L.J. 1143, 1172 (2006).
\textsuperscript{46} See generally Lemley, \textit{supra} note 6.
\textsuperscript{48} \textit{Id.}
\textsuperscript{49} \textit{Id.}
goods degrades the invaluable “uniqueness” of the senior mark\textsuperscript{50} and weakens its ability to evoke the associations that the mark owners have developed in the mark.\textsuperscript{51} It also lessens the economic value of the mark as a form of “commercial shorthand” because the person seeing it must think for a moment in order to access the correct mental associations of the mark and its product or service.\textsuperscript{52}

Dilution by tarnishment occurs when a junior mark’s similarity to a famous mark causes the consumer to associate the famous mark with something unwholesome or unfavorable.\textsuperscript{53} Thus, the risk from dilution by tarnishment is neither consumer confusion nor the degradation of the senior mark’s uniqueness, but the possibility that the consumer will “no longer have uniformly positive associations with the original trademark as a result of her exposure to the tarnishing use.”\textsuperscript{54}

\textbf{B) The Evolution of Trademark Dilution Law in the United States}

In the decades following the adoption of the Lanham Act, dilution theory slowly gained momentum at the state level, and by the late 1980s nearly half the states had some sort of law protecting against trademark dilution.\textsuperscript{55} As more states passed their own anti-dilution statutes, mark owners struggled to navigate a patchwork of diverse state


\textsuperscript{51} Id.

\textsuperscript{52} Beebe, \textit{supra} note 44, at 1148-49.

\textsuperscript{53} Rierson \textit{supra} note 34.

\textsuperscript{54} Id. at 245.

legislation.\textsuperscript{56} This created confusion amongst courts,\textsuperscript{57} and incentivized mark owners to engage in forum shopping.\textsuperscript{58}

In 1988, the Senate attempted to introduce dilution provisions into the Lanham Act to address these issues, but the House-Senate conference committee rejected these provisions based on First Amendment concerns.\textsuperscript{59} In 1995, however, at the behest of the legal and business community,\textsuperscript{60} dilution provisions were urgently re-introduced in the form of the Federal Trademark Dilution Act (FTDA).\textsuperscript{61} According to the accompanying house report, the federal law was needed to “bring uniformity and consistency to the protection of famous marks” amongst the states, and to bring the American trademark system closer in line with international trademark obligations.\textsuperscript{62}

The FTDA granted famous mark owners the right to enjoin “another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.”\textsuperscript{63} A dilutive use was defined as one that lessened “the capacity of the famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1)

\textsuperscript{56} Levy, supra note 9, at 442 (“Some state anti-dilution laws required a showing of confusion, while others did not. In addition, state courts had differing views on what type of ‘use’ was required for a dilution violation.”).

\textsuperscript{57} J. T. HOMAS McCARTHY, McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:16 (2) (4th ed. 1996) at § 24:74, observing that state courts were reluctant to issue nationwide injunctions because they recognized the difficulty of injunctions in states that did not enact anti-dilution statutes.)

\textsuperscript{58} H.R. REP. NO. 374, at 3-4 (1996).


competition between the owner of the famous mark and other parties, or (2) likelihood of
confusion, mistake, or deception.”64 According to the house report that accompanied the
FTDA, this definition would encompass “all recognized forms of dilution including
dilution by blurring, by tarnishment and disparagement, and by diminishment.”65

The FTDA also included a section of statutory exclusions, which identified three
types of mark uses that would not be actionable under the FTDA: fair uses in
comparative advertising, uses in news reporting and news commentary, and
noncommercial uses.66 The legislative history of the FTDA, which will be explored in
more detail in Chapter Two, indicates that these exclusions were intended to address
potential First Amendment implications of the law.67 While two of the three exclusions
specifically addressed the First Amendment rights of the media, the non-commercial use
exclusion was apparently meant to ensure that the Act did not “prohibit or threaten
noncommercial expression, such as parody, satire, editorial and other forms of expression
that are not part of a commercial transaction.”68

In the years following the enactment of the FTDA, it became clear that the law
was unworkably vague; courts across the various federal districts were interpreting the
provisions of the Act in a wildly inconsistent manner.69 Courts diverged on whether the

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67 See H.R. Rep. No. 104-374 at 8 (1995) (noting that the section of the law listing non-actionable uses was
“designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally
protected”).
not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of
expression that are not part of a commercial transaction.”
69 See generally Beebe, supra note 44.
Act would protect marks that were famous only in “niche markets,” whether the Act would apply to descriptive marks that acquired their distinctiveness through secondary meaning, and what constituted a commercial use for purposes of the statutory exclusion for “non-commercial use.” Most critically, the circuits were divided as to whether the standard of proof necessary to recover under the Act was *actual* dilution or merely a *likelihood* of dilution.

The issue came to a head in 2003 when the Supreme Court handed down a unanimous ruling in *Moseley v. Victoria Secret Catalogue*. In *Moseley*, the Court concluded that the plain language of the statute clearly stated that only uses that “cause dilution” could be enjoined, and therefore mark owners bringing a dilution action would need to demonstrate *actual* dilution. In *dicta*, the Court also questioned whether the text of the statute actually supported the existence of a cause of action for dilution by tarnishment, noting that the statute defined dilution as a use that diminished a mark’s “distinctiveness,” and made no mention of reputational harm.

Following the *Moseley* ruling, Congress decided to replace the FTDA with a new statute that would better capture its legislative intent. The Trademark Dilution Revision Act of 2006 (TDRA) contained numerous changes to remedy the FTDA’s purported

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70 Id. at 1153-55.
71 Id.
72 Id.
73 Id.
75 Id.
76 Id. at 432.
77 Rierson, supra note 34, at 280-81.
shortcomings and to address the Court’s ruling in *Moseley*. Most notably, the TDRA lowered the standard of harm required in any dilution claim from *actual* dilution to a “*likelihood* of dilution.” 79 This change substantially lowered the burden of proof for mark owners. 80 The TDRA also created a distinct cause of action for dilution by *tarnishment*, 81 thereby overcoming the Court’s *dicta* in *Moseley* regarding the absence of statutory support for a dilution by tarnishment claim.

While the TDRA benefited famous mark owners by relaxing the standard of harm and creating a cause of action for dilution by tarnishment, it also provided some new protection to potential defendants in dilution cases. First, it narrowed the category of marks eligible for federal dilution protection to “famous” marks that were widely recognized by the general consuming public of the United States. 82 Second, it provided a list of “blurring factors” for courts to consider when assessing a dilution by blurring claim, making it more clear to defendants what kinds of uses might be actionable. Finally it amended the statutory exclusions, expanding the categories of speech that would be non-actionable under the law.

The TDRA maintained the FTDA’s original exclusions for “fair use” comparative advertising, news reporting and commentary, and noncommercial uses. However, it also expanded the “fair use” exclusion to include:

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

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with...identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner. 83

The legislative history of the TDRA, which will be explored in more depth in Chapter Two, indicates that the new exclusion was designed to provide greater protection to expressive mark uses, and particularly uses in parody, commentary, and criticism.

III. LITERATURE REVIEW

The potential impact that dilution law might have on expressive speech, and particularly on parody, commentary, and criticism, has been the subject of extensive scholarship. From these articles, several key themes emerge. First, there is a general recognition that trademarks carry extraordinary symbolic value, making them extremely valuable for expressive purposes. Second, there is substantial literature supporting the proposition that trademark parody, commentary and criticism are high value speech protected under the First Amendment, and yet are particularly susceptible to being suppressed by dilution actions. Finally, many scholars expressed concern about the scope and adequacy of the FTDA and TDRA’s statutory exclusions as a means of protecting First Amendment-protected speech from dilution liability.

A) Trademarks as Symbols and Speech

Many scholars believe that famous trademarks are powerful cultural symbols, and that they are frequently useful or necessary for effective expressive speech. 84 According to Katya Assaf, corporations spend millions of dollars on marketing for the very purposes

of creating brands laden with personal and cultural significance. A strong mark, she posits, conveys not only information about the source of a product and its functional benefits, but also information about the desires, ideals, and identities of people who would purchase the brand. Several scholars have theorized that the expressive power of marks is so great that famous marks can become well-known cultural symbols, deeply engrained within the larger society. Robert Shaughnessy, for example, suggests that some brands can "come to occupy such a prominent place in the public mind that they… symbolize not only particular products and firms but broader social themes as well."

Mark Lemley, Anthony Pearson, Regina Schaffer-Goldman, Sarah Schlosser and Jesse Hoefrichter all argue that as brands and trademarks become an increasingly important part of daily life, language and culture, trademarks become essential as referents in expressive speech. This is especially true when the speaker is seeking to comment on the associations of a mark itself, the trademarked product, or the mark-holding corporation. Hoefrichter, for example, argues that products and corporations have

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86 Assaf, *supra* note 85; Rierson, *supra* note 34, at 274-75.


substantial impacts on both individual consumers and broader communities, and that “the nature of our democratic society may encourage or even compel us to criticize such actions.”\textsuperscript{90} Lemley agrees, noting that as mark-holding corporations assume an ever larger role in both the political and social sphere, public interest in receiving critical speech about mark owners outweighs the trademark owner’s interest in “appropriating the full value of its goodwill.”\textsuperscript{91}

Many scholars have expressed concern that dilution law could be used to suppress unflattering commentary, creating an intolerable ban on speech\textsuperscript{.92} Such unflattering commentary may be made directly, or it may be made more subtly through parody. While parody is a legally significant term in trademark law, scholars such Hofrichter and Justin Gunnel point out that it is not defined in Lanham Act, nor any other statute.\textsuperscript{93} Rather, the definition has evolved through trademark and copyright case law. Gunnel provides a comprehensive definition for parody by tracing the term through multiple trademark cases.\textsuperscript{94} Gunnel defines a parody as:

\begin{itemize}
  \item[(1)] a literary or artistic work
  \item[(2)] that seeks to comment upon or criticize another work
  \item[(3)] by appropriating or mimicking elements of the original work, in order to
  \item[(4)] create a new art work that makes ridiculous the style and expression of the original
  \item[(5)] in a humorous fashion.
\end{itemize}

\textsuperscript{90} Hofrichter, \textit{supra} note 47, at 1929.
\textsuperscript{91} Dogan & Lemley, \textit{supra} note 89.
\textsuperscript{92} Pearson, \textit{supra} note 50, at 1020. See also Rosemary J. Coombe, \textit{Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue}, 69 TEX. L. REV. 1853, 1872 (1991) (asking rhetorically “Why should the most prominent indicia or symbols of corporate power be enabled to impart an exclusively favorable impression? Why should these symbolic forms be enabled to maintain a pristine innocence, abstracted from the history and the practices of the corporate bodies that produce them?”).
\textsuperscript{94} Gunnell, \textit{supra} note 93, at 465.
\textsuperscript{95} \textit{Id.}
This definition of parody, while well researched and inclusive of relevant case law, may in fact be too broad: although most parodies are humorous, courts have found that a parody does not need to be funny to have expressive value. 96 According to the United States Court of Appeals, Second Circuit, a successful parody need only “convey two simultaneous—and contradictory—messages; that it is the original, but also that it is not the original and is instead a parody.” 97

Courts have long recognized parodies as deserving First Amendment protection due to their ability to substantially contribute to public and political debate. 98 Trademark parodies are no exception. As the United States Court of Appeals for the First Circuit explained in 1987 in L.L. Bean, Inc. v. Drake Publishers:

The central role that trademarks occupy in public discourse (a role eagerly encouraged by trademark owners) makes them a natural target of parodists. Trademark parodies, even when offensive, do convey a message. The message may be simply that business and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark…while such a message lacks explicit political content, that is no reason to afford it less protection under the First Amendment. Denying parodists the opportunity to poke fun at symbols and names, which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression. 99

According to the L.L. Bean court, trademark parodies are entitled to First Amendment protection even when they have commercial aspects that take them out of

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96 Yankee Pub'l'g, Inc. v. News America Pub'l'g, Inc., 809 F. Supp. 267, 280 (S.D.N.Y. 1992) (“First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed.”).


98 See, e.g., Hustler Magazine, Inc. v. Falwell, 485 U.S. 46, 55 (1988) (referring to parody specifically in the form of satirical editorial cartoons, the Court stated “Despite their sometimes caustic nature, from the early cartoon portraying George Washington as an ass down to the present day, graphic depictions and satirical cartoons have played a prominent role in public and political debate.” And concluding “From the viewpoint of history it is clear that our political discourse would have been considerably poorer without them.”).

the realm of “purely expressive” speech.\textsuperscript{100} However, it is noteworthy that in commercial contexts, courts have distinguished between trademark \textit{parody} and trademark \textit{satire}.

Trademark \textit{parody} is generally understood as the transformation of a mark to mock or ridicule the mark owner or the mark’s associations. Trademark \textit{satire}, on the other hand, uses a mark to comment upon something separate from, and unrelated to, the mark or mark owner.\textsuperscript{101} While both satire and parody are protected when part of purely expressive speech, the same is not true in commercial context: commercial parody is far more likely to be protected than commercial satire. According to Richard Posner, Schlosser, and Gunnel, courts protect commercial trademark \textit{parody} because the use of the senior mark is necessary to effectively convey a message about the mark or mark owner.\textsuperscript{102} Satire, on the other hand, is generally not protected because the defendant does not need to appropriate the trademark in order to express a message about something unrelated to the mark or mark owner.\textsuperscript{103} This interpretation has been widely adopted by the courts. In fact, satire is frequently viewed by courts as exploitative; not only is the use of the mark not necessary, it is often seen as pure “piggybacking” on someone else’s work to avoid the drudgery of creating something new and fresh.\textsuperscript{104}

While courts have generally refused to extend commercial trademark satire the

\textsuperscript{100} Id. See also Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th Cir. 2002) (noting that a song referencing a mark was a commercial use in commerce “created and sold to consumers in the marketplace commercial products” but still protected under the First Amendment as primarily expressive).


\textsuperscript{102} Gunell, \textit{supra} note 93, at 466; Posner, \textit{supra} note 101, at 67-68; Schlosser, \textit{supra} note 101, at 941.

\textsuperscript{103} Gunell, \textit{supra} note 93, at 466; Posner, \textit{supra} note 101, at 67-68; Schlosser, \textit{supra} note 101, at 941.

\textsuperscript{104} \textit{See e.g.}, Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 924 F. Supp. 1559, 1561 (S.D. Cal. 1996), \textit{aff’d}, 109 F.3d 1394 (9th Cir. 1997).
same degree of protection as trademark parody, many scholars have criticized the bright-line distinction between these two forms of commentary. Schaffer-Goldman, Patrick Emerson, and Bruce P. Keller and Rebecca Tushnet suggest that as marks become more engrained into our culture and take on more political and social significance, distinguishing between parody and satire becomes a complex and often subjective inquiry.\(^{105}\) Shaffer-Goldman, for example, claims that a court’s distinction between parody and satire often “turns on whether the judge and jury get the joke, which can depend on certain socio-economic and/or cultural differences between judges and [mark users].”\(^{106}\)

Other scholars, such as Katya Assaf, Rosemary Coombe, and Deborah Gerhardt argue that consumers should lawfully be entitled to appropriate marks for satire or other expressive purposes because consumers have contributed to the creation of the mark’s expressive value.\(^{107}\) Assaf, in particular, writes extensively on this topic. She suggests that our culture is built upon the public’s creation, appropriation and transformation of symbols, and she claims that once famous marks become culturally significant they also become useful as rhetorical figures for cultural movements and unrelated ideas.\(^{108}\) While acknowledging that the use of marks to express unrelated ideas is diluting, Assaff argues that this use should be protected. Trademarks, she contends, should not be given special protection against dilution not afforded to other cultural symbols, stating “once

\(^{105}\) See, generally, Bruce P. Keller & Rebecca net, *Even More Parodic than the Real Thing: Parody Lawsuits Revisited*, 94 TRADEMARK REP. 979 (2004) (exploring the distinction between parody and satire and concluding that the line is too fine for courts to objectively determine.). See also Schaffer-Goldman *supra* note 88, at 1286; Emerson, *supra* note 88, at 489.

\(^{106}\) Schaffer-Goldman, *supra* note 87 at 1286.

\(^{107}\) Coombe, *supra* note 92; Assaf, *supra* note 84; Gerhardt *supra* note 84.

\(^{108}\) Assaf, *supra* note 84.
trademarks enter the scene of playing with words, making sophisticated use of existing cultural signs to convey their messages, they should have to obey the rules of the game.”

**B) Dilution Law as a Unique Threat to First Amendment Speech**

Although there has always been a conflict between trademark regulation and the First Amendment, several scholars argue that trademark dilution law is significantly more threatening to free speech than trademark infringement law because it does not require consumer confusion. In a trademark infringement suit, the consumer confusion requirement offers a clear theoretical limit on the owner's ability to prevent others from using its mark. As Robert Shaughnessy puts it, “The owner's right to enjoin uses of its mark ceases at the point where consumer confusion as to source or sponsorship becomes unlikely.” Some scholars worry that non-confusing, expressive mark uses that were previously protected from infringement liability would now be actionable in dilution claims.

Another cause for concern amongst some scholars is the nature of the dilution claim itself, which punishes an unauthorized mark use that creates an “association” with a famous mark. This makes constitutionally protected parody, criticism and commentary particularly susceptible to dilution claims because, as Jessica Taran, Sandra Rierson and

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109 Id. at 61.
110 See Hofrichter, supra note 47.
112 Robert J. Shaughnessy, supra note 89, at 1084-85.
113 See e.g., Schlosser, supra note 101; Schaffer-Goldman, supra note 87; Rierson supra note 34. See also Hofrichter, supra note 47.
114 See e.g., Rierson, supra note 34, Levy, supra note 9.
Keren Levy note, trademark parody, commentary and criticism require association with the senior mark in order to be effective.\textsuperscript{115} What’s more, critical parodies and unfavorable commentaries that target the famous mark or mark owner for criticism or ridicule often have the purpose or effect of creating negative associations with the famous mark and therefore may be inherently tarnishing.\textsuperscript{116} While parodies, commentaries and criticisms that contain obvious political or social critiques are likely to be protected by the First Amendment, Schlosser, Schaffer-Goldman and Rierson suggest that subtle commentaries and vulgar parodies will be less protected.\textsuperscript{117} They hypothesize that some judges will apply subjective notions of propriety or personal taste in determining who is “worthy” of this First Amendment protection, and will find certain uses to be tarnishing regardless the nature or value of the defendant’s expressive message.\textsuperscript{118}

More generally, several scholars express concern that federal dilution legislation could have a substantial chilling effect on speech.\textsuperscript{119} William McGeveran, Rierson, Hoefrichter, Schlosser and Shaffer-Goldman all suggest that a federal cause of action for trademark dilution creates an incentive for mark owners to aggressively defend their marks through the issuance of cease and desist letters.\textsuperscript{120} Mark owners, they claim, rely on the probability that the recipient will be unsophisticated as to the law itself and

\textsuperscript{115} Taran, supra note 111, at 7 (2002). Rierson, supra note 34, at 267-70. Levy, supra note 9, at 447-48.
\textsuperscript{116} See e.g., Taran, supra note 111.
\textsuperscript{117} Schlosser, supra note 101; Schaffer-Goldman, supra note 87; Rierson, supra note 34.
\textsuperscript{118} Schlosser, supra note 101; Schaffer-Goldman, supra note 87; Rierson, supra note 34.
\textsuperscript{119} See generally Schlosser, supra note 101; Schaffer-Goldman, supra note 87; Rierson supra note 34. See also Hoefrichter, supra note 47, at 1228-30; William McGeveran, Rethinking Trademark Fair Use, 94 IOWA L. REV. 49 (2008).
\textsuperscript{120} See Schaffer-Goldman, supra note 87; Schlosser, supra note 101, at 947-52; Rierson supra note 34, at 301-305; Hoefrichter, supra note 47, at 1228-30; McGeveran, supra note 119, at 61-63.
uncertain regarding the strength of his or her legal position. As Rierson explains, “due to the inherently amorphous nature of the dilution claim, a potential defendant has a low ability to assess her real exposure and, given the potential penalties and costs, a high incentive to avoid the risk of litigation.” Hofrichter makes a similar argument, noting that even where the expressive use falls clearly under the First Amendment or a related statutory exclusion, this defense generally cannot be raised until trial, ensuring some legal burden upon the defending mark user. These authors all posit that speakers will employ undue self-censorship rather than submit to protracted and expensive legal battles with famous mark owners who have skilled legal departments and deep pockets.

C) The FTDA and the TDRA: Statutory Protections for First Amendment Speech

In recognition of the potential threat that dilution law poses to First Amendment speech, Congress incorporated statutory exclusions into the two federal dilution statutes. The legislative history of these exclusions will be examined in more depth in Chapter Two. For now, it is important to provide a brief overview of these exclusions and the scholarly criticisms regarding their scope and adequacy as a means of protecting First Amendment speech from dilution liability.

As discussed in the background section of this chapter, the Federal Trademark Dilution Act of 1995 (FTDA) contained statutory exclusions that made three kinds of mark use non-actionable under the law: fair use in comparative advertising, uses in news

121 "Id.
122 Reirson, supra note 34, at 304.
123 Hofrichter, supra note 47, at 1929.
124 Id; See also Schlosser, supra note 102, at 945-48.
reporting and news commentary, and non-commercial uses. While the scope of comparative advertising and news reporting exclusions was relatively clear, it appears that the non-commercial use exclusion was intended to be interpreted broadly and serve as a catch-all for a variety of constitutionally protected speech.

Two central criticisms emerge from the literature regarding the adequacy of the non-commercial use exclusion to protect First Amendment speech. First, several scholars including Terry Bowen, Levy, Taran and Schlosser, expressed concern that the commercial vs. non-commercial use analysis fails to adequately address the complex issue of “mixed speech” or “quasi-commercial” speech. As Levy articulates, “the boundary between commercial and non-commercial speech is unclear because a bright-line test identifying protected speech is difficult to develop and apply.” As examples, he notes that some trademark parodies are created to express a critical statement but are then sold for profit; so-called “gripe sites” criticizing a mark owner’s business practices or products may also contain advertisements or links to commercial sites; and corporate “watch dog” organizations often raise money for their causes through the sale of merchandise. Levy and others point out that the FTDA provides no guidance on how to

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126 See 141 Cong. Rec. H14, 318 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead). “[t]he bill would not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of expression that are not part of a commercial transaction.”
128 Levy, supra note 9, at 427.
129 Id.
balance the expressive value of a defendant’s speech against its commercial nature in
dilution cases involving “mixed speech”.130

Several scholars also expressed concern that this vagueness would allow judges
too much discretion in determining what uses are “commercial.”131 They suggest that
judges will use the non-commercial use exclusion to protect those uses they find to have
“redeeming social value,” while subjecting other uses to commercial liability because
they were unwholesome132 or else insufficiently critical.133 This subjectivity, they
suggest, will create uncertainty for speakers regarding what types of uses are protected
under the law, resulting in self-censorship.134

Second, some scholars argue that the commercial vs. non-commercial use
analysis unfairly puts the medium of the expression before the message.135 Keren
Levy suggests that by beginning the dilution analysis by asking “is this use
commercial?” courts improperly relegate the First Amendment interests of the
speaker (and the recipients of the speech) to a secondary concern.136 Anthony
Pearson agrees, stating: “while the commercial quality of a junior use may be a
relevant inquiry, more salient concerns include the predominant issue of free

130 See generally Levy, supra note 9; Taran, supra note 112, at 7-8; Schlosser, supra note 102, at 954-55.
131 Levy, supra note 9; Taran, supra note 112, at 7-8.
133 See generally Emerson, supra note 88. See also Assaf, supra note 86, at 68. (Noting: “When courts
enjoin speech that tarnishes trademarks because it lacks a clear critical message, they ignore the cultural
reality that the meaning of expression is not always based on facts and logic.” Also noting that, while the
associations created by brands are often entirely arbitrary, “when someone wishes to challenge the cultural
meaning of a trademark, to suggest its connection to somewhat less wholesome cultural signs, the legal
system would not allow this unless the suggested relation has some readily conceivable point.”)
134 Schlosser, supra note 102, at 942-43.
135 Id.
136 Levy, supra note 9, at 428.
expression and the possibly detrimental effects of junior uses on the trademark.\footnote{137}

Levy and Pearson further argue that the commercial nature of an unauthorized use does not always lessen its expressiveness.\footnote{138} They contend that marketing and advertising play a key role in the development of personal identity, as well as changing social norms, and argue that even purely commercial speech, which does nothing more than propose a transaction, can sometimes contain vast amounts of psychological meaning and contribute to the cultural consciousness as a whole.\footnote{139} They therefore conclude that a bright-line test that exposes all commercial uses to dilution liability inadequately protects valuable commercial and quasi-commercial speech, and may in fact violate the First Amendment.\footnote{140}

Scholarly concerns regarding the adequacy non-commercial use exclusion may have contributed to the decision to revise the exclusions when the Trademark Dilution Revision Act of 2006 (TDRA) was being debated. As mentioned earlier in this chapter, the TDRA maintained the FTDA’s exclusions for news reporting, comparative advertising and non-commercial use, but also broadened the “fair use” exclusion to include any nominative or descriptive “fair use,” so long as the mark was not used as a

\footnote{137 See Pearson, supra note 51, at 981; see also, Schlosser, supra note 102.}
\footnote{138 Pearson, supra note 51, at 1021-22; see also Levy, supra note 9, at 447-48.}
\footnote{139 Pearson, supra note 51, at 1021 (“In the modern age, advertising is a recognized avenue of expression. Mass communication, which includes advertising, substantially contributes to the socialization of adults into new social values and the changing social norms. The effects of advertising can reach far beyond the target market and into the public domain, thus becoming a source from which people learn about society and culture. To deny that expression is present in advertising is to deny the role of advertising in American society.”).}
\footnote{140 Id. See also Levy, supra note 9, at 447-50.}
designation of source for the person’s own good. The expanded “fair use” exclusion expressly included the “fair use” of a mark in parody, commentary and criticism of the mark owner or its goods and services. The legislative history of this change will be discussed in detail in Chapter Two.

The literature relating to the amended “fair use” exclusion’s potential impact on First Amendment speech – and particularly parody, criticism and commentary – can be grouped into three general lines of thought. The first perspective, represented primarily by trademark professors Barton Beebe and Deborah Gerhardt, views the exclusion as a beneficial additional defense for speakers, and particularly parodists, critics and commentators. Beebe posits that the new exclusion could provide protection for parodists and critical speakers who, for example, choose to communicate their message by way of commercial products such as bumper stickers and t-shirts. Gerhardt optimistically suggests that the exclusion will, in practice, “keep dilution claims within their proper scope,” and prevent over-reaching by mark owners who might otherwise attempt to stifle critical speech through litigation.


144 Gerhardt, supra note 142, at 230.


143 Beebe, supra note 44, at 1144.

Id. (noting, however, that it is still unclear how frequently the exclusion would succeed in defeating dilution claims, and particularly claims of dilution by tarnishment). See also Jennifer Files Beerline. Anti-Dilution Law, New and Improved: The Trademark Dilution Revision Act of 2006, 23 BERKELEY TECH. L.J. 511, 531 (2008) (“Parody and tarnishment are closely linked, and the TDRA’s express codification of the parody exclusion has arguably strengthened the force of this defense.”).
Amendment speech. One key concern identified by Hofrichter, Schaffer-Goldman and Eugene Lim is that the TDRA does not provide any definition for key terms of the exclusion, including the word “parody” and the phrase “designation of source.”

Hofrichter, Lim and Schaffer-Goldman argue that that an exclusion that hinges on undefined and ambiguous terms will expose critical speakers to “subjective manipulation” of the law by judges based on their person humor, morality or taste. Because the law may be applied subjectively, they theorize that the speakers have inadequate notice about what use may subject them to liability, and predict that this will result in a chilling effect on protected speech.

Hofrichter and Lim both express concern that judges might apply the “source denoting” language of the exclusion too rigidly, creating automatic liability for any challenged mark use that is also source denoting. They further suggest that the exclusion fails to consider the First Amendment value of some trademark parodies, commentaries or criticisms that may become source denoting. As an example, Hofrichter posits that the designation of source limitation could prevent public information campaigns aimed at a particular corporation from using that corporation’s


147 Hofrichter, supra note 47; Schaffer-Goldman, supra note 87; Lim, supra note 146.

148 Schaffer-Goldman, supra note 87; Lim, supra note 146; Hofrichter, supra note 47, at 1948 (citing Judge Pierre Leval of the Second Circuit, suggesting that the trademark dilution statute is a “delegating statute,” using “deliberately broad and imprecise terms” to delegate to the courts the responsibility of defining the statute's boundaries based on the statute's “vaguely declared policies.”)

149 Hofrichter, supra note 47; Schaffer-Goldman, supra note 87; Lim, supra note 146.

150 Hofrichter, supra note 47, at 1945-1952; Lim, supra note 146, at 85-86.

151 Hofrichter, supra note 47, at 1945-52 (While it will be acceptable for an individual to hold a sign that reads ‘Go Away Wal-Mart,’ once such action is organized into a campaign such as ‘Workers Against Wal-Mart,’ ‘Wal-Mart Watch,’ or ‘Wake Up Wal-Mart,’ the statute would fail to protect such criticism as a fair use.”). See also Lim, supra note 148, at 96-100.
name or mark as an identifier, such as “Workers Against Wal-Mart.” In this way, he argues, the limitation could be used to silence high-value social and political speech.

Finally, a third line of scholarship expresses concern that the TDRA’s fair use exclusion for any non-source denoting parody, commentary or criticism improperly favors defendants. Justin Gunnel, for example, predicts that some judges will assume that any attempt at humor using another’s mark is protected parody. This, he theorizes, will improperly extend protection to humorous satire or word play that carries no real critical value. Corina Cacovean, on the other hand, argues that the parody defense, when applied to commercial products, enables junior mark users to free ride on the hard-won goodwill of the famous mark while hiding behind a thin veil of humor. Finally, both Lim and Alexandra Olson suggest that by immunizing all non-source denoting parodies, commentaries and criticisms from liability, the exclusion fails to consider effects of the use on the senior mark’s reputation. As Olson notes, “there is no reason why non-trademark use should be considered less tarnishing than trademark use.” Lim agrees, positing that the broad-sweeping exclusion essentially eviscerates the dilution by tarnishment action in most cases.

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152 Id. at 1953-54.
153 Id.
155 See Gunnell, supra note 93, at 465.
156 See generally Cacovean, supra note 154.
157 Lim, supra note 146, at 92-96; Olson supra note 154, at 460-62.
158 See Olson, supra note 154, at 720 (“The shield of artistic works resulting from a prohibition limited to trademark uses thwart tarnishment theory’s broader goal—preventing the portrayal of a mark in an unwholesome context that tarnishes the reputation and goodwill investment in the famous mark.”).
D) Summary of Scholarship

This literature review documents substantial scholarly concern for the potential impact of federal dilution legislation on First Amendment speech, and particularly parody, criticism and commentary. Although existing literature has examined courts’ treatment of First Amendment speech in federal dilution cases, these examinations have been limited in scope. For example, several authors have analyzed the courts’ application of the FTDA’s non-commercial use exclusion in specific cases or within a certain range of case. However, thus far no one has comprehensively examined the entire body of FTDA cases – decided between 1995 and 2006 – to determine how courts have applied the FTDA in cases in which the defendant claimed that the challenged mark use should be protected under the First Amendment or the FTDA’s non-commercial use exclusion, or else found to be a non-diluting, expressive use.

Similarly, while some scholars have written about the implications of the TDRA’s expanded fair use exclusion, the literature has largely been theoretical in nature, and the few scholars who have examined the judicial application of the exclusion have had a limited pool of cases to pull from. Thus far, no scholar has attempted to analyze the universe of TDRA cases to date – decided between 2006 and 2013 – to determine how courts have handled cases in which the defendant claimed that the challenged mark use should be protected under the First Amendment or one of the TDRA’s exclusions, or else found to be a non-diluting, expressive use.

Finally, no one has yet attempted a comparative analysis of FTDA cases involving a First Amendment-related defense with similar cases decided under the TDRA. This inquiry is necessary to understand the cumulative impact that federal anti-
dilution legislation has had on expressive speech, and to determine whether such speech is adequately protected from dilution liability.

IV. RESEARCH QUESTIONS

The purpose of this thesis is to assess how expressive mark uses, including uses in parody, commentary and criticism, have been treated under federal trademark dilution law, and to determine whether the dilution statutes have effectively balanced the First Amendment rights of speakers with the interests of mark holders in protecting their marks. To accomplish this, the following research questions will be addressed:

1. How did the FTDA and TDRA attempt to accommodate the First Amendment interest of speakers wishing to use marks for parody commentary and criticism? What are the most relevant provisions of these statutes that protect expressive and critical speech? What does the legislative history reveal about Congress’s intent to protect this speech and how they anticipated the statutes would be applied?

2. How did the courts interpret and apply the provisions of the FTDA in cases of trademark dilution involving mark uses in expressive speech such as parody, commentary and criticism? To what extent did the courts acknowledge and incorporate the legislative intent regarding this category of speech? How did the courts balance the rights of mark owners under the act with the First Amendment rights of speakers using marks expressively?

3. How did the courts interpret and apply the provisions of the TDRA in cases of trademark dilution involving mark uses in expressive speech such as parody, commentary and criticism? To what extent did the courts acknowledge and incorporate the legislative intent regarding this category of speech? How did the courts balance the rights of mark owners under the act with the First Amendment rights of speakers using marks expressively?

4. What does a comparative analysis of cases decided under the FTDA and TDRA reveal about the courts treatment of mark uses in expressive speech? Has this speech been treated the same under both statutes? Have courts effectively balanced the interest of mark holders with the First Amendment free expression rights of speakers to use marks for parody, commentary and criticism?
V. METHODOLOGY

This thesis will review trademark dilution cases decided in federal appellate and district courts under the FTDA or the TDRA, from 1995 through November of 2013. The scope of this thesis will be limited to only federal trademark dilution claims brought under the FTDA and TDRA. State dilution claims will not be considered. While dilution claims are frequently brought in conjunction with other claims, the analysis in this thesis will focus only on the dilution claims; claims of copyright infringement, trademark infringement, cybersquatting, invasion of privacy, defamation and unfair competition will not be extensively considered in the analyses.

The study is limited to cases in which the defendant claimed that the challenged mark use should be protected under the First Amendment or a statutory use exclusion, or else found to be a non-diluting, expressive use. Some relevant cases were identified through the existing literature and the author’s own previous research. To identify additional relevant cases, searches were conducted in the Westlaw Next federal cases database using search terms: (trademark dilution) & (parody OR comment! OR critic! OR “first amendment” OR “fair use”).

A search of those terms identified a universe of 839 cases. Non-relevant cases were then excluded from the study. Non-relevant cases were those in which the defendant did not raise the First Amendment or a statutory exclusion as a defense. Also eliminated from the pool of relevant cases were those where such a defense was raised but never addressed because the case was dismissed on procedural grounds. Once non-relevant cases were eliminated, thirty-five cases were identified. These cases were then KeyCited
to ensure that the rulings were still “good law.” These thirty-five cases will be reviewed in Chapters Three and Four, and analyzed in Chapter Five.

VI. Outline

The first chapter of this thesis consists of a background section, a review of relevant literature, research questions and methods. The second chapter will provide a more in-depth overview of the FTDA and TDRA, and explore the legislative history of both acts to better understand how Congress attempted to accommodate First Amendment speech. The third chapter will review the twenty identified dilution cases decided under the FTDA between 1995 and 2006 in which the defendant claimed the use ought to be protected based on its expressive nature. The fourth chapter will similarly review the fifteen relevant cases identified from the TDRA period. The fifth and final chapter will analyze patterns from these cases to draw conclusions about how courts have treated expressive mark uses under the two laws, and whether this treatment has been consistent with the legislative intent of the laws. It will conclude with some observations about the application of dilution law generally.
CHAPTER TWO

THE LANGUAGE AND LEGISLATIVE HISTORY OF THE FTDA AND TDRA

This chapter will examine the contents and legislative history of the two federal trademark dilution laws, the Federal Trademark Dilution Act of 1995 (FTDA)\(^1\) and the Trademark Dilution Revision Act of 2006 (TDRA).\(^2\) The full text of both acts can be found in the Appendix section of this thesis. The purpose of this chapter is to understand what First Amendment concerns lawmakers confronted when creating the FTDA and TDRA, and how they attempted to accommodate these concerns and balance the interests of mark holders and speakers. This chapter will also look for clues about how Congress anticipated that the laws would be applied in federal dilution cases with potential First Amendment implications. Conclusions about the legislative intent of the two laws will be discussed in more detail in Chapter Five.


Congress’s first attempt to enact federal anti-dilution legislation came in 1988 with the Trademark Law Revision Act of 1988.\(^3\) The dilution provisions of the bill were


unable to pass in the House of Representatives, however, and ultimately died in committee.⁴ According to the Report by the House Committee on the Judiciary (the 1988 House Report), the dilution provisions were opposed by the Federal Trade Commission, the American Civil Liberties Union, and a variety of other stakeholders including publishing companies, news reporting organizations, media companies and advertisers.⁵

Criticism from the journalistic community appears to have been particularly influential in defeating the dilution provisions. The Society of Professional Journalists, for example, contended, “news reportage, comedy and satire, and editorial commentary may be threatened by [the dilution provision]. The remedy of injunctive relief to enforce this provision also raises the specter of an unconstitutional prior restraint.”⁶ National Public Radio and the National Newspapers Association expressed similar concerns.⁷ The National Association of Broadcasters concluded, “in the rough and tumble of the marketplace of ideas, we are of the view that the instinct for protection of image generally must give way to greater First Amendment values.”⁸ These concerns were cited repeatedly in the 1988 House Report to accompany H.R. 5372, which ultimately recommended that the dilution provisions be stricken from the bill.⁹

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⁴ 4 McCarthY on Trademarks and Unfair Competition § 24:95 (4th ed.)
⁶ Id. at 4.
⁷ Id.
⁸ Id.
⁹ Id. at 4-5 (recommending that the dilution provisions be stricken based on First Amendment concerns).
II. The Federal Trademark Dilution Act of 1995

The next attempt to introduce federal dilution legislation came in 1995 with the Federal Trademark Dilution Act (FTDA).\textsuperscript{10} The FTDA was a relatively brief piece of legislation, approximately three pages in length.\textsuperscript{11} If the brevity of the bill was unusual, the speed with which it passed through congress was even more surprising. The bill was introduced to the house as H.R. 1295 on November 30, 1995, passed the House unanimously on December 12, 1995, and was approved by the Senate on December 29, 1995.\textsuperscript{12} Based on this short timeline from proposal to passage, Sandra L. Rierson described the legislation as “cut[ting] through Congress like a hot knife through butter.”\textsuperscript{13}

The FTDA amended section 43 of the Lanham Act\textsuperscript{14} by creating a federal cause of action for trademark dilution. The cause of action empowered the owner of a famous mark to enjoin “the commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.”\textsuperscript{15} The statute defined dilution as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of—(1) competition between the owner of the famous mark and other parties, or (2)

\begin{footnotesize}
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\item H.R. 1295, 104th Cong. (1995).
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likelihood of confusion, mistake, or deception.”

According to the accompanying 1995 House Report No. 104-374 (1995 House Report) this definition was “designed to encompass all forms of dilution recognized by the courts, including dilution by blurring, by tarnishment and disparagement, and by diminishment.”

According to both the 1995 House Report and the statements by Senator Orin G. Hatch of Utah (R) at the bill’s introduction to the Senate (1995 Senate Introduction), the new law was necessary for two principal reasons: to provide consistent nation-wide protection for famous marks, and to promote international business relations. The accompanying House Report suggested that the law would minimize forum shopping and decrease litigation, and “assist the executive branch in its bilateral and multilateral negotiations with other countries to secure greater protection for the famous marks owned by U.S. companies.” The law was also described as bringing the United States into compliance with the 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), a World Trade Organization agreement that established minimum

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16 Id.
18 Id. at 4; 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch).
20 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (describing the existing system of state dilution law as creating a “patchwork” protection, making it difficult to protect marks employed at the national level and potentially encouraging forum shopping). See also H.R. REP. NO. 104-374, at 4 (1995) (arguing that a federal dilution statute was necessary because “Protection for famous marks should not depend on whether the forum where suit is filed has a dilution statute.”).
21 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (stating that Foreign countries would be “reluctant to change their laws to protect famous U.S. marks if the U.S. itself does not afford special protection for such marks.”); H.R. REP. NO. 104-374, at 4 (1995) (“Passage of a federal dilution statute would also assist the executive branch in its bilateral and multilateral negotiations with other countries to secure greater protection for the famous marks owned by U.S. companies.”).
standards of intellectual property protection across member nations.22

According to the 1995 House Report, the FTDA adequately addressed First Amendment concerns through its three statutory exclusions, located in subsection (c)(4).23 The three statutory exclusions listed the following forms of mark use as non-actionable under the FTDA: (A) “fair use” of a mark in comparative advertising and promotion, (B) non-commercial use of a famous mark, and (C) the use of a mark in the context of news reporting and news commentary.24 While the exclusions for comparative advertising and news reporting were intended to address the specific concerns of the media industry, the non-commercial use exclusion appears to have been something of a “catch all” for other forms of First Amendment speech not expressly protected by any statutory exclusion.25 According to the statements of Senator Hatch at the 1995 Senate Introduction of the bill, the non-commercial use exclusion would apply to a variety of expressive uses including “parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”26 The 1995 House Report also stated that the


23 H.R. REP. NO. 104-374, at 8 (1995) (“A new Section 43(c)(4) sets forth various activities that would not be actionable. This section is designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”).

24 Id. (noting that the bill recognized “the heightened First Amendment protection afforded the news industry”).


26 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (“The proposal adequately addresses legitimate first amendment concerns espoused by the broadcasting industry and the media. The bill will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”). See also 1995 H.R. REP. NO. 104-374, at 8 (1995) (noting that Section (4)(B) of the bill “expressly incorporates the concept of “commercial” speech
non-commercial use exclusion was consistent with the First Amendment based on the "commercial speech doctrine." 27

Until the mid-1970’s, commercial speech was considered to be entirely outside the scope of the First Amendment. However, in 1976 the Supreme Court ruled in Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., that commercial speech is entitled to intermediate-level First Amendment protection, which is a lower degree of protection than fully-protected political and social speech. 28 In 1980, in Central Hudson Gas & Electric v. Public Service Commission, the Supreme Court developed a test to determine whether a government restriction of commercial speech violates the First Amendment. 29 The Court explained the four-part analysis as follows:

At the outset, we must determine whether the First Amendment protects the expression. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary. 30

from the ‘commercial speech’ doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in ‘non-commercial’ uses,” and further stating “nothing in this bill is intended to alter existing case law on the subject of what constitutes ‘commercial’ speech.”).

27 Id.
28 425 U.S. 748, 770-71 (1976) (finding that the public has a First Amendment interest in the ability to receive truthful, non-misleading commercial speech related to legal products and services, and further concluding that content-neutral regulations on commercial speech are constitutional where they serve a significant government interest and leave alternate channels of communication available).
30 Id. at 563-64 (internal citations omitted). The Court stated:

There can be no constitutional objection to the suppression of commercial messages that do not accurately inform the public about lawful activity. The government may ban forms of communication more likely to deceive the public than to inform it . . . If the communication is neither misleading nor related to unlawful activity, the government's power is more circumscribed. The State must assert a substantial interest to be achieved by restrictions on commercial speech. Moreover, the regulatory technique must be in proportion to that interest. The limitation on expression must be designed carefully to achieve the State's goal. Compliance with this requirement may be measured by two criteria. First, the restriction must directly advance the state interest involved; the regulation may not be sustained if it provides only ineffective or remote support for the government's purpose. Second, if the governmental interest could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive.
While the *Central Hudson* test provides a framework to determine whether a government restriction on commercial speech is permissible under the First Amendment, identifying whether speech is “commercial” for First Amendment purposes has proven to be one of the most challenging areas of the commercial speech doctrine. In 1964, in *New York Times Co. v. Sullivan*, the Supreme Court held that political speech was not necessarily “commercial” for First Amendment purposes simply because it appeared in a paid advertising space in a newspaper.\(^{31}\) In 1976, in *Virginia State Board of Pharmacy*, the Court defined “purely commercial speech” as “speech that does no more than propose a commercial transaction.”\(^{32}\) But in 1983, in *Bolger v. Young’s Drug Products*, the Court held that “informational pamphlets” mailed by a contraceptive manufacturer and distributor were “properly characterized as commercial speech,” in spite of containing information on social issues, because they were “conceded to be advertisements,” “made reference to a specific product,” and were economically motivated.\(^{33}\) Thus, while the Supreme Court has repeatedly addressed the issue of commercial speech, the Court has

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\(^{31}\) 376 U.S. 254, 266 (1964):

The publication here was not a ‘commercial’ advertisement . . . It communicated information, expressed opinion, recited grievances, protested claimed abuses, and sought financial support on behalf of a movement whose existence and objectives are matters of the highest public interest and concern. That the Times was paid for publishing the advertisement is as immaterial in this connection as is the fact that newspapers and books are sold Any other conclusion would discourage newspapers from carrying ‘editorial advertisements’ of this type, and so might shut off an important outlet for the promulgation of information and ideas by persons who do not themselves have access to publishing facilities—who wish to exercise their freedom of speech even though they are not members of the press.

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\(^{33}\) 463 US 60, 67-68 (1983) (holding that this combination of commercial characteristics rendered pamphlets “commercial” even though the pamphlets “contain[ed] discussions of important public issues, such as venereal disease and family planning,” and further noting that advertisers should not be allowed to immunize themselves from government regulation “simply by including references to public issues.”).
never provided a precise definition of what “commercial speech” is.

While the commercial speech doctrine and its associated case law were referenced generally in both the 1995 House Report and the 1995 Senate Introduction accompanying the FTDA, neither document provided any explanation of how the commercial speech doctrine would be applied in the context of the FTDA’s non-commercial use exclusion. In fact, the only analysis of how the commercial speech doctrine might be applied in federal dilution cases was buried amidst 213 pages of records from the July 1995 Hearing before the Subcommittee on Courts and Intellectual Property of the Committee of the Judiciary of the House of Representatives about the proposed law (1995 Hearing).  

Mary Ann Alford, Executive Vice President of the International Trademark Association (INTA), provided the analysis.  

In her written statement to the committee, Alford asserted that the express exclusions for news reporting and comparative advertising would address the First Amendment concerns of the media industry, while other forms of protected speech would be sheltered under the non-commercial use exclusion. Alford noted that courts had typically been “quite cautious” when dealing with potential First Amendment issues in trademark cases, and suggested that this cautious approach would continue under the FTDA. She further argued that the non-commercial use exclusion would “build on a

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35 Id. at 84-85 (statement of Mary Ann Alford, Executive Vice president, International Trademark Association).

36 Id.

37 Id.
proven way of identifying speech that should not be regulated with trademark law.”38

Alford then went on to suggest how courts might effectively apply the commercial speech doctrine to trademark dilution cases. Citing Virginia State Board of Pharmacy, Alford suggested that any use of a senior mark by a defendant for the purpose of proposing a commercial transaction would be an actionable commercial use under the proposed federal dilution law, even if such use were to fall short of use as a trademark for the defendant’s own goods or services.39 Diluting uses, she suggested, would be identified by “balancing, in accordance with the Central Hudson Test, the need to use speech to convey a message” against the defendant’s underlying profit motive and the potential harm to the famous mark.40 She further clarified that not all speech packaged and sold for profit would be treated as “commercial speech” for purposes of the non-commercial use exclusion.41 Alford noted that courts typically applied a narrow interpretation of “commercial speech” where the work contained both expressive and commercial elements, granting the speech full First Amendment protection so long as it

38 Id.

39 Id. (theorizing that actionable uses would include the use of marks in advertising of the defendant’s goods and services except when such use was expressly protected as fair use comparative advertising).

40 Id. (describe categories of mark use that would not likely be protected under the FTDA’s non-commercial use exclusion as follows):

Sellers of commercial products who wish to attract attention to their commercials or products and thereby increase sales by poking fun at widely-recognized marks of non-competing products, (citation omitted) risk diluting the selling power of the mark that is made fun of. When this occurs, not for worthy purposes of expression but simply to sell their own products, that purpose can easily be achieved in other ways, potentially diluting effect is even less deserving of protection when the object of the joke is the mark of a directly competing product.

Id. at 85.

41 Id.
did more than merely propose a commercial transaction. She implied that a similar approach would be taken in dilution cases involving the use of marks in mixed commercial-expressive speech. Thus, under Alford’s interpretation of the commercial speech doctrine, the non-commercial use exclusion would likely protect not only purely expressive speech from dilution liability, but also expressive speech with commercial components (such as artistic parodies offered for sale).

Of the seven witnesses present at the 1995 hearing, Alford was the only witness to provide a substantive analysis of the First Amendment implications of the FTDA. Apart from Alford’s testimony, the potential First Amendment impacts of the proposed statute were rarely discussed, and the few witnesses or contributors who touched on First Amendment issues generally offered extremely limited analyses. It is noteworthy that all of the testimony and written contributions from the 1995 Hearing were provided by representatives of major corporations and the legal industry – both of which stood to

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42 Id. (Acknowledging that the distinction between commercial and non-commercial speech was not a “bright line,” but noting that courts already treated certain types of mixed expressive/commercial, including commercial journalistic publications and parodic art, as non-commercial, fully protected speech).

43 Id.

44 Id. at III (Listing testifying witnesses as: Mary Ann Alford, Executive Vice President, International Trademark Association; James K. Baughman, Assistant General Counsel, Campbell Soup Co.; Phillip G. Hampton, Assistant Commissioner for Trademarks, Patent and Trademark Office, U.S. Department of Commerce; Victor N. Montan, Senior Intellectual Property Counsel, Warner Bros.; Jonathan E. Moskin, Partner, Pennie & Edmonds; Gregory W. O’Connor, Patent Counsel and Assistant secretary, Samsonite Corporation; Thomas E. Smith, Chair of the Intellectual Property Section of the American Bar Association.

45 Id. at 38 (statement of Phillip G. Hampton, Assistant Commissioner for Trademarks, Patent and Trademark Office, U.S. Department of Commerce) (stating that the “injunctive relief is not overreaching in scope so as to infringe on any First Amendment rights); Id. at110 (statement of Victor N. Montan, senior intellectual property counsel, Warner Bros) (“I believe the relatively narrow scope of the bill and the historic ability of federal courts to set clear boundaries for the proper parameters of intellectual property law argue well for the enactment of H.R. 1295.); Id. at 194 (statement of Steven M. Getzoff, director of Intellectual Property, American Express) (stating that the exclusions will serve to limit possible abuses of dilution laws by overzealous, overreaching trademark owners.) See also, Id. at 189 (written submission of Peter J. Riebling, Esq.) (advocating for an extension of the fair use provisions to avoid First Amendment Concerns); Id. at 204 (written submission of Michael K. Kirk, executive director, American Intellectual Property Law Association) (questioning whether the current exclusions were too limited and should be expanded to accommodate a broader category of fair use defenses).
benefit from the enactment of a federal trademark dilution law – and that all of the witnesses and contributors favored the passage of the bill.46

While Alford’s analysis provided some insight into how the FTDA’s non-commercial use exclusion might be applied in conformity with the commercial speech doctrine, neither the 1995 House Report nor the 1995 Senate Introduction expressly adopted this interpretation. Although both of these legislative documents stated that the non-commercial use exclusion was “consistent with the commercial speech doctrine” and existing case law, neither provided guidance on how the commercial speech doctrine should be interpreted or applied in respect to the non-commercial use exclusion.47

Given the ambiguity of the term “non-commercial use” and the lack of guidance on how to apply the non-commercial use exclusion in trademark dilution cases, several scholars predicted that courts would interpret and apply the exclusion inconsistently, resulting in a chilling effect on the expressive use of marks.48 The actual application of the exclusion in cases involving expressive mark use will be the subject of Chapter Three. Several of the cases identified for that chapter involve the use of marks in “mixed speech” containing both expressive and commercial elements. The cases in that chapter

46 See generally 1995 Hearing. See also Rie son, supra note 10, at 210.

47 See H.R. REP. NO. 104-374, at 4 (1995). See also 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (“The bill will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction”).

48 See generally Jessica Taran, Dilution by Tarnishment: A Case for Vulgar Humor, 7 INTELL. PROP. L. BULL. 1, 7 (2002) (noting that Senator Orin Hatch’s explanation of the non-commercial use exclusion “does not provide as much guidance as one would hope because many parodies are an element of a commercial transaction.”); Keren Levy, 69 GEO. WASH. L. REV. 425, 435 (2001) (speculating that “because courts are ill-equipped with a federal dilution statute that is unclear on First Amendment defenses, they are left to devise their own application of free speech rights to trademark law); Sarah Schlosser, The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody, 43 ARIZ. L. REV. 931, 955 (2001) (noting that “the distinctions between commercial and noncommercial parodies of corporate trademarks are minor” and speculating that courts would construe the commercial use language inconsistently “giving the parody artist relatively little notice about what is and what is not protected”).
highlight the challenges of identifying what constitutes a “commercial” use of a mark.

III. THE TRADEMARK DILUTION REVISION ACT OF 2006

As discussed in the background section of Chapter One, the Trademark Dilution Revision Act (TDRA) was passed in 2006 to replace the FTDA. The FTDA’s statutory language had proven to be unworkably vague and the associated legislative history had provided little guidance on how courts ought to address the many ambiguities of the law. As a result of these ambiguities, the law had been interpreted and applied in an inconsistent fashion across the various circuits. Courts diverged on a variety of issues, including which marks were eligible for protection under the FTDA, what sort of uses would be protected under the non-commercial use exclusion, and – most importantly – whether the standard of harm necessary to recover under the Act was actual dilution or merely a likelihood of dilution.

The Supreme Court eventually addressed the standard of harm question in Moseley v. Victoria Secret Catalogue in 2003. In Moseley, the Supreme Court unanimously held that a plaintiff seeking to enjoin a diluting mark use was required to show proof of actual dilution by demonstrating that the similarity and association between the two marks resulted in a diminishment in the strength of the senior mark. The Court suggested that evidence of actual dilution would likely take the form of


52 Id. at 433-34 (noting that “mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner” and that the statutory requirement for the law is that the use cause an association that results in a weakening of the senior mark’s strength).
consumer surveys, but also accepted that circumstantial evidence may be sufficient to support a finding of actual dilution in some cases.\textsuperscript{53} While the Court acknowledged that demonstrating actual dilution would be difficult and potentially expensive for plaintiffs, the Court ultimately concluded, “Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation.”\textsuperscript{54} In \textit{dicta}, the Court also questioned whether the statutory language of the FTDA supported a cause of action of dilution by tarnishment.\textsuperscript{55}

Following the \textit{Moseley} ruling, mark holders began to petition Congress for a revision to the law, asserting that the actual dilution standard created an unreasonable burden on plaintiffs.\textsuperscript{56} Responding to these concerns, the House Judiciary Committee’s Subcommittee on Courts, the Internet and Intellectual Property initiated two hearings – one in 2004 (2004 Hearing) and one in 2005 (2005 Hearing) – to discuss the pros and cons of revising or replacing the FTDA to in order overcome the \textit{Moseley} ruling and address other longstanding issues with the original statute.\textsuperscript{57} These hearings informed the creation of H.R. 683, which was ultimately approved by the House and

\begin{itemize}
\item \textsuperscript{53} \textit{Id.} at 434 (speculating that dilution could be presumed based on circumstantial evidence that both the plaintiff and defendant were using an identical mark as a designation of source for their respective products).
\item \textsuperscript{54} \textit{Id.}
\item \textsuperscript{55} \textit{Id.} at 432 (noting that the definition of dilution provided in the statute protected marks from associations that could diminish their distinctiveness, but made no reference to negative associations or harm to the reputation of the mark or mark holding company, arguably supporting a narrow reading of the FTDA’s dilution cause of action).
\item \textsuperscript{56} See H.R. REP. NO 109-23 at 5 (2005).
\end{itemize}
Senate and signed into law by President George W. Bush on October 6, 2006 as the Trademark Dilution Revision Act of 2006 (TDRA).\[58\]

The TDRA made numerous changes to the existing federal dilution law. Most notably, it revised the dilution cause of action to allow mark owners to enjoin the commercial use of a trademark or trade dress "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."\[59\] This language effectively lowered the standard of harm from actual dilution (the Moseley standard) to a likelihood of dilution, thereby decreasing the burden of proof for the mark-owning plaintiffs.\[60\] It also created distinct causes of action for both dilution by blurring and dilution by tarnishment, thereby overcoming the dicta in Mosley that the language of the statute might not support a tarnishment claim.\[61\]

In addition to revising the standard of harm and clarifying the types of dilution that were to be actionable under the law, the TDRA narrowed the category of famous marks eligible to invoke the protection of the law to those marks that are nationally

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\[60\] This lowered standard was viewed as necessary in order to allow mark holders to prevent potentially diluting uses of a trademark before the dilutive harm occurred. See, e.g., 2005 Hearing at 16 (statement of Jacqueline A. Leimer, President, International Trademark Association) (arguing "because dilution is a process by which the value of a famous mark is diminished over time, either by one or multiple users, the owner of the famous mark should not be required to wait until the harm has advanced so far that the damage is already done."). See also Gerhardt, supra note 50, at 213 ("Claims for dilution make sense only if a remedy is available to rescue the mark before actual dilution occurs. Once a mark is actually diluted and loses its source identifying meaning, recovery may be impossible as a practical matter and legally barred.").

\[61\] 15 U.S.C. §1125(c)(2)(C) (defining dilution by tarnishment as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”).
famous. According to Christopher Kinkade, this change was logical because the most famous marks are those most susceptible to dilution, and therefore in most need of protection. Debora Gerhardt, on the other hand, described this change as creating a “luxury claim” to reward certain trademark owners “for becoming so deeply integrated into our culture that their marks have meaning to the general public.”

The new law also provided a list of non-exclusive “blurring factors” to help courts determine whether an allegedly diluting use was likely to “impair[] the distinctiveness of the famous mark” and thereby cause dilution by blurring. These factors included: (i) The degree of similarity between the mark or trade name and the famous mark, (ii) The degree of inherent or acquired distinctiveness of the famous mark, (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, (iv) The degree of recognition of the famous mark, (v) Whether the user of the mark or trade name intended to create an association with the famous mark, and (vi) Any actual association between the mark or trade name and the famous mark.

Finally, the TDRA amended the FTDA’s statutory exclusions. While the new law maintained the original FTDA exclusions for non-commercial uses and uses in news

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62 Id. §1125(c)(2)(A) (defining a famous mark as one that is “well known to the general consuming public of the United States”).

63 Christopher R. Kinkade, Is Trademark Dilution Law Diluting Rights? A Survey of the Trademark Dilution Revision Act of 2006, 31 SETON HALL LEGIS. J. 433, 458 (2007). But see Barton Beebe, A Defense of the New Federal Trademark Antidilution Law, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1143, 1162 (2006) (arguing that famous marks are in fact the least susceptible to dilution because their associations are so deeply engrained in the culture that they are essentially immunized).

64 Gerhardt, supra note 50, at 221.


66 Id. at §1125(c)(2)(B).
reporting and news commentary, it also expanded the exclusion for “fair use” in comparative advertising to include:

(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.**67**

The TDRA’s revised “fair use” exclusion made a variety of subtle yet important changes to the FTDA’s original “fair use” exclusion.

First, the TDRA broadened the “fair use” exclusion beyond comparative advertising to include both *descriptive* and *nominative* “fair use.”**68** This brought federal trademark dilution law more in line with federal trademark infringement law, which already allowed both descriptive and nominative “fair use” to serve as a defense to an infringement claim. What’s more, because infringement case law had developed two relatively straightforward, three-part tests for assessing the validity of nominative and descriptive “fair use” defenses,**69** the inclusion of these legal terms of art in the TDRA’s

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67 Id. at §1125(c)(3)(A) (emphasis added).
68 Descriptive fair use (also known as statutory fair use) is the use of another’s mark in order to describe one’s own product, and is expressly listed by the Lanham Act as a defense to trademark infringement. Nominative fair use, on the other hand, is the use of another’s mark to comment on that mark holder or its goods and services, and the protection of this form of use evolved through trademark infringement case law. See 2 McCarthy on Trademarks and Unfair Competition § 11:45 (4th ed.)
69 See 2 McCarthy on Trademarks and Unfair Competition § 11:45 (4th ed.) (listing three factors used by the courts when assessing the validity of a descriptive fair use defense in a trademark infringement context: 1) whether the plaintiff’s mark is used to describe the product being sold by the defendant, 2) whether the plaintiff’s mark is being used as part of the defendant’s own trademark, and 3) whether the defendant used the mark in good faith); see also 6 McCarthy on Trademarks and Unfair Competition § 31:156.50 (4th ed.) (describing the evolution of nominative fair use and listing the factors employed by courts when assessing the validity of a fair use defense as follows: 1) whether use of the plaintiff’s mark is necessary to reference the mark holder or its product, 2) whether the defendant uses only so much of the plaintiff’s mark as is necessary for effective reference, and 3) whether the defendant’s conduct or language accurately reflects the relationship between the parties and does not create a false impression of affiliation or endorsement as summarized by the treaties).
revised “fair use” exclusion potentially simplified the process of identifying non-actionable uses.

Second, the revised “fair use” exclusion dramatically narrowed the categories of speech that could be subject to a dilution action by expressly excluding “any fair use” from dilution liability, so long as the defendant was not using the senior mark as a designation of source for the defendant’s own goods or services.70 The use of the phrase “any fair use” implies that the exclusion could apply to even purely commercial uses, so long as the mark was not serving as a designation of source.71 As such, many commercial uses that might not have been eligible for the protection of the non-commercial use exclusion could potentially be protected under the revised “fair use” exclusion, so long as they are not source denoting and can pass one of the three-factor tests for descriptive or nominative “fair use.”72

Third and finally, the new exclusion expressly protected parody, commentary and criticism of the mark or mark holder under §1125(c)(3)(A)(ii). While these uses were theoretically protected under the FTDA’s non-commercial use exclusion,73 the TDRA created an additional layer of protection for these kinds of mark uses by expressly listing them as non-actionable. It is noteworthy, however, that the defense of parody, commentary and criticism listed under §1125(c)(3)(A)(ii) appears to be limited in two ways: the use must be non-source denoting and the mark must be used to identify and

70 See e.g., 2005 Hearing, supra note 58, at 22-25 (statement of William G. Barber, on behalf of American Intellectual Property Law Association).

71 The definition and implication of the “designation of source” language will be further discussed later in this chapter.

72 See McCarthy, supra note 64.

73 See 141 CONG. REC. S19306-10 at 8 (1995) (statement of Sen. Hatch) (stating that the FTDA would not “prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”).
parody, criticize or comment upon the mark owner or its goods and services. 74 Thus, while the expanded “fair use” exclusion added an additional layer of protection for certain types of expressive mark use, it appears to have been crafted to ensure that the exclusion would not be available to defendants who appropriate a famous mark for their own brands, or who do not have a legitimate need to use the mark. 75

While the text of the revised exclusion is informative in and of itself, there is surprisingly little legislative history directly accompanying the TDRA to cast additional light on the congressional intent behind the revised exclusion. The 2005 House Report was silent on the matter, 76 and the congressional record contains only a few vague endorsements for the revised exclusion as improving First Amendment protection for speakers. 77 However, this revision was discussed extensively during the April 2004 and July 2005 hearings before the Subcommittee on Courts, the Internet, and Intellectual Property. 78

Unlike the 1995 hearing, which preceded the passage of the FTDA, the 2004 and 2005 TDRA Hearings were attended by both proponents of the law (representatives from legal and business organizations) and critics of the law (the ACLU). 79 Also unlike the 1995 hearing, the potential First Amendment implications of the proposed statute were

75 See Richard Posner, When is Parody Fair Use?, 21 J. LEGAL STUD. 1, 67-68 (1992) (arguing that where a mark is used to comment on the mark holder it ought to be protected “fair use”). But see Eugene C. Lim, Of Chew Toys and Designer Handbags: A Critical Analysis of the “Parody” Exception Under the U.S. Trademark Dilution Revision Act, 35 CAMPBELL L. REV. 83 (2012) (speculating that the TDRA’s parody exclusion would be misinterpreted by judges as creating a blanket of protection for any humorous mark use).
77 Id. See also 152 CONG. REC. H6963-01 (Sept. 25, 2006) (statement of Sen. Lamar Smith (R)).
78 2004 Hearing, supra note 58; 2005 Hearing supra note 58.
79 2004 Hearing, supra note 58, at III (listing witnesses); 2005 Hearing supra note 58, at III (listing witnesses).
discussed extensively during both the 2004 and 2005 TDRA hearings. During the opening statements of the 2004 Hearing, for example, Representative Howard Berman of California (D) recognized the desire of business interests to revise the FTDA and establish a less burdensome “likelihood of dilution” standard of harm, but he also expressed concern that this lower standard of harm, coupled with the addition of an express tarnishment action, could create “an aura of over-protectionism” for famous marks that might impede First Amendment rights.\(^8^0\)

Some witnesses, such as the representative for the Intellectual Property Law Division of the American Bar Association, Robert Sacoff, expressed no substantial First Amendment concerns regarding the proposed law. Sacoff argued that the likelihood of dilution standard was consistent with the First Amendment,\(^8^1\) and that the existing exclusions were more than adequate to protect expressive speech from liability for dilution by blurring \textit{and} tarnishment.\(^8^2\) The International Trademark Association (INTA) largely agreed, noting that the lower “likelihood of dilution” standard was necessary given the subtle and “incipient” nature of dilution, and asserting that the FTDA’s existing exclusions had worked well as a means of protecting First Amendment speech.\(^8^3\)

However, in order to provide additional protection for First Amendment speech and “ensure that dilution protection is appropriately applied,” INTA representative

\(^8^1\) \textit{Id.} at 15 (statement of Robert W. Sacoff, Chair, Section of Intellectual Property Law, American Bar Association) (arguing that the likelihood of dilution standard had been adopted at the state level by many states without creating substantial First Amendment conflicts).
\(^8^2\) \textit{Id.} at 15 (“the FTDA explicitly provides for several exceptions to liability that alleviate potential tension with the First Amendment….In applying these exceptions, courts have construed the ‘non-commercial use’ provision broadly to ensure no First Amendment problems…. In addition, commercial speech is protected by the First Amendment and thus a court could not avoid a First Amendment analysis. There is no reason to believe that including a likelihood standard significantly changes the approach courts will take in balancing First Amendment concerns, the likelihood standard has dominated state law dilution statutes for decades.”).
\(^8^3\) \textit{Id.} at 6 (statement of Jacqueline A. Leimer, President, International Trademark Association).
Jacqueline Leimer advocated for a revision to the dilution cause of action itself: a requirement that the challenged mark be used as a “designation of source” in order to be actionable. Leimer argued that this requirement would protect “fair uses,” including commercial parody, commentary and criticism, from “falling within the ambit of the revised statute” so long as the challenged mark was not employed as a trademark, logo or source-denoting symbol for the defendant’s own goods or services.

Only the American Civil Liberties Union (ACLU), represented by Marvin Johnston, expressed substantial concerns about how the proposed TDRA might impact First Amendment speech. Of particular concern to Johnston was the threat that mark holders might use the revised law to “muzzle critical speakers.” While Johnston acknowledged that the FTDA’s exclusions were intended to prevent mark holders from abusing the law and censoring critical speech, Johnston argued that these exclusions were insufficient. Johnston took specific issue with the non-commercial use exclusion, which he viewed as fundamentally flawed for two reasons: First, he argued that the non-commercial use exclusion relied on a “bright-line” test to establish whether the use would be actionable, and was difficult to apply in cases where the challenged use contained both

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84 *Id.* at 12. Leimer stated:

INTA believes that it is essential when revising the federal dilution law for Congress to confirm that the rights of famous mark owners do not interfere with free speech protections that are guaranteed by the First Amendment. To accomplish this goal, we recommend that a revised dilution statute expressly provide as an essential element of the cause of action for dilution, whether for dilution by blurring or dilution by tarnishment, that the plaintiff demonstrate that the defendant is using the challenged mark as a ‘designation of source’ (e.g., trademark, trade name, logo, etc.) for the defendant’s own goods or services.

85 *Id.* at 12.

86 *Id.* at 34-43 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).

87 *Id.* at 41.

88 *Id.* at 40.
commercial and non-commercial elements. Second, he argued that the non-commercial use exclusion was likely to be interpreted by courts as creating automatic liability for any commercial use, an interpretation that does not take into account the First Amendment interests of the parties or the value of the expressive message.

Johnson also speculated the proposed statutory language of the TDRA would increase the risk of liability for critical speakers. For example, he contended that the proposed blurring factors were problematic as applied to parodies because “the intent to associate” and “actual association” were listed as factors favoring a finding of likely dilution by blurring, ignoring the fact that effective parodies, criticism and commentaries must associate with the target mark in order to effectively communicate their critical messages. He also suggested that the addition of an express cause of action for dilution by tarnishment could further expose protected critical speech to dilution liability, noting that the very definition of tarnishment as a use that “harms the reputation of the famous mark” implicated any use of the senior mark in effective criticism of the mark or mark owner. Therefore, Johnston speculated that critical speech generally, and particularly critical parodies, would face a higher risk of dilution liability

\[89\] *Id.* at 40. Johnston stated:

Reliance on this supposed “bright-line” distinction ignores the fact that effective speech is rarely “pure” in that it lacks some commercial component. Activist groups routinely seek donations on a web site to support their work, sell T-shirts, stickers and books, and possibly even allow advertising on the web site. Yet, under the FTDA, critical websites and parodies that generate incidental revenue could still be found to be ‘commercial’ and therefore subject to an injunction.

\[90\] *Id.* at 40.

\[91\] *Id.* at 39.

\[92\] *Id.*

\[93\] *Id.* (arguing that the definition of tarnishment contained in the proposed statute was “too vague and would sweep into it parody and criticism”).

\[94\] *Id.* at 38-39.
under the TDRA. To address these concerns, Johnston advocated on behalf of the ACLU that the statutory exclusions be amended by replacing the non-commercial use exclusion with an exclusion for "any speech protected by the First Amendment." 

In response to Johnston’s testimony, INTA representative Jacqueline Leimer suggested that the potential issues with the non-commercial use exclusion could be effectively addressed through the introduction of the “designation of source” requirement into the dilution cause of action. Leimer again posited that requiring plaintiffs to prove that the allegedly diluting mark use was employed as designation of source for the defendant’s own goods or services would ensure that commercial parodies, websites with commercial elements and other forms of mixed speech not using the challenged mark as part of their own branding would be protected from federal dilution liability. Johnston conceded that the introduction of the “designation of source” requirement might be valuable, but was hesitant to give an opinion until the definition of that term was clarified.

The definition and possible application of the term “designation of source” was eventually clarified, and extensively discussed, during the 2005 Hearing. As suggested by INTA, the print of the bill debated at the 2005 Hearing incorporated the “designation of source” language into the dilution cause of action. At the hearing, the INTA, this

94 Id.
95 Id. at 40 (emphasis in original).
96 Id. at 50-51 (statement of Jacqueline A. Leimer, President, International Trademark Association).
97 Id.
98 Id. (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).
99 2005 Hearing, supra note 58.
100 Id. at 15 (statement of Anne Gundelfinger, President, International Trademark Association) (“The bill expressly states that, as an essential element of the cause of action for dilution, whether for dilution by
time represented by Anne Gundelfinger, again supported this amendment to the dilution cause of action. Gundelfinger asserted that by requiring trademark dilution plaintiffs to “show that the defendant is using the challenged mark as a mark or name for his own company, goods, or services,” it would be “very clear” that descriptive and nominative fair uses, including parodies and criticisms appearing in commercial contexts, would not be actionable under the federal dilution statute.\(^{101}\)

This position was supported by the testimony of Stanford University law professor Mark A. Lemley, who stated that the addition of the “designation of source” requirement struck a proper balance “between over and under-protection in this important area of law.”\(^{102}\) Lemely argued that this limit was also consistent with the purpose of the law, because the risk of trademark dilution would only exist where the defendant had used the famous mark as a means of identifying his or her own goods, for example as a brand name or logo.\(^{103}\) Additionally, Lemely suggested that the designation of source requirement would provide “an important safeguard against the use of the law to attack free speech or legitimate competition” because most forms of legitimate commentary,

\(^{101}\) *Id.* Gundelfinger stated:

This formulation is not only consistent with the theoretical underpinnings of dilution law—to prevent the use of the same mark on different goods or services in ways that would whittle away at the distinctiveness of the famous mark or tarnish the famous mark’s reputation—but also makes it clear that referential and other types of uses of famous marks, even if offensive or annoying, do not ‘dilute’ the mark, though they may give rise to other causes of action (such as infringement, false advertising or unfair competition). Again, this supports the notion that dilution is meant to be a special remedy for only a narrow class of famous marks, and against only a narrow class of uses that are likely to impair the distinctiveness or harm the reputation of the famous mark, thereby decreasing the power of the brand.

*Id.* at 15.

\(^{102}\) *Id.* at 21 (statement of Mark A. Lemley, William H. Neukom Professor of Law, Stanford University).

\(^{103}\) *Id.*
criticism, parody and comparative advertising would not attempt to “appropriate the famous mark as a brand for the defendant’s own products.”\textsuperscript{104}

The ACLU, however, was not entirely convinced that this restriction would sufficiently protect First Amendment speech.\textsuperscript{105} While acknowledging that the “designation of source” language “provides some narrowing of the application” of the law, Johnston (again representing the ACLU) contended that it did not completely address the risk that mark holders might abuse the law to crush critical speech or commentary.\textsuperscript{106} For example, Johnston asked what would happen if a social movement or organization were to adopt a trademark parody as a logo for its campaign, or register a parody trade name as a domain name.\textsuperscript{107} Johnston speculated that some courts might view these kinds of uses as tantamount to use as a “designation of source,” and therefore might find them to be actionable under the revised law.\textsuperscript{108} Thus, Johnston advocated for an additional revision to statutory exclusions providing that “fair use” of a mark would not be actionable, \textit{even when} as designation of source.\textsuperscript{109}

On the other side of the spectrum, representatives for the Intellectual Property Law Section of the ABA and the American Intellectual Property Law Association (AIPLA) opposed the “designation of source” requirement as over-kill. AIPLA representative William Barber asserted that incorporating the designation of source

\textsuperscript{104} \textit{Id.}
\textsuperscript{105} \textit{Id.} at 30 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).
\textsuperscript{106} \textit{Id.} at 36.
\textsuperscript{107} \textit{Id.} (offering as an example “Joe Chemo,” a parody of the RJ. Reynolds’s Tobacco Company’s trademark Joe Camel, and speculating that an anti-smoking campaign might wish to use the “Joe Chemo” image as its logo or register the domain name www.joechemo.org to communicate its anti-smoking messages).
\textsuperscript{108} \textit{Id.} at 37.
\textsuperscript{109} \textit{Id.}
language into the dilution cause of action would unnecessarily create a new burden for plaintiffs.\textsuperscript{110} He further argued that the designation of source requirement would preclude claims against a variety of diluting uses that were previously actionable under both state laws and the FTDA.\textsuperscript{111} This concern was echoed by ABA representative Susan Montgomery, who alleged that the new designation of source language created a “whole new defense” that would “undesirably and unnecessarily” exempt certain uses from the statute that traditionally had not been seen as fair use, such as obscene uses.\textsuperscript{112} Both the ABA and the AIPLA again contended that the existing defenses of the FTDA were sufficient,\textsuperscript{113} but went on to suggest that any purported deficiencies could be better addressed by clarifying or amending the language of the statutory exclusions, rather than changing the dilution cause of action.\textsuperscript{114}

Ultimately, the “designation of source” language was incorporated into the bill, but into the statutory exclusions rather than the cause of action for dilution itself.\textsuperscript{115} The language was included in the TDRA’s revised “fair use” exclusion, which was crafted collaboratively by representatives of the ACLU, INTA and AIPLA.\textsuperscript{116} The exclusion

\textsuperscript{110} Id. at 26 (statement of William G. Barber, on behalf of American Intellectual Property Law Association).

\textsuperscript{111} Id. at 24-27 (contending that the language would “eliminate an entire body of law in which courts have been granting relief for many years,” and specifically dilution by tarnishment cases in which tarnishing trademark parodies were sold on posters and t-shirts, but were not used as a trademark for the defendant’s goods).

\textsuperscript{112} Id. at 61 (statement of Susan Barbieri Montgomery, Vice Chair, Section of Intellectual Property Law, on behalf of the Section of Intellectual Property Law of the American Bar Association).

\textsuperscript{113} Id. at 63.

\textsuperscript{114} Id. at 63-64.

\textsuperscript{115} See 15 U.S.C. §1125(c)(3)(A) (excluding any fair use of a famous mark “other than as a designation of source for the person’s own goods or services”).

expressly protected the “fair use” of a famous mark in parody, commentary and criticism targeting the mark or mark holder, so long as the mark was not used as a designation of source for the defendant’s own goods and services.\textsuperscript{117} As previously mentioned, the TDRA also maintained the FTDA’s exclusions for non-commercial uses and uses in news reporting and news commentary.\textsuperscript{118} The actual application of the TDRA and its statutory exclusions in cases involving expressive speech such as parody, criticism or commentary will be examined in Chapter Four.

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\textsuperscript{117} 15 U.S.C. §1125(c)(3)(A)(ii) (emphasis added); \textit{See also} 152 \textsc{Cong. Rec.} H6963-01, at 06 (2006) (statement of Sen. Smith) ("Amendments developed by the subcommittee and the other body will more clearly protect traditional first amendment uses, such as parody and criticism. These amendments provide balance to the law by strengthening traditional fair-use defenses.").

\textsuperscript{118} 15 U.S.C. at §1125 (c)(3)(B) and §1125 (c)(3)(C).
CHAPTER THREE
FIRST AMENDMENT SPEECH UNDER THE FTDA

As discussed in Chapter Two, the legislative history of the FTDA appears to indicate that Congress incorporated three statutory exclusions into the law to ensure First Amendment-protected speech would not be actionable for trademark dilution.\(^1\) While two of the statutory exclusions were related to protecting the rights of the media, it appears that the non-commercial use exclusion was meant to protect essentially all other forms of constitutionally protected speech, including the expressive use of marks in artistic works, parody, criticism, and commentary.\(^2\) This chapter will review how courts applied the FTDA in cases in which the defendant claimed that the challenged mark use should be protected from dilution liability based on the First Amendment or the non-commercial use exclusion, or because the mark was used expressively in a non-diluting fashion.

Twenty cases were identified for this study based on these criteria.\(^3\) These cases come from federal district and appellate courts. While trademark dilution claims are often

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\(^1\) See H.R. REP. NO. 104-374 at 8 (1995) (noting that the statutory exclusions were “designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”).

\(^2\) Id. (stating that the non-commercial use exclusion would protect “parody, satire, editorial and other forms of expression that are not a part of a commercial transaction”).

\(^3\) Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005); Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002 (9th Cir. 2004); Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002); People for Ethical Treatment of Animals, Inc. v. Doughney, 113 F. Supp. 2d 915, 920 (E.D. Va. 2000) aff’d sub nom., People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359 (4th Cir. 2001) (addressing all but the dilution claim, but affirming the lower courts interpretation of commercial use); Jews For Jesus v. Brodsky, 993 F. Supp. 282 (D.N.J. 1998), aff’d, 159 F.3d 1351 (3d Cir. 1998) (affirming without opinion); Planned Parenthood Fed’n of Am., Inc. v. Bucci, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), aff’d, 152 F.3d 920 (2d Cir. 1998)
filed with related intellectual property and business claims, such as trademark infringement, copyright infringement, cybersquatting and unfair competition, this chapter focuses on the courts’ treatment of federal dilution claims. This chapter is divided into four main parts.

Part one of this chapter will examine cases in which the defendant claimed that the mark use should be protected as an expressive use in an artistic work or a parody. Part two will examine cases in which the defendant claimed the use should be protected as a direct commentary about, or criticism of, the mark owner or its goods or services. This section includes cases involving the unauthorized use of marks in “gripe sites” by dissatisfied consumers, and the use of marks to criticize the mark owner’s view points or practices. Part three will examine cases in which the defendant claimed the use should


4 Walking Mountain, 353 F.3d 792; MCA Records, 296 F.3d 894; Lucasfilm, 182 F. Supp. 2d 897; Dr. Seuss, 924 F. Supp. 1559.


6 Bosley Medical, 403 F.3d 672 (9th Cir. 2005); Northland Insurance, 115 F. Supp. 2d 1108; Bally Total Fitness, 29 F. Supp. 2d 1161.

7 PETA 113 F. Supp. 2d 915 (E.D. Va. 2000), aff’d, 263 F.3d 359 (4th Cir. 2001) (addressing all but the dilution claim, but affirming the lower courts interpretation of commercial use); OBH, Inc. 86 F. Supp. 2d 176; Jews For Jesus, 993 F. Supp. 282, aff’d, 159 F.3d 1351 (3d Cir. 1998) (affirming without opinion); Planned Parenthood, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), aff’d, 152 F.3d 920 (2d Cir. 1998) (affirming without opinion).
be protected as political speech.\textsuperscript{8} Part four will provide a brief summary and comparison of the cases discussed.

I. EXPRESSIVE OR ARTISTIC USE, INCLUDING PARODY

This study identified eight FTDA cases in which the defendant claimed that the allegedly diluting mark was used expressively as part of an artistic work or parody.\textsuperscript{9} The cases are divided into three subsections based on the courts’ treatment of the use. Subsection (A) discusses four cases in which the court found that the mark use was a non-actionable, non-commercial, expressive use.\textsuperscript{10} Subsection (B) discusses two cases in which the court found that the mark use was actionably commercial, but also expressive and non-diluting.\textsuperscript{11} Finally, subsection (C) discusses two cases in which the court found the mark use to be both actionable and diluting.\textsuperscript{12}

A) Non-Commercial Use in an “Artistic Work”

There were four FTDA period cases identified for this study in which the challenged mark was used in an expressive, artistic work such as a song, book, movie or piece of visual art.\textsuperscript{13} In each of these cases, the use was found to be non-commercial,

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\textsuperscript{9} Walking Mountain, 353 F.3d 792; MCA Records, 296 F.3d 894; Big Dog Holdings, 280 F. Supp. 2d 413; Lucasfilm, 182 F. Supp. 2d 897; Tommy Hilfiger, 221 F. Supp. 2d 410; Kraft Foods, 205 F. Supp. 2d 942; Conopco Inc. 1999 WL 1277957; Dr. Seuss, 924 F. Supp. 1559.

\textsuperscript{10} Walking Mountain, 353 F.3d 792; MCA Records, 296 F.3d 894; Lucasfilm, 182 F. Supp. 2d 897; Dr. Seuss, 924 F. Supp. 1559.

\textsuperscript{11} Big Dog Holdings, 280 F. Supp. 2d 413; Tommy Hilfiger, 221 F. Supp. 2d 410.

\textsuperscript{12} Kraft Foods 205 F. Supp. 2d 942; Conopco Inc., 1999 WL 1277957.

\textsuperscript{13} Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002); Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Lucasfilm Ltd. v. Media Mkt. Grp., Ltd., 182 F. Supp. 2d 897 (N.D. Cal. 2002); Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 924 F. Supp. 1559, 1561 (S.D. Cal.)
\end{flushleft}
even where the use was tarnishing and even where the mark-bearing product was sold in commerce. Notably, all of these cases were decided by courts within the Ninth Circuit.

One of the first cases to be decided under the FTDA was Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., a 1996 decision by a California federal district court.\textsuperscript{14} In Dr. Seuss, the defendant published a book entitled The Cat NOT in the Hat! A Parody by Dr. Juice.\textsuperscript{15} The book, a comedic retelling of the O.J. Simpson murder trial, mimicked the writing style, illustrations and characters of the famous Dr. Seuss book The Cat in The Hat. Following publication of the book, Dr. Seuss Enterprises sued for copyright infringement, trademark infringement and trademark dilution.\textsuperscript{16}

In Dr. Seuss, the California federal district court found that the defendants’ book constituted both copyright and trademark infringement because it used elements of Seuss’s intellectual property for satirical purposes unrelated to commenting on the author’s original works.\textsuperscript{17} Noting that the “appropriation of the original” work was not “required to fulfill the parodic purpose” of the defendant’s book, the district court concluded that this use was unprotected by the First Amendment.\textsuperscript{18} The Ninth Circuit

\textsuperscript{14} Dr. Seuss, 924 F. Supp. 1559.

\textsuperscript{15} Id. at 1561-63.

\textsuperscript{16} Id.

\textsuperscript{17} Id. at 1569 (Addressing the parody defense in the copyright claim, stating “The choice to take protected elements from a copyrighted work is reasonable and fair only when it is necessary. It is necessary only when one of the targets of the satirist is the work itself, because only then is it fair to presume that the satirist has no alternative to infringement.”) and 1573 (“[A]s in copyright, trademark infringement will be excused only where necessary to the purpose of the use. Where alternative means of achieving the satiric or parodic ends exist that would not entail consumer confusion, the First Amendment will not protect the parodist from being held to infringe.”).

\textsuperscript{18} Id.
later affirmed this reasoning.\textsuperscript{19}

Interestingly, while the satire versus parody distinction was central in the district court’s holdings in the copyright and trademark infringement claims, it played no part in the district court’s dilution analysis. In addressing the federal trademark dilution claim, the district court in \textit{Dr. Seuss} defined commercial speech as speech that does no more than propose a commercial transaction, and then held that the defendant’s book did not constitute commercial speech because it was largely expressive.\textsuperscript{20} The district court further noted “an expressive use is not rendered commercial by the impact of the use on sales.”\textsuperscript{21} Citing the legislative history of the FTDA, the court concluded that the statute’s non-commercial use exclusion was intended to protect “parody, satire, editorial and other forms of expression that are not part of a commercial transaction.”\textsuperscript{22} Thus, \textit{Dr. Seuss} court ultimately held that “the First Amendment would apply to this use of the trademarks at issue, and that as an expressive use, this use is exempt from the reach of the Federal Trademark Dilution Act.”\textsuperscript{23} The dilution claim was not reviewed on appeal.

A similar case, \textit{Lucasfilm v. Media Market Group}, was brought before another California federal district court in 2002.\textsuperscript{24} In \textit{Lucasfilm}, the owner of the “Star Wars”

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\textsuperscript{19} Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1401 (9th Cir. 1997) (finding that the defendant’s book was not a protected parody for purposes of trademark or copyright infringement because it had “no critical bearing on the substance or style of \textit{The Cat in the Hat}” and that the intellectual property was appropriated only “to get attention or maybe even to avoid the drudgery in working up something fresh”) (internal citations omitted).

\textsuperscript{20} Id. at 1574 (citing Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748, 762 (1976)).

\textsuperscript{21} Id.

\textsuperscript{22} Id. (“Section 1125(c)(4)(B) was defined by Senator Hatch in introducing the bill to include ‘parody, satire, editorial and other forms of expression that are not part of a commercial transaction.’”) (quoting 141 \textsc{Cong. Rec.} S19306-10, 8 (1995) (statement of Sen. Hatch)).

\textsuperscript{23} Id.

\textsuperscript{24} Lucasfilm Ltd. v. Media Mkt. Grp., Ltd., 182 F. Supp. 2d 897 (N.D. Cal. 2002).
\end{footnotesize}
franchise sought to enjoin the defendant’s pornographic movie parody “Starballz” for dilution by tarnishment and other intellectual property claims. In its extremely brief dilution analysis, the Lucasfilm court determined that “Starballz” “tarnish[ed] the Star Wars family of marks by associating them with a pornographic film that is inconsistent with the image Star Wars has striven to maintain for itself.” However, the court concluded that this tarnishing use constituted non-actionable, non-commercial speech. Citing Dr. Seuss, the Lucasfilm court found that the film was expressive as a whole, and therefore held that the mark use was protected from dilution liability under the FTDA’s non-commercial use exclusion. This case was not appealed.

Later in 2002, the United States Ninth Circuit Court of Appeals decided what is arguably the best-known federal dilution case involving an artistic work or parody: Mattel, Inc. v. MCA Records, Inc. In MCA Records, toy manufacturer Mattel sued the record label MCA for dilution based on the use of the “Barbie” mark in the pop song “Barbie Girl.” In its opinion, the Ninth Circuit admitted that the use of the mark was likely to cause dilution by blurring, but ultimately concluded that the use was non-

\[\text{Id.} \]
\[\text{Id. at 900.} \]
\[\text{Id. at 900-01.} \]
\[\text{Id.} \]
\[\text{Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002).} \]
\[\text{Id. at 903-04.} \]

MCA’s use of the mark is dilutive. MCA does not dispute that, while a reference to Barbie would previously have brought to mind only Mattel’s doll, after the song’s popular success, some consumers hearing Barbie's name will think of both the doll and the song, or perhaps of the song only. This is a classic blurring injury and is in no way diminished by the fact that the song itself refers back to Barbie the doll. To be dilutive, use of the mark need not bring to mind the junior user alone. The distinctiveness of the mark is diminished if the mark no longer brings to mind the senior user alone.

\[\text{Id. at 903-04.} \]
actionable because it fell under the protection of the FTDA’s non-commercial use exclusion. To reach this conclusion, the Ninth Circuit in *MCA Records* provided one of the most extensive and in-depth analyses of the non-commercial use exclusion to emerge during the FTDA period.

First, the court noted that the non-commercial use exclusion presented “a bit of a conundrum” because a mark must be used in commerce to be actionable under the Lanham Act, but a dilutive use could be excluded from liability under the FTDA if it was “non-commercial.” The *MCA Records* court reasoned that if the term “commercial” were interpreted as having the same meaning in both the dilution cause of action and the FTDA’s exclusion, then the use exclusion would be meaningless; any use sufficiently commercial to be actionable would also be ineligible for protection under the exclusion. What’s more, the court noted that this interpretation would likely be unconstitutional because it would “leave the FTDA with no First Amendment protection

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31 *Id.* at 906-07.

32 *Id.* at 904. Defining the federal cause of action for trademark dilution as follows:

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.


34 *Id.* at 904 (“If the term ‘commercial use’ had the same meaning in both provisions, this would eliminate one of the three statutory exemptions defined by this subsection, because any use found to be dilutive would, of necessity, not be noncommercial.”).
for dilutive speech other than comparative advertising and news reporting.”\(^{35}\) As such, the court concluded that the term “commercial use,” as applied in the FTDA’s non-commercial use exclusion, had a different meaning than the term “commercial use” in other areas of the Lanham Act.\(^{36}\)

The *MCA Records* court then referred to the legislative history of the FTDA in order to determine the intended meaning of the term “commercial use” in the law’s non-commercial use exclusion.\(^ {37}\) Based on the FTDA’s accompanying 1995 House Report, the court held that the non-commercial use exclusion was intended to exempt any speech that would be granted a heightened level of First Amendment protection under the commercial speech doctrine.\(^ {38}\) The court then defined commercial speech as speech that “does no more than propose a commercial transaction,”\(^ {39}\) and reasoned that if the mark use at issue “does more than propose a commercial transaction[,] then it is entitled to full First Amendment protection.”\(^ {40}\) The court further noted that where the speech is sold, such that its commercial purpose is “inextricably entwined” with its expressive elements, the entire speech enjoys full First Amendment protection.\(^ {41}\) Applying this interpretation of the non-commercial use exclusion to the facts of the case, the *MCA Records* court held

\(^{35}\) *Id.*

\(^{36}\) *Id.* at 905.

\(^{37}\) *Id.* at 906 (“The FTDA’s section-by-section analysis presented in the House and Senate suggests that the bill’s sponsors relied on the “noncommercial use” exemption to allay First Amendment concerns.”).

\(^{38}\) *Id.* at 906 (citing H.R. REP. No. 104-374, at 8 (1995)).

\(^{39}\) *Id.* (citing Bolger v. Young’s Drug Products Corp., 463 U.S. 60 (1983)).

\(^{40}\) *Id.*

\(^{41}\) *Id.* (citing Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180, 1183-86 (9th Cir. 2001)).
that MCA’s use did more than propose a commercial transaction and was thus excluded from liability under the FTDA’s non-commercial use exclusion.42

While the MCA Records court accepted that the defendants had leveraged the “Barbie” mark to sell copies of the song, the court concluded that the song also lampooned the mark and commented upon its cultural associations.43 As such, the court reasoned that the song employed the mark expressively as a parody.44 Noting that parody and commentary were among the types of mark uses that Congress expressly intended to exempt under the non-commercial use exclusion,45 the court ultimately held that the use of the “Barbie” mark in the song “Barbie Girl” was protected under the First Amendment and under the FTDA’s non-commercial use exclusion.46

A year after deciding MCA Records, the Ninth Circuit issued a similar ruling in the 2003 case Mattel, Inc. v. Walking Mountain Productions.47 In Walking Mountain, Mattel brought an action for dilution by tarnishment against an artist who sold photographs of nude Barbie dolls posed in sexual or violent scenarios alongside vintage household appliances.48 The defendant argued that the use of Barbie dolls in these photographs was intended to “critique [ ] the objectification of women associated with

42 Id. at 906-07 ("Barbie Girl is not purely commercial speech, and is therefore fully protected...use of the Barbie mark in the song Barbie Girl therefore falls within the noncommercial use exemption to the FTDA. For precisely the same reasons, use of the mark in the song's title is also exempted.").
43 Id.
44 Id. at 901.
46 Id. at 901.
47 Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003).
48 Id. at 796.
[Barbie], and [ ] [to] lambast [ ] the conventional beauty myth and the societal acceptance of women as objects [that] Barbie embodies."49

In finding the use non-commercial and thus non-actionable, the Ninth Circuit in Walking Mountain cited its decision in MCA Records and concluded that the use was protected under the FTDA’s non-commercial use exclusion.50 As in MCA Records, the Walking Mountain court found that the defendant had used the “Barbie” mark in an effort to comment upon the mark and the cultural associations it had come to signify.51 As such, the court concluded that the use did more than propose a commercial transaction, and held that the expressive nature of the use qualified it as non-commercial for the purposes of the FTDA.52 Furthermore, the court reasoned that it would be a violation of First Amendment speech protections to allow a mark owner to enjoin an editorial or artistic parody satirizing the plaintiff’s product or its image.53 Thus, the court held that the First Amendment also protected the mark use.54

In each of the four cases above – Dr. Seuss, Lucasfilm, MCA Records, and Walking Mountain – the FTDA’s non-commercial use exclusion was applied to the defendant’s use because the work, as a whole, expressed ideas and message beyond the mere proposition of a commercial transaction.55 Interestingly, the district court in Dr.

49 Id. (explaining the defendant testified that he had selected Barbie to make these commentaries about our culture’s treatment of women because Barbie was “the most enduring of those products that feed on the insecurities of our beauty and perfection-obsessed consumer culture.”)
50 Id. at 812.
51 Id. at 802.
52 Id.
53 Id. at 812.
54 Id.
55 Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002); Lucasfilm Ltd. v. Media Mkt. Grp., Ltd., 182 F. Supp. 2d 897 (N.D.}
Seuss found that the mark use was protected because it was part of an expressive artistic work, and in spite of the fact that the mark was not used to comment on the senior mark or mark owner.\textsuperscript{56} In both MCA Records and Walking Mountain, on the other hand, the Ninth Circuit emphasized that the mark use was expressive, and thus protected, because it commented upon the associations of the senior mark.\textsuperscript{57}

**B) Commercial, Non-Diluting Trademark Parodies**

This study identified two FTDA cases in which the defendant’s expressive mark use in a parody product was found to be actionably commercial but non-diluting.\textsuperscript{58} In both of these cases the defendant’s mark use was ineligible for the non-commercial use exclusion because the challenged mark was employed as a designation of source for the defendant’s own products, a type of use that is classically commercial under the Lanham Act.\textsuperscript{59} Nonetheless, the use in each case was ultimately found not to cause dilution by blurring or tarnishment based on the nature of the use as a light-hearted parody.

\textsuperscript{56} Dr. Seuss, 924 F. Supp. 1559.

\textsuperscript{57} Walking Mountain, 353 F.3d at 812 (holding that the exclusion applied because the use was parodic and “[p]arody is a form of noncommercial expression if it does more than propose a commercial transaction.”); MCA Records 296 F.3d at 906-07 (“To be sure, MCA used Barbie's name to sell copies of the song. However, as we've already observed, the song also lampoons the Barbie image and comments humorously on the cultural values Aqua claims she represents. Use of the Barbie mark in the song Barbie Girl therefore falls within the noncommercial use exemption to the FTDA.”).


\textsuperscript{59} See e.g., The Trademark Dilution Revision Act of 2005: Hearing on H.R. 638 Before the Subcomm. on Courts, the Internet and Intel. Prop. of the H. Comm. on the Judiciary, 109 Cong. (2005) at 21 (statement of Mark A. Lemley, William H. Neukom Professor of Law, Stanford University) (analogizing the use of a mark as a “designation of source” to the “trademark use” requirement of trademark infringement law).
A federal district court in New York decided the first case, Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC., in 2002. In *Tommy Hilfiger*, the court refused to enjoin the defendant’s use of the mark “Timmy Holedigger” for a “pet perfume.” While the court acknowledged that the use was clearly commercial and source denoting, the court concluded that a commercial use did not automatically cause dilution in cases of effective parody. Although *Tommy Hilfiger* contended that defendant’s use was *not* a parody because it was insufficiently critical of the Hilfiger brand or its products, the court disagreed. Citing a well-known pre-FTDA case from the United States First Circuit Court of Appeals, the *Tommy Hilfiger* court noted that a trademark parody might be protected even when its message is simply that a mark’s image need not be taken too seriously. The court explained:

> One can readily see why high-end fashion brands would be ripe targets for such mockery, and why pet perfume is a clever vehicle for it. Even if not technically a parody, Nature Labs' use is at least a pun or comical expression—ideas also held to be entitled to First Amendment protection.

After concluding that the defendant’s use was entitled to First Amendment protection, the *Tommy Hilfiger* court then reasoned that this use did not pose a threat to the distinctiveness of the senior mark. The court noted that the joke’s success was dependent upon the public’s continued association of the senior mark with the plaintiff,

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60 *Tommy Hilfiger*, 221 F. Supp. 2d 410.
61 *Id.* at 413 (describing the packaging, including the Timmy Holedigger logo, which mimicked the Tommy Hilfiger log, and a label reading “If You Like Tommy Hilfiger Your Pet Will Love Timmy Holedigger.”).
62 *Id.*
63 *Id.* at 422-23.
64 *Id.* at 415.
65 *Id.* (citing L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 34 (1st Cir.1987)).
66 *Id.*
and therefore was unlikely to weaken those associations. In fact, the court posited that “Nature Labs' spoof, like other obvious parodies, tends to increase public identification of a plaintiff's mark with the plaintiff.” Noting that a dilution by blurring is characterized by a diminution in the distinctiveness and associative strength of a famous mark, the court concluded that the use of the “Timmy Holedigger” mark could not be found dilute the strength of the senior mark absent actual evidence to the contrary.

The court also rejected Hilfiger’s claim that the parody was tarnishing. Hilfiger argued that the use of the parody mark in conjunction with a cologne for dogs was tarnishing because it “project[ed] an image at odds with Hilfiger's reputation for high-quality fragrance products for humans.” The court disagreed. While acknowledging that a junior mark can sometimes tarnish a senior mark merely by creating associations that are contradictory to the senior mark’s image, the Tommy Hilfiger court noted that the “sina qua non of tarnishment is a finding that [the] plaintiff’s mark will suffer negative associations through [the] defendant's use.” The court reasoned that negative associations were highly unlikely in this case because Hilfiger had little to lose from a “mere association with pets, particularly where the entire association

68 Id.
69 Id. (emphasis added) (internal citations omitted).
70 Id. (“Given the nature of the challenged use, then, and the utter lack of evidence that the selling power of Hilfiger's marks has been diminished, no rational trier of fact could conclude that Nature Labs' pet perfume is likely to impair the identification of Hilfiger's marks with its products.”).
71 Id. at 422.
72 Id. at 423 (internal citation omitted).
is a light-hearted if somewhat heavy-handed parody.” Therefore the court held that the commercial use of the mark in this case was not tarnishing.

A similar conclusion was reached in *World Wrestling Federation Entertainment Inc. v. Big Dog Holdings, Inc.*, a 2003 decision by a federal district court in Pennsylvania. In *Big Dog Holdings*, the defendant sportswear company sold a line of clothing products featuring parodies of famous WWFE wrestlers. The “Big Dog Wrestling Federation” line of clothing products featured illustrations of WWFE wrestlers caricatured as dogs with dog-inspired names. The phrase “BIG DOG SPORTSWEAR. THIS IS A PARODY” was printed underneath the image on each product.

In *Big Dog Holdings*, the court concluded that, while the use was clearly commercial, it was also clearly parodic because the images “ridicule[d] and poke[d] fun at these larger-than life…self-serious, fierce and violent images and personas of WWFE professional wrestling” by humorously “dogifying” them. As in *Tommy Hilfiger*, the *Big Dog Holdings* court found that such obvious mockery likely increased, rather than decreased, the associative strength of the WWFE’s marks. Therefore the court held that it was “inconceivable” that a jury would find these uses to cause dilution by blurring. The court also dismissed the WWFE’s claim that the use caused dilution by tarnishment.

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73 *Id.*

74 *Id.*


76 *Id.* at 420-22 (describing the products that were the subject of the litigation and the parodies of wrestler names such as “Hollywood Hulk Hogan” as “Hollywoof Hound Hogan,” “Stone Cold Steve Austin” as “Bone Cold Steve Pawstin,” “Goldberg” as “Goldbark,” and “the Undertaker” as “The Underdogger.”).

77 *Id.*

78 *Id.* at 426

79 *Id.* at 426-27.

80 *Id.* at 441-42.
finding that there was no evidence that the products sold by Big Dog were offensive or of inferior quality.  

Tommy Hilfiger and Big Dog Holdings demonstrate the willingness of these two district courts to protect trademark parody from dilution liability even where the use was clearly commercial. In each case the respective court concluded that an effective trademark parody, by its very nature, re-enforces the association of the senior mark with mark owner and the brand, and therefore is unlikely to cause dilution by blurring. It is noteworthy, however, that the parodies at issue in these cases were viewed as non-tarnishing. It is unclear from these cases whether the same level of protection would have been extended to tarnishing parodies serving as a designation of source for the defendant’s commercial product.

C) Commercial and Diluting Uses

In only two cases were the defendants’ uses of a mark for purportedly artistic or parodic purposes found both actionable and diluting. One case was Kraft Foods Holdings, Inc. v. Helm, a 2002 decision by a federal district court in Illinois. In Kraft Foods, the owner of the mark “Velveeta” for cheese products sought to enjoin a website operator from using the name “King VelVeeda” in association with his websites.

81 Id. at 442-43 (noting that “many of WWE's t-shirt graphics contain phrases that are profane, violent or carry sexual connotations,” and that the most offensive phrase used by Big Dog was “Open Up a Can of Woof Ass,” which was a takeoff on WWE's phrase “Open Up a Can of Whoop Ass”).

82 Id. at 441 (noting that “Dilution by blurring occurs when the use of the defendant's mark results in the loss of the ability for plaintiff's mark to serve as a unique identifier of the plaintiff's product, causing the public to no longer associate the plaintiff's famous mark with its goods or services” and concluding that “Big Dog's parody is actually likely “increase public identification” of WWE's marks with WWE.”) (internal citations omitted); Tommy Hilfiger 221 F. Supp. 2d at 422 (holding that “rather than result in this type of dilution, Nature Labs' spoof, like other obvious parodies, “tends to increase public identification of a plaintiff's mark with the plaintiff… [T]he joke itself reinforces the public's association of the mark with the plaintiff.”) (internal citations omitted).

Kraft claimed that the use of the “King VelVeeda” name caused dilution by tarnishment because it associated Kraft’s family-friendly food product with pornographic images of nude women, illustrations of obscene sexual activities, and drawings of illicit drug use. The defendant, Stuart Helm, argued that the use of the name “King VelVeeda” was non-commercial because it was intended as a parody. He further claimed that the use was expressive and protected by the First Amendment because he used it in connection with his art.

The court first concluded that Helm’s use was commercial because “significant portion[s]” of Helm’s websites were devoted to the sale of Helm’s products and advertisements for Helm’s design services. Moreover, the court found that Helm’s had used the name “King VelVeeda” to identify the websites, artwork and design services as belonging to him. The court equated this to the use of the mark as a “designation of source,” a classically commercial use within the meaning of the Lanham Act.

The court in *Kraft Foods* also rejected Helm’s argument that the use was a parody protected by the First Amendment. In finding the use non-parodic, the court cited Helm’s own testimony, in which he admitted that the use of the name “King VelVeeda” was “not meant to be an opinion, commentary or parody of Kraft or Velveeta.”

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84 Id. at 944.
85 Id.
86 Id.
87 Id. at 952.
88 Id. at 947.
89 Id. at 955.
90 Id.
91 Id. at 952-53.
92 Id. at 952-53.
court also noted that there was no parody or commentary art on the site at all, and particularly none commenting on the mark or mark owner. As such, the Kraft Foods court concluded that the use of the “King VelVeeda” mark was entirely unnecessary for Helm’s expressive messages, and that an injunction would have no substantial First Amendment implications on Helm’s ability to make and distribute art commercially or for free.

A similar conclusion was reached in Conopco Inc. v. 3DO Co., a 1999 decision issued by a federal district court in New York. In Conopco Inc., the defendant video game company, 3DO Co., aired a commercial for the violent video game, BattleTanx, in which a stuffed bear similar to the Downy Fabric Softener “Snuggle Bear” was chased by a tank, mutilated and crushed. The defendant claimed that the use was parodic because it juxtaposed the “saccharine sweet” world of the trademarked bear with the violent universe of the BattleTanx video game.

In finding the use actionable and diluting, the court first noted that the use was quintessentially commercial because the defendant had employed the plaintiff’s mark in an advertisement for its own product. The court then concluded that it was unnecessary to use the plaintiff’s trademark in order to convey the violent nature of the game, and

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93 Id. at 955 (“Mr. Helm did not reveal any examples of his commentary—political or social, that he allegedly posts on his website, save for the drawing of a giant noodle, which he has posted on his website since the filing of the instant lawsuit.”)
94 Id. at 954.
95 Id.
97 Id. at *1.
98 Id. at *3.
99 Id.
therefore held that this use was not protected under the First Amendment. Because the bear was in the commercial was extremely similar to the “Snuggle Bear” and associated the mark with violence, the court concluded that it caused both dilution by blurring and by tarnishment, and enjoined the defendant from “using or referring to any bear or bear character . . . likely to dilute the distinctiveness of, the SNUGGLE® Bear trademark” in its advertisements, marketing materials or game products.

_Kraft Foods and Conopco Inc._ were the only FTDA cases identified for this study in which the court expressly rejected the defense of _artistic or parodic_ use and found the use to be both commercial and diluting. The decision not to apply the non-commercial use exclusion in these cases was relatively clear-cut because the marks in both cases were being used in traditionally commercial fashions: as a designation of source for the defendant’s goods in _Kraft Foods_, and as part of a non-comparative advertisement for the defendant’s goods in _Conopco Inc_. What’s more, the parody defenses in these cases were weak because neither use was truly parodic; neither defendant attempted to convey a critical message or commentary about the plaintiff mark-holder. Rather, in both cases the defendants appear to have appropriated the fame of the senior mark to make their own products more memorable. It is also noteworthy that in each of these cases the mark in question was a “family-friendly” mark, and the defendant had associated that mark in with sex, drug use, or graphic violence – associations that are classically tarnishing.

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100 Id.

101 Id. at *1.

II. DIRECT CRITICISM OR COMMENTARY REGARDING THE MARK OWNER

As discussed in Chapter Two, a review of the legislative history of the FTDA indicates that the non-commercial use exclusion was intended to protect not only expressive uses in artistic works and parody, but also direct criticism and commentary about the mark owner or its goods and services. This study identified ten cases from the FTDA period in which the defendant claimed that the allegedly diluting mark use ought to be protected as criticism or commentary about the mark owner or its goods or services. It is noteworthy that the majority of these cases involve the use of marks on websites, and particularly the use of marks as domain names. The cases in this section are divided into two subsections based on the courts’ treatment of the use. Subsection (A) discusses cases in which the defendant’s use of the mark, purportedly for criticism or commentary, was found to be both actionable and diluting. Subsection (B) discusses cases in which the defendant’s use of the mark, purportedly for criticism or commentary, was found to be non-commercial and/or was protected under the First Amendment.


A) Uses found Actionable and Diluting

Five cases were identified for this study in which the court expressly rejected the defendant’s claim that the use ought to be protected as commentary or criticism. Four of these five cases involved the use of the plaintiff’s mark as a domain name for a critical website. In these four website-related cases, the defendant used the famous mark, exactly and unaltered, as a domain name for a website criticizing, commenting on, or contradicting the mark holders viewpoints or practices.

The first FTDA cases of this category was Planned Parenthood Federation of America, Inc. v. Bucci, decided by a New York federal district court in 1997 and affirmed by the Second Circuit without opinion in 1998. In Planned Parenthood, the defendant Bucci, a Catholic radio host staunchly opposed to birth control and abortion, registered the domain name www.plannedparenthood.com. The page was used to promote an anti-abortion book entitled The Cost of Abortion by Lawrence Roberge. The website displayed the book’s cover, provided access to the book’s forward and afterward, listed book reviews, and gave information about the author. However, the book was not sold directly through the site, and the site did not link to any other commercial site. Planned Parenthood filed suit for trademark infringement and dilution, alleging that


107 Planned Parenthood, 1997 WL 133313.

108 Id. at *1

109 Id.

110 Id.
Bucci used its mark with the “specific intent to damage Planned Parenthood's reputation and to confuse unwitting users of the Internet.” 111

Bucci admitted that he registered the site specifically to “to reach Internet users who thought, in accessing his web site, that they would be getting information from [Planned Parenthood],” so that he could expose them to an anti-abortion message that they might not have been receptive to otherwise. 112 Bucci claimed that the use was protected from dilution liability as non-commercial speech because he was disseminating the political and religious beliefs, and because he himself was receiving no profit from the website or any resulting sales of Roberge’s book. 113

In rejecting Bucci’s non-commercial use defense, the Planned Parenthood court ruled that the use of the mark was actionably commercial for three reasons. 114 First, the court concluded that the website was essentially a “showcase” for the Roberge book. 115 Second, the court found that the website was “sufficiently tied” to the defendant’s anti-abortion fundraising activities as a radio host so as to be deemed part of one larger commercial enterprise. 116 Third and finally, the court held that the defendant’s use was

111 Id.
112 Id. at *2.
113 Id. at *5.
114 Id. at *3 (stating “the “use in commerce” requirement of the Lanham Act is a jurisdictional predicate to any law passed by Congress. It is well settled that the scope of “in commerce” as a jurisdictional predicate of the Lanham Act is broad and has a sweeping reach” and finding that the use would be actionably commercial if used in connection with the sale, distribution or advertising of any goods or services).
115 Id. at *5.
116 Id. at *5-6 (noting that the defendant was “a non-profit political activist” who used the website as “one part of [the] sustained effort[s], through the radio show and other means, to achieve the end of persuading the public to eschew birth control and abortion”).
commercial because of the negative impact it would have on the plaintiff’s commercial operations.\(^{117}\)

To justifying this third conclusion, the court found that Bucci had intentionally targeted “internet users who want to reach plaintiff’s services and viewpoint, intercepting them and misleading them in an attempt to offer [his] own political messages.”\(^{118}\) The court equated this to the “classically competitive,” deceptive use of the plaintiff’s mark on a “competing service (the defendant’s website).”\(^{119}\) Furthermore, the court reasoned that some visitors attempting to access the plaintiff’s site might be discouraged and give up their search, thereby harming the plaintiff commercially.\(^{120}\)

The \textit{Planned Parenthood} court then rejected the defendant’s argument that the First Amendment protected the mark use because it a parody. Bucci claimed that the mark was used in an “ironic and contrasting allusion to the plaintiff” as “the enemy” of the anti-abortion cause.\(^{121}\) The court, however, found that the mark uses is not parodic because the domain name did not “convey the simultaneous message” that the site was \textit{about} Planned Parenthood, but not affiliated with Planned Parenthood.\(^{122}\)

Finally, the \textit{Planned Parenthood} court rejected Bucci’s claim that the use was protected by the First Amendment as a criticism of the mark owner, \(^{123}\) noting “the mere fact that defendant seeks to criticize plaintiff cannot automatically immunize a use that is

\(^{117}\) Id. at *6
\(^{118}\) Id.
\(^{119}\) Id.
\(^{120}\) Id.
\(^{121}\) Id at *10.
\(^{122}\) Id.
\(^{123}\) Id. at *11.
otherwise prohibited by the Lanham Act.” The court found that the defendant’s use of the senior mark as a domain name was “on its face more analogous to source identification than to a communicative message,” and held that the use of another’s mark is entitled to First Amendment protection only where the use was purely expressive and not used to identify the source of a product. The court further concluded that even if the domain name was viewed as a “title,” rather than a designation of source, the use had “no artistic implications” because it was unrelated to the central message of the site (encouraging users to read the Roberge book). Therefore the court found that the First Amendment would not protect this use from dilution liability.

A similar analysis was applied in Jews For Jesus v. Brodsky, a 1998 decision by a New Jersey district court, which was affirmed without opinion by the Third Circuit later that same year. In Jews for Jesus, the plaintiff, a not-for-profit international outreach ministry, brought a dilution action to enjoin the defendant’s use of www.jewsforjesus.com. The defendant, Brodsky, was a critic of the Jews for Jesus religious order who described the order as “a cult founded upon deceit and distortion of the facts.” Brodsky’s website contained criticisms of the Jews for Jesus organization.

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124 Id. at *5
125 Id.
126 Id.
127 Id.
129 Id. at 290-91.
130 Id. at 290.
and a hyperlink to another religious organization critical of Jews for Jesus, Outreach Judaism.  

As in Planned Parenthood, the defendant in Jews for Jesus admitted to having registered the domain name www.jewsforjesus.com in order to intercept readers looking for the plaintiff organization’s website and expose them to a contradictory viewpoint. But, unlike in Planned Parenthood, the website at issue in Jews for Jesus did not showcase any commercial products and the defendant was not actively engaged in any fundraising activities for his cause against the Jews for Jesus organization. What’s more, the defendant in Jews for Jesus was commenting directly on the views of the mark holding organization, rather than generally referencing the mark owner “as the enemy” in a broader political or social campaign.

Nonetheless, the New Jersey federal district court in Jews for Jesus applied the reasoning of Planned Parenthood and rejected the defendant’s claim that the mark was used in non-commercial social/political speech. The Jews for Jesus court concluded that the mark use was commercial because the defendant had “lured” Internet users to the site to expose them to “disparaging statements about the Plaintiff organization,” and in doing so prevented these users from accessing the plaintiff’s site. The court also found

131 Id. at 290-91.
132 Id. at 291 (“In the Defendant Brief, it is argued that the intent of the Defendant Internet site is to engage Jewish people who are interested in the topic of missionary Christians who describe themselves as Jews for Jesus and to expose these seekers to a pro-Judaism website.”).
133 Id. (describing the website as containing a small amount of text criticizing the Jews for Jesus religious order, and a hyperlink to the Outreach Judaism website).
136 Id. (stating “his domain name of the Mark and the Name of the Plaintiff Organization has resulted in not only the loss of control over the Mark and the Name of the Plaintiff Organization, but also in the reality that
the defendant’s website was a “conduit” to the Outreach Judaism Organization, which raised funds through the sale of merchandise.\textsuperscript{137} While the court acknowledged that the FTDA’s non-commercial use exclusion was intended to prevent courts from enjoining constitutionally protected speech,\textsuperscript{138} the court concluded that the speech at issue was not protected because the mark was used to create a “bogus ‘Jews for Jesus’ site intended to intercept, through the use of deceit and trickery, the audience sought by the Plaintiff Organization.”\textsuperscript{139}

The reasoning of \textit{Planned Parenthood} and \textit{Jews for Jesus} was later cited in \textit{People for Ethical Treatment of Animals, Inc. v. Doughney (PETA)}, a 2000 decision by a federal district court in Virginia.\textsuperscript{140} In \textit{PETA}, the non-profit animal rights organization People For the Ethical Treatment of Animals (PETA) sued the defendant, Doughney, for his use of www.peta.org. The website, which was purportedly a parody, had a prominent title reading “People Eating Tasty Animals: a resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research.”\textsuperscript{141} The website contained links to over thirty commercial sites promoting the sale of leather goods, fur, meat and hunting supplies.\textsuperscript{142}

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views directly contrary to those of the Plaintiff Organization will be disseminated through the unauthorized use of the Mark and the Name of the Plaintiff Organization.”).\textsuperscript{137} \textit{Id.} at 308.\textsuperscript{138} \textit{Id.}\textsuperscript{139} \textit{Id.} at 308.\textsuperscript{140} \textit{People for Ethical Treatment of Animals, Inc. v. Doughney}, 113 F. Supp. 2d 915, 920 (E.D. Va. 2000) \textit{aff’d sub nom.}, People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359 (4th Cir. 2001) (addressing all but the dilution claim, but affirming the lower courts interpretation of commercial use as it applied to the trademark infringement claim).\textsuperscript{141} \textit{PETA}, 113 F. Supp. 2d 915, 918.\textsuperscript{142} \textit{Id.}
\end{flushleft}
In finding the use commercial, the district court cited Planned Parenthood and Jews for Jesus, and concluded that the domain name was misleading and therefore likely to negatively impact the plaintiff’s commercial operations. The court further supported its conclusion that the use was commercial by noting that the site contained over thirty hyperlinks to “commercial operations offering goods and services” such as fur, leather, meat, and hunting guide services. While the dilution claim was not appealed, the Fourth Circuit affirmed the lower court’s reasoning regarding the “commercial” nature of the use.

In finding the defendant guilty of dilution by blurring, the district court concluded that the defendant had used the PETA mark to create an association between his website and the animal protection organization, thereby “lessening its selling power as an advertising agent for PETA's goods and services.” The district court further noted that Doughney's use was tarnishing because it had harmed the goodwill represented in the “PETA” mark by including “materials antithetical to the purpose and message of PETA” on the site.

The district court also rejected Doughney’s contention that the First Amendment protected his right to express disagreement with the PETA organization, concluding that “PETA does not seek to keep Doughney from criticizing PETA. They ask that Doughney

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144 Id. at 919 (citing Jews for Jesus, 993 F.Supp. at 308-09.).

145 People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 365-66 (4th Cir. 2001)

146 PETA, 113 F. Supp. 2d. at 920

147 Id.
not use their mark."\textsuperscript{148} Finally, the district court rejected Doughney’s claim that the use ought to be protected as a parody of PETA.\textsuperscript{149} In its decision, the court stated that a “parody exists when two antithetical ideas appear at the same time” and found that the use of www.peta.org as a domain name was not parodic because “[o]nly after arriving at the ‘PETA.ORG’ web site could the web site browser determine that this was not a web site owned, controlled or sponsored by PETA.” Therefore, the court held “the two images: (1) the famous PETA name and (2) the ‘People Eating Tasty Animals’ website was not a parody because [they were not] simultaneous.”\textsuperscript{150} The Fourth Circuit later affirmed this reasoning.\textsuperscript{151}

The interpretation of “commercial use” adopted in \textit{Planned Parenthood, Jews for Jesus}, and PETA was also adopted in \textit{OBH, Inc. v. Spotlight Magazine Inc.}, a decision by a New York federal district court from the year 2000.\textsuperscript{152} In \textit{OBH, Inc.}, the defendant produced a commercial publication called \textit{Apartment Spotlight Magazine} that advertised local apartment listings in Buffalo, New York. When a local news publication, \textit{The

\textsuperscript{148} Id. at 921.

\textsuperscript{149} Id.

\textsuperscript{150} Id.

\textsuperscript{151} People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 366-67 (4th Cir. 2001). Stating:

Looking at Doughney's domain name alone, there is no suggestion of a parody. The domain name peta.org simply copies PETA's Mark, conveying the message that it is related to PETA. The domain name does not convey the second, contradictory message needed to establish a parody—a message that the domain name is not related to PETA, but that it is a parody of PETA. Doughney claims that this second message can be found in the content of his website. Indeed, the website's content makes it clear that it is not related to PETA. However, this second message is not conveyed \textit{simultaneously} with the first message, as required to be considered a parody. The domain name conveys the first message; the second message is conveyed only when the viewer reads the content of the website. As the district court explained, “an internet user would not realize that they were not on an official PETA web site until after they had used PETA's Mark to access the web page ‘www.peta.org.’ ” Thus, the messages are not conveyed simultaneously and do not constitute a parody.

\textit{Id.} at 366-67.

Buffalo News, began publishing its own apartment rental guide in direct competition with Spotlight, the defendant purchased the Internet domain name www.theBuffaloNews.com where he posted “disparaging comments about The Buffalo News and hyperlinks to other web pages containing negative opinions and stories about The Buffalo News.” The site also contained links to other news-related websites, including the websites of local news publications that directly competed with The Buffalo News and a link to the defendant’s own Apartment Spotlight Magazine. A prominent disclaimer was posted at the top of the site reading:

We are in no way affiliated with or endorsed by THE BUFFALO NEWS . . . This website operates as a parody and forum for discussion of THE BUFFALO NEWS. This site is and will continue to be parody and forum for discussion of THE BUFFALO NEWS and it is our intention to continue this in support of the expression of First Amendment rights of netizens [sic] everywhere.

The defendant claimed that the use of the “Buffalo News” mark was protected under the FTDA’s non-commercial use exclusion because the website was intended as a “a place for visitors to voice their opinions and criticisms about The Buffalo News.” The court, however, rejected this argument and found the use commercial for two main reasons. First, the court noted that the website linked to the businesses directly competing with the plaintiff, including the online version of the defendant’s own competing publication, which was operated commercially for the financial benefit of the defendant. Second, the court cited Planned Parenthood and Jews for Jesus, and

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153 Id. at 182-83.
154 Id. at 183.
155 Id.
156 Id. at 186 (emphasis added).
157 Id.
concluded that users attempting to access the plaintiff’s *The Buffalo News* site might be “intercepted” by the defendant’s site and directed to a competing news source via the hyperlinks listed on the site, thus causing financial harm to the plaintiff. For these reasons the court held that the use was commercial and actionable under the FTDA.

The *OBH, Inc.* court also rejected the defendant’s claim that the use was protected under the First Amendment. In rejecting this claim, the court concluded that the “Buffalo News” mark was not used as part of a communicative message but rather was appropriated in an intentional effort to intercept the plaintiff’s customers. The court further held that enjoining the use of www.thebuffalownews.com as a domain name would not violate the defendant’s First Amendment right to criticize *The Buffalo News* because he would still be free to do so by starting another website with a different domain name.

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158 *Id.* ("The ‘in connection with’ requirement . . . may also be met by use in connection with the goods or services distributed by the trademark holder.”) (citing Planned Parenthood Fed’n of Am., Inc. v. Bucci, 1997 WL 133313 at *4 (S.D.N.Y. Mar. 24, 1997), aff’d, 152 F.3d 920 (2d Cir. 1998) (affirming without opinion); Jews For Jesus v. Brodsky, 993 F. Supp. 282, 309 (D.N.J. 1998), aff’d, 159 F.3d 1351 (3d Cir. 1998) (affirming without opinion)).

159 *Id.* at 193.

160 *Id.*

161 *Id.* (citing Planned Parenthood, 1997 WL 133313 at *10).

162 *Id.* at 197-98. The court stated:

Had defendants used a domain name other than plaintiffs' trademark, there would be little question that the content of their web site would be protected by the First Amendment (assuming of course it is not libelous or slanderous) and that plaintiffs would have no recourse under the trademark law to prevent defendants' conduct. . . defendants chose to use plaintiffs' mark as their domain name in order to deceive Internet users into believing that they were accessing plaintiffs' web site. Such a
In each of these cases—Planned Parenthood, Jews for Jesus, PETA and OBH, Inc.—the defendant used the senior mark as a domain name for a website that was in some way critical of the message or mission the mark-owning organization. And in each of these cases the court determined that the domain name was used in an intentional effort to confuse and deceive users searching for the plaintiff’s site. In Planned Parenthood, Jews for Jesus, and OBH, Inc., the respective courts analogized this use to the deceptive use of a mark as a designation of source, and therefore ruled that the First Amendment would not apply. In PETA and OBH, Inc., the court further noted that an injunction would not impact the defendant’s First Amendment rights because the defendant would still be free to criticize the plaintiff online so long as he was not using the plaintiff’s mark as a website domain name.

In each of the above cases—Planned Parenthood, Jews for Jesus, PETA and OBH Inc., the defendant used the senior mark as a domain name for their own critical website, and in each case the court concluded that the defendant had done so intentionally to
deceive and intercept the plaintiff’s online audience.166 Each court further found that the defendant’s actions were likely to harm the plaintiff’s commercial operations, and therefore concluded that the use was actionably commercial.167

This same reasoning was applied in *World Wrestling Federation Entertainment, Inc. v. Bozell*, a 2001 decision of a federal district court in New York.168 However, *Bozell* is distinguishable from the cases above in that the dispute did not center around a website.169 The defendants in *Bozell* were two affiliated non-profit organizations devoted to the study of media and culture that used the plaintiff’s WWFE mark in a public campaign attacking the plaintiff’s programing as excessively violent and inappropriate for children.170 This campaign included emails, newsletters, videos, newspaper ads, letters to politicians, online articles, and the dissemination of “educational” materials to WWFE sponsors and advertisers.171 The defendants also solicited funds to support their cause.172

The defendants claimed that their use of the WWFE mark in the outreach campaign was exempt from dilution liability under the non-commercial use exclusion

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166 *PETA*, 113 F. Supp. 2d at 920 (finding that the defendant’s use of the mark in a way that was “antithetical” to PETA’s purposes and messages commercially harmed PETA); *OBH, Inc.*, 86 F. Supp. 2d at 186 (“The ‘in connection with’ requirement . . . may also be met by use in connection with the goods or services distributed by the trademark holder.”); *Jews For Jesus*, 993 F. Supp. at 307 (“his domain name of the Mark and the Name of the Plaintiff Organization has resulted in not only the loss of control over the Mark and the Name of the Plaintiff Organization, but also in the reality that views directly contrary to those of the Plaintiff Organization will be disseminated through the unauthorized use of the Mark and the Name of the Plaintiff Organization.”); *Planned Parenthood*, 1997 WL 133313, at *6


169 *Id.*

170 *Id.*

171 *Id.*

172 *Id.* 521-22.
because it was part of an expressive communication on a matter of public concern—specifically, the exposure of children to violence on television. The court in Bozell, however, applied the reasoning of Planned Parenthood and concluded that the use was actionably commercial.

The Bozell court acknowledged that the defendants’ use of the mark was not “pure commercial speech” because it did more than propose a commercial transaction, but went on to find that the defendant’s statements went “beyond merely expressing defendants' opinions on a matter of public concern.” The court was persuaded that the defendants had benefited from their campaign against the WWFE through both fundraising activities and increased public awareness of their organizations. The court also cited Planned Parenthood, noting that the defendant’s conduct could be interpreted as commercial because it affected the WWFE’s ability to “attract and retain consumers, sponsors, and advertisers of its products.” Based on this, the Bozell court concluded that a reasonable finder of fact could find the uses commercial and actionable. The court went on to conclude that the use of the mark in the campaign tarnished the WWFE’s reputation because the defendants’ campaign materials referred to the WWFE’s

173 Id. at 525.
174 Id. at 526.
175 Id. at 523.
176 Id. at 526 (finding that “the defendants had an economic motivation for their statements-raising money and self-promotion and that “the combination of these characteristics-the goals of making money and self-promotion-support the WWFE's allegation that defendants' speech is commercial, notwithstanding the fact that their speech discusses public issues.”) (citing Bolger v. Youngs Drug Products Corp., 463 U.S. 60 (1983)).
177 Id. at 529 (“[T]he effect of [defendants'] activities on plaintiff's interstate commerce activities would place defendant[s] within the reach of the Lanham Act.”) (quoting Planned Parenthood, 1997 WL 133313 at *3 (S.D.N.Y. Mar. 24, 1997)) (emphasis in original).
178 Id. at 529.
programing as “criminal” and “evil,” and alleged that four children were killed while imitating WWFE wrestling moves.\textsuperscript{179}

The Bozell court’s interpretation of “commercial use” seems to suggest that any social or religious organization that uses a trademark to criticize the mark owner or its goods and services can be found liable for trademark dilution if the campaign’s criticisms are effective, and particularly if the campaign is supported through public fundraising efforts. These conclusions arguably contradict the apparent legislative intent of the non-commercial use exclusion: to protect First Amendment speech, including direct criticisms of the mark owner, from federal dilution liability.\textsuperscript{180} This will be discussed in more detail in Chapter Five.

**B) Use Found to Be Non-Commercial**

Five cases were identified from the FTDA period in which the defendant’s use of the plaintiff’s mark for criticism and commentary was protected under the FTDA’s as a non-commercial use.\textsuperscript{181} All of these cases involved the use of a mark on a website, and several of the holdings either implicitly contradicted or expressly rejected key reasoning from *Planned Parenthood, Jews for Jesus* or *PETA*.

\textsuperscript{179} Id.


The earliest case to apply the non-commercial use exclusion to a website criticizing the mark owner was *Bally Total Fitness Holding Corp. v. Faber*, a 1998 decision by a federal district court in California. In *Bally Total Fitness* the plaintiff brought an action for dilution by tarnishment based on the use of the Bally mark on a website entitled *Bally Sucks: Bally Total Fitness Complaints! Unauthorized*. The defendant, Faber, was a dissatisfied Bally customer who created the site to air the complaints about Bally’s health clubs and provide information about how other dissatisfied Bally customers could cancel their health club memberships. The *BallySucks* site was located at www.computpix.com/ballysucks, a sub-page of the defendant’s larger website www.computpix.com. The *computpix* website also housed three other sub-pages: one that displayed and sold photographs of flowers, landscapes and nude males; one that disseminated information about the gay community; and one that marketed the defendant’s website design services.

Bally claimed that the use was commercial, and therefore actionable, because the defendant had used the *BallySucks* page to “demonstrate the skill as a website designer” and advertise these website design services. Bally further claimed that Faber’s use tarnished its mark because the proximity of the *BallySucks* site to the defendant’s photographic images of nude men “improperly creat[ed] an association between Bally's

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182 *Bally Total Fitness*, 29 F. Supp. 2d 1161.
183 *Id.* at 1161
184 *Id.*
185 *Id.* at 1167.
186 *Id.* at 1162.
187 *Id.*
188 *Id.*
mark and pornography.” The California federal district court, however, rejected both of these arguments.

Citing the legislative history of the FTDA, the Bally Total Fitness court found that non-commercial use exclusion was intended to protect product and services reviews such as Faber’s. The court also found that this mark use was protected under the First Amendment because the defendant had to use the mark “to identify the goods or services of which he is complaining,” and concluded that it would be unconstitutional to allow mark owners to “quash unauthorized use[s] of [a] mark by a person expressing a point of view” about its business practices. Finally, the court concluded that even if the First Amendment and the non-commercial use exclusion had not applied in this case, Bally still could not demonstrate tarnishment merely by showing that the BallySucks page was housed under the same domain as Faber’s nude male photography page, stating “including linked sites as grounds for finding commercial use or dilution would extend the statute far beyond its intended purpose.”

Another case in which the court protected the defendant’s online use of a mark as non-commercial was Ford Motor Co. v. 2600 Enterprises, a 2001 decision from a federal district court in Michigan. In that case, the defendants registered a webpage at the domain www.fuckgeneralmotors.com, which automatically redirected site visitors to

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189 Id. at 1168.
190 Id.
191 Id. at 1166-67 (“In congressional hearings, Senator Orrin Hatch stated that the dilution statute “will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”) (quoting 141 CONG.REC. S19306–10 (Daily ed. Dec. 29, 1995) (statement of Sen. Hatch)).
192 Id. at 1167 (citing L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 34 (1st Cir.1987)).
193 Id.
Ford’s homepage, www.ford.com. While the Ford Motor Company did not allege that the defendant had used the mark in connection with goods and services, the company cited Planned Parenthood and Jews for Jesus and argued that the use was nonetheless commercial and tarnishing because it was “disparaging and prevented the Ford Motor Company from fully exploiting the value of its mark.”

In finding the use non-commercial, the Ford Motor court distinguished the use at issue from the use in Planned Parenthood and Jews For Jesus, noting that the defendant had not registered the mark as a domain name, but merely used it in the site’s programming code to create a hyperlink. Citing Bally Total Fitness, the Ford Motor court concluded that it was inappropriate to find a use commercial simply based on linking.

The Ford Motor court then went on to expressly reject the reasoning that a use could be treated as commercial because it “hinders the mark owner's ability to establish a presence on the Internet or otherwise disparages the mark owner.” Citing the legislative history of the FTDA, the court noted many of the uses protected under the law’s statutory exclusions and the First Amendment have the capacity to disparage a mark owner or impact a mark owner’s commercial success. Therefore, the court

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195 Id. at 662 (the defendant, a self-described artist, called this as a form of comedic “cyber art”).
196 Id. at 665.
197 Id. at 664.
198 Id. (stating “the court is unpersuaded that this use of the FORD mark [in a hyperlink code] in any way hampers Plaintiff's commercial success in an unlawful manner”).
199 Id. (“This court does not believe that Congress intended the FTDA to be used by trademark holders as a tool for eliminating Internet links that, in the trademark holder's subjective view, somehow disparage its trademark.”).
200 Id. (“The implication in Planned Parenthood and Jews for Jesus that the “commercial use” requirement is satisfied any time unauthorized use of a protected mark hinders the mark owner's ability to establish a presence on the Internet or otherwise disparages the mark owner is flawed.”)
201 Id.
concluded, “if the FTDA’s ‘commercial use’ requirement is to have any meaning, it cannot be interpreted so broadly as to include any use that might disparage or otherwise commercially harm the mark owner.” As such, the Ford Motor court found the use non-commercial and non-actionable under the FTDA.

It is noteworthy that the defendants in Bally and Ford did not attempt to intercept the plaintiff’s customers by using the unaltered plaintiff’s mark as a domain name for their websites, as the defendants had in Planned Parenthood, Jews for Jesus, OBH, Inc., and PETA. However, in two other FTDA cases, Northland Insurance Companies v. Blaylock and Bosley Medical Institute, Inc. v. Kremer, the plaintiffs’ marks was used as a domain name for the defendant’s website, and in both cases the use was nonetheless found to be a non-actionable, non-commercial use.

In Northland Insurance, decided by a Minnesota federal district court in 2001, a dispute regarding an insurance payout led the defendant to create two Internet sites dedicated to complaints about and criticism of Northland Insurance Company’s business practices, one of which was www.NorthlandInsurance.com. After speculating that the plaintiff might not meet the level of fame required to bring suit under the FTDA, the

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202 Id. at 655.

203 Id. (“While arguably neither news reporting, competitive advertising, parody, nor criticism is at issue in this case, and although Defendants' use of the term “art” hardly seems apropos, the court is satisfied that Defendants' use of the word “ford” in their programming code is, at least, “noncommercial.” Their use thus is not actionable under the FTDA.”).

204 Ford Motor Co. v. 2600 Enterprises, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001) (distinguishing the use of the mark in code from the use of a mark as a domain name); (Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (using the “Bally” marks in criticism at the subdomain www.compupix.com/ballysucks).


206 Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005).


208 Id. at 1123.
*Northland Insurance* court concluded that even if the mark was sufficiently famous, the use was excluded from liability under the FTDA because it was non-commercial.209

In its opinion, the *Northland Insurance* court rejected the idea that a use could be commercial because it “implicitly affects plaintiff’s commercial activities by interfering with its ability to attract customers via the Internet.”210 Instead, the court found that the defendant’s website neither “offer[ed] competitive products nor solicit[ed] any commercial activity,” and that the defendant was not “situated to benefit financially or commercially from the existence of this web site.”211 Therefore, the court concluded that this mark use did not constitute “commercial use in commerce” for the purposes of the FTDA’s cause of action.212

What’s more, the *Northland Insurance* court concluded that although the defendant “intend[ed] to use the domain name here to attract Internet users interested in plaintiff's business,” the mark was used solely “to capture the attention of insurance consumers to share defendant's commercial commentary and criticism.”213 Noting that commentary and criticism were forms of expressive, noncommercial speech, the court found that the use was also non-actionable under the FTDA’s non-commercial use exclusion.214

209 Id. (rejecting the plaintiff’s contention that the use was commercial because the websites were both vying for the attention of internet users and the defendant intended to divert potential customers away from Northland).

210 Id. at 1120 (distinguishing the use at issue from the use in OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176 (W.D.N.Y. 2000), in which the defendant directly linked to his own competing commercial publication).

211 Id. at 1118.

212 Id. at 1123.

213 Id.

214 Id. (“Defendant's use is for noncommercial commentary purposes. Defendant correctly contends that his use is exempt because it constitutes noncommercial speech.”).
The United States Ninth Circuit Court of Appeals applied a similar analysis in the 2005 decision *Bosley Medical Institute, Inc. v. Kremer.* In *Bosley Medical*, the defendant Kremer was a dissatisfied customer of Bosley Medical Institute who created the website [www.bosleymedical.com](http://www.bosleymedical.com) to share the critical views of the plaintiff’s business. Kremer earned no revenue from the site and did not link to any of Bosley’s competitors on the site. Bosley alleged that the use was nonetheless commercial based on the fact that the website linked to Kremer’s sister site, [www.BosleyMedicalViolations.com](http://www.BosleyMedicalViolations.com), which in turn linked to a third-party newsgroup and forum site entitled alt.baldspot, which *did* host advertisement for competing hair-replacement companies. In the alternative, Bosley argued that the use was commercial because it prevented users from obtaining the plaintiff’s good and services.

Analyzing the trademark infringement and dilution claims together, the Ninth Circuit found that the defendant had not used the Bosley mark in “in connection with goods and services,” and therefore concluded that plaintiff had not met its burden to demonstrate “commercial use in commerce” as required by the FTDA’s cause of action. The court first rejected the plaintiff’s argument that the site was rendered commercial by twice-removed links to a site containing advertising, holding that this

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215 *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005).
216 *Id.* at 675.
217 *Id.*
218 *Id.*
219 *Id.*
220 *Id.* at 678-80 (Interpreting the ‘commercial use in commerce’ requirement of the FTDA as “roughly analogous to the ‘in connection with’ sale of goods and services requirement of the infringement statute,” and finding that the defendant had not used the mark in connection with the promotion or sale of goods or services).
“roundabout path” was “too attenuated” to make the use commercial.\textsuperscript{221} The court then rejected the argument that the mark use could be commercial merely because “the defendant’s use of the plaintiff’s mark as the domain name may deter customers from reaching the plaintiff’s site itself.”\textsuperscript{222}

In rejecting this interpretation of “commercial use” the court found that such an approach would “encompass almost all uses of a registered trademark, even when the mark is merely being used to identify the object of consumer criticism” and would place “otherwise protected consumer commentary under the restrictions of the Lanham Act.”\textsuperscript{223} Instead, the court held that so long as the defendant was not attempting to profit from the use of the plaintiff’s mark and was not offering or promoting competing goods or services through his site, the use would not qualify as a commercial use under the Lanham Act.\textsuperscript{224}

The \textit{Bosley Medical} court further noted that the use of the “Bosley Medical” mark was nominative in that it described the subject of the complaints.\textsuperscript{225} Because there was no commercial activity conducted on the site, the court concluded that any financial harm suffered by the plaintiff would be the result from Kremer’s constitutionally protected, non-commercial criticism of Bosley’s services.\textsuperscript{226} As such, the court held, “Bosley cannot

\textsuperscript{221} \textit{Id.} at 678.
\textsuperscript{222} \textit{Id.} at 679.
\textsuperscript{223} \textit{Id.}
\textsuperscript{224} \textit{Id.}
\textsuperscript{225} \textit{Id.} (“While it is true that www.BosleyMedical.com is not sponsored by Bosley Medical, it is just as true that it is \textit{about} Bosley Medical.”).
\textsuperscript{226} \textit{Id.} at 680.
use the Lanham Act either as a shield from Kremer's criticism, or as a sword to shut Kremer up.”

In both *Bosley Medical* and *Northland Insurance* the respective courts concluded that the use of a mark for criticism of a mark holder was fully protected First Amendment speech eligible for the protection of the FTDA’s non-commercial use exclusion. However, in both cases the use was ultimately protected because the websites neither sold nor promoted goods or services, and therefore did not satisfy the “commercial use in commerce” requirement of the FTDA. On the other hand, in the 2004 case *Nissan Motor Co., Ltd. v. Nissan Computer Corp.*, the Ninth Circuit concluded that the use of a mark in critical speech can be treated as non-commercial, even when the website containing the criticism is almost entirely commercial.


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227 Id.

228 Id. at 680 (noting that the mark was used to criticize the plaintiff’s goods and services and that this speech could not be suppressed through the Lanham Act); *Northland Ins. Companies v. Blaylock*, 115 F. Supp. 2d 1108, 1123 (D. Minn. 2000) (finding the defendant’s criticisms of the plaintiff to be non-commercial commentary).

229 *Bosley Medical*, 403 F.3d at 678-79 (noting that that Kremer had not used the “Bosley” mark in connection with a sale of goods or services, did not have paid ads on the website, did not link to any commercial sites, and in no way attempted to benefit from the good will of the senior mark); *Northland Insurance*, 115 F. Supp. 2d at 1120 (finding that defendant’s site did not solicit commercial activity and the defendant was not “situated to benefit financially or commercially” from a site”).


231 Id. at 980.

232 Id.
The link directed the user to a third site, *nchelp.com*, which contained the defendant company’s perspective on the litigation process, an FAQ section, news reports on the case, emails from Uzi Nissan’s supporters, and a link to another site, also owned by Uzi Nissan, called “The Internet Center.”

In the lower court proceedings, a California federal district court concluded that this use of the “Nissan Motors” mark was commercial for two reasons: First, the district court found that the sites *Nissan.com* and *Nissan.net* were purely commercial promotions of Nissan Computer’s own goods and services. And second, the court concluded that “the goodwill that Nissan Motor has built up in the ‘Nissan’ mark ensure[d] a steady stream of visitors expecting to find Nissan Motor at *nissan.com* and *nissan.net,*” and that Nissan Computers had “exploit[d] this good will in order to injure Nissan Motors.” As such, the court found the use of the “Nissan Motors” mark commercial and tarnishing, and enjoined Nissan Computers from placing negative commentary regarding Nissan Motors on its websites or linking to other sites containing negative commentary about the Nissan Motors.

On appeal, however, the Ninth Circuit reversed this holding and lifted the injunction barring Nissan Computers from posting or linking to negative comments about Nissan Motors on *Nissan.com* and *Nissan.net.* The Ninth Circuit found that the injunction allowed Nissan Motor to control not only the source-identification function of the “Nissan” mark, but also the communicative messages of the Nissan Computers.

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233 *Id.*
234 *Id.*
235 *Id.*
236 *Id.*
What’s more, the appeals court held that the injunction, which prohibited only criticism of Nissan Motor, was viewpoint-based content discrimination in violation of the First Amendment.\(^{239}\)

Noting that the non-commercial use exclusion of the FTDA was “specifically designed to prevent courts from issuing injunctions that collide with the First Amendment,”\(^{240}\) the Ninth Circuit concluded that the relevant inquiry was not whether the Nissan Computers websites were commercial \textit{as a whole}, but whether the allegedly diluting mark use itself was commercial.\(^{241}\) Citing its prior decision in \textit{MCA Records}, the Ninth Circuit defined commercial speech as speech that does nothing more than propose a commercial transaction, and held that “the negative commentary about Nissan Motor does more than propose a commercial transaction and is, therefore, non-commercial.”\(^{242}\)

In all of the above cases – \textit{Bally Total Fitness, Ford Motors, Bosley Medical, Northland Insurance,} and \textit{Nissan Motors} – the use was found non-commercial and thus non-actionable under the FTDA. In these cases, the website as a whole did not promote or conduct any commercial activity, allowing the court to protect the use as non-commercial based on either the FTDA’s cause of action or the law’s statutory exclusion for non-commercial use. In \textit{Nissan Motors}, however, the website itself was used to promote a business and therefore clearly constituted a “commercial use in commerce.”\(^{243}\) Nonetheless, the Ninth Circuit protected the defendant’s use of the senior mark because it

\(^{238}\) Id. at 1016.

\(^{239}\) Id.

\(^{240}\) Id.

\(^{241}\) Id.

\(^{242}\) Id.

\(^{243}\) Id.
was used to criticize the mark owner, and the court found that this criticism was a form of protected expressive speech.  

**III. NON-COMMERCIAL POLITICAL SPEECH**

This study identified two cases from the FTDA period in which the defendant claimed that an allegedly diluting use of a famous mark should be non-actionable because it was non-commercial, political speech.  

In *American Family Life Ins. Co. v. Hagan*, a 2002 decision by an Ohio federal district court, the plaintiff (AFLAC) brought a dilution action against a candidate for Governor of the State of Ohio and his campaign based on a series of online campaign ads borrowing the image of the tradmarked AFLAC duck. In the ads, the head of incumbent Governor Robert Taft was placed on the body of an animated white cartoon duck that quacked “TaftQuack!” as it “ducked” difficult questions. The commercials were posted on the website *Taftquack.com*, which linked to Hagan’s official campaign site.

AFLAC asserted that Hagan’s “TaftQuack!” ads were designed to trade on “the substantial consumer recognition and goodwill of the famous AFLAC duck,” and that this use was tarnishing because the ads politicized “an apolitical character . . . by associating the character in the minds of the consuming public with a candidate and

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244 Id. at 1016.
246 *AFLAC*, 266 F. Supp.2d 682.
247 Id. at 685.
248 Id. at 685-86.
249 Id. at 686.
political views that AFLAC neither sponsors nor endorses. Hagan responded that the uses of the AFLAC mark was protected by the non-commercial use exclusion because it was First Amendment-protected political speech. The Ohio federal district court came down firmly on the side of the defendant.

In its opinion, the AFLAC court concluded that the non-commercial use exclusion was intended to serve as a “somewhat inexact, shorthand reference to ‘speech protected by the First Amendment.’” As such, the court determined that the only question was how narrowly the exclusion should be applied. The court rejected AFLAC’s argument that the exclusion should apply only to the forms of First Amendment-protected speech specifically referenced in the legislative history. While the AFLAC court acknowledged that the legislative history did not expressly state that Congress intended to include “in toto all First Amendment case law into that exemption,” the court concluded that this intention was implied, noting “it is fundamental that a statute enacted by Congress cannot override basic protections contained within the bill of rights.” Therefore, the court held, Congress intended the non-commercial use exclusion to apply to any First Amendment-protected speech that was not solely and entirely commercial.

Citing the Ninth Circuits’ 2002 decision in MCA Records, the AFLAC court held that Hagan’s use did more than propose a commercial transaction and was therefore non-

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250 Id. at 687.
251 Id. at 695.
252 Id.
253 Id.
254 Id. at 695-96.
255 Id. at 696.
256 Id.
commercial and protected by the FTDA’s non-commercial use exclusion.\footnote{Id.} Although
the court acknowledged that the taftquack.com website had a feature that allowed
supporters to donate to Hagan’s campaign, the court concluded that “this exchange is
properly classified not as a commercial transaction at all, but completely non-
commercial, political speech.”\footnote{Id. at 697 (citing Buckley v. Valeo, 424 U.S. 1, 14 (1976)).}

The court also rejected AFLAC’s claim that the use should not be protected
because the ad did not comment on the mark or mark owner, and therefore was
unnecessary for the defendant’s expressive message.\footnote{Id. at 700 (rejecting the plaintiff’s claim that the use should be unprotected because the use was
unnecessary for the communication of Hagan’s political message, which had nothing to do with AFLAC or
the AFLAC duck mark).} The AFLAC court agreed that the
defendant was attempting to free ride off the popularity of the plaintiff’s mark, and
admitted that such satirical use would likely be unprotected in a purely commercial
context.\footnote{Id. at 700-01. (“It appears incontestable that Hagan intended that the TaftQuack character would imitate
the AFLAC Duck, so that Hagan could go coattail riding, . . . that is, get attention and perhaps avoid the
drudgery in working up something fresh.”) (internal quotations omitted).} However, the court again reiterated that this use was non-commercial, holding
that “[r]egardless of how narrowly the noncommercial use exemption is interpreted, the
First Amendment guarantee that catalyzed the exemption has its fullest and most urgent
application precisely to the conduct of campaigns for political office.”\footnote{Id. at 698.} Therefore the
court concluded that even though the “consuming public may associate the AFLAC duck
and the TaftQuack character,” this association would be “an insufficient predicate to
support injunctive relief of political speech.”\footnote{Id. at 701.}

\footnote{Id.}
\footnote{Id. at 697 (citing Buckley v. Valeo, 424 U.S. 1, 14 (1976)).}
\footnote{Id. at 700 (rejecting the plaintiff’s claim that the use should be unprotected because the use was
unnecessary for the communication of Hagan’s political message, which had nothing to do with AFLAC or
the AFLAC duck mark).}
\footnote{Id. at 700-01. (“It appears incontestable that Hagan intended that the TaftQuack character would imitate
the AFLAC Duck, so that Hagan could go coattail riding, . . . that is, get attention and perhaps avoid the
drudgery in working up something fresh.”) (internal quotations omitted).}
\footnote{Id. at 698.}
\footnote{Id. at 701.}
A federal district court in New York later cited this ruling in the 2004 case *MasterCard Intern. Inc. v. Nader 2000 Primary Committee, Inc.* In *MasterCard*, the plaintiff filed a dilution claim against the campaign of presidential candidate Ralph Nader based on a televised political advertisement that imitated a well-known MasterCard commercial advertisement. In rejecting MasterCard’s claims that the use was commercial, the court found that the ad carried “a strong political message” regarding the presidential campaign and held that the use was non-commercial political speech because Nader had used the mark “as part of his communicative message, in the context of expressing political speech.” Citing *AFLAC*, the *MasterCard* court held that political speech of this nature qualified as non-commercial under the meaning of the FTDA’s exclusion, regardless of whether or not it was used to solicit funds.

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264 Id. at *1-2. The court stated:

> Since Fall of 1997, MasterCard has commissioned the authorship of a series of advertisements that have come to be known as the “Priceless Advertisements.” These advertisements feature the names and images of several goods and services purchased by individuals which, with voice overs and visual displays, convey to the viewer the price of each of these items. At the end of each of the Priceless Advertisements a phrase identifying some priceless intangible that cannot be purchased (such as “a day where all you have to do is breathe”) is followed by the words or voice over: “Priceless. There are some things money can't buy, for everything else there's MasterCard.” Nader’s political ad included “a sequential display of a series of items showing the price of each (‘grilled tenderloin for fund-raiser; $1,000 a plate;’ “campaign ads filled with half-truths: $10 million;” “promises to special interest groups: over $100 billion”). The advertisement ends with a phrase identifying a priceless intangible that cannot be purchased: “finding out the truth: priceless. There are some things that money can't buy.”

*Id. at *1-2.

265 *Id. at *8 (emphasis in original).*

266 *Id.*
IV. CHAPTER SUMMARY AND ANALYSIS

This chapter analyzed twenty cases in which the defendant claimed that an allegedly diluting mark use was protected under the First Amendment, non-actionable under the FTDA’s non-commercial use exclusion, or an otherwise non-diluting, expressive use. Out of the twenty cases identified, thirteen were decided at the district level and seven were affirmed (with or without opinion on the dilution issue specifically) at the appellate level. In eleven of the twenty cases, the use was found to be a non-actionable, non-commercial use. In two cases the use was considered


268 Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005); Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002 (9th Cir. 2004); Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002); People for Ethical Treatment of Animals, Inc. v. Doughney (PETA), 113 F. Supp. 2d 915, 920 (E.D. Va. 2000) aff’d sub nom., People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359 (4th Cir. 2001) (addressing all but the dilution claim, but affirming the lower courts interpretation of commercial use); Jews For Jesus v. Brodsky, 993 F. Supp. 282 (D.N.J. 1998), aff’d, 159 F.3d 1351 (3d Cir. 1998) (affirming without opinion); Planned Parenthood Fed’n of Am., Inc. v.ucci, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), aff’d, 152 F.3d 920 (2d Cir. 1998) (affirming without opinion); Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 924 F. Supp. 1559 (S.D. Cal. 1996), aff’d, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed).

269 Bosley Medical, 403 F.3d 672; Nissan Motor, 378 F.3d 1002; Walking Mountain, 353 F.3d 792; MCA Records, 296 F.3d 894; Dr. Seuss, 924 F. Supp. 1559 aff’d, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed); MasterCard, 2004 WL 434404; Lucasfilm,182 F. Supp. 2d 897; AFLAC, 266 F. Supp. 2d 682, Ford Motor, 177 F. Supp. 2d 661; Northland Insurance, 115 F. Supp., 2d 1108; Bally Total Fitness, 29 F. Supp. 2d 1161.
actionably commercial, but was nonetheless found non-diluting.\textsuperscript{270} In the remaining seven cases, the use was found actionable and diluting.\textsuperscript{271}

In four cases identified for this study, \textit{Dr. Seuss}, \textit{Lucasfilm}, \textit{MCA Records} and \textit{Walking Mountain}, the non-commercial use exclusion was applied to protect the use of marks in traditionally artistic works such as books, movies, music, or pieces of visual art.\textsuperscript{272} This protection applied not only in cases where the artistic work commented on the senior mark,\textsuperscript{273} but also in at least one cases where the mark use was artistically irrelevant to the larger work’s expressive message.\textsuperscript{274} However, it is noteworthy that all of these cases came from the Ninth Circuit.

Even when a mark was used commercially and thus ineligible for the protection of the non-commercial use exclusion, this did not always equate to a finding of dilution. In two FTDA cases identified for this study, \textit{Tommy Hilfiger} and \textit{Big Dog Holdings}, trademark parodies that commented upon the mark owner in some way were found not to cause dilution by blurring.\textsuperscript{275} However, in two cases other cases, \textit{Kraft Foods} and

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{270} \textit{Big Dog Holdings}, 280 F. Supp. 2d 413; \textit{Lucasfilm}, 182 F. Supp. 2d 897; \textit{Tommy Hilfiger}, 221 F. Supp. 2d 410.
\item \textsuperscript{272} \textit{Walking Mountain}, 353 F.3d 792 (9th Cir. 2003); \textit{MCA Records}, 296 F.3d 894 (9th Cir. 2002); \textit{Lucasfilm}, 182 F. Supp. 2d 897 (N.D. Cal. 2002); \textit{Dr. Seuss}, 924 F. Supp. 1559 (S.D. Cal. 1996), \textit{aff'd}, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed).
\item \textsuperscript{273} \textit{Walking Mountain}, 353 F.3d at 802; \textit{MCA Records}, 296 F.3d at 901(holding that the defendants had used the mark for expressive parody and therefore the use was non-commercial in spite of being sold).
\item \textsuperscript{274} \textit{Dr. Seuss}, 924 F. Supp. 1559 (S.D. Cal. 1996), \textit{aff'd}, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed).
\item \textsuperscript{275} It is noteworthy, however, that the uses in both of these cases were found to be light-hearted and non-tarnishing, and it is unclear whether a \textit{tarnishing} commercial parody would be protected in the same way as these two ‘light-hearted’ commercial parodies.
\end{itemize}
\end{footnotesize}
Conopco, the commercial use was found insufficiently critical of the mark owner to constitute a parody or commentary and the use was ultimately found to be diluting.\textsuperscript{276}

Many of the cases identified for this study involved the use of marks online. In two cases, Bally Total Fitness and Ford Motor, the mark was not used \textit{as} a domain name, but rather \textit{incorporated into} the domain name or site code in a way that made its critical nature obvious to potential audiences.\textsuperscript{277} This use was protected in both instances.\textsuperscript{278} However, in cases where the defendant used the unaltered mark \textit{as a domain name} for a critical website, courts were divided as to whether or not this constituted a “commercial use.”

In four separate cases, Planned Parenthood, Jews for Jesus, PETA, and OBH, Inc., the use of a mark as a domain name for a critical website was found to be commercial and actionable.\textsuperscript{279} In those cases, defendant’s use was found to have used the mark in a bad faith attempt to intercept the plaintiff’s online audience, and the use was held commercial and diluting in part because of the potential negative impact the sight might have on the plaintiff’s commercial operations.\textsuperscript{280}

\begin{itemize}
\item \textsuperscript{276} Kraft Foods, 205 F. Supp. 2d 942 at 955; Conopco, 1999 WL 1277957 at *1,*3. It is noteworthy that the uses in both of these cases were also tarnishing.
\item \textsuperscript{277} Ford Motor, 177 F. Supp.2d 661 (noting that the Ford name was incorporated into the domain code in order to automatically reroute users to the Ford website); Bally Total Fitness, 29 F. Supp. 2d 1161 (describing the mark as having been used on the subpage \texttt{www.compupix.com/ballysucks}).
\item \textsuperscript{278} Bally Total Fitness, 29 F. Supp. 2d 1161 (describing the mark as having been used on the subpage \texttt{www.compupix.com/ballysucks}); Ford Motor, 177 F. Supp. 2d 661 (describing the mark as having been incorporated into the website’s code).
\item \textsuperscript{280} PETA, 113 F. Supp. 2d. at 920 (finding that the defendant’s use of the mark in a way that was “antithetical” to PETA’s purposes and messages commercially harmed PETA); OBH, Inc. 86 F. Supp. 2d at
\end{itemize}
However, in two cases, *Northland Insurance* and *Bosley Medical*, the court protected the defendant’s use of a mark as a domain name in a critical website. In those cases, the courts viewed the defendant as using the mark to reference the plaintiff for commentary and criticism. These courts rejected the idea that a mark use could be commercial simply because it might harm the mark holder in some way, instead concluding that the disputed site must conduct commercial activity in order to be actionable under the FTDA. In a third case, *Nissan Motors*, the Ninth Circuit held that the use of a mark in criticism was protected as non-commercial speech, even where the criticism was housed website that conducted extensive commercial activity.

Finally, in two cases, *AFLAC* and *MasterCard*, the satirical use of a famous mark in a political campaign advertisement was protected as non-commercial because no other statutory exclusion could apply, and the constitutionality of the law would be called into question if mark owners were allowed to enjoin political speech.

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186 (“The ‘in connection with’ requirement . . . may also be met by use in connection with the goods or services distributed by the trademark holder.”); *Jews For Jesus*, 993 F. Supp. at 307 (“his domain name of the Mark and the Name of the Plaintiff Organization has resulted in not only the loss of control over the Mark and the Name of the Plaintiff Organization, but also in the reality that views directly contrary to those of the Plaintiff Organization will be disseminated through the unauthorized use of the Mark and the Name of the Plaintiff Organization.”); *Planned Parenthood*, 1997 WL 133313, at *6.

281 *Bosley Medical*, 403 F.3d at 670; *Northland Insurance*, 115 F. Supp. 2d 1108.

282 *Bosley Medical*, 403 F.3d at 670 (finding that the defendant had used the mark non-commercial to reference the mark holder for criticism); *Northland Insurance*, 115 F. Supp. 2d at 1123 (finding that the defendant had used the senior mark to capture attention for criticism and commentary about the senior mark, and that criticism was protected, non-commercial speech).

283 *Bosley Medical*, 403 F.3d at 670, 678-90 (finding that the mark was not used “in connection with the sale of goods or services” and was therefore non-commercial); *Northland Insurance*, 115 F. Supp. 2d at 1108, at 1120 (rejecting the idea that a use could be commercial because it “implicitly affects plaintiff's commercial activities by interfering with its ability to attract customers via the Internet” if the defendant is not “situated to benefit financially or commercially from the existence of this web site”).

284 *Nissan Motor*, 378 F.3d at 1016 (9th Cir. 2004) (finding the use of the “Nissan Motors” mark on the defendant’s business websites was non-commercial because it was intended to reference the plaintiff for expressive commentary).

CHAPTER FOUR
FIRST AMENDMENT SPEECH UNDER THE TDRA

As discussed in Chapters One and Two, in the years following the passage of the Federal Trademark Dilution Act of 1995 (FTDA)\(^1\), it became clear that the law was unworkably vague.\(^2\) Courts diverged on a variety of issues including which marks were eligible for protection under the FTDA, what sort of uses would be non-actionable under the non-commercial use exclusion, and whether the standard of harm necessary to recover under the Act was \textit{actual} dilution or merely a \textit{likelihood} of dilution.\(^3\) Following the Supreme Court’s ruling in \textit{Moseley v. V. Secret Catalogue},\(^4\) which held that the plaintiff must show \textit{actual} dilution to recover under the FTDA, the law was overhauled. The new law, entitled the Trademark Dilution Revision Act of 2006 (TDRA),\(^5\) made a number of substantial changes to federal trademark dilution law.

Most importantly, the TDRA lowered the standard of harm in federal trademark dilution cases to a “likelihood of dilution” rather than actual dilution,\(^6\) reducing the

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\(^3\) \textit{Id}.


burden of proof for the mark-holding plaintiff. The revised law also clarified what kinds of uses could constitute dilution by expressly creating a cause of action for dilution by tarnishment, and by providing six, non-exclusive factors for consideration in determining whether a challenged use caused dilution by blurring. Additionally, the law modified the existing statutory exclusions. While the TDRA maintained the existing statutory exclusions for news reporting and news commentary and non-commercial use of a mark, it also amended the “fair use” comparative advertising exclusion to include:

(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.

As discussed in Chapter Two, the expanded “fair use” exclusion was intended to provide additional protection for First Amendment speech.

This chapter will discuss TDRA cases in which the defendant claimed the use of the mark ought to be protected under the First Amendment or one of the TRDA’s statutory exclusions, or else found to be a non-diluting, expressive use.

Fifteen cases were identified based on these criteria. Six of these fifteen cases were reviewed at the federal appellate level, setting circuit-wide precedent. The remaining

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7 Id.
8 15 U.S.C. 1125(c)(2)(B) (listing dilution by blurring factors as (i) The degree of similarity between the mark or trade name and the famous mark, (ii) The degree of inherent or acquired distinctiveness of the famous mark, (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, (iv) The degree of recognition of the famous mark, (v) Whether the user of the mark or trade name intended to create an association with the famous mark, and (vi) Any actual association between the mark or trade name and the famous mark).
cases were decided at the federal district level. The trademark dilution claims in these cases were often filed with related intellectual property and business claims, such as trademark infringement, copyright infringement, cybersquatting and unfair competition. However, this chapter will focus its examination on the judicial treatment of federal dilution claims brought under the TDRA.

This chapter is divided into four main parts. Part one will examine cases involving commercial uses of trademarks where the defendant claimed that their use was part of a trademark parody, criticism or commentary and therefore ought to be protected under the expanded “fair use” exclusion or the First Amendment as a parody, commentary or criticism of the mark owner. Part two will examine cases in which the defendant claimed that that the mark use ought to be protected under the non-commercial use

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11 Starbucks Corp. III, 736 F.3d 198 (2d Cir. 2013); NBFP, 671 F.3d 526 (5th Cir. 2012); Cintas Corp., 355 F. App’x 508; Starbucks Corp. II, 588 F.3d 97 (2d Cir. 2009); Utah Lighthouse Ministry, 527 F.3d 1045 (10th Cir. 2008); Haute Diggity Dog, LLC, 507 F.3d 252 (4th Cir. 2007);


13 Starbucks Corp. III, 736 F.3d 198; NBFP, 671 F.3d 526 (5th Cir. 2012); Starbucks Corp. II, 588 F.3d 97 (2d Cir. 2009); Haute Diggity Dog, LLC, 507 F.3d 252; Hyundai Motor, 2012 WL 102224; Hershey Co., 2008 WL 4724756; Anheuser-Busch, 666 F. Supp. 2d 974.
exclusion, the news reporting exclusion, or the First Amendment as a non-commercial use. The cases in part two exhibit the most varied fact patterns, including the use of marks in artistic works, consumer complaint websites, direct criticisms of the mark holding organization’s views or practices, and political campaign advertisements. The chapter will conclude in part three with a brief summary and comparison of the cases discussed.

I. COMMERCIAL USES OF A MARK IN PARODY, CRITICISM OR COMMENTARY

A) Actionable but Non-diluting Use: Parodies Used As A Designation of Source

The TDRA’s expanded “fair use” exclusion protects any “fair use” of a mark as parody, criticism or commentary about the mark owner or its goods or services, so long as the mark is not serving as a designation of source for the defendant’s products and services. As discussed in Chapter Two, the exclusion’s “designation of source” language appears to prevent defendants from seeking protection under the “fair use” exclusion if they are using a trademark parody as a brand. This was how the United States Court of Appeals, Fourth Circuit, interpreted the “designation of source” language of the “fair use” exclusion in the 2007 case Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC. In Haute Diggity Dog, the luxury luggage, purse and accessory

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14 Cintas Corp., 355 F. App’x 508; Utah Lighthouse Ministry, 527 F.3d 1045 (10th Cir. 2008); Roxbury Entertainment, 669 F. Supp. 2d 1170; Cleary Building, 674 F. Supp. 2d 1257; Wal-Mart Stores, 537 F. Supp. 2d 1302; Burnett, 491 F. Supp. 2d 962; BidZirk, 2007 WL 3119445; Griffith, 486 F. Supp. 2d 848.


16 Id. (excluding “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. . .”)(emphasis added).

manufacturer Louis Vuitton Malletier (LVM) brought an action for dilution by blurring and tarnishment against the pet product manufacturing company Haute Diggity Dog based on its sale of a “Chewy Vuitton” dog toy “purse” that mimicked LVM’s handbags.\footnote{Haute Diggity Dog, 464 F. Supp. 2d at 499.} Haute Diggity Dog argued that the product was a parody of LVM’s high-end luxury purses, and that the use of the plaintiff’s mark was necessary in order to effectively convey the product’s parodic message.\footnote{Id.}

In granting summary judgment in favor of Haute Diggity Dog, the district court had held that the defendant’s use was an obvious parody of the famous brand\footnote{Id.} that was not likely to diminish the strength of the senior mark.\footnote{Id. at 505 (“the mark continues to be associated with the true owner, Louis Vuitton. Its strength is not likely to be blurred by a parody dog toy product. Instead of blurring Plaintiff’s mark, the success of the parodic use depends upon the continued association with Louis Vuitton”) (citing Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC. Supp. 2d 410 (S.D.N.Y. 2002)).} The court further concluded that LVM’s claim that the use created a likelihood of dilution by tarnishment was “baseless.”\footnote{Id.} On appeal, the Fourth Circuit held that the district court had erred by failing to apply the blurring factors set forth under the §1125(c)(2)(B) of the TDRA, and by granting summary judgment for Haute Dignity Dog based solely on the fact that the product was a “successful parody.”\footnote{Haute Diggity Dog, 507 F.3d 252, 266 (4th Cir. 2007) (“Not every factor will be relevant in every case, and not every blurring claim will require extensive discussion of the factors. But a trial court must offer a sufficient indication of which factors it has found persuasive and explain why they are persuasive so that the court's decision can be reviewed. The district court did not do this adequately in this case.”).} However, after applying the blurring factors, the Fourth Circuit reached the same ultimate conclusion as the federal district court below and held that the use was non-diluting.\footnote{Id. at 267-68.}
In its analysis, the Fourth Circuit first acknowledged that the use at issue was not eligible for the protection of the parody “fair use” exclusion of §1125(c)(3)(A)(ii) because the “Chewy Vuitton” mark was being used as a designation of source (brand) for the defendant’s product. The appeals court noted, however, that even where a parody is ineligible for protection under the TDRA’s “fair use” exclusion, the nature of the use as a parody might be considered amongst the blurring factors to determine whether the challenged use is likely to impair the distinctiveness of the famous mark.

Applying the blurring factors set forth in the statute, the Fourth Circuit in Haute Diggity Dog recognized that the plaintiff’s iconic “LVM” mark was distinctive, famous and strong (supporting factors (ii), (iii), and (iv)). However, the appeals court concluded that in the case of a successful parody these factors actually “increased the [plaintiff’s] burden to demonstrate that the distinctiveness of its famous marks is likely to be impaired” by the parody. Additionally, the court noted that blurring factors five (v) and six (vi) – the “intent to create an association with the senior mark” and “actual association with a senior mark” – could not be weighed against the defendant if the use was truly parodic, because a successful parody must associate with the senior mark in order to convey its satirical message about the mark.

Having found that blurring factors two (ii) through six (vi) favored neither party, the court relied heavily on factor one (i) – “the similarity of the marks” – to determine

25 Id. at 266 (“Under the statute's plain language, parodying a famous mark is protected by the fair use defense only if the parody is not “a designation of source for the person's own goods or services.”).

26 Id. at 267.

27 Id. at 268.

28 Id.

29 Id. at 267.
whether Haute Diggity Dog’s use of the LVM mark was a true parody, and whether it was potentially diluting.\(^{30}\) In its analysis, the court defined a “successful” trademark parody as a use that creates an association with the senior mark while simultaneously conveying to the viewer that it is not the mark, but rather a satire.\(^{31}\) Thus, the court concluded, if a purported parody is too similar to the senior mark the parody will fail and may also cause dilution.\(^{32}\) Applying this to the defendant’s use, the appeals court found that the defendant’s “Chewy Vuitton” toy merely “imitated and suggested the [famous] mark” by adopting “imperfectly” elements of LVM’s design.\(^{33}\) As such, the court concluded that the defendant’s mark was sufficiently dissimilar to the senior mark to constitute a successful parody.\(^{34}\)

After finding that the use was in fact a successful parody, the appeals court then concluded that the parodic mark use likely increased, rather than diminished, the source-denoting capacity of the strong senior mark.\(^{35}\) Therefore the court held that the use was not likely to cause dilution by blurring.\(^{36}\) The court also affirmed the lower court’s holding that the use was not likely to cause dilution by tarnishment, finding that the reputation of the company’s $1,200 handbags was not likely to be harmed by an association with the obviously lower-quality $10 dog toy.\(^{37}\)

The decision in *Haute Diggity Dog* was later cited in another pet-product parody

\(^{30}\) *Id.*  
\(^{31}\) *Id.*  
\(^{32}\) *Id.*  
\(^{33}\) *Id.*  
\(^{34}\) *Id.*  
\(^{35}\) *Id.*  
\(^{36}\) *Id.*  
\(^{37}\) *Id.*

38 Id. at 980 (describing the VIP product as a “knock off” of the Budweiser beer bottle and label that featured an image of a dog dragging itself across the floor in an effort to express its anal glands).

39 Id. at 985 (noting that the defendant relied heavily on two other pet product parody cases to support its parody defense: Haute Diggity Dog, 507 F.3d 252 (4th Cir. 2007) and Tommy Hilfiger, 221 F.Supp.2d 410 (S.D.N.Y.2002)).

40 Id. at 985-86 (distinguishing the use in this case from the use in Tommy Hilfiger and Haute Diggity Dog because the plaintiff sold some “Budweiser”-branded dog products of similar cost to the defendant’s “buttwpier” dog toy, and concluding therefore that consumer confusion from this purported parody was more likely than in the cited cases).

41 Id. at 988. Although the Anheuser-Busch court acknowledged that the marks were similar and that VIP had intentionally created an association between the “Buttwpier” product and the “Budweiser” mark, the court concluded that blurring is not a necessary consequence of association.

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

43 Starbucks Corp. v. Wolfe’s Borough Coffee, Inc. (Starbucks Corp. II), 588 F.3d 97, 103 (2d Cir. 2009).
plaintiff, Starbucks Corp., alleged that this use caused dilution of the “Starbucks” mark by both blurring and tarnishment. The case first worked its way through the district court and the Second Circuit Court of Appeals under the FTDA, where it was dismissed because Starbucks had not demonstrated actual dilution (Starbucks Corp. I). The case was then re-litigated under the TDRA’s more plaintiff-friendly “likelihood of dilution” standard, and was twice appealed to the Second Circuit (Starbucks Corp. II and Starbucks Corp. III). This analysis picks up at the re-hearings of the case under the TDRA in Starbucks Corp. II and Starbucks Corp. III.

In 2008 in Starbucks Corp. II, a New York district court applied the blurring factors outlined in the TDRA, and although several factors favored Starbucks, the court concluded that the use was not diluting because A) the marks were not “substantially similar” when viewed in the context of their use, B) the defendant’s intentional association with the senior mark was not done in “bad faith,” C) the survey evidence of

45 Id.

46 Id. (arguing that the defendant’s use had associated their mark with an inferior brand of coffee, and because the “Charbucks” name was used pejoratively to imply that Starbucks coffee is over-roasted).


50 Id. at 477-78 (finding that the “Starbucks” mark was distinctive, well recognized, used exclusively by the mark owner, and that the defendant’s had intentionally association with the senior mark).

51 Id. at 477 (holding that “In order to establish dilution by blurring, the two marks must not only be similar, they must be ‘very’ or ‘substantially’ similar,” and finding that the uses were not substantially similar because the defendant's marks appeared very differently as a component of its packaging than the standalone Starbucks mark) (internal citations omitted).

52 Id. at 477-48 (noting that Black Bear had admitted to intentionally associating “with [Starbucks] mark by wordplay-specifically, by alluding to the dark roasted characteristic of the Starbucks product,” but
association was insufficient,\textsuperscript{53} and D) Starbucks had not provided any the association between the two would be likely to harm the distinctiveness or reputation of the senior mark.\textsuperscript{54}

In a \textit{de novo} review by the Second Circuit in 2009, however, the dilution by blurring claim was reversed and remanded.\textsuperscript{55} On appeal, the Second Circuit first rejected the defendant’s argument that the use was protected as a parody of the “Starbucks” mark under the TDRA’s “fair use” exclusion.\textsuperscript{56} Turning to the language of the statute, the appeals court cited the Fourth Circuit’s opinion in \textit{Haute Diggity Dog} and concluded that the TDRA’s “fair use” exclusion did not apply to a parody serving as a designation of source for the defendant’s own goods or services.\textsuperscript{57} Noting that Black Bear had used the parody name “Charbucks” as a designation of source (brand) for its own coffee, the court held that the exclusion could not be applied in this case.\textsuperscript{58}

The Second Circuit in \textit{Starbucks Corp. II} also rejected the defendant’s claim that the use in this case was analogous to the parodic use in \textit{Haute Diggity Dog}, and refused

\begin{itemize}
\item The association Defendant intended to evoke in consumers' minds through its use of a playful dissimilar mark is not one that would be likely to dilute the Starbucks marks as unique identifiers of Starbucks' goods and services. Rather, it is dependent on an identification of those marks with Starbucks' own products and a characteristic of the taste of those products. The record is, therefore, insufficient to demonstrate the requisite likelihood that the association arising from the similarity of the core terms is likely to impair the distinctiveness of Starbucks' mark, and Plaintiff is not entitled to injunctive relief under that statute.
\end{itemize}

\textit{Id.} at 478.

\textsuperscript{53} \textit{Id.} at 478 (noting that the survey demonstrated association between the words “charbucks” and “starbucks” during a phone interview, but not an association between the marks as they would be viewed in commerce).

\textsuperscript{54} \textit{Id.} Stating:

\begin{itemize}
\item The association Defendant intended to evoke in consumers' minds through its use of a playful dissimilar mark is not one that would be likely to dilute the Starbucks marks as unique identifiers of Starbucks' goods and services. Rather, it is dependent on an identification of those marks with Starbucks' own products and a characteristic of the taste of those products. The record is, therefore, insufficient to demonstrate the requisite likelihood that the association arising from the similarity of the core terms is likely to impair the distinctiveness of Starbucks' mark, and Plaintiff is not entitled to injunctive relief under that statute.
\end{itemize}

\textit{Id.} at 478.

\textsuperscript{55} \textit{Starbucks Corp. v. Wolfe's Borough Coffee, Inc.}, 588 F.3d 97, 111 (2d Cir. 2009).

\textsuperscript{56} \textit{Id.}

\textsuperscript{57} \textit{Id.} (citing \textit{Haute Diggity Dog}, 507 F.3d 252, 266 (4th Cir. 2007)) (internal citation omitted).

\textsuperscript{58} \textit{Id.}
to find the use non-diluting simply because it was a “successful parody.”\textsuperscript{59} The appeals court concluded that the mark use was “at most a subtle satire” of the famous mark, not a parody.\textsuperscript{60} Additionally, the court distinguishing Black Bear’s use in this case from the use of the LVM mark in \textit{Haute Diggity Dog}, noting that the defendant’s “Charbucks” mark did not serve as an “irreverent commentary of Starbucks, but rather as a beacon to identify Charbucks as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffee.”\textsuperscript{61} Thus, the court concluded, this use would not be protected as a parody even if the Second circuit were to adopt the Fourth Circuit’s reasoning from \textit{Haute Diggity Dog}.\textsuperscript{62}

Having rejected Black Bear’s dilution defenses, the Second Circuit in \textit{Starbucks II} then analyzed the dilution claims individually.\textsuperscript{63} The appeals court upheld the lower court’s finding that the use was not likely to cause dilution by tarnishment, noting that the “Charbucks” coffee was of very high quality, and the term was not used pejoratively but to positively promote the Black Bear brand of well-roasted coffee.\textsuperscript{64} However, the appeals court reversed and remanded the lower court’s decision regarding dilution by blurring based on a flawed application of the blurring factors.\textsuperscript{65}

Specifically, the court held that the district court was mistaken to require “substantial” similarity between the marks, noting that this was at odds with the language

\begin{itemize}
  \item \textsuperscript{59} \textit{Id.} at 111-12.
  \item \textsuperscript{60} \textit{Id.} at 112.
  \item \textsuperscript{61} \textit{Id.} at 112-13 (distinguishing \textit{Haute Diggity Dog} based on the lack of direct competition).
  \item \textsuperscript{62} \textit{Id.} at 112.
  \item \textsuperscript{63} \textit{Id.} at 105-10 (analyzing the dilution by blurring claim) and at 110-11 (analyzing the dilution by tarnishment claim).
  \item \textsuperscript{64} \textit{Id.} at 110-11.
  \item \textsuperscript{65} \textit{Id.} at 107 (speculating that this interpretation of the statute would materially diminish the significance of the remaining five factors).
\end{itemize}
of the statute “which lists ‘degree of similarity’ as one of several factors in determining blurring.” The court also rejected the lower court’s reasoning that factor five (v) – the “intent to associate” – did not weigh against the defendant because the defendant had not act in bad faith, noting that the plain language of the TRDA as codified in 15 U.S.C §1125(c) “does not require the additional consideration of … bad faith” but merely a consideration of “[w]hether the user of the mark or trade name intended to create an association with the famous mark.” Therefore the dilution by blurring claim was remanded to the district court for further proceedings.

However, on remand to the district court in 2011, the district court reached the same conclusion that it had previously. The district court in Starbucks Corp. III acknowledged that four of the six blurring factors weighed in the plaintiff’s favor, but nonetheless concluded that the factors of similarity and association between the marks were determinative, stating: “the statutory language leaves no doubt in this regard—dilution ‘is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.’” Finding the marks to be “only minimally similar as they are presented in commerce,” and “only weakly

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66 Id. at 107-08.
67 Id. at 109-10.
69 Id. at *5.
70 Id. (citing 15 U.S.C. §1125(c)(2)(B)).
71 Id. at *3.
associated,” the district court again held that Starbucks had failed to meet its burden to demonstrate the use was likely to cause dilution by blurring.\(^7^3\)

This holding was **affirmed** on appeal to the Second Circuit on November 15, 2013.\(^7^4\) On appeal, the Second Circuit found that the district court’s emphasis on the factors of “similarity” and “association” was not clearly erroneous, concluding that the blurring factors are not to be treated as “an inflexible, mechanical test” and that “the importance of each factor will vary with the facts.”\(^7^5\) The appeals court in *Starbucks Corp. III* found that the marks were only minimally similar when viewed in commerce, and thus affirmed the lower courts finding that factor (i) – “the similarity of the marks” – weighed strongly in favor of Black.\(^7^6\) The appeals court also agreed that factors (ii), (iii), and (iv) – the “distinctiveness” “recognition” and “exclusive use” of the senior mark – only weekly favored Starbucks,\(^7^7\) stating that these factors merely demonstrate “susceptibility to dilution,” not that dilution was likely to occur from the challenged use.\(^7^8\)

The Second Circuit found that factor (v) - “the intent to create an association” – weighed moderately in the plaintiff’s favor,\(^7^9\) but noted that evidence of intent to associate did not constitute “**per se** evidence that the actual association factor weighs in

\(^7^2\) *Id.* at *4.*

\(^7^3\) *Id.* at *5.*

\(^7^4\) *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc. (Starbucks Corp. III),* 736 F.3d 198 (2d Cir. 2013).

\(^7^5\) *Id.* at 204-05.

\(^7^6\) *Id.* at 211 (further stating “minimal similarity strongly suggests a relatively low likelihood of an association diluting the senior mark”).

\(^7^7\) *Id.*

\(^7^8\) *Id.* at 212 (emphasis in original) (continuing, “We agree with the District Court that the distinctiveness, recognition, and exclusive use of the Starbucks Marks do not overcome the weak evidence of actual association between the Charbucks and Starbucks marks”).

\(^7^9\) *Id.* (“we attribute a moderate amount of significance to the fifth factor, intent to create an association.”).
favor of the owner of the famous mark.” Finally, the Second Circuit agreed with the lower court’s finding that Starbucks’ survey evidence demonstrating actual association between the two marks was flawed and therefore found that factor (iv) – “actual association” – weighed only minimally in Starbucks’ favor. Upon weighing the factors, the Second Circuit concluded that Starbucks had failed to show a likelihood of dilution resulting from the defendant’s use of the “Charbucks” mark.

In both *Haute Diggity Dog* and *Starbucks II*, the “fair use” exclusion was not applied because the mark was being used as a “designation of source” for the defendants’ products. Upon applying the blurring factors, however, the use was ultimately protected in both cases. Notably, in both *Haute Diggity Dog* and *Starbucks III*, the dissimilarity of the marks was the central factor weighing in favor of the defendant.

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80 Id. at 209 (concluding that each factor must be viewed individually and that to treat intent to associate as evidence of actual association “would effectively merge the intent to associate and the actual association factors, by making the former determinative of the latter, rather than treating them as distinct but related considerations”).

81 Id.

82 Id. at 213. Stating:

Ultimately what tips the balance in this case is that Starbucks bore the burden of showing that it was entitled to injunctive relief on this record. Because Starbucks’ principal evidence of association, the Mitofsky survey, was fundamentally flawed, and because there was minimal similarity between the marks at issue, we agree with the District Court that Starbucks failed to show that Black Bear’s use of its Charbucks Marks in commerce is likely to dilute the “Starbucks” mark.

Id. at 213.

83 Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 266 (4th Cir. 2007) (noting that the TDRA’s fair use defense does not extend to parodies used as a trademark and therefore does not apply to the defendant’s use); Starbucks Corp. v. Wolfe’s Borough Coffee, Inc. (*Starbucks Corp. II*), 588 F.3d 97, 103 (2d Cir. 2009) (“Charbucks Marks cannot qualify under the parody exception because the Charbucks Marks are used “as a designation of source for [Black Bear’s] own goods [i.e., the Charbucks line of coffee].”).

84 *Haute Diggity Dog*, 507 F.3d at 267-81; *Starbucks Corp. II*, 588 F.3d at 478.

85 *Haute Diggity Dog*, 507 F.3d at 267-68 (finding that in the case of a true parody factors related to the strength of the senior mark, intent to associate and actual association do not favor the plaintiff); Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (*Starbucks Corp. III*), 736 F.3d 198 (2d Cir. 2013) (finding that the mark use was only minimally similar and concluding that this strongly favored the defendant).
In Anheuser-Busch, on the other hand, the “fair use” exclusion was never discussed at all. What’s more, the Anheuser-Busch court gave little weight to the blurring factors and ultimately dismissed the claim because there was no evidence that the challenged use was likely to harm the associative the strength or reputation of the senior mark.\footnote{Anheuser-Busch, 666 F. Supp. 2d 974, 987 (E.D. Mo. 2008).}

**B) Actionable And Diluting Uses: Failed Commercial Parodies, Puns and Satire**

The TDRA’s expanded “fair use” exclusion protects both nominative and descriptive “fair use” of a mark, including “fair use” in parody, criticism and commentary of the mark owner or its goods and services, so long as not used as a designation of source.\footnote{15 U.S.C. §1125(C)(3)(A)(ii).} As discussed in Chapter One, some critics worried that courts would interpret the exclusion too broadly and protect any vaguely humorous use of a mark that was not source denoting.\footnote{See e.g., William G. Barber, Dumping the "Designation of Source" Requirement from the TDRA: A Response to the Alleged "Trademark Use Requirement in Dilution Cases," 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 559 (2008); Corina I. Cacovean, Is Free Riding Aided by Parody to Sneak Between the Cracks of the Trademark Dilution Revision Act?, 31 HASTINGS COMM. & ENT. L.J. 441 (2009); Eugene C. Lim, Of Chew Toys and Designer Handbags: A Critical Analysis of the "Parody" Exception Under the U.S. Trademark Dilution Revision Act, 35 CAMPBELL L. REV. 83 (2012); Alexandra E. Olson, Dilution by Tarnishment: An Unworkable Cause of Action in Cases of Artistic Expression, 53 B.C. L. REV. 693 (2012).}

However, in the cases identified for this study, courts were unwilling to apply the exclusion if they found the mark use failed to sufficiently parody, criticize or comment upon the mark, the mark owner, or the mark owner’s goods and services.

For example, In Hershey Co. v. Art Van Furniture Inc., a 2008 decision of a Michigan federal district court,\footnote{Hershey Co. v. Art Van Furniture, Inc., 2008 WL 4724756 (E.D. Mich. Oct. 24, 2008).} the famous chocolate company Hershey sought injunctive relief against the furniture company Art Van for an allegedly diluting use of its
trade dress in an online advertising campaign. For the campaign, Art Van posted to its website ten PhotoShopped images of its truck decorated with various designs and invited visitors to vote for their favorite. One of the designs featured a brown sofa emerging from a burgundy candy bar wrapper with crackled silver foil protruding from underneath, evoking the iconic Hershey Bar wrapper.

The district court in Hershey Co. first found that the use was clearly commercial because it was part of campaign to promote the defendant’s products. The court also rejected Art Van’s argument that that the “couch bar” was protected under the TDRA’s expanded “fair use” exclusion in §1125(c)(3)(A)(ii) as parody. The Hershey Co. court concluded that “the defendant’s ‘couch bar’ may be funny, but it is not biting; its resemblance to the plaintiff’s famous mark is too muted to poke fun, yet too transparent to evoke a generic candy bar.” Nothing that “the defendant’s design [was] neither similar nor different enough to convey a satirical message,” the court found that it was not an effective parody, and therefore concluded that it was ineligible for the protection of the expanded fair use exclusion. Upon applying the blurring factors, the court determined that, while no actual association was demonstrated, the plaintiff had

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90 See generally ROBERT MERGER, PETER MENNEL & MARK A. LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 29 (4TH REV. ED. 2008) ( defining Trade dress as “a legal term of art that generally refers to characteristics of the visual appearance of a product or its packaging.”).
92 Id.
93 Id.
94 Id. at *14.
95 Id.
96 Id.
97 Id. (finding the use to be both actionable and diluting).
98 Id.
demonstrated a likelihood of succeeding on the merits of its dilution by blurring claim.\textsuperscript{99} The failure to convey a satirical message about the mark owner was also an important factor in \textit{Louis Vuitton Malletier v. Hyundai Motor America}, a 2012 decision by a federal district court in New York.\textsuperscript{100} The dilution claim in \textit{Hyundai Motor} centered on a thirty-second 2010 Super Bowl commercial for Hyundai’s Sonata automobile, which depicted examples of opulent luxury transported into everyday environments.\textsuperscript{101} The use at issue involved a one second clip of an inner city basketball game where young men played on a golden court using a ball decorated with a design similar to the Louis Vuitton Malletier (LVM) signature toile monogram. The monogram, which is characterized by a repeating pattern of gold letters (“LV”) and flowers on a chestnut brown background, was altered slightly by substituting the letters “LZ” for “LV.”\textsuperscript{102} Louis Vuitton subsequently brought suit for trademark dilution and infringement.\textsuperscript{103} In defense to the dilution claim, Hyundai argued that this use was protected under the TDRA’s “fair use” exclusion as parody under §1125(c)(3)(A)(ii).\textsuperscript{104} In the decision, the \textit{Hyundai Motor} court acknowledged that the TDRA’s expanded “fair use” exclusion might apply to trademark parody, commentary and criticism in some commercial contexts, but ultimately concluded that the use of the senior

\textsuperscript{99} \textit{Id.}
\textsuperscript{101} \textit{Id.} at *1-2.
\textsuperscript{102} \textit{Id.} at *2.
\textsuperscript{103} \textit{Id.} at *1.
\textsuperscript{104} \textit{Id.} at *6.
mark in a commercial advertisement weighed against a finding of “fair use.” The court also found Hyundai’s use ineligible for the protection of the expanded “fair use” exclusion because the mark was not used for the purpose of “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”

In finding the use ineligible, the court in Hyundai Motor pointed to the deposition testimony of the Hyundai marketing manager, which expressly disclaimed any intention to parody, criticize or comment upon Louis Vuitton. According to this testimony, the commercial was meant to be a “humorous social commentary on the need to redefine luxury during a recession” by contrasting symbols of “old luxury” against the new, accessible luxury of the company’s Sonata automobile. Based on this, the court found that the “LVM” mark had not been used in parody, criticism or commentary about Louis Vuitton or its goods, but instead had been used as a “proxy” for the defendant’s broader observations about “luxury” culture.

The court concluded that the “fair use” exclusion in §1125(c)(3)(A)(ii) was intended to protect only targeted parody, criticism or commentary aimed at the mark owner or its goods, not expansive social criticism. Thus, the court held, the exclusion

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105 Id. at *20 (concluding that promotional ads are not “worthy purposes of expression” even where the use is parodic) (citing Deere & Co. v. MTD Products, Inc., 41 F.3d 39 (2d Cir.1994).
106 Id. at *17 (citing 15 U.S.C. §1125(c)(3)(A)(ii)).
107 Id.
108 Id. at *16-17 (noting that Christopher J. Perry, a former marketing executive at Hyundai, stated during deposition that the intent of the spot was to portray over-the-top, overwhelming concepts of luxury, and admitted that there was no intent to comment on, criticize or make fun of Louis Vuitton specifically).
109 Id. at *17.
110 Id.
could not apply in this case.\textsuperscript{111} The court further reasoned that Hyundai could express the same general commentary about luxury culture without the use of the “LVM” mark, and that an injunction of the offending one-second clip would not limit the commercial’s larger expressive message.\textsuperscript{112}

Having rejecting Hyundai’s defenses, the court in \textit{Hyundai Motor} applied the six dilution by blurring factors and found in favor of LVM on all factors,\textsuperscript{113} concluding that Hyundai had “utilized the Louis Vuitton marks for its own branding goals,” in order to “borrow equity” from the famous brand, which was traditionally associated with luxury and wealth.\textsuperscript{114} The court also found that this use was willful, noting that Hyundai had sought permission to use the marks of several luxury brands, and used the “LVM” mark only after its other inquiries were refused or ignored.\textsuperscript{115} As a result, the court found the use actionable and diluting.\textsuperscript{116}

In both \textit{Hershey Co.} and \textit{Hyundai Motors}, the courts rejected the defendants’ claim of “fair use” parody under the TDRA’s exclusion in §1125(c)(3)(A)(ii) because the mark was not used to parody, comment upon or criticize the mark owner or its goods and services.\textsuperscript{117} In this way, the courts used the language of the exclusion to limit its

\begin{footnotesize}
\begin{enumerate}
\item \textit{Id.}
\item \textit{Id.} at *26.
\item \textit{Id.} at *6-12 (finding that the LVM mark was distinct, famous and exclusively used by the mark owner. The court also found that the design on the basketball was ‘virtually indistinguishable’ from the LVM trademark design, that Hyundai intended to associate with the LVM mark in order to create an impression of luxury for its own products, and survey evidence supported that there had been actual association by viewers of the ad).
\item \textit{Id.} at *13.
\item \textit{Id.} at *14.
\item \textit{Id.}
\end{enumerate}
\end{footnotesize}
application in cases involving broad social satires\textsuperscript{118} and merely humorous visual puns that failed to comment upon the mark owner or its goods and service.\textsuperscript{119} In both cases, the similarity of the two marks was an important factor in determining that the use was diluting.\textsuperscript{120} It is interesting to note that neither the Hyundai court nor the Hershey court required evidence that the defendant’s mark use was likely to harm the strength or reputation of the senior mark, instead enjoining the use based on the blurring factors alone.\textsuperscript{121}

C) Non-Actionable, Protected Commercial “Fair Use”

This study identified only one case in which the expanded “fair use” exclusion was applied to protect a commercial parody, criticism or commentary: National Business Forms & Printing, Inc. v. Ford Motor Co., (NBPF), a decision by a Texas district court in 2009 that was affirmed by the United States Court of Appeals, Fifth Circuit, in 2012.\textsuperscript{122} In NBFP, the defendant manufactured “stickers, signs, decals and other promotional materials containing copies of the . . . Ford Motor Company’s trademark logo”\textsuperscript{123} and

\textsuperscript{118} Hyundai Motor, 2012 WL 1022247 at *17 (describing the use as part of a “broader social comment” on the need to redefine luxury in the recession).

\textsuperscript{119} Hershey Co., 2008 WL 4724756 at *15 (describing the use as funny, but “too muted to poke fun” of the plaintiff’s trade dress).

\textsuperscript{120} Id. at *15 (“Defendant’s “couch bar” design, with its stylized block lettering, its packaging in two elements, and especially its silver foil visible beneath the wrapper's sleeve, bears an unmistakable resemblance to some of Plaintiff’s candy bars.”); Hyundai Motor, 2012 WL 1022247 at *7 (noting that the Louis Vuitton marks and the basketball design in the commercial were “virtually indistinguishable,” and that the brevity of the use clip made it impossible for a viewer to appreciate the extremely minor alterations of the senior mark).

\textsuperscript{121} Hyundai Motor, 2012 WL 1022247 at *10-11 (finding that all of the factors balanced in favor of LVM); Hershey Co., 2008 WL 4724756 at *15 (finding that factors one through five favored the plaintiff, and concluding that factor 6, “association,” could be presumed based on the similarity of the marks).


\textsuperscript{123} NBFP, 2009 WL 3570387 at *1.
used the Ford logo without authorization on its website.\textsuperscript{124} Ford brought suit for trademark infringement and dilution based on several categories of product sales. The “fair use” exclusion for parody, criticism and commentary was applied for only one of the products at issue – a custom sticker decal with the words “NO BIG 3 BAIL OUT,” bearing the logos of Ford, Chrysler and GM.\textsuperscript{125}

In regards to that specific use, the federal district court found that the sticker used the “Ford” mark as part of a criticism about Ford, and therefore held that this mark use was therefore non-actionable under the TDRA’s “fair use” exclusion.\textsuperscript{126} In its incredibly brief dilution analysis, the federal district court directly cited the statute and, without further explanation, found that the exclusion applied to this use of the Ford mark, making it non-actionable under the TDRA.\textsuperscript{127} On appeal, the Fifth Circuit Court of Appeals found that the use of the “Ford Mark” in the “NO BIG 3 BAILOUT” sticker was a “legitimate” “fair use” of the senior mark.\textsuperscript{128}

\textsuperscript{124} Id. (explaining the website contained notice the vendor was ‘not affiliated with, sponsored by, licensed by, or associated with any company,’” and that the product logos previewed on the website were “for demonstration purposes to show examples of our graphics capabilities or previous work done. Any artwork requested or submitted by you is a representation and warranty that you have the right to use and authorize its reproduction.”).

\textsuperscript{125} Id.

\textsuperscript{126} Id. at *3.

\textsuperscript{127} Id. (stating that the §1125(c)(3)(A)(ii) exclusions cover “any fair use ... other than as a designation of source for the person's own goods or services, including use in connection with ... criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”).

II. USES PROTECTED UNDER THE TDRA AS NON-COMMERCIAL

Under the TDRA, courts typically applied the non-commercial use exclusion to protect the expressive use of marks artistic work, parody, commentary and criticisms.\(^{129}\)

Interestingly, it appears that courts continued to rely primarily on the non-commercial use exclusion\(^ {130}\) even where the use might have been eligible for the protection of the expanded “fair use” exclusion in §1125(c)(3)(A)(ii).

A) Uses in Books, Movies, Music and Art

In the TDRA cases identified for this study, the use of marks expressively in artistic works such as television programs, movies and books was consistently protected from dilution liability. Within the Ninth Circuit, such uses were protected under the TDRA’s non-commercial use exclusion in §1125(C)(3)(C). For example, in \textit{Burnett v. Twentieth Century Fox Film Corp.}, at 2007 decision of a federal district court in California,\(^ {131}\) the comedic actress Carol Burnett brought a suit for dilution by tarnishment against the television company Fox based the use of her trademarks in an eighteen second clip on the television show \textit{Family Guy}.\(^ {132}\) \textit{Family Guy} is an adult-oriented cartoon


\(^{131}\) \textit{Burnett}, 491 F. Supp. 2d 962.

\(^{132}\) \textit{Id.} at 966.
“known for its lampooning of celebrities and pop culture,” often in vulgar and distasteful ways. In the clip, an animated version of the Carol Burnett character “the Charwoman” was seen mopping the floor of a pornographic movie store and viewing parlor.

In dismissing the dilution claim, the California district court found that this use was a parody and therefore protected under the TDRA’s exclusion for non-commercial use in §1125(c)(3)(C). In holding that the use was in fact a successful parody the court concluded that “the episode at issue put a cartoon version of Carol Burnett/the Charwoman in an awkward, ridiculous, crude, and absurd situation in order to lampoon and parody her as a public figure.” While acknowledging that the clip could be classified as “distasteful and bizarre, even outrageous and offensive,” the court pointed out that parody is protected, immaterial of whether it is in good or bad taste. Following the precedent that the Ninth Circuit set in its 2002 decision in MCA Records, the Burnett court concluded that parody is a form of noncommercial speech for purposes

133 Id. at 973.
134 Id. at 966 (describing the allegedly diluting use as follows):

Near the beginning of the episode, the Griffin family patriarch, Peter Griffin, an “Archie Bunker”-like character, enters a porn shop with his friends. Upon entering, Peter remarks that the porn shop is cleaner than he expected. One of Peter's friends explains that “Carol Burnett works part time as a janitor.” The screen then switches for less than five seconds to an animated figure resembling the “Charwoman” from the Carol Burnett Show, mopping the floor next to seven “blow-up dolls,” a rack of “XXX” movies, and a curtained room with a sign above it reading “Video Booths.” As the “Charwoman” mops, a “slightly altered version of Carol’s Theme from The Carol Burnett Show is playing.” The scene switches back to Peter and his friends. One of the friends remarks: “You know, when she tugged her ear at the end of that show, she was really saying goodnight to her mom.” Another friend responds, “I wonder what she tugged to say goodnight to her dad,” finishing with a comic's explanation, “Oh!”

135 Id. at 966.
136 Id. at 973-74.
137 Id. at 969.
of federal dilution law if it does more than propose a commercial transaction.\textsuperscript{138} Therefore the court held that this use was protected under the TDRA’s non-commercial use exclusion.\textsuperscript{139}

Similarly, in \textit{Roxbury Entertainment v. Penthouse Media Group, Inc.}, a case decided by the same federal district court in California in 2009\textsuperscript{140} the use of the senior mark in a movie title was found to be non-commercial based on the expressive nature of the film as a whole.\textsuperscript{141} In \textit{Roxbury Entertainment}, the owner of the full rights to the \textit{Route 66} television programs and related intellectual property brought a claim of dilution against Penthouse Media for a pornographic movie entitled \textit{Route 66}.\textsuperscript{142} The defendant claimed that the use was protected free speech under the First Amendment, and protected descriptive fair use.\textsuperscript{143} In dismissing the dilution claim, the \textit{Roxbury Entertainment} court found that Penthouse’s underlying work was an expressive work entitled to full First Amendment protection.\textsuperscript{144} Citing \textit{MCA Records}, the \textit{Roxbury Entertainment} court found that the use was protected under the TDRA’s non-commercial use exclusion.\textsuperscript{145}

Notably, the non-commercial use exclusion was not applied in \textit{Volkswagen AG v. Dorling Kindersley Publishing}, a 2009 decision from a federal district court in

\textsuperscript{138} \textit{Id.} at 974 (citing Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 906 (9th Cir. 2002)).
\textsuperscript{139} \textit{Id.} at 973-74.
\textsuperscript{140} \textit{Roxbury Entm't v. Penthouse Media Group, Inc.}, 669 F. Supp. 2d 1170 (C.D. Cal. 2009) (holding that defendant’s pornographic movie was protected first amendment artistic expression and not actionable for dilution of the plaintiffs’ mark for the Television show “Route 66”).
\textsuperscript{141} \textit{Id.} at 1175.
\textsuperscript{142} \textit{Id.} at 1170-71.
\textsuperscript{143} \textit{Id.} at 1175. Because the court ultimately granted summary judgment on First Amendment grounds, the alternative fair use argument was never considered. In dismissing the plaintiff’s claim of trademark \textit{infringement}, the court determined that the of the term “Route 66” was relevant to the underlying work and not misleading to consumers, and therefore protected by the First Amendment.
\textsuperscript{144} \textit{Id.} at 1175.
\textsuperscript{145} \textit{Id.}.
Michigan. In Volkswagen, the plaintiff car manufacturer sued Doring Kindersley Publishers (DK) for the publication of a children’s book entitled Fun Cars, which was shaped like, and contained images of, the VW New Beetle. DK claimed that the use ought to be protected under the First Amendment and as nominative fair use of the mark.

In its trademark infringement analysis, the Volkswagen court was persuaded that the use of the “VW” mark would likely be protected under the First Amendment because the book was expressive and the use of the famous mark was artistically relevant to the book’s theme, story and artistic design as an “encyclopedia about cars that are fun.” On the fair use issue, the court found that DK’s “prominent use of VW’s NEW BEETLE design on the front and back covers of Fun Cars” may have been more use of the mark than was necessary, thereby potentially failing the second and third prong of the nominative fair use test.

On the dilution issue, however, the Fun Cars court did not address the First Amendment or the fair use defense. Rather, the court simply dismissed the claim because it found the plaintiff had failed to meet its burden of proof to demonstrate a “likelihood of

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147 Id. 798 (noting that even if the use was relevant to the artistic purpose, it could still be enjoined if it was likely to cause consumer confusion as to the source, origin, sponsorship or affiliation or the book).
148 Id.
149 Id. at 811.
150 Id. at 810 (finding that “to the extent Fun Cars can be construed as a book, one can reasonably conclude . . . that DK’s use of the NEW BEETLE design in Fun Cars is relevant to the book’s underlying “fun” theme,” but reserving judgment as to whether the publication was a book or a toy as a matter for the jury).
151 Id. at 811 (noting that to qualify as nominative “fair use” a commercial user must satisfy the following requirements: 1) the product must not be readily identifiable without the mark; 2) the user must utilize only so much of the mark “as is reasonably necessary to identify the product;” and 3) the user cannot do anything “that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”).
dilution” under the TDRA. In reaching this conclusion, the court did not apply the dilution by blurring factors. Instead, the court examined survey evidence presented by the plaintiff and found it lacking.

The court acknowledged that VW’s surveys had shown an “association” between the book and the senior mark, but held that VW had failed to demonstrate that this association would be likely to cause consumers to “form a different impression of VW after coming into contact with Fun Cars,” or “that there has been, or likely will be, a lessening of VW’s ability to identify and distinguish its cars as a result of DK’s release of Fun Cars.” Therefore the court found that the plaintiff had failed to demonstrate a “likelihood of dilution” by tarnishment or blurring under the TDRA.

In Burnett and Roxbury Entertainment, two cases heard by the same district court in California, the defendant’s use was protected under the non-commercial use exclusion as part of an expressive work. In Burnett the mark was used in a parody, and therefore might have been eligible for the protection of the “fair use” exclusion for parody in §1125(c)(3)(A)(ii). It is unclear whether “fair use” was ever raised a defense, however, and the Brunette court ultimately cited MCA Records and protected the use under the non-commercial use exclusion based on the expressive nature of the larger

152 Id. at 808 (noting that the two marks were “partly similar at best” and concluding that although Volkswagen had proven a mental association between Fun Cars and the “VW” mark, the surveys did not demonstrate “that a consumer is likely to form a different impression of VW after coming into contact with Fun Cars” or “that there has been, or likely will be, a lessening of VW’s ability to identify and distinguish its cars as a result of DK’s release of Fun Cars”).
153 Id.
154 Id.
155 Id.
156 Burnett v. Twentieth Century Fox Film Corp., 491 F. Supp. 2d 962 (C.D. Cal. 2007).
158 Roxbury Entertainment, 669 F. Supp. 2d at 1175; Burnett, 491 F. Supp. 2d at 974.
work. In *Roxbury Entertainment* the defendant claimed the use of the “Route 66” mark was protected under the First Amendment and as descriptive fair use. Because the TDRA’s expanded “fair use” exclusion in §1125(c)(3)(A) protects any fair use, including nominative and descriptive fair use, the use in *Roxbury* might have been eligible for the protection of the expanded “fair use” exclusion. Again, however, it is not clear whether the defense was ever raised because the *Roxbury Entertainment* court ultimately protected the expressive work as non-commercial.

The Michigan district court in *Volkswagen*, however, did not apply the non-commercial use exclusion based on the expressive, artistic nature of the encompassing work. Instead, the *Volkswagen* court found the use to be non-diluting, without applying the blurring factors, based on a lack of evidence demonstrating that the defendant’s use was likely to tarnish or diminish the associative strength of the senior mark.

**B) Consumer Product Reviews**

Another type of mark use that was protected under the TDRA was the use of a mark by dissatisfied consumers in product reviews. Hypothetically, this form of use would be eligible for protection under the “fair use” exclusion in §1125(c)(3)(A) as

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159 *Burnett*, 491 F. Supp. 2d at 974 (citing Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 906 (9th Cir. 2002)).

160 *Roxbury Entertainment*, 669 F. Supp. 2d at 1175.

161 15 U.S.C. 1125(c)(3)(A) (excluding from liability “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 . . .”).

162 *Id.* ("Although the analysis detailed here focuses on the First Amendment defense to Plaintiff's infringement claims, the result is the same with respect to Plaintiff's dilution claims, because Defendants' use of “Route 66” in the movie title falls within the noncommercial use exemption for federal trademark dilution claims.") (citing as an example, Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 902-03 (9th Cir. 2002)).


164 *Id.* at 808.
nominative fair use of a mark in criticism or commentary about the mark owner or its goods and services. However, in the TDRA cases identified for this study, the uses were protected under one of the law’s other statutory exclusions, and the “fair use” exclusion was never addressed.\(^{165}\)

In *BidZirk, LLC v. Smith*, a 2007 decision by the federal district court of South Carolina,\(^{166}\) the defendant’s criticism of the mark owner’s services was protected under the TDRA’s exclusion for news reporting and news commentary in §1125(c)(3)(B).\(^{167}\) In *BidZirk*, the defendant, Smith, posted a four-part article on his blog describing his experience using the auction listing company BidZirk to sell items on eBay.\(^{168}\) The article related “the positive and mostly negative aspects of utilizing an eBay listing company, like BidZirk,” and provided a checklist for readers to utilize when deciding whether to use an eBay listing company.\(^{169}\) BidZirk sought a permanent injunction, claiming that the “BidZirk” mark was famous, that the defendant’s use was commercial, and that the use caused tarnishment to its brand.\(^{170}\)

In dismissing BidZirks’s diluting claim, the court held that Smith’s use was protected under the exclusion for news reporting and news commentary.\(^{171}\) In applying the exclusion, the *BidZirk* court reasoned that while not all blogging constituted journalism, Smith’s would because the article reported on “what [Smith] believed was a

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\(^{166}\) *BidZirk*, 2007 WL 3119445.

\(^{167}\) Id. at *6-7.

\(^{168}\) Id. at *1.

\(^{169}\) Id.

\(^{170}\) Id. at *6.

\(^{171}\) Id.
newsworthy story for consumers.”172 The court further concluded that Smith had written his blog with relative journalistic diligence and accuracy.173 Therefore, the court found that his use was entitled to protection under the statutory exclusion for news reporting and news commentary.174

In another consumer product review case, *Clearly Building, Corp. v. David A. Dame, Inc.* a 2009 decision by the federal district court in Colorado, the defendant’s use was protected under the non-commercial use exclusion.175 In *Clearly Building*, the defendant, Dame, contracted Clearly Building Corp. to build a large post-frame building.176 Dame, who was dissatisfied with the Clearly Building’s work, decided to sell the building by creating a website at www.myclearlybuilding.com.177 The site’s title read “My NEW building by Clearly Building Corp.,” and the page contained information regarding both the building for sale and the defendant’s experiences with the Clearly Building Corp.178 The “Clearly Building” mark was used as the background for the site’s homepage and was included on the scanned copies of the blueprints for the building that were available for viewing through the website.179 A link to this site was included in two online advertisements for the sale of Dame’s building, and the link was posted on an

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172 Id. at *7.
173 Id.
174 Id. at *6-7.
176 Id. at 1260-61.
177 Id.
178 Id. at 1266.
179 Id. at 1260-61.
online bulletin board discussing the quality of Clearly Building products, where several commenters responded that the roof of Dame’s building was poorly attached.\textsuperscript{180}

Clearly Building Corp. brought suit for trademark dilution by tarnishment based on the Dame’s disparaging commentary about the company on the myclearlybuilding.com website and on the online bulletin board.\textsuperscript{181} The company claimed that the use was commercial use in commerce, and therefore actionable, because Dame had advertised the sale of the building in at least two online advertisements that linked to his myclearlybuilding.com site.\textsuperscript{182} The district court, however, rejected this argument.

Citing the Ninth Circuit’s 2005 decision in Bosley Medical, the Clearly Building court held that “commercial use in commerce” element of the TDRA’s dilution cause of action was “roughly analogous” to the use of the mark in connection with the sale of goods or services.\textsuperscript{183} The court concluded that the allegedly tarnishing mark use was part of Dame’s criticism of Clearly Building goods and services, and that this use was “separated from any goods or services offered for sale.”\textsuperscript{184} Furthermore, the court found that the plaintiff’s online advertisements for his building, which linked to his website, were “too roundabout” and “attenuated” a path to commercial use, particularly since the site itself contained no advertisements.\textsuperscript{185} Therefore the court dismissed the dilution

\textsuperscript{180} Id.
\textsuperscript{181} Id. at 1268.
\textsuperscript{182} Id.
\textsuperscript{183} Id. (citing Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 674 (9th Cir. 2005)).
\textsuperscript{184} Id.
\textsuperscript{185} Id.
action for failure to show a commercial use in commerce, one of the required elements of the TDRA’s dilution cause of action.\textsuperscript{186}

In both in BidZirk\textsuperscript{187} and Clearly Building\textsuperscript{188} the defendant used the mark to criticize or comment upon the mark owner’s products or services, and in each case the court found the use non-actionable based on one of the TDRA’s statutory exclusions. In BidZirk, the use was found non-actionable based on the TDRA’s exclusion for news reporting and news commentary because the defendant had used the mark in a well-researched, factually accurate blog article created to educate the public about working with eBay listing companies.\textsuperscript{189} In Clearly Building, the use was found to be a non-actionable, non-commercial use because the court concluded that Dame’s use of the mark in criticisms of Clearly Building Corp. was “separated from any goods or services offered for sale.”\textsuperscript{190}

\textbf{C) Non-Commercial Use of Marks in Criticism and Commentary about a Mark Owner’s Viewpoints and Practices}

A review of the TDRA cases identified for this study indicates that the use of a mark for criticism or commentary of the mark holding organization’s viewpoints or practices was consistently protected as non-commercial.\textsuperscript{191} For example, in Utah

\begin{footnotesize}
\textsuperscript{186} Id.
\textsuperscript{189} BidZirk, 2007 WL 3119445 at *6-7 (finding that the defendant’s mark use was not excluded from the news reporting exclusion simply because it was employed in a blog, or because it was critical of the mark owner).
\textsuperscript{190} Cleary Building, 674 F. Supp. 2d at 1268.
\end{footnotesize}
Lighthouse Ministry, Inc. v. Discovery Computing, Inc., a 2007 decision from the district court of Utah, the court protected a “parody” site that criticized the beliefs of the mark owners “Utah Lighthouse Ministry” Church. The plaintiffs, Jerald and Sandra Tanner, operated the Utah Lighthouse Ministry website at www.utlm.org. The site was devoted to criticism of the Mormon religion, but also sold books on the topic of religion. The defendant, Wyatt, was the president of the volunteer organization The Foundation for Apologetic Information and Research (FAIR), whose mission is to defend the Mormon church of Latter Day Saints against criticism.

Wyatt registered a variety of domain names referencing “Utah Lighthouse Ministry” and the Tanners, all of which directed the user to a single website “parodying” the utlm.org site and defending the Mormon faith. The Wyatt website contained no advertising and offered no goods or services for sale, but did contain links to other organizations espousing views contrary to those of the plaintiffs, including the FAIR website. The Tanners argued that Wyatt’s uses of the “Utah Lighthouse Ministry” mark were actionably commercial because the Wyatt website interfered with the ability of users to reach the goods and services offered on the actual www.utlm.org

192 Utah Lighthouse Ministry, 506 F. Supp. 2d 889.
193 Id. at 890-92.
194 Id. at 892.
195 Id.
196 Id. (listing the various domains as follows: utahlighthouse.com, sandratanner.com, geraldtanner.com, geraldtanner.org, utahlighthouse.org, utahlighthousesemistry.org, sandratanner.org, jeraldtanner.com, utahlighthousesemistry.com, jeraldtanner.org, utahlighthouse.info, jeraldtanner.info and sandratanner.info).
197 Id. at 893-94 (describing the websites as having similar appearance and suggestive, though different, content).
198 Id. at 983 (including links to the Brigham Young University's Foundation for Ancient Research and Mormon Studies, and to the official LDS Church website, and an article posted on the FAIR website).
website, and because the Wyatt website hyperlinked to the FAIR website, which also sold books about religion.\textsuperscript{199}

The district court, however, concluded that this use was not commercial and therefore not actionable under the TDRA. The court concluded that the “commercial use” requirement of the TDRA’s dilution cause of action\textsuperscript{200} is “virtually synonymous with the ‘in connection with the sale, offering for sale, distribution, or advertising of goods and services’ requirement’ of the Lanham Act.”\textsuperscript{201} Noting that the Wyatt website “provided no goods or services, earned no revenue, and had no direct links to any commercial sites” the court found that the plaintiffs had failed to prove a required element of the claim.\textsuperscript{202} The court also concluded that the website constituted a parody, and was therefore also protected by the TDRA’s non-commercial use exclusion as non-commercial speech.\textsuperscript{203}

Another case in which the use was found non-commercial was \textit{Smith v. Wal-Mart Stores, Inc.}, a 2008 decision of a federal district court in Georgia.\textsuperscript{204} In \textit{Wal-Mart Stores, Inc.}, Smith, a vocal critic of Wal-Mart’s labor practices and impact on local businesses,

\begin{itemize}
\item \textsuperscript{199} \textit{Id.} (noting that FAIR operates an informational website and an online bookstore, and that some of the books offered for sale on the FAIR online bookstore are also offered for sale at the UTLM online bookstore).
\item \textsuperscript{200} 15 U.S.C. §1125(c)(1) (“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. .”)(emphasis added).
\item \textsuperscript{201} \textit{Utah Lighthouse Ministry}, 506 F. Supp. 2d at 901.
\item \textsuperscript{202} \textit{Id.} at 897. While the plaintiffs’ did not appeal the dilution holding, the United States Tenth Circuit Court of Appeals affirmed the finding that the use was not commercial for the purposes of trademark infringement under the same reasoning. See \textit{Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research}, 527 F.3d 1045, 1052-54 (10th Cir. 2008).
\item \textsuperscript{203} \textit{Id.} at 898 (noting that the websites had similar appearances and a similar writing style, but a notably different message).
\item \textsuperscript{204} Smith v. Wal-Mart Stores, Inc. (\textit{Wal-Mart Stores}), 537 F. Supp. 2d 1302 (N.D. Ga. 2008).
\end{itemize}
created various designs and slogans incorporating the word “Wal-ocaust.” These designs were included on his website www.walocost.com and were also offered for sale on clothing, magnets, mugs, stickers and other items via a link to the Smith’s online store housed at www.CafePress.com. Wal-Mart issued a cease and desist letter to CafePress demanding that it take down all of Smith’s Wal-Mart-related merchandise, and to Smith demanding that he transfer ownership of the “Wal-ocaust” domain name to Wal-Mart. Smith then filed an action seeking declaratory judgment of his right to sell “Wal-ocaust” merchandise. He subsequently registered two additional domain names, www.walqueda.com and www.walqueda.com, both of which featured more parodied versions of Wal-Mart’s slogans and logos, a forum for disgruntled Wal-Mart employees, and a link to another CafePress store that offered various items bearing the defendant’s designs.

Wal-Mart subsequently brought several actions against Smith, including an action for dilution by tarnishment. Wal-Mart alleged that Smith had portrayed the “Wal-Mart” marks in “an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product,” by equating its brand with the perpetrators of the Holocaust and the September 11 attacks. Wal-Mart further contended that Smith’s uses were commercial because Smith was a merchant “who misappropriated [Wal-Mart’s] trademarks and business reputation in pursuit of illegal profit and who disingenuously [sought] to cloak those activities under the First Amendment.”

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205 Id. at 1308-09.
206 Id. at 1310-11.
207 Id. at 1311.
208 Id.
209 Id. at 1312-13.
210 Id. at 1339.
the other hand, argued that Wal-Mart was attempting to “to misuse trademark laws to censor his criticism of the company.”\textsuperscript{211}

In finding the use to be protected, non-commercial speech, the district court in\textit{Wal-Mart Stores} first determined that Smith had used the “Wal-Mart” mark in successful parodies.\textsuperscript{212} The court noted that Smith used the elements of the “Wal-Mart” mark, including the wordmark and design elements, to evoke the company in the mind of viewers for the purpose of criticizing the company.\textsuperscript{213} The court concluded that Smith’s juxtaposition of the “idealized” “Wal-Mart” mark with terms and images associated with Nazism and terrorism amounted to a “scathing parody” that reflected Smith’s personal beliefs about Wal-Mart’s business practices and its effect on local communities.\textsuperscript{214} The court ruled that these were successful, classic parodies because Smith’s concepts “evoke[d] Wal-Mart while maintaining their differentiation, and . . . convey[ed] Smith's satirical commentary.”\textsuperscript{215} Citing the 2003 Ninth Circuit decision in\textit{Walking Mountain}, the\textit{Wal-Mart Stores} court held that “tarnishment caused merely by an editorial or artistic parody which satirizes [the complainant’s]… image is not actionable under an anti-dilution statute because of the free speech protections of the First Amendment.”\textsuperscript{216}

The\textit{Wal-Mart Stores} court further concluded that Smith’s sale of products bearing his parodies did not render his use commercial for the purpose of the TDRA’s

\textsuperscript{211} Id. at 1313.

\textsuperscript{212} Id. at 1316 (defining a trademark parody as “a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner,” that uses elements of the senior mark to “call to mind” the mark, yet changes the mark enough to “communicate some articulable element of satire, ridicule, joking or amusement.”) (Internal Citations omitted).

\textsuperscript{213} Id.

\textsuperscript{214} Id.

\textsuperscript{215} Id.

\textsuperscript{216} Id. (citing Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 812 (9th Cir.2003)).
non-commercial use exclusion.\textsuperscript{217} In reaching this conclusion, the court referred to the Supreme Court’s 1983 ruling in \textit{Bolger v. Youngs Drug Prods. Corp.}, and a decision by the United States Court of Appeals, Seventh Circuit, from 1997, \textit{Ayres v. City of Chicago}.\textsuperscript{218} In \textit{Bolger}, the Supreme Court had held that speech that is substantially motivated by a commercial interest can be treated as commercial speech, even where it addresses matters of social concern.\textsuperscript{219} In \textit{Ayres}, the Seventh Circuit had concluded that the First Amendment protects speech that is substantially motivated by a desire to express opinions on matters of public concern, even when the speech is put onto products and sold.\textsuperscript{220} Applying the reasoning of \textit{Bolger} and \textit{Ayres}, the \textit{Wal-Mart Stores} court concluded that a reasonable juror could only find Smith’s use of the “Wal-Mart” marks in his “Wal-Queda” and “Wal-ocaust” designs was motivated by a desire to express his strongly adverse opinions about Wal-Mart, not by an economic interest.\textsuperscript{221} Thus the court

\textsuperscript{217} \textit{Id.} at 1340.

\textsuperscript{218} \textit{Id.} at 1339-40 (citing \textit{Bolger v. Youngs Drug Prods. Corp.}, 463 U.S. 60 (1983); \textit{Ayres v. City of Chicago}, 125 F.3d 1010 (7th Cir. 1997)).

\textsuperscript{219} \textit{Bolger v. Youngs Drug Prods. Corp.}, 463 U.S. 60, 66-68 (1983) (refusing to extend full First Amendment protection to informational pamphlets about contraceptives that were mailed to the general public by a contraceptives manufacturer that contained discussions of important public issues such as venereal disease and family planning, concluding that speech was primarily commercial because distribution of the pamphlets was substantially motivated by the defendant’s economic interest in advertising its contraceptives)

\textsuperscript{220} \textit{Ayres v. City of Chicago}, 125 F.3d 1010, 1014 (7th Cir. 1997) (“The T-shirts that the plaintiff sells carry an extensive written message of social advocacy; they are the equivalent of the sandwich boards that union pickets sometimes wear. On the one hand, there is no question that the T-shirts are a medium of expression prima facie protected by the free-speech clause of the First Amendment, and they do not lose their protection by being sold rather than given away.”).

\textsuperscript{221} \textit{Smith v. Wal-Mart Stores, Inc.}, 537 F. Supp. 2d 1302, 1340 (N.D. Ga. 2008). Stating:

Smith has strongly adverse opinions about Wal-Mart; he believes that it has a destructive effect on communities, treats workers badly and has a damaging influence on the United States as a whole. He invented the term “Walocaust” to encapsulate his feelings about Wal-Mart and he created his Waloaust designs with the intent of calling attention to his beliefs and his cause. He never expected to have any exclusive rights to the word. He created the term “Wal–Queda” and designs incorporating it with similar expressive intent.

\textit{Id.} at 1340.
held that the merchandise bearing Smith’s designs was primarily media for Smith’s expressive message, and that this message did not lose its full First Amendment protection merely by being sold.222

A third case in which the mark use was found non-commercial was Cintas Corp. v. Unite Here, a 2009 decision by a federal district court in New York that was affirmed by the Second Circuit later that year.223 In Cintas Corp., the largest supplier of uniforms in North America filed a dilution suit against the labor union UNITE HERE for its use of the “Cintas” mark in the website www.cintasexposed.org. The website, which targeted Cintas’s customers, was critical of the company’s business practices and provided information and tools to empower dissatisfied Cintas customers.224 The website featured a prominent disclaimer stating: “CintasExposed.org is an independent website posted by the labor union UNITE. It contains criticism and information about the uniform and facilities services rental company Cintas.”225 The site also contained a link to the UNITE HERE union homepage, which housed, amongst other pages, a “UNITE HERE Store” that sold apparel and other items bearing the union logo.226

Cintas Corp. claimed that UNITE HERE’s use of the “Cintas” mark was actionably commercial because the www.cintasexposed.com site linked to the UNITE

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222 Id. (citing Ayres v. City of Chicago, 125 F.3d 1010 (7th Cir.1997)).

223 Cintas Corp. v. Unite Here, 601 F. Supp. 2d 571 (S.D.N.Y. 2009) aff’d, 355 F. App’x 508 (2d Cir. 2009)(affirming for “substantially the reasons stated in the district opinion”).

224 Cintas Corp., 601 F. Supp. 2d. at 576 (explaining that the website provided guidance on how to avoid hidden fees, examples of Cintas’ contracts with explanations of the ‘fine print’, a forum for complaints about Cintas, and a features allowing users to document complaints and automatically generate complaint letters, cancelation letters, and ‘stop-auto-renewal’ letters).

225 Id.

226 Id.
Homepage, which conducted sales from its online store.\textsuperscript{227} The district court, however, held that this “‘twice-removed’ link was at least one bridge too far” to establish use in commerce.\textsuperscript{228} The court also rejected Cintas Corp.’s claims that UNITE HERE was attempting obtain a more favorable business relationship with the Cintas, or that UNITE HERE was motivated by a desire to enlist Cintas Corp. employees in their union organization (thereby obtaining union dues), finding that these motives were too attenuated and independent from the allegedly diluting use to support an inference that the use was commercial.\textsuperscript{229} As such, the district court concluded that Cintas had failed to make the required showing that the Unite Here was making commercial use of the mark in commerce and dismissed the claim under the Federal Rules of Civil Procedure 12(b)(6) for failure to state a claim upon which relief could be granted.\textsuperscript{230} On \textit{de novo} review by the United States Second Circuit, the judgment was affirmed for “substantially the reasons stated in the District Court's opinion.”\textsuperscript{231}

In the above cases, \textit{Utah Lighthouse Ministry}, \textit{Wal-Mart Stores} and \textit{Cintas Corp.}, the use was found non-commercial and non-actionable. In \textit{Utah Lighthouse Ministry} and \textit{Cintas Corp.} the respective courts determined that the site did not meet the “commercial use in commerce” requirement of the TDRA’s cause of action.\textsuperscript{232} In \textit{Wal-Mart Stores}, on

\begin{itemize}
    \item \textsuperscript{227} \textit{Id.}
    \item \textsuperscript{228} \textit{Id.}
    \item \textsuperscript{229} \textit{Id.} at 581.
    \item \textsuperscript{230} \textit{Id.} at 580.
    \item \textsuperscript{231} \textit{Cintas Corp. v. Unite Here}, 355 F. App'x 508, 511 (2d Cir. 2009).
\end{itemize}
the other hand, the court applied the non-commercial use exclusion in §1125(C)(3)(C).\footnote{Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302, 1340 (N.D. Ga. 2008).} Interestingly, the use at issue in each of these cases likely could have qualified for protection under the TDRA’s “fair use” exclusion §1125(C)(3)(A)(ii) as direct parody, commentary or criticism about the mark owner. It is unclear from the opinions themselves, however, whether the fair use exclusion was ever raised as a defense.

\textit{D) Political Speech}

One final category mark use that was protected under the TDRA was the use of marks in political campaigns. In \textit{Griffith v. Fenrick}, a 2007 case decided in a Wisconsin federal district court, the famous TV actor Andy Griffith sued William Fenrick for trademark dilution by blurring and tarnishment after Fenrick legally changed his name to Andy Griffith and ran for sheriff of Grant County, Wisconsin.\footnote{Griffith v. Fenrick, 486 F. Supp. 2d 848, 850 (W.D. Wis. 2007).} Fenrick used the name “Andy Griffith” in his campaign literature, on his websites \textit{www.Griffith4Sheriff.com} and \textit{www.AndyGriffithforSheriff.com}, and on merchandise bearing the slogan “Andy Griffith for Sherriff.”\footnote{Id.} He also frequently referenced the TV character of Andy Griffith and the fictional television town of Mayberry in his campaign speeches.\footnote{Id.} Fenrick admitted to having changed his name to bring attention to the sheriff’s race and to himself as a candidate.\footnote{Id.}

In \textit{Andy Griffith}, the court granted Fenrick’s motion for summary judgment on the dilution claims based on the TDRA’s statutory exclusion for non-commercial use in
§1125(c)(3)(C). In its analysis, the federal district court first adopted the Ninth Circuit’s definition of “commercial use” from the 2002 case *MCA Records*, concluding “if speech is not ‘purely commercial’—that is if it does more than propose a commercial transaction—then it is entitled to full First Amendment protection.” Citing the 2002 case *AFLAC* and the 2004 case *MasterCard*, the *Andy Griffith* court reasoned that the defendant’s use of the name Andy Griffith “was not to propose a commercial transaction but to seek elective office, [which was] fundamental First Amendment protected speech.” Therefore the court held that the defendant’s speech was non-commercial and thus protected under the TDRA’s non-commercial use exclusion.

**IV. Chapter Summary**

This chapter discussed fifteen cases in which the defendant claimed that an allegedly diluting mark use ought to be protected from dilution liability under the First Amendment or one of the TDRA’s exclusions as an expressive use. Interestingly, the TDRA’s “fair use” exclusion, which expressly protects parody, commentary and criticism

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238 *Id.*

239 *Id.* at 853 (citing Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 906 (9th Cir.2002)).

240 *Id.*

241 *Id.*

of the famous mark owner or its goods or services, was applied only once, in *NBFP*. In all of the other cases in which the defense was raised, it was rejected. For example, in *Hyundai Motor* and *Hershey Co*, the use was found ineligible for the protection of the TDRA’s expanded fair use exclusion because it did not comment directly on the mark owner. In both *Hershey Co.* and *Hyundai Motor*, the mark was used in a promotion for the defendant’s own products and services, and in both cases the use was found actionable and diluting based on a weighing of the blurring factors. The plaintiff was not required to show that the association between the two marks was likely to diminish the strength or reputation of the senior mark in either case.

The “fair use” exclusion was also rejected in *Haute Diggity Dog* and *Starbucks Corp. II*. In those cases, the respective courts found that the mark was used as a designation of source for the defendants’ own products, and was thus ineligible for the TDRA’s expanded “fair use” exclusion. Nonetheless, in *Haute Diggity Dog* and *Starbucks III* the use was ultimately found to be non-diluting based on an application of

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245 *Hyundai Motor*, 2012 WL 1022247 at *2 (describing the use as part of a larger super bowl commercial for the Hyundai “Sonata” automobile); *Hershey Co.*, 2008 WL 4724756 at *1 (describing the use as part of an online promotional campaign).


248 *Haute Diggity Dog*, 507 F.3d 252, 266 (noting that the TDRA’s fair use defense does not extend to parodies used as a trademark and therefore does not apply to the defendant’s use); *Starbucks Corp. II*, 588 F.3d 97, 112 (“Charbucks Marks cannot qualify under the parody exception because the Charbucks Marks are used “as a designation of source for [Black Bear’s] own goods[, *i.e.*, the Charbucks line of coffee].”).
the blurring factors.\textsuperscript{249} Interestingly, in both cases factor (i), the similarity of the marks, was central to the courts final holding.\textsuperscript{250}

The “fair use” exclusion was not addressed at all, however, in the product parody case \textit{Anheuser-Busch}.\textsuperscript{251} What’s more, the blurring factors proved largely irrelevant. Instead, the court dismissed the dilution claim because the plaintiff’s offered no evidence that the “buttwiper” chew toy was likely to tarnish or diminish the strength of the “Budweiser” mark.\textsuperscript{252}

The failure to provide evidence that the allegedly diluting use harmed the reputation or strength of the senior mark was also determinative in \textit{Volkswagen}.\textsuperscript{253} \textit{Volkswagen} was the only case identified for this study involving the use of a mark in an “artistic work” that was decided outside of the Ninth Circuit.\textsuperscript{254} The \textit{Volkswagen} court did not consider any of the TDRA’s exclusions in its dilution analysis. This distinguishes it from \textit{Burnett} and \textit{Roxbury Entertainment}, two cases involving an “artistic work” that were decided by a California federal district court.\textsuperscript{255} The court in those cases cited \textit{MCA Records} and found that the use of a mark in an expressive, artistic work such as a

\begin{footnotesize}
\begin{enumerate}
\item \textit{Haute Diggity Dog}, 507 F.3d at 267-68; \textit{Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. III)}, 2011 WL 6747431 (S.D.N.Y. Dec. 23, 2011, aff’d, 736 F.3d 198 (2d Cir. 2013)).
\item Id.
\item \textit{Anheuser-Busch, Inc. v. VIP Products, LLC}, 666 F. Supp. 2d 974 (E.D. Mo. 2008).
\item Id. at 987.
\item Id.
\item \textit{Roxbury Entm't v. Penthouse Media Group, Inc.}, 669 F. Supp. 2d 1170 (C.D. Cal. 2009); \textit{Burnett v. Twentieth Century Fox Film Corp.}, 491 F. Supp. 2d 962 (C.D. Cal. 2007).
\end{enumerate}
\end{footnotesize}
television program or a film would be protected under the non-commercial use exclusion.\textsuperscript{256}

While the use of a mark in parody, criticism of commentary about a mark owner or its goods and services would be protected under the TDRA’s “fair use” exclusion, the exclusion was not frequently applied. For example, the use of a mark in a consumer reviews of the mark owner’s product and services was protected under either the news reporting and commentary exclusion,\textsuperscript{257} or the non-commercial use exclusion,\textsuperscript{258} depending on the nature of the defendant’s criticism. And in Utah Lighthouse Ministry, Wal-Mart Stores and Cintas Corp, three cases in which the mark was used in a parody or criticism of the mark owning organization, the use was found non-commercial.\textsuperscript{259} Finally, the non-commercial use exclusion was applied in Griffith to protect the defendant’s use of a senior mark in a political campaign.\textsuperscript{260}

\textsuperscript{256} Roxbury Entertainment, 669 F. Supp. 2d at 1175; Burnett, 491 F. Supp. 2d at 974.

\textsuperscript{257} BidZirk, 2007 WL 3119445.

\textsuperscript{258} Clearly Building., 674 F. Supp. 2d 1257.

\textsuperscript{259} Cintas Corp., 601 F. Supp. 2d 571; Utah Lighthouse Ministry, 527 F.3d 1045; Wal-Mart, 537 F. Supp. 2d 1302.

\textsuperscript{260} Griffith, 486 F. Supp. 2d 848, 853 (W.D. Wis. 2007).
CHAPTER FIVE
ANALYSIS, OBSERVATIONS, REFLECTIONS AND CONCLUSIONS

Thus far, this study has examined the legislative history of the two federal trademark dilution statutes, the FTDA of 1995 and the TDRA of 2006, to understand how these statutes attempted to accommodate First Amendment concerns. This study has also identified and discussed thirty-five federal trademark dilution cases decided between 1996 and 2013 in which the defendant claimed that the use of the mark was non-actionable or non-diluting based on its nature as parody, commentary, criticism or another form of speech protected under the First Amendment. The final chapter of this study will discuss the major trends identified through this research and offer some conclusions about the application of federal trademark dilution law in cases that allegedly implicated First Amendment speech.

At the end of Chapter One, this thesis presented four research questions. Part one of this chapter will address research question number\(^1\) one by reviewing and analyzing the portions of the legislative history of the FTDA and TDRA that specifically related to First Amendment protections, and drawing some conclusion about Congress’ intent, and how they anticipated these statutes would be applied in cases implicating the First Amendment.

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\(^1\) How did the FTDA and TDRA attempt to accommodate the First Amendment interest of speakers wishing to use marks for parody commentary and criticism? What are the most relevant provisions of these statutes that protect expressive and critical speech? What does the legislative history reveal about Congress’s intent to protect this speech and how they anticipated the statutes would be applied?
Amendment. Part two will address research question number two by analyzing the courts’ interpretation and application of the FTDA in the twenty relevant cases identified from 1996 through 2005, looking for patterns and trends in the courts treatment of First Amendment-related defenses, and drawing conclusion about whether this treatment was consistent with the legislative intent of the statute. Part three will address research question number three by providing a similar analysis of the courts’ application of the TDRA in the fifteen cases relevant cases identified from 2006 to November 2013. Part four will address research question number four by providing a comparative analysis of cases identified from both the FTDA and TDRA periods, identifying patterns, and determining how, if at all, the courts’ treatment of these cases has evolved over time. The chapter will conclude in Part Five with some reflections about the degree of protection currently afforded to First Amendment speech under federal trademark dilution law, and some conclusions about the nature of the law itself.

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2 How did the courts interpret and apply the provisions of the FTDA in cases of trademark dilution involving mark uses in expressive speech such as parody, commentary and criticism? To what extent did the courts acknowledge and incorporate the legislative intent regarding this category of speech? How did the courts balance the rights of mark owners under the act with the First Amendment rights of speakers using marks expressively?

3 How did the courts interpret and apply the provisions of the TDRA in cases of trademark dilution involving mark uses in expressive speech such as parody, commentary and criticism? To what extent did the courts acknowledge and incorporate the legislative intent regarding this category of speech? How did the courts balance the rights of mark owners under the act with the First Amendment rights of speakers using marks expressively?

4 What does a comparative analysis of cases decided under the FTDA and TDRA reveal about the courts’ treatment of mark uses in expressive speech? Has this speech been treated the same under both statutes? Have courts effectively balanced the interest of mark holders with the First Amendment free expression rights of speakers to use marks for parody, commentary and criticism?
I. INTERPRETING THE LEGISLATIVE HISTORY OF THE FTDA AND TDRA

Chapter Two of this study examined the legislative history of the FTDA and TDRA to understand how Congress addressed the potential First Amendment conflicts created by federal dilution law. This legislative history reveals a great deal about how the FTDA and TDRA attempted to accommodate the First Amendment interest of speakers wishing to use marks for expressively, such as in parody commentary and criticism. From the legislative documents examined for this study, it is clear that both the FTDA and the TDRA relied on the use of the statuary exclusions to protect First Amendment speech. Based on the research conducted for this study, however, it appears that the 104th Congress was substantially less conscious of First Amendment concerns when drafting the FTDA’s exclusions than the 109th Congress was when drafting the TDRA’s exclusions.

A) The FTDA and the First Amendment

The FTDA was passed extremely quickly after minimal debate and deliberation. Only one hearing was held to discuss the contents of the bill (the 1995 hearing) and all of the testifying witnesses were stakeholders in a position to benefit from the passage of

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5 See H.R. Rep. No. 104-374 at 8 (1995) (noting that the section of the law listing non-actionable uses was “designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”); See also H.R. REP. No. 109-23, at 26 (2005) (introductory statement of Representative Howard Berman) (discussing the improved protection of First Amendment speech provided by the amended statutory exclusions).

6 See Sandra L. Rierson, The Myth and Reality of Dilution, 11 DUKE L. & TECH. REV. 212, 281 (2012) (describing the bill, which was introduced on November 30,1995 and approved by both houses within one month as “cut[ting] through Congress like a hot knife through butter”).

the proposed law. It appears from the record that there were no witnesses present to represent the interests of civil liberties organizations, small businesses, or other organizations and stakeholders that might have been negatively impacted by the proposed law. The First Amendment was rarely addressed at the hearing and, when addressed, most witnesses suggested that the statutory exclusions were sufficient to protect First Amendment rights.

Protecting the First Amendment interests of media organizations appears to have been a particularly important concern when crafting the FTDA’s exclusions: two of the three statutory exclusions specifically addressed the First Amendment rights of advertisers and the news media to use marks by excluding comparative advertising and news reporting and commentary. Supporters of the bill also repeatedly asserted that the law would protect the fair use of marks by media organizations. This emphasis on First Amendment interests of media organizations appears to have been a particularly important concern when crafting the FTDA’s exclusions: two of the three statutory exclusions specifically addressed the First Amendment rights of advertisers and the news media to use marks by excluding comparative advertising and news reporting and commentary.

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9 See 1995 Hearing, supra note 7, at 38 (statement of Phillip G. Hampton, Assistant Commissioner for Trademarks, Patent and Trademark Office, U.S. Department of Commerce)(stating that the “injunctive relief is not overreaching in scope so as to infringe on any First Amendment rights); id. at 110 (statement of Victor N. Montan, senior intellectual property counsel, Warner Bros) (“I believe the relatively narrow scope of the bill and the historic ability of federal courts to set clear boundaries for the proper parameters of intellectual property law argue well for the enactment of H.R. 1295.); id. at 194 (statement of Steven M. Getzoff, director of Intellectual Property, American Express) (stating that the exclusions will serve to limit possible abuses of dilution laws by overzealous, overreaching trademark owners.).


11 See, e.g., 1995 Hearing, supra note 7, at 84 (statement of Mary Ann Alford, executive vice president, International Trademark Association)(“ With respect to the bill's constitutionality, we note that the broadcasting, publishing, and advertising industries were all briefed on the contents of the bill prior to its introduction and they agree that the First Amendment issues have been properly addressed.”); see also H.R. Rep. No. 104-374 at 4 (1995) (“The bill includes specific language exempting from liability the ‘fair use’ of a mark in the context of comparative commercial advertising or promotion as well as all forms of news
Amendment protections for the media likely reflect significant role that these organizations played in defeating the 1988 dilution bill.\footnote{Staff of S. Subcomm. on Courts Subcommittee on Courts, Civil Liberties and the Administration of Justice of the H. Comm. Of the Judiciary, Report to Accompany H.R. 5372 at 4, 100th Cong. (1988) (recommending that the dilution provisions of the bill be stricken based on First Amendment concerns voiced by media organizations).}

It appears that all other forms of First Amendment protected speech were expected to fall under the protection of the non-commercial use exclusion.\footnote{J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:81 (4th ed. 2005). See also H.R. Rep. No. 104-374 at 8 (1995)(noting that the section of the law listing non-actionable uses was “designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”); 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (“The proposal adequately addresses legitimate first amendment concerns espoused by the broadcasting industry and the media. The bill will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”).}

Unfortunately, none of the legislative documents accompanying the FTDA provide a definition for the term “non-commercial use” or any clear guidance on how the exclusion should be applied.\footnote{See generally Jessica Taran, Dilution by Tarnishment: A Case for Vulgar Humor, 7 INTELL. PROP. L. BULL. 1, 7 (2002) noting that Senator Orin Hatch’s explanation of the non-commercial use exclusion “does not provide as much guidance as one would hope because many parodies are an element of a commercial transaction.”; Keren Levy, 69 GEO. WASH. L. REV. 425, 435 (2001)(speculating that “because courts are ill-equipped with a federal dilution statute that is unclear on First Amendment defenses, they are left to devise their own application of free speech rights to trademark law); Sarah Schlosser, The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody, 43 ARIZ. L. REV. 931, 955 (2001) (noting that “the distinctions between commercial and noncommercial parodies of corporate trademarks are minor” and speculating that courts would construe the commercial use language inconsistently “giving the parody artist relatively little notice about what is and what is not protected”).}

Instead, the accompanying 1995 House Report and Joint Resolution offered only vague references to the “commercial speech doctrine,”\footnote{H.R. Rep. No. 104-374 at 8 (1995) (stating that Section (4)(B) of the bill “expressly incorporates the concept of ‘commercial’ speech from the ‘commercial speech’ doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in ‘non-commercial’ uses, and further noting that “nothing in this bill is intended to alter existing case law on the subject of what constitutes ‘commercial’ speech.”).} and a few examples of uses that would not be considered protected if “not part of a commercial transaction.”\footnote{Id.}
Several scholars predicted that the lack of clarity regarding the non-commercial use exclusion would lead to inconsistent holdings, particularly in cases involving “mixed” commercial and non-commercial speech.\(^{17}\) As Levy and Taran noted, the line between commercial and non-commercial speech can be difficult to discern, particularly online, and neither the FTDA nor its legislative history provide real guidance for courts on how to balance the expressive and commercial qualities of an allegedly diluting use.\(^{18}\) This sort of vagueness was characteristic of the FTDA as a whole, and contributed to its eventual replacement with the Trademark Dilution Revision Act (TDRA) of 2006.\(^{19}\)

Based on the review conducted for this study, the limited legislative history of the FTDA seems to indicate that the 104th Congress devoted minimal attention to the First Amendment concerns created by a federal cause of action for trademark dilution. Rather, it appears that the primary concern was to quickly pass a statute containing just enough First Amendment protections so as to avoid a backlash from media organizations and withstand constitutional scrutiny. The non-commercial use exclusion appears to have been created as a catchall for most forms of First Amendment speech, so that judges could interpret the law in a way that would avoid constitutional conflicts.


\(^{18}\) See generally Levy, supra note 14; Taran, supra note 14, at 7-8; see also Schlosser, supra note 14, at 954-55.

B) The TDRA and the First Amendment

As compared with that of the FTDA, the legislative history of the TDRA suggests that the 109th Congress was significantly more concerned about potential First Amendment conflicts created by federal dilution law. The First Amendment implications of the revised statue were discussed extensively during both the 2004 and 2005 hearings before the House Judiciary Committee’s Subcommittee on Courts, the Internet, and Intellectual Property. Unlike the 1995 FTDA Hearing, these hearings included testimony from the ACLU and addressed a variety of potential First Amendment concerns raised by the proposed law. The bill was repeatedly modified based on the recommendations of the ACLU and other witnesses at the hearing in order to ensure that the bill would strike a proper balance between the interests of mark holders and the First Amendment rights of speakers.

In addition to retaining the original FTDA exclusions for news reporting and commentary and non-commercial mark uses, the final version of the TDRA included an amendment, crafted by the ACLU in conjunction with the International Trademark Association and the American Intellectual Property Law Association, revising the

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21 See 2004 Hearing, supra note 20, at 34-43 (statements of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union); 2005 Hearing at 30-40 (statements of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union).

22 H.R. REP. No. 109-23, at 16 (2005) (introductory statement of Representative Howard Berman) (noting that the "ACLU joined with INTA and AIPLA in crafting a separate exemption from a dilution cause of action for parody, comment and criticism)
statutory exclusions for “fair use” to better protect speech rights. The expanded “fair use” exclusion made the following mark uses non-actionable:

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.

The revised law also provided a list of factors to assist courts in determining whether a challenged use was likely to cause dilution by blurring, thereby removing some of the subjectivity from the dilution by blurring analysis.

It appears that the expanded “fair use” exclusion was included in the TDRA to address the ACLU’s desire for improved protection for First Amendment speech, and particularly protections for critical speech such as parody, commentary and criticism.

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25 15 U.S.C. §1125(c)(2)(B) (Listing the blurring factors as: (i) The degree of similarity between the mark or trade name and the famous mark, (ii) The degree of inherent or acquired distinctiveness of the famous mark, (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, (iv) The degree of recognition of the famous mark, (v) Whether the user of the mark or trade name intended to create an association with the famous mark, and (vi) Any actual association between the mark or trade name and the famous mark.).

26 See 152 Cong. Rec. H6963-01 (2006) (statement of Rep. Sensenbrenner) (“The amendments narrow the application of the dilution statute to trademark dress law; creates a free-speech exclusion for noncommercial use of a mark; and shifts the burden of proof in certain trade-dress actions to the plaintiff. These changes were negotiated with the full participation of interested legislators and stakeholders, including Internet service providers and the American Civil Liberties Union.”). See also 2005 Hearing, supra note 20, at 30 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) (advocating for a statutory exclusion exempting any fair use of a mark).

27 See also 2005 Hearing, supra note 20, at 30-35 (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) (advocating for a statutory exclusion exempting any fair use of a mark) (statement of Marvin J. Johnson, Legislative Counsel, American Civil Liberties Union) (expressing specific concerns about how the new likelihood of dilution standard and the creation of a tarnishment action might impact commentary, criticism and parody).
The expansion of the “fair use” exclusion, however, was not without controversy. In particular, the Intellectual Property Law Section of the ABA and the American Intellectual Property Law Association (AIPLA) expressed concern that the exclusion would amount to a blanket defense for any “humorous” use that was not a designation of source, protecting a variety of previously actionable diluting uses. This perspective was echoed by a number of scholars including Lim, Olson and Cacovean. The decision to include the designation of source language in the final bill, in spite of these concerns, likely reflects the seriousness with which Congress approached First Amendment issues when crafting the TDRA.

It is important to note, however, that the statutory exclusion contained limiting language. First, the exclusion would not apply to marks serving as a “designation of source.” This language was incorporated into the statutory exclusion, rather than into the dilution cause of action itself, as had originally been proposed by INTA at the 2004 Hearing. If the “designation of source” language had been incorporated into the dilution

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28 2005 Hearing, supra note 20, at 12 (statement of Jacqueline A. Leimer, President, International Trademark Association) (positing that this language would “undesirably and unnecessarily” exempt certain uses from the liability that had traditionally been actionable, and particularly diluting uses); 2005 Hearing, supra note 20, at 24-27 (statement of William G. Barber, on Behalf of the American Intellectual Property Law Association) (contending that the language would “eliminate an entire body of law in which courts have been granting relief for many years,” specifically dilution by tarnishment cases in which tarnishing trademark parodies were sold on posters and t-shirts, but were not used as a trademark for the defendant’s goods). Christopher R. Kinkade, Is Trademark Dilution Law Diluting Rights? A Survey of the Trademark Dilution Revision Act of 2006, 31 SETON HALL LEGIS. J. 433, 454 (2007) (describing the designation of source language as problematic as it applies to non-source denoting tarnishing uses).


INTA believes that it is essential when revising the federal dilution law for Congress to confirm that the rights of famous mark owners do not interfere with free speech protections that are
cause of action, plaintiffs would have had to prove that the defendant’s use was source denoting in order to avoid dismissal of their claim. Instead, by incorporating it into the exclusion, the burden was placed on the defendant to demonstrate that the questioned use was not a designation of source. In this way, the “designation of source” language serves as a limitation for defendants.

Second, in addition to demonstrating that the allegedly diluting use is not source denoting, defendants seeking the protection of the “fair use” exclusion in §1125(c)(3)(A)(ii) must show that the allegedly diluting mark was used to identify the famous mark owner or its goods or services for parody, criticism and commentary. The requirement was probably included in the “fair use” exclusion to address critics’ concerns that the revised exclusion would protect too much previously actionable speech, including the use of marks in non-source denoting social satire or simple visual puns.

Including this limit into the exclusion appears to demonstrate a conscious effort by legislators to balance the interests of mark holders in protecting their marks with the guaranteed by the First Amendment. To accomplish this goal, we recommend that a revised dilution statute expressly provide as an essential element of the cause of action for dilution, whether for dilution by blurring or dilution by tarnishment, that the plaintiff demonstrate that the defendant is using the challenged mark as a ‘designation of source’ (e.g., trademark, trade name, logo, etc.) for the defendant’s own goods or services.

Id. at 12.

31 15 U.S.C. 1125(c)(3)(A)(ii) (protecting nominative fair use in “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner”) (emphasis added).

32 During the 2005 Hearing, the ABA and AIPLA representatives had cited several pre-FTDA cases in which the mark was not used as a designation of source but found tarnishing. See e.g., Anheuser-Busch, Inc. v. Balducci Publications, 28 F.3d 769, 778 (8th Cir. 1994); Deere & Co. v. MTD Products Inc., 41 F. 3d 39, 45 (2d Cir. 1994); Mutual of Omaha Insurance Co. v. Novak, 836 F. 2d 397 n.8 (8th Cir. 1987); Pillsbury Co. v. Milky Way Prods., Inc., C78-679A, 1981 WL 1402 (N.D. Ga. Dec. 24, 1981); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, (E.D.N.Y. 1972). However, in each of these cases, the mark had been appropriated for either satirical commentary on another topic or as an entertaining visual gag that did not directly comment upon the mark owner or its goods or services. Thus by specifying that the mark use had to directly target the mark holder in some fashion in order to qualify for the exclusion’s protection, it appears that Congress was attempting to ensure that these types of cases would have the same outcome under the TDRA as they had under state law.
rights of speakers who need to use a famous mark to identifying the owner or its products as the subject of parody, commentary and criticism. This is also consistent with the concept of “fair use” protections advanced by Richard Posner, who argued that the unauthorized use of a trademark is a “fair use” only when the mark is made the target of the defendant’s commentary, rather than the weapon used to comment upon something unrelated to the mark or mark owner.33

Based on the review conducted for this study, it appears that the 109th Congress was aware that the revised law, which lowered the standard of harm to a likelihood of dilution and created an express cause of action for dilution by tarnishment, might pose a real threat to First Amendment speech. To address these concerns, a variety of stakeholders were consulted at two separate hearings, and the final draft of the bill incorporated recommendations from parties on all sides to ensure that the interest of speakers and mark holders were appropriately balanced.34 The amended “fair use” exclusion reflects Congress’s effort to clarify and improve protection for individuals seeking to use marks in constitutionally protected speech, while retaining strong protections for the interests of mark owners.

33 See Richard A Posner, When is Parody Fair Use? 21 J. LEGAL STUD. 1, 67-68 (1992) (noting that satire does not deserve heightened First Amendment protection because it uses the mark as a weapon, rather than a target, and other weapons are available); Justin J. Gunnell, Evaluation of the Dilution-Parody Paradox in the Wake of the Trademark Dilution Revision Act of 2006, 26 CARDOZO ARTS & ENT. L.J. 441, 466 (2008) (“The interests of the parodist in using an established mark to convey an unrelated message appear[s] unpersuasive when pitted against the mark holder's interest in protecting its marks' reputation.”).

34 See H.R. REP. No. 109-23, at 16 (2005) (introductory statement of Rep. Berman) (noting that the “ACLU joined with INTA and AIPLA in crafting a separate exemption from a dilution cause of action for parody, comment and criticism”). See also 152 CONG. REC. H6963-01, at 06 ( 2006) (statement of Sen. Smith) (“Amendments developed by the subcommittee and the other body will more clearly protect traditional first amendment uses, such as parody and criticism. These amendments provide balance to the law by strengthening traditional fair-use defenses.”).
II. TREATMENT OF FIRST AMENDMENT SPEECH UNDER THE FTDA

Chapter Three of this study identified and discussed twenty cases decided between 1997 and 2005 in which the defendant claimed that the challenged mark use was non-actionable or non-diluting based on it’s nature as parody, commentary, criticism or another form of First Amendment-protected speech. These cases will now be analyzed to better understand how the court interpreted and applied the FTDA. Specifically, this section will assess how conscious courts were in balancing the interests of mark owners with the First Amendment rights of speakers, and whether the holdings from this period were consistent with the legislative intent of the FTDA and its exclusions.

A) Classically Commercial Uses

As discussed above, the non-commercial use exclusion was the FTDA’s primary mechanism for protecting First Amendment speech that was not part of news reporting or comparative advertising. As such, most of the cases addressed in Chapter Three raised


36 See infra page 5-6.
the non-commercial use defense. However, in a small subset of cases identified for this study, the commercial use analysis was largely irrelevant because the mark was used in a clearly commercial fashion, such as in a commercial advertisement or as a designation of source for a trademark parody product.\(^{37}\) It appears that the outcome in these cases frequently hinged on two factors: whether the defendant *needed* to use the mark to reference the mark holder, and whether the use was *tarnishing*.

It appears that where the mark use was necessary to identify the mark or mark holder for *non-tarnishing* parody, criticism or commentary, this commercial use was found to be non-diluting.\(^{38}\) For example, in two commercial product parody cases, *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC.*, and *World Wrestling Federation Entertainment Inc. v. Big Dog Holdings, Inc.*, the respective courts concluded that the mark was used to comment in some way upon the mark owner, and therefore found that the use was entitled to some protection under the First Amendment.\(^ {39}\) Interestingly, however, in both cases the courts largely sidestepped the First Amendment issue, instead concluding that a true parody is unlikely to cause dilution by blurring because a parody, by its nature, reinforces the viewers association with the senior mark in order to convey


\(^{38}\) *Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413; *Tommy Hilfiger*, 221 F. Supp. 2d 410.

\(^{39}\) *Tommy Hilfiger*, 221 F. Supp. 2d at 415 (“One can readily see why high-end fashion brands would be ripe targets for such mockery, and why pet perfume is a clever vehicle for it. Even if not technically a parody, Nature Labs' use is at least a pun or comical expression—ideas also held to be entitled to First Amendment protection”); *Big Dog Holdings*, 280 F. Supp. 2d at 440 (“Big Dog’s graphics spoofing the WWE wrestling characters and phrases are parodies that entitle its WBDF merchandise to First Amendment protection”).
its humorous message.\textsuperscript{40} It is noteworthy, however, that the uses in \textit{Tommy Hilfiger} and \textit{Big Dog Holdings} were also found to be non-tarnishing.\textsuperscript{41} It is not clear from these opinions whether tarnishing commercial trademark parodies would have been protected from dilution liability, even if the tarnishing parody were commenting on the mark holder.\textsuperscript{42}

In two other cases involving a classically commercial use of a mark, \textit{Kraft Foods Holdings, Inc. v. Helm} and \textit{Conopco Inc. v. 3DO Co.}, the senior mark was used in a classically tarnishing fashion that associated the plaintiff’s family-friendly senior mark with sex, drugs or violence.\textsuperscript{43} But in those cases the courts found that the use at issue was \textit{not} in fact a parody because the mark was not used to comment on the mark owner, and therefore concluded that the mark use was not necessary for the defendant’s expressive message.\textsuperscript{44} As such, the court in each case found that the use was not entitled to First Amendment protection.\textsuperscript{45} It remains unclear whether a “true parody” that is both

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\textsuperscript{40} \textit{Tommy Hilfiger}, 221 F. Supp. 2d at 422 (finding that “the joke itself reinforces the public's association of the mark with the plaintiff); \textit{Big Dog Holdings}, 280 F. Supp. 2d at 426-27 and 441-42 (finding that “Big Dog's parody is more apt to “increase public identification” of WWE's marks with WWE.”). \textit{See also} Deborah R. Gerhardt, \textit{The 2006 Trademark Dilution Revision Act Rolls Out A Luxury Claim and A Parody Exemption}, 8 N.C. J. L. & TECH. 205, 226-29 (2007).
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\textsuperscript{41} \textit{Tommy Hilfiger}, 221 F. Supp. 2d at 422 (finding that Tommy Hilfiger was not likely to suffer reputational harm from a light-hearted association with pets); \textit{Big Dog Holdings}, 280 F. Supp. 2d at 426-27 and 441-42 (finding that the products sold by Big Dog Holdings were neither offensive nor of inferior quality to WWFE products).
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\textsuperscript{42} \textit{See Rierson, supra} note 6, at 247 (noting that courts have adopted a “per se” tarnishment rule regarding vulgar parodies).
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\textsuperscript{43} \textit{Kraft Foods Holdings, Inc. v. Helm}, 205 F. Supp. 2d 942, 944 (N.D. Ill. 2002) (describing the defendant’s website as containing pornographic images of nude women, illustrations of obscene sexual activities, and drawings of illicit drug use); \textit{Conopco}, 1999 WL 1277957 at *3. \textit{See also Rierson, supra} note 6, at 247 (suggesting that “courts have adopted a virtual \textit{per se} rule regarding uses of trademarks in contexts involving pornography, finding almost uniformly that such uses tarnish the image of the mark holder”).
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\textsuperscript{44} \textit{Kraft Foods}, 205 F. Supp. 2d 942 at 955 (noting that the defendant’s websites and art made no commentary on the mark owner or its products); \textit{Conopco}, 1999 WL 1277957 at *3 (rejecting the defendant’s defense that the use was parodic).
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commercial and tarnishing would have been liable for trademark dilution under the FTDA.

**B) Interpretation and Application of the Non-Commercial Use Exclusion**

As stated above, the non-commercial use exclusion was the primary defense for most forms of constitutionally protected speech not covered by the comparative advertising and news reporting exclusions. As such, the non-commercial use defense was raised in most of the FTDA cases identified for this study, and the courts’ interpretation of “commercial use” was generally central to the outcome.

From the cases identified for this study, it appears that judicial interpretations of the term “commercial use” varied both by circuit and by the courts’ perception of the “character” of the mark use. This supports the theories put forth by numerous scholars, including Keren Levy, Jessica Taran, Regina Schaffer-Goldman, and Patrick Emmerson, who predicted that the vagueness of the non-commercial use exclusion would lead to subjective application of the law and inconsistent outcomes.46

**Artistic Works.** The United States Ninth Circuit Court of Appeals adopted a very broad interpretation of the FTDA’s non-commercial use exclusion in cases involving artistic works such as books, movies, music and visual art.47 In each of the four “artistic works” cases decided within the Ninth Circuit during the FTDA period, the court held that the FTDA’s non-commercial use exclusion would protect any use that does “more

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46 See e.g., Patrick Emerson, "I'm Litigatin' It": Infringement, Dilution, and Parody Under the Lanham Act, 9 NW. J. TECH. & INTELL. PROP. 477 at 489 (2011); Levy, supra note 14; Rierson, supra note 6, at 234-35; Taran, supra note 14.

47 Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792 (9th Cir. 2003); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002); Lucasfilm Ltd. v. Media Mkt. Grp., Ltd., 182 F. Supp. 2d 897 (N.D. Cal. 2002); Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 924 F. Supp. 1559, 1561 (S.D. Cal. 1996), aff'd, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed).
than propose a commercial transaction.”

Expressive and artistic works were viewed by the courts as doing more than proposing a commercial transaction, and thus were treated as non-commercial speech even when that work itself was sold in commerce, and (in at least one instance) even when the use of the mark was unnecessary to the works communicative purpose.

Some scholars, such as Levy, regard the Ninth Circuit’s expansive protection of artistic works as an “acknowledgment [of] the importance of unhampered editorial and artistic speech.” Others, however, question the appropriateness of applying the non-commercial use exclusion so broadly to artistic works, particularly where the mark use is unnecessary to the underlying expressive message of the work. Alexandra Olson, for example, argued that this application of the non-commercial use exclusion creates “absolute immunity” for all artistic works, without considering the “artistic relevance” of

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48 Walking Mountain, 353 F.3d 792 (holding that the defendant’s use of “Barbie” dolls in his art was expressive commentary about the mark, and protected under the non-commercial use exclusion, even though the mark was sold); MCA Records 296 F.3d 894 (holding that the defendant’s use of the “Barbie” mark in a song “Barbie Girl” was part of an expressive commentary about the cultural associations of the “Barbie” brand); Lucasfilm, 182 F. Supp. 2d 897 (finding the defendant’s use of the “Star Wars” marks in the pornographic parody “Starballz” to be part of an expressive work and therefore non-commercial); Dr. Seuss, 924 F. Supp. 1559.

49 MCA Records 296 F.3d at 802; MCA Records 296 F.3d at 906-07 (acknowledging that the MCA used Barbie’s name to sell copies of the song, but finding that the commercial nature of the work was “inextricably intertwined” with expressive elements of the speech, and therefore concluding that the entire work was fully protected by the First Amendment; See also, Dr. Seuss, 924 F. Supp. at 1559, 1561 (S.D. Cal. 1996) (finding the defendant’s use was part of an expressive work, and that this work could not be rendered commercial by being sold).

50 MCA Records 296 F.3d at 906-07 (acknowledging that the MCA used Barbie's name to sell copies of the song, but finding that the commercial nature of the work was “inextricably intertwined” with expressive elements of the speech, and therefore concluding that the entire work was fully protected by the First Amendment; See also, Dr. Seuss, 924 F. Supp. at 1559, 1561 (S.D. Cal. 1996) (finding the defendant’s use was part of an expressive work, and that this work could not be rendered commercial by being sold).

51 See e.g., Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc., 924 F. Supp. 1559, 1573 (S.D. Cal. 1996) (finding the use to be non-parodic because it did not comment upon the mark holder and therefore actionable for both trademark and copyright infringement) aff’d, 109 F.3d 1394, 1401 (9th Cir. 1997) (affirming that the stanzas had no critical bearing on the substance or style of The Cat in the Hat. Katz and concluding that the plaintiff’s intellectual property was simply used to attract attention or even to avoid the drudgery in working up something fresh) (internal citations omitted).

52 Levy, supra note 14, at 443.
the challenged the mark use. Justin Curran agreed, arguing that where a mark is used merely to attract attention, it is no longer “inextricably intertwined” with the expressive elements of the speech, and therefore should not be protected under the non-commercial use exclusion. Thus, it would appear that Olson and Curran might agree with the Ninth Circuit’s application of the non-commercial use exclusion in *Mattel, Inc. v. Walking Mountain Productions*, in which the mark was used in an expressive commentary on the mark holder, but not with the application of the exclusion in *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*, in which the book was found to be non-commercial under the FTDA even though the mark use was deemed artistically irrelevant for purposes of trademark infringement.

However, it is important to bear in mind that courts within the Ninth Circuit decided all of the “artistic work” cases from the FTDA period identified for this study. As such, it is unclear whether courts in other circuits would adopt such a broad interpretation of the non-commercial use exclusion in cases involving artistic works, or whether they will take a more conservative stance similar to Curran’s and protect only those works where the mark use was artistically relevant to the expressive message of the piece.

**Political Speech.** From cases identified for this study, another category of mark

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53 *Olson, supra* note 29, at 710-11.

54 *Id.* (“Because the commercial and dilutive use of a trademark as a ‘weapon’ cannot be justified as a necessary consequence of some high-value expression, courts should not treat the entire mixed message as noncommercial, and therefore should not exempt the speaker's dilutive use from the FTDA as noncommercial use.”).

55 *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 802 (9th Cir. 2003) (holding that the mark was used expressively to comment upon the cultural association that Barbie had come to signify).

56 *See e.g., Dr. Seuss* 924 F. Supp. 1559, 1573 (S.D. Cal. 1996) (finding the use to be non-parodic because it did not comment upon the mark holder and therefore actionable for both trademark and copyright infringement) *aff'd*, 109 F.3d 1394, 1401 (9th Cir. 1997) (affirming that the stanzas had no critical bearing on the substance or style of *The Cat in the Hat* and concluding that the plaintiff’s intellectual property was simply used to attract attention or even to avoid the drudgery in working up something fresh) (internal citations omitted).
use that was consistently protected as “non-commercial” under the FTDA was the use of a famous mark in political campaign advertisements.\textsuperscript{57} In \textit{American Family Life Insurance Co. v. Hagan} and \textit{MasterCard International Inc. v. Nader 2000 Primary Committee, Inc.}, two different district courts concluded that it would create a serious constitutional conflict if political speech were to be considered actionable under federal dilution law.\textsuperscript{58} Based on the limited nature of the FTDA exclusions, these courts ultimately determined that the non-commercial use exclusion must be applied to protect political speech, even where the mark was merely appropriated to make the defendant’s political message more memorable or compelling,\textsuperscript{59} and even where the mark was used to support campaign fundraising efforts.\textsuperscript{60}

This application of the non-commercial use exclusion appears to be consistent with the legislative intent of the exclusion, which was to ensure constitutionally protected speech would not be actionable.\textsuperscript{61} Although the legislative history of the FTDA did not specifically list “political speech” as among the types of speech protected under the non-commercial use exclusion, the courts in \textit{AFLAC} and \textit{MasterCard} correctly recognized that if political speech were \textit{not} protected under the non-commercial use exclusion, it

\begin{footnotesize}
\begin{enumerate}
\item \textit{AFLAC}, 266 F. Supp.2d at 696; \textit{MasterCard}, 2004 WL 434404 at *7-8.
\item \textit{AFLAC}, 266 F. Supp.2d at 700 (noting that the defendant had clearly appropriated the mark to attract attention and benefit from the mark’s popularity, but concluding that this was irrelevant as it applied to political speech).
\item \textit{AFLAC}, 266 F. Supp.2d at 697 (classifying campaign fundraising as fully protected political speech); \textit{MasterCard}, 2004 WL 434404 at *7-8 (Even assuming the Nader Ad caused greater contributions to be made to his political campaign, this would not be enough to deem Ralph Nader's Ad “commercial.” If so, then presumably, as suggested by defendants, all political campaign speech would also be “commercial speech” since all political candidates collect contributions).
\item See H.R. Rep. No. 104-374 at 8 (1995)(noting that the section of the law listing non-actionable uses was “designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”).
\end{enumerate}
\end{footnotesize}
would not be protected at all under the FTDA, creating a serious constitutional conflict.\textsuperscript{62} The courts in \textit{AFLAC} and \textit{MasterCard} further recognized that the exceptionally high value of political speech is not diminished when “money is spent to project it or because it involves solicitation of monetary contributions.”\textsuperscript{63} Thus, in these two cases, the respective courts appear to have adopted the position, echoed by scholars such as Eileen Hintz Rumfelt, that “core political speech is afforded the highest degree of protection under the First Amendment, [and] truly political messages should not be chilled, regardless of the degree of borrowing from popular icons.”\textsuperscript{64}

\textbf{Critical Websites.} Courts appear to have been most divided when addressing the issue of commercial uses in online contexts. This was anticipated by Keren Levy, who noted that the Internet “is a medium that blurs the line between commerce and expression,” thus challenging bright-line commercial vs. non-commercial use dichotomy.\textsuperscript{65} It is also relevant that the Internet was still a relatively new technology during the early days of the FTDA.\textsuperscript{66} Scholar Glynn Lunney described this as the “frontier era” of Internet-related case law, “dominated by bad actors, bad facts, and consequently bad law.”\textsuperscript{67}

\textsuperscript{62} \textit{AFLAC}, 266 F. Supp. 2d at 698 (“Regardless of how narrowly the noncommercial use exemption is interpreted, the First Amendment guarantee that catalyzed the exemption has its fullest and most urgent application precisely to the conduct of campaigns for political office. If parody is protected by the noncommercial use exemption, then political speech certainly is.”) (internal quotations omitted).


\textsuperscript{64} Id.

\textsuperscript{65} See Levy, supra note 14, at 427.

\textsuperscript{66} Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (S.D. Cal. 1998) (The explosion of the Internet is not without its growing pains. It is an efficient means for business to disseminate information, but it also affords critics of those businesses an equally efficient means of disseminating commentary.”)

\textsuperscript{67} Glynn S. Lunney, Jr., \textit{Trademarks and the Internet: The United States' Experience}, 97 TRADEMARK REP. 931, 952 (2007).
From the cases identified for this study, it appears that the commercial use analyses in cases involving online mark use often hinged on the court’s perception of the intent and purpose behind the allegedly diluting use. When the court characterized the defendant as using the mark in a bad faith attempt to mislead Internet users, this use was typically treated as commercial and enjoined.68 On the other hand, when the court characterized the defendant as using the mark fairly to target the plaintiff for criticism or commentary, this use was typically protected as non-commercial speech.69 This again, supports the conclusions of scholars such as Keren Levy, Jessica Taran and Regina Schafer-Goldman, who predicted that the non-commercial use exclusion would be interpreted and applied largely based on the subjective moral leanings of the court hearing the case.70

According to Lunney, some courts approached the Internet as self-appointed “sheriffs” to a “lawless frontier town.”71 These courts “quickly determined that trademark law should prohibit essentially every unauthorized use of another’s trademark on the Internet,” even if doing so “required imaginatively rewriting or willfully ignoring the


70 See generally Levy, supra note 14; Taran, supra note 14, at 7-8. See also Schlosser, supra note 14, at 954-55.

71 Lunney, supra note 67, at 952.
statutory elements found in the Trademark Act.”

This description, while perhaps overly dramatic, does not appear to be totally inaccurate. In cases in which the court viewed the defendant as unfairly using the mark to “deceive” and “intercept” the mark holder’s online audience, the use was typically found to be commercial, actionable and diluting even where such a finding arguably contradicted the legislative intent of the statute.

This occurred in four different FTDA cases in which the defendant had used the plaintiff’s original, unaltered mark as the domain name for a website: Planned Parenthood Federation of America, Inc. v. Bucci, Jews For Jesus v. Brodsky, People for Ethical Treatment of Animals, Inc. v. Doughney, and OBH, Inc. v. Spotlight Magazine, Inc. None of the defendants in these cases actively sold goods or offered services directly through their websites, and in each case the defendant was using the mark to in some way reference the mark owner for criticism. Nonetheless, in each of these four cases, the respective courts found that the defendant had used the domain name in a predatory attempt to intercept the plaintiff’s audience and expose them to competing ideas. Citing the intentionally deceptive use of the mark, the respective courts in these

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72 Id.


74 PETA, 113 F. Supp. 2d 915 (mocking the People for The Ethical Treatment of Animals group by creating a website located at www.peta.org that advocated for the use and consumption of animal products); OBH, Inc. 86 F. Supp. 2d 176 (creating a website for “commentary and criticism” about The Buffalo News at www.thebuffalonews.com); Jews For Jesus, 993 F. Supp. 282 (using the domain name www.jewsforjesus.com to express criticism of the religious views of the Jews for Jesus movement); Planned Parenthood, 1997 WL 133313 (using the domain name planned parenthood to promote an anti-abortion message because planned parenthood was a major provider of abortion and contraceptives).

75 PETA, 113 F. Supp. 2d. at 920 (finding that the defendant’s use of the mark in a way that was “antithetical” to PETA’s purposes and messages commercially harmed PETA); OBH, Inc. 86 F. Supp. 2d at
cases concluded the mark was used in bad faith, and could be treated as commercial and actionable based on the negative impacts this use might have on the commercial operations of the mark owner.\textsuperscript{76}

In each of these cases, the court cited potential harm to the mark owner that might result from Internet being diverted or deterred in their efforts to find the mark owners website.\textsuperscript{77} However, several scholars have argued that there is no evidence to support such a conclusion. As Assaf, Barrett, Yas Rauf and Simon all note, Internet users are in fact not so helpless and hapless as to need protection from misleading domain names. Rather, they argue, most users are accustomed to searching out information, quickly scanning through a website’s content to assess its relevance, and immediately “re-routing,” if necessary, through the use of the “back button” and a change in search terms.\textsuperscript{78} As such, these scholars contend that neither the Internet user nor mark owner is in fact likely to be harmed by the momentary confusion created by these kinds of critical websites. Instead, some imply, the actual harm that mark holders seek to avoid is harm

\textsuperscript{76} PETA, 113 F. Supp. 2d. at 920; OHB, Inc. 86 F. Supp. 2d at 186; Jews For Jesus, 993 F. Supp. at 307; Planned Parenthood, 1997 WL 133313, at *6.

\textsuperscript{77} PETA, 113 F. Supp. 2d. at 920; OHB, Inc. 86 F. Supp. 2d at 186; Jews For Jesus, 993 F. Supp. at 307; Planned Parenthood, 1997 WL 133313, at *6.

resulting from the effective criticisms contained on these sites.\textsuperscript{79}

Additionally, the conclusion that a use can be “commercial” based on negative commercial impacts to the mark holder arguably contradicts legislative intent of the FTDA’s non-commercial use exclusion.\textsuperscript{80} If any speech that might negatively effect the commercial operations of the mark owner were to be viewed as “part of a commercial transaction,” then a wide variety of protected speech would be exposed to dilution liability.\textsuperscript{81} After all, any effective criticism or negative commentary about a mark owning organization has the potential to negatively impact its commercial operations.\textsuperscript{82} As such, this interpretation could potentially expand the scope of dilution law well beyond its intended purposes, allowing mark holders to use the law as a weapon to silence critics.\textsuperscript{83}

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\textsuperscript{79} Assaf, supra note 78, at 40; Barrett supra note 78, at 901. See also Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 680 (9th Cir. 2005) (stating that plaintiffs cannot use the Lanham Act to shield themselves from criticism or silence critics); Bally Total Fitness, 29 F. Supp. 2d 1161, 1167 (C.D. Cal. 1998) (concluding that it would be a violation of the First Amendment to allow mark owners to use dilution law to “quash unauthorized use[s] of [a] mark by a person expressing a point of view” about its business practices);

\textsuperscript{80} 141 CONG. REC. S19306-10, 8 (1995) (statement of Sen. Hatch) (“The proposal adequately addresses legitimate first amendment concerns espoused by the broadcasting industry and the media. The bill will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”).

\textsuperscript{81} See Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 679 (9th Cir. 2005) (holding that this interpretation of commercial would “encompass almost all uses of a registered trademark, even when the mark is merely being used to identify the object of consumer criticism” and place “otherwise protected consumer commentary under the restrictions of the Lanham Act”).

\textsuperscript{82} Ford Motor Co. v. 2600 Enterprises, 177 F. Supp.2d 661, 665 (E.D. Mch. 2001) (“If the FTDA’s ‘commercial use’ requirement is to have any meaning, it cannot be interpreted so broadly as to include any use that might disparage or otherwise commercially harm the mark owner.”).

\textsuperscript{83} Bosley Medical, 403 F.3d at 679; Ford Motor, 177 F. Supp.2d at 665; Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161, 1167 (noting that it would be a violation of the First Amendment to allow mark holders to use the Lanham act to crush criticism). See also Patrick D. Curran, Diluting the Commercial Speech Doctrine: "Noncommercial Use" and the Federal Trademark Dilution Act, 71 U. CHI. L. REV. 1077, 1097-98 (2004). Stating:

Moreover, a focus on the commercial harm caused by speech threatens to under-protect speech with serious social value. Outside the context of trademark dilution, such an approach to classifying speech as “commercial” or “noncommercial” could subject all criticism of corporations and corporate activity to increased government regulation, and might permit wholesale suppression of critical speech with serious political value.

Id. at 1098.
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What’s more, according to scholar Patrick Curran, this interpretation contradicts the entirety of Supreme Court precedent related to commercial speech. According to Curran, the Supreme Court has never focused on the “commercial effect” of speech when determining whether it is “commercial” and how it ought to be regulated, but rather on its commercial content and “the value of that content in public discourse.” As such, Curran argues that this emphasis on “commercial effect” is misplaced.

In Jews for Jesus, PETA and OBH, the respective courts further supported their findings of commercial use based on the challenged websites’ use of hyperlinks. In at least one case, OBH Inc., this finding seems reasonable given the defendant’s status as a direct commercial competitor of the plaintiff, and the fact that the defendant linked to his own competing website. However, linking was also used to support a finding of commercial use in Jews for Jesus and PETA, two cases in which the defendants were simply critics of the plaintiffs’ views and practices. Not only did the defendants in Jews for Jesus and PETA not commercially benefit from the links on their sites, they did not link to direct commercial competitors of the plaintiff: in Jews for Jesus the defendant’s site linked to a non-profit organization critical of the plaintiff’s views, and in PETA the defendant linked to commercial sites providing goods and services that were...

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84 Curran, supra note 83, at 1096.
86 PETA, 113 F. Supp. 2d 915, 918; OBH, Inc. 86 F. Supp. 2d 176, 186.
88 Jews For Jesus, 993 F. Supp. 282, 308.
“antithetical” to the plaintiff’s animal rights *message* and *mission*.

The conclusion that a website can be rendered commercial by linking to sites that are critical of, or “antithetical” to, the mark holder’s viewpoint or mission has disturbing implications. Hyperlinks are central to the utility of the Internet; they allow users to seamlessly move from one site to the next, creating a network of shared resources and information. As the court in *Bally Total Fitness* explained, “Including linked sites as grounds for finding commercial use or dilution would extend the statute far beyond its intended purpose of protecting trademark owners from use that have the effect of “lessening ... the capacity of a famous mark to identify and distinguish goods or services.” As Deven R. Desai explained, if dilution law is applied to allow mark owners to enjoin any uses that might be antithetical to their brand image, including unauthorized or un-flattering linking, it essentially enables them to “stabilize the meaning of a mark, rather than face the robust competition in the marketplace of ideas the First Amendment fosters,” and it “favors meanings approved by established producers above meanings offered by challengers.”

In *Planned Parenthood, Jews For Jesus, PETA and OBH, Inc.*, the respective courts also found that because the mark use was not entitled to First Amendment

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89 *PETA*, 113 F. Supp. 2d 915, 918.


91 *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1167 (C.D. Cal. 1998). *See also* *Ford Motor Co. v. 2600 Enterprises*, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001) (“This court does not believe that Congress intended the FTDA to be used by trademark holders as a tool for eliminating Internet links that, in the trademark holder’s subjective view, somehow disparage its trademark.”).

protections because it was “deceptive” and made in “bad faith.” These courts noted that it was not the critical message that was being enjoined, but the bad faith use of the domain name, and concluded that because the defendant was still able to criticize the plaintiff online by creating new websites with different, non-deceptive domain, the First Amendment rights of the defendant would not be implicated by an injunction. This reasoning, however, appears to put mark owners’ commercial interest in protecting their marks above the interest of speakers seeing to effectively communicate a critical message about the mark owner.

Where a domain name is used to reference the mark owner as the subject of criticism, many scholars would contend that this is classic nominative fair use. As Patrick Curran explained, “although a speaker may be able to comment on the social and cultural issues represented by a mark without using that mark at all, the presence of less restrictive forms of communication does not alter the fact that the speaker ‘targets’ the mark itself.” Additionally, while the use of a famous mark as a domain name may intercept Internet users seeking the plaintiff’s site, scholar Katya Assaf pointed out that these Internet users are “also the primary target audience [for a] site[] containing

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93 *OBH, Inc.*, 86 F. Supp. 2d 176, 186; *PETA*, 113 F. Supp. 2d 915, 919; *Jews For Jesus*, 993 F. Supp. 282, 308 (describing the defendant as creating a “bogus” Jews for Jesus website); *Planned Parenthood*, 1997 WL 133313, at *6 (describing the defendant as intentionally targeting “internet users who want to reach plaintiff’s services and viewpoint, intercepting them and misleading them in an attempt to offer the own political messages”).

94 *OBH, Inc.*, 86 F. Supp. 2d 176, 197 (noting that the defendant was still free to criticize the plaintiff, online or off); *PETA*, 113 F. Supp. 2d 915, 921 (“PETA does not seek to keep Doughney from criticizing PETA. They ask that Doughney not use their mark.”); *Planned Parenthood*, 1997 WL 133313, at *11 (rejecting the defendant’s First Amendment argument because the domain name was viewed as a designation of source, implying that the message was protected but not the use of the domain name).

95 See, e.g., Posner, supra note 33.

96 Curran, supra note 83, at 1104.
information antithetical to the values endorsed by the trademark owner.” 97 Margreth Barrett agreed, noting that “persons wishing to criticize or comment on a plaintiff’s products, services, or religious views have as much legitimate interest in reaching Internet users seeking to find the plaintiff as the plaintiff does.” 98 As such, both scholars contended that the use of a mark in a domain name serves to “increase amount of relevant information widely and efficiently available to members of the public who were interested in the plaintiff.” 99

The rulings in Planned Parenthood, Jews for Jesus, OBH, Inc. and PETA appear to demonstrate that some courts were willing to go to extreme lengths to find a use “commercial” and diluting when they perceived the mark as being used in bad faith. 100 However, in the cases identified where the courts characterized the defendants as using the marks fairly in a good faith effort to reference the mark holder for criticism, these uses were found non-commercial and non-actionable. 101 This was particularly true in cases where the mark was not used as a domain name, but rather incorporated into the domain name or site code in a way that made its critical nature obvious to potential

97 Assaf, supra note 78, at 40
98 Barrett, supra note 78, at 891.
99 Id. at 901-02 (arguing that it should not be “automatically assumed that potential consumers of the plaintiff's products, services, or religious views are disserved by a defendant's use of a domain name that draws them to criticism of the plaintiff.”); Assaf, supra note 78, at 40.
100 It is noteworthy to mention that these cases were also decided prior to the passage of Anticybersquatting Consumer Protection Act (ACPA) in 1999, which created a new cause of action specifically for the bad faith registration of confusingly similar domain names, and it is possible that the judges in these cases were stretching the FTDA to fill a gap in the law that the ACPA later closed.
audiences. Still, in at least two cases, *Bosley Medical Institute, Inc. v. Kremer* and *Northland Ins. Companies v. Blaylock*, the use of an exact, unaltered mark as a domain for a critical website was protected.

In *Bosley Medical Institute* and *Northland Insurance*, each of the respective courts held that the defendant’s use was fair and protected because the website was not involved in the sale or promotion of any goods or services, and thus were not “commercial uses” for purposes of the Lanham act. The courts in *Northland Insurance, Bosley Medical* and *Ford Motor Co. v. 2600 Enterprises* also expressly rejected the notion that a use could be treated as commercial simply because it might intercept Internet users seeking the plaintiff’s website, or otherwise negatively affect the commercial operations of the mark holder. The Ninth Circuit in *Bosley Medical* found that such an interpretation would “encompass almost all uses of a registered trademark, even when the mark is merely being used to identify the object of consumer criticism” and place “otherwise protected consumer commentary under the restrictions of the Lanham Act”.

The court in *Ford Motor* reached a similar conclusion, stating “If the FTDA’s ‘commercial use’
requirement is to have any meaning, it cannot be interpreted so broadly as to include any use that might disparage or otherwise commercially harm the mark owner."  

It is noteworthy, however, that in both cases the court characterized the domain name as referencing the mark holder as the subject of criticism. Even where the defendant admitted to having used to domain name in an attempt to attract internet users seeking the plaintiff’s business, as in Northland Insurance and Bosley Medical, the court refused to find this use commercial because where the underlying purpose was to “share the defendant’s commercial commentary and criticism.”  

According to Lunney, these cases illustrate a willingness by some courts “to tolerate a website using as its domain name another’s trademark when the site’s purpose is to criticize, or provide information about, the products or services of the trademark owner.” These holdings are also more consistent with the concept of “fair use” advanced by Richard Posner and Patrick Curran, which would protect the use of a mark when it targets the mark owner for criticism.

Ultimately, the courts in Bally Total Fitness, Ford Motor, Northland Insurance and Bosley Medical each held that where the website did not directly engage in commercial activity, nor link to commercial websites, the site was non-commercial for purposes of the dilution cause of action. However, the courts in Northland Insurance

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108 Bosley Medical, 403 F.3d at 680 (“Bosley cannot use the Lanham Act either as a shield from Kremer’s criticism, or as a sword to shut Kremer up.”); Northland Insurance, 15 F. Supp. 2d at 1120. See also Lunney, supra note 67, at 963.
109 Northland Insurance, 115 F. Supp. 2d 1108. See also Bosley Medical, 403 F.3d at 679 (“While it is true that www.BosleyMedical.com is not sponsored by Bosley Medical, it is just as true that it is about Bosley Medical.”)
110 Lunney, supra note 67, at 963.
111 Posner, supra note 33; Curran, supra note 83.
112 Bosley Medical, 403 F.3d at 678-79 (noting that that Kremer had not used the “Bosley” mark in connection with a sale of goods or services, did not have paid ads on the website, did not link to any
and Bosley Medical each also implied that even had there been some commercial activity, the use would be non-commercial expressive speech for the dilution cause of action.\textsuperscript{113} And in at least one case, Nissan Motor Co. v. Nissan Computer Corp., the Ninth Circuit held that the use of a mark for criticism was protected as a non-commercial, expressive use, regardless of whether or not website as a whole was devoted to the sale and distribution of commercial goods and services.\textsuperscript{114} The outcome in these cases, compared with the outcomes in Planned Parenthood, Jews for Jesus, and PETA, demonstrate that the term commercial use “is so malleable that it can readily morph into any form that may suit judge’s ‘predispositions’ regarding the speech at issue.”\textsuperscript{115}

\textbf{Bozell.} While the decisions in Planned Parenthood, Jews for Jesus, and PETA, are troubling both for the apparent flippancy with which the respective courts dismissed the defendants’ First Amendment arguments and the precedent they created through their interpretations of “commercial use,” arguably the most questionable reasoning of any case decided during FTDA period came from the 2001 decision World Wrestling Federation Entertainment, Inc. v. Bozell.\textsuperscript{116} Unsurprisingly, the Bozell court cited

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\textsuperscript{113} Bosley Medical, 403 F.3d at 680 (noting that Bosley could not use the Lanham Act as a weapon to silence Faber’s criticisms); Northland Insurance, 115 F. Supp. 2d at 1120 (finding that defendant’s site did not solicit commercial activity and the defendant was not “situated to benefit financially or commercially” from a site”); Ford Motor Co. v. 2600 Enterprises, 177 F. Supp.2d 661, 665 (E.D. Mich. 2001) (holding that a domain name that automatically redirected to the plaintiff’s site could not be seen as commercial); Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (finding that Faber had not used the mark to sell his products or services, but merely to criticize the plaintiff).

\textsuperscript{114} Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002, 1016 (9th Cir. 2004) (finding the use of the “Nissan Motors” mark on the defendant’s business websites was non-commercial because it was intended to reference the plaintiff for expressive commentary).


heavily from Planned Parenthood to justify its finding of commercial use, even though the facts were entirely distinguishable.\textsuperscript{117}

In Bozell, a New York district court found the use of the WWFE mark by two media monitoring groups in a campaign against the WWFE was actionably commercial because A) the campaign harmed the plaintiff’s commercial operations,\textsuperscript{118} and B) the campaign brought publicity to the defendants’ media monitoring organizations and helped them raise funds in support of their cause.\textsuperscript{119} The use was also found to cause dilution by tarnishment because the defendants had alleged in their campaign materials that four children had died imitating WWFE wrestling moves, a contention which the court found to be untrue.\textsuperscript{120}

The court’s interpretation of commercial speech in Bozell raises a variety of concerns. Most notably, the ruling appears to ignore much of commercial speech case law. The defendants in Bozell were expressing their opinions on a matter of public concern – a form of high value speech should have been fully protected under the First Amendment.\textsuperscript{121} In New York Times Co. v. Sullivan, the Supreme Court protected speech on a matter of public concern even where it contained some false statements, and even

\textsuperscript{117} Id. at 529.

\textsuperscript{118} Id. (holding that the defendant’s conduct could be interpreted as commercial because it affected the WWFE’s ability to “attract and retain consumers, sponsors, and advertisers of its products”).

\textsuperscript{119} Id. at 526 (finding that “the defendants had an economic motivation for their statements-raising money and self-promotion and that “the combination of these characteristics-the goals of making money and self-promotion-support the WWFE’s allegation that defendants' speech is commercial, notwithstanding the fact that their speech discusses public issues.”) (citing Bolger v. Youngs Drug Products Corp., 463 U.S. 60 (1983)).

\textsuperscript{120} Id. at 520 (finding that the statements made in the campaign were false and defamatory and therefore not entitled to First Amendment protection).

\textsuperscript{121} Id. at 525 (rejecting the defendants’ arguments that the mark use was protected by the First Amendment as expressions on a matter of public concern, namely the impact of media violence on children because they were false and defamatory).
when the defendants both paid for the speech and solicited funds in support of their cause. Yet, as scholar Bruce Johnston noted, the New York Times case was not even discussed in the Bozell ruling. Instead, the court cited the Supreme Court’s ruling in Bolger v. Youngs Drug Products Corp., and found that the combination of “the goals of making money and self-promotion-support the WWFE's allegation that defendants’ speech is commercial, notwithstanding the fact that their speech discusses public issues.”

However, this reading of Bolger appears to ignore the fact that the Supreme Court specifically stated that “economic motivation for mailing the pamphlets would clearly be insufficient by itself to turn the materials into commercial speech.” Rather, it was the combination of the motivation and the use of the pamphlet as a product-branded advertisement that rendered the use commercial. What’s more, in Bolger, the Supreme Court was concerned that commercial product advertisers would attempt to “immunize false or misleading product information from government regulation simply by including references to public issues.” In Bozell, however, the defendants were in no way advertising a commercial product; they were conducting a campaign against the mark holder regarding a matter of public concern. This should have been treated as nominative fair use for the purpose of criticizing the mark holder, and protected under the FTDA.

125 Bolger, 463 U.S. at 67.
126 Id.
127 Id. at 68 (emphasis added).
Finally, the decision in *Bozell* potentially sets a dangerous precedent. The *Bozell* court’s interpretation of “commercial use,” if widely adopted, would potentially expose any social organization supported by fundraising efforts to liability if it uses a famous mark in criticism of a mark owner.\(^{128}\) This interpretation would have a devastating effect on non-profit organizations and social movements dedicated to corporate accountability. Even if *Bozell’s* reasoning is not widely adopted, at least one scholar theorized that the mere existence of this ruling “creates incentives for corporations to try to suppress information about their practices that may affect consumer impressions associated with that logo or that image, including attempts to make political, policy, or social statements by appropriating the corporate image.”\(^{129}\)

### III. Treatment of First Amendment Speech Under the TDRA

In Chapter Three, this study identified and discussed fifteen cases decided between 2006 and 2013 in which defendants claimed that their use was non-actionable or non-diluting based on its nature as a form of First Amendment protected speech, including parody, commentary, criticism.\(^{130}\) These cases will now be analyzed further to

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\(^{128}\) Tamara R. Piety, *Grounding Nike: Exposing Nike’s Quest for A Constitutional Right to Lie*, 78 TEMP. L. REV. 151, 198 (2005) (noting that this ruling “creates incentives for corporations to try to suppress information about their practices that may affect consumer impressions associated with that logo or that image, including attempts to make political, policy, or social statements by appropriating the corporate image”).

\(^{129}\) *Id.*

assess how the court interpreted and applied the TDRA, whether this application was consistent with the legislative intent of the law and its exclusions, and how conscious courts were in balancing the interests of mark owners with the First Amendment rights of speakers seeking to use marks expressively.

Based on a review of the fifteen cases identified, it appears that courts have been very conscientious about preserving the First Amendment rights of speakers when applying the TDRA. Interestingly, most courts continued to rely on the non-commercial use exclusion as the primary means of protecting First-Amendment protected speech,\(^{131}\) in spite of the expansion of the TDRA’s “fair use” exclusion to include any nominative or descriptive fair use of a mark, not serving as a designation of source, including for the purposes of parody, commentary or criticism of the mark owner or its goods and services.\(^{132}\)

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A) Classically Commercial “Parody” Uses

This study identified four cases in which the senior mark was used in a classically commercial fashion, such as in commercial advertisements or as a designation of source for a commercial parody product.\textsuperscript{133} In each of these cases, the defendants sought the protection of the expanded “fair use” exclusion, claiming that their use was part of a parody, criticism or commentary. In each instance, however, the court rejected the defense based on the language of the exclusion itself. For example, in both the 2007 case \textit{Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC} and the 2009 case \textit{Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. II)} the court refused to apply the TDRA’s “fair use exclusion” because the mark was being used by the defendant as a \textit{designation of source} for the defendant’s own goods or service.\textsuperscript{134} On the other hand, in both \textit{Louis Vuitton Malletier, S.A. v. Hyundai Motor Am.}, and \textit{Hershey Co. v. Art Van Furniture, Inc.}, the courts found the exclusion inapplicable because the defendants did not use the mark to comment upon the senior mark or mark holder as required by the language of part (ii) of the amended “fair use” exclusion.\textsuperscript{135}

The courts’ refusal to apply the “fair use” exclusion in these cases seems to indicate that the TDRA’s “fair use” exclusion for parody, commentary and criticism has not created a blanket of absolute protection for any defendant using the mark in a mildly


\textsuperscript{134} \textit{Haute Diggity Dog}, 507 F.3d 252, 266 (4th Cir. 2007) (noting that the TDRA’s fair use defense does not extend to parodies used as a trademark and therefore could not apply to the defendant’s use); \textit{Starbucks Corp. II}, 588 F.3d 97, 112 (2d Cir. 2009) (“Charbucks Marks cannot qualify under the parody exception because the Charbucks Marks are used “as a designation of source for [Black Bear’s] own goods [i.e., the Charbucks line of coffee].””) (citing 15 U.S.C. §1125(c)(3)(A)).

humorous fashion, as critics such as Lim, Olson and Cacovean feared it might be.\textsuperscript{136} While critics of the expanded exclusion had speculated that the “designation of source” language would allow a variety of previously actionable diluting speech to escape liability under the statute, it appears that the designation of source language has thus far been used only to \textit{limit} the application of the exclusion. What’s more, the inclusion of the language in §1125(c)(3)(A)(ii) specifying that parody, commentary or criticism must \textit{target} the mark owner or its goods and services in order to be protected, has ensured that the use of famous trademarks in broad social satire\textsuperscript{137} or humorous (but non-critical) visual puns is actionable under the law.\textsuperscript{138}

In \textit{Haute Diggity Dog, Starbucks Corp. II}, \textit{Hyundai Motors} and \textit{Hershey Co.}, once the expanded “fair use” exclusion was rejected, dilution liability typically hinged on the nature of the use and whether it was \textit{necessary} for the defendant to use the mark to reference the mark owner or its goods and services. Where the mark use was seen as necessary to the defendant’s expressive message, the use was typically found to be non-diluting.

In \textit{Haute Diggity Dog}, for example, the United States Fourth Circuit Court of

\begin{footnotesize}
\begin{itemize}
  \item See Lim, supra note 29; Olson, supra note 29; Cacovean, supra note 29. See also, 2005 Hearing, supra note 20, at 12 (statement of Jacqueline A. Leimer, President, International Trademark Association) (positing that this language would “undesirably and unnecessarily” exempt certain uses from the liability that had traditionally been actionable, and particularly diluting uses); 2005 Hearing, supra note 20, at 24-27 (statement of William G. Barber, on Behalf of the American Intellectual Property Law Association) (contending that the language would “eliminate an entire body of law in which courts have been granting relief for many years,” specifically dilution by tarnishment cases in which tarnishing trademark parodies were sold on posters and t-shirts, but were not used as a trademark for the defendant’s goods);

  \item Compare Hyundai, 2012 WL 1022247 at *19 (S.D.N.Y. Mar. 22, 2012), with Mut. of Omaha Ins. Co. v. Novak, 836 F.2d 397, 402 (8th Cir. 1987) (enjoining the defendant’s use of a parody of the “Mutual of Omaha” mark to make a satirical commentary about the possibility of a nuclear holocaust).

  \item Compare Hershey Co., 2008 WL 4724756 at *15 (E.D. Mich. Oct. 24, 2008) (enjoining the use of a ‘visual pun’ of the senior mark that did not comment on the mark holder), with Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) (enjoining the defendants sale of posters bearing the words “enjoy cocaine” in a font and style very similar to “enjoy Coca-Cola” noting and distinguishing it from cases where the mark was used as a commentary on the mark holder) (internal citations omitted).
\end{itemize}
\end{footnotesize}
Appeals found that although the parody was not protected under the expanded “fair use” exclusion, the parodic nature of the use was still a relevant factor in the dilution by blurring analysis.\(^{139}\) Because a parody, by its nature, must at least partially imitate and associate with the famous mark in order to convey its comedic message, the key issue became whether the defendant had imitated the mark more closely than necessary create that association.\(^{140}\) Once the court concluded that the defendant had used only a “partial[]” and certainly imperfect[]” imitation of the senior mark in order to convey the necessary parodic message, the use was found not to cause dilution by blurring.\(^{141}\)

However, in the two cases where the use was perceived as unnecessary to the defendant’s expressive message, the use was found likely to cause dilution by blurring.\(^{142}\) In *Hyundai Motors*, the court found that the defendant had used the LVM mark as a “proxy” for a general commentary on luxury culture rather than a commentary on the mark owner itself, and concluded that the same message could have been expressed without the use of the “LVM” mark.\(^{143}\) What’s more, the court strongly implied that *Hyundai* was attempting to leverage the good will associated with the luxury brand in order to make its own product appear more luxurious.\(^{144}\) As such, the use was found

\(^{139}\) Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 267 (4th Cir. 2007) (“while a defendant’s use of a parody as a mark does not support a ‘fair use’ defense, it may be considered in determining whether the plaintiff-owner of a famous mark has proved its claim that the defendant’s use of a parody mark is likely to impair the distinctiveness of the famous mark.”).

\(^{140}\) Id. at 268.

\(^{141}\) Id.

\(^{142}\) Id. at *13 (concluding that Hyundai had “utilized the Louis Vuitton marks for its own branding goals,” in order to “borrow equity” from the famous brand traditionally associated with luxury and wealth).
likely to cause dilution by blurring. Similarly, in *Hershey Co.*, the court concluded that the defendant’s use of Hershey’s trade dress in a marketing campaign image was not a commentary on the Hershey company or its mark, but merely an appropriation of the well-recognized Hershey trade dress for the purposes of making a joke. Though never directly stated, the implication of this holding is that the use of marks in visual humor or puns is not entitled to First Amendment protection when not making a “biting” commentary on the mark owner.

There are, however, two outlying cases in this category: the 2013 ruling in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. III)*, and the 2008 ruling in *Anheuser-Busch, Inc. v. VIP Products, LLC*. In its 2009 decision in *Starbucks Corp. II*, the Second Circuit described the defendant as using a “subtle satire” of the senior mark in order to reference the qualities of its own “Charbucks” coffee brands, and strongly implied that this use was appropriative and likely diluting. On remand in *Starbucks Corp. III*, however, the federal district court nonetheless found that the blurring factors favored the defendant and that the plaintiff had failed to show that the use was likely to diminish the reputation or associative strength or the senior mark. As discussed in detail in Chapter Four, the Second Circuit affirmed this holding in

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145 Id.
146 *Hershey Co.*, 2008 WL 4724756 at *15 (describing the use as funny, but “too muted to poke fun” of the plaintiff’s trade dress, and therefore not a parody).
147 Id.
148 *Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. III)*, 736 F.3d 198 (2d Cir. 2013).
150 *Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. II)*, 588 F.3d 97 (2d Cir. 2009).
151 *Starbucks Corp. III*, 2011 WL 6747431 at *5.
Finally, in *Anheuser-Busch*, the nature of the use as a trademark parody was not considered in the dilution analysis, and the blurring factors were largely irrelevant. Instead, the claim was ultimately dismissed because the plaintiff had failed to show that the use was likely to harm to reputation or strength of the famous mark.

**B) Interpretation and Applications of the TDRA’s Statutory Exclusions**

Under the TDRA, it appears that the non-commercial use exclusion continued to be the preferred means of shielding constitutionally protected speech from dilution liability. For example, from the cases identified for this study, it appears that the Ninth Circuit continued to protect “artistic works” under the non-commercial use exclusion, such as in the 2007 case *Burnett*, and the 2009 case *Roxbury Entertainment*. The application of the non-commercial use exclusion in these cases likely reflects the long-standing precedent within the Ninth Circuit of treating “artistic works” as primarily expressive and, therefore, non-commercial. Interestingly, in the one “artistic works” case that was decided outside of the Ninth Circuit, *Volkswagen*, the court did not apply the non-commercial use exclusion broadly to protect the use of marks in an artistic work (a book). Rather, in that case, the court ultimately dismissed the dilution claim for failure to demonstrate that the use was likely to diminish the reputation or strength of the

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152 *Starbucks Corp. III*, 736 F.3d 198 (2d Cir. 2013).
154 *Id.* at 988.
155 *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962 (C.D. Cal. 2007).
157 See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002); *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).
senior mark.\textsuperscript{159}

The non-commercial use exclusion also continued to be used to protect political speech,\textsuperscript{160} and most forms of commentary and criticism.\textsuperscript{161} The continued application of the non-commercial use exclusion is particularly interesting in cases involving criticism and parody of mark owners because the expanded fair use exclusion specifically encompassed this form of mark use. For example, in both \textit{Cintas Corp. v. Unite Here}, a 2009 decision of the United States Second Circuit Court of Appeals, and \textit{Cleary Building Corp. v. David A. Dame, Inc.}, a 2009 decision from the federal district court in Colorado, the defendants’ use of the senior mark in websites criticizing the mark owner was treated as non-commercial, even though this form of mark use likely would have qualified for protection under the TDRA’s expanded “fair use” exclusion.\textsuperscript{162} Similarly, in \textit{Smith v. Wal-Mart Stores, Inc.},\textsuperscript{163} a 2008 decision by a federal district court in Georgia, the defendant’s sale of products bearing his “Wal-Ocaust” and “Wal-Queda” parodies was protected under the non-commercial use exclusion based on the \textit{Bolger} test.\textsuperscript{164} The non-commercial exclusion was applied even though this type of use for critical parody about the mark owner almost certainly could have qualified for protection of the TDRA’s

\textsuperscript{159} \textit{Id.} at 808.

\textsuperscript{160} Griffith v. Fenrick, 486 F. Supp. 2d 848, 850 (W.D. Wis. 2007).


\textsuperscript{162} Cintas Corp., 601 F. Supp. 2d 571 (S.D.N.Y. 2009) aff’d, 355 F. App’x 508 (2d Cir. 2009)(affirming for “substantially the reasons stated in the district opinion”).


\textsuperscript{164} \textit{Id.} at 1339-40 (finding the use non-commercial based on an application of the \textit{Bolger} test, assessing the defendant’s primary motivation for the use, rather than the Ninth Circuit’s more lenient interpretation of the exclusion as protecting all speech that is not purely commercial) (citing Bolger v. Youngs Drug Prods. Corp., 463 U.S. 60 (1983)).
expanded “fair use” exclusion, even if the defendant’s use had been viewed by the court as commercial. In Cintas Corp., Clearly Building and Wal-Mart Stores, the opinions did not address the expanded “fair use” exclusion, and it is unclear whether the expanded “fair use” exclusion for commentary, criticism or parody was ever raised as a defense. However, David Simon theorizes that the continued reliance on the non-commercial use exclusion is simply the result of courts’ desire to capitalize on existing First Amendment jurisprudence, rather than having to “start from scratch.”

The “fair use” exclusion for parody, criticism and commentary in §1125(c)(3)(A)(ii) was only raised successfully in one case, NBFP. In NFBP, the Texas federal district court used the exclusion to protect the defendant’s use of the “Ford” mark in a “No Big Three Bailout” sticker. This decision was likely correct because the mark was not being employed by NBFP as a designation of source, and was clearly being used in a criticism related to Ford as a beneficiary of the government bailout of the auto industry. It is also reasonable to speculate that this critical use of the mark would not have qualified for the non-commercial use exclusion: the use was clearly commercial in that the offending sticker was offered for sale, and the use likely would have failed the Bolger test because NBFP appears to have been motivated by commercial interest (to sell the stickers), rather than by a desire to express a personal opinion about the government bailout of the auto-industry.

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165 Simon, supra note 78, at 1052.

166 Nat'l Bus. Forms & Printing, Inc. v. Ford Motor Co., 2009 WL 3570387 (S.D. Tex. Oct. 30, 2009), (finding that the use of the Ford mark in a “No Big 3 Bailout” sticker was protected under the “fair use” exclusion for parody, commentary and criticism of the mark holder), aff'd in part, rev'd in part, 671 F.3d 526 (5th Cir. 2012) (affirming that the use in the “No Big 3 Bailout” sticker was “fair use”).

167 Id. at *3.
**C) The Standard of Harm**

Finally, it is interesting to observe how courts thus far have applied the TDRA’s blurring factors and how these analyses translate into dilution liability. It appears that, when the blurring factors are applied, blurring factor (i)- “similarity”- is the most determinative. Several scholars anticipated that the “similarity” factor would be the most heavily weighted. Jeremy Roe, for example, noted that while Congress did not likely intended for similarity “to be a super-factor that reigns supreme over the other five factors” it would be impossible for a plaintiff to prove dilution without notable similarity.168 Thomas Lee agreed, writing the following in his article *Demystifying Dilution*:

> The junior mark’s relative similarity to the famous mark relates directly and obviously to the question of whether consumers will mentally associate the two marks, and thus to lose the singularity of the connection between the famous mark and a single source. Without some threshold level of similarity, no other evidence can reliably establish dilution.169

While some scholars expressed concern that this emphasis on the similarity factor would be detrimental to defendants who needed to use the senior mark exactly, or nearly exactly, in parody, commentary and criticism,170 the *Haute Diggity Dog* ruling appears to challenge that pessimistic conclusion.171 In that case, the Fourth Circuit recognized that a certain degree of similarity was necessary to evoke the appropriate parodic associations, and asked simply whether the mark was so similar that it would fail to convey its dual...
message. In the other TDRA cases identified for this study where the blurring factors were applied, the first factor was consistently heavily weighted. In Hyundai Motor, the plaintiff’s burden of proof was met after a weighing of all of the blurring factors, but the court put particular emphasis on the similarity of the marks. In Hershey Co., the plaintiff did not demonstrate actual association, but such association was presumed based on the similarity of the marks. Finally, in its recent ruling in Starbucks Corp. III, the Second Circuit implied that that the first factor – “similarity” of the two marks – and the sixth factor – “actual association” between the two marks – are determinative in a dilution by blurring analysis, treating the rest of the factors as only mildly or moderately relevant.

However, not all courts based their decisions on a weighing of the blurring factors: In both Volkswagen AG v. Dorling Kindersley Publishing, Inc., and Anheuser-Busch, Inc. v. VIP Products, the respective courts largely ignored the blurring factors, instead concluding that a plaintiff must provide actual evidence that the offending mark use creates an association is likely to harm the reputation or strength of the senior mark in

172 Id. at 260 (“A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is not the original and is instead a parody”); Id. at 268 (finding that the use was a parody because it evoked, rather than copied, the senior mark).

173 Louis Vuitton Malletier, S.A. v. Hyundai Motor Am., 2012 WL 1022247, at *13-14 (S.D.N.Y. Mar. 22, 2012) (noting that the two marks were “virtually indistinguishable” particularly given the brief nature of the clip at issue)


175 Starbucks Corp. v. Wolfe's Borough Coffee, Inc. (Starbucks Corp. III), 736 F.3d 198, 212 (2d Cir. 2013) (“Although the three factors of distinctiveness, recognition, and exclusivity favor Starbucks and bear to some degree on our assessment of the likelihood of dilution by blurring, the more important factors in the context of this case are the similarity of the marks and actual association.”).
order to successfully enjoin the use.\textsuperscript{176} It is unclear from the opinions in in Volkswagen and Anheuser-Busch exactly why these courts demanded actual proof of diminished mark strength, rather than just applying the blurring factors. However, one possible theory is proposed at the conclusion of this chapter.

IV. COMPARATIVE ANALYSIS OF FTDA AND TDRA CASES

A primary objective of this study was to conduct a comparative analysis of cases decided under the FTDA and TDRA in order to understand how courts have treated expressive mark uses, whether this treatment has been consistent under both statutes, and whether First Amendment interests have been adequately protected under federal trademark dilution law. A comparative review of the thirty-five cases identified for this study from the FTDA and TDRA periods indicates that there has not been a substantial change in the treatment of parody, commentary and criticism between the two periods. With the exception a few possibly questionable rulings from the early FTDA period,\textsuperscript{177} courts under both the FTDA and TDRA have generally been extremely conscientious about avoiding First Amendment conflicts in federal trademark dilution cases. What’s more, courts have generally been consistent in their treatment of particular categories or

\textsuperscript{176} Volkswagen AG v. Dorling Kindersley Pub., Inc., 614 F. Supp. 2d 793, 808 (E.D. Mich. 2009) (E.D. Mich. 2009) (finding that the plaintiff had failed to show that the use of the VW design in the defendant’s children’s book harmed the reputation or associative strength of the senior mark); Anheuser-Busch, Inc. v. VIP Products, LLC, 666 F. Supp. 2d 974, 987-88. (E.D. Mo. 2008) (finding that Anheuser-Busch had failed to provide any evidence that the use of the “buttwiper” mark might diminish the associative strength of the “Budweiser” mark or else might cause consumers to change their impression of the “Budweiser” mark).

types of mark uses across both periods.\textsuperscript{178}

\textbf{A) Artistic Works}

The use of marks in artistic works such as books, movies, art and music has been consistently protected from dilution liability during both FTDA and TDRA periods. In most of these cases, the use was protected under the non-commercial use exclusion.\textsuperscript{179} This was the case even after the TDRA was passed and the “fair use” exclusion was expanded.\textsuperscript{180} While at first glance the consistent protection of artistic works would appear to indicate that this form of mark use is essentially immune from dilution liability, it is important to note that all but one of these cases were heard within the Ninth Circuit, and the courts were therefore bound by MCA’s precedent of treating “expressive mark use” as non-commercial.\textsuperscript{181} In the only case of this category not arising within the Ninth Circuit, \textit{Volkswagen}, the court did not treat the use as non-commercial based on the


\textsuperscript{179} \textit{Mattel, Inc. v. Walking Mountain Prods.}, 353 F.3d 792 (9th Cir. 2003); \textit{Mattel, Inc. v. MCA Records, Inc.}, 296 F.3d 894 (9th Cir. 2002); \textit{Roxbury Entm't v. Penthouse Media Group, Inc.}, 669 F. Supp. 2d 1170 (C.D. Cal. 2009); \textit{Burnett v. Twentieth Century Fox Film Corp.}, 491 F. Supp. 2d 962 (C.D. Cal. 2007); \textit{Lucasfilm Ltd. v. Media Mkt. Grp., Ltd.}, 182 F. Supp. 2d 897 (N.D. Cal. 2002); \textit{Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.}, 924 F. Supp. 1559, 1561 (S.D. Cal. 1996), \textit{aff'd}, 109 F.3d 1394 (9th Cir. 1997) (affirming on all but the dilution claim, which was not appealed). \textit{But see Volkswagen AG v. Dorling Kindersley Pub., Inc.}, 614 F. Supp. 2d 793 (E.D. Mich. 2009).

\textsuperscript{180} It is unclear from the opinions in these cases whether the “fair use” exclusion in §1125(c)(3)(A)(ii) was ever raised as a defense.

\textsuperscript{181} \textit{MCA Records}, 296 F.3d at 906 (holding that, under the language of Virginia Pharmacy, any speech that does more than propose a commercial transaction is protected non-commercial speech. Further holding that where the expressive speech is created for sale, such that the works commercial purposes are “inextricably entwined with its expressive elements,” the entire speech enjoys full First Amendment protection).
books larger expressive purpose. Instead, the use was found non-diluting based on the failure of plaintiff to show actual dilutive harm.

**B) Political Speech**

Under both the FTDA and the TDRA, the use of marks in political campaign communications and advertisements was consistently protected. In *American Family Life Insurance Co. v. Hagan (AFLAC)* and *MasterCard International Inc. v. Nader 2000 Primary Committee, Inc.*, two different district courts determined that the use of marks in political campaign communications constituted fully protected non-commercial speech. These cases were later cited in the TDRA case *Griffith v. Fenrick*, which protected the use of the name Andy Griffith in a sheriff’s campaign under the non-commercial use exclusion. In all of these cases, the courts recognized that the non-commercial use exclusion was the only statutory exclusion available to protect this form of high-value speech, and correctly concluded that it must be applied to prevent a serious constitutional conflict with the law. While the outcomes in these cases are clearly consistent with the legislative intent of the law’s respective statutory exclusions, at least one scholar, Rumfelt, has noted that the current federal dilution law forces judges to “undergo a stilted intellectual property analysis in order to do so.” As such, she

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183 Id.


186 *Griffith*, 486 F. Supp. 2d at 853. (W.D. Wis. 2007).


188 Rumfelt, *supra* note 63, at 417.
suggests that the TDRA needs to be revised to expressly include political speech as non-actionable.189

C) “Lighthearted” Product Parody

From the cases identified, it appears that non-tarnishing product parodies are another category of mark use that has been consistently protected under both the FTDA and TDRA.190 Under both laws, the use of marks in commercial parody products was found ineligible for the protection of any statutory exclusion based on the commercial nature of the use, and the use of the mark as a brand for the defendant’s own products.191 Nonetheless, non-tarnishing product parodies were regularly protected from dilution by blurring liability under both the FTDA and the TDRA based on the parodic nature or the use.192

While the judicial approach to these cases shifted slightly during the TDRA period in order to address the blurring factors of the revised statute, the reasoning and outcome in these cases remained more or less the same.193 As Professor Deborah Gerhardt explained, “When a parody works it does not blur the trademark it copies” because it does not “diminish the associative strength of the original trademark’s story.”194 Instead, the successful parody “specifically evokes” the narrative of the famous

189 Id.


191 Haute Diggity Dog, 507 F.3d at 266; Big Dog Holdings, 280 F. Supp. 2d at 426; Tommy Hilfiger, 221 F. Supp. 2d at 413.

192 Haute Diggity Dog, 507 F.3d at 267; Big Dog Holdings, 280 F. Supp. 2d at 441-42; Tommy Hilfiger, 221 F. Supp. 2d at 415.

193 Compare Haute Diggity Dog, 507 F.3d 252, with Tommy Hilfiger, 221 F. Supp. 2d 410.

194 Gerhardt, supra note 40, at 226.
mark in order to convey its humorous, parodic message.195 If the viewer does not have the famous mark and its associations “in mind,” the parody fails to be funny.196 Thus, Gerhardt contends that a successful parody in fact “reinforces the famous mark’s narrative by juxtaposing it with a second distinct image.”197

The consistency of courts’ treatment of trademark parody products is exemplified in a comparative analysis of the FTDA case Tommy Hilfiger and the TDRA case Haute Diggity Dog, which have strikingly similar fact patterns. In both cases the plaintiff was a designer brand marketing luxury goods to humans, while the defendant was a pet products company that used a parody of the designer brand as their own product’s name.198 In both instances the respective courts recognized that the use was a clearly commercial designation of source and thus ineligible for protection under any statutory exclusion.199 And in both cases the courts found that use was, in fact, a successful parody because it commented upon and ridiculed the associations of the senior mark in a lighthearted way.200

The only real difference in the treatment of the use in these two cases was that the court in Haute Diggity Dog was required to address the individual blurring factors specified in the TDRA in order to reach its conclusion.201 Upon doing so, however, the court in Haute Diggity Dog ultimately found that the only blurring factor that matters in the cases of true, non-tarnishing trademark parody is factor (i): “the similarity of the

195 Id. at 226-28.
196 Id. at 227
197 Id.
198 Compare Haute Diggity Dog, 507 F.3d at 258, with Tommy Hilfiger, 221 F. Supp. 2d at 413.
199 Haute Diggity Dog, 507 F.3d at 266; Tommy Hilfiger, 221 F. Supp. 2d at 413.
200 Haute Diggity Dog, 507 F.3d at 267; Tommy Hilfiger, 221 F. Supp. 2d at 415.
201 Haute Diggity Dog, 507 F.3d at 268.
marks." The *Haute Diggity Dog* court concluded that where the unauthorized parody is sufficiently dissimilar to the senior mark, it is unlikely to cause dilution. This analysis, however, is nothing more than a restatement of the definition of a successful trademark parody: a design that conveys the original mark’s essence but also changes it so as to communicate its own parodic nature. Thus, while the court in *Haute Diggity Dog* was forced to apply a more protracted analysis to reach this conclusion, the ultimate holding was identical to that in *Tommy Hilfiger*: effective parodies cannot cause dilution by blurring.

It is important to note, however, that this protection was afforded only in cases involving *non-tarnishing parodies.* It is unclear whether a “successful parody” that is both commercial and tarnishing would be found non-diluting in the same way as innocent and lighthearted parody puns. It is also possible that the light-hearted nature of the parodies in these cases impacted the court’s determination that the use was, in fact, a parody. Scholars such as Schaffer-Goldman and Schlosser have posited that uses of a

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202 Id. at 268.
203 Id.
204 Id. at 260 (“A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody.”) (internal citation omitted).
205 *Haute Diggity Dog*, 507 F.3d at 268; *Tommy Hilfiger*, 221 F. Supp. 2d at 415.
206 *Haute Diggity Dog*, 507 F.3d at 268 (finding that the defendant’s $10 dog toy was not likely to tarnish the reputation of the plaintiff’s $1200 hand bag); *Big Dog Holdings*, 280 F. Supp. 2d at 443 (noting that “many of WWE’s t-shirt graphics contain phrases that are profane, violent or carry sexual connotations,” and that the most offensive phrase used by Big Dog was “Open Up a Can of Woof Ass,” which was a takeoff on WWE’s phrase “Open Up a Can of Whoop Ass”); *Tommy Hilfiger*, 221 F. Supp. 2d at 423 (holding that the plaintiff’s mark had nothing to lose from a light-hearted association with pets).
207 See Gerhardt, supra note 40 (noting that “the wholesome pun” is likely to be protected from dilution liability even where no statutory exclusion applies); Rierson, supra note 6 (arguing that the use of trademarks in sexual or illicit contexts constitutes per se tarnishment for many courts); Schlosser, supra note 14, at 941.
mark that are unwholesome would be less likely to be treated as “true parodies.”

However, in the only case identified for this study involving a potentially tarnishing trademark parody, Anheuser-Busch, the court side-stepped the issue by holding that the defendant would need to show not only similarity and association, but proof that the use was likely to damage the strength or reputation of the senior mark.

D) Online Criticism and Commentary about the Mark Owner: A Possible Circuit Split

Across both the FTDA and TDRA period, the non-commercial use exclusion has been the most common defense for the use of mark in commentary or criticism of the mark owner or its goods and service. This appears to be true even after the TDRA expanded the “fair use” statutory exclusion to specifically include nominative fair use in criticizing or commenting upon a mark owner or its goods and services. However, under the FTDA, a circuit split began to develop around the issue of critical websites using the unaltered senior mark as a domain name. This circuit split widened under the TDRA.


209 Anheuser-Busch, Inc. v. VIP Products, LLC, 666 F. Supp. 2d 974, 987-88. (E.D. Mo. 2008) (finding that Anheuser-Busch had failed to provide any evidence that the use of the “buttwiper” mark on a beer bottle-shaped dog toy might diminish the associative strength of the “Budweiser” mark or else might cause consumers to change their impression of the “Budweiser” mark).

During both the FTDA and TDRA period, courts have protected the use of a mark as a component of a domain name for a critical website under the non-commercial use exclusion. For example, under the FTDA, the use of the “Bally Total Fitness” mark was protected as used in the domain name www.compupix.com/ballysucks, while under the TDRA courts protected the use of the “Cintas” mark was in www.cintasesexposed.com, and the use of the altered Wal-Mart mark in www.wal-queda.com and www.walocaust.com.\footnote{Compare Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998), with Cintas Corp. v. Unite Here, 601 F. Supp. 2d 571. See also Cleary Bldg. Corp. v. David A. Dame, Inc., 674 F. Supp. 2d 1257 (D. Colo. 2009) (noting that the domain name www.myclearlybuilding.com and the title page “My NEW building by Cleary Building Corp,” clearly indicated that it was about the plaintiff) (emphasis in original).}

However, courts applying the FTDA were divided as to whether or not the use of an unaltered mark as a domain name for a critical website was a “commercial use.” The Second, Third and Fourth Circuits concluded that such a use was commercial based on the negative impact it might have on the mark owner’s commercial operations, and other related factors such as affiliated fundraising activities, linking, and the bad faith intent of the defendant to intercept the plaintiff’s online audience.\footnote{People for Ethical Treatment of Animals, Inc. v. Doughney, 113 F. Supp. 2d 915 (E.D. Va. 2000) aff’d sub nom., People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359 (4th Cir. 2001) (addressing all but the dilution claim, but affirming the lower courts interpretation of commercial use); OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176 (W.D.N.Y. 2000); Jews For Jesus v. Brodsky, 993 F. Supp. 282 (D.N.J. 1998), aff’d, 159 F.3d 1351 (3d Cir. 1998) (affirming without opinion); Planned Parenthood Fed’n of Am., Inc. v. Bucci, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), aff’d, 152 F.3d 920 (2d Cir. 1998) (affirming without opinion).}

\footnote{Jews For Jesus 993 F. Supp. at 308 (describing the defendant’s site as a “conduit” to the Outreach Judaism site, which raised funds through the sale of merchandise); Planned Parenthood, 1997 WL 133313 at * 5-6 (noting that the defendant was “a non-profit political activist” who used the website as “one part of [the] sustained effort[s], through the radio show and other means, to achieve the end of persuading the public to eschew birth control and abortion”).}

\footnote{OBH, Inc., 86 F. Supp. 2d at 186; PETA, 113 F. Supp. 2d at 919; Jews For Jesus 993 F. Supp. at 308.}

\footnote{It is noteworthy that many of these cases were decided prior to the passage of the Anticybersquatting Consumer Protection Act (ACPA) in 1999. It is possible that the passage of that act may have addressed the issue of bad faith registration of confusingly similar domain names and, in doing so, narrowed the scope of
Circuit, however, expressly rejected this reasoning in *Bosley Medical* and *Nissan Motor* based on concerns that it would impact too much First Amendment speech.\(^{216}\)

In 2010, the Tenth Circuit issued a decision in *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research* adopted the Ninth Circuit’s interpretation of commercial use in such cases.\(^{217}\) The outcome in *Utah Lighthouse Ministry* is particularly interesting because the case had many factual similarities to *Jews for Jesus*: in each case the defendant registered domain names that were intentionally similar to the plaintiff’s mark; in each case the defendant did so in order to intercept users looking for the plaintiff’s website so as to expose them to competing ideology; in each case the defendant linked its website to the website of a non-profit organization whose ideology was contrary to that of the plaintiff; and in each case this non-profit organization homepage linked to an online store that sold goods for fundraising purposes.\(^{218}\)

Although the fact patterns of these two cases are strikingly similar, the courts in these two cases reached completely contradictory outcomes. In *Jews For Jesus*, the New Jersey federal district court found the defendant’s use of the senior mark commercial because A) the defendant had “lured” Internet users to his site “to expose them to “disparaging statements about the Plaintiff organization,” and in doing so prevented these

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\(^{216}\) *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 679 (9th Cir. 2005) (holding that the use of www.bosleymedical.com for a consumer grip site was non-commercial because it did not sell or promote goods or services, and because the mark was used expressively to identify the plaintiff as the subject of the site’s criticism); *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1016 (9th Cir. 2004) (finding the use of the mark in critical speech expressive, even though the encompassing website was commercial).


users from accessing the plaintiff’s site, and B) the website linked the homepage of a non-profit Jewish organization that raised funds through the sale of merchandise. In *Utah Lighthouse Ministry*, however, the Tenth Circuit found defendant’s use to be a non-actionable, non-commercial use because he “provided no goods or services, earned no revenue, and had no direct links to any commercial sites.” The *Utah Lighthouse Ministry* court also found the use to be a parody, expressly rejecting the conclusion of the Third Circuit from *PETA* that the use of a mark as a domain name *cannot* be a parody because it fails to simultaneously communicate two contradictory messages.

Interestingly, it appears that the Tenth Circuit likely could have avoided issuing a decision in *Utah Lighthouse Ministry* at all since the “Utah Lighthouse Ministry” mark was probably not sufficiently famous to bring a dilution action in the first place. Alternately, the Tenth Circuit could have avoided the “commercial use” inquiry by applying the expanded fair use exclusion §1125(c)(3)(A)(ii), which protects even commercial fair use of marks, in criticism of the mark holder. Thus, it is possible, if

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219 *Jews for Jesus* 993 F. Supp. at 307 (alleging that the defendant had created a “bogus ‘Jews for Jesus’ site intended to intercept, through the use of deceit and trickery, the audience sought by the Plaintiff Organization.”).

220 Id. at 308.

221 *Utah Lighthouse Ministry*, 527 F.3d 1045, 1054 (10th Cir. 2008) (“We agree that the Internet is generally an instrumentality of interstate commerce, and thus that the jurisdiction of the Lanham Act constitutionally extends to unauthorized uses of trademarks on the Internet. However, this does not mean that any use of the Internet is necessarily commercial for the purposes of the Lanham Act”).


223 *Utah Lighthouse Ministry*, 506 F. Supp. 2d 889, 898 (expressly rejecting the conclusion that a domain name of a parody website cannot be a protected parody simply because it does not simultaneously communicate the targeted mark and a contradictory message).

224 15 U.S.C.A. § 1125 (A)(1) (“a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.”).

225 The “fair use” exclusion was not disused in the *Utah Lighthouse Ministry* opinion, and it is not clear that it was ever raised by the defendants.
not plausible, that the court in *Utah Lighthouse Ministry* simply wanted to issue an
opinion and set a circuit precedent regarding the use of marks in critical websites.\(^{226}\)

Although courts appear to be divided on the issue of whether or not the use of a
mark as a domain name is commercial, it is possible that the entire debate is moot in light
of the expanded “fair use” exclusion in §1125(c)(3)(A)(ii), which protects *any* fair use
parody, criticism and commentary about the mark owner or its goods and services,
including commercial uses. However, it is still unclear from existing case law whether a
domain name, in and of itself, can be viewed as a “designation of source” for a website,
thereby making the use ineligible for protection under the expanded “fair use” exclusion
in §1125(c)(3)(A).\(^{227}\) This may be the next area for division amongst the courts.

V. CONCLUSIONS

* A) Parody, Commentary and Criticism Have Been Generally Well-Protected
Under Federal Dilution Law

Based on a review of the legislative history, it is clear that Congress included the
statutory exclusions of the FTDA and TDRA as a means of protecting First Amendment
speech, including the expressive use of marks in commentary, criticism and parody.\(^{228}\)

\(^{226}\) *See generally* Mark A. Thurmon, *Recent Developments in Trademark Law*, 9 Wake Forest Intell. Prop. L.J. 1, 2-14 (2009) (further arguing that the defendant’s registration of multiple domain names similar to the plaintiff’s domain name was evidence of bad faith cybersquatting under the ACPA).

\(^{227}\) *Compare* Planned Parenthood Fed’n of Am., Inc. v. Bucci, 1997 WL 133313, at *11 (S.D.N.Y. Mar. 24, 1997) (concluding “the defendant’s use of plannedparenthood.com as a domain name to identify his web site is on its face more analogous to source identification than to a communicative message; in essence, the name identifies the web site, which contains defendant's home page.”), *with* Cintas Corp. v. Unite Here, 601 F. Supp. 2d 571, 579 (S.D.N.Y. 2009), aff'd, 355 F. App’x 508 (2d Cir. 2009) (finding that the defendants were not using the “CINTAS” mark as a “source identifier,” but rather solely to criticize Cintas’s corporate practices).

\(^{228}\) *See* H.R. Rep. No. 104-374 at 8 (1995) (noting that the section of the law listing non-actionable uses was “designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected”).
Based on a review of the thirty-five cases identified for this study, courts appear to have been conscious of the legislative intent of the exclusions and applied them where it was necessary to avoid potential First Amendment conflicts.

In total, First Amendment speech, including parody, commentary and criticism, seems to have been well protected under both the FTDA and TDRA, so long as the use was deemed necessary to the defendant’s expressive message. Even in cases involving classically commercial uses, such as the sale of parody products, the use was typically found not to cause dilution by blurring if the mark was used to in some way comment upon the mark owner or its goods and services.229

In most cases identified for this study, courts applied the non-commercial use exclusion to ensure that First Amendment speech would not fall within the reach of federal trademark dilution law. Interestingly, the non-commercial use exclusion remained the preferred means of protecting First Amendment speech even after the TDRA was passed and the statutory exclusion for “fair use” was expanded to include any non-source denoting form of nominative and descriptive fair use, and specifically fair uses in parody, commentary and criticism of the mark owner or its goods and services. In most of the TDRA cases identified for this study, it is unclear from the opinion whether or not the expanded “fair use” exclusion was even raised. However, most likely these courts continued to apply the non-commercial use exclusion in order to capitalize on existing precedent.230

While most forms of expressive mark use have been treated consistently across


230 Simon, supra note 78, at 1052.
the FTDA and TDRA, there is one notable exception: the use of marks as domain names for critical websites. Courts appear to agree that the non-commercial use exclusion would apply to critical domain names that in some way *incorporate* the target mark.\(^{231}\)

However, where a defendant uses the exact, unaltered mark as a domain name for a critical website, courts have been divided regarding whether this is a “commercial use” and whether the First Amendment would apply. In most cases, the courts’ interpretation of “commercial use” appears to correspond with the courts’ perspective regarding the defendant’s motives and intentions: In those cases where the court viewed the defendant as using the mark fairly to reference the mark holder for criticism, this mark use was protected under the non-commercial use exclusion.\(^{232}\) On the other hand, in those cases where the court viewed the defendant as unfairly using the mark to deceive online audiences, this mark use was found actionably commercial and diluting.\(^{233}\)

This issue may come up again in the future. However, it is possible that the TDRA’s expanded “fair use” exclusion will make the “commercial use” issue a moot point: the exclusion protects even commercial fair uses of a mark for commentary and criticism, so long as it is not used as a designation of source. Instead, the next major issue


\(^{232}\) *See e.g.*, Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 679 (9th Cir. 2005); Northland Ins. Companies v. Blaylock, 115 F. Supp. 2d 1108 (D. Minn. 2000).

to come before the courts on this matter will likely be whether or not purely informational websites are “services” and whether or not domain names can be viewed as a “designation of source” for these services.

**B) Dilution by Blurring is a Substitute “Free Riding” Statute**

From the handful of cases identified for this study in which the offending mark use was found to be both actionable and diluting, it appears that the use of a famous mark is most likely to be enjoined where the defendant is perceived by the court as “free riding” on the fame of the senior mark. For example, in *Hyundai Motor*, the court found that the defendant was attempting to “borrow equity” from the positive associations of the senior brand for its own benefit, and in *Hershey Co.* the court found that the defendant had borrowed the plaintiff’s famous trade dress to make a visual joke in promotion for its own products. In *Panned Parenthood, Jews for Jesus, PETA, and OBH*, the respective courts justified their findings of actionable, commercial use based on the fact that the defendants had used the senior mark in an intentional effort to intercept internet users seeking out the plaintiffs’ websites, thereby “free riding” on their audience. One could even argue that the tarnishing mark uses in *Kraft Foods* and

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235 *Hyundai Motor*, 2012 WL 1022247 at 13*.

236 *Hershey Co.*, 2008 WL 4724756 at *15 (describing the use as funny, but “too muted to poke fun” of the plaintiff’s trade dress).

Conopco could be seen as “appropriative” use of the senior mark in an effort to exploit the marks’ fame and make their own products more memorable and desirable. What’s more, in each of these cases the court enjoined the defendant’s mark use without evidence that the use caused, or was likely to cause, harm to the reputation or associative strength of the mark.

On the other hand, in cases in which the mark use was protected from dilution liability, there was little risk that the use could be perceived as classic “free riding.” For example, the “fair use” of a mark for commentary or criticism of the mark holder cannot be perceived as “free riding” because the goal is not to appropriate the good will of the plaintiff’s mark, but to change or diminish it in some way. Even light-hearted commercial product parodies are not exactly “free riding” because parodists are commenting on and contributing to the cultural associations of the mark, rather than purely leveraging the existing associations of the mark for commercial benefit.

From the cases identified for this study, it appears entirely possible, if not

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239 But see, Volkswagen, 614 F. Supp. 2d 793 (E.D. Mich. 2009) (finding that the plaintiff had failed to show that the use of the VW design in the defendant’s children’s book Fun Cars was likely to harm the reputation or associative strength of the senior mark); Anheuser-Busch, 666 F. Supp. 2d 974 (E.D. Mo. 2008) (finding that the plaintiff had failed to show that the use of the “buttwwiper” design on the defendant’s dog chew toy damaged the reputation or associative strength of the “Budweiser” mark).

240 See Gerhardt, supra note 40, at 228.
plausible, that some courts have treated federal trademark dilution law as an anti-“free riding” statute. Courts appear most likely to enjoin those uses they perceive as unfairly appropriating the senior mark, even where such appropriation is arguably unlikely to diminish the marks strength or harm its reputation. Several scholars predicted that this was likely to occur.\textsuperscript{241} For example, David Franklyn theorized that dilution law, as written, allows judges who view “free riding” as a form of unjust enrichment to enjoin uses they find unfair, while allowing judges who are not morally opposed to “free riding” to follow a stricter interpretation of the statute and demand evidence of the dilutive harm.\textsuperscript{242} This might potentially explain the handful of recent TDRA cases in which courts required evidence that the defendant’s mark use was likely to harm or weaken the plaintiff’s mark; these judges did not wish to treat the federal dilution statute as an anti-free-ridering statute.\textsuperscript{243} Even notable trademark expert Thomas McCarthy suggested that the TDRA’s blurring factors are problematic because they empower judges to enjoin unauthorized mark use based on similarity and association alone, without ever addressing the issue of real dilutive harm.\textsuperscript{244}

\begin{thebibliography}{9}
\bibitem{242} Franklyn, supra note 241, at 202.
\bibitem{243} Volkswagen AG v. Dorling Kindersley Pub., Inc., 614 F. Supp. 2d 793, 808 (E.D. Mich. 2009) (E.D. Mich. 2009) (finding that the plaintiff had failed to show that the use of the VW design in the defendant’s children’s book harmed the reputation or associative strength of the senior mark); Anheuser-Busch, Inc. v. VIP Products, LLC, 666 F. Supp. 2d 974, 987-88. (E.D. Mo. 2008) (finding that Anheuser-Busch had failed to provide any evidence that the use of the “buttwiper” mark might diminish the associative strength of the “Budweiser” mark or else might cause consumers to change their impression of the “Budweiser” mark).
\bibitem{244} \textsc{4 McCarthy on Trademarks and Unfair Competition} § 24:119 (4th ed.) (2011) (“The failure of the six factor list to include likely injury to the famous mark has led some courts into assuming (without proof) that if there is a likelihood of association with the famous mark, then there automatically must be a likelihood of damage to the famous mark.”). \textit{See also}, Robert G. Bone, \textit{A Skeptical View of the Trademark Dilution Revision Act}, 11 INTELL. PROP. L. BULL. 187, 195 (2007)(“a judge convinced that free riding is...
While all of the actionable and diluting uses identified from this study arguably involved some elements of “free riding,” the case sample from this study is too small to draw any substantive conclusions on this matter. What’s more, because this study focused exclusively on cases in which the defendants’ claimed their use was protected as parody, commentary, criticism or another form of First Amendment-protected speech, the sample of cases is probably not representative of the larger body of federal trademark dilution case law. The application of federal dilution law as an anti-“free-riding” provision would be an interesting area of examination for future scholarship.

C) Final Reflections

Based on the cases reviewed for this study, it appears that First Amendment speech has been generally well protected under federal dilution law. Under the FTDA, the primary means of protecting speech was the non-commercial use exclusion. Unfortunately, the statute did not define what constituted “commercial use,” and the commercial speech doctrine is, in essence, a loose set of guidelines developed from a number of highly fact-specific Supreme Court rulings. The vague nature of the non-commercial use exclusion led to inconsistent application of the FTDA during the late 1990s and early 2000s, including a handful of rulings that potentially contradicted the legislative intent to protect First Amendment speech from dilution liability.

However, it appears that the expanded “fair use” exclusion of the TDRA has the potential to address the issues created by the ambiguity of the non-commercial use exclusion. Even though the expanded “fair use” exclusion expressly protecting parody, unfair can find likelihood of dilution without revealing her moral intuition or giving parties an opportunity to challenge it. She need only play up the factors in the balance that support her decision and downplay the factors that do not."
commentary and criticism was infrequently applied in the TDRA cases examined for this study, it likely could have applied if the disputed use had not been eligible for other exclusions. As such, it would appear that the expanded fair use exclusion could provide an additional layer of protection for uses that may have previously fallen through the cracks of the non-commercial use exclusion.

The TDRA’s expansion of the fair use exclusion also removes the risk that judges would determine “commerciality,” and thus liability, based on their own subjective perceptions of the value of the speech. However the TDRA nonetheless appears to leave substantial room for judicial subjectivity. For example, key terms of the expanded “fair use” exclusion such as “parody” and “designation of source,” were left undefined. This potentially allows judges to apply subjective notions of humor or intent when determining whether a use is eligible for the protection of the exclusion.245 What’s more, while the TDRA provides a list of “blurring factors” to help judges determine whether a use is likely to cause “dilution by blurring,” these factors do no actually address the probability that the association created by the use is likely to harm or diminish the senior mark. This allows courts the discretion to decide whether to require evidence of actual dilutive harm or to simply enjoin the use based on the weight of the blurring factors alone. Additionally, scholars have noted that there are no corresponding “dilution by tarnishment” factors to assist courts in determining whether an allegedly diluting use causes tarnishment. It has been suggested that this allows judges to enjoin uses that they find offensive based on their own subjective morality and sense of propriety.246

245 Rierson, supra note 6, at 234-35; Schlosser, supra note 14, at 941.

246 Rierson, supra note 6, at 234-35; Schlosser, supra note 14, at 941; Schaffer-Goldamm, supra note 207, at 1287-88; Taran, supra note 14, at 3 (“The flexibility and inconsistency of the tarnishment doctrine has allowed it to be implemented in an effort to suppress unwholesome or unsavory speech.”).
Most notably, the TDRA allows courts to enjoin uses that are “likely to cause dilution” but does not define what constitutes a likelihood of dilution. Some scholars have speculated that this was intentional on the part of legislators because there is in fact no such thing as actual or likely “dilutive harm” because the famous brands eligible for the law’s protection are so deeply engrained into our consciousness that nothing can dislodge or diminish their cultivated associations. 247 Instead, scholars have proposed that the law is something of a catchall statute that allows mark owners to enjoin a variety of unauthorized and “undesirable” uses. 248

There may, in fact, be some grounds for this speculation. The law appears to have been designed to give courts a surprising degree of flexibility when determining dilution liability; due to the ambiguity of key terms in the TDRA, courts can essentially bend the statute to the facts of the case and enjoin those uses that are found to be appropriative, exploitative, defamatory or generally lacking in substantial First Amendment value, while protecting those uses that are largely “innocent” or part of a good faith attempt to reference the mark owner as part of First Amendment speech. While this flexibility does potentially make it more difficult for speakers to know with absolute certainty whether a use may be diluting, speakers can nonetheless be confident that legitimate uses in First

247 See e.g., Beebe, supra note 19, at 1162 (noting that surveys indicate that “very strong brands are immune to dilution because their memory connections are so strong that it is difficult for consumers to alter them or create new ones with the same brand name”). See also Emerson, supra note 46, at 51-54; Haight Farley, supra note 241, at 1184; Rieson, supra note 6, at 291; Mary LaFrance, No Reason to Live: Dilution Laws As Unconstitutional Restrictions on Commercial Speech, 58 S.C. L. REV. 709, 717-19 (2007).

248 See Franklyn, supra note 241, at 202; Haight Farley, supra note 241, at 1184 (suggesting that dilution is actually an anti-freeriding statute). But see generally Taran, supra note 14; Schlosser, supra note 14, at 944-47 (arguing that dilution by tarnishment is treated as an expansion of corporate disparagement and defamation law). But see Kristine Boylan, The Corporate Right of Publicity in Federal Trademark Dilution Legislation, 88 TRADEMARK REP. 349 (asserting that trademark dilution essentially acts as a corporate version of the privacy tort for the right of publicity).
Amendment speech will likely be protected.

Finally, it is important to point out that, while it appears that parody, commentary, criticism and other forms of First Amendment speech have been generally well protected under both the FTDA and TDRA, many scholars would argue that one cannot measure the true impact of dilution law on First Amendment speech through published cases.\(^{249}\) Instead, several scholars contend that the real suppression of speech takes place outside the courtroom, through the use of cease-and-desist letters issued against defendants who, due to a lack of legal knowledge and financial resources, are likely to self-censor rather than face a protracted legal battle.\(^{250}\) Unfortunately, the potential “chilling effect” of federal dilution law is extremely difficult, if not impossible, to accurately quantify.


APPENDIX 1: THE FEDERAL TRADEMARK DILUTION ACT OF 1995
(FTDA)

PUBLIC LAW 104–98—JAN. 16, 1996
109 STAT. 985

Public Law 104–98
104th Congress

An Act

To amend the Trademark Act of 1946 to make certain revisions relating to the protection of famous marks.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Federal Trademark Dilution Act of 1995”.

SEC. 2. REFERENCE TO THE TRADEMARK ACT OF 1946.
For purposes of this Act, the Act entitled “An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes”, approved July 5, 1946 (15 U.S.C. 1051 and following), shall be referred to as the “Trademark Act of 1946”.

SEC. 3. REMEDIES FOR DILUTION OF FAMOUS MARKS.

(a) REMEDIES.—Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by adding at the end the following new subsection:

“(c)(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

“(A) the degree of inherent or acquired distinctiveness of the mark;

“(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

“(C) the duration and extent of advertising and publicity of the mark;

“(D) the geographical extent of the trading area in which the mark is used;

“(E) the channels of trade for the goods or services with which the mark is used;

“(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;

“(G) the nature and extent of use of the same or similar marks by third parties; and

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[H.R. 1295]
"(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the
principal register.
"(2) In an action brought under this subsection, the owner
of the famous mark shall be entitled only to injunctive relief unless
the person against whom the injunction is sought willfully intended
to trade on the owner's reputation or to cause dilution of the
famous mark. If such willful intent is proven, the owner of the
famous mark shall also be entitled to the remedies set forth in
sections 35(a) and 36, subject to the discretion of the court and
the principles of equity.
"(3) The ownership by a person of a valid registration under
the Act of March 3, 1881, or the Act of February 20, 1905, or
on the principal register shall be a complete bar to an action
against that person, with respect to that mark, that is brought
by another person under the common law or a statute of a State
and that seeks to prevent dilution of the distinctiveness of a mark,
label, or form of advertisement.
"(4) The following shall not be actionable under this section:
"(A) Fair use of a famous mark by another person in
comparative commercial advertising or promotion to identify
the competing goods or services of the owner of the famous
mark.
"(B) Noncommercial use of a mark.
"(C) All forms of news reporting and news commentary.

(b) CONFORMING AMENDMENT.—The heading for title VIII
of the Trademark Act of 1946 is amended by striking "AND FALSE
DESCRIPTIONS" and inserting ", FALSE DESCRIPTIONS, AND
DILUTION".

SEC. 4. DEFINITION.

Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127)
is amended by inserting after the paragraph defining when a mark
shall be deemed to be "abandoned" the following:

'The term 'dilution' means the lessening of the capacity of
a famous mark to identify and distinguish goods or services, regard-
less of the presence or absence of—
"(1) competition between the owner of the famous mark
and other parties, or
"(2) likelihood of confusion, mistake, or deception.".
SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

Approved January 16, 1996.
APPENDIX 2: THE TRADEMARK DILUTION REVISION ACT OF 2006 (TDRA)

120 STAT. 1730 PUBLIC LAW 109–312—OCT. 6, 2006

Public Law 109–312
109th Congress

An Act

To amend the Trademark Act of 1946 with respect to dilution by blurring or tarnishment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the “Trademark Dilution Revision Act of 2006”.

(b) REFERENCES.—Any reference in this Act to the Trademark Act of 1946 shall be a reference to the Act entitled “An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes”, approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 2. DILUTION BY BLURRING; DILUTION BY TARNISHMENT.

Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended—

(1) by striking subsection (c) and inserting the following:

“(c) DILUTION BY BLURRING; DILUTION BY TARNISHMENT.—

“(1) INJUNCTIVE RELIEF.—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.

“(2) DEFINITIONS.—(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

“(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

“(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

“(iii) The extent of actual recognition of the mark.
“(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

“(B) For purposes of paragraph (1), ‘dilution by blurring’ is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

“(i) The degree of similarity between the mark or trade name and the famous mark.

“(ii) The degree of inherent or acquired distinctiveness of the famous mark.

“(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

“(iv) The degree of recognition of the famous mark.

“(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

“(vi) Any actual association between the mark or trade name and the famous mark.

“(C) For purposes of paragraph (1), ‘dilution by tarnishment’ is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

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

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

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

“(ii) identifying 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.

“(4) BURDEN OF PROOF.—In a civil action for trade dress dilution under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

“(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

“(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

“(5) ADDITIONAL REMEDIES.—In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 34. The owner of the famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36, subject to the discretion of the court and the principles of equity if—
“(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after the date of enactment of the Trademark Dilution Revision Act of 2006; and

“(B) in a claim arising under this subsection—

“(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

“(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

“(6) OWNERSHIP OF VALID REGISTRATION A COMPLETE BAR TO ACTION.—The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this Act shall be a complete bar to an action against that person, with respect to that mark, that—

“(A)(i) is brought by another person under the common law or a statute of a State; and

“(ii) seeks to prevent dilution by blurring or dilution by tarnishment; or

“(B) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

“(7) SAVINGS CLAUSE.—Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.”; and

“(2) in subsection (d)(1)(B)(i)(IX), by striking “(c)(1) of section 43” and inserting “(c)”.

SEC. 3. CONFORMING AMENDMENTS.

(a) MARKS REGISTRABLE ON THE PRINCIPAL REGISTER.—Section 2(f) of the Trademark Act of 1946 (15 U.S.C. 1052(f)) is amended—

(1) by striking the last two sentences; and

(2) by adding at the end the following: “A mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c), may be refused registration only pursuant to a proceeding brought under section 13. A registration for a mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c), may be canceled pursuant to a proceeding brought under either section 14 or section 24.”.

(b) OPPOSITION.—Section 13(a) of the Trademark Act of 1946 (15 U.S.C. 1063(a)) is amended in the first sentence by striking “as a result of dilution” and inserting “the registration of any mark which would be likely to cause dilution by blurring or dilution by tarnishment”.

(c) CANCELLATION.—Section 14 of the Trademark Act of 1946 (15 U.S.C. 1064) is amended, in the matter preceding paragraph (1) by striking “, including as a result of dilution under section 43(c),” and inserting “, including as a result of a likelihood of dilution by blurring or dilution by tarnishment under section 43(c),”.

(d) MARKS FOR THE SUPPLEMENTAL REGISTER.—The second sentence of section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended to read as follows:
“Whenever any person believes that such person is or will be damaged by the registration of a mark on the supplemental register—

“(1) for which the effective filing date is after the date on which such person’s mark became famous and which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c); or

“(2) on grounds other than dilution by blurring or dilution by tarnishment, such person may at any time, upon payment of the prescribed fee and the filing of a petition stating the ground therefor, apply to the Director to cancel such registration.”.

(e) Definitions.—Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by striking the definition relating to the term “dilution”.

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