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## When Is a Use in Commerce a Noncommercial Use?

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# WHEN IS A USE IN COMMERCE A NONCOMMERCIAL USE?

LEE ANN W. LOCKRIDGE\*

## ABSTRACT

*When is a use in commerce a noncommercial use? This question may sound like the opening for a ridiculous legal riddle, but it is a real conundrum in trademark dilution law. The current federal dilution statute, section 43(c) of the Lanham Act, creates liability based on the “use of a mark or trade name in commerce,” when that use is likely to blur or tarnish a famous mark. At the same time, the statute characterizes certain activities as nonactionable “exclusions,” including “any noncommercial use of a mark.” So the use of a mark in commerce can be a noncommercial use—but how—and why? This Article comprehensively examines the statutory exclusion for “noncommercial use of a mark” within the federal dilution statute. This includes the legislative history of the federal dilution statute, trademark and First Amendment jurisprudence, and court decisions to date interpreting the statute. Based on this research, the Article explains how courts and potential litigants should interpret the exclusion to achieve its purpose as a predictable, efficient defense that excuses a broad range of expressive uses.*

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## I. INTRODUCTION

The current federal dilution cause of action, enacted in 2006 to replace the 1995 statute, provides as follows:

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Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.<sup>1</sup>

As set forth in Parts II.B.-D. of this Article, Congress recognized the possibility of a serious First Amendment problem with the expansive scope of dilution liability. Congress addressed this concern by exempting certain uses through statutory exclusions. This Article deals with one of those exclusions: “[a]ny noncommercial use of a mark.”<sup>2</sup>

The appropriate interpretation of “noncommercial use of a mark” does not immediately leap from the statutory text or even the broader context of trademark dilution. Depending on whether the meaning of “use in commerce” is more than merely jurisdictional, the confusion might even rise to the level of a textual conflict. As a result, general principles of interpretation point to the legislative history of the exclusion.<sup>3</sup> That history indicates that the correct interpretation of “noncommercial use of a mark” is use of a mark in speech that is not pure “commercial speech” as understood in First Amendment jurisprudence.<sup>4</sup> The exclusion, then, restricts actionable dilution to commercial speech.

Unfortunately, numerous court decisions have failed to fully appreciate the role of the exclusion. Many, if not most, courts exploring the issue of commercial versus noncommercial use before 2006 focused on the Federal Trademark Dilution Act's (FTDA's) “commercial use in commerce” language in the primary liability provision rather than the “noncommercial use” language in the exclusion.<sup>5</sup> And al-

1. 15 U.S.C. § 1125(c)(1) (2006). Dilution by blurring is defined as “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” 15 U.S.C. § 1125(c)(2)(B). Dilution by tarnishment is defined as “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. § 1125(c)(2)(C). When the user of the diluting mark “willfully intended to trade on the recognition of the famous mark” or “willfully intended to harm the reputation of the famous mark,” monetary remedies are also available. 15 U.S.C. § 1125(c)(5)(B).

2. 15 U.S.C. § 1125(c)(3)(C).

3. Even Justice Scalia, who regularly expresses disdain for the use of legislative history, has accepted reference to legislative history in order to obtain the meaning of an otherwise conflicting or nonsensical statute. *See Green v. Bock Laundry Mach. Co.*, 490 U.S. 504, 527 (1989) (Scalia, J., concurring); ANTONIN SCALIA, A MATTER OF INTERPRETATION 22-23, 31 (1997).

4. *See infra* Parts II.C.-D.

5. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified at 15 U.S.C. § 1125(c) (2000)). For example, in *Bosley Medical Institute, Inc. v.*

though the Trademark Dilution Reform Act (TDRA) of 2006 eliminated the “commercial use” language, courts may continue to focus on the “use . . . in commerce” language,<sup>6</sup> extending the trend of disregarding the noncommercial use exclusion. In some instances this is appropriate, but in others it unnecessarily complicates resolution of the case, which might easily be reached under the noncommercial use exclusion. Other courts applying the FTDA and TDRA have reached the exclusion but have applied it incorrectly by failing to utilize First Amendment commercial speech jurisprudence when applying the exclusion.<sup>7</sup> And other courts, even those purporting to apply the statu-

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*Kremer*, Kremer was displeased with hair-restoration services received from Bosley Medical Institute and started a website at [www.bosleymedical.com](http://www.bosleymedical.com) in which he strongly criticized the company. 403 F.3d 672, 674-75 (9th Cir. 2005). Bosley Medical sued Kremer for trademark infringement, dilution, and cybersquatting under the Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d), among other claims. *Id.* at 675, 680. Although the Ninth Circuit determined that the district court’s grant of summary judgment to Kremer on the ACPA claim was improper, it affirmed summary judgment for Kremer on the infringement and dilution claims by finding that Kremer’s site was noncommercial. *Id.* at 676-80. The court did not base its ruling specifically on the noncommercial use exclusion; instead, it based the ruling on a construction of both infringement and dilution under the Lanham Act that required “commercial use.” *Id.* at 676-77. The court found that only a use “in connection with a sale of goods or services” would constitute commercial use. *Id.* at 677. Although the Ninth Circuit panel in *Kremer* referenced the First Amendment and the court’s own decision in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002), in explaining why a distinction could be drawn between commercial and noncommercial uses, the court did not use First Amendment commercial speech doctrine to explain its requirement of a “commercial use.” *Kremer*, 403 F.3d at 677. Instead, it used the language of sections 32 and 43(a) of the Lanham Act. *Id.* As a result, the court applied its interpretation of the standard for a prima facie case, rather than the standard for proving the noncommercial use exclusion. *See also* TMI, Inc. v. Maxwell, 368 F.3d 433, 436 (5th Cir. 2004) (briefly examining the “commercial use in commerce” language and noting that the noncommercial use exclusion “further indicates that the provision only applies to commercial use,” but not appearing to acknowledge the speech-protective implications of the exclusion).

6. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (2006) (codified at 15 U.S.C. § 1125(c) (2006)).

7. For example, in a series of domain-name related cases, courts created a “commercial effects” rationale that was applied to both “commercial use in commerce” and “noncommercial use.” In *Jews for Jesus v. Brodsky*, one of the later domain name cases following the “commercial effects” rationale, the noncommercial use exclusion was directly addressed by the court. 993 F. Supp. 282, 307 (D.N.J. 1998). The court acknowledged that the exclusion was intended to exclude protected speech from the reach of dilution liability. *Id.* Interestingly, although the court addressed the issue under the heading “The Use by Defendant of the Mark and the Name of the Plaintiff Organization Constitutes Commercial Speech,” it did not refer to any First Amendment commercial speech cases when making its determination. *Id.* The court concluded that the site’s use was commercial because (1) it was a “bogus” site intended to intercept persons interested in the Jews for Jesus organization; (2) it linked to the Outreach Judaism Organization website, which raised money through sales of merchandise; and (3) the use was “designed to harm the Plaintiff Organization commercially by disparaging it and preventing the Plaintiff Organization from exploiting the Mark . . . . In addition, [it would] continue to inhibit the efforts of Internet users to locate the Plaintiff Organization Internet site.” *Id.* at 308. For this “effects” analysis of noncommercial use, the court referred to *Panavision Int’l, L.P., v. Toepfen*, 945 F. Supp. 1296 (C.D. Cal. 1996), and *Planned Parenthood Fed’n of America Inc. v. Bucci*, 42 U.S.P.Q. 2d (BNA) 1430 (S.D.N.Y. 1997), two earlier domain name dilution

tory exclusion, have raced past the exclusion to create a ruling directly based on the First Amendment.<sup>8</sup> Fortunately, a few courts have applied the First Amendment “definition” of commercial speech to interpret and apply the noncommercial use exclusion, as the legislative history indicates they should.<sup>9</sup> In so doing, these courts ensured that dilution liability reaches only purely commercial speech, as Congress apparently intended.

This Article comprehensively analyzes the noncommercial use exclusion, including its legislative and jurisprudential history. Applying a nuanced reading of First Amendment cases to the meaning of the noncommercial use exclusion means that uses blending commercial and noncommercial speech elements fall within the exclusion, not within the scope of dilution liability. A bare reading of the statute, even if combined with a nominal First Amendment analysis, could leave mixed speech in an indeterminate status within dilution. Indeterminacy can chill expressive uses. This Article recommends interpreting the noncommercial use exclusion as a broad affirmative defense that predictably and efficiently narrows the reach of federal dilution liability to purely commercial speech.

## II. HISTORY OF THE NONCOMMERCIAL USE EXCLUSION

### A. Dilution Before 1988

Significant experience with trademark dilution laws in the United States is relatively short, despite the fact that the first extended argument in favor of the cause of action was made over eighty years ago in an American law review article by Frank Schechter.<sup>10</sup> He ar-

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cases. It referred to these cases with respect to “noncommercial use” even though *Panavision* only superficially considered speech interests because the facts did not warrant additional inquiry, and *Planned Parenthood* addressed its “effects” analysis to the prima facie case, not to the exclusion. *Brodsky*, 993 F. Supp. at 308; see *Panavision*, 945 F. Supp. at 1303; *Planned Parenthood*, 42 U.S.P.Q. 2d at 1437.

8. See, e.g., *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1018 (9th Cir. 2004) (acknowledging the speech-protective function of the exclusion but concluding that the district court’s injunction under the FTDA violated the First Amendment, rather than basing its decision on the statutory exclusion).

9. See, e.g., *Mattel*, 296 F.3d at 905 (“[T]he legislative history of the FTDA suggests an interpretation of the ‘noncommercial use’ exemption that both solves our interpretive dilemma and diminishes some First Amendment concerns: ‘Noncommercial use’ refers to a use that consists entirely of noncommercial, or fully constitutionally protected, speech.”); *American Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 695-96 (N.D. Ohio 2002) (“[W]hen Congress passed the [FTDA], it used the phrase ‘noncommercial use’ as a somewhat inexact, short hand reference to ‘speech protected by the First Amendment.’”); *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1573-74 (S.D. Cal. 1996) (holding that the noncommercial use exclusion exempts from FTDA claims the expressive use of trademarks because such uses are protected by the First Amendment).

10. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927); see also DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW 6-9 (2002). Even so, Schechter was not the first person to conclude

gued for a recalibration of the focus of trademark infringement law away from confusion, which begets the relative question of whether a second use of a mark is sufficiently competitive to create actionable confusion.<sup>11</sup> He advocated the application of what he thought was the more realistic basis for existing decisions, namely the more absolute notion of a mark's uniqueness, and thus its selling power.<sup>12</sup> He based this argument both on his analysis of recent cases, in which courts had begun to provide protection to trademarks when related (and not just competitive) goods bore an infringing mark, and on his observation that "coined" marks (often referred to as fanciful marks in current trademark parlance) received greater protection in infringement actions than "commonplace" ones.<sup>13</sup> Where there is no uniqueness to preserve, Schechter's argument does not support broad protection of a mark such that a mark owner could enjoin its use on noncompetitive goods—even a "commercial use" or "trademark use" of the mark on those goods.<sup>14</sup>

Two decades after Schechter wrote, state laws began to incorporate the dilution rationale. The cause of action defined by state legislatures, however, bore little relationship to Schechter's analysis and prescription for protecting uniqueness. Schechter advocated broad protection of unique, inherently distinctive marks and narrow protection of noninherently distinctive marks because, he argued, actual uniqueness was the real power and value of a mark that needed strong legal protection. This reasoning, however, did not take hold in state law. State laws reflected only the concept of restricting uses of marks that made any senior mark less distinctive.<sup>15</sup>

Massachusetts adopted the first dilution statute in 1947, with Illinois, New York, and Georgia following within the next decade.<sup>16</sup> These early statutes provided for injunctive relief, even in the ab-

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that trademark rights should extend beyond truly confusing uses. Welkowitz's treatise presents two cases that Welkowitz argues use dilution-like rationales under the guise of confusion-based decisions. *Id.* n.15 (citing *Eastman Photographic Materials Co. v. John Griffith's Cycle Corp.*, 15 R.P.C. 105, 106 (1898) (holding infringing the use of the mark KODAK for bicycles); *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928) (ruling for the owner of YALE for locks when it opposed registration of YALE for batteries and flashlights)).

11. Schechter, *supra* note 10, at 821.

12. *Id.* at 824-30.

13. *Id.*

14. *Id.* at 830-33.

15. While this mutation may seem odd, perhaps it is not as unusual as one might hope; it is an example of the long-standing problem of a rule being divorced from its rationale, and being unfortunately mutated in the process. *See, e.g.*, *Peaceable Planet, Inc. v. Ty, Inc.*, 362 F.3d 986, 989-90 (7th Cir. 2004) ("The scope of a rule is often and here limited by its rationale. Or, to make the same point differently, one way of going astray in legal analysis is to focus on the semantics of a rule rather than its purpose.").

16. Robert G. Bone, *Schechter's Ideas in Historical Context and Dilution's Rocky Road*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 469, 497 (2008).

sence of competition or confusion, when the plaintiff showed a “likelihood of . . . dilution of the distinctive quality of a mark,” or a likelihood of injury to business reputation.<sup>17</sup> Unlike Frank Schechter’s vision for dilution, the statutes did not replace confusion-based infringement, nor were they limited to coined terms.<sup>18</sup> These statutes provided broad protections and contained no limiting language about the means by which this dilution or reputational injury must be accomplished (such as a limitation to use of the plaintiff’s mark as defendant’s own mark), and they provided no statutory defenses.<sup>19</sup>

Variation in state laws increased over time, following two different Model State Trademark Bills promulgated by the International Trademark Association (formerly the U.S. Trademark Association) in 1964 and 1992.<sup>20</sup> Still, the laws required only that the diluted mark be either distinctive (earlier laws) or famous (later laws), rather than fanciful or coined.<sup>21</sup> The state laws also did not specify the types of uses of protected marks that would lead to liability (implying that all uses of a protected mark or a similar mark could create liability) or provide statutory limitations on the actions (such as clear affirmative defenses).<sup>22</sup>

### B. 1988: Failed Attempt at Federal Dilution Statute

Federal dilution law arose from a number of concerns. One fairly simple and understandable concern was the inconsistency in state laws. A trademark owner’s rights or, conversely, a new user’s rights to use a mark on noncompetitive goods, varied from state to state. Dilution protection existed in some but not all states, and protection differed even among states with a dilution action.<sup>23</sup> This variance in-

17. *Id.*; David S. Welkowitz, *State of the State: Is There a Future for State Dilution Laws*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 681, 683 (2008).

18. Bone, *supra* note 16, at 499 n.148; Welkowitz, *supra* note 17, at 683.

19. Courts, however, read limitations into the statutes. Welkowitz, *supra* note 17, at 683-84 (noting that courts “often inserted a requirement of confusion into statutes that expressly disclaimed the need for it”).

20. *Id.* at 682-85; WELKOWITZ, *supra* note 10, at 11-21. A 1996 revision amended dilution provisions to reflect the 1995 FTDA. The antidilution provisions of the 1964 and 1992 Model State Trademark Bills are reproduced in MCCARTHY ON TRADEMARKS. See J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION 22:8, 24:78-79 (4th ed. 2009). The most recent version of the Model State Trademark Bill, promulgated in 2007, seeks to harmonize state dilution laws with the federal dilution statute as amended in 2006. See <http://www.inta.org> (follow “Policy Development & Advocacy” link; then “Model Guidelines” link; then “Model State Trademark Bill” link) (last visited Mar. 26, 2010).

21. WELKOWITZ, *supra* note 10 at 14-16.

22. See *id.* at 11-21.

23. See Welkowitz, *supra* note 17, at 682-87, and sources cited therein. Welkowitz’s succinct observation is that after several states enacted the second Model State Trademark Bill (while other states retained their statutes under the first model), “there was now some differentiation among the state laws. Where once there were only laws giving injunctive re-

terfered with the Lanham Act's stated goal of providing registered trademarks with uniform rights across the United States. From a trademark owner's point of view, a strong justification for enacting a federal dilution statute was that the patchwork of state rights to prevent dilution meant, in many cases, pursuing litigation in more than one state in order to gain injunctive relief effective in more than one state.<sup>24</sup> Of course, for those who thought confusion-based trademark rights should be limited to competing goods and services, the patchwork of rights was perhaps better than a uniform, strong right of trademark owners to bring dilution claims.

The first federal bill including a cause of action against trademark dilution came in 1987. At that time, Congress was considering a large-scale revision to the Lanham Act which would include the availability of intent-to-use applications in addition to use-based trademark applications and shorten the term of registration of a trademark from twenty years to ten years in order to reduce the number of inactive or abandoned marks on the register.<sup>25</sup> The bill introduced in the Senate in November 1987, Senate Bill 1883, included a cause of action to enjoin dilution.<sup>26</sup> It would have added a new subsection to section 43 of the Lanham Act in which the right of action entitled an owner of a famous registered mark "subject to the principles of equity, to an injunction against another person's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark" and gave seven nonexclusive factors that could be used to analyze the distinctiveness and fame of the mark.<sup>27</sup> The bill defined dilution quite broadly: "the lessening of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use."<sup>28</sup> It did not provide any statutory exclusions from liability.<sup>29</sup>

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lief for 'likelihood of dilution,' of (apparently) any distinctive mark, now there were a group of dilution laws protecting only 'famous' marks, with a definition, of sorts, of dilution, and allowing damages in certain cases." *Id.* at 684-85.

24. See David S. Welkowitz, *Preemption, Extraterritoriality, and the Problem of State Antidilution Laws*, 67 TUL. L. REV. 1, 81-84 (1992) (discussing the reasons a state's antidilution laws should not be applied to conduct outside the state).

25. See 133 CONG. REC. 32812-13 (statement of Sen. DeConcini upon introducing the bill).

26. *Id.* at 32813.

27. Trademark Law Revision Act of 1987, S. 1883, 100th Cong. § 29 (as introduced on Nov. 19, 1987); 133 CONG. REC. 32816.

28. S. 1883 § 31; 133 CONG. REC. 32817.

29. The bill did provide for a defense to liability under *state* dilution laws:

Ownership of a valid registration under the Act of 1881 or the Act of 1905 or on the principal register established herein shall be a complete bar to an action

When the full Senate considered Senate Bill 1883 in May 1988, the scope of dilution liability had been narrowed somewhat through amendments reported by the Committee on the Judiciary.<sup>30</sup> The action for dilution remained “subject to the principles of equity,” and those principles of equity were to be applied “taking into account, among other things, the good faith use of an individual’s name or an indication of geographic origin.”<sup>31</sup> The definition of dilution was only slightly narrowed, moving from the original “lessening of the distinctive quality of a famous mark” to “material reduction of the distinctive quality of a famous mark.”<sup>32</sup> The overall effect of the changes, though, was to include minimal recognition that some arguably diluting uses of famous marks might need to be allowed based on certain policy interests—though the only interests specifically acknowledged were an individual’s interest in using his or her own name and the accurate application of a term used to indicate the geographic origin of goods or services. The Senate passed the amended version of the bill.<sup>33</sup> Later, in September 1988, the Committee on the Judiciary issued its report on the bill.<sup>34</sup> The section-by-section analysis included in the report contained some interesting commentary:

Dilution occurs when a person adopts the mark of another for use as a trademark on noncompeting goods or services. Because the later user must be using the mark as a trademark on noncompeting goods or services, traditional trademark infringement questions such as likelihood of confusion and competition between the parties are not at issue. For these same reasons, concerns that a federal dilution provision will reach to the use of another’s trademark in comparative advertising, satire, consumer reporting, and editorial comment are unfounded; by its nature, dilution does not and cannot reach to these “fair uses” of another’s trademark.<sup>35</sup>

According to the report, then, the “special protection” given to individuals’ names and accurate use of geographic terms would apply even to use “as a trademark” and exclude those uses from liability.<sup>36</sup> And anything other than use “as a trademark” would not give rise to dilution liability at all.<sup>37</sup> Thus, the Committee’s report narrowed the

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brought by another person, under the common law or statute of a State, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.

S. 1883 § 29(c)(3); 133 CONG. REC. 32816.

30. 134 CONG. REC. 11069-75 (1988).

31. *Id.* at 11072.

32. *Id.* at 11073.

33. *Id.* at 11075.

34. S. REP. NO. 100-515 (1988).

35. *Id.* at 41.

36. *Id.* at 41-43.

37. *See id.*

potentially vast breadth of the language of Senate Bill 1883's dilution provision. The version of Senate Bill 1883 that ultimately passed both houses of Congress and became law in November 1988 did not, however, include any protection from dilution, either broad or narrow.<sup>38</sup> Remarks made on the floor of the Senate after the House amendment was brought back to the Senate indicated significant disappointment with the House's deletion of dilution from the bill:

Although this was a somewhat controversial issue, the Senate had worked hard to come up with a carefully crafted compromise that we thought would be acceptable to all. By eliminating this section, the Federal Government loses the opportunity to provide guidance to those States that have dilution laws, and to create greater certainty in this area.

...  
Dilution is an important, developing area of the law. Eliminating this provision from the legislation will not eliminate the accompanying problems; they merely will have to be addressed in the future.<sup>39</sup>

Federal legislative activity on dilution lay dormant until 1995, when a new trademark dilution bill was introduced in the House.<sup>40</sup> That bill, the Federal Trademark Dilution Act of 1995 (FTDA), enjoyed a fairly rapid and uncomplicated trip through Congress, unlike the 1988 attempt at legislation.<sup>41</sup>

### C. 1995: Federal Trademark Dilution Act

As introduced, House Bill 1295 entitled the owner of a famous registered trademark, subject to principles of equity, to "an injunction against another person's commercial use in commerce of a mark or trade name if such use begins after the registrant's mark becomes famous and causes dilution of the distinctive quality of the registrant's mark."<sup>42</sup> The liability provision had changed little since the Senate's 1988 version, but there were differences. First, the activity leading to liability became "commercial use in commerce of a mark" instead of mere "use in commerce of a mark." Second, the specific

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38. See Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (codified as amended in scattered sections of 15 U.S.C.).

39. 134 CONG. REC. 32053 (1988) (statement of Sen. DeConcini). Interestingly, a bill introduced in the House in March 1988 did include a dilution provision. H.R. 4156, 100th Cong. §29 (as introduced on Mar. 15, 1988). But by September, following markup in subcommittee (with the clean bill denominated House Bill 5372), the House trademark revision bill did not contain any mention of dilution. The House later amended the Senate Bill, S. 1883, which was the bill that passed both houses. See, e.g., H.R. REP. NO. 100-1028 at 3-7 (1988).

40. Federal Trademark Dilution Act of 1995, H.R. 1295, 104th Cong. (1995).

41. Pub. L. No. 104-98, 109 Stat 985 (1996).

42. H.R. 1295 § 3(a)(c)(1) (as introduced on Mar. 22, 1995).

“principles of equity” that appeared in the last Senate dilution provision, a defendant’s use of his or her own name and the use of a geographic term to indicate origin, disappeared. Third, concerns about speech interests and legitimate comparative advertising led to the addition of two statutory exclusions from liability. Excluded from dilution liability were two types of uses of another’s trademark: “Fair use of a registrant’s mark by another person in comparative commercial advertising or promotion to identify the registrant’s competing goods or services,” and “Noncommercial use of a mark.”<sup>43</sup>

Interestingly, the concerns about overbreadth and the need for exclusions from liability did not lead to an express statement that dilution liability would only extend to a defendant’s use of a famous mark “as a trademark on noncompeting goods or services,” as had been explained in the 1988 Senate Report.<sup>44</sup> What constitutes use “as a trademark” as opposed to other types of use of a mark is difficult to define clearly and concisely.<sup>45</sup> But that the House chose not to expressly limit dilution liability to use “as a trademark,” and instead provided two exclusions from liability, raises the question of whether the House in fact intended for its dilution provision to sweep more broadly than the 1988 Senate proposal, or at least was entirely indifferent to its breadth.

Eight months after the bill’s introduction and referral to the House Committee on the Judiciary, House Bill 1295 was reported as amended, accompanied by a House Report.<sup>46</sup> The amendments made the dilution cause of action applicable to both registered and unregistered trademarks and added a third category of uses that would not be actionable, namely, “[a]ll forms of news reporting and news commentary.”<sup>47</sup> According to the House Report, the federal dilution cause of action aimed to protect famous marks from unauthorized uses that “reduce[] the public’s perception that the mark signifies something unique, singular, or particular.”<sup>48</sup> The report acknowledged that dilution “recognizes the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who would appropriate the mark for their

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43. *Id.* § 3(a)(c)(4)(A)-(B).

44. See S. REP. NO. 100-515, 41 (1988).

45. See Graeme B. Dinwoodie & Mark D. Janis, *Lessons from the Trademark Use Debate*, 92 IOWA L. REV. 1703, 1713-14 (2007) [hereinafter Dinwoodie & Janis, *Lessons*]; Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. 773, 775-76, 791-800 (2009); see also Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1641-57 (2007) [hereinafter Dinwoodie & Janis, *Confusion Over Use*].

46. H.R. REP. NO. 104-374 (1995).

47. *Id.* at 2.

48. *Id.* at 3.

own gain.”<sup>49</sup> This language indicates that at least one member of the House intended a dilution claim to protect the mark owner’s proprietary interests rather than to protect consumer interests or to prevent unfair competition. The exclusions from the scope of the claim—the fair use, news reporting, and noncommercial use exceptions—were explained only as follows:

The proposal adequately addresses legitimate First Amendment concerns espoused by the broadcasting industry and the media. The bill will not prohibit or threaten “noncommercial” expression, as that term has been defined by the courts. Nothing in this bill is intended to alter existing case law on the subject of what constitutes “commercial” speech. The bill includes specific language exempting from liability the “fair use” of a mark in the context of comparative commercial advertising or promotion as well as all forms of news reporting and news commentary. The latter provision which was added to H.R. 1295 as a result of an amendment offered by Congressman Moorhead that was adopted by the Committee, recognizes the heightened First Amendment protection afforded the news industry.<sup>50</sup>

In the section-by-section analysis in the report, the “use in commerce” language from the liability provision (“commercial use in commerce of a mark”) was explained by reference to the need for an interstate commerce nexus.<sup>51</sup> The “commercial use” language, however, was not addressed at all.<sup>52</sup> The section-by-section analysis also stated that the exceptions were

designed to preclude the courts from enjoining speech that courts have recognized to be constitutionally protected. . . . [s]ection (4)(B) of the bill expressly incorporates the concept of “commercial” speech from the “commercial speech” doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in “non-commercial” uses (such as consumer product reviews).<sup>53</sup>

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49. *Id.*

50. *Id.* at 4. Although the author of these statements in the House Report may have believed that the bill “adequately address[ed] legitimate First Amendment concerns,” scholars and others do not necessarily agree that federal dilution law, then or now, sufficiently protects expressive uses of marks. *See, e.g.,* Mary LaFrance, *No Reason to Live: Dilution Laws as Unconstitutional Restrictions on Commercial Speech*, 58 S. C. L. REV. 709 (2007); Paul Alan Levy, *The Trademark Dilution Revision Act—A Consumer Perspective*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1189 (2006); Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507 (2008); *see also* Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095 (2003) (arguing that any restriction on use of a descriptive trademark is unconstitutional, including protection via infringement and dilution law).

51. H.R. REP. NO. 104-374 at 7.

52. *Id.*

53. *Id.* at 8.

The report provided no further explanation or elaboration on the exceptions. The report contains no explicit discussion of why, given the applicability of the cause of action only to “another person’s commercial use in commerce of a mark or trade name,” a “noncommercial use” exception was deemed necessary.

On December 12, 1995, the bill as amended passed the House.<sup>54</sup> Other than the remark by Representative Moorhead that “[t]he bill would not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of expression that are not a part of a commercial transaction,” the House engaged in no further discussion of the First Amendment implications of the “noncommercial use” exception or any other aspect of the bill.<sup>55</sup> On December 29, 1995, the Senate passed the amended bill without further modification, with the only speech-related remark being Senator Leahy’s statement: “I am delighted that [the] bill now includes express reference to fair use, news reporting, and news commentary. I continue to believe, as our House colleagues also affirm, that parody, satire, editorial, and other forms of expression will remain unaffected by this legislation.”<sup>56</sup> In January 1996 President Clinton signed the FTDA, which was then codified at section 43(c) of the Lanham Act.<sup>57</sup>

#### D. 2006: Trademark Dilution Revision Act

In February 2005, Representative Lamar Smith introduced House Bill 683, which proposed to revise section 43(c) to “correct” a few aspects of the cause of action.<sup>58</sup> Those corrections included revising the statutory language to reverse the effect of the Supreme Court’s 2003 interpretation of section 43(c) in *Moseley v. V Secret Catalogue, Inc.*<sup>59</sup> In *Moseley*, the Court ruled that a trademark owner must prove actual dilution and cast doubt on whether the federal action covered tarnishment.<sup>60</sup>

House Bill 683 responded to *Moseley* in two ways: making actionable the likelihood of dilution rather than only actual dilution, and expressly including both blurring and tarnishment as viable theories of dilution under federal law.<sup>61</sup> A third major element of the proposed revision, responsive to cases other than *Moseley*, aimed to narrow the field of trademarks included within the meaning of a “famous

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54. 141 CONG. REC. 36190 (1995).

55. *Id.* at 36189.

56. 141 CONG. REC. 38561 (1995).

57. Pub. L. No. 104-98, 109 Stat 985 (1996) (approved Jan. 16, 1996).

58. H.R. 683, 109th Cong. (2005); H.R. Rep. No. 109-23 at 5, 8 (2005).

59. 537 U.S. 418, 432-33 (2003); H.R. Rep. No. 109-23 at 5.

60. *Moseley*, 537 U.S. at 432.

61. H.R. 683 § 2; H.R. REP. NO. 109-23 at 5, 8.

mark,” eliminating niche fame and geographically limited fame.<sup>62</sup> The revision also made clear that the field of eligible marks was broader than some courts had found in one respect: the revised language protects both inherently distinctive marks and those with only acquired distinctiveness.<sup>63</sup>

Representative Smith’s original 2005 bill changed only one aspect of the statutory exclusions from dilution liability: “Noncommercial use of a mark” became “Noncommercial use of a designation of source.”<sup>64</sup> He did not provide an explanation of that change when he introduced the bill.<sup>65</sup> The other statutory exclusions remained unchanged. Soon thereafter, in March 2005, the House Committee on the Judiciary reported on the bill and recommended certain amendments.<sup>66</sup> The Committee significantly revised the exclusions section of the bill, with a stated reason being closer attention to First Amendment issues.<sup>67</sup> As amended by the Committee, the exclusions section of the dilution statute did not contain the “noncommercial use” language; it read in its entirety:

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62. H.R. 683 § 2; H.R. REP. NO. 109-23 at 5, 8; cf. Jacob Jacoby, *Considering the Who, What, When, Where and How of Measuring Dilution*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 601, 602-606 (2008) (arguing that some niche fame is still recognized).

63. The Second Circuit in particular had restricted the field of famous marks eligible for federal dilution protection only to famous, inherently distinctive marks. See, e.g., *TCPIP Holding Co. v. Haar Commc’ns Inc.*, 244 F.3d 88 (2d Cir. 2001).

64. H.R. 683 § 3(c)(3)(B) (as introduced on Feb. 9, 2005); H.R. REP. NO. 109-23 at 19.

65. Two participants in subcommittee hearings on House Bill 683 strongly disagree about the reasons for the change in language to “designation of source” in the original bill and the change back to “mark or trade name” in the version that became law. See William G. Barber, *Dumping The “Designation of Source” Requirement From The TDRA: A Response To The Alleged “Trademark Use Requirement In Dilution Cases”*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 559, 561-70 (2008) (arguing that dilution liability may be based on uses other than as a “designation of source,” and using the deletion of that language from the bill to support that construction); Stacey L. Dogan & Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 541, 552-53 (2008) (arguing that “designation of source” simply restated or clarified a trademark use requirement that existed under the FTDA and that the change back to “mark or trade name” has no significance and retains a trademark use requirement).

66. H.R. REP. NO. 109-23 at 1.

67. See *id.* at 25 (prepared statement of Rep. Howard Berman).

[A]n amendment was adopted in Subcommittee to address the First Amendment and free speech issues that were raised at the hearing. The ACLU voiced concerns about the possibility that critics could be stifled by the threat of an injunction for mere likelihood of tarnishment. Furthermore, they were concerned with the balance between the rights of trademark holders and the First Amendment. ACLU joined with INTA [International Trademark Association, an organization composed primarily of trademark owners] and AIPLA [American Intellectual Property Law Association, an organization of intellectual-property attorneys] in crafting a separate exemption from a dilution cause of action for parody, comment and criticism.

*Id.* The Subcommittee to which Berman refers, whose amendments were accepted by the whole Committee, is the Subcommittee on Courts, the Internet, and Intellectual Property.

(3) Exclusions.—The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Fair use of a famous mark by another person, other than as a designation of source for the person's goods or services, including for purposes of identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(C) All forms of news reporting and news commentary.<sup>68</sup>

When the full House considered the amended bill, Representative Berman stated on the floor that the bill

manages to balance trademark law with [F]irst [A]mendment concerns.

....

[And it] has now garnered the support of the ACLU for accommodating its [F]irst [A]mendment concerns. In section 2(c)(3), the bill addresses the balance between the rights of trademark holders and the [F]irst [A]mendment by providing an exemption for purposes of identifying and parodying, criticizing or commenting on the famous mark.<sup>69</sup>

The House passed the amended bill and forwarded it to the Senate for consideration.<sup>70</sup>

In March 2006, the Senate passed the bill, but with its own amendments.<sup>71</sup> The Senate Committee on the Judiciary revised the exclusions to read as follows:

(3) Exclusions.—The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.<sup>72</sup>

68. H.R. REP. NO. 109-23 at 2.

69. 151 CONG. REC. H2123 (daily ed. Apr. 19, 2005). *But see* sources cited *supra* note 50.

70. 151 CONG. REC. H2123 (daily ed. Apr. 19, 2005).

71. 152 CONG. REC. S1923 (daily ed. Mar. 8, 2006).

72. *Id.* at S1922.

The Committee did not issue a written report addressing its changes, but on the floor, Senator Leahy explained the change to the exclusions by stating, “Senator Hatch and I were successful in including language that definitively shelters important constitutionally protected [F]irst [A]mendment freedoms from being caught up in the liability net.”<sup>73</sup> The Senate passed the bill by unanimous consent, and no other concerns were raised on the record with respect to First Amendment issues.<sup>74</sup>

When the House accepted the Senate’s amendments in September 2006, Representative Sensenbrenner noted that the amended bill “creates a free-speech exclusion for noncommercial use of a mark,”<sup>75</sup> and Representative Smith stated that the “amendments developed by the subcommittee and the other body will more clearly protect traditional [F]irst [A]mendment uses, such as parody and criticism.”<sup>76</sup> The only Representative speaking against the bill was David Wu of Oregon.<sup>77</sup> Representative Wu’s remarks focused on small businesses, voicing concern that the bill would allow large companies to more easily sue individuals and small businesses even when harm was not apparent.<sup>78</sup> President Bush signed the bill, known as the Trademark Dilution Revision Act (TDRA), on October 6, 2006.<sup>79</sup>

In the FTDA, applying the common meaning of “commercial use in commerce” and “noncommercial use” resulted in a complete contradiction between the *prima facie* case and the noncommercial use exclusion. The legislative history, on the other hand, provided a meaning of “noncommercial use” that fit well within the context of the statute—a use other than in commercial speech. The TDRA’s amendments to the exclusions in section 43(c), including revisions considered and rejected in favor of further amendments, left the language “noncommercial use of a mark” from the FTDA intact, adding only the term “any” before it. With no indication in either the statutory text or the legislative history that the meaning of “noncommercial use” changed from the FTDA,<sup>80</sup> the speech-protective meaning still holds following reinsertion of the exclusion in the TDRA.

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73. *Id.* at S1923.

74. *See id.* at S1921-23.

75. 152 CONG. REC. H6964 (daily ed. Sept. 25, 2006).

76. *Id.* at H6965.

77. *See id.* at H6963-65.

78. *Id.* at H6965. Rep. Wu’s only comment that might shade toward a speech concern, as opposed to a concern for the change from actual dilution to likelihood of dilution was this: “[W]e run the risk of trademark owners being able to lock up large portions of our shared language. This . . . is especially troubling at a time when even colors and common words can be granted trademark protection.” *Id.* But overall, his concerns with the bill did not appear to be grounded in the First Amendment.

79. Pub. L. No. 109-312, 120 Stat. 1730 (to be codified at 15 U.S.C. § 1125).

80. In fact, all indications are that the exclusion was reinserted specifically to bolster speech protection, which reinforces the retention of the meaning “a use other than in

## III. "NONCOMMERCIAL USE" IN THE FIRST AMENDMENT CONTEXT

Before delving further into the connection between commercial speech doctrine and trademark dilution, it is helpful to briefly address the broader question of the interplay between trademark law and the First Amendment. Trademark law provides for private civil actions by trademark owners, while the First Amendment by its express language forbids direct governmental regulation of speech. But trademark law does not escape First Amendment scrutiny simply by coming in the form of a private action rather than direct governmental regulation.<sup>81</sup> The First Amendment constrains not only explicit state and federal regulations of speech but also the availability of speech-restrictive private civil actions under state or federal law.<sup>82</sup> And although decisions exist that immunize trademark law from serious First Amendment scrutiny on the basis that trademarks are "property,"<sup>83</sup> those decisions have been persuasively discredited by scholars<sup>84</sup> and do not appear to significantly influence courts today.<sup>85</sup>

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commercial speech." See 152 CONG. REC. S1923 (daily ed. Mar. 8, 2006) (statement of Sen. Leahy).

81. See *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 265 (1964) (applying the First Amendment to a libel action).

Although this is a civil lawsuit between private parties, the Alabama courts have applied a state rule of law which petitioners claim to impose invalid restrictions on their constitutional freedoms of speech and press. It matters not that that law has been applied in a civil action and that it is common law only, though supplemented by statute. The test is not the form in which state power has been applied but, whatever the form, whether such power has in fact been exercised.

*Id.* (citations omitted); see also Neil W. Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 4-5, 7 (2001) (noting that governmental enforcement of various private actions is restrained by the First Amendment).

82. See, e.g., Netanel, *supra* note 81, at 4-5, 7; see also Lee Ann W. Lockridge, *The Myth of Copyright's Fair Use Doctrine as a Protector of Free Speech*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 31 (2007) (explaining the parallel interaction between the First Amendment and private copyright actions); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381, 385, 407-08 (2008) (agreeing that trademark law is and should be restrained by the First Amendment and providing an extended argument for her position, but also discussing a few recent cases discounting First Amendment challenges and even denying the presence of state action).

83. See, e.g., *Reddy Commc'ns, Inc. v. Evtl. Action Found., Inc.*, 199 U.S.P.Q. (BNA) 630, 633-34, 636 (D.D.C. 1977) (refusing to entertain defendant's First Amendment defense to a trademark infringement action by analogizing to Supreme Court decisions allowing owners of private property to refuse to allow picketers to use the property, but denying the trademark owner's request for a preliminary injunction on other grounds); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979) (citing private property cases to reject the defendant's First Amendment argument on the ground that "adequate alternative avenues of communication exist" (quoting *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972))).

84. See generally Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158.

The First Amendment can be used to refine trademark law, and Congress did just that in drawing from commercial speech doctrine to define the extent of the noncommercial use exclusion.

A. *The Operation of Separate Commercial Speech Protection*

In providing an exclusion from dilution liability for noncommercial uses, section 43(c) relies on the distinction in First Amendment jurisprudence between “commercial speech” and other speech, which might therefore be termed “noncommercial speech.” The structure of that distinction and the meaning of “commercial speech” within that body of law thus governs the construction of section 43(c).

Space does not allow a full discussion of First Amendment theory and practice since the adoption of the Bill of Rights, or even a complete review of the history of commercial speech protection.<sup>86</sup> In brief, the Supreme Court significantly strengthened constitutional protection for expressive activities over the middle of the twentieth century. Most of the Court’s cases during this time related to noncommercial or “core” speech. Commercial speech began to gain traction as a form of speech worthy of protection in the early 1970s.<sup>87</sup> The Supreme Court’s clearest pronouncement of constitutional protection for commercial speech arrived in 1976, with the decision in *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council*.<sup>88</sup> The Court varies the level of First Amendment protection provided to speech depending on how the speech itself is classified.<sup>89</sup> Speech classified as “commercial” enjoys somewhat less protection than noncommercial speech.<sup>90</sup>

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85. See Kerry L. Timbers & Julia Huston, *The “Artistic Relevance Test” Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution*, 93 TRADEMARK REP. 1278, 1278-79, 1282-98 (2003) (discussing developments in the law from 1989 through 2003 to support the claim that the “Second, Fifth, Sixth, Ninth and Tenth Circuits have all expressly rejected the alternative avenues test” in trademark cases); *But see* San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm., 483 U.S. 522, 536 (1987) (ruling, in the trademark-analogous case of a special federal statute protecting the word “Olympic,” the five-interlocking-ring Olympic logo, and other devices, that the statute did not infringe upon protected rights of speech in part because “[b]y prohibiting the use of one word for particular purposes, neither Congress nor the USOC has prohibited the [defendant] from conveying its message”). For further discussion of the “Olympic” case, see *infra* notes 95, 196.

86. For more on the history of commercial speech protection, written for the purpose of addressing the place of trademarks and trademark law within that body of jurisprudence, see Ramsey, *supra* note 50. See also Ramsey, *supra* note 82; Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737 (2007).

87. See Ramsey, *supra* note 50, at 1130-34; see also Ramsey, *supra* note 82, at 390-95; Tushnet, *supra* note 86, at 744-47.

88. 425 U.S. 748, 770-72 (1976).

89. See Ramsey, *supra* note 50 at 1131-32.

90. *Id.*

Courts review regulations of commercial and noncommercial speech using different standards. Under *Central Hudson Gas & Electric Corp. v. Public Service Commission*, a regulation on commercial speech that is not false or misleading must directly advance a substantial governmental interest and be no more extensive than necessary to serve that interest.<sup>91</sup> For noncommercial speech, the validity of a speech regulation depends on the nature of the regulation. Content-based restrictions on noncommercial speech must be necessary to achieve a compelling governmental interest and narrowly tailored to achieve that interest.<sup>92</sup> A content-neutral time, place, or manner restriction on noncommercial speech, on the other hand, undergoes a less rigorous analysis than a content-based restriction. The regulation must be “justified without reference to the content” of the speech, “narrowly tailored to a significant governmental interest,” and it must “leave open ample alternative channels” for the expression.<sup>93</sup> And a valid regulation on conduct that includes expressive elements must otherwise fall within the valid powers of the government, further a substantial governmental interest unrelated to the suppression of free expression, and contain only an incidental restriction on freedom of speech that is not greater than essential to further the government’s nonspeech interest.<sup>94</sup>

Comparing commercial speech analysis to the varied noncommercial speech analyses demonstrates that while the treatment of commercial speech regulations is certainly close to that applied to content-neutral time, place, or manner regulations and expressive conduct regulations, it is not identical.<sup>95</sup> Content may play a role in restrictions

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91. 447 U.S. 557, 564 (1980).

If the communication is neither misleading nor related to unlawful activity, the government’s power is more circumscribed. The State must assert a substantial interest to be achieved by restrictions on commercial speech. Moreover the regulatory technique must be in proportion to that interest. The limitation on expression must be designed carefully to achieve the State’s goal. Compliance with this requirement may be measured by two criteria. First, the restriction must directly advance the state interest involved; the regulation may not be sustained if it provides only ineffective or remote support for the government’s purpose. Second, if the governmental interest could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive.

*Id.*

92. See *Boos v. Barry*, 485 U.S. 312, 321 (1988).

93. See *Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989).

94. See *United States v. O’Brien*, 391 U.S. 367, 377 (1968).

95. Cf. *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 536-37 (1987) (asking whether a federal restriction on use of the word “Olympic,” enforceable by the USOC, survived First Amendment review by asking “whether the incidental restrictions on First Amendment freedoms are greater than necessary to further a substantial governmental interest”).

on commercial speech. Also, no alternate communications channel analysis is required for commercial speech regulations, as it is with time, place, or manner restrictions on noncommercial speech.<sup>96</sup>

### B. *Drawing the Commercial-Noncommercial Line*

Reliance on the commercial-noncommercial distinction, whether in a First Amendment context or in the context of the noncommercial use exclusion for federal dilution actions, means that where the line is drawn to separate commercial from noncommercial speech has great significance. Complicating the line-drawing is the existence of speech containing both commercial and noncommercial elements. Courts applying the commercial speech doctrine have dealt with this problem of mixed speech in a variety of circumstances.

In *Bigelow v. Virginia*, the Court treated an advertisement for an abortion-provider referral service as protected speech without categorizing that advertisement as either commercial or noncommercial speech.<sup>97</sup> It did not focus on the advertisement's strongly commercial elements, even though earlier Court decisions excepted commercial advertisements from First Amendment protections.<sup>98</sup> The opinion addressed the effect of the commercial nature of the advertisement as follows:

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A restriction on nonmisleading commercial speech may be justified if the government's interest in the restriction is substantial, directly advances the government's asserted interest, and is not more extensive than necessary to serve the interest. Both this test and the test for a time, place or manner restriction under *O'Brien* require a balance between the governmental interest and the magnitude of the speech restriction. Because their application to these facts is substantially similar, they will be discussed together.

*Id.* at 537 n.16 (citations omitted). The Court explained its use of *O'Brien* as opposed to a stricter mode of scrutiny:

By prohibiting the use of one word for particular purposes, neither Congress nor the USOC has prohibited the SFAA from conveying its message. . . . Nor is it clear that [the law] restricts purely expressive uses of the word "Olympic." [It] restricts only the manner in which the SFAA may convey its message. The restrictions on expressive speech properly are characterized as incidental to the primary congressional purpose of encouraging and rewarding the USOC's activities.

*Id.* at 536.

96. See Lockridge, *supra* note 82, at 43-45, 47.

97. 421 U.S. 809, 818, 822-26 (1975).

98. See *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942) ("This court has unequivocally held that the streets are proper places for the exercise of the freedom of communicating information and disseminating opinion and that, though the states and municipalities may appropriately regulate the privilege in the public interest, they may not unduly burden or proscribe its employment in these public thoroughfares. We are equally clear that the Constitution imposes no such restraint on government as respects purely commercial advertising.").

The fact that the particular advertisement in appellant's newspaper had commercial aspects or reflected the advertiser's commercial interests did not negate all First Amendment guarantees. The State was not free of constitutional restraint merely because the advertisement involved sales or "solicitations," or because appellant was paid for printing it, or because appellant's motive or the motive of the advertiser may have involved financial gain. The existence of commercial activity, in itself, is no justification for narrowing the protection of expression secured by the First Amendment.

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 . . . The advertisement published in appellant's newspaper did more than simply propose a commercial transaction. It contained factual material of clear "public interest." Portions of its message, most prominently the lines, "Abortions are now legal in New York. There are no residency requirements," involve the exercise of the freedom of communicating information and disseminating opinion.<sup>99</sup>

In minimizing the commerciality of the ad and emphasizing its social or public-interest elements, the Court indicated that not all advertisements were equal in its eyes for First Amendment purposes. In the Court's words, "[t]he diverse motives, means, and messages of advertising may make speech 'commercial' in widely varying degrees."<sup>100</sup> The Court made it clear that speech with commercial motives might well be fully protected in certain circumstances, namely when the speech combines commercial activity with material of public interest.<sup>101</sup>

The year after *Bigelow*, in *Virginia State Board of Pharmacy*, the Court again avoided defining "commercial speech" as such, although it clearly brought commercial speech within the protective umbrella of the First Amendment.<sup>102</sup> The Court characterized the speech at issue as "speech which does no more than propose a commercial transaction."<sup>103</sup> The Court also identified two "commonsense differences" between commercial speech and other protected speech to justify the separation of commercial from noncommercial speech.<sup>104</sup> First, it observed that commercial speech is more objective than noncommercial speech, asserting that in commercial speech truth and falsity are more easily verified.<sup>105</sup> Second, the Court noted that commercial

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99. *Bigelow*, 421 U.S. at 818, 822 (internal citations and quotations omitted).

100. *Id.* at 826.

101. *Id.*

102. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762-65 (1976).

103. *Id.* at 771 n.24 (quoting *Pittsburg Press Co. v. Human Relations Comm'n*, 413 U.S. 376, at 385 (1973)).

104. *Id.*

105. *Id.*

speech, because it is motivated by profit, should have greater durability, or “hardiness” than noncommercial speech.<sup>106</sup>

In the 1980 case of *Central Hudson Gas & Electric Corp. v. Public Service Commission*, the Court created an analytical framework for commercial speech protection.<sup>107</sup> But it did not provide much assistance in identifying “commercial speech” in the first instance. The Court variously defined “commercial speech” as narrowly as “speech proposing a commercial transaction”<sup>108</sup> and as broadly as “expression related solely to the economic interests of the speaker and its audience.”<sup>109</sup>

Very shortly after *Central Hudson*, the Court issued its decision in *Village of Schaumburg v. Citizens for a Better Environment*.<sup>110</sup> In *Schaumburg*, the Court treated solicitation of funds for charitable purposes as speech fully protected by the First Amendment.<sup>111</sup> In so doing, the Court made the following statements about speech with a mixture of commercial and noncommercial elements:

Prior authorities . . . clearly establish that charitable appeals for funds, on the street or door to door, involve a variety of speech interests—communication of information, the dissemination and propagation of views and ideas, and the advocacy of causes—that are within the protection of the First Amendment. Soliciting financial support is undoubtedly subject to reasonable regulation but the latter must be undertaken with due regard for the reality that solicitation is characteristically intertwined with informative and perhaps persuasive speech seeking support for particular causes or for particular views on economic, political, or social issues, and for the reality that without solicitation the flow of such information and advocacy would likely cease. Canvassers in such contexts are necessarily more than solicitors for money. Furthermore, because charitable solicitation does more than inform private economic decisions and is not primarily concerned with providing information about the characteristics and costs of goods and services, it has not been dealt with in our cases as a variety of purely commercial speech.<sup>112</sup>

Three years after *Schaumburg* classified certain mixed speech as fully protected, the Court classified other mixed speech as commercial speech subject to less First Amendment protection. It used an alternate paradigm, ignoring the “intertwined” nature of the mixed

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106. *Id.*

107. 447 U.S. 557 (1980); *see also supra* note 91.

108. *Cent. Hudson*, 447 U.S. at 561.

109. *Id.* at 561-62. In his concurrence, Justice Stevens noted and criticized the wide gulf between the two definitions. *Id.* at 579-80 (Stevens, J., concurring).

110. 444 U.S. 620 (1980).

111. *Id.* at 639.

112. *Id.* at 632.

speech that was the focus of *Schaumburg*. In *Bolger v. Youngs Drug Products Corp.*,<sup>113</sup> the Court held that when speech does more than propose a commercial transaction, thus falling outside the narrowest definition, it may still be “commercial speech” based upon a combination of elements: presentation in an advertising form, reference to a specific product, and a speaker’s economic motivation.<sup>114</sup> These elements echo the *Bigelow* statement that the commerciality of an advertisement will vary as a result of “diverse motives, means, and messages.”<sup>115</sup> Under *Bolger*, not all speech related to commerce will be treated as commercial speech, although some will.

*National Federation of the Blind v. Riley*, decided five years later, hearkened back to *Schaumburg* rather than *Bolger*, although the Court modified the language it used to characterize protected mixed speech.<sup>116</sup> The *Schaumburg* Court fully protected the speech where the commercial and noncommercial elements were “characteristically intertwined.”<sup>117</sup> In *Riley*, however, the Court gave full speech protection to partially commercial speech due to the “inextricably intertwined” nature of certain commercial and noncommercial speech elements.<sup>118</sup> In that case, the state regulation being challenged required professional fundraisers involved in charitable solicitation to disclose certain financial information to potential donors before making an appeal for funds.<sup>119</sup> The noncommercial, fully protected speech of charitable solicitation was therefore judged to be “inextricably intertwined” with the mandated commercial speech, leading to full protection for all of the speech.<sup>120</sup>

This use of the term “inextricably” in *Riley* (versus *Schaumburg*’s “characteristically”) led in no small part to the decision one year later in *Board of Trustees v. Fox*.<sup>121</sup> In *Fox*, the Court declined to provide full First Amendment protection, instead giving the somewhat lower

113. 463 U.S. 60 (1983). The defendant condom manufacturer had distributed pamphlets, some of which discussed venereal disease and condom use at length, and included the defendant’s name and identified its condom brand only at the bottom of the last page of the eight-page pamphlet. *Id.* at 62 n.4. These pamphlets were not, then, merely proposals to engage in commercial transactions, but yet the Court characterized the defendant’s speech as commercial speech. *Id.* at 66-68. The Court explained the characterization by noting that the pamphlets (a) were conceded to be advertisements disseminated in return for payment of money, (b) referenced a specific product, and (c) were mailed with an economic motive. *Id.* at 66-67. The Court stated that while speech bearing only one of those characteristics would not be commercial speech, speech bearing a combination of all of those characteristics was commercial speech. *Id.* at 67.

114. *Id.* at 67.

115. *Bigelow v. Virginia*, 421 U.S. 809, 826 (1975).

116. 487 U.S. 781 (1988).

117. *Vill. of Schaumburg v. Citizens for a Better Env’t*, 444 U.S. 620, 632 (1980).

118. *Riley*, 487 U.S. at 796.

119. *Id.* at 795.

120. *Id.* at 796.

121. 492 U.S. 469 (1989).

*Central Hudson*-level protection, to “Tupperware parties” in university dormitories on the basis that

the AFS “Tupperware parties” the students seek to hold “propose a commercial transaction,” which is the test for identifying commercial speech. They also touch on other subjects, however, such as how to be financially responsible and how to run an efficient home. Relying on [*Riley*], respondents contend that here pure speech and commercial speech are “inextricably intertwined,” and that the entirety must therefore be classified as noncommercial. We disagree.

. . . [In *Riley*], of course, the commercial speech (if it was that) *was* “inextricably intertwined” because the state law *required* it to be included. By contrast, there is nothing whatever “inextricable” about the noncommercial aspects of these presentations. No law of man or of nature makes it impossible to sell housewares without teaching home economics, or to teach home economics without selling housewares.<sup>122</sup>

The Supreme Court’s varied descriptions of the nature of commercial speech have left the lower courts with a number of analytical tools to apply in categorizing speech. The Courts of Appeals have dealt with speech presenting both commercial and noncommercial elements in several ways. The Ninth Circuit has, at times, relied on the *Riley* and *Fox* language of speech that is “inextricably intertwined.” For example, in *Gaudiya Vaishnava Society v. City and County of San Francisco*, several nonprofit organizations claimed that their sales of t-shirts and other merchandise merited full First Amendment protection because the items were emblazoned with core speech, namely political, religious, and philosophical messages.<sup>123</sup> The Ninth Circuit utilized *Fox*, *Riley*, and *Schaumburg* to decide the case.<sup>124</sup> It held that because the merchandise was sold “in order to disseminate [the] organizations’ message[s],” the activity of selling communicative merchandise was, as a whole, noncommercial and fully protected, even though the sales activity was commercial.<sup>125</sup> “Where the pure speech and commercial speech by the nonprofits during these activities is inextricably intertwined, the entirety must be classified as noncommercial and we must apply the test for fully protected speech.”<sup>126</sup> The court did not refuse to find the speech to be inextricably intertwined with the commercial sales simply because the organizations could have disseminated their news through free

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122. *Id.* at 473-74 (citations omitted).

123. 952 F.2d 1059, 1060 (9th Cir. 1990).

124. *Id.* at 1064.

125. *Id.*

126. *Id.*

distribution of printed material rather than through the commercial sale of goods.<sup>127</sup>

The Ninth Circuit again used the intertwined nature of commercial and communicative elements, as well as the *Bolger* model of weighing varied speech characteristics, in a right of publicity and Lanham Act false endorsement action brought by actor Dustin Hoffman against a magazine.<sup>128</sup> Hoffman objected to an altered photograph showing his “Tootsie” character dressed in a designer gown and shoes different than the gown and shoes shown in the original photograph, when that photograph was used as part of an article touting new designer fashions.<sup>129</sup> Another portion of the magazine provided stores and prices for the gown and shoes in the photograph, and at least one of the featured designers also advertised in that magazine issue.<sup>130</sup>

In granting full First Amendment protection to the article and photograph, the appellate court disagreed with the district court’s assessment that the article was pure commercial speech.<sup>131</sup> It began with the premise, taken from *Bolger* and *Virginia State Board of Pharmacy*, that the “core notion of commercial speech is that it does no more than propose a commercial transaction.”<sup>132</sup> It continued its analysis by examining the mixture of commercial and noncommercial elements within the article and accompanying photographs:

If the altered photograph had appeared in a [designer’s] advertisement, then we would be facing [purely commercial speech]. But [the defendant] did not use Hoffman’s image in a traditional advertisement printed merely for the purpose of selling a particular product. . . . Nor did the article simply advance a commercial message. . . . Viewed in context, the article as a whole is a combination of fashion photography, humor, and visual and verbal editorial comment on classic films and famous actors. Any commercial aspects are “inextricably entwined” with expressive elements, and so they cannot be separated out “from the fully protected whole.” “[T]here are commonsense differences between speech that does not

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127. Compare this reasoning to *Fox*, wherein the U.S. Supreme Court stressed that because the commercial and noncommercial elements of speech in that case were not “inextricably intertwined,” the speech regulation would be treated as a commercial speech regulation for First Amendment purposes. 492 U.S. 469, 473-74 (1989). If the Ninth Circuit had focused on *Fox* alone, rather than the broader and more nuanced analysis represented by *Fox*, *Riley*, and *Schaumburg* taken together (not to mention *Bigelow* and *Bolger*), it might have found the speech to be unprotected. Courts interpreting the noncommercial use exclusion in trademark dilution should, as I argue above, take just such a broader view.

128. Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180 (9th Cir. 2001).

129. *Id.* at 1183.

130. *Id.* at 1185.

131. *Id.* at 1184-85.

132. *Id.* at 1184 (quoting *Bolger v. Youngs Drug Prods Corp.*, 463 U.S. 60, 66 (1983)) (internal quotations omitted).

more than propose a commercial transaction and other varieties,” and common sense tells us this is not a simple advertisement.

The district court also concluded that the article was not protected speech because it was created to attract attention. A printed article meant to draw attention to the for-profit magazine in which it appears . . . does not fall outside of the protection of the First Amendment because it may help to sell copies.<sup>133</sup>

The court did not ask whether the magazine *could* have written an article commenting on classic films and famous actors without introducing a commercial element, such as the display of current designer fashions, or whether the display of current designer fashions itself deserved full First Amendment protection. Instead, it focused on whether the blending of commercial and noncommercial elements in the article and photograph created a noncommercial whole.<sup>134</sup> The Ninth Circuit ruled that it did.<sup>135</sup>

In a case involving sales of t-shirts printed with messages—somewhat factually similar to one of the Ninth Circuit cases discussed above—the Seventh Circuit found the sale of the shirts to constitute a fully protected speech interest despite the mixture of commercial and noncommercial elements.<sup>136</sup> And it did so almost without acknowledging the mixed nature of the speech. The City of Chicago tried to use its “Peddlers’ Ordinance” to prevent an advocate of marijuana legalization from selling message-laden shirts within certain districts of the city, which included Grant Park and its surrounds.<sup>137</sup> In affirming a preliminary injunction allowing the sale of the shirts pending further adjudication of the constitutionality of the statute, the court stated, without directly utilizing any of the foregoing mixed-speech analysis, as follows:

The T-shirts that the plaintiff sells carry an extensive written message of social advocacy; they are the equivalent of the sandwich boards that union pickets sometimes wear. . . . [T]here is no question that the T-shirts are a medium of expression *prima facie* protected by the free-speech clause of the First Amendment, and they do not lose their protection by being sold rather than given away.

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133. *Id.* at 1185-86 (quoting *Gaudiya Vaishnava Soc’y v. City & County of San Francisco*, 952 F.2d 1059, 1064 (9th Cir. 1990); *Va. State Pharmacy Bd. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 771 n.24 (1976)) (citations omitted).

134. *Id.* at 1186.

135. *Id.* Once again, nuanced attention to the Supreme Court’s First Amendment jurisprudence—looking at a range of cases rather than isolated statements, guided the court’s decision.

136. *Ayres v. City of Chicago*, 125 F.3d 1010 (7th Cir. 1997).

137. *Id.* at 1012.

To argue that the right of free speech is limited to cases in which speech is disseminated free of charge would amount to arguing that the City of Chicago could ban the sale of newspapers. . . . Just as the publishers of newspapers defray a portion of their costs by the sale of their papers, so [the advocacy group] defrays a portion and perhaps the entirety of its costs by the sale of its T-shirts, which are . . . the vehicle of [the advocate's] ideas and opinions.<sup>138</sup>

Other appellate courts have applied *Bolger* with some elaboration when analyzing mixed speech, leaving out the *Fox*, *Riley*, and *Schaumburg* “intertwined” analysis. The Fifth Circuit, in *Procter & Gamble Co. v. Amway Corp.*, asked whether a primary purpose of the speech at issue was commercial or noncommercial.<sup>139</sup> The Tenth Circuit in *United States v. Wenger*<sup>140</sup> looked at the *Bolger* characteristics as well as whether the speech at issue was “grounded in commercial transactions of the kind that the state has traditionally regulated.”<sup>141</sup> It emphasized the relationship of commercial speech regulation to traditional economic regulation, using that relationship to aid in identifying commercial speech.<sup>142</sup> “The distinction between commer-

138. *Id.* at 1014, 1017.

139. 242 F.3d 539 (5th Cir. 2001).

The question whether an economic motive existed is more than a question whether there was an economic incentive for the speaker to make the speech; the *Bolger* test also requires that the speaker acted *substantially* out of economic motivation. Thus, for example, speech that is principally based on religious or political convictions, but which may also benefit the speaker economically, would fall short of the requirement that the speech was economically motivated.

....

This does not mean that whenever the primary motivation for speech is economic, the speech is commercial. . . . The difference between commercial speech and noncommercial speech is, after all, “a matter of degree.”

*Id.* at 552-53 (quoting *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 423 (1993)). The *Procter & Gamble* decision addressed the proper treatment of mixed speech in the context of a Lanham Act false advertising claim based on admittedly false statements about Procter & Gamble made by an Amway distributor. *Id.* at 542-546. The status of the distributor’s speech within the First Amendment hierarchy mattered, according to the court, because the constitutional burden of proof for liability based on false statements (from strict liability to liability only upon proof of actual malice) varies with the status of the speech. *Id.* at 547. The court utilized the characteristics differentiating commercial from noncommercial speech in determining the proper treatment of the mixed speech at issue, and it found some of those characteristics to be helpful: durability of the speech due to economic motivation, and verifiability of the truthfulness of the speech. *See id.* at 550-51. In this case, the court appears to have been willing to engage in the convoluted exercise of sorting out commercial from noncommercial speech and applying the Supreme Court’s standards for burdens of proof (also including public figure versus private figure considerations) because it found significant value in maintaining the ability of private parties to tightly regulate false commercial speech. *Id.* at 547-59.

140. 427 F.3d 840 (10th Cir. 2005).

141. *Id.* at 848 (quoting *Friedman v. Rogers*, 440 U.S. 1, 10 n.9 (1979)).

142. *Id.* at 847.

cial and non-commercial speech rests on the ‘common-sense’ grounds that the former ‘occurs in an area traditionally subject to government regulation.’ . . . ‘[T]he State’s power to regulate commercial transactions justifies its concomitant power to regulate commercial speech that is linked inextricably to those transactions.’<sup>143</sup>

In sum, lower courts, and even the Supreme Court, select among the speech-categorizing analytical tools in order to match the speech and its regulatory context. All of the analytical tools examine the content of the speech, not just its form. And in all of these analyses, a mixture of commercial and communicative motives and elements can support noncommercial speech status.

The governmental justification for regulating the speech also plays a role. The “core” of commercial speech is the proposition of a commercial transaction, and it is this core that has been used to justify its greater regulation than other types of speech. Trademark law purports to affect not the ultimate commercial transaction, but only a commercially communicative aspect of a transaction—the source-identification aspect. As such, care needs to be taken to ensure that trademark dilution law does not overreach beyond regulating the core commercial communication, as it would then begin to improperly restrain noncommercial speech.<sup>144</sup>

When giving meaning to the noncommercial use exclusion in the trademark dilution context, several options are available—but all indicate that mixed motives would not disqualify a use from the exclusion. And the content of the use should matter, not just the form in which the use appears, such as on a commercially marketed product or service. Courts applying the noncommercial use exclusion should carefully consider the nuanced analysis of commercial speech and its regulation, as set forth in this Article. If they do so, they should see that the noncommercial use exclusion includes mixed speech – rather

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143. *Id.* at 846 (quoting 44 *Liquormart v. Rhode Island*, 517 U.S. 484, 499 (1996); *United States v. Edge Broad. Co.*, 509 U.S. 418, 426 (1993); *Ohralik v. Ohio State Bar Ass’n*, 436 U.S. 447, 455-56 (1978)). The *Wenger* court elected to apply intermediate, *Central Hudson*-level scrutiny to a compelled statement (requiring disclosure when a person is touting a stock if consideration of any kind will be or has been paid to the person) because the compelled statement arose in the context of speech related to commercial stock transactions. *Id.* at 846-47. The court explained:

Common sense suggests that [the speech] is primarily akin to commercial advertising and subject to less protection than purely information-based speech.

....

Although there are some elements of entertainment and information contained in the [communications], they do little more than propose a commercial transaction, namely, the purchase of shares in a company.

*Id.* at 847.

144. *See infra* Part IV.A.

than leaving that speech in an indeterminate status or wholly within the scope of dilution liability.<sup>145</sup>

#### IV. THE APPROPRIATE ROLE OF THE EXCLUSION

Part II of this Article presented the legislative history of the FTDA and TDRA, replete with references to using the noncommercial use exclusion to protect expressive uses from dilution liability. Part III explained how the commercial-noncommercial speech distinction operates in First Amendment law. Here, Part IV discusses how and why the noncommercial use exclusion should be interpreted and applied based on the commercial-noncommercial distinction from First Amendment jurisprudence. This interpretation of the exclusion makes the entire statute both more predictable and consistent with the intent of Congress.

Part IV begins by examining court decisions that properly applied the exclusion. It then discusses how interpreting the exclusion broadly, consistent with the understanding of “noncommercial” developed in First Amendment jurisprudence, helps to protect the TRDA as a whole from being invalidated as an unconstitutional restraint on expression. Finally, it responds to certain objections to using the noncommercial use exclusion as an affirmative defense that limits dilution liability to commercial speech.

##### A. “Noncommercial Use” as a Broad Category Including Mixed Speech

Several well-reasoned decisions within the Ninth Circuit have interpreted the noncommercial use exclusion to mean that use of a mark in mixed speech is exempt from dilution liability, rather than restricting the exclusion to speech that is entirely noncommercial. This is the only interpretation of the statute that is consistent with the legislative history of federal dilution laws, taken together with the range of First Amendment jurisprudence. If other courts adopt a similarly broad application of the exclusion, it will provide more predictable results in litigation and an earlier end to dilution claims in appropriate cases.

In the first reported decision applying the exclusion, *Dr. Seuss Enterprises v. Penguin Books USA, Inc.*, the District Court for the Southern District of California rejected the plaintiff’s argument that a use was commercial within the meaning of the dilution exclusion.<sup>146</sup> Specifically, the plaintiff argued that the defendant’s use of the Seuss marks (primarily, a drawing of a person that was reminiscent of the

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145. *Id.*

146. 924 F. Supp. 1559, 1574 (S.D. Cal. 1996).

Cat in the Hat, including the striped stovepipe hat claimed by Seuss as a separate mark) was not a “noncommercial [use] because the marks were used to ‘make their book more entertaining and to consequently, sell more copies.’”<sup>147</sup> The court referred to both the legislative history of the dilution statute and *Virginia State Board of Pharmacy* to conclude that “an expressive use is not rendered commercial by the impact of the use on sales.”<sup>148</sup> As a result, the court found the use was “noncommercial” and therefore within the noncommercial use exclusion.<sup>149</sup> The court did not expressly address “mixed” speech, but its reasoning acknowledged that some uses with commercial characteristics should still fall within the exclusion.<sup>150</sup>

Five years later, the Ninth Circuit properly interpreted the non-commercial use exclusion to protect mixed speech. Mattel, Inc., owner of rights to the BARBIE trademark, sued MCA Records over the use of “Barbie” in the song “Barbie Girl,”<sup>151</sup> alleging both trademark infringement and trademark dilution.<sup>152</sup> The Ninth Circuit decided Mattel’s trademark dilution claim by applying the noncommercial use exclusion.<sup>153</sup> The court explored the plain language and the legis-

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147. *Id.* (citation omitted).

148. *Id.* The court cited Senator Hatch’s statement upon introducing the bill that the noncommercial use exclusion included “parody, satire, editorial and other forms of expression that are not part of a commercial transaction,” and the *Virginia State Board of Pharmacy* definition of commercial speech as speech that, according to this court, “merely proposes a commercial transaction.” *Id.* (citing *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976); 141 CONG. REC. 38559 (1995) (statement of Sen. Hatch)).

149. *Id.* The district court nevertheless issued a preliminary injunction based on the plaintiff’s copyright and trademark infringement claims, and the Ninth Circuit affirmed (without addressing the issue of dilution). *See Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1406 (9th Cir. 1997).

150. *Dr. Seuss*, 924 F. Supp. at 1574.

151. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 899 (9th Cir. 2002).

152. *Id.* The Ninth Circuit used a First Amendment-infused balancing test to determine the issue of trademark infringement. *Id.* at 901. The *Mattel* court relied on the Second Circuit’s decision in *Rogers v. Grimaldi*, which referred to the First Amendment’s protection for artistic works in creating a balancing test providing creative freedom to the titles of artistic works while not excepting those titles altogether from trademark infringement liability. 875 F.2d 994, 999 (2d Cir. 1989). The Second Circuit did not, in that case, directly rule on any constitutional questions with respect to the title of the work. *Id.* at 998-1002. The Ninth Circuit followed that lead in *Mattel*. Because the use of “Barbie” in the title of “Barbie Girl” related closely to the content of the song (which satirized the cultural values underlying the Barbie doll phenomenon), and because the title did not mislead as to the source of the song by suggesting that it was produced by the makers of the doll, the court found no trademark infringement. *Mattel*, 296 F.3d at 902, 900-01 (“Simply put, the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function. . . . The song does not rely on the Barbie mark to poke fun at another subject but targets Barbie herself. . . . [W]here an artistic work targets the original and does not merely borrow another’s property to get attention, First Amendment interests weigh more heavily in the balance.”).

153. *Mattel*, 296 F.3d at 903-07.

lative history in construing the statute.<sup>154</sup> It decided that the exclusion for “noncommercial use” was not surplusage and was intended to ease First Amendment tensions in the dilution statute.<sup>155</sup> Of particular interest is the court’s finding that the “commercial use in commerce” requirement of the *prima facie* case in the FTDA utilized a meaning of “commercial use” that was different than the meaning of commercial use in the context of the “noncommercial use” exception in section 43(c)(3)(B).<sup>156</sup> It found the “commercial use in commerce” requirement to be satisfied because MCA had sold commercial products bearing the BARBIE mark, namely the album containing the song entitled “Barbie Girl” and the song’s single.<sup>157</sup> In the view of the court, these uses constituted the required “use of a famous and distinctive mark to sell goods other than those produced or authorized by the mark’s owner.”<sup>158</sup>

The Ninth Circuit determined that the “noncommercial use” exclusion should be defined entirely by reference to the definition of commercial speech in First Amendment jurisprudence.<sup>159</sup> The court made this decision based on its review of the exclusion’s legislative history.<sup>160</sup> The court looked to its own decisions for this definition, primarily *Hoffman v. Capital Cities/ABC, Inc.*<sup>161</sup> The *Hoffman* court explained that the “‘core notion of commercial speech’ is that it ‘does no more than propose a commercial transaction.’”<sup>162</sup> *Hoffman* thus relied on that definition and on *Riley*<sup>163</sup> to find that when speech is not “purely commercial speech”—when it is “‘inextricably entwined with . . . expressive elements’”—it is fully protected by the First Amendment.<sup>164</sup> Accordingly, the *Mattel* court held that the intertwined, mixed speech in the case before it fell within the noncommercial use exemption to the dilution statute.<sup>165</sup>

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154. *Id.*

155. *Id.* at 904-06.

156. *Id.* at 903.

157. *Id.*

158. *Id.*

159. *Id.* at 905-06.

160. *Id.*; see also *supra* Part II.

161. *Mattel*, 296 F.3d at 906 (relying on *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001)).

162. *Hoffman*, 255 F.3d at 1184 (quoting *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66 (1983)). *Bolger*, in turn, refers back to *Virginia State Board of Pharmacy* for the characterization that commercial speech “does no more than propose a commercial transaction.” *Bolger*, 463 U.S. at 66 (quoting *Va. State Pharmacy Bd. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976)); see also *supra* Part III.B.

163. The court also used *Riley*’s Ninth Circuit progeny in defining commercial speech. See *supra* text accompanying notes 123-28.

164. *Hoffman*, 255 F.3d at 1185.

165. *Mattel*, 296 F.3d at 906-07. The Ninth Circuit did not address the lingering *Fox* question of when commercial and noncommercial speech elements are “inextricably intertwined,” as opposed to merely intertwined at the pleasure of the speaker.

The *Mattel* court's broad view of noncommercial use is the only interpretation consistent with the legislative history and the overall purpose and structure of federal trademark dilution law. An effective dilution statute aims to provide relief to a trademark owner when a noncompeting use of a mark may not cause confusion but does, at least marginally, diminish the previously strong connection between a mark and its source.<sup>166</sup> The federal dilution law contains broad language in the prima facie case to cover all such diminutions of source-identifying strength<sup>167</sup> but then provides a broad exemption from liability for all uses not constituting purely commercial speech. It does so in order to provide strong speech protection in the face of the general liability provision.

A broad reading of the noncommercial use exemption is consistent with the rationale for why the First Amendment review of commercial speech restrictions differs from the review of noncommercial speech restrictions. In the traditional justification for the distinction, the line between commercial and noncommercial speech exists to ensure that, even in the face of the First Amendment, economic transactions may be regulated, including the speech directly connected to those transactions. The line drawing is done to insulate the economic regulation and speech tightly connected thereto from the most stringent speech-related oversight so that the government can "insur[e]

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In *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796-99 (9th Cir. 2003), the Ninth Circuit again had the opportunity to determine whether a use of the BARBIE trademark and trade dress constituted infringement or dilution. The court approached the defendant's use of the BARBIE mark in the titles of his photographs (which featured Barbie dolls in rather bizarre settings) in the same way it had approached the use of the BARBIE mark in the title of the song "Barbie Girl" in *Mattel Inc. v. MCA Records*. *Id.* at 807. It concluded that "the public interest in free and artistic expression greatly outweighs its interest in potential consumer confusion about Mattel's sponsorship of Forsythe's works." *Id.* It rejected the trade dress infringement claim on the basis that the use of the Barbie doll trade dress in the photographs was nominative fair use. *See id.* at 808-12. The court then cited its earlier *Mattel* decision for the proposition that a "dilution action only applies to purely commercial speech," and in doing so referred specifically to the portion of the earlier opinion discussing the First Amendment conflict that would inhere in the dilution statute if it did not exempt protected noncommercial speech. *Id.* at 812 (citing *Mattel*, 296 F.3d at 904, 906). The court did not elaborate further on the proper interpretation of the noncommercial use exclusion or the commercial use requirement of the prima facie case.

166. Dilution statutes focus upon the strength of the source-mark connection in consumers' minds, even when the statutes are not as narrow as the Schechter vision that would protect only "unique" source-mark connections. *See, e.g.*, H.R. Rep. No. 104-374, at 3 (1995) (stating that the dilution action would protect famous marks from unauthorized uses that "reduce[] the public's perception that the mark signifies something unique, singular, or particular"); *see also* discussion *infra* Part IV.B.

167. *See infra* Part IV.C.2.

that the stream of commercial information flow[s] cleanly as well as freely.”<sup>168</sup>

In the dilution statute, however, Congress drew a line between commercial and noncommercial speech to *heighten* protection for nonmisleading speech connected to a commercial transaction, rather than to *lower* protection for the transaction-related expression or otherwise regulate the transaction itself. The “commercial” aspect of the transaction is captured by the broad language linking the potential for dilution liability to any “use of a mark or trade name in commerce.”<sup>169</sup> The noncommercial use exemption releases noncommercial uses from the previously captured commercial aspect. The commercial-noncommercial line in the dilution statute protects expression; including mixed speech within the noncommercial use exclusion fulfills the congressional as well as the contextual purposes of the exclusion by protecting more expression.

All First Amendment analyses present a balance of competing interests—balancing an arguably legitimate governmental interest against a speech interest—and the specifics of the balancing analysis depend on the nature of the regulation and the speech at issue.<sup>170</sup> Here, by giving defendants a general noncommercial use exclusion, Congress did its own balancing on a categorical level rather than asking courts to engage in case-by-case balancing to determine whether dilution liability, as applied to a specific use, is a valid limit on the defendant’s First Amendment freedom.<sup>171</sup> The statute reflects a con-

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168. *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 772 (1976). A plurality opinion of the Court in *44 Liquormart, Inc. v. Rhode Island* explained the operation of most commercial-noncommercial speech distinctions:

Our opinion [in *Virginia State Board of Pharmacy*] noted that the greater “objectivity” of commercial speech justifies affording the [government] more freedom to distinguish false commercial advertisements from true ones, and that the greater “hardiness” of commercial speech, inspired as it is by the profit motive, likely diminishes the chilling effect that may attend its regulation.

Subsequent cases explained that the [government’s] power to regulate commercial transactions justifies its concomitant power to regulate commercial speech that is “linked inextricably” to those transactions. . . . Nevertheless, as we explained in [*Linmark Assocs., Inc. v. Township of Willingboro*, 431 U.S. 85, 96 (1977)], the [government] retains less regulatory authority when its commercial speech restrictions strike at “the substance of the information communicated” rather than the “commercial aspect of [it]—with offerors communicating offers to offerees.”

517 U.S. 484, 499 (1996) (plurality opinion) (citations omitted).

169. 15 U.S.C. § 1125(c)(1) (2006).

170. *See supra* Part III.A.

171. This Article argues for application of the noncommercial use exclusion as a categorical affirmative defense. I use the term “categorical” to indicate that once the defendant’s use is determined to fall within “noncommercial use,” the analysis ends, and the court rules in favor of the defendant. By contrast, under a typical First Amendment analysis, after finding noncommercial speech, the court would then begin balancing the defen-

gressional determination that arguably diluting, noncommercial uses do not pose such a risk of commercial harm to trademark owners that regulation of those uses via dilution is warranted. Under the statute Congress created, the noncommercial statute of a use “trumps,” in a sense, any commercial harm that may be posed by that use. To the extent Congress was thinking in clear First Amendment terms, one might say that Congress determined that the expressive value of those uses, as a group, outweighed the risk of serious commercial harm posed by those uses.<sup>172</sup>

The decision to protect expressive uses from dilution liability (but not necessarily infringement liability)<sup>173</sup> is consistent with the traditional First Amendment protection given to speech which is neither commercially deceptive nor commercially fraudulent.<sup>174</sup> This is not to

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dant’s speech interest against the trademark liability rule. *See supra* text accompanying notes 91-94.

172. The Supreme Court also, at times, strikes categorical balances rather than relying only on case-by-case, *ad hoc* balancing by individual judges of speech and governmental interests. In *Gertz v. Robert Welch, Inc.*, the Court used standards of liability to further define a categorical balance between the legitimate governmental interest underlying defamation law and the free speech interest of the media in engaging in discussion of public officials and figures, in contrast to the speech interest in discussing private individuals. 418 U.S. 323, 342-44 (1974). In defense of its categorization, the Court stated the following:

Theoretically, of course, the balance between the needs of the press and the individual’s claim to compensation for wrongful injury might be struck on a case-by-case basis. As Mr. Justice Harlan hypothesized, “it might seem, purely as an abstract matter, that the most utilitarian approach would be to scrutinize carefully every jury verdict in every libel case, in order to ascertain whether the final judgment leaves fully protected whatever First Amendment values transcend the legitimate state interest in protecting the particular plaintiff who prevailed.” But this approach would lead to unpredictable results and uncertain expectations, and it could render our duty to supervise the lower courts unmanageable. Because an *ad hoc* resolution of the competing interests at stake in each particular case is not feasible, we must lay down broad rules of general application. Such rules necessarily treat alike various cases involving differences as well as similarities. Thus it is often true that not all of the considerations which justify adoption of a given rule will obtain in each particular case decided under its authority.

*Id.* at 343-44 (citation omitted).

173. In contrast to arguably diluting uses, infringing uses risk multiple harms—to consumers and to proprietary interests. Accordingly, even expressive uses of marks that create a likelihood of confusion do not enjoy categorical immunity from infringement liability, although they might be protected based on the particular circumstances of a case. *See, e.g.*, *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490 (2d Cir. 1989); *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). For further discussion of expressive uses in the likelihood of confusion context, see Pratheepan Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 WASH. L. REV. 887 (2005). For an argument that infringement claims and trademark law generally deserve greater First Amendment scrutiny than is currently the case, see Ramsey, *supra* note 82.

174. *See 44 Liquormart*, 517 U.S. at 501-04.

say that noncommercial uses cannot dilute commercial selling power by diminishing the commercial strength of the source-mark connection. The point is simply that noncommercial uses, as a whole, carry a lower risk of significant commercial effects—a level of risk of harm that pales in comparison to the likely chilling effect on noncommercial uses if those uses are not excused as a clear, categorical matter. Congress made the choice to privilege the broad category of noncommercial uses rather than to regulate the diluting effect of those uses, and courts should respect and enforce that decision as it is expressed by the statutory exclusion.

### B. *Constitutionality of Restricting Only Commercial Speech*

Interpreting “noncommercial use” to include any use other than “commercial speech”—speech proposing a commercial transaction—means that the dilution statute presents solely a regulation of commercial speech. As a commercial speech regulation, it is still subject to direct First Amendment analysis—after all, statutes discriminating between commercial and noncommercial speech, and then restricting only commercial speech, are not immune from First Amendment attack.<sup>175</sup> But in this case, broadly interpreting noncommercial use to limit dilution claims to apply only to commercial speech indicates that the exclusion helps to tailor the dilution statute to serve its specific purpose. This makes the TDRA more likely to

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When a State regulates commercial messages to protect consumers from misleading, deceptive, or aggressive sales practices, or requires the disclosure of beneficial consumer information, the purpose of its regulation is consistent with the reasons for according constitutional protection to commercial speech and therefore justifies less than strict review. However, when a State entirely prohibits the dissemination of truthful, nonmisleading commercial messages for reasons unrelated to the preservation of a fair bargaining process, there is far less reason to depart from the rigorous review that the First Amendment generally demands.

Sound reasons justify reviewing the latter type of commercial speech regulation more carefully. Most obviously, complete speech bans, unlike content-neutral restrictions on the time, place, or manner of expression, are particularly dangerous because they all but foreclose alternative means of disseminating certain information.

*Id.* at 501 (citation omitted).

175. See, e.g., *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 422-28 (1993) (refusing to validate Cincinnati’s restriction on commercial newsracks (but not on newsracks for newspapers) under a commercial speech analysis in light of the fact that the city had not demonstrated a basis for distinguishing between types of newsracks or an interest in preventing a commercial harm posed by the newsracks); see also LaFrance, *supra* note 50; Rebecca Tushnet, *Truth and Advertising: The Lanham Act and Commercial Speech Doctrine*, in *TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH* 294-323 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008); Tushnet, *supra* note 50, at 546-61.

withstand a potential constitutional challenge under the *Central Hudson* test for regulations of commercial speech.<sup>176</sup>

Trademark laws are a long-standing, traditional form of commercial speech regulation; but that status alone does not indicate that the contours of trademark law do not need to be refined by attention to First Amendment values. Dilution laws, both state and federal, draw more First Amendment scrutiny from courts and commentators than standard trademark infringement laws because they do not require any showing of consumer confusion. Standard infringement causes of action require, at a minimum, that the trademark owner show a likelihood of consumer confusion.<sup>177</sup> Courts consider actual confusion, but it is not required before liability will attach.<sup>178</sup> The relevant confusion can be as to source, sponsorship, or affiliation,<sup>179</sup> which means that noncompeting goods or services bearing the plaintiff's mark, or one similar thereto, may still create liability for trademark infringement.<sup>180</sup> Consumers may be crystal-clear on the fact that the goods in fact come from different producers, but liability may still attach due to likely confusion about a relationship between the producers or some form of approval by the plaintiff of the allegedly infringing use of the mark.<sup>181</sup> A broad variety of confusing uses fall within the scope of the action, but in any event, the court must find a likelihood of some form of confusion.

The *Central Hudson* scrutiny of restrictions on commercial speech only applies to restrictions on truthful, nonmisleading commercial speech.<sup>182</sup> The likelihood of confusion requirement in infringement laws might appear to restrain only misleading commercial speech.

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176. As explained in Part III.A. of this Article, *Central Hudson* is the measure courts use to judge whether a regulation's effect on commercial speech violates the First Amendment. Despite substantial criticism of the *Central Hudson* analysis, see, e.g., Robert Post, *The Constitutional Status of Commercial Speech*, 48 UCLA L. REV. 1 (2000), it remains the governing paradigm for judicial review. As a result, in this Article I apply *Central Hudson* to the dilution statute, although I do not herein endorse that analysis.

177. See, e.g., *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117 (2004); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769-70 (1992); 15 U.S.C. § 1114(1)(a)-(b) (2006); 15 U.S.C. § 1125(a)(1)(A) (2006).

178. See, e.g., *Societe Des Produits Nestle, S.A. v. Casa Helvetia, Inc.*, 982 F.2d 633, 640 (1st Cir. 1992); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872-73 (2d Cir. 1986).

179. 15 U.S.C. § 1125(a)(1)(A).

180. See, e.g., *McDonald's Corp. v. Druck & Gerner, D.D.S., P.C.*, 814 F. Supp. 1127 (N.D.N.Y. 1993) (enjoining defendant's use of MCDENTAL for a dental clinic based on a likelihood of confusion with MCDONALD'S for primarily food-related goods and services).

181. See, e.g., James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 909-910 (2007) (listing cases representative of the varying types of confusion addressed in the case law, including endorsement, affiliation, association, connection, authorization, permission, and the like).

182. *Cent. Hudson Gas & Elec. Corp. v. Public Serv. Comm'n*, 447 U.S. 557, 566 (1980).

Accordingly, those statutes would receive no First Amendment scrutiny under *Central Hudson*.<sup>183</sup>

The First Amendment's concern for commercial speech is based on the informational function of advertising. Consequently, there can be no constitutional objection to the suppression of commercial messages that do not accurately inform the public about lawful activity. The government may ban forms of communication more likely to deceive the public than to inform it, or commercial speech related to illegal activity.

If the [commercial] communication is neither misleading nor related to unlawful activity, the government's power is more circumscribed.<sup>184</sup>

Because the *Central Hudson* formulation excludes misleading commercial speech from its First Amendment scrutiny, few, if any, courts are likely to find that enjoining a likely confusing commercial use of a trademark violates the First Amendment.<sup>185</sup>

This blanket exculpation of infringement laws is not, however, entirely without issue when viewed through a First Amendment lens.<sup>186</sup> Trademark infringement liability requires only *likely*, rather than *actual*, confusion. Yet commercial speech jurisprudence asks whether the speech *is* false or misleading, rather than whether it *might* be, when determining whether the *Central Hudson* level of protection applies. As other scholars have discussed in greater detail, in other instances of government regulation of commercial speech, the possibility of misleading consumers does not justify all regulations of professional advertising.<sup>187</sup> Nevertheless, the connection between misleading consumers (*Central Hudson*) and trademark infringement liability has generally sufficed to end most serious First Amendment discussion by a court.<sup>188</sup>

In contrast, dilution laws provide a trademark owner with a cause of action even when no consumer confusion of any kind is likely. The federal dilution cause of action allows for an injunction when a use of

183. See *infra* Part III.A.

184. *Cent. Hudson*, 447 U.S. at 563-64 (citations omitted).

185. Cf. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989) (refusing to enjoin, upon the challenge of famed dancer Ginger Rogers, the use of the title *Fred and Ginger* for a movie about two ballroom dancers who used the stage names Fred and Ginger, but using a balancing test rather than a blanket exclusion or defense).

186. See Ramsey, *supra* note 82, at 415.

187. See Tushnet, *supra* note 86 at 741-744 (discussing the Supreme Court's professional services advertising cases and their invalidation of prohibitions on potentially misleading commercial speech, as contrasted with actually or inherently misleading commercial speech); *Ibanez v. Florida Dept. of Bus. & Prof'l Reg'n*, 512 U.S. 136, 146 (1994); accord Ramsey, *supra* note 82.

188. Cf. *Rogers*, 875 F.2d 994, 998-99 ("Because overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.").

a mark or trade name in commerce is likely to dilute a famous mark, “regardless of the presence or absence of actual or likely confusion.”<sup>189</sup> A typical state dilution statute provides for injunctive relief when, despite the lack of competition between parties, the defendant’s activities are likely to injure the business reputation of the plaintiff or are likely to dilute the distinctive quality of plaintiff’s trademark.<sup>190</sup> Both federal and state dilution laws apply to situations where no confusion exists. Without the requirement of confusion, or even the mere likelihood of confusion, diluting uses do not fall within *Central Hudson*’s sidelining of misleading commercial speech. As a result, the First Amendment becomes more likely to succeed as a valid defense to a dilution claim, as compared to an infringement claim.<sup>191</sup>

After threshold inquiries regarding the nature of the speech being regulated, which inquiries are generally satisfied in the case of dilution as set forth above, *Central Hudson* first requires a court to find a substantial governmental interest to justify the regulation.<sup>192</sup> Standard explanations of dilution as well as the federal legislative history indicate that the interest supporting the federal dilution law is to provide famous trademarks with strong protection for their source-mark distinctiveness.<sup>193</sup> Mary LaFrance argues that the governmen-

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189. 15 U.S.C. § 1125(c)(1) (2006). Federal dilution liability comes in two forms, blurring and tarnishment. For the applicable statutory language, see text accompanying note 1. When the user of the diluting mark “willfully intended to trade on the recognition of the famous mark” or “willfully intended to harm the reputation of the famous mark,” monetary remedies are also available. 15 U.S.C. § 1125(c)(5).

190. See WELKOWITZ, *supra* note 10, at 14-21; DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW: 2008 CUMULATIVE SUPPLEMENT 5-9 (2008).

191. In 1982, Robert Denicola published a perceptive article assessing speech interests intersecting with trademark actions and concluding that the dilution cause of action posed a significantly greater risk of restricting or chilling protected speech than did more traditional trademark infringement claims. Denicola, *supra* note 84, at 166-90 (arguing that both dilution and misappropriation, as rationales for trademark protection, posed a significant threat to speech rights because they may be used to enjoin uses where a trademark is used as a communicative vehicle rather than only trademark or decorative uses).

192. See *Cent. Hudson Gas & Elec. Corp. v. Public Serv. Comm’n*, 447 U.S. 557, 566 (1980) (“At the outset, we must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading.”).

193. See, e.g., H.R. REP. NO. 104-374 at 3 (1995) (stating that the dilution action would protect famous marks from unauthorized uses that “reduce[] the public’s perception that the mark signifies something unique, singular, or particular”). That this justification relates almost exclusively to the blurring form of dilution liability, see 15 U.S.C. § 1125(c)(2)(B)(2006), rather than the tarnishment form, see 15 U.S.C. § 1125(c)(2)(C), bears comment. Tarnishment, given its close relationship to defamation and disparagement, and the obvious potential for viewpoint discrimination, may require a different First Amendment analysis altogether. See, e.g., LaFrance, *supra* note 50, at 711 (noting that “dilution laws address two entirely different, and arguably unrelated, types of alleged harms, which are typically shoehorned into a single statute”). My analysis focuses on blurring and leaves the special issues of tarnishment to the side.

tal interest in providing a marginal increase in protection of goodwill is not substantial because “any harm to the value of the trademarks affected by dilutive speech interferes only with the ability of the trademark owners to psychologically manipulate consumers. Preserving the ability of trademark owners to influence consumers in this way does not amount to a substantial governmental interest.”<sup>194</sup> While I may sympathize with her about the low value of the government’s interest on a theoretical level, it is almost unheard of for a court to invalidate a commercial speech regulation on the basis of the legitimacy of the governmental interest.<sup>195</sup> Given the deferential standard of review applied to this element of *Central Hudson*, the government’s interest in providing an additional measure of protection to the goodwill of famous marks will satisfy this requirement.<sup>196</sup>

*Central Hudson* next inquires “whether the regulation directly advances the governmental interest asserted,”<sup>197</sup> meaning that the regulation must do more than “provide[] only ineffective or remote support for the government’s purpose.”<sup>198</sup> Professor Rebecca Tushnet argues that most uses of a trademark that alter the power and meaning of that mark are not actionable under the dilution statute when noncommercial uses are excluded.<sup>199</sup> I differ with her on this point with respect to its connection to the question raised by *Central Hudson*. And perhaps we also differ on the nature of the governmental interest being accomplished.

194. LaFrance, *supra* note 50, at 719.

195. See, e.g., Tushnet, *supra* note 50, at 555 n.225. I do not argue that adding dilution liability to the federal statute was the best policy choice that Congress could have made, or that dilution liability is vital to the well-being of trademark owners. I only argue that this is an interest likely to be accepted as sufficient to justify the statute under a *Central Hudson* analysis.

196. For example, during its First Amendment review of the statute protecting the word “Olympic” as a kind of über-trademark, the Court quickly moved past the substantiality of the government’s interest, which was, in part, “to ensure that the USOC [United States Olympic Committee] receives the benefit of its own efforts so that the USOC will have an incentive to continue to produce a ‘quality product,’ that, in turn, benefits the public.” *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 537 (1987). This governmental interest is indistinguishable from the basic interest underlying all of trademark law, including dilution law. So despite the fact that the “Olympic” statute had additional governmental interests asserted in support, such as the varied “Olympic” values of athletic competition and international goodwill, I find it difficult to imagine that the “substantial governmental interest” element of *Central Hudson* will, as a practical matter, provide a barrier to the validity of federal dilution law.

197. *Cent. Hudson*, 447 U.S. at 566.

198. *Id.* at 564.

199. This observation leads to Tushnet’s argument that the federal dilution statute fails the third element of the *Central Hudson* analysis of a restriction on commercial speech because the statute does not significantly advance the governmental purpose underlying dilution, namely, the protection of a trademark owner’s investment in the goodwill of the mark. See Tushnet, *supra* note 175, at 318-22.

I see the governmental interest as a rather narrow interest in adding marginally to the protection of goodwill possessed by famous marks.<sup>200</sup> I agree that dilution liability does not reach all uses of trademarks that would modify the mental associations that a trademark owner has worked to create.<sup>201</sup> But dilution statutes do not actually attempt to reach all of these modifications—the federal statute in particular tries to regulate the mark-source identification connection, which is the trademark’s distinctiveness as a mark.<sup>202</sup> Trademark goodwill contains that commercial connection, but it does not encompass all of the personal, emotive connections that may also arise in a consumer’s mind in relation to a mark. To say it another way—not all alterations of power and meaning of a famous mark dilute the trademark distinctiveness of that mark. “Distinctiveness” is not a synonym for all of a mark’s associations, even all those associations purposely cultivated by a trademark owner. Distinctiveness is restricted in trademark law to the source-identifying meaning. Cultural power and commercial identification power are not synonymous.

If we accept an asserted governmental interest of providing an additional degree of protection to famous marks’ goodwill (i.e., their source-identifying power) and the statutory construction of noncommercial use that excludes all but core commercial speech from liability, we can make a judgment about the relationship of the regulation to the interest. With these premises, the noncommercial use exclusion actually means the dilution statute more accurately targets the source-identifying connection possessed by a mark, as opposed to the other connections associated with a mark. The exclusion bolsters the argument that the TDRA directly advances, rather than only remotely supports, the governmental interest in preventing the limited commercial harm of reduced distinctiveness in the marketplace.

*Central Hudson* asks finally “whether [the regulation] is not more extensive than is necessary to serve [the government’s] interest,”<sup>203</sup> an inquiry that would not be satisfied “if the governmental interest could be served as well by a more limited restriction on commercial speech.”<sup>204</sup> The reasonableness of the tailoring in this instance depends on whether Congress had reason to conclude that a use of a famous (or similar) mark in commercial speech is more likely than a use in non-

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200. See notes 193-96, *supra*, and accompanying text.

201. Tushnet, *supra* note 50, at 546-61.

202. See 15 U.S.C. § 1125(c)(2) (2006) (defining “dilution by blurring” as an “association . . . that impairs the distinctiveness of the famous mark”). I readily concede that this aspect of my argument cannot rely on the statutory or even theoretical basis for tarnishment liability, which speaks to the harming of the “reputation of the famous mark.” But the speech-impairing effects, and thus the constitutional vulnerability of liability based solely on reputational harm, go far beyond the scope of this Article. See also *supra* notes 193-95.

203. *Cent. Hudson*, 447 U.S. at 566.

204. *Id.* at 564.

commercial speech to affect the source-good connection of a famous mark and its commercial power in the marketplace. As discussed above in connection with the “directly advance” prong of *Central Hudson*, if the governmental purpose is as narrow as I argue it is, then the presence of the exclusion for noncommercial uses, particularly when mixed uses are included in the excused category of uses, strengthens the argument that the statute has been appropriately tailored. When noncommercial uses are excluded, and when the exclusion is as broadly viewed as I argue it should be, then dilution reaches only those commercial speech uses that are likely to have the clearest commercial effect on the mark-source connection sought to be protected by dilution. As such, a broadly interpreted noncommercial speech exclusion bolsters arguments in favor of dilution’s constitutionality.

### C. Noncommercial Use as an Affirmative Defense

#### 1. A Predictable and Efficient Procedural Mechanism

The noncommercial use exclusion is designed to be used as an affirmative defense. The function of a statutory affirmative defense is to provide for an escape from liability for a defendant even if the plaintiff can prove some risk of harm or even certain harm. This function was confirmed by the Supreme Court in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* in the context of the Lanham Act section 33(b)(4) fair use defense to trademark infringement liability.<sup>205</sup> In the same way, when a statute includes specific exclusions to the general liability provision, the very function of those exclusions is to narrow the liability reach of an otherwise broad provision.<sup>206</sup> Just as a use of a mark that poses some likelihood of confusion may still be fair for purposes of the section 33(b) fair use defense, a use of a mark that poses a likelihood of dilution may be noncommercial and thus exempt from dilution liability.

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205. 543 U.S. 111, 118-24 (2004). Although the Court made it clear in its decision that some possibility of confusion would not be sufficient to preclude the application of the fair use defense, it left room for lower courts to interpret the section 33(b)(4) requirement that a mark be used “fairly and in good faith” in a way that takes into account the degree of likelihood of confusion that may be engendered by a use. *Id.* at 123. The Ninth Circuit has taken that leeway as an open door to continue utilizing likelihood of confusion as a major, if not the major, consideration in the fair use defense. *See KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (9th Cir. 2005) (holding that “the degree of customer confusion remains a factor in evaluating fair use”); *see also* William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV., 49, 84-87 (2008) (criticizing the Ninth Circuit’s position on fair use and likelihood of confusion).

206. Section 33(b) does, to be entirely fair, specifically characterize fair use as one of the “defenses or defects” to which an infringement case involving an incontestable mark is subject, *see* 15 U.S.C. § 1115(b), while section 43(c) uses the term “exclusions.” 15 U.S.C. § 1125(c). In the context of the dilution statute as a whole, however, the words are interchangeable; it is a distinction without a difference.

At least two scholars view noncommercial use as a restatement or confirmation of the extent of the prima facie case, rather than as a defense excusing certain uses from dilution liability even if the uses otherwise fall within the statutory language.<sup>207</sup> Some courts have not applied the defense in a procedurally consistent manner, taking the exclusion only as, it might seem, an affirmative sign that First Amendment balancing needs to be performed.<sup>208</sup> Neither of these ap-

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207. See Dogan & Lemley, *supra* note 65, at 554. Professors Dogan and Lemley disagree with a characterization of noncommercial use as an affirmative defense, although they do so in a context other than a discussion of the burden of proof. Dogan and Lemley make their observations about the use of “exclusion” versus “defense” in order to bolster their argument on “trademark use.” See *id.* at 554 n.64 (“It is also worth noting that [15 U.S.C. § 1125(c)(3)] is styled as ‘exclusions’ from the scope of the act, not as defenses to an otherwise viable cause of action, further undermining the idea that the presence of a ‘designation of source’ or ‘noncommercial use’ limitation in that section implies that the general bill reaches further than that.”). There is difficulty, however, in placing weight on the use of the word “exclusions” for any substantive determination of the issue. For example, the § 107 fair use provision in copyright law is introduced by language stating that “the fair use of a copyrighted work . . . is not an infringement of copyright.” 17 U.S.C. § 107 (2006). And yet the Supreme Court hesitated not at all in stating in *Campbell v. Acuff-Rose Music, Inc.*, that “fair use is an affirmative defense,” despite that statutory language. 510 U.S. 569, 590 (1994). Language in the fair use provision stating that a use is “not an infringement” aligns beautifully with language in the dilution statute providing that “the following [uses] shall not be actionable.” See 17 U.S.C. § 107; see also 15 U.S.C. § 1125(c)(3).

I acknowledge that in the case of copyright fair use, Congress was codifying the judicial doctrine of fair use, which had long been treated procedurally as a defense—namely, it was potentially applicable regardless of the plaintiff’s ability to prove a prima facie case of infringement, and the defendant bore the burden of proof. As a result, when Congress did not expressly reallocate the burden of proof away from the defendant or otherwise indicate a departure from the historical treatment of fair use, the Court easily characterized fair use as an affirmative defense. In contrast, dilution liability as a basis for a trademark claim does not reflect codification of judicial doctrine, nor does a noncommercial use defense from any form of trademark liability. As a result, courts do not have a historical context from which to operate in determining the appropriate procedural treatment for a defendant’s assertion of excusable “noncommercial use.” Still, based on the overall statutory structure and the logical allocation of the burden of proof, noncommercial use is an affirmative defense and should be treated as such.

208. The court in *World Championship Wrestling v. Titan Sports, Inc.* faced a motion to dismiss based on the noncommercial use exclusion. 46 F. Supp. 2d 118, 122-23 (D. Conn. 1999). Referring to the legislative history of the exclusion as well as *Bolger* and *Dr. Seuss*, the court interpreted the noncommercial use exclusion as removing uses not constituting “commercial speech” from the scope of dilution liability, even if the use increased sales. *Id.* And yet the court implied that in cases where a defendant makes an expressive use, a balancing analysis of the sort done in *Rogers v. Grimaldi* is most appropriate, rather than placing that use squarely within the noncommercial use exclusion. *Id.* at 123. On the other hand, the court also briefly addressed the issue of mixed speech, speech “[b]etween advertisement and art,” so perhaps it meant to apply the balancing analysis only to the analysis of mixed speech rather than purely expressive uses. *Id.* But even that interpretation contradicts, in my view, the proper statutory construction. In any event, because the court found no prior cases to present clear guidance on how to characterize professional wrestling within speech jurisprudence, it declined to decide the matter on a motion to dismiss:

The world of professional wrestling seems to be a hybrid of expressive performance and advertisement, with wrestlers trading insults, performing

proaches fully captures the value of the exclusion. Treating the exclusion as an affirmative defense provides predictability and efficiency to cases involving a noncommercial use.

If noncommercial use is treated as an element of the *prima facie* case, the plaintiff will bear the burden of proving a host of issues unlikely to be relevant in garden-variety dilution cases. A range of factual and legal issues are raised by this exclusion as well as the other statutory exclusions.<sup>209</sup> If a defendant does not raise these issues in its defense, the plaintiff should not be obligated to address them. And treating the exclusions as affirmative defenses comports better with the overall thrust of the dilution statute—to strengthen protection for famous trademarks—because it places the burden of proof on the defendant who wishes to use the famous mark without liability. Affirmative defense status does mean that the noncommercial use exclusion would apply even if a claim for dilution could otherwise be made out—even if the defendant’s use did diminish the distinctiveness of the plaintiff’s famous mark. No balance between the defendant’s interest and the plaintiff’s interest would take place.<sup>210</sup> I find this to be an entirely appropriate result.

Affirmative defense status is a must.<sup>211</sup> First, the burden of pleading and proving that a use is noncommercial, and that the use should therefore be excluded from liability under section 43(c), appropriately lies with the defendant.<sup>212</sup> Importing proof of commercial use as an additional element of a plaintiff’s case in all dilution disputes is impractical and does not comport with the generally trademark-protective nature of the statute. In light of the appropriate allocation of burdens of pleading and of proof, the exclusions from dilution lia-

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attention-getting stunts and challenging each other to fights in the hopes of attracting viewers. The balancing test called for in the case law involves factual and legal issues which cannot be disposed of at this stage in the case.

*Id.*

209. See 15 U.S.C. § 1125(c)(3); see also *supra* text accompanying note 72.

210. See *supra* note 174 and accompanying text.

211. The end result should be the same, of course, meaning there is no liability on the part of the defendant for the disputed activity, no injunction or damages; but the procedure is different (and procedure, in turn, can affect outcomes in some cases, particularly when the evidence is found to be in equipoise). The burden of proof changes depending on the operation of the provision, and the common perception of the equities might change as well.

212. *But see* Ramsey, *supra* note 82, at 421 (arguing, in the context of a defendant’s First Amendment challenge to a trademark infringement action, that the burden of proof on the commercial nature of speech should remain with the trademark holder and that the First Amendment is not, in those contexts, an “affirmative defense”). MCCARTHY ON TRADEMARKS, a commonly consulted treatise, does not specifically address the burden of proof in the context of dilution in detail, but it does characterize the noncommercial use exclusion as a “statutory defense.” J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION 24:123-128 (4th ed. 2009).

bility must be treated as affirmative defenses rather than in a procedurally amorphous manner.<sup>213</sup>

## 2. *The Breadth of “Use in Commerce”*

When does the noncommercial use exclusion find practical vitality as an affirmative defense? In other words, when is a use in commerce a noncommercial use? The primary liability provision limits actionable dilution to “use of a mark or trade name in commerce,” and a question has been raised as to whether noncommercial speech can be caught in the liability net in the first instance.<sup>214</sup> I argue that it is entirely possible, and even probable, that noncommercial speech can survive the limitation to “use of a mark or trade name in commerce.” In examining whether “use of a mark or trade name in commerce” and “noncommercial use of a mark” are mutually exclusive concepts, the “trademark use” debate enters into the discussion.<sup>215</sup>

The current federal dilution statute requires a “use of a mark or trade name in commerce” by a defendant before dilution liability may attach.<sup>216</sup> Without taking sides in the recent vigorous “trademark use” debate,<sup>217</sup> for purposes of this Article it suffices to note that interpretations of “use in commerce” of a mark within that debate vary,

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213. Affirmative defense status also means that even at the preliminary injunction stage, the defendant will bear the burden of proof on the noncommercial use issue. *See Gonzales v. O Centro Espirita Beneficente Uniao do Vegetal*, 546 U.S. 418, 419 (2006) (stating clearly that “the burdens . . . at the preliminary injunction stage track the burdens at trial”); *Ashcroft v. ACLU*, 542 U.S. 656, 666 (2004) (same).

214. *See id.* at 554 n.64 (calling the noncommercial use exclusion surplus language, “mere belt and suspenders” supporting their interpretation of a narrow *prima facie* case). “It is also worth noting that [15 U.S.C. § 1125(c)(3)] is styled as ‘exclusions’ from the scope of the act, not as defenses to an otherwise viable cause of action, further undermining the idea that the presence of a ‘designation of source’ or ‘noncommercial use’ limitation in that section implies that the general bill reaches further than that.” *Id.*

215. *See Dogan & Lemley*, *supra* note 65, at 549-54 (arguing that the “use of a mark” language in the liability provision greatly narrows the scope of the dilution statute because they believe it requires, essentially, “use as a mark,” or “trademark use”).

216. 15 U.S.C. § 1125(c)(1).

217. *See, e.g., Dinwoodie & Janis, Confusion Over Use*, *supra* note 45 (discussing the debate over trademark use and rejecting trademark use theory); Dinwoodie & Janis, *Lessons*, *supra* note 45; Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1674 (2007) (suggesting a framework for the trademark use requirement which “serves as a limited tool for identifying classes of behavior that cannot constitute infringement”); McKenna, *supra* note 45, at 773 (attempting to “mediate[] a scholarly debate regarding the existence and desirability of a ‘trademark use’ doctrine”); *see also* Margreth Barrett, *Internet Trademark Suits and the Demise of “Trademark Use,”* 39 U.C. DAVIS L. REV. 371 (2006) (discussing the history and purpose of the trademark use requirement and proposing a modern definition); Graeme B. Dinwoodie & Mark D. Janis, *Dilution’s (Still) Uncertain Future*, 105 MICH. L. REV. FIRST IMPRESSIONS 98, 100-01 (2006) available at <http://www.michiganlawreview.org/assets/fi/105/dinwoodie.pdf>; Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 511 (2005) (arguing that “courts should consider the [internet] search process stage where searchers see a trademark being used”).

but they all continue to potentially include noncommercial uses, at least insofar as “noncommercial use” is properly interpreted as set forth in this Article. For example, one interpretation of “trademark use,” or use in commerce of a mark, proposed in the scholarship comes from Stacey Dogan and Mark Lemley, two major participants in the use debate.<sup>218</sup> They explain “trademark use” for purposes of a defendant’s infringement liability as primarily “branding” use, expanding on that concept in these terms: a defendant’s use of a mark “in the process of selling, marketing, or advertising [its] own products,”<sup>219</sup> and “using the mark to promote its own products or services [and also] using it ‘as a mark’ – i.e. to indicate the source or sponsorship of those products or services.”<sup>220</sup> Other meanings of “use in commerce” exist in the cases and literature.<sup>221</sup> Certain of those meanings may (or may not) supply content to infringement and dilution claims, and I do not here endorse any of the various proposed interpretations of the concept of “trademark use.” But I do argue that any of those interpretations could easily include uses of marks in noncommercial speech.<sup>222</sup>

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218. See Dogan & Lemley, *supra* note 217, at 1673-88.

219. *Id.* at 1677.

220. *Id.* at 1682.

221. See sources cited *supra* note 217.

222. The Lanham Act contains, at section 45, a definition of the “use in commerce” of a mark that is required for the creation of federally registrable trademark rights. First, “commerce” is defined as “all commerce which may lawfully be regulated by Congress,” and then “use in commerce” is defined as

the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

15 U.S.C. § 1127. It seems fairly obvious to me that Lanham Act “use in commerce” can cover noncommercial speech. Words on a t-shirt or bumper sticker certainly would “use [the words] in commerce” on goods (the t-shirts or bumper stickers) under the definition, since those words would be “placed in any manner” on the goods, and those goods (at least in almost all conceivable cases) would be “transported in commerce” within the broad, fullest-extent-of-the-Commerce-Clause definition of “commerce” contained in the Lanham Act.

Dogan and Lemley did not advocate limiting infringing trademark use to the “use in commerce” required for creation of rights and conceded that asymmetry will exist between the more restrictive “trademark use” sufficient to create trademark rights and a somewhat broader understanding of “trademark use” sufficient to create potential infringement liabil-

Analyzing, for example, the “branding” interpretation—or a defendant’s use of a mark “in the process of selling, marketing, or advertising [its] own products”—demonstrates that more than commercial speech can be ensnared within the basic liability provision. Consider a t-shirt or a bumper sticker bearing specific words. The t-shirt or bumper sticker is sold, and in the process of selling it, the seller even emphasizes the words displayed on the product. Such an example would be indistinguishable, I argue, from the “branding” conception of trademark use,<sup>223</sup> but plenty of t-shirts and bumper stickers on which words are placed certainly do not constitute commercial speech. Shirts and bumper stickers distributed by political campaigns immediately come to mind,<sup>224</sup> as do those items bearing religious slogans or even humorous (or not) commentary or platitudes. The same is true of book and magazine covers,<sup>225</sup> and numerous other

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ity. Dogan & Lemley, *supra* note 217, at 1675-76. Still, according to them, “[a] reasonable reading of the [section 45] ‘use in commerce’ definition in the infringement context would limit infringement to the general sorts of uses listed in the definition—i.e., uses that employ the trademark as a brand.” *Id.* at 1676.

223. The use would be indistinguishable from a “branding” use at least up to the point that a court made a fact-specific inquiry into the effect of the use on consumers—whether consumers regarded the use as an indication of source. See *infra* note 230 and accompanying text.

224. One example comes from the 2007 gubernatorial election in Louisiana. The Bobby Jindal campaign distributed, for a time, bumper stickers proclaiming “Tigers for Jindal” in a purple-and-gold color scheme and “Saints for Jindal” in a black-and-gold color scheme (among others). The Louisiana State University mascot is the tiger, and the university’s colors are purple and gold, while the New Orleans Saints professional football team uses a black-and-gold color combination. Recently, before that election, Louisiana State University had not been reticent about enforcing its claimed trademark rights in the school colors. See *Bd. of Supervisors v. Smack Apparel Co.*, 438 F. Supp. 2d 653, 656-61 (E.D. La. 2006) (accepting the plaintiff Universities’ definition of their trademarks as “color schemes in the context of merchandise that makes reference to the [p]laintiff Universities or their accomplishments and is directed to their fans and other interested consumers,” and finding that plaintiffs had established secondary meaning for their claimed marks as well as a likelihood of confusion arising from defendant’s t-shirts), *aff’d*, 550 F.3d 465, 475-85 (5th Cir. 2008). Local publications reported that the campaign agreed not to print any additional stickers after the University and the team complained. According to one article, a University spokesman stated that officials were more concerned about a perception that a public university had taken sides in the race than they were about trademark infringement. See Jan Moller, *Jindal Backpedaling on Bumper Stickers: LSU, Tulane, Saints Warn: Hands Off*, *TIMES-PICAYUNE*, August 9, 2007, at 2 (available at <http://www.nola.com/timespic/stories/index.ssf?/base/news-5/1186642607113410.xml&coll=1>). Nevertheless, one might have understood if the state university had declined to take any enforcement measures against the campaign of the leading gubernatorial candidate, who might soon (and now does) lead the state, including wielding significant influence within its university systems. (For the record, while I am employed by the Louisiana State University system, I have no knowledge regarding any communication between the University and the campaign.)

225. Fox News sued Al Franken and the publisher of his book, *LIES AND THE LYING LIARS WHO TELL THEM: A FAIR AND BALANCED LOOK AT THE RIGHT*, for trademark infringement and trademark dilution (including a New York state law dilution claim) of its *FAIR AND BALANCED* mark, although Fox voluntarily dismissed the action after being denied a preliminary injunction. See *Fox News Network, LLC v. Penguin Group (USA)*,

communicative goods on which words are placed in a dominant or other eye-catching manner.<sup>226</sup> It bears emphasis that a wide variety of goods raise this issue, not just traditional communicative goods. In addition to the t-shirts and bumper stickers discussed above, consider the significant communicative function of coffee mugs, hats, articles of clothing, and other consumer goods in today's culture.

The above discussion assumes that little practical meaning can be derived from the different uses of the terms "a mark" and "the famous mark" in dilution's prima facie case, which requires "use of *a mark* or trade name in commerce that is likely to cause dilution . . . of *the famous mark*."<sup>227</sup> But as I propose more generally above with respect to the overall "trademark use" debate in the dilution context, I do not think that any description of a "mark" that we now have and use explains the concept without referring back to the consumer effect of the use, namely whether the word, design, or other device is used in such a way as to designate source in the mind of a significant proportion of consumers. As other scholars have set forth in greater detail, trademark use is not an efficient gatekeeper in many (if any) cases because it relies on consumer conceptions about what devices used in connection with goods and services indicate the source, which leads back into likelihood of confusion.<sup>228</sup> In dilution, where likelihood of confusion is not an issue, source-designation status, or trademark use, becomes exceedingly difficult to establish in borderline cases. Certain uses have become widely accepted as source-identifying uses, such as the placement of words or designs on hang tags attached to goods.<sup>229</sup> But other uses of words or designs, such as the t-shirts, coffee mugs, and bumper stickers mentioned above, may be ornamental at times, may be source-identifying at times, and may be communicative at times. Without examining the particular use for its consumer effect, one cannot know. Trademark use, even if it were accepted as a requirement for the prima facie case, thus seems un-

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Inc., 03-CV-6162, 2003 WL 23281520 (S.D.N.Y. 2003); Susan Saulny, *In Courtroom, Laughter at Fox and a Victory for Al Franken*, N.Y. TIMES, Aug. 23, 2003 at B1. Judge Denny Chin did not rely on the noncommercial use exclusion contained within the federal dilution statute in denying the preliminary injunction (note that the New York statute does not contain such a statutory exclusion or defense), but he did reference the First Amendment. See Transcript of Hearing on Motion for Preliminary Injunction, *Fox News Network*, No. 03-CV-6162, 2003 WL 23281520.

226. For example, the music CDs in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 903 (9th Cir. 2002), discussed further in Part IV.A. of this Article, might easily fall within this type of "trademark use," since they bore the words "Barbie Girl" in a prominent manner on the cover.

227. See Dogan & Lemley, *supra* note 65, at 549-54 (emphasis added).

228. See Dinwoodie & Janis, *Confusion over Use*, *supra* note 45, at 1641-42; Dinwoodie & Janis, *Lessons*, *supra* note 45, at 1713-14; McKenna, *supra* note 45, at 797-98.

229. See, e.g., TRADEMARK MANUAL OF EXAMINING PROCEDURE § 904.03 (5th ed., 2007) (stating that labels, tags, and containers for goods are all appropriate specimens of use proving use of the mark in commerce in connection with a trademark application).

likely to efficiently, effectively, and reliably control the scope of dilution liability. Moreover, the noncommercial use exclusion itself refers to use of “a mark.” Asking a judge to use the concept of “a mark” to make close distinctions between uses falling in the prima facie case and those falling in the exclusion, when “a mark” appears in each, seems to me a request unlikely to meet with much success.

But even if trademark uses were efficiently and reliably identifiable, there would still be practical vitality in the noncommercial use exclusion as a backstop for protecting speech. The fact is that dilution claims have been, and will likely continue to be based upon uses of trademarks in noncommercial speech.<sup>230</sup> *Mattel v. MCA*<sup>231</sup> (the “Barbie Girl” case) provides further support for this contention. Comparing two cases based on t-shirts demonstrates the vitality of the exclusion in protecting valuable First Amendment freedoms, even when the freedom is being exercised via a mixture of commercial and noncommercial motives.<sup>232</sup> Without a noncommercial use exclusion applicable to the relevant state or federal infringement claims, one court examining a modified trademark used by a third party on a t-shirt found infringement liability, even in the face of a First Amendment defense and rather weak survey evidence of confusion.<sup>233</sup> But with the noncommercial use exclusion in the federal dilution statute, another court protected a very similar use of a modified trademark on a t-shirt by applying the exclusion as a defense.<sup>234</sup> In each case, the de-

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230. See, e.g., *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302 (N.D. Ga. 2008) (holding that Smith’s modified Wal-Mart logo designs constituted noncommercial speech excluded from dilution liability “despite the fact that Smith sold the designs to the public on t-shirts and other novelty merchandise”); *American Dairy Queen Corp. v. New Line Productions, Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998) (entering preliminary injunction barring New Line’s use of “Dairy Queens” as the title of a movie about small town beauty pageants in Minnesota’s dairy country after finding that the title was used to market and identify the film and after rejecting a claim that the film title constituted a noncommercial use); see also *Emerson Electric Co. v. NBC Universal Television Studios Inc.*, No. 4:06-cv-01454-ERW (E.D. Mo. filed Oct. 2, 2006) (claiming dilution of Emerson’s IN SINK ERATOR trademark based on the incidental appearance of an IN SINK ERATOR-branded food waste disposer in a television show, when a character damaged her hand by inserting it into the disposer).

231. 296 F.3d 894 (9th Cir. 2003).

232. See *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397 (8th Cir. 1987); *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302 (N.D. Ga. 2008).

233. See *Novak*, 836 F.2d at 400-03 (finding infringement liability appropriate for “Mutant of Omaha” t-shirts sold for the purpose of bringing attention to the perils of nuclear war, when only about 10% of surveyed consumers evidenced confusion about Mutual of Omaha’s affiliation with the t-shirts following a leading question on the issue). Although the plaintiff had raised a state dilution claim, the appellate court did not reach the it on appeal because no additional remedy would be available beyond that already awarded for infringement. *Id.* at 398 n.2.

234. See *Smith*, 537 F. Supp. 2d at 1340 (applying the noncommercial use exclusion to find federal dilution liability inappropriate for “Walocaust” t-shirts, which were sold for the purpose of bringing attention to the corporate policies of the Wal-Mart retail chain of stores). Of interest, although perhaps not of legal significance, is that the decision ruling

defendant sold items bearing the modified mark but argued that the use of the modified mark on the shirts (or other items) was for purposes of advocacy.<sup>235</sup> This overlap between activities potentially creating trademark liability and activities constituting fully protected speech highlights the vitality of the noncommercial speech exclusion.

### 3. *Comparing Noncommercial Use to a Constitutional Defense*

At least one commentator has suggested that the potential availability of a direct constitutional defense in any event makes the noncommercial use exclusion unnecessary.<sup>236</sup> I disagree. The existence of the noncommercial use exclusion shows that Congress balanced the interests and determined that noncommercial speech interests are of higher value than the low risk they pose to the “property”-type right created by the dilution statute. This Congressional balancing is superior to, and operates differently from, the case-by-case balancing that would occur if a defendant were required to raise a direct First Amendment defense for an expressive use.<sup>237</sup>

A statutory affirmative defense for noncommercial use is much more predictable and efficient than constitutional review of an individual application of dilution liability to a claimed expressive use. Efficiency arises during litigation because the ultimate issue of dilution does not matter—the defense applies regardless of the diluting nature of the use. If the defendant can prove that the exclusion applies at the motion to dismiss phase, there will be no need to spend resources deciding the case in chief, including the resources required to conduct expensive surveys and experts.

Also, the noncommercial use exclusion allows a court to resolve the speech issue without requiring it to rule on a constitutional question, something courts prefer to do only as a last resort.<sup>238</sup> Without an

for *Smith* on infringement (which does not have a noncommercial use exclusion) covers twenty-three pages as published, while the decision on dilution (applying the exclusion) occupies less than one page.

235. See *Novak*, 836 F.2d at 402; *Smith*, 547 F. Supp. 2d at 1340.

236. Gulasekaram, *supra* note 173, at 898 (stating that, with respect to dilution claims against expressive use, “the First Amendment would control, creating a fundamental norm that cannot be abridged by federal or state statute or lack thereof. In this sense, the FTDA’s statutory exemption, while helpful and clear, is superfluous: it protects what is already protected.”). I agree that the First Amendment controls, but because of the comparative simplicity of the noncommercial use exclusion versus a constitutional defense, as set forth further above, I do not agree that the exclusion is “superfluous.”

237. See *supra* note 172 (discussing and quoting *Gertz v. Robert Welch, Inc.*, 418 U.S. 323 (1974)).

238. See, e.g., *Siler v. Louisville & Nashville R.R. Co.*, 213 U.S. 175, 193 (1909) (“Where a case in this court can be decided without reference to questions arising under the Federal Constitution, that course is usually pursued and is not departed from without important reasons.”). *Siler*, while not always followed, has been cited with approval numerous times, including in Justice Brandeis’s oft-cited unofficial rules of decision of the Court, from his concurring opinion in *Ashwander v. Tennessee Valley Authority*. 297 U.S. 288, 346-48

affirmative defense, a First Amendment defense would typically only be considered after the *prima facie* case had been decided in the plaintiff's favor.<sup>239</sup> Predictability arises from the ability of a defendant to obtain a speech-protective ruling by applying only a limited concept from the commercial speech doctrine without opening the balancing analysis of a constitutional question.

Another benefit, perhaps more important, is that even if a court were willing to delve into the constitutional issue,<sup>240</sup> the availability of a statutory defense avoids the imagined difficulty of balancing a private "property" right against a speech interest in any particular case.<sup>241</sup> The balancing of "property" with speech can lead to reliance on the "alternative avenues" theory for subordinating a speech inter-

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(1936) (Brandeis, J., concurring) (setting forth "a series of rules under which [the Court] has avoided passing upon a large part of all the constitutional questions pressed upon it for decision," and citing *Siler* for the fourth rule: "The Court will not pass upon a constitutional question although properly presented by the record, if there is also present some other ground upon which the case may be disposed of.").

239. *But see* *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987) (reversing summary judgment for the plaintiff, L.L. Bean, on First Amendment grounds, over a dissent which argued that it was "premature to pass on the constitutionality of the Maine trademark dilution statute without a determination whether, under Maine law, a pornographic parody of this kind would violate that statute") (Campbell, J., dissenting) (citation omitted).

240. Not all courts avoid direct constitutional rulings, even when the exclusion allows a court to do so, as demonstrated by *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004). The district court had prohibited Nissan Computer from placing links on [www.nissan.com](http://www.nissan.com) or [www.nissan.net](http://www.nissan.net) to other websites with negative commentary about Nissan Motor. *Id.* at 1006-07. The district court had based this portion of its ruling on the need to prevent dilution in the future. *Id.* at 1008-09. The Ninth Circuit stated that "[t]he FTDA anticipates the constitutional problem where the speech is not commercial but is potentially dilutive by including an exception for noncommercial use of a mark. So, the relevant question is whether linking to sites that contain disparaging comments about Nissan Motor on the [nissan.com](http://nissan.com) website is commercial." *Id.* at 1016-17 (citations omitted). Yet the *Nissan* court, after having introduced its inquiry into the divide between a commercial and a noncommercial use by placing it within the dilution statute's exclusion, ruled by referring to the First Amendment, rather than simply to the exclusion. "[W]e conclude that the permanent injunction violates the First Amendment to the extent that it enjoins the placing of links on [nissan.com](http://nissan.com) to sites with disparaging comments about Nissan Motor." *Id.* at 1018. The court's direct resort to the First Amendment for its ruling is puzzling in light of the option of simply relying on statutory language and legislative history. It could have rested its ruling on the fact that the district court's injunction extended beyond the reach of the statute it ostensibly enforced. Still, the case provides additional insight into the Ninth Circuit's interpretation of the noncommercial use exclusion in the dilution statute. And it also indicates, perhaps, that the Ninth Circuit would be willing to apply the same reasoning to an injunction issued under a state dilution law without a specific exclusion—news that is heartening indeed to those who are concerned about the breadth of state laws.

241. *See, e.g.*, *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 954 (N.D. Ill. 2002) ("Trademark rights need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.'") (quoting *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979)); *Reddy Commc'ns, Inc. v. Envtl. Action Found.*, 199 U.S.P.Q. (BNA) 630, 633-34 (D.D.C. 1977). *See also* *Denicola, supra* note 84 (criticizing this line of thinking).

est. Although this theory has been largely discredited within trademark scholarship and case law,<sup>242</sup> it continues to surface.<sup>243</sup> There is value in avoiding further propagation of that theory. Using the non-commercial use exclusion as an affirmative defense effectuates the property-speech balance that Congress already struck in favor of noncommercial speech.

Two cases in which defendants successfully used the noncommercial use exclusion help illustrate the advantage of the exclusion as compared to a direct constitutional defense. The American Family Life Assurance Co. (AFLAC) attempted to stop Timothy Hagan, an Ohio gubernatorial candidate, from using a quacking duck reminiscent of AFLAC's own quacking duck in his advertising.<sup>244</sup> Hagan had mimicked the AFLAC duck when creating his "TaftQuack" duck as part of his criticism of the incumbent, Robert Taft.<sup>245</sup> In denying a preliminary injunction to AFLAC on its various claims, including trademark infringement and dilution, the court first found no likelihood of success on the infringement claim because the court found little similarity in appearance between the two ducks and no competitive proximity of goods or services.<sup>246</sup> The court's decision on the dilution claim centered on both the noncommercial use exclusion and First Amendment protection.<sup>247</sup> Following a survey of several cases, including *Mattel v. MCA* and prominent domain-name-related dilution cases,<sup>248</sup> as well as a portion of the legislative history of the non-commercial use exclusion, the court concluded that regardless of the breadth of the exclusion (with *Mattel* representing the broadest position), the speech in the instant case should be protected under the exclusion because it was political speech, which is at the core of First Amendment protection.<sup>249</sup> The court was careful to note that Hagan did not use the AFLAC duck as a source identifier, and that he used his TaftQuack duck as part of a communicative message accusing incumbent Taft of "ducking" issues and being a "quack."<sup>250</sup> As such, the court found Hagan's use of the duck to be a noncommercial use exempted from liability under the statutory exclusion.<sup>251</sup>

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242. See *supra* note 85.

243. See, e.g., *Kraft Foods*, 205 F. Supp. 2d at 954.

244. *Am. Family Life Ins. [sic] Co. v. Hagan*, 266 F. Supp. 2d 682, 685 (N.D. Ohio 2002).

245. *Id.*

246. *Id.* at 691-92.

247. *Id.* at 695-701.

248. *Id.* The court referenced, in particular, *Planned Parenthood Federation of America Inc. v. Bucci*, 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997) and *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998). For more on these cases, see *supra* note 7.

249. *Hagan*, 266 F. Supp. 2d at 698.

250. *Id.* at 700.

251. *Id.* at 701.

As part of its First Amendment discussion, the *Hagan* court rejected AFLAC's argument that because there were "alternative avenues" available to Hagan to express his criticisms of Taft, the trademark claim should be superior to the First Amendment defense.<sup>252</sup> In so doing, the court sided with decisions like *L.L. Bean, Inc. v. Drake Publishers, Inc.*,<sup>253</sup> which flatly rejected the argument that trademark property rights need not yield to speech interests, and with commentators like Denicola<sup>254</sup> who argue that speech issues cannot be decided on the basis of comparing real property rights to trademark rights.<sup>255</sup> The court even cited the dissent from *Mutual of Omaha* calling the "alternative avenues" approach "inappropriate . . . [because] the property involved is not real estate but a trademark—a form of intangible property that itself conveys or symbolizes ideas."<sup>256</sup>

The court agreed with the Ninth Circuit's *Mattel* decision to read the noncommercial use exclusion broadly, such that the exclusion encompasses not only speech that is entirely noncommercial, but also speech mixing commercial and noncommercial elements.<sup>257</sup> It argued that Congress intended to exclude from liability "any speech that does not solely and entirely constitute 'commercial speech,' within the meaning of the First Amendment."<sup>258</sup> The court noted that Congress did *not* intend to incorporate all First Amendment case law through the noncommercial use exclusion (such as, perhaps, a need to balance the specific speech interest with the trademark interest in each noncommercial use case).<sup>259</sup> The court applied the exclusion as an affirmative defense rather than as a gateway to full First Amendment review of the application of the statute to Hagan's use.<sup>260</sup> In support of

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252. *Id.* at 697-98.

253. 811 F.2d 26, 28-29 (1st Cir. 1987).

254. Denicola, *supra* note 84.

255. *See Hagan*, 266 F. Supp. 2d at 697 (citing *L.L. Bean*, which in turn cites Denicola).

256. *Id.* at 698 (quoting *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 405 (8th Cir. 1987) (Heaney, J., dissenting)).

257. *Id.* at 696.

258. *Id.*

259. *Id.* For an example of a case engaging in case-specific balancing of speech and trademark interests, see *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989) (holding in an infringement analysis that "the degree of risk of confusion between Spy Notes [defendant's product] and Cliffs Notes [plaintiff's product] does not outweigh the well-established public interest in parody"). For an example of a dilution case where the court appeared to think that a finding of noncommercial use would lead to the balancing of speech and trademark interests, see *World Championship Wrestling v. Titan Sports, Inc.*, 46 F. Supp. 2d 118 (D. Conn. 1999) (addressing a motion to dismiss based on the noncommercial use exclusion and declining to perform a balancing of the factual and legal issues at that procedural stage). The *World Championship Wrestling* decision is discussed further in note 208, *supra*. For a discussion and criticism of *Cliffs Notes*, see McGeeveran, *supra* note 205, at 101-03.

260. Despite its extensive discussion and application of the noncommercial use defense to the federal dilution claim, the court did, in ruling on the state dilution claim, state that "[t]he First Amendment protects Hagan from AFLAC's dilution claim under the Lanham

that construction, the court noted that if Congress simply wished to import First Amendment protection into the statute, it would not have needed to draft an express exclusion at all, since the dilution statute could not override the First Amendment in any event.<sup>261</sup> The *Hagan* court also decided that the First Amendment protected Hagan from a state dilution claim.<sup>262</sup> The reasoning it developed under the federal exclusion guided its balancing of the state dilution claim against the use in question.<sup>263</sup>

Another district court decision on a state dilution claim serves as a cautionary note to those who would read over the exclusion and leave defendants to rely on a direct First Amendment defense.<sup>264</sup> That court heard the dispute between Ralph Nader and Mastercard that arose out of one of Nader's campaign commercials.<sup>265</sup>

Ralph Nader's 2000 presidential campaign created and aired a television advertisement (also available on Nader's website) that declared "finding out the truth" to be "priceless," and also used the phrase "There are some things that money can't buy."<sup>266</sup> Soon thereafter, Mastercard sued for infringement and dilution of its federally registered trademarks, PRICELESS and THERE ARE SOME THINGS MONEY CAN'T BUY. FOR EVERYTHING ELSE THERE'S MASTERCARD.<sup>267</sup> After the court denied Mastercard's motion for a preliminary injunction during the campaign, Nader's campaign filed for summary judgment on all counts (which also included copyright infringement and state law claims for infringement and dilution).<sup>268</sup> The court addressed the infringement claim by balancing the traditional likelihood of confusion factors and found no genuine issue of material fact related to a likelihood of confusion that would constitute infringement.<sup>269</sup>

After surveying the elements of a prima facie case for dilution, the court noted that the FTDA "specifically exempts noncommercial uses of a mark from its coverage," and it referenced the statutory exclusion.<sup>270</sup>

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Act. And, of course, the First Amendment provides this protection from AFLAC's dilution claim under state law, as well." *Hagan*, 266 F. Supp. 2d at 701.

261. *Id.* at 696.

262. *Id.* at 701. The state dilution statute did not contain statutory exclusions.

263. *See supra* note 260.

264. *See Mastercard Int'l Inc. v. Nader 2000 Primary Comm., Inc.*, 70 U.S.P.Q.2d 1046, 2004 WL 434404 (S.D.N.Y. 2004).

265. *Id.* at \*1.

266. *Id.*

267. *Id.* at \*2. The full Nader ad included a sequential display of a series of items showing the price of each ("grilled tenderloin for fundraiser; [sic] \$1,000 a plate;" "campaign ads filled with half-truths: \$10 million;" "promises to special interest groups: over \$100 billion"). The advertisement ends with a phrase identifying a priceless intangible that cannot be purchased ("finding out the truth: priceless. There are some things that money can't buy"). *Id.* at \*1.

268. *Id.*

269. *Id.* at \*2-4.

270. *Id.* at \*6-7.

The court then, oddly enough, analyzed the meaning of “commercial” by considering the Black’s Law Dictionary definition of “commercial” as well as the Lanham Act’s definition of “use in commerce.”<sup>271</sup> Mastercard had argued that the commercial nature of the ad was demonstrated by the fact that contributions to Nader’s campaign increased after the ad ran.<sup>272</sup> The court first rejected that argument by stating that “[e]ven assuming the Nader Ad caused greater contributions to be made to his political campaign, this would not be enough to deem Ralph Nader’s Ad ‘commercial.’ If so, then presumably, as suggested by defendants, all political campaign speech would also be ‘commercial speech’ since all political candidates collect contributions.”<sup>273</sup>

The court never mentioned the legislative history of the FTDA. Instead, it referenced all the way back to comments made in Congress in 1989 related to the false advertising provision of section 43(a) of the Lanham Act.<sup>274</sup> These comments reaffirmed that the false advertising provision would not apply to political advertising.<sup>275</sup> The court also referred to the *Hagan* court’s determination that political advertising, even advertising linked to campaign contributions, is noncommercial speech exempt from dilution liability under the FTDA.<sup>276</sup> But it did not expressly acknowledge the earlier decision’s use of legislative history and First Amendment jurisprudence in reaching that conclusion.<sup>277</sup> After finding the Nader ad to be exempt from the FTDA as political rather than commercial use, the court went on to find that even if the use were commercial, there was no evidence to indicate that Nader’s use of Mastercard’s marks had diluted their distinctiveness.<sup>278</sup>

Of particular interest in light of the distinctions between federal dilution claims and state dilution claims is the fact that the court’s ruling for Nader on the New York state dilution claim relied solely on the finding that Mastercard had presented no evidence of likelihood of dilution: “There is no evidence that defendants’ limited and political use of plaintiff’s marks could weaken those marks’ ability to serve

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271. *Id.* at \*7.

272. *Id.*

273. *Id.*

274. *Id.* at \*7-8.

275. *Id.*

276. *Id.* at \*8.

277. *Id.* For another political speech analysis in the dilution context, see *Griffith v. Fenrick*, 486 F. Supp. 2d 848, 853 (W.D. Wis. 2007). In *Griffith*, the court found that the defendant’s use of a shortened form, Andy Griffith, of his new legal name, Andrew Griffith, in running for sheriff of his town, was protected by the noncommercial use exclusion because it was not purely commercial speech. *Id.* There was no real question of mixed commercial-noncommercial speech because the use of the name was to seek elected office, a use that was entirely noncommercial because “it did not propose any commercial transactions,” and the seeking of contributions to his campaign was ancillary to the political speech and therefore protected as such. *Id.* at 853.

278. *Nader*, 2004 WL 434404 at \*9.

as a unique identifier of plaintiff's goods or services."<sup>279</sup> Unlike the *Hagan* decision, the *Nader* decision did not import any of the non-commercial use analysis into its ruling on the state dilution claim.

It is understandable that the *Nader* court did not resort to constitutional analysis of a First Amendment issue when it thought it had another avenue that reached the same result. But in light of the chilling effect of a lack of predictability and efficiency within a legal regime restricting speech, it is striking to note that *Nader's* campaign was subject to the vagaries of a dilution determination on the merits rather than having a clear expressive defense to the New York statute, even after the noncommercial use exclusion had been applied to the federal claim. This risk of liability under state law, even for core political speech, shows the importance of the statutory exclusion in the federal statute.

The speech concerns raised by the federal law (and state laws modeled thereon) are certainly more limited than they would be without the statutory exclusion, at least assuming the courts apply it as broadly as written. But state laws without statutory defenses or exclusions retain the direct clash with both commercial and non-commercial speech that Congress attempted to avoid in the federal law. Courts applying the federal dilution statute should apply the noncommercial use exclusion broadly, as argued here. Courts applying state laws without a statutory exclusion should consider the approach of the *Hagan* decision, where the federal noncommercial use exclusion can serve as a guide for analyzing a First Amendment defense to state dilution liability.

## V. CONCLUSION

This Article began with a curious question: When is a use in commerce a noncommercial use? Using First Amendment jurisprudence on mixed speech, in connection with the legislative history and statutory language of the federal dilution law, we can discern the answer. A use in commerce is a noncommercial use when the use of a mark either intertwines commercial and noncommercial speech elements or is not an integral part of a commercial transaction, i.e., when the use is not purely commercial speech. The noncommercial use exception to federal dilution liability exists to give noncommercial speakers, even those with mixed motives, a simple, relatively painless defense that allows the judiciary and parties to end those cases early.<sup>280</sup>

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279. *Id.*

280. See McGeeveran, *supra* note 205 at 105-06 (explaining relative paucity of cases decided under the news reporting exclusion by noting that the clarity of that exclusion may prevent claims from being brought in the first instance, and contrasting that clarity with the current status of the noncommercial use exclusion). It is true that defendants who are

Congress created a narrower dilution cause of action than was provided by the state laws that existed at the time it enacted the FTDA in 1995. For example, compared to state laws, Congress narrowed the action from applying to distinctive marks to applying only to famous marks. In 2006, Congress further narrowed the scope of dilution to eliminate protection for marks with only niche fame. With respect to exclusions, Congress evinced a desire to ensure the continued viability of, among other uses, comparative advertising utilizing famous marks. Congress also appears to have wanted to exempt from dilution liability a different and far broader group of uses—fully protected speech. This desire culminated in the noncommercial use exclusion.<sup>281</sup>

Application of the noncommercial use exclusion to the federal dilution statute has been sporadic. Some courts appear to shy away from using it—perhaps because they are concerned that applying the exclusion involves a full First Amendment balancing assessment. The fact is, it does not. It is simply a categorical, statutory affirmative defense, albeit one that relies on First Amendment case law to define a crucial term. In addition, it is an exclusion that, like the fair use defense to use of an incontestable mark in section 33, applies even if the dilution plaintiff can prove its *prima facie* case. Courts ought to rely on the exclusion more—and they may find their analyses less tortured as a result. It is true that courts may find a large number of uses exempt from liability if the exclusion is applied to its fullest extent, as it was in *Mattel v. MCA Records*, but (1) that is the most straightforward interpretation of the statutory language, and (2) that result appears to be exactly what Congress intended.

A key issue for future legislative focus is to encourage states to include a noncommercial speech exception in their laws. Even if the “trademark use” proponents win the day with respect to the federal dilution action, that interpretation would have little persuasive effect on state dilution statutes, particularly those not amended following the 2006 change in federal law. With respect to dilution, the “trademark use” argument is based in significant part on the TDRA’s statu-

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successful under the noncommercial use defense will generally still bear their own attorneys’ fees, which are not a trivial expense. Nevertheless, adding clarity should begin to create strong precedents which will in turn discourage suits against noncommercial uses in the future. If the case law broadly applying the exclusion were to become sufficiently clear and robust, courts could even begin to award attorney’s fees to defendants if dilution claims were to be made against defendants engaged in uses falling well within the boundaries of the noncommercial use exclusion.

281. See WELKOWITZ, *supra* note 10, at 327-28 (arguing for a broad noncommercial use exclusion in 43(e), despite the expansive interpretation of “commercial” activities in other sections of the Lanham Act, because dilution law was intended to be less encompassing than other provisions, and because “the legislative history of the FTDA, going back to 1988, demonstrates a serious congressional concern that dilution would be used to stifle legitimate expression. The point of Section 43(c)(4)(B) [now 43(c)(3)(C)] is to respond to those concerns by *excluding* various forms of speech from liability.”).

tory language and legislative history. If the federal law becomes subject to the more restrictive interpretation, trademark owners wishing to push the envelope on dilution will simply turn to state laws instead.<sup>282</sup> Adding a noncommercial use exclusion to state laws would allow courts to more effectively and efficiently analyze free-speech-based defenses to state-law claims. Perhaps more to the point for most state legislators, the addition would make a state dilution statute less susceptible to First Amendment invalidation.

Courts should not shy away from applying the noncommercial use exclusion as broadly as First Amendment jurisprudence teaches that they should, thus including mixed speech. Courts should allow defendants to use the exclusion as an affirmative defense, one that can be ruled on through a motion to dismiss or summary judgment even when a *prima facie* case for dilution has been, or could conceivably be, proven.

Dilution protection is an extreme measure, and its standard remedy of a permanent injunction is strong medicine. Only commercial speech should be subjected to the dilution statute; that is the best interpretation of the exclusion in the full statutory and jurisprudential context. The legislative history is clear that such a meaning was Congress's intent, and it makes dilution liability more predictable (and the defense more efficient) and thus less likely to chill expressive uses.

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282. See Welkowitz, *supra* note 17, at 704-05.