

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
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3 FOX NEWS NETWORK, LLC,

4 Plaintiff, New York, N.Y.

5 v. 03 Civ. 6162 (RLC)(DC)

6 PENGUIN GROUP (USA), INC., and
7 ALAN S. FRANKEN,

8 Defendants.
-----x

9
10 August 22, 2003
3:30 p.m.

11 Before:

12 HON. DENNY CHIN,

13 District Judge

14 APPEARANCES

15 HOGAN & HARTSON LLP
Attorneys for Plaintiff

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23
24
25

1 THE COURT: Good afternoon.

2 All right. I have read the papers. Let me hear from
3 the plaintiff.

4 MS. HANSWIRTH: Good afternoon, Judge Chin. Dori
5 Hanswirth, Hogan & Hartson, for plaintiff, Fox News Network.

6 Judge Chin, can we have permission to put up a
7 demonstrative exhibit?

8 THE COURT: Sure.

9 MS. HANSWIRTH: Thank you.

10 I am going to proceed. Your Honor, we view this as a
11 fairly straightforward case of trademark infringement. As the
12 court knows, the defendants have placed Fox News's registered
13 trademark "fair and balanced" on the cover of their book. As
14 you can see, it's the third book. It's the third image on the
15 exhibit. The first two are newspaper advertisements for the
16 Fox News Channel, and the one on the right is the cover.

17 THE COURT: I can see all that.

18 You say it's a straightforward trademark case.

19 Fox has to prove likelihood of confusion, correct?

20 MS. HANSWIRTH: On the trademark infringement --

21 THE COURT: Yes.

22 MS. HANSWIRTH: -- claim we have to prove likelihood
23 of confusion. On the dilution claim, we don't.

24 THE COURT: I didn't ask about the dilution. I asked
25 you about the trademark infringement.

1 MS. HANSWIRTH: Yes.

2 THE COURT: On the trademark infringement, let's start
3 with that, the consumer. Who is the consumer?

4 MS. HANSWIRTH: The consumer can be either somebody
5 who is a consumer of the Fox News Channel, a consumer of
6 Mr. Franken's book or books like it.

7 THE COURT: Is there a difference?

8 MS. HANSWIRTH: There certainly could be.

9 THE COURT: Tell me what the differences are.

10 MS. HANSWIRTH: Well, Fox News Channel has 80 million
11 subscribers, and I checked a statistic today, it is watched by
12 approximately 19 million people every day.

13 Some of those people could be people who would be
14 interested in purchasing the defendant's book. Some likely are
15 not.

16 THE COURT: When you say there are 80 million
17 subscribers, by the way, I'm not sure what that means. In
18 other words, you don't have to subscribe specifically to Fox,
19 do you?

20 MS. HANSWIRTH: No.

21 THE COURT: On my basic cable I get the Fox cable
22 station, right?

23 MS. HANSWIRTH: You probably do.

24 THE COURT: Yes. So am I a subscriber to Fox?

25 MS. HANSWIRTH: Yes. That's how the cable industry --

1 THE COURT: I see.

2 MS. HANSWIRTH: But we do have a statistic that I can
3 furnish to the court in an affidavit which I got today which is
4 what we call the reach of the network. That means how many
5 people on average watch the network for at least one minute per
6 day, which takes away channel surfers, and that statistic is
7 19.2 million people.

8 THE COURT: All right. The consumer who would buy the
9 book is a relatively sophisticated consumer, correct? I mean
10 someone interested in political satire and commentary.

11 MS. HANSWIRTH: I don't agree with that, your Honor.
12 Generally, cases hold that purchasers of books are
13 generally not, neither sophisticated nor unsophisticated.

14 THE COURT: Don't you have to look at the type of book
15 in question? We're not talking about mystery novel or a
16 romance novel. We're talking about social and political
17 commentary and satire.

18 MS. HANSWIRTH: If you're talking about whether
19 somebody will make an informed decision as to whether to
20 purchase a book, that doesn't necessarily mean the consumer is
21 particularly sophisticated.

22 THE COURT: The bottom line is, is it really likely
23 that someone is going to be confused into believing that Fox or
24 Mr. O'Reilly are endorsing this book or are sponsoring this
25 book?

1 MS. HANSWIRTH: I would direct the court's attention
2 to the Cliff Notes case, because the Cliff Notes case, which
3 was decided by the Second Circuit in 19 --

4 THE COURT: My question is, do you really think it is
5 likely that someone who walks into Borders and picks up
6 Mr. Franken's book would believe that this book has been
7 sponsored in some way or endorsed in some way by Fox?

8 MS. HANSWIRTH: I think that it is likely that
9 consumers could believe that. When we are talking about the
10 appreciable --

11 THE COURT: It is likely that consumers could believe
12 that? Is that the test? Or is the test that --

13 MS. HANSWIRTH: They would be confused. That's the
14 test. And the threshold, your Honor, in this circuit can be as
15 low as 15 or 18 percent. In one case, in fact, 8 and a half
16 percent of consumers were confused, and a court held that that
17 was --

18 THE COURT: Do you think that the reasonable consumer
19 would believe seeing the word "lie" above Mr. O'Reilly's face
20 that Mr. O'Reilly or Fox were endorsing this book?

21 MS. HANSWIRTH: Your Honor, it doesn't appear from
22 this cover that it's not necessarily true that anyone who saw
23 this cover would think that the cover is accusing Mr. O'Reilly
24 of lying. He's pointing his finger at somebody and it's not
25 necessarily even true that someone who is looking at this and

1 notices the "fair and balanced" mark would necessarily see that
2 Mr. O'Reilly is there on the cover.

3 To me it's quite ambiguous as to what the message is
4 here. There's no real message that this is a humor book or a
5 book of political satire. There's no indicating details like
6 there was on the book in the Cliff Notes case for anybody to
7 know that this is a joke. And, in fact, even though
8 Mr. Franken has stated that his use of "fair and balanced" was
9 a joke, there are no other jokes on this cover. It's a deadly
10 serious cover, and it's using the trademark of Fox News to sell
11 itself.

12 THE COURT: Do you think the use of the phrase "lying
13 liars" can be a joke?

14 MS. HANSWIRTH: It can be, but it isn't necessarily.
15 I mean, look at the title of Mr. O'Reilly's book "The
16 Completely Ridiculous and American Life."

17 THE COURT: Let me ask you about that: Mr. O'Reilly
18 uses in his book "the good, the bad and the completely
19 ridiculous."

20 Is that not a play on "The Good, the Bad and the
21 Ugly"?

22 MS. HANSWIRTH: I don't know.

23 THE COURT: You don't know whether that's a play on
24 "The Good, the Bad and the Ugly."

25 MS. HANSWIRTH: I don't know.

1 THE COURT: Well, assume that it is. Is that not a
2 play on a trademarked phrase?

3 MS. HANSWIRTH: That's a title of a movie.

4 THE COURT: Yes. And I assume there's some kind of
5 protection for the title of the movie "The Good, the Bad and
6 the Ugly."

7 MS. HANSWIRTH: Your Honor, there generally --

8 THE COURT: I think that I have in some of the papers,
9 it might have been the amicus brief, a representation that the
10 phrase "the good, the bad and the ugly" is a trademarked
11 phrase.

12 MS. HANSWIRTH: I don't know that that's the case.
13 And I don't know --

14 THE COURT: Well, I mean, isn't Mr. O'Reilly doing
15 exactly the same thing using a trademarked phrase in the title
16 of his book? The good, the bad --

17 MS. HANSWIRTH: He's not doing it to confuse. He's
18 certainly not using it to sell the product.

19 THE COURT: Do you think that Mr. Franken and the
20 publisher are intending to confuse buyers into thinking that
21 he, Mr. Franken, is somehow associated with Fox?

22 MS. HANSWIRTH: I think what they're doing is they're
23 intending to use the trademark to sell the product. And they
24 are. They've admitted that. The way that they've set it up is
25 too ambiguous. Once again, it does not say parody satire. It

1 is the only trademark on that book, unlike the O'Reilly book,
2 which has Fox News's "The O'Reilly Factor" prominent trademark
3 on it at least three times that I can see from here.

4 THE COURT: If the defendants put on to the cover,
5 "this is a satire," would that somehow salvage it?

6 MS. HANSWIRTH: That would be a lot better, your
7 Honor. That's all we wanted. All we asked was for some simple
8 changes to this dust jacket to show that Mr. --

9 THE COURT: On a different note, is Fox really
10 claiming that it has a monopoly to the phrase "fair and
11 balanced"?

12 MS. HANSWIRTH: Fox has a registered trademark in
13 "fair and balanced." That guarantees it the right to use the
14 phrase "fair and balanced" in connection with its products and
15 services and to exclude others from using the phrase in
16 connection with similar products and services. So to the
17 extent that the trademark law does grant a monopoly to
18 trademark owners, yes.

19 THE COURT: How far does that go? I mean, I could see
20 if a competitor cable news network wanted to use as its slogan
21 "fair and balanced," you know, maybe there could be an
22 argument. But if someone wants to write a book that contains
23 the phrase "fair and balanced," Fox's position is that that's
24 not permitted?

25 MS. HANSWIRTH: It would depend on the circumstances.

1 Under these circumstances, the defendants have already
2 admitted that they're using the phrase because it is Fox News's
3 trademark. Mr. Franken has admitted that it is a knock-off,
4 quote, unquote. That's classic trademark infringement.

5 THE COURT: But it's parody, isn't it?

6 MS. HANSWIRTH: It's not a parody. The reason it's
7 not a parody is because a parody needs to refer to the
8 trademark and to also simultaneously not refer to it.

9 In the Cliff Notes case the reason the court found a
10 parody is because the word "satire" was on the cover of that
11 publication five times. It was on the back cover four times.
12 The trademark of the defendant, Spy, was on the cover, "a Spy
13 book." We don't have any other trademark on this cover. This
14 is much too subtle to be considered a parody under the existing
15 Second Circuit precedent.

16 THE COURT: But I mean the purpose of the trademark
17 law is to avoid public confusion and avoid deceiving consumers
18 as to the source of a product and here. I guess we go back to
19 the question of whether there really is any likelihood that a
20 consumer is going to be deceived into believing that this is a
21 Fox product merely because the phrase "fair and balanced" is
22 used in the title, it seems to me.

23 MS. HANSWIRTH: That is the core issue under the
24 Lanham Act, Section 1125(a).

25 THE COURT: OK. What else do you want to tell me?

1 MS. HANSWIRTH: On the dilution claim, which, as your
2 Honor knows, does not require Fox News to prove a likelihood of
3 confusion, our case is crystal clear. Once again, the
4 defendants have used our trademark on their book to sell a
5 product, to poke fun at Fox News, to ridicule its number one
6 talent, Mr. O'Reilly. And Fox News certainly has a commercial
7 interest in Mr. O'Reilly's image. In fact, they have the
8 contractual right to control his image and likeness.

9 Under the dilution laws -- we've sued under two
10 dilution statutes, your Honor, under the New York State statute
11 and the federal statute in the Lanham Act. Under the New York
12 State statute, the showing that we have to make for dilution is
13 that our mark is distinctive and that the defendant's use of it
14 is either blurring it or causing some kind of tarnishment.

15 With respect to the blurring, not only does the use of
16 the mark blur this with Mr. Franken, but it blurs it with the
17 other subjects of his book, especially the people who are also
18 on the cover, such as Ms. Coulter. Ms. Coulter is in the upper
19 left hand of those four television images.

20 The first few chapters of Mr. Franken's book are about
21 Ms. Coulter, and they are extremely derogatory. Somebody
22 looking at this could certainly think that Ms. Coulter had some
23 sort of official relationship with Fox News, which she doesn't.
24 So this cover is certainly blurring. I would also add that the
25 name of one of Ms. --

1 THE COURT: The President and the Vice President are
2 also on the cover, are they not?

3 MS. HANSWIRTH: Yes, they are.

4 THE COURT: Is someone going to think that they are
5 affiliated with Fox?

6 MS. HANSWIRTH: I think Mr. Franken does.

7 THE COURT: OK.

8 MS. HANSWIRTH: So, yes, somebody could think that.
9 The name of one of Ms. Coulter's books is "Liberal Lies About
10 the American Right." It's clear that this is where Mr. Franken
11 lifted the rest of the title of his book.

12 So there's even --

13 THE COURT: Even assuming he did lift it, it seems to
14 me he's playing on the words. That's what he's doing. It's a
15 play on words.

16 MS. HANSWIRTH: It's more a blurring, your Honor, if
17 you're taking Fox News's recognizable slogan and Ms. Coulter's
18 title --

19 THE COURT: On that theory, one would be extremely
20 restricted in the ability to criticize anybody. I mean, these
21 are public figures who put themselves out there. And any time
22 they are criticized in the context of the use of a phrase "fair
23 and balanced," you're suggesting that there would be dilution
24 and blurring and that would not be permitted?

25 MS. HANSWIRTH: Absolutely not, your Honor.

1 THE COURT: Absolutely not meaning that's not what
2 you're saying?

3 MS. HANSWIRTH: That's not what I'm saying.

4 THE COURT: OK.

5 MS. HANSWIRTH: You can go on to the Internet and you
6 can see hundreds of web pages and Internet sites that are
7 extremely critical of the Fox News Channel. The Fox News
8 Channel, the more popular it gets, the more criticism it gets.
9 Fox News Channel does not take any action against
10 those people. It's their First Amendment right to criticize
11 Fox News. The difference here is that this is a commercial
12 use. This is on a book cover. This is being used to sell a
13 product. And Fox News does have an interest in the way its
14 trademark is being used, and in fact it has a duty to protect
15 its trademark.

16 THE COURT: OK. Let me ask one other question. I'm
17 not really sure that it's germane, but I have an affidavit from
18 Dianne Brandy, and I guess she's the vice president of legal
19 affairs. This is an incident that has received a lot of
20 discussion. It's the subject of affidavits. That's the
21 exchange between Mr. Franken and Mr. O'Reilly at the book expo.

22 And Ms. Brandy makes some factual statements in her
23 affidavit, and I'm wondering what the basis for the factual
24 statements are.

25 Was she there? She says in her affidavit in paragraph

1 13 that Mr. O'Reilly never made the statement about winning a
2 Peabody. How does she know that?

3 MS. HANSWIRTH: The basis of Ms. Brandy's knowledge is
4 looking at public records and discussing that with
5 Mr. O'Reilly.

6 THE COURT: Are there not some transcripts of O'Reilly
7 shows where it appears from the transcripts that he did make a
8 statement about winning a Peabody?

9 MS. HANSWIRTH: I don't think so, your Honor. I think
10 the statement was that the television program "Inside Edition"
11 won a Peabody, not that he personally did.

12 THE COURT: I think it says "we" in a couple of them
13 anyway.

14 Why is there not an affidavit from Mr. O'Reilly where
15 he denies under oath that he made the statements?

16 MS. HANSWIRTH: We could provide one, but I don't
17 think it's germane to our motion.

18 THE COURT: I don't know if it's germane or not, but
19 it's in your affidavits, and it's in your brief. I mean,
20 usually when you have an affidavit, it should be on personal
21 knowledge unless stated otherwise. I'm just a little uncertain
22 as to the basis for the knowledge. It doesn't say that it's --

23 MS. HANSWIRTH: Would you like us to provide one?

24 THE COURT: I don't know. You've told me the basis,
25 the discussions with Mr. O'Reilly.

1 MS. HANSWIRTH: Yes.

2 THE COURT: And a search of the public record?

3 MS. HANSWIRTH: Yes.

4 THE COURT: OK. Fair enough. Let me hear from the
5 defendants.

6 MR. ABRAMS: Good afternoon, your Honor.

7 THE COURT: Good afternoon.

8 How do you respond to the blurring argument; in other
9 words, the trademark is on the cover and it's being blurred or
10 tarnished because of the context?

11 MR. ABRAMS: I respond by saying that a book is
12 allowed to criticize the holder of a trademark and is allowed
13 to mock the trademark as well.

14 There's nothing in the law which says that you can't
15 criticize Mr. O'Reilly or Fox or anyone that holds a trademark.
16 As that long list of titles that the Authors' League furnished
17 to you shows, many of them are indeed extremely critical of the
18 holder of the trademark. Beyond that, with respect to blurring
19 and dilution, dilution falls within, as the Yankee Publishing
20 case and other cases we've cited shows, the general ambit of
21 intellectual property rights that have to be subjected to First
22 Amendment scrutiny.

23 It would be a different country we would be living in
24 if you couldn't publish a book -- let's change the title and
25 make it worse -- and say Fox News is not fair and balanced.

1 Could it possibly be the case that that's not protected by the
2 First Amendment? In the dilution case --

3 THE COURT: Suppose a competitor did a commercial and
4 used the phrase and said Fox News is not fair and balanced?

5 MR. ABRAMS: A competitor can say that. And the Deere
6 case really makes very clear in the dilution area that when you
7 are talking about social commentary as opposed to a comparison
8 of two lawnmowers, which was what was involved there, that
9 there is enormous First Amendment protection for the
10 commentary.

11 That's just what Judge Newman was talking about in
12 that case in the context of a dilution claim.

13 And it's a natural and almost an obvious I would argue
14 result because to rule otherwise is to rule out, to make off
15 bounds, off limits a whole realm of discussion of public
16 figures and public events.

17 That's one of the reasons why in the different areas
18 of intellectual property law that are implicated in this case
19 the courts have in different words amounting to the same thing
20 made clear that in the dilution area, in the Deere case, in the
21 trademark area, in the Ginger Rogers case, in one area after
22 another that intellectual property claims have to comport with
23 First Amendment norms. That's why --

24 THE COURT: Let me ask a different question.

25 MR. ABRAMS: Yes.

1 THE COURT: The mark is registered.

2 MR. ABRAMS: Yes.

3 THE COURT: What is the import of that?

4 MR. ABRAMS: That it is prima facie valid, and as of
5 December of this year, if it is not successfully challenged, it
6 becomes not subject to challenge as a valid mark.

7 Now, number one, even if it is a valid mark, it has to
8 be interpreted consistently with First Amendment norms. I
9 mean, there was a valid mark involved in all of the cases that
10 we've been citing to you. The only way that it would help them
11 if this mark were incontestable is with respect to one argument
12 we made in a footnote to you, and that relates to an issue
13 which is not much before you, but would be before Judge Carter
14 much later in the case. That is, if this case persists, we
15 will argue that the trademark itself should be deemed invalid.
16 That is something that we will argue, and if it had been
17 initially determined that it was incontestable, then we
18 couldn't make that argument. But that's the only way that it
19 harms us.

20 All the First Amendment constraints on trademark law,
21 all the First Amendment limitations on blurring law, all remain
22 in effect notwithstanding the fact that they have a trademark.

23 I wanted to return, your Honor, to one of the very
24 first things that you asked Ms. Hanswirth. It comes up in two
25 ways. I think it's relevant to return to how this case began.

1 You referred to Ms. Brandy. I'm not now talking about the
2 legal incompetence of so much of what is in her affidavit. I'm
3 talking about how this all started. It started with Exhibit V
4 to her affidavit, which is a letter that she wrote to Penguin
5 in which she said something which is utterly and totally
6 inconsistent with what was Hanswirth has said to you today.

7 She said in the second paragraph, "The placement of
8 Mr. O'Reilly's photograph on the book's cover juxtaposed with
9 the title is false and defamatory per se of Mr. O'Reilly. Such
10 placement unquestionably designates Mr. O'Reilly as one of the
11 'lying liars' to which the book's title refers. This
12 designation is patently false. Further, it's beyond dispute
13 that calling Mr. O'Reilly a liar is libelous per se," and it
14 goes on to say that's not constitutionally protected.

15 That was the first exchange, the first volley by Fox
16 in this case. It bears directly on the very first question
17 that you asked. How can there be confusion? you asked. What
18 is there that is confusing about this cover?

19 The answer that you got was, well, there are no
20 signals here that this is not a Fox product. Well, the signal,
21 of course, the first signal, and your Honor mentioned it in
22 your question, is that the word "lies" is over the faces of Ann
23 Coulter, Bill O'Reilly and the President and Vice President.
24 That is precisely the position that Fox took when it wrote
25 protesting this cover.

1 I think that you can properly hold them to that. That
2 was their position, and, indeed, as your Honor has now seen and
3 as counsel has now seen from the book itself, the book does
4 make strong charges in that respect. You also asked, Is there
5 anything else on the cover which answers the question of
6 whether this is really a Fox product?

7 Of course, it's the title itself. The over the top,
8 as the authors' league referred to it, the over the top first
9 phrase, "Lies and the lying liars who tell them," not exactly
10 an understated portrayal, followed by the obviously
11 tongue-in-cheek, "a fair and balanced look at the right."

12 There is no way that any person not completely dense
13 would be confused by this cover into thinking that Fox News was
14 accusing Bill O'Reilly of being a liar.

15 That is at the essence of what they have been saying.
16 They don't say it anymore because it obviously occurred to
17 them, having decided not to have Mr. O'Reilly be a party in
18 this case -- and this letter, Exhibit V, was written on his
19 behalf, by the way, as well as Fox's. Now they think it's in
20 their interest not to talk about that, but now to say
21 Mr. O'Reilly is pointing his finger as if he's accusing someone
22 else of being a liar.

23 The fact is it's not confusing. Even if there were no
24 First Amendment defense, even if we were talking about
25 lawnmowers today, there's nothing confusing about this in the

1 sense of sending a message that Al Franken works for Fox and on
2 behalf of Fox he's attacking Bill O'Reilly.

3 A final thought, your Honor, subject to any questions
4 you may have. We are fortunate, I think, today to work in a
5 body of law which the Second Circuit has toiled in already in
6 terms of setting forth what seems to be a rather clear,
7 unambiguous legal test. That is that in the Ginger Rogers
8 case, by the way, Ginger Rogers could say and did and said
9 truthfully, people were confused as to whether the movie "Fred
10 and Ginger" was about her. There that was a direct statement,
11 and she still didn't get the injunction that she wanted.

12 But in that case the court said, where you're talking
13 about the title of, in that case it was a movie, but that's no
14 different, because of First Amendment concerns, there cannot be
15 an injunction entered and there cannot be a cause of action
16 stated under the Lanham Act unless the title has "no artistic
17 relevance whatever," or the title "explicitly misleads as to
18 the source or control of the work."

19 Confusion, even if it existed -- and it doesn't --
20 wouldn't suffice to meet that test. This obviously has an
21 artistic message, just as "Fred and Ginger" did, just as New
22 York magazine did when it was parodying the Farmer's Almanac.
23 Whatever else you can say, even if one could argue about
24 confusion, it simply cannot be said that this is a situation in
25 which there is some explicit misleading as to the source or

1 control of the work.

2 In our view, should end the inquiry.

3 THE COURT: All right. I understand the point.

4 MR. ABRAMS: Thank you.

5 THE COURT: Let's take a five-minute recess, and I'm
6 going to come back out and rule.

7 (Recess)

8 THE COURT: The plaintiff, Fox News Network, has moved
9 for a preliminary injunction to enjoin the defendants from
10 using the phrase "fair and balanced" and any photographs of
11 Bill O'Reilly or other Fox personnel in connection with
12 Mr. Franken's book. Accordingly, the standard is whether Fox
13 has shown irreparable harm, a likelihood of success, and a
14 balancing of equities in its favor.

15 There are hard cases and there are easy cases. This
16 is an easy case, for in my view the case is wholly without
17 merit, both factually and legally. Accordingly, the motion for
18 a preliminary injunction is denied.

19 Factually, I conclude that there is no likelihood of
20 confusion as to the origin and sponsorship of the book. It is
21 highly unlikely that consumers are going to be misled into
22 believing that Fox or Mr. O'Reilly are sponsors of the book.
23 That is evident from the cover viewed as a whole. It is
24 evident by Mr. Franken's name being featured prominently across
25 the top. It is evident from the word "lies" in big red letters

1 across the faces of the other four individuals on the cover.
2 It is evident from the phrase "the lying liars who tell them."

3 I don't know if there is a difference between
4 consumers who would buy the book and Fox viewers. I don't know
5 if Fox is arguing that its viewers are less sophisticated than
6 those who would buy Mr. Franken's book. I don't know. But
7 either way, I think we are talking about relatively
8 sophisticated consumers here. We are talking about a book that
9 offers political and social commentary and satire.

10 As to Fox viewers, I think it is less likely that they
11 will be confused because they know the individuals on the
12 cover, and they've got to conclude that Mr. O'Reilly is not
13 endorsing this book.

14 The mark is a weak one. As trademarks go, the phrase
15 "fair and balanced" is a weak mark, not because of the content
16 of the words, but because the words are used so frequently,
17 particularly in the context of journalism, the press and the
18 media.

19 There has been no evidence of actual confusion. I
20 conclude also that there is no bad faith. To be sure, the
21 defendants are using the mark intentionally, but that's not bad
22 faith. The intentional use here is in the form of parody.
23 There certainly was no intent on the part of Mr. Franken to
24 palm himself on off as a Fox commentator. There was no intent
25 on his part to mislead consumers into believing that he was

1 somehow affiliated with Fox.

2 From a legal point of view, I think it is highly
3 unlikely that the phrase "fair and balanced" is a valid
4 trademark. I can't accept that that phrase can be plucked out
5 of the marketplace of ideas and slogans.

6 Even assuming for the moment that it is a valid mark,
7 however, and even assuming there is some danger of confusion,
8 here the First Amendment trumps. The First Amendment requires
9 us to weigh the public interest in free expression against the
10 public interest in avoiding confusion. In particular, titles,
11 titles of books, movies, etc., have great protection under the
12 First Amendment, and the Second Circuit has held in the Rogers
13 case and the Cliff Notes case that the Lanham Act cannot could
14 be construed narrowly to intrude on First Amendment values in
15 this context.

16 The expressive element of titles requires more
17 protection than labeling, for example, for commercial products.
18 Mr. O'Reilly himself used the trademark phrase, or a play on
19 the trademarked phrase "the good, the bad and the ugly" in his
20 book entitled, "The Good, the Bad and the Completely Ridiculous
21 in American Life." As the Authors' Guild has pointed out in
22 its very helpful amicus brief, there is a long list of similar
23 such uses of trademarked phrases or names.

24 Parody is a form of artistic expression protected by
25 the First Amendment. The keystone to parody is imitation.

1 Here, whether you agree with him or not, whether you like what
2 he says or not, in using the mark, Mr. Franken clearly is
3 mocking Fox. In setting himself up in what is apparently a
4 news room, he is mocking Fox and O'Reilly. Mr. O'Reilly is
5 bringing to mind in fact the cover of one of Mr. O'Reilly's
6 books. Even though this may result in tarnishment or dilution
7 in the general sense, it is fair criticism.

8 Of course, it is ironic that a media company that
9 should be seeking to protect the First Amendment is seeking to
10 undermine it by claiming a monopoly on the phrase "fair and
11 balanced." The motion for a preliminary injunction is denied.

12 We are adjourned. I gather you will hear from Judge
13 Carter with respect to a motion to dismiss or an answer or
14 further proceedings in the case.

15 We are adjourned.

16 (Adjourned)

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