

Trademark Parody, Statutory and Nominative Fair Use Under the Lanham Act

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The concept of fair use in copyright law is well known to intellectual property practitioners. An analogous concept exists in trademark law, where the use of another's mark is deemed "fair". As in copyright law, the public benefit of allowing the use is perceived to override any alleged detriment to the trademark owner, and is thus deemed to be a fair use.

The Lanham Act contains a statutory fair use provision, § 33(b)(4), 15 U.S.C. § 1115(b)(4). However, because of the narrow scope of the statutory provision, three additional, judge-made categories have arisen in which use of another's trademark may be considered non-infringing. These are: (1) nominative fair use; (2) comparative advertising as fair use; and (3) parody as fair use. This paper will provide a brief overview of statutory fair use and the related nominative fair use defense and will then focus on parody.

I. STATUTORY FAIR USE:

Pursuant to § 33(b)(4) of the Lanham Act, a defense to a claim of trademark infringement exists where:

the use of the name, term, or device charged to be an infringement is a use, *otherwise than as a mark* . . . or of a term or device *which is descriptive of* and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin. . . . 15 U.S.C. § 1115(b)(4) (emphasis added).¹

In general terms, the statutory fair use defense prevents a trademark owner from monopolizing or appropriating a descriptive word or phrase. In a leading case on this defense, *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983), the court noted that "[t]he defense is available only in actions involving descriptive terms and only when the term is used in its descriptive sense rather than its trademark sense." 698 F.2d at 791 (citing *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1185 (5th Cir. 1980).

A. Statutory Fair Use: A True Defense?

Until recently, there was a split between those Courts of Appeals that held that a likelihood of confusion bars the statutory fair use defense and those which held that it did not. On December 8, 2004, the U.S. Supreme Court held that a finding of likelihood of confusion is not necessarily a bar to the statutory fair use defense² and that the burden is on the plaintiff to prove a likelihood of confusion and not on a defendant pleading the fair use defense to negate such likelihood confusion. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).

The Court noted that “it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need of an affirmative defense.”³ Thus, to be of any use at all, the statutory fair use defense would have to be available despite a finding of a likelihood of confusion.

That, however, does not mean that likelihood of confusion is irrelevant in determining whether a particular use is a fair use. The Supreme Court left the door open to such consideration by saying that its holding does not preclude a court from considering the *extent* of any likelihood of confusion in assessing whether a defendant’s use was objectively fair⁴. Therefore, a defendant arguing that its use is a fair use may still have to show that any likelihood of confusion is not significant.

B. Is Prominent Use Fair?

Claims of fair use often turn on whether a defendant uses a mark too prominently on its product or in its advertising. For example in *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir. 1992), the owner of several incontestable registrations for the mark THIRST-AID for a variety of beverage products and syrups, sued Quaker Oats for its use of the phrase “Gatorade is Thirst Aid for That Deep Down Body Thirst” in advertising and promotion.⁵

The Seventh Circuit agreed with Quaker Oats that “thirst aid” was descriptive for the purposes of §33(b)(4).⁶

While Quaker Oats’s use of the term “thirst aid” was descriptive, it did not pass the remainder of the statutory test. Defendant argued that “Thirst Aid” was not used as a trademark because it was always used in conjunction with the famous GATORADE mark. The court rejected this argument. Rather, the court found that Quaker Oats used THIRST-AID as an “attention-getting symbol,” which often appeared more prominently and in larger type than the obvious trademark GATORADE.⁷ The Sands court cited *Louis Rich, Inc. v. Horace W. Longacre, Inc.*, 423 F. Supp. 1327 (E.D. Pa. 1976), for the proposition that “use meant to foster identification with defendant and its product is not a fair use.” 978 F.2d at 954.⁸

However, prominent use does not always preclude fair use. Fair use was found in *Wonder Labs, Inc. v. Proctor & Gamble Co.*, 728 F. Supp. 1058 (S.D.N.Y. 1990), involving the term DENTIST’S CHOICE for toothbrushes. There, the court held that even though the term was prominently displayed in the defendant’s advertisements, simply drawing attention to the phrase was not enough -- attention had to be drawn to the words *as a source of the product*.

C. Can Trade Dress Be the Subject of Fair Use?

In 1995 the Second Circuit held that the statutory fair use defense can be successfully invoked by a defendant accused of trade dress infringement, specifically, infringement of product configuration trade dress. *Car Freshener Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2d Cir. 1995). S.C. Johnson marketed a pine-tree-shaped air freshener called “Holiday Pine Potpourri.” The plaintiff sued, claiming Johnson’s product infringed its trade dress in pine-tree shaped air fresheners which are typically hung from the rear view mirrors of cars. The court held Johnson’s use to be statutory fair use since it was descriptive of characteristics of defendant’s goods, i.e., a pine scent and a Christmas theme.⁹

II. NOMINATIVE USE AS FAIR USE:

Unlike most statutory fair use cases, nominative fair use involves the use of the plaintiff’s mark *to describe or identify the plaintiff’s goods or services.*

In 1992, the Court of Appeals for the Ninth Circuit coined the term Nominative Fair Use. *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). The Ninth Circuit, in a typically articulate opinion by Judge Kozinski, described those circumstances in which the use of another’s trademark is allowed, even when not directly covered by the statutory fair use defense of the Lanham Act:

[W]here the defendant uses a trademark to describe the plaintiff’s product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308.

Most nominative fair use cases have been in the Ninth Circuit. Elsewhere, the nominative fair use defense has been used sparingly, but has gained acceptance in recent years in other Circuits.¹⁰ Since it was first enunciated, the requirements for successfully invoking this defense have been fleshed-out.

Just as the defendant who seeks the protection of the statutory fair use defense will enjoy greater success if it does not use the mark too prominently, restraint favors the nominative fair use defendant as well.¹¹ We also know that disclaimers can help a defendant pleading nominative fair use,¹² those who don’t disclaim or clarify may lose¹³ and that some re-sellers of a mark owner’s goods have successfully invoked the nominative fair use defense.¹⁴

The Third Circuit recently issued an opinion in which it created a two-step approach to the nominative fair use analysis whereby the plaintiff must first establish that confusion is likely

through the application of an abbreviated likelihood of confusion test, and then the defendant would have the opportunity to establish nominative fair use based on a variation on the *New Kids three-part test*. *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211 (3rd Cir. 2005).¹⁵

Under the Third Circuit test, if a likelihood of confusion were found under its abbreviated likelihood of confusion test, the court would then apply its modified New Kids test to determine whether, notwithstanding a likelihood of confusion, defendant's use of plaintiff's mark is fair and non-actionable. Under the Third Circuit nominative fair use test, the court is to consider:¹⁶

1. Is the use of plaintiff's mark necessary to describe (1) plaintiff's product or service and (2) defendant's product or service?
2. Is only so much of the plaintiff's mark used as is necessary to describe plaintiff's products or services?
3. Does the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services?

Id. at 228.

While the Third Circuit's test appears on its face to be more stringent, in that it asks whether use of plaintiff's mark is "necessary" the *Century 21* court tempered this requirement when it wrote "the court need not find that the use of the mark is indispensable in order to find this factor fulfilled. For, as we have stated before, the Lanham Act does not compel a competitor to resort to second-best communication." *Id.* at 229 (internal quotation marks omitted).

The greatest difference between the two tests rests in the third prongs of each. While the *New Kids* test questions whether the defendant did anything beyond mere use of the mark that would suggest sponsorship or endorsement by the plaintiff, the Third Circuit test asks whether the defendant's conduct and language reflect the true and accurate relationship between plaintiff and defendants' product or services. Whether the difference in the test would result in a court reaching a different conclusion in a particular case, however, is doubtful.

III. DOES THE LOGIC OF PERMANENT MAKE-UP APPLY TO NOMINATIVE FAIR USE CASES?

There are some situations in which the distinction between nominative and classic fair use may make a difference. For example, the dispositive question in nominative fair use case is often whether the term used was the only term reasonably available, while under the statutory fair use defense, the defendant needs simply establish that the term was used descriptively and not as a mark, even if there were other, equally succinct, descriptive terms available.

Another important difference between the two defenses is that the statutory fair use defense may be unavailable to a defendant using a coined term, while a defendant invoking the nominative fair use defense encounters no such hurdle. Note, however, that while a plaintiff's trademark may technically be a "coined term," sometimes its constituent parts are descriptive,

which may allow use of the statutory defense. (FISH-FRI is arguably a coined term, but “fish fry” is descriptive).

Lastly, *KP Permanent Make-up* made the statutory fair use defense available even when there is some likelihood of confusion. In contrast, at least one nominative fair use case, decided before *Permanent Make-up*, held that the multi-pronged likelihood of confusion test was to be incorporated into the third prong of the *New Kids* test, implying that if likelihood of confusion were found, the defense would be unavailable.¹⁷

The interesting question is whether circuit courts, and particularly those which had previously rejected the statutory defense if there was a likelihood of confusion, will follow the logic of *Permanent Make-up* when considering nominative fair use. So far, two courts have considered this question and both extended the Supreme Court’s *Permanent Make-Up* decision to the nominative fair use defense. In *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 222-223 (3d Cir. 2005) the Third Circuit wrote “[a]fter [the *Permanent Make-Up*] decision, it seems to us that neither classic or nominative fair use should rise and fall based on a finding of likelihood of confusion.” Similarly the court in *Ty, Inc. v. Publications Int’l, Ltd.*, 2005 U.S. Dist. Lexis 23420 at *19 (N.D. Ill. February 25, 2005) wrote “[w]hile the Supreme Court specifically declined to address the nominative fair use defense, I am persuaded that its logic applies with similar force to defendants pursuing the defense of nominative fair use despite the almost certain likelihood of confusion regarding the source of the mark.”

IV. COMPARATIVE ADVERTISING AS FAIR USE:

As in the nominative fair use cases discussed above, comparative advertising involves a situation where a trademark of a competitor is used to refer to a competitor's goods. Because comparative advertising is generally an obvious comparison of competing products (for example, "8 out of 10 doctors surveyed prefer Acme creme to Widget creme"), there is little likelihood of confusion as to the source of the ad.¹⁸

Because there would be no likelihood of confusion, comparative advertising, in and of itself, is generally not actionable.¹⁹ However, when such advertising is false, or results in the disparagement, dilution or tarnishment of another's trademark, it is actionable. Such causes of action are beyond the scope of this paper. A brief discussion of satirical comparative advertising cases is warranted, however, because of their relationship to the parody defense discussed below.

Wendy's International, Inc. v. Big Bite, Inc., 576 F. Supp. 816 (S.D. Ohio 1983), was a § 43(a) action in what was labeled the "burger wars." Big Bite, a small competitor trying to compete with the national chains, ran "rather clever" television commercials which parodied some of the larger chains. In one, "Little Wendy", a pigtailed, freckle-faced young girl -- and Wendys trademark -- orders a Big Bite sandwich and exclaims, "Ain't no reason to go any place but Big Bite."²⁰ The "Little Wendy" character was mimicked almost exactly by Big Bite. Wendys alleged that the commercial violated § 43(a) of the Lanham Act because it insinuated that "Little

Wendy" (and therefore Wendy's International, Inc.) endorsed, or was otherwise associated with, Big Bite.

"Although it is fairly well established that an advertiser such as Big Bite may lawfully use a competitor's trademark for the purpose of comparing its wares directly to those of the competitor, no uniform rule exists where, as here, the advertiser compares his goods to those of another implicitly or indirectly by using the other's mark in a satirical or humorous manner. In fact, the courts facing this issue have reached widely different results for widely different reasons." 576 F. Supp. at 820 (citations omitted).

The court in this case found the commercials to be inoffensive, entertaining and light-hearted spoofs which did not misrepresent or make false statements about the competing products. However, the court grudgingly issued a preliminary injunction, because Wendy's had met its burden of "showing that the disputed advertisement 'tend[s] to create a false impression.'" *Id.* at 822. Given Big Bite's motives, "a strong inference of probable confusion arises, and all doubts are resolved against the defendant." *Id.* As discussed in the last section of this paper, a different result would likely have occurred if Big Bite was not a competitor.

Similar fair use issues arise in the dilution context. In *Deere & Co. v. MTD Products, Inc.*, 41 F.3d 39 (2d Cir. 1994), MTD ran a commercial which, instead of simply using the famous trademark of Deere and Company, a two-dimensional silhouette of a leaping male deer in profile, it used an altered form of the trademark. The deer in the MTD commercials was animated and hopped around the television screen, pursued by a YARD-MAN lawn tractor and a barking dog.

Deere's trademark infringement claim was rejected, but it succeeded on its dilution claim. The Second Circuit found that the alteration of the Deere logo constituted dilution. However, the court stressed that not all alterations of another's trademark would constitute dilution:

"Whether the use of the mark is to identify a competing product in an informative comparative ad, to make a comment, or to spoof the mark to enliven the advertisement for a noncompeting or a competing product, the scope of protection under a dilution statute must take into account the degree to which the mark is altered and the nature of the alteration. Not every alteration will constitute dilution, and more leeway for alterations is appropriate in the context of satiric expression and humorous ads for noncompeting products. But some alterations have the potential to so lessen the selling power of a distinctive mark that they are appropriately proscribed by a dilution statute. Dilution of this sort is more likely to be found when the alterations are made by a competitor with both an incentive to diminish the favorable attributes of the mark and an ample opportunity to promote its products in ways that make no significant alteration."

41 F.3d at 45. Because the parties had competing products, the Court found the satire to be unfair.

V. PARODY AS FAIR USE:

"Parody is a humorous form of social commentary and literary criticism that dates back as far as Greek antiquity." *LL Bean, Inc. v. Drake Publ. Inc.*, 811 F.2d 26, 28 (1st Cir.), Cert. denied, 483 U.S. 1013 (1987). Because trademarks have become an all-pervasive element in our society, it is not surprising that they have also become a legitimate target of satirists and comedians, who seek to comment on or poke fun at aspects of our national culture.

As the Supreme Court noted in a copyright context, parody is an important form of artistic expression generally protected by the First Amendment. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994). However, as in copyright, a mere assertion that the complained of use is a parody, will not mean that the use is automatically fair and non-infringing. As the *Wendy's Int'l* and *Deere & Co.* cases illustrate, ultimately, the court determines if there is a likelihood of confusion or dilution, while keeping in mind the value of parody in a free society. Therefore, when the parody defense to a trademark infringement or dilution claim is

D. Successful Parodies Attack Icons

The Horatio Alger of beach boys received a face-full of sand in *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F.Supp.2d. 330 (S.D.N.Y. 2000). In the Atlas case the defendant created a comic strip that copied the dialogue and characteristics of plaintiff's well known comical advertisements, (i.e., Bully kicks sand in face of skinny Mac, Mac develops muscles thanks to Atlas course, Mac beats up bully and is loved by all as the "HERO OF THE BEACH"). The original advertisements themselves, had appeared in defendant's comic book decades before. Among the trademarks allegedly infringed were the image of Charles Atlas and the phrases "HERO OF THE BEACH" and "GAMBLE A STAMP." The one, critical, difference between Atlas's Mac and DC's character "Flex Mentallo" was that Flex, instead of evolving into the hero of his female companion, devolves into her abuser. DC Comics moved for summary judgment on the basis of parody and the court granted that motion. In so holding the court wrote

"Flex Mentallo comic books imitate plaintiff's comic ad and takes it to an absurd conclusion. It is an undeniable twist on plaintiff's comic ad for the once weak character to gain strength only to himself become a brute and a bully. Moreover, the use of women in plaintiff's comic ad to reflect a 'real man's' physical strength is taken to the extreme with Flex Mentallo's outright misogynistic acts. In effect, the character Flex Mentallo is a farcical commentary on plaintiff's implied promises of physical and sexual prowess through use of the Atlas method."

While Charles Atlas and his hero Mac represented society's idealized male, a plastic doll named Barbie has come to represent our pop culture's idealized woman. In *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002), Mattel sued MCA alleging that the use of the "BARBIE" mark in the lyrics and title of the song BARBIE GIRL amounted to trademark infringement. The district court ruled that defendant's use of the mark was a permissible fair use because the song was a parody.³¹ Distinguishing the Dr. Seuss/Dr. Juice case where the children's book and marks contained therein were used as a vehicle for commenting on the O.J. Simpson trial as opposed to the Seuss book itself, the Court noted that the BARBIE GIRL song did not use the BARBIE mark to poke fun at another subject, but instead targeted BARBIE herself and the values the doll represents. This was a critical factor in the Judge Kozinski's affirmation of the district court's findings since "a claimed parodic use that makes no comment on the mark is not a permitted trademark parody use." See *Id.* at 901, citing *Harley-Davidson, Inc. v. Grottamelli*, 164 F.3d 806, 812-813 (2d Cir.1999).

Perhaps not the ideal food, SPAM, like Barbie and Charles Atlas's Mac has been an icon of American culture, if not cuisine, for decades. In 1996, the manufacturer of the SPAM food product alleged that Jim Henson's wild boar character named SPA'AM infringed its trademark. *Hormel Foods Corporation v. Jim Henson Productions Inc.*, 73 F.3d 497 (2d Cir.1996). More precisely, Hormel objected to the use of SPA'AM on merchandise associated with the movie *Muppets Treasure Island*. In affirming the district court's denial of injunctive relief, the court did not undertake an independent parody analysis, but instead considered the eight likelihood-of-confusion factors in light of the parodic qualities of the film and its related merchandise. In finding that there was no likelihood of confusion, the court relied on the fact that Muppet films

are well known as lampoons and parodies and that the Muppet mark always accompanied the SPA'AM name. But what of the rule, quoted in this very case, that "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 503. Surely a film can convey such commentary, but how can a trinket depicting a film character convey such a message? The court explained: "the prominence of Henson's mark, widely recognized as a source of satire, will make it clear that the merchandise itself parodies [SPAM], a message which depends for its success on distinguishing SPA'AM from SPAM." *Id.* at 504. Here again, where a true parody defense may have failed, this trademark defendant successfully relied on the overall parodic feel of its activity to prevent a likelihood of confusion and thus prevent liability.

Parodists must recognize that a complete diet must include representatives of more than one food group. And so it was that an attack on the storied "processed cheese-food" led to the decision in *Kraft Foods Holdings, Inc. v. Helm*, 205 F.Supp.2d 942 (N.D.Ill. 2002). In that case the manufacturer of Velveeta cheese-food product sued an artist who used the nick name "VelVeeta" on his website. Kraft alleged dilution. In ruling against defendant, the court distinguished the cases cited by the artist, *Hormel*, *Jordache* and *Everready* noting that the artist's website contained "items of a sexually explicit nature and illustrations of illegal drug paraphernalia and drug use" while the cases cited by defendant did not involve explicit sexual or illegal activities.

Just as the law protects those who parody the ideal American male, the ideal American female, and the quintessentially American processed meats, it will likewise protect those who lampoon even the beloved purple dinosaur responsible for many of the saccharin-sweet lyrics and poems our children have mimicked for nearly two decades. In *Lyons Partnership v. Giannoulas*, 179 F.3d 384 (5th Cir. 1999), the creator of the "Barney" children's character sued the owner of "The Famous Chicken" sports mascot for its use of a Barney look-alike in an on-field skit in which the chicken assaulted the purple dinosaur. In a tongue-in-cheek opinion, worthy of his name, Judge Jolly affirmed the district court's entry of summary judgment for defendant holding that the defendant's use of plaintiff's mark was a parody, or as defendant put it: "a sophisticated critique of society's acceptance of this ubiquitous and insipid creature." Here again, the court held that parody is not a defense, per se, but a factor to be considered in evaluating each digit of the likelihood of confusion test. The court was satisfied that the following factors dictated that the Barney skit was not actionable: (1) defendants used the minimum amount of protected material to evoke the Barney character, specifically he used a character that looked and moved like Barney, but did not use any of Barney's "friends," songs or even his voice and (2) the incongruous nature of a Barney character in the Famous Chicken skit and the antagonistic behavior of the chicken toward the dinosaur made it clear that the skit was intended to be a mocking parody.

VI. CONCLUSION

What can be learned from this review of trademark fair use cases, beyond the conclusion that consistency is the hobgoblin of small minds? We believe it is that most judges are attempting to

be fair: to balance the valuable property rights of the trademark proprietor with a third party's right to fairly describe its own products or to accurately identify the plaintiff's products; to balance the valuable property rights of the trademark proprietor with the public's interest in accurate product comparisons or the value of social criticism in the form of parody in a free society. The question is -- is it fair? Sometimes the answer is obvious. But often, reasonable and fair minded people (and courts) can and do differ.

Notes:

¹ The statutory fair use defense also applies to the use of a defendant's own name.

² The decision only expressly addressed statutory fair use, however, its reasoning has since been used in the context of a nominative fair use defense. *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211 (3rd Cir. 2005)(use of plaintiff's marks on defendants real estate broker referral website; court held plaintiff must show likelihood of confusion before burden shifts to a defendant in a nominative fair use situation) See also, *Ty, Inc. v. Publications Int'l, Ltd.*, 2005 U.S. Dist. LEXIS 23420 (N.D. Ill. February 25, 2005).

³ 543 U.S. at 120. While the Court did not address fair use in the context of claims brought under 43(a) of the Lanham Act for infringement of common law trademarks, this decision provides clear guidance to courts faced with a fair use defense in the 43(a) context.

⁴ On remand, the Ninth Circuit Court of Appeals accepted Supreme Court's invitation and held that "the degree of customer confusion remains a factor in evaluating fair use." *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (2005).

⁵ *Id.* at 950. The legal department at Quaker Oats had determined that this advertising and promotional use of the term "Thirst Aid" did not raise a trademark issue because it was merely a descriptive use." In addition, a trademark investigation had lead Quaker Oats to erroneously believe that plaintiff was no longer marketing any beverages under the THIRST-AID mark. *Id.*

⁶ We would note that the line between descriptive and suggestive marks probably rests in a different place when judging the Â§ 33(b)(4) defense than when attempting to register a mark on the Principal Register. In any event, it appears that courts have applied Â§ 33(b)(4) in such a way that the issue in a statutory fair use case is not whether the plaintiff's mark is descriptive of plaintiff's product, but whether the term is used descriptively in relation to the defendant's product. *Car Freshener Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2nd Cir. 1995) (fact that plaintiff's trade dress was not descriptive of its goods since its pine tree-shaped air fresheners came in several scents other than pine, was inconsequential since relevant issue is whether defendant's use is descriptive, not whether plaintiff's use is descriptive.); *contra, Smith v. Ames Dept. Stores, Inc.*, 988 F.Supp.827 (D.N.J. 1997) (defendant's use of "Big Guys" and "one for the big guys" for clothing departments selling clothing for big men could not be, for purpose of summary judgment, held fair use since court concluded that material issues of fact existed as to whether *plaintiff's* mark was descriptive even where it was clear that defendants used phrase descriptively.) This decision is incorrect, however, based on the clear language of the statute.

⁷ *Id.* at 954. The association between GATORADE and THIRST AID was also increased because of the rhyming quality of the two terms, which made the slogan more memorable. *Id.*

⁸ See also, *Vining Industries, Inc. v. M.B. Walton, Inc.*, 106 F.Supp.2d 966 (S.D. Ohio 1997) (enjoining defendant's use of TWIST MOP as product name prominently depicted on front of packaging

since such use violated plaintiff's rights in TWIST "N MOP mark, but allowing continued use of "twist mop" as part of phrase "the easiest twist mop" as that use was less prominent and more clearly descriptive of defendant's product and, thus, fair use).

⁹ In reaching this conclusion, the court reversed the district court's ruling that the fair use defense was not available where the mark at issue is not descriptive of plaintiff's goods. The Circuit court acknowledged that plaintiff's pine-tree-shaped air fresheners came in variety of colors and scents, and thus were not descriptive of plaintiff's goods, but found that fact to be irrelevant since the critical question is whether *defendant's* use is descriptive

¹⁰ For example, in a case decided shortly after *New Kids*, the district court in *National Football League Prop. v. Playoff Corp.*, 808 F. Supp. 1288, 1293 (N.D. Tex. 1992), which dealt with the use of NFL trademarks appearing on the uniforms of players pictured on trading cards, acknowledged that the statutory fair use defense was unavailable, but declined to adopt the Ninth Circuit's rationale in *New Kids*, holding that it was up to the Fifth Circuit Court of Appeals to adopt such a rationale. The Fifth Circuit has since recognized the defense. *See, e.g., Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998). In the Second Circuit, the *New Kids* nominative fair use defense has been recognized, but not yet successfully invoked. *See The Nasdaq Stock Market, Inc. v. Archipelago Holdings, LLC*, 336 F. Supp. 2d 294 (S.D.N.Y. 2004).

¹¹ *Toho Co., Ltd. v. William Morrow and Co., Inc.*, 33 F. Supp. 2d 1206 (C.D. Cal. 1998). (holding that nominative fair use test can not be satisfied where defendant publisher of book about Godzilla series of films had depicted "GODZILLA" mark on cover of book in "bold orange lettering prominently displayed."); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998) (citing defendant's prominent use of plaintiff's marks on defendant's menus, signs, scorecards and advertising and promotional material as basis for concluding that nominal fair use defense was not available.)

¹² *Volkswagenwerk Aktiengesellschaft*, 411 F.2d at 352 (permitting repair shop to advertise its ability to repair VOLKSWAGEN vehicles, in part, because it made clear through disclaimers that it was not an official or authorized repair shop); *Playboy Enterprises, Inc. v. Terri Welles, Inc.*, 78 F. Supp. 2d 1066 (S.D. Cal. 1999) (finding a fair use and noting with approval defendant's frequent use of disclaimers on her web site.)

¹³ *PACCAR Inc. v. Telescan Technologies, L.L.C.*, 319 F.3d 243 (6th Cir. 2003) (distinguishing Telescan's conduct from conduct of *Volkswagen* defendant to the extent Telescan had not made it clear to visitors to its website that it was "independent" of Plaintiffs); *Brookfield Communications*, 174 F.3d at 1065-1066 (in applying statutory fair use test, court contrasted defendant's failure to include disclaimers on its website with the *Playboy* defendant's diligent inclusion of disclaimers on her website); *Sunsport, Inc. v. Barclay Leisure Ltd.*, 984 F. Supp. 418 (E.D. Va. 1997) (court held that fair use defense was not available because alleged infringer did not use disclaimer and did not use text to distinguish its products from mark owner's.)

¹⁴ *Trans Union LLC v. Credit Research, Inc.*, 142 F.Supp.2d 1029 (N.D. Ill. 2001) (use of plaintiff's Trans Union mark in metatags was protected by statutory fair use where defendant's credit reports incorporated information gathered from plaintiff's database of credit information pursuant to contract between parties); but *see, D 56, Inc. v. Berry's Inc.*, 955 F. Supp. 908 (N.D. Ill. 1997) (while unauthorized sale of plaintiff's goods did not, alone, support trademark infringement claim, use of plaintiff's marks in advertising and promotional material could support such claim even where the goods themselves are genuine.)

¹⁵ There is also a vigorous dissent on this issue. 425 F.3d at 232.

¹⁶ For ease of comparison, and by way of review, the New Kids test requires a defendant to prove: (1) that the product or service in question is one not readily identifiable without use of the trademark; (2) that only so much of the mark or marks is used as is reasonably necessary to identify the product or service; and (3) that the user did nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *New Kids on the Block*, 971 F.2d at 308.

¹⁷ *Toho Co., Ltd. v. William Morrow and Co., Inc.*, 33 F. Supp. 2d 1206 (C.D. Cal. 1998) (addressing the third prong of nominative fair use test by applying 8-factor Sleekcraft likelihood of confusion test and finding confusion was likely).

¹⁸ Beware! In a number of countries outside the United States, comparative advertising is considered a trademark infringement or unfair competition, even if the comparison is accurate.

¹⁹ *Cumberland Packing Corp. v. Monsanto Company*, 32 F.Supp.2d 561 (E.D.N.Y. 1999). The manufacturer of an artificial sweetener sued a competitor seeking a preliminary injunction alleging infringing use of manufacturer's SWEET'N LOW trademark. The court denied the motion for preliminary injunction holding that defendant's use of mark on its box in the context of a comparative advertisement "Compare'N Save" "Same sweetener as SWEET'N LOW at a SWEETER PRICE" and with a small print statement "Sweet 'N Low is a registered trademark of Cumberland Packing Corp." was fair use. This, despite the prominent depiction of plaintiff's mark on defendant's box.

²⁰ "Ain't no reason to go any place else" was also a registered mark of Wendy's.

²¹ *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1986) (holding that application of Maine's anti dilution statute to magazine's non-commercial parody of trademark would violate First Amendment); *GTFM, LLC v. Universal Studios, Inc.*, 2006 WL 1377048 (SDNY 2006) (discussing at length applicability of First Amendment parody defense, but ultimately holding that defendant's use of trademark similar to plaintiff's was non-confusing.) *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330; (S.D.N.Y. 2000) (same) *Lyons Partnership v. Giannoulas*, 179 F. 3d 384 (5th Cir. 1999) (same).

²² For a defendant using parody for protection from claims of copyright infringement, the story ends here. But as discussed below, the alleged trademark infringer who fails this test can still invoke the defense of parody for protection from liability.

²³ *Hormel Foods Corporation v. Jim Henson Productions*, 73 F.3d 497 (2nd Cir. 1996) (in light of parodic nature of use, weighing of likelihood of confusion factors favors defendant); ("parody is not defense to trademark infringement, but rather another factor to be considered, which weighs against a finding of a likelihood of confusion" that can weigh "heavily enough to overcome a majority of the digits of confusion weighing in favor of a likelihood of confusion." *World Wrestling Federation Entertainment, Inc. v. Big Dog Holdings, Inc.*, 280 F.Supp. 413 (W.D. Penn 2003) (citing J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 31:153 (4th ed.2002); *Dr. Seuss Enterprises, L.P., v. Penguin Books USA, Inc.* 109 F.3d 1394 (9th Cir. 1997), ("parody is not really a separate 'defense' as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to source, sponsorship or approval"); *Jordache Enterprises, Inc. v. Hogs Wyld, Ltd.*, 828 F2d. 1482 (10th Cir. 1987) (finding First Amendment parody defense unavailable in light of commercial nature of defendants trademark use, but nonetheless finding for defendant since "intent to parody" was obvious and thus prevented any likelihood of confusion.)

²⁴ See, e.g., *Coca Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). (enjoining the use of poster featuring slogan "Enjoy Cocaine" in the distinctive Coca Cola script).

²⁵ See, e.g., *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979) (porno film "Debbie Does Dallas", in which star appears clad -- albeit partially -- in what appears to be a Dallas Cowboys Cheerleaders uniform); *Pillsbury Co. v. Milky Way Productions, Inc.*, 215 U.S.P.Q. 124 (N.D. Ga. 1981) (found for plaintiff based on Georgia anti-dilution statute where Screw Magazine depicted Pillsbury's "Poppin Fresh" and "Poppy Fresh" figures in lewd poses). *But see L.L. Bean* discussed below.

²⁶ Note, however, the Mutual of Omaha court recognized that the parody defense could be successfully invoked in the case of a brochure using that same phrase and attacking plaintiff's position on nuclear energy. This would be protected free speech.

²⁷ But see *Dallas Cowboys Cheerleaders*.

²⁸ See also, *World Wrestling Federation Entertainment, Inc. v. Big Dog Holdings, Inc.*, 280 F.Supp.2d 413 (W.D.Pa. 2003) (holding that defendant's parodic use of marks associated with professional wrestlers whereby defendant ascribed to its own dog characters several characteristics and phrases of those wrestlers did not lead to confusion where variations of plaintiff's marks were used in conjunction with defendant's word mark and dog design logo and with disclaimer "THIS IS A PARODY")

²⁹ The authors note that the defendant would likely fail if it tried to invoke the nominative fair use defense since, by using the stylized form of BALLYS, defendant likely used more of the mark than was necessary to identify plaintiff and its service and thus ran afoul of the second prong of the *New Kids* test.

³⁰ *Dr. Seuss Enterprises, L.P.*, 109 F.3d 1394, 1405-1406, citing *Hard Rock Café Licensing Corp. v. Pacific Graphics, Inc.*, 776 F.Supp. 1454, 1462 (W.D.Wash.1991) ("a true parody will be so obvious that a clear distinction [will exist] between the source of the target and the source of the parody").

³¹ The court also found that since the song was a parody protected by the First Amendment, it fell within the "non-commercial use" exemption to the Federal Trademark Dilution Act.