

No. 16-1225

IN THE
SUPREME COURT OF THE UNITED STATES
NOVEMBER TERM, 2016

PATTEL, INC.,
Petitioner,

v.

CAMMY GARDASHYAN,
Respondent.

*On Writ of Certiorari to the
United States Court of Appeals
for the Fourteenth Circuit*

BRIEF FOR RESPONDENT

Counsel for Respondent

QUESTIONS PRESENTED

1. Whether the Court should recognize the nominative fair use analysis when the federal circuits' already have established multi-pronged tests to determine whether the use of a trademark is likely to cause confusion in the marketplace?
2. Whether the Court should adopt nominative fair use as an affirmative defense when Congress has not recognized it as an affirmative defense under the Lanham Act and its adoption as a defense would shift the burden to defense to disprove likelihood of confusion?
3. If the Court holds a nominative fair use test is appropriate, how should the test be articulated and applied to Pattel, Inc.'s use of Cammy Gardashyan's trademark to sell toy dolls based on Gardashyan's likeness?

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OPINIONS AND ORDERS ENTERED BELOW

The final judgment of the United States Court of Appeals for the Fourteenth Circuit is reported and appears at *Pattel, Inc. v. Gardashyan*, 1135 F.3d 759 (14th Cir. 2016).

STATEMENT OF JURISDICTION

This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

15 U.S.C. § 1114 (2005)

15 U.S.C. § 1115(b)(4)(2002)

STATEMENT OF THE CASE

Factual Background

Cammy Gardashyan (“Respondent”) is an American reality television personality, socialite, businesswoman, model, and singer. *Gardashyan*, 1135 F.3d at 356. Respondent’s enormous popularity – both in the United States and internationally – has allowed Respondent to develop a successful business selling jewelry, clothing, cosmetics, perfumes, handbags, and footwear. *Id.* In 2015, Respondent’s total earnings from such products exceeded 50 million dollars. *Id.* In order to market her products and protect her personal brand, Respondent affixes the CG CAMMY GARDASHYAN™ trademark to all goods she sells. *Id.* The CG CAMMY GARDASHYAN™ trademark is wholly owned by Respondent. *Id.*

Pattel, Inc. (“Petitioner”) is a Bel Air toy manufacturing company. *Id.* at 355. Petitioner sells a line of toys known as “Bambi dolls.” *Id.* Since the company’s inception, Petitioner has sold over 500 million Bambi dolls to consumers of all ages. *Id.* In 2015, Petitioner designed a “Fashionista” Bambi doll to resemble Respondent. *Id.* at 357. The doll was styled with long, black, straight hair, similar to how Respondent wears her hair. *Id.* at 356, 357. In addition, the doll was dressed in a leopard print top, knee-length skirt, and sparkly high-heeled shoes in order to mirror Respondent’s signature look. *Id.* at 357.

The Fashionista Bambi doll was also manufactured with a voice activation feature. *Id.* The doll contains a button located on its hand that, when pressed, prompts the doll to say, “I want to be a fashionista, just like Cammy Gardashyan.”

Id. The doll is packaged in a rectangular box that has a transparent front cover, which allows consumers to view the doll before purchasing it. *Id.* On top of the front cover, the box displays the name, “Fashionista Bambi,” with a caption bubble that reads, “I say: I want to be just like Cammy Gardashyan.” *Id.* The caption bubble is in twenty point font size. *Id.* On the lower portion of the rear side of the box, Petitioner includes a disclaimer that reads: “Pattel, Inc., and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.” *Id.*

The Fashionista Bambi doll was released for sale in January 2015 without Respondent’s consent to the use of her name and mark. *Id.* Within twelve months, Petitioner sold 35 million Fashionista Bambi dolls, resulting in 45 million dollars in profits. *Id.*

Procedural History

On February 9, 2015, Respondent filed a trademark infringement suit against Petitioner, seeking a permanent injunction on Petitioner’s use of the “CAMMY GARDASHYAN” mark. *Id.* Petitioner claimed its use of Respondent’s name on the Fashionista Bambi doll was a nominative fair use, and therefore, did not infringe Respondent’s trademark rights. *Id.* Petitioner and Respondent filed cross-motions for summary judgment. *Id.* at 358.

The District Court for the Central District of Bel Air held that Petitioner’s use of Respondent’s name and mark constituted nominative fair use and granted summary judgment to Petitioner on all counts. *Id.* In its decision, the district court

treated nominative fair use as an affirmative defense; thus, according to the district court, Petitioner was entitled to use Respondent's name and mark regardless of whether a likelihood of confusion was shown. *Id.* The district court adopted the formulation of the nominative fair use test announced by the Ninth Circuit Court of Appeals in *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992).

Respondent appealed the district court's decision to the Fourteenth Circuit Court of Appeals. *Id.* The Fourteenth Circuit reversed and vacated the district court's grant of summary judgment to Petitioner, finding that the district court analyzed the nominative fair use doctrine improperly. *Id.* The Fourteenth Circuit recognized the validity of the nominative fair use doctrine, but disagreed with the district court's analysis. *Id.* 359, 360. In contrast to the district court, the Fourteenth Circuit held that nominative fair use was not an affirmative defense, and thus, Petitioner was not entitled to bring forth the defense if a likelihood of confusion existed. *Id.* at 360-61. Furthermore, the Fourteenth Circuit held the district court erred in its formulation of the nominative fair use test. *Id.* at 363. As opposed to using the Ninth Circuit's *New Kids* test, which replaces a likelihood of confusion analysis, the Fourteenth Circuit held that courts examining nominative fair use must weigh the likelihood of confusion factors set forth by the Second Circuit in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir.1961). *Id.* Furthermore, the Fourteenth Circuit held that courts examining nominative fair use must use the nominative fair use test adopted by the Third Circuit in *Century*

21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211 (3d Cir. 2005) – not the nominative fair use test announced in *New Kids. Id.* at 364.

SUMMARY OF THE ARGUMENT

The holder of a registered trademark is protected under the Lanham Act against anyone employing an imitation of its mark when such use is “likely to cause confusion, or to cause mistake, or to deceive.” To determine whether the use of a trademark is likely to cause confusion in the marketplace, each circuit applies a fairly similar multi-prong test. Section 33(b)(4) of the Lanham Act, however, provides an affirmative defense, recognized as “classic fair use,” for defendant’s who use a plaintiff’s mark to describe the defendant’s *own* product. The Ninth Circuit, however, has developed another type of fair use, which it refers to as the “nominative fair use defense.”

Unfortunately, courts struggle to determine when the nominative fair use defense applies and when classic fair use applies. In certain cases, a defendant can convincingly argue both that the use of the trademark refers to the defendant and that the use refers not at all to the defendant. Considering the breadth of existing case law interpreting the multi-pronged likelihood of confusion tests, it is hard to justify the hair-splitting courts undertake to distinguish between these two doctrines. Therefore, this Court should forgo adopting the nominative fair use defense in favor of supporting the continued development of the federal circuits multi-pronged likelihood-of-confusion tests.

Should this Court choose to recognize nominative fair use, it should refrain from adopting it as an affirmative defense. Statutory “classic fair use” is an affirmative defense because it is applied in the face of confusion. Nominative fair use cannot be applied as an affirmative defense because it is a judicially created tool used to establish whether consumer confusion exists in specific circumstances. Had Congress wanted nominative fair use to constitute an additional affirmative defense, it would have provided as such. Furthermore, nominative fair use cannot be applied as an affirmative defense because doing so would improperly shift the burden of proof to the defendants. This Court has held that the burden of proving likelihood of confusion rests with the plaintiff. The affirmative defense of nominative fair use would place the burden on defendants to negate confusion. This is impermissible under this Court’s precedent.

If this Court adopts the nominative fair use doctrine in trademark infringement actions, the Fourteenth Circuit’s formulation of the nominative fair use test should be adopted. Contrary to Petitioner’s assertions, the nominative fair use test utilized in the Ninth Circuit protects defendants who use others’ trademarks gratuitously and in bad faith. In addition, the Ninth Circuit’s nominative fair use test lacks clarity and has proven difficult for district courts to apply. By replacing the likelihood of confusion factors traditionally used by courts to evaluate trademark infringement, the Ninth Circuit’s nominative fair use shoehorns an analysis that previously required an analysis of eight well-established and well-understood factors into a single prong of its three-part test.

Furthermore, in applying the nominative fair use test adopted by the Fourteenth Circuit, it is clear the court properly reversed the district court's grant of Petitioner's motion for summary judgment. The *Polaroid* likelihood of confusion factors demonstrate that consumers are likely to believe Petitioner's Fashionista Bambi doll is associated with Respondent. Respondent's mark is commercially strong due to her worldwide renown and Petitioner only incorporated her mark in a bad faith attempt to capitalize on the mark's notoriety and good will. In addition, the *Century 21* nominative fair use factors also support a finding that Petitioner's use of Respondent's mark was not fair. Petitioner did not need to use Respondent's mark to sell its dolls because consumers would have associated the doll with Respondent, absent the doll's voice activation feature. Moreover, consumers likely construe the doll's voice activation feature as a celebrity endorsement from Respondent.

STANDARD OF REVIEW

"The decision to grant summary judgment in a trademark infringement claim is reviewed *de novo*." *Survivor Media, Inc. v. Survivor Productions*, 406 F.3d 625, 630 (9th Cir. 2005). "The party moving for summary judgment must show by 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, . . . that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.'" *Hansen v. United States*, 7 F.3d 137, 138 (9th Cir. 1993) (quoting Fed. R. Civ. P. 56(c)).

The movant has the initial burden of establishing that no genuine issue of material fact exists or that a material fact essential to the nonmovant's claim is absent. *Celotex v. Catrett*, 477 U.S. 317, 322-24 (1986). Once the movant has met its burden, the burden shifts to the nonmovant to establish there is a genuine issue of material fact. *Id.* at 324. In order to meet this burden, the nonmovant must “set forth specific facts showing that there is a genuine issue for trial.” Fed. R. Civ. P. 56(e); *see Celotex*, 477 U.S. at 324. An issue of fact is material if, under the substantive law of the case, resolution of the factual dispute could affect the outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). Factual disputes are genuine if they “properly can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party.” *Id.* at 250. On the other hand, if after the court has drawn all reasonable inferences in favor of the nonmoving party, “the evidence is merely colorable, or is not significantly probative, summary judgment may be granted.” *Id.* at 249-50 (citations omitted).

ARGUMENT

I. NOMINATIVE FAIR USE IS A BURDENSOME INQUIRY THAT IS UNJUSTIFIABLE IN THE FACE OF EXISTING CASE LAW.

The holder of a registered trademark is protected under the Lanham Act against anyone employing an imitation of its mark when such use is “likely to cause confusion, or to cause mistake, or to deceive.” *See* 15 U.S.C. § 1114 (2005). To determine whether the use of a trademark is likely to cause confusion in the marketplace, each circuit applies a fairly similar multi-prong test. *See, e.g., Starbucks Corp v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir. 2009). However, under section 1115(b)(4) of the Lanham Act, certain confusing uses are still considered non-infringing. “Classic fair use” is one such use. Classic fair use is a statutory defense, enumerated in the Lanham Act, applicable where a defendant uses a plaintiff’s mark to describe the defendant’s *own* product. *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). The most common situation in which the fair use defense arises is where the plaintiff’s trademark is somehow descriptive, and the defendant has used the trademark in a descriptive manner.¹ *See* 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 (1994).

¹ For example, if a plaintiff has a registered trademark for the term “Fish-Fri,” a defendant who uses the term “fish fry” to market his fried food coating mix would be entitled to the statutory fair use defense. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 98 F.2d 786, 788 (5th Cir. 1983) abrogated on other grounds by *KP Permanent Make-UP, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 125 (2004).

The Ninth Circuit, however, has developed another type of fair use, which it refers to as the “nominative fair use defense.” See *New Kids*, 971 F.2d at 308.

Nominative fair use is the use of another’s trademark to identify, not the defendant’s goods or services, but the *plaintiff’s* goods or services.² *Id.* In its 1992 decision, *New Kids*, the Ninth Circuit held that,

[w]here a defendant uses a trademark to describe the plaintiff’s product, rather than its own, a commercial user is entitled to a nominative fair use defense provided he meets the following three criteria: first, the product of service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

While the Ninth Circuit referred to nominative fair use as a defense, it has since clarified that the analysis is a “defense” only in the sense that an alleged infringer can use the analysis to argue that there will be no infringement because there will be no likelihood of confusion. *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002). Because nominative fair use is, in reality, nothing more than an alternative method of analyzing likelihood of confusion and because courts continually struggle to differentiate when nominative or classic fair use should apply, this Court should decline to recognize the nominative fair use analysis.

The adoption of the “nominative fair use defense” has caused much confusion among the federal circuit courts. Those courts that have recognized the theory have not always embraced the Ninth Circuit’s three-factor test. See *PACCAR Inc. v.*

² For example, a Volkswagen repair shop would use the trademark “Volkswagen” to convey information about the types of cars they repair. See *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969).

TeleScan Techs., L.L.C., 319 F.3d 243, 256 (6th Cir. 2003). Others have chosen to apply the test as an affirmative defense. See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005). Even more problematic, however, is the fact that courts struggle to determine when the nominative fair use defense applies and when classic fair use applies. See *Brother Records, Inc. v. Jardine*, 318 F.3d 900,905 (9th Cir. 2003) (impliedly overturned on other grounds by *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171 (9th Cir. 2010)).

When the Ninth Circuit originally created nominative fair use, it held that it would apply “when a defendant used a plaintiff’s mark to identify, not the defendant’s good or services, but the plaintiff’s goods or services.” *New Kids*, 971 F.2d at 308. Classic fair use, on the other hand, would apply when “the defendant has used the plaintiff’s mark to describe the defendant’s own product.” *Id.* The nuance between the two definitions proved problematic in *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150-52 (9th Cir. 2002). There, the court attempted to distinguish the two doctrines further, holding that,

[c]ourts should use the *New Kids* nominative fair use analysis in cases where the defendant has used the plaintiff’s mark to describe the plaintiff’s product, *even if the defendant’s ultimate goal was to describe his own product*. By contrast, courts should use the traditional classic fair use analysis in cases where the defendant has used the plaintiff’s mark only to describe his own product, and not at all to describe the plaintiff’s product.

(emphasis added). Despite this clarification, distinguishing between the two types of fair use remained challenging for the court in *Brothers Records*. See *Brothers Records*, 318 F.3d at 905.

In many cases it can be argued that the defendant used the plaintiff's mark either to describe the plaintiff's product or to describe his own product. *See id.* In *Brothers Records*, the four members of the band "The Beach Boys" incorporated into Brother Tours, Inc. (BRI). *Id.* at 901. BRI became the registered owner of "The Beach Boys" trademark. *Id.* After the band separated, one of the original members, Jardine, went on to perform under names that included "The Beach Boys" trademark, such as "Beach Boys Family and Friends." *Id.* at 902. BRI filed a complaint alleging that Jardine was infringing its mark. *Id.* at 903. Jardine contended that his use of BRI's trademark was protected either by the classic fair use doctrine or the nominative fair use doctrine. *Id.* Jardine argued that: (1) his use of the "The Beach Boys" mark described the Beach Boy's product thus requiring application of the nominative fair use analysis, and (2) that, in the alternative, his use of "The Beach Boys" mark describes only himself – a founding member of the Beach Boys – and not at all to describe the Beach Boys' product, thus requiring application of the classic fair use analysis. *Id.* at 905. The court remarked that whether the defendant's use of the mark referred to the plaintiff's product at all – and thus whether classic fair use analysis or nominative fair use analysis applied – was not clear. *Id.* The court stated, "where the defendant uses his or her own title, which happens also to be plaintiff's trademark, defendant can argue convincingly both that the use refers to defendant and that the use refers not at all to defendant." *Id.* Concluding that in these situations, "the reference-to-trademark-holder distinction often proves more frustrating than helpful" the court devised a

second distinction to determine whether classic or nominative fair use would apply. *Id.* The court suggested that a “classic” fair use defense applies when a defendant uses a trademark in its “primary descriptive sense” – its dictionary meaning, essentially. *Id.* Demonstrating its new test, the court opined that “The Beach Boys” mark did not “denote . . . boys who frequent a stretch of sand by the sea” and therefore nominative fair use would apply. *Id.* at 907.

Considering the breadth of existing case law interpreting the multi-pronged likelihood of confusion tests, it is hard to justify the hair-splitting courts undertake to distinguish between these two doctrines. See William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49 (2008). The distinction is confusing because, in many instances, it is not entirely clear which product the defendant is describing, the plaintiff’s product or his own product. In certain cases it can be argued that they described either or. See Westberg, *New Nominative Use Defense*, *supra*, at 685. As a result, one court may choose to base its holding in a case on fair use, while another may base its holding on lack of confusion when in reality, the facts of the two cases are the same or similar. *Id.* Although the court in *Brothers Records* was ultimately able to decipher whether classic fair use or nominative fair use would apply, many courts still mix components of section 33(b)(4) and nominative use, frequently producing messy hybrids. See, e.g., *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 412 (9th Cir. 1996) (citing section 33(b)(4) but relying on the *New Kids* factors for elements of defense); *Ultimate Creations, Inc. v. THQ, Inc.*, 2008 WL 215827, at *4 (D. Ariz. Jan. 24, 2008) (listing and relying upon factors

from both tests in denying summary judgment); *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Ctr., Inc.*, WL 4207158, at *7-8 (S.D. Ohio Nov. 26, 2007) (citing *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 920 (6th Cir. 2003)) (quoting text of section 33(b)(4), reviewing nominative use cases, and ultimately concluding that a nominative use test should ask whether the mark was used (1) in its descriptive sense, and (2) in good faith--nearly, but not entirely, the section 33(b)(4) test). Nominative fair use will therefore lead to prolonged litigation and the waste of judicial time and resources.

In comparison, courts in other circuits have, for many years, reached results consistent with those of the Ninth Circuit without using a separate “nominative fair use” analysis. *See, e.g., Societe Comptoir De L'Industrie Cotonniere Etablissements Boussac v. Alexander's Dept. Stores Inc.*, 299 F.2d 33 (2d Cir. 1996); *G.D. Searle & Co. v. Hudson Pharmaceutical Corp.*, 715 F.2d 837, 496 (3d Cir. 1983); *Trail Chevrolet, Inc. v. General Motors Corp.*, 381 F.2d 353 (5th Cir. 1967); *University of Florida v. KP&B, Inc.*, 89 F.3d 773,777 (11th Cir. 1996). The benefit to using the traditional likelihood-of-confusion tests is the extensive precedent courts have to rely on to apply them.

Furthermore, recognizing nominative fair use has the unfortunate result of limiting a defendant's ability to raise the statutory defense of classic fair use. Because the two concepts are mutually exclusive, a defendant may be barred from applying the classic fair use defense when, in fact, his use of the mark could be argued to be both descriptive and nominative fair use. Under the Ninth Circuit's

holding, a defendant may now only assert classic fair use if: (1) he has used a plaintiff's mark to describe his own product and (2) if the mark was used in its *primary* descriptive sense. Defendants who previously may have raised the defense will now not only have their claim adjudicated under the nominative fair use test, but will then be barred from raising the affirmative defense of classic fair use. In creating nominative fair use, the Ninth Circuit's intention was to broaden First Amendment free speech protections by not allowing trademark holders to deplete language. *New Kids*, 971 F.2d at 307. The Ninth Circuit's interpretation of the defense, however, risks having the opposite effect.

The Ninth Circuit justified its abandonment of the traditional likelihood of confusion analysis by arguing that the "application of the *Sleekcraft* test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing." *Playboy Enterprises*, 279 F.3d at 801. However, the Ninth Circuit's reasoning is incorrect. Contrary to the court's contention, similarity of the marks is not dispositive. Chad J. Doellinger, *Nominative Fair Use: Jardine and the Demise of a Doctrine*, 1 Nw. J. Tech. & Intell. Prop. 5 (2003) As the Ninth Circuit recently noted,

[w]e do not decide whether confusion is likely by considering mechanically the number of *Sleekcraft* factors that weigh in favor of either party, or by giving the same weight to a particular factor from case to case. . . . [A]s we apply the *Sleekcraft* test, we consider what each factor, and—more importantly—what the analysis as a whole, reveals about the ultimate question before us: the likelihood of consumer confusion as to the origin of the product or service bearing the allegedly infringing mark.

Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1141 (9th Cir. 2002). In stark contrast to the justification mentioned by the court “the factors are a guide to decision-making, intended to channel the analytical process but not to dictate any result.” *Id.* Thus, a finding of likelihood of confusion under the multi-prong tests is not a reason to eliminate the test, but rather proof that the defendant’s conduct is infringing. Doellinger, *Fair Use, supra*, at 5.

The federal circuits’ multi-factor tests are sufficient to analyze confusion, even in instances where a defendant used a plaintiff’s trademark to describe the plaintiff’s products. *See PACCAR*, 319 F.3d at 256. Nominative fair use, however, is a redundant test that creates more confusion than it resolves, and therefore, this Court should forego recognizing the defense.

II. NOMINATIVE FAIR USE IS A QUESTION OF LIKELIHOOD-OF-CONFUSION AND THEREFORE CANNOT BE APPLIED AS AN AFFIRMATIVE DEFENSE.

In order to succeed on a claim of infringement under section 1114 of the Lanham Act, a plaintiff has the burden of showing that the defendant’s actual practice is likely to produce confusion in the minds of consumers regarding the origin of the goods or services in question. *See KP Permanent Make-UP, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121 (2004). Section 33(b)(4) of the Lanham Act, however, provides an affirmative defense for defendants whose use of another’s mark has been found likely to produce confusion in the marketplace. *Id.* §

1115(b)(4)(2002). Section 33(b)(4) states that an infringement claim shall be subject to the following defense: “use of the name, term, or device charged to be an infringement in use, otherwise than as a mark . . . 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.” *Id.* (emphasis added). Classic fair use is an affirmative defense because it protects a defendant from liability even if there is, in fact, a likelihood of consumer confusion. *See KP Permanent*, 543 U.S. at 121. Nominative fair use however, was created by the Ninth Circuit, and applies when a defendant uses a mark to specifically invoke the plaintiff’s mark, rather than using the mark to describe the defendant’s goods or services. *See Int’l Info. Sys. Sec. Cert. Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 167 (2d Cir. 2016). Because nominative fair use is a test developed to determine whether a likelihood of confusion exists under section 1141 of the Lanham Act, it should not be adopted as an affirmative defense. Furthermore, adopting nominative fair use as a defense improperly shifts the burden of disproving confusion to the defendant rather than placing the burden of proving likelihood of confusion on the plaintiff.

A. Nominative Fair Use is Use That Does Not Confuse and Therefore the Doctrine Cannot Provide a Defense Where a Likelihood of Confusion is Found.

Statutory “classic fair use” is an affirmative defense because it is applied in the face of confusion. *See KP Permanent*, 543 U.S. at 121 (holding that a defendant is not required to foreclose a finding of likelihood of confusion before it can assert the classic fair use defense). Nominative fair use, however, is employed to determine

whether a likelihood of confusion exists. *See Playboy Enterprises*, 279 F.3d at 801 (holding that nominative fair use replaces the traditional multi-factor likelihood of confusion test); *Int'l Info. Sys. Sec. Certification Consortium, Inc.*, 823 F.3d at 167 (holding that nominative fair use cannot be applied as an affirmative defense because it is a test meant to replace the multi-factor test typically employed to determine consumer confusion).

Nominative fair use cannot be applied as an affirmative defense because it is a tool used to establish whether consumer confusion exists under specific circumstances. Classic fair use covers situations in which a mark is not only used to describe a specific product but also describes a person, a place, or an attribute of a product. In the case of classic fair use, were the trademark holder allowed exclusive rights to their mark, language would be depleted in much the same way as if generic words were protectable. *New Kids*, 971 F.2d at 307. Thus, Congress has recognized a defense to infringement in these situations, encoded in section 1115(b)(4) of the Lanham Act. The fair use defense, in essence, forbids a trademark registrant from appropriating a descriptive term for his exclusive use and thereby preventing others from accurately describing a characteristic of their goods. The doctrine of nominative fair use on the other hand, 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. While the two concepts have similar names, they are in fact quite different. In the instance of classic fair use, the legislature has balanced

First Amendment freedoms against the principle that trademark owners may prevent producers from free riding on their marks. Matthew D. Bunker, *Mired in Confusion: Nominative Fair Use in Trademark Law and Freedom of Expression*, 20 Comm. L. & Pol'y 191 (2015). In these circumstances, a degree of confusion is permitted so as not to encroach on First Amendment freedoms of speech.

Nominative use, however, is a judicially created concept. Nominative fair use is not an affirmative defense because it does not protect a defendant from liability if there is, in fact, a likelihood of consumer confusion. Had Congress wanted to create an affirmative defense for defendants who use a trademark to describe a plaintiff's product, rather than its own, it would have done so.

The Third Circuit, however, has chosen to treat nominative fair use as an affirmative defense. *See Century 21*, 425 F.3d at 222. Under the Third Circuit's analysis, a defendant may assert the nominative fair use defense even if the plaintiff has proven that the nominative use of the mark is likely to create consumer confusion. *Id.*

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. *See Century 21*, 425 F.3d at 222. However, in treating fair use as an affirmative defense, the Supreme Court was interpreting provisions of the Lanham Act. Under the Supreme Court's interpretation, the Lanham Act explicitly provides that descriptive fair use is an affirmative defense. Nominative fair use cannot fall within section 1115(b)(4)'s language, as nominative fair use is not the

use of a name, term or device otherwise than as a mark which is descriptive of and used merely to describe the goods or services of the alleged infringer. In *KP Permanent*, this Court noted its decision did not address nominative fair use. If Congress had wanted nominative fair use to constitute an additional affirmative defense, it would have provided as such.

B. Under *KP Permanent*, This Court Held the Burden of Proving Likelihood of Confusion Must Remain with the Plaintiff.

This Court has held that the burden of proving likelihood of confusion rests with the plaintiff. *See KP Permanent*, 543 U.S. at 121. Adopting nominative fair use as a defense, however, places the burden on the defendant to negate confusion. *See Century 21*, 425 F.3d at 244 (Fisher, concurring in part and dissenting in part). This is impermissible under this Court's precedent and therefore, were the court to recognize nominative fair use as a legal theory, it would be inappropriate to apply it as an affirmative defense.

III. IF THIS COURT ELECTS TO ADOPT A NOMINATIVE FAIR USE TEST, THE FOURTEENTH CIRCUIT ARTICULATED THE PROPER FORMULATION.

As discussed above, the circuit courts are presently split as to how, if at all, the nominative fair use doctrine should be applied. In reversing the grant of Petitioner's motion for summary judgment, the Fourteenth Circuit announced a nominative fair use that properly balances the Lanham Act's goal of avoiding consumer confusion with the marketplace's interest in free competition.

Petitioner argues in favor of the Ninth Circuit’s three-factor nominative fair use test, which looks at whether “(1) the product was ‘readily identifiable’ without use of the mark; (2) defendant used more of the mark than necessary; or (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder.” *Toyota Motor Sales*, 610 F.3d at 1176 (quoting *New Kids*, 971 F.2d at 308-09). In rejecting this approach, the Fourteenth Circuit held that the nominative fair use doctrine requires an analysis of the eight likelihood confusion factors set forth by the Second Circuit in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir.1961), as well as the three additional nominative fair use factors adopted by the Third Circuit in *Century 21. Gardashyan*, 1135 F.3d at 363, 364.

Thus, in determining whether a defendant’s nominative use is fair, the Fourteenth Circuit instructed lower courts to weigh the following eleven factors: (1) strength of the plaintiff’s 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 products; (8) sophistication of consumers in the relevant market; (9) whether the use of plaintiff’s mark is necessary to describe plaintiff’s product or service and defendant’s product or service?; (10) whether only so much of the plaintiff’s mark used as is necessary to describe plaintiff’s products or services?; (11) whether the defendant’s conduct or language reflect the true and accurate relationship between

plaintiff and defendant's products or services? *Gardashyan*, 1135 F.3d at 363-64. The Fourteenth Circuit stated that some of the *Polaroid* factors might not be relevant in every case, but lower courts must always assess all three *Century 21* factors. *Id.* at 363.

Because this eleven-factor test prevents defendants from asserting nominative fair use where their use of a mark is gratuitous and provides lower courts with more tools to distinguish fair uses from infringing uses, this Court should adopt the Fourteenth Circuit's nominative fair use test.

A. The Nominative Fair Use Test Adopted In the Ninth Circuit is Flawed Because the Test is Too Lenient on Fair Use Claimants.

The first prong of the Ninth Circuit's test improperly provides defendants fair use protection without considering whether the defendant had a sufficiently compelling reason to appropriate the plaintiff's mark. In *New Kids*, the Ninth Circuit held that a defendant was entitled to a nominative fair use defense where the plaintiff's product or services were not "readily identifiable" without use of the plaintiff's trademark. *New Kids*, 971 F.2d at 308. In other words, there must not have been "equally informative non-trademark words" available to the defendant to reference the *plaintiff's* product or services. *Id.* at 306. But this prong of the *New Kids* test neglects a critical step of the nominative fair use inquiry: determining whether the use of the plaintiff's mark was necessary to describe the *defendant's* product or service.

By not evaluating the necessity of the defendant's use of the plaintiff's mark, the first prong of the *New Kids* test ignores whether a defendant could have used other means to describe or advertise his products or services. If a defendant's product or service is identifiable without the use of another's trademark, but the defendant nonetheless chooses to use the plaintiff's mark, the defendant's use of the plaintiff's trademark becomes gratuitous. In this scenario, the defendant's only justification for utilizing the plaintiff's mark is to exploit the popularity and goodwill of the mark. If the purpose of the nominative fair use doctrine is to protect parties that use others' trademark for legitimate comparison, criticism, or point of reference, *New Kids*, 971 F.2d at 306, this goal is clearly not served by protecting parties that needlessly appropriate trademarks in order to capitalize on the mark's good will.

Courts applying the test adopted in the Third Circuit, and now the Fourteenth Circuit, have refused to sanction the contradictory result the loophole in the first prong of the *New Kids* test allows. For instance, in *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064, at *1 (D. Minn. 2006), the defendant, a brokerage firm, attempted to claim the nominative fair use defense when it used the trademark of its competitor, Edina Realty, by (1) purchasing search-engine terms containing the name "Edina Realty" so that the defendant's "sponsored link" appeared when anyone searched for "Edina Realty," and (2) printing the name in hidden links and text on its website so as to cause its website to appear higher up on a search-engine results list than would ordinarily occur when returning results

for “Edina Realty.” Citing to the *Century 21* decision, the district court ruled the defendant’s use of Edina Realty’s name was not entitled to summary judgment on its nominative fair use defense because “none of these uses require[d] the Edina Realty mark.” *Id.* at *7. The court observed the defendant “could rely on other search terms . . . to generate its advertisement,” and therefore, the defendant failed to satisfy the first prong of the nominative fair use test. *Id.*

Even some courts in the Ninth Circuit have recognized the importance of undertaking an examination of whether a plaintiff’s trademark was necessary to describe the defendant’s goods. In doing so, these courts have unknowingly strayed from the plain language of the *New Kids* test and have instead applied the first prong utilized in the *Century 21* nominative fair use test. For example, in *Playboy Enterprises, Inc. v. Welles*, the defendant, a former Playboy Playmate of the Year, put up a website that used Playboy Enterprises’ trademark. *Playboy*, 279 F.3d at 796. In analyzing the first prong of the nominative fair use test, the court read the *New Kids* test as requiring analysis of whether there was another way the defendant could “identify or describe *herself* and *her services*, without venturing into absurd descriptive phrases.” *Id.* at 802 (emphasis added). Concluding it was “impractical” to expect the defendant to describe herself as the “nude model selected by Mr. Hefner’s magazine as its number-one prototypical woman for the year 1981,” the court held the defendant met the first prong of the *New Kids* test. *Id.*

By implicitly adopting the first prong of the *Century 21* nominative fair use test, the *Playboy* court illustrated why the *New Kids* test must be rejected in favor

of the Fourteenth Circuit's approach. First, the *Playboy* decision exemplifies the difficulties courts have had in applying the *New Kids* test. See *Century 21*, 425 F.3d at 228 (concluding the Ninth Circuit test "suffers from a lack of clarity," evidenced by "the contortions the [court] itself has gone through in applying it . . ."). Second, the *Playboy* decision demonstrates the natural inclination of courts to require a showing that use of the plaintiff's trademark was necessary to describe both the plaintiff's product or service and the defendant's product or service. See, e.g., *Experience Hendrix, L.L.C. v. Hendrixlicensing.com, Ltd.*, 2010 WL 2104239, at *6 (W.D. Wash. May 19, 2010) ("Even if the Court were to conclude that the nominative fair use test should be applied . . . the Defendants have not satisfied the nominative fair use test. As to the first part of the test, Defendants' use of Plaintiffs' [trademark] is not necessary to describe *Defendants' products*") (emphasis added).

Without requiring evidence the plaintiff's trademark was necessary to describe the defendant's product, the Ninth Circuit test is simply too lenient on fair use claimants. The *New Kids* nominative fair use test fails to adequately deter defendants from making needless and gratuitous references to a plaintiff's mark in order to profit from the mark's popularity or good will.

B. The Nominative Fair Use Test Adopted In the Ninth Circuit is Flawed Because the Test is Difficult for District Courts to Apply.

Where a defendant asserts nominative fair use as a defense in the Ninth Circuit, the *New Kids* test "replaces" the eight-factor likelihood of confusion test for trademark infringement. *Cairns*, 292 F.3d at 1150. But in abandoning the

likelihood of confusion factors, the Ninth Circuit improperly leaves a determination that formerly required an analysis of eight factors to an analysis of one.

In evaluating nominative fair use, likelihood of confusion is measured based on the extent to which the defendant's use of the plaintiff's mark suggests sponsorship or endorsement. *Tabari*, 610 F.3d at 1176 (“The third factor speaks directly to the risk of such confusion . . .”). In *Playboy*, the Ninth Circuit stated its nominative fair use test “better addresses concerns regarding the likelihood of confusion” because analysis of the these factors would “lead to the incorrect conclusion that virtually all nominative uses are confusing.” *Playboy*, 279 F.3d at 801.

The rationale of the *Playboy* court, however, fails to take into account the flexibility of the likelihood of confusion test. The likelihood of confusion factors were never intended to be “mechanically tallied,” but rather are best utilized as tools “to guide a qualitative decision.” *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 216 (3d Cir. 2000). This is the primary reason circuit courts have continued to apply their likelihood of confusion tests to trademark parodies, despite the less-than-perfect fit of some of the factors to parody cases. *See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007) (“The finding of a successful parody only influences the way in which the [likelihood of confusion] factors are applied”); *Lucasfilm Ltd. v. Media Mkt. Grp., Ltd.*, 182 F. Supp. 2d 897, 901 (N.D. Cal. 2002) (“Parody . . . is relevant to show that there is little likelihood of confusion between an original mark and a parody of that mark.”).

The adaptability of the likelihood of confusion tests to different forms of trademark usage explains why several circuit courts have continued to utilize these factors when confronted with nominative fair use claims. See *Int'l Info. Sys. Sec. Certification Consortium, Inc.*, 823 F.3d at 169 (holding that courts should consider a nominative fair use in conjunction with the likelihood of confusion analysis); *Bd. of Supervisors for Louisiana State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 489 (5th Cir. 2008) (same); *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 155 (4th Cir. 2012) (declining to adopt a position on the viability of the nominative fair use doctrine or whether the doctrine alters the likelihood of confusion test in some way). The Sixth Circuit rejected the *New Kids* test outright, and held that such trademark uses should be analyzed according to the traditional likelihood of confusion test. See *PACCAR*, 319 F.3d at 256 (“This circuit has never followed the nominative fair use analysis, always having applied the [likelihood of confusion] test. We are not inclined to adopt the Ninth Circuit's analysis here”);

In light of the abundance of authority applying the likelihood of confusion factors and the predictability this precedent provides to trademark owners, this Court should not commit the same blunder as the Ninth Circuit in abandoning the likelihood of confusion factors in the nominative fair context.

IV. UNDER THE FOURTEENTH CIRCUIT'S NOMINATIVE FAIR USE TEST, PETITIONER'S USE OF THE CAMMY GARDASHYAN MARK TO ADVERTISE THE FASHIONISTA BAMBI DOLL WAS NOT A NOMINATIVE FAIR USE.

In the opinion below, the Fourteenth Circuit held that in assessing nominative fair use claims, courts must first analyze the *Polaroid* likelihood of confusion factors. *Gardashyan*, 1135 F.3d at 364. There are eight *Polaroid* factors, none of which is individually dispositive: (1) the strength of the mark; (2) the similarity of the marks; (3) the proximity of the products within the market place; (4) the likelihood plaintiff will bridge the gap between the products; (5) evidence of actual confusion among consumers; (6) the sophistication of the relevant consumer population; (7) the defendant's good or bad faith; and (8) the relative quality of the products. *Polaroid*, 287 F.2d at 496. Next, under the Fourteenth Circuit's approach, courts must analyze the three nominative fair use factors set forth by the *Century 21* court: (1) is the use of plaintiff's mark necessary to describe plaintiff's product or service and defendant's product or service? (2) is only so much of the plaintiff's mark used as is necessary to describe plaintiff's products or services? (3) does the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services? *Gardashyan*, 1135 F.3d at 364. In the present case, both the eight *Polaroid* factors and the three *Century 21* factors weigh in Respondent's favor. Thus, Petitioner's use of the CAMMY GARDASHYAN mark on its Fashionista Bambi Doll is not entitled to nominative fair use protection.

A. The *Polaroid* Factors Demonstrate that Consumer Confusion is Likely to Result from Petitioner’s Use of Respondent’s Mark Because Respondent’s Mark is Commercially Strong and Petitioner Used Respondent’s Mark in Bad Faith.

Likelihood of confusion exists when “consumers viewing the mark would probably assume the product or service it represents is associated with the source of a different product or service identified by a similar mark.” *Scott Paper Co. v. Scott’s Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978). Confusion is evaluated “from the perspective of ordinary consumers, not from the perspective of people in the trade.” *Fisons Horticulture, Inc. v. Vigoro Indus., Inc.*, 30 F.3d 466, 476 (3d Cir. 1994).

The first *Polaroid* factor, the strength of plaintiff’s mark, favors Respondent. This factor is concerned with the distinctiveness of a mark in the eyes of the consuming public. *Savin Corp. v. Savin Group*, 391 F.3d 439, 457 (2d Cir. 2004). Here, the CAMMY GARDASHYAN mark is extremely strong. Since Respondent’s television series premiered in 2007, Respondent has become an international celebrity. *Gardashyan*, 1135 F.3d at 356. Respondent’s fame has allowed her to develop an extremely lucrative personal brand; in 2015 alone, profits from goods sold under the CAMMY GARDASHYAN mark exceeded 50 million dollars. *Id.*

The second *Polaroid* factor, which evaluates the similarity of the marks, also supports a finding of likelihood of confusion. It is undisputed that Petitioner has used Respondent’s trademarked name on its Fashionista Bambi doll boxes. *Gardashyan*, 1135 F.3d at 357.

The third *Polaroid* factor, the proximity of the products in the marketplace, also favors Respondent. The proximity factors looks at the extent to which the parties' products compete with each other. *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 480 (2d Cir. 1996). In order to make such a determination, courts look at “the nature of the products themselves and the structure of the relevant market,” including “the class of customers to whom the goods are sold, the manner in which the products are advertised, and the channels through which the goods are sold.” *Id.* Although Respondent and Petitioner do not sell the same products, the class of customers to whom each party markets their goods is very similar. Respondent is an international celebrity who attracts fans of all ages. *Gardashyan*, 1135 F.3d at 357. The purchasers of her lines of jewelry, clothing, cosmetics, perfumes, handbags, and footwear bearing the CAMMY GARDASHYAN mark are primarily young women and girls. Petitioner similarly markets its Fashionista Bambi doll to consumers of all ages, but the principal purchasers of its dolls are likely young women and girls. Because Respondent and Petitioner directly compete for the same segment of consumers, this *Polaroid* factor favors Respondent's position.

The fourth *Polaroid* factor, likelihood of Respondent “bridging the gap” and entering Petitioner's market, along with the fifth *Polaroid* factor, evidence of actual confusion, are neutral. There is no evidence on the record supporting either factor.

The sixth *Polaroid* factor, which examines the good faith of the defendant, weighs in Respondent's favor. “Bad faith generally refers to an attempt by a junior user of a mark to exploit the good will and reputation of a senior user by adopting

the mark with the intent to sow confusion between the two companies' products.” *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 388 (2d Cir. 2005). Petitioner made no secret of the fact that it intended to capitalize on the popularity of the CAMMY GARDASHYAN mark and Respondent’s celebrity status in producing the Fashionista Bambi doll. Petitioner conceded its designers took Respondent into consideration when designing the doll in an attempt “[t]o enhance profitability” after seeing Respondent’s dramatic rise in fame. *Gardashyan*, 1135 F.3d at 356-57. Furthermore, the distinctive clothing worn by Petitioner’s dolls was plainly inspired by Respondent’s wardrobe. The doll is sold wearing an animal leopard print top, a knee-length skirt, and shiny high-heeled shoes, which even the Fourteenth Circuit recognized was Respondent’s “signature style.” *Id.* at 356. Petitioner’s bad faith is further evidenced by the near-imperceptible disclaimer Petitioner placed on the rear side of the Fashionista Bambi doll in tiny font, near the lower portion of the box. *Id.* If Petitioner intended to alert consumers to the fact that their company is not affiliated with Respondent, it certainly did not try very hard.

The seventh and eighth *Polaroid* factors, the relative quality of the products and the sophistication of the relevant consumer population, both favor Respondent as well. Respondent produces numerous lines of clothing, jewelry, footwear, and cosmetics, many of which are designed to target consumers with less expensive tastes. The consumers who purchase Petitioner’s relatively inexpensive dolls and the consumers who purchase Respondent’s cheaper products are likely to be less

sophisticated, and therefore, more susceptible to confusion. Accordingly, these factors weigh in Respondent's favor.

B. The *Century 21* Factors Demonstrate that Petitioner's Use of Respondent's Mark was Not a Fair Because Petitioner Did Not Need to Use Respondent's Mark to Describe Its Dolls and the Dolls' Voice Activation Feature Improperly Suggests a Relationship Between Petitioner and Respondent.

Under the first prong of the *Century 21* test, the defendant's use of plaintiff's mark must be "necessary to describe both the plaintiff's product or service and the defendant's product or service." *Century 21*, 425 F.3d at 222. This prong is satisfied only where no other "descriptive substitute exists." *Playboy*, 279 F.3d at 801. "Considerations such as the simplicity of description and the likelihood that consumers will understand a given reference to plaintiff's services without use of the mark are appropriate to this analysis." *Century 21*, 425 F.3d at 229. In the case at bar, Petitioner's use of the CAMMY GARDASHYAN mark does not satisfy the first prong of the *Century 21* nominative fair use test because use of Respondent's mark was unnecessary to describe Petitioner's Fashionista Bambi doll.

First, Petitioner's consumers would have recognized the Fashionista Bambi doll was modeled after Respondent even if her name was not included on the box. Respondent is one of the most recognizable celebrities on the planet, with tens of million of fans and followers of all ages. *Gardashyan*, 1135 F.3d at 356. Even individuals who have never watched Respondent's television show or bought her products tend to recognize Respondent from entertainment and social media websites. *Id.* People know Respondent has long, black, straight hair, and that her

signature style includes animal prints, knee-length skirts, and shiny high-heeled shoes. The distinctive hairstyle and clothing worn by the Fashionista Bambi dolls clearly communicated to consumers that the doll was modeled after Respondent. Thus, Petitioner's use of Respondent's mark in its production of the Fashionista Bambi doll was gratuitous; the doll's appearance alone was sufficient to place Respondent in the minds of Petitioner's consumers, and therefore, Petitioner's use of Respondent's mark fails the first prong of the *Century 21* test.

Second, Petitioner could have advertised its dolls effectively in other ways using non-trademarked words that would have been equally descriptive. In fact, Petitioner already does. Petitioner named the doll the "Fashionista Bambi," not the "Cammy Gardashyan Bambi." In doing so, Petitioner shows there was nothing indispensable or critical about Respondent's mark to the description of the doll. *See Playboy Enterprises, Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1030 (9th Cir. 2004) (holding the first prong of the *New Kids* test was not satisfied where the defendant, an Internet service provider, had previously used words other than plaintiff's mark to generate adult-oriented advertisements). Because Petitioner could simply have identified the doll as a "fashionista," and still fulfilled its goal of linking the doll to Respondent in the minds of purchasers, Petitioner fails the first prong of the *Century 21* test. *See Edina Realty*, 2006 WL 737064, at *7 (D. Minn. 2006).

Under the second *Century 21* prong, the question is whether Petitioner used "only so much" of Respondent's mark as was necessary to describe Petitioner's

Fashionista Bambi dolls. *Century 21*, 425 F.3d at 222. “[T]he second prong tests only whether the quantum of the plaintiff’s mark used by the defendant was appropriate.” *Id.* at 230.

Display of the plaintiff’s mark in a prominent or eye-catching manner undermines claims of fair use. *Chrysler Corp. v. Newfield Publications, Inc.*, 880 F. Supp. 504, 512 (E.D. Mich. 1995). In *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F. Supp. 2d 1206, 1211 (CD. Cal. 1998), the defendant, a publisher, used the “Godzilla” trademark on the cover of their movie compendium. The court held the second prong of the *New Kids* test had not been met because the cover of the book displayed the trademark in “bold orange lettering prominently displayed.” Thus, the defendant’s use “exceed[ed] its legitimate referential purpose.” *Id.*

Akin to the defendant in *Toho*, Petitioner made Respondent’s mark the centerpiece of its trade dress. The front cover of the Fashionista Bambi doll’s packaging conspicuously displays a caption bubble that reads, “I say: I want to be just like Cammy Gardashyan.” *Gardashyan*, 1135 F.3d at 357. In concentrating consumer attention on the doll’s ability to say “Cammy Gardashyan,” Petitioner exceeded any legitimate referential purpose.

Under the third *Century 21* prong, the question is whether Petitioner’s use of Respondent’s mark reflects the true relationship between the parties. *Century 21*, 425 F.3d at 222. This prong looks to whether the defendant undertook any “affirmative acts” that suggest sponsorship or endorsement. *Id.* at 231.

Even, assuming *arguendo*, that Petitioner satisfied the first two prongs, Petitioner's use of Respondent's name in the Fashionista Bambi dolls' voice recording precludes any plausible fair use claim. Nominative fair use applies only insofar as "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." *New Kids*, 971 F.2d at 308. In *Abdul-Jabbar v. Gen. Motors Corp.*, the court held the defendant, a car manufacturer, had violated this principle when it used the plaintiff's name and image in a television commercial without the plaintiff's consent. *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 413 (9th Cir. 1996). The commercial compared defendant's award winning car to the plaintiff, a famous basketball player and three-time winner of the NCAA Basketball Tournament Most Outstanding Player award. *Id.* at 409. The court reasoned that "many people may assume that when a celebrity's name is used in a television commercial, the celebrity endorses the product advertised," and therefore, the third prong of the *New Kids* test could not be decided on summary judgment.

In *Yeager v. Cingular Wireless LLC*, 673 F. Supp. 2d 1089 (E.D. Cal. 2009), the court vocalized similar skepticism about applying the nominative fair use defense where a company uses a famous celebrity's trademark in order to advertise their own products or services. In *Yeager*, the defendant, a cellular telephone company, used the trademarked name of the plaintiff, a famous Air Force pilot, in its website press release in order to compare the company's emergency services with the plaintiff's aeronautic accomplishments. *Id.* at 1093-94. Analogizing its case to

Abdul-Jabbar, the court denied the defendant’s motion for summary judgment, noting, “[w]hile not featured in a television commercial, the deliberate, closely-tied analogy in a press release directed to create positive associations with defendant’s product is sufficient to raise a triable issue of fact regarding implied endorsement.” *Id.* at 1103–04.

Here, as in *Abdul-Jabbar* and *Yeager*, the risk of consumer confusion from the use of a celebrity trademark is substantial. The voice activation feature advertised on Petitioner’s dolls has undoubtedly led consumers to question whether Respondent endorses or sponsors the dolls. Given the self-serving nature of the doll’s recorded phrase (“I want to be a fashionista, just like Cammy Gardashyan”), along with the frequency in which celebrities endorse products, most consumers would not be unreasonable in concluding an association between Respondent and Petitioner exists. Inclusion of Respondent’s mark in the voice activation feature serves no legitimate purpose of “comparison, criticism, [or] point of reference,” *New Kids*, 971 F.2d at 306, but rather constituted a blatant attempt to capitalize on the good will Respondent’s mark has generated. Because appropriation of another’s trademark for the purposes of “creat[ing] or enhancing marquee value” of one’s own product or service is not a nominative fair use, Petitioner cannot satisfy the third prong of the *Century 21* test. *See Brother Records*, 318 F.3d 900, 908 (9th Cir. 2003).

Petitioner will likely claim any confusion as to sponsorship or endorsement was clarified by the disclaimer on the doll’s box, which states, “Pattel, Inc. and Fashionista Bambi are not sponsored by or affiliated with Cammy Gardashyan.”

Gardashyan, 1135 F.3d at 357. But disclaimers have not been held to dispel consumer confusion as a matter of law, particularly where the disclaimer was distant from where the plaintiff's mark was prominently displayed. *See Toho*, 33 F. Supp. 2d at 1213 (finding defendant's disclaimer of the "Godzilla" trademark ineffective because "most consumers look primarily at the front cover of a book" and the disclaimer was placed on the back cover of the book in a location where "most consumers' eyes are not likely to dwell"); *Pebble Beach Co. v. Tour 18 I*, 155 F.3d 526, 551-52 (5th Cir. 1998) (rejecting defendant's nominative fair use argument and affirming the district court's finding that the defendant's "disclaimers were ineffective due to their . . . inconspicuousness on advertisements and promotional materials and due to [defendant's] 'prominent use' of the Plaintiffs' marks"). Here, Respondent's mark appears on the front cover of Fashionista Bambi doll box, but the disclaimer is placed on lower back portion of the box in small, ten-point font. *Gardashyan*, 1135 F.3d at 357. Most consumers are unlikely to ever look at the rear side of Petitioner's doll boxes – let alone read the legal disclaimer – before making their purchasing decision. Therefore, in light of its diminutive size and obscure placement, this Court should find Petitioner's disclaimer does not eliminate confusion as to the relationship between Respondent and Petitioner.

CONCLUSION

For the foregoing reasons, this Court should decline to adopt the nominative fair use analysis. Should this Court choose to recognize nominative fair use, it should not apply it as an affirmative defense and should adopt the nominative fair use test used in the Fourteenth Circuit. Furthermore, in applying the nominative fair use test to the present case, this Court should affirm the Fourteenth Circuit's reversal of the district court's grant of Petitioner's motion for summary, and remand the case for further proceedings.

Dated: October 21, 2016

Respectfully submitted,

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