

Reconsidering Parodies in the Eighth Circuit

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ABSTRACT: This Note examines the Eighth Circuit’s trademark jurisprudence on parodies. For decades, legal scholars have been unable to reconcile conflicting interests between trademark and constitutional law. While trademark owners have an interest in protecting their marks from unauthorized third-party uses, the parodist also has an interest in his choice of speech and expression. Circuits have wrestled with this conflict differently, but the Eighth Circuit Court of Appeals has been particularly hostile to parodies, and, unlike the other circuits, has rarely agreed with a parodist’s First Amendment arguments. In effect, the Eighth Circuit’s divergent approach to trademark parodies increases judicial inconsistency and lowers judicial efficiency. Moreover, the Eighth Circuit’s anti-parodist attitude poses a severe threat to free expression and commerce. To resolve these problems, this Note proposes that the Eighth Circuit reforms its current approach to better account for a parodist’s right to free speech.

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I. INTRODUCTION

Modern critics often use parodies to convey messages.¹ By definition, a parody is simply “an imitation, [or] a unique take, of an original work for the purpose of comedy.”² But depending on its context, a parody may have different legal meanings.³ For instance, in trademark law, a successful parody

1. See, e.g., *Comedian Hari Kondabolu Finds Humor and Substance in Talking About Race*, PBS NEWSHOUR (July 30, 2014, 6:45 PM), <http://www.pbs.org/newshour/bb/comedian-hari-kondabolu-finds-humor-substance-talking-race> (discussing the experiences of “an increasingly successful comedian who talks about race and ethnicity”); Justin Korda, *Satire Can Be a Powerful Message For Nonprofits*, CHRON. PHILANTHROPY (Jan. 8, 2015), <https://philanthropy.com/article/Satire-Can-Be-a-Powerful/152001> (finding “that comedy can be a powerful tool in conveying a message, be it social, environmental, political or otherwise”); Lori E. Switaj, *Humor Used to Convey Cyberbullying Message to Students, Parents*, PATCH (Feb. 4, 2013, 5:19 PM), <http://patch.com/ohio/avon-oh/humor-used-to-convey-cyberbullying-message-to-students-parents> (describing how schools inform students about “the effects of cyberbullying through a popular educational theatre speaker”). For more illustrative, concrete examples of modern trademark parodies, see Appendix A.

2. As noted by social critic Dwight MacDonald, a “[p]arody [involves] making a new wine that tastes like the old but has a slightly lethal effect.” Law Offices of R. Sebastian Gibson, *Satire and Parody, Publishing Law in California and England*, HG.ORG, <http://www.hg.org/article.asp?id=34155> (last visited Sept. 13, 2016).

3. See *id.* (noting how parodies “provide commentary in a way that is meant to be humorous but, depending on one’s viewpoint, the protected opinions contained therein may contain grains of truth in the writer’s depiction as well”).

must imitate a substantial portion of the original mark to complete two tasks simultaneously: (1) create audience recognition and (2) inform the audience that the work is only an imitation.⁴ From a First Amendment standpoint, however, a parody is simply a creative form of expression that—at least in theory—is protected by the parodist’s right to free speech.⁵

Due to these different legal meanings, an inherent dilemma is present in the modern trademark parody. Because an effective parody copies the trademark’s most distinctive elements,⁶ it is also likely—and, perhaps, inevitable—that it will cause mark owners to suffer reputational and financial losses.⁷ After facing these losses, mark owners would undoubtedly sue the parodist for trademark infringement, trademark dilution, or even both.⁸ In response to these accusations, a parodist can raise parody as a defense and argue that his work is protected under the First Amendment’s free speech clause. These competing interests between the mark owner and the parodist, along with the lack of a uniform legal standard to test for infringement, form the modern dilemma inherent in the trademark parody.⁹

The Eighth Circuit’s decisions demonstrate how this dilemma hinders a parodist’s First Amendment arguments during litigation. Although the parodist is allowed to raise parody as a defense, the Eighth Circuit has particularly been reluctant to grant these claims because of its strict test for trademark infringement.¹⁰ While other circuits apply more flexible models to determine whether this defense applies,¹¹ the Eighth Circuit has adhered strictly to the “confusion, then balancing” test. Under this test, courts must

4. See *infra* notes 51–52 and accompanying text.

5. Parodies often arise in multiple contexts. For illustrative purposes, some areas that are affected by modern parodies include: (1) sports; (2) cookbooks; and (3) politics. See Michael Wayne Bratton, *WATCH: Georgia Fans Mocked in Parody Video*, FOX SPORTS (Oct. 7, 2015, 4:01 PM), <http://www.foxsports.com/college-football/story/georgia-bulldogs-fans-mocked-parody-video-100715>; *Obama Sings MC Hammer’s ‘U Didn’t Build That’ (VIDEO)*, HUFFINGTON POST (Sept. 17, 2012, 10:53 AM), http://www.huffingtonpost.com/2012/09/17/obama-sings-mc-hammer-u-didnt-build-that-video_n_1890072.html; Rachel Tepper, *‘50 Shades Of Chicken’ Parodies Erotic Novel ‘50 Shades Of Grey’*, HUFFINGTON POST (Sept. 19, 2012, 4:57 PM), http://www.huffingtonpost.com/2012/09/19/50-shades-of-chicken_n_1898162.html.

6. For more illustrative, concrete examples of trademark parodies, see *infra* Appendix A.

7. See *supra* notes 2–3 and accompanying text. Although parodies may confuse an audience, this Note argues that the primary intent of a true parodist is to use the parody to communicate a message rather than engage in unfair competition with the original mark owner. Because a parodist often does not intend to engage in unfair competition, the Eighth Circuit should reform its test to better account for a parodist’s First Amendment rights. See *infra* Part IV.

8. This Note also recognizes that sometimes trademark owners may sue parodists even though they have suffered little to no direct losses. For the purposes of this analysis, however, it is assumed that mark owners who file for infringement have an interest in the value of their marks because they have suffered some form of loss as a result of the parody.

9. See *infra* Part II.B.

10. See *infra* Part II.B.2.

11. See *infra* Part II.B.1.

first determine whether a parody infringes a mark before it can consider the parodist's free speech rights under the First Amendment.¹² In doing so, the Eighth Circuit overlooks several problems with this approach that makes courts more likely to find for the mark owner on a fairly consistent basis.¹³ This result is problematic because courts are more than likely to undermine the parodist's First Amendment arguments and thereby inadvertently limit the parodist's right to free speech.¹⁴

In recognition of this long-standing problem, this Note argues that the Eighth Circuit should revise the current legal test that it uses to determine whether parody can be raised successfully as a defense in an action for infringement. To begin, Part II introduces how parodies evolved in American trademark and constitutional law and how these conflicting values led to the modern dilemma inherent in the trademark parody.¹⁵ Part III identifies three major problems with the Eighth Circuit's test for trademark parodies. As parodies become more popular, the Eighth Circuit's test can no longer adequately account for a parodist's free speech interests.¹⁶ Some problems resulting from this test include: the effects of anchoring bias, judicial inconsistency and inefficiency, and adverse commercial effects.¹⁷ Finally, Part IV proposes various ways for the Eighth Circuit to revise its test to better account for a parodist's right to free speech.¹⁸

II. THE DEVELOPMENT OF PARODIES IN THE U.S. LEGAL SYSTEM

This Part examines the historical tension between the different values in trademark and constitutional law with respect to parodies. In Part II.A, this Note discusses the development of parodies in both trademark and First Amendment law during the 20th century.¹⁹ Next, Part II.B examines how courts reconcile these interests differently and provides additional insight regarding the contemporary debate over whether modern trademark parodies should be afforded First Amendment protections.²⁰

A. THE ROLE OF TRADEMARK PARODIES DURING THE 20TH CENTURY

During the 20th century, parodies evolved in two distinctive directions in trademark and constitutional law. At its base, a parody is most generally defined as "[a]n imitation of the style of a particular writer, artist, or genre

12. See *infra* Part II.B.2.

13. See *infra* Part III.

14. See *infra* Part III.

15. See *infra* Part II.

16. See *infra* Part II.

17. See *infra* Part III.A.

18. See *infra* Part IV.

19. See *infra* Part II.A.

20. See *infra* Part II.B.

with deliberate exaggeration for comic effect.”²¹ Depending on its context, however, legal scholars argue that audiences interpret parodies differently.²² For instance, one particular audience may find a parody to be comical and humorous, while another audience may feel that the same parody is shocking or offensive.²³ For more illustrative, concrete examples of parodies, see Appendix A.²⁴

Fundamentally, all parodies must contain “some recognizable features of its object while altering other features so as to ridicule the object and achieve a humorous or provocative effect.”²⁵ Hence, “[t]he parodist’s desire to ridicule a trademark often conflicts with the trademark owner’s interest in maintaining a positive public image for it.”²⁶ These conflicting values set the stage for the modern dilemma inherent in the trademark parody.²⁷ Whether a parody infringes on a trademark involves two separate legal analytical structures: trademark and constitutional law. This Part examines a parody’s role and development in these areas separately.

1. The Parody Defense in Trademark Law

Historically, trademark law emerged from lawsuits involving unfair competition.²⁸ Because “[t]he early development of trademark law in America was . . . based firmly on notions of morality,”²⁹ courts tended to treat

21. Parody, OXFORD DICTIONARIES, http://www.oxforddictionaries.com/us/definition/american_english/parody (last visited Sept. 13, 2016).

22. Frank Mead, Note, *Cocaine, Coffee Mugs, Sex, and Bug Killing Floor Wax: Welcome to the Realm of Parody and the Likelihood of Confusion*, 21 T. JEFFERSON L. REV. 305, 307–08 (1999); see also THE OXFORD BOOK OF PARODIES xi (John Gross ed. 2010) (observing that “[p]arodies come in many shapes and sizes, and many different degrees of subtlety or its reverse”).

23. Mead, *supra* note 22, at 308 (“A single, well-crafted parody evokes laughter, critical thought, shock, insult, and outrage.”).

24. See *infra* Appendix A.

25. Keren Levy, Note, *Trademark Parody: A Conflict Between Constitutional and Intellectual Property Interests*, 69 GEO. WASH. L. REV. 425, 425 (2001) (footnote omitted).

26. Robert J. Shaughnessy, Note, *Trademark Parody: A Fair Use and First Amendment Analysis*, 72 VA. L. REV. 1079, 1080 (1986) (footnote omitted).

27. This Note will particularly examine this dilemma in the context of the Eighth Circuit Court of Appeals. In the remainder of Part II, this Note will provide a general discussion of the historical development of these conflicting values with respect to parodies.

28. Deborah J. Kemp et al., *Parody in Trademark Law: Dumb Starbucks Makes Trademark Law Look Dumb*, 14 J. MARSHALL REV. INTELL. PROP. L. 143, 149 (2015) (“Trademarks are a different type of IP in that the law protects the trademark in order to protect the association, that is, customer goodwill, between the product and the mark.”).

29. Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305, 315 (1979) (“The reluctance of courts to recognize a property right in trademarks stemmed from the feeling that to do so would give a monopoly in language to a private individual, thus depriving competitors of the use of the word.”); see Ethan Horwitz & Benjamin Levi, *Fifty Years of the Lanham Act: A Retrospective of Section 43(a)*, 7 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 59, 62–63 (1996) (discussing various shortcomings in trademark law before the passage of the Lanham Act).

trademarks differently from other forms of intellectual property, such as patents and copyrights.³⁰ Even in the early 20th century, trademark owners received little intellectual property protection because monopolistic concerns prevented courts from recognizing that these owners even had property rights.³¹

In 1946, Congress passed the Lanham Act to establish a more effective system to regulate trademarks and protect mark owners.³² Under the statute, mark owners can protect trademarks from certain unauthorized third-party uses, such as infringement and dilution.³³ Infringement is when an unauthorized party copies, reproduces, or imitates a registered mark for a commercial purpose that is likely to cause confusion between the two marks.³⁴ To find infringement, courts use a multi-factor balancing test that is commonly known as the “likelihood of confusion” analysis.³⁵

Because the Lanham Act does not explicitly define how courts should conduct the “likelihood of confusion” analysis, this test is “easily manipulated by the courts to fit the equities of each particular case.”³⁶ As a result, circuits use different models of the test to analyze infringement.³⁷ In the Eighth Circuit, courts weigh six particular factors: “(1) strength of the trademark; (2) the similarity between the plaintiff’s and defendant’s marks; (3) the competitive proximity of the parties’ products; (4) the alleged infringer’s intent to confuse the public; (5) evidence of any actual confusion; and (6) the degree of care reasonably expected of the plaintiff’s potential customers.”³⁸ These factors are commonly referred to as the *SquirtCo* factors.³⁹

In addition to infringement, dilution is another cause of action for the improper use of trademarks. The Lanham Act defines two forms of dilution: “dilution by blurring” and “dilution by tarnishing.”⁴⁰ Dilution by blurring is

30. See Kemp, *supra* note 28, at 151–61.

31. Horwitz & Levi, *supra* note 29, at 62 (observing how “[t]he pre-Lanham Act statutes presented several problems for trademark holders, for those seeking to prevent unfair business practices, and for practitioners”).

32. *Id.* at 63 (discussing how “Congress intended to [use the Lanham Act] to eliminate a showing of willfulness or intent to deceive as a prerequisite for winning a trademark protection action”).

33. 15 U.S.C. §§ 1114(1)(a), 1125(c)(1) (2012).

34. See 15 U.S.C. § 1114(1)(a).

35. *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980).

36. Shaughnessy, *supra* note 26, at 1084.

37. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1603 (2006) (“The circuits’ various multifactor tests studied in this paper use from six to ten factors—the Federal Circuit’s majestic thirteen factor test is not considered.”)

38. See *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 774 (8th Cir. 1994) (recognizing that although “[t]hese factors are not a distinct test, [they] represent the sort of considerations which a court should consider in determining whether likelihood of confusion exists”); *SquirtCo.*, 628 F.2d at 1090.

39. *Balducci Publ’ns*, 28 F.3d at 772.

40. 15 U.S.C. § 1125(c)(1) (2012).

an “association arising from the similarity between a mark . . . and a famous mark that impairs the distinctiveness of the famous mark.”⁴¹ For instance, if a sporting goods retailer used Apple’s logo on its products, the retailer’s use would dilute Apple’s mark because consumers would more likely associate Apple with another, nonrelated industry—such as sporting goods—by mistake. On the other hand, dilution by tarnishment is the “association arising from the similarity between a mark . . . and a famous mark that harms the reputation of the famous mark.”⁴² Generally, in dilution cases, courts also use a multi-factor balancing test to determine if a parody dilutes a mark.⁴³ However, unlike infringement, dilution can apply only to famous marks and does not require a showing of a likelihood of confusion.⁴⁴

Although courts use different tests for infringement and dilution, one can raise parody as a defense in both cases.⁴⁵ For cases involving dilution, the Lanham Act generally states that “any fair use . . . of a famous mark [such as a parody] by another person other than as a designation of source for the person’s own goods or services” is not actionable.⁴⁶ However, dilution applies only to famous marks, and as a result, mark owners must first demonstrate that their marks are strong enough for protection to file a successful claim.⁴⁷ Moreover, “[u]se of a trademark in a parody is often unlikely to cause the dilution of the mark’s distinctiveness because the use of the mark in the parody refers back to the trademark owner.”⁴⁸ Since only a few mark owners can satisfy these requirements, it is unsurprising that most cases in the Eighth Circuit primarily involve claims for trademark infringement.⁴⁹ As a result, this

41. *Id.* § 1125(c)(2)(B).

42. *Id.* § 1125(c)(2)(C).

43. Specifically, the test for dilution by blurring examines the following factors:

- (i) The degree of similarity between the mark or trade name and the famous mark;
- (ii) The degree of inherent or acquired distinctiveness of the famous mark;
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark;
- (iv) The degree of recognition of the famous mark;
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark;
- (vi) Any actual association between the mark or trade name and the famous mark.

See *id.* § 1125(c)(2)(B)(i)–(vi).

44. *Overview of Trademark Law*, HARV. L. SCH., <https://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm#8> (last visited Sept. 13, 2016).

45. 15 U.S.C. § 1125(c)(3)(A).

46. *Id.*

47. *Id.*

48. Kelly L. Baxter, Comment, *Trademark Parody: How to Balance the Lanham Act with the First Amendment*, 44 SANTA CLARA L. REV. 1179, 1193–94 (2004).

49. For the purposes of this Note, this analysis will focus primarily on infringement lawsuits involving the “likelihood of confusion” analysis for infringement. Indeed, in the Eighth Circuit,

Note focuses primarily on the Eighth Circuit's treatment of parodies with respect to trademark infringement and the "likelihood of confusion" analysis.

2. Parodies and First Amendment Considerations

In constitutional law, parodies are a form of social commentary and are well "within the protection of the First Amendment 'free speech' clause of the Constitution."⁵⁰ It is well established that an effective parody must simultaneously serve two purposes: (1) it must imitate a substantial portion of the original object to quickly create audience recognition; and (2) it must demonstrate that it is not the original object.⁵¹ Consequently, a well-crafted parody can only lose its First Amendment shield, at least in theory, "if [it] fails to convey that the work is in fact a parody."⁵² Even if the parodist earns a profit from the parody, his use is still protected under the First Amendment's free speech clause.⁵³

In practice, however, "courts tend to be more critical of parodies that are used to sell a competitive product and less critical of parodies that are used solely for entertainment or social criticism."⁵⁴ Even now, courts still have not resolved the conflict between the economic and entertainment interests.⁵⁵ This distinction highlights the tension between the interests of the trademark owner and a parodist, and makes trademark law an even more unpredictable battlefield for these parties.⁵⁶

these cases all involved infringement whereas only select cases involved dilution. *See* Anheuser-Busch, Inc. v. Balducci Publ'ns, 28 F.3d 769, 774 (8th Cir. 1994) (applying a "likelihood of confusion" analysis to both an action for infringement and for dilution by tarnishment); *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987) (applying a "likelihood of confusion" analysis to a trademark infringement action).

50. Natalie A. Dopson, Note, *The Federal Trademark Dilution Act and Its Effect on Parody: No Laughing Matter*, 5 J. INTELL. PROP. L. 539, 563 (1998).

51. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989) ("A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused.").

52. Mead, *supra* note 22, at 311.

53. *Id.*

54. Baxter, *supra* note 48, at 1189.

55. Shaughnessy, *supra* note 26, at 1092 (finding that "[b]ecause courts have decided the trademark parody cases within the changing and often poorly articulated framework of general trademark doctrine, a coherent approach to trademark parody has yet to crystallize").

56. Samuel M. Duncan, Note, *Protecting Nominative Fair Use, Parody, and Other Speech-Interests by Reforming the Inconsistent Exemptions from Trademark Liability*, 44 U. MICH. J.L. REFORM 219, 225–26 (2010) ("The Circuit Courts of Appeal employ several different tests for, and definitions of, speech-interests, leaving no uniform, nationwide standard for how speech-interests are to be protected. This means that a given use of a trademark can be held to be protected speech in one circuit and infringing in another."); Shaughnessy, *supra* note 26, at 1084–85.

B. THE MODERN DILEMMA INHERENT IN THE TRADEMARK PARODY

Conflicting values between trademark and constitutional law have allowed courts to apply different legal tests in trademark infringement lawsuits, and these applications form the modern dilemma inherent in the trademark parody.⁵⁷ On one hand, “trademarks carry so much communicative value” that owners of famous marks have an especially high interest in seeking additional forms of protection.⁵⁸ In recent years, the Lanham Act has significantly expanded the scope of what constitutes a trademark; as a result, modern mark owners are more likely to receive stronger protection for their marks.⁵⁹ For instance, a court has even allowed a modern pop artist to register a trademark for generic song lyrics due to the broad scope of the statute.⁶⁰ Trademark protection is particularly valuable to businesses because trademarks serve three important functions—source identification, consistency, and advertising.⁶¹ Consequently, owners of famous marks have become increasingly sensitive to even the slightest criticism found in the parody.⁶²

On the other hand, however, “allowing trademark holders to restrict their use can implicate society’s interest in free and open communication.”⁶³ In light of the essence of the First Amendment, it is important to consider that:

[t]rademark parodies, even when offensive, do convey a message. The message may simply be that business and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark. . . . Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression.⁶⁴

57. See *supra* Part II.A.

58. Levy, *supra* note 25, at 426.

59. See Horwitz & Levi, *supra* note 29, at 68–69 (noting how the Lanham Act was enlarged to encompass nontraditional marks such as common law marks and trade dress); *Trademark, Patent, or Copyright?*, U.S. PAT. & TRADEMARK OFF. (last modified June 9, 2016, 1:41 PM), <http://www.uspto.gov/trademarks-getting-started/trademark-basics/trademark-patent-or-copyright> (“A trademark is [any] word, phrase, symbol, and/or design that identifies and distinguishes the source of the goods of one party from those of others.”).

60. Jacob Davidson, *Can Taylor Swift Really Trademark “This Sick Beat”? Yes, and Here’s Why*, MONEY (Jan. 29, 2015), <http://time.com/money/3688483/taylor-swift-this-sick-beat-trademark>.

61. Baxter, *supra* note 48, at 1181 (finding additionally that “[t]he protection of trademarks has arisen to maintain commercial morality and fair dealing in the marketplace”).

62. See generally *id.*

63. Levy, *supra* note 25, at 426.

64. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987).

To fully appreciate the consequences of this “serious curtailment” of free speech, imagine how limited speech would become if every pop artist were entitled to file an action for trademark infringement each time an individual used a lyric without authorization. Not only would their rights be nearly impossible to enforce, but this extensive protection could threaten the public’s ability to provide critical comments and exercise one of the most fundamental liberties in the Constitution. These First Amendment considerations are especially important because they often fuel a parodist’s defense against trademark infringement.

These conflicting interests form the modern dilemma inherent in a trademark parody.⁶⁵ Circuits still use different tests to determine whether a parody infringes a trademark, and the inconsistent practices further frustrate the parodist’s objectives and aggravate this dilemma.⁶⁶ Moreover, these models are also more likely to obscure the intended purpose of the “likelihood of confusion” analysis by putting the parodist at an unfair disadvantage in a trademark infringement lawsuit.⁶⁷ In light of these shortcomings, both legal practitioners and factfinders should be mindful of this dilemma and its modern implications for a parodist’s likelihood of success in an infringement lawsuit.⁶⁸ To better examine this situation, Part II.B.1 briefly discusses the three different models that circuits use to analyze trademark parodies. Part II.B.2 then focuses on how the Eighth Circuit in particular has treated parodies with respect to these models.

1. How Other Circuits Interpret Trademark Parodies

Different circuits assess trademark infringement claims differently under the Lanham Act. For instance, while some circuits apply the “likelihood of confusion” analysis more broadly, other circuits use a stricter analysis to strike

65. Baxter, *supra* note 48, at 1210 (finding that “the Lanham Act fails to adequately address First Amendment protection for commercial parodies and courts have interpreted the Act inconsistently”). Many commentators have recognized the irreconcilable differences between how trademark and constitutional law treat parodies.

66. *Id.* at 1189.

67. See *infra* Part III.A–B.

68. Baxter, *supra* note 48, at 1208 (discussing how “courts have inconsistently applied trademark laws to parodies”); Mead, *supra* note 22, at 320 (“The current method of [analysis]—the likelihood of confusion test—is capricious, burdensome, and difficult to apply.”); Shaughnessy, *supra* note 26, at 1092 (“The inherent flexibility of the likelihood-of-confusion test, judicial ambivalence toward the dilution theory, and the unique nature of parody as a form of expression have combined to produce ad hoc and seemingly inconsistent outcomes.”).

down a parody as a defense.⁶⁹ In general, there are three different models that circuits use to analyze these situations.⁷⁰

The first model, the “balancing approach,” occurs when courts balance competing First Amendment and trademark concerns simultaneously.⁷¹ For instance, in *Rogers v. Grimaldi*, the Second Circuit determined that the proper “construction of the Lanham Act [should accommodate both] consumer and artistic interests,”⁷² and hence, “the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”⁷³ Because four other circuits have used this test to analyze parodies, this approach is the most popular.⁷⁴

The second model, the “Lanham Act approach,” simply applies the Lanham Act directly to the facts of the case.⁷⁵ Here, courts look at a parodist’s intent to determine whether the parody constitutes infringement.⁷⁶ Supporters of this approach believe that the Lanham Act sufficiently protects

69. Compare *L.L. Bean, Inc.*, 811 F.2d at 29 (“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.”), with *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402 (8th Cir. 1987) (finding that “Mutual’s rights . . . need not ‘yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist” (quoting *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972))).

70. Baxter, *supra* note 48, at 1198–1202; see also Steven M. Perez, Comment, *Confronting Biased Treatment of Trademark Parody Under the Lanham Act*, 44 EMORY L.J. 1451, 1479–86 (1995).

71. Baxter, *supra* note 48, at 1198 (finding that “a likelihood of confusion analysis usually helps to balance the trademark owner’s property rights and the public’s interest in free expression”).

72. See *Rogers v. Grimaldi*, 875 F.2d 994, 1000 (2d Cir. 1989).

73. *Id.* at 999 (“In the context of allegedly misleading titles using a celebrity’s name, that balance will normally not support application of the Act 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.”); see also Baxter, *supra* note 48, at 1198 n.183 (finding that a “public interest in [free expression] outweighed the public interest in avoiding consumer confusion”).

74. *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1015 (3d Cir. 2008) (finding that “[t]he analysis of *Rogers* has been adopted by [at least] three other Courts of Appeals”); see, e.g., *Hart v. Elec. Arts, Inc.*, 717 F.3d 141, 150 (3d Cir. 2013) (finding that the court “must [ultimately] determine whether the interest in safeguarding the right of publicity overpowers the interest in safeguarding free expression”); *Univ. of Ala. Bd. of Trs. v. New Life Art, Inc.*, 683 F.3d 1266, 1276 (11th Cir. 2012) (finding “that the First Amendment interests in artistic expression so clearly outweigh whatever consumer confusion that might exist on these facts that [the court] must necessarily conclude that there has been no violation of the Lanham Act with respect to the paintings, prints, and calendars”); *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 924 (6th Cir. 2003) (starting “with a discussion of the scope of First Amendment rights in the context of works of art, and . . . then proceed[ing] to examine how First Amendment rights have been balanced against intellectual property rights in cases involving the Lanham Act and state law rights of publicity”).

75. Baxter, *supra* note 48, at 1200.

76. *Id.* (“This approach looks to the intent of the unauthorized use of another’s trademark. Where one chooses a mark as a parody of an existing mark, the intent to parody does not necessarily infer an intent to confuse the public but rather to amuse the public.”).

parodies as free speech so long as the parodist can demonstrate that his sole intent was to amuse.⁷⁷ As a result, this model does not require courts to even balance a parodist's First Amendment rights.⁷⁸ As of now, only a few courts have applied this test.⁷⁹

The third model is the "confusion, then balancing approach."⁸⁰ This test is two-fold. First, it requires courts to conduct the "likelihood of confusion" analysis to determine whether a parody infringes a trademark.⁸¹ Second, this test allows courts to examine the merits of a parodist's First Amendment arguments only after they have determined that the parody infringed on the original mark.⁸² In effect, these courts often must decide on the merits of a trademark owner's interests before they even consider a parodist's First Amendment rights. Like the "Lanham Act approach," only a few courts have applied this test in practice.⁸³

2. The Eighth Circuit's Hostile Approach Towards Parodies

Unlike most other circuits, the Eighth Circuit primarily uses the "confusion, then balancing approach" to determine whether one can successfully raise parody as a defense. Historically, the Eighth Circuit's unique approach to parodies has made it nearly impossible for a parodist to invoke this defense against an infringement action.⁸⁴ For instance, in *Mutual of Omaha Insurance Company v. Novak*, the court first found that the parody created a likelihood of confusion and then determined that the trademark protections outweighed any First Amendment concerns.⁸⁵ Likewise, in *Anheuser-Busch, Inc. v. Balducci Publications*, a humor magazine published "a mock advertisement for [a] fictitious product" that parodied

77. *Id.*

78. *Id.*

79. The Fifth and Tenth Circuits have applied the "Lanham" approach to analyze parodies. *See generally* Lyons P'ship v. Giannoulas, 179 F.3d 384 (5th Cir. 1999); Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir. 1987).

80. Baxter, *supra* note 48, at 1199.

81. *Id.*

82. *Id.*

83. The Eighth and Ninth Circuits have applied this test. *Id.* Although the Ninth Circuit applied the "likelihood of confusion, then balancing" approach, the Ninth Circuit has also used other tests (e.g., the "balancing" test) as its analysis. *See generally* Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002). Moreover, even when the Ninth Circuit uses the "likelihood of confusion, then balancing" approach, the Ninth Circuit has still found for the parodist before. *Id.* This different result thus indicates that the Eighth Circuit applies its test differently in a particularly hostile manner towards parodies.

84. *See generally* Anheuser-Busch, Inc. v. Balducci Publ'ns, 28 F.3d 769 (8th Cir. 1994); Mut. of Omaha Ins. Co. v. Novak, 836 F. 2d 397 (8th Cir. 1987).

85. *See Novak*, 836 F. 2d at 402 (finding that "Mutual's trademarks are a form of property, . . . and Mutual's rights therein need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist'" (quoting *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972))).

Anheuser–Busch’s Michelob product line.⁸⁶ In response, Anheuser–Busch sued the publisher for trademark infringement.⁸⁷ Although the district court dismissed the action,⁸⁸ the Eighth Circuit Court of Appeals reversed and applied “two related, but distinct steps” to first find that the parody infringed the mark before they declined to consider the parodist’s rights to free speech.⁸⁹

Both of these decisions are still highly relevant to modern trademark infringement lawsuits in the Eighth Circuit because both *Balducci* and *Novak* were decided in the Court of Appeals, and, therefore, they have significant precedential value. Because the Eighth Circuit has never overruled the “confusion, then balancing” framework, modern district courts are bound to follow this approach even though they realize that other circuits may decide differently.⁹⁰ For example, in *Anheuser–Busch, Inc. v. VIP Products, LLC*, the court first considered that other circuits have found for the parodist in similar situations involving trademark infringement.⁹¹ Despite these findings, the district court nevertheless found for the mark owner on the basis that “there are two cases from the Eighth Circuit Court of Appeals [*Balducci* and *Novak*] that are more on point.”⁹² As a result, the court determined that the parodist’s free speech “argument [can] not defeat the likelihood of confusion established by [Anheuser–Busch, or the mark owner].”⁹³

By conducting the “likelihood of confusion” analysis first, courts are more likely influenced by its decision from the infringement analysis and less likely to find for the parodist.⁹⁴ It is also highly unlikely for future parodists to succeed at the district court level since district courts are bound by appellate decisions. This model severely limits a parodist’s ability to exercise free speech in the Eighth Circuit and thereby aggravates the modern dilemma inherent

86. See *Balducci Publ’ns*, 28 F.3d 769, 772 (8th Cir. 1987).

87. *Id.*

88. *Id.* at 773.

89. *Id.* (“We begin by considering whether the district court erred in finding no likelihood of confusion. Since a trademark infringement action requires a likelihood of confusion, this finding, if upheld, decides this case. If we conclude the court erred in finding no likelihood of confusion, we must consider *Balducci*’s additional argument that the First Amendment protects it from liability.”).

90. *Anheuser–Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 986 (E.D. Mo. 2008).

91. See *id.* at 986 (discussing how the Second and Fourth Circuit found for a parodist on the basis that the mark owner could not demonstrate a strong likelihood of confusion). Interestingly, the Eighth Circuit relied heavily on a survey produced by Anheuser–Busch to find for the mark owner. See generally *Balducci Publ’ns*, 28 F.3d 769 (8th Cir. 1987). This Note however argues that this reliance is inherently problematic because surveys are misleading and can cause courts to misapply the “likelihood of confusion” analysis and find for the mark owner even though there was no likelihood of confusion. This result is unfair because it puts a parodist at a significant disadvantage in an infringement lawsuit. See *infra* Part III.B.

92. *VIP Prods., LLC*, 666 F. Supp. 2d at 986.

93. *Id.*

94. See *infra* Part III.A.1.

in the trademark parody.⁹⁵ Because of the long-term implications of this dilemma, this Note further examines in Parts III and IV why the Eighth Circuit's approach is problematic and thus should be reformed to better account for a parodist's First Amendment interests.⁹⁶

III. PROBLEMS WITH THE EIGHTH CIRCUIT'S APPROACH TO PARODIES

This Part discusses three major problems with the Eighth Circuit's approach towards trademark parodies. Part III.A identifies inherent flaws in the Eighth Circuit's analysis.⁹⁷ In Part III.B, this Note discusses how these flaws lead to increased judicial inconsistency and can lower judicial efficiency.⁹⁸ Finally, Part III.C explores how the Eighth Circuit's approach to parodies can generate adverse commercial effects in society.⁹⁹

A. INHERENT FLAWS IN THE EIGHTH CIRCUIT'S APPROACH

This Part identifies three inherent flaws with the Eighth Circuit's approach to parodies. Part III.A.1 first discusses how the Eighth Circuit's model makes it more susceptible to anchoring bias, which adversely impacts the parodist's arguments.¹⁰⁰ Part III.A.2 further analyzes how the Eighth Circuit's test encourages the circuit to rely excessively on surveys, which can mislead the courts' analysis.¹⁰¹ Finally, Part III.A.3 argues that the Eighth Circuit's use of the "alternative avenues of communication" test to assess a parodist's use is improper.¹⁰²

1. Anchoring Bias and Its Effects on Confusion

Because the Eighth Circuit conducts the "likelihood of confusion" analysis first, it is even more likely to suffer from anchoring bias. Anchoring occurs when a person "use[s] an initial piece of information to make subsequent judgments."¹⁰³ In decision-making processes, "[o]nce an anchor is set . . . there is a bias toward[s] interpreting [subsequent] information around the anchor."¹⁰⁴ Anchoring bias is common in professional fields such as law and medicine.¹⁰⁵ However, this bias is problematic because it can cause

95. *See supra* Part II.B.

96. *See infra* Parts III–IV.

97. *See infra* Part III.A.

98. *See infra* Part III.B.

99. *See infra* Part III.C.

100. *See infra* Part III.A.1.

101. *See infra* Part III.A.2.

102. *See infra* Part III.A.3.

103. *Anchoring Effect*, HARV. L. SCH., <http://www.pon.harvard.edu/tag/anchoring-effect> (last visited Sept. 13, 2016).

104. *Id.*

105. Keith Lee, *How Anchoring Can Influence Judges and Other Cognitive Biases*, ABOVE THE LAW (Jan. 15, 2015, 4:29 PM), <http://abovethelaw.com/2015/01/how-anchoring-can-influence->

legal professionals to form early assumptions, which tend to become strong “anchor[s for] future assumptions,” and unduly influence decision makers to make biased judgments.¹⁰⁶

In the courtroom, anchoring bias is an even larger problem because “anchors [can unfairly] influence the outcome of litigation.”¹⁰⁷ In civil proceedings, for instance, a plaintiff is more likely to receive a higher award if they initially requested higher damages because the factfinder—influenced by that earlier request—is more likely to issue a “biased damage award[]” based on that anchor.¹⁰⁸ This result is inherently unfair because the anchor has impaired the factfinder’s judgment, and that decision has effectively “compromise[d] the quality of justice that the courts [can] deliver.”¹⁰⁹

Here, the Eighth Circuit’s use of the “confusion, then balancing” model necessarily requires courts to develop an anchor based on their infringement analysis. Under this test, the Eighth Circuit considers a parodist’s First Amendment arguments only after it has determined that consumers are likely to be confused.¹¹⁰ With this anchor in mind, the factfinder may be more likely to assume that the parodist’s First Amendment interests do not outweigh the mark owner’s interest in trademark protection and, as a result, the factfinder’s decision is more likely to tilt in favor of the mark owner. In effect, the parodist is less likely to convince the factfinder that he has a strong First Amendment defense, and this disadvantage significantly hurts all parodists’ ability to

judges-and-other-cognitive-biases/?rf=1 (finding that judges “subconsciously [use heuristic methods such as anchoring bias] to speed up the decision making process”); Julian L. Seifter, ‘Anchoring’ Can Bias Clinical Judgment, MEDSCAPE (Feb. 9, 2015), <http://www.medscape.com/viewarticle/839438> (recognizing that even in medicine, there is a “[t]endency to frame a clinical problem around the first piece of information [doctors] receive”).

106. Daniel Barnes, *Biases and Decision Making: How “Anchoring” Can Undermine Decisions*, STRATEGICFIT (Mar. 19, 2013, 2:55 PM), http://www.strategicfit.co.uk/decision_quality/biases-and-decision-making (“Decision makers rely on quality information for fast and efficient decision making. If biases are not considered some common issues occur, for example: [a]ssumptions made early in the opportunity start ‘living their own lives’ and anchor future assumptions.”).

107. Yuval Feldman et al., *Anchoring Legal Standards*, 13 J. EMPIRICAL LEGAL STUD. 298, 325 (2016) (“If these anchors become a central point of reference during litigation, they might shift the legal decision maker toward a desirable direction from the perspective of the party presenting them.”); see also Chris Guthrie et al., *Inside the Judicial Mind*, 86 CORNELL L. REV. 777, 829 (2001) (finding that because “judges rely on the same cognitive decision-making process as laypersons and other experts, [they are] vulnerable to cognitive illusions that can produce poor judgments”).

108. Guthrie et al., *supra* note 107, 793–94 (“The potentially pernicious effects of anchoring also suggest a source of error in both the civil and criminal justice systems. In civil cases, the influence on judges of misleading anchors, such as litigants’ requests for damage awards, can produce biased damage awards. In criminal cases, the influence on judges of biased or misleading anchors, such as prosecutor or defense attorney sentencing recommendations, can produce biased criminal sentences.”).

109. *Id.* at 821 (“Judges, it seems, are human. Like the rest of us, they use heuristics that can produce systematic errors in judgment.” (footnote omitted)).

110. See *supra* Part II.B.2.

exercise free speech in the circuit. This anchor thus prevents courts from fairly assessing the strength of a parodist's First Amendment argument because the Eighth Circuit has already determined that the parody is likely to cause or has caused confusion. This result is inherently unfair because courts may be less likely to reach an objective, impartial decision for the parodist by applying this test.

This test is also improper because it effectively places a large burden on parodists and significantly limits their rights to free speech.¹¹¹ For instance, in both *Novak* and *Balducci*, the Eighth Circuit first determined that there was a strong likelihood of confusion. Then, although the parodists raised First Amendment concerns, the Eighth Circuit found for the mark owners on the basis that the parodists could not demonstrate that they had no alternative avenues of communication.¹¹² For these reasons, this Note argues that the Eighth Circuit should reform its approach to better protect the parodist's interests in free speech.¹¹³

2. Dangerous Reliance on Surveys

The Eighth Circuit relies dangerously on surveys to assess whether a parody infringes the mark because it conducts the infringement analysis first.¹¹⁴ However, surveys often suffer from technical limitations and can be misleading.¹¹⁵ Despite these limitations, courts still rely on them "[b]ecause manifestations of actual confusion serve as strong evidence of a likelihood of confusion."¹¹⁶ The Eighth Circuit particularly "give[s] substantial weight [to surveys] unless [they are] seriously flawed."¹¹⁷ This heavy reliance becomes a long-term problem because courts are more likely to be misled and render poor judgments.

111. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 777 (8th Cir. 1994).

112. *See id.* (imposing a duty on Balducci to avoid confusion "[b]y taking steps to insure that viewers adequately understood this was an unauthorized editorial"); *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402 (8th Cir. 1987) ("Mutual's rights therein need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.'" (quoting *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972))). This Note recognizes that the Eighth Circuit's use of the "alternative avenues of communication" test is another problem with the "confusion, then balancing" approach. *See infra* Part III.A.3.

113. *See infra* Part IV.

114. *See supra* notes 84–93 and accompanying text.

115. Thomas W. Edman, Note, *Lies, Damn Lies, and Misleading Advertising: The Role of Consumer Surveys in the Wake of Mead Johnson v. Abbott Labs*, 43 WM. & MARY L. REV. 417, 438 (2001) (finding that "[r]eliance on consumer surveys has lead to inconsistent results in court"); Glenn Kessler, *A Misleading 'Obamacare' Poll, Courtesy of the Chamber of Commerce and Harris Interactive*, WASH. POST (July 31, 2013), https://www.washingtonpost.com/blogs/fact-checker/post/a-misleading-obamacare-poll-courtesy-of-the-chamber-of-commerce-and-harris-interactive/2013/07/30/26e5f51c-f94a-11e2-8e84-c56731a202fb_blog.html ("We have long warned readers about the perils of relying on data from opt-in Internet polls, especially those that make broad claims about estimating population values.").

116. *Novak*, 836 F.2d at 400.

117. *Id.*

While well-designed surveys can be useful, the Eighth Circuit has previously relied on “seriously flawed” surveys to find infringement, and under the “confusion, then balancing” test, this excessive reliance is alarming.¹¹⁸ For instance, some surveys are flawed because they contain leading questions. In *Novak* the survey asked: “Would you say that Mutual of Omaha goes along with or does not go along with these tee shirts in order to make people aware of the nuclear war problem?”¹¹⁹ Although the majority admitted the survey into evidence, Judge Heaney dissented and noted how this question was “blatantly suggestive” and therefore “fundamentally flawed.”¹²⁰ Furthermore, Judge Heaney observed how the sample size was improper because it failed to reach a representative size.¹²¹ In admitting the survey, the court overlooked how “[t]he use of witnesses to prove actual confusion is, of course, preferred” in litigation.¹²² Even the interviewees could be subject to anchoring bias.¹²³ As shown in *Novak*, Judge Heaney particularly criticized the survey design and noted how the question “plant[ed] the idea of nuclear war in the mind of the interviewee.”¹²⁴ In effect, an interviewee who only casually glances at the T-shirt or who doesn’t understand the message in the T-shirt is tipped off by the question that the T-shirt has something to do with nuclear war. But, if the interviewer had not tipped these people off about

118. This Note does not intend to defeat the admissibility of all surveys as evidence. Certainly, well-designed surveys can help courts determine whether a parody has infringed a trademark. See Edman, *supra* note 115, at 420 (“The consumer survey has emerged in recent years as the most important tool for resolving that question. In the view of most courts, the advertiser’s targeted audience should determine which advertising claims are misleading. A competitor wanting to contest the misleading nature of an advertising claim rounds up a statistically random sample of ‘average’ Americans and asks them how they interpret the claim in question. If enough consumers cannot properly interpret the claim, it may be deemed misleading.” (footnotes omitted)). However, because the Eighth Circuit’s test requires it to focus exclusively on the “likelihood of confusion” analysis before it can consider any other factors, these courts are more likely to be misled by poorly designed surveys and find for infringement even when a parody is unlikely to confuse the public.

119. *Novak*, 836 F.2d at 404 (Heaney, J., dissenting).

120. *Id.*

121. *Id.* (“The sample was miniscule and taken in areas that Novak’s message had not reached and had no realistic chance of reaching. His ‘mom and pop’ operation reached a few thousand people, nearly all of whom lived in the Omaha area. Mutual, on the other hand, operates throughout the United States and sells nearly two billion dollars of insurance each year to millions of men and women.”).

122. Reginald E. Caughey, *The Use of Public Polls, Surveys and Sampling as Evidence in Litigation, and Particularly Trademark and Unfair Competition Cases*, 44 CALIF. L. REV. 539, 539 (1956); see also *id.* at 545 (“No survey or reaction test of any kind is conclusive proof on the question of likelihood of confusion. The reason is that it is virtually impossible to simulate perfectly the conditions of the trade and particularly the conditions which exist in the market place.”); see also Susan J. Becker, *Public Opinion Polls and Surveys as Evidence: Suggestions for Resolving Confusing and Conflicting Standards Governing Weight and Admissibility*, 70 OR. L. REV. 463, 464 (1991).

123. *Mut. of Omaha Ins. Co. v. Novak*, 836 F. 2d 397, 404 (8th Cir. 1987) (Heaney, J., dissenting).

124. *Id.*

the message on the T-shirts, many would never have even come to the misconception that Mutual sponsored the message on the T-shirt.¹²⁵

Here, the Eighth Circuit's heavy reliance on these results is dangerous because courts are more likely to be misled, and set a strong anchor in favor of the mark owner, even before they actually consider the merits of a parodist's First Amendment arguments.

Even today, the problem of relying on flawed surveys persists in district courts across the circuit. For instance, in *Anheuser-Busch, Inc. v. VIP Products, LLC*, the mark owner created a survey to demonstrate that there was a strong likelihood of confusion.¹²⁶ Relying exclusively on this survey, the court found that there was "uncontested evidence of the likelihood of confusion between [the two products]." In doing so, the court ignored the possibility that the survey suffered from certain defects, such as the exclusion of the cost of the products as a factor.¹²⁷

Because poorly-designed surveys can adversely influence both the interviewee and the factfinder, it has the potential to deliver a double-anchoring effect under the "confusion, then balancing" test.¹²⁸ This creates a large problem for the Eighth Circuit because courts may be more vulnerable to setting biased anchors, and as a result, they would be more likely to find for the mark owner without properly considering a parodist's rights under the First Amendment.

The Eighth Circuit's heavy reliance on surveys therefore poses as a huge problem for modern parodists because it makes courts more likely to issue biased judgments. While surveys may serve as useful guides, the Eighth Circuit should be more mindful that survey results can be manipulated, and as a result, should be more careful with the weight they give to those surveys. With only surveys as evidence for a likelihood of confusion, courts are more likely to misapply the legal test and find for the mark owner even though there is little (or no) likelihood of confusion. This result frustrates the parodist's rights to exercise free speech and hinders the court's ability to properly apply the "likelihood of confusion" analysis.

3. Alternative Avenues? An Improper Test for Free Speech

The Eighth Circuit's use of the "alternative avenues of communication" test to see if the parodist's First Amendment rights outweighed trademark protection interests is another problem because this test fails to properly

125. *Id.*

126. *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 983 (E.D. Mo. 2008) ("From the responses to these and other questions in the survey, [the results showed] that 30.3% of those surveyed had the mistaken belief that 'Buttwiper' is made or put out by or with the approval or sponsorship of the maker of 'Budweiser'—Plaintiff—or that there is a business relationship between the maker of 'Budweiser' and the maker of 'Buttwiper.'").

127. *Id.*

128. *See supra* Part III.A.1.

account for a parodist's interests in free speech. In *Novak*, the Eighth Circuit ruled against the parodist because it held that Novak had "[o]ther avenues . . . to express his views [that] are unrestricted by the injunction; for example . . . Novak [could have] present[ed] an editorial parody in a book, magazine, or film."¹²⁹ In *Balducci*, the Eighth Circuit held that "[b]y using an obvious disclaimer, positioning the parody in a less-confusing location, altering the protected marks in a meaningful way, or doing some collection of the above, Balducci could have conveyed its message with substantially less risk of consumer confusion."¹³⁰ Therefore, because the court found that alternative avenues of communication existed, neither parodist was able to successfully invoke this defense.¹³¹

The "alternative avenues of communication" test is also improper because it does "not sufficiently accommodate the public's interest in free expression."¹³² Even in modern cases, the Eighth Circuit's application of this test unduly limits a parodist's access to free speech. In *American Dairy Queen Corp. v. New Line Productions*, the court determined that "[b]ecause [the] defendant had alternative avenues available for expressing his public policy views, the narrowly-drawn injunction was consistent with the First Amendment."¹³³ The public has a right to receive both positive and negative information, and a parodist who comments critically on a trademark undoubtedly presents valuable information about the mark or mark owner to the public. However, to be effective, the parodist may have to offend the mark owner.¹³⁴ The fact that a particular speech offends does not strip that speech's the First Amendment protection.¹³⁵ The "alternative avenues of communication" test unfairly limits how a parodist can express his views and imposes upon the parodist the burden of demonstrating to the court that there were no other alternative avenues of communication.¹³⁶ Such a burden unnecessarily limits a parodist's choice of expression and limits the availability of free expression to the public.

The Eighth Circuit's use of the "alternative avenues of communication" test also does not properly account for the parodist's free speech interests in

129. *Mut. of Omaha Ins. Co. v. Novak*, 836 F. 2d 397, 402 (8th Cir. 1987).

130. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994) ("This language does not support absolute protection for editorial parody, but merely reflects the fact that a parody contained in an obvious editorial context is less likely to confuse, and thus more deserving of protection than those displayed on a product.").

131. *Id.* at 778 (rejecting Balducci's First Amendment arguments); *Novak*, 836 F.2d at 402 (declining to the parodist his First Amendment protection).

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

133. *Am. Dairy Queen Corp. v. New Line Prods.*, 35 F. Supp. 2d 727, 734 (D. Minn. 1998).

134. *See supra* notes 21–27 and accompanying text.

135. *Fisher v. Dees*, 794 F.2d 432, 437–38 (9th Cir. 1986) ("‘Destructive’ parodies play an important role in social and literary criticisms and thus merit protection even though they may discourage or discredit an original author.").

136. *See supra* note 112 and accompanying text.

commercial settings. Parodies can serve multiple purposes—including commercial and noncommercial.¹³⁷ In constitutional law, commercial parodies receive less First Amendment protections because commercial speech “pertains to the seller’s business as because it furthers the societal interest in the ‘free flow of commercial information.’”¹³⁸ Nonetheless, even under *Central Hudson*, the government can only regulate commercial speech “if the regulation serves a substantial government interest, the regulation directly advances the government interest, and the regulation is no more extensive than necessary to serve that interest.”¹³⁹ While trademark infringement is not government regulation—and thus not subject to this test—the First Amendment protects commercial speech even if the speaker has alternative avenues of communication. Because “commercial speech is gaining recognition as valuable speech protected by the First Amendment . . . the law should protect expression in a commercial parody and not allow an oversimplified boundary drawn at commercial speech to jeopardize this kind of expression.”¹⁴⁰ For these reasons, the Eighth Circuit’s use of the “alternative avenues of communication” test is problematic because it frustrates the parodist’s First Amendment rights and hinders commercial expression.

Moreover, other circuits have expressly abandoned the “alternative avenues of communication” test.¹⁴¹ For instance, the Second Circuit adopted the balancing test in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.* and *Rogers v. Grimaldi* to find for the parodist even though the court noted that the parodist had “alternative avenues of communication.”¹⁴² Because this

137. See *supra* Part II.

138. *First Nat’l Bank v. Bellotti*, 435 U.S. 765, 783 (1978) (quoting *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council*, 425 U.S. 748, 764 (1976)). However, it is often difficult to discern whether parodies serve wholly commercial or wholly noncommercial interests. To condemn all parodies would allow large corporate mark owners to exert unreasonable control in the marketplace of ideas. Consider Mike Masnick, *Google Trademark Bullies Obviously Non-Commercial Parody Site*, TECHDIRT (May 20, 2014, 1:06 PM), <https://www.techdirt.com/articles/20140520/12135027294/google-trademark-bullies-obvious-parody-site.shtml>. Therefore, even though a parody may serve commercial purposes, as long as it is also noncommercial, courts should carefully consider whether this defense applies.

139. Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737, 738 (2007); See also *id.* at 740 (discussing the four parts of the *Central Hudson* test).

140. Anthony Pearson, Note, *Commercial Trademark Parody, the Federal Trademark Dilution Act, and the First Amendment*, 32 VAL. U. L. REV. 973, 980 (1998).

141. See MARY LAFRANCE, UNDERSTANDING TRADEMARK LAW 269–77 (2d ed. 2009).

142. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989) (“[I]n deciding the reach of the Lanham Act in any case where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion.”); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989) (“We believe that in general the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”).

test unduly interferes with a parodist's exercise of free speech, it severely limits a parodist's right to free speech, and therefore, the test is improper.

B. INCREASED JUDICIAL INCONSISTENCY AND LOWER JUDICIAL EFFICIENCY

The Eighth Circuit's use of the "confusion, then balancing" model also increases judicial inconsistency and lowers judicial efficiency. In Part III.B.1, this Note examines how the Eighth Circuit's use of the "confusion, then balancing" test encourages mark owners to engage in forum shopping and selling, which creates inconsistent court dockets. Part III.B.2 then discusses how this model lowers judicial efficiency and is therefore costly.

1. Inconsistency

The Eighth Circuit's use of the "confusion, then balancing" test creates an inconsistent standard across the circuits. Today, "the chances of a parodist winning [trademark infringement and dilution] suits depends greatly upon the [mark owner's] choice of circuit."¹⁴³ The fact that the Eighth Circuit has never applied a different test—nor found for a parodist—means that even the most highly skilled parodist would be unlikely to succeed in a trademark infringement or dilution lawsuit.¹⁴⁴ This test is inconsistent with the other circuits, which frustrates the parodist's objectives to use a mark "communicatively" and creates a lose-lose situation.¹⁴⁵

While most circuits using the "balancing" approach consider trademark and First Amendment concerns simultaneously,¹⁴⁶ the Eighth Circuit remains an outlier such that it still applies a two-fold test to parodies.¹⁴⁷ Because the Eighth Circuit uses a different test, it often issues decisions that are different than decisions from the other circuits, and this behavior inevitably increases judicial inconsistency. In *Anheuser-Busch, Inc. v. VIP Products, LLC*, the court found for the mark owner even though the court acknowledged how other circuits found for the parodist in similar situations.¹⁴⁸ Instead, the court determined that "there are two cases from the Eighth Circuit Court of Appeals that are more on point," and as a result, the parodist's free speech "argument [can] not defeat the likelihood of confusion established by [Anheuser-Busch, or the mark owner]."¹⁴⁹

143. Mead, *supra* note 22, at 308.

144. See *supra* notes 84–93 and accompanying text.

145. See Duncan, *supra* note 56, at 226 ("This inconsistency undermines the essential purpose of protecting certain uses of a trademark as speech-interests. If the purpose of establishing these exceptions is to ensure that marks can be used communicatively without the markowner's consent, then inconsistent protection frustrates that purpose." (footnote omitted)).

146. See *supra* Part II.B.1.

147. See *supra* Part II.B.2.

148. *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 985–86 (E.D. Mo. 2008).

149. *Id.* at 986.

These inconsistent rulings form a problem for modern parodists because the Eighth Circuit's decisions significantly impair the parodist's ability to use marks "communicatively," which harms free speech.¹⁵⁰ Moreover, inconsistent court dockets are unfavorable because courts are now more susceptible to forum shopping and forum selling. Forum shopping is "a litigant's attempt 'to have his action tried in a particular court or jurisdiction where he feels [that] he will receive the most favorable judgment or verdict.'" ¹⁵¹ This practice typically occurs when federal circuits apply different legal standards or laws to similar cases.¹⁵² In the modern legal system, forum shopping has become increasingly popular because plaintiffs can file suits almost anywhere.¹⁵³ In addition, because the internet facilitates interaction over long distances, more courts are likely to have personal jurisdiction over trademark defendants due to increased contact with that venue. As a result, it is easier for corporate plaintiffs—such as mark owners—to forum shop and file lawsuits in courts that tend to rule more favorably to their position.¹⁵⁴

On the other hand, forum selling is "the creation of excessively pro-plaintiff law by judges who want to hear more cases."¹⁵⁵ While it increases a judge's workload, judges forum sell for multiple reasons, including economic benefits and judicial prestige.¹⁵⁶ Even though "only a few judges may be motivated to attract more cases, their actions can have large effects because their courts will attract a disproportionate share of cases."¹⁵⁷ Moreover, courts are likely to attract public attention and economic benefits as a result of these

150. See *supra* note 143 and accompanying text.

151. Note, *Forum Shopping Reconsidered*, 103 HARV. L. REV. 1677, 1677 (1990) (quoting BLACK'S LAW DICTIONARY 590 (5th ed. 1979)).

152. *Id.* at 1678 ("Variations in forum states' choice-of-law rules, furthermore, can increase the number of substantive legal systems from which a party may choose. Among the considerations that may motivate a forum shopper are the convenience or expense of litigating in the forum, the inconvenience to one's adversary, the probable or expected sympathies of a potential jury pool, the nature and availability of appellate review, judicial calendars and backlogs, local rules, permissibility of fee-splitting arrangements, and virtually any other interjurisdictional difference."); see also Duncan, *supra* note 56 and accompanying text.

153. Because the plaintiff is the "master of his complaint," he has the power to file his lawsuit in a court that is more likely to rule in his favor. *Caterpillar, Inc. v. Williams*, 482 U.S. 386, 398–99 (1987).

154. Jonathan D. Glater, *Finding a Friendly Court is Not So Easy*, N.Y. TIMES (Aug. 20, 2006), <http://www.nytimes.com/2006/08/20/weekinreview/20glater.html> (quoting Michael E. Rosman, general counsel at the Center for Individual Rights, for the proposition that "[t]he idea [of forum shopping] is, if you really had a strong case, you could sue anywhere").

155. Daniel Klerman, *Rethinking Personal Jurisdiction*, 6 J. LEGAL ANALYSIS 245, 247 (2014).

156. Daniel Klerman & Greg Reilly, *Forum Selling*, 89 S. CAL. L. REV. 241, 242 ("For diverse motives, such as prestige, local benefits, or reelection, some judges want to hear more cases. When plaintiffs have wide choice of forum, such judges have incentives to make the law more pro-plaintiff because plaintiffs choose the court with the most pro-plaintiff law and procedures.").

157. *Id.* at 243.

additional lawsuits.¹⁵⁸ Hence, courts may have an additional incentive to continue this practice.¹⁵⁹

Both forum shopping and forum selling practices increase judicial inconsistency because these practices lead to highly specialized court dockets. For instance, in 2012, attorneys filed 1260 patent cases in the Eastern District Court of Texas while attorneys in Delaware only filed a little less than 1000 similar cases.¹⁶⁰ Because the court primarily finds for patentees, plaintiffs tend to file infringement lawsuits in the Eastern District of Texas.¹⁶¹ The court's pro-patentee position thus attracts a significant load of patent cases and creates a patent-filled docket compared to the rest of the country.¹⁶² Although forum selling is more commonly discussed in patent law, this practice can negatively affect any legal field—especially in trademark law.¹⁶³

Likewise, in this situation, the Eighth Circuit's pro mark-owner model also makes it particularly prone to forum shopping and forum selling. Because the Eighth Circuit does not consider the parodist's First Amendment rights until after it has conducted the "likelihood of confusion" analysis,¹⁶⁴ mark owners gain a significant advantage. This behavior creates a strong

158. *Id.*

159. Julie Creswell, *So Small a Town, So Many Patent Suits*, N.Y. TIMES (Sept. 24, 2008), <http://www.nytimes.com/2006/09/24/business/24ward.html> ("Marshall was once one of the most prominent and wealthy cities in Texas, but much of the city's industry and many of its downtown shops disappeared in recent decades. Now, thanks to an influx of out-of-town lawyers and the increased investment in real estate by a handful of local leaders, Marshall is in the early stages of a revival.").

160. Joe Mullin, *Why East Texas Courts Are Back on "Top" for Patent Lawsuits*, ARSTECHNICA (Jan. 16, 2013, 9:30 PM), <http://arstechnica.com/tech-policy/2013/01/east-texas-courts-are-back-on-top-for-patent-lawsuits>.

161. Klerman & Reilly, *supra* note 156 (finding that "judges in the Eastern District of Texas, likely motivated by prestige and the desire to benefit the local economy, have sought to attract patent plaintiffs to their district and have distorted the rules and practices relating to case assignment, joinder, discovery, transfer, and summary judgment in a pro-patentee (plaintiff) direction"); *see also* Creswell, *supra* note 159 (stating that forum selling has established a "red-hot patent docket" in Texas). In fact:

[p]atent cases are heard faster in Marshall than in many other courts. And while only a small number of cases make it to trial—roughly 5 percent—patent holders win 78 percent of the time, compared with an average of 59 percent nationwide, according to LegalMetric, a company that tracks patent litigation.

Id.

162. *See* Creswell, *supra* note 159 (anticipating that "[m]ore patent lawsuits will be filed [in the Eastern District Court of Texas] this year than in federal district courts in San Francisco, Chicago, New York and Washington"); Vera Ranieri, *It's Time for the Federal Circuit to Shut Down the Eastern District of Texas*, ELECTRONIC FRONTIER FOUND. (Oct. 29, 2015), <https://www EFF.org/deeplinks/2015/10/its-time-federal-circuit-shut-down-eastern-district-texas> (arguing that forum selling "is causing significant harm to those who are on the receiving end of a frivolous lawsuit").

163. Klerman & Reilly, *supra* note 156, at 6–7 (showing that "forum selling is a potential problem in any legal system and in any legal field" including "class actions and mass torts, bankruptcy, domain name disputes, and early common law judging").

164. *See supra* Part II.B.2.

incentive for trademark owners to file lawsuits in this circuit and effectively engage in forum shopping. Because the Eighth Circuit's approach is inconsistent with the other circuits, mark owners gain an unfair advantage in an infringement lawsuit, and therefore, they are more likely to file lawsuits in the Eighth Circuit. In effect, the Eighth Circuit is more likely to experience dockets loaded with trademark disputes relative to the other circuits because mark owners are more likely to win.

2. Inefficiency

Because the Eighth Circuit's test attracts forum shoppers and forum sellers, it is also inefficient. Forum shopping is often criticized as inefficient and even unethical in the U.S. legal system for three main reasons.¹⁶⁵ First, plaintiffs can strategically file lawsuits in forums that have more favorable laws to their position, and therefore, "undermines the authority of substantive . . . law."¹⁶⁶ Second, forum shopping is judicially inefficient because this behavior "overburdens certain courts and creates unnecessary expenses as litigants pursue the most favorable, rather than the simplest or closest, forum."¹⁶⁷ Finally, forum shopping contradicts the notion of equity in the U.S. legal system and creates negative public policy.¹⁶⁸

In addition to these inefficiencies from forum shopping, forum selling is also costly because it forces defendants to settle more often or under less favorable terms when they realize that they are less likely to successfully defend themselves.¹⁶⁹ Moreover, forum selling is a major problem because it undermines the public perception of judicial equality. When forum selling occurs, "[t]he problem is not just that the plaintiff can choose the most favorable forum, but that plaintiffs' ability to do so gives states an incentive to make inefficient law."¹⁷⁰ The fact that plaintiffs can file lawsuits essentially anywhere they choose further aggravates this dilemma.¹⁷¹ Because the Eighth Circuit's test attracts these behaviors, this test is both cost- and judicially-inefficient and thus should be replaced.¹⁷²

165. *Forum Shopping Reconsidered*, *supra* note 151, at 1684.

166. *Id.*

167. *Id.*

168. *Id.*

169. Creswell, *supra* note 159 ("Those odds are daunting enough to encourage many corporate defendants to settle before setting foot in Marshall. Add to that the fact that jurors here have a history of handing out Texas-sized verdicts to winners. In April, for instance, a Marshall jury returned a \$73 million verdict against EchoStar Communications for infringing the patents of TiVo." (emphasis omitted)).

170. Klerman, *supra* note 155, at 261.

171. Glater, *supra* note 154 and accompanying text.

172. *See infra* Part IV.

C. ADVERSE COMMERCIAL EFFECTS

The Eighth Circuit's test can also lead to adverse commercial effects. Many commercial entities use advertisement parodies to effectively create audience recognition.¹⁷³ Over the last few years, online advertising has become particularly popular,¹⁷⁴ and in 2008, publishers earned 26 times more revenue than in 1997.¹⁷⁵ Specifically in advertising, "[t]he publisher will make the most money by making the best use of their available ad inventory. This means finding advertisers and trying to put campaigns in places on their site where they will be the most effective."¹⁷⁶ However, in the Eighth Circuit, publishers are less likely to use ads as parodies, because the circuit has never found any of these ads to be valid, and it is expensive to litigate in court to defend against a trademark claim.¹⁷⁷ In effect, the Eighth Circuit's approach to parodies devalues the quality and availability of a publisher's ad inventory, and as a result, hinders the publisher's profitability.

Parodies can also foster healthy commercial competition by encouraging firms to improve their current practices. Although parodies "can damage attitudes toward the parodied brand . . . purchase intentions appear isolated from these harmful effects."¹⁷⁸ Therefore, the effectiveness of a parody does

173. HIST. ADVERT. TR., COMEDY IN ADVERTISING. WHY USE PARODY? 2 (2012) <http://www.hatads.org.uk/documents/Learning/comedy.pdf> ("A parody also has great viral potential (or 'trending topic' on Twitter), allowing it to be shared by consumers therefore letting word-of-mouth add to the hype for the brand. These types of campaigns also invite audience participation and co-creation, inviting consumers to create their own material (as in a recent political campaign for the Liberal Democrats that used a 'Labservative' website asking people to post their own 'mashed up' images of Conservative and Labour party members).").

174. See Vin Shahrestani, *KFC Advert Spoofing Mick Fanning Shark Attack Angers Family*, TELEGRAPH (Oct. 19, 2015, 11:17 AM), <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/southafrica/11940192/KFC-advert-spoofing-Mick-Fanning-shark-attack-angers-family.html> (discussing how KFC "used a lookalike to re-enact" a real shark attack "as the actor twirled a computer-generated shark above his head while riding the perfect wave"); see also *Lexus 'December To Remember' Commercial Parodied By UCB Comedy* (VIDEO), HUFFINGTON POST (Dec. 7, 2012), http://www.huffingtonpost.com/2012/12/06/lexus-december-to-remember-ad-parody-uch_n_2251275.html; *Movin' Season: Ram Truck Parody Questions Your Friendship* (VIDEO), HUFFINGTON POST (June 18, 2013, 8:01 AM), http://www.huffingtonpost.com/2013/06/18/movin-season-ram-truck-parody_n_3458617.html.

175. ADJUGGLER INC., GUIDE TO ONLINE ADVERTISING 3, http://adjuggler.com/docs/Adjuggler_guidetoonlineadv.pdf.

176. *Id.* at 10.

177. See Charles P. Lickson, *Trademark Protection: Is Litigation Worth the Cost?*, IP WATCHDOG (May 23, 2013), <http://www.ipwatchdog.com/2013/05/23/trademark-protection-is-litigation-worth-the-cost/id=40711> ("Trademark violators can be hit with a fairly substantial penalty—such as monetary damages (where it can be shown that the plaintiff actually lost money or that the defendant unjustly gained money by mis-use of the infringing mark[]). In some cases, punitive damages can be awarded by the Court. These are more challenging to prove, but if the plaintiff can show that the infringement was intentional and willful—and caused damage to the plaintiff.").

178. Ouidade Sabri & Géraldine Michel, *When Do Advertising Parodies Hurt?: The Power of Humor and Credibility in Viral Spoof Advertisements*, 54 J. ADVERT. RES. 33, 53 (2014). In addition, parodies, in fact, offer an excellent opportunity for brands to increase consumer recognition. Even though the

not affect whether a consumer purchases products from a commercial entity. To the contrary, the study finds that “[n]egative parodies, in fact, offer an excellent opportunity and challenge for brands.”¹⁷⁹ Because the Eighth Circuit has rarely found for parodies as successful defenses in trademark law, these companies are insulated from commercial improvements. As a result, the circuit may experience less commercial developments.

IV. RECONSIDERING PARODIES IN THE EIGHTH CIRCUIT

Because of the various problems with the Eighth Circuit’s use of the “confusion, then balancing” test, this Note argues that the Eighth Circuit should place more weight on a parodist’s First Amendment rights in infringement lawsuits.¹⁸⁰ While there are numerous alternative tests available to the Eighth Circuit, this Note presents two possible ways that the courts can reform its analysis. First, Part IV.A argues that the Eighth Circuit should use the “balancing” test instead of the “confusion, then balancing” test.¹⁸¹ Second, Part IV.B suggests that the Eighth Circuit should revise its “likelihood of confusion” analysis by either adding more factors or reweighing the current *SquirtCo* factors to account better for the parodist’s First Amendment rights.¹⁸²

A. USING THE “BALANCING” TEST

Like most other circuits, the Eighth Circuit should use the “balancing” test to determine if a parody infringes a trademark. First, the “balancing” test is optimal because it reduces anchoring bias. Under the Eighth Circuit’s current model, courts conduct the “likelihood of confusion” analysis before they even consider a parodist’s First Amendment rights.¹⁸³ In effect, they are more likely to be affected by anchoring bias and find for the mark owner. Under the “balancing” test, however, courts can avoid or minimize this bias by examining the competing trademark and First Amendment concerns simultaneously. Because the courts examine both interests at the same time, anchoring bias is avoided.¹⁸⁴

Moreover, the “balancing” test increases judicial efficiency. Four other circuits have applied the “balancing” test to trademark parodies—making this approach the most popular. Given the Eighth Circuit’s pro-trademark history, mark owners are particularly more inclined to file trademark infringement actions in these courts.¹⁸⁵ This rise in forum shopping and forum selling raises

parody may offend the mark owner, “[a]cknowledging such criticisms can be a chance to improve the brand’s image and change critical behaviors.” *Id.* at 54 (citation omitted).

179. *Id.*

180. *See supra* Part III.

181. *See supra* Part IV.A.

182. *See supra* Part IV.B.

183. *See supra* Part II.B.2.

184. *See supra* Part II.B.2.

185. *See supra* Part II.B.2.

litigation costs for the parodist and is judicially inefficient.¹⁸⁶ To prevent this result, the Eighth Circuit should use the same test as most other circuits, the “balancing” test, and minimize opportunities for plaintiffs to file lawsuits purposefully in favorable courts.

Finally, the “balancing” test better accounts for a parodist’s First Amendment rights. Professor Kenneth Port argues that “[t]he Eighth Circuit Court of Appeals’ trademark jurisprudence has been truly fair and balanced since the 1946 passage of the Lanham Act.”¹⁸⁷ Further, he claims that the courts are “mindful of the need to maintain an even playing field so that trademark owners’ rights can be respected but trademark defendants’ ability to compete is not unduly burdened.”¹⁸⁸ However, his article does not discuss the effects of the Eighth Circuit’s trademark jurisprudence with respect to noncompeting defendants, such as parodists.¹⁸⁹ While the Eighth Circuit’s approach may benefit mark owners, it fails to adequately consider the full merits of a parodist’s First Amendment rights.¹⁹⁰ Because balancing both interests together would help ensure that the parodist’s First Amendment rights are accurately valued, the Eighth Circuit should adopt the “balancing” test instead.

B. REWEIGHING THE FACTORS IN THE “LIKELIHOOD OF CONFUSION” ANALYSIS

In addition, the Eighth Circuit should revise its “likelihood of confusion” analysis by either adding more factors to the test or reweighing the significance of each factor. As of now, the Eighth Circuit uses the *SquirtCo* factors, which include: (1) strength of plaintiff’s mark; (2) similarity of the marks; (3) proximity of the goods; (4) defendant’s intent; (5) evidence of actual confusion; and (6) sophistication of the customers, to determine whether a parody is likely to confuse customers.¹⁹¹ Because the Eighth Circuit examines only these factors, its inquiry is too limited.

Other circuits consider factors such as the similarity of advertising methods or products, the similarity of sales facilities, and the comparative quality of the goods in addition to the *SquirtCo* factors.¹⁹² Depending on the specific facts of the case, these additional factors may allow courts to account better for the parodist’s intent without frustrating the objectives of trademark

186. See *supra* Part III.A.2.

187. Kenneth L. Port, *Eighth Circuit Trademark Opinions*, 36 WM. MITCHELL L. REV. 1657, 1657 (2010).

188. *Id.* at 1658.

189. As shown in *Balducci*, the parodist is the publisher of a humor magazine. *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 772 (1994). In effect, the parodist’s sales from the ad parody does not compete with the mark owner’s sales of beer.

190. See *supra* Part III.

191. See generally *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980). See also *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987).

192. Beebe, *supra* note 37, at 1602.

protection. For instance, if the parodist uses similar advertising methods as the mark owner such that consumers are easily confused, this additional factor would actually weigh in favor of the mark owner.

On the other hand, an effective parody that intends solely to communicate critically or humorously is unlikely to use the same sales mediums as the mark owner.¹⁹³ Moreover, because parodists often do not directly compete with the mark owner, a comparative analysis of the quality of the goods would weigh in favor of the parodist—especially when the goods are distinctly different. In these situations, these additional factors would provide the parodist more opportunities to defend his use against an infringement or dilution lawsuit and increase the parody's chances of survival.

One potential criticism of this new approach is that the Eighth Circuit's inclusion of additional factors would deviate from the purposes of the Lanham Act and increase unpredictability in federal trademark law. However, many scholars realize that the Lanham Act fails to address the practicalities of actual infringement and dilution lawsuits, and is therefore inadequate.¹⁹⁴ These scholars have even proposed amendments to this Act to account for these shortcomings.¹⁹⁵

Finally, this Note argues that the Eighth Circuit should reweigh its emphasis on the *SquirtCo* factors. Interestingly, in a likelihood of confusion analysis, the Eighth Circuit tends to put significant weight on two factors: (1) the similarities between plaintiff's and defendant's marks; and (2) whether there was actual confusion.¹⁹⁶ For instance, in *Novak*, the court held that one of the reasons why the parodist infringed on the trademark was because his design was "very similar" to the original version.¹⁹⁷ In doing so, however, the Eighth Circuit has neglected the fact that the very essence of a parody is to copy substantial elements of the original mark and invoke audience recognition.¹⁹⁸

The Eighth Circuit also places substantial weight on finding whether actual confusion occurred. In this case, the *Novak* majority relied exclusively on a survey to determine that the parody created a strong likelihood of

193. See *supra* note 7.

194. See, e.g., Theresa A. Paparella, Comment, *Stealing the Value of Another's Trademark: A Need for a Practical Solution for the Keyword-Advertising Debate*, 26 T.M. COOLEY L. REV. 347, 351 (2009) ("[T]his article argues for consideration of a legislative amendment to the Lanham Act. It explains why it is best to rely on the Lanham Act to keep trademark infringement and unfair competition under one substantive body of trademark law." (footnote omitted)); see also Duncan, *supra* note 56, at 243 ("This Note proposes a simple and straightforward reform: the statutory text of 15 U.S.C. § 1125(C)(3) should be amended to apply to infringement claims in addition to dilution claims." (footnote omitted)).

195. See Paparella, *supra* note 194, at 351.

196. *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987).

197. *Id.*

198. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989).

confusion.¹⁹⁹ However, this Note has already established that consumer surveys are often misleading,²⁰⁰ and therefore, the court should avoid relying exclusively on these results. But even when actual confusion is not present, the Eighth Circuit seems peculiarly keen to assert the actual confusion factor in favor of the mark owner.²⁰¹ This tendency to find for the mark owner thus indicates that the courts should reevaluate the *SquirtCo* factors to properly reconcile competing interests between the mark owner and the parodist.

In lieu of focusing on these two factors—i.e., similarities between plaintiff's and defendant's marks and whether there was actual confusion—this Note proposes that the court should place more emphasis on the parodist's intent to determine whether the parody defense applies. For example, in *Novak* and *Balducci*, although the Eighth Circuit recognized that the parodists did not intend to “pass off” the parodied goods, the circuit placed relatively little weight on this factor.²⁰² In finding for the mark owner, the court essentially ignored the parodists' intent to use the parody to communicate messages, and undermined the very essence of free speech. To resolve these shortcomings, the Eighth Circuit should focus more on the parodist's mindset and weigh his First Amendment rights more fairly to properly account for any competing interests.

V. CONCLUSION

Critics sometimes use parodies to communicate because humor is extremely effective.²⁰³ In doing so, however, a parody may offend the mark

199. *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 401 (8th Cir. 1987).

200. *See supra* Part III.A.2.

201. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 774 (8th Cir. 1994) (finding “significant doubt as to whether many consumers would develop this understanding of [the parodist's] true purpose”).

202. *See, e.g., Balducci Publ'ns*, 28 F.3d at 769; *Novak*, 836 F.2d at 397.

203. THOMAS JEFFERSON STILL SURVIVES! THOMAS JEFFERSON, IN HIS OWN WORDS, SPEAKS OUT ON LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS 186 (Michael Thomas Thorsen et al. 2001) (finding that humor “is among the most effectual, and its effect is so well imitated and aided, artificially, by politeness, that this also becomes an acquisition of first rate value”); Pamela Hobbs, *Judges' Use of Humor as a Social Corrective*, 39 J. PRAGMATICS 50, 51–63 (2007), www.sciencedirect.com/science/article/pii/S0378216606001299. Today, most forms of entertainment use humor to convey messages. *See* Anna Douglas, *Bear Sightings, Weird Wildlife News Inspire Parody Twitter Accounts*, HERALD (July 25, 2015, 5:08 PM), <http://www.heraldonline.com/news/local/article28713262.html> (finding that “[w]ithin three hours of the most-widely discussed local bear sighting on June 17, a parody social media account—the Rock Hill Bear on Twitter—emerged”); James Andrew Miller, *To Defend Its Comedy Crown, S.N.L. Has to Own the 2016 Election*, VANITY FAIR (Sept. 28, 2015, 1:29 PM), <http://www.vanityfair.com/hollywood/2015/09/saturday-night-live-2016-election> (recognizing that “[i]t's hardly a secret that there's a waiting crowd of competitors out there—satirists, topical comics, pundits, parodists, wits, and wags—with new ones all but popping out of the woodwork. Comedy competitors take root and blossom virtually overnight, chipping away mercilessly at the show's core audience and its unique identity”); Jason Zinoman, *Turning 40, 'S.N.L.' Settles In*, N.Y. TIMES (Jan. 16, 2015), <http://www.nytimes.com/2015/01/17/arts/television/saturday-night-live-gears-up-for-an-anniversary.html> (finding that “[f]or a corporate juggernaut that draws the best talent in the

owner and cause the owner to raise an infringement lawsuit. However, although trademark protection is important, the courts should remain mindful of the parodist's First Amendment rights during litigation. Because the Eighth Circuit uses the "confusion, then balancing" approach, it is more likely to suffer from anchoring bias and less likely to find for the parodist. This bias, along with the Eighth Circuit's excessive reliance on surveys, increases judicial inconsistency and can even cause adverse commercial effects. To minimize these problems, the Eighth Circuit should adopt the more popular test—the "balancing" test—and revise its "likelihood of confusion" analysis to reconcile these competing interests in trademark and constitutional law.

Appendix A: Examples of Parodies ²⁰⁴

Figure 1



"[W]ith almost 17,000 stores and counting in over 50 countries,"²⁰⁵ it is unsurprising that Starbucks (see left) ²⁰⁶ has become the "world's largest coffee chain."²⁰⁷ When comedian Nathan Fielder opened a coffee shop in 2014 and used a nearly identical logo (see right)²⁰⁸ to market his products, Fielder's message was humorous to all but the original mark owner.

country, 'Saturday Night Live' still brings the imperfections and excitement of kids scrambling to put on a big show").

204. This Appendix provides a few examples of parodies and is not intended to be all-inclusive.

205. Rachel Hennessey, *3 Reasons Why Starbucks Still Shines, Despite Market Shortcomings*, FORBES (Aug. 6, 2012, 10:24 AM), <http://www.forbes.com/sites/rachelhennessey/2012/08/06/3-reasons-why-starbucks-still-shines-despite-market-shortcomings/#452dcbeed4fb>.

206. *Starbucks Logo*, LOGOK, <http://logok.org/starbucks-logo> (last visited Sept. 13, 2016).

207. Hennessey, *supra* note 205.

208. Johnlee Varghese, *Dumb Starbucks Brews Up Trouble: Forced to Shut Shop, Real Starbucks Contemplates Lawsuit*, INT'L BUS. TIMES (Feb. 11, 2014, 1:20 PM), <http://www.ibtimes.co.in/dumb-starbucks-brews-up-trouble-forced-to-shut-shop-real-starbucks-contemplates-lawsuit->

Figure 2



An international fashion and lifestyle magazine, *Vogue* (see left)²⁰⁹ has captured the attention of millions of fashionistas for decades. Its popularity and glamour has further led to the rise of spinoff magazines, including *Dogue* (see right).²¹⁰ More commonly known as a “parody of the world’s most famous fashion magazine,”²¹¹ *Dogue* has been positively received by pet lovers all over the nation. After all, who said dogs cannot have style?

538247 (“While the humor has been well received by the public, the largest coffee chain, Starbucks does not really seem thrilled by the Dumb Starbucks parody.”).

209. Lana Del Rey Covers *Vogue* UK March 2012, DESIGN SCENE (Feb. 2, 2012), <http://www.designscene.net/2012/02/lana-del-rey-covers-vogue-uk-march-2012.html>.

210. Joe Amio, *Joe is the New Black*, TUMBLR (Apr. 28, 2015), <http://joeamio.tumblr.com/post/117613282792/diggy-zoolander>. For more commentary on *Dogue*, see *This Little Dogue is the New Vogue Cover Model and More Tweets of the Week*, HUFFINGTON POST (Oct. 19, 2013, 8:33 AM), http://www.huffingtonpost.com/2013/10/19/dogue-vogue_n_4123817.html, and Clarence Petersen, *Vogue Parody is Simply Arf-ful*, CHI. TRIB. (Sept. 28, 1986), http://articles.chicagotribune.com/1986-09-28/features/8603120552_1_dogue-ilene-hochberg-vogue.

211. See generally ILENE HOCHBERG, *DOGUE: A PARODY OF THE WORLD’S MOST FAMOUS FASHION MAGAZINE* (1990).

Figure 3



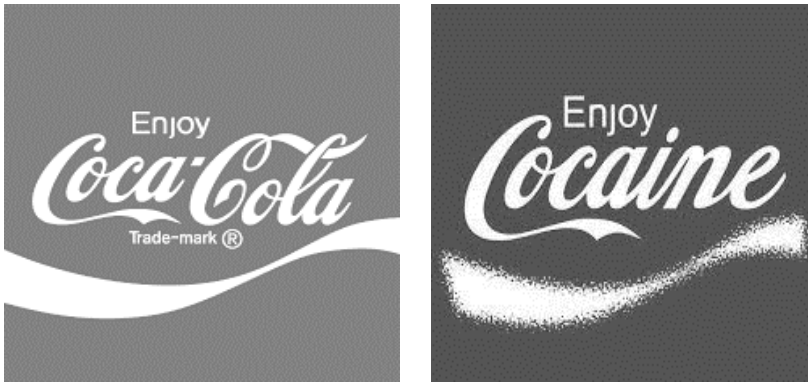
Today, Nike's logo (see left) ²¹² has expanded considerably to include both the iconic Swoosh and the slogan, "Just do it." As a spinoff, an artist decided to create his own mark with strikingly similar characteristics (see right).²¹³ While the artist primarily intended to use his design to amuse his customers, Nike sued the artist for trademark infringement. For more information on the result of this lawsuit, see generally *Nike, Inc. v. "Just Did It" Enterprises*.²¹⁴

212. *Branding 101—The Complete Series*, INSTAR GROUP (May 20, 2012), <http://www.theinstargroup.com/blog/2012/05/20/branding-101-complete-series>.

213. *Trčko Just Did It Mike Pánské*, FUNGEEK, <http://www.fungeek.cz/just-did-it-mike/261-trcko-just-did-it-mike-panske.html> (last visited Sept. 13, 2016).

214. *Nike, Inc. v. "Just Did It" Enters.*, 6 F.3d 1225, 1226 (7th Cir. 1993).

Figure 4



In the 21st century, Coca-Cola (see left)²¹⁵ is not only one of the most popular caffeinated beverages in the United States, but it is also an internationally recognized brand. In 1972, a New York corporation printed a poster that essentially reproduced Coca-Cola's logo but conveyed a very different message (see right).²¹⁶ Although the creators intended to use the poster in a humorous way, Coca-Cola initiated legal action and sued for trademark infringement. For more information on the result of this case, see generally *Coca-Cola Co. v. Gemini Rising, Inc.*²¹⁷

215. *Coca Cola Logo*, ALL-FREE-DOWNLOADS, <http://all-free-download.com/free-vector/coca-cola-vector-logo-download.html> (last visited Sept. 20, 2016).

216. Raul, *Geezer Butler's "Enjoy Cocaine" Bass Guitar Sticker*, FEELNUMB.COM (Dec. 9, 2011), <http://www.feelnumb.com/2011/12/09/geezer-butlers-enjoy-cocaine-bass-guitar-sticker>.

217. *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F.Supp. 1183, 1190 (E.D.N.Y. 1972).

Figure 5



One of Anheuser-Busch's best-selling products, Budweiser (see left)²¹⁸ has become an extremely popular brand name in the United States. A few years ago, a corporation started to manufacture dog toys (see right)²¹⁹ that strongly resembled Budweiser's bottle design. In response, Anheuser-Busch filed a trademark infringement action against the corporation and used consumer surveys to establish that there was a strong likelihood of confusion between the two products.²²⁰ For more information on this case, see generally *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974 (E.D. Mo. 2008).

218. *New Budweiser Label to be Introduced in August 2015*, ST. LOUIS POST-DISPATCH (July 29, 2015), http://www.stltoday.com/new-budweiser-label-to-be-introduced-in-august/image_c32f0979-ac77-522a-be0e-e16671979f7d.html.

219. *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 978 (E.D. Mo. 2008); *Silly Squeakers Beer Bottles Cataroma and ButtWiper*, DOGSTUFF, <http://www.dogstuff.com/Silly-Squeakers-Beer-Bottles-Cataroma-and-Buttwipe-p/vip90316.htm> (last visited Sept. 20, 2016).

220. *VIP Prods., LLC*, 666 F. Supp. 2d at 984–85.

Figure 6



There is no doubt in the modern digital age that Google (see left)²²¹ is one of the most popular search engines in nearly every country across the world (with China as the exception). In 2005, a pop artist, John Beatty, created another search engine called Gizoogle (see right),²²² which advertises itself as a parody of Google. Intended to literally be a joke for Google users, Gizoogle basically “lets you translate pretty much anything on the internet into gangsta slang.”²²³

221. Armin, *New Logo for Google Done In-House: It's all Goooooooooooooood*, UNDER CONSIDERATION (Sept. 2, 2015), http://www.underconsideration.com/brandnew/archives/new_logo_for_google_done_in_house.php.

222. GIZOOGLE, <http://www.gizoogle.net/> (last visited Sept. 13, 2016).

223. See *What is Gizoogle?*, GIZOOGLE, <http://www.gizoogle.net/more.php> (last visited Sept. 13, 2016).