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TRADEMARK LAW

Protection for Parodies

A PARODY IS a delicate blend of imitation and comic exaggeration. When the target of a parody is a famous trademark, unique problems are created under the Lanham Act. As the 2d U.S. Circuit Court of Appeals wrote: "A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused." *Cliffs Notes Inc. v. Bantam Doubleday Dell Pub. Group Inc.*, 886 F.2d 490, 494 (2d Cir. 1989).

When the parodist doesn't merely comment upon the famous mark—but uses a similar mark to sell its own products—the issues are even more difficult. In November, the 4th Circuit considered such a case, upholding summary judgment dismissing a challenge to a parody of the trademarks of a marketer of luxury goods. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog LLC*, 507 F.3d 252 (4th Cir. 2007). *Vuitton* is the first appellate opinion to consider trademark parody since the 2006 enactment of the Trademark Dilution Revision Act (TDRA), which, some have argued, changed the way parody should be analyzed under the federal anti-dilution statute.

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By Lewis R. Clayton

Plaintiff Louis Vuitton Malletier (LVM) is a world-famous producer of handbags and luggage, products that sell at prices ranging from $995 to $4,500. LVM goods are marketed primarily through fashion magazines featuring celebrities and models, and sold at exclusive outlets including its own stores and in-store boutiques in high-end department stores. Several of its trademarks have been in continuous use since 1896. LVM also sells a line of luxury pet accessories, including collars, leashes and dog carriers, which sell for between $200 and $1,600.

Parody at issue involved chew toys for dogs

At the other end of the marketing spectrum is defendant Haute Diggity Dog (HDD), which has made trademark parody into a business. It distributes dog toys and beds that play on the names of luxury items, including Jimmy Chew (Jimmy Choo), Chewnel No. 5 (Chanel No. 5), and Dog Perignonn (Dom Perignon). These products are sold primarily through pet stores and on the Internet at prices ranging from $20 for the toys to approximately $120 for the beds. The HDD products that stimulated LVM's suit are two chew toys marketed under the name "Chewy Vuiton" that are shaped like miniature handbags that mimic LVM products, and use patterns that evoke trademarked LVM designs. As the 4th Circuit put it, the Chewy Vuiton dog toy "irreverently presents haute couture as an object for casual canine destruction. The satire is unmistakable." Id. at 261.

The case came to the 4th Circuit after a Virginia district court dismissed LVM's claims of trademark infringement and dilution on summary judgment. The 4th Circuit had little difficulty affirming dismissal of the infringement claim, which requires a showing of likelihood of confusion. Central to this conclusion was the court's finding that HDD had created a successful parody: Given the clear and "immediate" differences between the chew toys and LVM's luxury bags, and the "simplified and crude" way LVM's intricate designs are imitated, the chew toys "undoubtedly and deliberately conjure[] up the famous LVM marks and trade dress," but at the same time communicate that they "are not the LVM product." Id. at 260.

Applying the test for trademark infringement established in *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522 (4th Cir. 1984)—which, like the law of other circuits, focuses on the strength of the plaintiff's mark; the similarities between the parties' marks and marketing activities; and evidence of intent and actual confusion—the 4th Circuit found no likelihood that a consumer would be confused about the source or sponsorship of HDD's chew toys. Nor had LVM produced evidence of actual confusion in the marketplace.

Unlike infringement, however, a dilution claim, does not require confusion. The anti-dilution statute, added to the Lanham Act in 1995, created a federal cause of action for dilution by "blurring" or "tarnishment." "Blurring," a concept the 4th Circuit has called "dauntingly elusive" (*Ringling Bros.-Barnum & Bailey Combined Shows Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 451 (4th Cir. 1999)), is defined in the statute as the "association arising from the similarity between a [challenged] mark or trade name and [the plaintiff's] famous mark that impairs the distinctiveness of the famous mark." Once the famous mark is no longer a powerful, unique identifier of source—when other associations challenge that function—it has been blurred. The statute lists a series of factors "relevant" to blurring, including the similarities of the marks at issue; the distinctiveness and strength of the famous mark; and evidence of "actual association" between the marks. "Tarnishment" occurs when use of a mark that is similar to a famous mark "harms the reputation of the famous mark"—for example, by creating an association with substandard or unwholesome goods.

It is hard to extract a clear rule from the authorities considering dilution claims based on commercial parodies. In *Tommy Hilfiger Licensing Inc. v. Nature Labs LLC*, 221 F. Supp. 2d 410, 422 (S.D.N.Y. 2002), then-district judge Michael Mukasey found an "utter lack of evidence" that the "selling power" of Tommy Hilfiger's famous marks had been diminished by the defendant's "Timmy Holedigger" parody pet perfume. On the other hand, *Schieffelin & Co. v. The Jack Co. of Boca Inc.*, 850 F. Supp. 232 (S.D.N.Y. 1994), found that the defendant's champagne bottle of popcorn, dubbed "Dom Popignon," diluted the famous "Dom Perignon" trademark, noting survey evidence indicating that the parody did not sufficiently distinguish itself from the plaintiff's product.

The *Vuitton* court determined that the blurring claim was correctly dismissed. Although it analyzed each of the statutory factors, the court placed great weight on its conclusion that HDD had produced a successful parody—the same conclusion that motivated dismissal of the infringement claim.

The court acknowledged that LVM's marks are quite famous—it called them "icons of high fashion." But it found that this factor, which ordinarily counts in favor of dilution, actually imposed "on LVM an increased burden to demonstrate that the distinctiveness of its famous marks is likely to be impaired by a successful parody." And the court subscribed to the view that a parody may actually strengthen the power of a famous mark. "Indeed, by making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon. The brunt of the joke becomes yet more famous." 507 F.3d at 267. The court stressed, however, that HDD had not used an exact copy of LVM's marks—doing so would have gone beyond the bounds of parody, and created a likelihood of blurring.

In rejecting the blurring claim, the 4th Circuit refused to accept an argument made by LVM, and endorsed by the International Trademark Association as amicus, based on the language of the TDRA. Before the TDRA was enacted, the anti-dilution act included exceptions for "fair use" of a famous mark in comparative advertising, and for "noncommercial" use of a mark. The TDRA replaced that language with an exception for "fair use…other than as a designation of source…including in connection with… identifying and parodying, criticizing, or commenting upon the famous mark owner" or the owner's goods or services. This language appears to provide that only "noncommercial" parodies—which do not use a similar mark to identify goods or services—may claim a fair use exception.

In the first appellate opinion to consider trademark parody under the TDRA, the 4th Circuit found no blurring of famous 'Vuitton' marks.

It has been argued that because the amended fair use exception specifically deals with parodies, the fact that a use qualifies as a parody should not be given significant weight when a court considers the factors relevant to a blurring claim. On this view, either a use qualifies as a parody entitled to fair use protection, in which case the dilution claim is dismissed, or the fact that it is a parody is largely irrelevant to the dilution analysis.

To the contrary, the 4th Circuit held that the TDRA "does not require a court to ignore the existence of a parody that is used as a trademark, and it does not preclude a court from considering parody as part of the circumstances to be considered for determining" whether dilution by blurring has occurred. Id. at 266. The statute, the court noted, allows consideration of all factors "relevant" to blurring. No other appellate court has yet considered this issue.

'Vuitton' reflects the court's sympathy for parodists

The *Vuitton* decision reflects the 4th Circuit's sympathy for parodists, even those who use parody to sell their own products, and its view that parody often fortifies the selling power of the famous mark that is its target. It is also significant, however, that LVM appeared to present little or no evidence—in the form of survey data or otherwise—to bolster its dilution claim. Had such evidence been present, or had the products and marketing channels been more similar, the result might have been different.

Moreover, as new parody and fair use cases arise, a body of precedent will build up under the TDRA. Some of those courts may be more appreciative of the traditional view of trademark holders, who believe that nearly every similar use chips away at the power of a famous mark. As one court said: "if one small user can blur the sharp focus of the famous mark to uniquely signify one source, then another and another small user can and will do so." *Savin Corp. v. Savin Group*, 391 F.3d 439, 449 (2d Cir. 2004).

Until these rules are further defined, the outcome in parody cases may depend upon a simple factor—whether or not the court gets the joke.