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The consumer/arts/civil liberties coalition has argued that Congress should preserve the current protections for fair use and noncommercial use in section 43 of the Lanham Act both for reasons of principle and for intensely practical reasons.¹ The defenses are needed to afford space for constitutionally protected expression, because trademarks play an important role in our culture, and individuals and artists often invoke them as a reference point when commenting a trademark holder or while making broader social points, and because constitutional protection for speech that includes trademarks is at its apogee when the speech is noncommercial. The need for statutory defenses is also practical, because trademark cases are notoriously expensive, and individuals and artists cannot afford to defend themselves against trademark claims, and they know they cannot. Given this expense, the mere threat of litigation is often enough to force them to abandon their free speech.

Fair use and noncommercial are defenses that give such persons an inexpensive way out of such litigation, instead of having to litigate the new proposed multifactor test for “likelihood of dilution,” or the longstanding eight or ten factor tests for “likelihood of confusion.” We have argued that the introductory language in the current section 43(c)(4), applying them to “this section,” is needed for that reason as well.

Although INTA insists on retaining the language in H.R. 683 that would eliminate the current language extending all of the defenses in section 43(c)(4) to “this section,” its memorandum provides a useful starting point for discussion because it makes clear that INTA and the civil liberties/arts/consumer coalition, have several points of apparent agreement. This memorandum starts with those points of agreement.

POINTS OF AGREEMENT ABOUT FAIR USE IN TRADEMARK LAW

First: At least implicit in INTA’s memo is the recognition that it is important to preserve fair use as a countervailing value barring some infringement claims under section 43(a), as a defense that can be asserted even when likelihood of confusion can otherwise be shown. INTA’s memo says nothing about the other major defense, the defense of non-commercial use, but I would hope that INTA also acknowledges that trademark law is basically about the sale and advertising of goods and

¹I attach a letter sent by seven organizations to the Senate Judiciary Committee in February. Several other organizations, including Volunteer Lawyers for the Arts, American Society of Media Photographers, Authors Guild and Advertising Photographers of America, issued similar statements.

services and not the use of words as identifiers in the purely noncommercial context. The disagreement between us is how to ensure that such defenses are preserved.

Second, INTA begins its memorandum with an implicit acknowledgment that the current language **does** extend the 43(c)(4) exclusions to section 43(a). This is implicit in the admission that the current language, ascribing the defense to “this section” instead of this subsection, was a “drafting error.” Although INTA later cavils about what cases the “ACLU” cited in its letter to the Senate Judiciary Committee, INTA’s concession is plainly correct. The meaning of the terms “section” and “subsection” is well-established,² and the current statute consistently uses the term subsection to describe §§ 43(a) and (43(c), while using “section” to describe all of § 43.³ Moreover, the courts that have addressed the meaning of “this section” have held that it applies the defenses of section 43(c)(4) to section 43(a) claims.⁴

² House Legislative Counsel's Manual on Drafting Style, HLC No. 104-1, p. 24 (1995), and Senate Office of the Legislative Counsel, Legislative Drafting Manual 10 (1997) *cited as authoritative in Koons Buick v. Nigh*, 125 S. Ct 460, 267 (2004).

³ For example, other paragraphs of subsection (c) refer specifically to actions brought “under this subsection.” §§43(c)(1) (“to obtain such other relief as is provided in this subsection”); 43(c)(2) (“In an action brought under this subsection”). Similarly, in describing the in rem cause of action against domain names whose owners cannot be sued in the United States, the ACPA allows claims to be brought over marks that are “registered . . . , or protected under subsection (a) and (c) of this section”).

⁴The issue was expressly decided with respect to the “non-commercial use defense” in *Planned Parenthood v. Bucci*, 1997 WL 133313 (S.D.N.Y.) at *7, *aff’d mem.*, 152 F.3d 920 (2d Cir. 1998), *cited with approval*, *OBH v. Spotlight Magazine*, 86 F.Supp.2d 176, 196-197 (W.D.N.Y. 2000). Several other decisions have observed that the non-commercial use exception extends to section 43(a) without expressly addressing the “this section” language that was addressed in the briefs. *TMI v. Maxwell*, 368 F.3d 433, 436-438 and n.2 (5th Cir. 2004); *Ficker v. Tuohy*, 305 F.Supp.2d 569, 572 (D. Md. 2004) (ACPA and Section 43); *Northland Ins. Cos. v. Blaylock*, 115 F. Supp.2d 1108 (D. Minn. 2000).

INTA faults the “ACLU” for not citing any cases to show how the language “this section” has been construed (it ignores the coalition letter from the American Library Association and several other groups, concluding Public Citizen, which did cite several cases, just as we did when asked for a list of cases). INTA also cites *Bosley Medical Institute v. Kremer*, 403 F.3d 672 (9th Cir. 2005) as supposedly showing that “this section” does not apply to § 43(a). However, the case says nothing about the application of that language to section 43(a); it holds only that non-commercial is not a complete defense to ACPA claims under section 43(d) because § 43(d)(1)(B)(IV) makes non-commercial use one of nine non-exclusive factors for deciding whether there was a “bad faith intent to profit.” Thus, there is a reasonable statutory construction argument that is specific to § 43(d), but that has no application to § 43(a).

Third: INTA posits that the defense of fair use extends back to the common law era, before the enactment of the Lanham Act, and we agree with that observation. Before the enactment of the Lanham Act in 1946, there was at the same time a common law defense of fair use, which the courts routinely applied. Where we disagree is over the proposition that the common law defense of fair use can be invoked to bar the application of the statutory property rights created by the Lanham Act.

THE MISTAKES AND OMISSIONS IN INTA’S MEMORANDUM

INTA claims that its cases show that the courts have continued to apply a common law fair use defense, supposedly supporting its promise that the elimination of the current fair use defense that applies to section 43(a) claims would simply leave that common law defense in place. In fact, as shown below, the cases that INTA cites do not support the proposition that section 43(a) is subject to a common law fair use defense.

But equally telling are the omissions in INTA’s memorandum.

First, and perhaps most important, INTA does not explain **WHY** it is so insistent on correcting the “drafting error” in current law. If fair use (and noncommercial use) are protected anyway, why is it so important to eliminate the “this section” language? How has the current language harmed any legitimate interests? In its testimony, INTA provided elaborate explanations about how current case law, on such issues as “actual dilution” rather than “likely dilution,” was harming the legitimate interests of trademark owners. One might agree or disagree with those explanations, but at least it was apparent why a change was needed. INTA does not explain why it needs to eliminate the “this section” language, and the absence is telling – the language has caused no harm. And the absence of any harm, of any reason for changing, ought to be the end of the matter – why take the risks that changes will lead courts to conclude that Congress does not want the defenses of noncommercial and fair use to apply to section 43(a) claims, if keeping the current language causes no harm?

Second, INTA ignores the likely inference about Congress’ intent that courts will draw from the elimination of the “this section” language. One of the most compelling indicators of Congressional intent is the changes that Congress makes in statutory language. If Congress amends section 43(c)(4) by eliminating the language providing that the exclusions extend generally to “this section,” while at the same time adding language providing that they apply to “this subsection,” the natural inference would be that Congress does not want “fair use” and “commercial use” to be defenses to claims under any of the other subsections of section 43. Any sensible lawyer for a trademark owner confronted with a defense of noncommercial or fair use after HR 683 was passed, if the current language remains, would argue that Congress deliberately eliminated those defenses.

INTA remarks that there are other defenses not enumerated in the Lanham Act, such as the statutes of limitations and laches, that are commonly applied to Lanham Act claims, but that is only because the Supreme Court has presumed that Congress passes all statutes with such defenses in mind. *Occidental Life Ins. Co. of California v. E.E.O.C.* 432 U.S. 355, 367 (1977). But it is hard to understand how the common law could erect a statute-specific substantive defense to a statutory

right that Congress has chosen to accord to owners of intellectual property. And particularly when Congress deliberately removes statutory language applying the defense of fair use to “this section,” the argument that Congress must have legislated with the intent to preserve the common law defense of “fair use” will be especially hard to make.

INTA’S CASES DO NOT SHOW THE CURRENT VITALITY OF THE COMMON LAW FAIR USE DEFENSE

We agree with INTA’s citation to the pre-Lanham Act cases law. When trademark law was a common law cause of action, the defenses to the cause of action were also founded on the common law. But INTA’s post-1946 citations are consistently wrong. They do not show that common law fair use is a defense to statutory infringement claims. It shows rather that a handful of courts have invoked section 33(b)(4) without noting the limiting language of that statute. Thus, INTA needs to explain how fair use will be protected when “this section” has been removed and those courts notice the actual language of the statute.

First, INTA cites *KP Permanent Make-Up, Inc. v. Lasting Impression I*, 125 S. Ct. 542 (U.S. 2004) as “confirm[ing] the existence of a common law fair use defense. But that is not quite accurate. The Supreme Court described, **in the past tense**, the position taken by the common law with respect to fair use (the sentence of the decision that INTA quotes), and then, in the very next sentence which INTA does not mention, goes on to explain in the present tense what the Lanham Act does: “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 this case tells us anything about the common law defense, it tells us that there used to be a common law defense, but now the defense (for registered marks) is provided by the statutory fair use provision.

INTA then cites numerous cases from the 1950’s to very recently which, show that “common law defenses to an infringement claim [under section 43 remain] available.” One of its cases did not even involve claims under section 43(a) of the Lanham Act, but common law claims;⁵ and others do not involve fair use defenses at all.⁶ One case mentions fair use without making clear what the source of the fair use defense was.⁷ But the great bulk of the cases expressly rely, not on the common law, but on the language of section 33(b)(4) of the Lanham Act to define the fair use

⁵ *Creamette v. Goltsman*, 191 F.2d 108, 111-112 (5th Cir. 1951)

⁶ *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir.1968) (fair use not mentioned; case holds that purpose of trademark law is to protect against misidentification of source). In *ETW Corp. v. Jireh Pub.*, 332 F.3d 915, 925-928, 936-937, the court found fair use pursuant to section 33(b)(4) was a defense to the section 32 infringement claim, but did not apply a fair use defense to the section 43 claim; instead, it applied enhanced test for likelihood of confusion in light of First Amendment concerns);

⁷ *Universal City Studios v. Ideal Pub. Corp.*, 195 U.S.P.Q.2d 761, 762 (S.D.N.Y. 1977).

defense.⁸ Many of them apply section 33(b)(4) to find fair use only after finding a lack of confusion or even lack of secondary meaning.⁹ The assumption that section 33(b)(4) would apply to section 43 claims arose in an era when courts paid more attention to their assumptions about what Congress must have meant, correcting any “errors” reflected in the statutes themselves to conform to good sense, than to the actual words of the statutes that Congress enacted.¹⁰ For good or ill, contemporary courts are more inclined to follow the words and to leave it to Congress to correct its own drafting errors.

It is clear, then, that if there is any fair use defense on which individual speakers will be able to fall back if the section 43(c)(3) exclusions will not apply to section 43(a), it is not the common law but section 33(b)(4). But what happens when courts notice the actual language of section 33(b), under which fair use is a defense to section 32 infringement claims only? Individuals will not be able to argue that this was merely a drafting error that should be disregarded, because section 33(b), like section 32, was enacted as part of the original Lanham Act.

Moreover, the Trademark Dilution Revision Act is being put forward, in substantial part, because of the modern tendency to read statutes literally rather than construing them consonant to an understanding of Congress’ presumed purposes, leaving Congress to correct the problems created by its bad language choices. The Supreme Court in particular has been averse to trying to divine Congressional intentions that are at odds with the literal language of the statute. *E.g.*, *Moseley v. V Secret Catalogue*, 537 U.S. 418 (2003).

⁸*EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos*, 228 F.3d 56, 64 (2d Cir. 2000) *Sugar Busters LLC v. Brennan*, 177 F.3d 258, 271 (5th Cir. 1999); *Zatarains, Inc. v. Oak Grove Smokehouse*, 698 F.2d 786, 796 n.9 (5th Cir.1983); *Soweco v. Shell*, 617 F.2d 1178, 1190 (5th Cir. 1980); *Bihari v. Gorss*, 119 F Supp.2d 309, 322 (S.D.N.Y. 2000).

⁹ *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d 42, 46 (1st Cir.1991); *Wonder Labs, Inc. v. Procter & Gamble Co.*, 728 F. Supp. 1058, 1064 n.6 (S.D.N.Y. 1990) (section 33(b)4 “applies statutorily” to claims under section 32 but also applies to section 43(a) claims); *Western Publ'g Co. v. Rose Art Indus.*, 733 F. Supp. 698, 701 (S.D.N.Y. 1990); *Bus. Trends Analysts v. Freedomia Group*, 700 F. Supp. 1213, 1233-34 n.5 (S.D.N.Y. 1988), *rev'd in part on other grounds*, 887 F.2d 399 (2d Cir. 1989); *Eli Lilly & Co. v. Revlon, Inc.*, 577 F. Supp. 477, 486 (S.D.N.Y. 1983); *Eirinberg v. CBS Inc.*, 521 F. Supp. 450, 457 (N.D. Ill. 1981); *Robert B. Vance & Assocs. v. Baronet Corp.*, 487 F. Supp. 790, 796, 797 (N.D. Ga. 1979) (court cites section 33(b)(4) in finding fair use defense to section 32 claim, then says that defense “also precludes a recovery” under section 43(a) apart from lack of secondary meaning). The only section 43(a) case cited by INTA in which court found fair use without mentioning section 33(b)(4) was *New Kids on the Block v. New America Pub.*, 971 F.2d 302 (9th Cir.1992), but even there the court did not rely on the common law as a source of authority; it just stated that fair use applied.

¹⁰For example, in *Soweco v Shell*, *supra*, 617 F.2d at 1190, the Court’s only reason for extending the fair use defense of section 33(b)(4) to section 43(a) claims was that it “would make no sense” to do otherwise.

CONCLUSION

Even if the "this section" language was an accident in 1996, it was a happy accident, because non-commercial use and fair use gives consumers an easier way out of trademark litigation than the application of multi-factor tests for "likely confusion" or "fair use" would provide. And, happy accident or not, it has been the law for the past ten years. INTA's assumption that adequate protection might be afforded by the "likelihood of confusion" element of a trademark infringement claim is wrong because that element is decided by considering multiple factors that are expensive to litigate.¹¹ It is the proponents of change who ought to have the burden of explaining why the old language is causing problems, and the case has simply not been made that "this section" causes problems under the current statute.

H.R. 683 is a response to the conclusion that the current language of section 43(c) has posed substantial obstacles to the proper enforcement of the nation's anti-dilution laws. However, there is nothing "broken" about the "this section" language in the introductory part of section 43(c)(4), and hence there is nothing that needs to be fixed.

Because INTA recognizes the need for the protections that we want to keep, and the disagreement between us about the best way to preserve those protections, we would like to try to find some common ground. If our understanding of INTA's goals are correct, that is a discussion in which we would be delighted to engage, even though INTA representatives have simply failed to respond to requests for discussion. Our interest is not in preserving a set of statutory words. It is the substance that worries us. And INTA's proposal does not ensure protection for fair and noncommercial use.

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¹¹Indeed, in fair use situations, many of the likelihood of confusion "factors" at least nominally favor confusion, because the marks are the same, there is intent to use the same mark, the "marketing channels" may be similar, and the mark may well be a strong one. In courts that apply the confusion factors woodenly and then just count them up, as often happens in our experience, a clear fair use or noncommercial use defense is the only way for the individual or artist to avoid liability.