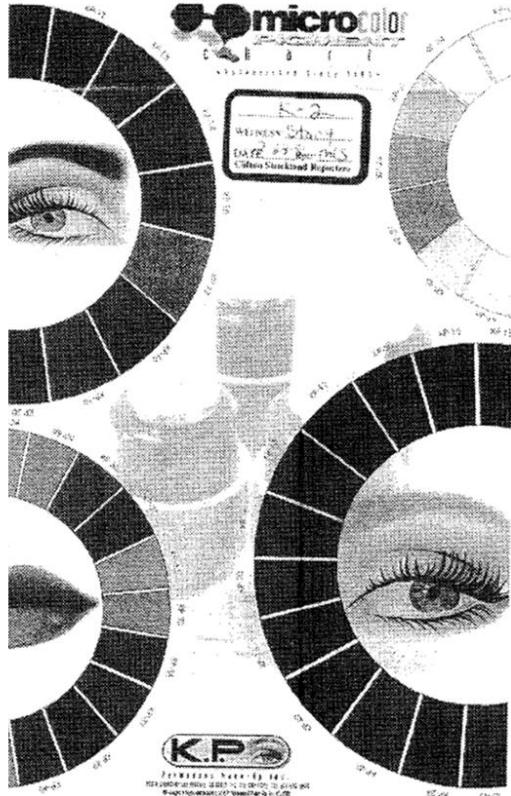




Lasting's senior use



KP's junior use

## **KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.** **543 U.S. 111 (2004)**

SOUTER, J., delivered the opinion of the Court, in which REHNQUIST, C.J., and STEVENS, O'CONNOR, KENNEDY, THOMAS, and GINSBURG, JJ., joined, in which SCALIA, J., joined as to all but footnotes 4 and 5, and in which BREYER, J., joined as to all but footnote 6.

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On appeal, 328 F.3d 1061 (2003), the Court of Appeals for the Ninth Circuit thought it was error for the District Court to have addressed the fair use defense

without delving into the matter of possible confusion on the part of consumers about the origin of KP's goods. The reviewing court took the view that no use could be recognized as fair where any consumer confusion was probable, and although the court did not pointedly address the burden of proof, it appears to have placed it on KP to show absence of consumer confusion. *Id.*, at 1072 ("Therefore, KP can only benefit from the fair use defense if there is no likelihood of confusion between KP's use of the term 'micro color' and Lasting's mark"). Since it found there were disputed material facts relevant under the Circuit's eight-factor test for assessing the likelihood of confusion, it reversed the summary judgment and remanded the case.

We granted KP's petition for certiorari, 540 U.S. 1099 (2004), to address a disagreement among the Courts of Appeals on the significance of likely confusion for a fair use defense to a trademark infringement claim, and the obligation of a party defending on that ground to show that its use is unlikely to cause consumer confusion. Compare 328 F.3d, at 1072 (likelihood of confusion bars the fair use defense); *PACCAR Inc. v. TeleScan Technologies, L.L.C.*, 319 F.3d 243, 256 (C.A.6 2003) ("[A] finding of a likelihood of confusion forecloses a fair use defense"); and *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (C.A.5 1983) (alleged infringers were free to use words contained in a trademark "in their ordinary, descriptive sense, so long as such use [did] not tend to confuse customers as to the source of the goods"), with *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 30–31 (C.A.2 1997) (the fair use defense may succeed even if there is likelihood of confusion); *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234, 243 (C.A.4 1997) ("[A] determination of likely confusion [does not] preclud[e] considering the fairness of use"); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (C.A.7 1995) (finding that likelihood of confusion did not preclude the fair use defense). We now vacate the judgment of the Court of Appeals.

## II

### A.

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Two points are evident {from this review of the relevant statutory sections}. Section 1115(b) places a burden of proving likelihood of confusion (that is, infringement) on the party charging infringement even when relying on an incontestable registration. And Congress said nothing about likelihood of confusion in setting out the elements of the fair use defense in § 1115(b)(4).

Starting from these textual fixed points, it takes a long stretch to claim that a defense of fair use entails any burden to negate confusion. It is just not plausible that Congress would have used the descriptive phrase "likely to cause confusion, or to cause mistake, or to deceive" in § 1114 to describe the requirement that a

markholder show likelihood of consumer confusion, but would have relied on the phrase “used fairly” in § 1115(b)(4) in a fit of terse drafting meant to place a defendant under a burden to negate confusion. “[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) (quoting *United States v. Wong Kim Bo*, 472 F.2d 720, 722 (C.A.5 1972); alteration in original).<sup>4</sup>

Nor do we find much force in Lasting’s suggestion that “used fairly” in § 1115(b)(4) is an oblique incorporation of a likelihood-of-confusion test developed in the common law of unfair competition. Lasting is certainly correct that some unfair competition cases would stress that use of a term by another in conducting its trade went too far in sowing confusion, and would either enjoin the use or order the defendant to include a disclaimer. See, e.g., *Baglin v. Cusenier Co.*, 221 U.S. 580, 602 (1911) (“[W]e are unable to escape the conclusion that such use, in the manner shown, was to serve the purpose of simulation . . .”); *Herring–Hall–Marvin Safe Co. v. Hall’s Safe Co.*, 208 U.S. 554, 559 (1908) (“[T]he rights of the two parties have been reconciled by allowing the use, provided that an explanation is attached”). But the common law of unfair competition also tolerated some degree of confusion from a descriptive use of words contained in another person’s trademark. See, e.g., *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 528 (1924) (as to plaintiff’s trademark claim, “[t]he use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or ownership of the product”); *Canal Co. v. Clark*, 13 Wall. 311, 327, 20 L.Ed. 581 (1872) (“Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth”); see also 3 L. Altman, Callmann on Unfair Competition, Trademarks and Monopolies § 18:2, pp. 18–8 to 18–9, n. 1 (4th ed. 2004) (citing cases). While these cases are consistent with taking account of the likelihood of consumer confusion as one consideration in deciding whether a use is fair, see Part II–B, *infra*, they do not stand for the proposition that an assessment of confusion alone may be dispositive. Certainly one cannot get out of them any defense burden to negate it entirely.

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<sup>4</sup> Not only that, but the failure to say anything about a defendant’s burden on this point was almost certainly not an oversight, not after the House Subcommittee on Trademarks declined to forward a proposal to provide expressly as an element of the defense that a descriptive use be “[un]likely to deceive the public.” Hearings on H.R. 102 et al. before the Subcommittee on Trade–Marks of the House Committee on Patents, 77th Cong., 1st Sess., 167–168 (1941) (hereinafter Hearings) (testimony of Prof. Milton Handler).

Finally, a look at the typical course of litigation in an infringement action points up the incoherence of placing a burden to show nonconfusion on a defendant. If a plaintiff succeeds in making out a *prima facie* case of trademark infringement, including the element of likelihood of consumer confusion, the defendant may offer rebutting evidence to undercut the force of the plaintiff's evidence on this (or any) element, or raise an affirmative defense to bar relief even if the *prima facie* case is sound, or do both. But 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. A defendant has no need of a court's true belief when agnosticism will do. Put another way, it is only when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need of an affirmative defense, but under Lasting's theory the defense would be foreclosed in such a case. “[I]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant.” *Shakespeare Co. v. Silstar Corp.*, 110 F.3d, at 243. Nor would it make sense to provide an affirmative defense of no confusion plus good faith, when merely rebutting the plaintiff's case on confusion would entitle the defendant to judgment, good faith or not.

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## B

Since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, it follows (contrary to the Court of Appeals's view) that some possibility of consumer confusion must be compatible with fair use, and so it is. The common law's tolerance of a certain degree of confusion on the part of consumers followed from the very fact that in cases like this one an originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first. *Canal Co. v. Clark*, 13 Wall., at 323–324, 327. The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words. “If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase.” *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d, at 30. See also *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 201 (1985) (noting safeguards in Lanham Act to prevent commercial monopolization of language); *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 269 (C.A.2 1995) (noting importance of “protect[ing] the right of society at large to use words or images in

their primary descriptive sense").<sup>5</sup> This right to describe is the reason that descriptive terms qualify for registration as trademarks only after taking on secondary meaning as "distinctive of the applicant's goods," 15 U.S.C. § 1052(f), with the registrant getting an exclusive right not in the original, descriptive sense, but only in the secondary one associated with the markholder's goods, 2 McCarthy, *supra*, § 11:45, p. 11–90 ("The only aspect of the mark which is given legal protection is that penumbra or fringe of secondary meaning which surrounds the old descriptive word").

While we thus recognize that mere risk of confusion will not rule out fair use, we think it would be improvident to go further in this case, for deciding anything more would take us beyond the Ninth Circuit's consideration of the subject. It suffices to realize that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair. Two Courts of Appeals have found it relevant to consider such scope, and commentators and *amici* here have urged us to say that the degree of likely consumer confusion bears not only on the fairness of using a term, but even on the further question whether an originally descriptive term has become so identified as a mark that a defendant's use of it cannot realistically be called descriptive. See *Shakespeare Co. v. Silstar Corp.*, 110 F.3d, at 243 ("[T]o the degree that confusion is likely, a use is less likely to be found fair . . ." (emphasis deleted)); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d, at 1059; Restatement § 28; Brief for American Intellectual Property Law Association as *Amicus Curiae* 13–18; Brief for Private Label Manufacturers Association as *Amicus Curiae* 16–17; Brief for Society of Permanent Cosmetic Professionals et al. as *Amici Curiae* 8–11.

Since we do not rule out the pertinence of the degree of consumer confusion under the fair use defense, we likewise do not pass upon the position of the United States, as *amicus*, that the "used fairly" requirement in § 1115(b)(4) demands only that the descriptive term describe the goods accurately. Tr. of Oral Arg. 17. Accuracy of course has to be a consideration in assessing fair use, but the proceedings in this case so far raise no occasion to evaluate some other concerns that courts might pick as relevant, quite apart from attention to confusion. The Restatement raises possibilities like commercial justification and the strength of the plaintiff's mark. Restatement § 28. As to them, it is enough to say here that the door is not closed.

### III

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<sup>5</sup> See also Hearings 72 (testimony of Wallace Martin, Chairman, American Bar Association Committee on Trade–Mark Legislation) ("Everybody has got a right to the use of the English language and has got a right to assume that nobody is going to take that English language away from him").

In sum, a plaintiff claiming infringement of an incontestable mark must show likelihood of consumer confusion as part of the *prima facie* case, 15 U.S.C. § 1115(b), while the defendant has no independent burden to negate the likelihood of any confusion in raising the affirmative defense that a term is used descriptively, not as a mark, fairly, and in good faith, § 1115(b)(4).

Because we read the Court of Appeals as requiring KP to shoulder a burden on the issue of confusion, we vacate the judgment and remand the case for further proceedings consistent with this opinion.<sup>6</sup>

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<sup>6</sup> The record indicates that on remand the courts should direct their attention in particular to certain factual issues bearing on the fair use defense, properly applied. The District Court said that Lasting's motion for summary adjudication conceded that KP used "microcolor" descriptively and not as a mark. Case No. SA CV 00-276-GLT (EEx), at 8, App. to Pet. for Cert. 29a. We think it is arguable that Lasting made those concessions only as to KP's use of "microcolor" on bottles and flyers in the early 1990's, not as to the stylized version of "microcolor" that appeared in KP's 1999 brochure. See Opposition to Motion for Summary Judgment/Adjudication in Case No. SA CV 00-276-GLT (EEx) (CD Cal.), pp. 18-19; Appellants' Opening Brief in No. 01-56055(CA9), pp. 31-32. We also note that the fair use analysis of KP's employment of the stylized version of "microcolor" on its brochure may differ from that of its use of the term on the bottles and flyers.