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Panel III: Trademarks v. Free Speech in Cyberspace

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Panel III: Trademarks v. Free Speech in Cyberspace

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MR. HOPKINS: Good afternoon, ladies and gentlemen. My name is Ryan Hopkins. I am the Symposium Editor. Thank you all again for coming.

This is our final panel for the day. This is the trademark panel. It will be run by Professor Sonia Katyal.

I'm closing with this topic because it was my favorite. This past summer, there were two pro bono groups going against each other on an issue that I just found intangible as a student: that a person coming from the inside of an organization, where his job was to promote and protect a trademark, could go online and basically, from my point of view, purposefully make that trademark generic[1] because he can broadcast to a very broad audience. I got to work with this case.[2] Even though it is not the focus of the panel, it is what created the ideas.

With that, thank you all again.

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[1] Freedom Calls Found. v. Bukstel, No. 05CV5460(SJ)(VVP), 2006 WL 845509, at *12 (E.D.N.Y. Mar. 3, 2006).

[2] *Id.* at *1.

The CLE certificates will be outside immediately before the reception, so please stop by the table and pick up your certificate before we start celebrating the end of this conference.

And now, I will turn it over to Professor Katyal.

PROF. KATYAL: Thanks so much, Ryan.

Greetings and welcome to the third and last panel for today.

Before we start, I actually just want to congratulate and thank the staff of the *IPLJ* for a really interesting and very enlightening day dealing with all of the changing developments of intellectual property law, particularly in this digital age.

In this panel we are going to focus on another very changing area of intellectual property, and that involves trademark law and its relationship to First Amendment values.

Years ago, constitutional scholars in our country were fascinated with the relationship between copyright and the First Amendment. Cases like *Eldred*,[3] which focus on the constitutionality of copyright extension, and organizations like Creative Commons[4] and many others, Chilling Effects[5] and so on, helped us to understand the complexities of copyright policies and their relationship to freedom of speech.

Today I actually think that it is fair to say that many of those same policy questions are coming up in a different context, in the trademark context. But they also raise very similar implications about the complexity of the relationship between intellectual property law and freedom of expression. I think that this larger policy tension that we have been talking about today between property and speech in the trademark context translates into a series of smaller, and I would say more discrete, conflicts in the trademark context.

I think that what they do is they force us to ask how to redraw the boundaries of the relationship between intellectual property and freedom of speech, particularly when we are not just dealing with

[3] Eldred v. Ashcroft, 537 U.S. 186 (2003).

[4] Creative Commons, http://www.creativecommons.org (last visited Feb. 25, 2008).

[5] Chilling Effects Clearinghouse, http://www.chillingeffects.org (last visited Apr. 7, 2008).

the marketplace of ideas but we are also dealing with the marketplace of goods. So, for example, just to review some of the interesting developments in trademark law, there have been some very interesting cases that address the boundaries between commercial and noncommercial speech, both in the infringement context as well as in the dilution[6] context, which we will talk about today, and also, in particular, dealing with domain names and the Anti-Cybersquatting Protection Act,[7] which is something that I am sure our speakers will mention.

So even aside from this boundary between commercial and noncommercial speech, we are also seeing a very interesting trend regarding the potential uses of other causes of action, like trademark disparagement, in federal cases. This is something that we have seen in the *Freecycle*[8] case, which is something that we will also address during this panel as well. In that case, a federal court barred a plaintiff from making comments that could be construed to disparage upon the possible trademark in a company known as The Freecycle Network.[9] It raises issues of genericness and so on, which is something that we will also address in this panel. The question that that case posed was the issue of whether or not a preliminary injunction in this context was operating as a prior restraint. We will hear some different perspectives on this case and the Ninth Circuit's disposition shortly.

The last issue that I want to throw out there, aside from commerciality and disparagement, is the kind of ever-widening issue of technology, which is something that Ryan just spoke about. How should the law address the role of technology, things like gripe sites, domain name disputes, in the context of trademark law? Are there ways in which technology is changing law, or the reverse?

And what about the First Amendment? As I think Hugh Hansen mentioned in the prior panel, is the First Amendment merely, in Hugh's words, "a vessel for policy decisions?" Or is it

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6 *See, e.g.*, Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003).

7 15 U.S.C. § 1125(d) (2000).

8 Freecycle Network, Inc. v. Oey, 505 F.3d 898 (9th Cir. 2007).

9 *Id.* at 900.

something more substantive; is it something more compelling than trademark law has treated it in the past?

Those are some of the questions that we will be talking about in this panel. To address these concerns we have a very distinguished panel of speakers.

We will hear from our first panelist, who is Brett Frischmann, who is visiting with us from Loyola University in Chicago. So without further ado, Brett.

PROF. FRISCHMANN: All right. Hello again, although there are some new faces out there.

I am going to basically just pick up where I left off this morning. We had a short amount of time and Hugh didn't let me say everything I wanted to say, so I've got more to say today. Many of you in the audience may not have been here this morning, so I am going to just briefly recap a couple of the basic points I made and then extend it to trademark. I will just summarize what I said this morning.

First, the digital networked environment that has emerged recently, the Internet, has had a significant impact on cultural, economic, social systems and the laws that regulate those systems. I laid out a couple of areas of law where this comes up. Copyright and trademark are hotly contested. They are evolving as technology is evolving, as markets are evolving, in this environment. At the core of many of these debates in these various fields, there seem to be First Amendment concerns lurking. As a result, I think the intersection of the First Amendment with copyright and trademark is fertile ground for rethinking and change.

At a broad, macro level, the Supreme Court suggested—perhaps inadvertently, but nonetheless that's still something we can pay attention to—an avenue for pursuing such change in its *Eldred* decision, where it stated that so long as "Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary."[10] That is, we might presume that the existing contours, including the built-in

[10] Eldred v. Ashcroft, 537 U.S. 186, 221 (2003).

safeguards of idea/expression and fair use, properly mediate copyright with the First Amendment.

This morning I talked a little bit about the *Golan*[11] decision in the Tenth Circuit, which picked up on this analysis, maybe as a baby first step into what might turn out to be an emerging inquiry into the First Amendment and copyright.

Then I suggested that the "traditional contours," particularly those contours that mediate copyright with the First Amendment, might become deficient from a First Amendment perspective because of changes wrought by Congress, and perhaps also because of changes in the underlying social and technological environment. That is, if, as Yochai Benkler has argued, the digital networked environment fundamentally changes our participatory potential and how we relate to expressive content as well as to each other,[12] then we might expect or want to see increased First Amendment scrutiny of both copyright and trademark.

So *Eldred* suggests the "traditional contours" analysis that we might apply, for better or for worse.[13] Should it be extended to trademark law?

The simple answer is: how could it not be? Trademark law is fundamentally a body of law that regulates speech. To the extent that speech is plainly commercial speech—for example, speech that merely proposes or executes a transaction—then it is so called "low-value speech" within the First Amendment world, and thus not subject to the type of scrutiny applied to so-called "high-value speech," like political speech.[14]

But as we all know, the words, images, symbols, and devices that can function as trademarks—that is, that serve the trademark function of creating and maintaining associations with source—are also incredibly powerful speech devices for communicating messages about various things, including but certainly not limited

[11] Golan v. Gonzales, 501 F.3d 1179 (10th Cir. 2007).

[12] *See generally* YOCHAI BENKLER, THE WEALTH OF NETWORKS: HOW SOCIAL PRODUCTION TRANSFORMS MARKETS AND FREEDOM (2007), *available at* http://www.benkler.org/wealth_of_networks/index.php/Download_PDFs_of_the_book.

[13] *Eldred*, 537 U.S. at 221.

[14] *See* Lorillard Tobacco Co. v. Reilly, 533 U.S. 525, 553–55 (2001).

to the trademark owner or the trademark owner's goods and services. It is precisely because of the powerful trademark meaning that trademarks garner in the marketplace of goods and services that trademarks are valuable tools for generating and communicating meaning in the marketplace of ideas. That is an important concept to keep in mind, I think, as we think about trademark and the First Amendment.

Trademark law, like copyright law, regulates certain uses of protected expression, but not all uses. Both bodies of laws draw careful lines and boundaries—or contours, if you will—that leave a variety of uses free for the public, for engaging in public conversation, for public speech.[15]

Trademarks traditionally operate in market settings where consumer confusion is likely. It is concerned with competition, with efficient markets, harms to consumers associated with deception or misleading practices.[16] But in non-market settings, where consumer confusion is unlikely, trademark law has not traditionally been operational.

But even beyond the broad boundaries that delineate where trademark does and does not reach—that is, the boundaries established by concepts such as use in commerce and consumer confusion—there are additional doctrinal limits, mainly defenses, that further carve out space for the use of trademarks for communicative purposes that implicate core First Amendment concerns.

Now, I don't intend to map out the areas where the "traditional contours" analysis suggested in *Eldred* for copyright law might arise in trademark law. I think some of our panelists are going to touch on some of those.

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[15] *See* 17 U.S.C. § 107 (2000) (providing the factors to be considered in determining the "fair use of a copyrighted work"); 1–800 Contacts, Inc. v. WhenU.Com, Inc. 414 F.3d 400, 406–07 (2d Cir. 2005) (explaining that "[i]n order to prevail on a trademark infringement claim" a plaintiff must establish, amongst other things, that "the defendant used the mark . . . in commerce . . . in connection with the sale . . . or advertising of goods or services") (internal quotation marks and citation omitted).

[16] *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:2 (4th ed. 2008).

I suppose dilution law[17] is perhaps an area where significant changes have in fact occurred and where some, such as Diane Zimmerman and Rebecca Tushnet, I believe have argued for intense First Amendment scrutiny, for revisiting the traditional contours of this intersection between the First Amendment and trademark law as we understand it.

Let me, instead, turn to a few examples that the students have brought to our attention. I would like to suggest again, as I did this morning, that the digital networked environment may provoke struggles at the intersection of the First Amendment and trademark, and I'd like to say a few words about how that arises, give us some context for understanding them.

One of the cases that the students referenced in the materials that they sent to us to prepare and to think about for this conversation was the *Mattel, Inc. v. MCA Records, Inc.* 2002 decision out of the Ninth Circuit.[18] It is otherwise known as the "Barbie Doll" case or the "Barbie Girl" case. In 1997, the Danish band Aqua released its song "Barbie Girl." The quality is not so great. Nonetheless, the song comments on and makes fun of Barbie.

PROF. KATYAL: It's a great song.

PROF. McGEVERAN: I really like it. I bought it.

PROF. FRISCHMANN: When I listened to it, I wasn't—

PROF. KATYAL: "Life in plastic, it's fantastic."

PROF. McGEVERAN: It's on my iPod actually, but I bought it legally.

PROF. FRISCHMANN: I wasn't even going to say that, but then I thought I'd just throw it out there. I don't think the song is that great. Nonetheless, it effectively comments on and makes fun of Barbie. Mattel sues for trademark infringement and dilution. In the end, the Ninth Circuit rejects Mattel's claims, relying heavily on First Amendment considerations, properly in my view.

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[17] *See* Federal Trademark Dilution Act of 1995, Pub. L. 104-98 (codified as amended at 15 U.S.C. § 1125 (2000)); *see also* 4 MCCARTHY, *supra* note 16, at § 24.67.

[18] 296 F.3d 894 (9th Cir. 2002).

In my view, this sort of challenge is really just the tip of the iceberg for poor old Barbie. The problems that Barbie or Mattel face in cyberspace may be emblematic of the sorts of disputes we can expect in the future. Many trademark owners face similar challenges of brand and image management in cyberspace.

So what has happened to Barbie in cyberspace? What changes has the Internet wrought? The cultural significance of Barbie has changed over time and is dependent upon who says authoritatively what Barbie means. Before the emergence of the digital networked environment, the Internet and all its enabling communications technologies, Mattel more or less had effective control over the mass communication of messages regarding Barbie, largely through commercial advertising and distribution, effectively through use of some channels made available by trademark. Mattel had no control over what people said privately, or what they said even in most small-group settings. But any such communications had little significance in shaping cultural meaning.

With the emergence of the digital networked environment, Mattel has lost some degree of control, and as a result, individuals have gained some capacity to shape the cultural meaning of Barbie, a meaning that certainly appears to be contested if one simply searches Google for "Barbie."[19] There are many more culturally significant meanings, views of Barbie that have meaning in different cultural settings. More people have the capacity to participate in public conversations about Barbie and about related concepts that Barbie evokes, and more people exercise that capacity.

[19] *See, e.g.*, Barbie.com, http://barbie.everythinggirl.com ("Contains activities to play, create and learn new things, photos, facts, and doll information for collectors.") (the first result returned in a Google search for "Barbie," conducted Feb. 23, 2008); BarbieCollector.com, http://www.barbiecollector.com ("The official Mattel site for Barbie Collector featuring a Doll Showcase including 600+ Barbie Collector dolls dating back to 1980, plus news . . . .") (the second result returned in a Google search for "Barbie," conducted Feb. 23, 2008); The Distorted Barbie, http://www.detritus.net/projects/barbie ("Barbie as you've never seen her before. Explore the images, humor, and psychology of the Barbie phenomenon.") (the fourth result returned in a Google search for "Barbie," conducted Feb. 23, 2008).

Perhaps more importantly, people learn that Barbie's meaning is in fact contestable; that is, the meaning advertised and sold by Mattel is but one of many possibilities, and the meaningful participation in the contest of meaning-making, determining what Barbie means, what it stands for in society, is itself possible. We can participate in that contest.

This reflects, in my view, a significant advance from a First Amendment perspective, although it does raise complicated issues potentially at the interface with trademark law. I tend to think that the existing trademark law framework is well equipped—better equipped that copyright law I should say—to deal with these sets of issues. But we'll see.

We've got things like use in commerce and consumer confusion to define some of the scope of where trademark reaches. Arguably, there is a debate going on right now among trademark scholars about whether or not there is a trademark use requirement, whether use of someone else's mark in a trademark fashion is a prerequisite to bringing an infringement cause of action.[20] Whether or not that succeeds—and some courts have recognized it—trademark use is another doctrine that mediates this balance. In other words, non-trademark uses are fair game, and thus would be okay from both a trademark and a First Amendment perspective.

But then there are also things like genericness and the way we approach the hurdles to getting into the trademark system. For example, we do not give trademark protection to merely descriptive trademarks until they actually acquire distinctiveness.[21] But also there are things like nominative fair use,[22] ordinary descriptive fair use.[23] Noncommercial expression of an idea, in itself, has in some courts been found to be protected by the First

[20] *See* Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597 (2007); Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669 (2007) [hereinafter Dogan & Lemley, *Grounding Trademark Law*].

[21] 15 U.S.C. § 1052(f) (2000); Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 790 (5th Cir. 1983).

[22] *See* Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 231–32 (3d Cir. 2005).

[23] 15 U.S.C. § 1115(b)(4).

Amendment.[24] And then, of course, in dilution law we have things like a trademark use requirement[25] and we have the defenses connected with parody,[26] commenting on the mark,[27] and so on. So I think there are existing doctrines within trademark that may work pretty well in dealing with these issues, although I think we are going to see them pop up more and more in the future.

To use one of the examples, if you think about gripe sites,[28] one way of mediating the First Amendment and trademark with respect to gripe sites is just to say, "We can rely on the likelihood of confusion test." Well, it is hard to see whether there is likelihood of confusion where you are saying "Mattel sucks." Who thinks that Mattel is somehow authorizing or behind or associated with that site owner?

But yet, as expressed by some of the people who have participated in this trademark use debate, the debate about whether trademark use ought to matter, one of the contentions is—and you've got to think about this generally, for those students out there—where within the structure of the law these kinds of defenses and these kinds of doctrines come up. Are they gatekeepers, the sort of qualification criteria, when you first get into the trademark system? Likelihood of confusion isn't there. You've got to go through quite a bit to get a finding of likelihood of confusion.

Defenses are even further down the line. If we want the First Amendment balance to be struck, where do we want it struck? Do we want it struck at the likelihood of confusion stage, figuring out whether there is an infringement? Do we want it struck at the defense stage? Do we want it struck in the remedies, because some courts have in fact tailored some of the remedies with concerns of First Amendment? Or do we want it dealt with more

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[24] Rogers v. Grimaldi, 875 F.2d 994, 1003–04 (2d Cir. 1989).

[25] *See* 15 U.S.C. § 1125(c)(1); 1–800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400, 406–08 (2d Cir. 2005).

[26] *See* 15 U.S.C. § 1125(c)(3)(A)(ii); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 907 (9th Cir. 2002).

[27] *See* 15 U.S.C. § 1125(c)(3)(A)(ii); *Mattel*, 296 F.3d at 907.

[28] "A gripe site is a type of website devoted to the critique and or mockery of a person, place, politician, corporation or institution." Gripe site, Wikipedia, http://en.wikipedia.org/wiki/Gripe_site (last visited Feb. 20, 2007).

up front, which is the argument for a trademark use requirement? Trademark use would be something we could decide in a more summary fashion up front.

This is just one way to think about the ways in which First Amendment concerns are going to work their way into different trademark disputes that I think we are going to see more and more in the online context.

I can stop there. I think that sets up some of the other discussions.

PROF. KATYAL: Thanks so much, Brett.

Our next speaker is Bill McGeveran from the University of Minnesota Law School.

[See article below in lieu of presentation transcript.][29]

PROF. KATYAL: Great. Thanks so much.

Our last speaker is Robert Weisbein from Darby & Darby.

MR. WEISBEIN: Good afternoon. It's good to see everybody came back after lunch, or many people. Oftentimes the after-lunch lecture is the least attended, but there's a pretty good audience here. We appreciate that.

I am here to give more of the general practitioner's point of view. I think my two panelists got a lot of things right.

I am not so sure that having additional carve-outs in the infringement section would be the way to go necessarily. The statute does already include two provisions that deal with free speech.[30] I think the authors of the Lanham Act[31] were very concerned about that, particularly in some of the recent amendments to the dilution statute.

The first one, which Bill talked about, was § 33(b)(4).[32] That deals with the right of somebody to use a trademark in a descriptive manner. That is a carve-out. It is a defense. What it

[29] William McGevern, *Four Free Speech Goals for Trademark Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1205 (2008).
[30] *See infra* notes 47, 49–50 and accompanying text.
[31] 15 U.S.C. §§ 1051–1141.
[32] *Id.* § 1115(b)(4).

says is that it will not be infringement if somebody uses a term or a device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party. So it is sort of the trademark law of saying, "Hey listen, Mr. Trademark Owner. If you adopt a mark that is descriptive, there is going to be some risk to you that other people are going to be able to use that term in connection with advertising, speech-related content, and things like that, and it is not going to be infringement." The issue that then comes up is: Well, what is "fairly and in good faith"?

I have an example from a case.[33] I will just pass this out and I will ask you by show of hands what you think. I'll just set up the case a little bit as it is being handed out.

We represented a manufacturer of infants' clothing and bedding. We have a registered trademark for the term "just born" for these kinds of products. Gerber came out with a line of infants' clothing, which was under the Gerber trademark, but they were using "just born" as what they claimed as the size designation of these particular clothes.

It is also interesting to note that the person who is now the president of this division for Gerber was somebody who interviewed for an executive position at our client, where we described to him how important this trademark was to us and what our marketing plans were and everything and why we felt that this was a mark of great value to the company. He ultimately did not get the job, and then he went on to work for Gerber. Shortly after he did that, they had a whole new project to come up with a new size designation for what are typically called either "premie" or "newborn." But yet they decided that they were going to call their size designation "just born." So they stood behind this defense, the § 33(b)(4) defense.

You've had a chance to look at it. By a show of hands, how many people think that that is a descriptive fair use or that looks like a trademark use to you? Descriptive fair use? Trademark use? Sort of split.

[33] Triboro Quilt MFG. Corp. v. Gerber Childrenswear, Inc., No. 1:2006cv06268 (S.D.N.Y. filed Aug. 17, 2006), *available at* http://dockets.justia.com/docket/court-nysdce/case_no-1:2006cv06268/case_id-288584.

Unfortunately for you, there was no decision. But I can tell you that Gerber actually waived the attorney-client privilege because they got an opinion from counsel that said that what they planned to do would qualify as a descriptive fair use.

I deposed the attorney. It became clear to me that his opinion was very flawed. He didn't look at many things that he should have looked at. First of all, he was asked to give this opinion sort of in a vacuum. He was not shown that packaging and asked to give an opinion on that. He was just asked, if they were to use it as a size designation, would that be okay. His answer essentially was yes.

I can tell you that the next day when his deposition continued, we immediately went into settlement discussions and the case was resolved, and they do not use that mark anymore.

So the Trademark Act[34] does take into account considerations of free speech and not wanting to give somebody the exclusive monopoly to use words that should be in the public domain. That is one example.

The other example is in the recently enacted amendment to the Dilution Act, in the "Dilution by Blurring" section, where they say that it is an exclusion that "[t]he following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection," and they talk about "any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services."[35] Then they go on and they identify parody, criticism, commenting upon the goods or services of the famous mark owner.

A recent case that just actually came down from the Fourth Circuit the other day that dealt with this fair use exception, the parody exception, was the "Chewy Vuiton" case.[36] I think probably a lot of you are familiar with that case. It has gotten an incredible amount of press. In that case, the company Haute

[34] 15 U.S.C. § 1125.
[35] *Id.* § 1125(c)(3).
[36] Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C. (*Haute Diggity Dog II*), 507 F.3d 252 (4th Cir. 2007).

Diggity Dog, which is a very small company, came out with a line of dog chewable toys and a dog bed and they mimicked, parodied, the well-known LOUIS VUITTON "LV" trademark and the redesigned monogram trademark with the multicolor "LV" on the white background, and they were selling these little dog chewies under the name "Chewy Vuiton."

Well, Louis Vuitton as a trademark owner doesn't have a very good sense of humor. I can tell you, as I litigated against them. They take their trademarks very, very seriously. They litigated this case, and they lost at the district court level.[37] The district court judge found that it was a parody and that there would be no likelihood of confusion.

Louis Vuitton appealed. There were several amicus briefs put in, including one from the INTA, the International Trademark Association, saying that the judge got it totally wrong, he never really applied the factors set forth in the statute, and that it couldn't possibly have been a parody, they couldn't come within the parody exclusion, because the use of "Chewy Vuiton" on the pocketbooks was use as a trademark to designate source, and therefore the parody exclusion was out as a defense.[38]

The court actually, in my view from reading a lot of the briefs, got it right. They upheld the district court's decision in finding that there was no dilution or infringement.[39] They said: Well, parody can be a 100 percent defense if you are not using the other person's mark or your parody mark, the "Chewy Vuiton" mark, as an indication of source of origin. But even if you are, parody can still be used. It is not a complete defense, but it can still be a consideration in the regular analysis of determining whether there is a likelihood of dilution.

I don't think that anybody ever was really arguing that. The court sort of did that on its own and, I think, rightly so. They found that just applying the regular six factors that are in the

[37] Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C. (*Haute Diggity Dog I*), 464 F. Supp. 2d 495 (E.D. Va. 2006).

[38] Brief for Int'l Trademark Ass'n as Amicus Curiae Supporting Petitioner at 7, 20, *Haute Diggity Dog II*, 507 F.3d 252 (No. 06–2267).

[39] *Haute Diggity Dog II*, 507 F.3d at 256–57.

statute and looking at it as a parody, that when you compared all those factors and balanced them, there could be no dilution. The court found the parody to be a good one and that nobody would be likely to be confused. So I think there, in that sense, free speech prevailed.

Free speech has been an issue in the trademark context long before the Internet became involved.[40] As Bill said, most of the times they get it right, but you can look back and there are instances where they got it wrong.

I think one of those instances was a case back in 1987, long before the Internet was around. It is a pretty famous case, the *Mutual of Omaha* case.[41] In that case, the defendant was against nuclear power, so he was out there using his platform to be against nuclear power. His slogan was "Mutant of Omaha," as opposed to "Mutual of Omaha." He stood behind that there would be no likelihood of confusion. He felt that he had a First Amendment right to do that.

The court rejected that First Amendment defense, balancing it against the plaintiff trademark owner's property rights in the "Mutual of Omaha" mark. The court weighed heavily the fact that it wasn't just noncommercial speech that this gentleman was engaged in; there was some commercial component to it because he happened to be selling mugs and T-shirts, to raise money for his cause, which had "Mutant of Omaha" on them. Therefore, they found it was trademark use, another thing that Bill and Brett both talked about, and found confusion.

That is an Eighth Circuit decision back in 1987. I think maybe today that might not come out the same way. But I think that was one that was decided incorrectly. Again, the point simply is that this issue of free speech and trademark law and the competing interests has been around a long time, and there is a whole host of decisions about that.

Just turning to the "chilling effect" argument, that is sort of true in the entire context of trademark infringement. It is oftentimes the

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[40] *See generally*, Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM.-VLA J.L. & ARTS 187 (2004).

[41] Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397 (8th Cir. 1987).

big guy against the little guy. It is not just in the context of free speech. So I'm not sure that we should have certain exemptions to help out the little guy, necessarily, in the free speech context. Believe me, I represent plenty of small companies, who come to us, who get an opinion of counsel that they are free to adopt that trademark, and "if ABC company comes after you, we think you have good defenses."

A lot of times companies say, "Listen, I'm going to take the safest course of action. I'm not looking for any problems. We won't go with that mark." The reason is they don't want to get embroiled in a litigation that will be well into the six figures, take a long time to resolve, and put a cloud over their trademark rights. They walk away from it. Or in the case where somebody does adopt a mark and they get a cease-and-desist letter, they just walk away from it because they do not want to spend the money.

That happens all throughout the trademark infringement context. It is not a problem that is unique to the First Amendment people. I'm not sure the First Amendment people have a better right, to somehow have an advantage over people who are using the mark in either a quasi-commercial context or in a commercial context.

For the most part, I think, with the domain cases that have evolved significantly over the years, I think it is, as Bill and Brett both pointed out, pretty clear now how you have to craft your Web site and how you have to select a domain name in order to get a free pass, so to speak. I think the cases have been fairly consistent over the last few years, particularly all the gripe site cases.

I think the rule of thumb, frankly, is—and it is pretty easy to follow—you have to pick a domain name that is not likely to cause confusion. If you add the word "sucks" or some other disparaging term in there, you are pretty much home free. If your domain name is the exact trademark of the trademark owner, that could probably get you into trouble. And then, within your site, as long as you are not doing anything of a commercial nature and it is pretty much a noncommercial site, you should be pretty much home free.

As a lawyer who represents a fair amount of high-profile trademark owners, I think trademark owners initially were going after every domain name.

We represent Nokia. I'm not saying this was their policy, but just by way of example, if you had "Nokia" in your domain name, they were going after you.

We represented Toys"R"Us. They had an incredibly aggressive policy.[42] If you were "Tanks'R'Us," "Cars'R'Us"—and there were plenty of pornography sites that were using "'R'Us" with various body parts in there—I won't go into them—"[Blank]'R'Us"—you could be sure that Toys"R"Us was going to be sending you a cease-and-desist letter. If you didn't stop, they would sue you. Some of the first domain name cases were Toys"R"Us domain name cases, and they were very successful.

But companies don't want to spend the money on legal fees. In-house trademark counsel are very familiar with the case law. They pick and choose their battles very carefully now, for the most part. That is what I have been seeing.

I think if you are running a legitimate gripe site—companies also don't like bad publicity. It's incredible. They run everything by their P.R. department. They don't want to be blogged to death. They are very sensitive to that. So I think it has to be a pretty egregious use of their trademark that is really tarnishing their reputation and goodwill, before they take action.

PROF. KATYAL: Great. Thank you so much.

Before we stop and turn it over to questions from the audience—and we have a fair amount of time to do that—I actually want to focus on something that you just said, Rob, and hear some of the other views of our panelists on this.

It seems to me that when I think about the comments all three of you have made, there is really this fundamental tension in all of your different presentations about a presumption, maybe an optimistic presumption, in the formal power of law. That is to say, you, Bill, and you, Brett, talked about how the development of

[42] *See, e.g.*, Toys "R" Us, Inc. v. Abir, No. 97 Civ. 8673, 1999 U.S. Dist. LEXIS 1275 (S.D.N.Y. Feb. 5, 1999).

trademark law now is in this realm where people are relatively protective of First Amendment interests. That is due largely, I think, to the Ninth Circuit, and we can even say perhaps Judge Kozinski, himself, who I think has really done a wonderful job in authoring a lot of these opinions.[43]

But I think that the comments that you were making, Rob, which I think end up in a similarly optimistic place, but something that I want to hear a little bit more from the other two panelists about, is the idea that now it seems to me that even if you have great and very protective case law supporting First Amendment interests, there is I think perhaps still this informal world where lawyers are regularly issuing cease-and-desist letters for things that they think might not necessarily confuse the customer but might in some ways tarnish or harm the value of the reputation. I think you are right to say that it started off with gripe sites. And maybe it is true that, as you say, your clients are far more thoughtful about the P.R. risks of going after the little guy.

But I wonder, just from looking at a clearinghouse like Chilling Effects,[44] and then the database that Bill was speaking about, if the care and carefulness that you see in your clients is something that I think people regularly see. So I guess my question really is: If we do have great precedents on the books, what other ways are there to protect the voice of the consumer when we are faced with all of these informal ways—I mean it is relatively cheap to issue a cease-and-desist letter. If you are dealing with a poor artist or a poor consumer who is terrified of IP law, that is a very quick way of shutting down that individual's freedom of expression. I'm curious to hear all of your views about if there are other ways in which the law can opt against that kind of private chilling of expression.

PROF. FRISCHMANN: We all said that trademark law has a bunch of doctrines that are accommodating of First Amendment interests. We also said that the courts tend to get it right in the end.

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[43] *See, e.g.*, Mattel, Inc. v. MCA Records, 296 F.3d 894 (9th Cir. 2002).

[44] Chilling Effects Clearinghouse, http://www.chillingeffects.org (last visited Feb. 22, 2008).

The *Freecycle*[45] case is an example. Eventually, at least in my opinion, the court of appeals got it right. The district court got it wrong.

So I think our points were that trademark law is accommodating, but it's not perfect. So the question I was raising about where in the process do you want to synch the safeguards—and you might want some overlap, so you've got consumer confusion and defenses as a backstop—but to deal with the chilling effects you need to have something that is categorical at the very beginning.

I think Bill was pointing in the direction of how should we start to think about categorical rules rather than case-specific, fact-specific rules. Some categorical rules—you know, can we take news reporting and define little categories and say, "There's this category, there's that category"? That's one approach. I'd be happy for us to take that conversation on, to say: Do we want to take a categorical approach, so we define different categories of speech and think about whether or not we can do that well? Is a trademark use requirement, actually if you used it as Lemley and Dogan[46] are suggesting it ought to be used you know, they claim it is already in there and that it ought to be developed more fully. In other words, you do not trigger an infringement cause of action or a dilution cause of action in the absence of the defendant using the plaintiff's mark in a trademark way, as a signal of source for goods or services. That categorically knocks out a tremendous number of cases in a way that you could perhaps make the law clear for many of the people who are otherwise chilled.

And I think there are other approaches. You could imagine a very strong—instead of subcategories, along the lines of news reporting and parody and other things, you could imagine just having a very broad First Amendment categorical defense. I don't actually want to advocate that. I don't think that is necessarily the

[45] Freecycle Network, Inc. v. Oey, 505 F.3d 898 (9th Cir. 2007).

[46] *See* Dogan & Lemley, *Grounding Trademark Law*, *supra* note 20; Stacey L. Dogan & Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases* (Stanford Pub. Law Working Paper No. 1033165, 2007), *available at* http://ssrn.com/abstract=1033165 [hereinafter Dogan & Lemley, *The Trademark Use Requirement*].

right approach. But there is a spectrum of different ways we can deal with it.

I think the law can do it, but I think the law is not currently structured to do it effectively right now.

PROF. McGEVERAN: I would say two things.

One thing I'd say is that I do think my comments were directed towards fixing the law, but that is clearly not itself, alone, enough. I think you need a lot more availability of advice and counsel to people who could need it. I'm not talking about people who can pay their bills. I'm not trying to take work away from you, Rob.

But we are seeing, I think, a trend. It's not as fast as we might like it, but in both copyright and trademark you are seeing—particularly in law schools and projects associated with law schools, but also other places—some provision of pro bono advice to people who end up with cease-and-desist letters, which are not only cheap to issue, they are also pretty cheap to respond to. So it is a task that is well suited to organized pro bono response. The Stanford Center[47] is doing a lot of that. The Citizen Media Law Project that I mentioned[48] is moving to do that in the trademark area as well.

There is also an important aspect of it that is communities of users organizing themselves to educate one another about everyday practices that they have and how those practices line up with the law. In both copyright and trademark, I think we are also starting to see that, with various projects trying to develop best-practices documents about the use of copyrights and trademarks in, for example, documentary film or user-generated content online.[49] I

[47] Stanford Center for Internet and Society, http://cyberlaw.stanford.edu (last visited Feb. 22, 2008).

[48] Citizen Media Law Project, http://www.citmedialaw.org (last visited Feb. 23, 2008).

[49] *See* Peter Jaszi, *Copyright, Fair Use and Motion Pictures*, 2007 Utah L. Rev. 715 (2007); Am. Univ. Ctr. for Social Media, D.C., *Documentary Filmmakers' Statement of Best Practices in Fair Use*, Nov. 18, 2005, *available at* http://www.centerforsocialmedia.org/files/pdf/fair_use_final.pdf; Am. Univ. Ctr. for Social Media, D.C., *The Good, the Bad, and the Confusing: User-Generated Video Creators on Copyright*, April 3, 2007, *available at* http://www.centerforsocialmedia.org/files/pdf/good_bad_confusing.pdf.

think that those kinds of informational initiatives can really do a lot too.

So, the first thing I would say is that fixing the law alone is not enough. We have to allow people who are not lawyers, just actual everyday users of trademarks, to understand the scope of permissible uses—and, by the way, what kinds of uses are not permissible, so they don't do it. There are plenty of uses out there that may be expressive uses but are cases that should lose. That's the first thing.

The other thing I would say is—and this is actually responding to one thing that Rob said and one thing that Brett said—a lot of the problem comes in when we start to get very fact-specific about confusion in an individual situation. That is what makes a case take a long time.

My concern about what is happening with § 33(b)(4),[50] and to some extent now with these dilution carve-outs,[51] is that the defenses are starting to get structured like this: "You are allowed to use this trademark as long as it is not confusing. What's confusing? Whatever presents a likelihood of confusion." Then we are right back where we started. As I say, in hard cases that is the appropriate place to be. But if that is how all of these doctrines develop, you end up not having anything but likelihood of confusion. By the way, I recognize that some of the statutory language may force that to be the case, but then that's a problem of the statutory language.

I think that actually the same is true of Dogan and Lemley's hope for a trademark use requirement, which Brett mentioned.[52] In the end, using something "as a mark" is only definable by what people perceive as a source-identifying use. I don't think that it can serve the kind of threshold gatekeeper function that they are hoping for. Mark McKenna at St. Louis University has a great

[50] 15 U.S.C. § 1115(b)(4) (2000).

[51] *Id.* § 1125(c)(3), *amended by* Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (2006).

[52] Dogan & Lemley, *Grounding Trademark Law*, *supra* note 20, at 1690–98; *see also* Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 786–88 (2004) [hereinafter Dogan & Lemley, *Trademarks and Consumer Search Costs*].

paper out there now where he goes through a long historical analysis to say that Dogan and Lemley are correct, there is a trademark use requirement; but it doesn't do any good because it ends up collapsing into likelihood of confusion.[53] I think he's got that just about right.

So if there are situations that repeat themselves, that we can predict are unlikely as a category to yield likelihood of confusion results, my proposition would be: let's not go through the case-by-case analysis in those types of cases. There will be other cases that will be hard cases that will fall outside those categories, and then we will end up considering likelihood of confusion. But it doesn't seem to me that § 33(b)(4) or the dilution carve-outs as they are developing, or trademark use as it is being discussed, are doing what needs to happen.

PROF. FRISCHMANN: Can I ask you a quick question?

PROF. McGEVERAN: Yes.

PROF. FRISCHMANN: In terms of defining categories, aren't you willing to tolerate some confusion or some likelihood of confusion within some of those categories?

PROF. McGEVERAN: Yes, right. So in some cases that are in these categories there might be some potential confusion. That's what the Supreme Court says in *KP Permanent*[54] about the § 33(b)(4) defense. *KP Permanent* is a unanimous Supreme Court opinion. The Ninth Circuit[55] was saying that you cannot use this affirmative defense until it has first been held that there is no confusion; but if it has first been held that there is no confusion, the case has ended.

MR. WEISBEIN: And that the burden was on the defendant.

PROF. McGEVERAN: Right, at least arguably, for procedural reasons, the burden could have been on the defendant to show it. So either the burden was on the defendant to show it in advance or

[53] Mark P. McKenna, Trademark Use and the Problem of Source in Trademark Law (Jan. 18, 2008) (unpublished draft), *available at* http://ssrn.com/abstract=1088479.

[54] KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc. (*KP II*), 543 U.S. 111 (2004).

[55] KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc. (*KP I*), 328 F.3d 1061, 1073 (9th Cir. 2003), *vacated*, *KP II*, 543 U.S. 111 (2004).

the defense had to wait until after the plaintiff failed in a prima facie case. Either way, the § 33(b)(4) defense wasn't doing any good, wasn't doing any extra work.

So the Supreme Court makes this big declaration and remands it down to the Ninth Circuit. What happens? The Ninth Circuit then says: "Okay, fine. We are going to remand it down to the district court. But the potentially confusing nature of the use could bear on the issue of whether it was done 'fairly and in good faith'"—as Rob points out—"so we are going to remand for them to do our *Sleekcraft* likelihood of confusion test,[56] and only after they have done that should they consider this defense."[57] That sounds to me very much like what the Supreme Court said not to do. In terms of the actual procedural posture of a case, it is still not going to be a terribly efficient way for somebody to find out whether their use is fair or not in litigation.

PROF. FRISCHMANN: How would you define your categories, on the basis of whether or not there is predictively no likelihood of confusion, which is what I think you originally started saying; or are there categories where the nature of the use itself matters because it triggers First Amendment issues or triggers noncommercial speech issues, which may very well lead to some confusion in some contexts, but nonetheless we still define the category?

PROF. McGEVERAN: Right.

PROF. FRISCHMANN: In other words, if you could categorically define a category where there is no likelihood of confusion, we can predict that ahead of time, sure, that's seems like an easy case to define that category.

From a categorical approach, I think the more difficult category to define from a First Amendment perspective is where there is some likelihood of some confusion—and we are not sure, as we know in likelihood of confusion analysis, what exactly that means, what percentage of consumers might be confused—and at the same time there is some First Amendment free speech value, there is a

[56] *See* AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979).

[57] *See* KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc. (*KP III*), 408 F.3d 596, 607–09 (9th Cir. 2005).

use of the trademark that we care about from a free speech perspective, that we are willing to tolerate some confusion in order for that speech to happen. That category is the one that I think is the most difficult to deal with, and yet that is the one that I think gets chilled the most and that we ought to be trying to figure out an answer to.

PROF. KATYAL: Rob, do you want to weigh in?

MR. WEISBEIN: Only to say that I don't think you will ever be able to craft any statutory provision that is going to be so clear-cut that if you do certain things, if you are in a particular category, you are home free, and therefore you will never have to litigate the issue of whether you have done something that is an infringing use or not.

First of all, there is a use requirement that is written into the statute. It says "the term 'use in commerce' means the bona fide use of the mark in the ordinary course of trade and not merely made to reserve a right in a mark." Then it goes on.

I think, from reading the cases for today's presentation, and just reading them in general as I need them during my practice, it seems that more often than not the courts are making that threshold determination, whether the defendant's use of the mark is "use in commerce." If the court finds it is not, then they are protected by free speech, it can't be an infringing use. So a lot of times they are doing that analysis.

But, as any good district court would do, they have to protect themselves. So they go and they find there is no use in commerce, whatever use he is making of the domain name is fine; but if there is use, then there is no likelihood of confusion. The court does that because they know the case is going to go on appeal, or is likely to go on appeal, to the circuit court of appeals and they want to make sure they are covered.

So I don't see that there is any way to avoid litigation, because even in the parody defense the court first has to determine whether or not what you are doing is a parody. That is a litigable issue. You have to decide whether it is a parody. Then you have to decide whether they are using it as a source indicator or not. So there are just so many things to decide, you can't just say, "Oh

yeah, that's a parody." So I don't see how you are going to avoid that litigation so the little guy is going to be able to get off without much investment. I just don't see that happening.

PROF. McGEVERAN: "Home free" and "never have to litigate," I'm with you 100 percent. That's not going to happen. "Better than current circumstances," I think, is a reasonable thing to shoot for.

PROF. KATYAL: Let's hear from the audience. Who has some questions? We have someone with a microphone. If you could just identify yourself before you ask your question.

QUESTION: I have a comment on this last subject. I see it as a combined problem of copyright and trademark. What has really happened as I see it is we had the Internet explosion. It is a democratizing force. It is an incredible force. It enables little people with no resources to speak to everybody. It enables small people with a business idea to sell to everybody. The backlash has been that giant corporations are in this incredibly litigious mode, with cease-and-desist letters, anything they can do, and lawsuits over everything, to punish everybody.

As Bill points out, as Rob points out, the way litigation works in the United States is it costs money, and many people just fold because they just do not have the resources to fight.

While it is true that every statute is going to be imperfect, I think if we value the robustness of the Internet, something has to be done to start making more carve-outs, and also to bring in a punitive element, namely attorneys' fees, for people who bring frivolous cases where there is an obvious defense of the type that we know exists, of the types that Bill was mentioning.

PROF. McGEVERAN: The second of those is in there, the exceptional case rule.[58]

MR. WEISBEIN: If it's an exceptional case. But that oftentimes is an incredibly high standard to get that.

PROF. McGEVERAN: In "*Food Chain Barbie*," the ACLU got the $2 million from Mattel.[59]

[58] *See* 15 U.S.C. § 1117(a)(3) (2000) ("The court in exceptional cases may award reasonable attorney fees to the prevailing party.").

MR. WEISBEIN: It will be interesting to see in the *Haute Diggity Dog* case if the defendants go seek their fees now.

PROF. KATYAL: I just want to thank Susan Scafidi for bringing me the "Chewy Vuiton" toy for my dog.

QUESTION [Prof. Susan Scafidi]: It was a gift for Chika.

Actually, I have the answer to that. I don't know the parties in the case personally. I have met some of the attorneys for Vuitton. Pamela Reeder, one of the founders of Haute Diggity Dog, after the case came down wrote to me. I asked her some questions. I did ask her that question, because I said, "I hope you're enjoying the champagne." She said, "Are you kidding? I can't afford champagne, [I've got] $300,000 in bills." I said, "Are you going to try to get it back?" She said, "Our attorneys told us it's very rare in trademark cases and they are not even going to try."

MR. WEISBEIN: That would be my feeling.

QUESTIONER [Prof. Scafidi]: On the other hand, interestingly, I asked her how she felt about that and what she would advise other people similarly situated. She is so thrilled to be an American right now. She said she couldn't believe how wonderful it was that the courts would look at the issue on the merits and not just look at the big company and take their word over a little company. I was a little surprised in that circumstance, that after spending that much money she was still thrilled to get a legal outcome that she could be happy with. But she is going to be stuck with the bill.

PROF. KATYAL: Thank you, Susan.

For those of you who don't know Susan Scafidi, I recommend all of you to look at her blog, www.counterfeitchic.com, which is the place to be in trademark and fashion.

PROF. McGEVERAN: I second that.

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[59] *See* Mattel, Inc. v. Walking Mountain Prods., No. CV99-85432RSWL(RZX), 2004 WL 1454100 (C.D. Cal. June 21, 2004) (awarding defendant $1,584,089 in legal fees and $241,797.09 in costs); Tom Forsythe, *Artsurdism*, http://www.tomforsythe.com/bio_foodchain.cfm (last visited Feb. 23, 2008) (stating that appeals fees and costs of approximately $300,000 added to trial court figures for a total of $2.1 million total in fees and costs).

PROF. KATYAL: Great. Let's go to another question.

QUESTION: My name is Louise Cherkis. I'm an LL.M student and an attorney.

I think you have all mentioned quite a bit about what I am going to mention. I'm thinking about whether there could be in the procedure area more protections that might help the little guy.

I'm going to use an example of a situation that I dealt with this summer. An individual had a domain name, "China Barbie." She had had it for years. She didn't have much business on it. She was an exotic dancer, so you can use your imagination about that. But it didn't use the logo or any shapes and size, but it did have that in the name. She had it for years. All of a sudden, this summer, right at the time when Mattel was having problems in China, immediately a trademark infringement action was brought against her. Immediately, the very next morning, there was an explosion of hits on her Web site. Obviously, at that point then she could have had a commercial success in some way, but of course at this point you've got them weighing down on you.

I was just sitting here listening to you and I was thinking, is there any way that perhaps—in a situation like that, where the person was going on for years with this thing, it wasn't impacting on anything, it wasn't the biggest deal. In fact, she said everyone who danced used "Barbie" in her name one way or another; it was like a regular thing. That they wait that long—once these people have these famous trademarks, if they are going to start targeting someone who has something for X time—maybe like a statute, let's say, that after five years you really shouldn't be coming after someone. Really, it's like they were creating their own monster in that kind of situation.

PROF. KATYAL: Thank you. Does anyone want to respond?

MR. WEISBEIN: In the trademark law there certainly is the recognition of the equitable defenses of laches, estoppel, and acquiescence—you know, when did they know about her, when did they know or when should they have known about her; and if they had known about her for a long time and sat there and did nothing, she might have a valid defense that they can't do anything. Although, typically, those equitable defenses only go to

monetary damages and not to injunctive relief. The theory is that the trademark laws are not only to protect the trademark owner who has a property right but also to protect the consumer from confusion. So oftentimes laches and estoppel and acquiescence will stop the court from awarding a monetary damage but will not stop them from enjoining if they feel that there is confusion.

QUESTIONER: I think there was a problem here also. She was saying she can't afford what she was going to end up going through. But in a more general sense, by waiting that long, maybe there should be—

MR. WEISBEIN: Like a statute of limitations.

QUESTIONER: It may have been in their own self-interest for why they picked right then and there to do it.

PROF. KATYAL: Other questions?

PROF. FRISCHMANN: While we're waiting for the microphone, I don't think there is any easy way out of that situation, other than that's consumer confusion, and that's where you have to figure it out, highly fact-intensive, and so it is going to be costly. It's not surprising that she can't afford that. It's one of those situations where you expect it to go that way. I'm not sure you'd want it to go any other way, other than to work through the process.

PROF. McGEVERAN: And, arguably, it's closer to what Rob was talking about, individual businesses making those decisions.

PROF. KATYAL: One thing that is really interesting about the example that you just brought up, though, is this question of market substitution, which I think comes up very nicely in the copyright context—that is to say, is the "infringing use" affecting the market of the original user? I think it is fairly clear in this context that "China Barbie" is not a market substitute at all for the original Barbie. So maybe one way to think about this question might be to look at importing that principle of market substitution into trademark, which might be another way of thinking about it.

QUESTION: Will Tennant, LL.M student.

My question is about the *Haute Diggity Dog* case.[60] I guess I understand why First Amendment implications come into effect when you have noncommercial use. But I see this company basically free riding on Louis Vuitton and setting up a product and making money out of it. And obviously, they had money to defend the infringement action, whereas in the China Barbie example they probably didn't have money to do it.

So I guess I'm asking the panel—it seems to me like it's not blurring to the trademark extent, but it is blurring in my mind as to where does this commercial dichotomy fit in with First Amendment and with what we think is traditional First Amendment in the trademark context, which is gripe sites, political speech—I think we used in Professor Katyal's class the Starbucks cup,[61] which everyone has seen, where it is not necessarily commercial. The other thing is in a gripe site you can't sell your mugs. Well, Haute Diggity Dog I think has a nice business selling their parody. I just throw that out.

PROF. FRISCHMANN: I'll just say one thing and then let the other panelists jump in. Where the use of someone else's speech, someone's trademark, is noncommercial, that invites First Amendment scrutiny or it invites a stronger consideration because the First Amendment interests are stronger there.

But I do think it is a problem that I see both in copyright and in trademark, that commerciality of the use seems almost too strong a weight on the scale in terms of undermining fair use in copyright, let's say, or being too strong in the trademark context. It is still a regulation of speech. Fundamentally, both copyright and trademark are regulating speech. The question is: If it is not

[60] Louis Vuitton Malletier S.A. v. Haute Diggity Dog, L.L.C. (*Haute Diggity Dog II*), 507 F.3d 252 (4th Cir. 2007).

[61] Starbucks' corporate logo features the company name and a mermaid. In 1999, comic book artist Kieron Dwyer created a parody version of the logo replacing "Starbucks Coffeee" with the words "Consumer Whore" and depicting the mermaid with a cellphone and cup of coffee in hand. *See* Comic Book Legal Defense Fund, Cartoonist Kieron Dwyer Sued By Starbucks (Nov. 30, 2000), http://www.cbldf.org/pr/001130-starbucks.shtml (last visited Apr 18, 2008). The parodied logo was featured on the cover of one of Dwyer's comics and also sold on t-shirts and mugs. *Id.* Dwyer was subsequently sued by Starbucks for both copyright and trademark infringement and an injunction was issued against him. *Id.* The parties eventually settled. *Id.*

misleading and it is not deceptive, then we want to think about the First Amendment because, even if I am using it commercially, my speech is still speech, it's still something that we should think about how we are regulating it.

But I do think you are right, that the balance of interest shifts—that it's a little bit different. But just because something is a commercial use, just because someone is making some money off their ad revenues because people are actually going to the gripe site, or just because *The Wind Done Gone*[62] made some money because they were sold commercially, that doesn't undermine that there is actually meaningful speech happening.

PROF. KATYAL: Can I actually follow up and ask you a question, Brett? So are you suggesting that if you have someone who is using a mark that benefits them commercially—it seems to me that that does arguably fall into a gray area between noncommercial and commercial use. It might raise the same values that we see in a noncommercial use context, but it is still being used commercially. Do you think that the distinction that retains in First Amendment jurisprudence between political speech and commercial speech should be jettisoned in favor of strict scrutiny over all speech, whether it is directed towards a commercial use or not?

PROF. FRISCHMANN: No, I don't think we should apply strict scrutiny to all speech. I think there is a distinction. Commercial speech and the First Amendment—and I don't traditionally think and write in the First Amendment area too much; that's something I'm starting to write in and I have a few things in the works.

Commercial speech is speech that proposes or executes a transaction, where you can think of a buyer and seller exchanging information through their speech. That type of speech is speech, but it is of a different kind than speech that has an implication beyond just that transaction. So I think that thinking carefully about what commercial speech and noncommercial speech means

[62] SunTrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001) (infringement case concerning parody use of Margaret Mitchell's *Gone With the Wind*).

in the First Amendment context, what that might mean in copyright and trademark, is a little bit—how can I say this better?

Copyright and trademark do not currently think along the lines that First Amendment law thinks of in terms of distinguishing between commercial and noncommercial. We might benefit from thinking along those lines somewhat. So even in the First Amendment context, as I understand it, you can have noncommercial speech where the person who is engaging in the speech still gets some money from the activity that they are engaging in. It is not contingent upon whether someone is making money; it is contingent on the nature of the speech, of what is being said and how it is being said.

I think we need to think in the same way when we are talking about when I am using someone else's copyrighted material or when I am using someone else's trademark to say something. It's the nature of my speech, at least at the first instance, that helps me understand: Is it commercial—"Am I proposing a transaction or executing a transaction, or am I saying something different?" That's a slightly different question than "Am I profiting or making money from engaging in that speech?"

I think that is a distinction that requires some thinking. I don't have hard and fast answers right now about how it works out.

MR. WEISBEIN: You have to remember that the test to determine trademark infringement or dilution is a likelihood of dilution or a likelihood of trademark infringement.[63] Sometimes whether somebody is making money off of it or not may have an impact in that determination.

But simply because Haute Diggity Dog was making money from it, if there was no confusion, if there was no likelihood of confusion of the consuming public, if people don't think that the Haute Diggity Dog "Chewy Vuiton" toys were manufactured by Louis Vuitton or in some way authorized by Louis Vuitton or associated with Louis Vuitton, then there is "no harm, no foul." That is what the court found, that it was a parody, that it was so

[63] 15 U.S.C. § 1114(1)(a) (2000) (prohibiting "use [of a mark] in commerce . . . [where] such use is likely to cause confusion, or to cause mistake, or to deceive").

hilarious and so humorous nobody in their right mind could have been confused, and therefore it wasn't trademark violation.[64] End of story. Doesn't matter that they might have a successful business.

PROF. KATYAL: Next question. Diane?

QUESTION [Prof. Diane Zimmerman]: I was just going to add to that that it is not uncommon for something that is commentary to result in a product. You can imagine lots of instances where people sell things on T-shirts and in other sorts of ways that are just simply intended to be commentary but they are being sold as a commercial product.

The second thing is that I think we have to be very careful about this distinction between commercial speech and noncommercial speech, because if you read the Supreme Court's past decade of commercial speech cases carefully, it isn't so clear to me that the distinction between fully protected and commercial speech is all that different or will in fact survive.

So I think one ought not to be led down the garden path on this distinction, because I am not sure it really exists anymore.

PROF. KATYAL: Great point

QUESTION: My name is Britton Payne. I'm a recent Fordham graduate. I work not only for Darby & Darby but for Rob, as a matter of full disclosure.

PROF. KATYAL: And sorely missed here at Fordham.

QUESTIONER [Mr. Payne]: The *Haute Diggity Dog* case broke down parody into three elements: you identify with the famous mark; you distinguish yourself from the famous mark—so you not only recognize that we're talking about Louis Vuitton but you also see immediately it's "Chewy Vuiton," so you identify it, you find it distinctive; but then the third element that they talked about was that there was some sort of comment on the mark. They talked about how silly it is to give an expensive bag to a dog to chew up. That kind of leans toward the idea that not only should

[64] *Haute Diggity Dog II*, 507 F.3d at 260–61 ("[T]he juxtaposition of the similar and dissimilar—the irreverent representation and the idealized image of an LVM handbag—immediately conveys a joking and amusing parody. . . . The satire is unmistakable.").

we be looking at the nature of the use in terms of commerciality, but in terms of is there in fact a statement.

Which reminds me, Rob, of your "Mutant of Omaha" example, which really, to speak to Will's point, seems to be about free riding on this identifiable mark that others have created for no purpose of commenting on Mutual of Omaha in any way.

I wanted to bring out that, with Louise's point about "China Barbie," that is also trying to trade on this image of Barbie that has been created. She didn't call herself "China Peppermint Patty," she called herself "China Barbie." She used a recognizable mark to free ride and sell her product, her service—actually I'm not sure how to quantify that.

PROF. FRISCHMANN: Or both, as the case may be.

QUESTIONER [Mr. Payne]: But I don't feel like you see that in many of the parody cases, where they don't seem to care whether or not Roy Orbison was being commented upon in the *2 Live Crew* case.[65] Just that it is a funny song; it uses someone else's material. "When Sonny Sniffs Glue," as the parody of "When Sonny Gets Blue,"[66] was that a comment in any way on the original song or was it just using the song to do a whole other thing unrelated to the song? It seems to me, in part, like free riding, which maybe should be addressed in this way.

PROF. McGEVERAN: Justice Souter might not be convincing, but he does try to suggest that "Oh Hairy Woman" is a comment on the naïve—I can't remember the phrasing, but something like the "naïve sentimentality of the Roy Orbison original," or something.[67] I'm not sure Luther Campbell thought that, but David Souter thought that.

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[65] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994).

[66] Fisher v. Dees, 794 F.2d 432 (9th Cir. 1986).

[67] *Campbell*, 510 U.S. at 583 ("[W]e think it fair to say that 2 Live Crew's song reasonably could be perceived as commenting on the original or criticizing it, to some degree. 2 Live Crew juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility. The later words can be taken as a comment on the naiveté of the original of an earlier day, as a rejection of its sentiment that ignores the ugliness of street life and the debasement that it signifies.").

I understand what you are saying, but I think we do have to be careful, because, as Judge Kozinski says, part of the reason we are concerned about the availability of these marks for expressive uses in other contexts is that they are such powerful symbols.[68] Diane's colleague, Rochelle Cooper Dreyfuss, has a wonderful quote where she says that these days all of us understand who Betty Crocker is but none of us understands who Hestia is, the Greek goddess of the domestic hearth.[69] So our common *lingua franca* and understandable cultural references are often trademarked.

Sometimes it may well be acceptable to use what some may call "free riding." Others might see it as using a cultural reference that is universally understandable and has been powerfully spread to us all through mass advertising for the purposes of making some other point.

The "Taft Quack" example I used had nothing to do with AFLAC or its services.[70] The defendant was using this irritating duck, which was one of the most constantly repeated and recognizable advertising images of the decade, to make some comment about his political opponent. I would say we want to preserve his access to the mark to do that. I'm not sure that's parody necessarily, maybe it falls under some other justification, but I wouldn't want to wall that off.

MR. WEISBEIN: And the same is true when marks take on a second life, they have a double meaning. So when you say "this is the Rolls Royce of whatever," that immediately communicates to people that this is a high-quality product, it's one of a kind perhaps. I don't think a trademark owner is going to be able to stop people from doing that.

QUESTIONER [Mr. Payne]: McDonald's did, though, in the *McSleep* case.[71] They were attempting the same kind of use there.

PROF. McGEVERAN: That was a close call.

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[68] Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 972–73 (1993).

[69] *See* Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 424 (1990) ("Betty Crocker has replaced Hestia in the public consciousness.").

[70] Am. Family Life Ins. Co. v. Hagan, 266 F. Supp. 2d 682, 691 (N.D. Ohio 2002).

[71] Quality Inns Int'l v. McDonald's Corp., 695 F. Supp. 198, 221 (D. Md. 1988).

PROF. FRISCHMANN: I just want to make two quick points.

One, free riding is great. Seriously, though—Don't forget, we free ride all the time. Free riding is competitive. Free riding is encouraged. Talk to a bunch of economists; they'll say "free riding is great most of the time, or at least sometimes." So don't fall victim to thinking that "there is free riding happening here—uh oh, let's throw up our hands in the air and figure out how to solve the problem." It's not necessarily a problem. It's not necessarily a problem that needs a solution. Sometimes the absence of free riding is a problem. That's one thing.

So yes, sometimes there is free riding in these cases, but that doesn't tell us anything about what the law ought to be doing. That's the first point I want to make. Now don't get me wrong. I don't think free riding is always okay and always great. My point is that it is sometimes. It depends on what our goals are.

My second point is parody—here is an argument I'm thinking about making as I write some of these ideas out for future work. I think parody is overly constraining. I think the Supreme Court made a mistake in the *Campbell*[72] case when it characterized transformative use and they overly, narrowly restricted the notion of transformative use to parody. This I think is true of trademark too. Why do we care that you are commenting on the original?

Why can't you make social commentary on something else and that still is a meaningful transformative use of the underlying work? It seems to me that if you make a meaningful social commentary about something other than the work,—and we see this in the *Koons* case[73] and a couple of other cases, where courts are starting to recognize that transformative use is arguably quite a bit broader than parody.

The Wind Done Gone[74] case sort of stretches and strains to call what's happening parody. Maybe it's a parody, but I think a stronger and easier argument to make is that it is a transformative use that comments in a significant way on society and on some of

[72] Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994).

[73] Blanch v. Koons, 396 F. Supp. 2d 476 (S.D.N.Y. 2005), *aff'd*, 467 F.3d 244 (2d Cir. 2006).

[74] SunTrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001).

the themes and ideas that were in the original book. It is commenting, not necessarily making fun of or engaging in parody.

I think that if I am right, at least to be compatible with the First Amendment, perhaps we need to think about fair use and our notions of parody a bit more broadly. Parody might be an example of something broader. Sticking too narrowly to that example or that narrow subset may be excluding other concepts of what ought to be acceptable uses and permissible uses—or perhaps mandatory uses under a First Amendment approach if you are pushing on that button really hard—opens up the way we think about, both in the copyright context and fair use, but also in the dilution context, for example.

I think dilution raises some problems from a First Amendment perspective, because you are no longer talking about misleading or false speech; you are talking about perfectly legitimate, lawful, truthful speech and saying, "You can't do it because my mark is famous."

To say that's only going to be okay if it's a parody, I think is perhaps too narrow of an exception to think about whether or not we ought to be able to restrict that type of speech.

Diane, you have been talking a bit about that issue.

PARTICIPANT [Prof. Diane Zimmerman]: I actually think that the free speech arguments are really strong in trademark in comparison even to copyright, because if you consider that copyright is an exception to the First Amendment, trademark is nowhere in the Constitution. It seems to me that it can only exist logically if it is consistent with general First Amendment principles. I think it is interesting that that is not the way it is usually thought of.

PROF. McGEVERAN: And by the way, it is not for limited times either.

PARTICIPANT [Prof. Diane Zimmerman]: No, it certainly isn't.

PROF. KATYAL: Great. Thank you.

We have time for a couple more questions.

QUESTION: Sandra Aistars. I'm actually a copyright lawyer rather than a trademark lawyer, but just listening to the discussion, and particularly this last bit here, and thinking about issues that come up in my practice all the time, I'm curious where you think things like brand tarnishment fit into this.

I work for Time Warner. In particular, if you think about some of the brands that we have at Turner—cartoon characters intended to appeal to kids—imagine a situation, and this is actually a situation we did face, where the sound track from a Yogi Bear cartoon was replaced with dialogue about Yogi and BooBoo smoking pot and carrying on. It was very funny. Posted on YouTube. From a copyright perspective, maybe I'd let it go. It's not commercial. It's not necessarily a fair use, but maybe I am willing to be a bit more flexible about it. But from a brand perspective, if it is a brand that you are trying to market to kids and keep that brand appropriate for the audience that it is targeted to, I've got more concerns.

I wonder where the panel and where others commenting on the topic fit that into the dialogue.

PROF. KATYAL: Great question.

MR. WEISBEIN: Well, there actually are other Yogi Bear cases. There was the Yogi Bear case where I think Yogi was used for commercial speech, where some group that was objecting to the government's policy on cutting down trees took Yogi and they had him in an ad or a poster with a saw. He was hiding a chainsaw behind his back. I thought I had the slogan written down here. In that case, they found that it was perfectly permissible fair use. I don't remember if they found that was a parody, but they permitted it. I'm not sure that your case would be all that strong.

PROF. FRISCHMANN: I think—and I said this earlier this morning, and I may have mentioned it in my talk earlier—you are right, and especially in the Internet age. I agree with what Rob said much earlier, which was that all of these First Amendment issues existed before the Internet. Absolutely. Don't take me to think that the Internet caused all these new problems to come out of nowhere. Of course not. It has been around for a while. But I think it certainly, from a bottom-up perspective, gives rise to many

different types of cases and situations where people are speaking and using other people's trademarks and copyrighted material in order to speak in a lot of different ways.

There are lots of brand management/brand image problems that arise exactly because of that, because people use the trademark to say something on YouTube, and it is controversial, and it doesn't fit in with the business plan of how they want to manage their brand. That's why we will see lots of these disputes.

I agree there are disputes. I agree with Rob in the end that the law is not on the side of the brand manager, although dilution law was an attempt to get the law on the side of brand managers, I think, at least for famous marks.

QUESTIONER [Ms. Aistars]: But I think in some of the examples you're talking about it is helpful, certainly from a brand manager's perspective, if the speech is at least commenting on the brand. I think it is a different situation if the speaker on YouTube was making fun of Yogi Bear and whatever political or cultural references they could comment on in the actual trademarked character and in the actual trademarked cartoon. I think when that is absent that makes for a much tougher case, at least to my mind.

PROF. McGEVERAN: For one thing, if I were the defense lawyer in that case, I would argue that my client was making fun, just as in the *2 Live Crew* case.[75] I would say by having Yogi talk about prohibited dangerous subjects I am exactly making a point about his clean-cut image and it is a parody directly. I think you could make that case.

But more broadly, I guess, I am sympathetic to your plight, but in the end I think there is sort of a "sticks and stones" issue here, which is that brand managers are entitled to some degree of control over the perception of their brand, but they are not the only people driving that perception, any more than famous individuals are entitled to be inoculated from ridicule. Famous people get ridiculed all the time and they deal with it.

PROF. FRISCHMANN: I do think that there is logic to it. I don't think I'm convinced by it, but there is some logic to the idea

[75] *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 583 (1994).

that you tie the use of someone's mark or copyrighted work to a parody about the original back to the work. It's got to be tied back, commenting on the original. The logic is if you are commenting on something else other than the original, it is necessarily incident—to comment on the original you need to use the original.

However, if I am going to comment on a broader social phenomenon—let's say you take the Dr. Seuss commentary on the O.J. case.[76] You take that example—which I thought was wrongly decided, but regardless—and it is not commenting on the original. The reasonable, logical argument—not one that I find very convincing—but nonetheless the logic behind it is that you have to recognize that there are alternative substitutes. If you want to comment on something else and it is not on me or on my mark or on my work, there are available alternatives. Use one of the other available alternatives, not mine. That's the logic behind it, that there are available alternatives. There aren't alternatives in the context of parody.

The reason I am not convinced by that logic is oftentimes the work that is chosen by the speaker, the commenter, or the trademark itself, is a powerful vehicle for the speech. So why should I have to choose a less effective means for communicating this message or engaging in this commentary than the one I am choosing? That is where I think the balancing can get tricky. I think there is a logic behind the parody, but nonetheless I think it is overly confusing.

MR. WEISBEIN: I think your case involves what was at issue in the *Freecycle* case,[77] which was the issue of trademark disparagement. There is no claim in the Lanham Act for trademark disparagement. So I am not sure what you are going to be able to do.

PROF. KATYAL: Great. Thanks.

One last question and then we'll break for cocktails.

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[76] Dr. Seuss Enters. v. Penguin Books, 109 F.3d 1394 (9th Cir. 1997) (*The Cat is NOT in the Hat* used Dr. Seuss' trademark style to recount the O.J. Simpson murder trial).

[77] Freecycle Network, Inc. v. Oey, 505 F.3d 898 (9th Cir. 2007).

QUESTION: I just wanted to say I think the problem with the commenting philosophy is that it increases the subjectivity. It is a very philosophical question. Different people would decide it different ways. The same judge might decide it differently on different days or with slightly different changes in the facts.

I think the one thing we don't need in fair use is to have more subjectivity. We need less. We need it to be more objective and predictable.

Throughout the years, my advice to anybody, for twenty-nine years now, is if someone asks me a fair use question, the answer always is, "(a) it probably is or it probably isn't, and (b) it will cost you a few hundred thousand dollars to find out because you won't know for sure until the jury comes back with its verdict."

PROF. KATYAL: I think that is definitely true.

Before we break, let's hear a last word from Tara Waters, who is our Editor-in-Chief.

MS. WATERS: Thanks, Professor Katyal.

I just wanted to close today's event and thank everyone for coming. It was a really fantastic day.

Once again I wanted to recognize Ryan Hopkins, who is really the mastermind behind the whole event.

And of course, our distinguished panel speakers all day who have been really fantastic and fascinating. I think we had a lot of great discussion today.

Just as a quick reminder, the CLE certificates are going to be available at the desk where you checked in.

Join us outside for some cocktails and hors d'oeuvres.

Thank you.