
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
Cause No. 70593-2016*

BRIEF FOR RESPONDENT

Team 116
Counsel for Respondent

QUESTIONS PRESENTED

- 1(a). Did the Fourteenth Circuit—in direct conflict with the Sixth Circuit and in conflict with the principles of the Lanham Act—unnecessarily adopt a nominative fair use test when the likelihood of confusion analysis required by the statute has proven to adequately resolve nominative fair use issues?
- 1(b). And if not, is the Fourteenth Circuit correct to hold—in accord with the Second Circuit—that Congress did not authorize nominative fair use to be raised as an affirmative defense when express approval is omitted from the statute, and that a nominative fair use test must be used in conjunction with the required likelihood of confusion analysis?
2. Does the adoption of a test in which the nominative fair use factors become a part of the likelihood of confusion analysis, using the Third Circuit’s stricter language and the Second Circuit’s flexible application, result in a test that is consistent with both this Court and the Lanham Act?

PARTIES TO THE PROCEEDING

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 under review.

/s/ Team 116

COUNSEL FOR RESPONDENT
Cammy Gardashyan

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OPINIONS BELOW

The decision and order of the United States District Court for the Central District of Bel Air is unreported. The United States Court of Appeals for the Fourteenth Circuit reversed and remanded the order of the District Court, on the basis that the application of nominative fair use as an affirmative defense is flawed, and that the test adopted to analyze nominal fair use is improper. The opinion is reported as 1135 F.3d 355.

STATEMENT OF JURISDICTION

Pursuant to Rule 24(2) of the Rules of the Supreme Court of the United States, items required by subparagraph 1(b) need not be included by the respondent.

STATUTES AND CONSTITUTIONAL PROVISIONS

The following federal statute is relevant to the decision in this case:

15 U.S.C. § 1114

15 U.S.C. § 1115

15 U.S.C. § 1125

STATEMENT OF THE CASE

This case is an appeal by Pattel, Inc. (Pattel) from the decision of the United States Court of Appeals for the Fourteenth Circuit, which rejected the District Court's adoption of the more lenient nominative fair use language argued for by Pattel, and declared that nominative fair use should not be applied as an affirmative defense. *Gardashyan v. Pattel, Inc.*, 1135 F.3d 355, 360–61. This case initially arose after Pattel designed and released a doll that closely resembled Cammy Gardashyan's appearance, spoke her name at the push of a button, and included her name in large font on the front of the box. *Id.* at 357. Ms. Gardashyan filed a claim of trademark infringement against Pattel, to which Pattel responded by claiming the use was fair under the nominative fair use defense, and subsequently the District Court ruled in favor of Pattel. *Id.* at 357–58.

Cammy Gardashyan appealed to the United States Court of Appeals for the Fourteenth Circuit, which held that the District Court was incorrect to adopt the Third Circuit's application of nominative fair use as an affirmative defense because of the implicit intent of Congress to omit it from the Lanham Act. *Id.* at 362. The Fourteenth Circuit also concluded that the language used in the Ninth Circuit's test lacked clarity, and adopted an approach similar to that of the Second Circuit; thus, reversal and remand of the District Court's decision was proper. *Id.* at 363.

STATEMENT OF FACTS

Cammy Gardashyan’s lucrative brand. Cammy Gardashyan is an American reality personality with fans from ages five to one hundred years old. *Id.* at 356. She has become a household name, both nationwide and worldwide, and her personal brand has attracted millions of consumers. *Id.* Cammy Gardashyan is known for her long, black, straight hair, curvy figure, and signature style which includes an animal print top, a knee-length skirt, and shiny high-heeled shoes. *Id.*

CG CAMMY GARDASHYAN™ is a trademark owned by Ms. Gardashyan and is represented by a stylized “CG” and the words “CAMMY GARDASHYAN,” which appear underneath in capital letters and in standard, block typeface. *Id.* This mark is used to protect her lucrative personal brand, which has amassed total earnings of over fifty-million dollars from goods and services with the Gardashyan name and mark affixed. *Id.*

Events leading up to the infringement. Pattel, Inc., is a toy manufacturing company that produces a line of dolls called “Bambi Dolls,” which attract consumers in the same age range as Cammy Gardashyan’s products. *Id.* at 355. Pattel focuses on current market trends to enhance its yearly profits; after seeing Cammy Gardashyan’s explosion of fame in 2014, Pattel decided to create a doll that resembled Cammy Gardashyan to exploit this trend. *Id.*

The “just like Cammy Gardashyan” doll. The designers of the Fashionista Bambi doll took Cammy Gardashyan into consideration and created a doll with the same long, black, straight hair that she is known for, and dressed the doll in Cammy’s

signature style of animal print clothing, a knee-length skirt, and shiny high-heeled shoes. *Id.* at 357.

This look-alike doll comes in a box that uses the mark of “Cammy Gardashyan” twice in standard black, block, type face. *Id.* The box, along with the doll, contains a written and verbal statement that expresses a desire to be “just like Cammy Gardashyan.” *Id.* However, Pattel included a small 10-point font disclaimer on the lower back portion of the box indicating that the doll was not sponsored or affiliated with Ms. Gardashyan. *Id.* Since this doll’s release, Pattel has earned forty-five million dollars in profits off the doll alone. *Id.*

SUMMARY OF THE ARGUMENT

This Court should reverse the judgment of the Fourteenth Circuit Court of Appeals because the adoption of a nominative fair use test for a trademark infringement action was unnecessary, given that the Fourteenth Circuit already had an adequate test to conduct the analysis required by Congress. Prior to the creation of the nominative fair use test, courts consistently and accurately applied the likelihood of confusion analysis to nominative fair use issues, and even now after its creation, courts are still reluctant to adopt the test. Consequently, the adoption of an analysis beyond likelihood of confusion was unneeded and the likelihood of confusion analysis remains the best standard for determining trademark infringement under the Lanham Act.

For these reasons this Court should reverse the decision of the District Court and remand the case for proper analysis under the traditional likelihood of confusion test.

However, should this Court find the need to adopt such a test, the method used by the Second and Fourteenth Circuits is most appropriate. The Third Circuit's application of nominative fair use as an affirmative defense is improper because Congress has never given courts direct authority to do so, and applying the test in this manner results in an improper burden shift to the defendant that violates precedents of this Court. Moreover, the Ninth Circuit's total replacement of the likelihood of confusion test contradicts what is required by Congress in § 1114. Both approaches are flawed and should be rejected.

The likelihood of confusion test was created to be non-exhaustive and highly flexible, which allows its factors to be considered along with other factors without conflict. This creates the perfect framework for an all-in-one test where courts apply the traditional likelihood of confusion factors in conjunction with the nominative fair use factors. Accordingly, this is the approach that the Second and Fourteenth Circuits have adopted.

To encompass the full scope of a nominative fair use analysis, the strength of the language used for each factor must be succinct and clear. The Third Circuit, while incorrectly applying the test as an affirmative defense, has refined the Ninth Circuit's test to be more precise by condensing the first factor to include an inquiry into both the plaintiff and defendant, and adds clarity to the analysis by broadening the scope on not only what the defendant has done, but failed to do as well. The Second Circuit mirrors this analysis, and thus the Fourteenth Circuit is correct to require lower courts to apply a nominative fair use test with language similar to that of the Second and Third Circuits.

If this Court, however, decides that an additional analysis beyond likelihood of confusion is necessary, then this Court should affirm the decision of the Court of Appeals for the Fourteenth Circuit.

ARGUMENT

I. There is no need for a nominative fair use test because the likelihood of confusion analysis is the cornerstone of trademark infringement under § 1114 of the Lanham Act, and is capable of fairly assessing whether the nominative use of the plaintiff's mark is non-infringing.

In 1946, Congress enacted the Lanham Act to protect the owner of a registered mark against another's use of the mark when such use is likely to cause consumer confusion as to the source or origin of the goods or services. H.R. REP. NO. 109–23, at 1 (2006), *as reprinted in* 2006 U.S.C.C.A.N. 1091, 1091. Trademark rights originated under the common law, but Congress codified them to provide federal trademark protection. Courtenay B. Allen, *Holiday Inns, Inc. v. 800 Reservation, Inc.: Defining Use of A Mark and the Source of Confusion in Trademark Infringement*, 49 Baylor L. Rev. 847, 847–48 (1997). Both under the Lanham Act and the common law, the linchpin of trademark infringement is the likelihood of confusion among consumers regarding the source of goods or services. *See Soc'y of Fin. Exam'rs v. Nat'l Ass'n of Certified Fraud Exam'rs Inc.*, 41 F.3d 223, 224 (5th Cir. 1995).

Under the Lanham Act, to establish a showing of trademark infringement, a trademark holder must prove the following: (1) a valid and legally protectable trademark; (2) ownership of the trademark; and (3) that the defendant used the plaintiff's mark, or similar mark, in commerce in a manner that is likely to cause confusion. *Opticians Ass'n of Am. V. Indep. Opticians of Am.*, 920 F.2d 184, 192 (3d Cir. 1990). The Lanham Act explicitly requires a determination of whether the mark is “likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1)(b)

(2005). The Act also provides a defense for valid use of another’s trademark without their consent, called “descriptive fair use.” 15 U.S.C. § 1115(b)(4) (2002).

The courts have recognized two distinct, but related, doctrines of fair use: classic fair use and nominative fair use. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002). Classic fair use, also referred to as descriptive use, is the statutory affirmative defense created by the Lanham Act where “a defendant has used the plaintiff’s mark to describe the defendant’s *own* product.” *Id.* at 1151; *see also* 15 U.S.C § 1114 (2005). Nominative fair use, a judicially created doctrine that is recognized by a minority of circuits, occurs when the defendant uses the plaintiff’s mark to identify “not the defendant’s goods or services, but the plaintiff’s goods or services.” 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:11 (4th ed. 2016).

A. *New Kids on the Block*, the source of the nominative fair use test, highlights the fact that such a test is not necessary because it justified the test’s creation based on nominative fair use cases where the courts relied exclusively upon a likelihood of confusion standard.

This Court held in *Two Pesos, Inc. v. Taco Cabana, Inc.*, that the Lanham Act’s requirement for proof of “likelihood of confusion” in trademark infringement actions is undisputed. 505 U.S. 763, 769 (1992). In *New Kids on the Block*, the Ninth Circuit decided to abandon the likelihood of confusion analysis for a nominative fair use test, in direct conflict with this Court’s holding in *Two Pesos*. *See New Kids on the Block*, 971 F.2d 302, 308 (9th Cir. 1992). In *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, the Third Circuit determined that the Ninth Circuit’s abandonment of the likelihood of confusion analysis was incorrect because “the very language of the

Lanham Act leads us to conclude that likelihood of confusion is an essential indicator of whether or not trademark infringement has occurred.” 425 F.3d 211, 221 (3rd Cir. 2005). However, in *Playboy Enterprises, Inc. v. Welles*, the Ninth Circuit clarified that the nominative fair use test would in-fact *replace* the likelihood of confusion analysis. 279 F.3d 796, 801 (2002).

In *New Kids on the Block*, the Ninth Circuit expressed the need to establish a nominative fair use test in lieu of the likelihood of confusion analysis. 971 F.2d at 308. The court reasoned that sometimes there are no other alternatives to describe the plaintiff’s product other than to use the plaintiff’s mark. *Id.* Thus, it concluded that nominative fair use is permissible “where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.” *Id.* at 308. However, the Ninth Circuit failed to address *why* the issue of nominative use could not be resolved using the traditional multi-factor likelihood of confusion analysis.

In *New Kids on the Block*, the court cited multiple cases which involved a nominative fair use, but none of the cases applied a separate nominative fair use test to resolve the trademark infringement claims. *Id.*; *See Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); *WCVB-TV v. Boston Athletic Ass’n*, 926 F.2d 42 (1st Cir. 1992); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968). In *Church*, an automobile repair shop specializing in repairing Volkswagens used the plaintiff’s mark of “Volkswagen” and “VW” in an advertisement to signify the type of cars he repaired. 411 F.2d at 351. The court

reasoned that Church did not suggest that he was a part of Volkswagen or that the company sponsored his repair shop. Thus, it concluded that Volkswagen could not prevent Church from using its mark because there was no implication of source confusion. *Id.* at 352.

Similarly, in *Boston Athletic*, WCVB-TV used the words “Boston Marathon” to describe the event that Channel 5 was broadcasting. 926 F.2d at 44. The Boston Athletic Association sued the television channel, contending that such use violated federal trademark law. *Id.* There, as in *Church*, the defendant used the plaintiff’s mark to describe the plaintiff’s product, which the Ninth Circuit determined to be nominative fair use. *Id.* at 46; *Church*, 411 F.2d at 352. However, in *Boston Athletic*, without applying a separate nominative fair use test, the First Circuit reasoned that there was no trademark infringement because there was an insufficient likelihood of confusion among consumers. 926 F.2d at 46.

In each of the nominative fair use cases cited by the Ninth Circuit in *New Kids on the Block*, to support the need for a separate nominative fair use test, the courts accurately analyzed the trademark infringement claims under the likelihood of confusion analysis without resorting to a nominative fair use test. *Boston Athletic*, 926 F.2d 42; *Church*, 411 F.2d 350. By providing examples of how nominative fair use cases can be resolved under the traditional likelihood of confusion analysis, and yet not elaborating *why* a new test was needed, the Ninth Circuit erroneously established an unnecessary doctrine in trademark law. Derek J. 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, 709 (1994) [hereinafter *Westberg*]. Therefore, *New Kids on the Block* highlights the reality that the nominative fair use test is an unnecessary alternative to trademark infringement claims.

B. The Sixth Circuit rejected, and other circuits have declined to adopt, the nominative fair use test even in trademark infringement claims where a defendant used the plaintiff's mark in reference to the plaintiff's goods or services.

In contrast to the Ninth Circuit, the Sixth Circuit in *PACCAR, Inc. v. Telescan Technologies, L.L.C.*, correctly construed the plain language of the Lanham Act and followed the precedent established by this Court. *See generally* 319 F.3d 243 (6th Cir. 2003). In *PACCAR Inc.*, the court declined to adopt the nominative fair use test, and instead applied the traditional eight factors of the likelihood of confusion analysis when the defendant used the plaintiff's mark in its domain name to describe the plaintiff's product. *Id.* at 545. After analyzing the factors, the court held that there was trademark infringement because the defendant's use of the plaintiff's mark created a likelihood of confusion. *Id.* The Sixth Circuit's decision, therefore, indicates that the nominative fair use test is not necessary in determining the key element of trademark infringement under the Lanham Act—likelihood of confusion.

Other courts have also concluded, without rejecting or adopting the nominative fair use test, that the application of the traditional likelihood of confusion test should remain unaltered. *See e.g., Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 155 (4th Cir. 2012); *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Ctr., Inc.*, No. 1:07cv457, 2007 U.S. Dist. LEXIS 86651 (S.D. Ohio, Nov. 26, 2007). Moreover, even

the Ninth Circuit, which created this replacement doctrine, has later suggested that it is not always clear whether to apply the nominative fair use analysis. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 903 (9th Cir. 2003).

The Ninth Circuit's lack of clarity demonstrates that such a doctrine could be applied inconsistently, and that courts would be better served to focus on the well-established statutory grounds of the Lanham Act instead of attempting to apply an entirely separate approach. Focusing on whether the use of the mark is likely to cause confusion is sufficient to determine whether infringement has occurred. The purpose of the test is not to justify the defendant's use of the plaintiff's mark, but rather to see if consumers will likely be confused. *KP Permanent Make-Up v. Lasting Impression I, Inc.*, 543 U.S. 111, 117–19 (2004). Thus, if the touchstone of trademark infringement—likelihood of confusion—has not been established, then another separate legal analysis or defense becomes irrelevant.

II. Congress did not authorize the creation of an affirmative defense in the case of nominative use, and by switching the burden from the plaintiff to the defendant, such development contradicts both this Court and the Lanham Act directly.

The Lanham Act provides an assortment of affirmative defenses for trademark infringement claims when likelihood of confusion has been found; although, an affirmative defense of nominative fair use is not included. Despite this, in *Century 21*, the Third Circuit erroneously treated nominative fair use as an affirmative defense to a claim of trademark infringement, becoming the first federal appellate court to adopt this approach. *Century 21*, 425 F.3d at 220–22. However, as explained

below, such an application is repugnant to the Lanham Act, this Court, and other circuit court of appeals.

A. Courts lack the authority to apply nominative fair use as an affirmative defense when Congress intentionally opts to exclude the availability of such a defense under § 1115(b) of the Lanham Act.

In *Russello v. United States*, this Court held that “where 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.” 462 U.S. 16, 23 (1983); *see also United States v. Naftalin*, 441 U.S. 768, 773–74 (1979) (applying this same concept of statutory construction). In determining whether a court has the authority to adopt a new test—other than the likelihood of confusion analysis explicitly stated in the Lanham Act—this Court has held that statutory construction begins “with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose.” *Park ‘N Fly, Inc., v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985). Here, the purpose of the Act is to prohibit the unauthorized use in commerce of registered trademarks when there is a likelihood of confusion. *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 305 (9th Cir. 1992).

The Lanham Act fails to recognize nominative fair use as an affirmative defense in trademark infringement claims. The doctrine, however, *is* stated in another section of the Act—Trademark Dilution. 15 U.S.C. § 1125(a) (2006). Moreover, Congress expressly provided the affirmative defense of classic, or

descriptive, fair use in the Act where the defendant used the plaintiff's mark only to describe the defendant's own goods or services. 15 U.S.C. § 1115(b)(4) (2002). The language of the Lanham Act is unambiguous, and Congress unmistakably expresses an intent that whether "such use is likely to cause confusion" is the center of any infringement action. *Daddy's Junky Music Stores, Inc., v. Big Daddy's Family Music Center*, 109 F.3d 275, 280 (1997) ("the touchstone of liability under § 1114 is whether the defendants use of the disputed mark is likely to cause confusion among consumers regarding the origin of the good offered by the parties.").

The Second Circuit in *International Information Systems v. Security University, LLC* correctly held that "[i]f congress ... wanted nominative fair use to constitute an affirmative defense, it would have provided as such." 823 F.3d 153, 167 (2d Cir. 2016). Both trademark infringement and trademark dilution are set forth in a single Act, and therefore this Court, pursuant to *Russello*, should hold that federal courts do not have the authority to create provisions that Congress expressly chose to omit. *See, e.g., Root v. New Liberty Hosp. Dist.*, 209 F.3d 1068, 1070 (8th Cir. 2000) ("courts are obligated to refrain from embellishing statutes by inserting language that congress has opted to omit."). Until Congress amends the Lanham Act to reflect the nominative fair use doctrine, this Court should not allow the use of the nominative fair use defense in trademark infringement claims.

B. Applying nominative fair use as an affirmative defense directly contradicts this Court’s holding in *KP Permanent Make-Up* by impermissibly placing the burden to negate confusion on the defendant, resulting in a judicially unmanageable analysis.

The Third Circuit, in allowing nominative fair use as an affirmative defense, requires the defendant to address factors that are essentially a confusion substitute, which contradicts binding precedent from this Court. *KP Permanent Make-Up v. Lasting Impression I, Inc.*, 543 U.S. 111, 117 (2004). In *KP Permanent Make-Up*, a case which dealt with classic fair use, this Court held that the defendant does not have a burden to negate a likelihood of confusion. *Id.* at 125. However, in *Century 21*, the Third Circuit adopted the Ninth Circuit’s nominative fair use test, but applied it as an affirmative defense, first requiring the plaintiff to prove a likelihood of confusion. 425 F.3d 221, 222 (3rd. Cir. 2005). Under the Third Circuit’s test, if the plaintiff proves a likelihood of confusion, the burden shifts to the defendant to show nominative fair use. *Id.* If the defendant is successful in showing nominative fair use, the defendant prevails regardless of a finding of a likelihood of confusion. *Id.* at 237. This approach impermissibly shifts the burden of negating confusion to the defendant.

The Ninth Circuit itself has stated that the “nominative fair use analysis replaces the likelihood of confusion analysis.” *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002). Essentially, a claim of nominative fair use is a claim that such use is not infringing, in other words, it creates no likelihood of confusion. *Pebble Beach Co. v. Tour 18 I, Ltd.*, 155 F.3d 526, 545 (5th Cir. 1998). Under the Third Circuit’s nominative fair use analysis, the defendant must show that: (1) the

plaintiff's mark is necessary to describe the product of both plaintiff and defendant; (2) the defendant uses no more of the mark than is necessary; and (3) the defendant's conduct reflects the accurate and true relationship between the parties. *Century 21*, 425 F.3d at 222.

However, the nominative fair use approach has been criticized by courts and commentators alike. In *National Federation of Blind, Inc. v. Loompanics Enterprises, Inc.*, the Maryland court stated that the first two prongs of the nominative fair use test are simply a restatement of two general principles of trademark law: (1) a secondary user is permitted to use another's mark if it is merely intended to refer to the holder of the mark; and (2) such use is permissible if there is no likelihood of confusion. 936 F. Supp. 1232, 1241 (D. Md. 1996). Furthermore, the second prong appears to arise from the concern that "confusion as to affiliation may result if the defendant's use of the plaintiff's mark exceeds its legitimate referential purpose." *Id.* Similarly, one commentator has stated that the nominative fair use test clouds the issue regarding who carries the burden to prove or disprove confusion. *Westberg* at 709.

Moreover, Judge Fisher accurately explained how the affirmative defense of nominative fair use has "analyzed elements of likelihood of confusion," and thus "improperly switched the burden of proof to the defendant." *Century 21*, 425 F.3d at 223 (Fisher, J., dissenting). Judge Fisher stated that the defense addressed the following factors: the purpose in using the mark, the prominence of the use, and whether the use accurately describes the relationship between plaintiff and

defendant's products or services. Fisher concluded that all of these factors were relevant to the main question of whether confusion was likely. *Id.* at 248–50.

Perhaps the most damaging argument against using nominative fair use as an affirmative defense is this court's decision in *Prestonettes, Inc., v. Coty*. 264 U.S. 359 (1924). In *Prestonettes*, which the Third Circuit later noted was “clearly a nominative use case,” is the first example of a case where this Court resolved a nominative fair use issue without resorting to a separate nominative fair use test. *See generally id.*; *Century 21*, 425 F.3d at 237 (Fisher, J., dissenting). There, the defendant sought to supplement and repackage the plaintiff's product and use the plaintiff's mark to refer to the repackaged goods. *Prestonettes*, 264 U.S. at 367. This Court ultimately permitted such use and held that “when the mark is used in 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 (citing *Delaware & Hudson Canal Co. v. Clark*, 80 U.S. 311 (1871)). However, more importantly, the Court did not require the defendant to justify the use nor place upon the defendant a burden to negate confusion, or put forth an affirmative defense. *See id.*

The affirmative defense of nominative fair use is nothing more than an improper inquiry into a likelihood of confusion analysis. If this Court allows for nominative fair use to be used as an affirmative defense, it would contradict the very holding in *Prestonettes*. Furthermore, to place a burden on the defendant to negate a finding of confusion—a burden that only the plaintiff should shoulder—directly

conflicts with this Court’s holding in *KP Permanent Make-Up* that the defendant never bears the burden to negate confusion. 543 U.S. 111, 125 (2004).

The Third Circuit’s bifurcated analysis, where the plaintiff must show a likelihood of confusion before the defendant may raise an affirmative defense of nominative fair use, is judicially unmanageable because it unnecessarily requires courts to address the same evidence twice. As Judge Fisher stated in *Century 21*, the majority’s nominative fair use test is a rehashing of the likelihood of confusion factors, “specifically whether the use is with the intent to confuse due to a presence or lack of good-faith purpose, prominence, and truthfulness.” 425 F.3d 211, 241 (3rd Cir. 2005) (Fisher, J., dissenting). The Third Circuit’s approach essentially requires both parties to address the traditional likelihood of confusion factors—the plaintiff must prove confusion and the defendant must affirmatively disprove confusion. This method is not permitted under the precedent of this Court in *KP Permanent Make-Up* or the Lanham Act.

Petitioner may conclude that without an affirmative defense, a defendant will be prejudiced by not being able to undercut a plaintiff’s evidence for proving confusion. This reasoning is flawed because this Court has held that a defendant can offer rebutting evidence against what the plaintiff has presented in a likelihood of confusion analysis. *KP Permanent Make-Up*, 543 U.S. at 120. Furthermore, as in any case where the burden lies solely on the plaintiff, all a defendant must do is leave the factfinder unpersuaded as to whether the plaintiff has met the burden on the issue. *Id.*

III. The likelihood of confusion analysis clearly fosters a flexible and comprehensive approach that embraces the inclusion of the nominative fair use factors, which maintains the burden remaining solely on the plaintiff, consistent with this Court in *KP Permanent Make-Up*.

The bifurcated approach used by the Third Circuit to deal with nominative fair use infringement is improper and would be much better served by being a part of the likelihood of confusion inquiry. The Second, Third, and Fourteenth Circuits are correct in beginning their analysis with the likelihood of confusion inquiry, as is required by the Statute and this Court. *See* 15 U.S.C. § 1114(1)(b) (2005). However, instead of creating a separate test or using it as an affirmative defense, the nominative use inquiry merely needs to become a part of the likelihood of confusion analysis. The many different multi-factor tests used by courts carry a great degree of flexibility, and the factors are not applied mechanically, which promotes the idea that nominative use factors can be considered in such a test. *See Dr. Suess Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404 (9th Cir. 1997); *Pebble Beach Co. v. Tour 18 I, Ltd.*, 155 F.3d 526, 543 (5th Cir. 1998).

A. Assessing nominative fair use in an all-in-one test, like the Second Circuit does, is appropriate because the traditional likelihood of confusion analysis is inherently non-exhaustive, and its factors are flexible and not applied mechanically.

The Fourteenth Circuit has adopted the same likelihood of confusion test as the Second Circuit, otherwise known as the *Polaroid* test. *Gardashyan v. Pattel, Inc.*, 1135 F.3d 355, 359 (14th Cir. 2016). The *Polaroid* test is an eight-factor test analyzing:

(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.

Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 115 (2d Cir. 2009); *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). Similarly, The First and Sixth Circuit have also adopted an eight-factor test. *See Star Fin. Servs., Inc. v. Aastar Mortgage Corp.*, 89 F.3d 5, 10 (1st Cir. 1996); *WCVB-TV v. Boston Athletic Ass'n*, 867 F.2d 42, 29 (1st Cir. 1992); *Frisch's Rest., Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982). Other circuits have adopted different multi-factor tests to determine if likelihood of confusion exists, but overall these tests are essentially the same. *See generally Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221 (5th Cir. 2009) (citing eight factors); *Roederer v. J. Garcia Carrion, S.A.*, 569 F.3d 855, 860 (8th Cir. 2009) (citing six factors); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979). These multi-factor tests used in assessing likelihood of confusion are "not intended to be either all-encompassing or exclusive." *International Ass'n of Machinists and Aerospace Workers, AFL-CIO v. Winship Green Nursing Center*, 103 F.3d 196, 201 (1st Cir. 1996). Certain factors may also not always be relevant or apply in each case. *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 43 (1st Cir. 1998) ("The factors are non-exclusive, however, and are not always apt to the particular facts of a case."). The Ninth Circuit noted in *Eclipse Associates Ltd. v. Data General Corp.* that it has never expressly held that a district

court must use and apply each specific factor. 894 F.2d 1114, 1118 (9th Cir. 1990). However, some circuits have held that each factor must be considered, but allows for any factor that is inapplicable to the current case to be given no weight if an explanation is given. *See e.g., Daddy's Junky Music Stores, Inc., v. Big Daddy's Family Music Center*, 109 F.3d 280, 280 (6th Cir. 1997); *see also Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 400 (2d Cir. 1995) (“incumbent upon the district judge to engage in a deliberate review of each factor, and, if a factor is inapplicable to each case, to explain why.”).

In addition, the likelihood of confusion test is non-exhaustive, and courts may add other factors deemed relevant in analyzing likelihood of confusion. *See Morningside Grp. Ltd. v. Morningside Capital Grp., L.L.C.*, 182 F.3d 133, 139 (2d Cir. 1999); *Brookfield Commc'ns., Inc. v. W. Coast Entm't. Corp.*, 174 F.3d 1036, 1053 (9th Cir. 1999) (“non-listed variables may often be quite important”). The Second Circuit expressly stated that “other factors may be added or initial factors abandoned.” *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 743 (2d Cir. 1998). By allowing such freedom in flexibility, and not requiring that the test be applied mechanically, courts are able to analyze the use of the mark in the context of each case and determine “whether [the] use in its entirety creates a likelihood of confusion.” *Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316, 319 (4th Cir. 1992).

The precedents set forth above are essential in reasoning why the nominative fair use factors should be encompassed in the traditional likelihood of confusion test. Certain circuits have been hesitant to apply the likelihood of confusion test for a

nominative use issued because certain factors may cause problems, but this concern is misplaced when a court is allowed the flexibility to give any factor little weight with a mere explanation as to the decision. In *Century 21* the Third Circuit stated that certain factors would always result in a likelihood of confusion, however, this could be resolved by giving such factor no weight after considering the case in its entirety. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 224 (3rd Cir. 2005). In theory, no single factor of the likelihood of confusion test should be reason alone for not applying the test. Certain factors may be irrelevant, and others may be given no weight, but overall the court has discretion to apply this test flexibly.

As previously noted, not all circuits follow similar tests, many vary the number of factors considered. Because this is a non-exhaustive test, a court has the authority to use fewer factors, as applied in the Tenth Circuit, or use more, as shown in the Fourth Circuit. *Vail Assocs., Inc. v. Vend-Tel-Co., Ltd.*, 516 F.3d 853, 863 (10th Cir. 2008); *Perini Corp. v. Perini Const., Inc.*, 915 F.2d 121, 127 (4th Cir. 1990) (citing eight factors and noting that the list is neither exhaustive nor exclusive).

In a nominative fair use case, like here, un-listed factors for a nominative fair use inquiry may be considered. This approach is simpler than the Third Circuit's bifurcated approach because the test now includes both the nominative fair use and likelihood of confusion factors in all-in-one approach. Thus, a middle ground is reached that keeps the traditional likelihood of confusion factors that the Sixth Circuit is adamant about retaining, yet also satisfies other circuits that want nominative fair use factors considered as well. *See, e.g., PACCAR, Inc. v. Telescan*

Technologies, L.L.C., 319 F.3d 243, 243 (6th Cir. 2003). The approach adopted by the Second and Fourteenth Circuits accommodates the concerns of the circuits, catering to the interests that each circuit has expressed.

B. Applying the nominative fair use factors, in conjunction with the likelihood of confusion factors, eliminates the burden shift caused by an affirmative defense, and upholds the plaintiff's burden of proving confusion.

Having the nominative fair use factors combined with the likelihood of confusion analysis provides an approach consistent with this Court's holding in *KP Permanent*. There, this court held that the defendant never has the burden to negate a likelihood of confusion. *KP Permanent Make-Up v. Lasting Impression I, Inc.*, 543 U.S. 111, 125 (2004). To follow this Court's holding, the burden to prove a likelihood of confusion must always remain on the plaintiff. In *Century 21*, Judge Fisher explained that nominative fair use is merely an inquiry into a likelihood of confusion analysis. 425 F.3d 211, 233 (3rd Cir. 2005) (Fisher, J., dissenting). By having the nominative fair use factors be a part of the likelihood of confusion analysis, courts will be better able to keep the burden on the plaintiff. Thus, this Court should follow Fisher's recommendation that the traditional likelihood of confusion factors should be combined with the majority's nominative fair use factors. See *id.*

For example, the Second Circuit has now followed the framework that Judge Fisher articulated in *Century 21*. See generally *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153 (2d Cir. 2016). There, the defendants used the plaintiff's certification mark to reference the plaintiff's service. *Id.* at 156–57. However, instead of replacing the likelihood of confusion analysis

altogether, or using nominative fair use as an affirmative defense, the court established a test where the nominative fair use test became of a part of the likelihood of confusion analysis. *Id.* at 168. Finding that it will be more helpful, the Second Circuit held that “district courts are to consider the Ninth Circuit and Third Circuit’s nominative fair use factors, in addition to the *Polaroid* factors.” *Id.* The court also provided that other factors may be considered where relevant. *Id.* at n.6. Such a test avoids the uncertainty of who bears the burden to show or disprove a likelihood of confusion. Therefore, this combination approach, as the Second Circuit has articulated, is consistent with this court’s holding in *KP Permanent Make-Up*.

As in any trademark infringement case, the defendant remains free to put on arguments and evidence to rebut those put forth by the plaintiffs. *KP Permanent Make-Up*, 543 U.S. at 549. Additionally, as the Fourteenth Circuit noted as a response to the objection that a defendant will have no way of undercutting a charge of infringement, a defendant merely needs to “leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point.” *Id.* at 545. Therefore, if this Court decides to adopt a nominative fair use test, the test should become a part of the likelihood of confusion analysis.

IV. Adopting a nominative fair use test may be needed to resolve the ongoing circuit split between the courts, and shall provide a uniform resolution of nominative fair use issues, until Congress decides to amend the Lanham Act.

This Court has not addressed the issue of nominative fair use as a defense to trademark infringement actions. The Second, Third, and Ninth Circuits are currently split concerning how to articulate and apply the test. *See generally Int’l*

Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC, 823 F.3d 153 (2d Cir. 2016); *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211 (3rd Cir. 2005); *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302 (9th Cir. 1992). Each circuit recognizes a three-prong test for nominative fair use, however, the language and application of such test differs radically. *See generally id.* Assuming that this Court adopts a nominative fair use test, it should resemble the language of the Third Circuit, which adds a level of precision and clarity to the language of the test. Additionally, in its application, the test should not replace the likelihood of confusion analysis, nor should it be used as an affirmative defense because both of these routes, which are used by the Ninth and Third Circuit respectively, conflict with the Lanham Act, as previously mentioned. The Second Circuit's application of the nominative fair use test, however, is correct because it conforms with congressional intent, and creates an all-in-one test that combines the non-exclusive likelihood of confusion factors with the newly articulated nominative fair use factors.

A. In creating the original nominative fair use test, the Ninth Circuit violated the Lanham Act by replacing the likelihood of confusion test entirely, and phrased its factors in a manner that affords the defendant too much leniency.

The Ninth Circuit created the nominative fair use test in *New Kids on the Block v. News America Publish, Inc.* 971 F.2d 304, 308 (9th Cir. 1992). There, two newspapers, *USA Today* and *The Star*, which conducted polls that asked readers to vote for the popularity of the various members of the band, New Kids on the Block. *Id.* at 304. The band sued the newspapers, alleging trademark infringement, because the polls included the marks of NEW KIDS and NEW KIDS ON THE BLOCK. *Id.*

The Ninth Circuit held that when a defendant uses a plaintiff's trademark to identify the plaintiff's product, the defendant is entitled to a nominative fair use defense upon meeting the following requirements: (1) "the product or service in question must be one not readily identifiable without the use of the trademark"; (2) "only so much of the mark or marks may be used as is reasonably necessary to identify the product or service"; and (3) "the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." *Id.*; *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002). In *Playboy Enterprises, Inc. v. Welles*, the Ninth Circuit later clarified that when a defendant raises a nominative fair use defense, the *New Kids*' nominative fair use test should be applied instead of the likelihood of confusion analysis. 279 F.3d 796, 801 (9th Cir. 2002).

B. By allowing nominative fair use to be used as an affirmative defense, the Third Circuit circumvented Congressional intent; however, the language used by the Third Circuit assesses the full scope of a nominative fair use analysis.

However, in *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, the Third Circuit created a nominative fair use test to supplement, rather than replace, the traditional likelihood of confusion analysis. *See generally* 425 F.3d 211 (3rd Cir. 2005). The court held that once the plaintiff shows a likelihood of confusion, the burden shifts to the defendant to raise an affirmative defense of nominative fair use. *Id.* at 224. There the defendant, Lending Tree, used various realtor's trademarks, including Century 21's, on its website and in various promotional materials; Century 21 later sued alleging trademark infringement. *Id.* at 215–16. After finding a

likelihood of confusion, the court concluded that the Ninth Circuit's nominative fair use test lacked clarity, and formulated a more precise three-factor test which asks:

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

Id. at 229. The court employed this new test as an affirmative defense, thus shifting the burden of proof to the defendant. *Id.*

C. Of the three circuits to create a nominative fair use test, the Second Circuit's approach is most consistent with the principles of the Lanham Act by combining the two fair use doctrines into a single test, and additionally provides language similar to that of the Third Circuit.

The most recent approach to handling nominative fair use actions comes from the Second Circuit in *Int'l Info Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153 (2d Cir. 2016). There, the defendant used the plaintiff's mark to reference to plaintiff's certification system, and the plaintiff brought a trademark infringement action, seeking to enjoin the defendant's use. *Id.* at 156–57. In determining whether an infringement occurred, the Second Circuit concluded that nominative fair use is not an affirmative defense to a claim of trademark infringement. *Id.* at 167. In addition to considering the traditional likelihood of confusion factors, the court considered three additional nominative fair use factors, similar to those used by the Third Circuit. *Id.* at 168.

V. The language used by the Third Circuit’s nominative fair use test refines the Ninth Circuit’s lenient factors by widening the scope of analysis to include what is reasonably necessary and whether the relationship between the parties is reflected accurately by the use.

In adopting a nominative fair use test, this Court should ensure that it falls firmly in the framework established by statute and by this Court. A nominative fair use test need only be applicable under circumstances similar to the case today where a defendant uses a plaintiff’s mark to refer to the plaintiff; the tried and tested likelihood of confusion test remains the standard for all other trademark infringement claims. *See, e.g., Fisons Horticulture, Inc., v. Vigoro Indus., Inc.*, 30 F.3d 466, 472 (3rd Cir. 1994). Consistent with this Court’s holding in *KP Permanent Make-Up*, the Second Circuit abides by these standards and correctly considers each new factor inside the likelihood of confusion analysis, and thus the burden remains solely on the plaintiff. *Int’l Info. Sys.*, 823 F.3d at 167. In the present case, the Fourteenth Circuit was correct in holding that the three nominative fair use factors should be considered in conjunction with the traditional likelihood of confusion factors. *Gardashyan*, 1135 F.3d at 363. By adding the three nominative fair use factors to the eight traditional likelihood of confusion factors, and rejecting an affirmative defense or replacement approach, courts are better able to conduct a more thorough and fair confusion analysis, required by the statute, that meets the particular needs of nominative fair use.

As demonstrated by Congress in the creation of a fair use defense, the use of another’s trademark can be legitimate. The Fourteenth Circuit is correct to recognize that a defendant “may lawfully use a plaintiff’s trademark where doing so is

necessary in order to describe the plaintiff's product and does not imply false affiliation or endorsement by the plaintiff of the defendant." *Id.* The test articulated by the Third Circuit most readily addresses the necessity and implications mentioned by the Fourteenth Circuit. Although applied incorrectly as an affirmative defense, the language of the Third Circuit's test includes the keyword "necessary" in the first two factors, unlike the test from the Ninth Circuit, and thus provides a wider scope to analyze the relationship of the usage between the plaintiff and defendant. *Century 21 Real Estate Corp. v. Lending Tree, Inc.*, 425 F.3d 211, 221 (3rd Cir. 2005). The use of broad language in the Ninth Circuit's test has created confusion and inconsistency with its application, as demonstrated in *Brother Records, Inc. v. Jardine*. See generally 318 F.3d 900 (9th Cir. 2003). The Second and Fourteenth Circuits noted these issues, and instead adopted the Third Circuit's language because of the clarity it provided. See *Gardashyan*, 1135 F.3d at 366. The adoption of such a well-articulated nominative fair use test better meets the needs for the case at hand and is necessary to restore clarity and uniformity in the lower courts, at least until Congress recognizes and amends the current confusion.

Although the Ninth Circuit's three-factor test has been used for over a decade, the first factor of whether "the product or service in question is one not readily identifiable without use of the trademark" is too narrow. *Century 21*, 425 F.3d at 218. The Ninth Circuit focuses solely on the plaintiff in its determination of this prong and waits until the second prong to analyze the usage of the defendant. *Id.* In having the plaintiff and defendant's assessments split into two prongs, the result of the first

factor automatically determines the outcome of the second factor. The Second, Third, and Fourteenth Circuits properly consolidate the assessment of both the defendant and plaintiff into the first prong of the test, eliminating an unnecessary step. *See, e.g. Nespresso USA, Inc. v. Africa Am. Coffee Trading Co. LLC*, 2016 WL 3162118, at *2 (S.D.N.Y. June 2, 2016).

In this case, the Court should focus the first prong analysis on Pattel as well, rather than merely assessing the need of the mark by Cammy Gardashyan, in order to eliminate any predisposition. The Cammy Gardashyan mark reflects her own name, which in itself is the most unique identifying method of describing an individual. Applying the first factor in the manner articulated by the Ninth Circuit calls for an analysis that is focused solely on the need of the plaintiff to use her own name, which provides little benefit to the overall test. The first factor used by the Third Circuit would remedy this by allowing for a determination to be made on whether Pattel's usage of the Cammy Gardashyan name and the near exact image of her is necessary under the circumstances.

The primary purpose of a trademark is to establish the identification of a source, and if the defendant's usage is more than what is necessary to show this identification, then such usage runs afoul to this factor. *See Century 21*, 425 F.3d at 222. By consolidating the analysis of both the plaintiff and defendant's need to describe their respective product or service, the second factor of the test now allows for a sole inquiry of whether the defendant has used "only so much of the plaintiff's mark as is reasonably necessary to identify plaintiff's product. *Gardashyan*, 1135

F.3d at 364. Consideration of how the defendant has portrayed the mark should be considered in this inquiry. *Century 21*, 425 F.3d at 230. While reasonable usage of the mark is considered on a case-to-case basis, using the plaintiff's mark "too prominently or too often, in terms of size, emphasis, or repetition," is an indication that the defendant has used more of the mark than is necessary, and such usage would be indicative of inappropriate use. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1154 (9th Cir. 2002). When applying this factor to the present case, courts should look to facts such as the defendant's repeated use of the plaintiff's mark on the front of the box in a much larger font and when the look-alike doll speaks the words "Cammy Gardashyan." *Gardashyan*, 1135 F.3d at 367.

The Fourteenth Circuit, in concurrence with the Third Circuit, broadens the scope of the Ninth Circuit's third factor by calling for an examination into not only the actions of the defendant that suggested sponsorship, but also to the lack of action to clarify the aspect of the relationship. *See Gardashyan*, 1135 F.3d at 365. By focusing on a defendant's failure to accurately address the relationship, lower courts can use the lack of a clear disclaimer to judge whether the mark is being used to confuse, mislead, or intentionally deceive the customer, and to determine if the defendant took proper precautions to reduce or eliminate any possible confusion. Here, lower courts should look to the deemphasized placement of a small-font disclaimer on the back of the box and whether such placement would not be open and obvious to a consumer to establish that the doll was not affiliated with "Cammy Gardashyan." *Gardashyan*, 1135 F.3d at 367. Furthermore, the court should look at

whether such disclaimer is adequate for usage overall—the more use of the mark, the more obvious a disclaimer or clarification of the relationship needs to be.

Although the Third Circuit was correct in conducting a likelihood of confusion analysis, instead of outright replacing the test, it was unnecessary to modify and remove certain factors that were deemed inappropriate. *Compare Century 21*, 425 F.3d at 225, with *New Kids on the Block v. News Am. Pub., Inc.*, 972 F.2d 302, 308 (9th Cir. 1992). All likelihood of confusion factors should be analyzed on a case-by-case basis, and courts have discretion as to which factors should receive more weight. *Wolfard Glassblowing Co. v. Vangragt*, 118 F.3d 1320, 1323 (9th Cir. 1997). This approach fits the framework set forth by common law that the eight-factor test is not dispositive and if there are any conflicts, certain factors may be excluded or given little weight. *Resorts of Pinehurst, Inc. v. Pinehurst Nat'l Corp.*, 148 F.3d 417, 422 (4th Cir. 1998). This Court should turn to the language of the Third Circuit's three nominative fair use factors, and the language of the Second Circuit's *Polaroid* factors for likelihood of confusion, applying them as an all-in-one test that mirrors the approach used by the Second and Fourteenth Circuits.

CONCLUSION

For the foregoing reasons, Respondent respectfully requests that this Court reverse the decision of the Fourteenth Circuit Court of Appeals in regards to the adoption of the nominative fair use test; or should this Court adopt a nominative fair use test, affirm the decision of the Fourteenth Circuit in regards to the use of the nominative fair use test as a part of the likelihood of confusion analysis, and not as an affirmative defense.

Respectfully Submitted

/s/ Team 116

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