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The Imaginary Trademark Parody Crisis (and the Real One)

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THE IMAGINARY TRADEMARK PARODY CRISIS (AND THE REAL ONE)

William McGeeveran*

Abstract: In the two decades since the Supreme Court protected a crude rap spoof from copyright liability in *Campbell v. Acuff-Rose Music, Inc.*, courts have grown to understand the great value of parodic expression in trademark cases as well. Today, plausible claims of parody almost always prevail over trademark rights in judicial rulings. This Article demonstrates that it is simply wrong to suggest, as commentators often do, that we face a crisis in the results of trademark parody cases. That distortion is harmful because it distracts reform efforts and it lends credence to overbroad assertions of trademarks against parody and other speech. Demand letters and other pre-litigation maneuvering by markholders exemplify the real crisis in the law of trademark parody. Reform should concentrate on making excessive threats against speech less effective. I argue that fast-lane defensive doctrines that reduce the burden of litigating parody cases, such as safe harbors and a broad artistic relevance test, are more important than perfecting substantive parody doctrine. Meanwhile, we should shout the truth from the rooftops: Markholders who sue legitimate parodies lose. Their threats are empty.

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INTRODUCTION

We live in a golden age of modern pop parody. Two decades after the Supreme Court found a crude rap spoof worthy of consideration as fair use in *Campbell v. Acuff-Rose Music, Inc.*,¹ this type of humor is now central to the American conversation.² Earlier this year, both the fortieth anniversary of *Saturday Night Live* and the announcement that Jon Stewart was leaving the *Daily Show* became cultural milestones worthy of front-page news stories and endless retrospective analysis.³ Every news event is met with a parodic Twitter account, often within minutes.⁴ A quick Google Image search illustrates how the combination of Photoshop and the web gives any smart aleck the ability to alter brand logos and publish the resulting takeoff to make a statement, or just a silly joke. In our consumer culture, ubiquitous and universally recognizable brands are among the juiciest targets for parody.⁵

Meanwhile, this spread of parody coincides with the huge expansion of trademark law to confer much broader rights.⁶ Today, in contrast to

1. 510 U.S. 569, 572 (1994).

2. See SIMON DENTITH, PARODY 159–64 (2000) (noting significant importance of parody in contemporary high and popular culture alike, while also noting the significance of parody at other historical periods).

3. See, e.g., David Hinckley, ‘SNL’ Flourishes in 40th Anniversary Celebration, N.Y. DAILY NEWS (Feb. 16, 2015, 10:23 AM), <http://www.nydailynews.com/entertainment/tv/snl-kicks-off-40th-anniversary-musical-performance-article-1.2116512>; Dave Itzkoff, *Williams Suspended, at Low Point in His Career; Stewart to Depart at High Point*, N.Y. TIMES, Feb. 11, 2015, at A1. And in both cases, rightly so: Tina Fey’s imitation of Sarah Palin was one of the seminal events in the 2008 election, and one survey shows Stewart’s “fake news” program nearly tied with the *New York Times* as a news source and bested all other national newspapers. *Where News Audiences Fit on the Political Spectrum*, PEW RES. CENTER (Oct. 21, 2014), <http://www.journalism.org/interactives/media-polarization/table/consume/> (reporting that thirteen percent of respondents “got news about politics and government in the previous week” from the *Times* and twelve percent from *The Daily Show*; the *Wall Street Journal* (ten percent) and the *Washington Post* (eight percent) lagged behind).

4. See, e.g., Max Knoblauch, *18 Fake Twitter Accounts Still Proving Phony Is Funny*, MASHABLE (June 3, 2014), <http://mashable.com/2014/06/03/best-fake-twitter-accounts/> (“Parody accounts are as much part of Twitter’s legacy and culture as hijacked hashtags and the Justin Bieber resistance army. . . . Like most topical jokes, the lifeline of a parody account usually lasts a short, awkward moment.”); Salvador Rodriguez, *Twitter Parody Account Imitating New Microsoft CEO Causes Confusion*, L.A. TIMES (Feb. 4, 2014) (“Microsoft named Satya Nadella its new CEO on Tuesday, causing numerous Twitter parody accounts to immediately spring up.”).

5. See, e.g., Rochelle C. Dreyfuss, *Expressive Genericity: Trademarks As Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 960 (1993); Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717 (1999).

6. See, e.g., William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 56–59 (2008) [hereinafter McGeeveran, *Rethinking*]; Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1901–04 (2007).

earlier doctrine, “almost anything at all that is capable of carrying meaning” can be a trademark⁷—including packaging, product configurations, colors, sounds, and the “look and feel” of a product.⁸ Simultaneously, liability can now arise not only when consumers are confused about the source of products but also when they misunderstand a range of vaguer relationships including “affiliation” and “approval,”⁹ or even when the use “tarnishes” the trademark under dilution law.¹⁰

One might therefore expect a flood of judicial opinions drowning parody in the wake of these broad rights, but it hasn’t happened. Simply put, true trademark parodies now almost always win in court. When parody-based defenses do fail, those decisions might be justified. Moreover, parody’s victory rate has increased over time. In the first years after the *Campbell* decision declared the importance of parody in 1994, courts became somewhat more solicitous toward parodies but occasionally still found them liable for trademark infringement. By the time we started putting a “2” in front of the year, it became increasingly difficult to identify such losses. In the last decade, defeats for trademark parodies have become blue-moon rarities.¹¹

Despite these pro-parody outcomes in formal law, however, the situation on the ground is another matter. While there are few litigated cases, markholders routinely send cease-and-desist letters demanding the eradication of parodies aimed at their trademarks. Many parodists comply. Even though the letters often cite dated cases that no longer reflect current judicial views, they remain effective for reasons distinct from their legal merits. Even though parody wins in court, the route to get there is long and convoluted. Parodists are not necessarily aware of the favorable trends in the law. They do not have much leverage in pre-litigation negotiations with markholders, and often they have less investment in their position as well. In these circumstances they choose to avoid significant costs of time and money they would incur even if

7. *Qualitex Co. v. Jacobsen Prods. Co.*, 514 U.S. 159, 162 (1995).

8. *See id.* (Coca-Cola’s bottle form, NBC’s three chimes, and the scent on a sewing thread); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764–67 (1992) (trade dress protection for distinctive Mexican restaurant); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:4.50 (4th ed. 2014) (noting protection for “the distinctive performing style of a rock music group” and “the overall ‘look’ of a line of greeting cards”).

9. 15 U.S.C. § 1125(a)(1) (2012); *see also* Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413, 423–27 (2010).

10. *See* 15 U.S.C. § 1125(c).

11. For more on the strong trends toward protecting trademark parody in judicial opinions, *see infra* Part II.

they won a lawsuit.¹²

Commentators have been slow to adjust. They continue to mischaracterize legal doctrine as bad for parody and focus their energies on perfecting judicial accuracy. This is the wrong approach. It tries to fix a problem that is both highly complex and comparatively tiny, while distorting public understanding about the actual state of the law. The resulting narrative of supposedly flawed parody doctrine supports unmeritorious demand letters. It thus exacerbates the more serious problem of pre-litigation threats.

This Article seeks to reorient the discussion. Part I draws on lessons from the copyright decision in *Campbell* that are relevant to trademark law. Part II demonstrates the marked increase in judicial protection for parodies in trademark law since *Campbell*. Part III shows how sustaining the myth of bad outcomes for trademark parody in court encourages markholders to overstate their rights, undermines parodists in their responses, and distracts reformers from the real problem. Finally, Part IV proposes better responses to the high costs of adjudication that can make cease-and-desist demands effective. While *Campbell* shows how parody cases are usually difficult cases, certain broad reforms aimed at expressive uses more generally could reduce costs while continuing the favorable substantive treatment of parody we have seen since *Campbell*.

I. THE LESSONS OF *CAMPBELL*

Campbell concerned a parody “cover” of Roy Orbison’s classic song “Oh, Pretty Woman” by the rap group 2 Live Crew. The opening melody of the parody generally imitated the original, but its growling rap style was different from Orbison’s famous falsetto and the lyrics quickly departed from Orbison’s as well, for example by referring to a “big hairy woman” and a “two timin’ woman.”¹³ After the parody sold nearly a quarter of a million copies, the music publisher that owned the copyright to Orbison’s song sued 2 Live Crew and its record label for copyright infringement.¹⁴ Since copying was indisputable, the only real issue in the case was whether the parody was entitled to a fair use defense.¹⁵ The United States Court of Appeals for the Sixth Circuit had ruled that 2

12. See McGeeveran, *Rethinking*, *supra* note 6, at 62–64; *infra* notes 168–175 and accompanying text (discussing various systematic imbalances between markholders and parodists).

13. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 595–96 (1994).

14. *Id.* at 573.

15. *Id.* at 574; see also 17 U.S.C. § 107 (2012) (codifying fair use defense to copyright infringement).

Live Crew's commercial exploitation of the parody and copying of the "heart" of the original foreclosed fair use.¹⁶ The United States Supreme Court reversed, finding that parody fit neatly within the fair use defense's purpose: preserving the ability of later expression to build on earlier work protected by intellectual property.¹⁷ In doing so, this copyright case offered indirect guidance for parody cases under trademark law.

This Part highlights three lessons from *Campbell* that have particular importance for treatment of parody in trademark law. First, and most simply, *Campbell* acknowledges the societal value of even the silliest or most lowbrow parody as a protected form of speech. Second, *Campbell* shows how certain features of parody, particularly its inherent need to imitate, make these cases exceptionally tricky. Finally, *Campbell* advances a subtle argument about the relationship of defensive doctrines to the core purposes of an intellectual property regime—with somewhat different implications in trademark law than in copyright.

A. *Parody Is Valuable*

First, *Campbell* tells us that parody is valuable discourse. Over the last twenty years, as parody and related humorous forms of commentary increasingly moved to center stage in American culture,¹⁸ courts have become much more receptive to arguments that parody deserves special protection. Before *Campbell*, this position was not obvious. The Sixth Circuit's copyright decision in *Campbell* itself was dismissive of 2 Live Crew's parody and indulged strong presumptions of liability.¹⁹ In trademark, there had been important lower-court opinions like *L.L. Bean, Inc. v. Drake Publishers, Inc.*²⁰ that praised even a pornographic parody of a wholesome Maine-based clothing retailer as a contribution to discourse.²¹ But there were also plenty of reported trademark cases

16. *Acuff-Rose Music, Inc. v. Campbell*, 972 F.2d 1429, 1438–39 (6th Cir. 1992), *rev'd*, 510 U.S. 569 (1994).

17. *See Campbell*, 510 U.S. at 575–76.

18. *See supra* notes 2–5 and accompanying text.

19. 972 F.2d at 1435 (“Much of entertainment involves parodies in the popular sense, but [17 U.S.C. § 107] does not direct the courts to conclude that all such parodies are fair uses.”).

20. 811 F.2d 26 (1st Cir. 1987).

21. *Id.* at 34 (noting that trademark parodies remind us “that business and product images need not always be taken too seriously . . . [and] that we are free to laugh at the images and associations linked with the mark”); *see also, e.g.*, *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 493 (2d Cir. 1989) (“[P]arody and satire are deserving of substantial freedom—both as entertainment and as a form of social and literary criticism.” (emphasis in original) (quoting *Berlin v. E.C. Pubs., Inc.*, 329 F.2d 541, 545 (2d Cir. 1964), *cert. denied*, 379 U.S. 822 (1964))).

showing little regard for speech values in parody.²²

It is impossible to say precisely how much *Campbell* caused the subsequent change in attitude, and how much it merely reflected increased appreciation for the value of parody in society at large. Regardless, *Campbell* marks a mid-1990s turning point. The respect the Supreme Court showed for a crude rap spoof served as an example for lower courts. The majority opinion's author, Justice Souter, certainly did not seem to find 2 Live Crew's rendition of "Pretty Woman" very amusing,²³ and his wry summary of the song's parodic character sounded like something in the *New York Review of Books* ("2 Live Crew juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility.").²⁴ The opinion makes it clear that differences in taste, culture, or sense of humor must not stop courts from safeguarding the social benefits parody provides and protecting them from intellectual property liability. The Supreme Court quoted a warning issued by Judge Leval, then a district court judge, in a case involving trademark parody: "First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed."²⁵

22. See, e.g., *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402–03 (8th Cir. 1987) (granting preliminary injunction for Mutual of Omaha against "Mutant of Omaha" parodist); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 757 (9th Cir. 1978) (holding that defendant infringed Walt Disney Productions' trademarks on its cartoon characters by depicting parodies of them in adult "counter-culture" comic books, and denying a fair use defense where a "parodist has appropriated a greater amount of the original work than is necessary to 'recall or conjure up' the object of his satire"); *Brach Van Houten Holding, Inc. v. Save Brach's Coal. for Chicago*, 856 F. Supp. 472, 477 (N.D. Ill. 1994) (issuing a preliminary injunction to prevent defendant from incorporating Brach's logo into protest organization's promotional materials); *Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.*, 776 F. Supp. 1454, 1463–64 (W.D. Wash. 1991) (enjoining defendants from using "Hard Rain Cafe" imitation of "Hard Rock Cafe" trademarks referring to the weather in Seattle); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1187 (E.D.N.Y. 1972) (granting a preliminary injunction against defendant who parodied the "Coca-Cola" trademark to read "Enjoy Cocaine" while noting the parody was a "clear indication of defendant's predatory intent, however humorous defendant consider[ed] it").

23. See, e.g., *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (comparing "social benefit" provided by parody to that from "less *ostensibly* humorous forms of criticism" (emphasis added)); *id.* at 582 ("Whether . . . parody is in good taste or bad does not and should not matter to fair use."); *id.* at 583 ("[W]e might not assign a high rank to the parodic element here . . .").

24. *Id.* at 583.

25. *Id.* (quoting *Yankee Publ'g, Inc. v. News Am. Publ'g, Inc.*, 809 F. Supp. 267, 280 (S.D.N.Y. 1992) (Leval, J.)); see also *id.* at 582–83 ("[I]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work], outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke." (quoting *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (Holmes, J.))).

Campbell did not add much of its own flowery quotable language praising the social worth of parody, although later trademark decisions and scholarship filled that void. It let the analysis, recognizing and favoring parody at every turn, speak for itself. As a statement from our highest court, *Campbell* stands as a landmark in the growing appreciation for parody in intellectual property doctrine. That growth has spread to trademark law. As David Simon has documented extensively, courts in trademark cases often cite *Campbell* to demonstrate the cultural value of parody as a particularly powerful form of expression.²⁶

B. *Parody Is Tricky*

The second lesson of *Campbell* concerns the difficulty of safeguarding parody. Since *Campbell* clearly recognized the value of parody, one might assume that the doctrine the Court used to protect it might be fairly simple. The *Campbell* opinion repeatedly warns that this is far from true. Rather, “[t]he task is not to be simplified with bright-line rules.”²⁷ That caution applies in trademark cases as much as in copyright.

The Court took pains to emphasize that fair use for parody did not mean that “anyone who calls himself a parodist can skim the cream and get away scot free.”²⁸ In its analysis of the third fair use factor,²⁹ concerning the “amount and substantiality” of the parodist’s copying,³⁰ the majority opinion was especially sensitive to the danger that false parody claims might offer a fig leaf for infringing activity, and suggested that courts look at “what else the parodist did” beyond copying the original.³¹ Justice Kennedy concurred primarily to express even greater reservations about what he saw as the risk of “profiteers,”³² warning that courts “must take care to ensure that not just any commercial takeoff is rationalized *post hoc* as a parody.”³³

26. David A. Simon, *The Confusion Trap: Rethinking Parody in Trademark Law*, 88 WASH. L. REV. 1021, 1058–59 (2013).

27. *Campbell*, 510 U.S. at 577.

28. *Id.* at 589.

29. *Id.* at 586–89.

30. 17 U.S.C. § 107(3) (2012).

31. *Campbell*, 510 U.S. at 589.

32. *Id.* at 598 (Kennedy, J., concurring).

33. *Id.* at 600; *cf.* *Yankee Publ’g, Inc. v. News Am. Publ’g, Inc.*, 809 F. Supp. 267, 279 (S.D.N.Y. 1992) (rejecting argument in a trademark case that “the joke is an after-the-fact contrivance designed to camouflage a piracy of [plaintiff’s] goodwill”).

Of course, trademark rights do not allow markholders to control every drop of the “cream” in their brands. Mark Lemley and Mark McKenna have demonstrated persuasively that much of the concern about “free riding” on consumer association with a trademark lacks both theoretical and empirical support.³⁴ Thus, unlicensed uses of a trademark that draw somewhat on its selling power still may be acceptable, particularly when other interests are at stake. Even in their modern expanded form, trademark rights are subject to doctrinal limitations such as the bar on protection for functional features³⁵ or the nominative use doctrine³⁶ that allow defendants to imitate trademarks for their own purposes. Other unlicensed uses are vindicated by a lack of likely consumer confusion. These various escape valves apply to many expressive uses of trademarks, often including parody but reaching much more broadly.

Nonetheless, worry about “skimming the cream” through excessive imitation makes trademark parody cases particularly difficult. As in copyright, courts in trademark parody cases carefully note that any defense for parody is contingent, not absolute.³⁷ If we thought that every claim of parody should prevail automatically over intellectual property rights, then *Campbell* would not be a landmark case. All observers agree that some plausibly parodic imitations may infringe trademarks. Suppose I try to sell a brown carbonated soda as “Popsi.” It is easy to imagine me arguing that I was merely mocking a better-known soda brand with my whimsical play on words. I should lose this argument on the merits. But it is not so easy to differentiate such illegitimate use of the PEPSI mark from a true parody like “Chewy Vuitton” dog toys that imitate Louis Vuitton luxury handbags.³⁸ Because we easily envision trumped-up parody arguments, we must wrestle with two thorny follow-up questions. What counts as parody? What proportion of the original may a parody imitate in pursuit of its aim? Both inquiries swiftly become entangled in complexity.

First, a court must decide when the facts actually present parody

34. Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 MICH. L. REV. 137, 137, 166–67 (2010).

35. *See* *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).

36. *See* *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308–09 (9th Cir. 1992).

37. *See, e.g., Lyons P'ship v. Giannoulas*, 179 F.3d 384, 389 (5th Cir. 1999) (“[C]onfusion resulting from a parody is not an affirmative defense to a trademark infringement claim but is instead an additional factor that should be considered.”); *Dardenne v. MoveOn.org*, No. 14-00150-SDD-SCR, 2014 WL 1364854, at *3 (M.D. La. 2014) (“[P]arody does not provide an absolute cloak of protection from a claim of trademark infringement . . .”).

38. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260–61 (4th Cir. 2007).

questions that merit more careful analysis. *Campbell* presents the threshold question as “whether a parodic character may reasonably be perceived.”³⁹ Non-parody trademark doctrines likewise engage in this exercise of determining initial eligibility for a defense. For example, the first prong of the nominative use test, which shields the use of a mark simply to refer to a brand or company, asks whether the defendant’s communication requires such a use of the trademark.⁴⁰ A related line of cases going back to the Second Circuit’s decision in *Rogers v. Grimaldi*⁴¹ asks about the artistic nature of the alleged infringer’s work and the “artistic relevance” of the trademark to that work.⁴² Discerning parody can require determinations about the intent of a use, and these questions can be difficult to decide at the beginning of an analysis. A generous standard like the one articulated in *Campbell* would treat uses of trademarks as potential parodies whenever there is any indication of such character, but doing so may also force a court to be more searching in its subsequent inquiry.

Some courts find it even more difficult to identify the presence of parody because of an apparent suggestion in *Campbell* that the intellectual property itself—for our purposes, the trademark—must be the subject of the comedic ridicule.⁴³ As others have noted, it can be impossible to discern whether a purported parody takes aim at a brand rather than making a broader point about the culture at large—and very often it will do some of each.⁴⁴ More fundamentally, it is not always clear why or how parody that mocks the trademark (or its owner) should be treated differently from satire or other expression that does not.⁴⁵

39. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 582 (1994).

40. *New Kids on the Block*, 971 F.2d at 308.

41. 875 F.2d 994 (2d Cir. 1989).

42. *Id.* at 999–1001 (finding no Lanham Act claim by famed dancer Ginger Rogers where defendants distributed film about fictional cabaret performers titled “Ginger and Fred,” because the title had artistic relevance to the film’s substance); *see also* *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002) (finding Aqua’s song “Barbie Girl” did not infringe Mattel’s trademark because “the use of Barbie in the song title clearly is relevant to the underlying work, namely, the song itself”).

43. *Campbell*, 510 U.S. at 580–81.

44. *See* Charles E. Colman, *Trademark Law and the Prickly Ambivalence of Post-Parodies*, 163 U. PA. L. REV. 11, 11 (2014); Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473, 500 (2013) (noting courts might ask “is a subsidiary purpose to make fun of the plaintiff enough, or must it be the primary focus of the defendant’s use? How confident must we be that it is a parody?”); Bruce P. Keller & Rebecca Tushnet, *Even More Parodic Than the Real Thing: Parody Lawsuits Revisited*, 94 TRADEMARK REP. 979, 1000–03 (2004) (reviewing judicial mishandling of the parody/satire distinction in trademark cases).

45. *See* Keller & Tushnet, *supra* note 44, at 1000 (“If a joke is recognizable as a joke, consumers are unlikely to be confused, and whether the butt of the joke is society at large, or the trademark

While the “need” to borrow a trademark may be reduced when it is not the target, the trademark still may be an important component of communicating messages effectively. Literary theorists who have written about parody have resisted a narrow definition that limits the form only to works that aim their criticism at the original. At the outset of her classic work *A Theory of Parody*, Linda Hutcheon explains that “[p]arody . . . is a form of imitation, but imitation characterized by ironic inversion, not always at the expense of the parodied text.”⁴⁶ She offers examples of parodies by Max Ernst on Michelangelo’s *Pieta* and Ezra Pound on Dante’s *Commedia* as illustrations of such parodic inversion, but these would not qualify under a stringent division between parody and satire sometimes attributed to *Campbell*.

On close reading, the *Campbell* majority opinion does not actually draw such definitive lines between parody and satire or other humor. When discussing imitation that aims at some target other than the one imitated, the Court opines that a defendant’s interest in using protected intellectual property (IP) “diminishes accordingly (if it does not vanish)” and “requires justification.”⁴⁷ Perhaps the claim to fair use is not as likely, says *Campbell*—but there may still be one. Lower courts have not always been so sensitive and have sometimes been clumsy in applying the “parody” label.⁴⁸ Even though *Campbell* avoids the inflexible dichotomy with satire, any identification of parody nonetheless presents interpretive problems that courts must resolve at the outset of the analysis. *Campbell* does not create any special doctrinal treatment for parody, however; it simply analyzes the broadly applicable four-factor test for copyright fair use with sensitivity to a parody fact pattern.

The second challenge concerns degree. How much of a plaintiff’s trademark may a defendant imitate? While discussing the third copyright fair use factor, the *Campbell* Court articulated very general standards to answer this question: “[T]he parody must be able to ‘conjure up’ at least enough of [the] original to make the object of its critical wit recognizable. . . . Once enough has been taken to assure identification, how much more is reasonable will depend” on a number of case-specific considerations.⁴⁹ (*Campbell* answers many questions about parody with

owner in particular, ought not to matter at all.”).

46. LINDA HUTCHEON, *A THEORY OF PARODY* 6 (1985); see also DENTITH, *supra* note 2, at 9–21 (exploring the definition of parody at length and concluding that it should be understood more broadly than merely an imitation of a specific preceding work).

47. See *Campbell*, 510 U.S. at 580–81.

48. See Keller & Tushnet, *supra* note 44, at 1000–03.

49. *Campbell*, 510 U.S. at 588 (citations omitted).

some variation of “it depends.” Indeed, in the case itself the Supreme Court remanded this issue rather than settle it.)⁵⁰

A number of trademark doctrines rely on a similar Goldilocks calculation: not too much and not too little, but just right. One well-known formulation for judging parody comes from *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*,⁵¹ a case involving a parody of the iconic Cliffs Notes study guides by the 1980s humor publication *Spy Magazine*.⁵² The court used likelihood of confusion as the touchstone:

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. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused.⁵³

Other trademark doctrines try to measure degree, not by referring to consumer confusion, but by evaluating the necessity of the borrowing to the purpose of the unlicensed use. So, a nominative use analysis of parody, in its second prong, would require that “only so much of the mark or marks may be used as is reasonably necessary to identify the product or service.”⁵⁴ *Rogers v. Grimaldi* measures the trademark’s “artistic relevance” to the underlying message.⁵⁵ More recently the Ninth Circuit has expressed the *Rogers* standard in terms more definitive for a judge and more favorable for a parodist: the “artistic relevance” must simply be greater than zero.⁵⁶

50. *Id.* at 589 (“As to the music, we express no opinion whether repetition of the bass riff is excessive copying, and we remand to permit evaluation of the amount taken, in light of the song’s parodic purpose and character, its transformative elements, and considerations of the potential for market substitution sketched more fully below.”).

51. 886 F.2d 490 (2d Cir. 1989).

52. *Id.* at 491–93 (vacating an injunction against “Spy Notes,” a parody of Cliffs Notes that imitated the study guide’s cover and purported to summarize and analyze trendy 1980s novels in Cliffs Notes’ “flat, straightforward, academic style”).

53. *Id.* at 494 (emphasis in original); see also Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 203 (2004) (praising the *Cliffs Notes* court for its result because “[t]here was no likelihood that a purchaser would be misled”); cf. *Campbell*, 510 U.S. at 588 (noting that 2 Live Crew copied only the memorable portions of the original “Pretty Woman”—“the characteristic opening bass riff” and “the words of the first line”).

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

55. 875 F.2d 994, 999 (2d Cir. 1989).

56. *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008); *Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc.*, No. 14-CV-02361-RS, 2014 WL 6655844, at *6 (N.D. Cal. Nov. 24, 2014).

When judging degree, as when identifying the presence of parody, the nature of the inquiry makes the job more difficult than under otherwise similar trademark doctrines. *Campbell* and *Cliffs Notes*, concerned with preventing cream-skimming, require complicated judgments about how much source material a parodist needs. *Rogers*, concerned only with ensuring that the defendant's claim to be engaged in expression is minimally adequate, requires much less care to apply.

In sum, the second lesson from *Campbell* is the caution that developing parody-specific defenses will be difficult, and the resulting rules inevitably will be complicated. The difficulty of clearly identifying true parodies, and the doctrinal terror of cream-skimming, force this result. As we shall see below, this inherent complexity also suggests it will be more effective to handle parody cases with broader speech-protective doctrines that encompass both parody and other expression rather than a narrow parody-only rule—just as *Campbell* did in copyright law.

C. *Parody Doctrine Should Serve the Purpose of IP*

Finally, *Campbell* includes a wise and nuanced discussion of the relationship between defensive doctrines for parody and the underlying purpose of an intellectual property regime. This, in turn, prompts consideration of the ways its lessons may differ when applied to the distinct purposes of trademark law.

Parody cases often will involve claims under both copyright and trademark law. But they should not necessarily be handled the same way. When Justice Kennedy wrung his hands about profiteering in *Campbell*,⁵⁷ he cited the famous (to IP lawyers) *Walt Disney Productions v. Air Pirates* case.⁵⁸ In *Air Pirates*, Disney sued to prevent an “underground” comic book’s “rather bawdy depiction of the Disney characters as active members of a free thinking, promiscuous, drug ingesting counterculture.”⁵⁹ There the court affirmed summary judgment rejecting a copyright fair use defense,⁶⁰ but refused to affirm the trademark claims because likelihood of confusion had not been

57. 510 U.S. at 598 (Kennedy, J., concurring).

58. 581 F.2d 751 (9th Cir. 1978).

59. *Id.* at 753 (quoting Note, *Parody, Copyrights and the First Amendment*, 10 U.S.F. L. REV. 564, 571, 582 (1976)).

60. *Id.* at 758 (“Because the amount of defendant’s copying exceeded permissible levels [under copyright fair use doctrine], summary judgment was proper.”).

demonstrated.⁶¹ That is, *Air Pirates* found the imitation infringed copyright but not trademark, because of the different purposes of each regime. Justice Kennedy's reliance on *Air Pirates* may have strengthened his point in a copyright case like *Campbell*, but it also shows that trademark law cannot follow *Campbell* blindly.⁶²

Parody directly threatens the central restrictions created by copyright law. As its name suggests, the Copyright Act confers rights over copies. Those broad exclusive rights include the ability to control a work's reproduction, adaptation, distribution, and display.⁶³ These rights also extend to derivative works that unlawfully duplicate aspects of a copyrighted original.⁶⁴ Mere imitation automatically infringes upon several of these core exclusive rights.⁶⁵ Thus every parody is a copyright violation at first blush, albeit one that could be excused by an affirmative defense such as fair use.⁶⁶

Parody does not clash with the motivations and mechanisms of trademark law nearly as directly as it undermines the animating purposes of copyright law.⁶⁷ Trademark law does not prohibit every imitation, but only those imitations that cause certain types of consumer confusion.⁶⁸ Moreover, the *reason* trademark law aims to prevent confusion is an additional degree of remove from the copying itself, because confusion is only a method to identify situations that cause particular subsequent harms such as diversion of good will or distortion of market incentives.⁶⁹

61. *Id.* at 759–60.

62. Justice Kennedy also cited *D.C. Comics, Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp. 110, 112–15 (N.D. Ga. 1984), a case that found both types of IP right infringed but paid only perfunctory attention to parody arguments in the trademark context.

63. See 17 U.S.C. § 106 (2012).

64. See *id.* § 103(a); Paul Goldstein, *Derivative Rights and Derivative Works in Copyright*, 30 J. COPYRIGHT SOC'Y OF THE U.S.A. 209, 209 (1983); Derek E. Bambauer, *Faulty Math: The Economics of Legalizing The Grey Album*, 59 ALA. L. REV. 345, 346 (2008).

65. See *Campbell v. Acuff-Rose, Inc.*, 510 U.S. 569, 574–75 n.4 (1994).

66. If indeed fair use is best understood as an affirmative defense in copyright law. See Lydia Pallas Loren, *Fair Use: An Affirmative Defense?*, 90 WASH. L. REV. 685 (2015).

67. See Dogan & Lemley, *supra* note 44, at 501 (“Unlike copyright, which is designed to prevent copying and to give copyright owners control over the use of the work itself, trademark law cares only about the brand-product connection in the minds of consumers and how that might affect producer incentives.”).

68. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995) (“[T]rademark law, by preventing others from copying a source-identifying mark, reduce[s] the customer's costs of shopping and making purchasing decisions.” (citation omitted)).

69. See *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 806 (9th Cir. 2003) (“The limited purpose of trademark protections set forth in the Lanham Trade-Mark Act is to avoid confusion in the marketplace by allowing a trademark owner to prevent others from duping consumers into

Unlike copyright, where parody inherently infringes and then must be covered by a defense, most parodies could be found not to violate trademark law in the first place.⁷⁰ While defensive doctrines for speech under trademark law serve other vital purposes, such as reducing litigation costs, they are not inherently necessary to absolve infringing use as they would be in copyright law.

At the same time, parody also advances the fundamental purposes of copyright, because it too contributes artistic expression to the marketplace of ideas. *Campbell* reached back to classic statements of principle by Justice Story and Lord Ellenborough to explore this “inherent tension” between protecting copyright and preserving the capacity for later creators to draw on earlier works.⁷¹ Quoting its own *Stewart v. Abend*⁷² decision from a few years previously, the Supreme Court warned that a copyright statute without sufficient provision for fair use would “stifle the very creativity which that law is designed to foster.”⁷³

Speech values are important in trademark law too, but they do not overlap much with the original economic reasons for protecting trademarks. At the time of *Campbell*, it was still commonplace for courts to consider trademark law a form of commercial speech regulation nearly beyond the scope of any First Amendment considerations.⁷⁴ There is greater understanding now that many unlicensed uses of trademarks implicate vital speech values that must be reconciled with trademark protection.⁷⁵ Judge Leval has argued persuasively that those concerns ought to be integrated within the structure of trademark

buying a product they mistakenly believe is sponsored by the trademark owner.”); William McGeveran & Mark P. McKenna, *Confusion Isn't Everything*, 89 NOTRE DAME L. REV. 253, 275–77 (2013) (“Likelihood of consumer confusion is supposed to be a heuristic that indicates the probability of subsequent harm to the consumer and the market.”).

70. See 1 MCCARTHY, *supra* note 8, § 6:14 (“Copyright law gives the author the right to prevent copying of the copyrighted work in any medium. Trademark law prevents the use of a similar mark on such goods or services as would probably cause confusion . . . Thus, [reproducing] a trademark does not necessarily constitute trademark infringement.” (citations omitted)); Leval, *supra* note 53, at 189 (“The trademark law itself is fashioned to protect free-speech interests that may justify uses of a trademark by persons other than its owner.”).

71. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575–77 (1994).

72. 495 U.S. 207 (1990).

73. *Campbell*, 510 U.S. at 577 (quoting *Stewart*, 495 U.S. at 236).

74. See Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of the Trade Symbols*, 1982 WIS. L. REV. 158, 164–66 (1982).

75. See, e.g., *Rogers v. Grimaldi*, 875 F.2d 994, 1005 (2d Cir. 1989); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381, 381 (2008); Kozinski, *supra* note 5, at 960.

doctrine rather than operating through an external constitutional limitation.⁷⁶ A number of scholars have suggested that the ability to reconstitute brands has become a central requirement of our democracy, and even our capacity for self-definition, in an increasingly commercialized marketplace of ideas.⁷⁷ Note, however, that these speech concerns come from outside the structure of trademark law rather than growing organically from its own internal logic as they do in copyright.

Some aspects of parody may be meaningful in both copyright and trademark law, although in slightly different ways. For example, *Campbell* emphasizes how unlikely it is that a parody would serve as a market substitute for the original.⁷⁸ Because it is ridiculous to claim that a purchaser interested in Roy Orbison's version of "Oh Pretty Woman" would happily accept 2 Live Crew's version instead, it is difficult to argue that the parody caused meaningful market harm to the copyright owner. While that is one aspect of the rights conferred by copyright, in trademark law it is closer to the whole enchilada. As just discussed, trademark cares deeply about market substitution, not only in its defenses but in its core liability provisions. Imagine a comparable trademark claim that consumers somehow confused the 2 Live Crew version for the Orbison one; the unlikelihood of such confusion demonstrates that a parody can coexist with an original trademark and do it no real market harm.⁷⁹

All this goes to show that, even on identical facts, copyright and trademark should not necessarily treat parody the same way. The first two lessons of *Campbell*—that parody is socially valuable but difficult to pin down doctrinally—apply equally to both forms of IP. In contrast, the third lesson should lead courts in trademark cases to distinguish *Campbell* rather than following it, because *Campbell* itself emphasizes the important link between the purposes of copyright and the purposes of parody.

76. Leval, *supra* note 53; William McGeveran, *Four Free Speech Goals for Trademark Law*, 18 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1205, 1211–14 (2008).

77. See, e.g., LAWRENCE LESSIG, *FREE CULTURE* (2004); Keith Aoki, *How the World Dreams Itself to Be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 *LOY. L.A. ENT. L. REV.* 523, 523–26 (1997); Colman, *supra* note 44; Dreyfuss, *supra* note 5, at 397–99; Sonia K. Katyal, *Semiotic Disobedience*, 84 *WASH. U. L. REV.* 489, 489–99 (2006); Kozinski, *supra* note 5; Ramsey, *supra* note 75, at 381.

78. *Campbell*, 510 U.S. at 591.

79. See Lemley & McKenna, *supra* note 9.

II. JUDGES GETTING IT RIGHT

A. *Parody Cases Are Rare and Losses Are Rarer*

Many cases before *Campbell* dripped contempt for the parodist, spoke in stirring terms of a markholder's "property rights," and gave short shrift to First Amendment arguments.⁸⁰ For example, in 1977 a district court issued a preliminary injunction against a defendant selling diaper bags that parodied the luxury GUCCI mark by using a "GUCCHI GOO" logo; the court declared that the "fact that the offending product was intended only as a joke is of no consequence" and concluded that the trademark should be "protected from such ridicule."⁸¹ A 1972 decision granted Coca-Cola a preliminary injunction against posters altering its trademark slogan to read "Enjoy Cocaine."⁸² The court determined that "one would have to be a visitor from another planet not to recognize immediately the familiar 'Coca' in its stylized script and accompanying words, colors and design" and that this similarity, far from being justified by the parodic character of the use, was actually "a clear indication of defendant's predatory intent, however humorous defendant considers it."⁸³

Cases after *Campbell* seldom disregarded speech concerns so readily. I have argued repeatedly that most types of expressive uses of trademarks now do very well when they reach a final judicial determination.⁸⁴ (The same generally may be said of copyright law.)⁸⁵

80. See, e.g., *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402 (8th Cir. 1987) ("[T]he protection afforded by the First Amendment does not give Novak license to infringe the rights of Mutual. Mutual's trademarks are a form of property."); *Am. Exp. Co. v. Vibra Approved Labs. Corp.*, No. 87 CIV. 8840 (CSH), 1989 WL 39679, at *10 (S.D.N.Y. Apr. 19, 1989) (denying a preliminary injunction based on trademark infringement, but granting an injunction based on dilution where defendant mimicked plaintiff American Express's charge card and accompanying "DON'T LEAVE HOME WITHOUT IT" slogan with similar-looking novelty condom holder with accompanying slogan "Never Leave Home Without It," noting that "defendants' condom card cannot be shrugged off as a mere bawdy jest, unreachable by any legal theory."); *Reddy Commc'ns, Inc. v. Envtl. Action Found., Inc.*, No. 77-1105, 1977 WL 23197, at *3-4 (D.D.C. Nov. 11, 1977) *decision supplemented by* 477 F. Supp. 936 (D.D.C. 1979) ("Assuming the validity of this trademark, a . . . proper characterization of the case is that it pits plaintiff's Fifth Amendment right not to be deprived of its property without due process against defendant's First Amendment right of free speech, and requires a delicate balancing of the conflicting interests.").

81. *Gucci Shops, Inc. v. R. H. Macy & Co.*, 446 F. Supp. 838, 840 (S.D.N.Y. 1977).

82. *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1193 (E.D.N.Y. 1972).

83. *Id.* at 1187.

84. See William McGeeveran, *The Trademark Fair Use Reform Act*, 90 B.U. L. REV. 2267, 2275 (2010) [hereinafter McGeeveran, *Reform Act*]; McGeeveran, *Rethinking*, *supra* note 6, at 59-61.

85. See Neil W. Netanel, *Making Sense of Fair Use*, 15 LEWIS & CLARK L. REV. 715, 754 (2011) (finding copyright defendants almost always win cases where courts find transformative use);

Nowhere is that trend toward protecting expression more pronounced than in trademark decisions about parody. These days, judges more often show impatience with humorless markholders than with puckish parodists. When Mattel, maker of the BARBIE doll, brought a trademark suit related to the parodic song “Barbie Girl,” Judge Kozinski characterized the case as “Speech–Zilla meets Trademark Kong”⁸⁶ and warned Mattel, “[w]ith fame often comes unwanted attention.”⁸⁷

Unfortunately, when scholarship and other commentary analyze trademark parody they too often continue to cite old cases, and particularly pre-*Campbell* decisions. These analyses frequently suggest that courts today give insufficient protection to trademark parodies. That’s incorrect, and I think it’s quite harmful. This Part supports the observation that courts now favor trademark parodies, while the next Part will elaborate on two deleterious effects of spreading this false rumor.⁸⁸

Few parody cases go to court, fewer reach a judicial determination, and fewer still result in losses for the parodist. Yet many commentators continue to write as if markholders routinely sue parodists and often win. For example, on the second page of a recent article that goes on to make a number of excellent points, Stacey Dogan and Mark Lemley summarize their overall themes with these two inaccuracies.⁸⁹ As they characterize it, “[p]arodies and their close kin, satires, are common in popular culture. So, too, are lawsuits filed against those parodies by irate trademark owners.”⁹⁰ If there are many parody suits filed, however, almost all of them must settle before a judge ever considers them, because the number of decisions hardly suggests a “common” occurrence. Dogan and Lemley also state that “courts have struggled with the evaluation of parody under trademark law. While many

Pamela Samuelson, *Unbundling Fair Uses*, 77 *FORDHAM L. REV.* 2537, 2550 (2009) (“Notwithstanding the Court’s unwillingness in *Campbell* to presume that parodies are fair, every subsequent parody case has been adjudged a fair use.”); David A. Simon, *Reasonable Perception and Parody in Copyright Law*, 2010 *UTAH L. REV.* 779, 793 (finding very high win rates in cases where courts identified the alleged copyright infringement as a parody).

86. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 898 (9th Cir. 2002).

87. *Id.* at 899.

88. *See infra* Part III (explaining how the narrative that trademark doctrine disfavors parody strengthens markholders’ overblown claims in cease-and-desist letters and distracts reform efforts from the actual problem of administrative costs).

89. Dogan & Lemley, *supra* note 44, at 474.

90. *Id.* A few pages later, discussing “cases that are about parodies featured in magazines, movies, TV shows, Twitter feeds, or any of a variety of other uses that don’t involve branding,” *id.* at 478, Dogan and Lemley repeat these characterizations, *id.* at 478 n.27 (“There are an alarming number of such cases, some of them successful.”).

trademark courts have protected parodies, there are a surprising number of cases that hold obvious parodies illegal.”⁹¹ As we shall see, however, the authors have not discovered any previously unknown trove of post-*Campbell* losses beyond the small numbers noted above. Both of these are introductory framing remarks, not the meat of their analysis.⁹² But framing matters a great deal, as I shall argue below, and both of these frames are wrong. Actual trademark litigation over parody is rare; losses are rarer.

To begin, it is important to emphasize how few trademark cases explicitly turn on concepts of parody. The methodology of Simon’s study counted judicial decisions that both cited *Campbell* and discussed trademark law; he identified just twenty-three such cases.⁹³ By definition his carefully-derived sample begins when *Campbell* was issued in March 1994, and it ends as of January 30, 2011.⁹⁴ That is fewer than one and a half decided cases a year since *Campbell*. Using Simon’s methodology, I identified just four more parody cases in federal courts from the time he stopped counting in 2011 through 2014.⁹⁵ A more selective historical account by Anthony L. Fletcher, published in 2010, discussed fourteen parody decisions from the decade after *Campbell*, most of them overlapping with Simon’s list.⁹⁶ Scholarship that is not targeted toward

91. *Id.*

92. I confess that I, too, may have chosen my words poorly at times and given the wrong impression about parody’s treatment in court. See McGeveran, *Reform Act*, *supra* note 84, at 2308 (“These sorts of uses of trademarks give rise to a surprising number of disputes.”). Even then, however, I generally talk in terms of “disputes” rather than “cases,” thereby encompassing both litigated cases and the more common phenomenon of pre-litigation demand letters, see *infra* notes 146–157 and accompanying text, which is a more accurate account.

93. Simon, *supra* note 26, at 1100.

94. *Id.* at 1099.

95. *Radiance Found., Inc. v. NAACP*, 25 F. Supp. 3d 865, 902 (E.D. Va. 2014), *rev’d*, No. 14-1568, 2015 WL 2372675 (4th Cir. May 19, 2015) (blog posts referring to NAACP as “National Association for the Abortion of Colored People”); *Dardenne v. MoveOn.org*, No. 14-00150-SDD-SCR, 2014 WL 1364854 (M.D. La. 2014) (billboard criticizing governor’s health policy using parody of state slogan); *Farah v. Esquire Magazine, Inc.*, 863 F. Supp. 2d 29, 40–41 (D.D.C. 2012), *aff’d*, 736 F.3d 528 (D.C. Cir. 2013) (blog post ridiculing publication of book questioning President Obama’s birthplace); *CCA & B, LLC v. F + W Media Inc.*, 819 F. Supp. 2d 1310 (N.D. Ga. 2011) (parody of *Elf on a Shelf* holiday book). The appellate decision affirming the district court in *Farah* does not count separately under Simon’s methodology because it does not cite *Campbell*. See Simon, *supra* note 26, at 1099. Also consistent with Simon’s methodology, *id.* at 1099–100, I disregarded trademark cases that cited *Campbell* for some reason but did not involve parody analysis. See, e.g., *Kelly-Brown v. Winfrey*, 717 F.3d 295 (2d Cir. 2013); *Arrow Prods., Ltd. v. Weinstein Co.*, No. 13-5488, 2014 WL 4211350 (S.D.N.Y. Aug. 25, 2014).

96. Anthony L. Fletcher, *The Product with the Parody Trademark: What’s Wrong with Chewy Vuiton?*, 100 TRADEMARK REP. 1091, 1127 (2010) (introducing section reviewing twelve cases and cross-referencing earlier discussion of two others).

parody finds similarly small numbers: in an empirical study of 331 district court decisions from a five-year period starting in 2000, Barton Beebe identified only seven cases where the defendant even raised a parody-related defense.⁹⁷ All of these counts could be critiqued over their varying definitions of parody or other particulars, but my goal here is not to determine the absolute number of judicial parody decisions, only to show that it is small by any measure.

It may be dangerous to generalize too broadly from small numbers, but it is quite safe to say that losses for alleged trademark parodies are unusual. Simon found three losses.⁹⁸ All three decisions were issued before 2000; one came out just twenty-four days after *Campbell* and presented the results of a bench trial that had already been completed the year before.⁹⁹ Beebe identified one parody loss in his five-year study period.¹⁰⁰ Of the four recent decisions I found using Simon's methodology, the parodist lost in one,¹⁰¹ which was forcefully reversed on appeal; I analyze that case further below.¹⁰²

By my count, Dogan and Lemley cite a total of twelve decided court cases where uses claimed as trademark parodies lost.¹⁰³ Five came out before *Campbell*, and the authors particularly highlight the 1972 "Enjoy Cocaine" case at several points without noting its age.¹⁰⁴ Two of the

97. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1581, 1595 n.65 (2006). Because he was selecting only district court cases that relied on the multifactor likelihood of confusion test, *id.* at 1649–50, Beebe might have excluded other cases during this period that considered parody without engaging in confusion analysis. Nevertheless, seven out of 331 cases is an extremely small proportion.

98. See Simon, *supra* note 26, at 1062–66. The three cases are *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999), *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998), and *Schieffelin & Co. v. Jack Co. of Boca*, 850 F. Supp. 232 (S.D.N.Y. 1994).

99. See *Schieffelin*, 850 F. Supp. at 236–42 (reporting bench trial was held in September 1993).

100. Beebe, *supra* note 97, at 1595 n.65.

101. *Radiance Found., Inc. v. NAACP*, 25 F. Supp. 3d 865, 870–71, *rev'd*, No. 14-1568, 2015 WL 2372675 (4th Cir. May 19, 2015).

102. See *infra* notes 128–144 and accompanying text.

103. I omitted a few trademark cases Dogan and Lemley cite where a defendant lost, but the parody argument was not raised. *Toho Co. v. William Morrow & Co.*, for example, concerned the use of the GODZILLA mark on an "unauthorized" book about Godzilla, which was not intended to parody or otherwise transform the mark; this was an expressive and nominative use, but not a parody. 33 F. Supp. 2d 1206 (C.D. Cal. 1998). Similarly, in *Parks v. LaFace Records*, where Rosa Parks complained about the use of her name as the title of an OutKast song, the musicians explicitly disavowed any parody of Parks or even any attempt to comment upon her. See 329 F.3d 437, 452, 456 (6th Cir. 2003); McGeeveran, *Reform Act*, *supra* note 84, at 2313–14 (discussing effect of these disavowals in the case).

104. *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 403 (8th Cir. 1987); *Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.*, 776 F. Supp. 1454, 1462 (W.D. Wash. 1991); *Grey v. Campbell Soup Co.*, 650 F. Supp. 1166, 1175, 1176 (C.D. Cal. 1986), *aff'd*, 830 F.2d 197 (9th Cir.

cases are from 1994, the same year as *Campbell*, and one of these deals only with New York State dilution law and does not cite the Supreme Court case.¹⁰⁵ That leaves five parody losses in the past twenty years, only two of which appeared in the twenty-first century.¹⁰⁶ Dogan and Lemley also note a nonprecedential opinion at the Trademark Trial and Appeal Board cancelling a parody mark.¹⁰⁷

In fairness, there are some other parody losses they could have cited but did not, so these are not definitive numbers.¹⁰⁸ But whether the grand total over some four decades is twelve examples or twenty, that number is a tiny fraction of all parody cases, which in turn represent a tiny fraction of all trademark cases. More importantly, as noted in the previous paragraph, parody's loss rate is shrinking noticeably over time. Responding directly to my assertions that protection for parody in trademark law has improved, Dogan and Lemley note "that's not universally true."¹⁰⁹ Certainly they are correct that courts are not "universally" perfect (although I argue that such anomalies have become far less common, not extinct). Even if every parody loss were wrongly decided, however, that error rate would be a very small percentage of a very small number—not a crisis in free speech protection. It certainly does not support any generalization that trademark parody fares poorly in court.

1987) (table); *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F. Supp. 838, 839–41 (S.D.N.Y. 1977); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 1193 (E.D.N.Y. 1972). For the authors' discussion of the "Enjoy Cocaine" dispute in *Gemini Rising*, see Dogan & Lemley, *supra* note 44, at 477, 482–83.

105. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 771 (8th Cir. 1994) (ruling against "Michelob Oily" parody of MICHELOB beer ads); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 40–41 (2d Cir. 1994) (ruling against parodic comparative advertisement under New York antidilution law).

106. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 102 (2d Cir. 2009) (partially ruling against use of "Charbucks" mark for coffee as diluting STARBUCKS); *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 191 (5th Cir. 1998) (finding kitschy "Velvet Elvis" bar infringed on trademarks of Elvis Presley estate); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1406 (9th Cir. 1997) (finding book imitating "THE CAT IN THE HAT" was a satire but not a parody); *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 981–86 (E.D. Mo. 2008) (finding "Buttwiper" beach towels infringed BUDWEISER mark also licensed for beach towels); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 728 (D. Minn. 1998) (enjoining release of movie entitled "Dairy Queens" as creating likelihood of confusion with DAIRY QUEEN mark).

107. See *PRL USA Holdings, Inc. v. Thread Pit, Inc.*, Cancellation No. 92047436, at 16–17 (T.T.A.B. May 14, 2012), available at <http://ttabvue.uspto.gov/ttabvue/ttabvue-92047436-CAN-71.pdf>. The TTAB canceled a logo for clothing depicting a polo player falling off a horse because of its similarity to the familiar Ralph Lauren POLO mark.

108. See, e.g., *Schieffelin & Co. v. Jack Co. of Boca*, 850 F. Supp. 232 (S.D.N.Y. 1994).

109. Dogan & Lemley, *supra* note 44, at 487 n.62.

Scholars do a better job than many more practice-oriented sources, which routinely recycle the same outdated parody losses without acknowledging the changing trends in the case law. They tend to refer constantly to the same pre-*Campbell* losses over and over: the underground “Air Pirates” comic mocking Disney, a pornographic movie with thinly-veiled imitations of the Dallas Cowboys cheerleaders, or that ubiquitous “Enjoy Cocaine” poster.¹¹⁰ The most influential trademark treatise dedicates an entire section to “[e]xamples of infringing parodies” which cites twenty cases—but every single one of them predates *Campbell*.¹¹¹ Lack of timely revision has left this treatise giving a very inaccurate impression of the parody landscape. In a similar way, two different analyses by practitioners of a comedian’s pop-up store selling “Dumb Starbucks” products confidently concluded that such a parody was infringing; both relied heavily on 1960s and 1970s losses like “Enjoy Cocaine” and cited few recent cases.¹¹² They may not be wrong in their conclusion about Dumb Starbucks, though I think they are; it is at least a close case and certainly requires analysis of more recent precedent.

There is no free speech crisis in judicial rulings on parody cases. As we will see in Part III, there is another crisis of much more significance. The next Section demonstrates that, even when there are losses, they may be justified—and in any case there is no discernible pattern that can be connected to any particular source of error.

B. There Is No Consistent Reason for the Losses

Not only is the number of losses small, the reasons for those losses vary greatly. First, sometimes trademark parody arguments raised by direct competitors may deserve to lose. Recall that these cases are difficult precisely because of the “cream-skimming” danger of

110. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972).

111. See 6 MCCARTHY, *supra* note 8, § 31:154. Nearby sections of the treatise do cite some more recent parody case law, but they still do not reflect the overwhelming pro-parody thrust of recent decisions. See, e.g., *id.* at § 31:153.

112. See Brooke Erdos Singer & Joy J. Wildes, *Dumb Starbucks: Grande Parody Or Trademark Infringement?*, LAW360 (Mar. 18, 2014), <http://www.law360.com/articles/516265/dumb-starbucks-grande-parody-or-trademark-infringement> (citing *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972)); Rothwell, Figg, Ernst & Manbeck, P.C., *Dumb Starbucks and Parody in Trademark Cases* (Feb. 28, 2014), http://www.rothwellfigg.com/news_030314.php (same).

unjustified resort to a parody claim.¹¹³ Consider *Harley Davidson v. Grottanelli*,¹¹⁴ a suit against a motorcycle repair business that advertised its services with altered and hand-drawn versions of the HARLEY-DAVIDSON logo.¹¹⁵ Harley-Davidson emphasized that the defendant competed with the company's own repair services. The defendant claimed the logo was a parody, but the court concluded that there was no real comment on the markholder (or anything else).¹¹⁶ Perhaps the defendant should have raised sensible arguments for nominative use or other defensive doctrines.¹¹⁷ Parody was a poor fit with these facts. To the extent that the defendant was a direct competitor using a similar logo that really could divert the goodwill of the markholder, infringement liability may have been justified, as in the "Popsi" example.

Similarly, a district court ruled against a vendor of a "Buttwiper" dog toy that mimicked the iconic logo and trade dress of the BUDWEISER beer label.¹¹⁸ It isn't clear just what comment the kindergarten-level joke was making, and whether it was directed toward Budweiser at all.¹¹⁹ The court relied in part on these more dubious grounds for its decision, but focused more on the fact that Budweiser also sold dog-related products of its own.¹²⁰ The court (not incidentally, one sitting in the giant brewing

113. See *supra* notes 27–38 and accompanying text.

114. 164 F.3d 806 (2d Cir. 1999).

115. See *id.*

116. *Id.* at 812–13.

117. See, e.g., *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1180–82 (9th Cir. 2010) (nominative fair use analysis); *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 486 (5th Cir. 2004) (developing distinct method for handling likelihood of confusion in cases involving sales or repair services); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352, supplemented by 413 F.2d 1126 (9th Cir. 1969) (finding no infringement by Volkswagen repairer who used term "independent" in conjunction with VOLKSWAGEN marks).

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

119. *Id.* at 980 ("The idea for 'Buttwiper' came from a Stanley Steamer commercial in which a dog scoots across the floor while rubbing its bottom on the carpet. The reaction of the mother to the dog's actions suggests that the carpet will now need to be cleaned."). The court distinguished the "Chewy Vuiton" and "Tommy Holedigger" cases on this ground. *Id.* at 984–86; see also *Keller & Tushnet, supra* note 44, at 1000–03 (critiquing such parody/satire distinctions).

120. *Anheuser-Busch*, 666 F. Supp. 2d at 978 ("Plaintiff has received \$147,500 in sales of dog items from 1980 to date. Plaintiff does not sell or license any type of dog squeeze toy."). Of course, this conclusion depends on the characterization of the relevant market, often a hotly contested aspect of trademark litigation. While there were not licensed Budweiser dog squeeze toys, however, there were Budweiser-branded dog beds, food bowls, leashes, collars, and pet mats, so the argument was strong that the defendant was operating in the same market. Cf. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 258 (4th Cir. 2007) ("Although better known for its handbags and luggage, LVM [the LOUIS VUITTON markholder] also markets a limited selection of luxury pet accessories—collars, leashes, and dog carriers—which bear the Monogram Canvas mark and the Multicolor design. These items range in price from approximately \$200 to \$1600.

company's hometown of St. Louis) held that the parody might divert customers and issued an injunction against it. At least four of the other losing alleged parodists noted above also competed in the same market as the markholder.¹²¹ Certainly this fact alone should not disqualify a parody from protection, especially where the joke is so obvious that it is difficult to imagine confused purchasers. But the proximity of markets may explain why these courts were more guarded in their analysis of the parody argument and suspicious that it was really a cloak for more traditionally infringing activity.

There are several other overlapping possible explanations for some portion of the parody losses. Four of the losses occurred in the Eighth Circuit, where older decisions unsympathetic to parody may continue to hold sway.¹²² Sometimes judges decide that parodists took "too much"¹²³ or they interpret language about parody and satire in *Campbell* too inflexibly¹²⁴ and find that the markholder was not the butt of the joke.¹²⁵ Dogan and Lemley point to three other factors: courts depend on

LVM does not make dog toys.").

121. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009) (brand name of coffee); *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999) (logo for motorcycle repair services); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39 (2d Cir. 1994) (advertisement for lawn tractors); *Hard Rock Cafe Licensing Corp. v. Pac. Graphics, Inc.*, 776 F. Supp. 1454 (W.D. Wash. 1991) (design transfers for clothing); *see also PRL USA Holdings, Inc. v. Thread Pit, Inc.*, Cancellation No. 92047436 (T.T.A.B. May 14, 2012) (nonprecedential), *available at* <http://ttabvue.uspto.gov/ttabvue/ttabvue-92047436-CAN-71.pdf> (logo on clothing).

122. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994); *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397 (8th Cir. 1987); *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 986 (E.D. Mo. 2008) (distinguishing more recent cases from other circuits and instead relying on the older Eighth Circuit cases as "more on point"); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 734 (D. Minn. 1998) (dedicating two paragraphs to explaining the 1994 and 1987 Eighth Circuit cases and stating that "the Eighth Circuit, after carefully balancing the conflicting interests, has allowed injunctive relief—even when the enjoined material included some expressive content").

123. *See Balducci*, 28 F.3d at 774 (criticizing defendant's "painstaking duplication of Anheuser-Busch's marks"); *Am. Dairy Queen*, 35 F. Supp. 2d at 730–31 (noting the one letter difference between DAIRY QUEEN and "Dairy Queens" and the near identical sound in speech, supported by the court's memories of "taking its children for 'Dairy Queens' on a warm summer's evening").

124. *See supra* notes 43–48 and accompanying text.

125. In *PRL USA Holdings, Inc. v. Thread Pit, Inc.*, No. 92047436 (T.T.A.B. May 14, 2012), *available at* <http://ttabvue.uspto.gov/ttabvue/ttabvue-92047436-CAN-71.pdf>, for example, the Trademark Trial and Appeal Board found that the obvious ridicule of the POLO mark still was not parody, partly based on the registrant's concession that "the intent of the design of Registrant's mark was to parody the elite in society as embodied by the sport of polo" and not *solely* the Ralph Lauren brand. *Id.* at *14–16; *see also Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 200 (5th Cir. 1998) ("The Defendants' parody of the faddish bars of the sixties does not require the use of EPE's marks because it does not target Elvis Presley; therefore, the necessity to use the marks significantly decreases and does not justify the use."); *Am. Dairy Queen*, 35 F. Supp. 2d at 734

poor confusion evidence, an inadequate articulation of dilution harms, or an unexamined aversion to free riding.¹²⁶ Simon analyzed a handful of parody losses and concluded that those courts simply paid too little attention to the parody elements of the defendant's use.¹²⁷

And sometimes, courts just blow it. Fortunately, appeals can undo judicial blunders—and they are a more reliable route to error correction than tinkering with the underlying rules. The most recent parody loss, *Radiance Foundation v. NAACP*,¹²⁸ was just reversed by the Fourth Circuit in May 2015.¹²⁹ The lower court's decision was indefensible. It involved Ryan Bomberger, an African-American conservative activist, and the Radiance Foundation, an organization he founded to advance his views.¹³⁰ Radiance is critical of the National Association for the Advancement of Colored People—better known as the NAACP—for what Bomberger views as the NAACP's support of abortion. Radiance and another conservative organization posted articles on three web sites with text and sometimes headlines referring to the NAACP as the “National Association for the *Abortion* of Colored People.”¹³¹ Changing one word of the organization's name, inverting its stance of support for the African-American community and replacing it with a position antithetical to that community's interest, is a caustic and pointed instance of political parody. Some might view it as offensive or inaccurate or tasteless, but of course *Campbell* teaches us that such reactions are irrelevant when parody communicates ideas,¹³² as Bomberger certainly did.

The district court held a bench trial and produced an opinion that found Radiance liable under both infringement and dilution theories.¹³³ It cited *Campbell* only once, indirectly, embedded in another citation unrelated to the social value of parody.¹³⁴ The court also ignored several

(finding movie title referred to DAIRY QUEEN mark but did not comment upon Dairy Queen restaurants).

126. Dogan & Lemley, *supra* note 44, at 481–84.

127. See Simon, *supra* note 26, at 1063–65.

128. 25 F. Supp. 3d 865, 870–71 (E.D. Va. 2014), *rev'd*, No. 14–1568, 2015 WL 2372675 (4th Cir. May 19, 2015).

129. *Radiance*, 2015 WL 2372675.

130. *Radiance*, 25 F. Supp. 3d at 870–71.

131. *Id.* at 871.

132. See *supra* notes 23–25 and accompanying text.

133. *Radiance*, 25 F. Supp. 3d at 870–71.

134. *Id.* at 891 (citing *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1567 n.6 (S.D. Cal. 1996), *aff'd*, 109 F.3d 1394 (9th Cir. 1997) (referencing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 580 (1994))).

other recent landmarks in the doctrine of trademarks and speech, such as *Rogers v. Grimaldi* and *Mattel v. MCA Records*,¹³⁵ although the defendants' key submission to the court likewise did not cite these or other important out-of-circuit cases.¹³⁶ The *Radiance* decision disregarded parody in almost all of its likelihood of confusion analysis, noting it only when considering intent, and there concluding—astonishingly—that Bomberger intended to confuse people into thinking that his parodic moniker really *was* the NAACP's name.¹³⁷ The dilution analysis was even worse, finding *Radiance*'s parody was ineligible for three clearly applicable categorical exclusions from dilution liability in the Lanham Act.¹³⁸ No amount of refining the rules can improve a decision when a judge's intuition leads to a particular result.

The *Radiance* district court opinion stands out among contemporary cases for its atypical failure to consider parody or speech interests seriously. The Fourth Circuit repudiated it forcefully.¹³⁹ The appeals court referred to the importance of parody and expression throughout its decision (though without citing *Campbell* directly) and relied on a range of cases, particularly *Rogers v. Grimaldi*, to conclude that any confusion among those who visited Bomberger's website was not the relevant type of confusion for trademark law.¹⁴⁰ As the court put it:

[C]onfusion about what a particular trademark says or looks like is not relevant for infringement claims. We may certainly account for similarities between the trademark holder's and infringer's marks in the likelihood of confusion analysis, but only in the context of how those similarities create confusion about the *source* of any products the marks identify. Likewise, trademark infringement is not designed to protect mark holders from consumer confusion about their positions on political or

135. The court cited its own circuit's speech-protective opinion in *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005), solely to define services, not to draw on any of its discussion about judging likelihood of confusion when websites express critical political views. *Id.* at 315.

136. See Plaintiffs/Counter Defendants the *Radiance* Foundation, Inc. & Ryan Bomberger's Proposed Findings of Fact and Conclusions of Law, *Radiance*, 25 F. Supp. 3d 865 (No. 2:13CV53), 2013 WL 8811317, ECF No. 67.

137. *Radiance*, 25 F. Supp. 3d at 887–88. The court dismissively brushed aside *Radiance*'s parody arguments, saying the mockery of the NAACP marks “lack[ed] many of the classic elements of a successful parody.” *Id.* at 892.

138. 15 U.S.C. § 1125(c)(3) (2012).

139. See generally *Radiance Found., Inc. v. NAACP*, No. 14-1568, 2015 WL 2372675 (4th Cir. May 19, 2015).

140. See generally Lemley & McKenna, *supra* note 9 (distinguishing between types of confusion (relevant v. irrelevant)); McGeeveran & McKenna, *supra* note 69.

social issues.¹⁴¹

The Fourth Circuit also concluded, contrary to the district court, that Bomberger's web postings clearly fell within safe harbors from dilution liability under the Lanham Act.¹⁴²

Appellate courts have advantages over trial courts in reaching legally correct decisions, including a slower pace, panel deliberation, and more refined briefing.¹⁴³ In *Radiance*, furthermore, the Fourth Circuit benefited from a well-done amicus brief highlighting speech issues and pointing to a range of case law from around the country, particularly the *Rogers* and *Mattel* decisions.¹⁴⁴ Thus, in the rare case of an erroneous parody loss in the trial court, appeals offer another opportunity to rectify the mistake and further reduce the risk of error costs.

If we could identify one single fatal flaw in parody adjudication that caused errors, it might be worth altering doctrine to address that flaw. In fact, the multifarious reasons for the rejection of parody arguments prevent any singular focused response. Multiple adjustments in inherently complex parody doctrine to reduce error would be extremely difficult. Appeals would be a surer recourse. Finally, even if the rules were perfected, the error rate will never be zero because parodists' lawyers don't always do a good job and judges are human.

And that's okay. The previous Section demonstrated that adjudicated trademark parody cases are rare. Out of this small number, an even smaller number are losses. Out of the few losses, even fewer are wrongly decided. All these trends have grown more favorable for parodists over time. The tiny remaining error costs are background noise—outlier mistakes, inevitable in any adversarial adjudication system, which are not worth trying to fix directly. In other words: stop worrying about getting trademark parody cases right. The courts already do.

141. *Radiance*, 2015 WL 2372675, at *8–9 (emphasis added).

142. The Fourth Circuit, quite correctly, reversed the district court and found that Bomberger's parody was covered by two separate statutory exclusions, one for fair use and one for noncommercial use. *Id.* at *12–13. Although the Fourth Circuit did not reach the issue, the opinionated news item certainly qualifies in addition for a third exclusion immunizing “news commentary.” *See BidZirk, LLC v. Smith*, No. CIV.A. 6:06-109-HMH, 2007 WL 3119445, at *6–7 (D.S.C. Oct. 22, 2007).

143. *See Salve Regina Coll. v. Russell*, 499 U.S. 225, 231–32 (1991) (“Courts of appeals . . . are structurally suited to the collaborative juridical process that promotes decisional accuracy.”).

144. *See, e.g.*, Brief of the Electronic Frontier Foundation & the ACLU of Virginia as Amici in Support of Plaintiffs-Appellants, *Radiance*, 2015 WL 2372675 (No. 14-1568).

III. MARKHOLDERS GETTING IT WRONG

The previous Part showed that error costs are not a serious problem with trademark parody doctrine. As this Part explains, commentators who persist in suggesting otherwise actually aggravate the true problem: administrative costs.¹⁴⁵ Moreover, their misguided focus distracts law reform efforts from the real problem.

In 2014, Google acquired Nest Labs, a Silicon Valley startup that makes “smart” thermostats, internet-connected devices which “learn” your behavior and preferences and adjust the heat in your home according to those patterns.¹⁴⁶ Unsurprisingly, some observers worried that the merger would allow Google, already in possession of vast stores of personal data, to gather individualized and detailed information about activities inside customers’ homes.¹⁴⁷ A German activist group responded with a humorous website at the URL google-nest.org, purporting to launch other invasive Google products such as “Google Bee (offering personal drones), Google Hug (location-based crowdsourced hug-matching), and Google Bye (online profiles for the afterlife).”¹⁴⁸ Google responded to the spoof with a cease-and-desist letter demanding that the parodists take down the site and transfer the domain name to Google.¹⁴⁹ Even though the Electronic Frontier Foundation agreed to represent the parodists for free, they chose to take the site down.

This was not an isolated incident. Companies send cease-and-desist

145. Error costs are the costs exacted by decisions that do not reach the “correct” result based on an accurate analysis of the applicable standard; administrative costs (also sometimes called “legal process costs”) are the costs of the procedures used in that application. In general, more procedure and more precise rules reduce risk of error but increase administrative costs. See McGeveran, *Reform Act*, *supra* note 84, at 2279–86 (discussing the imbalance between error costs and administrative costs in current trademark “fair use” doctrine).

146. See Yoky Matsuoka, *Teaching Nest to Save Energy*, NEST LABS (Nov. 8, 2011), <https://nest.com/blog/2011/11/08/teaching-nest-to-save-energy/>.

147. See, e.g., Mike Schuster, *Google’s Nest Buyout Raises Privacy Concerns*, USA TODAY (Jan. 16, 2014), <http://www.usatoday.com/story/tech/2014/01/16/google-acquires-nest-privacy/4518317/>; Rakesh Sharma, *Google’s Acquisition of Nest And Your Privacy*, FORBES (Jan. 13, 2014), <http://www.forbes.com/sites/rakeshsharma/2014/01/13/googles-acquisition-of-nest-and-your-privacy/>. In fact, at least for now, Nest remains largely distinct from Google and its current privacy policy does not allow it to share data with Google. See *Frequently Asked Questions About Privacy*, NEST, <https://nest.com/privacy-faq/> (last visited May 24, 2015); *Privacy Statement*, NEST, <https://nest.com/legal/privacy-statement/> (last visited May 24, 2015).

148. Schuster, *supra* note 147.

149. See Corynne McSherry, *Dear Google: Parody Is Not Trademark Infringement*, ELECTRONIC FRONTIER FOUND. (May 20, 2014), <https://www.eff.org/deeplinks/2014/05/dear-google-parody-not-trademark-infringement>.

letters objecting to parodies of their brands with some regularity. For example, Nestlé, owner of the POLAND SPRING trademark, objected to a conceptual art piece that featured Poland Spring water bottles with rubber bracelets inserted inside them on sale for 300 dollars.¹⁵⁰ Marlboro complained about a t-shirt that copied the design of its cigarette pack but replaced the brand name with the word “Death” and depicted its bold red lines dripping with blood.¹⁵¹ The managers of the METRO transit system in Washington, D.C. sent a cease-and-desist letter to a parodist behind a purported dating website for people stuck on overheated subway cars (“Our broken escalator system and failing AC ensures a sweaty encounter with your match, no matter what time of day or night!”).¹⁵²

None of these disputes resulted in litigation. All of them received media coverage, however, so the recipients of these demands fought back at least somewhat by making a fuss in the press. In some instances, parodists removed or altered their imitation of the mark, while in a few, they resisted and the markholder backed off. Unlike these, most trademark demand letters never become public.¹⁵³ By every available indication, the vast majority of demand letters result in quick capitulation.¹⁵⁴

Trademark scholars have begun to document more fully the phenomenon of shadow enforcement of trademark rights, occurring prior

150. See Christine Chu, *Artist Slapped with Trademark Infringement Claim by Nestlé*, ARTNET (Jan. 13, 2015), <http://news.artnet.com/in-brief/artist-slapped-with-trademark-infringement-claim-by-nestle-219595>.

151. See Joe Mullin, *Philip Morris Attacks Marlboro Parody, Runs into ‘Web Bully’s Worst Enemy’*, ARSTECHNICA (June 17, 2014), <http://arstechnica.com/tech-policy/2014/06/philip-morris-attacks-marlboro-parody-runs-into-web-bullys-worst-enemy/>.

152. See Will Sommer, *Metro Sends Cease-and-Desist to Parody ‘HotCars’ Site*, WASH. CITY PAPER (May 30, 2013), <http://www.washingtoncitypaper.com/blogs/citydesk/2013/05/30/metro-sends-cess-and-desist-to-parody-hotcars-site/>. The parodist “redacted” the trademarks with imitation black marker and kept the site up. See *HotCars Is Here to Turn Up the Heat on Your Love Life*, HOTCARS, <http://metrohotcars.com/> (last visited June 1, 2015).

153. For one effort to collect, analyze, and publicize takedown requests sent to online intermediaries by IP owners seeking to remove allegedly infringing online content, see CHILLING EFFECTS, <https://www.chillingeffects.org> (last visited June 1, 2015). Google sends copies of many of the takedown requests it receives to Chilling Effects, but this represents only a subset of all IP-based demand letters; for one thing, it only includes requests sent to intermediaries, not those sent directly to alleged infringers. See *Legal Removal Requests*, GOOGLE, <https://support.google.com/legal/answer/3110420> (last visited June 1, 2015).

154. See generally William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 453 (2012); Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008).

to any lawsuit.¹⁵⁵ Very aggressive pre-suit claims may rise to the level of “trademark bullying.”¹⁵⁶ When they fall short of bullying, cease-and-desist letters that stem from zealous advocacy or good-faith efforts to police trademark rights still can be excessive if they assert stronger protection than the law actually provides.¹⁵⁷ Plus, cease-and-desist letters are not the only example of informal activity that discourages trademark parodies in the shadow of the law. Large gatekeeping institutions such as movie studios and publishers, websites that host content, or insurers often take very conservative positions about rights clearance.¹⁵⁸ Even the federal agency charged with enforcing trademark law’s importation provisions can have a tenuous grasp on the boundaries between infringement and parody.¹⁵⁹

Administrative costs of existing trademark doctrine, particularly the fact-intensive likelihood of confusion analysis, make it difficult to resolve disputes involving trademark parodies quickly and cheaply.¹⁶⁰ Meanwhile, the desire to parody a mark will rarely be as strong as the markholder’s stake in protecting its rights.¹⁶¹ Not only are the marks connected to valuable brands, but markholders interviewed by Jessica Silbey referred to those brands as their “babies” or as “priceless assets,” further explaining their very strong motivation to control them.¹⁶² Add these asymmetric incentives to the administrative costs discussed above and it would be rational for parodists to accede to markholder demands—or never to use a mark in the first place—even if they had

155. See, e.g., Gallagher, *supra* note 154; Leah C. Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625 (2011) [hereafter Grinvald, *Shaming*]; Leah C. Grinvald, *Policing the Cease-and-Desist Letter*, 49 U.S.F. L. REV. (forthcoming 2015) [hereafter Grinvald, *Policing*]; Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853 (2012); see also McGeveran, *Rethinking*, *supra* note 6, at 63–66.

156. See Grinvald, *Shaming*, *supra* note 155, at 641–50 (defining “trademark bullying”).

157. See Gallagher, *supra* note 154, at 488–92 (finding that IP lawyers knowingly make “weak” claims in demand letters and justify doing so on several grounds). One attorney interviewed by Gallagher explained why he asserted a copyright claim in a demand letter more strongly than he believed warranted: “[The claim] was weak, but you never know. It’s not going to be decided by a judge quickly.” *Id.* at 489.

158. See McGeveran, *Rethinking*, *supra* note 6, at 63.

159. Rebecca Tushnet, *Trademark Overreach of the Day: ICE Says “Yankees Suck” Infringes*, REBECCA TUSHNET’S 43 (B)LOG (Jan. 31, 2015, 9:53 AM), <http://tushnet.blogspot.com/2015/01/trademark-overreach-of-day-ice-says.html>; see also Nestor Ramos, *US Agents Tackle Fake Super Bowl Items*, BOS. GLOBE (Jan. 31, 2015), <http://www.bostonglobe.com/metro/2015/01/31/searching-for-tom-bardy-feds-hunt-counterfeiters-before-big-game/SusU4CTQW5nfEC0wvLvkiM/story.html>.

160. See McGeveran & McKenna, *supra* note 69.

161. See McGeveran, *Reform Act*, *supra* note 84, at 2276–78.

162. JESSICA SILBEY, *THE EUREKA MYTH: CREATORS, INNOVATORS, AND EVERYDAY INTELLECTUAL PROPERTY* 156–62 (2015).

100% certainty that the law would vindicate them in the end.¹⁶³

Resource imbalance alone can have more influence on outcomes than legal merits. Some markholders rely on these imbalances to make trademark threats of questionable legal worth. When William Gallagher conducted an empirical interview-based investigation of IP enforcement practices, one trademark attorney readily told him so when recounting a war story: “The lawyer on the other side was yelling at me about [how] we didn’t have a case, and I said you must be confusing me with somebody who cares about the merits. We are the giant in this case and we’ve decided we’re not going to tolerate this, we’re not going to give up.”¹⁶⁴

Of course, markholders also choose to ignore parodies sometimes. PepsiCo made no trademark argument against a viral parody DORITOS ad by an environmental group,¹⁶⁵ opting instead to issue a statement contesting the merits of the group’s claims about palm oil and deforestation.¹⁶⁶ Another lawyer interviewed by Gallagher explained what he says to clients who want to enforce trademark rights against a parody: “You’re not going to win, and it’s a lot of publicity sometimes, makes the newspapers. Ignore them and they will just go away. If you persist, you lose your case and get in F.3d.”¹⁶⁷

There really is no way to determine how frequently markholders send cease-and-desist letters and how often they decide to tolerate parody instead. Nor is there any measure for how often snarky comics avoid mocking marks for fear of liability. What can be said definitively is this: demands happen much, much more often than lawsuits.¹⁶⁸

All of this informal settlement activity occurs, as the saying goes, in the shadow of the law.¹⁶⁹ The existence and strength of legal rights and

163. See Dogan & Lemley, *supra* note 44, at 488 (“Even if the law could guarantee the right result at trial, many parodists are small companies without the will or resources to fight a case all the way to trial. Many will cave in and abandon their parodies rather than hire a lawyer.”).

164. Gallagher, *supra* note 154, at 486. The interviewee then reported that eventually the adversary “gave up.” *Id.*

165. It’s a pretty hilarious parody. See SumOfUs, *A Cheesy Love Story - The Ad Doritos Don’t Want You to See*, YOUTUBE (Jan. 11, 2015), <https://www.youtube.com/watch?v=VPlxNhEc2IA>.

166. See E.J. Schultz, *Parody Ad: Doritos Addiction Leads to Rain-Forest Destruction*, ADVERTISING AGE (Jan. 15, 2015), <http://adage.com/article/see-the-spot/parody-doritos-ad-targets-pepsico-s-palm-oil-policies/296626>.

167. Gallagher, *supra* note 154, at 473.

168. See *id.* at 481–85 (describing the art of “demand letter lawyering” in IP cases); Grinvald, *Policing*, *supra* note 155 (describing how often trademark attorneys use cease-and-desist letters).

169. See generally Robert Cooter et al., *Bargaining in the Shadow of the Law: A Testable Model of Strategic Behavior*, 11 J. LEGAL STUD. 225 (1982).

remedies profoundly influence the relative leverage of parties as they seek to resolve disputes without judicial intervention. Certainly, other considerations such as legal costs and risk tolerance also influence parties' approach to settlement in a dispute of any kind, from trademarks to trespass.¹⁷⁰ Those factors can be especially significant in parody situations because many parodists will be less sanguine about both costs and risk than many markholders.¹⁷¹ Attorneys also bring their own experiences and biases to their prediction of likely outcomes, and therefore to their assessments of pre-litigation maneuvering.¹⁷² Nevertheless, appraisals of a case's probable strength are crucial. This may be even more so in trademark parody suits, which ordinarily will seek preliminary injunctive relief,¹⁷³ making that very prediction about likelihood of success a linchpin of the applicable legal standard.¹⁷⁴

In parody disputes, the ability to assess likely outcomes often will be unequal between markholders represented by experienced trademark counsel and parodists who may be unrepresented or advised by lawyers who do not specialize in trademark law.¹⁷⁵ It is possible for generalist lawyers to go through all the trademark parody cases, count them up, and reach the same conclusion I did in Part II. In the real world, however, they aren't going to undertake that type of detailed legal research in an unfamiliar area lightly. They are more likely to peruse secondary sources for a quick take on the chances of defending the parody. When they do, they will find repeated characterizations of trademark parody as a problem that needs solving, or of judges frequently ruling against parodists in trademark cases.

As scholars, we should not contribute to a narrative that is both inaccurate and damaging. When commentators regularly reinforce the false impression that courts are tough on trademark parody, parodists and their attorneys may be forgiven for believing them. Markholders

170. See PRENTISS COX & LAURA THOMAS, *LAW IN PRACTICE* 80–87 (2013).

171. See McGeveran, *Reform Act*, *supra* note 84, at 2276–78.

172. See Jane Goodman-Delahunty et al., *Insightful or Wishful: Lawyers' Ability to Predict Case Outcomes*, 16 *PSYCHOL. PUB. POL'Y & L.* 133 (2010).

173. J. Thomas McCarthy, *Are Preliminary Injunctions Against Trademark Infringement Getting Harder to Achieve?*, 14 *INTELL. PROP. L. BULL.* 1, 4 (2009) (arguing that despite recent Supreme Court rulings making it more difficult to receive injunctions, trademark cases are distinguishable and plaintiffs will continue to be entitled to preliminary injunctions).

174. See *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 145–46 (2d Cir. 2003) (reversing district court's denial of preliminary injunction because nearly all of the likelihood of confusion factors weighed in favor of the plaintiff and plaintiff thus showed a likelihood of success on the merits).

175. For a helpful general discussion of cases involving such asymmetry, see Robert G. Bone, *Modeling Frivolous Suits*, 145 *U. PA. L. REV.* 519, 542–50 (1997).

may rely on commentators' repeated invocation of dated cases and rhetoric to support claims that their trademark rights are broader than the courts actually recognize. Distorting the actual treatment of parody in the law emboldens markholders to enforce their marks against parodies and discourages parodists from resisting those efforts. In the end, this exacerbates the true problem by making pre-litigation demands against legitimate trademark parodies even more effective.

Not only do inaccurate portrayals of parody outcomes perpetuate misinformation, they can also distract reform efforts. The types of responses that would address the real problems of demand letters and administrative costs are not the same ones that would increase accuracy of results. "Fast lanes" for unlicensed uses of trademarks with significant social utility address the real problem.¹⁷⁶ To preserve the speech value of parody,¹⁷⁷ defensive doctrines that allow legitimate parodists to quickly escape from liability—whether constructed as an affirmative defense, a presumption, or some other civil procedure mechanism—would be the most beneficial. They might not increase accuracy, and they could even decrease it slightly, but they would help parodists faced with a demand letter. A response to the markholder's threats will be stronger when "a defendant can cite a simple rule and assert that it decimates the plaintiff's claim."¹⁷⁸ In addition, reducing the threat of costly and burdensome litigation significantly reduces the in terrorem effect of cease-and-desist letters.

Unfortunately, attributes of parody cases can make it difficult to tailor special fast-lane doctrines for them. First, as discussed above, the threshold identification of a "parodic character" is challenging.¹⁷⁹ Even if that difficulty can be overcome, *Campbell* shows us that the inherent complexity of parody cases and the danger of cream-skimming requires a fine-grained and fact-intensive analysis.¹⁸⁰ Reducing risk of error in this analysis inevitably will increase administrative costs, not reduce

176. See generally William McGeeveran, *Life in the Fast Lane: Of Presumptions, Defenses, and Burdens*, 1 IP THEORY 25 (2010) [hereinafter McGeeveran, *Fast Lane*], available at <http://www.repository.law.indiana.edu/ipt/vol1/iss1/2>.

177. See *supra* Part I.A.

178. McGeeveran, *Reform Act*, *supra* note 84, at 2279.

179. See Dogan & Lemley, *supra* note 44; McGeeveran, *Fast Lane*, *supra* note 176, at 26 ("[T]he definition of eligibility for the fast lane must be quite clear . . . Without such simplicity, the efficiency of a fast lane is lost in determining who belongs there."); *supra* notes 39–43 and accompanying text.

180. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 581 (1994) ("The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line.").

them. This will further discourage trademark parody defendants from standing their ground because it will inflate the expense of litigation. It will also make responses to cease-and-desist letters less confident, not more so. The next Part discusses some broader reform approaches that would protect most parodies with minimal litigation cost. Rather than striving to achieve perfect accuracy, parody doctrine is best served by a range of approaches designed to improve efficiency. Furthermore, because of the special difficulties involved in parody cases, defensive doctrines will be more efficient if they cover a broader array of expressive and other socially valuable uses that include parody.

IV. RESPONSES TO THE REAL TRADEMARK PARODY CRISIS

This final Part considers changes in the doctrine of trademark parody that might address the real problems identified above—those arising from threats of litigation rather than actual lawsuits.

To do so, let us begin once more with *Campbell*. At the outset, remember that *Campbell* itself did not craft any new copyright rules, or carve out any special treatment of parody as a unique category of its own. The Court merely reaffirmed the value of parody and then provided guidance for applying the existing fair use test under Section 107.¹⁸¹ In the same way, trademark law can address parody with existing tools rather than inventing something special for parody alone. Second, recall that the social value of parody derives from its speech content.¹⁸² Parody is a form of commentary that allows salient observations about the powerful branding symbolism anchored in trademarks. If markholders can prevent such critique, then they can abuse the power of their limited legal monopoly to stymie expression of alternative views.¹⁸³ It is this societal value of parody that must be preserved. Finally, consider again the differences in animating purposes of copyright and trademark law and how they play out in *Campbell*. Parody is simultaneously a greater threat to copyright's purposes than to trademark's purposes, and also a bigger vindication of those purposes in copyright than in trademark.¹⁸⁴

I have warned before that we should not strive for a single perfect test

181. *See id.* at 578–93; 17 U.S.C. § 107 (2012).

182. *See supra* Part I.A.

183. *See Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002) (“[T]he trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function.”); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987) (“Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.”).

184. *See supra* notes 67–77 and accompanying text.

to identify and protect uses of trademarks that serve speech interests.¹⁸⁵ Instead, I have advocated for these types of expressive uses to

move through a sequence of successively more complicated tests. One can picture these tests as a series of nets inserted in a stream—the first and most porous might catch only the largest fish, the second might have narrower holes to capture smaller ones, and then the third would stop even tiny minnows.¹⁸⁶

This same recommendation applies even more strongly to the narrower example of parody within the broader realm of expressive uses. A single one-size-fits-all parody defense is not possible or desirable. A series of increasingly rigorous tests will catch successively more legitimate parodies, but require successively more effort and administrative costs.¹⁸⁷

The first net should apply exemptions to certain types of materials. In the past I have proposed a safe harbor for trademarks appearing within communicative works such as books, films, newspapers, magazines, websites, musical compositions, and video games.¹⁸⁸ Likelihood of consumer confusion in this situation is very low; any confusion that does occur would be an amorphous association with the mark rather than the direct risk of passing off that lies at the core of trademark law.¹⁸⁹ Avoiding this type of attenuated confusion should not be the primary aim of trademark law.¹⁹⁰ The risks of “cream-skimming” are remote—

185. See, e.g., McGeeveran & McKenna, *supra* note 69.

186. McGeeveran, *Reform Act*, *supra* note 84, at 2299.

187. Copyright law, for example, relies on multiple tests of differing specificity to determine whether a work may be protected from infringement liability that might otherwise apply. Many provisions of the Copyright Act protect narrowly defined uses of a copyrighted work. See 17 U.S.C. §§ 108–122 (2012) (granting defenses for certain works in noncommercial broadcasting, allowing reproduction of works for blind or other people with disabilities, and more). To take one example, Section 108 authorizes libraries to make one copy of a phonorecord where the reproduction is done without commercial advantage, the library is open to the public, and the reproduction includes a notice of the copyright. *Id.* § 108(a). If none of these specific exceptions applies, there may still be a fair use defense, of course. See *id.* § 107; *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994). Contract defenses operate in the same manner. For example, a defendant may escape liability under the statute of frauds. See, e.g., *Dynegy, Inc. v. Yates*, 422 S.W.3d 638, 643 (Tex. 2013), *reh'g denied* (Mar. 21, 2014). In cases where the statute of frauds does not apply, a defendant may assert other broader defenses, including more fact-intensive equitable ones such as unconscionability. See, e.g., *Rent-A-Ctr., W., Inc. v. Jackson*, 561 U.S. 63, 68 (2010).

188. See McGeeveran, *Reform Act*, *supra* note 84, at 2307–12.

189. See McGeeveran & McKenna, *supra* note 69; Lemley & McKenna, *supra* note 9.

190. See Lemley & McKenna, *supra* note 9, at 448; Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 408 (1999); McGeeveran & McKenna, *supra* note 69, at 255; Rebecca Tushnet, *Running the Gamut from A to B: Federal Trademark and False Advertising Law*, 159 U. PA. L. REV. 1305, 1317–18 (2011).

that is to say, the worst that could happen is that consumers believe Pepsi somehow approves of a movie in which a character drinks it, not that they mistakenly bought Popsi when they meant to buy Pepsi.

The sorting needed to determine eligibility for this safe harbor would be relatively straightforward. A court would ask whether the work fit within a defined category of communicative works. This initial determination would be considerably easier than identifying the presence of parody at the outset of a case.¹⁹¹ The line would depend on the type of work, not the type of humor. As a result, it would impose much lower administrative costs on defendants than any parody-specific defensive doctrine could. It would also offer an extremely simple and clear response to any cease-and-desist threats: If the work is covered by the exemption, the markholder has no claim.¹⁹²

Many parodies would be protected by a safe harbor for communicative works. Most are uses of a mark that ultimately would prevail in court anyway after more complex analysis. The photographs and song mocking Barbie dolls, the book parodying Cliffs Notes, and the pornographic L.L. Bean imitation¹⁹³—all could have been resolved efficiently and early using this broad and highly simplified rationale. Blog posts such as the one about the NAACP in the *Radiance* case would be categorically exempt as well.¹⁹⁴ Confusion perceived by the court in *Radiance* was not trademark-oriented confusion about the source or the affiliation of Bomberger’s articles, but was confusion about (it seems) the opinions of the NAACP. If the defendants had instead asserted on their blog, “the NAACP wants to promote abortions,” then the organization would suffer exactly the same alleged injury—an asserted distortion of its views—without any trademark claim. Indeed, since this is a political opinion rather than a false statement of fact, it is difficult to imagine any other grounds for

191. See *supra* notes 39–43, 179, and accompanying text (discussing difficulty of threshold determination of “parodic character” in trademark law).

192. A comparable safe harbor can be found in the law’s immunization of internet intermediaries from liability for user-generated content. See 47 U.S.C. § 230 (2012); McGeeveran, *Fast Lane*, *supra* note 176, at 25–26.

193. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (photographs of BARBIE dolls); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (song about BARBIE); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490 (2d Cir. 1989) (book parodying Cliffs Notes study guides); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987) (pornographic magazine parodying L.L. BEAN).

194. See *supra* 128–144 and accompanying text (discussing *Radiance Found., Inc. v. NAACP*, 25 F. Supp. 3d 865 (E.D. Va. 2014)).

liability.¹⁹⁵ In other words, uses in communicative works are so unlikely to cause core trademark injury that they should be set aside. Many statements enjoying this categorical immunity will be parodies.

Even without a full safe harbor like this proposal, several existing defensive doctrines encompass parodies. In particular, the standard from *Rogers v. Grimaldi* has become increasingly widespread and robust over time.¹⁹⁶ As expressed by the Ninth Circuit, the test now says:

An artistic work's use of a trademark that otherwise would violate the Lanham Act is not actionable unless the use of the mark has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless it explicitly misleads as to the source or the content of the work.¹⁹⁷

That court went on to emphasize that the first prong protected uses unless they had “no artistic relevance to the underlying work whatsoever. . . . In other words, the level of relevance merely must be above zero.”¹⁹⁸ Likewise, few cases have found any aspect of a use “explicitly misleading,” as might occur if the fictional film that evoked Ginger Rogers had instead called itself her “True Life Story.”¹⁹⁹ This reading of *Rogers* comes close to a categorical exclusion. While it is not quite as clean or efficient an analysis as an exemption would be, the

195. See RESTATEMENT (SECOND) OF TORTS §§ 525, 558 (1977) (requiring proof of falsehood, not merely confusion, in defamation claims); *New York Times Co. v. Sullivan*, 376 U.S. 254, 279–80 (1964) (establishing the actual malice standard for defamation concerning matters of public concern, which effectively requires a showing equivalent to knowledge of falsity or recklessness about falsity); 281 *Care Comm. v. Arneson*, 766 F.3d 774, 795 (8th Cir. 2014), *cert. denied*, No. 14-779, 2015 WL 1280248 (Mar. 23, 2015) (strongly suggesting that a statute prohibiting false statements in political campaigns is unconstitutional).

196. See McGeeveran & McKenna, *supra* note 69, at 289–90; Kerry L. Timbers & Julia Huston, *The ‘Artistic Relevance Test’ Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution*, 93 TRADEMARK REP. 1278, 1291–300 (2003) (noting spread of *Rogers* artistic relevance test); Daniel Jacob Wright, *Explicitly Explicit: The Rogers Test and the Ninth Circuit*, 21 J. INTEL. PROP. L. 193, 203 (2013) (noting adoption of some form of the *Rogers* test in the Second, Fifth, Sixth, Ninth, and Eleventh Circuits); see also *Radiance Found., Inc. v. NAACP*, No. 14-1568, 2015 WL 2372675, at *10 (4th Cir. May 19, 2015) (using *Rogers* test in recent decision).

197. *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008) (quoting *MCA Records*, 296 F.3d at 902; *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)). For a more recent district court opinion applying this *Rogers/MCA* framework capaciously, see *Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc.*, No. 14-CV-02361-RS, 2014 WL 6655844, at *6 (N.D. Cal. Nov. 24, 2014).

198. *Rock Star Videos*, 547 F.3d at 1100 (emphasis in original) (internal quotations omitted).

199. *Rogers*, 875 F.2d at 1000; see also *Univ. of Ala. v. New Life Art, Inc.*, 683 F.3d 1266, 1278–79 (11th Cir. 2012). *But see* *Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883, 888 (N.D. Cal. 2010) (conflating “explicitly misleading” prong of *Rogers* with broader analysis for likelihood of confusion and denying summary judgment on that basis).

emerging “more than zero artistic relevance” rule definitely reduces administrative costs.²⁰⁰ It can be determined early in a case, and it can be used as a response to demand letters. Once again, many parodies can benefit from this doctrine.

Consider, for example, a district court’s 1998 injunction against using “Dairy Queens” as the title for a black comedy about a teen beauty pageant in a small Minnesota town.²⁰¹ A court facing these facts today, if it applied the *Rogers* test as articulated by the Ninth Circuit, would rule for the defendants easily.²⁰² Furthermore, although this use of the DAIRY QUEEN trademark could be seen as satire rather than parody, the *Rogers* framework would allow the court to sidestep this complex but irrelevant determination and move efficiently to the core speech-related interests in the movie title.

Other existing doctrines besides the artistic relevance test could also allow for reasonably efficient resolution. One of the parody losses noted above, *Deere & Co. v. MTD Products, Inc.*,²⁰³ involved an advertisement that ridiculed a rival company’s logo and brand image.²⁰⁴ This case was decided under state dilution law the same year as *Campbell*. In the decades since, federal dilution law has incorporated a provision inoculating comparative advertising,²⁰⁵ which would fit these facts well and might have influenced a judge to read parallel state law more strictly.²⁰⁶ By setting aside all comparative advertising in dilution cases, the federal statute effectively creates a safe harbor for parody used in such advertising.

Other parodies are not contained within neat identifiable categories like communicative works or comparative advertising, but still seem to fall outside the traditional purposes of trademark protection. The

200. Compare, for example, a proposal by Pratheepan Gulasekaram to rely on an older understanding of *Rogers* that would require complex confusion analysis, and potentially would even find a case like *Dallas Cowboys* noninfringing because of similarity between the parody and original. See Pratheepan Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 WASH. L. REV. 887, 928 (2005).

201. See *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998). If you have ever been to the Minnesota State Fair, as this author has many times, you know the strong connection between dairy and beauty queens around here.

202. Instead, the district court repeatedly cited more outmoded Eighth Circuit precedent like the “Michelob Oily” and “Mutant of Omaha” cases. See *supra* note 122 and accompanying text.

203. 41 F.3d 39 (2d Cir. 1994).

204. *Id.*

205. 15 U.S.C. § 1125(c)(3)(A)(1) (2012).

206. *Cf. Universal Commc’n Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 425 (1st Cir. 2007) (interpreting a state dilution statute narrowly to avoid overly broad restrictions on speech).

nominative use doctrine,²⁰⁷ while a more involved determination than these others, has also been applied to terminate litigation early²⁰⁸ and could be another mechanism—one of the later nets—to protect parody with relatively low administrative costs compared to full consideration of the multifactor test for likelihood of confusion.

Tougher cases arise when parodies have conventional commercial characteristics of their own. Dogan and Lemley differentiate between a “traditional” parody that “makes fun of a trademark without adopting it as a brand,”²⁰⁹ and newer forms of “brand parodies” that “serve as brands, logos, or taglines for commercial products.”²¹⁰ I do not think these two groups can be divided from one another as cleanly as the authors assume. But their observation raises the important point that sometimes parodies, like the “Chewy Vuiton” dog toy, are also engaged in directly commercial activity of their own alongside any speech character of their parody.²¹¹ How can the law handle these?

Disputes over parodies outside of categories like communicative works cannot always be resolved simply. The risk of cream-skimming grows somewhat because trademarks used in other settings might be more likely to cause Popsi-style core confusion.²¹² Even here, however, the main risk of such passing off arises when the parody is used to compete with the original.²¹³ Absent such direct competition, the harm is more likely to be the relatively more peripheral injury caused when consumers erroneously associate the mark with the parody. In light of the strong speech interests at stake, trademark law should not necessarily intervene in such situations.²¹⁴ In these circumstances, as Dogan and

207. See *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010); *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308–09 (9th Cir. 1992).

208. See, e.g., *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 812 (9th Cir. 2003) (affirming summary judgment for nominative use defense); *New Kids on the Block*, 971 F.2d at 302 (same).

209. Dogan & Lemley, *supra* note 44, at 477. Like myself, they point to doctrines such as statutory dilution exceptions, nominative use, and the *Rogers v. Grimaldi* test as responses to these forms of parody. See *id.* at 477–81.

210. *Id.* at 484.

211. *Id.*

212. See McGeeveran, *Reform Act*, *supra* note 84, at 2318 (“[W]hile parody might be the quintessential fair use scenario, in situations beyond communicative works it raises complex issues that cannot be resolved with a categorical rule.”).

213. See *supra* notes 113–121 and accompanying text (discussing instances like *Harley Davidson v. Grotanelli* and the “Buttwiper” case where direct competitors’ parody defenses were not successful).

214. See McGeeveran & McKenna, *supra* note 69, at 275–77 (“[E]ven when consumer confusion does cause relevant injury, intervening to prevent it may do more harm than good for the broader

Lemley suggest, “given the value of even non-parodic but expressive uses, such as satire, small amounts of confusion should not justify an injunction.”²¹⁵

Even when a parody cannot be adjudicated based on clearly defined safe harbors or through doctrines such as artistic relevance or nominative use, at least courts can streamline analysis of confusion. As Mark McKenna and I recently argued, “confusion isn’t everything” in trademark doctrine, notwithstanding the tendency of many courts and lawyers to assume it is.²¹⁶ Trademark law respects communication interests inherent in some uses of trademarks, and these certainly include parodies. We showed how the inherent flexibility and common-law roots of the likelihood of confusion standard allow courts to give different treatment to different types of confusion caused in particular scenarios like parody.²¹⁷

Thus, where other defensive doctrines do not exist or do not apply, courts that have discerned a “parodic character” in the defendant’s use should demand proof of core passing-off confusion, not more attenuated forms such as confusion over affiliation or momentary initial-interest confusion.²¹⁸ By differentiating between these *types* of confusion, courts can simplify parody cases.²¹⁹ Some direct competitors whose supposed parodies fall outside of expressive works might be found liable under this approach. As noted previously, however, there is some legitimate risk of phony parodies that deserve to lose because they are indeed engaged in passing off, and this is just where they would be found. If

policy interests in fair competition or open communication that caused us to care about confusion in the first place.”).

215. Dogan & Lemley, *supra* note 44, at 511; *see also id.* at 511–12 (discussing limitations on remedies more generally).

216. *See* McGeeveran & McKenna, *supra* note 69, at 254–56.

217. *See id.* at 300 (“Some types of confusion are simply unlikely to lead to any real harm at all. Even where confusion might lead to some articulable harm, it might be a variety of harm that trademark law should not address—or at least not in situations where other values point in the opposite direction. Better differentiation between types of confusion should free courts to ignore some of it altogether where warranted by the importance of other values.”).

218. *See, e.g.,* Playboy Enters., Inc. v. Netscape Commc’ns Corp., 354 F.3d 1020, 1026 (9th Cir. 2004); Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036, 1062 (9th Cir. 1999) (embracing a specialized test for “initial interest confusion”); Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331, 1341–42 (2d Cir. 1975); Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 CARDOZO L. REV. 105 (2005).

219. Simon’s reform proposal has a similar aim of identifying risks of core passing-off confusion caused by direct competitors, but the complex structure of his “presumption-infusion” test, with multiple elements connected to a rebuttable presumption, is aimed at accuracy not efficiency. *See* Simon, *supra* note 26, at 1078–85.

Harley-Davidson could show that the defendant's repair shop passed itself off as a Harley-Davidson service,²²⁰ or Budweiser could prove that consumers actually thought the "Buttwiper" dog toy came from Budweiser,²²¹ a court might find these parodies infringing. This makes perfect sense based on our goals for parody doctrine. These are the parodies with the least appreciable speech content and the most commercial motivation to fend for themselves in litigation.

Requiring markholders to prove the nature of their injury more rigorously also responds to the lesson in *Campbell* that parody doctrine should relate to the central purposes of an intellectual property regime. Ultimately, trademark law aims to prevent unfair competition and it uses consumer confusion as a proxy to show where such unfairness may occur.²²² By focusing the confusion inquiry more narrowly on risks of passing off, courts would reduce administrative costs, influence the larger narrative about judicial respect for parody—and, by the way, increase protection for the parodies most likely to be legitimate and least likely to cause troubling trademark harms.

Finally, even in circumstances where a court believes a supposed parody presents some serious risk of core consumer confusion, the remedy may still be tailored narrowly to the asserted harm. Too often, courts in trademark cases with speech implications issue blanket injunctions rather than finding ways to allow socially beneficial speech while still addressing confusion.²²³ For instance, if a court required that the Buttwiper dog toy be sold in a package clearly labeled with words like "UNAUTHORIZED" and "PARODY," wouldn't that resolve any legitimate concerns about consumer confusion? This response requires that the parodist fight all the way through to an injunction and it will not reduce administrative costs of litigation directly. (That said, in cases where a supposed parody loses, we may wonder if it merited protection to begin with.) More notably, however, if courts demonstrated a tendency toward remedial modesty in parody cases, it might lend support to a commercial parodist who wants to respond to a demand letter by negotiating to add disclaimers or alter a parody in small ways instead of withdrawing it completely. The shadow of the law would encourage these parties to reach a settlement that preserved the

220. See *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999).

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

222. See *supra* notes 67–70 and accompanying text (discussing the limited purposes of trademark law and their contrast with the purposes of copyright law).

223. See *McGeveran & McKenna, supra* note 69, at 310–17 (discussing narrower possible remedies in speech-related trademark cases).

expressive value of parody for all of us consumers who receive it.

In combination, this series of nets would enable streamlined resolution of parody cases: categorical safe harbors, artistic relevance and nominative use tests, a more stringent definition of core passing-off confusion in cases involving speech such as parody, and more tailored remedies in the minority of cases where such confusion is likely. Since courts already decide these cases effectively, the aim should be helping them do so efficiently, thus reducing costs and giving parodists greater leverage against overreaching demand letters.

CONCLUSION

Although it was a copyright case, *Campbell v. Acuff-Rose Music, Inc.*, teaches valuable lessons for the treatment of parody in trademark law. First, *Campbell* emphatically confirms the expressive value of parody, no matter how crude or unsubtle some may find it. This lesson has resonated in decided trademark cases, where previous skeptical or hostile attitudes toward parodies of marks have disappeared almost entirely, and where parodists almost always prevail over markholders. Second, *Campbell* recognizes the difficulty in calibrating a careful parody test because of the risk that a post hoc parody justification could excuse IP infringement. In both copyright and trademark law, then, it is better to rely on broader defensive doctrines than to craft complex parody-specific rules.²²⁴ Third, *Campbell* preaches fidelity of parody-related defensive doctrines to the underlying purpose of an IP regime. Trademark law seeks to prevent consumer confusion about the provenance of goods in order to protect a fair and competitive marketplace and prevent passing off. Its parody doctrine should further those particular objectives.

Combining these three specific lessons together teaches us a broader one about parody in trademark law: We need to change the way we talk. We should claim victory in litigated parody cases. The first lesson of *Campbell* shows that it is not necessary to continue refining the perfect defensive doctrine in this area, while the second should warn us that doing so multiplies harmful and unnecessary complexity. The third lesson reassures us that true parodies do not threaten the core values trademarks are supposed to protect—and that the few ersatz parodies which do so are rightfully enjoyed.

224. *Campbell* applied the Copyright Act's fair use defense. *See id.* at 578–93; 17 U.S.C. § 107 (2012). As Part IV demonstrated, trademark law has a range of potential or existing broad defensive doctrines available.

By continuing to fret that contemporary trademark law mishandles parody, too many courts and commentators actually fuel a much greater problem. Judges get parody cases right, but parodists receiving cease-and-desist demands don't know this. They may realize, however, that some doctrines for handling parody, particularly the ordinary multifactor test for likelihood of confusion, impose high administrative costs. Let's redirect our energy toward the real crisis. We must further develop fast-lane defensive doctrines that reduce the burden of litigating parody cases as much as possible, such as safe harbors and a broad artistic relevance test. Meanwhile, we should shout the truth from the rooftops: Markholders who sue legitimate parodies lose. Their threats are empty.