

## 'Nominative Fair Use' For TMs: An Idea Whose Time Has Gone

Law360, New York (June 16, 2015, 10:22 AM ET) -- Nearly 25 years ago, the Ninth Circuit created a new defense to claims of trademark infringement, which it described as “nominative fair use.” *New Kids on the Block v. News America Publishing Inc.*, 971 F.2d 302, 306-08 (9th Cir. 1991). The defendants in *New Kids*, two nationally circulated newspapers, had conducted polls to identify which of the *New Kids on the Block*, a five-member “boy band,” was the most popular. Apparently unhappy with these polls, the band sued the newspapers for trademark infringement, but the district court granted summary judgment in favor of the newspapers.

On appeal, the Ninth Circuit noted that “many goods and services are effectively identifiable only by their trademarks,” and that “it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark.” *Id.* at 306. The court continued:

Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark... . Such nominative use of a mark — where the only word reasonably available to describe a particular thing is pressed into service — lies outside the strictures of trademark law.

*Id.* at 307-08. The court therefore established a “nominative fair use defense” that is applicable when an alleged infringer can satisfy three requirements:

First, the product or service in question 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.

*Id.* at 308. The court found the newspapers’ polls satisfied this test, and thus affirmed the summary judgment order.

Of course, the Lanham Act has a statutory fair use defense, set forth in section 33(b)(4) of that act. Section 33(b)(4) provides a defense when

the use of the name, term, or device charged to be an infringement is a 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, or their geographic origin.

15 U.S.C. § 1115(b)(4). But the Ninth Circuit found this defense applicable only when the defendant is using the challenged term exclusively to refer to its own product, rather than to the plaintiff or the plaintiff’s product. *New Kids*, 971 F.2d at 308.

Since its creation, this judge-made “nominative fair use” defense has been invoked most frequently in cases involving various forms of media. These include cases involving the right of individual band members to market themselves by using the band’s name, see, e.g., *Scholz v. Migliaccio*, Case No. 2:13-cv-1229-JLR, slip op. at 2 (W.D. Wash. Aug. 20, 2013) (Fran Cosmo of “Boston”); *Brother Records Inc. v. Jardine*, 318 F.3d 900 (9th Cir. 2003) (Al Jardine of “The Beach Boys”); depiction of a Barbie doll in various photographs, *Mattel Inc. v. Walking Mt. Prods.*, 353 F.3d 792 (9th Cir. 2003); use of Barbie’s name in a song, *Mattel Inc. v. MCA Records Inc.*, 28 F. Supp. 2d 1120 (C.D. Cal. 1998); criticism of companies or their practices in various media, see, e.g., *Aviva Untied States Corp. v. Vazirani*, 902 F. Supp. 2d 1246 (D. Ariz.

2012); 1800 Get Thin LLC v. Hiltzik, 2011 U.S. Dist. LEXIS 81982 (C.D. Cal. Jul. 25, 2011); depictions of products in motion pictures, Wham-O Inc. v. Paramount Pictures Corp., 286 F. Supp. 2d 1254 (N.D. Cal. 2003); motion picture titles, Warner Bros. Entm't v. Global Asylum Inc., (C.D. Cal. Dec. 10, 2012); a centerfold's truthful reference to herself as a Playboy playmate, Playboy Enters. v. Welles, 279 F.3d 796 (9th Cir. 2001); a book regarding the history of Godzilla, Toho Co. Ltd. v. William Morrow & Co., 33 F. Supp. 2d 1206 (C.D. Cal. 1998); video game images and disclaimers, see, e.g., Electronic Arts Inc. v. Textron Inc., 2012 U.S. Dist. LEXIS 103914 (N.D. Cal. Jul. 25, 2012); E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095 (9th Cir. 2008); Capcom Co. v. MKR Group Inc., 2008 U.S. Dist. LEXIS 83836 (N.D. Cal. Oct. 10, 2008), and book marketing, Canfield v. Health Communs. Inc., 2008 U.S. Dist. LEXIS 28662 (C.D. Cal. Apr. 1, 2008).

Although this “defense” continues to have vitality in the Ninth Circuit, its proper application has not always been clear. For example, in Brother Records, the court stated that “the nominative fair use defense shifts to the defendant the burden of proving no likelihood of confusion.” 318 F.3d at 908. Following the Supreme Court’s decision in KP Permanent Make-Up Inc. v. Lasting Impression I Inc., 543 U.S. 111, 118 (2004), which affirmed that the Lanham Act always places the “burden of proving likelihood of confusion ... on the party charging infringement,” the Ninth Circuit concluded that its statement in Brother Records had been “effectively overruled.” Accordingly, it reformed its approach, holding that a defendant “need only show that it used the mark to refer to the [plaintiff’s] trademarked good,” at which point the burden shifts to the plaintiff to show that the use is not a nominative fair use. Toyota Motor Sales U.S.A. Inc. v. Tabari, 610 F.3d 1171, 1183 (9th Cir. 2009). In other words, under current jurisprudence, the burden shifts to the plaintiff to disprove the defendant’s defense.

Perhaps because of this tortured history, the “nominative fair use” defense has not gained much traction in other courts. Most that have considered it have declined to adopt it, at least expressly, finding statutory or other traditional analyses sufficient. See, e.g., Rosetta Stone Ltd. v. Google Inc., 676 F.3d 144, 155 (4th Cir. 2012) (“We hasten to add that we are not adopting a position about the viability of the nominative fair-use doctrine as a defense to trademark infringement or whether this doctrine should formally alter our likelihood-of-confusion test in some way.”); Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93, 102 (2d Cir. 2010) (observing that “[w]e have referred to the doctrine, albeit without adopting or rejecting it,” but that “[w]e need not address the viability of the doctrine to resolve Tiffany’s claim”). And even the Ninth Circuit has periodically acknowledged that “whether classic fair use analysis or nominative fair use analysis applies ... is not [always] clear.” Brother Records, 318 F.3d at 905.

Both the Ninth Circuit’s struggles with the defense and the reluctance of other courts to adopt raise an obvious question: Is a “nominative fair use” defense even necessary? We can examine that question by looking at some of the cases in which it has been applied. In Playboy Enterprises, for example, the defendant created a website for herself, and included the phrase “Playboy Playmate of the Year 1981,” accurately describing one of her past laurels. 279 F.3d at 800. Playboy objected, and the Ninth Circuit concluded that the defendant satisfied the “nominative fair use” test. But it seems clear that she would also readily meet the statutory fair use test.

The first element — “use otherwise than as a mark” — is satisfied, if a reasonable construction of that statutory phrase is adopted. The Ninth Circuit has suggested that this language applies only to “descriptive marks used in their primary descriptive sense,” Brother Records, 318 F.3d at 906 (e.g., “boys who frequent a stretch of sand beside the sea,” but not “The Beach Boys”), but there is no reason for such a narrow construction of the statutory language. Better understood,

the phrase “use otherwise than as a mark” should focus on whether the defendant is using the term or phrase as though it is the defendant’s trademark, like a brand name, rather than a merely descriptive term or a reference to the trademark of someone else.

In *Playboy Enterprises*, the defendant was not using the term “Playboy Playmate” as though it were her own mark — and it was therefore “use otherwise than as a mark.” The other elements of the statutory fair use test are likewise easily satisfied — the Ninth Circuit acknowledged that the use “helped describe who she is” and implicitly found that her use was “fair[] and in good faith,” as any other framing of her past laurel would have been “impractical as well as ineffectual.” *Id.* at 803.

Similarly, uses that failed the “nominative fair use” test could equally be considered under the statutory fair use defense, and would likely face the same fate. For example, in *Toho Co. v. William Morrow*, a book titled “Godzilla!” failed under the second prong nominative fair use test because the book’s title was “written in the distinctive lettering style used by [plaintiff] and its licensees in their merchandising activities,” and use of this “bold orange lettering prominently displayed” exceeded the use that was “reasonably necessary to identify the product.” 33 F. Supp. 2d at 1209, 1211. Applying the statutory fair use analysis, the same court might reasonably have concluded that use of the plaintiffs’ distinctive lettering style failed the “fairly and in good faith” requirement.

Admittedly, there are “nominative fair use” cases that fit less comfortably into the statutory analysis, but in those cases, too, other defenses were equally available to support the outcome. For example, in the two well-known cases involving Barbie — *Mattel Inc. v. Walking Mt. Prods.* and *Mattel Inc. v. MCA Records Inc.* — the defendants were using the image and/or name of Barbie “to comment on the objectification of women and society’s false notion of beauty, both embodied by the well-known Barbie Doll.” *Walking Mt.*, 353 F.3d at 796; see also *MCA Records*, 28 F. Supp. 2d at 1142-43 (noting defendants’ intent to “parody or comment on the Barbie doll”). It seems that either a traditional “likelihood of confusion” analysis or First Amendment considerations should provide an ample defense to the challenged conduct. There is simply no reason to believe that Mattel sponsored or approved of images of Barbie in a blender (as in *Walking Mountain*) or a song parodying the Barbie doll (as in *MCA Records*) — and thus no likelihood of confusion — and solid constitutional reasons to encourage (or at least allow) such uses of Mattel’s intellectual property.

This is likewise true in other cases involving comment or criticism of the plaintiff or its activities, such as *Aviva United States Corp. v. Vazirani* (criticism of plaintiff and its business practices) and *1800 Get Thin LLC v. Hiltzik* (newspaper expose of plaintiff’s medical practice). And while courts are admonished to avoid constitutional questions where other grounds for resolving a dispute are available, there is clearly a virtue for robust First Amendment jurisprudence, particularly when the alternative is judge-made law divorced from any statutory language or authority.

In sum, the “nominative fair use” test is of dubious value, at best. It was unnecessary when formulated — the *New Kids on the Block* polls could have been insulated under either (or both) the statutory fair use test or First Amendment protection — has frequently sown confusion within the circuit in which it was adopted, and has received few adherents outside that circuit.

Courts would be better served to focus on well-established statutory and constitutional grounds for evaluating claimed trademark infringement. The venerable “likelihood of confusion” test, the statutory fair use defense, and robust application of First Amendment principles are more than

sufficient to strike the balance between infringement and noninfringement, thereby protecting the investment and interests of trademark owners while simultaneously ensuring dynamic communication in the marketplace.

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