

No. 70593-2016



**IN THE
Supreme Court of the United States**

NOVEMBER TERM, 2016



Pattel, Inc., a Bel Air Corporation, Petitioner,

v.

Cammy Gardashyan, Respondent.



**ON WRIT OF CERTIORARI TO SUPREME COURT OF THE UNITED
STATES OF AMERICA**



BRIEF FOR PETITIONER



QUESTIONS PRESENTED

1. Should the Court under 15 U.S.C. § 1114 trademark infringement actions, continue to adopt a nominative fair use test when the Defendant has used the Plaintiff's mark to reference the Plaintiff's product? Further, was the 14th Circuit erroneous in using the normative fair use test as part of the "likelihood of confusion" analysis rather than allowing Petitioners to raise nominative fair use as an affirmative defense?
2. Once nominative fair use has been deemed appropriate, should the Court apply the *Century 21* test to nominative fair use cases where the two-step approach has been adopted?

CERTIFICATE OF INTERESTED PARTIES

Pursuant to Rule 24(1)(b) of the Rules of the Supreme Court of the United States, the caption of this case contains the names of all parties involved in the proceeding review.

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The District Court found the nominative fair use doctrine can operate as an affirmative defense and adopted the Third Circuit's two-step approach. To analyze nominative fair use, the Court also adopted the Ninth Circuit's *New Kids on the Block* test finding Pattel's use of the mark constituted nominative fair use.

The Fourteenth Circuit Court of Appeals reversed the order of the District Court on both counts, finding that a two-step approach to nominative fair use is inappropriate and the Ninth Circuit's test does not fully encompass the scope of nominative fair use. Instead, nominative fair use should be incorporated into the likelihood of confusion analysis with the proper test being the Third Circuit's *Century 21* factors. The opinion is reported as *Cammy Gardashyan v. Pattel, Inc., a Bel Air Corporation*, 1135 F.3d 355 (14th Cir. 2016).

JURISDICTIONAL STATEMENT

The United States Court of Appeals for the Fourteenth Circuit entered judgment on June 5, 2016. Petitioner filed for writ of certiorari, which this Court granted. This Court properly has jurisdiction pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISION

The following federal statutes are relevant to the decision in this case:
15 U.S.C. § 1114 and 15 U.S.C. § 1115.

STATEMENT OF THE CASE

I. FACTUAL BACKGROUND

Pattel, Inc., a Bel Air Corporation (“Pattel”), is a toy manufacturing company formed in 1961 and headquartered in Nautilus, Bel Air. *Cammy Gardashyan v. Pattel, Inc.*, 1135 F.3d 355, 355 (14th Cir. 2016). Pattel creates multiple products and brands, including the Fashionista Bambi Doll (“Doll”) product currently at issue. The Dolls are created to reflect modern social values and convey characteristics of female independence. These dolls are inspired by women widely known in popular culture who embody values of female independence. *Id.* Pattel markets these Bambi Dolls to a wide demographic of women, aged three to one hundred and to date, Pattel has sold over 500 million Bambi Dolls. *Id.* The Bambi Dolls are unique and attractive to older consumers partly because of their value as collectibles. *Id.*

Cammy Gardashyan (“Cammy”) is a socialite, businesswoman, model, singer, and an American reality television personality. *Id.* at 356. Cammy catapulted into stardom when she began to appear on TV! Network’s reality television show, *Keeping Up with the Gardashyans*. *Id.* The reality show reached unprecedented levels of success by using Cammy’s personal life to capture the attention of millions of people. *Id.* Cammy’s newfound fame has worldwide reach and attracts fans as young as five years old to one hundred years old, making her a household name. *Id.* In addition to appearing in the headlines of entertainment news websites and television shows, Cammy also has a vast online and social media following, including tens of millions of followers on Fanbook, Witter, and Delaygram. *Id.* In

2014, Cammy televised her thirty million dollar wedding which was watched by millions of people. *Id.* Cammy’s popularity has allowed her to create her personal brand “Cammy Gardashyan”, under which she sells high-end fashion products and promotes her fashionista lifestyle to millions of consumers. *Id.* These various products bearing her signature trademark, led to earnings in the millions of dollars and her total earnings in 2015 alone exceeded fifty million dollars. *Id.* Fashion magazines have consistently raved about her signature style which features animal print, knee-length skirts and dresses, as well as shiny-heeled shoes. *Id.* Additionally, Cammy is known for her distinctive “curvy” figure and long black hair. Although commonly worn by Cammy, this is a style shared by many other celebrities, including Cammy’s three sisters who are also widely recognized and portrayed by entertainment media. *Id.*

A. Cammy Gardashyan’s Trademark

Cammy Gardashyan owns the trademark, CG CAMMY GARDASHYAN™, which is used to protect her lucrative personal brand, and one she continues to grow through multiple reality television shows. *Id.* She has produced many high-end fashion products which bear her name and trademark, including jewelry, clothing, cosmetics, perfumes, handbags, and footwear. *Id.* Although, Cammy’s mark is not limited to high-end fashion products; she associates her mark with her lifestyle, fashion, and entertainment and social media presence which has gained worldwide recognition. *Id.* The Cammy Gardashyan mark consists of her stylized initials “CG”

displayed back to back. *Id.* Underneath the stylized initials the words “CAMMY GARDASHYAN” appear in capital letters and in standard, block typeface. *Id.*

B. Pattel’s Fashionista Bambi Doll

Pattel follows a yearly practice of analyzing and assessing market trends for its many toy products and brands. *Id.* In 2015 Pattel used this practice in order to design the top-selling Bambi Doll inspired by the fashionista, Cammy Gardashyan. *Id.* at 357. The Fashionista Bambi Doll designers took Cammy Gardashyan into consideration when creating the doll. The Fashionista Bambi Doll follows standard Bambi Doll dimensions, standing eleven and one-half inches tall with a body figure similar to other Bambi Dolls. *Id.* The Doll has long, straight, black hair and portrays a fashion style similar to Cammy. *Id.* Specifically, the Fashionista Doll wears an animal print top, knee-length skirt, and sparkly-heeled shoes. *Id.* The Doll’s designers also installed a talking feature, activated by a push of the button located on the Doll’s hand. *Id.* When activated, the lips of the Doll part slightly and a digital recording is played from inside the cavity of the Doll’s abdomen. *Id.* The sole recording says “I want to be a fashionista, just like Cammy Gardashyan.” *Id.*

The Fashionista Bambi Doll is packaged in a standard rectangular box with a transparent front cover, making it possible to see the Doll without opening the box. *Id.* The front and back covers of the box display Pattel’s standard messages, including warnings, recommendations and the Bambi trademark. *Id.* On the top of the front cover, the Doll’s name is displayed and reads “Fashionista Bambi.” *Id.* Underneath the name, a caption bubble in twelve point font reads the message “I

say: I want to be just like Cammy Gardashyan.” *Id.* Pattel includes a disclaimer on the bottom of the back cover and reads: “Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.” *Id.* Both times the Fashionista Bambi referred to “Cammy Gardashyan” on the box, a standard black block typeface was used, similar to Cammy’s mark. However, Pattel did not use Cammy Gardashyan’s stylized initials “CG.” *Id.* Within the twelve months the Fashionista Bambi Dolls were manufactured, Pattel had successful profits of forty-five million dollars. *Id.*

II. PROCEDURAL HISTORY

On February 9, 2015, Cammy filed an action against Pattel and sought a permanent injunction on a claim of trademark infringement for the unauthorized use of the mark “Cammy Gardashyan.” *Id.* Pattel responded that its use of Cammy Gardashyan’s name on its products was fair and protected under the nominative fair use defense. *Id.* Patel sought a dismissal of Cammy’s claim of trademark infringement. *Id.*

In deciding that Pattel’s use of Cammy’s trademark constituted nominative fair use, the District Court for the Central District of Bel Air adopted a two-step approach. *Id.* at 358. The Court found Pattel was entitled to a nominative fair use defense for its reference to Cammy Gardashyan, regardless of a finding for likelihood of confusion. *Id.* The District Court noted that it interpreted the nominative fair use defense as an affirmative defense, similar to the Third Circuit. *Id.* Further, the District Court adopted the language from the Ninth Circuit Court

of Appeals' version of the test from *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). This three-prong test found that Pattel's use of Cammy' mark constituted nominative fair use. *Id.* Following cross-motions for summary judgment, the District Court granted summary judgment on all counts in favor of Pattel. *Gardashyan* 1135 F.3d at 358.

Cammy Gardashyan appealed from the District Court's decision. *Id.* The Fourteenth Circuit Court of Appeals reversed the District Court judgment. *Id.* The Court of Appeals found that the nominative fair use defense could not operate as an affirmative defense. *Id.* Rather, the Fourteenth Circuit joined the Second Circuit and interpreted *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004) as requiring nominative fair use to be an inquiry assessed within the traditional likelihood of confusion analysis rather than operating as a separate affirmative defense. *Gardashyan* 1135 F.3d at 360. Any finding of a likelihood of confusion precludes Pattel from raising a defense of nominative fair use. *Id.* Additionally, the Court deems the appropriate test for nominative fair use is a combination of the traditional likelihood of confusion test, the *Polaroid* factors (see *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir. 2009)), and the *Century 21* factors for nominative fair use. *Gardashyan* 1135 F.3d at 364. The case was remanded to the District Court for proceedings in accordance with its opinions. *Id.* at 365.

A. Judge Peterson's Dissent

Judge Peterson's dissent felt that Pattel's use of Cammy's mark did indeed constitute nominative fair use. *Id.* (dissenting). The dissent believed the majority had mistakenly relieved the plaintiff of the burden of proving likelihood of confusion as a precondition to a defendant's assertion of nominative fair use. *Id.* (dissenting). Judge Peterson felt the Fourteenth Circuit, and by extension the Second Circuit, unnecessarily narrowed the interpretation of *KP Permanent Make-Up, Inc.* *Id.* (dissenting). The Majority mistakenly applies the holding of *KP Permanent Make-Up, Inc.* only to classical fair use when it should apply to all forms of fair use. *Id.* (dissenting). The dissent mentioned that since it was the plaintiff's burden to prove likelihood of confusion, as clarified in *KP Permanent Make-Up, Inc.*, a two-step approach allowing nominative fair use to operate as an affirmative defense is required. *Id.* at 366 (dissenting). Even if a likelihood of confusion is found, nominative fair use can still be brought as a defense. *Id.* Judge Peterson further criticized the majority's flawed interpretation of *KP Permanent Make-Up, Inc.* which, in his opinion, should allow for the possibility of co-existence between fair use and a likelihood of confusion. *Id.* (dissenting). As to the second issue, Judge Peterson found the District Court correctly applied the *New Kids on the Block* test. *Id.* (dissenting). He felt the test has "withstood the test of time" and correctly assesses nominative fair use. *Id.* (dissenting). According to Judge Peterson, the majority's "several flaws" in reasoning improperly denied Pattel their nominative fair use defense. *Id.* (dissenting).

SUMMARY OF THE ARGUMENT

The nominative fair use defense is a doctrine inspired by previous case law and created by the Ninth Circuit Court of Appeals in their landmark decision in *New Kids on the Block*. The Ninth Circuit further clarified in *Cairns* that the nominative fair use defense also applies in situations where the defendant uses the plaintiff's mark to refer to the plaintiff's product, ultimately in an attempt to refer to his own product. The nominative fair use defense also extends to cases where the only practical way to refer to a product or service is through the trademarked name.

Other circuits have agreed with the Ninth Circuit about what constitutes nominative fair use. The Second and Third Circuits have allowed the use of a nominative fair use defense where the alleged infringer uses the holder's trademark even when their ultimate goal is to describe their own product. The Fourteenth Circuit Court of Appeals has joined the other circuits in determining a nominative fair use analysis is appropriate when the defendant uses the plaintiff's mark to refer to the plaintiff's product. The Fourteenth Circuit even agreed with the District Court in determining that a nominative fair use defense was the appropriate approach in the instant case.

Once the Court has determined nominative fair use is the correct approach, an analysis is undertaken to determine whether the nominative use of the mark by the defendant is in fact fair. The Third Circuit as well as courts in the Seventh Circuit have appropriately taken a two-step approach to the nominative fair use

analysis, allowing the nominative fair use defense to operate as an affirmative defense to a claim of trademark infringement. The Second Circuit, and by extension the Fourteenth Circuit, have adopted an incorrect approach to analyzing fair use. This anomalous approach is based upon an errant interpretation of the Supreme Court's decision in *KP Permanent Make-Up, Inc.* which allows for only classical fair use to operate as an affirmative defense. Both these circuits force nominative fair use to be incorporated into the likelihood of confusion analysis, disallowing the defense to be used as an affirmative defense. This incorrect approach not only erroneously interprets *KP Permanent Make-Up, Inc.* but places too heavy a burden on the defendant. Therefore Pattel respectfully asks this Court to overturn the ruling of the Fourteenth Circuit Court of Appeals and find that nominative fair use should be adopted as an affirmative defense, akin to the approach in the Third Circuit, despite a finding of a likelihood of confusion.

After the Court makes a final determination to approaching nominative fair use, a specific nominative fair use test must be adopted. This test must properly balance the trademark holder's right to use the mark against the alleged infringer's right to fairly use the mark as well as allow for a coexistence between consumer confusion and fair use as contemplated by *KP Permanent Make-Up, Inc.* Currently the Fourteenth Circuit has incorporated the Third Circuit's nominative fair use test into the traditional likelihood of confusion inquiry. This combination is inappropriate because, as the Third Circuit articulated, the three-pronged *Century 21* test is specifically crafted to be the responsibility of the defendant in response to

a finding of a likelihood of confusion. Shifting this responsibility to the plaintiff by incorporation into the likelihood of confusion inquiry is unsuitable as it does not allow consumer confusion and fair use to coexist according to *KP Permanent Make-Up, Inc.*

The validity of the *Century 21* factors are not at issue here, instead their incorporation into an inquiry which burdens the plaintiff is (the traditional likelihood of confusion). The Third Circuit's three-pronged test is the most appropriate test under a two-step approach which allows nominative fair use to operate as an affirmative defense. The *Century 21* test properly distributes the burden between the plaintiff and the defendant as contemplated by *KP Permanent Make-Up, Inc.* while allowing for a co-existence between consumer confusion and fair use

If the Court determines that incorporating the nominative fair use test into the likelihood of confusion inquiry, the Ninth Circuit's approach is more suitable. The Ninth Circuit, as did the Third Circuit, recognized the trouble a traditional likelihood of confusion encounters when dealing with a nominative fair use fact pattern. Subsequently, the Ninth Circuit developed the *New Kids on the Block* test which properly allows consumer confusion and fair use to coexist while encompassing the full scope of nominative fair use.

The Court must remember that both the Ninth Circuit and Third Circuit find a traditional likelihood of confusion inquiry to be unsuitable for nominative fair use fact patterns. Further, the Third Circuit's *Century 21* test is specifically crafted to

be the burden of the defendant in response to a showing of a likelihood of confusion by the plaintiff. Attaching it to the end of the unsuitable traditional likelihood of inquiry compounds the problem and erroneously applies *KP Permanent Make-Up, Inc.* Therefore, Pattel, Inc. respectfully asks the Court overturns the Fourteenth Circuit Court of Appeals and adopt the Third Circuit's *Century 21* test under a two-step approach or the Ninth Circuit's *New Kids on the Block* test if nominative fair use is determined to be an incorporation into the likelihood of confusion inquiry.

I. **THE COURT SHOULD ADOPT A NOMINATIVE FAIR USE TEST WHEN THE DEFENDANT HAS USED THE PLAINTIFF'S MARK TO REFERENCE THE PLAINTIFF'S PRODUCT. FURTHER, THE COURT SHOULD ADOPT A TWO-STEP APPROACH TO NOMINATIVE FAIR USE ALLOWING IT TO OPERATE AS AN AFFIRMATIVE DEFENSE**

The Lanham Act, also known as the Trademark Act of 1946, is a federal statute which governs the administration of trademarks for owners of trademarks as well as defenses for trademark infringement. It sets out procedures for registering trademarks as well as contesting them. 15 U.S.C. § 1114 of the Lanham Act sets out claims for trademark infringement while 15 U.S.C. § 1115 of the Lanham Act sets out defenses to the claims of infringement. Most common claims brought under the Lanham Act are 15 U.S.C. § 1114 trademark infringement violations.

15 U.S.C. § 1115(b)(4) of the Lanham Act sets out a defense for trademark infringement which is commonly referred to as 'fair use' which operates as an affirmative defense to trademark infringement. *KP Permanent Make-Up, Inc.*, 543 U.S. at 124. Under a classical fair use defense, "the defendant has used the

plaintiff's mark to describe the defendant's *own* product." *New Kids on the Block*, 971 F.2d at 308. Alternatively, in *New Kids on the Block*, the Ninth Circuit created another type of fair use defense, nominative fair use. Under nominative fair use, the defendant has used the plaintiff's mark to refer to the *plaintiff's* product. Darian B. Taylor, *Nominative Fair Use Defense in Trademark Law* 84 A.L.R. Fed. 2d 217 (Originally published in 2014).

In a landmark case, the Supreme Court decided that the burden of proving likelihood of confusion lies on the plaintiff. *KP Permanent Make-Up, Inc.*, 543 U.S. at 122. The Third Circuit properly applied this precedent by adopting a two-step approach in *Century 21 Real Estate Corp.*, 425 F.3d at 222. This two-step approach allows fair use, and by extension nominative fair use, to be used as an affirmative defense once the plaintiff proves likelihood of confusion. *Id.* The Second and Fourteenth Circuits erroneously interpreted *KP Permanent Make-Up, Inc.* creating an unnecessarily long test which ignores the Supreme Court's decision allowing for coexistence between consumer confusion and fair use.

In the instant case, Pattel has used Cammy Gardashyan's mark to refer to Cammy Gardashyan's product, ultimately referring to their own product, the Fashionista Bambi Doll. Furthermore, *KP Permanent Make-Up, Inc.* allows for coexistence between consumer confusion and nominative fair use, which the Fourteenth Circuit has outright rejected. Consequently Pattel's nominative fair use defense should be allowed and a two-step approach to nominative fair use should be adopted allowing nominative fair use to operate as an affirmative defense.

A. Under a 15 U.S.C. § 1114 trademark infringement action, the Court should use a nominative fair use test because as precedent shows, this test is adopted when Petitioner uses Respondent’s mark to refer to the Respondent’s product

The nominative fair use doctrine was inspired through cases like the Ninth Circuit’s decision in *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 351 (9th Cir.), supplemented, 413 F.2d 1126 (9th Cir. 1969). There, an auto-repair shop owner fairly used Volkswagen’s trademarked name and abbreviated “VW” on his sign to advertise to customers he specialized in the repair of Volkswagen vehicles. *Id* at 352. The Ninth Circuit expanded on cases like *Volkswagenwerk* and cemented a nominative fair use doctrine in *New Kids on the Block. Id*; Elizabeth Williams, *Trademark protection under Lanham Act (15 U.S.C.A. §§ 1051 et seq.)*, 115 A.L.R. Fed. 171 (Originally published in 1993). There, the defendants, two newspapers, used the trademarked name of the plaintiff (a popular teen band) to market and publicize the newspapers’ telephone polls about the band. *New Kids on the Block*, 971 F.2d at 302. The New Kids on the Block’s trademark was used by the newspapers to describe the plaintiff’s product and band. *Id* at 308. This was done ultimately to describe the newspapers’ own product, the telephone polls about the band. *Id*. The Ninth Circuit found that the newspapers’ use of the trademark constitutes nominative use, “where the defendant uses a trademark to describe the [trademark holder’s] product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense.” *Id*. The Ninth Circuit has further

clarified nominative fair use is the appropriate analysis when the defendant uses the plaintiff's mark to reference the plaintiff's product, even ultimately to reference their own product.) *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1159 (9th Cir. 2002); 1 Charles E. McKenney and George F. Long III, *Federal Unfair Competition: Lanham Act 43(a) § 3:25 and § 9:16*.

The Second Circuit takes a similar approach by triggering the doctrine of nominative fair use where a defendant uses a plaintiff's mark to identify the plaintiff's goods "so long as there is no likelihood of confusion about the source of the defendant's product or the mark-holder's sponsorship or affiliation." *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 102 (2d Cir. 2010) (quoting *Merck & Co. v. Mediplan Health Consulting, Inc.*, 425 F.Supp.2d 402, 413 (S.D.N.Y. 2006)). The Third Circuit also uses a nominative fair use analysis when the alleged infringer uses the trademark holder's mark, even when the alleged infringer's goal is to describe his own product. *Century 21 Real Estate Corp.*, 425 F.3d at 214 (quoting *KP Permanent Make-Up, Inc.*, 328 F.3d at 1072).

In *Century 21 Real Estate Corp.*, a 15 U.S.C. § 1114 infringement cause of action did not stop the court from adopting a nominative fair use analysis. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 214 (3d Cir. 2005). There, real estate companies brought suit against a real estate referral service operator that placed the companies' marks on its website. The Third Circuit reasoned that nominative fair use analysis could be adopted when the alleged infringer uses the trademark holder's mark, even when the alleged infringer's goal is to describe his

own product. *Century 21 Real Estate Corp.*, 425 F.3d at 214 (citing *KP Permanent Make-Up, Inc.*, 328 F.3d at 1072). The fact that the plaintiff's marks were used to refer to the plaintiff lender's real estate product to ultimately describe the defendant's product allowed for a nominative fair use test to be adopted.

The Fourteenth Circuit Court of Appeals agrees with the above analyses and application when determining if nominative fair use is the appropriate approach. "Nominative fair use analysis is appropriate if a defendant has used the plaintiff's mark to describe the plaintiff's product, even if the defendant's ultimate goal is to describe her own product, for example, comparison to the defendant's product, criticism, and point of reference." *Gardashyan*, 1135 F.3d at 359.

In the present case, Petitioner placed the mark "Cammy Gardashian" on its doll box as well as the phrase "I say: I want to be just like Cammy Gardashyan." Pattel has used the Cammy Gardashyan mark to refer to Cammy Gardashyan's product in entertainment media and high-end fashion. One might refer to Cammy as the "Star from TV! Network's reality television series *Keeping Up with the Gardashyans*" or "Socialite and fashion designer from *Keeping Up with the Gardashyans* with millions of followers on social media," but it is far more reasonable and likely to be understood to refer to Cammy Gardashyan. Pattel's use of "Cammy Gardashyan" does not indicate sponsorship or endorsement because the mark is being used only to describe the doll's fashionista ambitions and inspiration, rather than identify the source or implicate sponsorship, the purpose of trademark.

Pattel anticipates Cammy will argue the words “Cammy Gardashyan” appear on the cover of the box as a way to attract attention and deceive customers into thinking the Fashionista Bambi Doll is 1) part of the Cammy Gardashyan brand or 2) sponsored and authorized by the Cammy Gardashyan brand, therefore Pattel’s use of “Cammy Gardashyan” should not be considered nominative fair use. These allegations are incorrect, while it is possible to refer to Cammy Gardashyan as the “Star from TV! Network’s reality television series *Keeping Up with the Gardashyans*” or “Socialite and fashion designer from *Keeping Up with the Gardashyans* with millions of followers on social media,” it is not reasonable to do so. The only practical way to refer to Cammy and her fashionista lifestyle is through the use of the mark “Cammy Gardashyan.” Pattel is simply using Cammy’s mark in the caption bubble that reads “I want to be a fashionista, just like Cammy Gardashyan.” *Id.* Nominative fair use is categorized when the alleged infringer uses the mark-holder’s mark, even if the ultimate goal is to describe his own product. *Century 21 Real Estate Corp.*, 425 F.3d at 214. Pattel is using Cammy Gardashyan’s mark to ultimately describe their own product [the Fashionista Bambi Doll inspired by Cammy Gardashyan] and the Court should categorize Pattel’s use as nominative fair use. Therefore Pattel agrees with the Fourteenth Circuit Court of Appeals, in that a nominative fair use analysis is the correct approach in the instant case.

The instant case is also distinguishable from *VIP Prod., LLC v. Jack Daniel’s Properties, Inc.*, No. CV-14-2057-PHX-SMM, 2016 WL 5408313, at *4 (D. Ariz. Sept. 27, 2016). In this case the nominative fair use defense did not apply because VIP

Products did not use the identical trademarks or trade dress of JDPI. *Id* at 5. While VIP Products' mark closely imitated JDPI's registered trademarks, they did not actually use any of JDPI's registered marks. Because "it is the defendant's very use of the plaintiff's identical trademark that makes the nominative fair use analysis" a close imitation or any other such use of a mark does not fall within nominative fair use's confines. *Id*. Therefore "it is undisputed that VIP did not use JDPI's identical marks or trade dress in its Bad Spaniels toy, the nominative fair use doctrine does not apply as matter of law." *Id*.

Pattel, in the instant case, is very clearly using Cammy's mark. Cammy's mark appears underneath the stylized "CG" in capital letters and standard, block typeface. *Gardashyan* 1135 F.3d at 356. Pattel uses this mark exactly as the Doll's box reads "Cammy Gardashyan" in standard, black block typeface both times the mark is used. Pattel uses Cammy's identical mark to reference Cammy's product and therefore the nominative fair use doctrine applies as a matter of law.

B. The nominative fair use defense should operate as an affirmative defense rather than be assessed within the likelihood of confusion analysis

The Supreme Court in *KP Permanent Make-Up, Inc.* established in an affirmative defense of fair use to a claim of trademark infringement 1) the defendant has no burden to negate any likelihood of confusion and 2) some possibility of consumer confusion is always compatible with fair use of a mark. *KP Permanent Make-Up, Inc.*, 543 U.S. at 122. This approach creates two separate burdens, one for the plaintiff and one for the defendant, which properly allow for consumer confusion and fair use to coexist. *Id*. Simply put, it allows fair use to

operate as an affirmative defense to a showing of a likelihood of confusion by the party alleging infringement. *Id.*

Despite the proper interpretation laid out by the Third Circuit, the Fourteenth Circuit Court of Appeals, in deciding *Gardashyan* followed the Second Circuit's flawed nominative fair use analysis in *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 168 (2d Cir. 2016). There, when analyzing nominative fair use, the Court misinterpreted *KP Permanent Make-Up, Inc.* and declined to view the nominative fair use defense as an affirmative defense. *Id.* The Fourteenth Circuit mirrored the Second Circuit by incorporating the nominative fair use analysis into the *Polaroid* traditional likelihood of confusion analysis. *Int'l Info. Sys. Sec. Certification Consortium, Inc.* 823 F.3d at 168.

The Third Circuit, on the other hand, properly applies the holding of *KP Permanent Make-Up, Inc.* in its decision in *Century 21 Real Estate Corp.*, 425 F.3d at 223. There the Court determined the proper approach in analyzing nominative fair use was a two-step approach where plaintiff must first prove the likelihood of confusion due to defendant's use of the plaintiff's mark and then the burden shifts to the defendant to show its nominative use of the plaintiff's mark is fair. *Id.* at 222. This allows the nominative fair use defense to operate as an affirmative defense, an interpretation which properly follows the precedent set by *KP Permanent Make-Up, Inc.*

1. *The Third Circuit Court of Appeals correctly interpreted and applied KP Permanent Make-Up, Inc. by using a two-step approach and allowing the nominative fair use defense to operate as an affirmative defense to the finding of a likelihood of confusion*

The Third Circuit Court of Appeals correctly interpreted the holdings of *KP Permanent Make-Up, Inc.* in its decision in *Century 21 Real Estate Corp.*, 425 F.3d at 223. There, the appellant, LendingTree, was a consumer-oriented internet business which helped consumers evaluate and select qualified financial service companies. *Id.* at 215. Part of what LendingTree offered was a real estate referral service, which allowed consumers who wanted to buy or sell a house receive information about real estate companies participating in LendingTree's network. *Id.* LendingTree was using appellee's logos on its website to indicate appellees were involved within their referral service. *Id.* In determining whether LendingTree's nominative use of the appellee's logos was fair, a two-step approach was adopted to apply to nominative fair use fact patterns. *Id.* at 222. This approach requires the plaintiff to first prove likelihood of confusion from defendant's use of plaintiff's mark. *Id.* Once the plaintiff has met their burden establishing confusion, the burden then shifts to the defendant to show that "its nominative use of plaintiff's mark is nonetheless fair." *Id.* This two-step approach allows the nominative fair use defense to operate as an affirmative defense.

This approach by the Third Circuit is consistent with the Supreme Court's decision in *KP Permanent Make-Up, Inc.* as it allows for a coexistence between consumer confusion and fair use. *Id.* The Third Circuit even notes that while *KP Permanent Make-Up, Inc.* does apply to classic fair use due to the facts of the case,

nothing suggests the Supreme Court meant to restrict nominative fair use from the same affirmative defense consideration. *Id.* The Third Circuit further states that no policy considerations favor any reason for allowing classical fair use to operate as an affirmative defense over nominative fair use. “Classic fair use and nominative fair use are different in certain respects, but it is unclear to us why we should ask radically different questions when analyzing a defendant's ability to refer to a plaintiff's mark in the two contexts.” *Id.* at 223. Additionally, the Third Circuit's approach properly balances the burdens carried by both the plaintiff and the defendant. The plaintiff has the burden to establish a likelihood of confusion and the defendant must merely show that its use of the plaintiff's mark is fair through the *Century 21* three-prong test. *Id.* Such an approach was directly fashioned by the Supreme Court in *KP Permanent Make-Up, Inc.* when talking about the coexistence of consumer confusion and fair use, “the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely.” *KP Permanent Make-Up, Inc.*, 543 U.S. at 121 (2004).

Last, the two-step approach is a much more practical and manageable one. A combined likelihood of confusion/nominative fair use inquiry would turn into an unnecessarily lengthy test asking “district courts to balance a plaintiff's showing of confusion against a defendant's showing of fair use.” *Id.* at 224. Confusion and fairness are separate concepts that co-exist according to *KP Permanent Make-Up*,

Inc. and a two-step approach is more manageable because of its apportioned approach. *Id.*

Judge Peterson in his dissent also stated the two-step approach is the correct one when dealing with nominative fair use defense. *Gardashyan* 1135 F.3d at 365 (dissenting). “The Court noted that a likelihood of confusion and fair use can coexist.” *Gardashyan* 1135 F.3d at 365 (dissenting) (quoting *Century 21 Real Estate Corp.*, 425 F.3d at 221). Further, the dissent wrote the two-step approach to be appropriate because it is “the plaintiff to prove likelihood of confusion, and the defendant to be able to bring forth the nominative fair use defense (even if likelihood of confusion is found)” and “The Court clearly established that it was plaintiff’s burden” to prove a likelihood of confusion, therefore allowing defendant to be able to bring forth a nominative fair use defense.” *Gardashyan* 1135 F.3d 365-66. (quoting *Century 21 Real Estate Corp.*, 425 F.3d at 221). Judge Peterson agrees with Pattel that the two-step approach is the only possible interpretation of *KP Permanent Make-Up, Inc. Id.*

2. *The Fourteenth and Second Circuit Court of Appeals’ incorrectly interpreted KP Permanent Make-Up, Inc. by incorporating the nominative fair use defense into the traditional likelihood of confusion analysis*

In its opinion in *Cammy Gardashyan*, the Fourteenth Circuit mirrored the Second Circuit’s decision in *Int’l Info. Sys. Sec. Certification Consortium, Inc.* which in turn was based on an errant interpretation of the Supreme Court’s decision in *KP Permanent Make-Up, Inc.*, 543 U.S. at 122. In *KP Permanent Make-Up, Inc.*, the Court found that the burden of proving likelihood of confusion always rests with the plaintiff, while the burden of the affirmative defense of fair use falls on the

defendant. *Id* at 121. The Second Circuit incorrectly interprets *KP Permanent Make-Up, Inc.* as only applying to classical fair use. The Second Circuit gives no reasoning underlying this restrictive interpretation. “Nominative use involves using the mark at issue *as a mark* to specifically invoke the mark-holder's mark, rather than its use, other than as a mark, to describe the alleged infringer's goods or services” and “we therefore hold that nominative fair use is not an affirmative defense to an infringement claim.” *Int'l Info. Sys. Sec. Certification Consortium, Inc.*, 823 F.3d at 167.

The Second and Fourteenth Circuit's erroneous interpretation also ignores much of the Supreme Court's decision in *KP Permanent Make-Up, Inc.* which allows for a coexistence between consumer confusion and fair use. (see *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004) (holding some possibility of consumer confusion must be compatible with fair use). The Fourteenth Circuit erroneously prohibited such compatibility with “when there is a finding of likelihood of confusion, nominative fair use cannot be raised.” *Gardashyan* 1135 F.3d at 361. This erroneous interpretation unnecessarily raises the bar for a nominative fair use defense despite the Supreme Court stating fair use and consumer confusion are compatible with each other.

By holding that nominative fair use is not an affirmative defense, the Second Circuit then incorporated the nominative fair use defense into the likelihood of confusion analysis. *Int'l Info. Sys. Sec. Certification Consortium, Inc.*, 823 F.3d at 168. Further, the Fourteenth Circuit follows the Second Circuit's *Polaroid*

traditional likelihood of confusion analysis, which are applied even in nominative fair uses cases. *Int'l Info. Sys. Sec. Certification Consortium, Inc.*, 823 F.3d at 168; *Gardashyan* 1135 F.3d at 359. This approach is inconsistent as recognized by both the Third and Ninth Circuits. While the Third and Ninth Circuits' approach to nominative fair use differs, both Courts recognize that the traditional likelihood of confusion tests do not apply well to a nominative fair use fact pattern. *Century 21 Real Estate Corp.*, 425 F.3d at 224 ("As we have noted, and as the Ninth Circuit in *New Kids on the Block* also stated, the "likelihood of confusion" test does not lend itself nicely to a nominative fair use fact pattern."). Traditional likelihood of confusion factors do not allow for a compatibility of consumer confusion with fair use. The Ninth Circuit's *New Kids on the Block* approach recognizes this and incorporates a new test when dealing with nominative fair use. The Fourteenth Circuit disagrees but has provided no justification for incorporating nominative fair use into a traditional likelihood of confusion analysis.

In the instant case, the Fourteenth Circuit (following the Second Circuit) declined to extend the application of *KP Permanent Make-Up, Inc.* to nominative fair use. *Gardashyan* 1135 F.3d at 361. This goes directly against *KP Permanent Make-Up, Inc.* and was specifically addressed by the Third Circuit's interpretation "The [majority's] test allows no real possibility of the co-existence of fair use with some likelihood of confusion, yet this is precisely what the Supreme Court's holding in *KP Permanent Make-Up* specifically contemplates." *Century 21 Real Estate Corp.*, 425 F.3d at 222.

Additionally, the Fourteenth Circuit’s approach of incorporating nominative fair use into the traditional likelihood of confusion test places a significant burden on the defendant because “a plaintiff’s showing of confusion might well overwhelm a defendant’s showing of fair use. This would essentially force a defendant asserting nominative fair use to negate all likelihood of confusion to succeed, a proposition that the Supreme Court rejected in *Id.* at 223. The Fourteenth Circuit’s approach as applied to the present case is incorrect as *KP Permanent Make-Up, Inc.* specifically apportions the burdens of the plaintiff and the defendant. Moreover, *KP Permanent Make-Up* allows for a coexistence of consumer confusion with fair use.

Judge Peterson’s dissent highlights the same issues with the majority’s restrictive interpretation which does not allow for a real any real possibility of coexistence between consumer confusion and fair use. “Furthermore, in *KP Permanent Make-Up*, the Court held that “some possibility of consumer confusion must be compatible with fair use” 543 U.S. at 121. Therefore, the majority’s rejection of a two-step approach (nominative fair use as an affirmative defense) is flawed because it does not allow a real possibility of the coexistence of fair use with some likelihood of confusion.” *Gardashyan* 1135 F.3d at 366 (dissenting). The dissent stated the Fourteenth Circuit’s artificially restrictive interpretation is incorrect as “the Court’s decision [In *KP Permanent Make-Up*] is much broader than that.” The dissent admonishes the majority’s flawed holding “because they relieve the plaintiff of the burden of proving likelihood of confusion as a precondition to a defendant’s assertion of nominative fair use.” *Id.* at 365 (dissenting). Pattel should

not be stripped of its ability to argue a fair use defense because of an erroneous interpretation of law by the Fourteenth Circuit Court of Appeals.

The Fourteenth Circuit Court attempts to reinforce this artificially restrictive interpretation of *KP Permanent Make-Up, Inc.* by inappropriately citing a footnote which it interprets as excluding nominative fair use “The Court even clarified it was not addressing nominative fair use.” *Gardashyan* 1135 F.3d at 361 (citing *KP Permanent Make-Up, Inc.* 543 U.S. at 115, n.3). Nowhere did the Supreme Court restrict their decision in *KP Permanent Make-Up, Inc.* solely to classical fair use. The footnote cited in *Cammy Gardashyan* simply states the Supreme Court does not address the Court of Appeals’ discussion of “nominative fair use.” *KP Permanent Make-Up, Inc.* 543 U.S. at 115, n.3. There is no reason for the Fourteenth Circuit Court of Appeals to interpret such a note as excluding nominative fair use and instituting a framework of two different analyses when a defendant refers to a plaintiff’s mark in two different contexts. The *Century 21* Court felt similarly as “it is unclear to us why we should ask radically different questions when analyzing a defendant's ability to refer to a plaintiff's mark in the two contexts.” *Century 21 Real Estate Corp.*, 425 F.3d at 223.

Even courts in other circuits have interpreted *KP Permanent Make-Up, Inc.* and its two-step approach to nominative fair use as the appropriate approach. *Ty, Inc. v. Publications Int'l, Ltd.*, No. 99 C 5565, 2005 WL 464688, at *6 (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” and “While this does not mean that consumer confusion is not relevant to the issue of fair use, it does suggest that I should not disregard a defense of nominative fair use simply because a likelihood of confusion exists.”). This seems to suggest that the Second Circuit’s decision in *Int’l Info. Sys. Sec. Certification Consortium, Inc.* (and subsequently the Fourteenth Circuit’s reliance on it) is anomalous and the two-step approach should control.

3. *Alternatively, even the Ninth Circuit Court of Appeals’ approach to nominative fair use allows for a co-existence between consumer confusion and fair use without overburdening either party*

The Ninth Circuit’s approach to nominative fair use stems from the landmark case establishing nominative fair use, *New Kids on the Block*. This test does not quite fall under the two-step approach but neither does it fall under the Second and Fourteenth Circuit’s approach by tacking on three nominative use factors at the end of the traditional inquiry into likelihood of confusion. The Ninth Circuit has held that whenever dealing with the nominative fair use category of cases, the traditional *Sleekcraft* likelihood of confusion test articulated in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir.1979) does not apply. *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010). Instead the Ninth Circuit applies a new test formulated in *New Kids on the Block*, 971 F.2d at 308. The defendant who raises a nominative fair use defense is only required to show that he is using the plaintiff’s trademark to refer to the plaintiff’s goods or services, the burden then shifts to the plaintiff to show a likelihood of confusion. 4 *McCarthy*

on *Trademarks and Unfair Competition* § 23:11 (4th ed.). The *New Kids on the Block* likelihood of confusion inquiry properly balances the plaintiff's concern for likelihood of confusion as well as the defendant's ability to fairly use the plaintiff's mark without overburdening either party. While the two-step approach is definitively established as the stronger approach, the Ninth Circuit's approach recognizes that the traditional likelihood of confusion test does not properly apply to a nominative fair use defense fact pattern. *Toyota Motor Sales, U.S.A., Inc.* 610 F.3d at 1175.

The Third Circuit has also recognized that the traditional inquiry into likelihood of confusion does not lend itself properly to nominative fair uses cases. ("The "likelihood of confusion" test does not lend itself nicely to a nominative fair use fact pattern.") *Century 21 Real Estate Corp.*, 425 F.3d at 224. While the Third Circuit has incorporated the stronger two-step approach, the likelihood of confusion analysis in nominative fair uses cases as well has been adjusted as well. *Id.*

In the Third Circuit the likelihood of confusion test has been set forth in *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir.1983). The *Lapp* factors are a set of ten factors which mirror the same inquiry as the *Polaroid* factors. The Third Circuit recognized certain *Lapp* factors "are either unworkable or not suited or helpful as indicators of confusion in this [nominative fair use] context." *Century 21 Real Estate Corp.*, 425 F.3d at 224. This acknowledgement of the *Lapp* factors' weakness resulted in a modified *Lapp* likelihood of confusion test which is four factors long, down from the earlier ten factors and are to be used in nominative fair

use contexts. *Id.* While the Third Circuit’s two-step approach is undoubtedly stronger, both circuits highlights the Second and Fourteenth Circuit’s erroneous approach to nominative fair use which forces nominative fair use factors to be tacked onto the end of a traditional likelihood of confusion test.

II. ONCE NOMINATIVE FAIR USE HAS BEEN ASSUMED, THE COURT SHOULD APPLY THE *CENTURY 21* TEST IN CASES WHERE THE TWO-STEP APPROACH HAS BEEN ADOPTED

Once the Court has determined an appropriate approach for the nominative fair use defense, it must then adopt factors to analyze the nominative fair use defense. These factors must balance the trademark holder’s right to use the mark for the purpose of source identification against the junior user’s nominative use the mark. While the legal framework still analyzes whether there is a likelihood of confusion the analysis does not end there, “for the use may nonetheless be permissible if it is “fair.” *Century 21 Real Estate Corp.*, 425 F.3d at 217.

The Fourteenth Circuit Court of Appeals has taken the approach to use the *Polaroid* factors in combination with the Third Circuit’s three-pronged *Century 21* factors as the test to be applied when determining nominative fair use. *Gardashyan* 1135 F.3d at 365 (dissenting) (“In assessing this case, in addition to discussing the *Polaroid* factors, the court has to also apply the nominative fair use test that we have adopted to the facts at hand” and “We hold that in nominative use cases, the district courts in our circuit are to consider a nominative fair use test using language similar to that of the Second and Third Circuits.”). This three-pronged test consists of 1) that the use of plaintiff’s mark is necessary to describe both the plaintiff’s product or service and the defendant’s product or service; 2) that the

defendant uses only so much of the plaintiff's mark as is necessary to describe plaintiff's product; and 3) that 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 222.

A. The Fourteenth Circuit's adoption of the *Century 21* factors into the *Polaroid* likelihood of confusion inquiry is inappropriate because the *Century 21* factors were specifically crafted for the two-step approach to analyzing a nominative fair use defense

This selection of the three-pronged test by the Fourteenth Circuit (and the Second Circuit) makes no sense as the *Century 21* factors were created by the Third Circuit specifically to be incorporated into the two-step approach when analyzing nominative fair use. This bifurcated approach as discussed previously is appropriate because it properly distributes the burden between the parties at each stage of analysis. *Century 21 Real Estate Corp.*, 425 F.3d at 232. By tacking on a series of factors for which the defendant holds the burden, to the likelihood of confusion analysis, a burden shouldered by the plaintiff according to *KP Permanent Make-Up, Inc.*, the nominative fair use analysis becomes contradictory in nature. The Third Circuit specifically aimed for the defendant to satisfy the three-pronged test. *Id* at 222.

By having the plaintiff evaluate a series of factors originally aimed to have been the responsibility of the defendant, the party alleging infringement is given an advantage. The plaintiff, as the bearer of the burden of under *KP Permanent Make-Up, Inc.*, has too great a leeway to assess the factors in their favor, not allowing for a nominative fair use defense even if the defendant is fairly using the mark. The

Fourteenth Circuit is inappropriately raising the bar for a nominative fair use defense by adopting the three-pronged *Century 21* factors at the end of the *Polaroid* factors inquiry into the likelihood of confusion.

B. The *Century 21* three-pronged test appropriately analyzes nominative fair use if the two-step approach allowing nominative fair use to operate as an affirmative defense is allowed

While the Fourteenth Circuit has adopted the Third Circuit's *Century 21* factors when analyzing nominative fair use, it adopts the factors as a supplement to the *Polaroid* likelihood of confusion factors. It is this misuse of the factors which is at issue and not the appropriateness or the validity of the factors themselves. As explained above and by the Third Circuit, the *Century 21* factors are crafted specifically to be the responsibility of the defendant in response to a plaintiff's showing of a likelihood of confusion. This test appropriately distributes the burden to the plaintiff and the defendant and allows for a coexistence of consumer confusion with fair use as contemplated by *KP Permanent Make-Up, Inc.*

Applying the Third Circuit's *Century 21* factors to the instant case it is obvious Pattel's use of Cammy's mark is fair, assuming it is the responsibility of the defendant to show 1) that the use of plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service; 2) that the defendant uses only so much of the plaintiff's mark as is necessary to describe plaintiff's product; and 3) that 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 222.

Pattel's use of Cammy's mark is necessary to describe Cammy's product. While it is possible to refer to Cammy as the "Socialite and fashion designer from TV! Network's *Keeping Up With the Gardashyans*" it is not practical to do so. Identifying Cammy's product of television personality, fashion designer, socialite, and fashionista is only possible to do so with the mark "Cammy Gardashyan". Further, Cammy's mark is necessary to describe Pattel's Fashionista Bambi Doll as well, without Cammy's mark the Doll and its inspiration cannot be identified practically. *See New Kids on the Block*, 971 F.2d at 306 (holding its far simpler and practical to refer to the trademarked term than its alternative e.g. "Chicago Bulls").

Pattel did not use the entire "Cammy Gardashyan" mark, instead opting to only use as much as necessary to describe the plaintiff's product. The stylized "CG" in Cammy's mark was not used at all as Pattel opted to only use the "Cammy Gardashyan" portion which is necessary to describe Cammy's product. (see *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699, 709 (D. Del. 2011)) (holding the minimal use of the mark only so much as necessary to describe the product satisfied prong 2 of the *Century 21* test).

As to prong 3 of the *Century 21* test, Pattel's conduct and language explicitly reflects the true and accurate relationship between Cammy and Pattel's Doll. The disclaimer specifically says "Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan." *Gardashyan* 1135 F.3d at 357. *See Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699, 709 (D. Del. 2011) (holding that even a disclaimer appearing on the bottom of the box satisfies prong 3 of the

Century 21 test, no evidence demonstrating customers would not look at the bottom of the box). The application of the *Century 21* test accurately analyzes the nominative fair use defense under a two-step approach allowing nominative fair use to operate as an affirmative defense. Additionally, it protects the source identification purpose of trademark while allowing for a coexistence between consumer confusion and fair use. *KP Permanent Make-Up, Inc.*, 543 U.S. at 122.

C. Alternatively, the Ninth Circuit Court of Appeals’ test has withstood the test of time and is more appropriate to analyze a nominative fair use defense if the nominative fair use analysis is incorporated into the inquiry into the likelihood of confusion

The Ninth Circuit adopts a nominative fair analysis which uses the three-pronged test created in *New Kids on the Block*. While the Ninth Circuit declined to adopt a two-step approach allowing nominative fair use to operate as an affirmative defense, the *New Kids on the Block* test still appropriately gives weight to the plaintiff’s right to use the mark for purposes of source identification against the defendant’s right to fairly use the mark. Consumer confusion and fair use are able to coexist under this test. The *New Kids* three-pronged test asks if 1) the product was “readily identifiable” without use of the mark; 2) defendant used more of the mark than necessary; or 3) defendant falsely suggested he was sponsored or endorsed by the trademark holder. *Toyota Motor Sales, U.S.A., Inc.*, 610 F.3d at 1175–76.

The Fourteenth Circuit has stated these factors have not held up well with time and lacks clarity. Their belief is that the *New Kids on the Block* three-prong test does not fully encompass nominative fair use and uses weak language.

Gardashyan 1135 F.3d at 363. Further, the Fourteenth Circuit mistakenly claims that the Ninth Circuit and other courts “have sometimes had trouble applying it.” *Id* at 364. This lack of belief in the Ninth Circuit’s approach is unfounded as the *New Kids on the Block* test does in fact properly encompass the full scope of a nominative fair use analysis unlike the traditional likelihood of confusion inquiry. While the Ninth Circuit’s three-prong test may not be as strong as the two-step approach, the *New Kids on the Block* test accurately prevents and balances any consumer confusion while protecting the source identification function of trademark and allows nominative uses of the mark which are fair as this Court contemplated in *KP Permanent Make-Up, Inc.*

Applying the *New Kids on the Block* three-pronged test to the instance case, it is clear that Pattel’s nominative use of the “Cammy Gardashyan” trademark is fair and not infringing. Assessing the first prong, it is clear that the Doll is not ‘readily identifiable’ without use of the mark. While it is clear that the product is a doll, the fact that it is a Fashionista Bambi Doll inspired by Cammy Gardashyan is not clear. Without a caption bubble stating “I say: I want to be just like Cammy Gardashyan” the precise product (fashionista doll inspired by Cammy Gardashyan which says “I want to be a fashionista, just like Cammy Gardashyan) is difficult to be identified. The Doll may wear a style similar to Cammy Gardashyan, but that style is popular with other celebrities including her sisters. The Doll would not be readily identifiable as having an inspiration of Cammy Gardashyan without use of the mark. The Ninth Circuit considered nominative fair use when “one might refer

to “the two-time world champions” or “the professional basketball team from Chicago,” but it's far simpler (and more likely to be understood) to refer to the Chicago Bulls.” *New Kids on the Block*, 971 F.2d at 306. Like that issue, it may be possible to refer to Cammy Gardashyan as the “Popular fashion designer and star from TV! Network’s reality television series *Keeping Up with the Gardashyans*” but it is more likely to be understood as ‘Cammy Gardashyan’.

Next, Pattel only used as much of the mark necessary to identify the product. Cammy’s mark consists of a stylized “CG” as well as the name “Cammy Gardashyan” appearing underneath. Pattel did not even use the “CG” but only used the “Cammy Gardashyan” to refer to Cammy’s mark. This minimal use of the mark allows Pattel to refer to Cammy’s mark while avoiding consumer confusion. *See Keurig, Inc.*, 769 F. Supp. 2d at 709 (holding the minimal use of the mark only so much as necessary to describe the product satisfied prong 2 of the *Century 21* test).

Last, Pattel did nothing to suggest any sponsorship or endorsement by Cammy. Pattel uses Cammy’s mark twice, once in the caption bubble and once in the disclaimer appearing on the back of the box which reads “Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.” *Gardashyan* 1135 F.3d at 357. The disclaimer explicitly states that Pattel has no such sponsorship/endorsement with Cammy. *See Volkswagenwerk Aktiengesellschaft*, 411 F.2d at 351, *supplemented*, 413 F.2d 1126 (9th Cir. 1969) (holding the use of a disclaimer sufficiently distinguished his business from those affiliated with appellant); (*Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699,

709 (D. Del. 2011) (holding that a disclaimer appearing on the bottom of the box does not give credence to sponsorship or endorsement).

Using the Ninth Circuit's test it is obvious that not only is Pattel's nominative use of Cammy's mark fair, but the *New Kids on the Block* three-prong test has survived the test of time. While not as strong as the two-step approach, it accurately safeguards both the source identification purpose of the trademark and nominative uses by junior users which are fair, all the while allowing consumer confusion and fair use to coexist.

D. Even under the Fourteenth Circuit's misguided approach Pattel's use of Cammy's mark constitutes nominative fair use

While the Fourteenth Circuit's misguided approach of supplementing the *Polaroid* likelihood of confusion factors with the Third Circuit's *Century 21* three-pronged test for nominative fair use is inappropriate, its application to the instant case still shows Pattel fairly used Cammy's mark. Using the *Polaroid* factors articulated in *Cammy Gardashyan* and in the Fourteenth Circuit concludes the same.

Analyzing the 1) strength of the mark, "Cammy Gardashyan" has built a mark with worldwide recognition based upon her popularity in entertainment media. The second fact 2) similarity of the marks are the same, as Pattel directly uses the mark "Cammy Gardashyan. This factor highlights the misguided approach as it doesn't allow for compatibility of consumer confusion and fair use, articulated by the Supreme Court. *KP Permanent Make-Up, Inc.*, 543 U.S. at 122. 3) the proximity of the products and their competitiveness favors Pattel as the Fashionista

Bambi Doll does not occupy the same high end fashion, entertainment media, and television star categories as Cammy's product does. Next 4) there is no evidence that Cammy Gardashyan may bridge the gap from high end fashion to children's dolls. Addressing factor 5) there is no evidence of actual consumer confusion as Pattel directly disclaims any sponsorship or endorsement by Cammy, nor does Pattel try to mask such a disclaimer. There is nothing to suggest any 6) evidence that the mark adopted by Pattel was adopted in bad faith. Factor 7) which analyzes the quality of the products again highlights the inappropriateness of the Fourteenth Circuit's approach which does not fit properly to a nominative fair use fact pattern. Lastly, factor 8) which addresses the sophistication of the consumers in the relevant market again emphasizes the improper use of a traditional likelihood of confusion inquiry applied to a nominative fair use fact pattern. Like the other inappropriate factors it does not accurately determine whether the junior user's use of the mark is fair.

Supplementing these *Polaroid* factors with the *Century 21* factors applied previously, it is obvious that Pattel's use of the mark "Cammy Gardashyan" does not implicate the source identification function of trademark. Further, the *Polaroid* factors, the ones which apply, highlight the trouble which the traditional likelihood of confusion test has when dealing with a nominative fair use fact pattern. Additionally, the *Century 21* factors articulated previously are specifically crafted to be approached as the burden of the defendant. *Century 21 Real Estate Corp.*, 425 F.3d at 222. The Fourteenth Circuit's inflexible and inappropriate approach is too

rough to properly address a nominative fair use fact pattern, yet Pattel's use of the mark "Cammy Gardashyan" under this analysis is still fair. The arduous nature of the above analysis pinpoints exactly why the Fourteenth Circuit's approach should not be adopted.

CONCLUSION

For the foregoing reasons, Petitioner Pattel respectfully asks that this Court reverse the decision of the Fourteenth Circuit Court of Appeals in regards to the approach taken regarding nominative fair use and the particular adoption of the nominative fair use test. The Fourteenth Circuit, following the Second Circuit, erroneously interpreted *KP Permanent Make-Up, Inc.* allowing only classical fair use to operate as an affirmative defense. Consumer confusion and fair use are meant to coexist and the two-step approach in *Century 21* appropriately interprets this principle by *KP Permanent Make-Up, Inc.* Further, the two-step approach properly balances the burdens shouldered by both the plaintiff and the defendant. Therefore, Pattel asks that this Court find that the *Century 21* factors are the appropriate factors when analyzing the nominative fair use defense through the two-step approach. Alternatively, if the nominative fair use framework is to be incorporated into the likelihood of confusion analysis, the Ninth Circuit's *New Kids on the Block* factors is the appropriate test as it allows for a coexistence between consumer confusion and fair use, as contemplated by the Supreme Court in *KP Permanent Make-Up, Inc.* Therefore, if this Court finds incorporating nominative fair use into the likelihood of confusion analysis the proper approach, Pattel asks

that this Court find the *New Kids on the Block* factors is the appropriate nominative fair use test.