

Case No. 16-1225

**IN THE SUPREME COURT OF THE
UNITED STATES**

NOVEMBER TERM 2016

PATTEL, INC.,
Petitioner,

v.

CAMMY GARDASHYAN,
Respondent.

*On Writ of Certiorari To The United States Court Of Appeals For The Fourteenth
Circuit*

BRIEF FOR RESPONDENT

Counsel for Respondents
October 21, 2016

QUESTIONS PRESENTED FOR REVIEW

1. Under §1114 of the Lanham Act and existing trademark infringement case law, does a nominative fair use test comply with the goals of trademark law such that this Court should adopt a test, and if so, does the adoption of the test as an affirmative defense violate the Lanham Act, so that the test should be included in the likelihood of confusion analysis?
2. Assuming adoption of a nominative fair use test, does the Third Circuit's articulation of the factors comport with the logic of nominative fair use, and under any articulation of a nominative fair use test, has Gardashyan established a likelihood of consumer confusion?

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STATEMENT OF JURISDICTION

The judgment of the United States Court of Appeals for the Fourteenth Circuit was entered on June 5, 2016. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

1. 15 U.S.C. § 1114(a)(1)
2. 15 U.S.C. § 1115(b)
3. 15 U.S.C. § 1125(c)(3)(a)

OPINION BELOW

The opinion of the United States Court of Appeals for the Fourteenth Circuit and the dissenting opinion are reported at 1135 F.3d 759 (14th Cir. 2016).

STATEMENT OF THE CASE

International superstar Cammy Gardashyan enjoys success in everything she touches. *Gardashyan v. Pattel, Inc.*, 1135 F.3d 759, 356. Her extraordinary fame began in 2007, when her highly-rated reality television show “Keeping up with the Gardashyans” first hit the airwaves. *Id.* The show reached new heights in 2014, when millions of people watched Gardashyan’s extravagant wedding. *Id.*

Gardashyan, a fashion icon, is known for her signature style, which includes long, straight black hair, “animal prints, knee-length skirts or dresses, and shiny high-heeled shoes.” *Id.* While Gardashyan is not the only celebrity to embrace these fashion trends, her style encompasses her personal brand. *Id.*

Gardashyan also has a tremendous social media following, with tens of millions of followers on various popular social media sites. *Id.* Fans of nearly all ages recognize and embrace her and her brand. *Id.* To capitalize on the public’s infatuation with her social life, Gardashyan has produced and marketed an assortment of products associated with her personal brand, with sales in the millions. *Id.* In 2015 alone, her Gardashyan-brand product earnings topped fifty million dollars. *Id.*

To protect this lucrative brand, Gardashyan owns a trademark. *Id.* The mark bears her name written in all capital letters in a standard, block typeface. *Id.* Above her name, also in a standard, block typeface, sits a stylized “CG,” with the C facing backwards, so the letters are displayed back-to-back. *Id.*

Pattel, Inc. is a well-known toy company incorporated in Bel Air. *Id.* at 355. One of Pattel’s successful products is the Bambi doll, a female doll that embodies modern feminine independence. *Id.* The doll is very successful, with over five hundred million dolls sold since its inception. *Id.* The doll attracts customers from nearly all age groups, due in part to the doll’s value as a collectible. *Id.*

In 2015, Pattel created and sold the Fashionista Bambi doll, its highest-selling doll that year. *Id.* at 356-357. In accordance with a company practice of taking advantage of market trends, Pattel modeled the doll after Gardashyan. *Id.* The company hoped to capitalize on the success of Gardashyan’s 2014 wedding and her expanding superstardom. *Id.*

Thus, Pattel’s designers intended to replicate Gardashyan’s style with the Fashionista Bambi. *Id.* at 357. The doll’s dimensions copy the standard Bambi doll dimensions, but other prominent features of the doll resemble Gardashyan’s signature style. *Id.* The doll has long, straight black hair, a leopard print top, a knee-length skirt, and sparkly high-heeled shoes. *Id.*

The doll also contains a speaking feature. *Id.* At the press of a button, the Fashionista doll says the phrase, “I want to be a fashionista, just like Cammy Gardashyan.” *Id.*

The doll is packaged in a standard Bambi doll box, making its distinct features visible to passing customers. *Id.* Near the top of the front cover, in 20-point, standard block typeface font, a caption bubble reads, “I say: I want to be like Cammy Gardashyan.” *Id.* On the back of the box, near the bottom, a disclaimer

appears, denying any sponsorship by or affiliation with Gardashyan. *Id.*

Gardashyan never authorized use of her name and mark. *Id.*

On February 9, 2015, shortly after sales of the Fashionista doll commenced, Gardashyan brought suit in the United States District Court for the Central District of Bel Air. *Id.* at 357-358. Gardashyan sought a permanent injunction stopping Pattel from using her name and mark in connection to its Fashionista doll. *Id.* at 357. The trial court denied Gardashyan's motion for summary judgment, and entered summary judgment in favor of Pattel, finding Pattel's use of Gardashyan's mark to fall within the nominative fair use defense. *Id.* at 358.

In its ruling, the trial court analyzed nominative fair use as an affirmative defense. *Id.* The court adopted the Ninth Circuit's nominative fair use test from its 1992 case *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). Gardashyan timely appealed the trial court's ruling. *Id.*

On appeal, Gardashyan argued that the trial court erred in adopting the nominative fair use defense, since the Fourteenth Circuit had never addressed it. *Id.* Alternatively, Gardashyan argued that the trial court should not have analyzed the nominative fair use test as an affirmative defense, but rather as an extension of the likelihood of confusion factors already used by the Fourteenth Circuit. *Id.* at 359. Lastly, Gardashyan argued that the trial court was incorrect to adopt the Ninth Circuit's nominative fair use factors as opposed to the Third Circuit's factors. *Id.* at 363.

Agreeing with Gardashyan in part, the Fourteenth Circuit reversed the trial court's ruling. *Id.* at 358. While the court adopted the nominative fair use defense, it disagreed with the trial court's analysis of the test as an affirmative defense. *Id.* at 359. In doing so, the court rejected the Third Circuit's holding in *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 221 (2005), where that court found nominative fair use to be an affirmative defense. *Id.* at 360. After discussing the Ninth Circuit's approach where courts replace the likelihood of confusion factors with the nominative fair use test, the Fourteenth Circuit adopted the Second Circuit's approach, which combines the likelihood of confusion factors with the nominative fair use test. *Id.* at 362.

The Fourteenth Circuit then further clarified its nominative fair use test, holding that the Third Circuit's stricter language in its three factors was correct, rejecting the Ninth Circuit's language. *Id.* at 363. Thus, the Fourteenth Circuit ruled in favor of Gardashyan, holding nominative fair use is not an affirmative defense to trademark infringement, and instructed courts to apply the Second Circuit's likelihood of confusion factors with the Third Circuit's fair use factors when analyzing infringement in the nominative fair use context. *Id.* at 365.

In dissent, Judge Peterson disagreed with the majority's approach, arguing that nominative fair use should be an affirmative defense. *Id.* Judge Peterson also agreed with the trial court's use of the more lenient Ninth Circuit language for the three fair use factors. *Id.* at 366.

SUMMARY OF THE ARGUMENT

This case is about ensuring that hardworking individuals who cultivate a strong brand are protected from those who wish to capitalize on their popularity. Gardashyan is an international superstar working in multiple fields in the entertainment industry. Her celebrity status is no accident. Thus, she has every right to exploit her popularity at the exclusion of others, and existing trademark infringement law allows her to do that.

Because of this, Gardashyan argues that the nominative fair use test is improper in the trademark context, and should not be adopted. Not only does nominative fair use create inconsistencies with existing trademark jurisprudence, it also further confuses trademark holders and users as to what constitutes infringement. Judges who implement the nominative fair use test inevitably engage in a likelihood of confusion analysis, but with little guidance and less oversight.

In the event this court adopts nominative fair use, it should not do so as an affirmative defense, because that would be inconsistent with Congressional action and intent and would overrule recent Supreme Court precedent. The burden to prove likelihood of confusion should remain on the plaintiff, and allowing the defendant to disprove likelihood of confusion with an affirmative defense goes against the entire structure of trademark law.

In articulating the nominative fair use test, if adopted, this court should follow the Third Circuit's language for its three-factor test. While incorrect in its

application of nominative fair use as an affirmative defense, the Third Circuit correctly concluded the Ninth Circuit's version led to inconsistent results and often fails to determine whether the defendant's conduct increases the likelihood of confusion.

Furthermore, Gardashyan argues the nominative fair use analysis should be included with the existing likelihood of confusion factors, not as a replacement. The focus on trademark infringement analysis is likelihood of consumer confusion, and replacing the likelihood of confusion factors with the nominative fair use test ignores confusion in favor of the defendant's conduct. This is inconsistent with traditional trademark law. Therefore, Gardashyan contends the Third Circuit's nominative fair use factors should be combined with the Second Circuit's likelihood of confusion factors.

Applying this 11-factor test, Gardashyan argues Pattel infringed on her trademark. Specifically, a majority of the relevant factors weigh in favor of Gardashyan, particularly strength of the mark and similarity of the mark, often referred to as the most important factor. Additionally, Pattel's use of Gardashyan's mark suggests sponsorship or endorsement, and its disclaimer does nothing to combat that suggestion.

Therefore, Gardashyan asks this Court to reverse the Fourteenth Circuit's adoption of nominative fair use. Alternatively, Gardashyan asks this Court to affirm the Fourteenth Circuit's adoption of the Third Circuit's nominative fair use factors and its articulation of nominative fair use as part of the likelihood of

confusion analysis. Upon analysis of this revised nominative fair use test, this Court should instruct the trial court to enter judgment in favor of Gardashyan on the trademark infringement count.

ARGUMENT

The Lanham Act protects trademark holders from persons who use their trademarks in a way “likely to cause confusion, or to cause mistake, or to deceive” as to the origin of the product bearing the trademark. 15 USC §1114(a)(1). Courts analyze a trademark infringement claim by asking whether the defendant’s use of the mark is likely to confuse consumers as to the origin of the product in question.

KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc., 543 U.S. 111, 117 (2004).

I. PATTEL’S USE OF GARDASHYAN’S MARK IS TO COMPETE ITS FASHIONISTA BAMBI TO GARDASHYAN HERSELF, AND NOT ONE OF HER PRODUCTS, SO THE COURT SHOULD ANALYZE CONSUMER CONFUSION USING A MULTI-FACTOR LIKELIHOOD OF CONFUSION TEST, NOT A NOMINATIVE FAIR USE TEST.

Some courts describe a particular type of likelihood of confusion analysis called a “nominative fair use test.” *See New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 308 (9th Cir.1992). The threshold question for the nominative fair use test asks whether a defendant’s use of a trademark refers to the trademarked product itself or suggests the origin of the defendant’s product by associating it with another’s trademark. *McCarthy*, 23:11. “If the defendant’s use of the plaintiff’s trademark refers to something other than the plaintiff’s product, the traditional fair use inquiry will continue to govern.” *New Kids*, 971 F.2d at

308. Following this definition, the court should not adopt a nominative fair use test “when a defendant used the plaintiff’s mark in reference to the plaintiff.”

The use in this case is not nominative because Pattel uses Gardashyan’s name to refer to Gardashyan herself, rather than Gardashyan’s trademarked product. Pattel is using the name “Cammy Gardashyan” to capitalize on Mrs. Gardashyan’s celebrity. R. 357 (“I want to be just like Cammy Gardashyan.”) There is no reference to Cammy Gardashyan’s products. *Id.* The court should therefore apply the traditional likelihood of confusion test and ask whether consumers who see the words “CAMMY GARDASHYAN” on the package would be confused as to the origin of the Fashionista Bambi.

II. **ADOPTING A SEPARATE NOMINATIVE FAIR USE ANALYSIS WHEN A DEFENDANT USES THE PLAINTIFF’S MARK IN REFERENCE TO THE PLAINTIFF’S PRODUCT WOULD COMPLICATE, RATHER THAN SIMPLIFY, THE LIKELIHOOD OF CONFUSION ANALYSIS AND WOULD DISCARD DECADES OF TRADEMARK JURISPRUDENCE WITHOUT IMPROVING UPON THE EARLIER LAW.**

Even if the court finds that Pattel was referring to Gardashyan herself and therefore used Gardashyan’s mark nominatively, the court should still apply a traditional multi-factor likelihood of confusion analysis instead of a nominative fair use analysis. Nominative fair use adds nothing worthwhile to existing theories of trademark infringement. Moreover, it actually complicates the infringement analysis by oversimplifying the factors examining the relationship between the infringing use and customer confusion. It does this by erroneously focusing on the defendant’s actions rather than the effect the defendant’s actions have on consumer confusion.

- A. The nominative fair use test is worse than traditional likelihood of confusion tests as an analytical tool because its three-prong structure does nothing more than generalize factors from older tests.

Nominative fair use originated as a substitute for likelihood of confusion, so it is to be expected that the two tests should overlap. *KP Permanent*, 328 F.3d at 1072 (“[T]he nominative fair use analysis replaces the likelihood of confusion analysis.”). However, the nominative fair use test substitutes three factors for eight or more. *Id.* The inevitable elision requires the court to provide the missing inferences. This causes unnecessary confusion, unnecessary because the nominative fair use test consciously replaces a more detailed analytical framework.

The Third and Ninth circuits have adopted substantially similar three-prong nominative fair use tests. *Century 21*, 425 F.3d at 233 (Fisher, J., concurring). An examination of this test will show that it addresses likelihood of confusion factors from pre-existing tests, but in more opaque and broad language.

The first nominative fair use prong asks “whether the product was readily identifiable without the use of the mark.” *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010). In *Toyota Motors*, the defendants helped customers purchase used Lexus vehicles via their websites, buyorleaselexus.com and buy-a-lexus.com. *Id.* at 1180. The court found that the defendants needed to use the defendant’s mark because they specialized in used Lexuses. *Id.* at 1181. In reaching this conclusion, the court found that its “focus must be on the reasonably prudent consumer in the marketplace.” *Id.* at 1176 (internal quotes and citations omitted). The court looked at such facts as consumers’ experience with online

shopping (“Consumers who use the internet for shopping are generally quite sophisticated . . . and won’t be fooled into thinking that [Mercedes] sells boots at mercedesboots.com.”); the URL as the context for the trademark use; and the relationship between the different uses. *Id.* at 1178 (“The importance ascribed to trademark.com in fact suggests that far less confusion will result when a domain making nominative use of a trademark includes characters in addition to those making up the mark.”).

These inquiries are merely likelihood of confusion factors blended together in the nominative fair use test. Consumer experience is similar to the “Sophistication of consumers in the relevant market” stated by the Fourteenth Circuit.

Gardashyan, 1135 F.3d at 359. Context of the use is similar to “channels of trade” test. *Century 21 Real Estate Corp.*, F.3d at 224. “Relationship between the different uses” is similar to “the relationship of the goods in the minds of consumers because of the similarity of function.” *Id.* at 224. Subsuming all of these factors in the first prong of the nominative fair use test makes it more difficult for courts to systematically and fairly evaluate likelihood of consumer confusion.

The second nominative fair use prong asks whether “the defendant used more of the mark than necessary.” *Toyota*, 610 F.3d at 1175. This prong is a restatement of the “similarity of the marks” factor, one of the factors used by every circuit to analyze likelihood of confusion. *See infra*. In evaluating the second prong, the Third Circuit states, “Consideration should be given at this stage to the manner in which the mark is portrayed. For example, did the defendant use plaintiff’s distinctive

lettering when using the plaintiff's mark . . ." *Century 21 Real Estate Corp.*, 425 F.3d at 230. The Third Circuit is clearly comparing the defendant's use of the mark to the plaintiff's use of the mark; that is, the similarity of the two uses.

The third nominative fair use prong asks whether the "defendant falsely suggested he was sponsored or endorsed by the trademark holder." *Toyota Motors*, 610 F.3d at 1175. This prong restates the "intent of the defendant in adopting the mark," another factor considered by every circuit to analyze likelihood of confusion. *E.g., Rosetta Stone*, 676 F.3d at 155 (holding Google's knowledge that it would cause consumer confusion by allowing its AdWords customers to use trademarks they did not own as advertising keywords increased the likelihood of confusion). The third prong still focuses on the defendant's intent, but actually narrows the analysis by focusing only on the defendant's actions. The intent inquiry should also consider "the nature of the defendant's conduct and the accuracy of its use," as well as the purpose and extent of the use. *Century 21*, 425 F.3d at 248. Building on existing jurisprudence guides courts through the complete analysis; restating intent in a nominative fair use test deprives courts of instructive precedent.

- B. The nominative fair use analysis improperly focuses on the defendant's actions rather than the consumer's potential confusion.

The phrasing of the last two prongs of the test creates the false impression that the focus of the analysis is on the manner of the defendant's use and the intent behind the defendant's use. The defendant's manner of use and intent behind the use do not determine trademark infringement; properly framed, they are factors showing that consumers may be confused by the defendant's use. The nominative

fair use test obscures the true focus of a trademark inquiry: consumer confusion. The court should therefore reject nominative fair use as a doctrine and apply a multi-factor likelihood of confusion analysis instead.

- C. Arguments that a nominative fair use test protects artistic expression and free market competition ignores case law that resolves such questions with existing likelihood of confusion analyses.

Proponents argue that nominative fair use tests protect competition by allowing comparative advertising and protect free speech by allowing artistic creativity and parody. Dinwoodie, *Developing Defenses in Trademark Law*, 13 Lewis & Clark L. Rev. 99, 121 (2009). However, Professor Dinwoodie admits that “courts have often been able to vindicate many of these values within the prima facie cause of action.” *Id.* See also McCarthy on Trademarks §23.11 n.26 (listing cases from various circuits that resolve nominative use questions without a nominative fair use test). Indeed, the language of the Lanham act itself provides a basis for resolving many of the concerns raised by the Ninth Circuit’s nominative fair use factors in *New Kids*. Derek Westberg, *New Kids On The Block v. News America Publishing, Inc.: New Nominative Use Defense Increases The Likelihood Of Confusion Surrounding The Fair Use Defense To Trademark Infringement*, 24 Golden Gate U. L. Rev. 685. Where courts have not been able to resolve infringement claims on the basis of the statute’s language alone, they have applied a common law likelihood of confusion test. See, e.g. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2nd Cir. 1961). Nominative fair use replaces the likelihood of confusion test, but adds nothing to the existing body of law.

In *Prestonettes, Inc., v. Coty*, Justice Holmes resolved an unfair competition claim involving the nominative use of a trademark by applying general principles of trademark law. 264 U.S. 359 (1924). Prestonettes was purchasing Coty's toilet powders and repackaging them under its own label. *Id.* at 367. The label used Coty's trademark to indicate that the Coty was the source of the product, and that the product had been repackaged by the defendant. *Id.* This is clearly a nominative use: the defendant used the plaintiff's mark for the powder to refer to the plaintiff as the origin of the powder. *Id.* The court held that the use was fair: "A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his. . . . When the mark is used in such a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth." *Id.* at 368. The court was able to resolve the nominative use on trademark principles alone.

Free speech was the successful defense to Ginger Rogers' claim of trademark infringement in the use of her name. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (1989). The famous actress sued MGM for using her name in the title of the film *Ginger and Fred*. *Id.* at 996. The Second Circuit held that use of Rogers' name in the film's title was artistic expression and found for MGM on First Amendment grounds. *Id.* at 1001.

Interestingly, Judge Kozinski, author of the *New Kids* decision that created nominative fair use, followed this same First Amendment analysis in holding that the song "Barbie Girl" was not an infringement of Mattel's trademark for its Barbie

doll product. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (holding that Aqua’s use of the “Barbie” trademark was permissible as an artistic expression). This post-*New Kids* holding shows that courts can find grounds in existing case law for resolving trademark disputes over nominative references without resorting to the confusing nominative fair use test.

In light of Judge Kozinski’s analysis in *Mattel*, it is unsurprising that not all courts are persuaded that the Ninth Circuit’s nominative fair use doctrine adds anything to existing likelihood of confusion tests. *E.g.*, *PACCAR Inc. v. TeleScan Technologies, L.L.C.*, 319 F.3d 243, 255 (6th Cir.2003) *abrogated on other grounds* by *K.P. Permanent Make-Up*, 543 U.S. 111 (“This circuit has never followed the nominative fair use analysis, always having applied the *Frisch’s Restaurants* test.”); *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 155 (1st Cir. 2012) (“We hasten to add that we are not adopting a position about the viability of the nominative fair-use doctrine . . . [t]hat question has not been presented here.”); *Swarovski Aktiengesellschaft v. Building No. 19, Inc.*, 704 F.3d 44 (1st Cir.2013) (“We have recognized the ‘underlying principle’ of nominative fair use, but like other circuits, we have never endorsed any particular version of the doctrine.”).

In *PACCAR*, the court applied both its eight likelihood of confusion factors as well as the Ninth Circuit’s nominative fair use factors and came to the same result. *PACCAR*, 319 F.3d at 256 (“Even if we were to [apply nominative fair use], TeleScan’s use of PACCAR’s trademarks does not fall within the nominative fair use defense.”). Likewise, the Third Circuit found that the Ninth Circuit’s

nominative fair use test did not significantly improve upon its existing likelihood of confusion test. *Century 21 Real Estate Corp.*, 425 F.3d at 220 (“We do not accept the legal basis or advisability of supplanting the likelihood of confusion test entirely. We do not see nominative fair use as so different from classic fair use as to warrant such different treatment.”).

The court does not need to create a separate analysis to resolve the free speech and competition issues raised by Pattel’s use of Gardashyan’s trademark. Pattel’s Fashionista Bambi is not a movie, play, book, song, or other similar creative work deserving of protection as an artistic expression. *Rogers*, 875 F.2d at 997 (“Movies, plays, books, and songs are all indisputably works of artistic expression and deserve protection.”). Pattel does not use Gardashyan’s name to add wordplay, ambiguity, irony, or allusion to its product; Pattel’s reference to Gardashyan is a straightforward reference to her celebrity. There is no free speech issue here that would justify introducing a nominative fair use analysis.

Likewise, the court can resolve any unfair competition or comparative advertising claims Pattel might raise without a nominative fair use test. Existing multi-factor tests consider advertising, similarity of goods, proximity of goods, relationship of goods, and channels of trade or some combination of those factors. *Century 21 Real Estate Corp.*, 425 F.3d at 246-47; *see also Polaroid*, 287 F.2d at 495. Introducing a nominative fair use test would subsume thorough consideration of the relationship of the two products in a narrow, three-prong test focused specifically on use of the mark rather than likelihood of confusion.

III. ADOPTING NOMINATIVE FAIR USE AS AN AFFIRMATIVE DEFENSE VIOLATES THE LANHAM ACT AND CONFLICTS WITH THE EXISTING STATUTORY SCHEMA

This court held that requiring a defendant to disprove likelihood of confusion separately from the plaintiff's case-in-chief violates the Lanham Act. *KP Permanent Make-Up*, 543 U.S. at 124. Additionally, nominative fair use is absent from the defenses to infringement listed in section 1115 of the Lanham Act. 15 U.S.C. §1115(b) (Westlaw 2016).

- A. Nominative fair use as an affirmative defense violates the Lanham act by placing the burden of proof on the defendant.

As discussed above, nominative fair use tests likelihood of confusion. It does so by simply using different language from the traditional tests. Douglas L. Rogers, *Ending The Circuit Split Over Use Of A Competing Mark In Advertising--The Blackstone Code*, 5 J. Marshall Rev. Intell. Prop. L. 157, 188 (2006). This Court explicitly stated in *KP Permanent* that "the defendant has no independent burden to negate the likelihood of confusion." 543 U.S. at 124. Although the Court was referring to shifting the burden on the classic fair use defense, the same logic applies to nominative fair use as an affirmative defense. In a trademark infringement action, an affirmative defense only becomes relevant after the plaintiff has shown likelihood of confusion by a preponderance of the evidence. *Id.* at 120.

The defendant has the opportunity to rebut the plaintiff's evidence during the plaintiff's case-in-chief. *Id.* It would be an exercise in futility to allow the defendant to attempt again what he failed to do on the first try. *Id.* The court should extend its analysis from *KP Permanent* to nominative fair use and bar it as an affirmative

defense because it would improperly place the burden of rebutting likelihood of confusion on the defendant.

- B. Congress could have amended the trademark infringement section of the Lanham Act to include nominative use as an affirmative defense, but they did not do so.

Section 1115 of the Lanham Act lists the available defenses to a trademark action brought under §1114. 15 U.S.C. §1115(b) (Westlaw 2016). Nominative fair use is not listed. *Id.* However, nominative fair use is included in the defenses to trademark dilution claims. 15 U.S.C. 1125(c)(3)(a). The Third Circuit's controversial *Century 21* ruling was published in 2005. 425 F.3d 211. Congress adopted nominative fair use as an affirmative defense for trademark actions in 2006. 15 U.S.C. §1125(c)(3)(a) (Westlaw 2016). Congress could have amended §1115(b) to include the new affirmative defense at the same time, but they did not. “[W]here Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.” *Russello v. United States*, 464 U.S. 16, 23 (1983).

There is no basis for adding a judicially created defense that is not contained in the statute. *Rogers, supra* at 177 (“Federal courts do not have the authority to a federal statute that Congress chose to omit.”). This Court should not add words to a statute where Congress has deliberately chosen to not include them.

IV. ASSUMING A NOMINATIVE FAIR USE TEST IS ADOPTED, THE COURT SHOULD USE THE THIRD CIRCUIT'S FACTORS FROM CENTURY 21, AND COMBINE THEM WITH THE SECOND CIRCUIT'S POLAROID FACTORS TO COMPRISE AN 11 FACTOR LIKELIHOOD OF CONFUSION TEST.

- A. The court should use the nominative fair factors articulated by the Third Circuit in Century 21 because its stricter language clarifies issues that exist in the Second Circuit's test.

Nominative fair use, as it relates to a court considering whether a likelihood of confusion exists, is still a relatively recent doctrine for trademark infringement, and this court's jurisprudence on the matter is limited. *See* Michael B. Weitman, *Fair Use in Trademark in the Post-KP Permanent World: How Incorporating Principles From Copyright Law Will Lead to Less Confusion in Trademark Law*, 71 *Brook. L. Rev.* 1665, 1680 (2006) ("All of these cases following KP Permanent demonstrate the need for the Court of Congress to clarify the relationship between confusion and fair use in trademark law).

As mentioned above, the Ninth Circuit first developed the nominative fair use test in 1992 in *New Kids on the Block*, where it articulated the following three-factor test: (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. *New Kids on the Block*, 971 F.2d at 308.

The Ninth Circuit's articulation served as the only set of factors courts used for nominative fair use cases. However, in 2005 the Third Circuit appropriately re-

tooled the factors in *Century 21*. 425 F.3d at 232. The Third Circuit referred to the first factors as “confusing at best and incomplete at worst.” *Id.* at 229. This is because the 9th Circuit only looked at the necessity of the mark to describe the plaintiff’s product or service, instead of also examining the necessity of the mark to describe the defendant’s product or service. *Id.* The court aptly noted the importance of analyzing the *degree* of the necessity. This clarifies the Ninth Circuit’s factor and allows for a more fluid analysis, important in a fact-sensitive inquiry.

Further, the Third Circuit’s articulation of this factor stays true to the idea behind nominative fair use. The Ninth Circuit originally designed nominative fair use to fulfill a competitive need. *McCarthy* 23:11. Junior users needed to use the senior user’s mark to identify the plaintiff’s product or service because the junior users had no other way to refer to the plaintiff in the context of the *defendant’s product or services*. *New Kids*, 971 F.2d at 307-308. The court in *New Kids* cited previous examples of nominative fair use, before the doctrine had a name. *Id.* at 307. In each example, the junior user had to use the trademark to describe its product or service. *E.g.*, *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969) (automobile repair shop’s use of Volkswagen mark to identify its Volkswagen repair service not infringing); *WCVB-TV v. Boston Athletic Ass’n*, 926 F.2d 42, 46 (1st Cir. 1991) (television station’s use of “Boston Marathon” to describe its broadcast program not infringing); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir.

1968) (perfume company's use of Chanel mark in comparative advertising to its own product not infringing).

These examples make it clear that the Ninth Circuit intended for nominative fair use to examine the necessity of the defendant using the mark to describe its own products or services. Unfortunately, the Ninth Circuit's articulation does not explicitly capture this intention, since it focuses only on the necessity in reference to the plaintiff's product or service, allowing defendants to gratuitously use a plaintiff's mark and escape liability.

With respect to the second prong, the Third Circuit criticized the Ninth Circuit, pointing out that it again focused on necessity in reference to describe the plaintiff's product, which the court found to be redundant. *Century 21 Real Estate Corp.*, 425 F.3d at 230. Instead, the court found it more appropriate to examine whether the *amount* of the mark used by the defendant is appropriate. *Id.* This articulation is necessary to differentiate the first factor from the second factor, and avoid situations where satisfaction of the first prong automatically satisfies the second factor.

Regarding third factor, the *Century 21* court believed the Ninth Circuit's final factor was too narrow when it asked whether the user of the mark did anything that would suggest a sponsorship or endorsement by the holder of the trademark. *Id.* at 229-30. Its reasoning behind this criticism was that merely looking at affirmative acts performed by the user of the mark may not reflect situations where an endorsement relationship exists but the defendant's use goes beyond the scope of

that relationship. *Id.* The Third Circuit appropriately found it more indicative to ask if the conduct (including inaction) of the use of the mark reflects the true and accurate relationship between the plaintiff and defendant's products or services. *Id.* This could include the lack of a statement or action that would fairly explain the relationship between the two parties. *Id.* This broader approach to the third prong taken by the Third Circuit does a significantly better job by looking at the totality of the actions, including inaction, taken by the user of the mark.

Accordingly, the *Century 21* court clarified the three factors as such:

(1) Is the plaintiff's mark *necessary* to describe (1) plaintiff's product or service *and* (2) defendant's product or service?

(2) Is only so much of the plaintiff's mark used as is *necessary* to describe plaintiff's product or service?

(3) Does the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services?

Id. at 232 (emphasis added).

Overall, the *Century 21* court's tailoring of the Ninth Circuit's factors provides a more appropriate format to analyze nominative fair use for a number of reasons. First, it reflects the Ninth Circuit's original intent in developing nominative fair use. Second, it eliminates the confusion inherent in the Ninth Circuit's redundant wording when it comes to the first and second factors, ultimately allowing for two separate but important inquiries to take place. Lastly, it permits a court to examine any actions done by the user of a mark, including inactions, so that the use of the mark truly and accurately reflects the relationship between the plaintiff and defendant. Accordingly, this court should adopt the Third Circuit's factors for analyzing a claim of nominative fair use.

- B. The court should follow the Fourteenth Circuit's approach by using the test adopted by the Second Circuit in *Polaroid* because it includes factors common to most of the other circuits while also using potentially key factors that no other circuit uses.

In cases in which a party is claiming trademark infringement by the user of a mark, courts are to determine whether the unauthorized use of the mark was likely to create confusion among consumers, in what has come to be known as a 'likelihood of confusion' analysis. Over the years, most of the various Courts of Appeal have adopted their own factors to use when conducting this likelihood of confusion analysis.

While each circuit has formulated its test in its own unique way, there are two factors that the circuits are in complete agreement on: (1) similarity of the mark used; and (2) evidence of actual confusion. *Pignons S.A. De Mecanique De Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2nd Cir. 1961); *Century 21 Real Estate Corp.*, 425 F.3d 246-47.; *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 141, 153 (4th Cir. 2012); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 543(5th Cir. 1998).; *PACCAR, Inc. v. Telescan Technologies, LLC*, 319 F.3d 243, 249-50 (6th Cir. 2003).; *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

Apart from these consensus factors, there are two other factors that a majority, but not all, of the circuits who have created a likelihood of confusion test agree upon. The first is the overall strength of the mark. *Pignons*, 657 F.2d at 487.; *Polaroid*, 657 f.2D at 495.; *Century 21, Supra*, 246-47.; *Rosetta Stone Ltd.*, 676 F.3d at 153.; *PACCAR, Inc.*, 319 F.3d at 249-50.; *AMF Inc.*, 599 F.2d at 348-49. The other

is the sophistication possessed by the consumers in the market. *Pignons*, 657 F.2d at 487.; *Polaroid*, 657 f.2D at 495.; *Century 21, Supra*, 246-47.; *Rosetta Stone Ltd.*, 676 F.3d at 153.; *PACCAR, Inc.*, 319 F.3d at 249-50.; *AMF Inc.*, 599 F.2d at 348-49. After this, the various circuits tend to stray in the factors they apply as a part of their analysis.

While each circuit has its own test for conducting a likelihood of confusion analysis, this court should follow the Fourteenth Circuit's lead by adopting the Polaroid test used by the Second Circuit for multiple reasons. First, the 2nd Circuit's test includes similarity of the mark used and evidence of actual consumer confusion, two of the factors that are used by every circuit. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 115 (2nd Cir. 2009). It also includes overall strength of the mark used and the sophistication possessed by the consumers in the market, which are two of the factors used by a majority of the circuits. *Id.* More importantly, however, is the fact that the Polaroid test is the only test used by any of the circuits that includes an analysis of whether the unauthorized user of the mark did so with any aspect of bad faith. *Id.* While this certainly won't be found in all trademark infringement cases, to at least make an inquiry into whether or not there is evidence of bad faith on the part of the user is critical because in cases where bad faith does exist, it would certainly hold great weight as to whether a likelihood of confusion exists.

The Second Circuit uses the following eight factors as part of its likelihood of confusion test:

1. Strength of the trademark;
 2. Similarity of the marks;
 3. Proximity of the products and their competitiveness with one another;
 4. Evidence that the senior user may “bridge the gap” by developing a product for sale in the market of the alleged infringer’s product;
 5. Evidence of actual consumer confusion;
 6. Evidence that the imitative mark was adopted in bad faith;
 7. Respective quality of the products; and
 8. Sophistication of consumers in the relevant market
- Id.* at 115.

When it comes to actually conducting the likelihood of confusion analysis, no single factor is dispositive, and there are certain cases where some of the factors may be deemed irrelevant. *Int’l. Info. Sys. Sec. Cert. Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 160-61 (2nd Cir. 2016). The point of the analysis is to look at the totality of the circumstances surrounding the unauthorized use of the trademark and asking whether it is likely that consumers in the market would be confused. *Id.*

For the reasons stated above, this court should follow the Fourteenth Circuit’s approach by conducting a likelihood of confusion analysis using the Second Circuit’s Polaroid factors.

V. UNDER THE 11-FACTOR TEST OUTLINED BY THE 14TH CIRCUIT, GARDASHYAN HAS ESTABLISHED A LIKELIHOOD OF CONSUMER CONFUSION AS A RESULT OF PATTEL’S PRODUCT.

When it comes to actually conducting the likelihood of confusion analysis, no single factor is dispositive, and there are certain cases where some of the factors may be deemed irrelevant. *Int’l. Info. Sys. Sec. Cert. Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 160-61 (2nd Cir. 2016) (citing *Arrow Fastener Co. v. Stanley*

Works, 59 F.3d 384, 400 (2nd Cir. 1995)). The goal of the analysis is to look at the totality of the circumstances surrounding the unauthorized use of the trademark and to ask whether it is likely that consumers would be confused. *Id* at 160.

Here, a majority of the 11 factors weigh towards Gardashyan and a likelihood of confusion, including the similarity of the mark factor, which courts have deemed the most important factor. *E. g.*, *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 216 (3rd Cir. 2000); *See also* Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. L. Rev. 1581, 1600 (conducting an empirical study of over 300 cases in various circuits applying likelihood of confusion factors and concluding: "The similarity of the marks factor is by far the most influential."). This suggests that Gardashyan establishes likelihood of confusion with the traditional *Polaroid* factors alone, establishing her prima facie case in the event this court adopts the Third Circuit's two-step approach.

Additionally, two of the three nominative fair use factors favor Gardashyan. Therefore, in a scenario where this court adopts either the Third Circuit's two-step approach or the Ninth Circuit's replacement approach, Gardashyan still establishes likelihood of consumer confusion, and Pattel's defense fails.

Gardashyan concedes that four factors (evidence of actual confusion, evidence that Gardashyan may bridge the gap, quality of the defendant's product, and amount of mark used to describe the plaintiff) favor Pattel. However, these factors do not outweigh the strength of Gardashyan's case. *E.g.*, *Lois Sportswear, U.S.A.*,

Inc. v. Levi Strauss & Co., 799 F.2d 867, 875 (2nd Cir. 1986) (finding an absence of actual confusion, “while not helping [the plaintiff], does not really hurt its case.”).

Gardashyan’s Mark Is Strong Because It Relates To Her Immensely Popular Personal Brand And Has Developed Secondary Meaning.

Trademark strength is measured by its distinctiveness. *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2nd Cir. 1979) *overruled on other grounds* by *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033 (2nd Cir. 1992). Stronger marks identify the source of the product to a greater degree. *Id.* While marks can be classified into one of four categories—generic, descriptive, suggestive, or arbitrary—the ultimate determination is how well the mark identifies the origin of the product. *Id.* A mark that appears weak on its face may in fact be strong if it has acquired distinctiveness, known as secondary meaning, in the minds of consumers. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

Here, the portion of Plaintiff’s mark at issue is her name in a distinct block typeface. *Gardashyan*, 1135 F.3d at 356. While names as trademarks are typically descriptive marks and therefore relatively weak, Plaintiff’s mark has acquired a strong secondary meaning. As noted in the court below, Plaintiff is an international superstar who has sold millions of products associated with her mark. *Id.* Her presence on television and social media is widespread, resulting in a lucrative personal brand. *Id.* This distinct secondary meaning strengthens the mark. *Gruner + Jahr USA Pub., a Div. of Gruner + Jahr Printing and Pub. Co. v. Meredith Corp.*, 991 F.2d 1072, 1077 (2nd Cir. 1993) (affirming trial court’s conclusion of a mark

that had acquired a strong secondary meaning was therefore strong). Thus, Gardashyan's mark is strong.

The Similarity Between The Marks Is High Because Pattel Used The Most Pertinent Portion Of Gardashyan's Mark In The Context Of A Doll Resembling Gardashyan.

Marks that communicate a similar overall impression to consumers are more likely to cause confusion. *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70, 77 (2nd Cir. 1988). If the plaintiff's mark has multiple components, the more salient portion is given greater weight. *Sullivan v. CBS Corp.*, 385 F.3d 772, 777 (7th Cir. 2004). Gardashyan's mark has multiple components, but Pattel used her highly recognizable name, which is the most salient portion. While the products she sells that include her entire mark are extremely successful, Gardashyan's name itself is what creates the brand and strengthens her mark. As mentioned above, her name has acquired secondary meaning. Her tens of millions of fans who watch her show and follow her on social media do so because of her name, not the stylized CG contained in her mark.

Minor differences between the marks are irrelevant if the products at issue will not be sold side-by-side. *Id.* While Pattel did not use capital letters when using "Cammy Gardashyan" on its package, this is irrelevant. It is unlikely that Bambi dolls will be sold in the same aisle as Gardashyan's products bearing her mark, meaning when a consumer sees a portion of Gardashyan's mark on a Bambi doll package, that consumer will be unable to do a quick comparison of the two marks to

determine whether the marks are the same. Therefore, the minor differences between the two marks are inconsequential.

Moreover, the overall context in which the mark is used must be considered. *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 503 (2nd Cir. 1996) (finding less similarity when analyzing the marks “next to other identifying but dissimilar symbols.”). The defendant in *Hormel Foods* used the plaintiff’s mark in a parodic sense, resulting in the marks being used in clearly different contexts. *Id.* at 503-504. On the other hand, Pattel used the mark in the context of a doll modeled after Gardashyan. *Gardashyan*, 1135 F.3d at 356-357. The context contained no elements of parody or comparative advertising, and unlike the context in *Hormel Foods*, the context contained several similar symbols. *Id.* (noting the Fashionista doll “portrays Cammy Gardashyan’s similar style”). Therefore, when analyzed in context of the entire package, Pattel’s mark shared substantial similarities with Gardashyan’s mark.

The Proximity Between Gardashyan’s Products and The Fashionista Bambi Suggest Confusion As To Endorsement, Sponsorship, Or Affiliation.

Likelihood of confusion can be shown even when products are not in direct competition. *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 257-258 (2nd Cir. 1987). When products don’t directly compete, the correct inquiry is “whether the consuming public is likely to somehow associate [the two products].” *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1056 (9th Cir. 1999). Here, confusion as to source is relatively unlikely, since the Fashionista Bambi packaging replicates Pattel’s standard packaging and bears

Pattel's standard mark. *Gardashyan*, 1135 F.3d at 357. However, confusion as to endorsement, sponsorship, or affiliation is quite likely, because of the nature of Gardashyan's goods, as well as the strength of her mark and the strong similarity between her mark and Pattel's mark. *See Mobil Oil Corp.*, 818 F.2d 258 (“[C]ompetitive proximity must be measured with reference to the first two *Polaroid* factors.”). While Gardashyan's products do not directly compete with Bambi dolls, they attract the same customers, in terms of age group. *Gardashyan*, 1135 F.3d at 355, 356. Thus, this factor weighs in favor of Gardashyan.

Pattel Adopted Gardashyan's Mark In Bad Faith In An Attempt To Capitalize On Her Growing Notoriety.

Deliberate copying creates a presumption of likelihood of confusion. *Mobil Oil Corp.*, 818 F.2d at 258 (citing *Perfect Fit Industries v. Acme Quilting Co.*, 618 F.2d 950, 954 (2nd Cir. 1980)). Bad faith exists when a junior user “attempts to exploit the good will and reputation of a senior user by adopting the mark with the intent to sow confusion between the two companies' products.” *Star Industries, Inc. v. Bacardi & Co. Ltd.* 412 F.3d 373, 388 (2nd Cir. 2005).

Here, Defendant thought of Plaintiff when creating the design for the Fashionista Bambi. *Gardashyan*, 1135 F.3d at 357. While courts are not required to find bad faith based solely upon evidence of intentional copying, they often do when the marks share strong similarities. *Paddington Corp. v. Attiki Importers and Distributors, Inc.*, 996 F.2d 577, 587 (2nd Cir. 1993) (finding bad faith where copier “reference[d] the prior dress in establishing her design with the apparent aim of securing customers of the other based on confusion”). Defendant's bad faith should

be inferred here, because the company created the Fashionista Bambi after conducting market research and seeing the attention Plaintiff received from her wedding and modeled the doll based on Plaintiff's signature style. 1135 F.3d at 356. This, combined with the blatant use of Plaintiff's mark, gives rise of a likelihood of confusion through false endorsement and affiliation.

The Lack of Sophistication Amongst Purchasers Of Bambi Dolls Weighs In Gardashyan's Favor.

The threat of confusion is greater with less sophisticated consumers. *Paddington*, 996 F.2d at 587. When no direct evidence exists, consumer sophistication may be determined by the nature of the product. *Star Industries, Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 391. While Bambi dolls attract buyers interested in collectibles, they are merely toy dolls, requiring little sophistication when purchasing. *See CJ Products LLC v. Snuggly Plushez LLC*, 809 F.Supp.2d 127, 156 (E.D.N.Y. 2011) ("Purchasing inexpensive toys for children does not require any sophistication on the part of the buyer.").

Using Gardashyan's Mark Is Not Only Unnecessary To Describe The Fashionista Bambi Doll, But Also Gratuitous.

As explained above, this inquiry asks whether the defendant's use of the plaintiff's mark was actually necessary to describe both the plaintiff's product and the defendant's own product. *Century 21*, 425 F.3d at 229. While the defendant's use of the mark need not be indispensable, it cannot be gratuitous, and must "accurately describe what the defendant sells." *Id.* If the defendant's product is

relatively identifiable without use of the plaintiff's mark, then use of the mark is less likely to be non-confusing. *Id.*

Here, what Pattel sells is a toy doll with “fashionista” characteristics. *Gardashyan*, 1135 F.3d at 357. To make the doll more marketable, Pattel used a portion of Gardashyan's mark. *Id.* at 356-357. While use of the name “Cammy Gardashyan” is necessary under this factor to describe her, use of a portion of Gardashyan's *mark* is not. Pattel could have simply used Gardashyan's name in a font other than the font used in her trademark, so as not to confuse consumers into believing Gardashyan endorsed Pattel's product.

Additionally, Pattel's use of Gardashyan's mark is far from necessary to describe the Fashionista Bambi. The purpose of trademark law is to allow consumers to accurately identify the nature of goods before purchase, and to ensure that others do not capitalize on the goodwill of the markholder. *See* McCarthy, §2:31. Again, consumers know that the Fashionista Doll is sold by Pattel, since the doll itself and its packaging resemble general traits of Pattel products. *Gardashyan*, 1135 F.3d at 357. The word “Fashionista” easily identifies the specific Fashionista Bambi doll. But the addition of a portion of Gardashyan's mark is gratuitous and unnecessary to describe Pattel's product. Pattel is not selling a Cammy Gardashyan doll; it is selling a Bambi doll.

The Third Circuit stated in *G.D. Searle & Co. v. Hudson Pharmaceutical Corp.* that “[t]he Lanham Act does not compel a competitor to resort to a second-best communication [to describe its own product].” 715 F.2d 837, 842 n.12 (3rd Cir.

1983). While Pattel may argue that barring it from using Gardashyan's mark would force it to utilize a second-best communication, that is simply not accurate. Again, Pattel's product is a specific type of Bambi Doll. The use of Gardashyan's mark on the front cover of the packaging could be changed to "I say: I want to be a fashionista," which would describe Pattel's product in an equally accurate manner without using Gardashyan's mark and confusing consumers.

Pattel's Conduct In Using Gardashyan's Mark Does Not Reflect The True And Accurate Relationship Between The Two Parties And Pattel's Disclaimer Should Not Be Given Any Weight.

Misrepresentation by the defendant of the relationship between the plaintiff and the defendant's product defeats a claim of nominative fair use. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 908 (9th Cir. 2003) *overruled on other grounds by Toyota Motor*, 610 F.3d 1171 (9th Cir. 2010). In addition to scrutinizing the defendant's affirmative acts, courts also consider "the defendant's failure to state or explain some aspect of the relationship," *Century 21 Real Estate Corp.*, 425 F.3d at 231. If the defendant's acts or omissions are likely to confuse consumers "regarding affiliation, sponsorship, or endorsement by the mark holder," then infringement occurs. *International Information Systems Sec. Certification Consortium*, 823 F.3d at 169.

In this case, Pattel used Gardashyan's mark in a relatively large font on the front cover of the box. *Gardashyan*, 1135 F.3d at 357. Other markings on the box were standard messages similar to other Bambi doll boxes, with the exception of Gardashyan's mark. *Id.* Additionally, as mentioned, the doll "portrays Gardashyan's

signature style.” *Id.* Thus, a passing customer is more likely to notice the Gardashyan features of the box, because they are atypical of Pattel’s typical Bambi packing. That customer might mistakenly believe Gardashyan endorsed Pattel’s product. *Compare to Brother Records*, 318 F.3d at 908 (finding defendant’s use of plaintiff’s mark in larger font than rest of words on promotional materials suggested sponsorship or endorsement). Even disregarding the style of the doll, use of Gardashyan’s mark alone is sufficient to imply sponsorship or endorsement. *Allen v. National Video, Inc.*, 610 F.Supp. 612, 628-629 (S.D.N.Y. 1985) (finding a likelihood of confusion when defendant used plaintiff’s persona, because public “may be led to believe by the intentional reference to plaintiff that he is somehow involved in or approves of their product.”). While *Allen* is a false endorsement case as opposed to trademark infringement, the question was the same: Was the defendant’s conduct likely to imply plaintiff’s endorsement, thereby confusing consumers? *Id.* at 627. Here, Pattel attempted to capitalize off of the strength of Gardashyan’s mark and her vast legion of fans by suggesting Plaintiff sponsored Defendant’s doll.

Pattel’s use of a disclaimer provides little condolence for Gardashyan that consumers will not be confused. An infringing defendant bears a “heavy burden” to show the effectiveness of a disclaimer in alleviating confusion, because disclaimers have been proven ineffective in that regard. *Home Box Office, Inc. v. Showtime/The Movie Channel Inc.*, 832 F.2d 1311, 1316 (2nd Cir. 1987) (citing multiple academic studies and articles). The court in *Home Box Office* discussed a study finding that

negative disclaimers are particularly ineffective. *Id.* Pattel’s disclaimer reads: “Pattel, Inc. and Fashionista Bambi are *not* sponsored by or affiliated with Cammy Gardashyan,” *Gardashyan*, 1135 F.3d at 357 (emphasis added). This makes Pattel’s disclaimer a negative one, meaning it will be even less effective at remedying consumer confusion.

Inconspicuous location also negates disclaimer effectiveness. *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 551-552 (5th Cir. 1998), *abrogated on other grounds by TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 523 U.S. 23 (2001). This is particularly true if the disclaimer exists only on the packaging and thus fails to reach consumers beyond the point of sale. *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062, 1077-1078 (9th Cir. 2006). Pattel’s sole disclaimer is located on the back lower corner of the packaging in smaller font than other words on the box, effectively hidden from consumers while on display in stores. *Gardashyan*, 1135 F.3d at 357. When compared to the size and location of Gardashyan’s mark, it becomes apparent that consumers likely will not even see the disclaimer prior to purchase, thus giving it little remedial value. *August Stork K.G. v. Nabisco, Inc.*, 59 F.3d 616, 619 (7th Cir. 1995) (“[W]e make little of the disclaimer, which few consumers will read.”).

Additionally, there is no disclaimer on the doll itself. *Gardashyan*, 1135 F.3d 357. Thus, not only is Pattel’s disclaimer ineffective at the point of sale due to its hidden location, but it becomes useless once the consumer disposes of the packaging. *Compare to Au-Tomotive Gold*, 457 F.3d at 1077-1078 (“[s]horn of their

disclaimer-covered packaging, [defendant's] products display no indication visible to the general public that the items are not associated with [plaintiffs].”). Because the doll has a talking feature that uses Gardashyan’s mark, there is a likelihood that consumers other than the initial purchaser will mistakenly believe Gardashyan endorsed the doll. This results in post-sale confusion, which a trivial disclaimer located only on the packaging will not alleviate. Therefore, Pattel’s disclaimer does not shield the company from liability.

CONCLUSION

Nominative fair use is a muddled, judicially created doctrine that adds nothing but confusion to existing trademark infringement law. Courts often inevitably engage in a modified, less transparent likelihood of confusion analysis, further misleading trademark infringement litigants. Nominative fair use also incorrectly focuses on the defendant’s actions rather than consumer confusion. Additionally, other avenues already exist for defendants to protect artistic freedom and expression, such as parody and free speech.

Moreover, nominative fair use as an affirmative defense is inconsistent with the Lanham Act. First, it switches the burden of proof, which is in direct violation with this Court’s precedent interpreting the Lanham Act. Second, Congress has excluded nominative fair use as a statutory defense to infringement, while including it elsewhere in the Lanham Act.

Should this Court adopt nominative fair use, the correct articulation of the factors comes from the Third Circuit. Those factors give greater respect to the

original design of nominative fair use, and appropriately examine the full extent of the relationship between the plaintiff and the defendant. Because the necessary inquiry is likelihood of confusion, these factors should be included with the existing likelihood of confusion factors.

Upon application of the factors, Gardashyan has shown a likelihood of consumer confusion. Pattel unnecessarily used substantial portions of Gardashyan's strong mark while failing to accurately describe the relationship between the two parties.

Therefore, Gardashyan asks this Court to refuse to adopt a nominative fair use test. In the event of adoption, Gardashyan asks this Court to adopt the test as an aspect of likelihood of confusion, and not as an affirmative defense. The articulation of the factors should follow the Third Circuit's stricter and more precise wording. Lastly, Gardashyan asks this Court to instruct the lower court to enter judgment in her favor, as she has established a likelihood of consumer confusion.

Dated: October 21, 2016

Respectfully Submitted,

/s/ Team 112

Counsel for Respondent