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Trademarks and the Movies: An Af'-fair Use to Remember

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TRADEMARKS AND THE MOVIES: “AN AF-’FAIR USE’ TO REMEMBER”

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I. EXPOSITION

As we enter the new century, the world around us is becoming increasingly commercialized. Wal-Mart stores are in every suburb and Gap billboards loom over many major metropolitan streets. It is nearly impossible to go anywhere and not see trademarks. Motion picture film producers often use our everyday world as a backdrop and would be extremely limited if every time a trademark appeared within the frame, they were liable for trademark infringement. This may be the case however, under the current laws, no matter how extreme the result may be.

Trademark holders are entitled to certain protections from unauthorized uses of their trademark. This protection rests in two distinct causes of action. First, the Lanham Act protects trademark holders from use of their mark that would create consumer confusion over the source of the product or service.1 Secondly, the state anti-dilution statutes, and more recently, the Federal Trademark Dilution Act protects holders from subsequent uses that blur the distinctiveness of their mark.2

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Both federal and state causes of action hinge upon the court finding the secondary use of the trademark occurred in a commercial context.\(^3\)

Trademark infringement results when a secondary user’s use of the trademark or a substantially similar mark would likely cause confusion as to the source of the product.\(^4\) When someone uses a trademark of another or a similar mark and such use would lead to “false designations of origin,” it violates Section 43(a) of the Lanham Act.\(^5\) It follows that if a product appears in a film, a viewer might assume the film has been somehow sponsored or approved by the maker of the product.\(^6\)


\(^4\) 15 U.S.C.A. § 1114 provides: “(1) Any person who shall, without the consent of the registrant—(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.”

\(^5\) ANNE HAIRING, UNDERSTANDING BASIC TRADEMARK LAW: BASIC PRINCIPLES OF TRADEMARK LAW 47 (Lynn S. Fruchter, Anne Hairing, & Robert M. Newbury, Co-Chairs, Practising Law Institute Co. 1999); 15 U.S.C.A. § 1114 is limited to “false designations of origin,” and expressly not limited to, and even expressly created for, situations in which the mark is not registered. This is an unfair competition section. It is generally recognized that this section is a federal bar against false advertising within limits.; 15 U.S.C.A. § 1125 provides: “(a)(1) any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact or false or misleading representation of fact, which – (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.”

\(^6\) The practice of product placement, though common in the film industry today is beyond the scope of this note. Product placement is a commercial arrangement between the movie studios and the company whereby commercial products are conspicuously “placed” in the film. See Robert Adler, Here’s Smoking At You, Kid: Has Tobacco Product Placement in the Movies Really Stopped? 60 MONT. L. REV. 243 (1999). The prevalence of product placement agreements between film studios and makers of consumer products, however, may complicate the issue. The more the movie-going public becomes accustomed to paid advertisements being present in films, the more likely they may be to associate the maker of the consumer product with sponsorship of the film. The actual practice of product placement dates back to the early 1980’s and can be seen in films as memorable and diverse as Murphy’s Romance,
trademark were to appear in the background of a film, or a character in a film were to refer to a product by its trademarked name, this may not meet the standard for traditional infringement under the Lanham Act, but may meet the less stringent requirements of Section 43(a) for a finding of trademark dilution.

In copyright law, there exists a doctrine of fair use, now codified into the statute, which allows subsequent users substantial freedom to use materials copyrighted by another person in certain contexts.\(^7\) Courts have used similar “fair-use” analysis in trademark cases, although it has not been codified.\(^8\)

With the addition of the FTDA to the Lanham Act in 1996, a broader standard has been proffered which may pose a great danger to filmmakers. The FTDA eliminated the Lanham Act’s requirement of likelihood of confusion, thus broadening the scope of activity that would violate the Act. The broader standard may potentially conflict with a secondary users’ rights of free expression. An adaptation of a similar fair use standard as that codified in copyright laws should be applied by courts to the Lanham Act.\(^9\) This would alleviate the current disparities between courts in allowing a uniform standard for courts to apply to very similar facts. The FTDA should also be re-examined for the dangers it poses on freedom of speech.\(^10\)

The Lanham Act does provide a defense to infringement where the defendant uses the mark “otherwise than as a mark” and “fairly and in good faith only to describe the goods or services of [the defendant.]” 15 U.S.C.A. § 1115(b)(4) (West 2000); see infra note 88.

Fair use has been applied by the courts to trademark cases, but courts have reached divergent results. See section II. B. i. for discussion of these cases.

See David S. Welkowitz, Reexamining Trademark Dilution, 44 VAND. L. REV. 531 (1991). The author posits that the government’s interests in protecting trademarks cannot outweigh an author or artists’ freedom of speech and true cases of “genericide” can be dealt with through tort law and not trademark law. See also Elliot B. Staffin, The Dilution Doctrine: Towards a Reconciliation with the Lanham Act, 6 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 105 (1997).
II. TRADEMARK LAW AND THE MOVIES:

A. The Script

1. The Lanham Act

The only federal protection that exists for trademark holders is the Lanham Act.\(^\text{11}\) A federal claim under the Lanham Act protects consumers from confusion with regard to the source of the goods.\(^\text{12}\) Congress enacted the Act in 1946, with the dual purpose of codifying existing common law and solidifying goodwill with the business community and public.\(^\text{13}\) The Act protects consumers from potential confusion when a secondary user uses a trademark in commerce by enforcing a trademark holder’s right to use the mark exclusively.\(^\text{14}\) Traditional trademark law has limited infringing uses to those used in connection with the sale of goods and services, in the case of a registered service mark.\(^\text{15}\)

The Lanham Act protects the use of “any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.”\(^\text{16}\) Under the veil of the Act, merchants’ and manufacturers’ investments of time, energy, and money in advertisement and development of their products is protected from

\(^{11}\) Supra note 1.

\(^{12}\) See Peter W. Smith, *Trademarks, Parody, and Consumer Confusion: A Workable Lanham Act Infringement Standard*, 12 CARDOZO L. REV. 1525 (1991); 15. U.S.C. § 1114 (1) provides for civil liability against any person who shall, without consent of the registrant use any mark or colorable imitation of a registered mark in commerce or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with such use as is likely to cause confusion or to cause mistake, or to deceive.

\(^{13}\) Smith, *supra* note 12, at 1530.

\(^{14}\) Steven M. Perez, Comment, *Confronting Biased Treatment of Trademark Parody Under The Lanham Act*, 44 EMORY L.J. 1451, 1457 (1995); See American Express Co. v. CFK, Inc., 947 F. Supp. 310, 314 (E.D. Mich. 1996). In *American Express*, the court reached a finding that summary judgement was inappropriate where American Express Co sought a preliminary injunction that would prohibit CFK, Inc. from using its trademark slogans, “DON'T LEAVE HOME WITHOUT IT,” “DON'T LEAVE HOME WITHOUT US,” and “DON'T LEAVE HOME WITHOUT THEM,” and concluded that the phrase “DON'T LEAVE HOME WITHOUT ...” was a famous trademark; see also I.P. Lund Trading v. Kohler Co., 11 F. Supp. 2d 127, 129 (D. Mass. 1998), *vacated in part*, 163 F.3d 27 (1st Cir. 1998). In *I.P. Lund*, the court reversed a grant of preliminary injunction based on infringement of the configuration of a water faucet having a downward curving water pipe protruding from a wall (rather than the sink itself) and a similarly protruding control rod to regulate both water flow and temperature instead of the usual pair of spigots. *Id.*

\(^{15}\) Id.

\(^{16}\) 15 U.S.C.A. § 1125 (West 2000); Chrysler Corp. v. Silva, 118 F. 3d 56 (1st Cir. 1997). Trademark which once protected only words or symbols has been extended over the years by courts to also protect design, packaging, and other features of the product itself. In *Chrysler*, the court found that trademark protection did extend to the design of the Dodge Viper.
subsequent users. Suits for infringement focus on subsequent users’ attempts at “passing off” their goods as that of another, thus confusing the public as to the correct source of the good. In order for a trademark holder to seek protection under the Lanham Act, he must be able to show bona fide use in commerce. Bona fide use in commerce means a bona fide sale or transportation in commerce “which may lawfully be regulated by Congress.”

Once a trademark holder has proved that he is entitled to the protections of the Lanham Act, the allegedly infringing mark in analyzed in its context to determine if a “likelihood of confusion” exists. A likelihood of confusion standard is satisfied when there is (a) confusion of an appreciable number of buyers, and (b) confusion is “probable.” A finding that confusion is merely possible is not sufficient.

The test courts use to determine likelihood of confusion was set out by Polaroid Corp. v. Polarad Electronics Corp. The Court of Appeals for the Second Circuit

18 I.P. Lund., 11 F. Supp. 2d at 129.
19 15 U.S.C.A. § 1051(a) (West 2000). Bona fide use has to occur in the ordinary course of trade and cannot be for the sole purpose of maintaining trademark rights.; See Blue Bell v. Jaymar-Ruby, Inc., 497 F.2d 433 (2d Cir. 1974). In Blue Bell, the court found that a single use of a trademark followed by a continued use is sufficient where both were used as labels on clothing distributed to clothing stores.; see also Koffler Stores, Ltd. v. Shoppers Drug Mart, Inc., 434 F. Supp. 697 (E.D. Mich. 1976). The Koffler court held that mere advertising is not sufficient to support bona fide use of a trademark.
20 15 U.S.C.A. § 1127 (West 2000). This requirement breaks down into two elements: (1) Was the transaction upon which the registration application was founded bona fide; and (2) was it followed by activities proving a continuous effort or intent to use the mark. McCarthy, supra note 17, at § 19:37[C]; U.S. Const. art I, § 8, cl. 3, Congress is authorized to protect trademarks through its commerce power derived from the Commerce Clause of the United States Constitution.
21 This is usually presumed if there is registration on the principal register, and thus not an issue. See 15 U.S.C.A. § 1127 (West 2000).
23 Id.
24 McCarthy, supra note 17, at § 23:3; August Storck K.G. v. Nabisco, Inc., 59 F.3d 616 (7th Cir. 1995). The August Storck court reversed a granting of a preliminary injunction and stated that a “possibility” of confusion cannot be the test because: “Many consumers are ignorant or inattentive, so some are bound to misunderstand no matter how careful a producer is.”; See also Estee Lauder, Inc. v. The Gap, Inc., 108 F.3d 1503 (2d Cir. 1997). The Lauder court held that a likelihood of confusion means a probability of confusion; “it is not sufficient if confusion is merely possible.” Elvis Presley Enterprises Inc. v. Capece, 141 F.3d 188 (5th Cir. 1998). The Presley court held that a “[l]ikelihood of confusion is synonymous with a probability of confusion, which is more than a mere possibility of confusion.” Id.
25 287 F.2d 492 (2d Cir. 1961). “At the outset, it must be remembered just what the Polaroid factors are designed to test. The factors are designed to help grapple with the ‘vexing’ problem of resolving the likelihood of confusion issue…. It also must be emphasized that the ultimate conclusion as to whether a likelihood of confusion exists is not to be determined in accordance with some rigid formula. The Polaroid factors service as a useful
set out eight factors which help courts determine likelihood of confusion. These are: (1) the strength of the mark, (2) degree of similarity between the two marks, (3) proximity of the two products, (4) likelihood of the senior user bridging the gap in proximity, (5) actual confusion, (6) defendant’s good faith, (7) quality of defendant’s product, and (8) sophistication of buyers. These factors are not exhaustive and the courts use them as a balancing test when appropriate.

A primary difference between the Lanham Act and state anti-dilution laws is that the dilution laws allow recovery for infringement of a trademark when used on unrelated goods. Dilution may apply to any use, not just trademark use or use on competing goods. Historically, dilution statutes were enacted to protect a trademark’s inherent selling power and goodwill with respect to a specific good. Also, unlike claims under the Lanham Act, state dilution claims do not necessitate a finding of likelihood of confusion and use must be “commercial” in nature.

2. State Anti Dilution Statutes and the FTDA

The original Lanham Act did not cover uses of similar or the same strong marks by non-competitors. State anti-dilution statues covered this area until recently. Usually different products were involved in such actions, and thus a likelihood of confusion was not involved. States recognized a trademark holder’s rights to be free

guide through a difficult quagmire.” 799 F.2d 867, 872 (2d Cir. 1986). Each factual case presents its own peculiar circumstances; see also Orient Express Trading Co. v. Federated Dep’t Stores Inc., 6 U.S.P.Q.2d 1308, 1312 (2d Cir. 1988). The Orient court stated, “[W]e do not mean to suggest that district courts must slavishly recite the litany of all eight Polaroid factors in each and every case”; Physicians Formula Cosmetics Inc. v. West Cabot Cosmetics, Inc., 8 U.S.P.Q. 2d 1136, 1140 (2d Cir. 1988). In Physicians the court stated “[The Polaroid test] is a non-exhaustive catalogue of factors to be considered. . . .” Id.

26Polaroid, 287 F.2d at 495.


28McCARTHY, supra note 17, at § 24.72.

29Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026 (2d Cir. 1989). The Mead Court established factors as follows: similarity of the marks, similarity of the products covered by the marks, sophistication of consumers, predatory intent, renown of the senior mark and renown of the junior mark. Applying those factors, the court held that plaintiff had proven dilution of its mark by defendant. The Second Circuit stated that for blurring to occur “there must be some mental association between plaintiff’s and defendant’s marks,” citing Professor McCarthy’s observation that “if a reasonable buyer is not at all likely to link the two uses of the trademark in his or her own mind, even subtly or subliminally, then there can be no dilution. . . .” Id. at 1031 (quoting McCarthy, TRADEMARKS & UNFAIR COMPETITION § 24:13 at 213-14 (4th ed. 1997)).

30Gribbin, supra note 27, at 355.


32I.P. Lund, 11 F. Supp. 2d at 129.
from dilution of its mark by being associated with another maker’s product, even in the case where the product is unique from its own.33

The Federal Trademark Dilution Act (FTDA), which was signed into law by President Clinton in 1995, and formally adopted in 1996, defines dilution as, “the lessening of the capacity of a famous mark to identify and distinguish goods.”34 Congress determined that the system of different state anti-dilution statutes was inadequate and provided inconsistent protection for trademarks in the global marketplace.35 The common law rules of state anti-dilution statutes became part of the Lanham Act and provided injunctive relief for findings of dilution.36

Under the FTDA, a trademark holder can prove dilution by a secondary user if he can prove the following: (1) his mark is famous37 and (2) subsequent use occurred after his mark became famous. He also must prove that the (3) subsequent use was commercial,38 and (4) this use has caused dilution of the trademark.39 A trademark holder who is able to prove dilution under these requirements put forth by the FTDA in the amended Lanham Act is entitled to damages and possibly destruction of the infringing goods under the statute as amended.40

The FTDA may pose a more serious threat for filmmakers than found under the original Lanham Act.41 A finding of dilution does not require a finding that consumers would likely be confused by the allegedly infringing use. A mere appearance of a mark in a film would not likely violate a trademark holders rights because it may be difficult, even if the mark is prevalent in the film, to find a likelihood that consumers would be mislead as to the source of the film. According to the standards of dilution, however, a much less stringent standard, non-competing uses of a mark which would “blur” its strength would violate a holder’s rights. It is necessary to examine how courts have analyzed the FTDA in order to weight the

33Id.


35I.P. Lund, 11 F. Supp. 2d at 133; The FTDA would “recognize the substantial investment the owner has made in the mark and commercial value of the aura of the mark itself” by granting protection to both competitors and non-competitors. H.R. REP. NO. 104-374 (1995).

36Hairing, supra note 5, at 49; Exxon Corp. v. Oxford Clothes, Inc., 109 F.3d 1070, 1076 (5th Cir. 1997). The Exxon court stated, “[A] federal cause of action for trademark dilution was... not available until the Lanham Act was amended to include one in 1996.”


3815 U.S.C.A. § 1127, defines “use in commerce” as the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.

3915 U.S.C.A. § 1125(c).

40Id.; 15 U.S.C.A. § 1117(a), § 1118.

41George Vetter and Christopher C. Roche, The First Amendment and the Artist – Part I, 44 R.I.B.J. 9 (Apr. 1996). “An expressive use of a trademark, such as Andy Warhol’s Campbell’s Soup Cans or Jasper John’s Ballentine Ale Cans, could be argued as diluting those trademarks.”
level of danger it poses for filmmakers. Critics of the FTDA have voiced concerns about its possible conflict with the First Amendment.\(^{42}\)

The FTDA requires that a plaintiff seeking protection must have a strong mark in the first place.\(^{43}\) The strength of the mark is not a factor under the Lanham Act. When passing the FTDA, there was opposition to this requirement as it was seen to favor large industries with big marketing budgets.\(^{44}\) The Act outlined several factors courts should use in weighing whether a mark is famous, but the factors are not dispositive.\(^{45}\)

Proof of wrongful intent is neither a requirement for finding dilution in the state antidilution statutes nor the FTDA. However, an award of damages is allowed pursuant to the federal statute if the plaintiff can prove that the diluting user willfully intended to impede the owner’s reputation or to cause dilution of the mark. Subject to the principles of equity, if willful intent is proved, a plaintiff is entitled to all of the remedies available to those litigants who have proved federal trademark infringement or federal unfair competition under the Lanham Act. This can include the defendant’s profits, any damages sustained by the plaintiff, costs, up to three times the actual damages suffered by the plaintiff, and, in some exceptional cases, reasonable attorneys’ fees. Other available remedies include an order for the destruction of articles bearing the diluting mark.\(^{46}\)

The FTDA is limited to use which is “commercial.” Use that is commercial should not be confused with use that constitutes commercial activity. In a case decided by the New York Supreme Court, Joe Namath sued Sports Illustrated for printing his picture without his permission. The court held that even though the magazine was a commercial enterprise and would presumably profit from the use of


\(^{43}\) Marks registered on the Principal Register upon application of the mark’s user, to which the Lanham Act rights attaches must meet the statutory requirements of 15 U.S.C. § 1052 (2000).


\(^{45}\) 15 U.S.C. § 1125 (c) provides, “In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to – (A) the degree of inherent or acquired distinctiveness of the mark; (B) The duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) The duration and extent of advertising and publicity of the mark; (D) The geographical extent of the trading area in which the mark is used; (E) The channels of trade for the goods and services with which the mark is used; (F) The degree of recognition of the mark in the trading areas and channels of trade used by the mark’s owner and the person against whom the injunction is sought; (G) The nature and extent of use of the same or similar marks by third parties; and (H) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.”

\(^{46}\) 38 AM. JUR. P.O.F. 3D, Dilution of a Trademark § 16 (1996).
his picture, this was not commercial use.\textsuperscript{47} Copyright law recognizes this doctrine that simply because the alleged infringer is a profitable enterprise, does not automatically deem the use ‘commercial’.\textsuperscript{48} With the addition of the FTDA, similar analysis has been proffered by courts in deciding trademark dilution disputes.\textsuperscript{49}

A finding of dilution can be divided into two major subsets: The goodwill of a famous mark can be eroded when consumers can see the unique mark on many different goods. This type of dilution is called ‘dilution by blurring.’\textsuperscript{50} On the other hand, ‘dilution by tarnishment’ occurs when a famous mark is used on goods of inferior quality or in an “unwholesome” context.\textsuperscript{51}

\textit{a. Dilution by Blurring}

The doctrine of ‘dilution by blurring’ is applied where a mark is used on different goods coming from different sources.\textsuperscript{52} Although a finding of likelihood of confusion is not required to meet a blurring standard, the doctrine seeks to protect consumers from that confusion.\textsuperscript{53} If a mark were allowed to be placed on goods as varied as cars and restaurants, from various sources, its distinctiveness would likely be eroded.\textsuperscript{54}

\textit{Polaroid} was one of the first cases to directly address ‘dilution by blurring.’\textsuperscript{55} Under an Illinois anti-dilution statute, the court found that Polaroid had a strong mark which through much effort and expenditure had acquired a widespread reputation and goodwill. The secondary user, Polarad made goods related to the telecommunications industry while Polaroid’s goods were primarily photographic

\textsuperscript{47}\textit{Namath v. Sports Illustrated}, 371 N.Y.S.2d 10 (1975); \textit{See also} Booth v. Curtis Publishing Co., 233 N.Y.S.2d 737, 743 (N.Y. 1962). In \textit{Booth}, defendants’ subsequent republication of plaintiff’s picture was ‘in motivation, sheer advertising and solicitation. This alone is not determinative of the question so long as the law accords an exempt status to incidental advertising of the news medium itself’. 233 N.Y.S.2d at 743.

\textsuperscript{48}\textit{Namath}, 371 N.Y.S.2d at 10.

\textsuperscript{49}\textit{See Panavision Int’l, L.P. v. Toeppen}, 945 F. Supp. 1296, 1303 (C.D. Cal. 1996). In \textit{Panavision}, the court stated, “Registration of a trade[mark] as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibitions of the Act.”; \textit{Acad. of Motion Picture Arts & Sci.s v. Network Solutions, Inc.}, 989 F. Supp. 1276, (C.C.D. Cal. 1997). In \textit{Academy}, the court held that the mere registration of a domain name does not constitute a commercial use. 989 F. Supp. at 1276.

\textsuperscript{50}\textit{McCarthy, supra} note 17, at § 24:94. Dilution By “Blurring”: The federal statutory definition of what constitutes “dilution” of a famous mark is a fairly traditional definition which clearly encompasses dilution by “blurring.” Dilution by blurring is the classic, or “traditional” injurious impact of the dilution theory as envisioned by its original proponents. Customers or prospective customers will see the plaintiff’s mark used by other persons to identify different sources on a plethora of different goods.

\textsuperscript{51}\textit{Id.}

\textsuperscript{52}\textit{Id.}

\textsuperscript{53}\textit{Id.}

\textsuperscript{54}\textit{Id.}

\textsuperscript{55}\textit{Polaroid}, 287 F.2d at 492.
equipment. It did not matter that Polarad’s goods would not be sold in the same venues or in direct competition with Polaroid’s goods. The widespread reputation and goodwill, the court said, Polaroid was not required to share with the defendant.56

Similarly, in Tiffany & Co. v. The Boston Club, Inc.,57 the court found that Tiffany’s, the maker and seller of fine jewelry, had established a very strong mark for high quality of its merchandise and would thus suffer damage if a secondary user were permitted to use the name in association with a second-rate restaurant and its special promotions.58 The court’s decision hinged upon the strength of the “Tiffany’s” mark and the likelihood the secondary user’s use of the mark would diminish the uniqueness and distinctiveness of that mark and the strong quality years of marketing afforded it.59 It did not matter that the secondary user intended to use the name in association with a completely different, non-competing good.

Cases interpreting the FTDA are relatively limited, but telling as to the breadth of this addition to the Lanham Act. Marks that were found to be sufficiently similar and well known to support a dilution action under a blurring theory include “Polaroid” optical devices and “Polarad” heating and refrigeration services,60 and “The Greatest Show On Earth” for circus entertainment and “The Greatest Used Car Show On Earth” for a car dealership.61 Marks held not distinctive enough to be diluted include “Cue” for a magazine, not diluted by “Cue” for toothpaste,62 and “Freedom” for a savings and loan company, not diluted by “Freedom” for real-estate services.63

b. Dilution by Tarnishment

Courts have an additional basis for applying a dilution theory, which is “tarnishment.” Where an accused diluter has used the plaintiff’s distinctive mark on inferior goods, or where the use otherwise occurs in an unwholesome or degrading context, an action in dilution by tarnishment may lie. Where a mark has been used in such a fashion, Courts may protect against the diluting use reducing in some people’s minds the quality and esteem with which the public views the plaintiff’s mark. A poster reading “Enjoy Cocaine” on a bottle identical to that used by Coca-Cola was found to be a dilution, due to the negative connotation between the plaintiff’s product and an illegal drug.64

The Tiffany court also used a ‘dilution by tarnishment’ analysis when it found that Tiffany’s, the senior user, was entitled to trademark protection under the state

56 Id. at 495.
58 Id. at 844.
59 Polaroid Corp. v. Polarad Inc., 319 F.2d 830 (7th Cir. 1963).
62 Freedom Sav. & Loan Ass’n v. Way, 757 F.2d 1176 (11th Cir. 1985).
anti-dilution statute.\(^{65}\) Dilution by tarnishment occurs when a secondary user has attempted to use or used the mark on inferior goods or in an unwholesome context.\(^{66}\) By protecting a senior user from associations that may cause negative connotations, dilution by tarnishment seeks to further the goal of the dilution doctrine of protecting the goodwill senior users have often gone to great lengths to create.\(^{67}\)

In Tiffany, the defendant’s restaurant was enjoined from using the Tiffany name in connection with a “Breakfast at Tiffany’s” promotion because it would tarnish the senior user’s mark.\(^{68}\) The court found that because the defendant often advertised for his restaurant in the seedy sections of the newspaper, and due to the inferior quality of his restaurant, any association with his restaurant, which would may have occurred as a result of this promotion, would harm Tiffany & Co.\(^{69}\)

Some cases can only be reconciled when the dilution doctrine is applied, even though the court’s opinion only cited the Lanham Act. This has been called “‘pseudo-dilution,’ in which a court has reached a result that can only rationally be explained by applying a dilution theory.\(^{70}\) The Fifth Circuit Court of Appeals enjoined the defendant’s use of a very similar slogan for an insecticide-floor wax, in an action brought by Anheuser-Busch, Inc., owner of the trademark “Where There’s Life . . . There’s Bud.”\(^{71}\) It is quite clear the parties were not disputing over competing goods, as the market for Budweiser Beer and that for an exterminating floor wax may be very different. The court treated the case as an infringement action, but it is difficult, at best, to see the relationship of competing goods. It is likely that the court applied a dilution theory, in fact, although it was not labeled that.\(^{72}\)

In the non-competing context, First Amendment rights may preclude application of the dilution doctrine in the case of parody. This is true even in cases where there may be evidence of tarnishment.\(^{73}\)

\[^{65}\text{Tiffany’s, 231 F. Supp. at 838.}\]
\[^{66}\text{H.R. Rep. No. 104-374. “The definition [of “dilution”] is designed to encompass all forms of dilution recognized by the courts, including dilution by blurring, by tarnishment and disparagement, and by diminishment.”}\]
\[^{67}\text{McCarthy, supra note 17, at § 24:94.}\]
\[^{68}\text{Tiffany’s, 231 F. Supp. at 838.}\]
\[^{69}\text{Id.}\]
\[^{70}\text{38 A.M.Jur. P.O.F. 3d, Dilation of a Trademark § 11 (1996).}\]
\[^{71}\text{Chemical Corp. of Am. v Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962). The Chemical Corp.’s slogan was “Where There’s Life . . . There’s Bugs” the only difference between this slogan the that of Busch, Inc.’s was the alteration of “Bud” to “Bugs.”}\]
\[^{72}\text{38 A.M.Jur. P.O.F. 3d, Dilation of a Trademark § 11 (1996).}\]
\[^{73}\text{McCarthy, supra note 17, at § 24:16[2], § 31:155; see also, Hormel Foods Corp. v. Jim Henson Prods., 73 F.3d 497, 503 (2d Cir. 1996). In Hormel, the court held that “[w]e find, therefore, that the clarity of Henson’s parodic intent, the widespread familiarity with Henson’s Muppet parodies, and the strength of Hormel’s mark, all weigh strongly against the likelihood of confusion as to source or sponsorship between Hormel’s mark and the name “Spa’am.”” 73 F.3d at 503.}\]
3. The Cameo Role of The Copyright Act and So-called “Fair Use”

The Copyright Act contains a statutory provision that negates a finding of infringement where the allegedly infringing use falls within the ambit of “fair use.” In other words, the statutory provision for fair use is a defense. That allows secondary users of copyrighted material to have their interests weighed against the interests of the copyright holder. As a defense, fair use acknowledges use of the material, but asserts a privilege for that use.

Despite the many differences between trademark and copyright law, many courts have attempted to apply the fair use doctrine to trademark law which makes sense, since fair use, until the most recent of times, has always been, even in copyright, a judicial, not a statutory doctrine. Fair use allows a secondary user to use trademarked materials within certain contexts.

This evolution has occurred because trademarks, which once identified the source of an item have come to identify the item itself. Now, trademarks not only identify the source, but they are part of our everyday lives as well. It is this necessity which has fueled the application of the fair use doctrine to trademark law. Absent a uniform standard, however, courts have reached very different results making it nearly impossible to predict the results of trademark infringement case rulings. Critics of the courts' practices in applying fair use standards to trademark infringement cases have found the results troubling.

7417 U.S.C.A. § 107. The “fair use” clause of the 1976 Copyright Act states in part: “[T]he fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching, . . . scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include – (1) the purpose and character of the use, including whether such use is of a commercial nature, or is for nonprofit educational purposes; (2) the nature of the copyrighted work, (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.” See Harper & Row, Pub., Inc. v. Nation Enterprises, 471 U.S. 539, 567 (1985). The Harper Court stated that the last factor,” (4) the effect of the use upon the potential market for or value of the copyrighted work,” is the most important in determining whether a secondary use has fallen within the fair use exception.

75H.R. Rep. No. 102-836, reprinted in 1992 U.S.C.C.A.N. 2553. Copyright infringement was always non-statutory, and when it was codified, Congress expressly said it was codifying and not changing the law. Thus, the implication is that this was and remains a valid judicial area.

76Smith, supra note 12, at 1533.; Some courts have applied a “nominative fair use” doctrine where a trademark has become the sole way of identifying a product. The Ninth Circuit recognized this in Films of Distinction, Inc. v. Allegro Film Productions, Inc., 12 F. Supp.2d 1068, 1076 (C.D. CA 1998). The Allegro court stated, “[t]o establish nominative fair use where a defendant uses a mark to describe the plaintiff’s product or service: (1) the product or service must be one not readily identifiable without use of the trademark; (2) only that portion of the mark reasonably necessary to identify the product or service may be used; and (3) the user must take no action, beyond use of the mark, that would suggest sponsorship or endorsement by the trademark holder. The fact that an allegedly infringing use is undertaken for profit and in competition for the registrant’s business is immaterial.”

77Smith, supra note 12, at 1532.
The doctrine of “collateral use” has been applied to trademark law and allowed a secondary user to use a mark for any use that does not identify the source of the product. A secondary user in entitled to use and identify a trademarked product as part of a larger work so long as the public would not be deceived or led to believe that the senior user is somehow the source or sponsor of the secondary user’s item. Likewise, a secondary user does not necessarily commit an infringement by his failure to remove another’s mark. It is thus as a result of this distinction that dilution becomes an important additional issue, since it is only dilution that could be used to attack and otherwise fair use (that is, a use about which no consumer is confused, but the mark is still used in a way the owner does not wish.) Many of collateral use cases involve the actual trademarked product, and thus collateral use has come to mean the association of the mark with the authentic product.

Subsequent users of copyrighted material have asserted other defenses for use, which also fall under “fair-use.” These include use for fair comment or parody, as well as the subsequent user’s constitutional right of free speech.

a. Parody

A parody is a “form or situation showing imitation that is faithful to a degree but that is weak, ridiculous or distorted: a feeble or ridiculous imitation.” A parody is commonly referred to as a “take off” on another’s work. Like the doctrine of fair use, parody is officially recognized as a defense to an infringement claim in copyright law. This defense has been imputed by courts to apply to trademark cases as well. Cases involving parodies may encompass Lanham Act infringement and state anti-dilution claims, and courts must balance the rights of senior holders against the rights of secondary users’ rights of freedom of expression.

In theory, the doctrine of freedom of expression lies outside of the trademark laws because it applies only where identification of source is not at issue. In our increasingly commercialized society, however, the lines are becoming blurred.

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79Id.
80McCarthy, supra note 17, at § 11:47; see also Laura Secord Candy Shops, Ltd. v. Barton’s Candy Corp., 368 F. Supp. 851, 853 (N.D. Ill. 1973). The Barton court held that where a fair use defense is proven, there will be no infringement (even if the use results in likely confusion). 368 F. Supp. at 853.
81Volkswagen Aktiengesellschaft v. Church, 411 F.2d 350, 352 (9th Cir. 1969).
82WEBSTER’S THIRD NEW INTERNATIONAL DICTIONARY 1643 (1993).
83Gribbin, supra note 27, at 367.
84See Hormel, supra note 73; see also Perez, supra note 14.
85Gribbin, supra note 27, at 367-68.
86Volkswagen, 411 F.2d 350, 352. The Volkswagen court held that one may use another’s mark to adequately describe their services where it is necessary to accurately denote. The court further held that use which is not likely to deceive the public does not rise to the level of
b. First Amendment

The First Amendment has often been claimed in both copyright and trademark infringement actions where a senior user is attempting to limit the speech of another by precluding the secondary user from using the allegedly similar material or mark. Courts have analyzed these claims under two different forms of speech; that which is artistic speech and that which is commercial, both having different levels of protection afforded to them by the First Amendment.

i. Artistic Speech

The pinnacle of protection against censorship lies in the First Amendment. Visual artists are afforded the same protections under the First Amendment that are afforded to writers and artists in other mediums. This so-called communicative speech, as McCarthy writes, is afforded the full protection of the First Amendment. Unfortunately, the difference between speech that is purely communicative, and that which is commercial is becoming extremely blurred. The Supreme Court has recognized a lessened importance in this difference.

ii. Commercial Speech

Speech which is considered commercial is not devoid of First Amendment protection. It has been, however, afforded a more limited protection. Commercial speech has been defined by the Supreme Court as speech that does “no more than propose a commercial transaction.” Another test was used in Central Hudson Gas & Elec. Corp. v. Public Serv. Comm’n. This case held that speech which was an infringement. New Kids on the Block v. News America Publishing, Inc., 971 F.2d 302, 308 (9th Cir. 1992). The New Kids court held that the fair use defense applies “where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.”

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87Vetter and Roche, supra note 41, at 7.

88Id.

89Goldsmith, supra note 78, at 839-40.


91McCarthy, supra note 17, at § 31:37[9].


93Id.


95Virginia, 425 U.S. at 771 (quoting Pittsburgh Press Co.v. Human Relations Comm’n, 413 U.S. 376, 385 (1973)).

96447 U.S. 557, 566 (1980). Central Hudson also established a test to determine whether regulation on such speech is proper. The Court looked to whether (1) the speech concerned a lawful activity and was not misleading, (2) the state government interest is substantial, (3) the
“expression related solely to the economic interests of the speaker and its audience” was commercial speech.  

Although the Supreme Court has called the delineation between commercial and artistic speech “common sense,” it appears that a narrow scope has been determined for deciding what comprises commercial speech. However, in the case of films and literature for that matter, the Courts should not examine the allegedly infringing material in this manner. Film, books, and other mediums straddle the line between artistic and commercial speech in that they are artistic expressions that are also offered for sale. The real determination courts should make is whether such use (however it may be classified) is likely to confuse consumers. Although a product sold under a similar trademark as another product in the same genre is more likely to confuse than a depiction of that product in a film, the recent practice of product placement confuses the issue. As product placement becomes more commonplace, and films become increasingly akin to 120-minute “commercials,” it is more likely that consumer-films-goers will associate trademark holders whose products are depicted in a film with actual sponsorship of that film.

B. The Set-Cases

A very recent case addressed the Lanham Act with respect to photographic depictions of a popular landmark building. Chuck Gentile, a photographer, took a picture of the Rock and Roll Hall of Fame and Museum and turned it into a poster, which he then sold in local shops. The Museum sought protection for dilution claiming trademark protection for their building. The museum sought protection on the grounds that they had a trademark in their building design and service mark “Rock and Roll Hall of Fame,” (which Gentile had used to accurately describe his photograph) and consumers would be likely to believe that the museum was the sponsor of Gentile’s poster. The District Court agreed with the Museum to the dismay of photographic artists. Holding that the Museum did have a trademark in the “unique and inherently distinctive” design of the building, the court issued an injunction.

The Sixth Circuit Court of Appeals reversed this holding, but left behind dangerous dicta for future photographic depictions of alleged trademarks. The Court held that Gentile was not liable to the museum for infringement because the Museum

regulation directly advances the government interest, and (4) the regulation is no more extensive than necessary to be upheld. Id. at 566.

97Id. at 561.

98Virginia, 425 U.S. at 771.

99Smith, supra note 12, at 1570-71.

100See explanation of product placement. Supra note 6.


102Id. at 752.


104Id.
had not used its building design as a trademark.\textsuperscript{105}  This implies that if the museum had used its building design as a trademark (and Gentile had used it in the same manner, identifying his poster,) they would have succeeded in enjoining Gentile’s photographic depiction of it. The court also alluded to the fact that the strength of the public’s recognition of the museum’s building design as a mark for the museum would be pivotal in its decision, indicating that the Museum may have been close to proving a claim of dilution.\textsuperscript{106}

The opening appears to be where a company has consistently used the same depiction of their building design for identification and commercial purposes, then they will have established a protectable trademark right in the design of their building. In fact, several very famous buildings have recently sought legal protection of the infringing users of their building designs including owners of the Chrysler Building and The New York Stock Exchange.\textsuperscript{107}  If they succeed in the courts, they will join the well-known buildings such as Trump Towers, Citicorp Center and the Guggenheim Museum in establishing trademarks in their buildings’ design.\textsuperscript{108}

This, in theory, should only limit subsequent users who attempt to use the trademarks as trademarks. For traditional trademark infringement under the Lanham Act, this is the case, because a mere depiction of the building as trademark would not be followed by a likelihood of confusion in most cases. It becomes increasingly unclear, however, under the laws of dilution of the FTDA as part of the amended Lanham Act, what type of use of such a mark would be violative. Without a requirement of likelihood of confusion, it is not clear whether a mere depiction of a famous building in a film would constitute dilution under the very broad requirements of the FTDA.\textsuperscript{109}

\textsuperscript{105}Rock and Roll I, 134 F.3d at 754. The angle of Gentile’s photograph was one the Museum had not exploited commercially. It was a different angle than used in their poster and in line drawings of the museum used on official museum merchandise. Had Gentile captured this particular angle of the museum, the same angle in which the museum claimed they had established a trademark, the court’s dicta suggests he would have been held liable for trademark infringement.

\textsuperscript{106}Id.

\textsuperscript{107}Lucia Sitar, Comment, The Sky’s the Limit? The Emergence of Building Trademarks, 103 Dick. L. Rev. 821, 822 (1999).


\textsuperscript{109}Under the FTDA, a trademark holder can prove dilution by a secondary user if he can prove (1) his mark is famous and (2) subsequent use occurred after his mark became famous. He also must prove that the (3) subsequent use was commercial, and (4) this use has cause dilution of the trademark. Suppose, for example, a filmmaker captured Trump Towers in the background of his film. The mark is obviously famous, and use occurred after its rise to fame. Trump may argue that the filmmakers use diluted the strength of his mark by associating his building with the film. The only sticking point which may save the filmmakers from a claim of dilution would be the characterization of the use. It is unlikely that appearing in the background of the film would constitute commercial use, even if the film is quite profitable (See supra text accompanying note 47; Namath, 371 N.Y.S.2d at 10.) But what about the case where the same shot in which Trump Towers appears is also used in promotional stills sent to ad agencies promoting the film? What if that same shot were used in the promotional poster?
Another case involved a photographic depiction of a uniform that bore a very close resemblance to a nationally-known cheerleading team. In *Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, the cheerleaders sought to enjoin the release of the defendant’s film, “Debbie Does Dallas,” which depicted women wearing similar uniforms and used the phrase, “Dallas Cheerleaders.”

The Second Circuit Court of Appeals found that because the white boots, blue blouse and the star-studded belt and vest worn by actresses in the film were similar to those worn in performances by the Dallas Cowboy Cheerleaders, a likelihood of confusion would exist if the film were released. The Court also held that the cheerleaders had established a trademark in their uniform as well as a reputation for family entertainment and defendant’s “depraved” film and any perceived association with it would tarnish this reputation.

The Court found the defendant was liable for violating the Lanham Act and issued the injunction. His First Amendment defense failed likely because of the “unwholesome” sexual nature of the film despite his assertion that the work was a comment on “sexuality in athletics.” Because the court found that there were alternative avenues to make such a comment, the defendant was not protected under the First Amendment.

In a very similar case, however, the Supreme Court has extended that which may fall under the parody exception, this time in a copyright context. Acuff-Rose Music, sued the rap music group 2 Live Crew and their record company, alleging that 2 Live Crew’s recording of Roy Orbison’s “Pretty Woman” infringed their copyright. The District Court granted summary judgment for 2 Live Crew, holding that its song was a parody that used the original song in a manner falling within the fair use defense. The Court of Appeals reversed this decision when it decided that 2 Live Crew had taken qualitatively too much of the song and that there existed a possibility of market harm which had been established by a presumption attached to commercial uses.

The Supreme Court reversed the decision of the Court of Appeals, and held that 2 Live Crew’s commercial parody may be a fair use within the meaning of The Copyright Act section 107.

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110 604 F.2d 200, 202 (2d Cir. 1979).

111 *Id.* at 202-03. The film was about a fictional high school girl who was selected to become a cheerleader for the “Texas Cowgirls.” The last scene of the film depicts “Debbie” partially clad in a uniform which was strikingly similar to that of the “Dallas Cowboy Cheerleaders.” The promotional materials accompanying the film contained captions, which read, “Starring ex-Cowgirl Cheerleader, Bambi Woods,” and “You’ll do more than cheer for this ex-Dallas Cheerleader.”

112 *Id.* at 205.

113 *Id.* at 206.

114 *Id.*

115 *Id.* (citing *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972)).


117 *Id.* at 594.

118 *Id.*
this section of the Act require case-by-case analysis as opposed to bright-line rules, and the four statutory factors are to be explored and weighed together. Justice Souter made it very clear that the fact that alternative avenues may have existed for 2 Live Crew get their message across, this was not dispositive of the claim of infringement. He also made it clear that mere commercial use was not presumptive of the possibility of market harm. Finally, divergent from its holding in Dallas, The Supreme Court recognized that 2 Live Crew’s version of “Pretty Woman” was not obscene, but indicated that even if it was, it would not necessarily require a finding of infringement.\textsuperscript{119} It solidified that at least within the context of copyright, parody may claim fair use like other comment and criticism.

In another parody case, trademark protection was denied for a company who held a trademark for its canned ham product when a film used a pig character with a similar name.\textsuperscript{120} The Second Circuit found several reasons that Hormel’s “SPAM” trademark was not infringed by a pig character named “Sp’a’am.” First, Jim Henson and his Muppets were famous for wholesome, family entertainment. Second, it was not likely that viewers of Muppet Treasure Island would think that the film was somehow sponsored by Hormel, simply because there was a character with a similar name. The court did recognize “[t]he similarity between the name ‘Sp’a’am’ and Hormel’s mark [‘Spam’ was] not accidental.”\textsuperscript{121} The Second Circuit recognized the defendant’s comic intent: Henson hoped “to poke a little fun at Hormel’s famous luncheon meat by associating its processed, gelatinous block with a humorously wild beast.”\textsuperscript{122}

The Second Circuit was not convinced that the dirty beast with the same name as the Hormel meat product would create a tarnished association in the minds of Hormel’s customers. In National Federation of the Blind v. Loompanics Enterprises, Inc., the court noted “[w]here the use of the mark is in an unflattering context or setting in which it would be disadvantageous to the mark’s holder, it would seem customer confusion as to endorsement or affiliation is particularly unlikely.”\textsuperscript{123}

In a divergent opinion, the Eighth Circuit Court of Appeals held that a famous beer manufacturer’s mark was infringed by a similar parody-type use.\textsuperscript{124} Anheuser-Busch was again the plaintiff when it sued the publishers of Snicker magazine for an ad that appeared on the back cover of the magazine that contained marks fashioned after Anheuser-Busch’s Michelob beer trademark. The ad was a parody that commented on the current event of a recent oil spill which purportedly affected waters used by the brewery in the manufacture of its beer. “One taste and you’ll drink it oily,” appeared in the ad as well as a disclaimer, which stated, “Snicker magazine Editorial by Rick Balducci. Art by Eugene Ruble.” Although the district

\textsuperscript{119}Id. at 573. The \textit{Campbell} court stated that the 2 Live Crew song “substituting predictable lyrics with shocking ones to show how bland and banal the Orbison song is.” \textit{Id}.

\textsuperscript{120}Hormel, 73 F.3d at 497.

\textsuperscript{121}Id. at 501.

\textsuperscript{122}Id.


court dismissed Anheuser-Busch’s complaint, holding that there was no likelihood of confusion, the Eighth Circuit reversed and entered a judgement for the beer company.\textsuperscript{125}

The Eighth Circuit criticized the district court for its finding that the editorial context required a “special sensitivity” to the First Amendment.\textsuperscript{126} For finding likelihood of confusion, the court examined (1) the strength of the trademark, (2) the similarity between both parties’ products, (3) the secondary user’s intent to confuse the public, (4) the degree of care reasonably expected, and (5) evidence of actual confusion. The court held that because Busch’s marks were strong, and defendants substantially copied the marks, Anheuser-Busch was entitled to a judgement of infringement. The court also noted that the defendants had “indifference” to the likelihood or even possibility of confusion, and had no First Amendment rights in using similar marks in their publication.\textsuperscript{127}

The court went a bit further in noting that there may have been other ways for Snickers to get their message across, and hinting that this may have influenced its opinion. “This confusion might have to be tolerated if even plausibly necessary to achieve the desired commentary— . . . [b]y using an obvious disclaimer, positioning the parody in a less-confusing location, altering the protected marks in a meaningful way, or doing some collection of the above, Balducci could have conveyed its message with substantially less risk of consumer confusion. . . . The First Amendment does not excuse Balducci’s failure to do so.”\textsuperscript{128} The court appears to have added a “least confusing alternative” standard to the Lanham Act.\textsuperscript{129}

Similarly, in Gemini Rising v. Coca Cola Corp.,\textsuperscript{130} The District Court for the Eastern District of New York found that Coca Cola was entitled to trademark protection from a company who made a poster depicting a large cola bottle which in the place of the “Coca Cola” name was the phrase, “Enjoy Cocaine.”\textsuperscript{131} The court determined that because the defendant used an exact reproduction of the plaintiff’s trademarked bottle design and script for the letters, the fact that the words were different did not entitle the defendant to First Amendment protection for his poster. Despite the defendant’s argument that its re-printing “Raid-Mark” in the place of “Trademark” was evidence this was a parody, the court instead held that this was further evidence of “predatory intent.”\textsuperscript{132} Many factors contributed to the court’s finding of infringement including the disparaging effect to the plaintiff of the illegal narcotic reference in the defendant’s poster, and evidence of actual confusion, despite the fact that defendant was not attempting to sell merchandise similar to that

\textsuperscript{125}Id. at 796-97.
\textsuperscript{126}Id. at 773.
\textsuperscript{127}Id. at 774.
\textsuperscript{128}Id. at 776.
\textsuperscript{129}Id.; Thomas S. Leatherbury, Media Law Explosion of Lanham Act Cases, 14 COMM. LAW 1 (1996); see also Dallas, 604 F.2d 200.
\textsuperscript{130}346 F. Supp. 1183 (E.D.N.Y. 1972).
\textsuperscript{131}Id. at 1187.
\textsuperscript{132}Id.
of the plaintiff. This opinion, of course, was written before the 2 Live Crew case, which appeared to widen the permissible avenues for makers of parody and satire.

Courts appear to reach divergent results on similar facts in finding infringement under the Lanham Act, even where courts should exhibit the most deference: artistic expression. Though some courts have recognized the importance of weighing a defendant’s First Amendment rights in artistic expression against the public’s right to be free from confusion, others have not.

C. The Cast of Characters

1. The Film Industry

The District Court for the Eastern District of New York found that the title of the film “Karate Kid” did not infringe upon a karate studio by the same name. Although his mark predated the series of films by several years, because he failed to establish a likelihood of confusion between his mark and that of the film, the studio owner was not entitled to federal protection under the Lanham Act for his mark.

The court also pointed out that the film did not put the school in a bad light, and that the studio owner had not sought an action for infringement until after the films had been released, and failed to seek action against a comic book of the same name which predated the film.

In another movie title case, Ginger Rogers sought protection for the use of her name in a film titled “Ginger and Fred.” The Court of Appeals for the Second Circuit held that no action for infringement was present because the title of the film was not likely to confuse consumers that Ginger Rogers was involved in or sponsored the production in any way. The court’s decision seemed to hinge upon the finding that the subject matter of the film was dancing, and the title had some artistic significance to the film. The dicta suggests, however, that were this not the

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133 Id. at 1188, 1190.
136 Id. at 51. DeClemente is clearly a straight trademark case addressing the issue of who is the true originator or source of the product or service. What if a karate studio had been portrayed in the film with a similar name? Under the current trademark laws, this distinction is much less clear to make.
137 Id. at 50.
138 Rogers v. Grimaldi, MGM/UA, 875 F.2d 994 (2d Cir. 1989).
139 Id. at 1001.
case and there existed no relevance of the title to the subject matter of the film, Ms. Rogers might have been successful in her claim for infringement.\textsuperscript{140}

In Films of Distinction, Inc. v. Allegro Film Productions, Inc., the plaintiff owned the service mark, “The Crime Channel” which was used in connection with their cable network. The network’s programs are exclusively devoted to the subject of crime. Defendant produced a film about a young boy who watches the network, and then commits several murders. In the film, the defendant used the service mark of the Crime Channel and the slogan, “America’s first and only channel devoted exclusively to crime.” Several other characters in the film try to urge the boy not to watch this channel. The boy’s mother says, “You shouldn’t watch this,” and “I’ve told you time and time again not to watch these shows.”\textsuperscript{141} When the plaintiff alleged that defendant’s use of their mark caused irreparable injury, the court found that such injury was possible and The Crime Channel stated a claim for dilution.\textsuperscript{142}

Traditional trademark infringement under the Lanham Act may not be an immediate danger for film producers. The requirement that use be commercial and in competition with the senior user’s goods may keep filmmakers free from liability under this Act. Where a mark is not used a trademark sense, courts have been reluctant to find trademark infringement without invoking the Lanham Act. Films are unique, however, in that goods are sometimes sold in association with them (film merchandising), and the release of big films are often preceded by trailers showing excerpts of the film, while promotional posters adorn movie theater lobbies months before a film’s commercial release. It remains a gray area whether filmmakers will be completely free from violation of traditional trademark laws in these areas. Of special danger to filmmakers is state anti dilution statutes and the FTDA because violation of these allows recovery for infringement of a trademark when used on unrelated goods.\textsuperscript{143} Dilution may apply to any use, not just trademark use or use on competing goods.\textsuperscript{144} Even more chilling to filmmakers, for a trademark holder to succeed on such dilution claims a finding of likelihood of confusion is not necessary.\textsuperscript{145}

2. A Workable Standard

Copyright cases of the recent past present a more workable standard for imputing fair use into trademark law. The set designer of the film, “Seven” used several of Jorge Antonio Sandoval’s photographs in the background of the film.\textsuperscript{146} The

\textsuperscript{140}Id.; \textit{See also} Twin Peaks Productions v. Publications Intern., 996 F.2d 1366, 1379 (2d Cir. 1993). The \textit{Twin Peaks} court held that the Rogers standard was misleading and held that courts should first determine whether a likelihood of confusion exists. Literary titles do not violate the Lanham Act “unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source of the content of the work.”

\textsuperscript{141}12 F. Supp.2d 1068, 1073 (C.D. Cal. 1998).

\textsuperscript{142}Id. at 1078-79.

\textsuperscript{143}MCCARTHY, supra note 17, at § 24:72.

\textsuperscript{144}Mead Data, 875 F.2d at 1031.

\textsuperscript{145}Dairy Queen, 35. F. Supp. 2d at 729.

photographs were only visible in the background of the film and only appeared in the
film for short lengths of time ranging from one to six seconds per shot in a scene
lasting only one and a half minutes. It was for the foregoing reasons that the
Southern District Court of New York held that the film did not contain images that
were “legally cognizable copies” of Sandoval’s work. The court held that New
Line’s use was fair use under the Copyright Act section 107.

Another recent case also involved the use of large sculptures as the background
for a film. An artist who designed four sculpted towers on a building sued when the
producers of “Batman Forever” used the building as a backdrop for the film. The
artist, Andrew Leicester claimed his copyright in the work was infringed even
though Warner Brothers had obtained permission from the owners of the building
before including it in their film. The court held in an unpublished opinion that
Leicester’s copyright was not infringed even though his sculptures appeared in
promotions and merchandise promoting the film. Their holding rested upon the fact
that the sculptures became a part of the building itself, and per section 120 of the
Copyright Act such use does not constitute infringement.

Although the foregoing opinion appears to give film artists some leeway to use
buildings as backdrops and comport with copyright law, other courts have held for
the sculptors in similar cases. Sculptor Frederick E. Hart created a bas-relief
sculpture that adorns the National Cathedral in Washington D.C. He sued when
Warner Brothers used a sculpture in the film “The Devil’s Advocate” which
substantially resembled his creation. Using the same analysis the court used in
Sandoval, the court found that Warner Brothers used the image of the similar
sculpture for approximately twenty minutes of the feature length film. This
substantial amount of time combined with the fact that in one scene, the sculpture
appeared to move erotically, contributed to the court leaning toward a finding that
Warner Brothers infringed Hart’s copyright. The case ultimately settled out of court
and Warner Brothers was spared an injunction and was able to distribute its film in
the home video market.


148Dicta from the court suggests, however, that had the photographs been used in
promotional materials for the film, there may have been a different result. Sandoval, 973 F.
of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching
(including multiple copies for classroom use), scholarship, or research, is not an infringement
of copyright.” Four factors are taken into account for deciding whether a particular use is fair
under § 107; (1) the purpose and character of the use is examined including whether the use is
commercial in nature or is non-profit educational use, (2) the nature of the copyrighted work,
(3) the amount and substantiality used and (4) the effect of the use on the value and /or effect
on the potential market for the copyrighted work.”

14917 U.S.C.A. § 120 provides that the copyright in an architectural work that has been
constructed does not include the right to prevent the making, distributing, or public display of
the pictures, paintings, photographs, or other pictorial representations of the work, if the
building in which the work is embodied is located in or ordinarily visible from a public place.

150Larry Witham, Sculptor Backed on ‘Advocate’ Lawsuit, WASHINGTON TIMES, Feb. 11,
1998, at A8.; see also John T. Aquino, IP Issues Concerning Art and the Movies, 6 NO. 1
INTELL. PROP. STRATEGIST 1 (1999). The European tradition of Moral Rights protect the artist
An analogous case represents a dangerous expansion of copyright law, which threatens fair use. The Second Circuit Court held that use of a copyrighted work in a film, even where the work is out of focus and nearly unrecognizable, could still constitute infringement under the Copyright Act. In Ringgold v. Black Entertainment Television, Faith Ringgold, an artist who created a “story quilt” saw a poster depicting her creation in the background of a cable television show when it aired. The original work was on display at and owned by the High Museum of Art in Atlanta, who created posters depicting the work which were sold in its gift shop. Ringgold granted the museum an exclusive license to sell the posters, and thousands have been sold to visitors of the museum since 1988.

HBO Pictures, the producers of the television show “ROC,” used one of these posters in the background of a scene taking place in a church in the production of one episode of the show. The poster actually appears in nine shots, and for a total of almost twenty-seven seconds of the twenty-three minute show. The poster is in the background of the main action, is not referred to by the actors, and nothing in the camera work calls special attention to it. Nonetheless, the Second Circuit held that HBO’s use of the poster did not fall within the fair use standard under the federal copyright laws.

In its opinion, the Second Circuit reversed the holding of the Southern District of New York, which held that the use, described as “incidental and reasonable” fell within fair use. It looked to the subject matter of the program, and the fact that HBO actively selected the poster for the look of that particular scene. The poster, depicting a group of African-American people by a pond, was an appropriate decoration for a black church. It was this active role in selecting the work without

from altered reproductions of their work which may negatively affect the reputation of the artist. This theory has been incorporated into United States law under the Visual Artists Rights Act of 1990 and various state moral rights statutes. Although the European predecessor purports to protect moral rights in reproductions of an artist’s work, in general, the laws of this country stop short of this and protect only an artist’s original work. One exception to this is in New York, where many artist’s claims originate, the New York Artists’ Authorship Rights Act (a progressive statute which attempts to include reproductions within its scope of protection) states: “[N]o person other than the artist or a person acting with the artist’s consent shall knowingly display in a place accessible to the public or publish a work of fine art or . . . a reproduction thereof in an altered, defaced, or mutilated or modified form if the work is displayed, published, or reproduced as being the work of the artist, and damage to the artist’s reputation is reasonable likely to result therefrom . . . [T]he artist shall retain at all times the right to claim authorship, or, for a just and valid reason, to disclaim authorship of such work. The right to claim authorship shall include the right of the artist to have his or her name appear on or in connection with such work as the artist. N.Y. ART. & CULT. AFF. LAW § 14.03 (1), (2). It is unlikely whether this particular statute would be helpful in the case of films because often, copyrighted work is used as background material and is not at least expressly, being “displayed, published, or reproduced as being the work of the artist.”


152 Id. The artist actually saw the program in 1995, in reruns, after it had originally aired in 1992 and was shown again in 1994.

153 Id.
obtaining the proper permission to use it that contributed to their finding for Ringgold.\footnote{See Simon J. Frankel, Using Visual Art in Film and Television: Ya Gotta Have Art – And Permission, Too, 16 ENT. & SPORTS LAW 1, 23 (1998). But what about scenes shot on location that include works of art (or copies) that happen to be there? For example, many public plazas (where location scenes may be shot) include sculptures still under copyright.}

It also examined the facts under section 107 of the Copyright Act to determine if HBO’s use could fall within fair use. For the first factor of the fair use test, “purpose and character of the use,” the court held that the defendants had used the poster in the same manner it was intended to be used: for decorative purposes.\footnote{Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70, 79 (2nd Cir. 1997). For additional discussion of the Ringgold court’s reasoning, see Frankel, supra note 154.} When it applied the second factor of the test, the court held that the creative nature of the work favored the plaintiff. In applying the third factor, the court agreed with the district court that the fleeting use did not meet the “amount and substantiality” needed for defeating fair use. The court the warned, however, that one factor alone is not dispositive, and all must be examined in order to reach a fair result. Finally, the court found that since Ringgold had earned $31,500 in 1995 by licensing her work to others including films and television productions, defendant’s use without any compensation was evidence of an adverse impact on her sales. In this finding, it rejected the district court’s finding that the depiction of the poster in a television show was likely to have little to no effect on actual sales of the poster. In the end, this case was remedied but poses a dangerous trend for filmmakers, even though it can be distinguished because of the active choice involved.\footnote{Though it is distinguishable because of the event of “actual selection” from cases where a mark’s appearance in the film is mere happenstance.}

III. RESOLUTION

The Federal Trademark Dilution Act poses a serious threat for filmmakers, much more so than found under the original Lanham Act. A filmmaker can be found guilty of dilution without a finding that consumers would likely be confused by the allegedly diluting use. The mere appearance of a mark in a film would not likely violate a trademark holders rights. According dilution’s much less stringent standard, non-competing uses of a mark which would “blur” its strength would violate a holder’s rights. Courts have used the FTDA in ways as broad as its language allows, and it poses a very serious danger for filmmakers while also threatening their First Amendment rights.

Courts should adapt a similar fair use standard as that codified in copyright laws. This may alleviate the current disparities between courts in allowing a uniform standard for courts to apply to similar cases. The FTDA presents too broad a standard without the requirement of a likelihood of confusion and should be re-examined for the dangers it poses on freedom of speech. Filmmakers and other visual artists should not be limited by strictly construed trademark laws. As our society becomes increasingly commercialized, and photographers and filmmakers cannot be held liable for infringement for depicting such prevalent marks.

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