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**A FAIR USE ANALYSIS OF TRADEMARK PARODY:
*CLIFFS NOTES, INC. v. BANTAM DOUBLEDAY
DELL PUBLISHING GROUP***

I. INTRODUCTION

The use of trademarks to identify the source of products dates back to the civilizations of ancient Egypt and Greece, and to medieval Europe, where guilds often required their members to identify their products to detect false or defective wares.¹ As societies industrialized and the need for trademark protection grew, British law recognized a cause of action for copying a trademark in the early seventeenth century.² In the nineteenth century,³ American law recognized the common law causes of action for unfair competition and trademark infringement. Congress later offered federal protection and registration of trademarks under the Trademark Act of 1946.⁴

Parody⁵ also dates back to ancient civilizations. Numerous writers satirized Homer's *Iliad* and *Odyssey*, and Aristophane's plays humorously imitated the dramatic styles of Euripides and Sophocles.⁶ Today, parodies play an important social role that is protected by the first amendment.⁷ Parodies serve a socially informative function by exposing the original works' flaws and pretensions, the mediocre and pretentious statements in art and society, and ultimately forces us to examine serious works from a comic standpoint.⁸

Thus, trademarks and parodies have existed in one form or another for centuries. Yet, the satirization of trademarks raises issues that the law has difficulty solving today. This difficulty arises from the competing policies of avoiding consumer confusion under trademark law, and pro-

1. *Plasticolor Molded Products v. Ford Motor Co.*, 713 F. Supp. 1329, 1331 (C.D. Cal. 1989) (quoting F. Schechter, *The Historical Foundations of the Law Relating to Trademarks* 47 (1925)).

2. *Id.* at 1332 (quoting *Southern v. How*, Popham 143, 79 Eng. Reprint 1243 (1618)).

3. *Id.* (citing *Taylor v. Carpenter*, 23 F. Cas. 742 (C.C.D. Mass. 1844)).

4. See Lanham Act, 15 U.S.C.A. §§ 1051-1128 (West 1990), as amended by Act of Nov. 16, 1988, Pub. L. No. 100-667, Title I, § 103, 102 Stat. 3935.

5. A parody is an imitation for humorous or satirical effect of a piece of literature, music, or composition. M. LEAFFER, *UNDERSTANDING COPYRIGHT LAW* § 10.12[A], at 311 (1989).

6. Note, *Piracy or Parody: Never The Twain*, 38 U. COLO. L. REV. 550, 551 (1966).

7. U.S. CONST. amend. I states that "Congress shall make no law . . . abridging the freedom of speech."

8. M. LEAFFER, *UNDERSTANDING COPYRIGHT LAW* § 10.12[A], at 311 (1989).

viding free expression for parodies.⁹

Trademark protection traditionally allowed manufacturers to identify their products.¹⁰ However, the Second Circuit Court of Appeals eroded this function of trademark law in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.* ("*Cliffs Notes, Inc.*").¹¹ In *Cliffs Notes, Inc.* the appellate court granted Bantam Doubleday Dell Publishing Group ("Doubleday") the right to reproduce the registered trademark cover design of Cliffs Notes, Inc. ("Cliffs") because Doubleday's cover merely parodied the cover of *Cliffs Notes*.¹² The appellate court, attempting to determine the legal effect of parodies on trademark law, applied a test which stated that trademark law restrictions apply to artistic works "only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."¹³ The appellate court's test in *Cliffs Notes, Inc.* was designed to incorporate first amendment concerns in trademark law. But the court erred in applying that test because it only selected factors that clearly favor parodists. First, the court analyzed the consumer confusion prong of the test¹⁴ by selecting only the most favorable factors to parodists and overlooked factors most favorable to trademark owners. A better approach would be for the court to apply a neutral test with factors balancing towards both the trademark owners and the parodists.

Second, under the free-expression prong of the test,¹⁵ the court likened Doubleday's infringement to copyright law's fair use doctrine. Nevertheless, the court failed to establish the limits of what can be copied by a parody under the doctrine.

9. Compare *Girl Scouts of the United States of America v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228 (S.D.N.Y. 1969) with *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). In *Girl Scouts*, the defendant had produced and distributed posters describing a pregnant girl wearing the standard Girl Scout uniform, with the Girl Scout motto "Be Prepared" printed beneath the pregnant girl. 304 F. Supp. at 1230. The court held that there was no likelihood of consumer confusion and therefore no infringement of plaintiff's trademark. *Id.* at 1231. In contrast, the *Coca-Cola* case which has similar facts to those in *Girl Scouts*, held there was trademark dilution. 346 F. Supp. 1183. In *Coca-Cola*, the defendant had designed and marketed a poster featuring a logo identical in color and configuration to Coca-Cola's "Enjoy Coca-Cola" trademark, using "Enjoy Cocaine" instead. *Id.* at 1186-87. The court held that the difference between Coca-Cola's trademark and the defendant's rendition constituted only a minor variance, provoking a likelihood of consumer confusion. *Id.* at 1191.

10. See *infra* text accompanying notes 64-74.

11. 886 F.2d 490 (2d Cir. 1989).

12. *Id.* at 497.

13. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

14. 886 F.2d at 495-96.

15. *Id.* at 496.

The fair use doctrine only applies to copyright law and is not present in trademark law.¹⁶ However, in adjudicating trademark parody cases some courts have implicitly applied the copyright law's fair use doctrine.¹⁷ The copyright analogy is helpful to understand the special protection that parodies are granted under the first amendment, because parodies of literary works serve a socially informative function by exposing the original's flaws and pretensions.¹⁸ Thus, by analogy to copyright law, trademark parodies serve a socially informative function by exposing the original product's flaws, which is a form of free expression protected by the first amendment.¹⁹ However, a court which applies a fair use analysis should go through a complete analysis, otherwise the court will arrive at a result inconsistent with the fair use doctrine. Thus, the appellate court in *Cliffs Notes, Inc.* erred in applying a limited fair use analysis. This note analyzes the facts of *Cliffs Notes, Inc.* under a complete fair use doctrine analysis, and arrives at the conclusion that Doubleday would not benefit from the fair use doctrine. Thus, the appellate court's limited fair use analysis accorded trademark parodies too much freedom, and abrogated trademark owner's rights to product recognition and avoidance of consumer confusion.

II. STATEMENT OF FACTS

Cliffs publishes a line of study guides entitled *Cliffs Notes*, which bear a specific black and yellow cover design.²⁰ The design of the cover consists of a layout of yellow and black diagonal stripes, and contains the design of a mountain.²¹ Cliffs has used this cover design since 1958, and has registered the design with the United States Patent and Trademark Office.²²

Spy Magazine, a monthly magazine published by Doubleday, cre-

16. The fair use doctrine is codified in the Copyright Act of 1976 under 17 U.S.C.A. § 107 (West 1990) and has no counterpart in trademark law.

17. See, e.g., *Stop The Olympic Prison v. United States Olympic Comm.*, 489 F. Supp. 1112 (S.D.N.Y. 1980); *Girl Scouts of The United States of America v. Personality Posters Mfg. Co.*, 304 F. Supp. 1228 (S.D.N.Y. 1969); *General Mills, Inc. v. Henry Regnery Co.*, 421 F. Supp. 359 (N.D. Ill. 1976).

18. Shaughnessy, *Trademark Parody: A Fair Use And First Amendment Analysis*, 72 VA. L. REV. 1079, 1105 n.138 (1986) (citing Goetsch, *Parody as Free Speech- The Replacement of the Fair Use Doctrine by First Amendment Protection*, 3 W. NEW ENG. L. REV. 39, 42 (1980).

19. 886 F.2d at 493. The court stated that "parody is a form of artistic expression, protected by the First Amendment."

20. *Cliff's Notes, Inc. v. Bantam Doubleday Dell Publishing Group*, 718 F. Supp. 1159, 1161 (S.D.N.Y. 1989).

21. *Id.*

22. *Id.*

ated *Spy Notes*, which satirizes Cliffs' study guides by using a similar cover design.²³ *Spy Notes* resembles *Cliffs Notes* in many respects: it contains the characteristic yellow and black diagonal stripes; it follows the same format and type style of the *Cliffs Notes* titles; and, it categorizes its feature of books in the same fashion as *Cliffs Notes*.²⁴ *Spy Notes* differs from *Cliffs Notes* in that it creates satires of popular urban novels of the 1980's instead of *Cliffs Notes*' traditional summary of classic works of literature, it is labeled "A Satire" five times in red lettering on the front cover, and depicts a sculpture of New York City in place of the mountain which appears on *Cliffs Notes*.²⁵

Cliffs brought a suit in the United States District Court of New York against Doubleday alleging a federal cause of action under section 43(a) of the Lanham Trademark Act, and alleging state law causes of action under the common law rule of unfair competition and trademark dilution.²⁶ Cliffs sought a preliminary injunction contending that Doubleday's imitation of the *Cliffs Notes* cover design constituted trademark infringement, trademark dilution, and unfair competition.²⁷ The district court granted Cliffs' request for preliminary injunction, enjoining Doubleday from distributing *Spy Notes* with its current cover design.²⁸ The court granted the preliminary injunction because the similarity of *Spy Notes*' cover to *Cliffs Notes* was likely to confuse consumers, thereby causing irreparable harm to Cliffs.²⁹

Doubleday filed an appeal with the Second Circuit Court of Appeals, seeking a dismissal of the preliminary injunction.³⁰ The appellate court vacated the injunction, stating that the public interest in freedom of expression outweighed the slight risk of consumer confusion generated by the *Spy Notes* cover.³¹

A. Reasoning of the District Court

The district court granted Cliffs a preliminary injunction barring Doubleday from distributing *Spy Notes* with a cover design similar to *Cliffs Notes* based on its finding that Cliffs had demonstrated irreparable

23. *Id.*

24. *Id.*

25. 886 F.2d 490, 492 (2d Cir. 1989).

26. 718 F. Supp. at 1160.

27. *Id.*

28. *Id.* at 1168.

29. *Id.*

30. 886 F.2d at 491.

31. *Id.* at 497.

injury and a substantial likelihood of success on the merits.³²

Under New York's standard for granting a preliminary injunction, the party requesting an injunction must show irreparable harm, and either a likelihood of success on the merits or a sufficiently serious question going to the merits to make it a fair ground for litigation.³³ Furthermore, the balance of hardships must tip toward the party requesting relief.³⁴ In an action for trademark infringement, the crucial issue is the likelihood that consumers may be confused as to the source of sponsorship of the trademark.³⁵ To establish the necessary level of confusion, a plaintiff must show that an appreciable number of ordinary prudent purchasers are likely to be misled or confused as to the source of the goods.³⁶

The district court used the test of *Polaroid Corp. v. Polarad Electronics Corp.*³⁷ This test set forth several factors to determine the likelihood of confusion: (1) the strength of plaintiff's mark,³⁸ (2) the degree of similarity between the two marks,³⁹ (3) the competitive proximity of the products,⁴⁰ (4) the likelihood that the prior owner will bridge the gap,⁴¹ (5) actual confusion,⁴² (6) defendant's good faith in adopting its own mark,⁴³ (7) the quality of defendant's product,⁴⁴ and (8) the sophistica-

32. 718 F. Supp. at 1168. The court concluded that Cliffs would suffer irreparable injury if Doubleday published its *Spy Notes*, because Cliffs' proved that a publication of *Spy Notes* would cause consumer confusion. *Id.*

33. *Id.* at 1168.

34. *Id.* at 1161.

35. *Id.* at 1161 (citing *Universal City Studios, Inc. v. Nintendo Co., Ltd.*, 746 F.2d 112, 115 (2d Cir. 1984), *cert. denied*, 479 U.S. 987 (1986)).

36. *Id.* at 1162 (quoting *Andy Warhol Enterprises, Inc. v. Time Inc.*, 700 F. Supp. 760, 763 (S.D.N.Y. 1988)).

37. 718 F. Supp. at 1164 (quoting *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)).

38. *Cliff's Notes*, 718 F. Supp. at 1165 (quoting *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979)). The Second Circuit explained this factor as a trademark's "tendency to identify the goods sold under the mark as emanating from a particular . . . source." *Id.*

39. *Id.* at 1165 (quoting *C.L.A.S.S. Promotions v. D.S. Magazines, Inc.*, 753 F.2d 14, 18 (2d Cir. 1985)). In determining the similarity of the marks, the pertinent inquiry is "the general impression conveyed to the purchasing public by the respective marks." *Id.*

40. *Id.* at 1165 (quoting *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70, 77 (2d Cir. 1988)). "Products which directly compete in the market place warrant a finding of the highest degree of competitive proximity." *Id.*

41. *Id.* at 1166 (quoting *Hasbro*, 858 F.2d at 78). This factor is determined according to the "likelihood that the senior user of the mark will bridge the gap by entering the market in which the junior user operates." *Id.*

42. *Id.* (quoting *Hasbro*, 858 F.2d at 78). A plaintiff is not required to show actual confusion in order to prevail on its claim. *Id.*

43. 718 F. Supp. at 1166 (quoting *Hasbro*, 858 F.2d at 78). This factor determines whether the junior user used bad faith in adopting plaintiff's mark. *Id.*

44. *Id.* at 1167 (quoting *Centaur Communications v. A/S/M Communications*, 830 F.2d

tion⁴⁵ of the buyers.⁴⁶ The district court found that Cliffs' mark was particularly strong, and that Doubleday's cover design was sufficiently similar to plaintiff's design to a degree that would cause consumer confusion.⁴⁷ The district court concluded that a consumer might not know whether Cliffs was satirizing *Spy Magazine*, or whether *Spy Notes* was a division of Cliffs, and therefore the *Spy Notes* cover would lead to consumer confusion as to the source of the product.⁴⁸

B. Reasoning of the Appellate Court

The appellate court vacated the preliminary injunction issued by the district court, and granted Doubleday the right to publish its *Spy Notes* because the cover of *Spy Notes* raised only a slight risk of consumer confusion, which was outweighed by the public interest in free expression.⁴⁹

The court began with the proposition that parody is a form of artistic expression protected by the first amendment.⁵⁰ As a result parody and satire deserve substantial freedom as a form of entertainment, and social and literary criticism.⁵¹ The appellate court also recognized the competing policy of avoiding consumer confusion stemming from an infringement of a trademark.⁵² In order to strike a balance between the competing policies, the appellate court chose the test enunciated in *Rogers v. Grimaldi*.⁵³ This test states that the Lanham Act⁵⁴ restrictions apply to artistic works "only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."⁵⁵ The appellate court acknowledged that *Rogers* was concerned with a different problem; namely, whether a movie title can constitute false advertising.⁵⁶ The present case contained the added element of parody. Nonetheless, the court decided that the *Rogers* balancing test applied because artistic freedom of parody deserved the same protection as movie

1217, 1228 (2d Cir. 1987)). A lack of marked difference between goods supports the inference that they emanate from the same source. *Id.*

45. *Id.* at 1168 (quoting *Hasbro*, 858 F.2d at 79). Generally, unsophisticated consumers aggravate the likelihood of confusion. *Id.*

46. *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961).

47. *Cliff's Notes*, 718 F. Supp. at 1165.

48. *Id.* at 1167.

49. *Cliff's Notes*, 886 F.2d at 497.

50. *Id.* at 493.

51. *Id.* at 493 (citing *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541, 545 (2d Cir. 1964), *cert. denied*, 379 U.S. 822 (1964)).

52. *Id.* at 493.

53. 875 F.2d 994 (2d Cir. 1989).

54. *See infra* notes 67-74 and accompanying text.

55. 886 F.2d at 494 (quoting *Rogers*, 875 F.2d at 999).

56. 886 F.2d at 494.

titles.⁵⁷ Moreover, the appellate court held that the *Rogers* balancing approach was generally applicable to Lanham Act claims against works of artistic expression, which include parodies.⁵⁸

The appellate court believed that the *Polaroid* test was not appropriate for parodies because “[t]he *Polaroid* test has its origin in cases of purely commercial exploitation, which do not raise First Amendment concerns.”⁵⁹ Although the district court found a strong likelihood of confusion, the appellate court had the power to review the district court’s ruling as a matter of law because the determination was a legal conclusion.⁶⁰ The court also held that the risk of confusion was very slight, and did not outweigh the “well-established public interest in parody.”⁶¹ To support its holding, the court concluded that the cover of *Spy Notes* differed in many respects from *Cliffs Notes*,⁶² that *Cliffs* did not plan to condense the books used in *Spy Notes*, and that *Cliffs Notes* traditionally summarized the classic literary works rather than the modern works “outside the mainstream” which *Spy Notes* satirized.⁶³

III. BACKGROUND OF TRADEMARK LAW

A. *Scope of Trademark Law*

A trademark is a brand name which can be a word, name, device, or symbol used to distinguish goods and services.⁶⁴ Trademarks are omnipresent in this modern age, and most people have become familiar with trade words such as “Coke is It,” or trade names like Ford and IBM, or trade symbols such as McDonald’s golden arches and Pillsbury’s Dough Boy. These trademarks serve both the businesses and consumers. For businesses, a trademark is a means of obtaining brand loyalty, and for consumers, a trademark creates instant recognition of products they purchase.⁶⁵ Trademarks, unlike patents and copyrights, can last forever as long as they are used to distinguish goods or services.⁶⁶

57. *Id.*

58. *Id.* at 495.

59. *Id.* at 495 n.3.

60. *Id.*

61. 886 F.2d at 495.

62. *Id.* at 496.

63. *Id.*

64. Section 45 of the Lanham Act defines a trademark as including “any word, name, symbol, or device, or any combination thereof . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods. . . .” 15 U.S.C.A. § 1127 (West 1990).

65. M. LEAFFER, *UNDERSTANDING COPYRIGHT LAW* § 1.10[A], at 18 (1989).

66. However, trademarks can fall into the public domain if a trademark has been discontinued with intent not to resume, or when the mark becomes a generic name for goods or

B. Federal Protection of Trademarks: the Lanham Act

Trademark rights arise under the common law⁶⁷ as well as federal law.⁶⁸ Trademark law is not the exclusive domain of federal law, and Congress' power to legislate trademarks is limited to interstate transactions.⁶⁹ Thus, federal trademark protection is granted only when businesses use trademarks in interstate commerce, and state law only offers protection to businesses using trademarks within that particular state.⁷⁰

Under federal law, the Lanham Act⁷¹ offers considerably more protection to businesses using trademarks in interstate transactions than the common law: a federally registered trademark is prima facie evidence of the validity of registration,⁷² the registration serves as constructive notice to others of a claim of ownership,⁷³ and confers other advantages as well.⁷⁴

services in connection with which it is used. 15 U.S.C.A. § 1127 (West 1990). For a further discussion on the issue of non-use and abandonment, see *Silverman v. CBS, Inc.*, 870 F.2d 40 (2d Cir. 1989).

67. The Supreme Court of the United States stated that "[c]ommon-law trademarks, and the right to their exclusive use, are, of course, to be classed among property rights . . . but only in the sense that a man's right to the continued enjoyment of his trade reputation and the good will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality." *Hanover Star Milling Company v. Metcalf*, 240 U.S. 403, 413 (1916).

68. Congress first provided for the registration of trademarks in 1870, and added criminal penalties for infringement several years later, but trademark law remained essentially a matter of common law until 1946, when Congress passed the Lanham Act and established the current statutory framework for registering marks and redressing claims of infringement. *Plasticolor Molded Products v. Ford Motor Co.*, 713 F. Supp. 1329, 1332 n.3 (C.D. Cal. 1989) (citing *Pattishall, Two Hundred Years of American Trademark Law*, 68 *Trademark Rep.* 121, 129-38 (1978)).

69. *Leaffer, supra* note 65, § 1.10[A], at 19.

70. *Id.*

71. 15 U.S.C.A. §§ 1051-1128 (West 1990).

72. *Id.* at § 1057(b).

73. *Id.* at § 1072.

74. In addition, registration confers federal jurisdiction without regard to diversity of citizenship or amount in controversy; see 15 U.S.C.A. § 1121 (West 1990); registration can become incontestable after five years of continuous use of the mark and will constitute exclusive right to use the mark; see 15 U.S.C.A. § 1065 (West 1990); registration confers the right to receive treble damages, attorney's fees, and other remedies in an action for infringement; see 15 U.S.C.A. §§ 1116-1120 (West 1990); and registration confers the right to request customs officials to bar importation of goods bearing infringing trademarks; see 15 U.S.C.A. § 1124 (West 1990).

C. Trademark Infringement

1. Trademark Infringement Under the Lanham Act

Under the Lanham Act,⁷⁵ a trademark is infringed upon when a third party, without authorization, uses a confusingly similar mark on similar goods or services.⁷⁶ To establish the requisite level of confusion, the plaintiff must show a "likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of goods in question."⁷⁷ A trademark owner can bring a lawsuit in federal court against an infringer to enjoin the infringer's use of his trademark, and seek damages as well.⁷⁸

In the early stages of trademark law, an owner's right to prevent infringement of a trademark applied only in cases where consumers actually believed that the other's product originated with the trademark owner.⁷⁹ Courts later eliminated the requirement of showing actual confusion because it was a standard too difficult to prove,⁸⁰ and required instead a showing of a mere likelihood of confusion.⁸¹

The prohibition against unauthorized uses of trademarks which are likely to cause consumer confusion serves various social interests. Trademark protection shields the public from misleading information in the marketplace,⁸² prevents the unjust enrichment of the infringer, who

75. See *supra* note 71 and accompanying text.

76. The owner of a federally registered trademark is protected from unauthorized uses that are "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C.A. § 1114(1)(a) (West 1990). Courts decide the issue of infringement by determining whether there is a likelihood of confusion arising from the defendant's use of a trademark similar to the plaintiff's. For instance, in *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70 (2d Cir. 1988), the court decided that a toy company's use of "Gung-Ho" would cause consumer confusion because another toy company had previously used that trademark to sell a line of toys.

77. *Charles of the Ritz Group Ltd. v. Quality King Distr., Inc.*, 832 F.2d 1317, 1321 (2d Cir. 1987) (quoting *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978)).

78. See 15 U.S.C.A. §§ 1111-28.

79. In *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (quoting *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97), Justice Holmes stated that "[a] trademark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his."

80. See, e.g., *Standard Oil Co. of N.M. v. Standard Oil Co. of Cal.*, 56 F.2d 973 (10th Cir. 1932); *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70 (2d Cir. 1988).

81. See, e.g., *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176 (7th Cir. 1989).

82. See *Tin Pan Apple, Inc. v. Miller Brewing Co.*, 737 F. Supp. 826 (S.D.N.Y. 1990). In that case, the plaintiffs were the owners of the trademark FAT BOYS, a popular "rap" group which is distinctly recognizable because it is composed of overweight young black singers, who perform wearing square studded eyeglasses, satin baseball jackets and large, gold name pendants around their necks. Their songs send a message to young people to avoid all use of drugs or alcohol. The defendants Miller Brewing Company and Backer & Spielvogel hired FAT

could gain by adopting the trademark owner's reputation as his own,⁸³ and insulates the trademark owner from the possibility that the infringer will pass inferior products to the public as those of the owner, harming the owner's reputation.⁸⁴

2. Trademark Dilution

As trademark law evolved, courts no longer felt that the consumer confusion theory afforded trademark owners adequate protection.⁸⁵ Trademark is an efficient way to convey large amounts of valuable information to the consumer through advertising techniques, because a trademark owner is able to transform its mark into a symbolic expression of information about price, quality, and general desirability of its products.⁸⁶ For example, McDonald's golden arches logo triggers an almost Pavlovian⁸⁷ reaction in consumers that McDonald's sells hamburgers

BOYS look-alikes with the particular characteristics and performance styles of the individual plaintiffs, for a beer commercial. The FAT BOYS alleged in part that the defendant's commercial represented a deliberate attempt to misrepresent, mislead and confuse the public into falsely believing that the commercial was performed by the FAT BOYS and that the FAT BOYS endorsed the drinking of beer, and specifically the Miller product. The court held that the defendants infringed upon the FAT BOYS trademark. Thus, the trademark protection shielded the public from falsely believing that the FAT BOYS endorsed beer drinking, and specifically Miller's beer.

83. See, e.g., *Coca-Cola Co. v. Alma-Leo U.S.A., Inc.*, 719 F. Supp. 725 (N.D. Ill. 1989). In that case, Coca-Cola brought a suit against Alma-Leo, who sold a bubble gum product in the form of white powder packaged in a plastic container resembling a Coca-Cola bottle. The court held that Alma-Leo's use of a container similar to the one used by Coca-Cola violated the state's anti-dilution statute (which prevents the dilution of a trademark's distinctiveness).

84. *Id.* The sale of defendant's product would injure Coca-Cola's reputation because Alma-Leo's white powder had a texture similar to the drug cocaine. The court's ruling of trademark protection prevented the defendant from unjust enrichment, who could gain by using Coca-Cola's bottle to attract purchasers. In addition, the court's ruling prevented the possibility that Alma-Leo pass its drug look-alike products as those of Coca-Cola, which would harm Coca-Cola's reputation.

85. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 824-30 (1927).

86. *Id.* at 818-19.

87. Pavlov was a Russian scientist who studied the relationship between stimulus and response in animals. In one experiment, Pavlov served food to dogs while ringing a bell. Normally, dogs salivate in the presence of food. In the experiment, the dogs salivated in the presence of the food while the bell was ringing. After a while, Pavlov rang the bell without serving food, and the sound of the bell alone caused the dogs to salivate. Thus, Pavlov's experiment concluded that a stimulus which had no inherent power to create a response, e.g. the sound of the bell, could create a response, e.g. the dog's salivation, if it is initially associated with a stimulus that has inherent power to create a response, e.g. food.

By analogy, a trademark can create a similar reaction in humans. For instance, when a customer eats in a McDonald's for the first time, he/she will eat in the presence of the golden arches displayed in various areas of the restaurant. When a customer becomes familiar with McDonald's, it will associate the golden arches in advertisements, a stimulus with no inherent

and fries at a reasonable price and that they enjoy consuming these products. Therefore, the chief value of a trademark lies in its ability to associate favorable experiences or impressions with the product, not simply in its capacity to identify the source or sponsorship of that product.⁸⁸ As a result, many states have extended the trademark owner's property rights to protect the dilution of the trademark, even if the unauthorized uses of the trademark do not cause consumer confusion.⁸⁹

D. Tests Used to Determine Trademark Infringement

1. The Traditional Trademark Test: *Polaroid Corp. v. Polarad Electronics Corp.*

In *Polaroid Corp. v. Polarad Electronics Corp.*,⁹⁰ Polaroid Corporation, the owner of the trademark Polaroid, brought a suit against Polarad Corporation, alleging in part that defendant Polarad Electronic's use of the name Polarad as a trademark, infringed plaintiff's federal and state trademark rights.⁹¹ Both Polaroid and Polarad were involved in electronics for use in television, though Polaroid was primarily involved in the field of optics.⁹² The court selected various factors to determine the likelihood of consumer confusion.⁹³ However, it failed to reach the issue of consumer confusion because it upheld the technical conclusion of the district court that Polaroid's failure to sue defendant earlier resulted in laches.⁹⁴

power, with the food and drinks that McDonald's serves, a stimulus with inherent power, and react in the same manner than if the consumer were presented with McDonald's food and drinks. Thus, McDonald's trademark symbol alone has the power to create a response in a customer's mind.

88. Schechter, *supra* note 85, at 818.

89. See, e.g., *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026 (2d Cir. 1989). The "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services." *Id.* at 1027 (quoting N.Y. Gen. Bus. § 368 (d)). The purpose of the statute serves as preventing "the whittling away of an established trade-mark's selling power and value through its unauthorized use by others upon dissimilar products." *Id.* at 1028 (quoting 1954 N.Y. Legis. Ann. 49).

90. 287 F.2d 492 (1961).

91. *Id.* at 493.

92. *Id.* at 496.

93. See *supra* notes 37-46 and accompanying text. The court also added that these factors were expandable, and that courts may take other variables into account. 287 F.2d at 495.

94. *Id.* at 496. Laches is an equitable defense arising when there has been an unexplained delay in asserting a right of such duration and character as to render the enforcement of the right inequitable. Such neglect or omission to assert a right over a period of time operates as a bar to relief. STASKY, LEGAL THESAURUS/ DICTIONARY 445 (1985).

2. The Modern Test of *Rogers v. Grimaldi*

In *Rogers v. Grimaldi*,⁹⁵ the actress Ginger Rogers brought a suit against the producers and distributors of the movie *Ginger and Fred* for violation of the Lanham Act and infringement of the common-law rights of publicity and privacy.⁹⁶ Ginger Rogers complained that the title of the movie⁹⁷ left the impression that the film was about her, or that she sponsored, endorsed, or was involved in the film.⁹⁸ The appellate court recognized the producer's first amendment right of artistic freedom, and narrowly construed the Lanham Act to apply to "artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."⁹⁹ The court held that danger of restricting artistic expression by forcing the producers to change the movie's title outweighed the slight risk that a celebrity's name might implicitly suggest endorsement, and thus allowed the movie to retain its original title.¹⁰⁰

E. Trademark Parody Analysis

The courts have had a difficult time in arriving at a coherent approach to trademark parody and this has resulted in inconsistent rulings.¹⁰¹ The difficulty in analyzing trademark parody cases stems from the conflicting policies that trademarks and parodies serve: the former serve to protect product recognition,¹⁰² and the latter protect a first amendment form of expression.¹⁰³ To reconcile these competing policies, some courts have implicitly applied copyright law principles of the fair use doctrine, which serve as a defense to infringement of copyrighted works.¹⁰⁴ The reason why courts have applied the fair use doctrine, which only applies to copyright law, to trademark law, is because the copyright analogy is helpful to understand the special protection that

95. 875 F.2d 994 (2d Cir. 1989).

96. *Id.* at 997.

97. The movie was entitled *Ginger and Fred* because the film tells the story of two fictional Italian cabaret performers who imitated the popular dancers Ginger Rogers and Fred Astaire, and became known in Italy as "Ginger and Fred." *Id.* at 996-97.

98. *Id.* at 997.

99. *Id.* at 999.

100. 875 F.2d at 1000.

101. *See supra* note 9.

102. *See* 15 U.S.C.A. § 1114 (West 1990).

103. In *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541, 545 (2d Cir. 1964), the court stated that "as a general proposition, we believe that parody and satire are deserving of substantial freedom—both as entertainment and as a form of social and literary criticism."

104. *See, e.g.*, *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490 (2d Cir. 1989).

parodies are granted under the first amendment.¹⁰⁵ Parodies of literary works serve a socially informative function by exposing the original's flaws and pretensions.¹⁰⁶ Thus, by analogy to copyright law, trademark parodies serve a socially informative function by exposing the original product's flaws, which is a form of free expression protected by the first amendment.¹⁰⁷

IV. THE FAIR USE DEFENSE OF COPYRIGHT LAW

A. Fair Use in General

Fair use has been defined as a "privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner."¹⁰⁸

The Copyright Act of 1976¹⁰⁹ established a four-factor test to determine whether the use of another's copyright constitutes fair use.¹¹⁰ The test determines (1) "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;"¹¹¹ (2) "the nature of the copyrighted work;"¹¹² (3) "the amount and substantiality of the portion used in relation to the copyrighted work as a whole;"¹¹³ and (4) "the effect of the use upon the potential market for or value of the copyrighted work."¹¹⁴

105. Shaughnessy, *Trademark Parody: A Fair Use And First Amendment Analysis*, 72 VA. L. REV. 1079, 1105 n.138 (1986) (citing Goetsch, *Parody as Free Speech- The Replacement of the Fair Use Doctrine by First Amendment Protection*, 3 W. NEW ENG. L. REV. 39, 42 (1980)).

106. Shaughnessy, *supra* note 105 at 1105 n.138.

107. 886 F.2d at 493. The court stated that "parody is a form of artistic expression, protected by the First Amendment."

108. *Rosemont Enterprises, Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) (quoting H. Ball, *Copyright and Literary Property* 260 (1944)).

109. 17 U.S.C.A. §§ 101-810 (West 1990).

110. *Id.* at § 107.

111. *Id.* at § 107(1). Generally, a non-profit educational use is more likely to constitute a fair use because it is less likely to affect the market for the copyrighted work than a commercial use would. In addition, a use in bad faith, such as deliberate copying, is less likely to be a fair use because fair use implies notions of good faith and fair dealing. Leaffer, *supra* note 65 at 299-300.

112. 17 U.S.C.A. § 107(2) (West 1990). The policy behind this factor is that there should be greater access to some types of works to increase society's wealth of information. For instance, the fair use privilege is more readily granted for scientific and historical works than entertainment. Leaffer, *supra* note 65 at 301-02.

113. 17 U.S.C.A. § 107(3) (West 1990). This factor focuses on whether the defendant has taken more than is necessary to satisfy the fair use purpose. Excessive copying not commensurate with the goal of the use does not constitute fair use. Leaffer, *supra* note 65 at 302-03.

114. 17 U.S.C.A. § 107(4) (West 1990). This factor is the single most important element of fair use, because any harm to the market for the copyright owner's work will remove the

B. Parody as Fair Use

A parody is "an imitation for humorous or satirical effect of a piece of literature, music, or composition."¹¹⁵ Often the purpose of parody is to poke fun at the original work and, as a result, copyright owners will rarely license their work for purposes of satire.¹¹⁶ Therefore, parodists must satirize works without the copyright owners' license, and must rely on the defense of fair use when they are sued for copyright infringement.¹¹⁷

In determining whether the parody of another's work constitutes fair use, courts focus mainly on the third and fourth factors¹¹⁸ of section 107 because most parodies are commercial in nature and thus could not qualify as fair use under the first two factors¹¹⁹ of section 107.¹²⁰ Under the third factor, the amount and substantiality of the use,¹²¹ courts generally grant the parodist sufficient latitude to cause a reader or viewer to "recall or conjure up" the original work in order for the parody to be successful.¹²² Under the fourth factor, the effect upon the market,¹²³ courts will generally decide in favor of the parodist, unless the parodist copied nearly all of the original work.¹²⁴

incentives for creativity that the copyright monopoly is designed to encourage. Leaffer, *supra* note 65 at 303-04.

115. Leaffer, *supra* note 65 at 311.

116. *Id.* See, e.g., *Fisher v. Dees*, 794 F.2d 432 (9th Cir. 1986). In *Fisher*, a law firm representing disc jockey Rick Dees, Atlantic Recording and Warner contacted Marvin Fisher, and requested permission to use part or all of his music to "When Sunny Gets Blue" in order to create a comedic and inoffensive version of the song. Fisher refused the request, but Dees and the other defendants nonetheless recorded a parody of Fisher's song, which they entitled "When Sonny Sniffs Glue." Most authors and composers, like Marvin Fisher, do not appreciate their work altered for satirical purposes, and are unlikely to grant parodists a license to modify their original composition.

117. Leaffer, *supra* note 65 at 311.

118. The third factor establishes the amount and substantiality of the use, and the fourth factor examines the market effect that result from defendant's use of plaintiff's trademark. 17 U.S.C.A. § 107(3-4) (West 1990).

119. The first factor determines the purpose and character of the use, and the second factor determines the nature of the copyrighted work. 17 U.S.C.A. § 107(1-2) (West 1990).

120. Leaffer, *supra* note 65 at 313.

121. 17 U.S.C.A. § 107(3) (West 1990).

122. *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541, 544 (1964).

123. 17 U.S.C.A. § 107(4) (West 1990).

124. For a case holding that the parodist copied nearly all of the original work, see *Benny v. Lowe's, Inc.*, 239 F.2d 532 (9th Cir. 1956); see *infra* text accompanying notes 149-51.

V. CRITICISM OF THE APPELLATE COURT'S REASONING
IN *Cliffs Notes*

The court of appeals in *Cliffs Notes*¹²⁵ abrogated the trademark owner's right to avoid consumer confusion and trademark dilution.¹²⁶ The court only examined favorable factors to the parodist in the consumer confusion prong of the *Rogers* test,¹²⁷ and failed to establish the boundaries of the fair use doctrine under the free expression prong of the *Rogers* test.¹²⁸ As a result, the court granted to infringers a virtually unlimited freedom to parodize trademarks.¹²⁹

A. *The Appellate Court Only Selected Factors Most Favorable to the Parodists Under the Consumer Confusion Prong of the Rogers Test*

The appellate court in *Cliffs Notes* held that the district court erred as a matter of law in applying the *Polaroid* factors.¹³⁰ Yet the appellate court used similar factors to determine the consumer confusion prong of the *Rogers* test.¹³¹

In addition, the appellate court used only the *Polaroid* factors most favorable to Doubleday and omitted the factors which were harmful to Doubleday. The court looked at the degree of similarity between the two marks: it discussed the differences between *Spy Notes* and *Cliffs Notes*, stating that the cover of *Spy Notes* contained red, blue and white colors, which do not appear on the cover of *Cliffs Notes*; the *Spy Notes* cover showed a sculpture of New York City rather than a sculpture of a bare cliff; and the price quoted on the cover of *Spy Notes* was twice the price of *Cliffs Notes*.¹³² The court also looked at the likelihood that the prior owner will bridge the gap: it stated that the books *Spy Notes* summarized are contemporary and outside the mainstream, whereas *Cliffs Notes* summarized the traditional great classics, and had no intention to create summaries of the books *Spy Notes* summarized.¹³³ The court looked at the actual confusion of consumers: it stated that most consumers would realize that *Spy Notes* was a parody.¹³⁴ Finally, the court looked at the

125. 886 F.2d 490 (2d Cir. 1989).

126. See *supra* notes 75-89 and accompanying text.

127. 886 F.2d at 495-97.

128. *Id.* at 495.

129. *Id.* at 494.

130. *Id.* at 495.

131. *Id.* at 496. See *infra* notes 132-35 and accompanying text.

132. 886 F.2d at 496.

133. *Id.*

134. *Id.*

sophistication of the buyers: it stated that college students were the largest audiences for both *Cliffs Notes* and *Spy Magazine*, implying that consumers were sufficiently sophisticated to know that *Spy Notes* was a parody of *Cliff Notes* written by *Spy Magazine*.¹³⁵ The court discussed these factors, which can arguably favor the parodist,¹³⁶ but failed to address a crucial *Polaroid* factor, the strength of plaintiff's mark, which balances in favor of Cliffs.¹³⁷ The district court, discussing the strength of *Cliffs Notes* mark, found that Cliff's mark was highly distinctive, easily identifiable, and strong, especially since *Cliffs Notes* had been in circulation for over thirty years.¹³⁸

The appellate court thus fashioned a test very similar to *Polaroid's*, but excluded the factors which would harm parodists. The appellate court justified its interpretation of the *Polaroid* test by stating that in the context of parody, the *Polaroid* factors should be applied with proper weight given to first amendment considerations.¹³⁹ However, the court already gave proper weight to first amendment considerations in the free expression prong of the test.¹⁴⁰ The test to determine likelihood of consumer confusion is no longer a balancing test since all the factors now weigh in favor of parodists. Therefore, trademark owners will have much more difficulty proving consumer confusion.

B. The Appellate Court Allowed Parodies More Freedom Than Authorized by the Fair Use Doctrine

The appellate court stated that in the context of copyright infringement, parody was at least entitled "to conjure up the original and [could] do more."¹⁴¹ However, the appellate court's vague statement failed to establish the boundaries of what a parodist can copy under the conjure up test. The court should have applied a complete parody fair use analysis rather than borrow an isolated quote from a case¹⁴² to establish the

135. *Id.*

136. The court, in its discussion of *Polaroid* factor (2) "degree of similarity between the two marks," stressed the differences rather than the similarity of the two marks. However, this factor is intended to discover what the parodist has borrowed from the trademark owner, not to reveal the differences in the products. Thus, the court's analysis of this factor was incorrect; this factor should have favored Cliffs because *Spy Notes'* cover was very similar to *Cliffs Notes'*. *Id.* at 495-97.

137. 718 F. Supp. at 1165.

138. *Id.*

139. 886 F.2d at 495 n.3.

140. *Id.* at 495.

141. *Id.* at 495 (citing *Elsmere Music Inc. v. National Broadcasting Co.*, 623 F.2d 252, 253, n.1 (2d Cir. 1980).

142. The appellate court in *Cliffs Notes* stated that a parody is entitled 'at least' to conjure

boundaries of fair use under case law.

The following paragraphs analyze the facts of *Cliffs Notes* under a fair use defense as applied to parodies. In particular they examine section 107(3)¹⁴³ of the fair use doctrine, the amount and substantiality of the portion used, because the other factors are not as relevant to analyze parody cases.¹⁴⁴

1. Doubleday's Use of Cliff's Features Constitutes Near-Verbatim Copying

Doubleday copied Cliffs' prominent features, such as the yellow and black diagonal stripes, the format and type of the titles, and a picture of a clay model in the lower right corner.¹⁴⁵ Doubleday also featured its review of books in the same format as Cliffs'.¹⁴⁶ Doubleday's use of Cliffs' prominent features resembles the copying that took place in Jack Benny's version of *Gas Light* and Showcase Atlanta's parody of *Gone With The Wind*, in *Benny v. Lowe's, Inc.* ("Benny")¹⁴⁷ and *Metro-Goldwyn-Mayer, Inc. v. Showcase Atlanta Coop. Prod.* ("MGM"),¹⁴⁸ respectively.

In *Benny*, a Ninth Circuit case, the owner of a motion picture entitled *Gas Light* brought an action against comedian Jack Benny for copyright infringement after Columbia Broadcasting Systems ("CBS") wrote and produced a half-hour long show satirizing *Gas Light*, with Jack Benny in the leading role.¹⁴⁹ The district court found that the locale and period of the works were the same, that the main setting was the same, that the characters were generally the same, and that the story points were practically identical.¹⁵⁰ The appellate court held that the part copied was a substantial part of the plaintiff's work, and thus constituted infringement.¹⁵¹

Similarly, in *MGM*, Showcase Atlanta, a theater company, produced a play which was very similar to MGM's copyrighted film *Gone with the Wind*.¹⁵² The court held that Showcase Atlanta's play was not protected by the fair use doctrine because it incorporated more material

the original and can do more. 886 F.2d at 495 (quoting *Elsmere Music, Inc. v. National Broadcasting Co.*, 623 F.2d 252, 253 n.1 (2d Cir. 1980)).

143. 17 U.S.C.A. § 107(3) (West 1990).

144. See *supra* notes 118-24 and accompanying text.

145. 718 F. Supp. at 1161.

146. *Id.*

147. 239 F.2d 532 (9th Cir. 1956).

148. 479 F. Supp. 351 (N.D. Ga. 1979).

149. 239 F.2d at 533.

150. *Id.* at 535-36.

151. *Id.* at 537.

152. 479 F. Supp. at 354.

from *Gone with the Wind* than was allowed under the conjure up test: "[it] closely follow[ed] the general plot of the film, cop[ied] specific incidents and details extensively, and reproduc[ed] significant portions of the dialogue in a nearly identical manner."¹⁵³

Thus, Doubleday's use of Cliffs' prominent features resembles the near-verbatim copying that took place when Jack Benny and Showcase Atlanta borrowed the plots, specific incidents, and significant portions of dialogue in *Benny*¹⁵⁴ and *MGM*.¹⁵⁵

Doubleday's use of Cliff's prominent features was near-verbatim copying, and would not constitute fair use in copyright law. As a result, the appellate court should have permanently enjoined Doubleday from publishing its *Spy Notes*. Even if Doubleday's use of Cliffs' features did not constitute near-verbatim copying, Doubleday borrowed more features than necessary to conjure up *Cliffs Notes*.

2. Doubleday's Use of Cliffs' Features Borrowed More Than Necessary to Conjure Up *Cliffs Notes*

Doubleday's borrowing of Cliffs' features resembles Air Pirates' use of Disney's characters in *Walt Disney Productions v. Air Pirates*.¹⁵⁶ In *Walt Disney*, Disney brought an action against Air Pirates, a company which infringed Disney's copyrights by copying the graphic depictions of over seventeen characters¹⁵⁷ in an underground comic book.¹⁵⁸ The comic book centered around a gloomy "depiction of the Disney characters as active members of a free thinking, promiscuous, drug ingesting counterculture."¹⁵⁹ The characters were represented as insects and animals endowed with human qualities, but bore a marked similarity¹⁶⁰ to

153. *Id.* at 359.

154. 239 F.2d at 535-36.

155. 479 F. Supp. at 359.

156. 581 F.2d 751 (9th Cir. 1978).

157. *Id.* at 753. The characters included such favorites as Mickey and Minnie Mouse, Donald Duck, the Big Bad Wolf, the Three Little Pigs, and Goofy. *Id.* at 753 n.5.

158. *Id.* at 752-53.

159. *Id.* at 753. Air Pirate's depiction of the Disney characters was clearly antithetical to Disney's image which sought to foster "an image of innocent delightfulness." *Id.* at 753 (quoting Note, *Parody, Copyrights and the First Amendment*, 10 U.S.F. L. REV. 564, 571, 582 (1976)).

160. "Marked similarity" is a term of art used in copyright law that means any kind of similarity that would lead a person to conclude that a person may have copied. This type of similarity does not seek to distinguish aspects of copying that are protected under the copyright law; it is a broad test to determine whether any copying, protected or not, has taken place. Lecture from Lionel Sobel to Copyright Law Class at Loyola Law School (Oct. 18, 1990) (discussing infringement of copyrights).

the Disney characters.¹⁶¹ The court held that Air Pirates borrowed more of Disney's characters than they were allowed to conjure up the original characters, because its characters were very similar to Disney's characters, and the names given to its characters were the same names used by Disney characters.¹⁶² The court also stated that given the widespread public recognition of the major characters involved, very little borrowing would have been necessary to place Disney characters and their image in the minds of the readers.¹⁶³ In addition, the court stated that when copying took place in a comic book, a recognizable caricature was not difficult to draw, so that defendant could have copied much less of the original characters to produce the parody.¹⁶⁴

Spy Notes features bear a marked similarity to *Cliffs Notes* features, just as Air Pirate's characters bore a marked similarity to Disney's characters. Since *Cliffs Notes* features have a wide public recognition, just as Disney's characters, Doubleday had no need to borrow as many features as it did to conjure up *Cliffs Notes*. Thus, Doubleday's extensive use of Cliff's features did not constitute fair use because it borrowed more features than necessary to conjure up *Cliffs Notes*.

Doubleday's use of Cliffs' features is also analogous to "Garbage Pail Kid's" use of "Cabbage Patch Kid's" features in *Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.*¹⁶⁵

In *Original Appalachian*, a manufacturer of chewing gum and baseball cards derisively depicted Original Appalachian Artworks' Cabbage Patch Kids dolls by producing Garbage Pail Kids stickers, which feature characteristics similar to those of plaintiff's dolls in "rude, violent, and frequently noxious settings."¹⁶⁶ The court held that Topps' copying did not constitute fair use, because the artist who designed a majority of the Garbage Pail stickers was instructed by the director of Topps to purposefully copy "substantial amounts of Cabbage Patch Kids' features."¹⁶⁷ The court held that such close copying was impermissible to constitute fair use.¹⁶⁸

Doubleday's borrowing of *Cliffs Notes*' features is similar to Original Appalachian's borrowing of Cabbage Patch Kids' features, because the designer of *Spy Notes*' cover purposefully copied substantial amounts of

161. *Air Pirates*, 581 F.2d at 753.

162. *Id.*

163. *Id.* at 758.

164. *Id.*

165. 642 F. Supp. 1031 (N.D. Ga. 1986).

166. *Id.* at 1032.

167. *Id.* at 1033.

168. *Id.* at 1036.

Cliffs Notes' cover,¹⁶⁹ just as the artist who designed the Garbage Pail Kids' stickers purposefully copied Cabbage Patch Kids' features. Thus, such close copying of Cliffs' similar features conjured up more than necessary to recall *Cliffs Notes*' cover, just as Garbage Pail Kids' features conjured up more than necessary to recall the Cabbage Patch Kids dolls.

Moreover, the facts of *Cliffs Notes* are analogous to the cases discussed previously,¹⁷⁰ which held that parodists' use constituted near-verbatim copying, and the parodists conjured up more than necessary to recall the original work. As a result, Doubleday's use of Cliffs' prominent features did not constitute fair use. Therefore, Doubleday should have been enjoined from distributing its *Spy Notes*.

3. The Facts of *Cliffs Notes* Are Distinguishable From Cases That Have Held Parodists' Borrowing Constituted Fair Use

Doubleday's use of *Cliffs Notes*' features is distinguishable from *Mad Magazine*'s use of Irving Berlin's songs in *Berlin v. E.C. Publications, Inc.*¹⁷¹ In *Berlin*, Irving Berlin sued *Mad Magazine* alleging that *Mad Magazine*'s publication of satiric parody lyrics to his songs infringed the copyrighted originals.¹⁷² However, *Mad Magazine* did not reproduce the music of plaintiff's compositions,¹⁷³ it had only used the titles, the meter, and an occasional phrase from Berlin's original lyrics.¹⁷⁴ The court held that defendant's lyrics did not substantially borrow from plaintiff's copyright, and defendant's occasional use of plaintiff's lyrics were necessary to "recall or conjure up" the originals.¹⁷⁵

Doubleday used more features from *Cliffs Notes* than *Mad Magazine* borrowed in *Berlin* because *Mad Magazine* merely printed lyrics in the same measures as the plaintiff's songs and borrowed an occasional lyric from the original song, where Doubleday, on the other hand, copied most of *Cliffs Notes*' prominent features.

Similarly, Doubleday's use of *Cliffs Notes*' features is distinguishable

169. 886 F.2d at 492. The court stated that "[a]ppellant readily admitted that it copied the prominent features of *Cliffs Notes* in order to make *Spy Notes* an effective parody."

170. See *supra* notes 141-69 and accompanying text.

171. 329 F.2d 541 (2d Cir.), cert. denied, 379 U.S. 822 (1964).

172. Under copyright law, a plaintiff has a cause of action for copyright infringement when a defendant creates a derivative work of plaintiff's original work without the copyright owner's license; see M. LEAFFER, UNDERSTANDING COPYRIGHT LAW § 8.5, at 209 (1989). In this case, Berlin alleged that *Mad Magazine*'s printed lyrics represented an unauthorized derivative work of his original lyrics. 329 F.2d at 543.

173. 329 F.2d at 542.

174. *Id.* at 543.

175. *Id.* at 545.

from "Saturday Night Live's"¹⁷⁶ borrowing of eighteen seconds of the "I Love New York" theme in *Elsmere Music, Inc. v. National Broadcasting Co.*¹⁷⁷

In *Elsmere Music*, the court held that "Saturday Night Live's" version of plaintiff's song "I Love New York" entitled "I Love Sodom" did not appropriate more of the plaintiff's work than necessary to conjure up the original.¹⁷⁸ The court reasoned that the defendant's repetition of "I Love Sodom," sung *a cappella* and lasting for only eighteen seconds, was not a substantial taking to preclude its use from being a fair one.¹⁷⁹

Doubleday's borrowing of most of Cliffs' prominent features constitutes more borrowing than "Saturday Night Live's" borrowing of eighteen seconds of "I Love New York," and would not constitute fair use. Thus, Doubleday's borrowing of Cliffs' prominent features represents substantially more borrowing than the previous cases discussed which have held that the parodists borrowed sufficiently to conjure up the originals.¹⁸⁰ Doubleday's use of *Cliffs Notes*' features would not constitute fair use under copyright law. Thus, the *Cliffs Notes* court, which implicitly used the fair use doctrine, should not have protected Doubleday's parody because the parody does not constitute fair use under copyright law.

VI. CONCLUSION

The appellate court in *Cliffs Notes* erred in its application of the *Rogers* test for trademark infringement. Under the consumer confusion prong, the court used only the most favorable factors to parodists, and under the free expression prong, the court analogized to the copyright law fair use doctrine, paying cursory attention to fair use precedent. As a result, the appellate court's decision to allow Doubleday to publish its *Spy Notes* with a cover similar to Cliffs' has given parodists unbridled freedom to copy trademarks. This removal of trademark protection is deplorable because trademarks are valuable instruments to businesses who use them to distinguish their goods from others and act as a marketing device to create consumer loyalty.¹⁸¹

176. "Saturday Night Live" is a television show in which comedians perform live skits satirizing recent events and celebrities.

177. 482 F. Supp. 741 (S.D.N.Y. 1980), *aff'd*, 623 F.2d 252 (2d Cir. 1980).

178. The Saturday Night Live staff allegedly violated plaintiff's copyright by creating an unauthorized derivative work, and Saturday Night Live asserted that its use of plaintiff's copyright constituted fair use. 623 F.2d at 253.

179. 482 F. Supp. at 747.

180. See *supra* notes 171-79 and accompanying text.

181. M. LEAFFER, UNDERSTANDING COPYRIGHT LAW § 1.10[A], at 18 (1989).

In addition, decisions like *Cliffs Notes* which utilize certain aspects of copyright law's fair use analysis should apply a complete, rather than an ad hoc limited analysis. Otherwise, courts will improperly analyze the fair use doctrine, and arrive at results counter to those the fair use doctrine seeks to achieve.

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