

No. 16-1225

IN THE  
SUPREME COURT OF THE UNITED STATES

---

OCTOBER TERM, 2016

---

PATTEL, INC., a Bel Air Corporation,  
Petitioner,

v.

CAMMY GARDASHYAN, an individual,  
Respondent.

---

ON WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FOURTEENTH CIRCUIT

---

BRIEF FOR PETITIONER

Team 108  
Counsel for Petitioner  
October 21, 2016

## QUESTIONS PRESENTED

1. Should we adopt a nominative fair use test in a trademark infringement action under § 1114 of the Lanham Act when a defendant used the plaintiff's mark in reference to the plaintiff, and if so, should we adopt it as an affirmative defense that may be asserted by the defendant despite a finding of a likelihood of confusion or does it become a part of the likelihood of confusion analysis?
2. Assuming a nominative fair use test is adopted, how should the test be articulated and applied to the present case?

TABLE OF CONTENTS

	<u>Page(s)</u>
QUESTIONS PRESENTED.....	i
TABLE OF AUTHORITIES.....	vi
OPINION BELOW.....	1
JURISDICTION.....	1
STANDARD OF REVIEW.....	1
STATEMENT OF THE CASE .....	1
<u>Statement of the Facts</u> .....	1
<u>Procedural History</u> .....	4
SUMMARY OF ARGUMENT .....	5
ARGUMENT .....	6
I.    THIS COURT SHOULD ADOPT THE NOMINATIVE FAIR USE TEST AND ALLOW PATTEL TO USE THE DOCTRINE AS AN AFFIRMATIVE DEFENSE. ....	6
A. <u>This Court Should Adopt the Nominative Fair Use Test Using the Ninth Circuit’s <i>New Kids</i> Factors Because It Has Proven to be a Workable Standard.</u> ....	7
B. <u>Nearly All Circuits Recognize Some Variation of the Nominative Fair Use Test.</u> ....	10
1.    The Ninth Circuit’s <i>New Kids</i> test was the first to differentiate classic and nominative fair use and has become the model test for other circuits. ....	10
2.    The <i>Pebble Beach</i> test emphasizes the language of the <i>New Kids</i> test by incorporating the Ninth Circuit’s nominative fair use analysis into the likelihood of confusion inquiry. ....	12

TABLE OF CONTENTS (CONT'D)

	<u>Page(s)</u>
3. In <i>Century 21</i> , the Third Circuit modified the language of the <i>New Kids</i> test to allow nominative fair use defenses despite finding a likelihood of confusion. ....	12
4. The First, Second, and Fourth Circuits have adopted an amalgamation of tests, recognizing the need to distinguish nominative fair use from classic fair use. ....	13
C. <u>This Court Should Adopt Nominative Fair Use as an Affirmative Defense Because it Would Allow the Defendant to Rebut the Plaintiff’s Prima Facie Case of Likelihood of Confusion.</u> ....	15
1. In <i>Century 21</i> , the Third Circuit correctly adopted a two-part nominative fair use framework. ....	15
2. The Fourteenth Circuit erred in not following <i>Century 21</i> ’s interpretation of <i>KP Permanent</i> that allows a defendant to assert a nominative fair use affirmative defense. ....	17
3. The Fourteenth Circuit erred by adopting the Second Circuit’s <i>Int’l Info Sys.</i> rationale that Congress intentionally and purposefully excluded nominative fair use as an affirmative defense. ....	19
II. DEFENDANT’S USE OF PLAINTIFF’S TRADEMARK IS FAIR UNDER THE THREE ELEMENTS OF THE <i>NEW KIDS</i> TEST.	21
A. <u>This Court Should Articulate the Nominative Fair Use Test Using Language of the Ninth Circuit’s <i>New Kids</i> Test.</u> ....	21

TABLE OF CONTENTS (CONT'D)

	<u>Page(s)</u>
<p>B. <u>The Fourteenth Circuit Erred by Impermissibly Analyzing the <i>Polaroid</i> Factors in Addition to All Three Prongs of the Third Circuit’s Nominative Fair Use Defense.</u> .....</p>	23
<p>1. The Second Circuit’s multi-factor standard diluted the protection afforded to defendants because it ignored the Ninth Circuit’s controlling precedent. ..</p>	23
<p>2. <i>Century 21</i>’s language shifted the burden to the defendant to disprove likelihood of confusion and is contrary to this Court’s precedent in <i>KP Permanent</i>. .....</p>	25
<p>i. The first element of the <i>Century 21</i> test places a substantial burden on the defendant to prove that use of the plaintiff’s mark was necessary. ....</p>	26
<p>ii. The third element of the <i>Century 21</i> test places the burden on the defendant to prove an absence of confusion. ....</p>	28
<p>C. <u>Pattel Did Not Infringe Gardashyan’s Trademark Because all three <i>New Kids</i> elements are satisfied.</u> .....</p>	30
<p>1. The <i>New Kids</i> first element is satisfied because Pattel’s product was not “readily identifiable” without use of the Gardashyan trademark. ....</p>	30
<p>2. Pattel did not use more of the Gardashyan trademark than was reasonably necessary. ....</p>	33
<p>3. Pattel did not falsely suggest the Fashionista Doll was sponsored or endorsed by Gardashyan. ....</p>	36

TABLE OF CONTENTS (CONT'D)

	<u>Page(s)</u>
CONCLUSION.....	38

TABLE OF AUTHORITIES

Page(s)

CASES

United States Supreme Court

<i>KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.</i> , 543 U.S. 111 (2004) .....	<i>passim</i>
<i>Pierce v. Underwood</i> , 487 U.S. 552 (1988) .....	1

Federal Circuit Courts Of Appeal

<i>Abdul-Jabbar v. General Motors Corp.</i> , 85 F.3d 407 (9th Cir. 1996) .....	9, 22
<i>AMF Inc. v. Sleekcraft Boats</i> , 599 F.2d 341 (9th Cir. 1979) .....	7
<i>Brother Records Inc. v. Jardine</i> , 318 F.3d 900 (9th Cir. 2003) .....	22
<i>Downing v. Abercrombie &amp; Fitch</i> , 265 F.3d 994 (9th Cir. 2001) .....	9
<i>Gardashyan v. Pattel, Inc.</i> , 1135 F.3d 759 (14th Cir. 2015) .....	<i>passim</i>
<i>Cairns v. Franklin Mint Co.</i> , 292 F.3d 1139 (9th Cir. 2002) .....	<i>passim</i>
<i>CareFirst of Maryland, Inc. v. First Care, P.C.</i> , 434 F.3d 263 (4th Cir. 2006) .....	14
<i>Century 21 Real Estate Corp. v. Lendingtree, Inc.</i> , 425 F.3d 211 (3d Cir. 2005) .....	<i>passim</i>

TABLE OF AUTHORITIES (CONT'D)

	Page(s)
<i>G.D. Searle &amp; Co. v. Hudson Pharmaceutical Corp.</i> , 715 F.2d 837 (3d Cir. 1983) .....	27
<i>Horphag Research Ltd. v. Pellegrini</i> , 337 F.3d 1036 (9th Cir. 2003) .....	22
<i>In re Dual-Deck Video Cassette Recorder Antitrust Litig.</i> , 11 F.3d 1460 (9th Cir. 1993) .....	8
<i>International Information Systems Security Certification Consortium, Inc. v. Security University, LLC</i> , 823 F.3d 153 (2d Cir. 2016) .....	20, 22, 24
<i>New Kids on the Block v. News America Pub. Inc.</i> , 971 F.3d 302 (9th Cir. 1992) .....	<i>passim</i>
<i>Playboy Enters. v. Netscape</i> , 354 F.3d 1020 (9th Cir. 2004) .....	22
<i>Playboy Enters. Inc. v. Welles</i> , 279 F.3d 796 (9th Cir. 2002) .....	<i>passim</i>
<i>Pebble Beach Co. v. Tour 18 I Ltd.</i> , 115 F.3d 526 (5th Cir. 1998) .....	12
<i>Rosetta Stone Ltd. V. Google, Inc.</i> , 676 F.3d 144 (4th Cir. 2010) .....	14
<i>Smith v. Chanel, Inc.</i> , 402 F.2d 562 (9th Cir. 1968) .....	10
<i>Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.</i> , 704 F.3d 44 (1st Cir. 2013) .....	14
<i>Tiffany (NJ) Inc. v. eBay Inc.</i> , 600 F.3d 93 (2d Cir. 2010) .....	13, 14



TABLE OF AUTHORITIES (CONT'D)

	Page(s)
<i>Toyota Motor Sales, U.S.A., Inc. v. Tabari</i> , 610 F.3d 1171 (9th Cir. 2010) .....	<i>passim</i>
<i>Volkswagenwerk Aktiengesellschaft v. Church</i> , 411 F.2d 350 (9th Cir. 1969) .....	11, 33
<i>WCVB-TV v. Boston Athletic Ass'n.</i> , 926 F.2d 42 (1st Cir. 1991) .....	9, 23

District Court Cases

<i>Arenas v. Shed Media U.S. Inc.</i> , 881 F. Supp 2d. 1181 (C.D.C.A. 2011) .....	31
<i>Audi AG v. Shokan Coachworks, Inc.</i> , 592 F. Supp. 2d 246 (N.D.N.Y 2008) .....	22
<i>Car-Freshner Corp. v. Getty Images, Inc.</i> , 822 F. Supp. 2d 167 (N.D.N.Y 2011) .....	22
<i>Ty, Inc. v. Publications International</i> , No. 99 C 5565, 2005 WL 464688 (N.D. Ill. 2005) .....	17

FEDERAL STATUTES

15 U.S.C. § 1114 (2005) .....	6, 7
15 U.S.C. § 1115(b) (2002) .....	19
15 U.S.C. § 1115(b)(4) (2002) .....	7, 20
28 U.S.C. § 1254(1) (2013) .....	1

## OTHER SOURCES

Petition for Writ of Certiorari, <i>Security University, LLC</i> , 2016 WL 5048645 (No. 16-352) .....	24, 25
J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:11(4th ed.) .....	22
J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:40.50 (4th ed.) .....	25

No. 16-1225

IN THE  
SUPREME COURT OF THE UNITED STATES

---

OCTOBER TERM, 2016

---

PATTEL, INC., a Bel Air Corporation,  
Petitioner,

v.

CAMMY GARDASHYAN, an individual,  
Respondent.

---

ON WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FOURTEENTH CIRCUIT

---

BRIEF FOR PETITIONER

## OPINION BELOW

The opinion of the United States Court of Appeals for the Fourteenth Circuit is reported at *Gardashyan v. Pattel, Inc.*, 1135 F.3d 759 (14th Cir. 2015).

## JURISDICTION

The decision of the Fourteenth Circuit Court of Appeals was entered on June 5, 2016. The petition for the writ of certiorari was granted by this Court. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1) (2013).

## STANDARD OF REVIEW

The Court reviews questions of law de novo. *Pierce v. Underwood*, 487 U.S. 552 (1988).

## STATEMENT OF THE CASE

### Statement of Facts

Cammy Gardashyan (“Gardashyan”) is an American reality television personality, socialite, businesswoman, model, and singer. *Pattel*, 1135 F.3d at 356. Following her 2014 wedding, Gardashyan experienced a dramatic rise in fame. *Id.* Her career was first elevated when she began appearing on TV! Network’s “Keeping Up with the Gardashyans,” a reality television series that began in 2007. *Id.* Ever since the show aired, Gardashyan’s personal life has garnered significant media attention all over the world. *Id.* Gardashyan has sold millions of products associated with her personal brand. *Id.* Sales from her personal brand products earned Gardashyan in excess of fifty million dollars in 2015. *Id.*

The trademark associated with Gardashyan’s products is “CG CAMMY GARDASHYAN.” *Pattel*, 1135 F.3d at 356. In particular, the trademark consists of a stylized “CG” displayed back to back. *Id.* The words “CAMMY GARDASHYAN” are in capital letters and in standard block typeface underneath the CG symbol. *Id.* Some of the products produced under the Gardashyan trademark are jewelry, clothing, cosmetics, perfumes, handbags, and footwear. *Id.* All of the merchandise Gardashyan markets bears her name and trademark. *Id.*

*Pattel, Inc.*, (“*Pattel*”) is a toy manufacturing company that was founded in 1961. *Id.* at 355. *Pattel* is a Bel Air corporation that is headquartered in Nautilus, Bel Air. *Id.* The widely recognized toy manufacturer produces many products, including its famed Bambi dolls. *Id.* The dolls are often inspired by modern-day musicians, fashion models, and movie and television stars. *Id.* The dolls’ images reflect modern social values that include the importance of conveying female independence through the depiction of inspirational women in popular culture. *Id.* Although inspired by current popular figures, *Pattel*’s Bambi dolls maintain the “original look” of its first manufactured doll. *Id.*

*Pattel* has sold over five hundred million Bambi dolls. *Id.* The dolls are often purchased as collector’s items and attract consumers who range in age between three and one hundred. *Id.* In 2015, *Pattel* set out to design the top-selling Bambi doll for that year and to capture a wide-ranging audience. *Id.* at 356. As it had done in prior years, *Pattel* analyzed and assessed market trends for its toy products. *Id.*

As a result of their analysis, Pattel decided that the 2015 Bambi doll would be inspired by Gardashyan. *Id.* at 356-57. Pattel considered Gardashyan's appearance when creating the Fashionista Bambi doll and incorporated features such as long, black, straight hair, an animal (leopard) print top, knee-length skirt, and sparkly high-heeled shoes, similar to the signature style of Gardashyan. *Id.* at 357. However, the doll followed Bambi's standard eleven and one-half inch height and had a similar body figure to previous Pattel Bambi dolls. *Id.*

Furthermore, the doll has a button located in its hand that activates its talking feature. *Id.* When the talking feature is activated, the doll's lips move slightly apart and a digital recording produces the phrase, "I want to be a fashionista, just like Cammy Gardashyan." *Id.*

The Fashionista Bambi doll comes in a standard rectangular box with a transparent front cover that allows consumers to see the doll without opening the box. *Id.* Both the front and back of the box contain Pattel's standard messages, which include warnings, recommendations, and the Bambi trademark. *Id.* The top front cover displays the name, "Fashionista Bambi", and has a caption, in twenty point font, that reads: "I say: I want to be just like Cammy Gardashyan." *Id.* Pattel also included a disclaimer on the back lower portion of the box in ten point font, reading: "Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan." *Id.* Pattel never used the full Cammy Gardashyan logo. *Id.* Pattel used a standard black block typeface both times "Cammy Gardashyan" was referenced on the box. *Id.*

### Procedural History

On February 9, 2015, Gardashyan filed a complaint against Pattel in the United States District Court for the Central District of Bel Air. *Id.* at 357-58. The complaint sought a permanent injunction on a claim for trademark infringement. *Id.* at 357. The claim arose out of Pattel' use of Gardashyan's "Cammy Gardashyan" trademark on Pattel's Gardashyan inspired Fashionista Bambi doll. *Id.* Pattel argued, under the Lanham Act, that Gardashyan's trademark infringement claim should be dismissed and that the use of Gardashyan's name on the Bambi doll was permissible under the nominative fair use defense. *Id.*

The district court found that Pattel's use of the names and marks constituted nominative fair use. *Id.* at 358. The court adopted a two-step approach when analyzing the nominative fair use issue. *Id.* Even though the court determined that there was a likelihood of confusion between the products, the district court found that Pattel's use of the mark was fair. *Id.*

The district court also concluded that the nominative fair use doctrine could be used as an affirmative defense. *Id.* The district court recognized that the Ninth Circuit analyzes the nominative fair use doctrine using its own three-element test. *Id.* In articulating the nominative fair use test, the district court utilized the language from the Ninth Circuit Court of Appeals' opinion in *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). *Id.* Following the *New Kids* approach, the district court granted summary judgment in favor of Pattel. *Id.*

Gardashyan appealed the district court's decision to the United States Court of Appeals for the Fourteenth Circuit. *Pattel*, 1135 F.3d at 365. The Fourteenth Circuit reversed the district court's decision and remanded the case for further proceedings. *Id.* at 365. In its opinion, the appellate court held that the district court had appropriately adopted a nominative fair use analysis, but committed an error when it applied the Ninth Circuit's *New Kids* test. *Id.* at 359. In regard to the second prong, the Fourteenth Circuit held that the nominative fair use test could not be used as an affirmative defense. *Id.* at 359. *Pattel* then filed a petition for a writ of certiorari to this Court, which was granted.

#### SUMMARY OF ARGUMENT

When analyzing whether *Pattel* infringed Cammy Gardashyan's trademark, this Court should employ the nominative fair use test that was first articulated by the Ninth Circuit in *New Kids*. As opposed to the classic fair use test, where the defendant uses the plaintiff's mark to describe the defendant's product, courts have employed the nominative fair use test when the defendant uses the plaintiff's mark to describe the plaintiff's product. Other Circuit Courts of Appeal have adopted variations of the *New Kids*' test.

This Court should hold that a defendant can use the doctrine as an affirmative defense. Such a holding is consistent with this Court's *KP Permanent* decision. In *KP Permanent*, this Court allowed the defendant to offer rebutting evidence or apply an affirmative defense to a prima facie case of likelihood of confusion.



This Court should adopt the language of the Ninth Circuit’s *New Kids* test rather than the Third Circuit’s *Century 21* formulation. The *New Kids* test has withstood the test of time and has only been tinkered with in seven cases.

Finally, analyzing the facts here in relation to the *New Kids* test, Pattel did not infringe on Cammy Gardashyan’s trademark. First, Pattel’s Bambi doll product is not readily identifiable without the use of the Gardashyan trademark. Second, Pattel only used Gardashyan’s trademark twice and did not use more of the mark than was reasonably necessary to identify its product. Third, Pattel’s use of the trademark did not suggest a sponsorship or endorsement by the trademark holder because Pattel incorporated a disclaimer that expressly stated Pattel was not affiliated with the Gardashyan brand.

## ARGUMENT

### I. THIS COURT SHOULD ADOPT THE NOMINATIVE FAIR USE TEST AND ALLOW PATEL TO USE THE DOCTRINE AS AN AFFIRMATIVE DEFENSE.

Since the conception of the Lanham Act, its nature and purpose has been to prohibit unauthorized use of a competitor’s mark in commerce. 15 U.S.C. § 1114 (2005); *New Kids on the Block*, 971 F.2d at 305. Section 1114 governs the enforcement of civil liability on any person who, without the consent of the registered trademark holder, uses any “reproduction, counterfeit, copy, or colorable imitation of a registered mark” in commerce that is connected with the sale of goods. 15 U.S.C. § 1114. This includes when the trademark infringer uses “labels,

signs, prints, packages, wrappers, receptacles or advertisements” that they intend to use in connection with the sale of their own goods. 15 U.S.C. § 1114.

Although a trademark provides protection against “unfair competition” from those who intend to profit from their competitor’s mark, a trademark is a “*limited* property right in a particular word, phrase or symbol.” *New Kids on the Block*, 971 F.2d at 305-06 (emphasis added). This simplified protection reduces competitors’ fears that the trademark holder can assert exclusive rights over its mark and stifle innovation. *Id.* at 306.

The Lanham Act also permits a fair use defense against civil liability. 15 U.S.C. § 1115(b)(4) (2002). A fair use defense is permitted when someone other than the trademark holder uses the trademark to describe the trademark holder’s own goods and services in good faith. In regards to the two categories of the fair use defense, courts have made distinctions between classic and nominative fair use. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002).

A. This Court Should Adopt the Nominative Fair Use Test Using the Ninth Circuit’s *New Kids* Factors Because It Has Proven to be a Workable Standard.

When a plaintiff brings a cause of action for trademark infringement, the Ninth Circuit applies a set of eight factors, known as the *Sleekcraft* test, to determine whether the defendant infringed the plaintiff’s sole right to use its trademark. *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). However, this classic fair use analysis is only “appropriate where a defendant has used the plaintiff’s mark *only* to describe his own product, and not at all to describe

the plaintiff's product.” *Cairns*, 292 F.3d at 1151; *In re Dual-Deck Video Cassette Recorder Antitrust Litig.*, 11 F.3d 1460 (9th Cir. 1993) (finding that the classic fair use analysis applied when the defendant used the term “VCR-2” on the back of its machines to reference its own product and not to reference the plaintiff’s trademarked “VCR-2” product). The *Sleekcraft* test does not apply where the defendant uses the plaintiff’s trademark to describe the plaintiff’s own product. *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010).

Instead of applying the classic fair use test, “the nominative fair use analysis is appropriate where a defendant has used the plaintiff’s mark to describe the plaintiff’s product.” *Cairns*, 292 F.3d at 1150. Courts have adopted this standard even if the defendant’s “ultimate goal is to describe his own product.” *Id.* In the Ninth Circuit, the nominative fair use analysis *replaces* the prior *Sleekcraft* analysis, whereas the classic fair use analysis *complements* the likelihood of confusion analysis. *Id.*

In *New Kids*, the Ninth Circuit specified that the nominative fair use test is not a replacement for the classic fair use test. *New Kids on the Block*, 971 F.2d at 305. If the defendant’s use of the plaintiff’s trademark refers to something other than the plaintiff’s product, the [classic] fair use inquiry will continue to govern.” *Id.* However, when the defendant uses a trademark to describe the plaintiff’s product, rather than its own, the nominative fair use test entitles a commercial user to a defense provided he meets the following three requirements: (1) the product in question must not be readily identifiable without use of the trademark; (2) only so

much of the mark may be used as is reasonably necessary to identify the product; and (3) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *New Kids on the Block*, 971 F.2d at 305.

Since *New Kids*, the nominative fair use test has been applied to many cases similar cases in the Ninth Circuit. See *Abdul–Jabbar v. General Motors Corp.*, 85 F.3d 407, 409–10 (9th Cir. 1996) (comparing a basketball star that had won an award three years in a row to a car that had also won an award three years in a row in a commercial.); *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 999–1000 (9th Cir. 2001) (using photographs of championship surfers to market t-shirts exactly like those worn by surfers in the photograph.); *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 799–800 (9th Cir. 2002) (using the trademarked phrase “Playboy Playmate of the Year” of Playboy magazine on a “Playboy Playmate of the Year[’s]” own website, where she offered information and photos about herself, advertised photos for sale, advertised membership in her photo club, and promoted her services as a spokesperson.); *WCVB–TV v. Boston Athletic Ass’n.*, 926 F.2d 42, 44 (1st Cir. 1991) (broadcasting an annual sports event that was organized and trademarked under that name the “Boston Marathon” and referring to the event by the trademarked name “Boston Marathon.”)

The nominative fair use analysis applies to the facts of the case before this Court. Pattel twice used the Gardashyan trademark. However, unlike a classic fair use case, Pattel used Gardashyan’s trademark to refer to Gardashyan’s product and

not its own. First, Pattel’s box mentioned that the talking feature states: “I say: I want to be just like Cammy Gardashyan.” [R. 357.] Next, Pattel used the Gardashyan trademark on a disclaimer that read: “Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.” [R. 357.] Here, both mentions of the plaintiff’s trademark did not reference Pattel’s Fashionista Bambi doll but instead referenced Gardashyan’s trademarked image and brand.

B. Nearly All Circuits Recognize Some Variation of the Nominative Fair Use Test.

This Court should adopt a nominative fair use test because the First, Second, Third, Fourth, Fifth, and Ninth Circuits have all addressed that distinction between nominative fair use and classic fair use. Further, the Ninth, Second, and Third Circuits have pioneered specific nominative fair use tests to resolve this absence of law in the Lanham Act.

1. The Ninth Circuit’s *New Kids* test was the first to differentiate classic and nominative fair use and has become the model test for other circuits.

Prior to *New Kids*, the Ninth Circuit recognized the necessity of a distinction between nominative and classic fair use. *See Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1968). In *Smith v. Chanel, Inc.*, an imitator of Chanel brand perfumes advertised his “2d Chance” perfume as indistinguishable from the trademarked “Chanel #5” perfume. 402 F.2d at 563. The court in *Chanel* held that “[in] the absence of misrepresentation or confusion as to source or sponsorship a seller in promoting his own goods may use the trademark of another to identify the latter's goods.” *Id.* at 569.

Similarly in *Volkswagenwerk Aktiengesellschaft v. Church*, an automobile repair business that specialized in the repair of Volkswagen vehicles, placed a large sign on the front of the premises that read “Modern Volkswagen” Service. 411 F.2d 350, 351 (9th Cir. 1969). The word “Volkswagen” was a registered trademark of the plaintiff. *Id.* The *Volkswagenwerk* court antagonized over the contention between the “difficult, if not impossible” task of avoiding altogether the use of the mark and the “goodwill inherent” in the mark that deserves protection. *Id.* at 352.

Ultimately, the *Volkswagenwerk* court upheld the district court’s decision that found the defendant’s use of the trademark referred to the plaintiff’s product, not the defendant’s, and thus did not violate those rights. *Id.* In both *Chanel* and *Volkswagenwerk* cases, the application of a nominative fair use analysis was appropriate, despite the alleged infringer’s ultimate goal of describing his own product, because the infringer used the alleged infringer’s mark to describe the infringer’s product.

Following *Chanel* and *Volkswagenwerk*, the Ninth Circuit, in *New Kids*, established a list of factors that formed the nominative fair use test. *New Kids on the Block*, 971 F.2d at 308. The *New Kids* test was created to formally resolve the proposition that when the defendant uses a trademark to describe the plaintiff’s product, rather than its own, that commercial user is entitled to a nominative fair use defense provided he meets the three new requirements. *Id.* The three factors of the *New Kids* test have become the keystones for nominative fair use tests. *Id.*

2. The *Pebble Beach* test emphasizes the language of the *New Kids* test by incorporating the Ninth Circuit’s nominative fair use analysis into the likelihood of confusion inquiry.

The Fifth Circuit has also recognized the need to address the nominative fair use doctrine and has employed language that agrees with the Ninth Circuit’s test to examine more than just a likelihood of confusion factor. *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 547 (5th Cir. 1998). The court in *Pebble Beach* followed the Ninth Circuit by emphasizing that “the traditional likelihood-of-confusion analysis is applicable in a comparative-advertising situation, but the court should usually consider the nominative-use claim in conjunction with its likelihood-of-confusion analysis to avoid lowering the standard of confusion.” *Id.* The language of the Fifth Circuit builds upon the *New Kids* test to further empower nominative fair use defenses. It does so by incorporating the nominative fair use doctrine into cases where the defendant uses a trademark to describe the plaintiff’s product, rather than its own.

3. In *Century 21*, the Third Circuit modified the language of the *New Kids* test to allow nominative fair use defenses despite finding a likelihood of confusion.

The Third Circuit shares the Ninth Circuit’s impetus to adopt a test for nominative fair use and has expanded the doctrine employed in the Fifth Circuit that states that the nominative fair use analysis should be considered with the likelihood of confusion factors. In addition the *Century 21* court clarifies the language of the *New Kids* test. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 220 (3d Cir. 2005). The court’s test adopted language that modified

the *New Kids* three-factor test for a nominative fair use defense and asked: “(1) Is the use of the plaintiff’s mark necessary to describe both plaintiff’s product or service and defendant’s product or service; (2) Is only so much of the plaintiff’s mark used as is necessary to describe plaintiff’s products or services; and (3) does the defendant’s conduct or language reflect the true and accurate relationship between plaintiff and defendant’s products or services?” *Century 21 Real Estate Corp.*, 425 F.3d at 232. The language in the *Century 21* test is an expansion on the *New Kids* test to further address the need for a nominative fair use doctrine and clarifies the doctrinal strengths of the *Pebble Beach* test.

4. The First, Second, and Fourth Circuits have adopted an amalgamation of tests, recognizing the need to distinguish nominative fair use from classic fair use.

Despite not following the *New Kids* test, other circuits have recognized the need to distinguish nominative fair use from classic fair use. The First, Second, and Fourth, circuits have chosen to adopt a variety of approaches. The Second Circuit in *Tiffany (NJ) Inc. v. eBay Inc.*, recognized that a defendant may lawfully use a plaintiff’s trademark where doing so is necessary to describe the plaintiff’s product and does not imply a false affiliation or endorsement by the plaintiff of the defendant. 600 F.3d 93, 101-03 (2d Cir. 2010). Though the court refused to adopt the district court’s application of nominative fair use under the *New Kids* test, it applied previous case law to reaffirm the principle that direct trademark infringement did not occur when a party (1) referred to a brand name by its mark in order to accurately describe it; and (2) did not create confusion by implying an



affiliation with the owner of the product; and based upon these considerations. *Tiffany (NJ) Inc.*, 600 F.3d at 101-03.

The First Circuit held in *Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.*, that they “recognized the ‘underlying principle’ of nominative fair use, but like several other circuits, we have never endorsed any particular version of the doctrine. 704 F.3d 44, 49–50 (1st Cir. 2013). The court evaluated the likelihood that *Swarovski* would succeed on its infringement claim against the retailer by considering the three-factor nominative fair use test contained in the *New Kids* and *Century 21* tests and added consideration of the First Circuit's traditional eight-part *Pignons* test for assessing the likelihood of confusion. *Id.* at 49-51.

The Fourth Circuit adopted a “strength” based test that measures the limited probative value as to the confusion created by a nominative use. *Rosetta Stone Ltd. V. Google, Inc.*, 676 F.3d 144, 154-55 (4th Cir. 2010). “When a defendant creates an association between its goods or services and plaintiff's mark, the strength of the mark is relevant since encroachment upon a strong mark is more likely to cause confusion.” *Id.* Further, “[a] strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties.” *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 270 (4th Cir. 2006). Overall, the circuit “attempt[s] to highlight the problems inherent in the robotic application of each and every factor in case[s] involving a referential, nontrademark use” and takes a case-by-case perspective on nominative fair use. *Rosetta Stone Ltd.*, 676 F.3d at 155.

Ultimately, just as most circuits recognize the need for a nominative fair use test, this Court should also adopt a nominative fair use test when a defendant uses a plaintiff's mark to denote the plaintiff's product.

C. This Court Should Adopt Nominative Fair Use as an Affirmative Defense Because it Would Allow the Defendant to Rebut the Plaintiff's Prima Facie Case of Likelihood of Confusion.

The *Century 21* Court adapted the nominative fair use doctrine into an affirmative defense in response to the plaintiff's proving of likelihood of confusion because "consumer confusion and fair use are not mutually exclusive," and fair use can, "in essence rebut or excuse [likelihood of confusion] so that use is permissible." *Century 21 Real Estate Corp.*, 425 F.3d at 217, 218. To this end, "[t]he mere risk of confusion will not rule out fair use." *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 123 (2004). This Court's rationale for allowing nominative fair use as an affirmative defense should be to give the defendant a fair opportunity to rebut the plaintiff's argument and assert that the use of the trademark was still reasonable, regardless of existing consumer confusion. *Id.* If the defendant can prove that its use of the trademark was fair, that will "bar relief, even if the prima facie case is sound." *Id.*

1. In *Century 21*, the Third Circuit correctly adopted a two-part nominative fair use framework.

The Third Circuit in *Century 21* established a bifurcated nominative fair use approach. 425 F.3d at 231-32. Under the Third Circuit's bifurcated approach, the plaintiff must first carry the burden of establishing likelihood of consumer confusion. *Id.* at 231. Second, after the plaintiff has proved likelihood of confusion,

“the burden then shifts to the defendant to show that its nominative use of plaintiff’s marks is nonetheless fair.” *Century 21 Real Estate Corp.*, 425 F.3d at 232. Thus, when analyzing nominative fair use as an affirmative defense, “a district court could find a certain level of confusion, but still ultimately determine the use to be fair.” *Id.* at 232. Using the *New Kids* test as a model, the *Century 21* court slightly altered the language of the three prongs to form a variation of the *New Kids* nominative fair use test for the defendant to assert as an affirmative defense. *Id.* at 228. The defendant carries the burden of proving all three elements in order to establish fairness, despite the plaintiff’s showing of a likelihood of confusion. *Id.* The Third Circuit’s three-pronged affirmative defense test asks:

[First, is] the use of plaintiff’s mark necessary to describe (1) plaintiff’s product or service and (2) defendant’s product or service? [Second, is] only so much of the plaintiff’s mark used as is necessary to describe plaintiff’s products or services? [Third, does] the defendant’s conduct or language reflect the true and accurate relationship between plaintiff and defendant’s products or services?

*Id.* at 228.

In *Century 21*, the Third Circuit majority dismissed the concurring justice’s opinion that incorporation of nominative fair use in the likelihood of confusion analysis is more judicially manageable than the bifurcated approach that allows the defendant to offer an affirmative defense. *Id.* at 222. The court had two reasons for dismissing that proposition. *Id.* First, only adopting a likelihood of confusion test without allowing rebutting evidence does not allow for the “real possibility of the co-existence of fair use with some likelihood of confusion.” *Century 21 Real Estate*

*Corp.*, 425 F.3d at 222. However, this Court in *KP Permanent* directly addresses that likelihood of confusion can coexist with fair use. *Id.*; *KP Permanent Make-Up, Inc.*, 543 U.S. at 121 (“[S]ome possibility of consumer confusion must be compatible with fair use.”).

Second, the Third Circuit dismissed the idea that nominative fair use was a likelihood of confusion substitute and cannot be used as an affirmative defense. *Id.* Existing precedent shows that likelihood of confusion and the nominative fair use defense can coexist. *See Ty, Inc. v. Publications International*, No. 99 C 5565, 2005 WL 464688, at \*6-8 (N.D. Ill. Feb. 25, 2005) (“[While the Supreme Court specifically declined to address the nominative fair use defense, I am persuaded that its logic applies with similar force to defendants pursuing the defense of nominative fair use despite the almost certain likelihood of confusion regarding the source of the mark.”).

2. The Fourteenth Circuit erred in not following *Century 21*'s interpretation of *KP Permanent* that allows a defendant to assert a nominative fair use affirmative defense.

This Court should follow *Century 21*'s interpretation of *KP Permanent* to mean that the nominative fair use can be asserted as an affirmative defense. Although the defendant does not carry the burden in disproving any element of the plaintiff's trademark infringement claim, the defendant may still assert an affirmative defense that their use of the trademark was nonetheless fair. *KP Permanent Make-Up, Inc.*, 543 U.S. at 120.

If a plaintiff succeeds in making out a prima facie case of trademark infringement, including the element of likelihood of consumer

confusion, the defendant may offer rebutting evidence to undercut the force of the plaintiff's evidence on this (or any) element, or raise an affirmative defense to bar relief even if the prima facie case is sound, or do both.

*KP Permanent Make-Up, Inc.*, 543 U.S. at 120. Thus, while this Court decided in *KP Permanent* that the defendant has “no independent burden to negate the likelihood of confusion,” the defendant has the ability to raise a nominative fair use affirmative defense if the plaintiff has made out a prima facie case of likelihood of confusion. *Id.* at 113, 120. The rationale behind this bifurcated process is to not “overwhelm the defendant’s showing of nominative fair use” during likelihood of confusion analysis. *Century 21 Real Estate Corp.*, 425 F.3d at 223.

The Fourteenth Circuit erred by narrowing this Court’s holding in *KP Permanent*. *Pattel*, 1135 F.3d at 365 (J. Peterson dissenting). There, the court interpreted *KP Permanent* to mean that “it would make no sense in allowing a defendant to affirmatively show that the plaintiff cannot successfully prove an element like confusion.” *Id.* at 355 (J. Khalawi majority). This is flawed logic. The *KP Permanent* language should be interpreted to mean that the defendant does not *have* to offer an affirmative defense or disprove the plaintiff’s prima facie case of likelihood of confusion. However, if the defendant chooses to bring an affirmative defense, then the burden would be shifted to its side. *KP Permanent Make-Up, Inc.*, 543 U.S. at 125. “If the plaintiff succeeds in making out a prima facie case of trademark infringement, including the likelihood of confusion, the defendant may . . . raise an affirmative defense.” *Id.* “The mere risk of confusion will not rule out fair use” and the defendant should have the opportunity to provide an affirmative

defense when fair use of the trademark can rebut a finding of likelihood of confusion. *KP Permanent*, 543 U.S. at 123.

This Court stated that not giving the defendant the ability to assert a defense “in the only situation where it even becomes relevant” would “def[y] logic,” because a defendant should be afforded the opportunity to assert an affirmative defense despite the plaintiff demonstrating a likelihood of confusion. *Id.* at 120-21. Further, this Court reasoned that “some possibility of confusion is compatible with fair use.” *Id.* at 121. The nominative fair use doctrine assumes that when the defendant uses the plaintiff’s trademark to describe the plaintiff’s own products, consumer will be confused to some degree. *Century 21*, 425 F.3d at 224 (stating that applying the likelihood of confusion factors, without permitting an affirmative defense, would inevitably point towards likelihood of confusion where no likelihood of confusion actually exists). If defendants are not afforded the opportunity to assert an affirmative defense, plaintiffs would have a very low bar to prove likelihood of confusion.

3. The Fourteenth Circuit erred by adopting the Second Circuit’s *Int’l Info. Sys.* rationale that Congress intentionally and purposefully excluded nominative fair use as an affirmative defense.

Section 1115(b) of the Lanham Act outlines nine specific defenses to the plaintiff’s claim of trademark infringement. 15 U.S.C. § 1115(b) (2002). In particular, Section 1115(b)(4) states:

“That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of

anyone in privity with such party, or of a term or device which is of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin . . .”

15 U.S.C. § 1115(b)(4). Opponents of the bifurcated approach narrow *KP*

*Permanent*'s holding and assert that the affirmative defense only applies in the context of classic fair use, not nominative fair use. *Century 21 Real Estate Corp.*, 425 F.3d at 222; *International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*, 823 F.3d 153, 167 (2d Cir. 2016) (“The Third Circuit’s basis for treating nominative fair use as an affirmative defense is that the [this Court] has treated classic, or descriptive, fair use as an affirmative defense.”). The Fourteenth Circuit erred by following *Int’l Info Sys.* interpretation of Section 1115(b)’s possible defenses to trademark infringement.

Although the Lanham Act only specifically enumerates classic fair use as an affirmative defense, *KP Permanent* established “that neither classic or nominative fair use should rise and fall based on a finding of likelihood of confusion.” *Id.* at 223. Despite the fact that classic fair use and nominative fair use do differ in some respects, the overall differences between the types of fair use are minimal. *Id.* Both fair use tests have an underlying goal of establishing when use of another’s mark is considered acceptable or “fair.” *Id.* Additionally, in both instances the “key first inquiry in both situations should be whether there is a likelihood of confusion.” *Id.* The two do not differ so much as to justifying that the Court “should ask radically different questions when analyzing a defendant's ability to refer to a plaintiff's mark in the two contexts.” *Id.*

## II. DEFENDANT’S USE OF PLAINTIFF’S TRADEMARK IS FAIR UNDER THE THREE ELEMENTS OF THE *NEW KIDS* TEST.

### A. This Court Should Articulate the Nominative Fair Use Test Using Language of the Ninth Circuit’s *New Kids* Test.

This Court should adopt the three-pronged nominative fair use test in accordance with the language from Ninth Circuit’s framework in *New Kids*. 971 F.2d at 308. In *New Kids*, the Ninth Circuit considered: (1) that the product or service in question is one not readily identifiable without use of the trademark; (2) that only so much of the mark or marks is used as is reasonably necessary to identify the product or service; and (3) that the user did nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *Id.* Unlike the Third Circuit in *Century 21*, the *New Kids* three-factor test does not lack clarity and has withstood the test of time.

In *Century 21*, the Third Circuit acknowledged that they were “tempted to use the three-element Ninth Circuit test outright, as it has withstood the test of time.” 425 F.3d at 228. In fact, it “has been tinkered with in no less than seven opinions.” *Id.* Only after establishing this rhetoric, did the Fourteenth Circuit then proclaim that the test was “too lenient, and the Ninth Circuit Court of Appeals itself and other courts have sometimes had trouble applying it.” *Pattel*, 1135 F.3d at 759. The Fourteenth Circuit believed that the Ninth Circuit standard lacked clarity. *Pattel*, 1135 F.3d at 759 (J. Peterson, dissenting). The court then attributed this lack of clarity to the reason the Ninth Circuit and other courts have had problems applying the model. *Id.* (J. Khalawi, majority).



Contrary to the Fourteenth Circuit's view towards the *New Kids* test, this Court should adopt the Ninth Circuit's nominative fair use test because the Ninth Circuit has proven to be a workable standard that courts have applied since the test's adoption in *New Kids*. See *Abdul-Jabarr*, 85 F.3d 407 (9th Cir. 1996); *Cairns*, 292 F.3d 1139 (9th Cir. 2002); *Playboy Enters., Inc.*, 279 F.3d 796 (9th Cir. 2002); *Brother Records, Inc. v. Jardine*, 318 F.3d 900 (9th Cir. 2003); *Horphag Research Ltd. v. Pellegrini*, 337 F.3d 1036 (9th Cir. 2003); *Playboy Enters., Inc. v. Netscape*, 354 F.3d 1020 (9th Cir. 2004). The Ninth Circuit's nominative fair use test "created a specialized tool to analyze a certain class of cases of alleged infringement. . . . The only thing that separates the Ninth Circuit is that it believes that its special purpose tool is more useful than the multi-purpose list of factors used in all cases to judge the likelihood of confusion issue." J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:11(4th ed.). Thus, the *New Kids* test has afforded defendant's broader protection because it does not focus on a convoluted multi-factor list, as courts generally do when analyzing classic fair use.

Even prior to the Second Circuit's *Int'l Info Sys.* holding, district courts within the Second Circuit frequently used the Ninth Circuit's nominative fair use formulation. See *Int'l Info Sys.*, 823 F.3d at 166; *Car-Freshner Corp. v. Getty Images, Inc.*, 822 F. Supp. 2d 167, 177-78 (N.D.N.Y. 2011); *Audi AG v. Shokan Coachworks, Inc.*, 592 F. Supp. 2d 246, 269-70 (N.D.N.Y. 2008). Further, other circuits have articulated the same similar rationale when holding that the Lanham Act's protection does not stretch to encompass trademarks in advertising and other

channels of communication if the use is not false or misleading. *See e.g. Boston Athletic Ass’n*, 926 F.2d at 46 (holding that the Lanham Act did not afford plaintiff protection from a news channel using “Boston Marathon” because news channel only used the registered mark to describe the event that the channel was going to broadcast).

B. The Fourteenth Circuit Erred by Impermissibly Analyzing the Polaroid Factors in Addition to All Three Prongs of the Third Circuit’s Nominative Fair Use Defense.

The Fourteenth Circuit Court of Appeals, in its majority opinion, acknowledged that a defendant “may lawfully use a plaintiff’s trademark where doing so is necessary in order to describe the plaintiff’s product and does not imply false affiliation or endorsement by the plaintiff of the defendant.” *Pattel*, 1135 F.3d at 759. The Fourteenth Circuit erroneously deviated from the Ninth Circuit standard, despite correctly understanding the legal approach, and, in doing so, rendered the nominative fair use test more confusing for other court’s to apply. The Ninth Circuit adopted a three-part test to determine whether nominative fair use applied to the defendant’s product, thus negating the plaintiff’s assertion that its trademark was infringed and likely to cause confusion. *New Kids on the Block*, 971 F.2d at 308.

1. The Second Circuit’s multi-factor standard diluted the protection afforded to defendants because it ignored the Ninth Circuit’s controlling precedent.

Unlike the Ninth Circuit test, the Fourteenth Circuit erroneously adopted a nominative fair use test that combined aspects of the Second and Third Circuits’

approaches. *New Kids on the Block*, 971 F.2d at 308; see *Int’l Info Sys. Sec. Cert. Consortium, Inc.*, 823 F.3d 153 (2d Cir. 2016); see *Century 21 Real Estate Corp.*, 425 F.3d 21. The Second Circuit’s approach, outlined in *Int’l Info Sys.*, considers the eight *Polaroid* factors *in addition* to the three nominative fair use factors. 823 F.3d at 168. (emphasis added). Thus, the Second Circuit’s test altered the list of requirements necessary to qualify for nominative fair use from the Ninth Circuit’s *New Kids* test, into an eleven-factor test. *Id.*

The Second Circuit differs further from the Ninth Circuit’s *New Kids* test by incorporating the *Polaroid* factors despite existing precedent that the *Polaroid* factors are only applied in traditional “passing-off” trademark infringement. See *Playboy Enters.*, 279 F.3d at 801 (“[A]pplication of the [multi-factor likelihood of confusion] test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing.”). The *Playboy Enters.* court explained, “the three-factor test . . . better addresses concerns regarding the likelihood of confusion” in nominative fair use cases. *Id.* at 796. In its petition for writ of certiorari to this Court, Petitioner *Security University*, explained that the “solution to this problem is simple: Ditch the multi-factor test in nominative fair use cases.” Petition for Writ of Certiorari, *Security University, LLC*, 2016 WL 5048645 at \*33 (No. 16-352). Even in *Century 21*, the Third Circuit agreed that the traditional confusion factors are “either unworkable or not suited or helpful as indicators of confusion in [the nominative fair use] context.” 425 F.3d at 224.

Many of the Second Circuit’s eight traditional likelihood of confusion factors, known as the *Polaroid* factors, are also a bad fit in the nominative fair use test. For instance, factor two or “similarity of the marks” is an “odd inquiry in the nominative fair use context.” Petition for Writ of Certiorari, *Security University, LLC*, 2016 WL 5048645 at \*33 (No. 16-352). In a nominative fair use setting, it will more likely than not be the case that the defendant’s use of the mark will be similar to that of the plaintiff’s. *Id.* In addition, assessing the “strength of the mark” would work against the defendant in a nominative fair use case. *Id.* at 34. This is the case because the “strength of the trademark typically weighs in favor of a finding of likelihood of confusion.” J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:40.50 (4th ed.). Yet, in the context of nominative fair use, the greater the strength of the mark, “the greater will be the need for a comparative advertiser to reference it or a critic to speak about it.” Petition for Writ of Certiorari, *Security University, LLC*, 2016 WL 5048645 at \*34 (No. 16-352).

2. *Century 21*’s language shifted the burden to the defendant to disprove likelihood of confusion and is contrary to this Court’s precedent in *KP Permanent*.

Although the Fourteenth Circuit acknowledged that the nominative fair use test is not an affirmative defense and that the burden of disproving fair use remained with the plaintiff, the court’s alteration of the Ninth Circuit’s approach shifted the burden of proving fair use onto the defendant. Unlike the *New Kids* test, the language of the *Century 21* test, adopted by the Fourteenth Circuit, creates too high of a burden for the defendant to overcome and is contrary to this Court’s

precedent in *KP Permanent*. 543 U.S. at 122 (reasoning that the “Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words.”)

In *KP Permanent*, although not directly addressing the differences between classic and nominative fair use, the court held that the “burden to negate any likelihood that the practice complained of will confuse consumers about the origin of the goods or services affected” does not fall on the party raising fair use. *Id.* at 114. This Court required that a plaintiff’s case for trademark infringement “requires a showing that the defendant’s actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question.” *Id.* at 117. Thus, since the burden of proving likelihood of confusion rests with plaintiffs, defendants do not have any need to disprove likelihood of confusion. *Id.* at 121. This Court reasoned that holding the opposite would be contrary to the Ninth Circuit standard and that “some possibility of consumer confusion must be compatible with fair use.” *Id.*

- i. The first element of the *Century 21* test places a substantial burden on the defendant to prove that use of the plaintiff’s mark was necessary.

The Ninth Circuit’s language of the first element of the nominative fair use test differs only slightly from the language used in the Third Circuit. However, the slight alteration creates an almost insurmountable burden on the defendant to disprove the likelihood of confusion. The *New Kids* test considers whether the product or service in question is one not readily identifiable without use of the

trademark. *New Kids on the Block*, 971 F.2d at 308. In contrast, the Third Circuit asks, “Is the use of plaintiff’s mark necessary to describe (1) plaintiff’s product or service and (2) defendant’s product or service?” *Century 21 Real Estate Corp.*, 425 F.3d at 228. When the *Century 21* court expanded upon the *New Kids* test by incorporating whether the defendant’s use of the mark was “necessary,” the court sought to identify whether the defendant’s use of the mark “accurately describe[s] what defendant does or sell, or whether its reference to plaintiff’s mark is actually gratuitous.” *Id.* at 229.

The language of the *Century 21* test’s first factor runs afoul to its own circuit’s precedent that “[t]he Lanham Act does not compel a competitor to resort to second-best communication” when the Circuit expanded on the Ninth Circuit’s established nominative fair use test principle. *See G.D. Searle & Co. v. Hudson Pharmaceutical Corp.*, 715 F.2d 837, 842 (3d Cir. 1983). The erroneous addition to the language asks the court to “additionally” look at “how necessary the use of the mark is to the identification of defendant’s product.” *Century 21 Real Estate Corp.*, 425 F.3d at 229. The *Century 21* test further states that the more dependent the “ready identification of defendant’s product is on the description of plaintiff’s product through the employment of plaintiff’s mark, the more likely it is that the use is a fair one.” *Id.* However, if a court looks toward the defendant’s “necessity” in using the mark, the nominative fair use test would effectively be diminished to a restatement of the classic fair use test, which is contrary to the *New Kids* holding that there is a distinction between the two versions of fair use. 971 F.2d at 308 (“To

be sure, this is not the classic fair use case where the defendant has used the plaintiff's mark to describe the defendant's *own* product.”).

Using the Ninth Circuit's reasoning, the Fourteenth Circuit erred by applying the classic fair use analysis when it assessed whether the defendant's use of the plaintiff's mark to be necessary to describe the defendant's product or service. Here, using the *Century 21* test's first factor is likely to make the nominative fair use test even more confusing and unworkable. As the *Century 21* test is articulated, it would force Pattel to disprove that it was not necessary to use the plaintiff's mark to describe the defendant's product or service. However, Pattel is only using the Cammy Gardashyan trademark in order to make Pattel's product “readily identifiable.” This is not the classic case where Pattel sought to use the Cammy Gardashyan trademark to create the presumption that Cammy Gardashyan endorsed Pattel's product. In the Fourteenth Circuit's own words, “[the court] believe[s] that the stricter [language of its nominative fair use test] . . . raises the bar for nominative fair use defense.” *Pattel*, 1135 F.3d at 759. This reasoning directly conflicts with *KP Permanent*, which states that defendants do not have the burden to disprove likelihood of confusion.

- ii. The third element of the *Century 21* test places the burden on the defendant to prove an absence of confusion.

The Ninth Circuit's *New Kids* test's third element considers whether the user did anything that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *New Kids on the Block*, 971 F.2d at 308. In

contrast, the Third Circuit's *Century 21* test asks, "does the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services?" *Century 21 Real Estate Corp.*, 425 F.3d at 228. Thus, the language of the Third Circuit's test is substantially similar to the Third Circuit's approach to analyzing classic fair use using the *Lapp* factors. *Id.* at 242 (J. Fisher, concurring). The *Lapp* factors state, "the key inquiry is whether the mark is being used so as to convey a connection between the parties that may not exist." *Id.* (emphasis added).

Under the Third Circuit's nominative fair use test's third prong, the *Century 21* court has effectively shifted the "nominative fair use" burden from the plaintiff onto the defendant to prove an absence of confusion. This is in direct disagreement with the Ninth Circuit's nominative fair use test that maintains it is always the plaintiff's burden to prove the likelihood of confusion. *KP Permanent Make-Up, Inc.*, 543 U.S. at 121. The Fourteenth Circuit majority erred following the Third Circuit in "addition[ally]" considered "the defendant's failure to state or explain some aspect of the relationship", such as what the defendant "did not" do, in addition" to analyzing what the defendant "did" do in relation to the plaintiff's mark. *Century 21 Real Estate Corp.*, 425 F.3d at 231. The Third Circuit in *Century 21* effectively instituted a "broader" test than *New Kids*. 425 F.3d at 230. In that case, the court requested that the District Court should "determine whether the portrayal of the relationship was accurate, and what more the defendant could have done to prevent an improper inference regarding the relationship." Yet, this standard is directly at



odds with the *New Kids* and the burden of proof that this Court has established in *KP Permanent*.

In *KP Permanent*, the court held that the Lanham Act requires that the burden remain on the plaintiffs. 543 U.S. at 113. The statute “places a burden of proving likelihood of confusion (that is, infringement) on the party charging infringement even when relying on an incontestable registration.” *Id.* at 112. The court reasoned that it would be “incoherent to place upon defendant the burden of showing nonconfusion.” *Century 21 Real Estate Corp.*, 425 F.3d at 244; citing *KP Permanent Make-Up Inc.*, 543 U.S. at 120 (“[A] look at the typical course of litigation in an infringement action points up the incoherence of placing a burden to show nonconfusion on the defendant.”). Although the *Century 21* court believes sets itself out to hold that the Ninth Circuit test places the burden of showing an absence of confusion on the defendant, it is the opposite that is true.

C. Pattel Did Not Infringe Gardashyan’s Trademark Because all three *New Kids* elements are satisfied.

1. The *New Kids* first element is satisfied because Pattel’s product was not “readily identifiable” without use of the Gardashyan trademark.

Under the first requirement in the Ninth Circuit’s nominative fair use analysis, “the product or service in question is one not readily identifiable without use of the trademark.” *Id.* at 308; *Toyota Motor Sales*, 610 F.3d at 1175 (“we start by asking whether the [defendant’s] use of the mark was “necessary” to describe their business”). Courts have identified that there are occasions where it is

impossible for the defendant to refer to the plaintiff's product without using the defendant's name outright; this is especially true when the plaintiff is a well-known person or entity. *Arenas v. Shed Media U.S. Inc.*, 881 F. Supp 2d. 1181, 1193 (C.D.C.A. 2011) (finding that it would be "virtually impossible" to refer to Gilbert Arenas, a well-known basketball player, on a television show without using his name); *Playboy Enters. Inc.*, 279 F.3d at 803-04 (discussing that it would be "absurd" to refer to a Playboy model as "the nude model selected by Mr. Hefner's organization" instead of referring to her by name).

In *New Kids*, the plaintiffs alleged that the defendants' use of the "New Kids on the Block" name in their polls, "somehow implied that the New Kids were sponsoring the polls." *Id.* There, the court ruled that the first element of the nominative fair use test was met. *Id.* The court reasoned that "[i]t is no more reasonably possible . . . to refer to the New Kids as an entity than it is to refer to the Chicago Bulls, Volkswagens or the Boston Marathon without using the trademark." *Id.*; *See e.g. Toyota Motor Sales*, 610 F.3d at 1180 (stating that, while other domain names could have been chosen, the necessity requirement was satisfied because the defendant needed to communicate that it specializes in Lexus vehicles). Ultimately the court determined that, while the plaintiff deserved copyright protection, the protection is not afforded when it would render newspaper articles, conversations, polls, and comparative advertising impossible. *Id.*

In *Cairns*, the Ninth Circuit reaffirmed the nominative fair use test in *New Kids*. 292 F.3d at 1152. There, the court applied the nominative fair use doctrine in

the context of the plaintiff's trademark infringement claim over the defendant's sale of a doll that portrayed the plaintiff's name and likeness. 292 F.3d at 1152. The *Cairns* court held that the first element of the nominative fair use test was met because, although Pattel had used Princess Diana's likeness on its doll, "Princess Diana's person is not readily identifiable without use of her *name*." *Id.* at 1153. The court reasoned that there was no substitute for the defendant's use of Princess Diana's *likeness* on its Diana-related products. *Id.* Further, while Pattel could have explained the significance of the outfit that the "People's Princess Doll" was wearing, it was far easier for the defendant to place a picture of Princess Diana wearing the same outfit in real life on the doll's box. *Id.* Thus, the court held that Pattel's use of Princess Diana's name and likeness was justified because the defendant's product was not readily identifiable without doing so. *Id.*

Just as in *New Kids* and *Cairns*, the first element of the Ninth Circuit's nominative fair use analysis is met because Pattel's Bambi doll is not readily identifiable without using Gardashyan's mark. It may have been possible for Pattel to articulate a connection between the outfit that the Bambi doll was wearing and Gardashyan's protected mark, without expressly using Gardashyan's mark. However, as in *Cairns*, Pattel could not have accurately portrayed the Bambi dolls character without using Gardashyan's name and likeness. Also, there is "no substitute" for stating the dolls talking feature which says, "I want to be a fashionista, just like Cammy Gardashyan." *Cairns*, 292 F.3d at 1153; [R. 357.]. Similar to the court's reasoning in *New Kids*, Pattel cannot be prevented

from using Gardashyan's name and likeness because forcing Pattel to use other words or phrases to depict the Gardashyan's likeness would render artistic exploration impossible.

2. Pattel did not use more of the Gardashyan trademark than was reasonably necessary.

In addition to finding the first element of nominative fair use being satisfied, this Court should also hold that “only so much of the mark, or marks, is used as is reasonably necessary to identify the product or service.” *New Kids on the Block*, 971 F.2d at 308; *Toyota Motor Sales*, 610 F.3d at 1181 (the court had to determine whether the defendant had used more of the plaintiff's “Lexus L” logo than was necessary). In *New Kids*, the court held that the second element of the nominative fair use test was satisfied because the defendants “reference the New Kids only to the extent necessary to identify them as the subject of the polls.” However, the defendants did not use the New Kids' distinctive logo, or anything else that wasn't needed to make intelligible announcements to the readers. *Id.*

The *Cairns* court explained the parameters of the second element established in *New Kids* by stating “[a] soft drink competitor would be entitled to compare its product to Coca-Cola or Coke, but would not be entitled to use Coca-Cola's distinctive lettering.” 292 F.3d at 1153-54; *See also Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (1969) (“Church did not use Volkswagen's distinctive lettering style or scheme, nor did he display the encircled ‘VW’ emblem.”).

In *Cairns*, the Ninth Circuit held that the second element of the nominative framework was met because the defendant did not use more of the plaintiff's mark than was "reasonably necessary" for its purpose. *Cairns*, 292 F.3d at 1154. The court reasoned that it was "doubtful" whether defendant would be able to sell its Princess Diana doll without "prominent reference" to Princess Diana herself. *Id.* Further, the *Cairns* court held that there was never an allegation that the defendant had used any "distinctive lettering" or any particular image that was associated with Princess Diana. *Id.* The second element was satisfied because the defendant had to use the caption "Diana" in order to "ensure that its customers understood the references to Princess Diana. *Id.* In making such references, the defendant was entitled to make use of the plaintiff's mark as long as doing so was "reasonably necessary" to carry out its purpose. *Id.*

In *Toyota Motor Sales* the Ninth Circuit held similarly to *Cairns* and *New Kids*, when it decided that the plaintiff could not prove that the defendant had used more of the plaintiff's mark than "reasonably necessary." 610 F.3d at 1181. The court relied upon evidence that, prior to trial, the defendants had removed the stylized mark and Lexus "L" logo from their website, did not use the entirety of the Lexus mark, did not advertise their website as "lexus.com," nor use words such as "authorized" or "official." *Id.* at 1182. The court in *Toyota Motors* held the second element of the nominative fair use test was in favor of defendants even though the plaintiff could have adequately communicated their message without using the "visual trappings of the Lexus brand" and the use of the plaintiff's distinct mark

may suggest to the consumer that he or she is “dealing with an authorized Toyota affiliate.” *Toyota Motor Sales*, 610 F.3d at 1181.

As the facts are presented here, a court that applies the Ninth Circuit’s test in *New Kids* and *Cairns* would necessitate a finding that the second factor of the nominative fair use test has been met. The *Cairns* court made clear that the second element is satisfied when the defendant takes precautions to not use the plaintiff’s distinctive lettering. Further, the defendant in *Cairns* took fewer precautions than Pattel did here. In contrast to Pattel’s two uses of the Gardashyan mark, the defendant in *Cairns* displayed an actual photograph of Princess Diana with the caption reading “Diana.” Even then, the court was persuaded that the use of the plaintiff’s mark was “reasonably necessary” for customers to recognize Princess Diana’s attire. Here, Pattel was undoubtedly inspired by the Gardashyan brand and took her into consideration when making Fashionista Bambi. [R. 357.] However, while the Gardashyan brand had an artistic influence on the doll, Pattel never portrayed Gardashyan’s distinctive mark on it’s packaging, just as the defendant in *Cairns* did not portray distinctive markings relating to “Princess Diana.”

Instead, Pattel manufactured a doll that followed Bambi’s “standard height” and that had a body figure similar to that of other Bambi dolls. [R. 357.] The disclaimer on the Bambi doll box specifically mentions that Pattel avoided using distinctive markings and “did not use the Cammy Gardashyan full logo.” [R.

357.] Further, both times that Pattel referred to her name on the box Pattel used standard block typeface. [R. 357.]

3. Pattel did not falsely suggest the Fashionista Doll was sponsored or endorsed by Gardashyan.

Under the third and final element of the Ninth Circuit’s nominative fair use analysis, this Court should find that the Pattel did not “falsely suggested he was sponsored or endorsed by the trademark holder.” *New Kids on the Block*, 971 F.2d at 308. In *New Kids*, the court determined that “nothing in the announcements suggests joint sponsorship or endorsement by the New Kids.” *Id.* The court reasoned that contrary to the plaintiff’s assertion, the *USA Today* announcement asked whether the New Kids were “a turn off.” *Id.* In addition, *The Star’s* poll had said nothing that expressly, or by “fair implication”, that would suggest the newspaper had endorsed or jointly sponsored the New Kids. *Id.* The Ninth Circuit emphasized similarly in *Playboy Enters.*, that a user of a mark is under no obligation to “expressly disavow association with the trademark.” 279 F.3d at 803, n. 26. In fact, speakers are under no obligation to provide a disclaimer that the mark is not their own when the speaker is engaging in truthful, non-misleading speech. *Toyota Motor Sales*, 610 F.3d at 1177.

Similarly, the Ninth Circuit upheld the same rationale in *Toyota Motor Sales*, where the court held that the defendant’s use of the plaintiff’s Lexus mark was fair because there was no risk of confusion as to sponsorship or endorsement. *Id.* at 1182. The defendants were protected from a confusion as to endorsement by placing a disclaimer on their website that stated, “We are not an authorized Lexus dealer or

affiliated in any way with Lexus. We are an independent broker.” *Toyota Motor Sales*, 610 F.3d at 1181. The court articulated that a reasonable consumer may at first be unaware of who endorsed the website when they first arrived at the site but the consumer would “immediately see the disclaimer and would promptly be disabused of any notion that the [defendant’s] website is sponsored by Toyota.” *Id.* at 1182.

Under the Ninth Circuit’s precedent in *New Kids*, *Cairns*, and *Toyota Motor Sales*, Pattel’s nominative use of Gardashyan’s mark does not falsely suggest that Pattel’s product was endorsed or sponsored by the Gardashyan. Similar to *Toyota Motor Sales*, Pattel utilized a disclaimers on the back of Bambi doll’s packing that specifically read: “Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.” [R. 357.] Any consumer who picked up the Bambi doll may at first be agnostic about the sponsorship of the product, but those suspicions would be “promptly disabused” by “Pattel’s standard messages, including warnings, recommendations, and the Bambi trademark.” [R. 357.] A reasonably prudent consumer will identify Bambi’s “standard rectangular box” along with the Bambi trademark on both sides of the box. [R. 357.] If Pattel’s trademark advertising is not enough to dispel a lack of endorsement from Gardashyan, surely Pattel’s disclaimer that Gardashyan has not endorsed the product in any way will resolve any likelihood of confusion that is left.



## CONCLUSION

The Lanham Act necessitates a distinction between classic and nominative fair use defenses. The *New Kids* language most appropriately establishes elements to address nominative cases and the *Century 21* doctrine most efficiently applies that language. Pattel is entitled to assert a fair use defense, and succeeds on that defense by satisfying the requirements of the *New Kids* test.