

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
Atlanta Division

CHARLES SMITH,	)	
	)	
Plaintiff/Counterclaim-Defendant,	)	
	)	
v.	)	Civil Action No.
	)	1:06 CV 0526 (TCB)
WAL-MART STORES, INC.,	)	
	)	
Defendant/Counterclaim Plaintiff.	)	

**MEMORANDUM IN SUPPORT OF  
PLAINTIFF’S MOTION FOR SUMMARY JUDGMENT**

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Wal-Mart is a controversial company. It has strong admirers and strong detractors. Plaintiff Charles Smith is a detractor. To convey his critique in a creative and memorable way, he conceived two nicknames for Wal-Mart, joining its name with two despised groups, the Nazis and Al-Qaeda, creating the words Walocaust and WalQaeda. Statement of Material Facts (“SMF”) 2-3, 44-46. Smith also created several designs incorporating those words and arranged to have those designs printed on T-shirts and other items for sale on the Internet through CafePress.com, an Internet enterprise whose specialty is designs that express individual views about politics and culture. SMF 7-9, 15-16, 47. Smith told friends and family about his designs and sent messages to liberal Internet discussion groups, on the theory that this was the best way to get word out to people who shared his views, who Smith assumed would be the only ones interested in the shirts. SMF 26-29. Smith registered domain names such as walocaust.com and walqaeda.com, and created websites to express his views and display the designs. SMF 6, 37-39, 45, 50-52. Apart from telling the press about this litigation, that was the extent of his advertising for his designs. SMF 26, 56.

Smith could not afford to print T-shirts and give them away. SMF 13. Using CafePress, he could disseminate the designs without incurring the cost of printing an inventory of shirts, because CafePress prints only to order. SMF 17. Smith had no intent and no expectation of making a profit on this activity; he did not conceive of this as a “business.” SMF 23-24. However, Smith has to pay annual registration fees

for his Walocaust and Wal-Qaeda domain names, as well as hosting fees for the web sites at those addresses, and monthly fees to maintain his CafePress accounts. To offset these costs, he set a small mark-up for each item sold. SMF 19, 22, 59.

Smith originally filed this case after Wal-Mart's threat of litigation induced CafePress to drop his "Walocaust" designs from his account. After Smith sued, he learned that CafePress was willing to sell other Wal-Mart parodies, and so he created a new series of designs using the terms "Wal-Qaeda," "Freedom Hater Mart," "Freedom Haters Always," and "Bentonville Bullies/Billies" to criticize Wal-Mart's threat to his freedom of speech. SMF 47-48. Wal-Mart has counterclaimed for trademark infringement, dilution and cybersquatting. Now, following discovery, the parties cross-move for summary judgment because the facts are essentially undisputed. This memorandum explains why Smith's designs, domain names, and web sites represent noncommercial speech protected by the First Amendment, and in any event do not violate Wal-Mart's trademark rights.

**I. BECAUSE SMITH USES WAL-MART'S MARKS FOR NONCOMMERCIAL CRITICISM, WAL-MART'S TRADEMARK CLAIMS INFRINGE SMITH'S FREE SPEECH RIGHTS.**

1. Ordinarily, courts consider statutory issues first to avoid constitutional issues. However, trademark laws are customarily construed in light of the First Amendment, particularly insofar as it distinguishes between commercial and non-commercial speech. Accordingly, we begin our analysis with the First Amendment.

Wal-Mart's quest to enforce its trademark seeks government action by a court, which is subject to scrutiny under the First Amendment. *Organization for a Better Austin v. Keefe*, 402 U.S. 415, 418 (1971). In trademark cases, First Amendment considerations routinely receive separate discussion, although they also inform statutory interpretation. Where a defendant is engaged in noncommercial speech, application of trademark law may violate the First Amendment. *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 32-33 (1st Cir. 1987). Indeed, even when trademarks are used in a commercial context, courts still construe the trademark laws narrowly to avoid impinging on First Amendment rights. *E.g.*, *Cliffs Notes v. Bantam Doubleday*, 886 F.2d 490, 494 (2d Cir. 1989). First Amendment interests are weighed as a factor in deciding whether a trademark violation should be found, *e.g.*, *Anheuser-Busch v. Balducci Publications*, 28 F.3d 769, 776 (8th Cir. 1994), and trademark injunctions must be narrowly crafted to comply with the rule against prior restraints on speech. *U-Haul Int'l v. Jartran*, 793 F.2d 1034, 1042 (9th Cir. 1986); *Better Business Bureau v. Medical Directors*, 681 F.2d 397, 404-405 (5th Cir. 1982).

Ordinary trademark law standards cannot readily apply to noncommercial speech. The fundamental precept of infringement claims is that misleading trademark uses should be barred, because they are "likely" to "confuse" consumers. To constitute infringement, use of the mark need not be deliberately confusing – intent is just one of several factors, *Safeway Stores v. Safeway Discount Drugs*, 675 F.2d

1160, 1164 (11th Cir. 1982) – and it need not actually constitute a “false” statement of origin. Trademark dilution claims do not even require confusion, but provide for relief when a rival use is “likely” to “tarnish” the reputation of the mark. Because these standards do not meet the First Amendment’s requirements to prohibit non-commercial speech, the First Amendment provides an important reason to construe the trademark laws to apply only to commercial goods and commercial speech.

The First Amendment does not authorize regulating noncommercial speech simply because it is misleading or hurtful. For example, a political flyer or a newspaper article about a public figure could not be enjoined, or made the basis for an award of damages, simply because some readers would likely find it confusing. *O’Connor v. Superior Court*, 177 Cal.App.3d 1013, 1019, 223 Cal.Rptr 357, 361 (1986). The concept of regulating speech that has the potential to be misleading, even though it is not strictly speaking false, has developed over the thirty years since the Supreme Court first extended First Amendment protection to commercial speech. *Thompson v. Western States Medical Center*, 535 U.S. 357, 367 (2002); *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 554 (2001). Unlike noncommercial speech, commercial speech can be regulated even if it is “not provably false, or even wholly false, but only deceptive or misleading.” *Friedman v. Rogers*, 440 U.S. 1, 9 (1979). Thus, although “[a] company has the full panoply of protections available to its direct comments on public issues, . . . there is no reason for providing similar constitutional

protection when such statements are made in the context of commercial transactions.”

*Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60 (1983).<sup>1</sup>

Recognizing the limits that the First Amendment imposes, both the language of trademark statutes and the caselaw construing those laws limit the application of trademark law to noncommercial speech. Under the Federal Trademark Dilution Act, “any noncommercial use of the mark . . . shall not be actionable under this section.” 15 U.S.C. § 1125(c)(3)(C). *See Universal Communication Syst. v. Lycos*, 478 F.3d 413, 424 (1st Cir. 2007). And an infringement claim may be brought only against use of the mark “in connection with the sale, offering for sale, distribution, or advertising of any goods or services.” 15 U.S.C. § 1114(1)(a). Courts have repeatedly held that this language limits the trademark laws to “commercial” uses and hence avoids conflict with First Amendment protection for noncommercial speech. *Bosley Medical v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005); *Taubman v. WebFeats*, 319 F.3d 770, 774 (6th Cir. 2003); *CPC Int’l v. Skippy*, 214 F.3d 456, 461 (4th Cir. 2000). When state trademark laws do not expressly exempt noncommercial speech,

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<sup>1</sup>*Accord Bates v. State Bar of Arizona*, 433 U.S. 350, 383 (1977) (“the leeway for untruthful or misleading expression that has been allowed in other contexts has little force in the commercial arena”); *Smith v. United States*, 431 U.S. 291, 318 (1977) (dissent) (“Although . . . misleading statements in a political oration cannot be censored, . . . misleading representations in a securities prospectus may surely be regulated.”); *Young v American Mini Theatres*, 427 U.S. 50, 68 & n.31 (1976) (“regulatory commissions may prohibit businessmen from making statements which, though literally true, are potentially deceptive”)

they should be read in pari materia with the federal statutes that do protect such speech, or else they are unconstitutional as applied to noncommercial parodic or critical uses of protected marks. *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 33 (1st Cir. 1987); *ACLU of Georgia v. Miller*, 977 F.Supp. 1228, 1233 (N.D. Ga. 1997); *Lighthawk v. Robertson*, 812 F.Supp. 1095, 1097-1101 (W.D. Wash. 1993).

Smith sells his T-shirts, but that fact neither makes the expression on his shirts commercial speech, nor authorizes application of commercial speech standards to limit his expression. Commercial speech is speech that does no more than propose a commercial transaction. *United States v. United Foods*, 533 U.S. 405, 409 (2001) *Bolger v. Youngs Drug Prod. Corp.*, 463 U.S. 60, 66 (1983); *Ohralik v. Ohio State Bar Ass'n*, 436 U.S. 447, 455-456 (1978). The fact that noncommercial statements are made in a medium which is itself sold does not mean that the sale of the medium may be regulated under the standards that apply to commercial speech. “It is well settled that a speaker’s rights are not lost simply because compensation is received.” *Riley v. Nat’l Fed’n of Blind*, 487 U.S. 781, 801 (1988). After all, it was a paid advertisement that was held to be protected, noncommercial speech in *New York Times v. Sullivan*, 376 U.S. 254, 265-266 (1964).

For example, in *Ayres v. Chicago*, 125 F.3d 1010, 1014 (7th Cir. 1997), the court held that “T-shirts are a medium of expression prima facie protected by the . . . First Amendment, and they do not lose their protection by being sold rather than

given away.” *Id.* at 1015. The court distinguished government limitations on “the sale of goods that are not themselves forms of protected speech.” *Id.* Accordingly, the court enjoined application of a city ordinance barring sale of any goods in Grant Park. Similarly, the Eleventh Circuit applied noncommercial speech protection to billboards containing noncommercial messages, without regard to whether the billboard space is sold, and hence enjoined a law that restricted noncommercial billboards more than commercial billboards. *KH Outdoor v. Trussville*, 458 F.3d 1261, 1269-1271 (2006).

The government interests protected by the trademark laws implicate the same distinction. Courts of appeals have developed various approaches to accommodate such concerns. For example, in *Procter & Gamble Co. v. Amway Corp.*, 242 F.3d 539, 552-553 (5th Cir. 2001), the court drew a distinction based on whether speakers had an economic motive for the speech, holding that the Lanham Act could apply if the purpose of the speech itself was to sell more products, but not if the primary purpose of the speech was to express criticism of the trademark holder. And *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989), accommodated the First Amendment interests of authors and artists through a rule governing infringement claims against artistic or literary products made for sale, such as mass publications, movies and musical recordings. Under this approach, the Lanham Act cannot be applied unless the trademark in the title “has no artistic relevance to the underlying work whatsoever or, if it has some artistic relevance, unless the title **explicitly** misleads as to the source

or the content of the work.” *Id.* (emphasis added); *Mattel v. Walking Mt. Prods.*, 353 F.3d 792, 807(9th Cir. 2003), *ETW Corp. v. Jireh Pub.*, 332 F.3d 915, 920 (6th Cir. 2003); *Westchester Media v. PRL USA Holdings*, 214 F.3d 658, 664 (5th Cir. 2000). *See also Cliffs Notes*, 886 F.2d at 495 (applying *Rogers* balancing to assess parody).

Because First Amendment protection for the right to criticize a big company that is undisputedly a public figure is at least as great as the protection for artistic works, the same standard should apply to the contents of parodic speech. Application of a standard that rests on the speaker’s subjective intent and on the noncommercial nature of the content of the speech is particularly appropriate in a case like this one, given the huge expense of standard trademark litigation, AIPLA, *Report of the Economic Survey* 22 (2005), and the danger that an individual could be worn down by the cost of litigating against a big company. “A lawsuit no doubt may be used as a powerful instrument of coercion or retaliation.” *Bill Johnson’s Restaurants v. NLRB*, 461 U.S. 731, 440 (1983). *Cf. Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 214 (2000) (need for clear rules in trademark law to allow summary disposition of anti-competitive strike suits). This concern demands clear rules protecting people like Smith who create parodies that constitute noncommercial speech.

2. Under either the Fifth Circuit’s *Amway* standard or standard or the *Rogers* line of cases, the undisputed facts require that summary judgment be granted in Smith’s favor. Taking first the *Amway* standard, Smith believes that Wal-Mart is a

destructive force in society, SMF 1, and he created his designs only to promote his views by offering critical designs for display by others who agree with him. SMF 4. He offers the T-shirts for sale because he cannot afford to give them away, SMF 13, and he set a small markup in the hope of covering the costs of his operation, SMF 22-23, which he has not been able to do. SMF 60-63. Smith did not undertake the sort of advertising that would be done by someone with a business motive; he simply told his friends and family and notified a few liberal groups, SMF 26, and posted his new “Wal-Qaeda” parodies at a time when he could take advantage of anticipated publicity about this case. SMF 56. When sale of Walocaust materials was blocked, he posted the designs on the Internet and urged viewers to download them for free and print them on shirts themselves. SMF 42. And if Smith ever makes a profit on his designs – which appears highly unlikely – he has promised to give those profits to anti-Wal-Mart charitable causes. Smith Aff. ¶ 43. These are not the actions of a businessman, but confirm Smith’s self-identification as a noncommercial protestor.

Similarly, applying the *Rogers* standard, because Smith’s designs are intended to criticize Wal-Mart, there is simply no way that he could do so without using enough of Wal-Mart’s trademarks to call Wal-Mart to mind. The test of relevance is plainly met. And far from explicitly misleading prospective purchasers about Wal-Mart being the source of the goods, Smith went out of his way to show that the goods are hostile to Wal-Mart. His original Walocaust account on CafePress, created before

Smith had any inkling that Wal-Mart might have a trademark concern, displayed his designs with negative words such as “Wal-Mart Sucks” and rants about labor camps, low pay and child labor, SMF 20, and coupled the names in the designs with allusions to Naziism, knife fights, and Mao Tse Tung. SMF 9, 20, 65. After Wal-Mart protested alleged infringement, Smith put up prominent disclaimers of affiliation with Wal-Mart and even a hyperlink to Wal-Mart’s own web site. SMF 49, 55. His Wal-Qaeda designs were similarly overtly critical, using such phrases as “Dime Store from Hell” and “Cause of Death: A Dime Store of America,” SMF49, 65, not to speak of being shown on web sites that opened with denunciations of this very litigation. SF 41, 54. The undisputed facts thus show no explicit deception, and, indeed, painstaking care **not** to deceive. Smith is thus entitled to summary judgment dismissing all of Wal-Mart’s claims – for infringement as well as for dilution and cybersquatting – on this standard as well.

## **II. AS A MATTER OF LAW, THERE IS NO LIKELIHOOD OF CONFUSION WITH RESPECT TO SMITH’S DESIGNS.**

Even if it is necessary to reach the likelihood of confusion issue, summary judgment should be granted for Smith because his anti-Wal-Mart designs do not create any likelihood of confusion, as a matter of law.

In response to Smith’s contention Interrogatories, Wal-Mart admitted that there was no “actual confusion” in the real world. SMF 77. Indeed it was unable to

identify any evidence, other than its own marks and Smith's uses, that supported its claim of likelihood of confusion. Wal-Mart Answers to Interrogatories, No. 1. Wal-Mart then hired an expert witness to do a survey that purported to find that two of Smith's designs created a very high degree of confusion on the part of those queried. As discussed in Smith's *Daubert* motion, Wal-Mart's survey evidence is so deeply flawed that it is not worthy of the Court's consideration. Even if the survey is admitted into evidence, Wal-Mart cannot invoke evidence that was not provided in discovery to support its contentions on likely confusion. This case, therefore, presents the question whether a trademark owner with no other evidence besides a flawed survey can avoid summary judgment on infringement.

In this Circuit, likelihood of confusion is determined by applying a multi-factor test that considers the strength of the plaintiff's mark, similarity between the defendant's use and the plaintiff's mark, identity of the parties' retail outlets, identity of advertising media used, defendant's intent, and actual confusion. *Safeway Stores*, 675 F.3d at 1164. Consideration of those factors on the undisputed facts requires judgment for Smith.

**1. Strength of the Mark.** Smith acknowledges that the name Wal-Mart, and its advertising slogan "Always Low Prices *Always*," are very strong marks. Wal-Mart is the world's largest retailer; its name is one of the best known marks in the country.

In most cases, strength of the mark tends to support a likelihood of confusion.

In cases of parody, however, courts generally hold that the strength of the mark actually cuts against likely confusion because consumers are more likely to recognize that a very famous mark “is being used as part of a jest.” *Louis Vuitton v. Haute Diggity Dog*, 464 F. Supp.2d 495, 499 (E.D. Va. 2006). *Tommy Hilfiger Licensing v. Nature Labs*, 221 F. Supp.2d 410, 413 (S.D.N.Y. 2002), citing cases. That point is particularly true in a case like the present one, where the mark in question has been widely parodied by others. For example, in *Pillsbury Co. v. Milky Way Prods.*, 1981 WL 1402 (N.D. Ga. Dec. 24, 1981), the plaintiff claimed that a cartoon showing the Pillsbury Doughboy engaged in sexual intercourse infringed its mark. The court relied on the existence of several other sexually frank parodies as supporting the parodist’s position on strength of the mark. *Id.* at \*12. Here, it is undisputed that there are many other parodies of Wal-Mart’s marks. SMF 85.<sup>2</sup>

One exception to Smith’s acknowledgment of the strength of Wal-Mart’s marks is the smiley face. The smiley face symbol has been in widespread use in our culture for many decades, both as a drawing and as an emoticon that many people use in their email and instant messaging correspondence. SMF 71-72. Although Wal-Mart produced in discovery a study showing that a significant fraction of the public can

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<sup>2</sup>Recognizing that the Court has ruled on the issue, we do not press here the point that, apart from the many other parodies, a huge number of other trademarks use “Wal” without “Mart,” and “Mart” without “Wal,” SMF 74-75, and that discovery would have allowed Smith to obtain more such examples, as well as showing Wal-Mart’s failure to police its mark. We reserve that point for possible appeal, however.

identify Wal-Mart using the smiley face in advertising, such recognition does not give Wal-Mart the right to prevent others from using the mark because the symbol is generic. For generic marks, even a study suggesting the existence of secondary meaning does not justify recognition of trademark rights. *Genesee Brewing v. Stroh Brewing*, 124 F.3d 137, 143 (2d Cir. 1997).

**2. Similarity of the Parties' Respective Marks.** On this factor, undisputed facts favor Smith for several reasons. First, a parodist must use some or all of the mark being criticized – “similarity is an essential part of a parody, as the similar marks and trade dress 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.’” *Haute Diggity Dog*, 464 F. Supp.2d at 499, quoting *PETA v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001). The fact that part of the mark has been copied to identify the subject of the parody does not, therefore, weigh in favor of a finding of confusion.

Second, Smith never uses the entirety of any Wal-Mart trademark. There are significant dissimilarities between the pieces or versions that he uses and Wal-Mart's marks. For example, in Wal-Qaeda, Smith uses the portion “Wal,” and in Wal-Qaeda, he uses the portion “Wal-.” In “Freedom-Hater-Mart,” Smith uses only the portion “Mart,” which is itself a generic term for a store. Moreover, the smiley face that Smith uses has a different configuration than the smiley face that Wal-Mart uses, and Wal-Mart uses a free-floating smiley face, and a Zorro-like smiley face with a sword

(slashing prices), not a smiley face being grasped by an animal. SMF 8, 73.

Although Smith has used a **portion** of Wal-Mart's marks in each of his parodies, he has also coupled those portions with unflattering words or portions of words with which no rational consumer would expect a trademark holder to associate its mark. No rational consumer would expect Wal-Mart to portray itself as being associated with the Holocaust, with Al-Qaeda, or with "Freedom Haters." No rational consumer would expect Wal-Mart to call itself a "Dime Store from Hell," or sponsor a map of the United States coupled with the words "Cause of Death: a Dime Store," or plaster its name over a bust of Hillary Clinton or Mao Tse Tung. Indeed, Wal-Mart's own counterclaim, ¶ 2, alleges that Smith has paired the "Wal" portion of its mark with the hateful organization Al-Qaeda and with the Holocaust, which run strongly counter to the public's usual associations with its marks.

Finally, this factor requires that a similarity between the "trademarks" of the respective parties, which assumes a requirement that Smith must have used his terms "Wal-Qaeda" and "Walocaust" and so forth as a "mark"—that is, to identify the source of his goods. Unlike *Nature Labs*, where "Timmy Holedigger" was the name of a perfume, or *Haute Diggity Dog*, where "Chewy Vuiton" was the name of a dog toy, Wal-Qaeda and Walocaust are not the names of goods or identifiers of the maker of a T-shirt. They are critical expressions about Wal-Mart. To borrow an analogy used by Wal-Mart's counsel at the discovery argument, they are not like labels on

“plain old merchandise” like a can of peas; they are the peas themselves. Because they are not “marks,” they cannot qualify as “similar” to plaintiff’s mark.

**3. Similarity Between Parties’ Products.** Smith’s “product” is an idea, which he makes available for printing on a variety of media, including T-shirts. Wal-Mart also sells T-shirts and other materials with designs or words printed on them. Although Wal-Mart sells T-shirts bearing unusual designs, it does not sell shirts criticizing major political figures or trumpeting causes, or attacking big companies (especially not shirts attacking itself). SMF 81. A T-shirt making fun of Hillary Clinton for being associated with Wal-Mart, for example, would not likely be sold at Wal-Mart. Moreover, in the original Walocaust section of CafePress, Wal-Mart Counterclaims Exhibit E, the Walocaust designs appeared side by side with designs stridently criticizing President Bush and Vice-President Cheney, or criticizing those who proclaim that God supports their political views. The fact that the designs using the word Walocaust over which Wal-Mart sues here were displayed side-by-side with these other “liberal” designs was a signal to any reasonable consumer that the array of designs was not for sale by Wal-Mart, and hence shows the significant difference between Wal-Mart’s products and Smith’s designs.<sup>3</sup>

**4. Similarities of intended customers and retail outlets.** On this factor, the

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<sup>3</sup> Moreover, Wal-Mart does not market to the general public apparel with the Wal-Mart name or advertising slogan printed on it. SMF 80.

differences are particularly stark. With respect to customers, although Wal-Mart is happy to have customers of any political persuasion, Smith's shirts are directed very specifically at customers who share his liberal views, including antipathy to Wal-Mart. That Smith aims at this "market" is shown by the complete set of designs discussed above, and by the text on the original CafePress page that put the term "walocaust" in the context of Smith's pro-labor and anti-exploitation-of-labor views (for example, sarcastic references to child labor, not having sick leave or insurance, long weeks without overtime). Smith's intended customers are also shown by the way in which he tried to call attention to his walocaust designs when he first posted them on CafePress – he sent messages to liberal discussion groups such as a "secular humanist" group, groups associated with supporting the presidential candidacies of John Kerry and John Dean, and various anti-Wal-Mart groups. SMF 26. More recently, he posted web sites at walocaust.com and walqaeda.com that would appeal mostly to people sharing his hostility to Wal-Mart, and which emphasized the anti-Wal-Mart context of his designs. Wal-Mart admirers who visited these sites would be unlikely to click through to shop for T-shirts after reading this material.

The parties' retail outlets are also markedly different. Wal-Mart sells through more than six thousand physical stores and on its Internet web site at wal-mart.com. SMF 82. Smith has no physical stores at all, and although he sells on the Internet, his Internet sales location is very different from Wal-Mart's. Smith sells only through

a specialized Internet retailer, CafePress.com, which not only does not carry any Wal-Mart goods but also does not carry the goods of any major brand-name companies. SMF 83. Instead, CafePress specializes in selling – or, more accurately, providing a capability for individuals or groups to sell – apparel and other items carrying slogans or designs created by the individual sellers, and either expressing the sellers’ opinions or reflecting their individual creativity. SMF 14-16. Because Wal-Mart has its own highly developed e-commerce operation, it is highly unlikely that any customers would visit CafePress expecting to find goods made by Wal-Mart. SMF 86. Moreover, customers who shop for T-shirts and other items at CafePress by entering search terms and then looking at the pages of items that are shown on the computer screen would quickly learn that this retailing site contains items that comment on Wal-Mart rather than items created by Wal-Mart. SMF 87. Thus, the nature of Smith’s one retail outlet negates any confusion about whether Wal-Mart is the source of his shirts.

**5. Similarity between parties’ advertising.** Wal-Mart has a massive advertising budget, including not only its own web site but also newspapers, television, radio, paid banners on other web sites, keyword advertising through Google and other search engines, a PR department, consultants who respond to criticisms of Wal-Mart, and the like. The advertising is diffuse, seeking to attract the population as a whole. Smith used very little “advertising,” and all of it was directed

at persons likely to sympathize his political views. SMF 26. As noted above, he communicated word of his walocaust designs to selected liberal groups, *id.*, and he created web sites at walqaeda.com and walocaust.com that explain why he created his designs, discuss this lawsuit, and display his designs with hyperlinks to CafePress' web site where they can be bought. SMF 38-42, 50-55. The sites directly criticize Wal-Mart. It is hard to imagine Wal-Mart doing such advertising.

In some ways, at the same time that this litigation has shown Wal-Mart's hostility to free speech, it has also functioned as a form of advertising for Smith's anti-Wal-Mart designs. SMF 56-57. In fact, the great bulk of sales of T-shirts and other items bearing the Wal-Qaeda designs came in the first month after the site was created, when the litigation was being discussed on blogs and in the press. SMF 58. To the extent that those who ultimately made purchases came to see Smith's web sites, or came directly to his CafePress pages displaying walqaeda designs after reading about this litigation, that process would also tend to negate any confusion.

6. **Intent to confuse.** In the ordinary trademark case, the adoption of a mark that is identical or similar to a senior use can give rise to an inference of intent to confuse. A seller can choose from an infinite variety of names for his products, and the decision to use a name already used by another implies an intent to take a free ride on the goodwill created by the efforts of that other. The opposite is true, however, in cases of parody or criticism, because it is not possible to criticize or parody without

identifying the subject of the criticism or, as it were, the butt of the joke. “An intent to parody is not an intent to confuse the public.” *Jordache Enterprises v. Hogg Wyld*, 828 F.2d 1482, 1486 (10th Cir. 1987). It is undisputed that Smith’s intent **was** to parody Wal-Mart. SMF 7-10, 46-47.

The steps taken by Smith to avoid confusion further support the absence of any intent to confuse. Smith placed direct criticism of Wal-Mart on his Cafe-Press pages, even before he had any inkling that Wal-Mart might claim trademark infringement. SMF 20. For example, atop the home page for his CafePress “walocaust” account, Smith placed several lines about Wal-Mart, referring to forced overtime, child labor and other misdeeds, in language that might best be called a polemic. *Id.* The phrase “Walocaust: The World Is Our Labor Camp. Wal-Mart Sucks” appeared directly below the “eagle” design the first time it appeared on the walocaust page at CafePress. The same is true of the home page for his CafePress Wal-Qaeda account; the page begins with a disclaimer of affiliation with Wal-Mart and a hyperlink to Wal-Mart’s own web site. Words denouncing Wal-Mart are placed next to some of the designs. For example, “wear this - help save America from Wal-Qaeda the freedom hating Dime store” appears below the “America: Cause of Death” T-shirt. The inclusion of such criticism and disclaimers show Smith’s effort to avoid consumer confusion. Similarly, on the web sites that Smith created to introduce his parodies to the public, the home pages start with large-print disclaimers of affiliation,

and continue with a detailed criticism of Wal-Mart for suing him, before displaying any of the designs for sale (which are hyperlinked to CafePress). This text shows Smith's desire to avoid confusion, and strongly supports Smith on the "intent to confuse" factor. Indeed, the First Amendment requires consideration of the use of disclaimers when they can dispel confusion. *Consumers' Union v. General Signal Corp.*, 724 F.2d 1044, 1053 (2d Cir. 1983). Especially when, as here, the trademark claim is relatively weak, a prominent disclaimer may provide all the protection against confusion that the markholder deserves. *Westchester Media v. PRL USA Holdings*, 214 F.3d 658, 673 (5th Cir. 2000).

**7. Actual confusion.** In response to Smith's interrogatories, Wal-Mart admitted that it has no evidence of real-world actual confusion. SMF 77. The absence of such evidence, with respect to parodies that have been publicly available for nearly two years in the case of Smith's Walocaust parodies (first put online in July 2005), and for more than one year in the case of Smith's Wal-Qaeda parodies (first put online in April 2006), is very strong evidence of no likelihood of confusion. *A&H Sportswear v. Victoria's Secret Stores*, 237 F.3d 198, 227 (3d Cir. 2000); *Kendall-Jackson Winery v. E&J Gallo Winery*, 150 F.3d 1042, 1052 (9th Cir. 1998); *Elvis Presley Enters. v. Capece*, 141 F.3d 188, 204 (5th Cir. 1998).

"In the absence of evidence of actual confusion, [Wal-Mart] relies, as plaintiffs often do, upon surveys." *Carnival Corp. v. Seaescape Casino Cruises*, 74 F. Supp.2d

1261, 1265 (S.D. Fla. 1999). “This Circuit, however, has moved away from relying on survey evidence” in likelihood of confusion cases. *Frehling Enterprises v. International Select Group*, 192 F.3d 1330, 1341 n.5 (11th Cir. 1999). In *Jellibeans v. Skating Clubs*, 716 F.2d 833, 843-846 (11th Cir. 1983), the Court affirmed a finding that relied on survey evidence only in combination with testimony from three witnesses that established actual confusion in the real world. By contrast, in *Seascope*, the court was unwilling to allow a survey finding source confusion on the part of 41% of the surveyed consumers to bolster an otherwise weak case.

Wal-Mart hired a professional expert witness, Jacob Jacoby, to conduct a consumer survey, but there are several reasons to be particularly dubious about that survey, even if the Court rejects Smith’s motion to exclude the report as unreliable under *Daubert v. Merrell Dow*, 509 U.S. 579 (1993).

First, although Wal-Mart seeks to enjoin Smith from distributing any of his fourteen anti-Wal-Mart Tshirt designs, on the ground that each creates a likelihood of confusion, Dr. Jacoby chose to study consumer reactions to only two of the designs – the Walocaust “smiley eagle” and the Wal-Qaeda shirt that states, “Support the Troops Boycott Wal-Qaeda.” Jacoby claimed that the two were “representative” of the rest, Jacoby Deposition (“JacDep”) at 78. However, the Court can see for itself by looking at the full array of shirts that they are very different items and that consumer reactions to each of them could have been quite different. Indeed, several

of Smith's contested designs do not even mention "Walocaust" or "Wal-Qaeda." *See* Addendum. Jacoby chose not to study consumer reactions to the full array of designs, even though, in one of his most recent cases, the court accepted his study, which had offered consumers the full array of products at issue in the case, but rejected the opposing study, because it did not as accurately replicate marketplace conditions. JacDep 63-64, 74. At best, Jacoby's study could be probative only of consumer confusion about the two shirt designs he studied, and summary judgment should be granted in Smith's favor with respect to each of the other twelve designs.

Second, little weight should be given to a survey that "bears little resemblance to the actual workings of the marketplace." *Hogg Wyld*, 828 F.2d at 1488. As Jacoby admitted at his deposition, the failure to sufficiently replicate market conditions can be a sufficient reason to exclude a survey intended to show point of sale confusion. JacDep. 57-59. Indeed, courts have relied on Dr. Jacoby's criticism of other experts for failure to replicate the market as a basis for disregarding those experts' work, and rejected Jacoby's own work when he failed to replicate the market. JacDep at 59-64.

Although Dr. Jacoby is a master of the "tricks of the survey researcher's black arts," *Indianapolis Colts v. Metropolitan Baltimore Football Club*, 34 F.3d 410, 416 (7th Cir. 1994), he failed here to employ realistic marketplace conditions. He admitted at his deposition that he had never before done a study of a product that was sold exclusively over the Internet, has never written about Internet marketing, has no

experience or involvement in Internet user experience or web site development, and he repeatedly admitted during his deposition that he lacks knowledge, experience, or sophistication in this area. JacDep 30, 236, 241-242. He never considered the way Internet users reach web sites on which products are sold, or how Internet users navigate within such web sites, because he just assumed that those issues are irrelevant. *Id.* 254.

In fact, Internet users make choices about how to navigate to web sites using links or search techniques, and they make choices whether to remain on web sites and where to look within them. These choices serve as a filter, so that of the universe of all people who search online for products and services, only those who have decided that political material such as what Smith placed on his web sites are of interest to them will reach his individual T-shirts. *See generally* Rosenblatt Affidavit.

But Dr. Jacoby asked his survey questions after placing his respondents at particular web sites – the location at CafePress.com where Smith was selling his Walocaust designs, and Smith’s walqaeda.com home page – without taking into account the process of self-selection by which users navigate the Internet to particular web sites. Then, he directed respondents to scroll down the page to particular links located considerably below the first screenful, again ignoring the self-selecting process by which Internet users decide to remain on a particular page and continue reading “below the fold.” This refusal to consider the way consumers behave online

is completely unrealistic and alone discredits his study. As shown by the affidavit of Smith's Internet usability expert Alan Rosenblatt, Dr. Jacoby based his decision about which consumers to question about the source of Smith's shirts on a serious misunderstanding about how consumers navigate online, and thereby rendered his findings about point of sale confusion worthless. (Smith's other expert, Georgia Tech emeritus marketing professor Richard Teach, also endorsed Rosenblatt's findings).

Similarly suspect is Dr. Jacoby's decision to conduct his study at a shopping mall. Smith's shirts are not sold at any mall but only at a highly specialized Internet retailer that specializes in carrying imprinted designs featuring individual expression. *See Leelanau Wine Cellars v. Black & Red*, 452 F. Supp.2d 772 (W.D. Mich. 2006). In a recent case about lip products, Dr. Jacoby's testimony was superior to that of an opposing witness in part because the lip products at issue were sold only a special kind of store and Jacoby limited the "universe" from which his respondents were sampled to those who shop at such stores. JacDep 126-127, 129-130. Because Dr. Jacoby did not limit his universe in this case to consumers who shop at the one Internet specialty site where Smith's goods are sold, he sampled the wrong universe. Sampling the wrong universe can be fatal to the value of the survey. *E.g., Amstar Corp. v. Domino's Pizza*, 615 F.2d 252, 264 (5th Cir. 1980).

These flaws in the "point of sale" portion of the Jacoby study are alone sufficient to dismiss Wal-Mart's trademark claims, even though Jacoby also studied

post-sale confusion. Wal-Mart may point to a Lanham Act cause of action based on post-sale confusion. For example, a vendor of ersatz “Gucci” handbags cannot defend on the ground that anybody who buys a bag for \$10 knows it isn’t a real Gucci. However, the people who wear Smith’s T-shirts are engaged in completely noncommercial expression, protected by the First Amendment and outside the scope of the Lanham Act. The standard doctrine of post-sale confusion cannot apply to punish Smith for possible viewer misunderstanding about the meaning of his parodies based on seeing them outside the intensely political context in which he sells them.

Third, several of the basic features of Dr. Jacoby’s post-purchase confusion study (which are common to his point-of-sale study), undermine its value as well. To begin with, Dr. Jacoby admitted that interviews must be conducted “double blind,” so that neither interviewers nor respondents know who is sponsoring the study and what answer are desired, JacDep 81, 98, and the authoritative handbook on survey evidence so requires. Federal Judicial Center, *Reference Guide on Scientific Evidence* 266 (2000). Otherwise, interviewers might slant the study to produce the result they thought the sponsors wanted. Yet Jacoby employed a “skip pattern” in questioning that revealed to the interviewers that the sponsor of the study wanted to have Wal-Mart identified as the source of the shirts. Teach Aff. ¶¶ 9-12. Moreover, Dr. Jacoby’s main interview question was leading. Although he was well aware that Smith was an individual, the question he asked was, “What company or store put out

the shirt?” This question not only steered respondents toward giving the name of a store, but was deliberately designed to steer respondents away from considering whether they were looking at parodies created by an anti-Wal-Mart individual. Teach Aff. ¶¶ 15-16. Moreover, it was different from the question he normally asks in other cases – “what company put out the [product].” JacDep 179-190.

Wal-Mart may argue that flaws in a survey go to its weight, not admissibility, and that Smith’s motion for summary judgment should be denied insofar as it relies on inadequacies in Jacoby’s study. But courts do not hesitate to exclude a study if its flaws are serious. *Citizens Financial Group v. Citizens Nat. Bank*, 383 F.3d 110, 118-121 (3d Cir. 2004).<sup>4</sup> Summary judgment is granted in parody cases in the face of consumer surveys that purport to show the existence of consumer confusion, e.g., *Rogers*, 875 F.2d at 1001 & n.8, *ETW Corp*, 332 F.3d at 937 & n.19, because the issue of whether a use is parody is a question of law for the Court. *See ESS Entertainment 2000 v. Rock Star Videos*, 444 F.Supp.2d 1012, 1016 (C.D. Cal. 2006). That is particularly true where, as here, the proof of likely confusion rests largely on

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<sup>4</sup> Jacoby surveys have been rejected for deliberate slanting in previous cases. *Louis Vuitton v. Dooney & Bourke*, 340 F. Supp.2d 415, 444 (S.D.N.Y. 2004) (by “mistake” (court’s quotation marks), design modified half-way through to increase showing of confusion), *rev’d on other grounds*, 454 F.3d 108 (2d Cir. 2006), *see also id.* at 443 n.143, 445 n.161 (noting how courts often reject Jacoby studies, but Jacoby then repeats same mistakes); *Weight Watchers v. Stouffer Corp.*, 744 F. Supp. 1259, 1274 (S.D.N.Y. 1990) (“Jacoby constructed the study specifically to disprove consumer confusion regardless of participants’ reactions”). This is another such case.

a survey. Otherwise, Wal-Mart could buy its way out of summary judgment by hiring an expert. *See Scott Fetzer v. House of Vacuums*, 381 F.3d 477, 488 (5th Cir. 2004).

In sum, the *Safeway* factors do not show likely confusion, and Smith's motion for summary judgment on Wal-Mart's infringement claims should be granted.

### **III. THERE IS NO TARNISHMENT AS A MATTER OF LAW.**

The undisputed facts negate a tarnishment cause of action, as a matter of law.

First, it is well established that the negative associations that flow from editorial or artistic parodies protected by the First Amendment are not "tarnishment" in the dilution context. 4 *McCarthy on Trademarks and Unfair Competition* § 24:105, at 24- 225 (4th ed. 2003). Although Smith's analogies to Nazism and Al-Qaeda are extreme and potentially hurtful, the First Amendment protects such language. *Hustler v. Falwell*, 485 U.S. 46 (1988) (cartoon portraying Jerry Falwell's first sexual experience as being with his mother); *Cohen v. California*, 403 U.S. 15 (1971 ) (jacket bearing the words "Fuck the Draft"). Just as a humor magazine could parody the LL Bean catalogue as containing sexual toys, *LL Bean v. Drake Publishers*, 811 F.2d 26 (1st Cir. 1987), so too can Smith parody Wal-Mart without facing a tarnishment claim even if consumers are persuaded by Smith's strong expression of his views that they should not patronize Wal-Mart.

Second, although Wal-Mart's survey contains questions testing whether consumers seeing Smith's shirts were more or less likely to patronize Wal-Mart, the

survey is vulnerable if not inadmissible for the same reasons discussed above with respect to the “confusion” part of the survey. Moreover, although 12% of the respondents said that the shirt would dissuade them from shopping there, the survey fails to distinguish between respondents who were persuaded by Smith’s criticisms and those who were less likely to shop simply because they were offended by a perceived connection between Wal-Mart and the shirt. Teach Aff. ¶ 19.

Third, although a few respondents answered Dr. Jacoby’s tarnishment question by saying that the shirt would make them less likely to shop at Wal-Mart, review of the verbatim responses reveals not only that the great majority of respondents said it would have no impact, but that quite a number of respondents said that the shirt would actually make them **more** likely to shop at Wal-Mart. Teach Aff. ¶ 29. Jacoby ignored the **net** impact of Smith’s shirts in computing the likelihood of tarnishment in this case. Teach, however, did analyze the full range of verbatim responses to the tarnishment questions. He assigned values from 1 to 5 to answers ranging from “much more likely to shop at Wal-Mart” to “much less likely to shop at Wal-Mart,” with 3 representing no impact on the shopping decision. He averaged the values for the answers with respect to each Jacoby study and obtained the following values:

T-shirt	Product Study (post-purchase)	Web Site Study (point-of-sale)
Walocaust	3.00	2.94
Wal-Qaeda	3.24	3.61

There is only a small difference between the average response and 3, the value that represents no impact on the shopping decision. In light of the small sample size that Dr. Jacoby tested, Dr. Teach then calculated the statistical significance of each finding. He found that with respect to **each** of the Walocaust and Wal-Qaeda T-shirts, the differences between the average response to the tarnishment questions and the 3 value were not statistically significant. Teach Aff. ¶¶ 34-35. Thus, even taken on Wal-Mart's terms – that is, fully crediting the survey **and** ignoring the First Amendment – the Jacoby study does not establish any likelihood of tarnishment.

#### **IV. SMITH HAS MADE FAIR USE OF WAL-MART'S TRADEMARKS.**

Regardless of whether the Court decides that there is a likelihood of confusion or tarnishment of Wal-Mart's trademarks, on the undisputed facts Smith is entitled to judgment as a matter of law on his fair use defense. Fair use remains a defense even if the plaintiff establishes likelihood of confusion. *KP Permanent Make-Up, v. Lasting Impression I*, 543 U.S. 111 (2004).

As amended in 2006, 15 U.S.C. § 1125(c)(3)(A) expressly defines the fair use provisions of the federal dilution cause of action as extending to “(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner,” and provides that fair use “shall not be actionable . . . as dilution by tarnishment under this subsection.” It is undisputed that each of Smith's uses parodies, criticizes or comments on Wal-Mart. It follows that

Smith cannot be liable for dilution.

Fair use is also a defense to an infringement claim. First of all, in *International Stamp Art v. Postal Service*, 456 F.3d 1270 (11th Cir. 2006), the Court of Appeals emphasized good faith as the key to fair use, and Smith's good faith intent to comment cannot be disputed. Moreover, courts also recognize the doctrine of nominative fair use, under which a trademark is used to identify the markholder or its product, such as for the purpose of criticism or commentary. *Century 21 Real Estate Corp. v. Lendingtree*, 425 F.3d 211 (3d Cir. 2005); *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792, 810 (9th Cir. 2003); *New Kids on the Block v. News Am. Publ'g*, 971 F.2d 302, 307 (9th Cir.1992). To establish nominative fair use, defendant must establish three elements:

First, the plaintiff's product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the plaintiff's product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

*Id.*

The standard for nominative fair use is easily met on the undisputed facts of this case. First, Wal-Mart cannot be identified as the subject of criticism without using its trademarks, such as its name. Second, Smith limited his use of each of the trademarks that he tried to parody, taking care never to use the entirety of any of Wal-

Mart's trademarks. Sometimes he used a blue "Wal" with a star, sometimes a blue "Wal" with a hyphen, and sometimes a blue "Mart" with a hyphen. When Smith parodies Wal-Mart's "Always Low Prices *Always*" slogan, he only uses the final "*Always*." Third, Smith has done nothing to suggest that Wal-Mart endorses his parodic designs. Indeed, it should be obvious to any viewer that T-shirts and other items bearing his designs were hostile to Wal-Mart; but even before Smith knew that Wal-Mart claimed trademark infringement, his CafePress home page included anti-Wal-Mart statements such as "Wal-Mart Sucks," and a long paragraph denouncing Wal-Mart's forced overtime, exploitation of child labor and the like. Although the third element does not require the defendant to make an affirmative statement of non-sponsorship, *Walking Mountain Prods.*, 353 F.3d at 811, after Smith learned that Wal-Mart was claiming trademark infringement, he erected web sites that expressly disclaim any affiliation with Wal-Mart. SMF 41, 55. His good faith in this regard is apparent. Accordingly, the fair use defense provides an additional reason why summary judgment should be granted in his favor.

**V. SMITH'S DOMAIN NAMES NEITHER INFRINGE, DILUTE, NOR CYBERSQUAT.**

With regard to Smith's Walocaust.com and WalQaeda.com domain names, several reasons, in addition to the arguments above, show that the names do not violate Wal-Mart's trademark rights. Considering first the issues of infringement and

dilution, in the early days of the Internet, courts expressed concern about the registration of domain names in the form of existing trademarks because, back then, when Internet users were trying to find a given company online, they assumed that the company's Internet address consisted of the company's name, or the name of one of its products, coupled with a top-level domain such as .com. Thus, courts feared that people trying to poach on the goodwill associated with a company's mark could trick Internet users into visiting their own, rival web sites, because Internet users would "name-guess" by typing the presumed domain names into an Internet browser. *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1327 (9th Cir. 1998).

On the other hand, courts considering trademark claims against domain names that couple trademarks with negative words (such as "sucks") have consistently refused to enjoin such domain names. *Taubman Co. v. Webfeats*, 319 F.3d 770, 778 (6th Cir. 2003); *Lucent Technologies v. LucentSucks.com*, 95 F.Supp.2d 528, 535-536 (E.D. Va. 2000); *Bally Total Fitness v. Faber*, 29 F.Supp.2d 1161, 1164 (C.D. Cal.1998). *See also Coca-Cola Co. v. Purdy*, 382 F.3d 774, 791 (8th Cir. 2004) (enjoining registration of domain names using names of major companies unless the domain name contains negative words). Here, Internet users hoping to find Wal-Mart online would not type "walocaust.com" or "wal-qaeda.com" into their Internet browsers. SMF 30. (With the increasing sophistication of search engines, such name guessing has become much less prevalent in any event. Rosenblatt Affidavit at 5.)

Moreover, there is no evidence in this case that the domain names or web sites are in any way confusing about sponsorship by Wal-Mart. Dr. Jacoby testified that he considered studying consumer reactions to the web sites or domain names, but decided (or was instructed) not to do so. JacDep. 148-150, 152-153. Moreover, Wal-Mart has admitted that Smith's domain names have not caused any diminution of the level of traffic to Wal-Mart's web site. SMF 33. Therefore, **no** evidence supports Wal-Mart's claim that Smith's domain names either infringe or dilute its trademarks.

Wal-Mart also alleges that Smith violated the Anticyberpiracy Consumer Protection Act ("ACPA"), but that statute has no application here. To establish an ACPA violation, Wal-Mart must show that Smith's domain names are "identical or confusingly similar to or dilutive" of Wal-Mart's trademarked name, 15 U.S.C. § 1125(d)(1)(A)(ii)(II), and that Smith registered or used the names with "a bad faith intent to profit from [its] mark." 15 U.S.C. § 1125(d)(1)(A)(I). Neither condition is met here. First, as discussed above, Smith's domain names are neither "confusingly similar" nor dilutive of the name Wal-Mart.

Second, Smith does not have a "bad faith intent to profit." That language reflects Congress's objective that the ACPA remedy a particular evil – people taking advantage of companies that were slow to recognize how they could use the Internet for marketing purposes through "the Internet version of a land grab to force the rightful owners to pay for the right to engage in electronic commerce under their own

name.” *Interstellar Starship Svces. v. Epix*, 304 F.3d 936, 946 (9th Cir. 2002); *Virtual Works v. Volkswagen of America*, 238 F.3d 264 (4th Cir. 2001); *Eagle Hosp. Physicians v. SRG Consulting*, 2007 WL 789006 (N.D. Ga. Mar. 14, 2007). Cybersquatters either extort payments for names from the markholders themselves, or employ the marks to make money by advertising at a site likely to be visited by consumers seeking the websites of popular companies. *E.g.*, *E&J Gallo Winery v. Spider Webs*, 286 F.3d 270 (5th Cir. 2002); *Shields v. Zuccarini*, 254 F.3d 476, 485-486 (3d Cir. 2001). Smith has done nothing of that sort.

Congress provided a set of nine factors to help courts assess a defendant’s objective, 5 USC §§ 1125(d)(1)(B)(i)(I) to (IX). However, the factors are not of equal weight.<sup>5</sup> When a defendant has registered domain names to call the public’s attention to criticisms of the markholder, the ACPA is not violated. *Lucas Nursery & Landscaping v. Grosse*, 359 F.3d 806, 811 (6th Cir. 2004). The undisputed evidence

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<sup>5</sup>“These factors are whether the alleged cybersquatter has (1) has intellectual property rights in the domain name, (2) used a domain name that consists of the legal name of a person, (3) used a domain name previously in connection with the bona fide offering of goods or services, (4) bona fide noncommercial or fair use of the mark, (5) intends to divert customers from the mark owner's location to a site that could harm the good will represented by the mark, (6) offered to sell the domain name to the mark owner, (7) provided material and false contact information when registering for the domain name, (8) registered or acquired multiple domain names which he knows are identical or confusingly similar to the marks of others, or (9) used a domain name that incorporates a distinctive or famous mark. ... [T]he first four factors noted by Congress [are] reasons why a defendant might have in good faith registered a domain name incorporating the mark of another party, while the last five factors are indicia of bad faith.” *Eagle Hosp. Physicians*, supra at \*10-\*11.

shows that this is what Smith did.

Consideration of the individual “bad faith intent to profit factors” further supports summary judgment for Smith. Smith used the domain names to set forth noncommercial criticism of Wal-Mart and for the fair use purpose of promoting sale of his critical designs. Smith has not diverted any traffic from Wal-Mart’s web site, SMF 33, offered to sell the domain names, SMF 67-68, or registered multiple domain names that he knew to be identical or confusingly similar to the trademarks of other companies. SMF 69. He also provided accurate contact information when registering the domain names. SMF 70. Because the ACPA factors do not provide any basis for a finding that Smith acted with a bad faith intent to profit, Smith is entitled to summary judgment on Wal-Mart’s ACPA claim.

### CONCLUSION

Smith’s motion for summary judgment should be granted.

Respectfully submitted,

/s/ Gerald Weber

Gerald Weber (Georgia Bar 744878)  
ACLU of Georgia Foundation  
70 Fairlie Street, S.W., Suite 340  
Atlanta, Georgia 30303  
(404) 523-6201

May 11, 2007

/s/ Paul Alan Levy

Paul Alan Levy (DC Bar 946400)  
Gregory Beck (DC Bar 494479)  
Public Citizen Litigation Group  
1600 - 20<sup>th</sup> Street, N.W.  
Washington, D.C. 20009  
(202) 588-1000

## **ADDENDUM**

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These Colors Don't Run



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