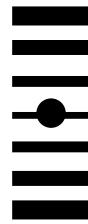


CHAPTER THREE

Intellectual Property & the First Amendment



San Francisco Arts & Athletics v. U.S. Olympic Committee

483 U.S. 522 (1987)

Justice POWELL delivered the opinion of the Court.

In this case, we consider the scope and constitutionality of a provision of the Amateur Sports Act of 1978, 36 U.S.C. §§ 371–396, that authorizes the United States Olympic Committee to prohibit certain commercial and promotional uses of the word “Olympic.”

Petitioner San Francisco Arts & Athletics, Inc. (SFAA), is a nonprofit California corporation. The SFAA originally sought to incorporate under the name “Golden Gate Olympic Association,” but was told by the California Department of Corporations that the word “Olympic” could not appear in a corporate title. After its incorporation in 1981, the SFAA nevertheless began to promote the “Gay Olympic Games,” using those words on its letterheads and mailings and in local newspapers. The games were to be a 9-day event to begin in August 1982, in San Francisco, California. The SFAA expected athletes from hundreds of cities in this country and from cities all over the world. . . . To cover the cost of the planned Games, the SFAA sold T-shirts, buttons, bumper stickers, and other merchandise bearing the title “Gay Olympic Games.”²



Poster and flyer from the Gay Olympic Games

Section 110 of the Amateur Sports Act (Act), grants respondent United States Olympic Committee (USOC) the right to prohibit certain commercial and promotional uses of the word “Olympic” and various Olympic symbols.⁴ In late December 1981, the

² The 1982 athletic event ultimately was held under the name “Gay Games I.” A total of 1,300 men and women from 12 countries, 27 States, and 179 cities participated. . . .

⁴ Section 110 of the Act provides: “Without the consent of the [USOC], any person who uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition...

“(3) any trademark, trade name, sign, symbol, or insignia falsely representing association with, or authorization by, the International Olympic Committee or the [USOC]; or

“(4) the words ‘Olympic’, ‘Olympiad’, ‘Citius Altius Fortius’, or any combination or simulation thereof tending to cause confusion, to cause mistake, to deceive, or to falsely suggest a connection with the [USOC] or any Olympic activity;

“shall be subject to suit in a civil action by the [USOC] for the remedies provided in the [Trademark Act].

executive director of the USOC wrote to the SFAA, informing it of the existence of the Amateur Sports Act, and requesting that the SFAA immediately terminate use of the word “Olympic” in its description of the planned Games. The SFAA at first agreed to substitute the word “Athletic” for the word “Olympic,” but, one month later, resumed use of the term. . . . In August, the USOC brought suit in the Federal District Court for the Northern District of California to enjoin the SFAA’s use of the word “Olympic.” The District Court granted a temporary restraining order and then a preliminary injunction. The Court of Appeals for the Ninth Circuit affirmed. After further proceedings, the District Court granted the USOC summary judgment and a permanent injunction. . . .

III

The protection granted to the USOC’s use of the Olympic words and symbols differs from the normal trademark protection in two respects: the USOC need not prove that a contested use is likely to cause confusion, and an unauthorized user of the word does not have available the normal statutory defenses. The SFAA argues, in effect, that the differences between the Lanham Act and § 110 are of constitutional dimension. First, the SFAA contends that the word “Olympic” is a generic⁷ word that could not gain trademark protection under the Lanham Act. The SFAA argues that this prohibition is constitutionally required and thus that the First Amendment prohibits Congress from granting a trademark in the word “Olympic.” Second, the SFAA argues that the First Amendment prohibits Congress from granting exclusive use of a word absent a requirement that the authorized user prove that an unauthorized use is likely to cause confusion. We address these contentions in turn.

A

This Court has recognized that words are not always fungible, and that the suppression of particular words “run[s] a substantial risk of suppressing ideas in the process.” *Cohen v. California* (1971). The SFAA argues that this principle prohibits Congress from granting the USOC exclusive control of uses of the word “Olympic,” a word that the SFAA views as generic.⁸ Yet this recognition always has been balanced against the principle that when a word acquires value “as the result of organization and the expenditure of labor, skill, and money” by an entity, that entity constitutionally may obtain a limited property right in the word. *International News Service v. Associated Press* (1918).

There is no need in this case to decide whether Congress ever could grant a private entity exclusive use of a generic word. Congress reasonably could conclude that the commercial and promotional value of the word “Olympic” was the product of the USOC’s “own talents and energy, the end result of much time, effort, and expense.” *Zacchini v. Scripps-Howard Broadcasting Co.* (1977). The USOC, together with respondent International Olympic Committee (IOC), have used the word “Olympic” at least since 1896, when the modern Olympic Games began. Baron Pierre de Coubertin of France, acting pursuant to a government commission, then proposed the revival of the ancient

⁷ A common descriptive name of a product or service is generic. Because a generic name by definition does not distinguish the identity of a particular product, it cannot be registered as a trademark under the Lanham Act.

⁸ This grant by statute of exclusive use of distinctive words and symbols by Congress is not unique. Violation of some of these statutes may result in criminal penalties. See, e.g., 18 U.S.C. § 705 (veterans’ organizations); § 706 (American National Red Cross); § 707 (4-H Club); § 711 (“Smokey Bear”); § 711a (“Woodsy Owl”). Others, like the USOC statute, provide for civil enforcement. See, e.g., 36 U.S.C. § 18c (Daughters of the American Revolution); § 27 (Boy Scouts); § 36 (Girl Scouts); § 1086 (Little League Baseball); § 3305 (1982 ed., Supp. III) (American National Theater and Academy).

Olympic Games to promote international understanding. De Coubertin sought to identify the “spirit” of the ancient Olympic Games that had been corrupted by the influence of money and politics. De Coubertin thus formed the IOC, that has established elaborate rules and procedures for the conduct of the modern Olympics. In addition, these rules direct every national committee to protect the use of the Olympic flag, symbol, flame, and motto from unauthorized use. Under the IOC Charter, the USOC is the national Olympic committee for the United States with the sole authority to represent the United States at the Olympic Games. Pursuant to this authority, the USOC has used the Olympic words and symbols extensively in this country to fulfill its object under the Olympic Charter of “ensur[ing] the development and safeguarding of the Olympic Movement and sport.”

The history of the origins and associations of the word “Olympic” demonstrates the meritlessness of the SFAA’s contention that Congress simply plucked a generic word out of the English vocabulary and granted its exclusive use to the USOC. Congress reasonably could find that since 1896, the word “Olympic” has acquired what in trademark law is known as a secondary meaning—it “has become distinctive of [the USOC’s] goods in commerce.” The right to adopt and use such a word “to distinguish the goods or property [of] the person whose mark it is, to the exclusion of use by all other persons, has been long recognized.” *Trade-Mark Cases*. Because Congress reasonably could conclude that the USOC has distinguished the word “Olympic” through its own efforts, Congress’ decision to grant the USOC a limited property right in the word “Olympic” falls within the scope of trademark law protections, and thus certainly within constitutional bounds.

B

Congress also acted reasonably when it concluded that the USOC should not be required to prove that an unauthorized use of the word “Olympic” is likely to confuse the public. To the extent that § 110 applies to uses “for the purpose of trade [or] to induce the sale of any goods or services,” 36 U.S.C. § 380(a), its application is to commercial speech. Commercial speech “receives a limited form of First Amendment protection.” Section 110 also allows the USOC to prohibit the use of “Olympic” for promotion of theatrical and athletic events. Although many of these promotional uses will be commercial speech, some uses may go beyond the “strictly business” context. See *Friedman v. Rogers* (1979). In this case, the SFAA claims that its use of the word “Olympic” was intended to convey a political statement about the status of homosexuals in society.¹³ Thus, the SFAA claims that in this case § 110 suppresses political speech.

By prohibiting the use of one word for particular purposes, neither Congress nor the USOC has prohibited the SFAA from conveying its message. The SFAA held its athletic event in its planned format under the names “Gay Games I” and “Gay Games II”

¹³ According to the SFAA’s president, the Gay Olympic Games would have offered three “very important opportunities”:

- “1) To provide a healthy recreational alternative to a suppressed minority.
- “2) To educate the public at large towards a more reasonable characterization of gay men and women.
- “3) To attempt, through athletics, to bring about a positive and gradual assimilation of gay men and women, as well as gays and non-gays, and to diminish the ageist, sexist and racist divisiveness existing in all communities regardless of sexual orientation.”

App. 93. His expectations

“were that people of all persuasions would be drawn to the event because of its Olympic format and that its nature of ‘serious fun’ would create a climate of friendship and co-operation[;] false images and misconceptions about gay people would decline as a result of a participatory [sic] educational process, and benefit ALL communities.”

Id., at 93–94. He thought “[t]he term ‘Olympic’ best describe[d] [the SFAA’s] undertaking” because it embodied the concepts of “peace, friendship and positive social interaction.” *Id.*, at 99.

in 1982 and 1986, respectively. Nor is it clear that § 110 restricts purely expressive uses of the word “Olympic.” Section 110 restricts only the manner in which the SFAA may convey its message. The restrictions on expressive speech properly are characterized as incidental to the primary congressional purpose of encouraging and rewarding the USOC’s activities. The appropriate inquiry is thus whether the incidental restrictions on First Amendment freedoms are greater than necessary to further a substantial governmental interest. *United States v. O’Brien* (1968).

One reason for Congress to grant the USOC exclusive control of the word “Olympic,” as with other trademarks, is to ensure that the USOC receives the benefit of its own efforts so that the USOC will have an incentive to continue to produce a “quality product,” that, in turn, benefits the public. But in the special circumstance of the USOC, Congress has a broader public interest in promoting, through the activities of the USOC, the participation of amateur athletes from the United States in “the great four-yearly sport festival, the Olympic Games.” . . .

The restrictions of § 110 are not broader than Congress reasonably could have determined to be necessary to further these interests. Section 110 primarily applies to all uses of the word “Olympic” to induce the sale of goods or services. Although the Lanham Act protects only against confusing uses, Congress’ judgment respecting a certain word is not so limited. Congress reasonably could conclude that most commercial uses of the Olympic words and symbols are likely to be confusing. It also could determine that unauthorized uses, even if not confusing, nevertheless may harm the USOC by lessening the distinctiveness and thus the commercial value of the marks.

In this case, the SFAA sought to sell T-shirts, buttons, bumper stickers, and other items, all emblazoned with the title “Gay Olympic Games.” The possibility for confusion as to sponsorship is obvious. Moreover, it is clear that the SFAA sought to exploit the “commercial magnetism” of the word given value by the USOC. There is no question that this unauthorized use could undercut the USOC’s efforts to use, and sell the right to use, the word in the future, since much of the word’s value comes from its limited use. Such an adverse effect on the USOC’s activities is directly contrary to Congress’ interest. Even though this protection may exceed the traditional rights of a trademark owner in certain circumstances, the application of the Act to this commercial speech is not broader than necessary to protect the legitimate congressional interest and therefore does not violate the First Amendment.

Section 110 also extends to promotional uses of the word “Olympic,” even if the promotion is not to induce the sale of goods. Under § 110, the USOC may prohibit purely promotional uses of the word only when the promotion relates to an athletic or theatrical event. The USOC created the value of the word by using it in connection with an athletic event. Congress reasonably could find that use of the word by other entities to promote an athletic event would directly impinge on the USOC’s legitimate right of exclusive use. The SFAA’s proposed use of the word is an excellent example. The “Gay Olympic Games” were to take place over a 9-day period and were to be held in different locations around the world. They were to include a torch relay, a parade with uniformed athletes of both sexes divided by city, an “Olympic anthem” and “Olympic Committee,” and the award of gold, silver, and bronze medals, and were advertised under a logo of three overlapping rings. All of these features directly parallel the modern-day Olympics, not the Olympic Games that occurred in ancient Greece. The image the SFAA sought to invoke was exactly the image carefully cultivated by the USOC. The SFAA’s expressive use of the word cannot be divorced from the value the USOC’s efforts have given to it. The mere fact that the SFAA claims an expressive, as opposed to a purely commercial, purpose does not give it a First Amendment

right to “appropriat[e] to itself the harvest of those who have sown.” *International News Service v. Associated Press* (1918).¹⁹ The USOC’s right to prohibit use of the word “Olympic” in the promotion of athletic events is at the core of its legitimate property right.

IV

The SFAA argues that even if the exclusive use granted by § 110 does not violate the First Amendment, the USOC’s enforcement of that right is discriminatory in violation of the Fifth Amendment.²¹ The fundamental inquiry is whether the USOC is a governmental actor to whom the prohibitions of the Constitution apply.²² The USOC is a “private corporatio[n] established under Federal law.” 36 U.S.C. § 1101(46). In the Act, Congress granted the USOC a corporate charter, § 371, imposed certain requirements on the USOC, and provided for some USOC funding through exclusive use of the Olympic words and symbols, § 380, and through direct grants.

Most fundamentally, this Court has held that a government “normally can be held responsible for a private decision only when it has exercised coercive power or has provided such significant encouragement, either overt or covert, that the choice must in law be deemed to be that of the [government].” The USOC’s choice of how to enforce its exclusive right to use the word “Olympic” simply is not a governmental decision. There is no evidence that the Federal Government coerced or encouraged the USOC in the exercise of its right.

¹⁹ The SFAA claims a superior right to the use of the word “Olympic” because it is a nonprofit corporation and its athletic event was not organized for the primary purpose of commercial gain. But when the question is the scope of a legitimate property right in a word, the SFAA’s distinction is inapposite. As this Court has noted in the analogous context of “fair use” under the Copyright Act:

“The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the [protected] material without paying the customary price.”

Harper & Row (1985). Here, the SFAA’s proposed use of the word “Olympic” was a clear attempt to exploit the imagery and goodwill created by the USOC.

²¹ The SFAA invokes the Fourteenth Amendment for its discriminatory enforcement claim. The Fourteenth Amendment applies to actions by a State. The claimed association in this case is between the USOC and the Federal Government. Therefore, the Fourteenth Amendment does not apply. The Fifth Amendment, however, does apply to the Federal Government and contains an equal protection component. *Bolling v. Sharpe* (1954). “This Court’s approach to Fifth Amendment equal protection claims has . . . been precisely the same as to equal protection claims under the Fourteenth Amendment.” *Weinberger v. Wiesenfeld* (1975). See *Buckley v. Valeo* (1976) (per curiam). The Petitioners raised the issue of discriminatory enforcement in their petition for certiorari, and both petitioners and respondents have briefed the issue fully. Accordingly, we address the claim as one under the Fifth Amendment.

²² Because we find no governmental action, we need not address the merits of the SFAA’s discriminatory enforcement claim. We note, however, that the SFAA’s claim of discriminatory enforcement is far from compelling. As of 1982 when this suit began, the USOC had brought 22 oppositions to trademark applications and one petition to cancel. For example, the USOC successfully prohibited registration of the mark “Golden Age Olympics.” The USOC also litigated numerous suits prior to bringing this action, prohibiting use of the Olympic words and symbols by such entities as the National Amateur Sports Foundation, a shoe company, the International Federation of Body Builders, and a bus company. Since 1982, the USOC has brought a number of additional suits against various companies and the March of Dimes Birth Defects Foundation. The USOC has authorized the use of the word “Olympic” to organizations that sponsor athletic competitions and events for handicapped persons (“Special Olympics”) and for youth (“Junior Olympics” and “Explorer Olympics”). Both of these uses directly relate to a purpose of the USOC established by its charter. See 36 U.S.C. §§ 374(7), (13), reprinted *supra*, at 2981, n.17. The USOC has not consented to any other uses of the word in connection with athletic competitions or events.

The USOC necessarily has discretion as to when and against whom it files opposition to trademark applications, and when and against whom it institutes suits. The record before us strongly indicates that the USOC has acted strictly in accord with its charter and that there has been no actionable discrimination.

At most, the Federal Government, by failing to supervise the USOC's use of its rights, can be said to exercise “[m]ere approval of or acquiescence in the initiatives” of the USOC. *Blum v. Yaretsky* (1982). This is not enough to make the USOC's actions those of the Government. Because the USOC is not a governmental actor, the SFAA's claim that the USOC has enforced its rights in a discriminatory manner must fail.

V

Accordingly, we affirm the judgment of the Court of Appeals for the Ninth Circuit.
It is so ordered.

Justice O'CONNOR, with whom Justice BLACKMUN joins, concurring in part and dissenting in part.

I agree with the Court's construction of § 110 of the Amateur Sports Act, 92 Stat. 3048, 36 U.S.C. § 380, and with its holding that the statute is “within constitutional bounds.” Therefore, I join Parts I through III of the Court's opinion. But largely for the reasons explained by Justice Brennan in Part I-B of his dissenting opinion, I believe the United States Olympic Committee and the United States are joint participants in the challenged activity and as such are subject to the equal protection provisions of the Fifth Amendment. Accordingly, I would reverse the Court of Appeals' finding of no Government action and remand the case for determination of petitioners' claim of discriminatory enforcement.

Justice BRENNAN, with whom Justice MARSHALL joins, dissenting.

The Court wholly fails to appreciate both the congressionally created interdependence between the United States Olympic Committee (USOC) and the United States, and the significant extent to which § 110 of the Amateur Sports Act of 1978, 36 U.S.C. § 380, infringes on noncommercial speech. I would find that the action of the USOC challenged here is Government action, and that § 110 is both substantially overbroad and discriminates on the basis of content. I therefore dissent.

I

For two independent reasons, the action challenged here constitutes Government action. First, the USOC performs important governmental functions and should therefore be considered a governmental actor. Second, there exists “a sufficiently close nexus between the [Government] and the challenged action” of the USOC that “the action of the latter may be fairly treated as that of the [Government] itself.” *Jackson v. Metropolitan Edison Co.* (1974).

A

Examination of the powers and functions bestowed by the Government upon the USOC makes clear that the USOC must be considered a Government actor. . . .

The Court has repeatedly held, however, that “when private individuals or groups are endowed by the State with powers or functions governmental in nature, they become agencies or instrumentalities of the State and subject to its constitutional limitations.” *Evans v. Newton* (1966). See *Terry v. Adams* (1953) (private political association and its elections constitute state action); *Marsh v. Alabama* (1946) (privately owned “company town” is a state actor). Moreover, a finding of government action is particularly appropriate when the function performed is “traditionally the exclusive prerogative” of government. *Jackson v. Metropolitan Edison Co.* Patently, Congress has endowed the USOC with traditional governmental powers that enable it to perform a governmental function. . . .

C

A close examination of the USOC and the Government thus reveals a unique interdependence between the two. Although at one time amateur sports was a concern merely of private entities, and the Olympic Games an event of significance only to individuals with a particular interest in athletic competition, that era is passed [sic]. In the Amateur Sports Act of 1978, Congress placed the power and prestige of the United States Government behind a single, central sports organization. Congress delegated to the USOC functions that Government actors traditionally perform—the representation of the Nation abroad and the administration of all private organizations in a particular economic sector. The representation function is of particular significance here, in my view, because an organization that need not adhere to the Constitution cannot meaningfully represent this Nation. The Government is free, of course, to “privatize” some functions it would otherwise perform. But such privatization ought not automatically release those who perform Government functions from constitutional obligations. . . .

II

Section 110(a)(4) prohibits “any person” from using the word “Olympic” “[w]ithout the consent of the [USOC] for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition.” The Court construes this section to give the USOC authority over use of the word “Olympic” which far surpasses that provided by a standard trademark. The Court ignores the serious First Amendment problems created by its interpretation. It holds that § 110(a)(4) regulates primarily commercial speech, and that this section imposes only those incidental restrictions on expressive speech necessary to further a substantial governmental interest.

I disagree. The statute is overbroad on its face because it is susceptible of application to a substantial amount of noncommercial speech, and vests the USOC with unguided discretion to approve and disapprove others’ noncommercial use of “Olympic.” Moreover, by eliminating even noncommercial uses of a particular word, it unconstitutionally infringes on the SFAA’s right to freedom of expression. The Act also restricts speech in a way that is not content neutral. The Court’s justifications of these infringements on First Amendment rights are flimsy. The statute cannot be characterized as a mere regulation of the “manner” of speech, and does not serve any Government purpose that would not effectively be protected by giving the USOC a standard commercial trademark. Therefore, as construed by the Court, § 110(a)(4) cannot withstand the First Amendment challenge presented by petitioners.

A

The USOC has held a trademark in the word “Olympic” since 1896, and § 110(a)(3) of the Amateur Sports Act perpetuates the USOC’s protection against infringement of its trademarks. To be more than statutory surplusage, then, § 110(a)(4) must provide something more than a normal trademark. Thus, the Court finds that § 110(a)(4) grants to the USOC a novel and expansive word-use authority. In my view, the Act, as interpreted by the Court, is substantially overbroad, violating the First Amendment because it prohibits “a substantial amount of constitutionally protected conduct.” The Amateur Sports Act is substantially overbroad in two respects. First, it grants the USOC the remedies of a commercial trademark to regulate the use of the word “Olympic,” but refuses to interpret the Act to incorporate the defenses to trademark infringement provided in the Lanham Act. These defenses are essential safeguards which prevent trademark power from infringing upon constitutionally protected speech. Second, the Court

construes § 110(a)(4) to grant the USOC unconstitutional authority to prohibit use of “Olympic” in the “promotion of theatrical and athletic events,” even if the promotional activities are *noncommercial* or expressive.

1

The first part of § 110 prohibits use of the word “Olympic” “for the purpose of trade” or “to induce the sale of any goods or services.” There is an important difference between the word-use authority granted by this portion of § 110 and a Lanham Act trademark: the former primarily affects noncommercial speech, while the latter does not.

Charitable solicitation and political advocacy by organizations such as SFAA may in part consist of commercial speech regulated by trademark law, but the expressive element of such speech has been sheltered from unconstitutional harm by Lanham Act defenses. Without them, the Amateur Sports Act prohibits a substantial amount of noncommercial speech.

Trademark protection has been carefully confined to the realm of commercial speech by two important limitations in the Lanham Act. First, the danger of substantial regulation of noncommercial speech is diminished by denying enforcement of a trademark against uses of words that are not likely “to cause confusion, to cause mistake, or to deceive.” See 15 U.S.C. § 1066. Confusion occurs when consumers make an incorrect mental association between the involved commercial products or their producers. In contrast, § 110(a)(4) regulates even nonconfusing uses of “Olympic.” . . . Because § 110 does not incorporate the requirement that a defendant’s use of the word be confusing to consumers, it regulates an extraordinary range of noncommercial speech.

The fair-use defense also prevents the award of a trademark from regulating a substantial amount of noncommercial speech. See 15 U.S.C. § 1115(b)(4). The Lanham Act allows “the use of the name, term, or device . . . which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party.” . . . Congress’ failure to incorporate this important defense in § 110(a)(4) confers an unprecedented right on the USOC. See *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.* (1985) (noting that fair-use doctrine assists in preventing the “unprecedented” creation of “an exclusive right to use language that is descriptive of a product”).

In sum, while the USOC’s trademark of “Olympic” allows the USOC to regulate use of the word in the “strictly business” context, the USOC’s authority under § 110(a)(4) to regulate nonconfusing and good-faith descriptive uses of the word “Olympic” grants the USOC discretion to prohibit a substantial amount of noncommercial speech. Section 110(a)(4) is therefore substantially overbroad.

2

A key Lanham Act requirement that limits the impact of trademarks on noncommercial speech is the rule that a trademark violation occurs only when an offending trademark is applied to commercial goods and services. See 15 U.S.C. §§ 1066 and 1127. The Amateur Sports Act is not similarly qualified. Section 110(a)(4) “allows the USOC to prohibit the use of ‘Olympic’ for promotion of theatrical and athletic events,” even if such uses “go beyond the ‘strictly business’ context.” While the USOC has unquestioned authority to enforce its “Olympic” trademark against the SFAA, § 110(a)(4) gives it additional authority to regulate a substantial amount of noncommercial speech that serves to promote social and political ideas. The SFAA sponsors a number of nonprofit-making theatrical and athletic events, including concerts, film screenings, and plays. These public events are aimed at educating the public about society’s alleged discrimination based on sexual orientation, age, sex, and nationality. In conjunction with these events, the SFAA distributes literature describing the meaning of the Gay Olympic Games. References to

“Olympic” in this literature were deleted in response to the injunction, because of § 110’s application to the promotion of athletic and theatrical events.

3

Thus, contrary to the belief of the Court, § 110 may prohibit a substantial amount of noncommercial speech, and is therefore unconstitutionally overbroad. *Schaumburg v. Citizens for a Better Environment* (1980). This overbreadth is particularly significant in light of the unfettered discretion the Act affords to the USOC to prohibit other entities from using the word “Olympic.” Given the large number of such users,³² this broad discretion creates the potential for significant suppression of protected speech. “[A] law subjecting the exercise of First Amendment freedoms to the prior restraint of a license, without narrow, objective, and definite standards to guide the licensing authority, is unconstitutional.” This broad discretion, with its potential for abuse, also renders § 110 unconstitutionally overbroad on its face.

B

The Court concedes that “some” uses of “Olympic” prohibited under § 110 may involve expressive speech. But it contends that “[b]y prohibiting the use of one word for particular purposes, neither Congress nor the USOC has prohibited the SFAA from conveying its message. . . . Section 110 restricts only the manner in which the SFAA may convey its message.” Section 110(a)(4) cannot be regarded as a mere time, place, and manner statute, however. By preventing the use of the word “Olympic,” the statute violates the First Amendment by prohibiting dissemination of a message for which there is no adequate translation.

In *Cohen v. California* (1971), we rejected the very notion advanced today by the Court when considering the censorship of a single four-letter expletive:

“[W]e cannot indulge the facile assumption that one can forbid particular words without also running a substantial risk of suppressing ideas in the process. Indeed, governments might soon seize upon the censorship of particular words as a convenient guise for banning the expression of unpopular views. We have been able . . . to discern little social benefit that might result from running the risk of opening the door to such grave results.”

The Amateur Sports Act gives a single entity exclusive control over a wide range of uses of a word with a deep history in the English language and Western culture. Here, the SFAA intended, by use of the word “Olympic,” to promote a realistic image of homosexual men and women that would help them move into the mainstream of their communities. As Judge Kozinski observed in dissent in the Court of Appeals, just as a jacket reading “I Strongly Resent the Draft” would not have conveyed Cohen’s message, so a title such as “The Best and Most Accomplished Amateur Gay Athletes Competition” would not serve as an adequate translation of petitioners’ message. Indeed, because individual words carry “a life and force of their own,” translations never fully capture the sense of the original. The First Amendment protects more than the right to a mere translation. By prohibiting use of the word “Olympic,” the USOC substantially infringes upon the SFAA’s right to communicate ideas.

C

The Amateur Sports Act also violates the First Amendment because it restricts

³² In Los Angeles and Manhattan alone, there are over 200 enterprises and organizations listed in the telephone directories whose names start with the word “Olympic.” 789 F.2d 1319, 1323 (CA9 1986) (Kozinski, J., dissenting).

speech in a way that is not content neutral. A wide variety of groups apparently wish to express particular sociopolitical messages through the use of the word “Olympic,” but the Amateur Sports Act singles out certain of the groups for favorable treatment. As the Court observes, Congress encouraged the USOC to allow the use of “Olympic” in athletic competitions held for youth (“Junior Olympics” and “Explorer Olympics”) and handicapped persons (“Special Olympics”), 36 U.S.C. § 374(13), while leaving to the USOC’s unfettered discretion the question whether other groups may use it. . . . Such a scheme is unacceptable under the First Amendment. . . .

D

Even if § 110(a)(4) may fairly be characterized as a statute that directly regulates only commercial speech, its incidental restrictions on First Amendment freedoms are greater than necessary to further a substantial Government interest. . . . At minimum, it is necessary to consider whether the USOC’s interest in use of the word “Olympic” could not adequately be protected by rights coextensive with those in the Lanham Act, or by some other restriction on use of the word.

In the absence of § 110(a)(4), the USOC would have authority under the Lanham Act to enforce its “Olympic” trademark against commercial uses of the word that might cause consumer confusion and a loss of the mark’s distinctiveness. There is no evidence in the record that this authority is insufficient to protect the USOC from economic harm. . . . The Court contends that § 110 may prohibit uses of “Olympic” because it protects an “image carefully cultivated by the USOC.” Again, there is no proof in the record that the Lanham Act inadequately protects the USOC’s commercial interest in its image or that the SFAA has harmed the USOC’s image by its speech.³⁶

Language, even in a commercial context, properly belongs to the public, unless the Government’s asserted interest is substantial, and unless the limitation imposed is no more extensive than necessary to serve that interest. The Lanham Act is carefully crafted to prevent commercial monopolization of language that otherwise belongs in the public domain. The USOC demonstrates no need for additional protection. In my view, the SFAA therefore is entitled to use the word “Olympic” in a nonconfusing and nonmisleading manner in the noncommercial promotion of a theatrical or athletic event, absent proof of resultant harm to the USOC.

I dissent.

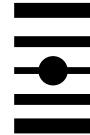
Question:

- 1.) USOC was decided only one year after the now infamous case of *Bowers v. Hardwick*

³⁶ Nor is there any evidence that SFAA’s expressive speech caused economic or reputational harm to the USOC’s image. In *Spence v. Washington* (1974), a State asserted a similar interest in the integrity of America’s flag as “an unalloyed symbol of our country,” and contended that there is a substantial Government interest in “preserving the flag as ‘an important symbol of nationhood and unity.’” The Court considered whether a State could withdraw “a unique national symbol from the roster of materials that may be used as a background for communications.” It reviewed a state law that limited the use of the American flag and forbade the public exhibition of a flag that was distorted or marked. The appellant was convicted for violating the statute by displaying the flag upside down in the window of his apartment with a peace symbol attached to it. Eight Members of the Court held that the statute was unconstitutional as applied to appellant’s activity. “There was no risk that appellant’s acts would mislead viewers into assuming that the Government endorsed his viewpoint,” and “his message was direct, likely to be understood, and within the contours of the First Amendment.” The Court concluded that since the state interest was not “significantly impaired,” the conviction violated the First Amendment. Similarly, in this case, the SFAA’s primary purpose was to convey a political message that is nonmisleading and direct. This message, like the symbolic speech in *Spence*, is protected by the First Amendment.

(1986), a case in which, as here, Justice Powell was in the majority and Justice Brennan was in the dissent. Do you think that different social attitudes might cause *USOC* to be decided differently today, or do you think its reasoning still holds?

Texas v. Johnson
491 U.S. 397 (1989)



Justice BRENNAN delivered the opinion of the Court.

After publicly burning an American flag as a means of political protest, Gregory Lee Johnson was convicted of desecrating a flag in violation of Texas law. This case presents the question whether his conviction is consistent with the First Amendment. We hold that it is not.

I

While the Republican National Convention was taking place in Dallas in 1984, respondent Johnson participated in a political demonstration dubbed the “Republican War Chest Tour.” As explained in literature distributed by the demonstrators and in speeches made by them, the purpose of this event was to protest the policies of the Reagan administration and of certain Dallas-based corporations. The demonstrators marched through the Dallas streets, chanting political slogans and stopping at several corporate locations to stage “die-ins” intended to dramatize the consequences of nuclear war. On several occasions they spray-painted the walls of buildings and overturned potted plants, but Johnson himself took no part in such activities. He did, however, accept an American flag handed to him by a fellow protestor who had taken it from a flagpole outside one of the targeted buildings.

The demonstration ended in front of Dallas City Hall, where Johnson unfurled the American flag, doused it with kerosene, and set it on fire. While the flag burned, the protestors chanted, “America, the red, white, and blue, we spit on you.” After the demonstrators dispersed, a witness to the flag burning collected the flag’s remains and buried them in his backyard. No one was physically injured or threatened with injury, though several witnesses testified that they had been seriously offended by the flag burning.

Of the approximately 100 demonstrators, Johnson alone was charged with a crime. The only criminal offense with which he was charged was the desecration of a venerated object in violation of Tex. Penal Code Ann. § 42.09(a)(3) (1989). After a trial, he was convicted, sentenced to one year in prison, and fined \$2,000. The Court of Appeals for the Fifth District of Texas at Dallas affirmed Johnson’s conviction, but the Texas Court of Criminal Appeals reversed, holding that the State could not, consistent with the First Amendment, punish Johnson for burning the flag in these circumstances.

The Court of Criminal Appeals began by recognizing that Johnson’s conduct was symbolic speech protected by the First Amendment:

Given the context of an organized demonstration, speeches, slogans, and the distribution of literature, anyone who observed appellant’s act would have understood the message that appellant intended to convey. The act for which appellant was convicted was clearly “speech” contemplated by the First Amendment.

To justify Johnson’s conviction for engaging in symbolic speech, the State asserted two interests: preserving the flag as a symbol of national unity and preventing breaches of the

peace. The Court of Criminal Appeals held that neither interest supported his conviction.

Acknowledging that this Court had not yet decided whether the Government may criminally sanction flag desecration in order to preserve the flag's symbolic value, the Texas court nevertheless concluded that our decision in *West Virginia Board of Education v. Barnette* (1943), suggested that furthering this interest by curtailing speech was impermissible. "Recognizing that the right to differ is the centerpiece of our First Amendment freedoms," the court explained,

a government cannot mandate by fiat a feeling of unity in its citizens.

Therefore, that very same government cannot carve out a symbol of unity and prescribe a set of approved messages to be associated with that symbol when it cannot mandate the status or feeling the symbol purports to represent.

We never before have held that the Government may ensure that a symbol be used to express only one view of that symbol or its referents. Indeed, in *Schacht v. United States*, we invalidated a federal statute permitting an actor portraying a member of one of our armed forces to "wear the uniform of that armed force if the portrayal does not tend to discredit that armed force." ([Q]uoting 10 U.S.C. § 772(f).) This proviso, we held,

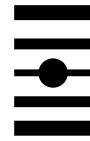
which leaves Americans free to praise the war in Vietnam but can send persons like Schacht to prison for opposing it, cannot survive in a country which has the First Amendment.

We perceive no basis on which to hold that the principle underlying our decision in *Schacht* does not apply to this case. To conclude that the government may permit designated symbols to be used to communicate only a limited set of messages would be to enter territory having no discernible or defensible boundaries. Could the government, on this theory, prohibit the burning of state flags? Of copies of the Presidential seal? Of the Constitution? In evaluating these choices under the First Amendment, how would we decide which symbols were sufficiently special to warrant this unique status? To do so, we would be forced to consult our own political preferences, and impose them on the citizenry, in the very way that the First Amendment forbids us to do. See *Carey v. Brown* (1980).

Chief Justice REHNQUIST, C.J., with whom Justice WHITE and Justice O'CONNOR join, dissenting.

... Only two Terms ago, in *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee* (1987), the Court held that Congress could grant exclusive use of the word "Olympic" to the United States Olympic Committee. The Court thought that this "restrictio[n] on expressive speech properly [was] characterized as incidental to the primary congressional purpose of encouraging and rewarding the USOC's activities." As the Court stated, "when a word [or symbol] acquires value "as the result of organization and the expenditure of labor, skill, and money" by an entity, that entity constitutionally may obtain a limited property right in the word [or symbol]." *Id.* at 532, quoting *INS v. Associated Press* (1918). Surely Congress or the States may recognize a similar interest in the flag.

H.R. 2723
102d Congress (1st Session)



To grant the United States a copyright to the Flag of the United States and to impose criminal penalties for the destruction of a copyrighted Flag.

IN THE HOUSE OF REPRESENTATIVES

June 20, 1991

Mr. TORRICELLI introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To grant the United States a copyright to the Flag of the United States and to impose criminal penalties for the destruction of a copyrighted Flag.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. United States Granted Copyright to the Flag of the United States.

The United States is hereby granted a copyright to the Flag of the United States.

SEC. 2. License To Manufacture, Sell, or Distribute the Flag of the United States.

The United States hereby grants a license to any person to manufacture in the United States the Flag of the United States, and to sell and distribute such Flag.

SEC. 3. Requirements of the Display of the Flag of the United States.

Any Flag of the United States may only be displayed in accordance with chapter 1 of title 4, United States Code, (relating to the Flag of the United States) and the joint resolution entitled ‘Joint Resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America’, approved June 22, 1942 (36 U.S.C. 174–178).

SEC. 4. Criminal Penalties for Burning or Mutilating the Flag of the United States.

(a) IN GENERAL—Whoever burns or otherwise mutilates a Flag of the United States shall be punished as follows:

(1) If the damage to such Flag exceeds \$100, by a fine of not more than \$10,000 or imprisonment for not more than 10 years, or both.

(2) If the damage to such Flag does not exceed \$100, by a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

(b) EXCEPTION—Subsection (a) shall not apply with respect to whoever destroys a Flag of the United States in accordance with section 4 of the joint resolution referred to in section 3.

SEC. 5. Definitions.

As used in this Act—

(1) the term ‘Flag of the United States’ means a rectangular design which consists of 13 horizontal stripes, alternate red and white, with a union of 50 white stars in a blue field, and which the average person, upon seeing such design, may believe without deliberation to represent the Flag of the United States of America; and

(2) the term ‘United States’, when used in the geographical sense, means the 50

States, the District of Columbia, the Commonwealth of Puerto Rico, any possession of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Questions:

- 1.) On how many distinct constitutional grounds would Mr. Torricelli's bill be unconstitutional?
- 2.) One important question in any case involving intellectual property and the First Amendment is whether the defendant *needed* the material protected by property rights in order to exercise "the freedom of speech." Why does the Court believe that the SFAA does not need the word "Olympic"? Do you agree?
- 3.) Why does the majority focus on the effort that the USOC has spent in giving Olympic a positive connotation? What is the relevance of that argument to an analysis of whether this statute *violates the First Amendment*?
- 4.) One part of the challenged law gives the USOC the right to decide who is allowed to use the logo or symbol and who not. Congress strongly urged, in a resolution, that the USOC allow the Special Olympics to keep using the name. Why did Congress itself not simply pick and choose which groups could use the term?
- 5.) *Texas v. Johnson* is often described as standing for the position that the Constitution does not tolerate the creation of "venerated objects," symbols about which only one attitude or method of expression is permitted. Is *SFAA v. USOC* consistent with this position?

PROBLEM 3-1**INTELLECTUAL PROPERTY AND THE FIRST AMENDMENT.**

Citing the need to avoid "political confusion among voters," and to "reward the Democratic Party for their ingenuity and labor in giving the word "Democrat" a uniquely positive connotation," Congress grants to the Democratic National Committee ("DNC") a permanent right to the word "democrat" (upper or lower case). The "Democrat Protection Act"—or DPA—forbids any person, without the consent of the Democratic National Committee, to use the word 'democrat' or 'democratic' in any commercial (or non-profit fund-raising) activity. The right is protected by the remedies provided in the Act of July 5, 1946 (60 Stat. 427; popularly known as the Trademark Act of 1946 [Lanham Act]) [15 U.S.C. § 1051 et seq.] but expands their reach to include non-profit activities and eliminates the requirement that the DNC show the likelihood of confusion produced by the challenged use. The DNC has announced its intention of emphasizing the "New Democrat" shift to the center by denying usage of the word 'democrat' to both "left and right-wing extremists." Having been denied usage for their fund raising activities, the Democratic Socialists, Committee for a Well-Armed Democratic Citizenry, Gay Democrats PAC, and the "luncheon meat" SPAN, (whose proposed new slogan is "the Democrat of Luncheon Meats") all challenge the law.

Is the DPA constitutional? Are the actions of the DNC constitutional?

Dallas Cowboys Cheerleaders v. Pussycat Cinema
604 F.2d 200 (2d Cir. 1979)



Plaintiff in this trademark infringement action is Dallas Cowboys Cheerleaders, Inc., a wholly owned subsidiary of the Dallas Cowboys Football Club, Inc. Plaintiff employs thirty-six women who perform dance and cheerleading routines at Dallas Cowboys football games. The cheerleaders have appeared frequently on television programs and make commercial appearances at such public events as sporting goods shows and shopping center openings. In addition, plaintiff licenses others to manufacture and distribute posters, calendars, T-shirts, and the like depicting Dallas Cowboys Cheerleaders in their uniforms. These products have enjoyed nationwide commercial success, due largely to the national exposure the Dallas Cowboys Cheerleaders have received through the news and entertainment media. Moreover, plaintiff has expended large amounts of money to acquaint the public with its uniformed cheerleaders and earns substantial revenue from their commercial appearances.

At all the football games and public events where plaintiff's cheerleaders appear and on all commercial items depicting the cheerleaders, the women are clad in plaintiff's distinctive uniform. The familiar outfit consists of white vinyl boots, white shorts, a white belt decorated with blue stars, a blue bolero blouse, and a white vest decorated with three blue stars on each side of the front and a white fringe around the bottom. In this action plaintiff asserts that it has a trademark in its uniform and that defendants have infringed and diluted that trademark in advertising and exhibiting "Debbie Does Dallas."

Pussycat Cinema, Ltd., is a New York corporation which owns a movie theatre in New York City; Zaffarano is the corporation's sole stockholder. In November 1978 the Pussycat Cinema began to show "Debbie Does Dallas," a gross and revolting sex film whose plot, to the extent that there is one, involves a cheerleader at a fictional high school, Debbie, who has been selected to become a "Texas Cowgirl."¹ In order to raise enough money to send Debbie, and eventually the entire squad, to Dallas, the cheerleaders perform sexual services for a fee. The movie consists largely of a series of scenes graphically depicting the sexual escapades of the "actors." In the movie's final scene Debbie dons a uniform strikingly similar to that worn by the Dallas Cowboys Cheerleaders and for approximately twelve minutes of film footage engages in various sex acts while clad or partially clad in the uniform. Defendants advertised the movie with marquee posters depicting Debbie in the allegedly infringing uniform and containing such captions as "Starring Ex Dallas Cowgirl Cheerleader Bambi Woods" and "You'll do more than cheer for this X Dallas Cheerleader."² Similar advertisements appeared in the newspapers.

Plaintiff brought this action alleging trademark infringement under section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)), unfair competition, and dilution of trademark in violation of section 368-d of the New York General Business Law. The district court, in its oral opinion of February 13, 1979, found that "plaintiff ha(d) succeeded in proving by overwhelming evidence the merits of each one of its contentions." Defendants challenge the validity of all three claims.

A preliminary issue raised by defendants is whether plaintiff has a valid trademark

¹ The official appellation of plaintiff's cheerleaders is "Dallas Cowboys Cheerleaders," but the district court found that plaintiff also has a trademark in the names "Dallas Cowgirls" and "Texas Cowgirls" which have been made popular by the media.

² Bambi Woods, the woman who played the role of Debbie, is not now and never has been a Dallas Cowboys Cheerleader.

in its cheerleader uniform.³ Defendants argue that the uniform is a purely functional item necessary for the performance of cheerleading routines and that it therefore is not capable of becoming a trademark. We do not quarrel with defendants' assertion that a purely functional item may not become a trademark. However, we do not agree that all of characteristics of plaintiff's uniform serve only a functional purpose or that, because an item is in part incidentally functional, it is necessarily precluded from being designated as a trademark. Plaintiff does not claim a trademark in all clothing designed and fitted to allow free movement while performing cheerleading routines, but claims a trademark in the particular combination of colors and collocation of decorations that distinguish plaintiff's uniform from those of other squads.⁴ It is well established that, if the design of an item is nonfunctional and has acquired secondary meaning,⁵ the design may become a trademark even if the item itself is functional. Moreover, when a feature of the construction of the item is arbitrary, the feature may become a trademark even though it serves a useful purpose. Thus, the fact that an item serves or performs a function does not mean that it may not at the same time be capable of indicating sponsorship or origin, particularly where the decorative aspects of the item are nonfunctional. In the instant case the combination of the white boots, white shorts, blue blouse, and white star-studded vest and belt is an arbitrary design which makes the otherwise functional uniform trademarkable.

Having found that plaintiff has a trademark in its uniform, we must determine whether the depiction of the uniform in "Debbie Does Dallas" violates that trademark. The district court found that the uniform worn in the movie and shown on the marquee closely resembled plaintiff's uniform and that the public was likely to identify it as plaintiff's uniform. Our own comparison of the two uniforms convinces us that the district court was correct, and defendants do not seriously contend that the uniform shown in the movie is not almost identical with plaintiff's.

Defendants assert that the copyright doctrine of "fair use" should be held applicable to trademark infringement actions and that we should apply the doctrine to sanction their use of a replica of plaintiff's uniform. Fair use is "a 'privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent. . . .'" The fair use doctrine allows adjustments of conflicts between the first amendment and the copyright laws, and is designed primarily to balance "the exclusive rights of a copyright holder with the public's interest in dissemination of information affecting areas of universal concern, such as art, science and industry." It is unlikely that the fair use doctrine is applicable to trademark infringements; however, we need not reach that question. Although, as defendants assert, the doctrine of fair use permits limited copyright infringement for purposes of parody, defendants' use of plaintiff's uniform hardly qualifies as parody or any other form of fair use.

Nor does any other first amendment doctrine protect defendants' infringement of plaintiff's trademark. That defendants' movie may convey a barely discernible message does not entitle them to appropriate plaintiff's trademark in the process of conveying that message. Plaintiff's trademark is in the nature of a property right, and as such it need not

³ At present plaintiff does not have a registered trademark or service mark in its uniform. However, plaintiff still may prevail if it establishes that it has a common law trademark or service mark.

⁴ Plaintiff's design imparts a western flavor appropriate for a Texas cheerleading squad. The design is in no way essential to the performance of cheerleading routines and to that extent is not a functional aspect of the uniform.

⁵ Secondary meaning is "(t)he power of a name or other configuration to symbolize a particular business, product or company. . . ." *Ideal Toy Corp. v. Kenner Products Division of General Mills Fun Group, Inc.* (1977). There is no dispute in this case that plaintiff's uniform is universally recognized as the symbol of the Dallas Cowboys Cheerleaders.

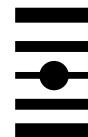
“yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.” Because there are numerous ways in which defendants may comment on “sexuality in athletics” without infringing plaintiff’s trademark, the district court did not encroach upon their first amendment rights in granting a preliminary injunction.

For similar reasons, the preliminary injunction did not constitute an unconstitutional “prior restraint”. This is not a case of government censorship, but a private plaintiff’s attempt to protect its property rights. The propriety of a preliminary injunction where such relief is sought is so clear that courts have often issued an injunction without even mentioning the first amendment. The prohibition of the Lanham Act is content neutral, *Cf. Schacht v. United States* (1970), and therefore does not arouse the fears that trigger the application of constitutional “prior restraint” principles.

Questions:

- 1.) What do you think of Pussycat Cinema’s parody and First Amendment defense? Can you offer a better one?
- 2.) *Debbie Does Dallas* was enjoined because it violated a property right held by the Dallas Cowboys Football Club, namely an unregistered common trademark/trade dress right in the uniforms worn by its cheerleaders. You have read the reasoning of the court. Did that right exist before the case was brought? Does that fact raise any First Amendment issues?

L.L. Bean, Inc. v. Drake Publishers, Inc.
811 F.2d 26 (1st Cir. 1987)



BOWNES, Circuit Judge.

Imitation may be the highest form of flattery, but plaintiff-appellee L.L. Bean, Inc., was neither flattered nor amused when High Society magazine published a prurient parody of Bean’s famous catalog. Defendant-appellant Drake Publishers, Inc., owns High Society, a monthly periodical featuring adult erotic entertainment. Its October 1984 issue contained a two-page article entitled “L.L. Beam’s Back-To-School-Sex-Catalog.” The article was labelled on the magazine’s contents page as “humor” and “parody.” The article displayed a facsimile of Bean’s trademark and featured pictures of nude models in sexually explicit positions using “products” that were described in a crudely humorous fashion.

L.L. Bean sought a temporary restraining order to remove the October 1984 issue from circulation. The complaint alleged trademark infringement, unfair competition, trademark dilution, deceptive trade practices, interference with prospective business advantage and trade libel. . . . [Among other things, the district court granted] Bean summary judgment with respect to the trademark dilution claim raised under Maine law. Me. Rev. Stat. Ann. tit. 10, § 1530 (1981). It ruled that the article had tarnished Bean’s trademark by undermining the goodwill and reputation associated with the mark. . . . The court also held that enjoining the publication of a parody to prevent trademark dilution did not offend the first amendment. An injunction issued prohibiting further publication or distribution of the “L.L. Beam Sex Catalog.” [Drake appealed.]

I

... One need only open a magazine or turn on television to witness the pervasive influence of trademarks in advertising and commerce. Designer labels appear on goods ranging from handbags to chocolates to every possible form of clothing. Commercial advertising slogans, which can be registered as trademarks, have become part of national political campaigns. "Thus, trademarks have become a natural target of satirists who seek to comment on this integral part of the national culture." The ridicule conveyed by parody inevitably conflicts with one of the underlying purposes of the Maine anti-dilution statute, which is to protect against the tarnishment of the goodwill and reputation associated with a particular trademark. The court below invoked this purpose as the basis for its decision to issue an injunction. The issue before us is whether enjoining the publication of appellant's parody violates the first amendment guarantees of freedom of expression.

II

The district court disposed of the first amendment concerns raised in this matter by relying on the approach taken in *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.* (1979). In rejecting Drake's claim that the first amendment protects the unauthorized use of another's trademark in the process of conveying a message, the district court cited the following language from *Dallas Cowboys Cheerleaders*: "Plaintiffs trademark is in the nature of a property right . . . and as such it need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.'" We do not believe that the first amendment concerns raised here can be resolved as easily as was done in *Dallas Cowboys Cheerleaders*. Aside from our doubts about whether there are alternative means of parodying plaintiffs catalog, we do not think the court fully assessed the nature of a trademark owner's property rights.

The limits on the scope of a trademark owner's property rights was considered recently in *Lucasfilm Ltd. v. High Frontier* (1985). In that case, the owners of the trademark "Star Wars" alleged injury from public interest groups that used the term in commercial advertisements presenting their views on President Reagan's Strategic Defense Initiative. Judge Gesell stressed that the sweep of a trademark owner's rights extends only to injurious, unauthorized commercial uses of the mark by another. Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.

III

The district court's opinion suggests that tarnishment may be found when a trademark is used without authorization in a context which diminishes the positive associations with the mark. Neither the strictures of the first amendment nor the history and theory of anti-dilution law permit a finding of tarnishment based solely on the presence of an unwholesome or negative context in which a trademark is used without authorization. Such a reading of the anti-dilution statute unhinges it from its origins in the marketplace. A trademark is tarnished when consumer capacity to associate it with the appropriate products or services has been diminished. The threat of tarnishment arises when the goodwill and reputation of a plaintiffs trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner's lawful use of the mark. . . .

[T]he dilution injury stems from an unauthorized effort to market incompatible products or services by trading on another's trademark. The Constitution is not offended

when the anti-dilution statute is applied to prevent a defendant from using a trademark without permission in order to merchandise dissimilar products or services. Any residual effect on first amendment freedoms should be balanced against the need to fulfill the legitimate purpose of the anti-dilution statute. The law of trademark dilution has developed to combat an unauthorized and harmful appropriation of a trademark by another for the purpose of identifying, manufacturing, merchandising or promoting dissimilar products or services. The harm occurs when a trademark's identity and integrity—its capacity to command respect in the market—is undermined due to its inappropriate and unauthorized use by other market actors. When presented with such circumstances, courts have found that trademark owners have suffered harm despite the fact that redressing such harm entailed some residual impact on the rights of expression of commercial actors. See, e.g., *Chemical Corp. of America v. Anheuser-Busch, Inc.* (1962) (floor wax and insecticide maker's slogan, "Where there's life, there's bugs," harmed strength of defendant's slogan, "Where there's life, there's Bud."); *Original Appalachian Artworks, Inc. v. Topps Chewing Gum* (1986) (merchandiser of "Garbage Pail Kids" stickers and products injured owner of Cabbage Patch Kids mark); *General Electric Co. v. Alumpa Coal Co.* (1979) ("Genital Electric" monogram on underpants and T-shirts harmful to plaintiffs trademark).

While the cases cited above might appear at first glance to be factually analogous to the instant one, they are distinguishable for two reasons. First, they all involved unauthorized commercial uses of another's trademark. Second, none of those cases involved a defendant using a plaintiff's trademark as a vehicle for an editorial or artistic parody. In contrast to the cases cited, the instant defendant used plaintiffs mark solely for non-commercial purposes. Appellant's parody constitutes an editorial or artistic, rather than a commercial, use of plaintiffs mark. The article was labeled as "humor" and "parody" in the magazine's table of contents section; it took up two pages in a one-hundred-page issue; neither the article nor appellant's trademark was featured on the front or back cover of the magazine. Drake did not use Bean's mark to identify or promote goods or services to consumers; it never intended to market the "products" displayed in the parody.

We think the Constitution tolerates an incidental impact on rights of expression of commercial actors in order to prevent a defendant from unauthorizedly merchandising his products with another's trademark.⁴ In such circumstances, application of the anti-dilution statute constitutes a legitimate regulation of commercial speech, which the Supreme Court has defined as "expression related solely to the economic interests of the speaker and its audience." It offends the Constitution, however, to invoke the anti-dilution statute as a basis for enjoining the noncommercial use of a trademark by a defendant engaged in a protected form of expression.

Our reluctance to apply the anti-dilution statute to the instant case also stems from a recognition of the vital importance of parody. Although, as we have noted, parody is often offensive, it is nevertheless "deserving of substantial freedom—both as entertainment and as a form of social and literary criticism." It would be anomalous to diminish

⁴ We have no occasion to consider the constitutional limits which might be imposed on the application of anti-dilution statutes to unauthorized uses of trademarks on products whose principal purpose is to convey a message. *Mutual of Omaha Ins. Co. v. Novak* (1985) (plaintiff entitled to preliminary injunction against peace activist protesting nuclear weapons proliferation by marketing "Mutant of Omaha" T-shirts). Such a situation undoubtedly would require a balancing of the harm suffered by the trademark owner against the benefit derived by the parodist and the public from the unauthorized use of a trademark on a product designed to convey a message.

the protection afforded parody solely because a parodist chooses a famous trade name, rather than a famous personality, author or creative work, as its object.⁵

The district court's injunction falls not only because it trammels upon a protected form of expression, but also because it depends upon an untoward judicial evaluation of the offensiveness or unwholesomeness of the appellant's materials. The Supreme Court has recognized the threat to free speech inherent in sanctioning such evaluations. *Cohen v. California* (1971).

Reversed and remanded.

LEVIN H. CAMPBELL, Chief Judge (dissenting). [Omitted.]

Question:

- 1.) Why does the court rule in favor of Drake but against Pussycat Cinema?

PROBLEM 3-2
CONSTITUTIONAL INTERPRETATION: REVIEW.

Review the materials in the previous two chapters. What are the most difficult lines to draw and rules to formulate in a constitutional theory that explains:

- 1.) **The general contours of the Congressional power to create, extend and define intellectual property rights?**
- 2.) **The limits (if any) that the First Amendment puts on intellectual property rights and remedies? Before answering, consider this sentence from the Breyer-Alito dissent in *Golan*. “The fact that, by withdrawing material from the public domain, the statute inhibits an important preexisting flow of information is sufficient, when combined with the other features of the statute that I have discussed, to convince me that the Copyright Clause, interpreted in the light of the First Amendment, does not authorize Congress to enact this statute.” How does Justice Breyer’s understanding of the way the First Amendment should inflect the interpretation of the Copyright Clause differ from that of Justice Ginsburg?**

⁵ We recognize that the plaintiffs in *Pillsbury Co. v. Milky Way Productions, Inc.* (1981), obtained injunctive relief against Screw magazine, which had published pictures of facsimiles of Pillsbury's trade characters, "Poppin Fresh" and "Poppie Fresh," engaged in sexual intercourse and fellatio. The pictorial also featured plaintiff's trademark and the refrain of its jingle, "The Pillsbury Baking Song." While the district court granted relief under Georgia's anti-dilution statute, it did so only after specifically declining to consider whether defendants' presentation constituted a parody. The defendants in Pillsbury had tried to proffer parody as a defense to plaintiffs copyright infringement claim; they did not assert it as a defense to the dilution claim. Pillsbury, therefore, does not stand for the proposition that the publication of a parody properly may be enjoined under an anti-dilution statute, since the court never considered whether defendants had presented a parody, and defendants never asserted parody as a defense to the dilution claim.



CHAPTER EIGHT

Defenses to Trademark Infringement: Fair & Nominative Use

We have already seen many of the internal limitations of trademark law. Its rights are constrained from their creation—ownership not of the word, or the image, but rather the word or image used in relationship to a particular good or service. They are constrained by the requirements of *use in commerce*, not only before the rights are obtained, but as a continuing requirement for the right to exist. They are constrained by the requirement of *use as a mark*—both that the signals must be deliberately sent by the producer *as trademarks*—not mottos or mission statements—and in the *distinctiveness*, acquired or inherent, perceived by the consumer. They are constrained by the limitations that trademarks can never be over *functional* features of the product; *TraFFix* provides one obvious example, but so does the discussion in *Qualitex* of all the occasions on which color cannot be owned, such as green for farm equipment, given that fashion-conscious farmers may want their tractors to match. They are constrained by the limitation of *genericide*, or “genericity.” Even if the producer created an entirely new name—fanciful and arbitrary—that mark will be lost if it becomes the generic term for the goods or services involved. Finally, they are constrained by the reach—however indeterminate—of the requirements of the First Amendment, to allow speech and commentary about the mark, and of the requirements of efficient competitive consumer communication in the marketplace.

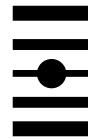
In this chapter, we focus on two particular defenses, fair use and nominative use, which reflect these limitations but also illustrate their operation in action, particularly in the context of new business models and new technologies such as the internet.

The first defense, “descriptive” or “classic” fair use, is laid out in the Lanham Act in § 1115(b), which describes limitations on the § 1065 “incontestability” of a mark that has been registered on the Principal Register for five years. (“Incontestable” could more accurately be described as “contestable for fewer reasons.”) But fair use has been judicially developed to be a more general limitation on trademarks, even if they are not registered or incontestable. From the language below, courts have extracted the following three-part test for descriptive fair use: the mark must be used (1) other than as a mark (i.e. not to identify the product’s source), (2) in a descriptive sense (though the mark does not have to *literally* describe the defendant’s product, it can instead describe an aspirational effect—both “Come on Strong” for menswear or “Seal it with a Kiss” for lipstick were found to be descriptive), and (3) in good faith.

1115(b) To the extent that the right to use the registered mark has become incontestable the registration shall be conclusive evidence of the registrant’s exclusive right to use the registered mark in commerce . . . subject to the following defenses. . . .

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

***KP Permanent Make-Up, Inc. v.
Lasting Impression I, Inc., et al.***
543 U.S. 111 (2004)



Justice SOUTER delivered the opinion of the Court.

The question here is whether a party raising the statutory affirmative defense of fair use to a claim of trademark infringement, 15 U.S.C. § 1115(b)(4), has a burden to negate any likelihood that the practice complained of will confuse consumers about the origin of the goods or services affected. We hold it does not.

I

Each party to this case sells permanent makeup, a mixture of pigment and liquid for injection under the skin to camouflage injuries and modify nature's dispensations, and each has used some version of the term "micro color" (as one word or two, singular or plural) in marketing and selling its product. Petitioner KP Permanent Make-Up, Inc., claims to have used the single-word version since 1990 or 1991 on advertising flyers and since 1991 on pigment bottles. Respondents Lasting Impression I, Inc., den[ies] that KP began using the term that early, but we accept KP's allegation as true for present purposes; the District and Appeals Courts took it to be so, and the disputed facts do not matter to our resolution of the issue. In 1992, Lasting applied to the United States Patent and Trademark Office (PTO) under 15 U.S.C. § 1051 for registration of a trademark consisting of the words "Micro Colors" in white letters separated by a green bar within a black square. The PTO registered the mark to Lasting in 1993, and in 1999 the registration became incontestable. § 1065.

It was also in 1999 that KP produced a 10-page advertising brochure using "micro-color" in a large, stylized typeface, provoking Lasting to demand that KP stop using the term. Instead, KP sued Lasting in the Central District of California, seeking, on more than one ground, a declaratory judgment that its language infringed no such exclusive right as Lasting claimed. Lasting counterclaimed, alleging, among other things, that KP had infringed Lasting's "Micro Colors" trademark.

KP sought summary judgment on the infringement counterclaim, based on the statutory affirmative defense of fair use, 15 U.S.C. § 1115(b)(4). After finding that Lasting had conceded that KP used the term only to describe its goods and not as a mark, the District Court held that KP was acting fairly and in good faith because undisputed facts showed that KP had employed the term "microcolor" continuously from a time before Lasting adopted the two-word, plural variant as a mark. Without enquiring whether the practice was likely to cause confusion, the court concluded that KP had made out its affirmative defense under § 1115(b)(4).

On appeal, the Court of Appeals for the Ninth Circuit thought it was error for the District Court to have addressed the fair use defense without delving into the matter of possible confusion on the part of consumers about the origin of KP's goods. The reviewing court took the view that no use could be recognized as fair where any consumer confusion was probable, and although the court did not pointedly address the burden of proof, it appears to have placed it on KP to show absence of consumer confusion. We now vacate the judgment of the Court of Appeals.

II

A

The Trademark Act of 1946, known for its principal proponent as the Lanham Act,

provides the user of a trade or service mark with the opportunity to register it with the PTO, §§ 1051, 1053. If the registrant then satisfies further conditions including continuous use for five consecutive years, “the right . . . to use such registered mark in commerce” to designate the origin of the goods specified in the registration “shall be incontestable” outside certain listed exceptions. § 1065.

The holder of a registered mark (incontestable or not) has a civil action against anyone employing an imitation of it in commerce when “such use is likely to cause confusion, or to cause mistake, or to deceive.” § 1114(1)(a). Although an incontestable registration is “conclusive evidence . . . of the registrant’s exclusive right to use the . . . mark in commerce,” § 1115(b), the plaintiff’s success is still subject to “proof of infringement as defined in section 1114.” And that, as just noted, requires a showing that the defendant’s actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question. This plaintiff’s burden has to be kept in mind when reading the relevant portion of the further provision for an affirmative defense of fair use, available to a party whose

“use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin. . . .” § 1115(b)(4).

Two points are evident. Section 1115(b) places a burden of proving likelihood of confusion (that is, infringement) on the party charging infringement even when relying on an incontestable registration. And Congress said nothing about likelihood of confusion in setting out the elements of the fair use defense in § 1115(b)(4).

Starting from these textual fixed points, it takes a long stretch to claim that a defense of fair use entails any burden to negate confusion. It is just not plausible that Congress would have used the descriptive phrase “likely to cause confusion, or to cause mistake, or to deceive” in § 1114 to describe the requirement that a markholder show likelihood of consumer confusion, but would have relied on the phrase “used fairly” in § 1115(b)(4) in a fit of terse drafting meant to place a defendant under a burden to negate confusion. . . .

Finally, a look at the typical course of litigation in an infringement action points up the incoherence of placing a burden to show nonconfusion on a defendant. If a plaintiff succeeds in making out a *prima facie* case of trademark infringement, including the element of likelihood of consumer confusion, the defendant may offer rebutting evidence to undercut the force of the plaintiff’s evidence on this (or any) element, or raise an affirmative defense to bar relief even if the *prima facie* case is sound, or do both. But it would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element (like confusion); all the defendant needs to do is to leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point. A defendant has no need of a court’s true belief when agnosticism will do. Put another way, it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need of an affirmative defense, but under Lasting’s theory the defense would be foreclosed in such a case. “[I]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant.” *Shakespeare Co. v. Silstar Corp.* Nor would it make sense to provide an affirmative defense of no confusion plus good faith, when merely rebutting the plaintiff’s case on confusion would entitle the defendant to judgment, good faith or not. . . .

Since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, it follows (contrary to the Court of Appeals’s view) that some possibility of consumer confusion must be

compatible with fair use, and so it is. The common law's tolerance of a certain degree of confusion on the part of consumers followed from the very fact that in cases like this one an originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first. The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words. "If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase." *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.* See also *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.* (1985) (noting safeguards in Lanham Act to prevent commercial monopolization of language); *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.* (2d Cir. 1995) (noting importance of "protect[ing] the right of society at large to use words or images in their primary descriptive sense"). This right to describe is the reason that descriptive terms qualify for registration as trademarks only after taking on secondary meaning as "distinctive of the applicant's goods," 15 U.S.C. § 1052(f), with the registrant getting an exclusive right not in the original, descriptive sense, but only in the secondary one associated with the markholder's goods. . . .

III

In sum, a plaintiff claiming infringement of an incontestable mark must show likelihood of consumer confusion as part of the *prima facie* case, 15 U.S.C. § 1115(b), while the defendant has no independent burden to negate the likelihood of any confusion in raising the affirmative defense that a term is used descriptively, not as a mark, fairly, and in good faith, § 1115(b)(4).

Because we read the Court of Appeals as requiring KP to shoulder a burden on the issue of confusion, we vacate the judgment and remand the case for further proceedings consistent with this opinion. It is so ordered.

Questions:

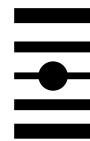
1.) The Ninth Circuit thought that the fair use defense was subject to the limitation that the defendant must show that the use is not likely to confuse the consuming public. It would seem they have a strong argument on their side. Is the purpose of trademark law not to avoid the likelihood of consumer confusion? Why does the Supreme Court disagree?

2.) In intellectual property, as elsewhere in the law, burdens of proof are all important, and the way they are set up can tell us much about the goals of the statutory scheme. Explain what the Court means when it says:

Put another way, it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need of an affirmative defense, but under Lasting's theory the defense would be foreclosed in such a case.

3.) You may recall that the *Abercrombie* case from Chapter 5 ultimately concluded that, even though Abercrombie had a valid trademark in "safari" for boots, Hunting World's use of "Camel Safari" "Hippo Safari" and "Safari Chukka" for boots from Africa was a descriptive fair use "to apprise the public of the type of product by referring to its origin and use." Another oft-cited example is Ocean Spray's use of "sweet-tart" to describe the taste of its cranberry juice—because this was a fair use, it did not infringe the "Sweetarts" mark for candy. *Sunmark v. Ocean Spray Cranberries* (7th Cir. 1995).

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



KOZINSKI, Circuit Judge.

The individual plaintiffs perform professionally as The New Kids on the Block, reputedly one of today's hottest musical acts. This case requires us to weigh their rights in that name against the rights of others to use it in identifying the New Kids as the subjects of public opinion polls.

Background

No longer are entertainers limited to their craft in marketing themselves to the public. This is the age of the multi-media publicity blitzkrieg: Trading on their popularity, many entertainers hawk posters, T-shirts, badges, coffee mugs and the like—handsomely supplementing their incomes while boosting their public images. The New Kids are no exception; the record in this case indicates there are more than 500 products or services bearing the New Kids trademark. Among these are services taking advantage of a recent development in telecommunications: 900 area code numbers, where the caller is charged a fee, a portion of which is paid to the call recipient. Fans can call various New Kids 900 numbers to listen to the New Kids talk about themselves, to listen to other fans talk about the New Kids, or to leave messages for the New Kids and other fans.

The defendants, two newspapers of national circulation, conducted separate polls of their readers seeking an answer to a pressing question: Which one of the New Kids is the most popular? USA Today's announcement contained a picture of the New Kids and asked, "Who's the best on the block?" The announcement listed a 900 number for voting, noted that "any USA Today profits from this phone line will go to charity," and closed with the following:

New Kids on the Block are pop's hottest group. Which of the five is your fave? Or are they a turn off? . . . Each call costs 50 cents. Results in Friday's Life section.

WHO'S THE BEST ON THE BLOCK

New Kids on the Block are pop's hottest group. Which of the five is your fave? Or are they a turn off?

Kids: Tell your parents you're calling

1-800-420-2030

Lines will be open from 6 a.m. EST/3 a.m. PST to midnight EST/PST today only. Each call costs 50 cents. Results in Friday's Life section

The No. 1 Kid

Callers pick fave

The USA Today poll and winner

The Star's announcement, under a picture of the New Kids, went to the heart of the matter: "Now which kid is the sexiest?" The announcement, which appeared in the middle of a page containing a story on a New Kids concert, also stated:

Which of the New Kids on the Block would you most like to move next door? STAR wants to know which cool New Kid is the hottest with our readers.

Readers were directed to a 900 number to register their votes; each call cost 95 cents per minute.

Fearing that the two newspapers were undermining their hegemony over their fans, the New Kids filed a shotgun complaint in federal court raising no fewer than ten claims: (1) common law trademark infringement; (2) Lanham Act false advertising; (3) Lanham Act false designation of origin; (4) Lanham Act unfair competition; (5) state trade name infringement; (6) state false advertising; (7) state unfair competition; (8) commercial misappropriation; (9) common-law misappropriation; and (10) intentional interference with prospective economic advantage. The two papers raised the First Amendment as a defense, on the theory that the polls were part and parcel of their “news-gathering activities.” The district court granted summary judgment for defendants.

Discussion

... [W]e consider first whether the New Kids have stated viable claims on their various causes of action.

I

A. Since at least the middle ages, trademarks have served primarily to identify the source of goods and services, “to facilitate the tracing of ‘false’ or defective wares and the punishment of the offending craftsman.” F. Schechter, *The Historical Foundations of the Law Relating to Trademarks* 47 (1925). . . . Throughout the development of trademark law, the purpose of trademarks remained constant and limited: Identification of the manufacturer or sponsor of a good or the provider of a service. And the wrong protected against was traditionally equally limited: Preventing producers from free-riding on their rivals’ marks. . . . The core protection of the Lanham Act remains faithful to this conception. . . .

A trademark is a limited property right in a particular word, phrase or symbol. And although English is a language rich in imagery, we need not belabor the point that some words, phrases or symbols better convey their intended meanings than others. See *San Francisco Arts & Athletics, Inc. v. U.S.O.C.* (1987) (Brennan, J., dissenting) (“[A] jacket reading ‘I Strongly Resent the Draft’ would not have conveyed Cohen’s message.”). Indeed, the primary cost of recognizing property rights in trademarks is the removal of words from (or perhaps non-entrance into) our language. Thus, the holder of a trademark will be denied protection if it is (or becomes) generic, i.e., if it does not relate exclusively to the trademark owner’s product. See, e.g., *Kellogg Co. v. National Biscuit Co.* (1938) (“shredded wheat”); *Eastern Air Lines, Inc. v. New York Air Lines, Inc.* (S.D.N.Y. 1983) (“air-shuttle” to describe hourly plane service). This requirement allays fears that producers will deplete the stock of useful words by asserting exclusive rights in them. When a trademark comes to describe a class of goods rather than an individual product, the courts will hold as a matter of law that use of that mark does not imply sponsorship or endorsement of the product by the original holder.

A related problem arises when a trademark also describes a person, a place or an attribute of a product. If the trademark holder were allowed exclusive rights in such use, the language would be depleted in much the same way as if generic words were protectable. Thus trademark law recognizes a defense where the mark is used only “to describe the goods or services of [a] party, or their geographic origin.” 15 U.S.C. § 1115(b)(4). “The ‘fair-use’ defense, in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods.” *Soweco, Inc. v. Shell Oil Co.* (5th Cir. 1980). Once again, the courts will hold as a matter of law that the original producer does not sponsor or endorse another product that

uses his mark in a descriptive manner. See, e.g., *Schmid Laboratories v. Youngs Drug Products Corp.* (D.N.J. 1979) (“ribbed” condoms).

With many well-known trademarks, such as Jell-O, Scotch tape and Kleenex, there are equally informative non-trademark words describing the products (gelatin, cellophane tape and facial tissue). But sometimes there is no descriptive substitute, and a problem closely related to genericity and descriptiveness is presented when many goods and services are effectively identifiable only by their trademarks. For example, one might refer to “the two-time world champions” or “the professional basketball team from Chicago,” but it’s far simpler (and more likely to be understood) to refer to the Chicago Bulls. In such cases, use of the trademark does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.

Indeed, it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark. For example, reference to a large automobile manufacturer based in Michigan would not differentiate among the Big Three; reference to a large Japanese manufacturer of home electronics would narrow the field to a dozen or more companies. Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark.

A good example of this is *Volkswagenwerk Aktiengesellschaft v. Church* (9th Cir. 1969), where we held that Volkswagen could not prevent an automobile repair shop from using its mark. We recognized that in “advertising [the repair of Volkswagens, it] would be difficult, if not impossible, for [Church] to avoid altogether the use of the word ‘Volkswagen’ or its abbreviation ‘VW,’ which are the normal terms which, to the public at large, signify appellant’s cars.” Church did not suggest to customers that he was part of the Volkswagen organization or that his repair shop was sponsored or authorized by VW; he merely used the words “Volkswagen” and “VW” to convey information about the types of cars he repaired. Therefore, his use of the Volkswagen trademark was not an infringing use.

The First Circuit confronted a similar problem when the holder of the trademark “Boston Marathon” tried to stop a television station from using the name:

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

WCVB-TV v. Boston Athletic Ass’n (1st Cir. 1991). Similarly, competitors may use a rival’s trademark in advertising and other channels of communication if the use is not false or misleading. See, e.g., *Smith v. Chanel, Inc.* (9th Cir. 1968) (maker of imitation perfume may use original’s trademark in promoting product).

Cases like these are best understood as involving a non-trademark use of a mark—a use to which the infringement laws simply do not apply, just as videotaping television shows for private home use does not implicate the copyright holder’s exclusive right to reproduction. See *Sony Corp. v. Universal City Studios, Inc.* (1984). Indeed, we may generalize a class of cases where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.

Such nominative use of a mark—where the only word reasonably available to describe a particular thing is pressed into service—lies outside the strictures of trademark law: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition; such use is fair because it does not imply sponsorship or endorsement by the trademark holder.

To be sure, this is not the classic fair use case where the defendant has used the plaintiff's mark to describe the defendant's own product. Here, the New Kids trademark is used to refer to the New Kids themselves. We therefore do not purport to alter the test applicable in the paradigmatic fair use case. If the defendant's use of the plaintiff's trademark refers to something other than the plaintiff's product, the traditional fair use inquiry will continue to govern. But, where the defendant uses a trademark to describe the plaintiff's product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. . . .

The New Kids argue that, even if the newspapers are entitled to a nominative fair use defense for the announcements, they are not entitled to it for the polls themselves, which were money-making enterprises separate and apart from the newspapers' reporting businesses.

The New Kids see this as a crucial difference, distinguishing this case from *Volkswagenwerk, WCBV-TV* and other nominative use cases. The New Kids' argument in support of this distinction is not entirely implausible: They point out that their fans, like everyone else, have limited resources. Thus a dollar spent calling the newspapers' 900 lines to express loyalty to the New Kids may well be a dollar not spent on New Kids products and services, including the New Kids' own 900 numbers. In short, plaintiffs argue that a nominative fair use defense is inapplicable where the use in question competes directly with that of the trademark holder.

We reject this argument. While the New Kids have a limited property right in their name, that right does not entitle them to control their fans' use of their own money. Where, as here, the use does not imply sponsorship or endorsement, the fact that it is carried on for profit and in competition with the trademark holder's business is beside the point. Voting for their favorite New Kid may be, as plaintiffs point out, a way for fans to articulate their loyalty to the group, and this may diminish the resources available for products and services they sponsor. But the trademark laws do not give the New Kids the right to channel their fans' enthusiasm (and dollars) only into items licensed or authorized by them. See *International Order of Job's Daughters v. Lindeburg & Co.* (9th Cir. 1990) (no infringement where unauthorized jewelry maker produced rings and pins bearing fraternal organization's trademark). The New Kids could not use the trademark laws to prevent the publication of an unauthorized group biography or to censor all parodies or satires which use their name. We fail to see a material difference between these examples and the use here.

Summary judgment was proper as to the first seven causes of action because they all hinge on a theory of implied endorsement; there was none here as the uses in question were purely nominative.

Questions:

- 1.) Is anything more reflective of life's ephemeral nature, its transitory enthusiasms, its

fleeting follies than . . . yesterday's embarrassing boy band? (Not for credit.)

2.) What is the key difference between the situations in *K.P. Makeup* and *New Kids*? Is this the same defense? Reflective of the same policies?

3.) The band argues, probably correctly, that in the 1-900 number polls they set up, the newspapers are deliberately exploiting the consumer goodwill and strength of name recognition of the band. They are reaping where they have not sown, intentionally profiting from a positive externality (consumer goodwill and brand recognition) created by another. Under the broader vision of trademark discussed in the last chapter, this is exactly what trademark is designed to prevent. Yet Judge Kozinski resolutely says such uses are allowed. Why? What analogies does he use—actions we clearly wish to allow—to show the undesirability of a more expansive conception of the reach of trademark law?

4.) How does the following passage from the case fit with the views put forward by Pitney in *INS*? With the *Lois jeans* court's vision of “room to expand the brand”?

While the New Kids have a limited property right in their name, that right does not entitle them to control their fans' use of their own money. Where, as here, the use does not imply sponsorship or endorsement, the fact that it is carried on for profit and in competition with the trademark holder's business is beside the point. Voting for their favorite New Kid may be, as plaintiffs point out, a way for fans to articulate their loyalty to the group, and this may diminish the resources available for products and services they sponsor. But the trademark laws do not give the New Kids the right to channel their fans' enthusiasm (and dollars) only into items licensed or authorized by them.

Mattel Inc. v. Walking Mountain Productions
353 F.3d 792 (9th Cir. 2003)



PREGERSON, Circuit Judge.

In the action before us, Plaintiff Mattel Corporation asks us to prohibit Defendant artist Thomas Forsythe from producing and selling photographs containing Mattel's "Barbie" doll. Most of Forsythe's photos portray a nude Barbie in danger of being attacked by vintage household appliances. Mattel argues that his photos infringe on their copyrights, trademarks, and trade dress. We affirm the district court's grant of summary judgment to Forsythe.

BACKGROUND

Thomas Forsythe, aka "Walking Mountain Productions," is a self-taught photographer who resides in Kanab, Utah. He produces photographs with social and political overtones. In 1997, Forsythe developed a series of 78 photographs entitled "Food Chain Barbie," in which he depicted Barbie in various absurd and often sexualized positions. Forsythe uses the word "Barbie" in some of the titles of his works. While his works vary, Forsythe generally depicts one or more nude Barbie dolls juxtaposed with vintage kitchen appliances. For example, "Malted Barbie" features a nude Barbie placed on a vintage Hamilton Beach malt machine. "Fondue a la Barbie" depicts Barbie heads

in a fondue pot. “Barbie Enchiladas” depicts four Barbie dolls wrapped in tortillas and covered with salsa in a casserole dish in a lit oven.

In his declaration in support of his motion for summary judgment, Forsythe describes the message behind his photographic series as an attempt to “critique[] the objectification of women associated with [Barbie], and [][to] lambast[] the conventional beauty myth and the societal acceptance of women as objects because this is what Barbie embodies.” He explains that he chose to parody Barbie in his photographs because he believes that “Barbie is the most enduring of those products that feed on the insecurities of our beauty and perfection-obsessed consumer culture.” Forsythe claims that, throughout his series of photographs, he attempts to communicate, through artistic expression, his serious message with an element of humor. . . .



Tom Forsythe, Food Chain Barbie (1999). Image from the Univ. of Iowa Interventionist Collage exhibit.

On August 22, 2001, the Los Angeles federal district court granted Forsythe’s motion for summary judgment. . . . The court found that Forsythe’s use of Mattel’s trademark and trade dress caused no likelihood of confusion as to Mattel’s sponsorship of Forsythe’s works. The court dismissed Mattel’s trademark dilution claim because it found that Forsythe’s use had been “noncommercial.” . . .

Mattel appeals the Los Angeles federal district court’s grant of summary judgment in favor of Forsythe on the trademark, copyright, and state law claims. Mattel also appeals the Los Angeles federal district court’s dismissal of its false advertising claim. . . .

We now address whether the district court erred in granting summary judgment in favor of Forsythe on Mattel’s claims of trademark and trade dress infringement and

dilution. . . .

A. Trademark

As we recently recognized in *MCA*, . . . when marks “transcend their identifying purpose” and “enter public discourse and become an integral part of our vocabulary,” they “assume[] a role outside the bounds of trademark law.” Where a mark assumes such cultural significance, First Amendment protections come into play. In these situations, “the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function.” See also *New Kids on the Block v. News Am. Publ’g Inc.* (9th Cir. 1992).

As we determined in *MCA*, Mattel’s “Barbie” mark has taken on such a role in our culture. In *MCA*, Mattel brought an identical claim against MCA Records, producers of a song entitled “Barbie Girl” that contained lyrics that parodied and mocked Barbie. Recognizing that First Amendment concerns in free expression are particularly present in the realm of artistic works, we rejected Mattel’s claim. In doing so, we adopted the Second Circuit’s First Amendment balancing test for applying the Lanham Act to titles of artistic works as set forth in *Rogers v. Grimaldi* (2d Cir. 1989). The *Rogers* balancing test requires courts to construe the Lanham Act “to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Rogers*. Accordingly, the *Rogers* test prohibits application of the Lanham Act to titles of artistic works unless the title “has no artistic relevance to the underlying work whatsoever or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.”

Application of the *Rogers* test here leads to the same result as it did in *MCA*. Forsythe’s use of the Barbie mark is clearly relevant to his work. . . . Accordingly, the public interest in free and artistic expression greatly outweighs its interest in potential consumer confusion about Mattel’s sponsorship of Forsythe’s works.

B. Trade dress

Mattel also claims that Forsythe misappropriated its trade dress in Barbie’s appearance, in violation of the Lanham Act, 15 U.S.C. § 1125. Mattel claims that it possesses a trade dress in the Superstar Barbie head and the doll’s overall appearance. The district court concluded that there was no likelihood that the public would be misled into believing that Mattel endorsed Forsythe’s photographs despite Forsythe’s use of the Barbie figure.

Arguably, the Barbie trade dress also plays a role in our culture similar to the role played by the Barbie trademark—namely, symbolization of an unattainable ideal of femininity for some women. Forsythe’s use of the Barbie trade dress, therefore, presumably would present First Amendment concerns similar to those that made us reluctant to apply the Lanham Act as a bar to the artistic uses of Mattel’s Barbie trademark in both *MCA* and this case. But we need not decide how the *MCA/Rogers* First Amendment balancing might apply to Forsythe’s use of the Barbie trade dress because we find, on a narrower ground, that it qualifies as nominative fair use. In the trademark context, we recently held that a defendant’s use is classic fair use where “a defendant has used the plaintiff’s mark *only* to describe his own product, *and not at all to describe the plaintiff’s product.*” *Cairns* (emphasis in original). In contrast, a defendant’s use of a plaintiff’s mark is nominative where he or she “used the plaintiff’s mark to describe the plaintiff’s product, *even if the defendant’s ultimate goal is to describe his own product.*” *Cairns* (emphasis in original). The goal of a nominative use is generally for the “purposes of comparison, criticism [or] point of reference.” *New Kids on the Block*. These two mutually exclusive forms of fair use are equally applicable here in the trade dress context.

Applying these fair use standards to the trade dress context, we hold that a defendant's use is classic fair use where the defendant has used the plaintiff's dress to describe or identify the defendant's own product and not at all to describe or identify the plaintiff's product. Likewise, a defendant's use is nominative where he or she used the plaintiff's dress to describe or identify the plaintiff's product, even if the defendant's ultimate goal is to describe or identify his or her own product.

Forsythe's use of the Barbie trade dress is nominative. Forsythe used Mattel's Barbie figure and head in his works to conjure up associations of Mattel, while at the same time to identify his own work, which is a criticism and parody of Barbie. See *Cairns*. Where use of the trade dress or mark is grounded in the defendant's desire to refer to the plaintiff's product as a point of reference for defendant's own work, a use is nominative.

Fair use may be either nominative or classic. We recognize a fair use defense in claims brought under § 1125 where the use of the trademark "does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source." *New Kids on the Block*. Thus, we recently reiterated that, in the trademark context, nominative use becomes nominative fair use when a defendant proves three elements:

First, the plaintiff's product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the plaintiff's product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. . . .

We hold that Forsythe's use of Mattel's Barbie qualifies as nominative fair use. All three elements weigh in favor of Forsythe. Barbie would not be readily identifiable in a photographic work without use of the Barbie likeness and figure. Forsythe used only so much as was necessary to make his parodic use of Barbie readily identifiable, and it is highly unlikely that any reasonable consumer would have believed that Mattel sponsored or was affiliated with his work. The district court's grant of summary judgment to Forsythe on Mattel's trade dress infringement claim was, therefore, proper.

We reject Mattel's Lanham Act claims and affirm the district court's grant of summary judgment in favor of Forsythe. Mattel cannot use "trademark laws to . . . censor all parodies or satires which use [its] name" or dress. *New Kids on the Block*.

Question:

- 1.) The *Mattel* court says, helpfully for the purposes of this chapter,

In the trademark context, we recently held that a defendant's use is classic fair use where "a defendant has used the plaintiff's mark *only* to describe his own product, *and not at all to describe the plaintiff's product.*" *Cairns* (emphasis in original). In contrast, a defendant's use of a plaintiff's mark is nominative where he or she "used the plaintiff's mark to describe the plaintiff's product, *even if the defendant's ultimate goal is to describe his own product.*" *Cairns* (emphasis in original). The goal of a nominative use is generally for the "purposes of comparison, criticism [or] point of reference." *New Kids on the Block*. These two mutually exclusive forms of fair use are equally applicable here in the trade dress context.

Give examples, not from our reading, of both fair and nominative use. Are they really

mutually exclusive? How would you classify this imaginary advertisement for Tesla electric cars? “Tesla: the style of a Ferrari for someone with Prius values.” Does it qualify for either defense? Does it violate 1125(a)?

Note: *Jack Daniel's Properties, Inc. v. VIP Products LLC (2023)*

Mattel applied the First Amendment balancing test from *Rogers v. Grimaldi* (2d Cir. 1989) to resolve the trademark claim against Forsythe for using “Barbie” in the titles of his photographs. The *Rogers* test requires dismissal unless either (1) the unauthorized use “has no artistic relevance to the underlying work” or (2) it “explicitly misleads as to the source or the content of the work.” It replaces the traditional likelihood of confusion analysis when a trademark owner challenges the use of its mark in an expressive context. The Second Circuit developed the test in 1989, after Ginger Rogers objected to the use of her name in the title of the Fellini film “Ginger and Fred.” The film was about two fictional Italian cabaret dancers named Pippo and Amelia who imitated the dancing duo Ginger Rogers and Fred Astaire and became known in Italy as “Ginger and Fred.” Because the film’s use was artistically relevant, there was no Lanham Act violation. *Rogers* has typically been applied in cases involving titles of artistic works—“Ginger and Fred,” “Barbie Girl,” “Malted Barbie” and “Fondue a la Barbie”—but it has also been extended to other expressive uses. Not all Circuits have adopted the test.

In 2023, a challenge to the *Rogers* test reached the Supreme Court, albeit in a rather different context. VIP Products makes “Silly Squeakers” dog toys that poke fun at beverage brands with puns such as Jose Perro (Jose Cuervo), HeinieSniff’n (Heineken), Dos Perros (Dos Equis), Smella Arpaw (Stella Artois), and Doggie Walker (Johnnie Walker). Jack Daniel’s objected to the scatologically-themed toy to the right, which changes “Jack Daniel’s” to “Bad Spaniels,” “Old No. 7 Brand Tennessee Sour Mash Whiskey” to “The Old No. 2 On Your Tennessee Carpet,” and “40% alc. by vol. (80 proof)” to “43% poo by vol.” and “100% smelly.” The Ninth Circuit found that the toy was an “expressive work” that “communicates a humorous message” and held that the *Rogers* test should apply to Jack Daniel’s infringement claim.



In a “narrow” ruling, the Supreme Court disagreed: “Without deciding whether *Rogers* has merit in other contexts, we hold that it does not when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods.” Concerned that “few cases would even get to the likelihood-of-confusion inquiry if all expressive content triggered the *Rogers* filter,” it excluded source-identifying uses from *Rogers*’ speech-protective test. Here the Court found ample evidence that VIP Products was using the Bad Spaniels puns as a source indicator. Its legal filings said it was “the owner of all rights in its ‘Bad Spaniels’ trademark and trade dress for its durable rubber squeaky novelty dog toy.” The product’s hangtag (depicted to the left) gave equal billing to its trademarked “Silly Squeakers” logo and the “Bad Spaniels”

logo. And it had obtained federal trademark registrations for analogous puns on its other toys, including “Dos Perros,” “Smella Arpaw,” and “Doggie Walker.” There were concerns that the Supreme Court would jettison *Rogers*, but the Court appears to have left the *Rogers* test available for cases such as *Mattel* and other instances



where the unauthorized use of another's mark serves a non-trademark, expressive function. What remains to be seen is the scope of expressive uses that will be deemed source-identifying when the evidence is less clear than it was in *Jack Daniel's*. Some titles of expressive works denote source – for example “for Dummies” is a federally registered mark for guides that come from the same source as the other “for Dummies” books. If such a title uses or mimics a trademarked term, is it now ineligible for *Rogers*? (Note that with a title like “Excel® for Dummies,” the use of “Excel” would be nominative fair use.) What about a political message on a T-shirt that appears to serve both as a trademark and as commentary? Consider Justice Sotomayor’s hypothetical at oral argument: what if “an activist takes a political party’s trademark animal logo...and makes a T-shirt where the animal looks drunk, accompanied by its slogan ‘Time to Sober Up America,’” and starts selling this as a popular clothing line? If the political party sues for infringement, is *Rogers* inapplicable?

In this case, having removed “the *Rogers* filter,” the Court remanded for a standard likelihood of confusion analysis, leaving the door open for VIP Products to prevail if it had created an effective parody. The Court explained: “to succeed, the parody must also create contrasts, so that its message of ridicule or pointed humor comes clear. And once that is done (*if* that is done), a parody is not often likely to create confusion. Self-deprecation is one thing; self-mockery far less ordinary. So although VIP’s effort to ridicule Jack Daniel’s does not justify use of the *Rogers* test, it may make a difference in the standard trademark analysis.” The Court cited to two lower court cases involving parody dog toys that found no likelihood of confusion: *Louis Vuitton Malletier S. A. v. Haute Diggity Dog, LLC* (4th Cir. 2007) held that a line of “Chewy Vuiton” toys did not infringe Louis Vuitton’s marks, and *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC* (S.D.N.Y. 2002) concluded that “Timmy Holedigger” pet perfume did not infringe the “Tommy Hilfiger” mark.

That said, in a bench trial earlier in the *Jack Daniel's* litigation, the district court did find a likelihood of confusion about the source of the Bad Spaniels toy. (Strangely, it concluded both that consumers might think Jack Daniel’s was behind the toy *and* that “the toy, by creating ‘negative associations’ with ‘canine excrement,’ would cause Jack Daniel’s ‘reputational harm.’” The latter is relevant to Jack Daniel’s dilution by tarnishment claim that will be covered in Chapter Nine.) The district court’s conclusion was “based largely on survey evidence,” and a concurrence to the Supreme Court opinion from Justices Sotomayor and Alito cautioned against reliance on such surveys: “When an alleged trademark infringement involves a parody, however, there is particular risk in giving uncritical or undue weight to surveys. Survey answers may reflect a mistaken belief among some survey respondents that all parodies require permission from the owner of the parodied mark...Well-heeled brands with the resources to commission surveys would be handed an effective veto over mockery.”

Playboy Enterprises, Inc. v. Welles
279 F.3d 796 (9th Cir. 2002)



T.G. NELSON, Circuit Judge.

Playboy Enterprises, Inc. (PEI), appeals the district court’s grant of summary judgment as to its claims of trademark infringement, unfair competition, and breach of

contract against Terri Welles. . . .

I. Background

Terri Welles was on the cover of Playboy in 1981 and was chosen to be the Playboy Playmate of the Year for 1981. Her use of the title “Playboy Playmate of the Year 1981,” and her use of other trademarked terms on her website are at issue in this suit. During the relevant time period, Welles’ website offered information about and free photos of Welles, advertised photos for sale, advertised memberships in her photo club, and promoted her services as a spokesperson. A biographical section described Welles’ selection as Playmate of the Year in 1981 and her years modeling for PEI. After the lawsuit began, Welles included discussions of the suit and criticism of PEI on her website and included a note disclaiming any association with PEI.



PEI complains of four different uses of its trademarked terms on Welles’ website: (1) the terms “Playboy” and “Playmate” in the metatags of the website; (2) the phrase “Playmate of the Year 1981” on the masthead of the website; (3) the phrases “Playboy Playmate of the Year 1981” and “Playmate of the Year 1981” on various banner ads, which may be transferred to other websites; and (4) the repeated use of the abbreviation “PMOY ’81” as the watermark on the pages of the website. PEI claimed that these uses of its marks constituted trademark infringement, dilution, false designation of origin, and unfair competition. The district court granted defendants’ motion for summary judgment. PEI appeals the grant of summary judgment on its infringement and dilution claims. We affirm in part and reverse in part.

Discussion

A. Trademark Infringement

Except for the use of PEI’s protected terms in the wallpaper of Welles’ website, we conclude that Welles’ uses of PEI’s trademarks are permissible, nominative uses. They imply no current sponsorship or endorsement by PEI. Instead, they serve to identify Welles as a past PEI “Playmate of the Year.”

We articulated the test for a permissible, nominative use in *New Kids On The Block v. New America Publishing, Inc.* . . . Unlike a traditional fair use scenario, the defendant newspaper was using the trademarked term to describe not its own product, but the plaintiff’s. Thus, the factors used to evaluate fair use were inapplicable. The use was nonetheless permissible, we concluded, based on its nominative nature.

We adopted the following test for nominative use:

First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

We noted in *New Kids* that a nominative use may also be a commercial one.

In cases in which the defendant raises a nominative use defense, the above three-factor test should be applied instead of the test for likelihood of confusion set forth in *Sleekcraft*. The three-factor test better evaluates the likelihood of confusion in nominative use cases. When a defendant uses a trademark nominally, the trademark will be identical

to the plaintiff's mark, at least in terms of the words in question. Thus, application of the *Sleekcraft* test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing. The three-factor test—with its requirements that the defendant use marks only when no descriptive substitute exists, use no more of the mark than necessary, and do nothing to suggest sponsorship or endorsement by the mark holder—better addresses concerns regarding the likelihood of confusion in nominative use cases.

1. Headlines and banner advertisements.

To satisfy the first part of the test for nominative use, “the product or service in question must be one not readily identifiable without use of the trademark[.]” This situation arises “when a trademark also describes a person, a place or an attribute of a product” and there is no descriptive substitute for the trademark. In such a circumstance, allowing the trademark holder exclusive rights would allow the language to “be depleted in much the same way as if generic words were protectable.” In *New Kids*, we gave the example of the trademarked term, “Chicago Bulls.” We explained that “one might refer to the ‘two-time world champions’ or ‘the professional basketball team from Chicago,’ but it’s far simpler (and more likely to be understood) to refer to the Chicago Bulls.” Moreover, such a use of the trademark would “not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.” Thus, we concluded, such uses must be excepted from trademark infringement law.

The district court properly identified Welles’ situation as one which must also be excepted. No descriptive substitute exists for PEI’s trademarks in this context. The court explained:

[T]here is no other way that Ms. Welles can identify or describe herself and her services without venturing into absurd descriptive phrases. To describe herself as the “nude model selected by Mr. Hefner’s magazine as its number-one prototypical woman for the year 1981” would be impractical as well as ineffectual in identifying Terri Welles to the public.

We agree. . . .

The second part of the nominative use test requires that “only so much of the mark or marks may be used as is reasonably necessary to identify the product or service.” Welles’ banner advertisements and headlines satisfy this element because they use only the trademarked words, not the font or symbols associated with the trademarks.

The third element requires that the user do “nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.” Welles does nothing in conjunction with her use of the marks to suggest sponsorship or endorsement by PEI. The marks are clearly used to describe the title she received from PEI in 1981, a title that helps describe who she is. In addition to doing nothing in conjunction with her use of the marks to suggest sponsorship or endorsement by PEI, Welles affirmatively disavows any sponsorship or endorsement. Her site contains a clear statement disclaiming any connection to PEI. Moreover, the text of the site describes her ongoing legal battles with the company.

For the foregoing reasons, we conclude that Welles’ use of PEI’s marks in her headlines and banner advertisements is a nominative use excepted from the law of trademark infringement.

2. Metatags.

Welles includes the terms “playboy” and “playmate” in her metatags. Metatags describe the contents of a website using keywords. Some search engines search metatags to identify websites relevant to a search. Thus, when an internet searcher enters “playboy” or

“playmate” into a search engine that uses metatags, the results will include Welles’ site. Because Welles’ metatags do not repeat the terms extensively, her site will not be at the top of the list of search results. Applying the three-factor test for nominative use, we conclude that the use of the trademarked terms in Welles’ metatags is nominative. As we discussed above with regard to the headlines and banner advertisements, Welles has no practical way of describing herself without using trademarked terms. In the context of metatags, we conclude that she has no practical way of identifying the content of her website without referring to PEI’s trademarks. A large portion of Welles’ website discusses her association with Playboy over the years. Thus, the trademarked terms accurately describe the contents of Welles’ website, in addition to describing Welles. Forcing Welles and others to use absurd turns of phrase in their metatags, such as those necessary to identify Welles, would be particularly damaging in the internet search context. Searchers would have a much more difficult time locating relevant websites if they could do so only by correctly guessing the long phrases necessary to substitute for trademarks. We can hardly expect someone searching for Welles’ site to imagine the same phrase proposed by the district court to describe Welles without referring to Playboy—“the nude model selected by Mr. Hefner’s organization. . . .” Yet if someone could not remember her name, that is what they would have to do. Similarly, someone searching for critiques of Playboy on the internet would have a difficult time if internet sites could not list the object of their critique in their metatags.

There is simply no descriptive substitute for the trademarks used in Welles’ metatags. Precluding their use would have the unwanted effect of hindering the free flow of information on the internet, something which is certainly not a goal of trademark law. Accordingly, the use of trademarked terms in the metatags meets the first part of the test for nominative use. We conclude that the metatags satisfy the second and third elements of the test as well. The metatags use only so much of the marks as reasonably necessary and nothing is done in conjunction with them to suggest sponsorship or endorsement by the trademark holder. We note that our decision might differ if the metatags listed the trademarked term so repeatedly that Welles’ site would regularly appear above PEI’s in searches for one of the trademarked terms.

3. Wallpaper/watermark.

The background, or wallpaper, of Welles’ site consists of the repeated abbreviation “PMOY ’81,” which stands for “Playmate of the Year 1981.” Welles’ name or likeness does not appear before or after “PMOY ’81.” The pattern created by the repeated abbreviation appears as the background of the various pages of the website. Accepting, for the purposes of this appeal, that the abbreviation “PMOY” is indeed entitled to protection, we conclude that the repeated, stylized use of this abbreviation fails the nominative use test. The repeated depiction of “PMOY ’81” is not necessary to describe Welles. “Playboy Playmate of the Year 1981” is quite adequate. Moreover, the term does not even appear to describe Welles—her name or likeness do not appear before or after each “PMOY ’81.” Because the use of the abbreviation fails the first prong of the nominative use test, we need not apply the next two prongs of the test.

Because the defense of nominative use fails here, and we have already determined that the doctrine of fair use does not apply, we remand to the district court. The court must determine whether trademark law protects the abbreviation “PMOY,” as used in the wallpaper.

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Notes: Background on Search Technology

We start with trademark's assumption that a mark is a word that points from a particular type of good to the source of that good. But we *think* of the mark doing that to the consumer's eyeball, the consumer's brain, in the context of a storefront, a supermarket shelf or a billboard. Along comes the internet, or more accurately in this case, the world wide web. (If you do not know the difference, you should probably Google "history of the internet," and "history of the world wide web." It will be fun. Honest.) And on the search engine, the experienced reality is very different.

If you are walking through the aisles of the grocery store and I have a large picture on my cereal box that looks like a single Cheerio, but no use of that brand's name or logos, then you—as a loyal Cheerio eater—may be interested by the similarly shaped product, but you are not likely to be confused. If I have a sign by my mouthwash that says "compare to Listerine" then I am using Listerine's trademark to show consumers that this is a product I claim to be comparable—a nominative use of the kind discussed in this chapter. But what if the metatags on my website say "Listerine" many times, attracting Listerine-seeking visitors, who later stay on the site, intrigued, even after realizing their initial mistake? What if the search engine displays other mouthwash ads whenever someone searches for Listerine? We have to make a choice. Is this just (benign) product comparison? In that situation, the brand name is used to convey useful information to a consumer making a choice—like "compare to Listerine," or "considering a Prius? Try our even more advanced electric car." Or is this like posting a Pizza Hut billboard at the exit to the freeway, which leads hungry drivers to a restaurant that turns out to be Domino's, which they would not have chosen but where they may eat anyway, just because it was convenient?

Law is context-dependent and technology is a context.

That goes not just for the way trademark needs to adapt to search engines, but *within* the world of search engines, because we need to understand what the search engine is actually doing.

When *Welles* was decided search engines prioritized their search results (among other things) according to word-frequency and metatag description. If a site had the words "online shoe store" 1000 times in one point white font on a white background in its "wallpaper" and if it put in the html metatags for the site <meta name="keywords" "shoe sale," "designer shoes" "cute shoes" "designer shoe sale" "really cute shoes"> that site would be more highly ranked in a search for shoe stores online.

Insiders will know that this description is about as current a representation of the way web pages are set up and search engines operate, as a diagram of a 1968 VW Beetle would be for contemporary car design. There are still metatags, they are important and search engines do look at them. But, precisely because search results were so easily "gamed" with strategies like Ms. Welles', search engineers had to find a better way. They settled instead on what some have called the water-hole strategy. If you want to know where the water is, do not look at a map, look at the tracks the animals leave on the ground. The animals know where the water is. On the web, the users know where the best pages are and they link to them. Rather than searching words and metatags, search engines—led by Google's Page Rank algorithm (hint Sergey Brin and Larry Page)—looked for patterns of linkage. If James Boyle's site <http://thepublicdomain.org> has lots of links *from* people who seem knowledgeable about copyright, he gets a higher page rank. If he then links to another page about copyright, then that page in turn is seen as more relevant to a copyright search. It is a lay version of peer review. In the world of search engines that use such techniques, while word frequency and metatags will still influence a result, they will have less impact

relative to other factors, perhaps changing the balance of interests. On the other hand, “link bombing” which attempts to game search engine algorithms by creating hundreds of spurious links to the owner’s site, might assume a greater importance.

Question:

1.) Look at the discussion above about how to apply trademark law to search engines. Does one’s answer to that question depend on an analysis of the technology, or a choice between the broad and narrow vision of trademark law discussed in the last chapter? Both? What normative questions about the ultimate justification for trademark and its temporal reach both before and after the moment of purchase would be relevant?

PROBLEM 8-1

1) Look back at Problem 7-1, and in particular at Figure One on page 193 and the paragraph at the top of page 195 that describes Google’s use of the company logos. **May Google use these logos to facilitate search in the way shown in Figure One? Why or why not?**

2) Now, doing your own research, **find two examples in the real world of uses in commerce that you think qualify as descriptive fair uses of others’ trademarks, and two examples of uses in commerce that you think are nominative uses of others’ trademarks. In each instance, explain why you think those uses meet the criteria for the relevant defense.**

Whiddon v. Buzzfeed, Inc., 638 F.Supp.3d 342 (2022)

McMahon, United States District Judge:

Plaintiff Lindsey Grace Whiddon ("Whiddon") brings this claim of copyright infringement against Defendant Buzzfeed Inc. ("Buzzfeed").

346*346 Plaintiff is a professional photographer. She took multiple photographs of her friend, social media "influencer" Tiffany Mitchell, before and after a motorcycle accident. Ms. Mitchell created an Instagram post about her accident, which featured these photographs.

On or about August 19, 2019, Defendant published an article about Ms. Mitchell, specifically about an emerging online controversy about her Instagram post. Embedded within the article were multiple screenshots of Ms. Mitchell's Instagram post, displaying Whiddon's photographs. Plaintiff alleges that, by reproducing three of her photographs without permission, Defendant infringed her copyright in the photographs pursuant to Section 501 of the Copyright Act, 17. U.S.C. § 501 et seq. (Count I).

Defendant moves to dismiss Plaintiff's complaint in its entirety, with prejudice, pursuant to Fed. R. Civ. P. 12(b)(6), or in the alternative, for summary judgement pursuant to Fed. R. Civ. P. 12(d), asserting that its use of all three photos constitutes fair use.

Because Defendant was obviously entitled to reproduce the photographs, Buzzfeed's motion to dismiss the Amended Complaint is GRANTED.

I. BACKGROUND

A. The Parties

Plaintiff Lindsay Grace Whiddon is a professional photographer. She is a citizen of the State of Tennessee and maintains a principal place of business at 6203A California Avenue, in Nashville, Tennessee. (Am. Compl. at ¶ 6).

Defendant Buzzfeed is a Delaware corporation. (Am. Compl. at ¶ 6). Its principal place of business is 111 East 18th Street, New York, New York. Defendant is the owner and operator of a website known as www.buzzfeednews.com (the "Website") and an account on the social media website Facebook known as @BuzzFeed (the "Account") located at www.facebook.com. (Am. Compl. at ¶¶ 3-4).

...

B. Photographs and Subsequent Article

On or about July 28, 2019, Whiddon took three photographs of her friend, Nashville-based lifestyle blogger Tiffany Mitchell, ("Photographs"). One of the photos showed Mitchell posing in front of a motorcycle ("Pre-Accident Photograph"), (Am. Compl. at ¶ 24; Am. Compl. Ex. 1), and the two others showed her being cared for in the aftermath of a motorcycle accident ("Post-Accident Photographs"). (Am. Compl. at ¶¶ 33, 39; Am. Compl. Ex. 1). On July 31, 2019, Mitchell posted these Photographs, among others, to her Instagram. (Am. Compl. Ex. 3, 1). This posting apparently generated a great deal of controversy on social media.

On or about August 19, 2019, Defendant published an article ("Article") on the Website, entitled "An Influencer Is Defending Her Decision to Post a Photo Shoot Of Her Motorcycle Accident on Instagram," authored by "social news reporter" Tanya Chen. The Article was about Ms. Mitchell's motorcycle

accident and the controversy surrounding her social media post about the accident. (Am. Compl. Ex. 3).

At several points in the article, screenshots of Ms. Mitchell's Instagram post ("Post") are embedded between paragraphs of the Article's text. The screenshots of the Post are composed of two distinct panels. The left panel of each screenshot displays a different photograph from the Post, including each of the three Photographs. The right panel of each screenshot displays the caption that Ms. Mitchell wrote to accompany the Post, with each screenshot displaying a different portion of the caption so that the entire caption may be read. The Article also features screenshots of comments left by Instagram users on the Post. All of the screenshots are credited to "Instagram.com" or "Instagram".

...

II. DISCUSSION

...

B. Buzzfeed's Use of the Photographs is Fair Use

As the Supreme Court has explained, the overriding purpose of copyright is " ` [t]o promote the Progress of Science and useful Arts. . . .' " *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 574, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994) (quoting U.S. Const. Art. I, § 8, cl. 8). The Copyright Act advances this purpose by permitting the public to draw upon copyright materials without the permission of the copyright holder in certain circumstances. See 17 U.S.C. § 107. Section 107 requires a court to consider the following four nonexclusive factors, which are to be weighed together, to assess whether a particular use is fair:

1. The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
2. The nature of the copyrighted work;
3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
4. The effect of the use upon the potential market for or value of the copyrighted work.

Id. "The determination of fair use is a mixed question of fact and law," *Swatch Grp. Mgmt. Serv. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 83 (2d Cir. 2014), and is an "open-ended and context-sensitive inquiry." *Blanch v. Koons*, 467 F.3d 244, 251 (2d Cir. 2006).

Fair use is an affirmative defense, so Defendant bears the burden of showing that a given use is fair. *Authors Guild v. Google, Inc.*, 804 F.3d 202, 213 (2d Cir. 2015). Courts may adjudicate an affirmative defense on a motion to dismiss "where the facts necessary to establish the defense are evident on the face of the complaint." *Kelly-Brown v. Winfrey*, 717 F.3d 295, 308 (2d Cir. 2013) (citing *McKenna v. Wright*, 386 F.3d 432, 436 (2d Cir. 2004)).

"Accordingly, when `the only two pieces of evidence needed to decide the question of fair use' are `the original version' and the allegedly infringing version, it is proper to decide the issue on a motion to dismiss." *Yang v. Mic Network, Inc.*, 405 F. Supp. 3d 537, 542 (S.D.N.Y. 2019) (citing *Cariou v. Prince*, 714 F.3d 694, 707 (2d Cir. 2013)); See also *Clark v. Transp. Alts., Inc.*, No. 18-cv-9985 (VM), 2019 WL 1448448, at *2 (S.D.N.Y. Mar. 18, 2019). And while Defendants bear the burden of proving that their use was fair, "they need not establish that each of the factors set forth in § 107 weighs in their favor." *NXIVM Corp. v.*

Ross Inst., 364 F.3d 471, 476-77 (2d Cir. 2004) (internal citation omitted).

i. Defendant's Reporting on the Online Controversy was Transformative

The first statutory factor, the purpose and character of the use, is "the heart of the fair use inquiry." *Blanch v. Koons*, 467 F.3d 244, 251 (2d Cir. 2006). As a result, if the new work is "substantially transformative," the "other factors, including commercialism, are of less significance." *Id.* Courts within the Second Circuit examine at least two sub-factors to determine the purpose and character of use, whether the secondary use is: (1) transformative; and (2) for commercial purposes. See *NXIVM Corp. v. Ross Inst.*, 364 F.3d at 478.

For a secondary use to be "transformative" it must "add something new, with a further purpose or different character, altering the first with new expression, meaning or message[.]" *Cariou v. Prince*, 714 F.3d at 705 (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 351*351 579, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994)). The Copyright Act suggests that the display of a copyrighted image may be transformative "where the use serves to illustrate criticism, commentary, or a news story about that work." *Barcroft Media, Ltd. v. Coed Media Grp., LLC*, 297 F. Supp. 3d 339, 352 (S.D.N.Y. 2017) (citing 17 U.S.C. § 107) (emphasis in original). There is a strong presumption that the first factor favors a defendant if the allegedly infringing use is for one of those purposes, *NXIVM Corp. v. Ross Inst.*, 364 F.3d at 477 (citing *Wright v. Warner Books, Inc.*, 953 F.2d 731, 736 (2d Cir. 1991)), but not if the use is merely to provide an illustrative aid depicting a person or event described in the writing. *Barcroft Media, Ltd. v. Coed Media Grp., LLC*, 297 F. Supp. 3d at 352; see also *BWP Media USA, Inc. v. Gossip Cop Media, Inc.*, 196 F. Supp. 3d 395, 404-405 (S.D.N.Y. 2016).

As a result, courts have found transformative a reporter's use of a screenshot of a controversial online article to accompany a critique of the article, *Yang v. Mic Network, Inc.*, 405 F. Supp. 3d 537, 544 (S.D.N.Y. 2019), a news outlet's broadcast of a sensational video clip in a news report about the video, *Konangataa v. Am. Broadcasting Companies, Inc.*, No. 16-CV-7382 (LAK), 2017 WL 2684067, at *1 (S.D.N.Y. June 21, 2017), and a newspaper's "depiction of a controversial photograph" alongside commentary about the controversy caused by the photograph. *Nunez v. Caribbean Int'l News Corp.*, 235 F.3d 18, 23 (1st Cir. 2000).

Buzzfeed argues that its use of the three Photographs is transformative, because the Photographs help to explain a controversy involving Ms. Mitchell's social media post, and the Photographs contained therein. (Def. Mot. to Dismiss 11, Dkt. No. 21). Buzzfeed's Article reports on the negative comments that Ms. Mitchell's social media post triggered, the critique of the post and Photographs as "staged," and the allegations that the post was sponsored by a corporation, SmartWater. *Id.* It contends that the full reproductions of the Photographs, embedded within the larger screenshots of the Post, were part of a news commentary that should be considered fair use. *Id.*

Upon review of the three Photographs, and even drawing all reasonable inferences in Ms. Whiddon's favor, Buzzfeed has persuaded the Court that its use of the Photographs is transformative. Therefore, the factor favors Buzzfeed.

The Defendant reproduced the Photographs in the context of its report on the controversy that had arisen around Ms. Mitchell's social media post. That is a far different purpose than the one for which the Plaintiff took the pictures or Ms. Mitchell used them. Ms. Whiddon took the Photographs for their contents, to depict Ms. Mitchell and her later

motorcycle accident. Ms. Mitchell's Instagram Post depicts the story of her accident. But Buzzfeed reported on the resulting online controversy over Ms. Mitchell's Post, and presented the screenshots of the Post, which included the Photographs, so readers could consider whether the motorcycle accident appeared staged and/or the product of an advertising partnership. "Defendant's inclusion of the Photograph as part of the Post was not simply to `present the content of that image.'" *Walsh v. Townsquare Media, Inc.*, 464 F. Supp. 3d 570, 583 (S.D.N.Y. 2020), reconsideration denied, 565 F. Supp. 3d 400 (S.D.N.Y. 2021) (quoting *Gossip Cop Media, Inc.*, 196 F. Supp. 3d at 407). Buzzfeed's use of the Photographs informed readers and prompted them to consider whether Ms. Mitchell's Post and her accident were inauthentic.

352*352 Defendant's Article explains the online controversy around Ms. Mitchell's Instagram post: initially Ms. Mitchell's Post received comments of support, but soon comments became more cynical, and Ms. Mitchell became the target of significant public criticism and accusations. The Article intersperses various screenshots of the controversial Post and Instagram users' comments throughout the commentary. The screenshots of the Post juxtapose the Photographs with Ms. Mitchell's narrative of the motorcycle accident. The Instagram comments illustrate the public reaction. By presenting the two sides of this controversy through the screenshots, the reader understands why the public reacted to the Post as it did. The screenshots of the Post and Photographs then enhance the ability of the reader to understand the text, *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609 (2d Cir. 2006), and allow the reader to form an opinion on the Post.

The author could not have simply reproduced the negative comments, as the comments alone would not have explained why the Instagram users felt the way they did. In one case, a user comments, "Huh? You had a serious accident but people were there to take *~stunning*~ photos? This is an insult to people who get into accidents. Put a helmet on." (Compl. Ex. 3, 3). The reader understands why the commentator accuses Ms. Mitchell of glamorizing motorcycle accidents with the Photographs, because they can see the "stunning" Photographs and Ms. Mitchell's accompanying narrative. No other images could serve the same purpose as the screenshots in the Post, *Walsh v. Townsquare Media, Inc.*, 464 F. Supp. 3d 570, 583 (S.D.N.Y. 2020), reconsideration denied, 565 F. Supp. 3d 400 (S.D.N.Y. 2021) (citing *Clark v. Transportation Alternatives, Inc.*, 2019 WL 1448448, at *4 (S.D.N.Y. 2019)).

Courts in this Circuit have specifically considered whether reporting on a controversial social media post is a sufficiently transformative purpose to make a full reproduction of the post and its copyrighted material fair use. When an individual's decision to disseminate an Instagram post is the "very thing the article [is] reporting on," the use of the Instagram post and its copyrighted material in the reporting has been deemed sufficiently transformative to support a fair use defense. *Walsh v. Townsquare Media, Inc.*, 464 F. Supp. 3d 570, 581 (S.D.N.Y. 2020), reconsideration denied, 565 F. Supp. 3d 400 (S.D.N.Y. 2021); *Boesen v. United Sports Publications, Ltd.*, No. 20CV1552ARRSIL, 2020 WL 6393010, at *4 (E.D.N.Y. Nov. 2, 2020), reconsideration denied, No. 20CV1552ARRSIL, 2020 WL 7625222 (E.D.N.Y. Dec. 22, 2020).

Moreover, reproductions of a social media post are clearly used for the purposes of reporting on the post where, as here, the

reproductions include the accompanying elements of the social media application, such as the frame of the Instagram application and standard Instagram hyperlinks. *Walsh*, 464 F. Supp. 3d at 583-84.

The focus of the article is Ms. Mitchell's decision to disseminate the Photographs of her accident, and the resulting critique of that decision. Buzzfeed's use of screenshots, which include all the elements of the Post, such as the Instagram branding and Ms. Mitchell's caption, make absolutely clear that the focus of its reporting is on the Post and the controversy.

Plaintiff argues that the use of the Photographs is not transformative because she believes one photograph is used only for a descriptive purpose and the other two are not related to the controversy. Plaintiff claims that the use of the Pre-Accident Photograph is only descriptive, to show Ms. Mitchell before the accident. (Pl. Opp. 353*353 16-17). Plaintiff also contends that the subject of the online controversy was whether Ms. Mitchell staged the accident in the Post for a sponsored advertisement with SmartWater. *Id.* at 17. Having withdrawn her claim for copyright infringement on the photo prominently featuring the SmartWater bottle, she claims that the remaining two Post-Accident Photographs, which do not prominently feature a Smart-Water product, serve no function in a commentary on the controversy. *Id.* at 17-18.

These arguments are not persuasive. The Pre-Accident Photograph is the first photograph in the Post. The Defendant did not merely use the Pre-Accident Photograph as a generic image of Ms. Mitchell, just to accompany the Article, *BWP Media USA, Inc. v. Gossip Cop Media, Inc.*, 196 F. Supp. 3d 395, 407 (S.D.N.Y. 2016). Rather, the Pre-Accident Photograph provides the reader with insight into the aesthetic choices of the earlier, staged photoshoot. The juxtaposition with the Post-Accident Photographs allows the reader

to consider whether the later photographs appear to be a continuation of the photoshoot and to assess the credibility of Ms. Mitchell's comments that they were not staged.

The topic of the controversy is also not limited to the whether the Post was sponsored by Smartwater. The Article is titled "An Influencer Is Defending Her Decision To Post a Photoshoot Of Her Motorcycle Accident on Instagram." The Article's reporting on the allegations that the social media post was sponsored by SmartWater is limited to a few sentences of the whole article. The bulk of the article is devoted to remarks by Ms. Mitchell and comments by Instagram users, criticizing the Plaintiff's choice to take photographs after the accident, questioning the sensitivity of seeming to glamorize a motorcycle accident, and alleging that Ms. Mitchell staged the Post-Accident photographs. As a result, the Post-Accident Photographs are perfectly appropriate to help explain why critics are making those accusations.

In short, the use of all three Photographs is necessary and appropriate for reporting on the controversy.

Finally, Plaintiff emphasizes that Defendant is a "popular and lucrative commercial enterprise," and contends that the Defendant profited from the publishing of her Article and replication of Plaintiff's Photographs.

"The fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use." See *Swatch Grp. Mgmt. Serv. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 83 (2d Cir. 2014); *Harper & Row*, 471 U.S. 539, 562, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985). However as, "[a]lmost all newspapers, books and magazines are published by commercial enterprises that seek a profit," courts discount this consideration where the link

between commercial gain and the copying is attenuated. *Swatch*, 756 F.3d at 83 (quoting *Consumers Union of U.S., Inc. v. Gen. Signal Corp.*, 724 F.2d 1044, 1049 (2d Cir. 1983)). Moreover, when the use of copyrighted material is highly transformative, a defendant's use of copyrighted material for profit bears less weight. *Blanch*, 467 F.3d at 254.

Here, Plaintiff claims that the Defendant's article prompted a greater number of people to visit its Website, causing an increase in revenue from advertising and merchandise sales. However, by Plaintiff's own description, Defendant is a "popular and lucrative commercial enterprise" and its Account is followed by 13 million Facebook users, so it is doubtful that the copying of the Photographs led to any appreciable change in revenue from advertising 354*354 contracts or made readers of the Article more inclined to purchase the Defendant's merchandise. However, that raises a question of fact. What does not raise a question of fact is that Defendant's use of the Photographs was transformative, which outweighs the commercial nature of the use — even if Defendant could be shown to have profited specifically from the Photos' publication.

ii. The Photographs are Creative

The second statutory factor favors the Plaintiff, but not decidedly so. This factor, "the nature of the copyrighted work," "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994). Courts have generally adopted two types of distinctions in their analysis of the second factor: (1) whether the work is expressive or creative, such as a work of fiction, or more factual with a greater leeway being allowed to a claim of

fair use where the work is factual or informational, and (2) whether the work is published or unpublished, with the scope for fair use involving unpublished works being considerably narrower. *Blanch v. Koons*, 467 F.3d 244, 257 (2d Cir. 2006).

"Photographic images of actual people, places and events may be as creative and deserving of protection as purely fanciful creations." *Monster Communications, Inc. v. Turner Broadcasting*, 935 F. Supp. 490, 494 (S.D.N.Y. 1996). However, courts traditionally have also afforded this factor little weight, characterizing it as "rarely [] determinative." *On Davis v. The Gap, Inc.*, 246 F.3d 152, 175 (2d Cir. 2001); accord *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 102 (2d Cir. 2014); *Hirsch v. CBS Broad. Inc.*, No. 17 CIV. 1860 (PAE), 2017 WL 3393845, at *6 (S.D.N.Y. Aug. 4, 2017)

The Photographs of Ms. Mitchell clearly demonstrate features of creativity. The Pre-Accident Photograph displays Ms. Mitchell in a posed position, with light and shadow incorporated in specific ways. The Post-Accident Photographs showcase the emotion and drama of the motorcycle accident through manipulation of the camera focus and the capture of the accident at multiple angles. This Court need not accept Ms. Mitchell's contentions that the Photographs were not staged, nor reach any conclusion at all about the veracity of the social media post; the Photographs are expressive and display creativity. However, under these circumstances, the Court assigns this second statutory factor much less heft than the first.

iii. Defendant's Reproduction was Reasonable for its Transformative Purpose

Substantively, the third factor considers "whether the quantity and value of the materials used, are reasonable in relation to the purpose of the copying." *Blanch v.*

Koons, 467 F.3d 244, 257 (2d Cir. 2006) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994)). This inquiry focuses, not on how much of the secondary work comprises the original, but on the proportion of the work used, whether the defendant used more than was necessary, and the "purported justifications" for the use. *HathiTrust*, 755 F.3d at 96. A secondary work may copy the original in its totality where a full copy is reasonably appropriate to the secondary work's transformative purpose. *Authors Guild v. Google, Inc.*, 804 F.3d 202, 221 (2d Cir. 2015).

For many of the same reasons discussed earlier, this factor favors Buzzfeed. ^{355*}Buzzfeed used the entirety of the Photographs. Plaintiff argues that Buzzfeed did not need to use the three Photographs in controversy, because only the photograph displaying the SmartWater bottle was necessary to comment on the controversy about whether the Post was sponsored by SmartWater.

However, as mentioned, the Article is about more than the accusation that the Post was sponsored. It discusses the accusations that the Post and Photographs appeared staged, and criticisms that the Post displayed a subject as serious as a motorcycle accident in an artistic or even glamorous manner. Buzzfeed could not have displayed anything less than the entirety of the Photographs, nor edited the Screenshots to reduce the visible portions of the Photographs. Reducing the amount of the original work would have provided an incomplete description of the controversy, or even misrepresented the Post. "In the context of news reporting and analogous activities . . . the need to convey information to the public accurately may . . . make it desirable and consonant with copyright law for a defendant to faithfully reproduce an original work without alteration." *Swatch Grp. Mgmt. Servs. Ltd. v.*

Bloomberg L.P., 756 F.3d 73, 84 (2d Cir. 2014). The entirety of each Photograph in the Post was necessary to provide the full context of the subject of the controversy. Accordingly, the third factor favors Buzzfeed.

iv. Defendant's Use Did Not Compete with the Plaintiff's Work

The fourth statutory factor, the "effect of the use upon the potential market for or value of the copyrighted work," looks to "whether the copy brings to the marketplace a competing substitute for the original, or its derivative, so as to deprive the rights holder of significant revenues because of the likelihood that potential purchasers may opt to acquire the copy in preference to the original." *Capitol Records, LLC v. ReDigi Inc.*, 910 F.3d 649, 662 (2d Cir. 2018) (citation and quotation marks omitted), cert. denied, ___ U.S. ___, 139 S. Ct. 2760, 204 L.Ed.2d 1148 (2019).

As mentioned, the Photographs appeared within screenshots of the Post. The screenshots of the Post do not compete with the Photographs in any market for photographs of women posing with motorcycles or any market for photographs of women who have been involved in motorcycle accidents. It is highly unlikely that someone looking to license the Photographs for their contents would seek a license from the Defendant over the Plaintiff. In addition, Plaintiff provided the Photographs to Ms. Mitchell for her to share with her followers on Instagram, a platform premised on freely sharing images with as many people as possible. The Plaintiff's willingness to share the Photographs with a potentially massive group of people cuts against any suggestion that she had plans to commercialize the Photographs.

Plaintiff argues, citing *Otto v. Hearst Commc'ns, Inc.*, 345 F. Supp. 3d 412, 432 (S.D.N.Y. 2018), that she had the right to sell the Photographs to media outlets writing

about the story and the use by the Defendant destroyed any licensing market she might have otherwise entered. In *Otto*, the plaintiff took a photograph of then-President Donald Trump attending a wedding at the Mar-a-Lago hotel. After certain media outlets republished the photograph, the plaintiff belatedly decided he wished to commercialize the photo himself. The court rightfully recognized that the plaintiff's failure to immediately capitalize on the photograph should not preclude him from future profits.

356*356 There are critical differences between the market effect in *Otto* and the market effect here. First, there is no indication within Plaintiff's Complaint that at any point she intended to license the Photographs. Plaintiff notes that there was a clear commercial licensing market because multiple media outlets would go on to publish the Photographs and accompanying stories on the controversy. However, at no point does the Plaintiff indicate that she actually attempted to enter the market or ever had any intention of entering the market. The court in *Otto* rightfully recognized that a copyright holder should not be denied compensation just because he failed to quickly monetize his work. *Otto, 345 F. Supp. 3d at 432*. But it did not suggest that a plaintiff can shake down a news organization for a licensing payment for a copyrighted work that she never intended to license.

Even drawing all inferences in Plaintiff's favor, it begs credulity that the Plaintiff would have ever wanted to license her photographs for use in articles raising public awareness of a controversy surrounding her friend and subjecting the Plaintiff herself to significant online criticism. Where a "[p]laintiff had no intention of entering the market," the fourth factor weighs in favor of the defendant. *Otto, 345 F. Supp. 3d at 432* (citing *Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 91 (2d Cir. 2014)).

Moreover, the Second Circuit had made clear that the possibility of lost licensing revenue is not sufficient to claim an impact on the marketability of a copyright, *Otto, 345 F. Supp. 3d at 432* (citing *Ringgold v. Black Entm't Television, Inc.*, 126 F.3d 70, 81 (2d Cir. 1997)), "[o]nly an impact on potential licensing revenues for traditional, reasonable, or likely to be developed markets should be legally cognizable." *Id. (Am. Geophysical Union v. Texaco Inc., 60 F.3d 913, 930 (2d Cir. 1994))*

At the moment the plaintiff in *Otto* took the photograph, it was clear that the photograph would have a market for its contents. News organizations reporting on the President's attendance of the wedding would want to license a photograph of the President in attendance. Here, Plaintiff cannot reasonably claim that this secondary use market, a media firestorm about her friend's controversial social media post, was "traditional, reasonable, or likely to be developed."

As the Defendant's use plainly had and has no effect on any market for the Plaintiff's photographs of Ms. Mitchell, this factor supports fair use.

Having considered all four fair use factors, three of which counsel for fair use and one of which counsels against, but is afforded significantly less weight, the Court finds that the Defendant's use of the Photographs constitutes fair use. This case must be dismissed.

As a result, this Court need not reach the issue of whether Plaintiff's copyright was validly registered.

CONCLUSION

For the foregoing reasons, the Defendant's motion to dismissed is GRANTED.

Griner v. King, 104 F.4th 1 (2024)

BENTON, Circuit Judge.

The King for Congress Committee posted a meme—a humorous online image—asking supporters of the Congressman to "FUND OUR MEMES!!!" Laney M. Griner, the owner of the copyright to the meme's template photo, sued the Congressman and the Committee for copyright infringement. A jury found the Committee, but not the Congressman, liable for copyright infringement, awarding Griner \$750, ^{6*6} the statutory minimum. Both parties moved for costs and attorney's fees. The district court^[1] granted-in-part and denied-in-part costs to both parties, but denied all attorney's fees. The Congressman and the Committee (collectively, the Defendants) appeal. Having jurisdiction under 28 U.S.C. § 1291, this court affirms.

I.

In 2007, Laney Griner took a photo of her then 11-month-old son (Sam) on the beach. That photo went viral, becoming one of the first (and most popular) internet memes, known as "Success Kid," with billions of uses. A meme is "an amusing or interesting item (such as a captioned picture or video) or genre of items that is spread widely online especially through social media." Meme, Merriam-Webster Online Dictionary, available at <http://www.merriam-webster.com/dictionary/meme> (last accessed May 19, 2024).

In 2012, Griner registered the copyright in the Success Kid template with the United States Copyright Office. Using this copyright, she licensed the template to many companies—including Virgin Mobile, Vitamin Water, Microsoft, and Coca-Cola—that used versions of it in advertisements.

In 2020, the Committee posted a version of the meme on its website, Facebook page,

and Twitter account (among other places). This version of the meme placed the Success Kid in front of the United States Capitol, declaring "FUND OUR MEMES!!!" The post asked viewers to ^{7*7} "please click the link below and throw us a few dollars to make sure the memes keep flowing and the Lefties stay triggered." The link connected users to a donation page. The Defendants never sought or received permission to use the Success Kid template.

Griner, through her attorney, notified the Defendants that they infringed her copyright. She requested removal of the posts, suggesting a settlement for past unauthorized uses. No settlement was reached. Griner sued for copyright infringement and a violation of Sam's privacy.

At trial, the jury found that neither the Congressman nor the Committee were liable for an invasion of Sam's privacy, that the Congressman had not infringed Griner's copyright, but that the Committee had innocently infringed the copyright—awarding \$750 in damages, the statutory minimum. Both parties sought costs and attorney's fees. The district court denied all attorney's fees but granted-in-part and denied-in-part the motions for costs.

The Committee appeals the damages, asserting it had an implied license to use, and made fair use of, the Success Kid template and thus did not infringe the copyright. The Committee also argues the district court abused its discretion in two evidentiary rulings, and that the jury should have been instructed it could give less than the statutory minimum for damages. The Defendants appeal the denial of attorney's fees and some costs.^[4]

8*8 II.

...

B.

The Committee argues it "can defend against a claim of copyright infringement because it made `fair use'" of the Success Kid template. See [*Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 525, 143 S.Ct. 1258, 215 L.Ed.2d 473 \(2023\)](#). "The fair use of a copyrighted work ... is not an infringement on copyright." 17 U.S.C. § 107.

The jury found that the Defendants did not make fair use of the Success Kid template. This court reviews mixed questions of law and fact de novo, while giving deference to the jury's findings of underlying facts. See [*Google LLC v. Oracle Am., Inc.*, 593 U.S. 1, 23-24, 141 S.Ct. 1183, 209 L.Ed.2d 311 \(2021\)](#). "[R]eviewing courts should appropriately defer to the jury's findings of underlying facts; but that the ultimate question whether those facts showed a `fair use' is a legal question for judges to decide de novo." *Id.*

Four factors, in the Copyright Act, define fair use:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107. "[T]he four statutory fair use factors may not `be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright.'" [*Andy Warhol*, 598](#)

[U.S. at 550-51, 143 S.Ct.](#)

[1258, quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578, 114 S.Ct. 1164, 127 9*9 L.Ed.2d 500 \(1994\)](#). The Committee argues that the first, third, and fourth factors favor a determination that it made fair use of the Success Kid template (and concedes the second factor).

As for the first factor, the Committee argues its use is like the billions of other uses of the Success Kid template, the creation and dissemination of a meme. In the first factor, the "`central' question" is "whether the use `merely supersedes the objects of the original creation ... (supplanting the original), or instead adds something new, with a further purpose or different character.'" *Id.* at 528, 143 S.Ct. 1258, [quoting *Campbell*, 510 U.S. at 579, 114 S.Ct. 1164](#).

When an infringing use "is commercial as opposed to nonprofit," the "commercial nature of the use"—while "not dispositive"—"is to be weighed against the degree to which the use has a further purpose or different character." *Id.* at 531, 143 S.Ct. 1258. "[T]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." *Id.*, [quoting *Campbell*, 510 U.S. at 579, 114 S.Ct. 1164](#). See [*United Telephone Co. of Missouri v. Johnson Pub. Co., Inc.*, 855 F.2d 604, 609 \(8th Cir. 1988\)](#) ("Fair use is not favored `when the user stands to profit from the exploitation of the copyrighted material without paying the customary price.'"), [quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562, 105 S.Ct. 2218, 85 L.Ed.2d 588 \(1985\)](#). A use that "shrink[s] the protected market opportunities of the copyrighted work" is less justified because it "undermines the goal of copyright." [*Andy Warhol*, 598 U.S. at 531-32, 143 S.Ct. 1258, quoting *Authors Guild v. Google, Inc.*, 804 F.3d 202, 207 \(2d Cir. 2015\)](#). Memes used commercially in advertising or fundraising are subject to

stricter copyright standards than memes used noncommercially, which are often fair use. See [Campbell, 510 U.S. at 585, 114 S.Ct. 1164](#) ("The use, for example, of a copyrighted work to advertise a product ... will be entitled to less indulgence under the first factor of the fair use enquiry").

"The fair use provision, and the first factor in particular, requires an analysis of the specific 'use' of a copyrighted work that is alleged to be 'an infringement.'" [Andy Warhol, 598 U.S. at 533, 143 S.Ct. 1258](#). This court weighs commerciality against its transformativeness. See *id.* at 531, 143 S.Ct. 1258.

As for commerciality, it is undisputed that the Committee's use was purely commercial—the meme solicited campaign donations with its call to "FUND OUR MEMES!!!" The Committee sought to exploit the copyrighted material, for financial gain, without paying the customary price.

As for transformativeness—adding a purpose or character to the original work—there is a dispute. Creating a meme was not the original purpose when Griner photographed Sam. However, controlling the commercial use of the meme was the original purpose to copyright the image of Sam, the meme's template. The Committee, by creating and disseminating a meme, did not add a further purpose or different character to Success Kid template. See [Andy Warhol, 598 U.S. at 532-33, 143 S.Ct. 1258](#) ("If an original work and a secondary use share the same or highly similar purposes, and the secondary use is of a commercial nature, the first factor is likely to weigh against fair use, absent some other justification for copying.").

Transformativeness "relates to the justification for the use." See *id.* at 531, 143 S.Ct. 1258. Memes are transformative to differing degrees, requiring a case-by-case determination. See *id.* at 532 n.7,

143 [10*10](#) S.Ct. 1258 ("the question of justification will depend on the individual use or uses"). The Committee asserts that memes, including its own, combine a compelling image with a pithy phrase to invoke a response, usually humor.

Because the Committee's meme was a "commercial use" of the Success Kid template, a "particularly compelling justification is needed." *Id.* at 547, 143 S.Ct. 1258. The Committee's stated justification is that they were creating and disseminating a meme on social media, as happens millions (if not billions) of times each day. "[T]he fact that everyone else is doing it" is not a particularly compelling justification, especially considering the vast majority of these uses are non-commercial. Cf. [Firexo, Inc. v. Firexo Grp. Ltd., 99 F.4th 304, 321 \(6th Cir. 2024\)](#) (finding the "everyone else is doing it" justification unconvincing in a jurisdictional context). Beyond this, the Committee "offers no independent justification, let alone a compelling one, for copying the photograph, other than to convey a new meaning or message. As explained, that alone is not enough for the first factor to favor fair use." [Andy Warhol, 598 U.S. at 547, 143 S.Ct. 1258](#). "[A]lthough a use's transformativeness may outweigh its commercial character, here, both elements point in the same direction." *Id.* at 538, 143 S.Ct. 1258.

Due to the lack of a further purpose, a different character, or a compelling justification *and* the undisputed commercial use, the first factor weighs in favor of Griner.

As for the third factor, the "heart" (the most substantial part of the work) of the Success Kid template—the Success Kid himself—is used in the Committee's meme. See [Harper & Row, Publishers, 471 U.S. at 544, 105 S.Ct. 2218](#). The third factor weighs in favor of Griner.

As for the fourth factor, it is difficult to determine what impact the Committee's use of the Success Kid template had on its commerciality. True, Griner licensed the use of the template to many well-known brands. Licensing requests, however, had decreased before the Committee's use, although a reasonable jury could conclude that association with King would drive away some potential licensees. There is no evidence that the Committee's meme revitalized the market for licensing the Success Kid

template. The fourth factor weighs in neither party's favor.

Because the fair use test weighs heavily for Griner, the jury properly concluded that the Committee did not make fair use of the Success Kid template.

...

The judgment is affirmed.

Philpot v. Indp't J. Rev., 92 F.4th 252 (4th Cir. 2024)

WYNN, Circuit Judge:

Photographer Larry Philpot brought a copyright-infringement claim against news website Independent Journal Review ("IJR") after IJR used his photograph of musician Ted Nugent in an online article. IJR moved for summary judgment, raising the affirmative defense that, pursuant to 17 U.S.C. § 107, its use of the photo constituted "fair use" under the Copyright Act. It alternatively argued that Philpot's copyright registration was invalid.

Philpot cross-moved for summary judgment, contending in relevant part that his registration was valid and that IJR's use was not fair use. Although the district court found a dispute of material fact as to whether the copyright registration was [256*256](#) valid, it granted summary judgment to IJR on "fair use" grounds. Philpot appeals the denial of summary judgment to him as to the copyright registration and the grant of summary judgment to IJR as to "fair use."

We conclude that IJR's use of the photo was not "fair use." And we conclude that Philpot is entitled to summary judgment on the validity of the copyright registration. Therefore, we reverse and remand for further proceedings consistent with this opinion.

I.

The facts, which are undisputed except as noted, are as follows. Philpot is a professional concert photographer who took a photograph of Nugent performing in July 2013 (the "Photo"). On August 15, 2013, pursuant to the copyright-registration procedure outlined in 17 U.S.C. § 408, Philpot submitted the Photo for registration with the United States Copyright Office as part of a collection of unpublished works. The Copyright Office issued Philpot a registration certificate on August 21, 2013. The next month, Philpot also published the Photo on Wikimedia Commons^[1]under a Creative Commons license.^[2] The license specified that anyone could use the Photo for free so long as they provided the following attribution: "Photo Credit: Larry Philpot of www.soundstagephotography.com." J.A. 30-31.^[3]

Additionally, on August 8, 2013, Philpot entered into a photograph licensing agreement with nonparty AXS TV ("the Agreement"), under which Philpot granted AXS TV a two-year license to inspect at least 1,000 of Philpot's photos in order to select twelve to curate for licensing. The Agreement provided that AXS TV's license to the 1,000 photos would become effective upon Philpot's email delivery of the 1,000 photos to AXS TV. On September 10, 2013, Philpot emailed AXS TV a batch of photos that included the Nugent Photo.

The Agreement provided that AXS TV would pay Philpot a photo licensing fee of \$4,500. Philpot also testified in his deposition that his standard photo licensing fee is \$3,500. However, in at least one instance, he permitted a magazine to use a photo for free when it was unwilling to pay his "standard fee," under the condition that it included his desired attribution.

In 2016, IJR posted an article titled "15 Signs Your Daddy Was a Conservative." J.A. 289. Under Sign 5, "*He hearts 'The Nuge'*"—referring to Ted Nugent—the article featured the Photo. J.A. 38. The article did not include the required attribution. Instead, the article contained only a hyperlink to Nugent's Wikipedia page. Through that link, users could then access the "Wiki Commons site where the Photograph was hosted with all the required attribution information." *Philpot v. Indep. J.*

Rev., No. [257*257](#) 1:20-cv-00590-AJT-TCB, 2021 WL 3669321, at *2 (E.D. Va. Aug. 18, 2021). The article generated approximately \$2 to \$3 in advertising revenue for IJR based on the number of page views it received.

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III.

We begin with the district court's determination that IJR was entitled to summary judgment based on fair use. As Philpot is the nonmoving party on this issue, we "view the facts and draw all reasonable inferences therefrom" in the light most favorable to him. [*Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 150 \(4th Cir. 2012\)](#) (cleaned up).

Section 106 of the Copyright Act grants "a bundle of exclusive rights to the owner of the copyright," including the rights "to publish, copy, and distribute the author's work." [*Harper & Row Pubs., Inc. v. Nation Enters.*, 471 U.S. 539, 546-47, 105 S.Ct. 2218, 85 L.Ed.2d 588 \(1985\)](#). "These rights, however, are `subject to a list of statutory exceptions, including the exception for fair use provided in 17 U.S.C. § 107.'" [*Bouchat v. Balt. Ravens Ltd. P'ship \(Bouchat IV\)*, 619 F.3d 301, 307 \(4th Cir. 2010\)](#) (cleaned up). Fair use is a "complete defense" to copyright infringement. *Id.* That is to say, "the fair use of a copyrighted work ... is not an infringement of copyright." *Id.* (quoting 17 U.S.C. § 107).

To determine whether a secondary use of a copyrighted work constitutes fair use, courts consider four statutory factors: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work." [*Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577, 114 S.Ct. 1164, 127 L.Ed.2d 500 \(1994\)](#) (quoting 17 U.S.C. § 107). All four factors must be "explored, and the results weighed together, in light [258*258](#) of the purposes of copyright." *Id.* at 578, 114 S.Ct. 1164. Considering these factors in turn, we hold that IJR's use of Philpot's Photo did not constitute fair use.

A.

The first fair use factor, the "purpose and character of the use," requires us to consider whether the secondary use of the Photo was (a) transformative and (b) of a commercial nature or for nonprofit educational purposes. See [*Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 527-33, 143 S.Ct. 1258, 215 L.Ed.2d 473 \(2023\)](#). While the first fair use factor most clearly weighs in favor of fair use if the use was transformative and noncommercial, "the more transformative the new work, the less will be the significance of other factors, like commercialism." [*Campbell*, 510 U.S. at 579, 114 S.Ct. 1164](#). Because for the reasons stated below, we believe that IJR's use was non-transformative and commercial, we conclude that the first factor weighs strongly against fair use.

1.

We first consider whether IJR's use was transformative. A secondary use is transformative when it has a "further purpose or different character" than the original work. *Warhol, 598 U.S. at 525, 528-29, 143 S.Ct. 1258* (quoting *Campbell, 510 U.S. at 579, 114 S.Ct. 1164*). The preamble to section 107 of the Copyright Act identifies criticism, comment, and news reporting as examples of transformative uses. *Campbell, 510 U.S. at 576-78, 114 S.Ct. 1164*. Because "[m]any secondary works add something new," the determination of transformative use is a matter of degree. *Warhol, 598 U.S. at 528-29, 143 S.Ct. 1258*. "The larger the difference, the more likely the first factor weighs in favor of fair use. The smaller the difference, the less likely." *Id.* at 529, 143 S.Ct. 1258.

The Supreme Court's recent opinion in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith* provides helpful guidance. There, photographer Lynn Goldsmith took photos of the entertainer Prince, and subsequently licensed them to magazines to accompany stories about the musician. *Id.* at 516-17, 520, 143 S.Ct. 1258. The prolific visual artist Andy Warhol created a derivative work of one of Goldsmith's photos, dubbed "Orange Prince." *Id.* at 518-19, 143 S.Ct. 1258. The Andy Warhol Foundation then licensed Orange Prince to a magazine for the cover of its commemorative edition about Prince. *Id.* at 519-20, 143 S.Ct. 1258. "When Goldsmith informed [the Foundation] that she believed its use of her photograph infringed her copyright, [the Foundation] sued her." *Id.* at 515, 143 S.Ct. 1258.

The Supreme Court granted certiorari to consider the "narrow issue" of "whether the first fair use factor" weighed in favor of the Foundation. *Id.* at 516, 143 S.Ct. 1258. It held that it did not. In so holding, the Court noted that "[a] typical use of a celebrity photograph is to accompany stories about the celebrity." *Id.* at 534, 143 S.Ct. 1258. It then held that even if Orange Prince added new expression to the original photo, the magazine's use was not transformative because the purpose of both works was to illustrate stories about Prince. *Id.* at 534-36, 540-41, 143 S.Ct. 1258.

Like the magazine's use of Orange Prince in *Warhol*, IJR's use of the Photo was not transformative. Here, as in *Warhol*, Philpot took the Photo to capture a "portrait[]" of Nugent, and IJR used the Photo to "depict" the musician. *Id.* at 526, 143 S.Ct. 1258. Accordingly, the two uses "share[d] substantially the same purpose." *Id.* Indeed, IJR has less of a case for *259*259* "transformative" use than the Andy Warhol Foundation did in *Warhol*. Unlike the orange dubbing in that case, IJR did not alter or add new expression to the Nugent Photo beyond cropping the negative space:

See also *Brammer v. Violent Hues Prods., LLC, 922 F.3d 255, 263 (4th Cir. 2019)*(holding a use was not transformative where "[t]he only obvious change [the defendant] made to the Photo's content was to crop it so as to remove negative space," which "does not alter the original with `new expression, meaning or message.'" (quoting *Campbell, 510 U.S. at 579, 114 S.Ct. 1164*)).

The district court found that IJR's use was transformative because it placed the Photo in a new context, a list of "Signs Your Daddy Was a Conservative." *Philpot, 2021 WL 3669321*, at *6. But that reasoning resembles the argument that this Court rejected in *Brammer v. Violent 260*260 Hues Productions*. In that case, a film company used a photo of the Washington, D.C., neighborhood Adams Morgan in an online advertisement for a Virginia film and music festival. *Brammer, 922 F.3d at 261*. The photo was included alongside a list of D.C.-area tourist attractions with the caption "Adams Morgan, DC." *Id.* The photographer who shot the photo had originally created it for use as a commercial stock image with the caption "Adams Morgan at

Night." *Id.* He sued the film company for copyright infringement, and the issue on appeal was whether the fair use defense applied. *Id.* at 260-61.

This Court held the fair use defense did not apply. *Id.* at 269. In assessing whether the film company's use was transformative, this Court held that even if a copyrighted work is placed in a "new context to serve a different purpose" than the original work—there, the different purpose of listing tourist attractions for an advertisement—in order to be transformative, "the secondary use still must generate a societal benefit by imbuing the original with new function or meaning." *Id.* at 263. Because the film company in *Brammer* "used the Photo expressly for its content—that is, to depict Adams Morgan"—its use did not imbue the photo with a new function or meaning and thus was not transformative. *Id.* at 264. Likewise here, Philpot took the Photo to identify Nugent. IJR used the Photo for precisely the same reason: to depict "The Nuge." Accordingly, IJR's secondary use of the Photo did not add new meaning or function that would render its use transformative. Because IJR's use of the Photo did not add new purpose or meaning, and only minimal alteration, the use was not transformative. This weighs against a finding of fair use.

2.

Having concluded that IJR's use was non-transformative, we next consider whether the secondary use was of a commercial nature or for nonprofit educational purposes. 17 U.S.C. § 107(1). "The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Bouchat IV*, 619 F.3d at 311 (quoting *Harper & Row*, 471 U.S. at 562, 105 S.Ct. 2218).

According to IJR's Financial Interest Disclosure Statement, it is a C corporation, and therefore a for-profit corporation. Financial Interest Disclosure Statement at 1, *Philpot*, No. 1:20-cv-00590-AJT-TCB (E.D. Va. Aug. 13, 2020), ECF No. 5. While IJR does not charge readers to view its articles, it obtains revenue from advertising, and it earned some advertising revenue—albeit only \$2 to \$3—based on the number of views of the article that used the Photo. Further, IJR's use of the Photo was exploitative: Philpot licensed the Photo, and IJR did not pay the customary price of direct attribution to Philpot.

To be sure, the article was not especially profitable for IJR. But the salient question is whether IJR stood to profit, not whether it was particularly successful at that venture. See *Brammer*, 922 F.3d at 265 ("[Defendant's] website did not generate direct revenue or run advertising. But [Defendant] is a limited liability company, and it used the Photo on its website to promote a for-profit film festival. On their own, these facts tend to demonstrate commercial use."). Thus, IJR's use of the Photo was commercial.

Because IJR's use of the Photo was non-transformative and commercial, the first factor of the fair use analysis counsels strongly against fair use.

B.

The district court made no mention of the second and third factors of the fair use analysis, but both weigh against fair use.

^{261*}²⁶¹ The second fair use factor considers the "nature of the copyrighted work." 17 U.S.C. § 107(2). In assessing the copyrighted work's nature, we consider "the extent to which it is creative." *Monge v. Maya Mags., Inc.*, 688 F.3d 1164, 1177 (9th Cir. 2012); accord *A.V. ex rel. Vanderhye v. iParadigms, LLC*, 562 F.3d 630, 640 (4th Cir. 2009) (similar). "As a basic matter, photographs are `generally viewed as creative, aesthetic expressions[] ... and have long received thick copyright protection,' even where they "capture images of reality" and regardless of their publication status. *Brammer*, 922 F.3d at 267 (quoting *Monge*, 688 F.3d at 1177). And here, Philpot made several creative choices in capturing the Photo, including "selecting the subject matter, angle of photography, exposure, composition, framing, location, and exact moment of creation." J.A. 575. Thus, the Photo merits "thick copyright protection," and the second factor weighs against fair use.

The third fair use factor considers "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107(3). This factor weighs against fair use where "a significant percentage of the copyrighted work was copied," or where "the copied portion essentially was the `heart' of the copyrighted work." *Sundeman v. Seajay Soc'y, Inc.*, 142 F.3d 194, 205 (4th Cir. 1998) (quoting *Wright v. Warner Books, Inc.*, 953 F.2d 731, 738 (2nd Cir. 1991)). Both are true here: IJR copied a significant percentage of the Photo in its article, and it only cropped out the negative space while keeping the Photo's expressive features, or the "heart" of the work. *Sundeman*, 142 F.3d at 205; accord *Brammer*, 922 F.3d at 268 (holding same where the defendant "merely removed the negative space [of the photo] and kept the most expressive features" (citing *Sundeman*, 142 F.3d at 205)). Thus, the second and third factors weigh against fair use.

C.

The fourth and final factor also weighs against fair use. The fourth factor considers "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). In analyzing this factor, we consider "not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for the original." *Campbell*, 510 U.S. at 590, 114 S.Ct. 1164 (cleaned up); accord *Bouchat IV*, 619 F.3d at 312 ("[O]ne need only show that if the challenged use should become widespread, it would adversely affect the *potential* market for the copyrighted work." (quoting *Harper & Row*, 471 U.S. at 568, 105 S.Ct. 2218)).

IJR argues that because Philpot permits free use of the Photo, he failed to show any financial harm to the Photo's potential market. But that argument ignores the general rule that we presume a "cognizable market harm exists when a commercial use is not transformative but instead amounts to mere duplication of the entirety of an original." *Brammer*, 922 F.3d at 268 (quoting *Campbell*, 510 U.S. at 591, 114 S.Ct. 1164); e.g., *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984) ("[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright[.]"); *Murphy v. Millennium Radio Grp. LLC*, 650 F.3d 295, 308 (3d Cir. 2011) ("If it were possible to reproduce [a photographer's] unaltered work, as a whole, without compensation ... it ^{262*}²⁶²would surely have a `substantially adverse impact' on his ability to license his photographs." (quoting *Campbell*, 510 U.S. at 590, 114 S.Ct. 1164)). That presumption applies here: IJR made commercial use of the Photo and duplicated the "heart of the work," while

only removing the negative space. *Brammer*, 922 F.3d at 268. As a result, "[Philpot] need not demonstrate that the licensing market for his photo would be depressed should [IJR's] behavior become widespread." *Id.*

Moreover, even though Philpot does not need to make this showing, he has done so here. The evidence viewed in the light most favorable to him reveals that if IJR's challenged use becomes uninterrupted and widespread, it would adversely affect the "*potential market*" for the Photo. *Harper & Row*, 471 U.S. at 568, 105 S.Ct. 2218 (quoting *Sony*, 464 U.S. at 451, 104 S.Ct. 774). Philpot is a freelance professional photographer who specializes in capturing musicians in concert. His market is thus the universe of music and celebrity audiences. And IJR's use was the paradigmatic example of Philpot's reasonable market: licensing to media outlets. If IJR's behavior in copying Philpot's photography to depict musicians for a commercial purpose without payment or attribution became widespread, Philpot's potential market would likely decrease. See *Brammer*, 922 F.3d 255 at 268-69.

Certainly, Philpot offers the use of some photos in exchange for nothing more than proper attribution. But "[t]he copyright law does not require a copyright owner to charge a fee for the use of his works[;] ... the owner of a copyright may well have economic or noneconomic reasons for permitting certain kinds of copying to occur without receiving direct compensation from the copier." *Sony*, 464 U.S. at 447 n.28, 104 S.Ct. 774. Moreover, Philpot has introduced evidence that his standard licensing fee is \$3,500, and that AXS TV paid Philpot \$4,500 to license his photos, including the Nugent Photo. Philpot, then, relies on attributions or payments from users of his images to sustain himself in the world of concert photography. This factor, like the preceding factors, thus weighs against fair use.

In sum, all four factors weigh against a finding of fair use. Therefore, we hold that IJR's use of the Photo was not fair use and the district court erred in granting summary judgment to IJR on that basis and in denying Philpot's motion for summary judgment on IJR's fair use defense.^[4]

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Because IJR's use of the Photo was not fair use and Philpot's copyright registration was valid as a matter of law, we reverse the district court's grant of summary judgment to IJR—and its denial of summary judgment to Philpot—on those issues. We remand for further proceedings consistent with this opinion.

REVERSED AND REMANDED