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Nominative Fair Use: Jardine and the Demise of a Doctrine

Chad J. Doellinger*

¶1 From *New Kids on the Block v. News America Publishing*¹ in 1992, to *Brothers Records, Inc. v. Jardine*² in 2003, the Ninth Circuit remains enamored of nominative fair use. Unfortunately, this judge-made doctrine has never been tethered to the fundamental principles of trademark law. Thus, as the Ninth Circuit applied this doctrine, it left a series of decisions plagued with muddled reasoning and inconsistent results in its wake. The Ninth Circuit finally seemed to realize the doctrine's fundamental tension with the Lanham Act in its latest application earlier this year in *Brothers Records, Inc.*³ When the court attempted to salvage the doctrine by anchoring it to a likelihood of confusion analysis, the doctrine's demise was unwittingly made complete. Following *Jardine*, the nominative fair use doctrine collapses. It is time for the Ninth Circuit to acknowledge the failure of its foray into creative doctrine-making and get back to the business of applying the law to decide trademark cases.

¶2 Judge Kozinski first articulated the nominative fair use doctrine in *New Kids on the Block*.⁴ In that case, two newspapers were running telephone polls asking readers to vote for their favorite "New Kid." The New Kids on the Block sued the newspapers for trademark infringement. The Ninth Circuit found the papers' use permissible, but only after creating the then-novel nominative fair use doctrine that applied where the defendant was using the plaintiff's trademark to refer to the *plaintiff's* product. In these limited situations, the court noted that the traditional likelihood of confusion analysis gives way to a special three-pronged test.⁵ This nominative fair use defense insulates a commercial defendant if three requirements are met:

- (1) the product or service in question must be one not readily identifiable without use of the trademark;
- (2) only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and
- (3) the defendant must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.⁶

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¹ 971 F.2d 302 (9th Cir. 1992).

² 318 F.3d 900 (9th Cir. 2003).

³ *Id.*

⁴ *Supra* note 1.

⁵ *See id.* at 308.

⁶ *See id.*

¶3 This seemingly benign test was a radical departure from trademark law, because the nominative fair use defense displaces the likelihood of confusion analysis.⁷ The departure from the likelihood of confusion analysis is aggravated by the court’s strict reading of its own third factor, namely that that “defendant must *do nothing*” (emphasis added) to suggest sponsorship or affiliation. This action-based language immediately drove a wedge between the doctrine and consumer perception. Combine this with Judge Kozinski’s statement that the test “lies outside the strictures of trademark law,”⁸ and it is no surprise that courts tend to pay little or no attention to consumer perception once a case comes within the purview of the nominative fair use doctrine. For example, in *Cairns*, the court focused almost exclusively on what the defendant did and did not do. It made no reference to *consumer perception*. Similarly, the courts in *Downing v. Abercrombie & Fitch*⁹ and *Playboy Enterprises, Inc. v. Welles*¹⁰ all but ignored the possibility of consumer confusion.

¶4 The subtle shift from consumer perception to the defendant’s conduct is a fundamental break with trademark law. The Lanham Act creates liability only for “use . . . [that] is likely to cause confusion, or to cause mistake, or to deceive.”¹¹ As Professor McCarthy explains, “[u]nder the Lanham Act, the only test of infringement is ‘likelihood of confusion,’ which is a factual issue focusing upon the probable reaction of buyers, not the subjective state of mind of the defendant seller.”¹² Thus, the nominative fair use test disregards the very real possibility that the defendant’s use, with nothing more, might create a likelihood of confusion.

¶5 The Ninth Circuit attempted to justify its abandonment of the likelihood of confusion analysis by arguing that the “application of the *Sleekcraft*¹³ 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.”¹⁴ In other words, the Ninth Circuit created a new doctrine because it didn’t like the results if it applied the law. This is judicial activism run amuck. In addition, the Ninth Circuit’s stated reason for abandoning the *Sleekcraft* test, namely that it would require a finding of infringement, is flat out wrong. Contrary to the court’s contention, similarity of the marks is not dispositive. 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

⁷ See *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002). This is in stark contrast to statutory fair use, see 15 U.S.C. § 1115(b), which only complements the likelihood of confusion analysis. See *Cairns*, 292 F.3d at 1150.

⁸ *New Kids*, 971 F.2d at 308.

⁹ 265 F.3d 994, 1009 (9th Cir. 2001) (holding that “[t]here is a genuine issue of material fact as to whether the third criterion is met, whether [defendant] *did nothing* that would in conjunction with the Appellants’ names and pictures suggest sponsorship or endorsement by Appellants”) (emphasis added).

¹⁰ 279 F.3d 796, 803 (9th Cir. 2002) (holding that “in addition to *doing nothing* in conjunction with her use of the marks to suggest sponsorship or endorsement by [plaintiff], [defendant] *affirmatively disavows* any sponsorship or endorsement”) (emphasis added).

¹¹ 15 U.S.C. § 1114(1)(a).

¹² 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23, 107 (4th ed. 2003).

¹³ *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

¹⁴ *Welles*, 279 F.3d at 801.

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.¹⁵

¶6 In stark contrast to the justification mentioned in *Welles*, “[t]he *Sleekcraft* factors are [] a ‘guide’ to decision-making, intended to channel the analytical process but not to dictate any result.”¹⁶ Thus, a finding of a likelihood of confusion under *Sleekcraft* is not a reason to eliminate the test but rather simply proof that the defendant’s conduct is indeed infringing.

¶7 Recently, in *Jardine*, the Ninth Circuit implicitly acknowledged the rift the doctrine created with trademark law and thereby attempted to preserve the doctrine by finally tying it to the Lanham Act. To do so, the third factor was refocused on consumer perception. Citing Professor McCarthy, the *Jardine* court noted that “the third requirement of the nominative fair use defense—the lack of anything that suggests sponsorship or endorsement—is merely the other side of the likelihood-of-confusion coin.”¹⁷

¶8 While this re-conceptualization is consistent with the Lanham Act, neither the Ninth Circuit, nor for that matter, Professor McCarthy realized the inevitable result, namely the demise of the doctrine. This is caused, in large part, by the Ninth Circuit’s adherence to nominative fair use as an affirmative defense. As with any affirmative defense, the burden shifts to the defendant: “whereas plaintiff carries the burden of persuasion in a trademark infringement claim to show a likelihood of confusion, the nominative fair use defense shifts to the defendant the burden of proving no likelihood of confusion.”¹⁸ Thus, to prevail under the nominative fair use defense, a defendant must prove the absence of a likelihood of confusion. Notwithstanding the inherent difficulties in proving a negative, the burden shifting makes it more difficult for a defendant to prevail under *Jardine* than under *Sleekcraft*. Since the threshold issue, namely likelihood of confusion, is now the same in both tests, nominative fair use serves no function not already encompassed under *Sleekcraft*. Ironically, the only difference is that nominative fair use, created in *New Kids* to help the defendant, carries with it a more onerous burden of proof than *Sleekcraft*. In other words, a defendant will have an easier time defending under the *Sleekcraft* test than he would under the *Jardine* version of nominative fair use.¹⁹ Thus, in its efforts to salvage the doctrine by bringing it into line with trademark law, the Ninth Circuit unwittingly eliminated the nominative fair use doctrine by making the test superfluous.

¶9 Notwithstanding the Ninth Circuit’s problematic application of the doctrine it created, the idea of nominative fair use could still have a place in trademark law. It

¹⁵ *Id.*

¹⁶ *Id.* at 1141.

¹⁷ *Jardine*, 318 F.3d at 908 n.5 (9th Cir. 2003).

¹⁸ *Id.*

¹⁹ If the defendant fails to carry its burden under the nominative fair use test, the plaintiff does not prevail; rather, the plaintiff is then forced to carry its burden under *Sleekcraft*. Thus, under *Jardine*, the nominative fair use defense has become the superfluous first step in an artificial two-step analysis.

should not be a formal doctrine but rather merely a descriptive reminder. A nominative use involves a situation where a defendant is using a plaintiff's mark to refer to the plaintiff. Some nominative uses may be confusing, while others may not. Thus, nominative fair use should be nothing more than a term used to describe a peculiar fact pattern that, given the specific facts of the case, does not lead to a likelihood of confusion.²⁰ Nevertheless, given the decade-long infatuation with a formalistic doctrine, courts would do well to eliminate temporarily the nominative fair use phrase from their vocabularies lest they fall into Judge Kozinski's trap, doing more harm than good.

²⁰ As Professor McCarthy correctly notes, "nominative fair use" is "a term to denote one situation in which a mark is used in a manner that does not cause confusion and is therefore non-infringing." 3 MCCARTHY, *supra* note 12, § 23, at 11. Professor McCarthy makes the same argument with respect to statutory fair use: "[F]air use' should be viewed as merely one type of use not likely to cause confusion and hence is a 'defense' only in that sense." 2 MCCARTHY, *supra* note 12, § 11, at 47.