

Dumb Starbucks: Grande Parody Or Trademark Infringement?

Law360, New York (March 18, 2014, 9:50 PM ET) -- On the morning of Feb. 10, bleary-eyed Los Angelinos in need of a quick caffeine fix on the way to work may have noticed a green and white storefront sporting a familiar mermaid design. Upon closer examination, it would have become clear that the storefront was not the Starbucks they are used to seeing.

Rather, the shop that caught their eye was “Dumb Starbucks” — a nearly identical mockup of a Starbucks coffee shop, albeit with a few exceptions: Everything in the store was prefaced by the word “Dumb,” from the name of the store itself, to the coffee offerings (Dumb Hazelnut Frappuccino anyone?) to the CDs stacked at the register, such as (presumably Dumb) Grammy Award-winning artist Dumb Nora Jones. No money was exchanged — the beverages were free, and the auxiliary merchandise was not for sale. And, according to Dumb Starbucks patrons, many of whom waited in line for hours, the coffee tasted horrible.

Comedian Nathan Fielder, creator of Dumb Starbucks, posted a FAQ sheet in which he claimed that, by adding the word “dumb,” he was “making fun of” Starbucks, and therefore his use of the Starbucks names, logos and trade dress constituted trademark fair use under the parody doctrine. But is it the case that affixing the word “dumb” to a mark makes it parody?

Parody is not a defense to trademark infringement, but rather, an argument that a particular use of another’s mark is not confusing. The Second Circuit described parody thusly:

A parody must convey two simultaneous — and contradictory — messages: that it is the original, but also that it is not the original and is instead a parody. To the extent that it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused.[1]

Courts have adopted three different approaches to evaluating parody in the trademark context. Some courts treat whether or not a work is a parody as a factor to be added to, and evaluated as part of, traditional multifactor trademark infringement tests. Other courts, most notably the Second Circuit, require that a trademark plaintiff make a “particularly compelling” showing of consumer confusion where free speech concerns, such as those presented by a parody, are implicated. Finally, some courts simply use the standard multifactor trademark infringement tests, taking the parodic nature of the use into account when evaluating each factor.

The lack of a consensus as to how to analyze parody in the trademark context has resulted in a patchwork of sometimes-contradictory opinions. That said, there are certain shared characteristics of trademark parodies that have consistently been held to be noninfringing across the different courts.

First, the use of the mark must actually be parody — that is, it should be poking fun at or commenting on the subject mark. When this is not the case, courts often find the use to be infringing. For example, the Fifth Circuit held that use of the name "The Velvet Elvis" infringed Elvis Presley Enterprises LLC's trademark rights when the name was intended to poke fun at the 1960s, not Presley himself.[2] Similarly, the use of the Dallas Cowboys Cheerleaders name and uniform in a pornographic movie that did not include any social commentary regarding the cheerleaders was found to be infringing.[3]

Second, if a parodic mark is for a noncommercial purpose, it is more likely to be considered parody. For instance, artistic uses of another's mark, such as in the humor pages of a magazine[4] or as the name of a character in a movie[5] are more likely to be protected; while use of another's mark to sell or advertise a product a service and for which no authorization has been granted — such as use on diaper bags[6] or on T-shirts promoting motorcycle repair services[7] — is less likely to pass muster. Note, however, that this commercial vs. noncommercial purpose evaluation is not a bright-line rule. Even overtly commercial uses of spoof marks — for example, on dog toys[8] — have been held to be protectable if ultimately unlikely to cause consumer confusion.

Finally, the parody should not consist of an unnecessarily scandalous or offensive alteration to the subject mark. Examples of scandalous parodies that courts have enjoined include the sale of posters bearing the script "Enjoy Cocaine" in the style of Coca-Cola Co.'s well-known "Enjoy Coca-Cola" mark[9] and the sale of underwear bearing a logo and the name "Genital Electric" in the style of General Electric Co.'s "General Electric" logo[10].

However, social commentary sometimes necessarily involves uncomfortable material that may be properly considered parody. For example, the U.S. District Court for the Northern District of Georgia held that the sale of T-shirts bearing the variations of the Wal-Mart Stores Inc. logo "Wal-Qaeda" and "Wal-Ocaust" to be noninfringing parody that "comment[s] both on what the plaintiff considers to be Wal-Mart's ruthless business tactics and its detrimental impact on the United States," and that this commentary contributed in part to the ultimate conclusion that no consumer would be confused as to whether Wal-Mart was somehow affiliated with the parodic marks.[11] That being said, the incorporation of scandalous matter for scandal's sake is not likely to be protected trademark parody.

Contrary to Nathan Fielder's FAQs, merely adding the word "dumb" to another's trademark, may not qualify as legal parody. Analyzing parody involves a number of considerations, including whether the use is a comment on the mark or mark owner, whether the use is commercial in nature, and/or whether the use is scandalous. These facts must be carefully weighed in conjunction with the driving question of trademark infringement cases: are consumers likely to be confused?

The Los Angeles Health Department has shut down Dumb Starbucks, but Fielder has publicly stated that he would like to open another installation in Brooklyn. We may soon find out whether Fielder's pop-up is protectable trademark parody, or just "dumb" parody.

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[1] Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, 886 F.2d 490, 494 (2d Cir. 1989)

[2] Elvis Presley Enters. V. Capece, 141 F.3d 188 (5th Cir. 1998)

[3] Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 467 F. Supp. 366 (S.D.N.Y. 1979)

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

[5] Hormel Foods Corp. v. Jim Henson Prods., 73 F.3d 497 (2d Cir. 1996)

[6] Gucci Shops, Inc. v. R.H. Macy & Co., 446 F. Supp. 838 (S.D.N.Y. 1977)

[7] Harley-Davidson, Inc. v. Grottanelli, 164 F.3d 806 (2d Cir. 1999)

[8] Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252 (4th Cir. 2007)

[9] Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972)

[10] Gen. Elec. Co. v. Alumpa Coal Co., 205 U.S.P.Q. (BNA) 1036 (D. Mass. 1979)

[11] Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302 (N.D. Ga. 2008)