

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 from the
United States Court of Appeals for the
Fourteenth Circuit

BRIEF FOR PETITIONER

Oral Argument Requested

COUNSEL FOR PETITIONER
OCTOBER 21, 2016

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OPINION BELOW

The decision of the United States District Court for the Central District of Bel Air is not reported. The decision of the United States Court of Appeals for the Fourteenth Circuit (No. 70593-2016) is reported at *Cammy Gardashyan v. Pattel, Inc.*, 1135 F.3d 759 (14th Cir. 2016). On February 9, 2015, Cammy Gardashyan (“Gardashyan”) filed an action against Pattel, Inc., (“Pattel”) seeking a permanent injunction on a claim of trademark infringement for use of the mark “Cammy Gardashyan.” In response, Pattel claimed that its use of Cammy Gardashyan’s name on its products was justified as nominative fair use and thus, Cammy Gardashyan’s trademark infringement claims under the Lanham Act should be dismissed. Judge Alexi M. Frazre of the United States District Court for the Central District of Bel Air held that despite a finding of a likelihood of confusion, Pattel was entitled to an affirmative defense of nominative fair use. Gardashyan then appealed to the United States Court of Appeals for the Fourteenth Circuit. The decision of the Fourteenth Circuit is reported and is contained at pages 355-368 of the Record on Appeal. The Fourteenth Circuit reversed the District Court’s decision in favor of Gardashyan. The court held that the factors for testing nominative fair use should not be assigned to the defendant as an affirmative defense, but rather an extension to the *Polaroid* factors which serve to determine a likelihood of confusion. This Court granted certiorari.

JURISDICTION

The Court of Appeals for the Fourteenth Circuit entered its decision on June

5, 2016. The Fourteenth Circuit had jurisdiction pursuant to 28 U.S.C. § 1291. This Court granted the petition for writ of certiorari, and has jurisdiction pursuant to 28 U.S.C. § 1254.

STATUTORY PROVISIONS

15 U.S.C. § 1114(1) provides in relevant part:

Any person who shall, without the consent of the registrant . . . use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1115(a) provides in relevant part:

. . . but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered.

15 U.S.C. § 1115(b)(4) provides in relevant part:

That the use of the name, term, or device charged to be an infringement is a use . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin....

QUESTIONS PRESENTED

- I. Whether the legislative intent of the Lanham Act allows this Court to recognize a new affirmative defense of nominative fair use to absolve a defendant of liability when the defendant used the plaintiff's trademark on its own goods in order to reference the plaintiff.
- II. Whether Pattel's use of Gardashyan's trademark on its product satisfies an affirmative defense of nominative fair use when the product (1) possessed the original look of Pattel's dolls; (2) contained Pattel's standard packaging and warnings; (3) used a standard black block typeface both times that it referred to Gardashyan; and (4) contained a valid disclaimer on the box stating that Pattel was not sponsored by or affiliated with Gardashyan.

STATEMENT OF CASE AND FACTS

This is a case of trademark law; the appropriate level of review is de novo. *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744, 1748 (2014) (citing *Pierce v. Underwood*, 487 U.S. 552, 558 (1988)). The Lanham Act attempts to balance a creator's right to control their work with the societal interest of promoting creativity. As a part of the Lanham Act, several affirmative defenses are provided for creators. Nominative fair use has a home under the Lanham Act as an affirmative defense. This Court should adopt a new four factor test for finding a likelihood of confusion in nominative fair use cases. If a likelihood of confusion is shown, then a defendant should be allowed to assert an affirmative defense of nominative fair use to negate the confusion and preclude its liability.

FACTUAL HISTORY

Pattel, Inc., ("Pattel") is a toy manufacturing company that was founded in 1961 that creates and produces many products and brands, including Bambi dolls. *Cammy Gardashyan v. Pattel, Inc.*, 1135 F.3d 759 (14th Cir. 2016). The Bambi dolls that Pattel creates are inspired by the look of its original dolls and modern-day celebrities. *Id.* The dolls also reflect modern social values of female independence by depicting inspirational women in popular culture. *Id.* Pattel has sold over five hundred million Bambi dolls by targeting consumers from ages three to one hundred. *Id.*

Cammy Gardashyan ("Gardashyan") is known worldwide for being an American reality television personality, socialite, businesswoman, model, and

singer. *Id.* at 356. She has a vast online and social media presence as she attracts fans of all ages. *Id.* Gardashyan has become a household name. *Id.*

Gardashyan usually wears her hair long, black, and straight, and she is known for her “curvy” figure. *Id.* Her sense of style has been top-rated by fashion magazines. *Id.* Her signature styles include animal prints, knee-length skirts or dresses, and shiny high-heeled shoes. *Id.* Despite these distinctive features, other celebrities also have similar features and a similar sense of style, including Gardashyan’s three sisters. *Id.* Like Gardashyan, these celebrities are widely recognized and portrayed by the entertainment media. *Id.*

The Cammy Gardashyan trademark consists of a stylized “CG” displayed back to back, and the words “CAMMY GARDASHYAN” appear underneath in capital letters and in standard, block typeface. *Id.* Her total earnings from products associated with her personal brand in 2015 exceeded fifty-million dollars. *Id.* The only goods produced that bear Gardashyan’s name and mark include jewelry, clothing, cosmetics, perfumes, handbags, and footwear. *Id.*

In 2015, Pattel followed its yearly practice of analyzing and assessing market trends for its toy products in order to design the top-selling Bambi doll for that year. *Id.* Pattel decided that the 2015 Bambi doll, “The Fashionista Bambi Doll,” was going to be inspired by the Cammy Gardashyan look. *Id.* at 357. The doll followed the Bambi’s standard height and had a body figure similar to that of other Bambi dolls created by Pattel, Inc. *Id.* In addition, the Fashionista doll has long, black, straight hair. *Id.* It also has a leopard print top, knee-length skirt, and sparkly

high-heeled shoes. *Id.*

Furthermore, the doll has a talking feature. *Id.* Upon activation, the lips of the doll only slightly part, and a digital recording from inside the cavity of the doll's abdomen can be heard. *Id.* This doll is activated with only one recorded phrase: "I want to be a fashionista, just like Cammy Gardashyan." *Id.* Moreover, the Bambi doll comes in a standard rectangular box; the front cover is transparent, making it possible to see the Bambi doll without opening the box. *Id.* The front and back covers of the doll's box display Pattel's standard messages, warnings, recommendations, and the Bambi trademark. *Id.* On the top front cover, it displays the name: Fashionista Bambi. *Id.* Under the name, a caption bubble reads the following message: "I say: I want to be just like Cammy Gardashyan." *Id.* The caption bubble is in twenty-point font size. *Id.* Pattel also includes a disclaimer on the back lower portion of the box. *Id.* The font size of the disclaimer is ten-point and reads: "Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan." *Id.* Furthermore, Pattel did not use the Cammy Gardashyan full logo. *Id.* The Fashionista Bambi doll used a standard black block typeface both times that it referred to "Cammy Gardashyan" on the box. *Id.*

In January 2015, the Fashionista Bambi doll was released for sale nationwide. *Id.* Gardashyan did not authorize Pattel's use of her name and mark. *Id.* Within the twelve months that the Fashionista Bambi dolls were manufactured, Pattel had successful profits of forty-five million dollars from the thirty-five million Fashionista Bambi dolls it sold that year. *Id.*

PROCEDURAL HISTORY

On February 9, 2015, Gardashyan filed an action against Pattel seeking a permanent injunction under a claim of trademark infringement. *Id.* Pattel claimed its use of Gardashyan's mark on its products was nominative fair use, which would preclude its liability for trademark infringement. *Id.* Judge Alexi M. Frazre of the United States District Court for the Central District of Bel Air adopted a bifurcated-analysis which allowed Pattel to assert an affirmative defense of nominative fair use to justify its use of Gardasyhan's mark. *Id.* at 358. Thus, the District Court found Pattel's usage of Gardashyan's trademark constituted nominative fair use. *Id.*

The District Court replicated the affirmative defense of nominative fair use after the Ninth Circuit's three factor likelihood of confusion test established in *New Kids on the Block*. *Id.* Following cross-motions for summary judgment, the District Court granted summary judgment on all counts in favor of Pattel. *Id.* Gardashyan promptly appealed. *Id.* The Appellate Court reversed the order of the District Court on both counts and remanded the case for further proceedings consistent with its opinion. *Id.*

SUMMARY OF ARGUMENT

This case exemplifies the need to protect freedom of competition and expression in trademark law. Currently, the Federal Circuits disagree on the proper way to test for nominative fair use. This Court can reconcile the circuit split by articulating a less burdensome bifurcated analysis. Petitioner respectfully requests this Court to reverse the decision of the Fourteenth Circuit by recognizing an

affirmative defense of nominative fair use in the Lanham Act, which it will then satisfy to preclude itself from liability for trademark infringement.

Pattel has historically produced Bambi dolls that resemble contemporary fashionable celebrities. The design of Pattel's recent Fashionista Bambi doll ("doll") drew some of its inspiration from Gardashyan. Gardashyan argues that the doll's characteristics create a likelihood of confusion for consumers in the relevant market that cannot distinguish between Gardashyan and the true creator of the doll. The doll's clothing resembles Gardashyan's style, the doll possesses Gardashyan's trademark in block lettering, and the doll has an activated voice feature that references Gardashyan. Pattel argues that its usage of Gardashyan's trademark was nominative fair use that would negate a finding of a likelihood of confusion. Pattel supports its contention by pointing to the original look and packaging for the doll, in conjunction with the disclaimer on the doll's packaging. Pattel asserts that it made sufficient efforts to reflect the true relationship between the two parties.

Because nominative fair use was not expressly included in the section on affirmative defenses in the Lanham Act, there is disagreement amongst the circuits as to the underlying intent of the Lanham Act. Petitioner urges this Court to perceive the Lanham Act for its true intent and adopt nominative fair use as an affirmative defense.

The circuit split rests on how to properly articulate the analysis for determining nominative fair use and which party should bear the burden of proof. Various courts have implemented their own versions of the likelihood of confusion

test. The Second Circuit's approach, adopted by the lower court, supports an eleven-factor burden that is solely assigned to the plaintiff. The Ninth Circuit supplanted the likelihood of confusion test for its own three factor nominative fair use test. The Third Circuit created a bifurcated analysis that assigned the burden of proving a likelihood of confusion to the plaintiff, with the option for a defendant to assert an affirmative defense of nominative fair use to negate the confusion.

This Court has not established an affirmative defense for nominative fair use, but it has reconciled a similar circuit split regarding classic fair use. Petitioner asks this Court to adopt a bifurcated analysis for testing nominative fair use. The likelihood of confusion test can be condensed to four factors that fit the relevant inquiries for nominative fair use. If a likelihood of confusion is shown, the burden shifts to the defendant to negate the confusion. The defendant can successfully negate the confusion by satisfying the factors of the affirmative defense of nominative fair use. Applying the facts of the instant case, if Respondent can prove a likelihood of confusion regarding the Petitioner's product, Petitioner will be able to negate the confusion by satisfying the affirmative defense of nominative fair use to preclude itself from liability for trademark infringement. Accordingly, this Court should reverse the decision of the Fourteenth Circuit and remand the case for further proceedings.

ARGUMENT

THIS COURT SHOULD REVERSE THE DECISION OF THE
FOURTEENTH CIRCUIT AND ALLOW PATTEL TO REBUT
GARDASHYAN'S TRADEMARK INFRINGEMENT CLAIM BY
SATISFYING AN AFFIRMATIVE DEFENSE OF NOMINATIVE FAIR
USE.

Nominative fair use is defined as the use of another's trademark to identify, not the defendant's goods or services, but rather the plaintiff's goods or services. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 23:11 (4th ed. 2015). It is called “nominative use” because it “names the real owner of the mark.” *Id.* The doctrine of nominative fair use allows a defendant to use a plaintiff's trademark to identify the plaintiff's goods so long as there is no likelihood of confusion about the source of the defendant's product or the mark-holder's sponsorship or affiliation. *Tiffany Inc. v. eBay Inc.*, 600 F.3d 93, 102 (2d Cir. 2010). Nominative use of a mark “does not implicate the source-identification function that is the purpose of trademark and it does not constitute unfair competition because such use is fair and it does not imply sponsorship or endorsement by the trademark holder.” *New Kids on the Block v. News America Pub., Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). “When the mark is used in a way that does not deceive the public, there is no injustice as to the word being used to tell the truth.” *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924).

Section 1114 of the Lanham Act provides an individual with causes of action for trademark infringement. 15 U.S.C. § 1114 (2006). Under §1114(1), in order for a plaintiff to prevail in a trademark infringement suit, a plaintiff must show that the

defendant's use of the allegedly infringing trademark "is likely to cause confusion, to cause mistake, or to deceive." *Id.* Additionally, the Lanham Act provides defenses for infringement claims even if the plaintiff has established a likelihood of confusion. 15 U.S.C. § 1115 (2006). Under §1115(b), numerous affirmative defenses are expressly included to afford the defendant some protection. *Id.* However, §1115(a) signals the existence of other defenses, and does not contain language restricting courts from recognizing and creating new ones. Graeme B. Dinwoodie, *Developing Defenses in Trademark Law*, 13 Lewis & Clark L. Rev. 99, 128 (2009).

A. New affirmative defenses must be recognized in the Lanham Act to correspond with the competing values at stake in trademark disputes.

§ 1115(a) of the Lanham Act establishes that a defendant will be entitled to the expressed affirmative defenses included under subsection (b), but the lack of an expressed affirmative defense "shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section." 15 U.S.C. § 1115. While the express defenses of the Lanham Act are limited under § 1115(b), the non-exhaustive list does not preclude the addition of more defenses. Michael Grynberg, *Things Are Worse Than We Think: Trademark Defenses in a Formalist Age*, Tulane University (Sept. 22, 2008) (http://www.law.tulane.edu/uploadedfiles/WIPIP/2008/Grynberg_Paper.doc.) In fact, congressional commentary states that congress inserted the language, "including those set forth in subsection (b) of this section," in §1115's amendment in 1988. Thus, congress had intended to make subsection (b) a non-exhaustive list. Trademark law must balance the various interests of the public and the trademark

owner. McCarthy §23:11. Accordingly, trademark law must develop defenses that reflect the competing values at stake in trademark disputes. Dinwoodie, *supra* at 152. This Court must balance the defendant's freedom of speech and expression, with the plaintiff's sole right to control and ownership of its copyrighted trademark.

- i. The Fourteenth Circuit misinterpreted the true intent of the Lanham Act.

The Fourteenth Circuit's textualist interpretation of the Lanham Act contradicted the true purposive intent behind its creation. The Fourteenth Circuit relied on this Court's decision in *Russello* to support its contention that "[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). However, this Court did not issue its reasoning in *Russello* to advocate for a narrow interpretation of a statutory term, but rather referenced public policy to uphold a broad interpretation of the term. *Id.* This Court reasoned that "had Congress intended to restrict the statutory term to a specific, narrow interest, it presumably would have done so expressly." *Id.* The Lanham Act does not expressly restrict affirmative defenses, and therefore, "courts interpreting the Lanham Act should do so with long-standing common law and statutory defenses in mind and read open statutory text accordingly." Grynberg, *supra*. Courts "must interpret a ... statute according to its plain meaning, except in the rare cases [in which] the literal application of a statute will produce a result demonstrably at odds with the intentions of its drafters." *In re Arden*, 176 F.3d

1226, 1229 (9th Cir. 1999). Thus, adopting a textualist approach in the instant case would contradict the intentions of the drafters of the Lanham Act.

- ii. Common law guidance and an open reading of statutory text support the addition of nominative fair use as an affirmative defense.

Professor Graeme Dinwoodie, a leading scholar in the field of intellectual property law, has advocated in his article, *Developing Defenses in Trademark Law*, that “[a]bsent express congressional action to incorporate nominative fair use within 1115(b), if trademark law independently values good faith, nominative uses of marks, some such uses could be protected by giving a broad reading to the classic descriptive fair use provision in 1115(b)(4).” Dinwoodie, *supra* at 131. Courts in cases of alleged infringement of registered marks frequently refer to counterpart common law concepts or the common law origins of statutory language. *Id.* at 138. “The words of the statute simply will not provide the answers and were not intended by the legislature to do so.” *Id.* The Lanham Act is primarily a device by which to facilitate federal enforcement of rights recognized at common law. *Id.*

The Lanham Act does not expressly exclude the addition of new affirmative defenses. The statute briefly mentions the available affirmative defenses of §1115(b), but never states that the list is exhaustive. 15 U.S.C. § 1115. This Court can refer to common law principles to support an open reading of the Lanham Act and justify the addition of nominative fair use as an affirmative defense. In fact, as stated by Professor Dinwoodie, common law principles are imperative in cases involving the effects among consumers. Dinwoodie, *supra* at 128. Consumer

understanding is constantly in flux, which results in having inconsistent assessments by courts. *Id.* These inconsistencies can chill socially desirable conduct, including nominative fair use of trademarks. *Id.* Developing new defenses derived from common law principles would ameliorate these concerns to balance the competing values at stake in trademark law.

- iii. This Court reconciled a similar circuit split in favor of classic fair use.

This Court reconciled a similar circuit split regarding the application of the classic fair use defense and held that the fair use defense should be available even when there was some likelihood of confusion. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 (2004). This Court reasoned that “it would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element (like confusion); all the defendant needs to do is to leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point.” *Id.* at 120. The decision was supported by broader policy considerations and relied on the logic of how trademark infringement actions proceed. *Dinwoodie, supra* at 137. This Court also focused on the nature of defenses, on the values of competition, and toleration of some confusion consistently articulated by courts in the common law development of trademark law. *Id.* Thus, common law principles encourage an open reading of the Lanham Act and support the need to develop defenses to promote competition in trademark law.

The Lanham Act established the affirmative defense of classic fair use but did not expressly provide for an affirmative defense of nominative fair use. §

1115(b)(4). Although not expressly provided for, “[t]here is a common purpose of preserving competition behind the two types of fair use defenses.” *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 239 (3d Cir. 2005). Both fair use doctrines have identical purposes in that they attempt to balance the same values to preserve competition. W. McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49, at 112 (2008). “The ultimate goal of all the trademark fair use doctrines is to balance the prevention of consumer confusion under trademark law with the protection of free speech.” *Id.* It follows that nominative fair use should be utilized as an affirmative defense as well.

The core disagreement between the circuits regarding the nominative fair use test as an affirmative defense rests on which party maintains the burden of proof. The Ninth Circuit has completely supplanted the plaintiff’s former burden of proving a likelihood of confusion with the nominative fair use factors, the Third Circuit has split the burden to provide the defendant with an affirmative defense, and the Second Circuit has added the nominative fair use factors to the plaintiff’s burden. *New Kids on the Block*, 971 F.2d at 308; *Century 21*, 425 F.3d at 232; *International Information Systems Security Certification Consortium, Inc., v. Security University, LLC.*, 823 F.3d 153, 167 (2d Cir. 2016).

The Fourteenth Circuit adopted the Second Circuit’s approach in *International Info*, which incorporates the nominative fair use factors into the plaintiff’s likelihood of confusion burden. *Gardashyan*, 1135 F.3d at 362. Adding the three factors of the nominative fair use test to the plaintiff’s likelihood of confusion

burden appears to create a more strenuous, eleven-factor burden for the plaintiff. However, in its application, the eleven-factor test actually serves to burden the defendant. *Century 21*, 425 F.3d at 223. As the Third Circuit noted in *Century 21*, “[i]f the factors for determining fairness were incorporated into the likelihood of confusion test, a plaintiff’s showing of confusion might well overwhelm a defendant’s showing of fair use. This would essentially force a defendant asserting nominative fair use to negate all likelihood of confusion to succeed.” *Id.* Therefore, by not allowing the defendant the chance to rebut a plaintiff’s contention through an affirmative defense, the defendant is ultimately harmed. Thus, this Court should adopt the Third Circuit’s bifurcated approach in nominative fair use cases because it is ultimately less burdensome on a defendant.

The Third Circuit correctly treats nominative fair use as an affirmative defense that may be asserted by the defendant despite a likelihood of consumer confusion. *Id.* at 211. The Third Circuit’s basis for treating nominative fair use as an affirmative defense is that the Supreme Court has treated classic, or descriptive, fair use as an affirmative defense. *Id.* at 222. Only when a plaintiff has shown likelihood of confusion by a preponderance of the evidence will a defendant need to assert an affirmative defense. *Id.* “The effect of this is to shift to defendant the burden of negating confusion.” *Id.* at 238. “[I]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant.” *KP Permanent*, 543 U.S. at 120 (Citing *Shakespeare Co. v. Silstar Corp.*, 110 F.3d 234, 243 (4th Cir.1997)). By acknowledging similar underlying principles mutually

advocated by the Federal Circuits, this Court will be able to recognize and incorporate nominative fair use into the Lanham Act as an affirmative defense.

B. This Court should adopt a bright line rule for a bifurcated analysis in nominative fair use cases.

This Court can eliminate confusion and promote judicial efficiency by condensing the likelihood of confusion test to fit the relevant inquiries of nominative fair use. The majority of the circuits use the eight *Polaroid* factors or a substantially similar analogue for the likelihood of confusion analysis. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961); *see also Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983). “Although its precise composition differs from one circuit to the next, the fundamental attributes remain largely the same.” William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49, 67 (2008). In no particular order of importance, the eight *Polaroid* factors consist of:

(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).

The application of the *Polaroid* test is not mechanical, but rather focuses on whether the products, in totality of the circumstances, are likely to be confused by

consumers. *Kelly–Brown v. Winfrey*, 717 F.3d 295, 307 (2d Cir. 2013); *see also Starbucks*, 588 F.3d at 115. The *Polaroid* factors are not exclusive and should not be applied mechanically. *Arrow Fastener Co. v. Stanley Works*, 59 F.3d 384, 391 (2d Cir. 1995); *see also A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 215 (3d Cir. 2000) (noting that not all likelihood of confusion factors will be relevant in all cases and different factors may properly be accorded different weights depending on the particular factual setting). No single factor is dispositive, and cases may arise where a factor is irrelevant to the analysis. *Arrow Fastener*, 59 F.3d at 400.

- i. The likelihood of confusion test can be condensed to four factors that fit the relevant inquiries of nominative fair use.

Because the *Polaroid* factors are not easily applied in cases of nominative fair use, the Federal Circuits have used their discretion to determine which factors to include in their application. However, all of the Federal Circuits agree that both factors concerning the strength and similarity of the trademark are unnecessary because they would “automatically lead to the conclusion that the use is likely to confuse simply because the mark is not merely similar, it is identical.” *Century 21*, 425 F.3d at 224-25. Including those factors “would lead to the incorrect conclusion that virtually all nominative uses are confusing.” *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002). In addition to the factors regarding the trademark, the circuits who disagree with the Third Circuit’s bifurcated approach do so because the third prong of nominative fair use test overlaps with the intent factor of the likelihood of confusion test. *Century 21*, 425 F.3d at 226. This creates a

redundant argument as it allows for “identical likelihood of confusion factors on both sides of the equation.” *Id.* To resolve the redundancy, this Court can eliminate the intent factor from the plaintiff’s likelihood of confusion burden. Thus, the defendant can prove its own intent when using the plaintiff’s trademark, rather than the plaintiff have to prove the defendant’s intent.

Therefore, this Court can narrow the likelihood of confusion inquiry to four factors in nominative fair use cases: (1) proximity of the products and their competitiveness with one another; (2) respective quality of the products; (3) sophistication of consumers in the relevant market; and (4) evidence of actual consumer confusion. The first three factors deal directly with the relationship between the business practices of the plaintiff and the defendant. Courts can determine the amount of overlap between the two parties that will lead to a likelihood of confusion by distinguishing the characteristics of the respective trade practices, products, and consumers. “Focusing on the care and attention expected of consumers when making a purchase or using a service allows the court to understand the true risk that consumers may be confused merely because of their own inattention.” *Id.* at 226. The fourth factor, evidence of actual consumer confusion, will greatly assist a court in its analysis by determining the effect of the defendant’s use of the trademark on consumers. “Although proof of actual confusion is not required, the more such evidence there is, the greater the likelihood of confusion.” *Versa Prods. Co., Inc. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 205 (3d Cir. 1995). Focusing on the evidence of actual confusion will allow a court to understand

whether the confusion is merely a theoretical or hypothetical fear of the plaintiff, or if there is a real danger that consumers will likely be confused. *Century 21*, 425 F.3d at 226.

- ii. Once a likelihood of confusion is shown, the defendant has the option to assert an affirmative defense of nominative fair use.

Once a plaintiff has met its burden of proving that confusion is more likely than not, the burden will shift to a defendant to show that its nominative use of plaintiff's mark is nonetheless fair. *Id.* at 232. The Fourteenth Circuit chose not to follow the Ninth Circuit's approach for testing nominative fair use because it preferred the language of the test laid out by the Third Circuit in *Century 21 Gardashyan*, 1135 F.3d at 366. However, the three factors originally adopted by the Ninth Circuit in *New Kids on the Block* have withstood the test of time, and thus, the courts should use those factors when analyzing nominative fair use cases. *Id.*

The Ninth Circuit's nominative fair use doctrine stems from its decision in *New Kids on the Block*. 971 F.2d at 302. In *New Kids on the Block*, the defendant conducted a survey in connection with a story about the plaintiff. *Id.* The defendant referenced the plaintiff as the proper entity when asking readers to answer survey questions regarding the plaintiff. *Id.* at 304. The Ninth Circuit held that the defendant's usage of plaintiff's trademark was a non-infringing nominative use of the mark that did not imply sponsorship or endorsement by the trademark owner. *Id.* The Ninth Circuit adopted the following test for nominative fair use:

- (1) that the product or service in question is one not readily identifiable without use of the trademark; (2) that only so much of the mark or marks is used as is

reasonably necessary to identify the product or service; and (3) that the user did nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308.

The Fourteenth Circuit took issue with the language of the third prong because it suggested that what the defendant did do was just part of the analysis, and further advocated that “[c]ourts must also look into what the defendant did not do.” *Gardashyan*, 1135 F.3d at 366. However, this reasoning is incorrect because asking the defendant to show both affirmative and non-affirmative acts would place a larger burden on the defendant. *Id.* Therefore, the defendant should only possess the burden to show what it did do to prevent any suggestion of sponsorship or endorsement from the plaintiff.

C. Even if *Gardashyan* can show a likelihood of confusion, *Pattel* can assert an affirmative defense of nominative fair use to negate the confusion.

i. The Petitioner’s Four-Factor Likelihood of Confusion Test

The Four Factors are as follows (1) Proximity of the products and their competitiveness with one another; (2) Respective quality of the products; (3) Sophistication of consumers in the relevant market; and (4) Evidence of actual consumer confusion.

If a plaintiff does not first prove a likelihood of confusion, an affirmative defense is unnecessary. *WCVB-TV v. Boston Athletic Ass’n*, 926 F.2d 42, 46 (1st Cir. 1991). In *WCVB-TV*, the plaintiff sued the defendant under the Lanham Act to enjoin it from televising the Boston Marathon. *Id.* at 44. The plaintiff argued that

the defendant, by displaying the term “Boston Marathon” while broadcasting the event, violated federal trademark law because viewers would believe the plaintiff had endorsed the defendant’s broadcast of the event. *Id.* at 45. The court determined that the plaintiff failed to prove that there was a likelihood that viewers would be confused about the defendant’s status as an “official” or “authorized” broadcaster of the race. *Id.* at 46. The court reasoned that since the plaintiff could not prove customer confusion, which was the dispositive legal issue, the defendant’s broadcast did not likely confuse consumers just because it referenced the “Boston Marathon.” *Id.*

Pattel has been established as a leading toy manufacturing company since 1961. *Gardashyan*, 1135 F.3d at 355. It has consistently targeted consumers from ages three to one hundred. *Id.* The Bambi dolls usually attract consumers of all ages because the dolls are valuable as collectibles. *Id.* Although Cammy Gardashyan’s attracts fans from ages five to one hundred years old, she did not accumulate her level of fame until 2007, when Pattel had been established for over forty years. *Id.* at 355—56. Furthermore, the fact that she has a wide following with a strong fan base does not give her the right to control how her fans spend their money. *New Kids on the Block*, 971 F.2d at 308. Pattel has sold over five hundred million Bambi dolls. *Gardashyan*, 1135 F.3d at 355. Gardashyan does not produce dolls or toy products. *Id.* at 356. Furthermore, Gardashyan has made no attempt to create products that are similar to Pattel’s Bambi dolls. *Id.* The goods and services that have been produced under the Gardashyan trademark include jewelry, clothing,

cosmetics, perfumes, handbags, and footwear. *Id.* Pattel's doll followed the Bambi's standard height and had a body figure similar to that of other Bambi dolls it created. *Id.* at 355. The doll also maintained the original look and original packaging of Pattel's Bambi dolls. *Id.* Moreover, the record does not indicate that there has been any evidence of actual confusion for any amount of time. Therefore, Respondent cannot prove by preponderance of the evidence that there is a likelihood of confusion.

ii. The Three-Factor Affirmative Defense of Nominative Fair Use

(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 assumption is that the defendant has a legitimate need to identify the trademark owner by use of its trademark. McCarthy §23:11. The defendant may step over the line into a likelihood of confusion by using the plaintiff's mark too prominently or too often. *Id.* Furthermore, the defendant can use only so much of plaintiff's trademark as is reasonably necessary. *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969).

If the defendant has not engaged in additional conduct that affirmatively

suggests sponsorship or endorsement by the plaintiff, then it will be easier for the defendant to make a convincing argument that there is a legitimate commercial or creative reason for its use of the trademark. *Id.*; see *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93 (2d Cir. 2010) (reasoning that defendant's use was not an infringement because none of defendant's uses of the plaintiff's mark suggested that plaintiff affiliated itself with the defendant or endorsed the defendant); see also *Volkswagenwerk*, 411 F.2d at 352 (holding that the defendant's use of the plaintiff's trademark was not an infringing use because the defendant did not suggest to customers that he was part of the plaintiff's organization or that he was sponsored or authorized by plaintiff).

The use of a disclaimer will further support a defendant's claim that it did nothing that would suggest sponsorship or endorsement from the plaintiff. *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699, 707 (D.Del.2011). Furthermore, nominative use includes naming a specific entity in order to convey a comparison, criticism, or point of reference. *Aviva United States Corp. v. Vazirani*, 902 F. Supp. 2d 1246 (D. Ariz. 2012); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002). Ultimately, if the defendant's use of the plaintiff's trademark satisfies the three-factor analysis, the use is rationalized as nominative fair use and does not infringe. *New Kids on the Block*, 971 F.2d at 309.

Aviva USA demonstrates how a defendant's usage of a plaintiff's trademark in order to convey a critique about the plaintiff as a specific entity will constitute nominative fair use. *Aviva USA Corp.*, 902 F. Supp. 2d at 1246. In *Aviva USA*, the

defendant created a website to criticize his prior employer for injustices suffered by the defendant. *Id.* at 1252. The defendant used plaintiff's mark on his website in order to refer to plaintiff's products and services. *Id.* The court concluded that the defendant's use of plaintiff's trademark satisfied the elements of nominative fair use by reasoning that there would be no clear way for a defendant to convey his comparison, criticism, or point of reference for a specific entity, without naming that specific entity. *Id.* at 1264.

Cairns reiterates the justification for nominative fair use when a defendant is merely referencing a specific entity. *Cairns*, 292 F.3d at 1139. In *Cairns*, a nominative fair use analysis was applied to immunize unauthorized Princess Diana celebrity memorabilia from liability as a false endorsement. *Id.* at 1144. The defendant was selling unauthorized memorabilia, including dolls, bearing the name and image of the late Princess Diana. *Id.* at 1153. The defendant's use was held to be a nominative fair use because it needed to use the name and image of Princess Diana to identify and advertise the Princess Diana memorabilia that it was selling. *Id.* The court reasoned that there was no substitute for the defendant's use of Princess Diana's likeness on its Diana-related products. *Id.* The court supported its nominative fair use justification with the fact that the defendant did not make a claim when it advertised its products that they were sponsored or endorsed by the plaintiff. *Id.* at 1154.

Playboy provides another example of when a defendant's use of a plaintiff's trademark will constitute nominative fair use as long as the defendant does not

take actions that suggest sponsorship or endorsement by the plaintiff. *Playboy Enters*, 279 F.3d at 796. In *Playboy*, the defendant was on the cover of Playboy in 1981 and was chosen to be the Playboy Playmate of the Year for 1981. *Id.* at 799. At issue was her use of the title “Playboy Playmate of the Year 1981,” and her use of other trademarked terms on her website. *Id.* at 800. The marks were used to describe the title she received from the plaintiff and helped her describe who she was. *Id.* at 799. The court held the defendant’s actions to be nominative fair use and further reasoned that “[i]t would be unreasonable to assume that the Chicago Bulls sponsored a website of Michael Jordan’s simply because his name appeared with the appellation ‘former Chicago Bull.’” *Id.* at 802. The court also considered the defendant’s disclaimer to determine that the defendant did not suggest sponsorship or endorsement by the plaintiff. *Id.* at 803. The defendant’s site contained a clear statement disclaiming any connection to the plaintiff, which affirmatively disavowed any sponsorship or endorsement. *Id.*

The use of a disclaimer will further support a defendant’s claim that it did nothing that would suggest sponsorship or endorsement from the plaintiff. *Id.*; *Keurig, Inc. v. Strum Foods, Inc.*, 769 F. Supp. 2d 699, 707. In *Keurig*, the defendant manufactured and sold coffee filled cartridges for use in plaintiff’s machines under the defendant’s brand name. *Id.* The defendant’s packaging contained small text that referenced the plaintiff’s product and at the bottom of the packaging was a disclaimer that claimed the defendant had no affiliation with the plaintiff. *Id.* at 704. The court stated that the defendant’s use of the plaintiff’s mark satisfied

nominative fair use because the defendant specifically disclaimed any association or affiliation with the plaintiff. *Id.* at 709—710. The court further noted that the plaintiff could not demonstrate confusion by claiming customers could not see the disclaimer at the bottom of box, because the disclaimer was easily seen. *Id.* at 709.

A defendant cannot use the plaintiff's trademark on its own product to imitate the strong reputation of the plaintiff and confuse consumers. *Liquid Glass Enters., Inc. v. Dr. Ing. h.c.F. Porsche AG*, 8 F. Supp. 2d 398 (D. N. J. 1998). In *Liquid Glass*, defendant used plaintiff's trademark to describe plaintiff's product, and thus, tried to successfully invoke an affirmative defense of nominative fair use. *Id.* at 400. The court held the defendant failed to satisfy all three prongs of nominative fair use and distinguished the defendant's actions from nominative fair use because the defendant did not assert a reason why the plaintiff's trademark was necessary in its promotion of its products. *Id.* at 402. Furthermore, the court found that the defendant solely used the plaintiff's trademark because it wanted to usurp the plaintiff's strong reputation and persuade consumers that it produced high quality products. *Id.* at 403.

- iii. Pattel satisfies the affirmative defense of nominative fair use to preclude its liability for trademark infringement.

Pattel satisfies the first factor of nominative fair use because the doll would not be readily identifiable without the use of Gardashyan's trademark. Pattel's doll maintained the original look and size of its original dolls. *Gardashyan*, 1135 F.3d at 355. Pattel's Bambi dolls are known to reflect modern social values and convey characteristics of female independence through the depiction of inspirational

women known through popular culture. *Id.* Even though Pattel drew some inspiration from Gardashyan, other celebrities have similar features and a similar sense of style, including Gardashyan's three sisters. *Id.* at 356. Therefore, to properly reference Gardashyan's signature styles of animal prints, knee-length skirts or dresses, and shiny high-heeled shoes, Pattel needed to use Gardashyan's trademark, otherwise the doll would not be not readily identifiable. *Id.*

Pattel satisfies the second factor of nominative fair use because it did not use more of Gardashyan's logo than was reasonably necessary. Pattel did not use the Gardashyan full logo. *Id.* at 357. The doll did not include the stylized "CG" aspect of the Gardashyan logo. *Id.* Both times the doll referred to Gardashyan on the box it used a standard black block typeface. *Id.*

Pattel satisfies the third factor of nominative fair use because it did nothing that would suggest sponsorship or endorsement from Gardashyan, but in fact affirmatively disclaimed any connection with Gardashyan. The front and back covers of the doll's box design display contained Pattel's standard messages, including warnings, recommendations, and the Bambi trademark. *Id.* Pattel also included a disclaimer on the back lower portion of the box, that read: "Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan." *Id.* Furthermore, Pattel was not using Gardashyan's trademark on the doll to imitate the strong reputation of Gardashyan and confuse consumers as to the legitimacy of Pattel's products. The doll's recorded phrase, "I want to be a fashionista, just like Cammy Gardashyan" was merely referencing Gardashyan as

the specific entity, instead of claiming that the doll was in fact Gardashyan. *Id.* Therefore, the steps taken by Pattel to prevent any confusion reflect its good faith to show consumers it was not sponsored or endorsed by Gardashyan. Thus, Pattel satisfies the three elements of the affirmative defense of nominative fair use. Accordingly, Pattel is precluded from liability for trademark infringement.

CONCLUSION

This legislative intent of the Lanham Act allows this Court to recognize an affirmative defense of nominative fair use. Common law principles support a defendant's right to affirmatively rebut a plaintiff's trademark infringement claim. The Third Circuit's bifurcated approach best resolves the nominative fair use dispute amongst the circuits by assigning a burden to the plaintiff, that if proven, will shift to the defendant. By condensing the plaintiff's burden to prove a likelihood of confusion, this Court can eliminate confusion amongst the Federal Circuits and promote judicial efficiency. Applying the facts of the instant case to the new articulation for nominative fair use would preclude Petitioner from liability for trademark infringement. This Court should reverse the decision of the Fourteenth Circuit and remand the case to the lower court for further proceedings.

Counsel for Petitioner

CERTIFICATE OF SERVICE

I certify that a true copy of this brief was furnished to counsel for Respondent by electronic correspondence this 21st day of October 2016.

Counsel for Petitioner