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Permitted Use of Trademarks in the United States

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The U.S. Trademark Act has a single "fair use" provision allowing "descriptive uses" of registered trademarks. But US courts have created an expansive range of permitted usages designed to serve the underlying policy of the U.S. trademark law: to prevent unfair competition while encouraging vibrant fair competition. For this reason, the use of another's mark will be permitted—not only when the use is not likely to cause confusion as to source or sponsorship—but even when it does, when the use is necessary to promote real competition.

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1. Introduction

In the United States, legislative authority, including the authority to enact laws governing the use of patents, trademarks and copyrights, is limited by the Constitution. The so-called "intellectual property clause" of the U.S. Constitution[1] has been held to require a balancing of the rights of inventors and writers with those of other subsequent inventors and writers and the general public.[2] With respect to copyright, it does so by allowing the use of copyrighted works by others without permission of the copyright owners. These exceptions—"fair use"—to the copyright owners' exclusive rights are codified primarily in Section 107 of the 1976 Copyright Act.[3]

United States trademark law—codified in the Lanham Act—cannot technically be classified as "intellectual property" (although it frequently is) so it is not based on the "intellectual property clause" but on the Commerce Clause of the U.S. Constitution.[4] Its purpose is to regulate interstate and international commerce by preventing ***unfair*** competition resulting from confusing, misleading and/or deceptive use of trademarks. Unlike the U.S. Copyright Act, it does not contain a list of permitted "fair uses" of registered trademarks.[5] However, unlike the Copyright Act, the Lanham Act does not give the trademark holders[6] the "exclusive right" to use their trademarks, but merely the right to prevent others from using them in a manner which "is likely to cause confusion, or to cause mistake, or to deceive."[7] Thus, but omission, any use which is not confusing, misleading and/or deceptive should not prevented. Since the policy underlying the U.S. Trademark Act is to promote fair competition, even a use which may cause some confusion might be permitted to further competition.

This paper will discuss a range of non-confusing

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uses and a number of permitted, potentially confusing uses. It will conclude with a brief discussion of the non-confusion uses prohibited by the very expansive—and in the author's opinion—unwise and unnecessary anti-dilution provision of the Lanham Act.

2. Non-confusing Uses

The most prevalent type of non-infringing use by an unauthorized third person is, of course, a non-confusing use since traditional trademark law and policy only prevents the use of another's mark—or something arguable similar to it—which is "likely to cause confusion, or to cause mistake, or to deceive."[8] An absence of a likelihood of confusion can result when the alleged infringing mark is not sufficiently similar in sight, sound, or meaning to be confused with the protected mark in the mind of an ordinary consumer. In addition, even a mark that is similar in sight sound or meaning will not be prohibited if it is being used on a product or service—or in a market—different from those in which the objecting party has been using the mark.[9] For example, the use of the internationally known "Hershey bar" for advertising a new line of furniture was found to be a non-infringing use in *The Hershey Company v. Art Van Furniture, Inc.*[10]

Whether marks used on competing products are too similar to be permitted depends on a number of factors,[11] the most important of which is the apparent intent of the second user. The court examines whether the second user chose the name—particularly if it is a unique name for the product or service—to confuse the customers of the first user. Two cases illustrate the importance of intent.

Two manufacturers of pleasure boats adopted quite similar trademarks for their boats: Slickcraft by the first user and Sleekcraft by the second user.[12] Notwithstanding the obvious similarity of the words and the fact they were both used on similar products in similar markets, the Court of Appeals affirmed the District Court's refusal to prohibit the second user from continuing to use its mark. The primary justification was that the defendant had been unaware of the plaintiff's use of the Slickcraft mark when he adopted the Sleekcraft name and, therefore, he acted in good faith.

The second case involves the use of two quite different trademarks[13]—"Jellibeans" and "Lollipops"[14]—for skating rinks in Atlanta, Georgia.[15] In November 1979, Jellibeans, Inc. opened a roller rink in Atlanta, called named "Jellibeans." Its use of a candy name for its rink was unique among Atlanta roller rinks. The rink was a success from the outset. Defendant owned and operated a number of skating rinks in the Atlanta area—all were called "Skating Clubs" and named them after the communities in which they were located, e.g., South Cobb Skating Club. Soon after Jellibeans opened, the defendant decided to open a new skating rink to be called: "Lollipops Disco Roller Rink."

The trial court suspected Skating Clubs' intent, and found that it selected Lollipops "with the intent of confusing consumers with Jellibeans, Inc.'s successful mark, Jellibeans." The Court of Appeals upheld that decision[16] and found that the plaintiff had established "a likelihood of confusion" and, therefore, defendant was not permitted to use the allegedly similar trademark.

3. Confusing—or Potentially Confusing—Uses

A. Descriptive uses

Generic marks—words or phrases which are the commonly used terms to describe a particular product or service—are not protected under the Lanham Act, but words and phrases that are to some degree descriptive ***may*** be protected if they have acquired "secondary meaning." However, a word or phrase which has acquired "secondary meaning," e. g., is commonly recognized by purchasers to refer to a particular source of the goods and services, does not lose its descriptive character; it still can be used to describe the goods or services. If the trademark holder were allowed exclusive rights in such generic use, the competition might find it difficult to describe its goods and services to the public. The Lanham Act specifically recognizes a "fair use" defense where the mark is used only "to describe the goods or services of [a] party, or their geographic origin."[17] "The 'fairuse' defense, in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods."[18]

An example of the application of this type of "fair use," and an illustration of the role of "secondary meaning"[19] in determining the extent that a descriptive term[20] can be protected in the United States, can be found in ***Zatarain's Inc. v. Oak Grove Smokehouse, Inc.***[21] Zatarain's is the manufacturer and distributor of a wide variety of food products, including coatings or batter mixes used to fry foods. Two of these products, "Fish-Fri" and "Chick-Fri," are covered by registered U.S. trademarks. Zatarain's "Fish-Fri" consists of 100% corn flour and, not surprisingly, is used to fry fish and other seafood. "Chick-Fri" is a seasoned corn flour batter mix used for, again, not surprisingly, frying chicken and other foods.

Zatarain's products are not alone in the marketplace. At least four other companies market coatings for fried foods that are denominated "fish fry" or "chicken fry." One of them, Oak Grove Smokehouse, Inc., began marketing a "fish fry" and a "chicken fry" in March 1979. The packets are labeled with Oak Grove's name and emblem, along with the words "Fish Fry" or "Chicken Fry."

Zatarain's sued Oak Grove in 1979 alleging trademark infringement and unfair competition under the Lanham Act. The district court classified the term "Fish-Fri" as a descriptive term identifying a function of the product being sold, but found that it had acquired a secondary meaning in the New Orleans geographical area and therefore was entitled to trademark protection. However, the court concluded that the defendant was entitled to use the term "fish fry" to describe characteristics of its goods. The court similarly held that "Chick-Fri" was a descriptive term but that it had not acquired a secondary meaning in the minds of consumers. It dismissed the suit and ordered that the trademark registration of "Chick-Fri" should be cancelled. Zatarain's appealed.

On appeal, Zatarain's argued that the term "Fish-Fri" was a suggestive mark automatically protected from infringing. Oak Grove asserted that "fish fry" was a ***generic term*** identifying a class of foodstuffs used to fry fish; alternatively, that "fish fry" was merely descriptive of the characteristics of the product.

The Court of Appeals agreed that "Fish-Fri" was a descriptive term identifying a function of the product being sold:

> Whenever a word or phrase conveys an immediate idea of the qualities, characteristics, effect, purpose, or ingredients of a product or service, it is classified as descriptive and cannot be claimed as an exclusive trademark.

The Court turned to a standard English language dictionary for help as "the dictionary definition of the word is an appropriate and relevant indication of the ordinary significance and meaning of words' to the public." It found that Webster's Third New International Dictionary 858 (1966) lists the following definitions for the term "fish fry": "1. a picnic at which fish are caught, fried, and eaten; . . . . 2. fried fish." It concluded that the basic dictionary definitions of the term refer to the preparation and consumption of fried fish, "evidence that the term "Fish-Fri" is descriptive of Zatarain's product in the sense that the words naturally direct attention to the purpose or function of the product."

An alternative test used by U.S. courts to classify descriptive marks is to determine "whether competitors would be likely to need the terms used in the trademark in describing their products." The Court concluded that "common sense indicates that in this case merchants other than Zatarain's might find the term "fish fry" useful in describing their own particular batter mixes." It rejected the argument that Oak Grove could have chosen from dozens of other possible terms in naming their coating mix:

> As this court has held, the fact that a term is not the only or even the most common name for a product is not determinative, for there is no legal foundation that a product can be described in only one fashion. There are many edible fish in the sea, and as many ways to prepare them as there are varieties to be prepared. Even piscatorial gastronomes would agree, however, that frying is a form of preparation accepted virtually around the world, at restaurants starred and unstarred. The paucity of synonyms for the words "fish" and "fry" suggests that a merchant whose batter mix is specially spiced for frying fish is likely to find "fish fry" a useful term for describing his product.

But, descriptive terms may be protectable by trademark if the trademark holder, Zatarain's in this case, can establish that its mark, "Fish-Fri," has acquired a secondary meaning. Factors such as amount and manner of advertising, volume of sales, and length and manner of use may serve as circumstantial evidence relevant to the issue of secondary meaning.

The facts showed that since 1950, Zatarain's and its predecessor had continuously used the term "Fish-Fri" to identify this particular batter mix and through the expenditure of over $400,000 for advertising between 1976 and 1981, Zatarain's had promoted its name and its product to the buying public. From 1964 through 1979, Zatarain's sold almost one million cases of "Fish-Fri."

The court of appeals agreed with the district court that this evidence established a finding that Fish-Fri had acquired "secondary meaning."[22]

Notwithstanding the determination that Zatarain's term "Fish-Fri" is a valid trademark and is valid by virtue of having acquired a secondary meaning, the Court held that "Zatarain's has no legal claim to an exclusive right in the original, descriptive sense of the term and Oak Grove is still free to use the words 'fish fry' in their ordinary, descriptive sense, so long as such use will not tend to confuse customers as to the source of the goods."

Turning to "Chick-Fri," the court concluded it was at least as descriptive of the act of frying chicken as "Fish-Fri" is descriptive of frying fish and, therefore, had to be classified as a descriptive term. But, here the Court found that Zatarain's had not used Chick-Fri as long as it had used Fish-Fri and had not extensively promoted it in the market place, so it had failed to establish that Chick-Fri had acquired secondary meaning. Since a descriptive mark which has not acquired secondary meaning cannot be registered under U.S. law, the registration was ordered canceled.

From a "fair use" perspective, this decision seems to mean that a descriptive mark can be used by competitors for descriptive purposes regardless of whether or not the mark is a federally protected registered trademark.

A related situation occurs when two or more competitiors use a descriptive word as a component of their trademarks. ***ComponentOne, L. L. C. v. ComponentArt, Inc.***[23] is an excellent example. The two companies develop, sell, and provide support for users of reusable software tools designed to be integrated into larger software applications. Such "tools" are commonly referred to as "components." One company—ComponentOne—was formed in July 2000 when two companies merged, both of which were allegedly "top sellers" of components. The new company chose the name "ComponentOne" because it suggested "one source for ComponentOne's products." ComponentOne filed a trademark application in July 2000; it was registered without opposition in January 2003.

The firm now known as ComponentArt was also formed in 2000, originally under the name "Cyberakt Inc." It began developing components shortly thereafter. In the process of looking for a new name they researched competitors and potential competitors, including ComponentOne. They conducted a search of internet domain names and discovered that "componentart.com" was available. Cyberakt registered the "componentart. com" domain name in December 2002 and then changed their name to "ComponentArt." They claim to have chosen the name because it "signified the marriage of technology and creativity" because "Art" suggests creativity and uniqueness and "Component" identifies the company's core product.

Not surprisingly, ComponentOne eventually sued ComponentArt for trademark infringement.[24] In determining whether a likelihood of confusion existed, the trial court focused on the similarity of the parties' marks—"[t] he single most important factor in determining likelihood of confusion."[25] The court noted that when the parties are direct competitors, as they were in the case, "the degree of similarity required to prove a likelihood of confusion is less than in the case of dissimilar products."

Faced with what may have seemed an impossible task, defendant contended that when the common "component" of the two marks is a generic or descriptive term, the similarity is entitled to minimal weight in the court's analysis. The trial court agreed:

> "Component" is the common term used to describe the reusable software designed to be integrated into larger software applications that the parties manufacture, sell, and provide support services for and is therefore generic. ComponentOne concedes as much when it states, "'component' … is among the terms available to reference the products sold."

If a portion of a mark is generic, its presence

affects the analysis of whether a competitor's mark containing the same generic term is likely to create confusion and "the emphasis of enquiry should be upon the confusing similarity of the non-generic portion, with the ultimate issue determined by the confusing similarity of the total impression of both marks."[26] Thus, the Court will evaluate the similarity of the entire marks of the parties minimizing the effect of the common term "component." The court found that the remaining terms—"one" and "art"—are "obviously substantially dissimilar" in sight, sound and meaning.

After considering all other factors, the District Court granted ComponentArt's motion for summary judgment on ComponentOne's trademark infringement, unfair competition and false designation of origin claims.

There was a dispute among the lower federal courts as to whether a person asserting a fair use defense to an infringement claim had the burden of proving that the challenged use did not create a likelihood of confusion or whether the trademark holder had the burden of proving the existence of a likelihood of confusion. This disagreement seemed to mask an even more important issue—can a fair use defense be maintained even if some level of confusion is likely and, if so, what degree of confusion will be tolerated.

The U.S. Supreme Court answered the first question rather definitively in ***KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.***[27]—at least with respect to the sole statutory fair use defense—and seems to come close to answering the second question.

Lasting Impression registered the term "micro colors" and used it long enough without being challenged, for the mark to become "incontestable."[28] Lasting sued K.P. Permanent Make-Up for using the term. Because the mark had become "incontestable," K.P. could not challenge the validity of the mark,[29] but could—and did—contend that its use was a statutory "fair use" as it was using the term descriptively, not as a trademark, only to describe its products.[30] The district court sided with K.P. and Lasting appealed to the Ninth Circuit Court of Appeals.

Unlike other federal appellate courts, the Ninth Circuit requires anyone asserting a fair use defense to prove there was no likelihood of confusion in its use of the term. Here, the Panel found that there was likelihood of confusion and reversed the district court's ruling.

The Supreme Court—in a relatively rare quasi-unanimous decision[31]—held that a party raising the statutory affirmative defense of fair use to a claim of trademark infringement does not have a burden to negate any likelihood that the practice complained of will confuse consumers about the origin of the goods or services affected. The Court interpreted Section 1115 (b) as placing the burden of showing likelihood of confusion on the party charging infringement.

As to whether a finding that a likelihood of confusion would occur if the mark was used, Justice Souter remarked rather cryptically, "Congress said nothing about likelihood of confusion in setting out the elements of the fair use defense." He added in Footnote 4, "Not only that, but the failure to say anything about a defendant's burden on this point was almost certainly not an oversight, not after the House Subcommittee on Trademarks declined to forward a proposal to provide expressly as an element of the defense that a descriptive use be '[un] likely to deceive the public.'"[32]

Notwithstanding the disagreement over three of the footnotes, the entire court seemed to agree with the following statement in the Opinion:

> Since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, it follows (contrary to the Court of Appeal's view) that some possibility of consumer confusion must be compatible with fair use, and so it is. The common law's tolerance of a certain degree of confusion on the part of consumers followed from the very fact that in cases like this one an originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first. The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words. "If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase."
>
> (Citations omitted.)

Perhaps to make his position even clearer, Justice Souter added:

> While we thus recognize that mere risk of confusion will not rule out fair use, we think it would be improvident to go further in this case, for deciding anything more would take us beyond the Ninth Circuit's consideration of the subject. It suffices to realize that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair.
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> . . .
>
> Since we do not rule out the pertinence of the degree of consumer confusion under the fair use defense, we likewise do not pass upon the position of the United States, as amicus, that the "used fairly" requirement in § 1115 (b) (4) demands only that the descriptive term describe the goods accurately. Accuracy of course has to be a consideration in assessing fair use, but the proceedings in this case so far raise no occasion to evaluate some other concerns that courts might pick as relevant, quite apart from attention to confusion. The Restatement raises possibilities like commercial justification and the strength of the plaintiff's mark. Restatement § 28. As to them, it is enough to say here that the door is not closed.

B. Comparative Advertising

As was true with respect to the use of protectable descriptive marks, comparative advertising typically involves direct competition between the parties and the use of an identical mark. But in comparative advertising, the copied mark is not necessarily a "weak (descriptive) mark" used in a descriptive manner by, for example, changing "Fish-Fri®" to "fish fry" but often involves the use of a very strong and well-established mark (and even its appearance or "trade dress" in its original form), to compare one to the other:

In the United States, ***truthful*** comparative advertising is neither trademark infringement nor unfair competition.[33] As noted by the Third Circuit, "[t] he use of a competitor's trademark for purposes of comparative advertising is not trademark

Figure 1. Sample Comparative Advertisement

infringement 'so long as it does not contain misrepresentations or create a reasonable likelihood that purchasers will be confused as to the source, identity, or sponsorship of the advertiser's product.'"[34] U.S. courts have acknowledged the benefits of comparative advertising as a useful tool for consumers in making purchasing decisions.[35] Even the U.S. Federal Trade Commission endorses the use of comparative advertising:

> Comparative advertising, when truthful and nondeceptive, is a source of important information to consumers and assists them in making rational purchase decisions. Comparative advertising encourages product improvement and innovation, and can lead to lower prices in the marketplace.

While some courts tend to presume a near total lack of potential for confusion, others recognize the real risk and either consider it counterbalanced by the great benefit to consumers or require the advertiser to include a disclaimer indicating that the advertiser is not affiliated in any way with the manufactures of the competing product.[36]

C. Functional Use

1. Artistic Use

A descriptive use is only one situation when one makes an unauthorized use of another's mark as part of a "communicative message" and not as a source identifier. In such cases, some U.S. courts have found a fundamental conflict between the First Amendment to the U.S. Constitution[37] and the rights of trademark holders. In recognition of this potential conflict, the Second Circuit has construed the Lanham Act narrowly when the unauthorized use of the trademark is for the purpose of a communicative message, rather than identification of product origin. Thus, where the unauthorized use of a trademark is for expressive purposes of comedy, parody, allusion, criticism, news reporting, and commentary, the law requires a balancing of the rights of the trademark owner against the interests of free speech.

In *Rogers v. Grimaldi*,[38] the Second Circuit adopted a balancing test for trademark infringement in cases implicating artistic expression to accommodate these dual interests: "[T] he [Lanham] Act should be construed to apply to

artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. … It insulates from restriction titles with at least minimal artistic relevance that are ambiguous or only implicitly misleading but leaves vulnerable to claims of deception titles that are explicitly misleading as to source or content, or that have *no artistic relevance at all.*"[39]

In the case mentioned above, Ginger Rogers (half of the immortal dance and film team of Ginger Rogers and Fred Astaire) claimed a film's title—"Ginger and Fred"—would suggest that the film was about them or, at a minimum, was approved by them. In truth, the movie, directed by Frederico Fellini, was not about them, but about two Italian cabaret dancers who dreamed of becoming as famous as Ginger Rogers and Fred Astaire.

There can be little doubt that the movie title "Ginger and Fred" was highly susceptible to consumer confusion. Many consumers may have assumed that the movie was in fact an authorized story of Ginger Rogers and Fred Astaire. Nothing about the title indicated that it was otherwise. Nevertheless, the court found that the First Amendment interests prevailed.[40] The title was not a coincidence; Fellini admitted that he selected the film's name intending to evoke the aura of Fred and Ginger's artistic expression and that the reference to them was essential to his filmic vision.

Since the use of their names had a great deal of artistic relevance and there was nothing else which suggested any sponsorship by them, the Court held that the use was protected by the First Amendment.

The Rogers test was subsequently used to uphold a visual artist's right to incorporate trademarks into realistic paintings of a racetrack in *New York Racing Ass'n v. Perlmutter Publishing.*[41] The court held that "the use of Plaintiff's marks in reproductions of paintings that depict scenes where the mark actually appears in the scene depicted, serves an artistically relevant purpose (realism), while the need to avoid consumer confusion in this case is *de minimis.*" The court noted, however, that it might have ruled against the artist if the artist's paintings depicted a "mark [that] does not actually exist in the scene depicted."[42]

2. Aesthetic Functionality

Generic words and functional designs are not registrable[43] and—at least in theory—free for all to use. Indeed, the U.S. Supreme Court has made it clear that a feature which is or was protected by a U.S. utility patent cannot serve as protected trade dress even if it has acquired secondary meaning and even if there are alternative shapes or designs available to competitors.[44] However, some courts have been willing to extend "functional fair use" beyond designs that are technically function to include shapes and designs—and even words and logos—that are aesthetically functional.

The Ninth Circuit addressed this issue more than twenty years ago in *International Order of Job's Daughters v. Lindeburg and Co.*[45] when it held that a jewelry manufacturer who incorporated a fraternal organization's emblem[46] in the design of rings which it sold in direct competition with jewelry manufacturers who had received a license to sell jewelry incorporating the fraternal crest was not guilty of trademark infringement where there was no showing that any customer was misled about origin, sponsorship or endorsement of jewelry. The court explained:

> In general, trademark law is concerned only with identification of the maker, sponsor, or endorser of the product so as to avoid confusing consumers. Trademark law does not prevent a person from copying so-called "functional" features of a product which constitute the actual benefit that the consumer wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored, or endorsed a product.[47]

The decision represented an expansion of a prior holding where the Ninth Circuit held that the design and appearance of table ware—china and silver—were functional" and could not serve as a protectable trademark since the name "Job's Daughters" and the Job's Daughters insignia are used to identify the organization, and members of Job's Daughters wear the jewelry to identify themselves as members. The court seemed to acknowledge a name or an insignia or logo could have dual purposes: one as a protectable trademark and another as a functional feature:

> In [the first] context, the insignia are trademarks of Job's Daughters. But in the context of this case, the name and emblem are functional aesthetic components of the jewelry, in that they are being merchandised on the basis of their intrinsic value, not as a designation of origin or sponsorship.
>
> It is not uncommon for a name or emblem that serves in one context as a collective mark or trademark also to be merchandised for its own intrinsic utility to consumers. We commonly identify ourselves by displaying emblems expressing allegiances. Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverages we imbibe. Although these inscriptions frequently include names and emblems that are also used as collective marks or trademarks, it would be naive to conclude that the name or emblem is desired because consumers believe that the product somehow originated with or was sponsored by the organization the name or emblem signifies.

One of the members of the U.S. Court of Appeals for the Ninth Circuit, while serving as a trial judge, took this analysis a step further—possibly a big step further.

In one of his most controversial decisions, the always controversial Judge Alex Kozinski held that competitors could, without authorization, use the trademarks of automobile manufacturers—names as well as logos—on their competing products. The case, ***Plasticolor Molded Products v. Ford Motor Co***.[48] involved a small California manufacturer of replacement floor mats. The company apparently believed that it could sell more floor mats if they included the names of the cars or trucks the mats would be used in (Ford, Mustang, etc.) on the visible portion of the mats—as the original mats generally do.

The court recognized that the word and logos used without permission by the defendant were protectable trademarks:

> Ford has long used various arbitrary and distinctive marks to identify its products, including FORD, AEROSTAR, BRONCO, CAPRI, COUGAR, COURIER, ESCORT, EXP, FIESTA, LYNX, MERCURY, MUSTANG, PINTO, RANGER, TEMPO, THUNDERBIRD, and TOPAZ, as well as certain pictorial designs,

among them the Mustang "running horse" and Thunderbird symbols.[49] Through Ford's long and extensive use of these trademarks, they have acquired a secondary meaning signifying Ford and its products, and have acquired substantial good will that increases Ford's recognition and the attractiveness of its products to consumers.

Ford has attempted to protect its trademarks through federal trademark registration. It owns federal registrations for the FORD trademark for a variety of automotive products, including a 1929 registration for floor mats. Ford has also registered its BRONCO, CAPRI, COUGAR, COURIER, FIESTA, MERCURY, PINTO, RANGER, and THUNDERBIRD trademarks; these registrations have become incontestable and are conclusive evidence of Ford's exclusive rights to the marks. Ford has also registered its Mustang and Thunderbird designs.

But Judge Kozinski concluded these marks had dual functions:

The Ford trademarks on Plasticolor's floor mats serve two purposes. On one hand, a purchaser could reasonably interpret the marks as source-identifiers, as indicating that Ford has either manufactured or authorized production of the mats. On the other hand, a purchaser could reasonably consider the marks to be functional elements, designed to help the mats contribute to a harmonious ensemble of accessories and decorate the interior of a car.[50]

It was this dual function that troubled Judge Kozinski: "If the marks were ***solely source-identifiers or solely functional elements***, there would be an existing body of law to apply in ruling on the motions for summary judgment." The dual nature of the marks could, in his view, be resolved in a number of ways:

1. Find that the source-identifying aspects of the feature trump the functional aspects, and simply apply the standard law of trademark infringement.

2. Find the opposite, and hold that the feature is unprotected from copying

3. Attempt to find an appropriate middle ground.

Not surprisingly, he chose the third option.

To do so, he had to "reconcile two principles that often pull in opposite directions. The Lanham Act requires that we protect trademark registrants from confusion as to source or sponsorship, to the greatest extent consistent with the functionality doctrine. The functionality doctrine requires that we permit the copying of functional features to the greatest extent consistent with the Lanham Act."

He did not see a real problem at "point of sale," which he viewed as the main purpose of trademark usage:

There need be no conflict between the two principles at the point of sale. The functional use of a trademark does not preclude a clear indication at the point of sale (in the form of a label, packaging, or other identification easily removed or concealed by the consumer) that the product is not manufactured or sponsored by the registrant. Floor mat purchasers can fully enjoy the functional use

of a FORD floor mat even though the mat bears a removable notice disclaiming any affiliation with the Ford Motor Company.

His conclusion was that "the mixed use of a trademark constitutes infringement where the likelihood of confusion exists as to source or sponsorship at the point of sale, or where the alleged infringer has not taken reasonable steps to eliminate the likelihood of confusion after the sale."

While concluding that the case could not be decided as a matter of law [i.e. without the jury as generally required in such law suits], he seemed to suggest that the disclaimer used by the defendant might be considered sufficient: "Plasticolor has affixed disclaimers to the underside of the mats, so that the disclaimers are not visible while the mats are in ordinary use. Anyone inspecting the mats' underside, however, would easily be able to see the disclaimer." (Emphasis added.)

His "bottom line" seems to be that the desirability of public use of the trademark as an adornment to the product and not necessarily as an indicator of source or sponsorship of the product—whether an automobile car mat or a replica baseball team jerseys—justifies its unauthorized use provided that the manufacture takes reasonable steps to prevent "source confusion" at point of sale.

The Ninth Circuit Court of Appeals eventually repudiated that view in *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*,[51] which involved the unauthorized use the VW trademark on key chains and license plate covers. The three judge panel concluded that such a "use distorts both basic principles of trademark law and the doctrine of functionality in particular."

3. Parody

The Second Circuit later extended application of Rogers to parody cases in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group*.[52] *Cliffs Notes* involved a parody of the popular Cliffs Notes study guides entitled "Spy Notes," created by Spy magazine in conjunction with a publishing company. The idea behind Spy Notes was to create a double parody. First, Spy Notes would poke fun at certain novels and then satirize Cliffs Notes by creating "study guides" for the parodies. Defendant admitted that it copied prominent features of plaintiff's trademarked cover design, and contended that the copying was done for purposes of humor.[53]

The Second Circuit concluded that "the Rogers balancing approach is generally applicable to Lanham Act claims against works of artistic expression, a category that includes parody" and found the Spy Notes parody raised only a slight risk of consumer confusion that was outweighed by the public interest in free expression.

The U.S. Court of Appeals for the Ninth Circuit first adopted the *Rogers analysis in Mattel, Inc. v. MCA Records, Inc.*[54] where the maker of the well known "Barbie" dolls sued MCA for trademark infringement in the title of a song the record company had released called, "Barbie Girl." The song was a parody "about Barbie and the values … she [supposedly] represents." Applying *Rogers*, the court held that the First Amendment protected the record company. The first prong was straightforward. Because the song was about Barbie, "the use of Barbie in the song title clearly is relevant to the underlying work." As to the second point, the court observed that the only indication that Mattel might be associated with the song was the use of Barbie in the title. But, the Court reasoned, "If this were enough to satisfy this prong of the *Rogers* test, it would render

Rogers a nullity." This seems intuitive as the court recently pointed out: "This makes good sense. After all, a trademark?infringement claim presupposes a use of the mark. If that necessary element in every trademark case vitiated a First Amendment defense, the First Amendment would provide no defense at all."

In a more recent decision, ***E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.***,[55] the Court reaffirmed and expanded its application of *Rogers*. Plaintiffs, owners of a Los Angeles strip club called "Play Pen Gentlemen's Club" objected to the depiction of club having the name "Pig Pen" in one of defendant's video games. The Plaintiff conceded that the video game was "artistic" but contended both that the incorporation of the Pig Pen into the Game had no artistic relevance and that it was explicitly misleading. It emphasized that the video was not created as a parody of a well known cultural icon.

While admitting the distinction, the Court noted that the Rogers test as applied in *MCA Records* held that only that the use of trademarks with "no artistic relevance to the underlying work ***whatsoever***" are unprotected by the First Amendment. "In other words, the level of relevance merely must be above zero." The Court reasoned that the Plaintiffs had intended to develop a cartoon-style parody of East Los Angeles—the part of LA where the PlayPen is actually located. The Court thought that a reasonable way—possibly the only way to do that—was to "recreate a critical mass of the businesses and buildings that constitute it." In that context, the Court held that to include a strip club that is similar in look and feel to the Play Pen does indeed have at least "some artistic relevance."

The Court also rejected Plaintiff's contention that purchasers of the video might mistakenly believe is sponsored by the Plaintiff. The Court concluded that other than offering "a form of low-brow entertainment," the two parties "have nothing in common." It concluded that "a reasonable consumer would not think a company that owns one strip club in East Los Angeles, which is not well known to the public at large, also produces a technologically sophisticated video game like (defendant's) San Andreas."

While the East and West Coasts—the Second and Ninth U.S. Courts of Appeal—seem to be in agreement, the Midwest seems unconvinced. In a case with arguably even greater artistic relevance between the title and the subject than ***Rogers v. Grimaldi, American Dairy Queen Corporation v. New Line Productions, Inc.***,[56] the District Court declined to apply the "First Amendment Balancing Test."

Defendant New Line had produced and was preparing to release a new feature film which it intended to call "Dairy Queens." The film was described as a "mock documentary" satirizing beauty contests in rural Minnesota, an area unquestionably know as "dairy country." The movie portrayed these contests as filled with backbiting and jealousy, and suggested the participants tend to suffer from eating disorders. At least a portion of the film was acknowledged to contain off-color humor and content which could offend some—and entertain other—viewers. No part of the film's content related, depicted, or referred in any manner to plaintiff's popular restaurants nor did it refer to any kind of frozen dairy treats.

Plaintiff objected to defendant's use of a title which was virtually identical to its well-established "Dairy Queen" trademark. It was particularly concerned that the title "Dairy Queens" would cause the public to associate its trademarked

name with the unwholesome content of the film. ADQ feared this association would create negative impressions and confuse its customers, thereby demeaning and disparaging its mark. The Court concluded that "the grant of a preliminary injunction is warranted" under both theories—infringement and dilution. It then addressed defendant's claim that the First Amendment trumps both claims, ultimately barring ADQ's requested relief.

Unlike the Second and Ninth Circuits, the District Court seemed to consider the harm to the reputation of the trademark holder more important than the impact of the injunction on the artistic rights of the film producer.

> Importantly, ADQ does not challenge, nor does it ask the Court to consider, a single word of the film's script; it does not seek to modify a line. Rather, ADQ's only concern is with the title "Dairy Queens." There is no effort of any kind to modify or muzzle New Line's views or expressions concerning the midwest beauty contests, "dairy country," or the film's asserted objectionable sexual, racial, or religious content. ADQ simply wants to keep the public from developing the sense that it is a sponsor or endorser of New Line's film, or has voluntarily lent its name to it. The Court considers the limited nature of the requested relief to be significant.

The Minnesota District Court is located within the Eighth U.S. Court of Appeals and is bound by its precedent, and precedent there was: ***Mutual of Omaha Ins. Co. v. Novak***,[57] and ***AnheuserBusch v. Balducci Publications***.[58]

In Mutual of Omaha, Judge Bowman focused on whether an injunction "leaves open [alternative] avenues of expression," thus "depriv [ing] neither [the defendant] nor the public of the benefit of his ideas." There, the defendant had been selling "Mutant of Omaha" paraphernalia bearing a logo very similar to the plaintiff's mark. The Court noted that the injunction would not prevent defendant from presenting "an editorial parody in a book, magazine, or film." Because defendant had alternative avenues available for expressing his public policy views, the narrowly drawn injunction was consistent with the First Amendment.

The Eighth Circuit revisited the question in ***Balducci*** and basically reaffirmed its position:

> [I] n any case where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion.… This approach takes into account the ultimate test in trademark law, namely, the likelihood of confusion as to the source of the goods in question."[59]

In both ***Mutual of Omaha and Balducci***, the Eighth Circuit affirmed the issuance of an injunction.

New Line claimed its proposed title was expressive, and the author could not convey her ideas behind the film without using the name "Dairy Queens." In support, New Line offered the author's affidavit declaring she was unsatisfied with any other title. It appeared she had rejected ideas such as "Dairy Princesses," "Milk Maids," or any other formulation, except that single title" Dairy Queens."

The Court found Rogers inapposite and noted that defendant's denial that it intended to refer plaintiff's company or restaurants in its use of the proposed title "actually weakens its argument that

there are no alternative means to express its artistic impressions or ideas."

> The Court considers the distinction to be crucial. In ***Rogers***, the name did express, and was designed to evoke, a part of the artistic concept inhering in the famous names it used. In the present case, no such artistic concept inheres in the proposed title. As such, the argument that there is no other way to express the idea of the film's title carries much less weight, as the idea expressed is not a reference to plaintiff's mark. Absent such relevance, the Court concludes that alternative avenues for expressing the idea exist.

The court held that the proposed injunction "will only effect a minute restriction on expression, but will do much to avoid confusion and dilution. Defendant's First Amendment interests are fully protected."

The U.S. Supreme Court has yet to resolve this important conflict between the lower federal courts.

4. Nominative Fair Use

In developing the doctrine of ***nominative fair use***, Judge Alex Kozinski of the U.S. Court of Appeals for the Ninth Circuit carefully distinguished it from the classic fair use: "If the defendants' use of the plaintiff's trademark refers to something other than the plaintiff's product, the traditional fair use inquiry will continue. But, where the defendant uses a trademark to describe the plaintiff's product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense."[60] He further identified the three requirements for the application of what he refers to as ***nominative fair use***:

1. The product or service in question must be one not readily identifiable without use of the trademark;

2. Only so much of the mark or marks may be used as is reasonably necessary to identify the product or service;

3. The user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.[61]

It is important to recognize that the nominative use defense is available even if the defendant's ***ultimate*** goal is to describe his own product.[62]

A good example of the application of nominative fair use is in ***Volkswagenwerk Aktiengesellschaft v. Church***,[63] where the Ninth Circuit held that Volkswagen could not prevent an automobile repair shop from using its mark to advertise the fact that it specialized in the repair of Volkswagen automobiles. The court noted that in "advertising [the repair of Volkswagens, it] would be difficult, if not impossible, for [Church] to avoid altogether the use of the word 'Volkswagen' or its abbreviation 'VW,' which are the normal terms which, to the public at large, signify appellant's cars." The court emphasized that Church did not suggest to customers that he was part of the Volkswagen organization or that his repair shop was sponsored or authorized by VW; he merely used the words "Volkswagen" and "VW" to convey information about the types of cars he repaired and concluded that his use of the Volkswagen trademark was not an infringing use.

The First Circuit confronted a similar problem when the holder of the trademark "Boston Marathon" tried to stop a television station from

using the name:

> [T] he words "Boston Marathon" ... do more than call attention to Channel 5's program; they also describe the event that Channel 5 will broadcast. Common sense suggests (consistent with the record here) that a viewer who sees those words flash upon the screen will believe simply that Channel 5 will show, or is showing, or has shown, the marathon, not that Channel 5 has some special approval from the [trademark holder] to do so. In technical trademark jargon, the use of words for descriptive purposes is called a "fair use," and the law usually permits it even if the words themselves also constitute a trademark.[64]

Judge Kozinski's nominative fair use approach has not been warmly received by other courts,[65] although the Third Circuit, which serves Pennsylvania, New Jersey, and neighboring states, seems to like the idea but has developed its own —slightly different—criteria:

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

The court indicated that if each of these questions can be answered in the affirmative, the use will be considered a fair one, ***regardless of whether likelihood of confusion exists.***[66]

4. Non-confusing "dilution"

The U.S. Trademark Act was amended in 1996 with the addition of the Federal Trademark Dilution Act of 1995. In sum, it creates a federal cause of action for the unauthorized use of a "famous mark" which dilutes the value of the mark, even in the absence of competition or confusion. The Act exempted all "noncommercial use" as a basis for dilution liability. The exemption was believed to cover a range of uses including negative commentary on websites, use of trademarks in political campaigns, as well as parody and artistic expression.[67] In response to a U.S. Supreme Court decision significantly reducing the use of the Act,[68] Congress enacted the Trademark Dilution Revision Act of 2006 ("TDRA").[69] The TDRA includes all of the statutory exemptions in the FTDA and adds new classifications of statutory fair use, including parody, which courts previously held to be protected under the FTDA's noncommercial use exemption.[70]

For example, in ***American Family Life Ins. Co. v. Hagan***,[71] the court examined the Congressional reasoning behind the FTDA in a claim involving the well-known AFLAC duck. The Court found that FTDA's noncommercial use category was an inexact, shorthand reference for "speech protected by the First Amendment." The legislative history indicated that the proposed law "will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction." Both the Senate and the House noted that the exemption was designed to "recognize that the use of marks in certain forms of artistic and expressive speech is protected by the First Amendment."

In *Bosley Med. Inst., Inc. v. Kremer*,[72] the Court held that a dissatisfied hair transplant patient's use of the trademark holder's website domain name was a noncommercial use because the website only contained information and sold neither sold goods nor services although its intent was to discourage consumers from purchasing Bosley's products. The Ninth Circuit held defendant's use of the Bosley mark was a noncommercial use and did not violate the Lanham Act.

But this is not a universally held view among U.S. courts. In *People for the Ethical Treatment of Animals v. Doughney*,[73] ("PETA") the Fourth Circuit held that the defendant's parody site violated the Lanham Act because it "prevented users from obtaining or using PETA's goods or services." Most other federal courts have also rejected the PETA Court's theory as over-expansive,[74] although the District Court in the "Dairy Queen" case discussed above refused to recognize an artistic use exception.

However, the greatest impact of the FTDA on "permitted use" is to prevent the use of a famous mark on non-competing goods and services even where the possibility of confusion is remote at best. A recent case involving the unauthorized use of a well known candy bar explains how this has occurred.

The Hershey bar is unquestionably a well recognized, i.e., famous, product design, entitled to protection as a trademark under the Lanham Act, as it undoubtedly has acquired "secondary meaning."[75]

Art Van Furniture Co. is Michigan's largest furniture retailer, operating 30 stores (all in-state), a website where customers may buy products online, and a fleet of about two dozen trucks for customer deliveries. Hershey objected

Figure 2. Hershey's Trade Dress

when Art Van indicated that it would display an image of a brown sofa emerging from a red and/or burgundy wrapper reminiscent of a Hershey's bar on its trucks.[76] When Art Van would not agree not to use the "couch bar," Hershey filed a lawsuit alleging trademark infringement, false association, sponsorship and approval, trademark dilution by blurring, unfair competition and common law conversion and sought a Temporary Restraining Order and Preliminary Injunction requiring the removal of the Couch Bar from Art Van's website and preventing Art Van from ever using the Coach Bar on its delivery trucks.[77]

In the District Court's opinion there was

> No question that Defendant's "couch bar" bears a resemblance to a Hershey's chocolate bar, particularly to Plaintiff's "Special Dark" bar. One feature in particular is identical in both designs: each wrapper is composed of two distinct elements, a silver foil containing the actual product, and a slightly narrower "sleeve" inscribed with the company name. Because the sleeve is not as wide as the product itself, the foil visibly protrudes along the edges of the candy bar.

The court then turned to "considerations of how and to whom the respective goods or services of the parties are sold."—As the Sixth Circuit had explained,

> Dissimilarities between the predominant

> customers of a plaintiff's and defendant's goods or services lessens the possibility of confusion, mistake, or deception. Likewise if the services of one party are sold through different marketing media in a different marketing context than those of another seller, the likelihood that either group of buyers will be confused by similar service marks is much lower than if both parties sell their services through the same channels of trade.[78]

Defendant pointed out that its furniture products and related services were exclusively available through its 30 Michigan stores and its website and it does not sell candy! Similarly, Plaintiff's chocolate and confectionary goods are widely distributed in a wide variety of grocery, drug, and convenience stores and it did not sell furniture.

These and other factors persuaded the court that it was "unlikely that Defendant's truck design will cause consumers to believe that Art Van is somehow affiliated or associated with Hershey, or that customers will patronize Defendant's stores or purchase its products due to confusion over the source of Defendant's goods" and that the Plaintiff was unlikely to succeed on the merits of its trademark and trade dress infringement claims.

But it reached the opposite result when evaluating Plaintiff's dilution claim.

> Dilution law, unlike traditional trademark infringement law…is not based on a likelihood of confusion standard, but only exists to protect the quasi-property rights a holder has in maintaining the integrity and distinctiveness of his mark.[79]

Defendant attempted—unsuccessfully—to invoke one of the "fair use" defenses included in the Federal Dilution Act. It contended that its "couch bar" was merely a "clever parody" of an actual candy bar, and that the amusing nature of the design diffuses any risk that confused consumers would mistake its source or sponsorship. Defendant emphasized that this image appears on its website next to nine other "whimsical" pictures, further reinforcing its satirical character.

But the court pointed out that parody has a very distinct and quite narrow meaning in U.S. trademark law:

> For trademark purposes, "[a] 'parody' is defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner." "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." This second message must not only differentiate the alleged parody from the original but must also communicate some articulable element of satire, ridicule, joking, or amusement.[80]

In sum, while defendant's use of plaintiff's famous candy bar may have been clever or even funny and would not have confused anyone about any connection between Hershey's candy business and Art Van's furniture business, its use was not a permitted use under U.S. law and the court ordered defendant to stop using the "couch bar."

Thus, it would seem that any U.S. trademark holder of a "famous mark" can present the use by others of its mark even when there is no possibility of confusion as to source, affiliation or

sponsorship by invoking the application of the Federal Dilution Act.[81]

5. Conclusion

Unlike the U.S. Copyright Act which has numerous fair use provisions—some quite extensive and complex—the U.S. Trademark Act has a single "fair use" provision governing traditional trademark usage:

> That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.[82]

Perhaps for that reason, U.S. courts have created a wide range of permitted usages designed to serve the underlying policy of the U.S. trademark law to prevent unfair competition while encouraging vibrant fair competition.

> The law of unfair competition has traditionally been a battleground for competing policies. The interest of the public in not being deceived has been called the basic policy. Moreover, a plaintiff's interest in not having the fruit of his labor misappropriated should not be disregarded. But there is also the policy of encouraging competition from which the public benefits[83]

For this reason, the use of another's mark—or something arguably similar—will be permitted not only when the use is not likely to cause confusion as to source or sponsorship but sometimes even when it does, when the use is necessary to promote real competition.

Note

1 "The Congress shall have power ... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, §8, cl. 8.

2 "The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts." *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

3 The 1976 Act also includes other "fair use" exceptions too numerous to mention. See §§108-122. The U.S. Patent Act does not contain any general "fair use" exceptions to the patent owner's exclusive rights, but maintains the constitutionally proscribed balance by limiting the term of protection to, in most cases, about 17 years.

4 An early attempt to base U.S. trademark law on the intellectual property clause was held unconstitutional. *Trade-Mark Cases*, 100 U.S. 82 (U.S. 1879).

5 The only specific "fair use" exception permits descriptive uses of registered trademarks by competitors.

6 The author prefers the team "trademark holder" to the more commonly used "trademark owner," as in his opinion they do not "own" the words, names or symbols they use as their trademarks.

7 15 U. S. C. 1114 [Lanham Act §32].

8 15 U. S. C. §1114 (1).

9 Similar or even identical marks can even be registered by different users who are using them on different products and/or in different markets. For example, "royal" is a registered mark of a company selling pest repellant devices [Registration No. 3276810]; another company selling sewing machines [Registration No. 2804806]; another company selling metal fences [Registration No. 3566494]; another company selling cotton swabs [Registration No. 7723006]; and many more. There are over 2,000 registered marks and pending applications using the word "royal" alone or in combination with other words.

10 2008 WL 4724756 (E.D. Michigan 2008). However, the court prohibited the use on the basis of U.S. anti-dilution law. See discussion Part IV, Non-confusing dilution.

11 To determine whether confusion between related goods is likely, the Ninth Circuit has identified the following factors ["digits of confusion"] as being relevant.
   1. strength of the mark;
   2. proximity of the goods;
   3. similarity of the marks;
   4. evidence of actual confusion;
   5. marketing channels used;
   6. type of goods and the degree of care likely to be exercised by the purchaser;
   7. defendant's intent in selecting the mark; and
   8. likelihood of expansion of the product lines.

   Other US courts use a similar set of factors.

12 *AMF, Inc. v. Sleekcraft Boats*, 599 F. 2d 341 (9th Cir. 1979).

13 Technically, they are service marks.

14 Perhaps surprisingly, the trial court found that the two marks were similar:
   The court found Lollipops visually similar to Jellibeans because Skating Clubs spelled it with an "i" rather than a "y" - an equally acceptable spelling - and used the plural form. In

finding an aural similarity the court noted that each name has three syllables, with an "I" sound dividing the first and second syllables, and an "e" sound dividing the second and third syllables, and that each name ends in a plural "s." The court found this aural similarity most important because both rinks advertised primarily either by word of mouth or radio. Finally, the court found that the names create a similar general impression because each is a similar sounding candy name used to signify a roller rink. Based on these considerations, the district court found that Lollipops and Jellibeans possess similar designs.

15 *Jellibeans, Inc. v. Skating Clubs of Georgia, Inc.*, 716 F. 2d 833 (11th Cir. Ga. 1983).

16 The Court of Appeals acknowledged that it was possible that defendant's intent was to invite comparison between his skating rink and Jellibeans, or to convey the same imagery and symbolic message in his service mark.

17 15 U. S. C. §1115 (b)(4).

18 *Soweco, Inc. v. Shell Oil Co.*, 617 F. 2d 1178, 1185 (5th Cir.1980).

19 Secondary meaning recognizes that words with an ordinary and primary meaning of their own, "may by long use with a particular product, come to be known by the public as specifically designating that product." The burden of proof rests with the party seeking to establish legal protection for the mark - the plaintiff in an infringement suit. In assessing a claim of secondary meaning, the major inquiry is the consumer's attitude towards the mark. The mark must denote to the consumer "a single thing coming from a single source," to support a finding of secondary meaning. Survey evidence is the most direct and persuasive way of establishing secondary meaning.

20 A descriptive term "identifies a characteristic or quality of an article or service, such as its color, odor, function, dimensions, or ingredients."

21 698 F. 2d 786 (5th Cir. 1983).

22 "Secondary Meaning" may be an unfortunate term to use as it infers a less important meaning. A better understanding would be that the mark has acquired a new and parallel meaning—as a "source identifier" of the product—a protectable "trademark."

23 2008 WL 4790661 (W.D. Pa 2008).

24 A separate claim for trademark dilution was dismissed by the trial court which concluded the mark was a "niche mark," not eligible for protection as a "famous mark" under the Federal Anti-Dilution Act.

25 *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 215 (3d Cir. Pa. 2000); *Kos Pharms., Inc. v. Andrx Corp.*, 369 F.3d 700, 712–13 (3d Cir. N.J. 2004); *See also Checkpoint Sys. v. Check Point Software Techs., Inc*, 269 F. 3d 270, 281 (3d Cir. N.J. 2001).

26 4 McCarthy on Trademarks at §23 : 49; *See also Am. Cyanamid Corp. v. Connaught Labs., Inc.*, 800 F.2d 306, 308 (2d Cir.1986)("Although ... a [generic] component will not necessarily render the entire mark invalid, its presence does affect the analysis of whether a competitor's mark containing the same component is likely to create confusion.").

27 543 U.S. 111 (U.S. 2004).

28 "The right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable" 15 USC §1065

29 *Park 'n Fly v. Dollar Park & Fly*, 469 U.S. 189, 198 (U.S. 1985)("a conclusion that incontestable status can provide the basis for enforcement of the registrant's exclusive right to use a trade or service mark promotes the goals of the statute").

A mark "shall be incontestable: Provided, That—

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in paragraphs (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered. 15 USC §1065.

30 This argument seems to undercut the contention unsuccessfully made in *Park 'n Fly* that the incontestability status could only be used defensively, not offensively, as Lasting was using it since a defendant changes with infringement can still argue that its use of the mark—not the trademark holder's use of it—was descriptive and thus non-infringing.

31 The other eight Justices concurred in Justice Souter's opinion for the Court with the following reservations: Justice Scalia objected to two footnotes in the opinion (numbers 4 and 5) and Justice Breyer objected to another footnote (number 6).

32 As mentioned above, Justice Scalia did not "join" in this statement.

33 4 McCarthy on Trademarks and Unfair Competition § 25 : 52 (4th ed.). A comparative advertisement that is false or misleading can be barred under 15 U.S.C. 1125 (a)(1)(B) [§43 (a)(1)(B) of the Lanham Act.] If the advertisement overstates the performance of SafetyPro or understates the performance of DuralabelPro300 ... or if the DuralabelPro300 does not actually cost hundreds of dollars more than the SafetyPro, Duralabel has a cause of action under the Lanham Act.

34 *G.D. Searle & Co. v. Hudson Pharmaceutical Corp.*, 715 F.2d 837, 841 (3d Cir. 1983)(quoting *SSP Agricultural, Etc. v. Orchard-Rite Ltd.*, 592 F. 2d 1096, 1103 (9th Cir. 1979)).

35 *See, e.g., August Storck K.G. v. Nabisco, Inc.*, 59 F. 3d 616 (1995). ("A use of a rival's mark that does not engender confusion about origin or quality is therefore permissible. The use is not just permissible in the sense that one firm is entitled to do everything within legal bounds to undermine a rival; it is beneficial to consumers. They learn at a glance what kind of product is for sale and how it differs from a known benchmark.")

36 A typical disclaimer states: "This product is not manufactured or distributed by XYZ Co., the owner of the registered trademark XYZ®." They usually are in very small print and appear on the back of the package. It's doubtful that most consumers ever read them and there is little evidence that they actually reduce confusion; they may even increase confusion as to origin of the product.

37 "Congress shall make no law ... abridging the freedom of speech" U.S. Const. Amend. 1.

38 875 F. 2d 994 (2d Cir. N.Y. 1989).

39 *Id.* at 999–1000 (footnote omitted)(emphasis added). Given the almost unquestioning commitment that most Americans have to their First Amendment right of free expression, it may be difficult to find a case (other than one involving misbranded pharmaceutical products) where the

interest in avoiding consumer confusion "trumps" the right of free expression.

40 *Id.* at 1001 ("that risk of misunderstanding, not engendered by any overt claim in the title, is so outweighed by the interests in artistic expression as to preclude application of the Lanham Act").

41 959 F. Supp. 578, 583 (N. D. N. Y. 1997).

42 *Id.* at 582, n. 9.

43 15 USC §1052 (e)(5).

44 *Traffix Devices v. Mktg. Displays*, 532 U.S. 23 (U.S. 2001).

45 633 F. 2d 912 (9th Cir 1980).

46 The emblem consists of a representation of three girls within a double triangle. The girls carry a dove, an urn, and a cornucopia. Between the bases of the two triangles are the words "Iyob Filiae," the Latin translation of "Daughters of Job."

47 Not all courts agreed with this view. See, for example in *Boston Professional Hockey Ass'n, Inc v. Dallas Cap & Emblem Mfg., Inc.*, 510 F. 2d 1004 (5th Cir.), cert. denied, 423 U.S. 868 (1975) .

48 713 F. Supp. 1329, 1333–1340 (C.D. Ca 1989). After this decision was published, Ford settled the case with a somewhat unusual condition—the opinion had to be withdrawn from publication, which it subsequently was. One can only assume that Ford, and perhaps other U.S. trademark holders, were concerned that the decision could be used against them in similar litigation.

49 The court seemed to view the fact that the symbols were not registered copyrights quite significant.

50 He even acknowledged that a reasonable purchaser could easily interpret the marks both ways *simultaneously*.

51 457 F. 3d 1062 (9th Cir 2006). Not surprisingly, Judge Kozinski was not a member of the three judge panel which decided this case. Since the decision would seem to overrule the Jobe's Daughter decision described above, proper judicial protocol would have been to decide the case en banc, with all members of the Ninth Circuit Court of Appeals—including Judge Kozinski—participating.

52 886 F. 2d 490, 495 (2d Cir. N.Y. 1989).

53 The Spy Notes cover differed in "some important" respects from the Cliffs Notes cover. For example, the Spy Notes cover included the term "A Satire" five times in bright red lettering and bore the notation "A Spy Book" with the logo of Spy magazine against a bright red background. Functioning as a "disclaimer," these differences (and others not mentioned) seemingly would have eliminated any real possibility of confusion as to who published the books.

54 296 F. 3d 89 (9th Cir.2002).

55 547 F. 3d 1095 (9th Cir. Cal. 2008).

56 35 F. Supp. 2d 727 (D. Minnesota, 1998).

57 836 F. 2d 397 (8th Cir. 1987).

58 28 F. 3d 769 (8th Cir. 1994).

59 *Id.* at 776.

60 *New Kids on the Block v. News America Publishing, Inc.*, 971 F. 2d 302 (9th Cir. 1992).

61 Placing the burden of proof on the defendant to establish its "fair use" seems to violate the U.S. Supreme Court's holding that the plaintiff must bear the burden of proof, apparently including proof that the offending use is not a "fair use" when bringing an infringement action. *KP Permanent Makeup, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117–18 (2004). *See, also*, Smedresman, "Fixing Nominative Fair Use: An Analysis of Nominative Use Jurisprudence and A Suggestion on How to Resolve Conflicts," 15 U. Balt. Intellectual Prop. L.J. 103, 125).

62 *Carins v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 1992).

63 411 F. 2d 350 (9th Cir. 1969).

64 *WCVBTV v. Boston Athletic Ass'n*, 926 F. 2d 42, 46 (1st Cir. 1991).

65 The only Court of Appeal to adopt Judge Kozinski's "nominative fair use" is the Eleventh Circuit Court of Appeals.

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

67 4 McCarthy on Trademarks and Unfair Competition §24 : 81 (4th ed. 2005).

68 *Moseley v. V Secret Catalogue*, 537 U.S. 418 (U.S. 2003).

69 15 U. S. C. §1125 (c).

70 *Id.*

71 266 F. Supp. 2d 682, 695–698 (N.D. Ohio 2002).

72 403 F. 3d 672, 676-680 (9th Cir. 2005).

73 263 F. 3d 359 (4th Cir. 2001).

74 *See L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F. 2d 26, 33 (1st Cir. 1987); *see also Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001) .

75 *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 216 (U.S. 2000). ("In an action for infringement of unregistered trade dress under §43 (a) of the Lanham Act, a product's design is distinctive, and therefore protectable, only upon a showing of secondary meaning.")

76 The "couch bar" was the winning entry in a contest that Art Van held to determine how best to redesign its delivery trucks. The offending design was one of several appearing on Art Van's website.

77 *The Hershey Company v. Art Van Furniture, Inc.*, 2008 WL 4724756 (E.D. Michigan 2008).

78 *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F. 2d 1100, 1109, 1110 (6th Cir. Mich. 1991).

79 *Audi AG v. D'Amato*, 469 F. 3d 534, 546 (6th Cir. Mich. 2006); *See, also Avery Dennison Corp. v. Sumpton*, 189 F. 3d 868, 875 (9th Cir. 1999) ("Dilution is a cause of action invented and reserved for a select class of marks-those marks with such powerful consumer associations that even non-competing uses can impinge on their value").

80 *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F. 3d 252, 260 (4th Cir. 2007)(*quoting ?People for the Ethical Treatment of Animals v. Doughney*, 263 F. 3d 359, 366 (4th Cir. 2001)).

81 There is one very important limitation: the plaintiff's trademark must have become "famous" before the alleged "diluting use" began. 15 U. S. C. §1125 (c)(1).

82 15 U. S. C. §1115 (b)(4).

83 Jason K. Levine, *Contesting the Incontestable: Reforming Trademark's Descriptive Mark Protection Scheme*, 41 Gonz. L. Rev. 29 (2005).